



Annual Report



WESTERNPORT
WATER

2024

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Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present Westernport Water's Annual Report for the year ending 30 June 2024.



Joanne Pearson
Acting Chair
Westernport Water

2 October 2024



Acknowledgement of Country

Westernport Water acknowledges Aboriginal and Torres Strait Islander Peoples as First Nations People and that the land, sea and water are of spiritual, cultural and economic importance. We recognise that we provide services on the traditional lands of the Bunurong Peoples of the Kulin Nation. The Bunurong Peoples have managed the resources on Millwoll for thousands of years. We acknowledge them and their continued connection to this place, as we go about managing the water resources today.

Aboriginal and Torres Strait Islander people should be aware that this document may hold images or names of people who have since passed away.

Aboriginal art by Graham Gilbert, a Wiradjuri man who lives on Millwoll.

Graham's painting features Bunjil, the spirit creator as the central figure, surrounded by a collection of freshwater animals found on the Bass Coast and if you look closely, you will see that it references the hunter and gatherer lifestyle lived by his ancestors.

1. Year in review

Managing Director's report

Over the last 12 months, Westernport Water has focussed on embedding our long-term strategies to serve our community, protect and restore the environment, maintain a safe, inclusive and engaged workplace, and support the long-term financial sustainability of the organisation. We are proud to present Westernport Water's Report of Operations for 2023-24.

Financials

We are finding innovative ways to reduce costs while ensuring that the expectations of our regulators, staff and customers are met. We have launched the WorkSmart initiative to encourage our people to identify opportunities to further reduce waste and find more efficient and effective ways to work, which will in turn increase employee satisfaction.

Our financial position is healthy and strong, with a modest net profit after tax surplus of \$1M recorded with only a small amount of debt compared to our overall resources. We're keeping our debt levels low, preparing for future years when we'll need funding for more capital projects to support growth in our region. By maintaining our strong financial position we will be able to continue to minimise our borrowings and save on borrowing costs.

Planning for the future

We are deeply dedicated to serving and supporting our customers for generations to come. We implemented year one of our Climate Change Strategy with a focus on adaptation and emissions reduction. We continued to embed our Urban Water Strategy and Recycled Water Strategy, started work on a new long-term Biosolids Strategy (which will be completed in 2025), progressed our Treatment Plant Energy Efficiency Project, and progressed the Cowes Wastewater Treatment Plant Master Plan.

Our investment in sustainability has yielded excellent results. We exceeded our recycled water consumption targets and delivered significant reductions in greenhouse gas emissions.

Critical maintenance work on the water and sewage infrastructure connected to the underside of the San Remo / Phillip Island bridge began in 2023-24 with a strong focus on engagement with the broader community to minimise impacts. This project is planned to be completed weather permitting in December 2024.



Members of the Network Operations and Maintenance Team with Contractor Supervisor, Zach Clark, (Freyssinet Australia Pty. Ltd.) pictured far left, being inducted to the San Remo Bridge Pipeline Bracket Renewal Project.

Resilient and reliable technology

The resilience, reliability, and security of our technology platforms remains critical to us as an essential service provider. This year, we completed the three-year Technology Roadmap, delivering improvements to ICT infrastructure and cyber security. We completed the implementation of our Security Operations Centre, which provides us with an enhanced ability to detect and respond to cyber security related events. In the year ahead, we will develop a new ICT Strategy and start implementing new asset and work order management technologies.

Consistently great tasting water

Ongoing and consistent investment in water quality improvement over recent years has continued with a focus on our distribution system. We have started work on the Distribution System Master Plan to forecast future growth and enhance water quality within our network. Customer satisfaction overall with drinking water remained above our target of 67 percent, with 72 percent of customers reporting satisfaction with drinking water. Water quality complaints were also well below target.



Staff perform confined space entry inspections.

Safe, engaged, inclusive work environment

Providing our people with a great place to work where we are all safe, well, engaged, included, and able to thrive, is paramount. We have delivered year three of our Diversity and Inclusion Strategy, continued to implement our Gender Equality Action Plan and supported staff that have started to transition towards retirement.

The safety and wellbeing of our staff was a key focus and 99 percent of staff reported that they are provided with a safe work environment. We remain an inclusive and diverse workforce with pay parity achieved between genders. In the year ahead we will develop the organisation's first People Strategy, which will ensure that Westernport Water remains an employer of choice within our region.

Working with our community

We understand that our customers continue to experience cost of living pressures. In 2023-24, in addition to payment flexibility, Westernport Water facilitated a record number of utility relief grants for our customers totalling \$105,018. Overall, our customers accessed \$960,110 of financial assistance through concession rebates, utility relief grants, high usage allowances, and hardship grants through our community care program.

We are dedicated to fostering active community participation and engagement. In 2023-24 we welcomed back educational tours and excursion to our sites. We participated in four careers events, were involved with 53 community stakeholder engagements, 38 sponsored events and 40 educational engagements.

A regional approach to Reconciliation

As a long-term supporter of reconciliation in the Bass Coast, Westernport Water continues to work with its partners to advocate for a future of recognition and opportunity for Traditional Owners and the broader Aboriginal and Torres Strait Islander Community.

We started our third Reconciliation Action Plan, building on over seven years of focussed engagement with Traditional Owners and Aboriginal and Torres Strait Islander peoples. Our work as part of the Bass Coast Reconciliation Network also acknowledged 11 dates of significance and facilitated four major community events.

At Westernport Water we value, protect, and strive to restore our natural environment, with a financially sustainable business, sound governance, and prudent investments. We will continue to work towards a better future for our people, our customers, and the community.

Dona Tantirimudalige

Managing Director, Westernport Water

20 September 2024

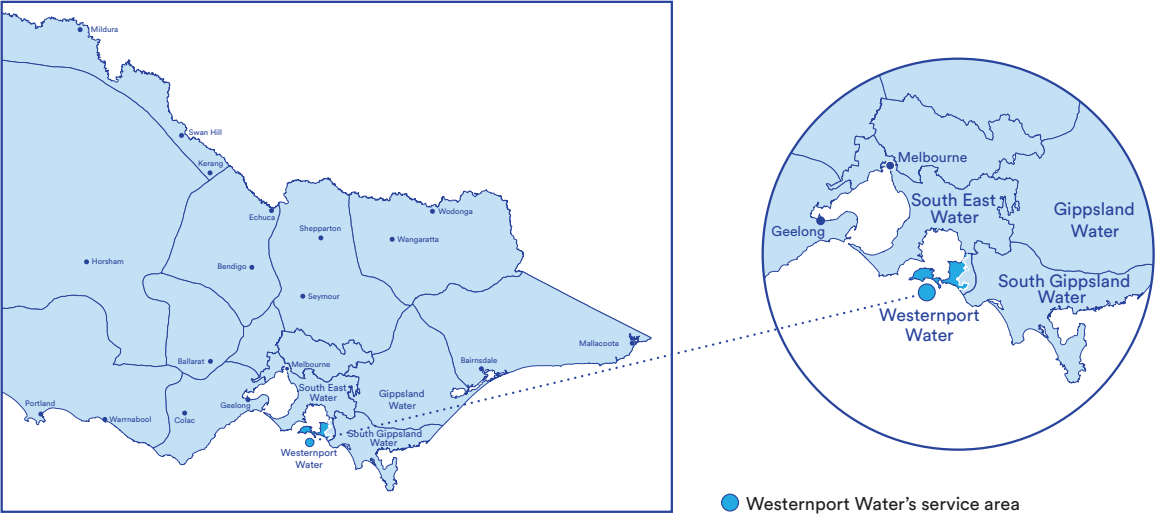
OUR PURPOSE: Westernport Water will service a healthy community through clever collaboration and protect the environment for future generations because we care.

VALUES: Throughout the year, Westernport Water maintained its commitment to nurturing a collaborative and positive workplace culture. Our core values of Care, Courage and Commitment are important to everyone at Westernport Water. These values are the foundation of our workplace, essential to our success and serve as the lens through which we assess, evaluate, and guide our decisions.



Westernport Water Area Map

Victoria Urban Water Corporations



Assets key

- Water
- Wastewater
- Corporate
- Recycled water



Purpose and functions

Westernport Region Water Corporation (the Corporation), trading as Westernport Water, is a regional water business whose core functions are to provide drinking water, recycled water and wastewater services to properties and communities throughout its district, in accordance with the standards listed in the Westernport Water Customer Charter 2023-28, or by agreement.

Westernport Water is one of 18 water corporations operating and reporting to the State Government of Victoria. We are responsible for servicing 23,508 customers from 27 townships across an area covering 300 square kilometres, including Millowl (Phillip Island) and mainland communities from The Gurdies in the north to Archies Creek in the southeast.

The region has one of the highest ratios of visitors to residents of any destination in Australia. During peak periods, there can be approximately 120 visitors to every permanent resident. According to the 2021 ABS data permanent residential occupancy rates are higher for waterline communities with 70 percent to 89 percent, compared to Phillip Island which can be as low as 44 percent in Cowes and up to 57 percent in townships like Rhyll, Cape Woolamai and San Remo.

Westernport Water sources water from Tennent Creek, the Corporation's main water supply source, with other entitlements to the Bass River, the Melbourne Supply System and groundwater from Corinella Aquifer. Treated drinking water is produced at Ian Bartlett Water Purification Plant (IBWPP) at Candowie Reservoir in Almurta, then pumped to four enclosed treated water storages for distribution to customers.

Westernport Water operates two wastewater treatment plants: the Cowes Wastewater Treatment Plant (CWWTP) and the King Road Wastewater Treatment Plant (KRWTP). Effluent collected from the townships of Kilcunda and Dalyston is treated under an agreement with South Gippsland Water at its Wonthaggi Wastewater Treatment Plant. There are ninety-nine pump stations across the wastewater network that are used to service approximately 90 percent of properties that receive drinking water.

Manner of establishment

Westernport Region Water Corporation was constituted under a Ministerial Order in section 98(2)(a) of the *Water Act 1989* (as amended) on 22 December 1994 by the then Victorian Minister for Natural Resources and published in the Victorian Government Gazette No. S102.

From 1 July 2007, the *Water Industry (Governance) Act 2006* took effect to amend the *Water Act 1989*. Consequently, the Authority's name was changed to Westernport Region Water Corporation (referred to in this report as Westernport Water or the Corporation) under section 85(1) of the *Water Act 1989* (as amended). In accordance with section 95(1), members are appointed to the Board of Westernport Water by the responsible Minister.

Responsible Ministers

Westernport Water is established under the *Water Act 1989*. The responsible Minister for the period from 1 July 2023 to 30 June 2024 was the Hon Harriet Shing MP, Minister for Water.

The activities of our Corporation are governed by the *Water Act 1989* and the Statement of Obligations (SoO) issued by the Victorian Minister for Water under Section 41(2) of the *Water Industry Act 1994*. The purpose of the SoO is to clarify the obligations of Westernport Water in relation to the performance of its functions, the provision of its services and the exercising of its powers.

A board of directors is responsible for the strategic planning of Westernport Water and the management of its affairs under the *Water Act 1989*. Such planning considers the obligations set out in the SoO and Letter of Expectations (LoE). These responsibilities are executed through corporate and business plans.

The LoE was issued by the Hon Harriet Shing MP, the former Victorian Minister for Water on 09 March 2023 in accordance with section 247 of the *Water Act 1989*. The LoE outlines the Victorian Government's priority policy areas for the water sector and water corporations. Westernport Water must report on its progress towards meeting its obligations set out in its Corporate Plan and the following identified priority policy areas:

1. Climate Change and Energy
2. Customer, Community, Engagement
3. Recognising Aboriginal Values
4. Recognise Recreational Values
5. Resilient and Liveable Cities and Towns
6. Leadership, Diversity and Culture
7. Performance and Financial Management.

The Corporation is governed by other Acts including the *Safe Drinking Water Act 2003*, *Catchment and Land Protection Act 1994*, *Public Administration Act 2004*, the *Food Act 1984*, *Climate Change Act 2017*, and the *Environment Protection Act 2017*.

The Environment Protection Authority Victoria (EPA Victoria) and the Victorian Department of Health (DoH) oversee our recycled water quality and drinking water quality respectively.

The Essential Services Commission (ESC) is our economic regulator. Every five years we must submit a price submission that sets out the service standards we propose to deliver to customers, and the maximum prices customers will pay. The prices approved reflect an assessment of the efficient costs that Westernport Water need to recover to provide valued services to customers.

This report of operations presents the progress made by Westernport Water towards achieving its objectives and commitments to customers and includes full year performance of the outputs for which Westernport Water was responsible at the end of the financial year 30 June 2024.

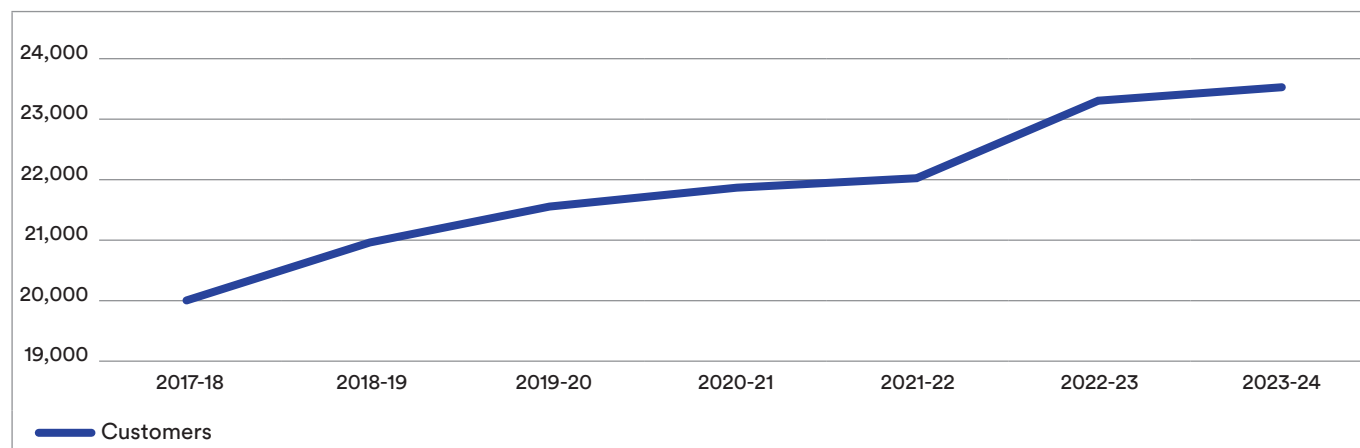
Westernport Water provides the following value-add services:

- delivery of Class-A recycled water for residential, recreational, commercial and agricultural purposes in specific areas of Phillip Island
- removal of commercial trade waste
- a liquid waste disposal facility
- specialist advice on infrastructure and facility design for new developments.

Table 1.1: Water sources available to Westernport Water

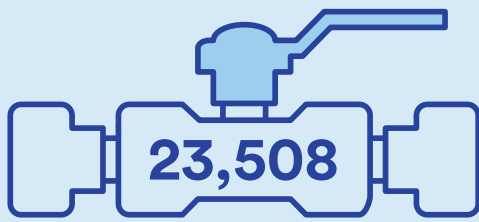
Source	Volume available (ML)	Water taken ML	Type
Tennent Creek	2,911	2,368	Surface water
Melbourne Supply System	1,000	117	Melbourne Supply System
Bass River	3,000	0	Surface water
Corinella Aquifer	490	0	Groundwater
Total	7,401	2,485	

Figure 1.2: Number of people serviced by Westernport Water (total customers)



Note

1. Customer growth is slower than the previous year, only increasing by 177 customers during 2023-24.



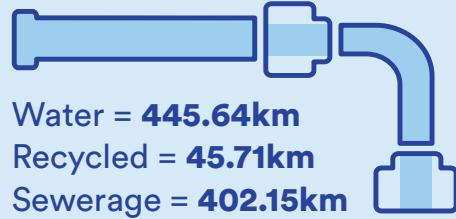
connected customers

Water customers = **18,658**

Sewer customers = **17,224**

Recycled water = **1,120**

Length of pipes



Water = **445.64km**

Recycled = **45.71km**

Sewerage = **402.15km**



1,682

domestic renters

357

non-domestic renters



Annual customer
demand **2,425ML**

Average annual
household drinking
water consumption

92KL



**Average annual
residential bill**



Owner occupier

\$1,223

Tenant/renter

\$181

2. Key initiatives and projects

Since 1 July 2023, Westernport Water has developed and commenced programs and initiatives in line with our 2023-28 Corporate Plan, to deliver efficient and effective water and wastewater products and services. These programs also contribute towards meeting the Minister's letter of expectations and statement of obligations.

We meet the expectations of our customers

Westernport Water is committed to providing products and services that meet customer expectations. We do so by understanding and learning from our customers, valuing our customers through a positive customer-first culture, striving to continually improve the quality of our water and wastewater services, and serving our customers with accessible, transparent, and consistent information. We will continue to provide and promote flexible payment options for customers experiencing hardship, whilst continuing to seek opportunities to deliver increased value.

Corporate Objectives

- Provide reliable services that meet our customers' needs.
- Empower customers with accessible services and information to manage their water use.
- Provide and promote flexible payment options for customers experiencing hardship.
- Continually seek opportunities to deliver increased value for our customers.

Deliver Year One of the Water Quality Continuous Improvement Program 2023-28

The 2023-24 Water Quality Continuous Improvement Plan has continued to drive enhancements in both raw and treated water quality. This financial year's projects concentrated on improving the distribution system.

Key initiatives included beginning the distribution system master plan to forecast future growth and enhance water quality within our network. Additionally, we completed an audit of our fluoridation plant controls, developed a dashboard for vertical profiler visualisation enabling better understanding of raw water quality, and expanded our water main flushing program, including in field testing of before and after water quality parameters to increase our understanding of reticulation network performance.

Throughout the year, \$60,000 was invested in these projects. In 2024-25, \$500,000 has been committed to continue the distribution system master plan and begin the IBWPP master plan.

Develop and implementation of the E-Services Action Plan

Over the past 12 months, Westernport Water has undertaken a comprehensive review of existing practices, identifying key improvements to enhance our e-services for customers. The project started with a review of credit card handling and transaction processes, leading to a suite of improvements that have commenced implementation. This was followed with the development of a roadmap aimed at enhancing our online customer self-service capabilities.

The process improvements have resulted in a reduction of customer forms, enabling more timely outcomes. Additionally, the technology improvement roadmap will provide a clear understanding of the sequence and scale of necessary investments, along with the benefits. This information will be crucial to informing future business cases for consideration.

During the year, \$8,468 was invested to understand the opportunities for online services.



Water mains cleaning is completed annually via air scouring.

Our people are safe and well, every day

Workplace Health & Safety (WHS) is a collaborative effort – we are all responsible for our own safety as well as that of those around us. It is the responsibility of everyone within the organisation to ensure that hazards and incidents are reported and rectified. We care about each other, have the courage to speak up when something is not safe, and we are committed to going home safe and well every day.

Corporate Objectives

- Provide a safe and healthy work environment.
- Empower each other to respond to future challenges.

Deliver Year Three of the Workplace Health and Safety Strategy (2021-24)

The third year of the Workplace Health and Safety (WHS) Strategy was successfully delivered, focusing on key aspects such as safety leadership & employee capability, technology & systems, risk management, communications, and injury/illness prevention and health surveillance.

The ongoing success of our WHS Strategy continues to drive improvements in safety performance and organisational culture. ‘Home safe and well, every day’ continues to be a focus across the organisation through a range of activities including regular safety shares, promotion of safety events and safety leadership walks. This was reflected in our 2023 People Matter engagement survey results, with 99 percent of employees agreeing with the statement, “My organisation provides a physically safe work environment”.



Emergency Management Training.



Industry tours at the Class A Recycled Water Treatment Plant.

We are a great place to work

Westernport Water is proud of its inclusive, diverse and engaged workforce. Diversity and inclusion are intrinsic parts of how we do business at Westernport Water. It is woven through all that we do. It links our strategies and plans, guides our behaviours and values, and drives our relationships with our community.

Corporate Objectives

- Be an employer of choice.
- Reflect the diverse community we serve through inclusion, participation, and engagement.
- Provide an environment where our people are able to thrive.

Deliver Year Three of the Diversity and Inclusion Strategy (2021-24)

Year Three was the final year of the Diversity and Inclusion (D&I) Strategy 2021-24 and delivered initiatives in Aboriginal & Torres Strait Islander cultural capability, gender equity, generational diversity and unlocking barriers to a more inclusive workforce. Implementation of the Gender Equality Action Plan and development of the Gender Impact Assessment process were key outcomes that met the requirements of the *Gender Equality Act 2020*. Activities included support for the Innovate Reconciliation Action Plan with 100 percent of staff undertaking cultural awareness training, the commencement of a phased retirement program, and the delivery of our diversity events calendar throughout the year, all of which reinforced our commitment to a diverse and inclusive workplace.

Our assets enable the sustainable delivery of products and services

We aim to create a vibrant and engaged culture of asset management, enabling reliable service delivery in a warmer and drier climate, whilst continuing to provide reliable, safe drinking water and sustainable wastewater treatment and disposal services.

Corporate Objectives

- Foster an engaged culture of asset management.
- Enable reliable service delivery in an increasingly variable climate.
- Provide safe, sustainable, and reliable water and wastewater services.

Renew San Remo to Newhaven Bridge Pipeline and Fittings

Westernport Water is undertaking critical maintenance work on the water and sewage infrastructure connected to the underside of the San Remo/Phillip Island Bridge. The underbridge pipelines are a critical part of our region's water infrastructure, supplying drinking water to customers on Phillip Island (Millowl), and transporting wastewater from San Remo to the Cowes Wastewater Treatment Plant.



Suspended scaffolding allows workers safe access to the underbridge pipelines while minimising impacts to traffic and pedestrians.

The high-level scope of works involves the replacement/refurbishment of the existing pipe support brackets and the refurbishment and wrapping of the 419mm mild steel cement lined potable water pipe in a protective coating. Refurbishing and replacing these items now will extend the life of the pipeline for another thirty years.

During the year, \$2.3M was invested to complete trial works, mobilise the project site and complete 31 percent of the main works. In 2024-25, a further \$3.3M has been committed to complete the project.

Deliver Year Three of the Technology Roadmap 2021-24

The Technology Roadmap is Westernport Water's plan of action to implement and maintain existing solutions by defining a clear path for technology use within the organisation. This aligns with the expectations of key stakeholders, lays out a sequence of projects to ensure continued technological innovation within the organisation and makes certain of the efficient application of resources.

Year Three of the Technology Roadmap included the completion of projects identified to manage hardware and software lifecycle, uplift core systems (including the first year of a multi-year program to renew or replace our asset management and works management systems), improve communications systems across the business and strengthen our cyber security posture. In early June, we completed the implementation of the shared water sector Security Operations Centre in conjunction with the Victorian Government which will provide Westernport Water with a significantly increased ability to detect and respond to cyber security related events.

Total investment for the third and final year was \$918,885.

Undertake planning for the Asset Management Information System Upgrade

The upgrade of Asset and Works Management Systems provide an opportunity for Westernport Water to improve efficiencies in managing and recording asset data, as well as financial and technical information. This supports data-driven decision-making to ensure Westernport Water optimises whole-of-lifecycle asset management.

During the year, over \$100,000 was invested to understand the business requirements and software capabilities that can support Westernport Water in the future. These are scalable to an organisation of our size and structure. In 2024-25, Westernport Water is committed to implementing new software and processes that will continue to improve our asset management capabilities.

Commence Treatment Plant Energy Efficiency Project

The Energy Efficiency Project aims to reduce scope two emissions via aeration and pump optimisations at CWWTP and IBWPP. At CWWTP, approximately \$40,000 was invested, with an options assessment as part of the Stage 3 Upgrade Concept Design to reconfigure the bioreactors and implement diffused aeration. The proposed modifications are expected to reduce scope 2 emissions from aeration by 40 percent.

The IBWPP masterplan (to be delivered in 2024-25) includes an aeration efficiency assessment in Candowie Reservoir.

Over the next two years, \$385,000 will be invested to complete the concept and detailed design for the CWWTP aeration upgrade and efficiency project.

We are a valued member of the community we serve

Westernport Water engages openly and transparently with our community by building strong partnerships and working collaboratively to meet our corporate objectives. We seek to represent and reflect our community's priorities. In addition, we deliver shared benefits through water management opportunities, regular education activities, strategic partnerships, and community support that creates social, recreational, and environmental benefits for a more liveable and resilient community.

Corporate objectives

- Support a more liveable and resilient community through affordable and efficient services.
- Communicate and engage effectively and openly with all areas of our community.
- Build strong community partnerships focused on shared liveability benefits.
- Contribute to community wellbeing through opportunities that support social and recreational benefits.



Staff are joined by Traditional Owners and local Aboriginal Community members at the Innovate RAP launch celebration.

Implement Year One of the Innovate Reconciliation Action Plan 2023-25

Reconciliation Australia adopted Westernport Water's third Reconciliation Action Plan (RAP) on 17 October 2023, but due to the referendum, we did not officially mark the milestone with a celebration until February 2024. The latest Innovate RAP will enable Westernport Water to sustainably and strategically take meaningful action to advance reconciliation based on the core pillars of relationships, respect and opportunities.

This is Westernport Water's second Innovate RAP, it builds on over seven years of focused engagement with Traditional Owners, and Aboriginal and Torres Strait Islander peoples, including the delivery of two earlier RAPs.

During the year, Westernport Water progressed approximately half of the actions and initiatives in the plan. Key highlights were welcoming three new Traditional Owners and Aboriginal and Torres Strait Islander peoples to be a part of the working group, leading four major events celebrating dates of significance and continuing to lead reconciliation activities in our sphere of influence through the Bass Coast Reconciliation Network.

During the reporting period, \$35,100 was invested in delivering reconciliation and recognition outcomes and engaging with Traditional Owners. Further information on reconciliation activities, achievements and cultural heritage activities can be found in section 10.

Implement a new Community Performance Regime as per Price Submission 2023-28

We recognise the importance of actively engaging with customers to enhance service delivery to meet the community's evolving needs. A key element of a Community Performance Regime is the establishment of a Customer Assessment Panel (the Panel). The Panel will be empowered to rate Westernport Water's performance each year and provide commentary on Westernport Water's performance against a set of key performance metrics. Engagement with the Panel took place in August 2024 and customer commentary will be included in the Annual Watermark, which is provided to every customer with bills from September 2024.

During the year, we issued a public expression of interest to attract people to be a part of the process and we went to market to seek a customer engagement specialist to support the process. The costs attributed to this project will be realised in 2024-25.

We value and protect our natural environment

Westernport Water understands that our operations have the potential to impact the environment and we are committed to protecting and enhancing the environment within our service area.

Corporate Objectives

- Minimise environmental impacts.
- Mitigate and adapt to climate change.
- Protect and enhance our environment.
- Empower the community to use water in a sustainable manner.

Deliver Year One of the Climate Change Strategy 2023-28

We successfully delivered the first year of the Climate Change Strategy which sets out our actions over five years to meet the requirements of the Victorian Government under the *Climate Change Act 2017*, and specifically, our emission reduction commitments outlined in the Statement of Obligations – Emissions Reduction 2022 (SoO-ER). We are on track to meet our emissions reduction targets, with almost 50 percent of the capital works budget dedicated to projects that address climate change.

The Whole of Government Emissions Reduction Pledge commits to 100 percent electricity needs to be met with renewable energy sources from 2025-26 onwards. Toward this target, we have continued the Virtual Energy Network (VEN) pilot to share renewable energy between Westernport Water sites, informing our Renewable Energy Generation feasibility project currently under development. We continued our participation in Zero Emissions Water (ZEW) to reduce emissions through a Power Purchase Agreement for Large-scale Generation Certificates (LGCs) from the Kiamal Solar Farm.

Projects completed include a waste-to-energy feasibility study co-funded with Sustainability Victoria, the progression of the Treatment Plant Energy Efficiency Project and the CWWTP Masterplan. The Electric Vehicle Fleet Transition Plan is in finalisation ahead of staged implementation. The next iteration of the Climate Change Adaptation Plan has been prepared following a facilitated workshop. We continue to pilot nature-based solutions for greater resilience and climate adaptation, including the Floating Wetland Pilot Project and the development of the King Road Recycled Water Wetland Project.

The total cost for these projects in 2023-24 was \$44,829. Information from these studies will inform the ongoing project development to meet our targets of 90 percent emissions reduction by 2030 and net zero emissions by 2035. Projects and targets are reflected in the second iteration of the Climate Change Strategy 2023-28. More information is available in Section 11.





Aerial view of the Floating Wetland Pilot Project at Cowes Wastewater Treatment Plant.

Continue to implement Integrated Water Management outcomes including the IWN Priority Project Floating Wetland Pilot.

Westernport Water continued its collaborative approach to water planning with stakeholders who have an interest in all aspects of the water cycle.

In 2023-24, we took part in the Integrated Water Management (IWM) forums for the Western Port Region and supported the release of the Catchment Scale Integrated Water Management Action Plan. As a priority project for the Western Port Catchment IWM grant program, year one of the Floating Wetland Pilot Project was completed with our partners, the CSIRO and Deakin University's Blue Carbon Lab. Preliminary scientific trends were shared across the water sector in a dedicated forum led by Westernport Water. Network operator insights on the management of this nature-based system were presented at the 2024 WIOA conference.



OzWater tour of the Cowes Wastewater Treatment Plant and Floating Wetland Pilot Project site.

Following the principles of IWM, we reduced our reliance on potable water by increasing our use of recycled water in 2023-24. We recorded 319.6 ML of total reuse which exceeds our target of 267 ML per year. This aligns with our Recycled Water Strategy 2023-26 to ensure compliance with our regulated obligations and meet customer expectations for reuse in our region.

Our business is financially sustainable through sound governance and prudent investment

Westernport Water continues to meet stakeholder expectations through a focus on our core systems, performance, processes and governance. In addition, we continue to deliver improved customer value by building partnerships across the Victorian water sector and within our community to drive innovation, collaboration and efficiencies.

Corporate Objectives

- Plan for our future through strategic business planning.
- Be financially sustainable.
- Regularly find ways to reduce costs and become more efficient.
- Recognise and manage risk, while meeting our regulatory requirements.

Deliver Year Two of the Performance Stewardship Strategy 2022-24

Our focus on Performance Stewardship in 2023-24 included the operationalisation of our 2023 Price Submission (PS23), a strong focus on financial sustainability, and ensuring our strategic focus areas continue to meet customer expectations. This included setting up a clear cadence of proactive reporting, and cross-organisation accountability across our PS23 Customer Outcomes through the Customer Outcomes Champions program. It included the embedding of the earlier organisation realignment, and the establishment of the efficiency and effectiveness program, WorkSmart. These initiatives, together with the establishment of our Customer Assessment Panel, embeds a strong focus on performance aligned with customer needs.



Customer Assessment Panel

3. Financial summary

Table 3.1 : Profit and loss five-year summary

Profit and loss – summary	2023-24 \$ 000	2022-23 \$ 000	2021-22 \$ 000	2020-21 \$ 000	2019-20 \$ 000
Core revenue	26,036	24,731	23,449	22,990	22,227
Developer contributions and gifted assets	3,369	2,455	2,296	3,688	6,408
Other revenue ¹	805	488	1,097	1,048	898
Total revenue	30,210	27,674	26,842	27,726	29,533
Operating expenditure	12,543	11,833	11,644	10,798	10,906
Depreciation ²	8,045	7,727	7,308	6,749	6,667
Finance costs	265	264	255	238	263
Other	8,016	6,977	8,137	6,668	6,947
Total expenditure	28,869	26,801	27,344	24,453	24,783
Net profit before tax	1,341	873	(502)	3,273	4,750

Notes

1. Other revenue is derived from non-service and non-usage revenue.
2. Depreciation includes impairment and amortisation.

Net profit

Net profit before tax for the year was \$1.34M. This planned favourable variance will contribute to fund future multi-year capital projects as outlined in the ESC approved Pricing Submission for 2023-28. Managing debt levels remains a key focus to ensure long term financial sustainability while continuing to deliver security of supply at an affordable cost. The corporation remains financially sound with steady cash flow and strong cost controls maintained over the financial year.

Revenue

Total revenue for the year was \$30M with an increase of \$0.91M in non-cash gifted asset revenue compared to prior year results as developments across the service area continue to outperform annual budget expectations.

The underlying tariffs were increased by CPI in line with the ESC approved guidelines of 7 percent. Meter usage revenue performed well below expected levels due to a decrease in usage compared to prior year.

Expenditure

Expenditure levels were carefully managed throughout the year with a continuing strong focus on cost management and provision of high-quality service to customers and the community in a challenging economic environment.

Depreciation levels have remained consistent with prior years, with a well planned capital works program driving steady depreciation charges. The maintenance of the AA credit rating and timing delays in capital project delivery has ensured borrowings and related borrowing costs have remained low.

Financial position – balance sheet

The balance sheet remains in a healthy and strong position with a low gearing ratio of 3.1 percent as debt levels remain low in anticipation of capital works funding required in future years to facilitate growth. A managerial revaluation of assets was required at 30 June 2024 which has contributed to strengthen the balance sheet.

Current liabilities

Current liabilities are higher than current assets indicating a working capital deficiency, however this is not the case. If current borrowing amounts are redrawn as they fall due they are acquired as new borrowings therefore are reclassified as non-current liabilities throughout the year. Unearned income classed as current liabilities relates to billed service revenue already received in advance due to the cyclical nature of the billing process.

Table 3.2 : Balance sheet summary

Balance Sheet – summary	2023-24 \$ 000	2022-23 \$ 000	2021-22 \$ 000	2020-21 \$ 000	2019-20 \$ 000
Current assets	10,077	8,923	6,781	5,485	7,433
Non-current assets	346,236	287,100	286,147	285,167	214,312
Total assets	356,313	296,023	292,928	290,652	221,745
Current liabilities	10,657	9,911	10,311	11,053	9,320
Non-current liabilities	69,003	53,660	52,667	51,009	35,917
Total liabilities	79,660	63,571	62,978	62,062	45,237
Net assets	276,653	232,452	229,950	228,590	176,508

Cash flows

The cyclical nature of operations is reflected in the cash flows throughout the year with capital program payments aligned to support the expected cashflow profile based on the achievement of project milestones. Cash flow has been strong throughout the year in line with the business objectives to maintain the AA credit rating.

Significant changes or factors affecting performance

There were no major changes or factors affecting performance during the reporting period.

Capital projects/asset investment programs

The capital expenditure program for the year was \$7.3M against a target spend of \$13.2M which has assisted to deliver capital works in line with year one of the ESC approved Pricing Submission 2023-28 initiatives. Key projects for the year are described in more detail in later pages of the report.

Information on the new and existing capital projects for Westernport Water and the broader Victorian public sector is contained in the most recent Budget Paper No.4 State Capital Program (BP4). This is available on the Department of Treasury and Finance website at this link: <https://www.budget.vic.gov.au/budget-papers>. There were no capital projects completed during the 2023-24 financial year that had a total capital value (TEI) more than \$10M.

Prior year adjustments

No prior year adjustments have been required for the 2023-24 accounts.

Disclosure of grants and transfer of payments

Two capital grants to the total value of \$24,100 were received during the 2023-24 to assist with delivery of the Floating Wetland Pilot Project.

Subsequent events

There were no events occurring after the balance date that would significantly affect Westernport Water's reported financial position for 2023-24 financial year.

4. Governance and organisational structure

The Minister for Water

Westernport Water is established under the *Water Act 1994*. The responsible Victorian Minister for Water, the Hon Harriet Shing MP was appointed on Wednesday 14 December 2022, covering the period from 1 July 2023 to 30 June 2024.

Corporate governance

The Corporation operates on a three-divisional structure. The divisions are Corporate & Customer, Assets & Operations and Executive Office.

Executive Team

The Executive Team is responsible for implementing our strategic direction, while leading change, managing risk and responding to emerging operational issues. Executive Team members for the reporting period were:

- Dona Tantirimudalige – Managing Director
- Gareth Kennedy – General Manager Corporate & Customer
- David Girdwood – General Manager Assets & Operations
- Kathy Hawke – Executive Manager Finance – Chief Financial Officer
- Fiona Blackmore – Executive Manager People, Culture & Safety (from 4 September 2023)
- Lisa Manning – Acting Executive Manager People Culture & Safety (1 July 2023 – 4 September 2023).

Governing Board

During 2023-24, the Board of Directors consisted of nine members, including the Managing Director, appointed by the Victorian Government. The Directors' key functions include:

- setting the strategic direction and policy framework by adopting, implementing, and resourcing the Corporate Plan 2024-29
- ensuring compliance with legislative and regulatory obligations
- setting service standards and monitoring achievements
- establishing measurable goals and objectives as well as Board and Committee charters
- evaluating Board and Executive performance to ensure the integrity of corporate governance practice and ethical conduct.

The following Board Director movements occurred for the duration of the 2023-24 reporting period.

From 1 July 2023 to 30 June 2024 – Director appointments and movements

Kushal Shah was appointed as a Board Director on 01/10/2023.

Annabelle Roxon was appointed to the Board of Westernport Water on 1 October 2019 and was reappointed on 1 October 2023 until 30 September 2027. Annabelle is an experienced company director, also serving on the Board of Box Hill Institute. Annabelle is also a management consultant in the social sector who advises on strategy and outcomes management to a diverse range of clients including social purpose organisations and government.

In her prior experience as a lawyer over 12 years, she has advised in procurement, sales and marketing, disputes and litigation, and mergers and acquisitions. In addition to a Master of Business Administration, she holds a Bachelor of Laws (Hons), and a Bachelor of Arts.

Dona Tantirimudalige (Managing Director) was appointed Managing Director in September 2021. Dona is an experienced leader within the Victorian water industry and has a strong passion for the role of the public sector in creating a fair and just society. Dona has over ten years of experience as a Board Director and over 25 years of experience in the water industry across strategic planning, customer experience, and the asset life cycle. Dona is the current Chair of South-East Monash Legal Services, is an industry director on the Energy & Water Ombudsman of Victoria board, and is on the Institute of Water Administration Board. Dona is a Member of the Australian Institute of Company Directors, holds a Masters in Public Policy & Management, and a Bachelor of Engineering (civil – honours).

Christopher Newton (Deputy Chair) was appointed to the Board on 1 October 2017 until 30 September 2021 and was reappointed until 30 September 2025. Chris was appointed Deputy Chair 1 October 2023. Chris is a member of the Westernport Water Audit and Risk Committee and chairs the People, Diversity and Customer Committee. He brings deep technical experience across ESG, Responsible Investment and sustainability having worked across the investment industry as well as Executive roles in the NFP and Public sector. This experience covers climate change, human rights, and community partnerships on impact. He now advises Boards, Investment businesses and Corporations on ESG sustainability strategy and impact management.

Chris is an experienced Board Director, currently serving as an Independent Director of Nyamba Buru Yawuru and Roebuck Export Depot serving the Traditional Owners of Broome (WA). He also chairs the ESG Committee of Blackwattle Investment Partners and ESG Council of Max Capital. Chris has a Bachelor of Commerce with a major in Marketing and Management and minor in Asian Studies. He has a Graduate Diploma in Applied Finance, a Master of Business Administration as well as a Graduate Certificate in International Development. He is also a graduate of the AICD.

Graham Hawke was appointed to the Board from 1 October 2021 to 30 September 2025 and is a member of the Westernport Water Infrastructure, Sustainability and Innovation Committee and the People, Safety and Community Committee. Graham is employed as the Chief Scientist at TasWater and volunteers on the Strategic Advisory Committee of Water Research Australia. Graham has held Non-Executive Director roles with the Antarctic Climate and Ecosystems Cooperative Research Centre and National Computational Infrastructure. He has diverse experience in government and global corporations overseeing strategy, engineering, research and corporate services. Graham has a Bachelor of Engineering (Hons), Master of Engineering Science, MBA, a graduate member of the Australian Institute of Company Directors, a chartered professional engineer, a registered engineer (Vic) and a Fellow of Engineers Australia.

Ishara Saldin was appointed to the Board of Westernport Water Corporation on 1 October 2021 until 30 September 2025, and is a member of the Westernport Water Audit and Risk Committee and the Infrastructure, Sustainability, and Innovation Committee (ISIC). Ishara works within the Group Internal Audit department at ANZ Banking Group Limited as Head of the Institutional International portfolio spanning 14 countries across Asia, Europe, America and the Middle East with a focus on credit risk. More recently, Ishara has also taken over portfolio responsibilities for enterprise-wide engagements with expanded coverage to include key material non-financial risks. Ishara previously served for three years as Chief Risk Officer of ANZ Guam, Inc. based in Guam, until April 2019, and was the Chair of ANZ Guam Inc.'s Operational Risk and Compliance Committee, Chair of the Credit and Market Risk Committee, an ex-officio member of the Board and the Audit and Risk Committee, and member of the Asset-Liability Committee. Ishara is a member of the Australian Institute of Company Directors with over 20 years' experience in banking, her expertise is in complex transaction delivery, and audit and risk management. She has a Master of Finance and a Bachelor of Business Administration in Information Systems. In addition, she has co-authored three publications in the area of Venture Capital and Small and Medium Enterprises (SMEs) which were presented at the Nordic conference in Helsinki, Finland, and the SMEs in a global economy conference in Wollongong, Australia.

Joanne Pearson was first appointed to the Board on 1 October 2017 and was reappointed on 1 October 2021 until 30 September 2025. Joanne is also the Chair of Westernport Water's Audit and Risk Committee and is a member of the People, Diversity and Community Committee. Joanne has extensive experience as an executive and non-executive director and as a member of Audit and Risk Committees. Joanne is currently a Director of TasWater and is Chair of TasWater's Audit and Risk Committee and a member of the Environment and Public Health Committee. Joanne is an independent member of the ActewAGL Safety, Audit and Risk Committee but has announced her retirement from this Committee with effect from 3 October 2024. She is also a member of the Audit and Risk Committee for the Uniting Church of Australia, Synod of Victoria and Tasmania. Her executive experience was primarily in large and complex, regulated energy businesses, with her last executive role as Chief Financial Officer of Jemena. Joanne has an MBA and a Bachelor of Business in Accounting, is a Fellow of CPA Australia and a Graduate of the Australian Institute of Company Directors.

Leigh Berrell was appointed to the Board of Westernport Water on 1 October 2019 until 30 September 2023 and was reappointed until 30 September 2027. Leigh is a member of the Audit and Risk Committee and the Safety, Sustainability and Innovation Committee. Leigh is an Assistant Director General of National Archives of Australia, and has previously served in executive roles with Yarra Valley Water, Icon Water and ActewAGL. Leigh brings more than 25 years of technology leadership experience across a range of industries including utilities, aerospace, transportation and logistics, peacekeeping and workforce staffing services. Leigh holds an MBA, an Honours Degree in Computer Science, a Graduate Certificate in Business and Technology, is an alumnus of the Darden Executive Program, and is a Graduate of the Australian Institute of Company Directors.

Tanya Ha was appointed to the Board of Westernport Water on 1 October 2019 until 30 September 2023 and was reappointed until 30 September 2027. Tanya is the Chair of Westernport Water's Infrastructure, Sustainability and Innovation Committee and a member of the People, Safety and Community Committee. Tanya is an award-winning science journalist, best-selling author and environmental advocate. She is currently Director of Engagement at the specialist science communication agency Science in Public. She is also on the advisory groups of the Marine Energy Research Australia and Science Gallery Melbourne. Tanya is a past Vice President of Science & Technology Australia and has served on the boards of Diversity Council Australia, Sustainability Victoria and Keep Australia Beautiful. Tanya has a Bachelor of Science (Chemistry) and a Master of Environment. She is best known for her popular environmental guidebooks Greeniogy and Green Stuff for Kids, and her television work, including reporting for ABC's Catalyst. In 2010, she won a UN Association of Australia media award for environmental reporting.

Kushal Shah was appointed to the Board of Westernport Water on 1 October 2023 until 30 September 2027. Kushal specialises in and is passionate about corporate governance, risk management, financial management and assurance, strategy, and environmental, social and governance. Kushal has significant global and leadership experience in these areas gained in Australia, the UK, India, China, and New Zealand. Kushal's experience consists of industry roles leading 'in-house' risk, governance and assurance functions at multi-stakeholder large organisations; leadership roles at the 'Big4' global consulting firms; and independent Board, Audit & Risk Sub-Committee, and Quality & Governance Sub-Committee roles. Kushal has developed deep industry understanding and nuanced insights in diverse industries like healthcare (public & private), technology, logistics, education, energy, banking, manufacturing, retail, essential services and public sector. Currently, Kushal is the Managing Partner of a multi-national management consulting firm (DBS Global) with a client base across multiple countries. Kushal also currently serves as the Non-Executive Director and Deputy Chair on the Board of Koo Wee Rup Regional Health Services (KRHS), is the Non-Executive Director on the Board of VITS Language Loop and is the Independent Audit and Risk Committee Member at the Melbourne Recital Centre (MRC). After 3 years as the Non-Executive Director on the Board of Queen Elizabeth Centre (QEC), Kushal recently decided not to renominate himself on its Board. Kushal is also the member of the Audit, Risk and Finance Sub-Committees of these Boards.

Board committees

Westernport Water operates three Board committees, details for each of these committees are provided in the following section.

- Audit and Risk
- Infrastructure, Sustainability and Innovation
- People, Safety and Community.

Audit and Risk Committee (ARC)

The purpose of the ARC is to assist the Board in discharging its duties regarding the Corporation's financial management and reporting, risk and control frameworks and its external accountability responsibilities. This includes oversight of the external and internal audit functions and monitoring of the effectiveness of the control and compliance framework.

Members are appointed by the Board for a three-year term and are subject to the Board and Committee Charter.

Meetings are held quarterly and at any other time on request of a committee member or the internal or external auditor. In 2023-24, the committee met four times. The ARC membership for the reporting period was as follows:

From 1 July 2023 to 1 December 2023

- Joanne Pearson (Chair)
- Leigh Berrell
- Christopher Newton
- Ishara Saldin.

From 1 December 2023 to 30 June 2024

- Joanne Pearson (Chair)
- Leigh Berrell
- Christopher Newton
- Ishara Saldin
- Kushal Shah.

Safety, Sustainability and Innovation Committee (SSIC) 1 July 2023 – 19 December 2023

Infrastructure, Sustainability & Innovation Committee (ISIC) 19 December 2023 – 30 June 2024

The SSIC was renamed to ISIC on the 19 December 2023 when the responsibility for workplace health and safety was moved to the PSCC (see below).

The purpose of the SSIC was to assist the Board to oversee its responsibilities and to meet its governance requirements in regard to workplace health and safety, sustainability, innovation and environmental management.

The purpose of the ISIC is to assist the Board to oversee its responsibilities and to meet its governance requirements in regard to drinking water quality, Reconciliation and Aboriginal water management, innovation, sustainability and environmental management, capital projects (including infrastructure and ICT) and asset management and performance.

The ISIC and SSIC met/meets approximately two times each financial year and at least two members must be in attendance for a meeting to be held. The SSIC/ISIC membership from 1 July 2023 to 1 December 2023:

- Tanya Ha (Chair)
- Leigh Berrell
- Graham Hawke
- Ishara Saldin.

From 1 December 2023 to 30 June 2024:

- Tanya Ha (Chair)
- Leigh Berrell
- Graham Hawke
- Ishara Saldin
- Kushal Shah.

People, Diversity & Customer Committee (PDCC)
1 July 2023 – 19 December 2023

People, Safety & Community Committee (PSCC)
19 December 2023 – 30 June 2024

The PDCC was renamed PSCC on 19 December 2023 when it took over the responsibility for workplace health & safety from the SSIC.

The purpose of the PDCC was to assist the Board to oversee its responsibilities and duties regarding people and culture, remuneration, organisational development, diversity and inclusion and community engagement functions.

The purpose of the PSCC is to assist the Board to oversee its responsibilities and duties with regard to workplace, health & safety, people and culture, remuneration, organisational development, diversity and inclusion and community engagement functions.

The PDCC/PSCC met/meets approximately two times each financial year and at least two members must be in attendance for a meeting to be held. The PDCC/PSCC membership from 1 July 2023 to 30 June 2024 was as follows:

- Christopher Newton (Chair)
- Annabelle Roxon
- Graham Hawke
- Tanya Ha
- Joanne Pearson.

Board / Committee attendance

During the 2023-24 period a total of eight Board meetings, four ARC meetings and two each for SSIC/ISIC and PDCC/PSCC were held. The following tables provide a breakdown of Director attendance.

Table 4.1: 1 July 2023 – 30 September 2023, prior to appointment of Director Shah

Board Members – Directors	Board	ARC	SSIC/ISIC	PDCC/PSCC
Annabelle Roxon (Acting Board Chair)	2/2	1/1*	N/A	1/1
Christopher Newton (Acting Deputy Board Chair)	1/2	1/1	N/A	1/1
Graham Hawke	2/2	N/A	N/A	1/1
Joanne Pearson	1/2	1/1	N/A	1/1
Leigh Berrell	2/2	1/1	N/A	N/A
Tanya Ha	2/2	N/A	N/A	1/1
Ishara Saldin	2/2	1/1	N/A	N/A
Dona Tantirimudalige (Managing Director)	2/2	1/1*	N/A	1/1*

Table 4.2: 1 October 2023 – 30 June 2024

Board Members – Directors	Board ¹	ARC	SSIC/ISIC	PDCC/PSCC
Annabelle Roxon (Board Chair)	6/6	3/3*	1/2	1/1
Christopher Newton (Deputy Board Chair)	6/6	3/3	1/2*	1/1
Leigh Berrell	5/6	2/3	2/2	N/A
Tanya Ha	6/6	N/A	2/2	1/1
Graham Hawke	6/6	N/A	2/2	1/1
Joanne Pearson	6/6	3/3	1/2*	1/1
Ishara Saldin	6/6	2/3	2/2	N/A
Kushal Shah	6/6	3/3	2/2	N/A
Dona Tantirimudalige (Managing Director)	6/6	3/3*	2/2*	1/1*

Notes

1. *Denotes attendance by a Director not a member of the committee.

Organisational structure



Note

1. Westernport Water operates on a three divisional structure. The divisions are Corporate & Customer, Assets & Operations and Executive Office.

5. Leadership, diversity and culture

Reflect the needs of our diverse communities and develop strategies and goals that will increase cultural diversity in the workforce and gender equity in both executive leadership and throughout the organisation.

Aligned Corporate Plan 2023-28 initiatives:

- Deliver Year Three of the Diversity and Inclusion Strategy 2021-24.
- Deliver Year Three of the Workplace Health and Safety Strategy 2021-24.
- Implement Year One of the Innovate Reconciliation Action Plan 2023-25.
- Deliver Year Two of the Performance Stewardship Strategy.

Our people often say on commencement of their employment how friendly Westernport Water is as a place to work. This happens from supporting our people to develop, achieve and genuinely feel they belong to a great place to work, and being a key part of the important work of water service delivery. Investment in a safe and effective culture therefore continues to be our focus.



Staff celebrated International Women's Day at Bass Coast Shire Council's community event.

Diversity and inclusion

An inclusive and diverse workforce reflects the community we serve and enables better business operations and enhances our employees' and stakeholders' experiences and sense of being valued. Our Diversity and Inclusion Policy sets out guidelines that reflect our commitment to an inclusive work environment where all employees are treated with respect.

The final year of our three-year Diversity and Inclusion Strategy 2021-24, was delivered during the year. Key deliverables from the focus areas of Aboriginal and Torres Strait Islander cultural capability, gender equity, generational diversity and barriers to a more inclusive workforce included:

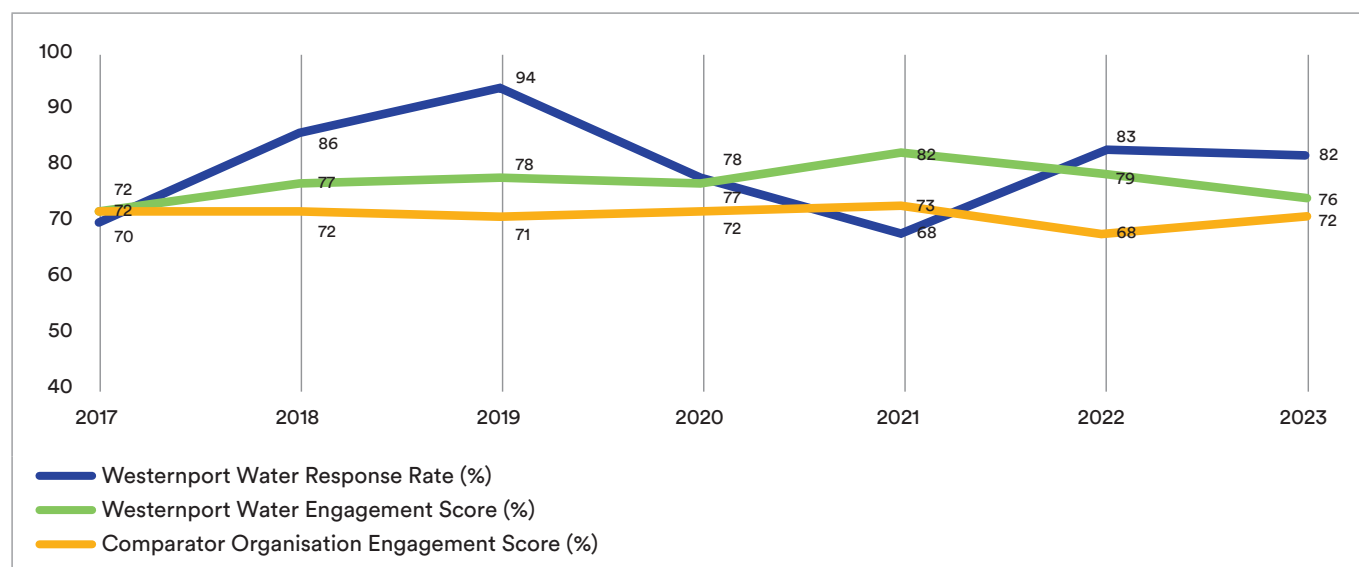
- delivery of the Innovate Reconciliation Action Plan Oct 2023- Oct 2025
- implementation of a Gender Equality Action Plan
- embedding of Gender Impact Assessments for policies, programs and services
- commencement of a phased retirement program
- continued promotion and uptake of a range of flexible work agreements
- re-commencement of work experience program
- promotion of Executive Champions across the key areas covered in the strategy
- continued development of the Corporation's website
- delivery of annual diversity and inclusion training for staff
- providing an annual diversity and inclusion events calendar.

Gender Equality Action Plan

As part of our commitment to diversity and inclusion in our workplace, Westernport Water has developed a Gender Equality Action Plan. This Plan was developed following a Workplace Gender Audit with priority areas for action including a safe, respectful workplace culture, gendered workforce diversity and the gender pay gap.

Westernport Water is performing well in key delivery areas of equal pay, senior leadership representation and up take of flexible work agreements. We will continue to support and promote participation on non-traditional roles. A progress report against initiatives was provided to the Gender Equality Commission in February 2024.

Figure 5.1: People Matter Survey participation and engagement scores 2017 to 2023



Notes:

1. Participation rates remained high moving from 83 to 82, which is well above the comparator water corporations result of 72.
2. Engagement score has slightly declined but is still above the comparator group.

Reward and recognition

Celebration of employees' abilities, qualities, achievements and years of service regularly takes place, including at weekly all-staff meetings and within team meetings. We celebrated two staff members who reached a remarkable 20 years of valued service to the Corporation. We also regularly recognise those who live our values with thank you cards from our Managing Director, sent following nomination by their peers, along with a winner for each Westernport Water value announced and celebrated annually



Celebrating a staff member's 20 years of valued service at Westernport Water.

People matter survey

While we look to meet or exceed the water industry benchmark for employee engagement annually and strive to continuously improve on our results year on year, trend analysis and understanding underlying drivers for results is also important. Figure 5.1 provides participation and engagement scores since 2017. Overall, staff engagement increased from 72 in 2017 to 76 in 2023 although we have seen a slight decrease in the last two years after a record result of 82 in 2021.

Public sector values and conduct

As a Victorian public sector entity, Westernport Water's employment policies and practices are consistent with the employment standards of the Victorian Public Sector Commission (VPSC). The VPSC's role includes to strengthen public sector efficiency, effectiveness and capability. Westernport Water advises its employees on the public sector code of conduct, including matters such as how to avoid conflicts of interest and respond to offers of gifts. These actions reflect the requirement to support public sector integrity.

Employment and conduct principles

Employment merit and equity principles are important commitments that Westernport Water upholds throughout the employment lifecycle. For example, our recruitment selection processes ensure applicants are assessed, evaluated, and selected fairly and equitably, and candidate appointment decisions are based on key selection criteria as well as other accountabilities.

Governance training

Governance Matters training was provided to all staff by subject matter experts from across the business as well as online training. Training focused on topics such as health safety and wellbeing, records management, asset management, and procurement and governance. The program is designed to ensure that our policies and procedures are accessible to staff and our obligations are well understood.

Industrial relations

Historically, Westernport Water has enjoyed a good relationship with employees and unions. The current enterprise agreement, which commenced in August 2021, will reach its nominal expiry date in April 2025. There were no disputes brought under the enterprise agreement or new external claims initiated in the reporting period.

Employee development

A comprehensive learning and development program continued to be a focus in 2023-24. Learning options were flexible and delivered through a range of methods including online eLearn's, in persons at registered training locations and onsite. The Corporation conducted a broad range of training programs, with a strong focus on compliance safety-based training and awareness for our employees engaged in high-risk work.

Table 5.1: Training completed

Training Course Description	Type	No. Achieved	Int Ext	Funded
Master of Data Science	Masters	1	Ex	Fully
Governance and Risk	Certificate	1	Ex	Fully
Diploma of Project Management	Diploma	1	Ex	Partly
Asset Management Planning	Certificate	1	Ex	Fully
Graduate Diploma of Science	Graduate Diploma	1 ¹	Ex	Partly
Leadership Development	Participation	1 ²	Ex	Fully
Water Industry Network Operator Development Program	Participation	1	Ex	Fully
Public Sector Procurement	Certificate	1	Ex	Fully
Water Industry Operations	Certificate III	3	Ex	Fully
Active Bystander training	Participation	19	Ex	Fully
Customer Service- Domestic and family violence training	Participation	13	Ex	Fully
Emergency Management training	Participation	28	In	Fully
Work Health and Safety based training	Certificate	340 ³	In/Ex	Fully
Governance Matters training	Participation	369 ⁴	In	Fully
Online learning courses completed	Participation	422 ⁵	In	Fully

Notes

1. Environment & Sustainability Graduate Diploma.
2. Gippsland Leadership Development Program.
3. Includes – Face to face and online training.
4. Governance matter program includes a mix of face-to-face training and eLearn's.
5. eLearns completed through our corporate learning system Kineo.



Staff participate in internal events to promote mental health and fundraise for important causes.

Health and safety

Our primary focus for Workplace Health and Safety (WHS) is to ensure the well-being of all staff members, so they can return home safe and healthy each day. Westernport Water continues to maintain a Safety Management System Framework that aligns with the guiding principles of ISO 45001 and provides the structure for safety management, leadership and continual improvement within all levels of the business.

This was the final (third) year of the WHS Strategy 2021-24, our blueprint for continuous improvement of safety performance and culture. Key deliverables for the year are detailed below, under the five key pillars of safety improvement at Westernport Water:

Table 5.2: Health and Safety key pillars

Safety leadership and employee capability	<ul style="list-style-type: none"> – Delivery of the Safety Leadership Program for the Leadership Team. – Delivered a contemporary WHS training plan for all employees, including Safety Induction; Safety Leadership; WHS Training / Competency Matrix. – Conducted an annual review of the WHS Training and Competency Matrix. – Currently undertaking a high-level gap analysis of all training to set up the ongoing schedule and secure bookings for individual compliance training in line with operational requirements. – WHS promotion to improve worker knowledge of WHSMS process and risk. – Delivered the annual Health & Wellbeing Plan, including wellbeing toolkits, resources and collateral available to employees.
Technology and systems	<ul style="list-style-type: none"> – Review digital technologies for recording WHS activities to simplify and make more accessible for workers, including activities such as Take 5 Risk Assessments, WHS Site Audits and Contractor Safety Management. – Upgrade of digital technology for lone workers and expansion of supporting application is underway to improve accessibility for all workers.
Risk management	<ul style="list-style-type: none"> – An external auditor conducted a systematic review of the WHS Management System to ensure currency and alignment with ISO 45001. – Reviewed the WHS Risk Register including departmental and enterprise risk profiles in consultation with functional risk owners and Health and Safety Representatives (HSRs).
Communications	<ul style="list-style-type: none"> – Researched improved communications delivery to improve WHS self-service and engagement with updated noticeboard layouts and structured WHS Induction program endorsed by the WHS Committee. – A WHS communications plan is being developed to provide regular and consistent information to employees to stay up to date with WHS policies, procedures, risk and reporting process.
Injury/Illness prevention and health surveillance	<ul style="list-style-type: none"> – Review completed of the requirements for pre-employment medicals, worker immunisations and Health Monitoring by roles within the business. Further work is ongoing to provide assurance of all health monitoring requirements in line with hazardous substance exposure in 2024-25 as part of a Chemical Management review project. – Initial review of health surveillance requirements as part of continual improvement and compliance requirements is underway. – Ongoing promotion of available services to managers and employees. – Process review to find areas for improvement and simplify for employees, with a focus on the end user experience. – Engagement of an external resource to develop worker toolkit (which will be rolled out in 2024-25) and provide additional support for injury management and prevention activities.

Moving forward, the WHS Strategy will integrate into a broader 'People Strategy,' which will continue to improve and represent the importance of the safety of our people. To ensure safety compliance there will be an annual WHS Management Plan developed which will outline all compliance-based activities along with key WHS improvement projects underway and led through functional business owners.

Westernport Water continues to be proactive in workplace safety with the continuation of the improvement program for the prevention of psychological harm to employees. There is a focus on both the prevention of work-related risk drivers, but also a provision of support for workers which extends to personal situations that may impact their mental health. Ongoing activities include the rollout of the Psychological Risk Improvement Plan with annual actions in line with the risk register, along with awareness and support programs such as our employee mental health peer support officers, external Employee Assistance Program (EAP) support through converge, improved induction for new workers providing clear support on these requirements and the newly expanding program to train managers in mental health essentials to be rolled out early in 2024-25. This work not only aligns with our core people safety values but continues to align us well to respond to the pending psychosocial legislative changes to the *Occupational Health and Safety Act 2004*.

As an organisation that provides some services to children, for example school tours, Westernport Water maintains a system that complies with the Victorian Child Safety Standards, which aims to reduce risks to children from harm and abuse. This program includes the management of a Child Safety Policy and Code of Conduct, worker child safety position categorisation and treatment plan system, mandatory Working with Children Checks, a reporting process and mandatory child safety training, among other activities.

Some other key activities for the year included a review on WHS processes with the aim to simplify, ensure compliance, but also improve sustainability of the tasks in scale with the size of Westernport Water's operations. Some of these programs will continue into 2024-25.

WHS Inspection Program

A review of the WHS Inspection Program started following WHS Audit initial findings of partial non-compliance with the schedule and volume of activities, and some record keeping issues. A briefing paper was endorsed by the

Executive supporting ongoing changes with the program to make more sustainable and align more closely with the Westernport Water risk profile.

DWG/HSR review

A review commenced into the Designated Work Group (DWG) structure of Westernport Water, which includes a review of HSRs for each workgroup. This work has been conducted in line with Worksafe Guidelines and aims to improve clarity for roles within the business and provide assurance of compliance with the legislation. This new program will be rolled out in 2024-25.

Hazard, incident reporting and Investigation Improvement Project

It was identified through the WHS Committee there was an opportunity to improve and streamline the way that hazards and incidents are reported, along with simplifying the investigation process to scale it in line with the size of the business and resourcing, which would make the process sustainable and improve safety outcomes. This project started in 2023-24, with the development of a project scope and mapping of the new system requirements, in consultation with the WHS Committee and Senior Leadership team. The project is due to be implemented in 2024-25, with support from an external contractor with all employees to be provided training and ongoing support. Improved process will be supported by improved assurance through executive and board reporting plus user dashboard tools for self-service.

Emergency management

A project has been underway to review and update all the site-based emergency evacuation and management protocols for wardens following a minor audit finding. This project has rejuvenated and expanded training and awareness with ongoing programs for drills integrated into wider business systems.

First aid

A project to audit and update all first aid kits and defib units within Westernport Water has been completed to ensure compliance with legislation and ensure equipment is available and workable if needed. This project included a review at all sites and vehicles and included upgrades to signage and more kits been made available for remote work activities.

2023 People Matter Survey

99%

of staff surveyed responded positively to the statement that 'my organisation provides a physically safe work environment'.



TRIFR Total Recordable Injury Frequency Rate



Table 5.3: Injury management	2023-24	2022-23	2021-22
Lost time Injury	1 ¹	3	0
Significant Injury	0	0	0
Days lost to injury	16	139.17	0

Notes

1. There was only one injury resulting in lost time during the reporting period, which while lower than previous years, aligns with consistent trends to manage risk within the business and remains low in context to the high-risk work undertaken.



Fire Warden training.

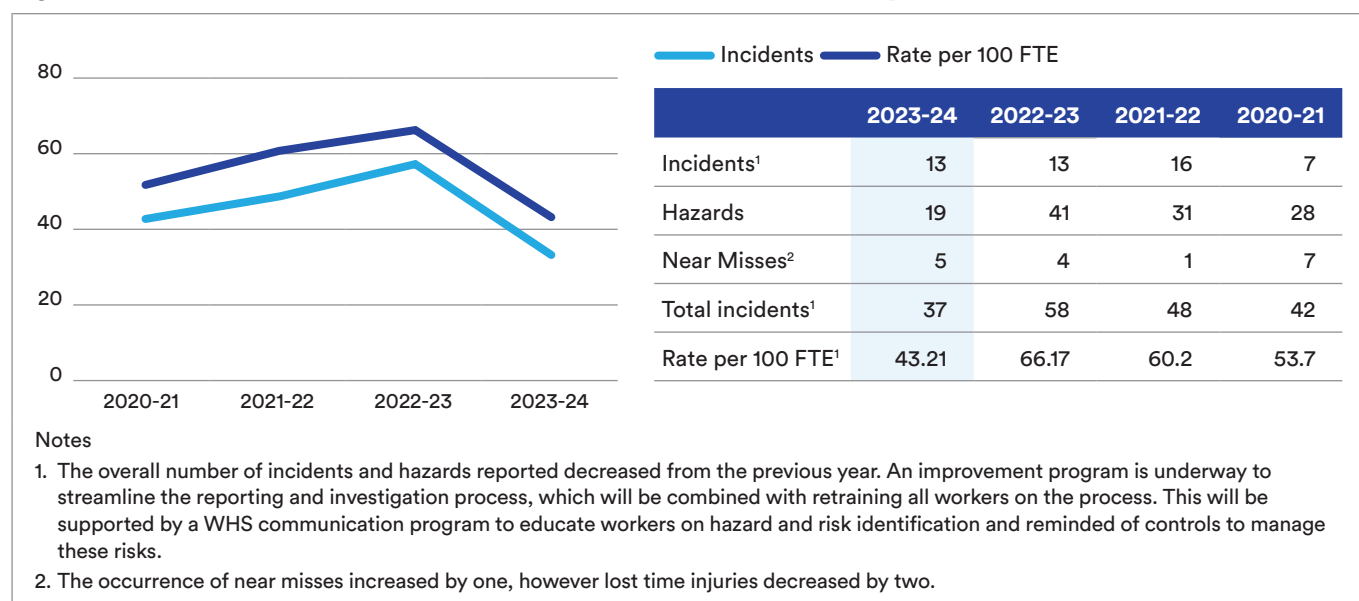
Incident management

There was only one lost time injury this year with the worker able to return to pre-injury duties, in comparison to the three reported the year prior. This number is still low in context to the high-risk work our staff undertake. As a direct result of this, the Total Recordable Injury Frequency Rate decreased.

There was a decrease to days lost for this year in comparison to the previous year. The total above includes 16 days which was related to the one LTI this year. The days lost figure for 2022-23 has been updated to include a long-term claim which is now being managed directly by the insurer.

There was one notification to WorkSafe Victoria and one new claim for workers compensation relating to the LTI. There were three incidents reported during the period requiring Incident Cause Analysis Method (ICAM) investigations to ascertain and address the root causes to ensure appropriate corrective actions were applied to prevent future incidents. This was up from one in the previous year.

Figure 5.2: Total number of incidents / hazards / near misses and rate per 100 FTE



WorkCover

In 2023-24, there was one new worker's compensation claim, which included a claim for time lost.

Figure 5.3: No. of standard claims and rate per 100 FTE

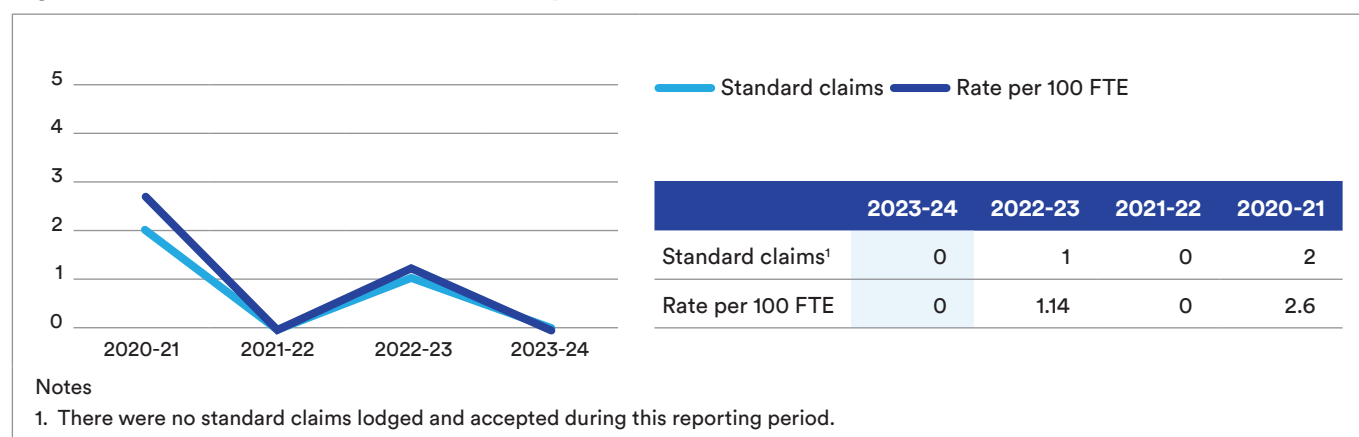


Figure 5.4: Lost time standard claims and rate per 100 FTE

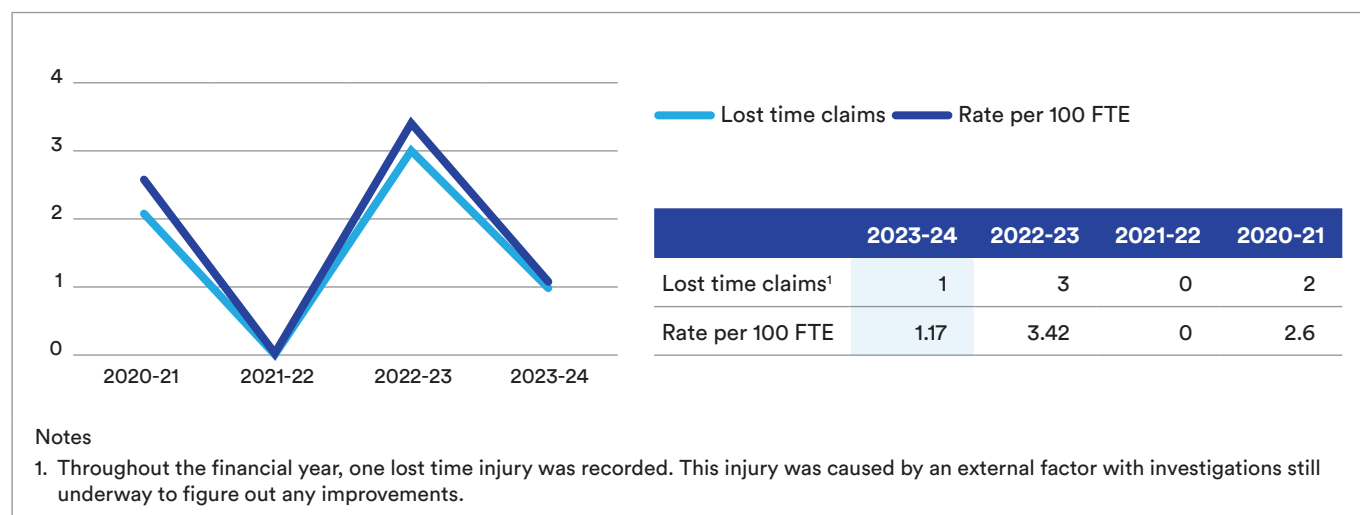


Figure 5.5: Claims exceeding 13 weeks and rate per 100 FTE

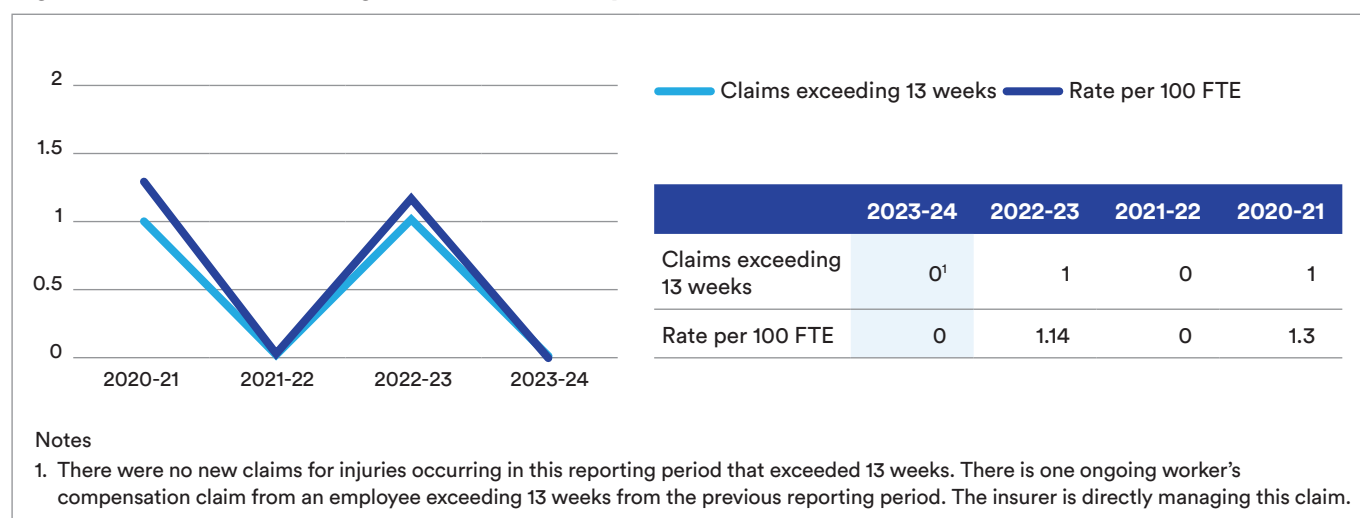


Table 5.4: Performance against WH&S management measures

Measure	KPI	2023-24	2022-23	2021-22
Incidents	No. of Incidents / hazards / near misses ¹	37	58	48
	Rate per 100 FTE	43.21	66.17	60.2
Claims	No. of standard claims	0	1	0
	Rate per 100 FTE	0.0	1.14	0
	No. of lost time claims ²	1	3	0
	Rate per 100 FTE	1.17	3.42	0
	No. of claims exceeding 13 weeks	0	1	0
	Rate per 100 FTE	0.0	1.14	0
Fatalities	Fatality claims	0	0	0
Claim costs	Average cost per standard claim ³	\$6,002	\$91,400	\$0
Return to work (RTW)	Percentage of claims with RTW plan <30 days	100%	0	0
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS and OHS plans (signed by Managing Director or equivalent)	completed	completed	completed
	Evidence of OHS criteria(s) in purchasing guidelines (including goods, services and personnel)	completed	completed	completed
Consultation and participation	Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs) and issue resolution procedures (IRPs)	completed	completed	completed
	Compliance with agreed structure on DWGs, HSRs and IRPs	completed	completed	completed
	Number of WHS Committee meetings	11	14	15
Risk Management	Percentage of internal audits/inspections conducted as planned ⁵	86%	100%	100%
	Percentage of reported incidents investigated	74%	100%	100%
	Percentage of issues identified arising from:			
	– internal audits	76%	100%	100%
	– HSR provisional improvement notices (PINs)	–	–	–
Training	– Work Safe notices	–	–	–
	Percentage of managers and employees that have received OHS training: ⁴			
	– induction	100% ⁵	100%	100%
	– management training	100%	100%	100%
	– contractors, temps, visitors	100%	100%	100%
	Percentage of HSR's trained:			
	– acceptance of role ⁶	0%	0%	0%
	– re-training (refresher)	100%	100%	100%

Notes

1. The number of reported incidents (including near miss) remains consistent with reports from the previous year. Hazard reports decreased during the year, which triggered a review through both the Health and Safety Committee and Safety Leadership Committee. An action was determined to review the current reporting process to streamline the requirements which would (in conjunction with promotion/awareness to all workers) increase reporting by making the task simpler.
2. One new workers' compensation claim was lodged for the period which included time lost. In addition to a current employee's claim, there is one worker's compensation active claim from a former employee exceeding 13 weeks (about 3 months). This is now being managed directly by the insurer.
3. There were 0 reported standard claims during the reporting period. For lost time claims a total of \$6,002 has been paid in compensation for injuries occurring in 2023-24.
4. 19 people have commenced with Westernport Water during the reporting period. All new inductees receive their eLearn package to undertake in Kineo which includes OHS topics along with enrolment in specific role-based competency, license and OHS requirements based on the WHS Training Matrix. Managers are assigned specific training that includes OHS Duty of Care along with any relevant requirements as per the WHS Training Matrix.
5. The WHS inspection program was impacted due to a role vacancy for 3 months in 2023. The program then undertook a significant review by the new WHS Senior Advisor with the full program rescoped to better align with the scale of the business and with an improved focus integrating site and compliance risks with all operational risks (i.e., tasks) as part of continual improvement activities.
6. Elections for two new HSR's commenced in late 2023-24 with the new appointees finalised in 2024-25, they will be offered the five-day full HSR training in line with the defined WHS Training Matrix requirements. Internal refresher training for HSRs was conducted in 2023 with a review underway of the ongoing HSR training requirements. This review is in consultation with the elected roles to make the training specific to their OHS role within Westernport Water. Ongoing refresher training will continue to be made available to all current HSRs.

Workforce data

There was a small decrease in full-time-equivalent (FTE) employees in 2023-24, with six temporary staff ceasing employment following the completion of an ICT project and additional employees hired to support internal business IT systems and infrastructure projects.

The following tables provide the workforce breakdown as of June 2024. Employees have been correctly classified in workforce data collections.

Figure 5.6: Comparative workforce data – FTE employee trends for 2020-24

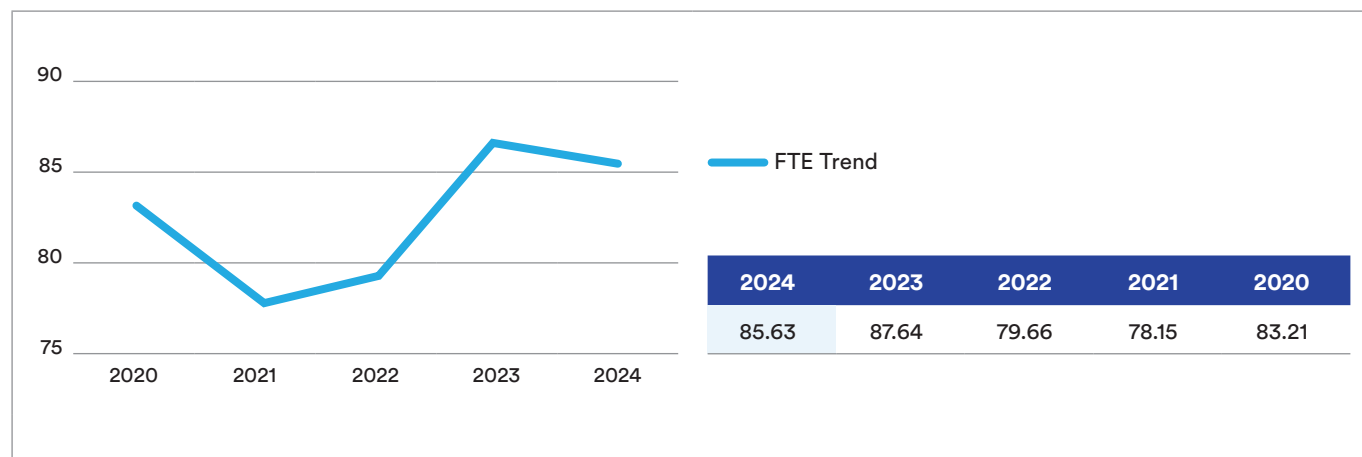


Table 5.5: Employment levels

Classification	2023-24		2022-23	
	Number (headcount) ¹	FTE	Number (headcount)	FTE
Executive ²	4 ³	4	3	3
Senior managers ⁴	15	14.84	16	16
Administration staff ⁵	49	41.79	49	44.25
Field staff ⁶	25	25	26	24.39
Total	93	85.63	94	87.64
Male	54	53.47	52	51.39
Female	39	32.16	42	36.25
Total	93	85.63	94	87.64

Notes

1. All figures reflect employment levels during the last full pay period in June of each year, excluding employees on long term leave without pay, external contractors/consultants and temporary staff employed by employment agencies.
2. Executive – Executive staff employed under the Public Entity Executive Remuneration Policy.
3. An additional Executive a result of role being reclassified when vacant.
4. Senior managers – Senior Executive Officers ongoing or under contract.
5. Administration staff – Employees with administration tasks as primary responsibility of position.
6. Field staff – Employees with field tasks as primary responsibility of position.

Table 5.6: Gender categories – June 2024

Gender	All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (Headcount)	FTE	Number (headcount)	FTE
Women ¹	39	32.16	16	16	26.87	7	5.29
Men	54	53.47	49	0	49.0	5	4.47
Self-described	0	0	0	0	0	0	0

Notes

1. Figures remained like previous year although there was a slight decrease in the number of women employed, from 42 to 39.

Gender equity

As part of our Diversity and Inclusion Strategy 2021-24, Westernport Water aims for a 50/50 gender balance in leadership positions. We are committed to an inclusive and diverse workplace, and creating a balanced working environment that provides equal opportunity and advancement for women. By actively promoting women in the water industry generally, and STEM roles specifically, we continue to strive for ongoing gender balance, with the senior leadership team in 2023-24 comprised of 46 percent female employees.

Table 5.7: Workforce inclusion

Gender equity progress against target in 2023-24, and performance in 2022-23

Workforce inclusion policy initiative	Target for 2024	Progress in 2023-24	Progress in 2022-23
Gender equity	In June 2024, there will continue to be a 50/50 gender balance in senior leadership positions ¹	46% of senior leadership positions held by women ²	64% of senior leadership positions held by women ²

Notes

1. Senior leadership positions include those holding an executive or manager title.
2. This year has seen a small decrease below the target due to the resignation of a female manager and the appointment of two new males to the leadership team.

Workforce inclusion policy

Westernport Water met its target of three percent of our workforce who identify as being Aboriginal and/or Torres Strait Islander in 2024. Below are Aboriginal and/or Torres Strait Islander employment progress against target in 2023-24 and performance in 2022-23.

Table 5.8: Workforce inclusion

Workforce inclusion policy initiative	Target for 2024	Progress in 2023-24	Progress in 2022-23
Increase % of employees who identify as Aboriginal and/or Torres Strait Islander ¹	Employees who identify as being Aboriginal and/or Torres Strait Islander: 3% by 2024	Employees who identify as Aboriginal and/or Torres Strait Islander: 3% ²	Employees who identify as being Aboriginal and/or Torres Strait Islander: 2.8%

Notes

1. The total number of employees includes Board Directors.
2. The increase is due to a reduction in overall FTE affecting the percentage of workforce representation.

Table 5.9: Details of employment as at the end of June 2024 and 2023

	June 2024			June 2023		
	Ongoing		Fixed term and casual employees	Ongoing		Fixed term and casual employees
	Employees (headcount)	FTE	FTE	Employees (headcount)	FTE	FTE
Gender						
Male	54 ⁵	49.00	4.47	52	48	3.39
Female	39 ⁶	26.87	5.29	42	28.09	8.16
Age						
Under 25	4	2	1.63	5	3.00	2.00
25-34	17	12.8	2.63	16	10.47	3.26
35-44	31	22.86	3.87	32	25.83	2.90
45-54	16	14.63	1.00	17	14.00	3.00
55-64	19	17.74	0.63	18	16.95	0.39
Over 64	6	5.84	0	6	5.84	0
Classification						
Broadband 1 ¹	0	0	0	0	0	0
Broadband 2	16 ⁷	9.75	4.18	19	11.26	5.63
Broadband 3	15	11.05	2.11	14	11.63	1.06
Broadband 4	17	14.05	1.63	18	14.47	2.63
Broadband 5	14 ⁸	13.52	0	17	15.47	0.39
Broadband 6	12 ⁹	9.50	1.00	7	5.26	0.84
SEO ²	15 ¹⁰	14.00	0.84	16	15.00	1.00
Executive ³	4 ¹¹	4.00	0	3	3.00	0
Other ⁴	0	0	0	0	0	0

Notes

1. Employees are classified as a band 1 to 6 under the Westernport Water Enterprise Agreement.
2. SEO – Senior Executive Officers full-time or under contract.
3. Executive – Executive staff employed under the Public Entity Executive Remuneration Policy.
4. Other – Traineeships outside of banding system.
5. Increase in male headcount due to new business systems analyst role and temporary project manager contract.
6. The decrease in women's headcount is due to employees on non-reportable leave and staff turnover.
7. Decrease in band 2 headcount due to employees on non-reportable leave and current vacancies.
8. The variation in band 5 headcount a result of 4 positions reclassified to band 6 level and one new band 5 position created.
9. Increase in band 6 headcount a result of 4 positions reclassified to band 6 level and a vacancy being filled.
10. Increase in SEOs due to two band 6 positions reclassified to SEO level and a temporary SEO contract to support ICT Project.
11. Increase in Executives due to reclassification of SEO position.

Executive data

The following tables disclose the employees at Westernport Water who are employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA) or a person to whom the Victorian Government's *Public Entity Executive Remuneration Policy* applies on 30 June 2024. These are referred to as members of the Senior Executive Service (SES).

- Table 5.10 – discloses the total numbers of SES with remuneration over \$100,000.
- Table 5.11 – provides a reconciliation of SES numbers per division and gender.
- Table 5.12 – provides a reconciliation of SES numbers per SES level.
- Table 5.13 – provides the annualised total salary range for executives and other senior non-executive staff.

Table 5.10: Reconciliation of SES numbers

		2024	2023	2022
	Executives with total remuneration over \$100,000	4	3	3
<i>Add</i>	Vacancies	0	0	0
	Executives employed with total remuneration below \$100,000	0	0	0
	Accountable Officer (Secretary)	0	0	0
<i>Less</i>	Separations	0	0	1
	Total executive numbers	4	3	3

Table 5.11: Executive officers by division and gender

Divisional breakdown	Total		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Corporate & Customer	1	(0)	0	(0)	1	(0)	0	(0)
Assets & Operations	1	(0)	0	(0)	1	(0)	0	(0)
Executive Office	2	(1)	2	(1)	0	(1)	0	(0)
Total	4	(1)	2	(1)	2	(0)	0	(0)

Notes

1. Previous SEO position reclassified to Executive position and employee employed under Part 3 of the *Public Administration Act 2004* (PAA). This role has not been reported as part of the VPSC PEER Data Collection as it does not meet the remuneration and banding requirements of that report.

Table 5.12: Executive officers by SES level

Divisional breakdown	Total		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-1	2	(0)	0	(0)	2	(0)	0	(0)
SES-2	1	(1)	1	(0)	0	(0)	0	(0)
SES-3	0	(0)	0	(0)	0	(0)	0	(0)
Total	3	(0)	1	(0)	2	(0)	0	(0)

Table 5.13: Annualised total salary for executives and other senior non-executive staff

Income band (salary) ¹	Executives	SEO
<\$160,000		
\$160,000 – \$179,000		2
\$180,000 – \$199,000	1	1
\$200,000 – \$219,000		1
\$220,000 – \$239,000	2	
\$240,000 – \$259,000		
\$260,000 – \$279,000		
\$280,000 – \$299,000		
\$300,000 – \$319,000	1	
Total	4	15

Notes

- Salaries are based on Total Remuneration Packages. Increases are because of Enterprise Agreement increases for SEOs and PEERS increases for Executives.

6. Resilient and liveable cities and towns

Contribute to healthy communities by supporting safe, affordable, high-quality services and resilient, liveable environments, and recovery from emergency events that builds back with improved resilience against future risks.

Westernport Water's service area is unique, with a substantial proportion of non-permanent residents and a seasonal tourism economy of national significance. This influences water consumption, making it difficult to draw direct comparisons with other water corporations.

Aligned Corporate Plan 2023-28 initiatives:

- Deliver Year One of the Water Quality Continuous Improvement Program.
- Renew San Remo to Newhaven Bridge Pipeline and Fittings.
- Commence Treatment Plant Energy Efficiency Project.
- Continue to implement Integrated Water Management (IWM) outcomes – including IWM Priority Project – Floating Wetland to Improve Wastewater Quality – pilot trial at the CWWTP.

Integrated water management

Urban Water Strategy

Westernport Water's Urban Water Strategy (UWS) provides a clear pathway for water management in the region including the efficiency and sustainability of water supply from potable and recycled water sources. The objectives of the strategy are to:

- balance supply and demand at the lowest practical cost
- provide customers with a reliable water supply
- support the health of the local environment in which we operate
- ensure that the UWS has the support of customers and stakeholders through consultation.

Westernport Water aims to meet the strategy objectives by:

- forecasting demand by extrapolating historical data
- forecasting supply based on infrastructure and entitlements
- ensuring supply by improvements in infrastructure and alternative water sources (replace potable with recycled water where appropriate).

Seasonal challenges

Challenges to water quality are generally related to naturally occurring algal blooms, mainly blue-green algae, which can lead to distinctive taste and odour issues. Due to the shallow nature of the reservoir, algal blooms persist as an ongoing risk and continue to pose a significant challenge. Process improvements, coupled with a focus on treatment plant management, resulted in minimal disruptions to the water supply or taste and odour issues associated with algae during the reporting period.

Healthier urban waterways and landscapes

Westernport Water is contributing to healthier urban waterways and landscapes. A floating wetland system has been installed on the effluent lagoon at CWWTP to understand how floating plant species can improve water quality and reduce greenhouse gas emissions. The floating wetland has 1,800 native plants.

Together with scientists from Deakin University and CSIRO, Westernport Water will monitor the plants for 18-months to determine how effective they are at absorbing nutrients, which is expected to reduce emissions and contaminants from the water.

Results of the research project will be used to inform the design and implementation of a permanent, large-scale constructed wetland system at KRWWTP, scheduled for 2025. The project will improve water quality at KRWWTP, minimising the impact on the receiving environment.



Deakin University researchers working on greenhouse gas monitors for the floating wetlands.

Water consumption and drought response

Per capita residential drinking water consumption

In 2023-24, the per capita residential drinking water consumption was 246.78 litres per day, an increase of 51.78 litres per day. This increase reflects an increase in average residential consumption from 86kL per annum to 90kL per annum and is more comparative to 2021-22.

The average residential household bills

In 2023-24, average annual residential household bills were \$1,321.32, based on our average residential consumption of 90kL. In comparison, larger water users paid \$1,579.44 and tenants paid \$469.30 based on 200kL of consumption. To support customers experiencing financial difficulties, a range of grants, concessions and rebates were made available to ensure bills remained affordable.

Table 6.1: Household drinking water consumption (KL) – Residential

Quarter 1	332,169
Quarter 2	400,667
Quarter 3	511,286
Quarter 4 ¹	79,006
Total annual residential consumption	1,323,128

Notes

- Q4 readings are incomplete due to water meters being read quarterly. However, based on the same time last year this reflects a 5.6% increase.

Water quality is determined by undertaking a sampling and analysis program against a set of standards. These standards are derived from the Safe Drinking Water Regulations 2015 and administered under the *Safe Drinking Water Act 2003*. Standards and associated targets have been met for the last five consecutive years. The monitoring program to address compliance with the regulations included analysis from Candowie Reservoir, all treated water storages, 72 customer taps in five separate localities and numerous strategic test points in the distribution system. Water quality indicators were fully compliant with targets quoted in the water consumption report.

Major non-residential users are defined as ‘a non-residential customer consuming greater than 50 ML’. During the reporting period, there were NIL non-residential customers consumed greater than 100 ML. No Major non-residential customers participate in water efficiency programs.



Permanent Water Refill Station at Berninnet in Cowes.

Table 6.2: Major non-residential water users' volumetric range

	Number of customers
Equal to or greater than 50ML and less than 100ML	0
Equal to or greater than 100ML and less than 200ML	0
Total no. customers	0

Notes

- Westernport Water do not have any major water customers.

Table 6.3: Community Support Programs

	Number of customers
Community Rebate Program	5
Community Housing Retrofit Program ¹	0

Notes

- Westernport Water have recently recommenced assisting customers under the Community Rebate Program.
- Westernport Water do not participate in the Community Housing Retrofit Program.

Figure 6.1: Customer satisfaction trends for drinking water 2018 – 2023

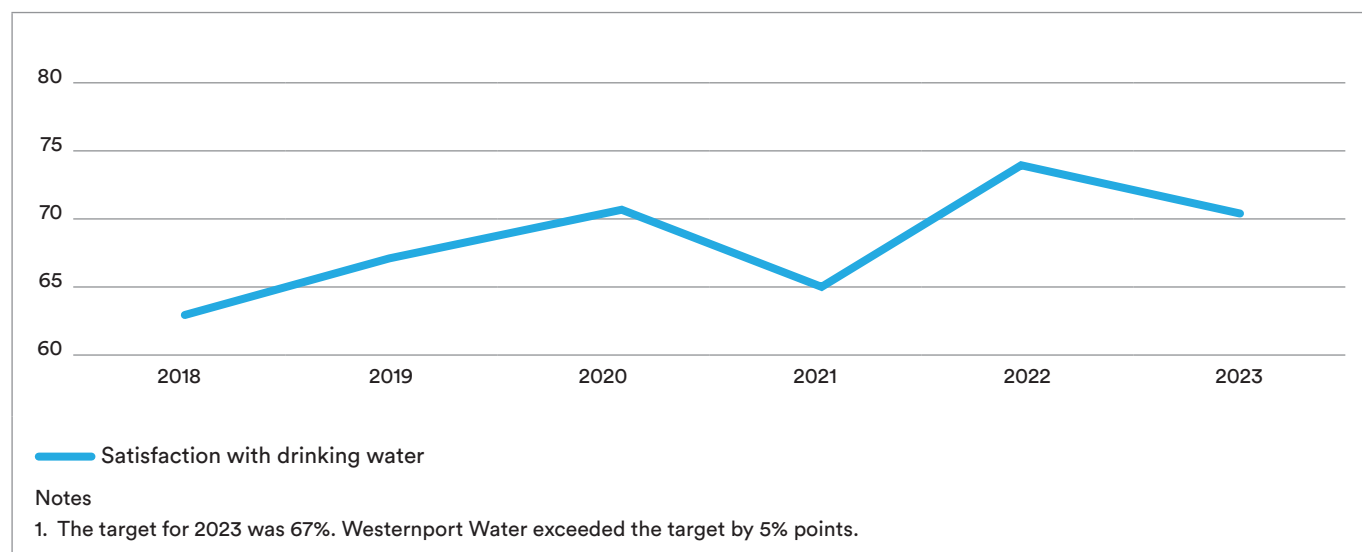


Table 6.5: Reporting water consumption for residential and non-residential connections (ML)

2023-24				
Residential Connections	(1) Number of residential connections		17,485	
	(2) Potable water volume consumed by residential connections		1,575	
	(3) Per capita daily residential potable water consumption1		246.78	
	(4) Recycled water volume used by residential connections		106	
	(5) Treated storm water volume used by residential connections		0	
Non-Residential Connections	(6) Number of non-residential connections		1,173	
	(7) Potable water volume consumed by non-residential connections		753	
	(8) Recycled water volume (end use) used by non-residential connections. It is mandatory to provide the split below (per ESC performance indicators).	Commercial purposes		49
		Industrial purposes		0
		Agricultural purposes		240
		Municipal purposes		1
		Optional	Beneficial allocation	0
			Within process	10
		Total		320
	(9) Total number of connections		18,658	
	(10) Total potable water consumed		2,328	
	(11) Total recycled water and stormwater volume		106	
	(12) Total volume of water used by connections			
	Average annual water consumption			
Non-revenue water	(13) Leakage		1.03	
	(14) Firefighting		0	
	(15) Other		95.97	
	(16) Total non-revenue water		97	
	Total volume of water from all sources		2,425	
Total no. customers			23,508	

Notes

1. This increase reflects an increase in average residential consumption from 86kL per annum to 90kL per annum and is more comparative to 2021-22.

Table 6.4: Water quality performance against target 2023-24

Water quality indicator	2023-24 Actual %	2023-24 Target %	Target met	2022-23 %	2021-22 %	2020-21 %	2019-20 %
E. coli (% samples containing zero organisms per 100ML)	100	100	Yes	100	100	100	100
Turbidity (Nephelometric Turbidity Units, NTU)	100	100	Yes	100	100	100	100
Trihalomethanes (ug/L)	100	100	Yes	100	100	100	100

Notes

1. Target is derived from the Safe Drinking Water Regulations 2015, which states “all samples of drinking water collected are found to contain no Escherichia Coli per 100 milliliters of drinking water, with the exception of any false positive sample”.
2. Target is derived from the Safe Drinking Water Regulations 2015, which states “95th percentile of results for samples in any 12-month period must be less than or equal to 5.0 Nephelometric Turbidity Units”.
3. Target is derived from the Safe Drinking Water Regulations 2015, which states “less than or equal to 0.25 milligrams per litre of drinking water”.

Drought response

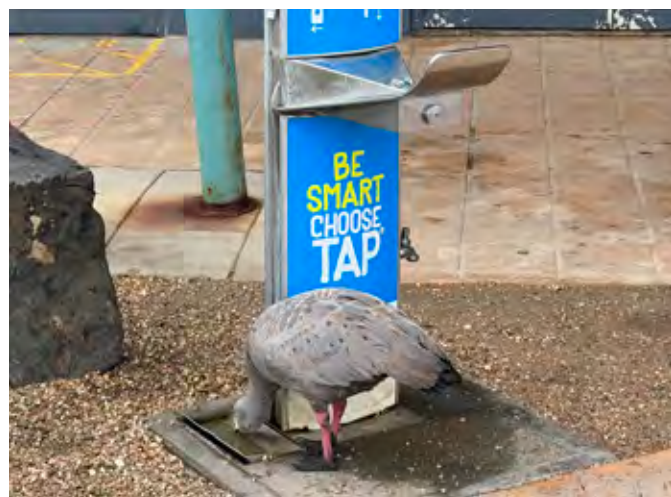
Drought preparedness

The Drought Preparedness Plan is a part of Westernport Water’s Urban Water Strategy, updated in 2022. The Plan sets out management actions for the various water sources available and responses to keep the balance between the demand for water and water availability. The Drought Preparedness Plan was not enacted in 2023-24 as the reservoir level remained above the drought response trigger.

Water restriction by-law

Water Restriction By-law 106 sets out four stages of restrictions and prohibitions on the use of water that can be mandated by Westernport Water.

Water Restriction By-law 106 was made using a Model Water Restriction By-law issued by the Minister for Water on 04 March 2022. The Water Restriction By-law 106 outlines the restrictions and prohibitions on the use of water that may be imposed in the Westernport Water, Water Supply District.

*Cape Barren Geese Choose Tap.*

Water efficiency and water recycling

Recycled water

Westernport Water produces recycled water for use on Westernport Water land and provides recycled water at a lower price than potable water for use by customers. Use of recycled water results in reduced demand on the potable water system as a result.

Recycled water can be used in place of potable water in specific applications to help to reduce the demand on the potable water network and reduce the treated effluent discharged to ocean outfall. In 2023-24, 77.7 ML of recycled water was used in applications that would have otherwise been supplied with potable water, including, household uses (toilet flushing, wand garden watering), process water on the wastewater treatment site, irrigation of public facilities, sporting fields, community gardens, and cattle drinking water.

Irrigation on Westernport Water land occurs at both CWWTP and KRWTP. To maintain and improve efficiency, irrigation infrastructure is being upgraded as part of Westernport Water’s ‘Sustainable Reuse and Afforestation’ project.

The Recycled Water Strategy is key for achieving sustainable water management in our region. This strategy provides clear reuse targets and information on how targets will be achieved. Actions from the strategy include:

- a review of the recycled water treatment plant and ability to supply users now and in the future
- exploration of funding opportunities to assist with customer infrastructure to enable increased reuse
- community campaign to raise awareness of recycled water and how it can be beneficial to customers
- exploration of options for expansion of irrigation infrastructure at both CWWTP and KRWTP sites.

Circular economy outcomes

Implementation of the recycled water strategy

The use of recycled water for non-drinking purposes reduces the demand on potable water and is therefore a vital water conservation initiative. In addition, by increasing recycled water use, we reduce the volumes of treated effluent discharged to Bass Strait.

Reuse targets were met, with a total reuse volume for irrigation to Westernport Water land of 227 ML, and a total reuse volume of 319.6 ML achieved in a combined effort with customers. This exceeded the 267 ML volumetric reuse target set for 2023-24 in the Recycled Water Strategy. Recycled water usage data is available in table 6.4.

The Recycled Water Strategy 2023-26 sets out a range of initiatives to meet the baseline volumetric customer commitments, with more ambitious projections for dry years. In addition to achieving our reuse targets for 2023-24, progress towards our strategic initiatives continues. In 2023-24, we continued investigating non-weather dependent uses for our recycled water to secure reuse options resilient to climate variability. This includes designing and constructing a series of wetlands at our KRWWTWP to store and treat wastewater as a nature-based solution.

Continuing with previous circular economy initiatives, Eucalypt trees are grown at our KRWWTWP utilising recycled water. The Phillip Island Nature Parks harvest fodder to provide food for local koala conservation initiatives. Together with this, recycled water is provided to the Phillip Island Community Orchard (PICO) to provide an open recreational space for the local community (see Case Study in Section 10).

Refer to Section 2. for a project update on the Integrated Water Management Priority Project Floating Wetland Pilot.

Implementation of the biosolids strategy

Biosolids were managed in accordance with Westernport Water's EPA Victoria approved Regional Environmental Improvement Plan. Biosolids are a by-product from the wastewater treatment process, which can be used as a soil conditioner making nutrients available to improve crop yields on agricultural land. However, changes to guidelines by the EPA and NEMP 2.0, and the pending release of NEMP 3.0, have seen the industry instead stockpile biosolids until further understanding of emerging contaminants is understood. A new Biosolids Strategy is underway due to be completed in 2025.

Sustainable water strategies

The Urban Water Strategy (UWS)

Adopted in March 2022, the UWS provides a 50-year outlook forecasting demand and supply. It contributes to Westernport Water's vision to deliver sustainable water and wastewater services that improve the health and liveability of our community.

Westernport Water's 2022 UWS shows the optimum mix of supply options and demand reduction measures to maintain a balance between the demand for water and the water available for supply within Westernport Water's region now and into the future. The UWS also provides an input to regional and state long-term resource assessments and planning.

Westernport Water is in a fortunate position to have a secure water supply for our region from our three available sources, as well as access to the Melbourne Supply System with a further 21 months of water security. We know that with future demand and climate change impacts, the sustainable management of our water sources will be more critical than ever to ensure the resilience and liveability of our community and continued security of our supply. We will continue to monitor resources over the next five-years and will present the Annual Water Outlook each year in December.

This Strategy sets out the key challenges facing our region with consideration of climate and population projections based on the best available science, feedback and insights from our customers, and presents options and actions to preserve and enhance our communities, while balancing social, environmental, and economic costs and benefits.

In the years ahead we will work to remove barriers to Traditional Owners' use of water and support partnerships between Traditional Owners and water managers, focussed on achieving the objectives outlined within the Central and Gippsland Region Sustainable Water Strategy.

Conservation and water recycling

Recycled water provides a cost-effective alternative source of water for customers. It also reduces the discharges from wastewater treatment plants to receiving environments (ocean or creek discharge). Westernport Water's Recycled Water Strategy provides a pathway for achieving recycled water volumetric projections in our region. For further information please refer to the Circular Economy Outcomes and Sustainable Water Use sections of this report.

Corporate water consumption

Water consumption at the Newhaven Office and the depothas decreased from the previous year and better reflects the occupancy rate.

Our corporate water use is monitored through the VicFacilities online tool. The tool identifies anomalies and sends alerts to site managers, providing early detection of any water leaks. During the reporting period a number of alerts were received, identified and resolved.

Table 6.6: Corporate water consumption

Indicator	2023-24	2022-23	2021-22	2020-21	2019-20
W1. Total water consumption (kilolitres)	255	536 ¹	317	219	473
W2. Units of office water used per FTE (kilolitres/FTE)	2.98	6.12	3.98	2.8	5.6
W3. Units of office water used per office area (kilolitres/m2)	0.26	0.55	0.33	0.23	0.4

Notes

1. The decrease in total water used is due to staff continuing the trend of flexible working arrangements.

Environmental statutory obligations

The Western Port and Mornington Peninsula Region Healthy Waterways Strategy (October 2018) identifies Guys Creek, which runs through the Corporation's KRWWTTP, as a high priority for establishing and/or maintaining vegetation buffers. An additional 300m section of Guys Creek was fenced off in 2023-24 to exclude livestock and prepare for revegetation planting. Together with Melbourne Water, Westernport Water provided approximately \$18,000 in funding with Melbourne Water to support these fencing and revegetation efforts that were completed in September 2023 and centred around Guys Creek.

In September 2023, partially funded by Melbourne Water, 900m of fencing around Guys Creek at the KRWWTTP was undertaken. In addition, Westernport Water staff collaborated for riparian vegetation planting with Landcare. 3,300 trees, shrubs and grass covers were planted to aid with creek health and the subsequent recreational values linked to Guys Creek.

Victorian Waterway Management Strategy and Regional Waterway Strategy are in place to protect and improve the health of the region's rivers and river ecosystems. The marine ecosystem within Western Port is of regional, national and international importance and includes a Ramsar listed wetland of international importance, with a range of habitats and associated mangrove, salt marsh, sea grass, reef and soft seabed communities.

Sewerage planning

As part of the wastewater asset management plans, Westernport Water is continuously investigating growth impacts within the service area. A 2023-33 wastewater system review has highlighted various capacity improvements to ensure the serviceability of growth.

In addition to the 10-year plan, forecasted long term development in the San Remo catchment has started discussions with Bass Coast Shire Council on feasibility studies, and investigations into sewerage upgrade options.

Management of irrigation runoff

As part of the management of Westernport Water's irrigation land, runoff is minimised by monitoring the process through visual inspections and automated water application based on soil moisture. Any runoff is captured and pumped back into the treatment plant, ensuring no runoff enters local drainage channels.

Solids loading for Western Port

The Victorian Government regulates the mass of suspended solids permitted to enter Western Port (Environment Reference Standards 2021). In the event of a wet weather controlled release under our KRWWTTP licence OL000070625, the stringent parameters of water quality standards are adhered to.



Outlet Tower at Candowie Reservoir.

7. Compliance and enforcement

Bulk water entitlements

Under Ministerial Reporting Direction 08, Westernport Water must disclose information and report on requirements outlined in any of its bulk entitlements, and report on compliance and enforcement activities concerning its delegated function regarding water shares, take and use licences, and works licences.

Westernport Water's three Bulk Entitlements (BEs) for Westernport Tennent Creek, Bass River, and the Greater Yarra System – Thomson River Pool, collectively referred to as Melbourne Supply System throughout this document, are shown in Table 7.1.

Westernport Tennent Creek BE

Conditions and requirements were complied with during the reporting period, according to the BE and the operating arrangements in place between Westernport Water and the waterway manager, Melbourne Water.

Candowie Reservoir reached capacity on 1 July 2023 and 1,007 ML spilled over 120 days during this period. Per the environmental flow conditions of the BE, 343 ML was released. The environmental flow enhances the downstream creek environment, helping the flora and fauna to remain healthy.

Bass River BE

No water was extracted under this BE during 2023-24. Westernport Water met all conditions of the BE during the reporting period.

Greater Yarra System – Thomson River Pool BE

A total of 111 ML was extracted from this BE in 2023-24. Compliance with all conditions and requirements for this BE was achieved. We received a water allocation every

month from the Water Resource Manager, Melbourne Water, who also provided an update on any carryover water and spills from the Melbourne system storages.

In 2023-24, South East Water (SEW) and Westernport Water did not take a reciprocal trades of water allocation. This is part of an ongoing administrative process to enable Westernport Water to continue to access, by substitution, its water from the Melbourne surface water system via its offtake on the transfer pipeline while the transfer pipeline is pumping desalinated water from the Victorian Desalination Plant to Cardinia Reservoir.

SEW trades the required volume of desalinated water allocation to Westernport Water which in turn trades the same volume of Melbourne surface water allocation (under its Greater Yarra System – Thomson River Pool bulk entitlement) back to SEW resulting in a net zero ML trade. This is needed because Westernport Water does not hold an entitlement to desalinated water. This ongoing administrative process was agreed between South East, South Gippsland, Melbourne, and Westernport Water. The volume of water extracted from the Greater Yarra System whilst the Victorian Desalination Plant was offline was 117 ML.

The latest information from the resource manager is that Westernport Water has a water allocation of 767.8 ML, a carryover of 3,980 ML, and a balance of available water of 4,748 ML (equivalent to 25 months demand). Westernport Water contributes to the formulation of the system management rules and the operating arrangements to manage the BE.

Table 7.1: Water consumption

BE (Westernport) Conversion Order			14.1(a)	14.1(ab)	14.1(b)	14.1(c)	14.1(ca)	14.1(d)
System	Storages	Bulk entitlement ML/year	Max. rate of extraction ML/day	Daily flow to environment ML/day	Water storages ML ¹	Amount taken ML/y	Annual environment flow ML ³	Amendment of programs
Tennent Creek	Candowie Reservoir	2,911	14.1	5.0 winter 0.1, summer 7.5 fresh	4,586	2,368	344	No
			14.1(e)	14.1(f)	14.1(g)	14.1(h)	14.1(i)	14.1(j)
			Entitlement transfer from	Entitlement transfer to	Entitlement amendment	New entitlement	Failure to comply	Difficulties and remedial actions
			No	No	No	No	No	No

BE (Westernport – Bass River) Order 2009 ³			11.1(a)	11.1(b)	11.1(c)	11.1(d)	11.1(e)	11.1(f)
		Bulk entitlement ML/year	Amount of water taken daily ML/day	Daily flow in waterway ²	Amendment of programs	Amount taken ML/y	Entitlement transfer from	Entitlement transfer to
Bass River		3,000	12	Yes	No	0	No	No
			11.1(g)	11.1(h)	11.1(i)	11.1(j)		
			Entitlement amendment	New entitlement	Failure to comply	Difficulties and remedial actions		
			No	No	No	No		

BE (Greater Yarra system – Thomson River Pool – Westernport Water) Order 2014 ³			16.1(a)	16.1(b)	16.1(c)	16.1(d)	16.1(e)	16.1(f) ⁴
		Bulk entitlement ML/year	Amount taken ML/y	Water allocation and carryover ML	Entitlement volume compliance	Entitlement transfer	Metering program	Entitlement amendment
Greater Yarra System – Thomson River Pool		1,000	117	4,748	Yes	No	Yes	Yes
			16.1(g)	16.1(h)	16.1(i)			
			New entitlement	Failure to comply	Difficulties and remedial actions			
			No	No	No			

Notes

1. Water storage level at 30 June 2024.
2. Daily flow in waterway must exceed 40 ML/d during any extraction periods.
3. Environmental flow released through the environmental flow pipeline.
4. There was a minor variation to the Greater Yarra System – Thomson River Pool bulk entitlements to update references to reflect the permanent transfer of part of Yarra Valley Water's Greater Yarra System – Thomson River Pool bulk entitlement to Gippsland Water. On 21 September 2023, the Minister for Water amended Westernport Water's Greater Yarra System – Thomson River Pool BE to reflect this.

8. Customer and community engagement

All aspects of service delivery are customer and community centered due to effective community engagement and partnerships during planning and implementation.

Aligned Corporate Plan (2023-28) initiatives:

- Implement Year one of the Innovate RAP 2023-25.
- Implement a community performance regime as per Price Submission 2023-28.
- Deliver Year Two of the Performance Stewardship Strategy.
- Deliver Year Three of the Diversity & Inclusion Strategy.
- Deliver Year One of the Water Quality Continuous Improvement Program.

We take immense pride in our commitment to deliver exceptional customer and community-focused engagement. Our ability to reach many our customers through various engagement methods and communication channels sets us apart.

Customer Satisfaction

Regional Water Alliance customer satisfaction survey results

Westernport Water undertakes annual customer satisfaction surveys to evaluate customer perceptions, measure performance and inform future activities and initiatives.

Surveying is done in partnership with the Victorian Regional Water Alliance who have come together for many years to conduct annual customer surveys to gather feedback and insights from their customers, about water services, overall satisfaction levels, and specific areas of improvement.

The Water Alliance was formed in 2013 by the Gippsland water corporations and has since evolved to include other regional water partners.

This year's survey was conducted October in 2023, making it the 10th customer insights study. It was conducted using a direct email approach, moving away from the telephone survey approach. Research is conducted by an independent contractor on behalf of participating water corporations in the regional 'Water Alliance' who together survey 2,400 customers annually. Due to the change in method, over 4,041 responses were collected in 2023, more than the target of 400 for each water corporation.



Engaging with our customers at the San Remo Tidal Festival.

The collaborative survey approach enables alliance members to benchmark, compare and measure our performance against other Victorian regional water corporations and continually track and observe results for any changes or insights into our performance.

Findings from the Methodological review from 2022 enabled the transition of the survey from a five-point scale (2022 and prior) to a ten-point scale in 2023, aligning with the WSAA biennial survey and the ESC robo call survey. This shift enables Water Alliance members to compare data for the key metrics with other leading customer insights and draw comparisons with other essential service providers. Satisfaction with tap water quality was 6.8 out of ten for Westernport Water.

While telephone surveys were once a popular method for collecting customer insights, they are now seen as outdated and less effective than other methods for collecting customer insights.

Customer satisfaction with ease of effort

Customers answering 'Yes' to 'Have you been in touch with your water corporation in the last 12 months? And would you say that they are easy to deal with? 92 percent of customers that had been in contact with Westernport Water in the last 12 months, overwhelmingly agree that we are easy to deal with.

Overall customer satisfaction for the services provided

In an effort to gain a deeper understanding of customers perceptions of satisfaction and to align with other industry research initiatives, we transitioned survey responses to a 10-point scale which allows for more detailed data analysis which can reveal subtle shifts in customer perceptions that a 5-point scale might obscure. Due to this change we do not have a direct comparison with previous years.

The overall satisfaction with Westernport Water weighted average was 6.9.

Satisfaction with Westernport Water weighted average 6.9

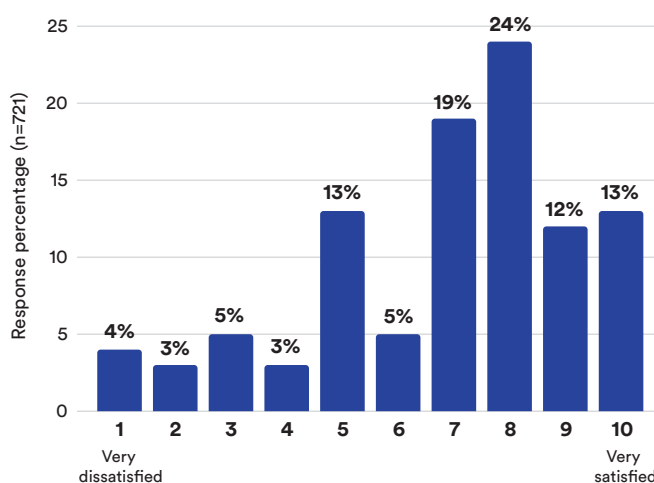
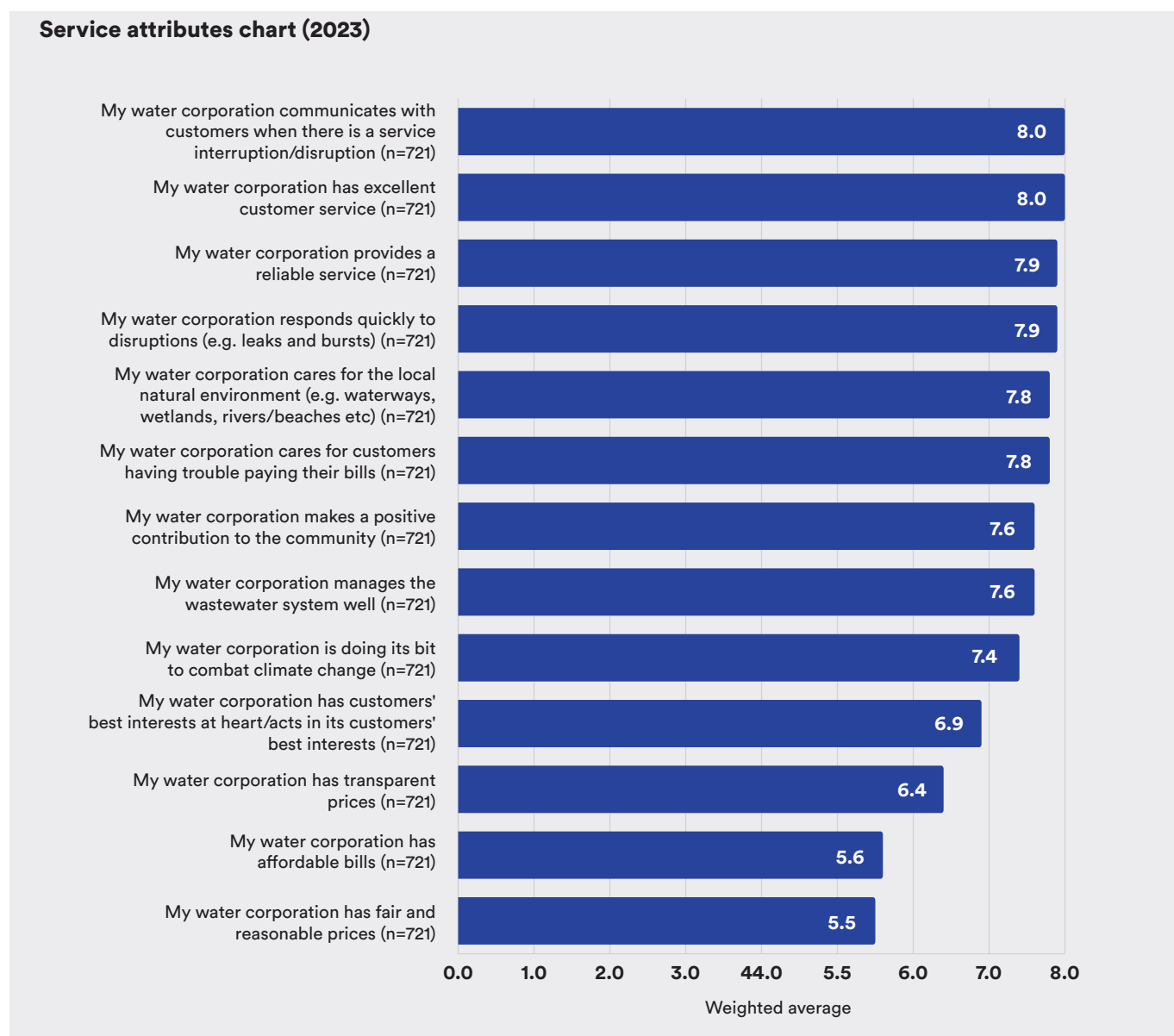


Figure 8.1 Customer satisfaction service attributes



Note:

The average score has been weighted to account for differences in sample groups.

Figure 8.2: Customer perception insights



Valued member of the community?

Yes
2023 **55%**

(2022 – 63%)

I trust Westernport Water

2023 **6.9** ↓ 

(2022 – 7.6)

Weighted average 5.8 out of 10



Value for money – average rating:

Yes
2023 **57%**

(2022 – 59%)

Overall satisfaction as service provider

2023 **6.9** 
Avg. weighting

(regional weighted avg. 7.6)



Satisfaction with tap water:

Yes
2023 **72%**

(2022 – 75%)

Weighted average 7.0 out of 10.

Customer satisfaction with ease of effort

2023 **92%** 

Out of over 200 customers surveyed that had contact with Westernport Water 95% said that we are easy to deal with.

Customer satisfaction and the ESC customer perceptions survey

The Commission surveys approximately 6,000 customers every 12 months across the sixteen urban regional water corporations on four key areas: value for money, reputation in the community, level of trust and overall satisfaction. The quarterly survey results provide a customer sentiment comparison between water corporations, providing insight into whether customers believe that they are receiving customer value.

According to sector-wide comparisons from the latest customer perception survey for (September 2023 to May 2024), customers rate Westernport Water as the leading water corporation in three out of four metrics.

Figure 8.3: ESC Customer perceptions



Customer and community engagement

Develop and deliver the Communications and Engagement plan 2023-26

In September 2023, we introduced our three-year Communications & Engagement Plan that provides detailed information on communications and engagement activities, projects, and initiatives aligned to customer commitments that will deliver improved customer and community outcomes.

This Communications and Engagement Plan has been developed to deliver the outcomes that customers sought as part of the 2023-28 price review engagement process, support the delivery of the capital works program, and deliver on customer expectations and strategies. It details the communications, engagement and education initiatives and plans to improve water literacy, support the health and well-being of the community, promote environmental sustainability, customer support initiatives, and encourage water conservation.

By implementing this plan, we seek to foster a culture of engagement with open and transparent communications with customers, the community, Traditional Owners and stakeholders. Some of the activities include water cafés, events, reconciliation forums, community meetings, working groups, tours, project briefings, drop-in sessions, Choose Tap, education and the Schools Water Efficiency Program. Each of which are detailed within the Communications and Engagement Plan that is shared on the Westernport Water website.

Implement a community performance regime as per Price Submission 2023-28

We recognise the importance of actively engaging with customers to enhance service delivery to meet the community's evolving needs. A key element of a community performance regime is the establishment of a Customer Assessment Panel (the Panel). Through the Customer Assessment Panel customers will be empowered to review performance and provide commentary on our performance. If targets are not met or missed over consecutive years, Westernport Water will provide a corrective action plan to explain how their performance and provide \$25,000 in funds to a community-led cause.

Engagement with the Panel will be undertaken in August 2024 and customer assessment commentary will be included in the Annual Watermark, which is provided to every Westernport Water customer in bills from September 2024. The Panel is an example of performance stewardship, and our commitment to transparent communication, continuous improvement, and accountability in our service delivery.

Figure 8.4: Customer Commitments 2023-28



Maintain Reconciliation Action Plan Working Group

In January 2024, Westernport Water provided new opportunities to our community to join the RAP Working Group. We extended an invitation to Bunurong Traditional Owners, as well as Aboriginal and Torres Strait Islander individuals, and internally sought employees to join the group. The drive was successful, new members offered fresh perspectives and profound insights, enriching our discussions, and enhancing our commitment to reconciliation and cultural understanding. More detailed information is available in section 9.

Deliver actions in the Innovate Reconciliation Action Plan

The RAP is integral to our commitment to reconciliation and fostering a more inclusive and respectful workplace and community. Although the RAP was officially adopted in late October 2023, external factors, including the referendum, delayed our progress until our launch event on February 28, 2024.

From the 97 deliverables outlined within the RAP, 44 have been completed, 17 are in progress, and 36 deliverables are due to be started in 2024-25. Progress remains on track for year one deliverables, and we have plans in place for the coming year.

Deliver year one of the five-year pricing period 2023-28

Following the completion of the first year of the five-year regulatory period 2023-28, we reflect on how we performed for each customer commitment:

- Provide high-quality drinking water.
- Reduce our environmental impact and adapt to climate change.
- Resolve sewer blockages quickly.
- Keep water interruptions to a minimum.
- Be there when needed.
- Keep essential services affordable.

Prices for 2023-24

A combined price increase of 7.3 percent was applied for the 2023-24 financial year. This was largely driven by a seven percent inflation rate (2023 March CPI), affecting the operational and capital costs of delivering water and sewerage services. The 0.3 percent increase by Westernport Water was accepted following extensive consultation with our customers about our priorities for the next five-years, which included urgent action on climate change, maintained service levels, increased hardship measures to protect vulnerable customers, and consistent, high-quality drinking water.

Prices for 2024-25

Based on Westernport Water's average annual residential consumption of 90kL, total household bills will increase from \$1,223 to \$1,331 for owner occupiers and from \$201 to \$221 for tenants in 2024-25. These increases are in line with inflation and changes to the cost of debt and Melbourne Water tariffs.

Waterways and drainage charge

The Waterways and Drainage Charge is collected on behalf of Melbourne Water. It is used to protect and improve the health of rivers and creeks in the Port Phillip and Western Port region. It also helps with drainage, flood protection and flood warning systems in rural and urban areas, as well as urban development planning.

Customers in rural areas are charged at a lower rate to reflect the different services provided compared to urban customers. In 2024-25, the Waterways and Drainage Charge is \$67.00.

Table 8.1: Total urban bills for current AR year compared with previous AR year (\$ real current AR year)

Indicator	2022-23 (\$)	2023-24 (\$)	Notes
1. Residential bill – owner occupier (\$ real 2023-24)			
The actual bill for an owner-occupier with a typical (average) water use in real 2023-24 dollars	\$1,223	\$1,321	1
Percentage change from prior year	–	8.0%	
1. Residential bill – tenant (\$ real 2023-24)			
The actual bill for a tenant with a typical (average) water use in real 2023-24 dollars	\$181	\$211	1
Percentage change from prior year		16.6%	
Typical (average) water use (kL) assumed in owner-occupier and tenant bill calculations	86KL	90KL	
2. Non-residential bill – business (\$ real 2023-24)			
The annual bill for a business using 3 ML per annum in real 2023-24 dollars	\$7,372	\$8,150	2
Percentage change from prior year	–	10.6%	

Notes

1. Based on Westernport Water's average consumption (90kL) for residential customers in 2023-24.
2. Calculations assume no additional cistern charges and has a 20mm meter.

Table 8.2: Community Service Obligations

Performance indicator	2022-23 (\$)	No. of customers	2023-24 (\$)	No. of customers	Notes
Provision of water and sewerage concessions	932,655	21,517	960,110	22,005	–
Rebates paid to not-for-profit organisations under the water and sewage rebate scheme	24,052	375	31,895	495	1
Utility relief grant scheme payments	73,482	251	105,018	394	2
Customer Care grant (Sewerage and Water Connection Scheme)	13,580	229	15,489	218	3
High usage leak allowance (HULA)	17,779	80	31,139	89	4
Water concession for life-support machines	0	0	0	0	5
Total community service obligation provided	\$ 1,061,548	22,452	1,143,651	23,201	

Notes

1. Rebates for not-for-profit organisations have increased slightly compared to last year.
2. Increase in Utility Relief Grants due to increased customer requests and ongoing work to target vulnerable customers.
3. There were less customer care grants overall for the financial year but the total spend had increased slightly due to better processes to target vulnerable customers and the introduction of a payment incentive scheme.
4. We have seen an increase in the amount of HULA's awarded from last year with higher values awarded to customers.
5. We do not currently have any customers who access a water concession for life support machines.

Customer care

We continued to support customers facing financial challenges due to cost-of-living increases, debt collection and restriction activities remained on hold until 2024-25. Our customer assistance programs were available to provide tailored solutions, including flexible payment arrangements, help with paperwork, and applications for government concessions. Additionally, financial assistance programs such as Customer Care Grants, Utility Relief Grants, and concession rebates were offered to those in need.

Water and sewerage concessions

Eligible concession card holders can have up to 50 percent deducted automatically from their water and sewerage charges up to a yearly maximum of \$354.10 for 2023-24. During the year, 22,005 concessions were applied to the value of \$960,110.

Rebates paid to not-for-profit organisations under the water and sewerage rebate scheme

Under the scheme, organisations using land for community benefit may be eligible for a water and sewerage rebate, providing up to \$260 per year off the fixed service charge component of water bills. During the year, 495 organisations received help from the scheme saving \$31,895.

Water concession on life support machines

Eligible, concession card holders using life support machines at home were eligible for concessions on their electricity and water bills during the year. Eligible applicants include account holders with a Pensioner Concession Card, Health Care Card, or Veterans' Affairs Gold Card who use or have a household member using an eligible life support machine. The concession provided to eligible customers was \$NIL (Westernport Water do not have any customers who have disclosed they are using a life support machine).

Hardship relief grant scheme (sewerage and water connection scheme)

Low-income Victorians experiencing unexpected hardship were provided access to relief grants to help pay overdue energy or water bills. The grant is intended to help with mains electricity, gas, or water bills that are overdue due to a temporary financial crisis. The amount of the grant is based on the balance that the customer owes at the time of application. It is also based on the reasons they have given for applying.

Eligible customers were able to receive a maximum of \$650 on each utility type in a two-year period (or \$1,300 for households with a single source of energy (for example, electricity only). Westernport Water's Customer Care Officer supported customers with their applications and during 2023-24, relief grants for paying overdue energy or water bills were provided to 394 customers totalling \$105,018.



Promoting water industry careers at a local career expo.

Community rebate program (housing retrofit)

The Community Rebate Program offers free water efficiency audits from a licensed plumber. The program was resumed in 2023-24 and has aided five vulnerable customers in reducing their water use. Under the Program eligible customers may receive up to \$750 for agreed products or services. The Program does not provide subsidies for bills but aids customers on a concession or payment arrangement to reduce water use and utility costs.

High Usage Leak Allowance

Customers who experienced unexpected high-water usage were provided with support and options under the Victorian Water Industry's Guideline for Unexplained High Usage and Undetected Leak Program. Only one water bill rebate will be offered per customer, per property per five-year period for eligible water loss events. Customers may make one claim for either a single leakage event or a single unexplained high usage event within a five-year period. Claims for both a leakage event and an unexplained high usage event cannot be made within a five-year period. The High Usage Leak Allowance Scheme provided \$31,139 of relief for 89 customers during the reporting period.

Telephone interpreter services

At Westernport Water, we recognise the importance of effective communication in providing exceptional service to all our customers. Understanding that language barriers can hinder seamless interactions, we are proud to offer this valuable service which is designed to cater specifically to non-English speaking customers. This free service aims to remove or reduce barriers to accessing support and information about water and wastewater services when needed.



Members of the South Coast Water Partnership.

Community Support Program and sponsorship

Sponsorship and donations during the 2023-24 period amounted to \$55,208 (no GST) in real terms. When we add all in-kind goods and services provided during the period, such as free hire of our Hydration Station and portable refill stations at events, advertising on the roadside billboard sign, reusable water bottles, and other promotional items, we provided \$90,409 (no GST) value to our community.

The majority of this financial support was provided through the Community Support Program (CSP), which allocated \$32,184.86 (no GST) in real terms to 18 not-for-profit local community organisations for projects or events aligned with our commitment to fostering a more sustainable and liveable community.

During 2023-24, we were involved in approximately 53 community stakeholder engagements, 38 sponsored events, 40 educational engagements and provided 27 sponsorships or donations, demonstrating our dedication to fostering active community participation and engagement.

Education

Communications, engagement, and education are key interrelated activities that enable Westernport Water to disseminate information, create understanding, promote participation, gain insights, and educate customers and the community about our products and services. As part of our Communications and Engagement Plan (2023-26), all our education campaigns and programs will sit within two streams – Water Literacy and School Education.

Under this new plan, during 2023-24, four sector wide campaigns that remained a focus within both streams were: Choose Tap; the 3Ps wastewater campaign; National Water Week; and Target Your Water Use. We also developed Smart Water Advice kits for local accommodation providers to increase the water literacy of visitors to our region, which will be rolled out over the following 12 months. These campaigns are all integral to Westernport Water's efforts in promoting sustainable water practices, raising awareness about water conservation, and encouraging responsible water use within the community.

Community groups and schools were welcomed back to our sites for educational tours and excursions during 2023-24, with six groups visiting CWWTP; three groups visiting Candowie Reservoir and IBWPP, and one walking/community group visiting KRWTP. We also ran one incursion at a local primary schools, and participated in four career events. In total, we successfully delivered 40 educational engagements in the 2023-24 period, double the amount from 2022-23.

Westernport Water actively participates in National Water Week, a national initiative that promotes water conservation and sustainability. During the annual campaign, various events and educational activities are organised to engage the community and raise awareness about responsible water use, particularly the NWW Poster Competition for local primary school-aged children.



Promoting Choose Tap and Dental Health Week with South Coast Water Partnership stakeholders.



New prep students with their new water bottles from our Prep Water Bottle Initiative.

The Victorian Water Efficiency Strategy (VWES)

The VWES emphasises water efficiency for all customers through innovative and collaborative practices among water corporations, aiming to realise the vision for water management. This strategy promotes a cooperative approach to implementing water efficiency initiatives, including state-wide efforts. The Target Your Water Use (TYWU) campaign, a regional Victorian program, highlights common water efficiency initiatives across Victoria. It provides valuable information to regional Victorians, enabling them to make informed decisions about water use and encouraging water conservation. TYWU serves as an overarching program, offering access to water efficiency information, products, and services for all regional Victorians.

Residential water efficiency programs and initiatives available during 2023-24 were:

- School education programs; National Water Week
- Smart Approved WaterMark website and resources; promotion of Water Night
- improved information on the website
- continuation of the Permanent Water Saving Rules
- comparative consumption data – on bills and website
- customer care programs
- Community Water Rebate Program.

Choose Tap

Westernport Water has been a member of the Choose Tap Coalition since its inception in 2014. This coalition includes councils and water corporations from across Australia, united in promoting the Choose Tap campaign nationwide. Through collaboration, we share expertise, knowledge, resources, and leverage a consistent and widely recognised brand and message. Westernport Water has achieved notable successes as part of the Choose Tap initiative during the 2023-24 period including:

- continuation of the Prep Water Bottle Initiative in all local primary schools, distributing 300+ stainless steel water bottles in January 2024.
- Strengthening the South Coast Water Partnership, we re-signed a statement of commitment to promote Choose Tap campaign key messages, that local tap water is clean, safe, and good for our health. Partnership member organisations (Westernport Water, South Gippsland Water, Bass Coast Shire Council, South Gippsland Shire Council, GippSport, South Coast Prevention Team and Gippsland Region Public Health Unit) collaborated on two campaigns during 2023-24, including the annual summer social media campaign and an internal promotion within member office spaces and local sporting facilities.



Our Education Trailer is always popular at local community events.

Schools Water Efficiency Program (SWEP)

SWEP provides Victorian primary and secondary schools with data loggers on their water meters, linked to an online portal which gives students, teachers, and maintenance staff access to real-time water usage data, helping them to identify unexpected leaks. The program also provides a tailored curriculum program, allowing students to use the school's water usage data within various subjects.

Eight of the nine schools in the service area continue to be registered to the SWEP program, with most schools receiving email alerts for higher-than-usual water usage and possible leaks during 2023-24. This was a saving of an estimated 819 kilolitres of water, at an estimated avoided cost of \$2K. Since the beginning of the program in 2012, local schools have saved approximately 36.4 megalitres of water at an estimated avoided cost of \$57K.

9. Recognising Aboriginal values

Promote self-determination of Traditional Owners, including by supporting the Treaty process as required. Support the implementation of Water is Life: Traditional Owner Access to Water Roadmap by enabling increased access to water entitlements under current frameworks and increased cultural benefits from the way we store, deliver, and use water.

Aligned Corporate Plan (2023-28) initiatives:

- Deliver Year Three of the Diversity and Inclusion Strategy 2021-24.
- Implement Year one of the Innovate RAP 2023-25.
- Continue to implement Integrated Water Management outcomes.

Supporting Aboriginal self-determination

The concept of self-determination holds profound significance for Aboriginal and Torres Strait Islander peoples, and we recognise that we have a lot of work to do to support self-determination. Self-determination embodies the inherent right of Aboriginal and Torres Strait Islander communities to govern themselves, make decisions about their own future, and uphold their unique cultures, traditions, and ways of life. The following section explores the engagement activities and initiatives that Westernport Water do to support self-determination, reconciliation, and positive social change.

Deliver the final year of the Social Procurement Strategy 2021-24

Two of the key objectives during the delivery of this Strategy were to create opportunities for Victorian Aboriginal People and contribute to the sustainability of Victorian social enterprise and Aboriginal business sectors by purchasing from Victorian Aboriginal businesses. Over the duration of this Strategy over \$523,000 ex GST has been spent with certified Aboriginal businesses. This investment, alongside improvements to procurement standard operating procedures, staff induction and training and the development of case studies and public facing material, has assisted in the ongoing development and journey to support Aboriginal Values.



Chris Newton (Board Deputy Chair) and Dona Tantirimudalige (Managing Director) at the Innovate RAP launch event.

Develop and implement an Aboriginal Engagement Strategy as per the Innovate RAP initiative

Westernport Water's RWG, has made significant progress engaging on the key elements for the Aboriginal and Torres Strait Islander Engagement Strategy. The strategy is a key deliverable of our Innovate RAP 2023-25, it outlines a comprehensive framework for engaging Aboriginal and Torres Strait Islander peoples in water management. It builds on the draft that was developed through 2022 and 2023 during the delivery of Westernport Water's Innovate Reconciliation Action Plan 2020-23, which was developed in consultation with the RWG, Aboriginal and Torres Strait Islander peoples and Bunurong Traditional Owners.

By aligning with Victorian Government and Westernport Water plans and policies and adhering to five core values and principles from our RAP, the strategy sets a clear direction for creating and strengthening mutually beneficial relationships and partnerships.

Genuine engagement on this new strategy has taken longer than first expected and the strategy will likely be delivered early in 2025. We are committed to delivering this strategy and have made a conscious decision to defer delivery to enable further collaborative input. Through this dedicated effort, Westernport Water continues to advance meaningful engagement and reconciliation with Aboriginal and Torres Strait Islander peoples.

Partnerships with Traditional Owners

The Bunurong Land Council Aboriginal Corporation Registered Aboriginal Party

We acknowledge and respect Aboriginal and Torres Strait Islander peoples as the first Australians. We provide services on the traditional lands of the Bunurong people. Bunurong Land Council Aboriginal Corporation (BLCAC) is the Registered Aboriginal Party and represents the interests of Bunurong Traditional Owners. Appointed pursuant to the *Aboriginal Heritage Act 2006* (Vic) the BLCAC covers part of metropolitan Melbourne, the Mornington Peninsula, the Bass Coast and West Gippsland.

The BLCAC provides a unified voice for its members and supports their cultural goals and aspirations. Westernport Water looks to go beyond the minimum requirements of the Statute and the Act, to prioritise and protect the self-determination of the Bunurong people, through the BLCAC and support their cultural rights and aspirations for their people, lands, and waters.

During the reporting period, we strengthened engagement with the BLCAC, re-engaging them through various forums including the Westernport Water RWG, Tarbuk Biik stakeholder group and the Bass Coast Reconciliation Network. They have provided Welcome to Country ceremony at key events, supported cultural values activities on country and coordinated tree plantings through a fee for Service Agreement. We continue to engage with them on future land management projects, some of which are reported on in Section 10.

Enabling the Gathering Place Steering Committee

The Bass Coast Gathering Place Steering Committee was established during the year to engage community, oversee and guide the development, operation, and activities of a Gathering Place, which is a safe community space focused on connecting community, supporting the cultural, social, and educational needs of the Aboriginal and Torres Strait Islander communities.

The Phillip Island Nature Parks, Bass Coast Shire Council, Bass Coast Health and Westernport Water support the goals of the Gathering place and have provided administrative support to enable community engagement and has collaboratively funded the group \$50,000 to enable them to progress the project and build the foundations for self-determination. The investment per participating organisation is \$12,000.

Victorian Water Industry Traditional Owner and First Nations Working Group

The Traditional Owner and First Nations working group, comprising representatives from various Victorian water corporations, actively engages with Traditional Owners to ensure First Nations people's aspirations are integrated into water strategies and planning. The group played a crucial role in developing the "Water is Life: Traditional Owner Access to Water Roadmap" and is focused on increasing water access and participation for Aboriginal Victorians.

The group has provided an important forum to share and learn together about our engagement with Traditional Owners, with the aim of facilitating collaboration, building capability and working in a coordinated way.

Moving forward, Westernport Water remains committed to working closely with the sector and enhancing Aboriginal and Torres Strait Islander involvement in land and water management, working directly with the Bunurong Land Council to explore future opportunities.



Uncle Mark (Bunurong Land Council) performing a Smoking Ceremony at the Gathering Place Community Yarn.

A regional approach to reconciliation

The Bass Coast Reconciliation Network (BCRN) is a collaborative alliance of organisations within the Bass Coast region working on common reconciliation initiatives. Its members include the Bass Coast Shire Council, Bass Coast Health, Westernport Water, Phillip Island Nature Parks, Bunurong Land Council Aboriginal Corporation, Bass Coast South Gippsland Reconciliation Group, Myli My Community Library, Management Authority and Aboriginal and Torres Strait Islander community members. Reconciliation event partners also included West Gippsland Catchment Authority and South Gippsland Water.

Since 2019, BCRN members have worked together to forge a shared future of reconciliation, recognition and genuine partnerships with Traditional Owners and the Aboriginal and Torres Strait Islander community. The primary objective of BCRN is to actively promote reconciliation through collective actions and to support one another to deliver RAP actions and initiatives. By pooling our time, resources, and knowledge, we strive to make a meaningful impact and reduce the demands on community members who give their time to further reconciliation.

The BCRN serves as a central link for organisational and community networking, facilitating connections and fostering collaborations. Our collective impact extends beyond individual initiatives aiming to deepen the understanding and awareness of reconciliation among partner organisations and the wider community. Through our unified approach, we demonstrate our commitment to driving positive social change and contributing to a reconciled community.

Through our regional reconciliation partnership, we aim to empower Traditional Owners and Aboriginal and Torres Strait Islander people by involving them in activities that affect them and ensuring their input is valued and included wherever possible. Key event highlights for the BCRN include the delivery of an annual program of events which is detailed in the next section.

Victorian Aboriginal businesses engaged

During the reporting period, we are pleased to report that we engaged thirteen Victorian Aboriginal businesses with a total spend of \$19,168.98 (ex GST).

Cultural Heritage Management Plans (CHMP)

No mandatory Cultural Heritage Management Plans (CHMP) were deemed necessary for the duration of this reporting period. There was no requirement under the *Heritage Act 2017* to undertake an assessment of historical heritage.



National Reconciliation Week – On Country Networking Day at Powlett River (Kugerungmome).

Reconciliation and our action plans

Reconciliation journey

Westernport Water officially commenced its reconciliation journey back in 2015 with the preparation of a business plan to support its commitment to engage with First Nations Peoples and commence its reconciliation journey. From there we:

- devoted two years – 2016-17 to relationship building and engaging on the development of our first RAP
- launched our first RAP a Reflect RAP – May 2018
- had our second RAP and Innovate RAP endorsed – July 2020
- concluded our Innovate RAP (2020-22) – July 2022
- engaged on the development of our third RAP
- Innovate RAP 2023-25 endorsed – October 2023
- launched Innovate RAP 2023-25 – February 2024.

Over the past nine years, our reconciliation journey has been challenging, rewarding, and thought-provoking. We believe we have made noteworthy progress, especially in fostering genuine, trusting relationships, enhancing employment and supplier opportunities for Aboriginal and Torres Strait Islander communities at Westernport Water.

In our pursuit of reconciliation, we are actively working to foster meaningful relationships and drive positive change through a range of initiatives. These include leading community events, implementing employee cultural awareness programs, providing employment opportunities, engaging with the wider community and measuring the effectiveness of our efforts which includes annual reporting, surveys and participation in the Australian Reconciliation Barometer through Reconciliation Australia.

The Australian Reconciliation Barometer (ARB) is a national research study conducted biennially by Reconciliation Australia. It measures and compares the attitudes and perceptions of Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians about reconciliation and issues related to it. Findings from the ARB provide valuable insights into the progress of reconciliation in Westernport Water and will help guide future activities. More information can be found later in this section.

Innovate RAP

Westernport Water's Innovate RAP is a significant commitment by our organisation, employees and community to contribute to reconciliation in Australia. This is Westernport Water's second Innovate RAP, it builds on over seven years of focused engagement with Traditional Owners, and Aboriginal and Torres Strait Islander peoples, including the delivery of two previous RAPs.

Reconciliation Australia adopted Westernport Water's Innovate RAP (2023-25) on 17 October 2023, but due to the referendum, we did not officially mark the milestone with a celebration until February 2024. The Innovate RAP is Westernport Water's third reconciliation action plan and it will enable Westernport Water and its employees to sustainably and strategically take meaningful action to advance reconciliation based on the core pillars of relationships, respect and opportunities.

There are 110 initiatives in the RAP, we have completed 47, started 14 and have plans to deliver on the remaining 50 over the next 16 months. Key highlights were welcoming two Bunurong Traditional Owners to be a part of the working group, leading four major events celebrating dates of significance including the NAIDOC Week art show, Commemoration for Tunnerminnerwait and Maulboyheener, Sorry Day Community Gathering and a National Reconciliation Week Cultural Values Tour, and continuing to lead reconciliation activities in our sphere of influence through the Bass Coast Reconciliation Network.



2023-28 Innovate Reconciliation Action Plan.

RAP Working Group (RWG)

In January 2024, Westernport Water promoted new opportunities for community to join the RAP Working Group. We invited Bunurong Traditional Owners, as well as Aboriginal and Torres Strait Islander peoples living in the communities we serve, to join. The recruitment drive was successful, attracting two new First Nations members who have brought fresh perspectives and deep knowledge that have enriched our discussions and strengthened our commitment to reconciliation and cultural understanding.

Westernport Water has introduced an open expression of interest for First Nations people to apply to be part of the RAP Working Group and encourages community to get involved. We meet five times a year and positions are paid.



Auntie Patrice Mahoney and Sam Weston at the commemoration of Tunnerminnerwait and Maulboyheener.

Westernport Water's RWG is the driving force behind reconciliation activities and provides a forum to engage with Aboriginal and Torres Strait Islander Communities, reconciliation stakeholders and the Board. The RWG works towards delivering RAP commitments and being champions for reconciliation across the corporation and the community. The RAP Working Group comprises internal and external Aboriginal and Torres Strait Islander representatives and includes Traditional Owners, Aboriginal and Torres Strait Islander community members living on Bunurong Country, as well as representatives from Westernport Water's Leadership Team and employees from each division across the organisation.

We extend our heartfelt gratitude to Uncle Anthony Egan Bunurong Traditional Owner outgoing member of Westernport Water's RAP Working Group for his unwavering commitment to reconciliation. His dedication, hard work, and passion have been instrumental in advancing our reconciliation efforts. These contributions have strengthened our initiatives and left a lasting impact on the journey towards true partnership and understanding with Traditional Owners and the Aboriginal and Torres Strait Islander community. Uncle Anthony's efforts have paved the way for continued progress, and his legacy of commitment to reconciliation will always be remembered and celebrated.

First Nations members during 2023-24 were:

- Uncle Anthony Egan – Outgoing member
- Uncle Jarrod West
- Uncle Paul Patten
- Aunty Patrice Mahoney OAM.

New members from February 2024

- Uncle Robert Ogden
- Aunty Zoe Upton.

Community engagement and reconciliation efforts

Throughout the year, Westernport Water collaborated with the BCRN to support an annual program of events, including four major events that acknowledged and celebrated significant dates for Aboriginal and Torres Strait Islander peoples. These efforts highlighted our dedication to community engagement and reconciliation, fostering meaningful connections and promoting a reconciled future. Events included:

- The NAIDOC Week First Nations Art Exhibition, held annually in July, celebrates the rich culture, heritage, and artistic talents of Aboriginal and Torres Strait Islander peoples. NAIDOC Week, an annual observance in Australia, honours the history, achievements, and contributions of these communities. This event is led by the volunteer Bass Coast/South Gippsland Reconciliation Group, members of the BCRN. The Art Exhibition provides a platform to showcase diverse artworks that encapsulate the stories, traditions, and contemporary experiences of Aboriginal and Torres Strait Islander communities. Artists are also able to feature and sell their art online through the online Exhibition.
- The commemoration of Tunnerminnerwait and Maulboyheener in Wonthaggi, saw over 100 people attend to remember the freedom fighters who were captured at Harmers Haven in 1842, and after being convicted of murder, became the first people hanged in Melbourne.
- Community members gathered at the Nobbies Centre for Sorry Day Healing, where 100 attendees came together in solidarity to support healing for Stolen Generations Survivors. The event offers the opportunity for reflection and connection. Aboriginal and Torres Strait Islander leaders shared moving stories about the enduring impacts of forced child removals on families and communities. Speakers conveyed personal and generational experiences, highlighting both the trauma endured and the resilience showed by their communities. RWG member Patrice Mahoney OAM, highlighted the importance of acknowledging past injustices and advancing healing and reconciliation efforts. This annual event, observed nationally on May 26, commemorates the Stolen Generations and underscores ongoing commitments to justice and reconciliation.
- National Reconciliation Week 2024, we enabled our employees to take part in a Cultural Values session on Country at Powlett River – Kugerungmome, which was driven by the Bunurong Land Council. The event was made possible with the support of Westernport Water and West Gippsland CMA who combined delivery of the event.



National Sorry Day event at The Nobbies.

Workplace RAP Barometer

The Australian Reconciliation Barometer (ARB) is a national research survey conducted every two years by Reconciliation Australia. The survey looks at the relationship between Aboriginal and Torres Strait Islander peoples and other Australians, and how perceptions affect progress towards reconciliation. The ARB gives Westernport Water a unique and valuable opportunity to better understand the impact of our RAP on employees' attitudes toward and perceptions of reconciliation and focuses on assessing our performance compared to like RAP organisations with RAPs at similar levels. The next Workplace RAP Barometer survey will be conducted in September 2024.

In 2022, Westernport Water's results compared very positively, when benchmarked against other participating organisations at the same RAP level, with staff perceptions rating well above the national average on nearly every metric.

The Workplace RAP Barometer survey reveals that 100 percent of Westernport Water staff believe the organisation strongly opposes prejudice and racism. Reconciliation Australia found 57 percent of First Nations people and 42 percent of non-Indigenous respondents believe Australia remains a racist country, a view shared by 41 percent of Westernport Water staff, with 50 percent neutral. Most respondents support formal truth-telling about Australia's shared history and colonization, with strong knowledge of Treaty, Voice, and Truth. Nearly all staff are aware of the Traditional Custodians and feel comfortable giving an Acknowledgement of Country, reflecting the company's focus. There is significant interest in taking part in reconciliation and cultural activities, and relationships between First Nations and non-Indigenous employees are positive, with senior leaders seen as champions of reconciliation.

Westernport Water has registered to take part in the biennial Workplace RAP Barometer in September 2024.

10. Recognising recreational values

Support the wellbeing of communities by considering recreational values in water management.

Aligned Corporate Plan 2023-28 initiative:

- Implement Year One of new Innovate Reconciliation Action Plan 2.0 2023-25.

Recreational values

Table 10.1 : Consideration of recreational values in business operations

Indicator Name	2023-24
Provide the number of site-based projects planned/delivered to improve recreational enjoyment of water storages.	1
Provide the number of water storage recreational areas with Recreational Area Management Plans in place.	0



Members of the Floating Wetlands Project Working Group.

Number of accessible storages/sites

Westernport Water has no water storage recreational areas with Recreational Area Management Plans in place but has one site open to the community for recreation.

An alternative approach to delivering recreational value

Westernport Water is a small water corporation dedicated to exploring innovative ways to ensure water management practices support a healthy, and thriving community, and a prosperous economy. While our water catchment and reservoir are currently closed to the community to safeguard water quality, environmental protection, and public safety, we are continuously seeking broader opportunities to engage with the community.

Alternative initiatives that benefit the community include:

- the ongoing provision of land and funding and support for the Phillip Island Community Orchard (PICO)
- use of recycled water to support high valued community assets

- provision of education trailer to support educational events, tours and outcomes
- provision of 19 permanent and three portable community water refill stations
- providing community access to water and wastewater treatment facilities in the form of guided tours and organised group visits for bird watching, walking groups and schools.

Engagement processes with community or stakeholders

Throughout the year, Westernport Water coordinated a Project Working Group (PWG) and Project Reference Group for the CWWTP Floating Wetlands pilot project, comprised of staff, project partners from CSIRO, Covey Associates and Deakin University's Blue Carbon Lab, as well as representatives from the broader water sector including Intelligent Water Network and Water Services Association of Australia, the Environment Protection Authority Victoria and Bunurong Land Council Aboriginal Corporation.

The Project Working Group and Project Reference Group enables transparent, best practice decision-making to inform the two-year pilot trial into the effectiveness of constructed floating wetlands in removing nutrients and reducing greenhouse gas emissions from treated wastewater.

A Floating Wetlands Forum for the water industry was hosted by Westernport Water in February 2024. Preliminary findings and key learnings from this project were shared amongst forty-four people from nine different organisations.



Phillip Island Community Orchard.

Water planning and management

Waterway health and environmental land

In September 2023, partially funded by Melbourne Water, 900m of fencing around Guys Creek at the King Road Wastewater Treatment Plant was undertaken. In addition, Westernport Water staff collaborated for riparian vegetation planting with Landcare. 3,300 trees, shrubs and grass covers were planted to help with the health of Guys Creek and the subsequent recreational values linked to Guys Creek.

In August 2023, Westernport Water in collaboration with the Bunurong Land Council, planted out 1,500 native grass coverings, shrubs and trees along Candowie Reservoir driveway to remove the high risk that came with mowing these areas, due to the gradient of the land and proximity to passing traffic.

Improvements to information sources

Westernport Water has achieved significant milestones over the past year, improving information sources, application processes, and our overall ability to serve the community. We have introduced added information on our website, built upon the tour options available to schools and community groups, and provided valuable educational outreach and teacher resources. Through these improvements, Westernport Water continues to support a well-informed community.



Planting out the Candowie Reservoir driveway with the BLCAC Stronger Country works crew.

Future water for recreational values activities include:

- Class A recycled water is provided to customers on Phillip Island for use in recreational spaces such as the Golf Club and the Cowes football oval. The 45km recycled water enables the supply of recycled water to new customers who can connect to the recycled water system.
- The potential construction of a wetland system at our KRWTP may offer the opportunity for future recreational activities such as bird watching, however with this site being an active wastewater treatment plant, risks and regulations will need to be considered in the decision-making process.
- consideration of environmental flows from Candowie Reservoir.

Supporting local community groups to access sites for recreation

We understand the community's interest in accessing publicly owned sites, and reservoirs and have made an ongoing commitment to support the Phillip Island Community Orchard. This initiative provides many benefits for people and the community in general, it serves as a gathering place for the community offering social interaction, provides locally grown food that supports the food kitchen, educational opportunities through gardening workshops, environmental benefits using recycled water and also provides a space where people and families can gather and live an active lifestyle. A case study is provided in the following section.

Case Study

Celebrating a decade of growth: The Phillip Island Community Orchard

In October 2023, Westernport Water proudly celebrated the 10th anniversary of the Phillip Island Community Orchard (PICO), a milestone that highlights the success of our ongoing partnership and support. This case study details our collaborative journey with PICO, underscoring the significance of community engagement, environmental stewardship, and the creation of resilient and liveable communities.

Humble beginnings

Ten years ago, a group of eight passionate gardeners presented Westernport Water with a vision for a vibrant orchard—a place where unity, hard work, and community spirit would flourish. This vision resonated with our commitment to enhance community liveability through shared spaces and sustainable practices.

In addition to providing land and resources to the original group of volunteers, our support also included pro bono assistance to get the project off the ground. The PICO project began with the help of Westernport Water employees, Landcare and local primary school students, to plant native shelter belts and the first fruit trees, transforming the vacant lot of Westernport Water land into a blossoming community hub.

Westernport Water has provided land and resources, including access to top-quality Class-A recycled water. This support has been pivotal in maintaining the orchard at a high standard and promoting sustainable living practices. The orchard serves as a gathering place for the community, offering numerous benefits such as:

- **Social interaction:** A space for people to connect, share knowledge, and build friendships.
- **Local food production:** Supplying fresh produce that supports the local food kitchen.
- **Educational opportunities:** Gardening workshops that educate participants about sustainable practices.
- **Environmental benefits:** Utilisation of Class-A recycled water for irrigation, reducing impact.
- **Active lifestyle:** Providing a space for families to gather and engage in healthy activities.

Financial support and volunteer contributions

Westernport Water has consistently supported PICO, strengthened the partnership, and secured necessary resources for the orchard. Over nine hundred volunteer hours are contributed annually by resolute individuals who help maintain and develop the site and funding to support its growth has come from various sources including the Bass Coast Shire Council.



Original members and special guests at the PICO 10th anniversary celebration event.

Recognising recreational values

Our support for PICO aligns with our broader aim to deliver improved recreational outcomes and enjoyment at our sites. This initiative links to our deliverable of improving recreational access and facilities through site-based projects. The orchard exemplifies how social and recreational uses of waterways can provide economic, aesthetic, and wellbeing benefits to the community.

Achievements and gratitude

The orchard stands as a testament to what can be achieved when a community comes together with a common goal. Each tree and fruit bear witness to the dedication of volunteers who have given their time and energy over the past decade. As we celebrated this milestone, we expressed our deepest gratitude to the volunteers who have made this project possible.

Looking forward

Westernport Water stays committed to supporting the Phillip Island Community Orchard to continue as a flagship demonstration site. We aim to consolidate and increase opportunities for community participation, building on the past ten years' successes. This initiative exemplifies our dedication to making public assets accessible and beneficial to the community, promoting sustainable living, and fostering community spirit.

By nurturing the orchard, we enhance the environment and enrich the lives of those who engage with it. The Phillip Island Community Orchard is more than just a garden; it is a thriving example of community collaboration and environmental consciousness.

This case study shows the impactful relationship between Westernport Water and the Phillip Island Community Orchard, celebrating a decade of growth, community engagement, and sustainable practices.

11. Climate change and energy

Undertake activities and provide services that minimise environmental impacts, reduce greenhouse gas emissions, adapt to climate change, increase renewable energy use, and demonstrate reasonable progress in integrating change adaptation into planning and decision-making across the business.

Aligned Corporate Plan 2023-28 initiatives:

- Commence Treatment Plant Energy Efficiency Project.
- Deliver Year One of the Climate Change Strategy 2023-28.
- Continue to participate and implement Integrated Water Management (IWM) Outcomes including assessing the performance of the floating wetland pilot to improve wastewater quality.

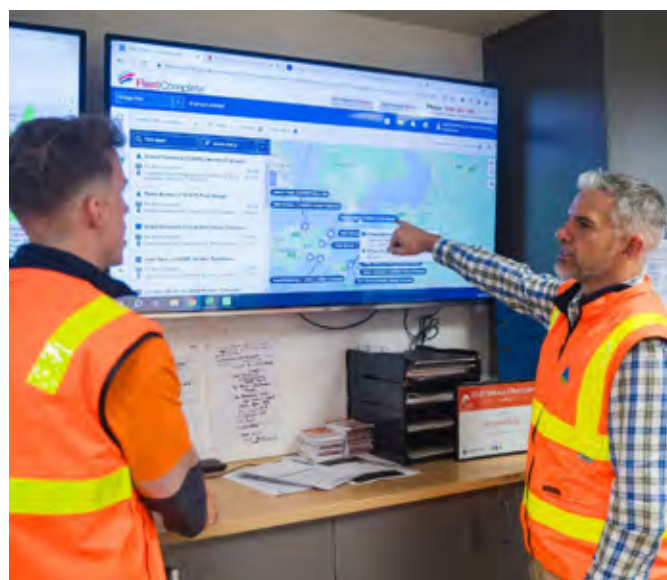
Climate change adaptation

Under the *Climate Change Act 2017* the water sector was chosen to pilot climate change adaptation plans. DEECA completed its Water Cycle Climate Change Adaptation Action Plan in 2022, and it is one of seven plans prepared by the Victorian Government for state-wide systems. Water for Victoria and the Water Minister's Letter of Expectations (LoE) highlight the need for water corporations to take the lead on climate adaptation and have their own plan.

Water corporations are required to integrate climate change adaptation into decision-making across all water and wastewater sources, including source water and demand, built assets, natural environment, people and workplace, interdependencies as well as customer and product delivery.

Westernport Water initiated its inaugural Climate Change Adaptation Plan during 2018-19. In the Plan, two climate scenarios (RCP 4.5 and 8.5) are explored across two future timeframes (2030 and 2070). The primary objective of the Adaptation Plan is to prepare Westernport Water for the impacts of climate change on assets, supply and demand forecasting, people and the environment, now and into the future. The goal is to ensure we can continue to provide reliable services and meet customer expectations under a changing climate, while balancing the impacts on the Corporation's financial sustainability and water services costs.

The Climate Change Adaptation Plan is made up of prioritised adaptation actions split into five focus programs that align with Westernport Water's strategic framework. In 2023-24, the next iteration of the Climate Change Adaptation Plan was prepared. A holistic approach was taken across the organisation, including the preparation of pre-reading material describing 'Climate Change in Westernport', and a participant survey, leading into a facilitated workshop and presentation. The outcomes of the workshop consider physical and transition risks, as well as the opportunities that can arise in adapting to climate change. The risk register will be updated to reflect consolidated risks as an outcome of this work and further embed climate change adaptation into business operations. The Adaptation Plan is an iterative, living document, that will be updated to align with key DEECA objectives and strategies. Westernport Water continues to pilot nature-based solutions for greater resilience and climate adaptation, including the Floating Wetland Pilot Project (a priority project of the Western Port Catchment Integrated Water Management) and feasibility for the King Road Recycled Water Wetland Project.



Utilising technology to safely monitor our Fleet and staff members out on the road.

Climate Change Strategy and Emissions Reduction Pledge

Underpinning the Climate Change Adaptation Plan is Westernport Water's Climate Change Strategy and Emissions Reduction Pledge. The second iteration of the Climate Change Strategy 2023-28 was endorsed in May 2023 with Year One implemented in 2023-24. The strategy was developed to reduce our GGE footprint and change the way we work to ensure the physical impacts of climate change are managed effectively.

In May 2021, the Victorian Government released its Whole of Government Emissions Reduction Pledge, committing all government entities to sourcing one hundred percent of its electricity demands from renewable energy sources by 2025, subsequently accelerating reduction targets by 45 percent. The result of the policy has bolstered Westernport Water's emission reduction pathway as shown in figure 12.1, where projected emissions reduction to 3,325 tCO₂-e by 2025-26, exceeding the target commitment within the SoO-ER of 5,598 tCO₂-e. Westernport Water has initiated the Renewable Energy Generation feasibility and Electric Vehicle Transition Plan in 2023-24 to support our renewable energy pathway planning to net zero scope 2 emission by 2025-26. Further supporting the Climate Change Strategy to achieve the 90 percent emissions reduction by 2030, compared with our baseline emissions from 2011-16, and the strategic approach to climate change is supported by four key principles:

Climate change principles

- a business wide approach
- maintaining a customer focus
- acknowledge that mitigation and adaptation go hand in hand
- establishing the foundation through building knowledge and capability.

In 2023-24, the Corporation delivered the following actions outlined in the strategy:

- Commenced our Renewable Energy Generation Project Feasibility as an element of our renewable energy planning.
- Progressed our Electric Vehicle Fleet Transition Plan, currently in finalisation ahead of staged implementation.
- Progressed the Treatment Plant Energy Efficiency Project informed by the CWWTP Masterplan currently underway.
- Continued the Virtual Energy Network (VEN) pilot to share renewable energy between Westernport Water sites, including gaining exemption from the State Purchase Contract for this project to continue. This project enables exploration of virtually sharing energy between sites, as opposed to having to install renewable energy systems at all sites. Westernport Water can instead focus on the most feasible sites and share from there.

- Continued participation in Zero Emissions Water (ZEW), a collective of 12 Victorian water corporations who are working together to reduce emissions through a Power Purchase Agreement for Large-scale Generation Certificates (LGCs) from the Kiamal Solar Farm.

We progressed several actions within the Climate Change Adaptation Plan including:

- Continued participation in the sustainability working group with strategic partners, Totally Renewable Phillip Island, BCSC and PINP, with a shared vision for increased renewable energy production on Phillip Island.
- Continued research into self generated carbon offsetting opportunities on Corporation owned land, such as through environmental plantings and investigation of the potential for carbon storage in sediment below wetlands, referred to as teal carbon storage.
- Sustainability Victoria awarded Westernport Water with a grant for a feasibility and functional design for a waste to energy project on one of our sites. The feasibility component has provided information that further informs our scope 1 emissions understanding and providing comparative information between options.
- Prepared the next iteration of the Climate Change Adaptation Plan following a facilitated workshop, supported by the development of the Asset Climate Adaptations Framework assessing risk to assets under climate scenarios.
- Emissions reported are broken down into scope 1 and 2. Below is the tabulated data for categories that are applicable to each scope.



Tree planting along Guys Creek at the King Road Wastewater Treatment Plant with Bass Coast Landcare Network.

Figure 11.1 Emissions profile

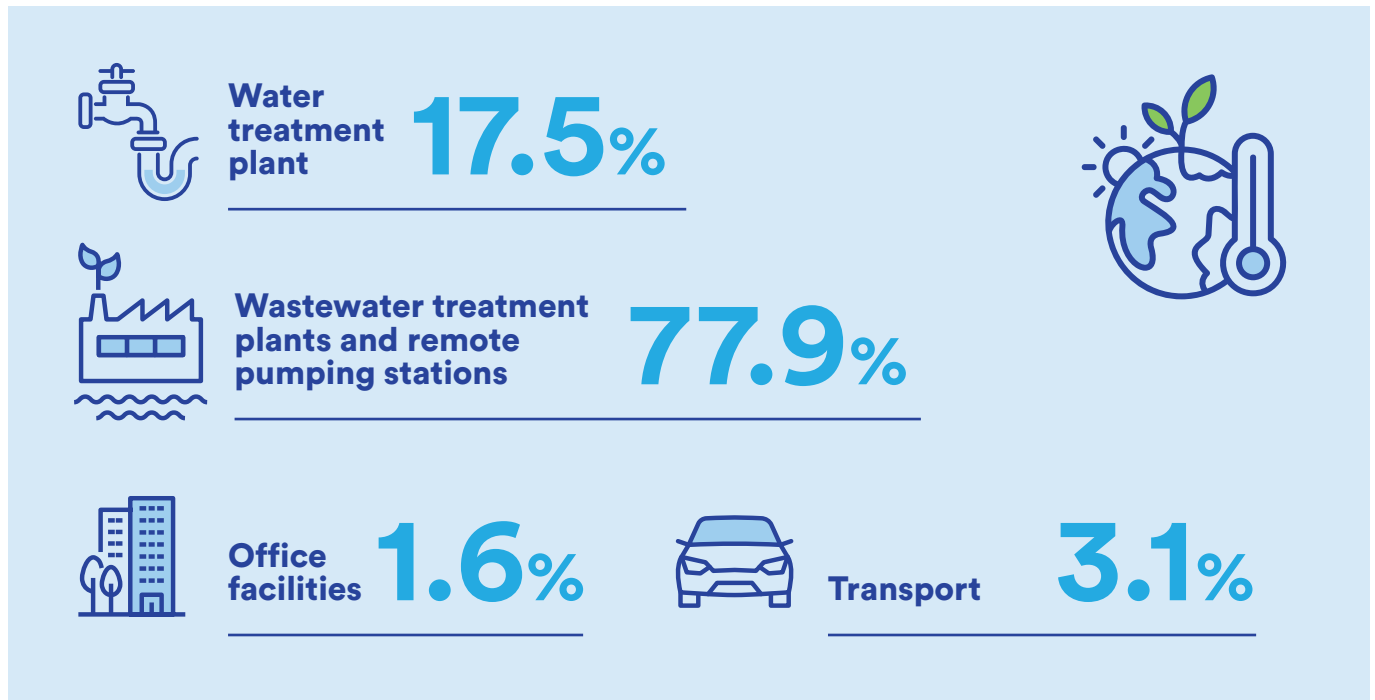


Table 11.1: Total scope 1 and 2 emissions reporting

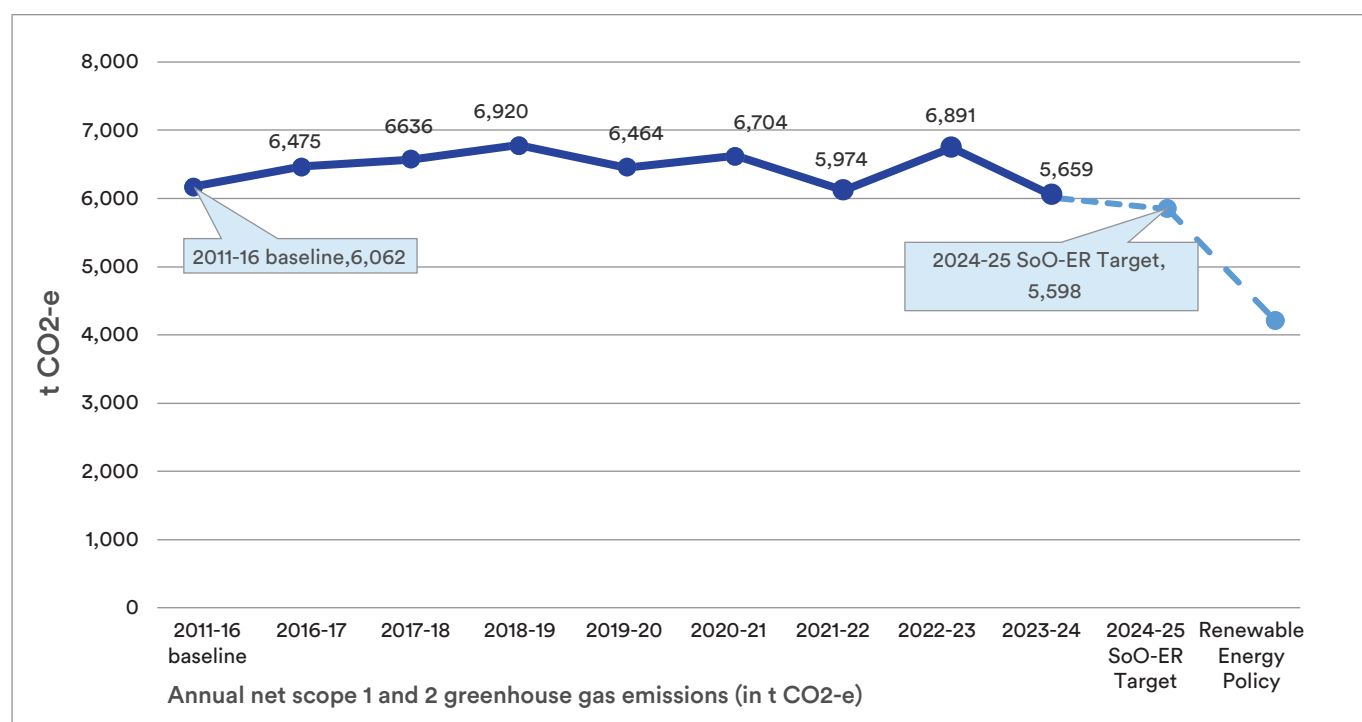
Service delivery category ⁴	Scope 1 and 2 Emissions (t CO ₂ -e)				Variance (%)	Notes
	2022-23 total emissions	2023-24 Emissions				
		Scope 1	Scope 2	Total emissions		
Water treatment and supply	1,148	7	982	989	-14	1
Sewage collection, treatment & recycling	5,408	2,681	1,726	4,407	-19	2
Transport	219	173	–	173	-21	3
Other (e.g. office, depot)	118	26	64	90	-24	4
Total Emissions (a)	6,891	2,887	2,773	5,659	-18	5
Carbon offsets (self-generated) retired (b)	–					6
Net Emissions (a-b)	6,891	2,887	2,773	5,659	-18	7

Notes

1. Previous year higher energy (Scope 2 emissions) in water treatment due to Algae Bloom outbreaks.
2. Previous year higher fugitive and electricity (scope 1 and 2) emissions due to impact of greater volume of stormwater entering the wastewater treatment plant from a 90th percentile rain year, and more demand on treatment.
3. Changes in fleet composition included 16 percent hybrid vehicles, plus higher than typical usage reported in the prior year.
4. CO₂-e emissions from Office and Depot continue to decrease aligned with renewable energy generation and other initiatives.
5. Previous year showed an increase in CO₂-e emissions due to additional impacts on wastewater treatment and a 90th percentile rain year. This year shows a reduction in CO₂-e emissions aligned to a decreasing trend established in prior years. The emissions progress graph (below) shows how we are tracking in reducing emissions to meet SoO-ER five-year emissions targets.
6. No carbon offsets were retired in this reporting period.
7. This reporting period shows a reduction in emissions across all categories.

GGE during 2023-24 decreased by 1,232 tonnes CO₂-e from 2022-23 emissions. This is due in part to the increased emissions in 2022-23 (an increase of 917.5 tonnes CO₂-e on the prior year) because of additional impacts on wastewater treatment from a 90th percentile rain year. This year shows a reduction in CO₂-e emissions aligned to a decreasing trend established in prior years. The emissions progress graph below shows how we are tracking in reducing emissions to meet SoO-ER five-year emissions targets.

Figure 11.2 Progress towards upcoming five-year emissions target



Note

1. Previous year showed an increase in CO₂-e emissions due to additional impacts on wastewater treatment and a 90th percentile rain year. This year shows a reduction in CO₂-e emissions aligned to a decreasing trend established in prior years. The emissions progress graph shows how we are tracking in reducing emissions to meet SoO-ER five-year targets.

No Renewable Energy Certificates were retired during this reporting period. Westernport Water continues to accrue Large-scale Generation Certificates (LGCs) from the Kiamal Solar Farm through the Power Purchase Agreement Zero Emissions Water (ZEW).

This reporting period Scope 1 emissions have been separated by service delivery category and refined further into CO₂, CH₄ and N₂O gases as tabulated below.

Sewage collection, treatment and recycling in wastewater services has the highest emissions due to the natural biological processes and decomposition of waste during the treatment process. The predominant gas is methane which makes up 99.99 percent of this reporting period's fugitive emissions. During 2023-24 a feasibility assessment was undertaken to look at ways to reduce this CH₄ component of emissions as part of the waste to energy investigation. In addition, a masterplan for the CWWTP was progressed to investigate further treatment opportunities and process efficiencies. Investigation into environmental plantings and self-generated carbon offsets was progressed in 2023-24 to reduce the impact of direct scope one emissions in the wastewater treatment process.

Table 11.2: Reporting of full breakdown of Scope 1 emissions by each greenhouse gas

Service Delivery Category	Scope 1 Emissions by greenhouse gas (reported in t CO ₂ -e)			Commentary
	Carbon dioxide (CO ₂)	Methane (CH ₄)	Nitrous oxide (N ₂ O)	
	t CO ₂ -e ¹	t CO ₂ -e ¹	t CO ₂ -e ¹	
Water treatment and supply	6.9	0.01	0.02	1
Sewage collection, treatment & recycling	6.6	2,425	249	2
Transport	172	0.28	1.14	3
Other (e.g. office, depot)	25	0.07	0.07	4
TOTAL	211	2,425	251	5

Notes

1. Calculations for emission factors as published for 2023-24 FY in accordance with NGER released by the Clean Energy Regulator.
2. Vehicle emissions for unleaded petrol vehicles use the energy content (MJ) factor 34.2, 67.4 carbon dioxide, 0.02 methane, 0.2 nitrous oxide.
3. Vehicle emissions for diesel vehicles use the energy content (MJ) factor 38.6, 69.9 carbon dioxide, 0.01 methane, 0.5 nitrous oxide.
4. Stationary diesel is calculated using the same emission factor for diesel as per above.
5. Only these three greenhouse gases are required to be reported on that are representative of our activities. Note previous year included scope 1 and 2 emissions.

No Climate Active eligible Carbon offset units were generated or retired during this reporting period.

Stationary fuel

Sources of emissions from stationary fuel include diesel backup generators for critical facilities and machinery. Westernport Water collected data primarily through billing information from fuel suppliers. Natural gas is not used at site.

Table 11.3 Total stationary fuel used in buildings and machinery

Fuel type	Total stationary fuel use (buildings and machinery)		Notes
	MJ	t CO ₂ -e ¹	
Fossil gas	–	–	1
Biogas	–	–	1
Diesel	478,264	34	
LPG	–	–	1
Petrol	91,137	5	
Other	–	–	1
Total	569,400	39	

Notes

1. No fossil gas, biogas, or LPG stationary fuel used in buildings and machinery.

Transportation

Our fleet comprises of 31 vehicles, 81 percent of which are maintenance and operations vehicles requiring power and traction. Sixteen percent of vehicles are hybrid, with the intent to increase this number with the Electric Vehicle Transition Plan that commenced development in 2023-24.

Table 11.4 Total stationary fuel used in buildings and machinery

Number and proportion of vehicles	2023-24	%	2022-23	%	Notes
Road vehicles	31	100	33	100	
Passenger vehicles					
<i>Internal combustion engines total</i>	1	3	8	24	1
Petrol	1		3	–	
Diesel	0	–	5	–	
Hybrid	5	16	3	9	
Plug-in Hybrid Electric Vehicle	0	–	0	–	
Range-extended electric vehicle	0	–	3	–	
Maintenance & Operations Vehicles	25	81	25	76	2
<i>Internal combustion engines total</i>					
Petrol	0	–	–		
Diesel	25	–	24	–	
Hybrid					
Plug-in Hybrid Electric Vehicle	0	–	0	–	
Range-extended electric vehicle	0	–	0	–	

Notes

1. Passenger vehicles include shared pool cars that are listed as corporate in our fleet records.
2. Maintenance & Operations includes vehicles listed as maintenance, operations, and treatment in our fleet records.

Table 11.5: Total energy used in transportation

Total energy used in transportation (MJ)	2023-24	2022-23	Notes
Road vehicles Total (MJ)	2,468,258	3,116,571	1
<i>Fuel Type</i>			
Petrol	308,855	237,897	2
Diesel	2,159,404	2,878,673	
Electricity	0	0	3
Greenhouse gas emissions from fleet (CO₂-e)	172.93	218.77	

Notes

1. Conversion factors are taken from the National Greenhouse Accounts emission factors.
2. Increase in petrol consumption assumed due to fleet dynamics.
3. No electric vehicles in Westernport Waters' fleet. The Electric Vehicle Transition Plan was initiated in 2023-24.

The twenty percent decrease in transport fuel could partially be explained by the fleet composition changes, with the number of passenger internal combustion engine vehicles decreasing and hybrid vehicles increasing to 16 percent of the fleet in 2023-24. Diesel maintenance and operations vehicles are consistent with the last reporting period, with reduced energy consumption following a higher than typical usage reported in 2022-23.

Westernport Water has initiated the Electric Vehicle Transition Plan in 2023-24. The future transition to additional hybrid and electric fleet vehicles will support further reduction of non-renewable fuel used in transportation and reduction of scope 1 emissions generated from transportation.

Energy consumption and renewable energy production

During 2023-24, total electricity consumption was reduced by nine percent as per table 11.6 below. There was a slight increase in electricity consumption for water treatment and supply, however a 15 percent reduction in electricity usage in wastewater treatment and depot/office. This can be attributed in part to the higher-than-average consumption in the prior reporting period where the 90th percentile rain year resulted in additional wastewater treatment required due to stormwater infiltration into the sewerage system.

Table 11.6: Total electricity consumption reporting by service

Total electricity use	2023-24 (MWh)	2022-23 (MWh)	Notes
Water Treatment & supply	1,243	1,186	
Sewerage collection, treatment & recycling	2,192	2,577	
Other (office, depot)	88	103	
TOTAL (a)	3,523	3,866	1

Notes

1. There is no service delivery category for transport, due to the site-dependent nature of renewable electricity consumption for electric vehicles. Transportation emissions are categorized separately.

Westernport Water has a demand of 3,523 MWh on the grid and under the Renewable Energy Target a percentage of these requires the retailer to surrender Large Scale Certificates referred to here as LRET and forces the retailer to meet their Large-Scale Renewable Energy Target. Subsequently, our retailer surrendered 660 certificates equivalent to 660 MWh as seen in tables 11.7 and 11.8.

Table 11.7: Total electricity consumption reporting by source

Electricity use	2023-24 Electricity consumption (MWh)	2022-23 Electricity consumption (MWh)	Notes
Purchased directly through an electricity retailer	3,523	3,866	
Not directly purchased but sourced from outside the organisation	–	–	
Corporation led/self-sourced activities and initiatives	205	208	1
TOTAL (By source)	3,728	4,074	

Notes

1. This accounts for solar consumption behind the meter, including shared to smaller sites through the virtual energy network.

During 2023-24, the Corporation met 6.4 percent of its total energy demands from self-sourced renewable energy. This renewable energy generation included 226 MWh from the behind-the-meter solar installations at the CWWTP, KRWTP, Newhaven Head Office and Church Street sewer pump station, in which 205 MWh (or 93 percent) was consumed onsite.

Although Westernport Water accrued 446 Large Generation Certificates (LGCs) via the Zero Emissions Water (ZEW) Power Purchase Agreement (PPA) over the 2023-24 financial year, no LGCs were surrendered during this reporting period. The probable future surrender of LGCs is a consideration in the renewable energy planning to meet the Victorian Government Whole of Government Emissions Reduction Pledge, committing all government entities to sourcing one hundred percent of their electricity demands from renewable energy sources by 2025 (prudent assumption 2025-26).

Table 11.8: Total renewable electricity consumption reporting

Renewable energy consumption categories	2022-23 renewable electricity consumption	2023-24 renewable electricity consumption			Commentary
	MWh	MWh	% of total consumption	Variance between current and previous year (%)	
Total renewable electricity consumption from grid-sourced electricity WPW reported because of the Commonwealth Government's LRET.					
Total Grid-sourced (LRET)	730	660	18	-10	1
Total renewable electricity consumption from Corporation led/self-sourced activities and initiatives					
Biogas	–	–	–	–	
Hydroelectric	–	–	–	–	
Solar	208	205	5	-2	2
Wind	–	–	–	–	
Other renewable	–	–	–	–	
Total Renewable Electricity Consumption	938	865	23	-8	3, 4

Notes:

1. Grid-sourced renewable energy is the mandatory proportion required by all energy retailers, known as LRET. It was calculated in accordance with Ministerial Guidelines 01 – Electricity Consumption.
2. Onsite consumption of solar includes 205 MWh from behind the meter solar installations, including shared to smaller sites through the Virtual Energy Network. No export was included in this calculation.
3. Total self sourced behind the meter consumption is decreased due to renewable energy generation being lower (solar) and reduced grid consumption in the reporting year. No LGCs from our ZEW power purchase agreement were surrendered this financial year.
4. Total renewable energy consumption reached 865 MWh due to solar behind the meter consumption and inclusion of mandatory renewable energy in grid-based electricity LRET.

Four sites now have solar systems installed with an approximate combined rated capacity of 172 kW. In the reporting period, these systems generated a combined 226 MWh, with 93 percent of this electricity was consumed on-site. The Corporation entered the State Purchase Contract (large and small electricity sites) in 2023-24, part of which is forecast to transition to the State Electricity Commission (SEC) from 1 July 2025. To support meeting emission reduction targets and the 100 percent renewable energy pledge, Westernport Water initiated a Renewable Energy Generation feasibility.

Table 11.9: Total on-site renewable electricity capacity and generation reporting

Renewable energy consumption categories	2023-24 Total on-site renewable electricity generation capacity (MW)	2023-24 Total on-site renewable electricity generated (MWh)			Commentary
		Renewable (small-scale) system			
		Consumed on-site	Exported	2023-24 Total by source	
Biogas	–	–	–	–	1
Hydroelectric	–	–	–	–	2
Solar	0.172	205	21	226	3
Wind	–	–	–	–	4
Other renewable	–	–	–	–	
Total (Renewable)	0.172	205	21	226	

Notes:

1. No biogas generation. A feasibility into a waste to energy project was undertaken in 2023-24.
2. No hydroelectricity generation.
3. Includes 172 kW of generation capacity across 4 sites. A Virtual Energy Network operates to share renewable energy generated at WPW sites across to smaller sites to reduce grid electricity usage.
4. No wind generation.

Renewable energy generation comes from existing behind-the-meter solar installations at the CWWTP, KRWWTP, Newhaven Head Office and Church Street sewer pump station. Any excess generation can be shared to assist the energy demands of smaller sites through the Virtual Energy Network (VEN). In 2023-24 we commenced our Renewable Energy Generation project feasibility to provide a pathway for increased renewable energy generation and reduced energy usage from non-renewable fuels.

Table 11.10: Total energy usage from fuels and electricity segregated by energy source

Total energy usage	Renewable (MJ)	Non-renewable (MJ)	Total (MJ)	Notes
From fuels	–	569,400	569,400	1
From electricity	736,856	23,682,800	13,419,656	2
Total	736,856	13,989,057	13,989,057	

Notes:

1. This includes energy used from fuels to perform activities within the reporting period. This includes stationary fuels and transport fuels.
2. This includes energy used from electricity to perform activities within the reporting period. Energy used from electricity (equivalent to renewable electricity of 205 MWh, non-renewable electricity of 3,523 MWh) is the total calculated in MWh converted into megajoules (MJ) where 1 MWh equals 3,600 MJ.

In 2023-24 new reporting was introduced to show total energy usage (fuels and electricity) per Full Time Equivalent (FTE) employee. This metric is to be viewed in relation to Westernport Water as a smaller water corporation at a regional scale, accommodating for peak seasonal population growth and treatment demand.

Table 11.11: Total energy usage per FTE employee

Total energy usage (fuels and electricity) in MJ	Total FTE employees	Energy usage (MJ) per FTE employee	Notes
13,989,057	85.63	163,366	1

Notes:

1. This includes energy used from fuels to perform activities within the reporting period, where electricity has been converted from MWh to MJ. The definition of FTE is consistent with FRD29. Energy usage (MJ) per FTE employee is calculated by total energy usage divided by total FTE employees.

In 2023-24, new reporting was introduced for Scope 3 emissions, which are GGE emissions that are not directly produced by a corporation itself, but are associated with its value chain, including supply chain, product use, and waste. Corporations are not currently required to reduce scope 3 emissions under the SoO-ER and as such the SoO-ER does not provide emissions reduction rules or reporting requirements. It is important to note that the scope 3 emissions figures shown in the table below represent the scope 3 emissions which were calculable and reportable, acknowledging that scope 3 emissions exceed what is reported here.

Table 11.12: Reporting scope 3 emissions

Scope 3 emissions source	Scope 3 emissions (t CO2-e)	Notes
Commercial air travel	1,120	1
Waste disposal	271	2
Any other scope 3 sources assessed (optional)		
Total reported Scope 3 emissions	1,391	3

Notes:

1. Commercial air travel Scope 3 emissions use the energy content (MJ) factor 33.1, CO2-e emission factor (kg CO2-e/GJ) of 18.0 (2023-24 most recent update), in accordance with NGER released by the Clean Energy Regulator. Based on two domestic flights with two travellers.
2. Waste disposal Scope 3 emissions is based on relevant emissions factors for Alum sludge, general waste, and paper cardboard all recyclables. Calculated in accordance with NGER Determination 2008 and NGA Factors Workbook.
3. Corporations are not currently required to reduce scope 3 emissions under the SoO-ER and as such the SoO-ER does not provide emissions reduction rules or reporting requirements. Scope 3 emissions are to be clearly separated from scope 1 and 2 emissions reporting. It is important to note that the scope 3 emissions figures represent the scope 3 emissions which were calculable and reportable, acknowledging that scope 3 emissions exceed what is reported here.

12. Other statutory disclosures

Local Jobs First Standard

The *Local Jobs First Act 2003*, introduced in August 2018, brings together the Victorian Industry Participation Policy (VIPP) and the Major Project Skills Guarantee Policy which were previously administered separately. Westernport Water must apply the Local Jobs First Policy in all projects valued at \$1M or more for projects in regional Victoria.

During 2023-24, Westernport Water commenced one Local Jobs First Standard project totalling \$4.6 million, located in the Bass Coast Shire. The outcomes expected from the implementation of the Local Jobs First policy to this project where information was provided are as follows:

- 96.5 percent of local content commitment was made
- a commitment of 6,000 hours to Victorian Standard Employees, with 500 hours additionally retained.

Social procurement

Westernport Water is committed to aligning with the Victorian Government's Social Procurement Framework (SPF) and recognises our pivotal role in advancing social and sustainable outcomes for Victorians.

Westernport Water's Social Procurement Strategy set up in 2021, outlines a strategic, organisation-wide approach to achieving social and sustainable outcomes through procurement in adherence with the Social Procurement Framework and beyond.

Central to our strategy, are three SPF objectives, selected for their strong alignment with Westernport Water's strategic direction and values, as well as their potential to advance our identified social procurement opportunities. The table below presents our achievements for the 2023-24 period against our objectives.

Table 12.1: Social procurement

Objective prioritised	Outcome sought	SPF Reporting Metric	2023-24 achievement
Opportunities for Victorian Aboriginal people	Purchasing from Victorian Aboriginal businesses	Number of Victorian Aboriginal businesses engaged	13
		Total spend with Victorian Aboriginal businesses (excl. GST)	\$19,168
Sustainable Victorian social enterprise and Aboriginal business sectors	Purchasing from Victorian social enterprises and Aboriginal businesses	Number of Victorian social enterprises and Aboriginal businesses engaged	14
		Total spend with Victorian social enterprises and Aboriginal businesses (excl. GST)	\$23,244
Environmentally sustainable outputs	Project-specific requirements to use sustainable resources and to manage waste and pollution	Total number of contracts entered with Victorian Government suppliers that have clauses relating to both sustainable resources and to manage waste and pollution	5
Supporting safe and fair workplaces	Purchasing from suppliers that comply with industrial relations laws and promote secure employment	Number of Victorian Government suppliers that attest to compliance with the supplier code of conduct	28

Achievements

While the three prioritised social procurement framework objectives guide our procurement delivery, we are committed to pursuing any opportunities to advance social and sustainable outcomes for Victorians.

To address opportunities for Victorian Aboriginal people, we:

- delivered on social procurement actions and commitments within the Innovate RAP 2023-25, including the promotion of goods and services from Aboriginal businesses
- continued to work and identify opportunities for the Aboriginal and Torres Strait Islander community through the Bass Coast Reconciliation Network.

To address Sustainable Victorian social enterprise and Aboriginal business sectors, we:

- commenced relationships with Australia's first national Indigenous-owned law firm and a Victorian Indigenous coffee roaster
- utilised Aboriginal business consultants and speakers for our RAP working group and community events.

To address opportunities for Environmentally Sustainable outputs, we:

- awarded a contract for the development of an electric vehicle (EVs) transition strategy to understand the financial, social, economic and practical implications of integrating EVs into our fleet
- extended the agreement of electricity supply for a sample of small and large sites that form part of a Virtual Energy Network.

Competitive neutrality

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest. Government businesses are required to set a competitively neutral price, which accounts for any net advantage that comes from public ownership. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of the government and focuses on efficiency in the provision of service.

Westernport Water fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

Government advertising expenditure

In 2023-24, there were no advertising campaigns with a total media spend of \$100,000 or greater (excl. GST).

Disclosure of major contracts

Westernport Water did not award any major contract greater than \$10M during 2023-24.

Details of consultancies (valued at less than \$10,000)

In 2023-24, there were fifteen consultancies engaged during the year, where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2023-24 in relation to these consultancies was \$44,917 (excl. GST).

Westernport Water was not required to complete an objectives-based assessment of its operations and maintenance sourcing strategy in 2023-24, however, the Organisation acknowledges that future decisions will consider the enabling and improvement of diversity, gender equality, disability employment and employment security whilst maintaining prudent and efficient expenditure, service outcomes and safety.

Details of consultancies (valued at \$10,000 or greater)

In 2023-24, there were eleven consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred in relation to these consultancies was \$277,791 (excl. GST).

Details of individual consultancies can be found on the Westernport Water website and are outlined in table 12.2: Consultancies awarded 01 July 2023 to 30 June 2024.

Case Study

Social procurement

With the introduction of the Victorian Government Purchasing Board policies and State Purchase Contracts, Westernport Water took this new opportunity to explore the legal services panel contract.

As Westernport Water continue to look for opportunities to support Victorian Aboriginal people and businesses, a law firm from the panel named Jaramer Legal resonated with us.

Bevan Mailman is a Bidjara man and Brian Bero is a Meriam man. In October 2018, together they became the two principal lawyers and co-founders of Jaramer Legal, Australia's first national Indigenous-owned law firm.

With offices across Australia and connections to the United Kingdom, USA and Canada through its joint venture partnership with global law firm Norton Rose Fulbright, Jaramer Legal provides a suite of corporate and commercial legal services across a range of sectors including government, energy, infrastructure, Indigenous enterprise, property, technology and innovation, and transport lead by experienced principals who have decades of commercial and corporate legal experience with the added ability to provide advice through a sensitive cultural lens for matters that introduce such cultural complexity.

The legal services Jaramer Legal provides are also intrinsically linked to improved economic outcomes for Indigenous peoples under the Federal Government's 'Closing the Gap Policy' and similar initiatives. Through that framework, Jaramer Legal has a focus on working with Indigenous businesses and communities to drive positive economic outcomes through the development of their assets such as lands, waters, and Indigenous cultural and intellectual property.



Co-founders Bevan Mailman and Brian Bero believe that Jaramer Legal will fill an important gap in the market for delivering multi-faceted advice to organisations involved in Indigenous procurement as well as bring much-needed employment and career development opportunities for Indigenous lawyers.

Since August 2023, Jaramer Legal has worked alongside Westernport Water to provide advice on complex construction contracts, assisted in the facilitation of easement creation and led the discovery on the development of Westernport's first supplier panel deed for engineering services. This supplier panel deed will enable rapid selection and engagement of suppliers following an upcoming and thorough tender process.

As Westernport Water continues our journey and objective to support Victorian Aboriginal people and businesses, we are grateful to have commenced our relationship with Jaramer Legal and look forward to the insights and opportunities it creates.

Table 12.2: Consultancies awarded 01 July 2023 to 30 June 2024

Consultant	Purpose	Start Date	Finish Date	Total Approved Project Fee \$ (ex GST)	Expenditure (\$) 2021-22 (ex GST)	Future Expenditure (\$)
Insync Surveys Pty Ltd ¹	Customer Survey	Jul 2023	Jul 2026	14,254	14,254	30,000
The Humphreys Group	Performance Review	May 2024	Jun 2024	19,137	19,137	0
IPSec Pty Ltd	ICT consultancy	Feb 2024	Jun 2024	39,920	39,920	0
Mind Tribes Pty Ltd	Diversity and inclusion consultancy	Jun 2024	Dec 2024	15,000	15,000	0
Converge International Pty Ltd	Employee assistance program (EAP) services	Jul 2023	Sep 2024	11,094	11,094	0
Triplex Acies Consulting Pty Ltd	Business Resilience Project	May 2023	Sep 2023	20,700	12,300	0
Price Waterhouse Coopers	Tax and financial advisory services	Jun 2023	Jan 2024	35,666	35,666	0
Scientell Pty Ltd	Climate Risk Adaptation Workshop facilitation	May 2024	Jun 2024	17,889	17,889	0
Votar Partners Pty Ltd	Information Management – Records Disposal Process Improvement & Customer Service Consultancy	Apr 2024	Apr 2024	33,300	33,300	0
Mott MacDonald	Cowes WWTP Stage 3 – Concept Designs	Feb 2024	Jul 2024	271,612	63,925	207,686
Thomson Geer	Enterprise Agreement Advice	Jun 2024	Jun 2024	15,000	15,000	0

Notes

1. Insync Surveys Pty Ltd were awarded a 3-year Customer Satisfaction Survey contract as part of the Water Alliance 2023 consisting of seven Victorian Water Corporations.

DataVic Access Policy

Westernport Water has reviewed its data sets under the DataVic Access Policy and will make available Customer Commitments data, details on contractors and consultants for the 2023-24 reporting period.

Information and communication technology expenditure

The Corporation undertook no projects or initiatives during 2023-24 that met the criteria of the “ICT Reporting Standard for the Victorian Public Service” issued September 2015. For 2023-24, total ICT expenditure of \$3,035,213 with the details shown in table 12.3 (excluding direct employee costs).

Table 12.3: ICT expenditure

All operational ICT expenditure Business as Usual (BAU) ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities (excluding internal labour)		
	Non Business as Usual (non BAU) ICT expenditure	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
(Total = Operational expenditure & Capital Expenditure)	(Total = Operational expenditure & Capital Expenditure)		
\$3,035,213	\$456,118	\$2,159,374	\$419,721

Disclosure of emergency procurement

In 2023-24, Westernport Water activated Emergency Procurement on two occasions in accordance with the requirements of government policy and accompanying guidelines. No new contracts, valued at or more than \$100,000 (GST inclusive), were awarded in connection with the emergency. Details of Westernport Water's emergency procurements are provided in Table 12.4.

Table 12.4: Emergency procurement

Nature of Emergency	Date of activation	Summary of goods and services procured under new contracts	Total spend on goods and services in response to the emergency	Number of new contracts awarded valued at \$100 000 (incl. GST) or more.
Power Outage	13 February 2024	Goods and services procured under pre-existing contractual arrangements.	\$37,961	0
Vehicle Incident	14 May 2024	Goods and services procured under pre-existing contractual arrangements.	\$1,304	0

Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), the Department must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

Westernport Water received zero reports through its procurement complaints management system in 2023-2024, relating to an open market procurement.

Asset Management Accountability Framework (AMAF) maturity assessment

Westernport Water has demonstrated full compliance with AMAF for the 2023-24 financial year through an internal review, this was verified with the support of a third-party asset management consultant to verify the internal findings. Every three years Westernport Water must engage an auditor to complete an external AMAF attestation, this was last completed in 2022-23.

Compliance with Building Act 1993

Westernport Water owns and operates one regional office on Phillip Island and three remote offices within its service area. Westernport Water complies with the *Building Act 1993* as well as the provisions of the National Construction Code.

Westernport Water conducts mandatory testing of emergency and exit lighting in accordance with relevant standards. Monthly, quarterly, and bi-annual inspection and preventative maintenance routine of mechanical services and monthly annual fire service audits are conducted. These inspections then inform the works program delivered annually through existing maintenance contracts.

Westernport Water was issued with zero emergency orders in relation to buildings in 2023-24.

Freedom of Information (FOI)

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by Westernport Water. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers, and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by Westernport Water. This comprises documents both created by Westernport Water or supplied to Westernport Water by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by Westernport Water is available on our website under its Part II Information Statement.

The Act allows Westernport Water to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided by a department in-confidence to Westernport Water and information that is confidential under another Act.

Under the Act, the FOI processing time for requests received is 30 calendar days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, a 15-day automatic extension applies. Processing time may also be extended by periods of up to 30 days, in consultation with the applicant. With the applicant's agreement, this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by Westernport Water, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request:

FOI requests can be lodged online at ovic.vic.gov.au. An application fee of \$32.70 applies. Access charges may also be payable if the document pool is large and the search for material is time consuming.

Access to documents can also be obtained through a written request to Westernport Water's Freedom of Information team, as detailed in s17 of the Act.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought and be accompanied by the application fee to be a valid request.

Requests for documents in the possession of Westernport Water should be addressed to:

Freedom of Information Team
Westernport Water
2 Boys Home Road Newhaven, VIC 3925

Enquiries can be made to the department's FOI Team via email at westport@westernportwater.com.au

FOI statistics/timeliness

During 2023-24, Westernport Water received zero FOI applications.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act and ovic.vic.gov.au.

Carers recognition

The *Carers Recognition Act 2012* came into effect on 1 July 2012 and provides support to customers or employees in a care relationship. The Act defines a carer as someone who provides care to another person in a 'care relationship,' including carers aged less than 18 years. Care relationships also include those situations where a person is being cared for in a foster, kinship, or permanent care arrangement. Carers can provide care for a person who has a disability, mental illness, ongoing medical condition or is an older person with care needs.

Westernport Water respects and supports its customers and employees in care relationships by:

- promoting the principles of the Act to people in care relationships who receive its services and to the wider community by providing links to state government resource materials online
- ensuring employees have an awareness and understanding of the care relationship principles set out in the Act through effective communication, policies and provision of information
- providing flexible working arrangements and leave provisions to ensure that the Corporation complies with the statement of principles in the Act.

Disability Act

In accordance with the *Disability Act 2006*, Westernport Water has developed a Disability Action Plan which sits within the Diversity and Inclusion Strategy 2021-24 and seeks to address the inequity that people with disability experience in the workplace and the community by:

- providing reasonable adjustments for all people throughout the recruitment phase and the employee lifecycle
- updating our building and facilities to remove any barriers that may affect our employees or customers with a disability or special need
- becoming an inclusive workplace where people feel valued and respected, have access to opportunities and participate fully regardless of their individual differences
- acknowledging our employee needs and seeking employee insights on improvement opportunities
- acknowledging our customer needs and incorporating them into the delivery of our services.

Energy and Water Ombudsman Victoria

This Ombudsman provides a dispute resolution service for energy and water consumers and has the power to investigate and resolve disputes between Victorian consumers and their water company. During the year, the Energy and Water Ombudsman Victoria (EWOV) received fifteen complaints (0.064 complaints per 100 customers), three complaints required investigation, ten were assisted referrals which we were able to resolve and two were unassisted referrals resolved by EWOV.

EWOV contact details

Free Call 1800 500 509
Email: ewovinfo@ewov.com.au
GPO Box 469 Melbourne 3001
www.ewov.com.au

Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Department does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by the Department or any of its employees may be made to any of the following departmental personnel:

- Secretary of the Department
- Public Interest Disclosure Coordinator or Public Interest Disclosure Officer
- manager or supervisor of the discloser
- manager or supervisor of the person who is the subject of the disclosure
- a person acting in any of the above roles.

Disclosures may also be made directly to the Independent Broad-based Anti-Corruption Commission:

Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135
Internet: www.ibac.vic.gov.au
Email: [see the IBAC website for the secure email disclosure process].

Further information

The Public Interest Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the Department or any of its employees and/or officers, are available on the Department's website.

Table 12.5: Disclosures under the *Public Interest Disclosure Act 2012*

	2022-23	2023-24
The number of disclosures made by an individual to Westernport Water and notified to the Independent Broad based Anti corruption Commission	0	0
Assessable disclosures	0	0

Reviews and studies expenditure

Details of reviews and studies during 2023-24, there were two reviews and studies undertaken with the total cost of \$174,931. Details of individual reviews and studies are outlined below.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/ scope	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL
Waste to energy feasibility study	To determine whether a project of this nature is feasible	Feasibility of installing a waste to energy facility at local and community scale	More informed decision-making on future asset investments	\$131,850	131,850	N
Floating Wetland Pilot study	To test the function of a floating wetland installed on a wastewater lagoon by assessing a nature based approach to improve water quality	Pilot program will monitor the plants over two-years to evaluate their impact on nutrient removal and greenhouse gas reduction	More informed decision-making on future asset investments	\$43,081	N/A	Y website

13. Other statutory obligations

The Port Phillip and Western Port Regional Catchment Management Strategy's objective is to maintain and enhance the environmental values of waterways and wetlands. This is indicated by the health and resilience of fish, frogs, platypus, birds, macroinvertebrates, vegetation, and amenity.

Westernport Water participates in catchment management activities as part of the management of water resources as required under the *Safe Drinking Water Act 2003*. The Act requires Westernport Water to prepare and implement risk management plans from a 'catchment to tap' perspective.

During 2023-24, Westernport Water:

- identified future program works within the region and land managed by the Corporation to ensure it is contributing to the priorities within the strategy
- completed fencing off an additional 900 metres of Guy's Creek before continuing revegetation efforts along the waterway in 2023-24 using the Healthy River Way Program grants from Melbourne Water.

The Victorian Biodiversity Strategy was released by the Victorian Government in 1997. It provides direction for biodiversity conservation and management in Victoria. The strategy complements national strategies and the *Victorian Flora and Fauna Guarantee Act 1988*.

Activities during 2023-24 to support biodiversity management included:

- continued programs to control target weed and pest animal (rabbit, hare, and fox) species on land managed by the Corporation
- provision of support to key catchment partners, Bass Coast Landcare Network (BCLN and Melbourne Water, to identify and promote works in high-risk riparian sites on private land
- planting sections of Candowie Reservoir with the Bunurong Land Council, to improve vegetation outcomes.

Through its partnership with BCLN, Westernport Water implemented an ongoing eradication program for pest animals and noxious weeds. This covers threats such as rabbits, hares, foxes, bridal creeper, asparagus fern, hawthorn, pittosporum, mirror bush, gorse, kikuyu, thistles, boxthorn, blackberry, inkweed, and control of willow regrowth.

Sustainable Water Strategy (SWS). The SWS is one of the main statutory processes for state-wide water resource planning in Victoria. The strategies are regionally focussed and are used to manage threats to the supply and quality of water resources to environmental, economic, cultural, and recreational values. The Central and Gippsland Region SWS identifies actions to address the findings of the Long-Term Water Resource Assessment and to improve water security across all basins within the region.

During 2023-24, Westernport Water monitored its Urban Water Strategy to determine future water supply demand and incorporated demand for alternative supplies, such as Class A residential water supply.

Victorian Waterway Management Strategy and Regional Waterway Strategy are in place to protect and improve the health of the region's rivers and river ecosystems. The marine ecosystem within Western Port is of regional, national, and international importance and includes a RAMSAR listed site, with a range of habitats and associated mangrove, salt marsh, sea grass, reef and soft seabed communities.

The Western Port and Mornington Peninsula Region Healthy Waterways Strategy (October 2018) identified Guys Creek, which runs through the Corporation's KRWWTWP, as a high priority for establishing and/or maintaining vegetation buffers. A 300m section of Guys Creek was fenced off in 2023-24 to exclude livestock and prepare for revegetation planting. Westernport Water partnered with Melbourne Water to support these fencing and revegetation efforts centred around Guys Creek.

In September 2023, with partial funding from Melbourne Water, 900 meters of fencing was installed around Guys Creek at the King Road Treatment Plant. Additionally, Westernport Water staff collaborated with Landcare to plant riparian vegetation. A total of 3,300 trees, shrubs, and grass covers were planted to enhance the health of Guys Creek and improve its recreational value.

State Environment Protection Policy (SEPP Waters) October 2018 policy has been replaced by the Environmental Reference Standards (ERS) of the *Environment Protection Act 2017* and is still considered an important part of the State of Knowledge and is still relied on, subsequently transposed between the new duties, guidelines, regulations and standards underpinning the Act. SEPP Waters provided environmental quality objectives that reflect conditions of our water environments based on extensive monitoring data, the latest scientific understanding, and relevant national standards.

The **Environmental Reference Standard (ERS) 2021** is a mechanism under the *Environment Protection Act 2017*, providing new duties, regulations and guidelines which came into effect on 1 July 2021. Specifically, the ERS details environmental values relying on existing and new knowledge which clearly identifies rules for decision makers and obligations on industry to guide the protection and management of environmental values, in respect to identified beneficial uses of waters in Victoria. The ERS is made up of 'reference standards,' including ambient air, ambient sound, land and water (surface water and groundwater). Each reference standard names environmental values, which have indicators and objectives. These parameters help to assess if the environmental value is being achieved, maintained, or threatened.

Following the CWWTP upgrade in 2017-18 and the addition of a mixing zone condition in the Corporation's EPA licence to discharge to Bass Strait, Westernport Water has been compliant with ERS parameters based on its current monitoring program. An independent qualitative Marine Ecosystem Monitoring Report was completed in 2024 for CWWTP outfall, which assessed any impact of the discharge of treated effluent at Pyramid Rock. Results show that Westernport Water meets the requirements specified in the EPA licence. Marine studies will continue to assess the condition of the mixing zone extending 200m from the effluent discharge point. This report directly informs our opportunities for wastewater treatment improvements to minimise any impacts to the receiving marine environment, as part of our obligations under the General Environmental Duty (GED).

Environmental Protection and Biodiversity Conservation Act 1999

There were no referrals made during this reporting year.

Environmental management

We are committed to minimising the impacts of operations on the environment. The Corporation maintains an Environmental Management System (EMS) in accordance with ISO 14001: 2015. Westernport Water complied with all conditions specified within its EPA-licensed sites.

During 2023-24, the Corporation improved its EMS and continued implementation of this framework across the business to align and meet requirements of the **GED** that underpins the *Environment Protection Act 2017*.

In 2023-24 we:

- continued business implementation of the EMS, for example, inclusion of environmental incidents into Westernport Water's incident management system
- continued review and improvement actions of the EMS and its alignment to meet the requirements of the GED
- improved processes for identifying waste and improved awareness of the environmental impacts from construction projects

- presented a suite of EPA videos over ten weeks to the organisation to better understand our obligations as a water corporation and as individuals
- undertook three environmental site audits to ensure compliance with the GED
- developed Environmental Risk Management and Monitoring Programs that are mandatory under our licenced sites and the GED.

Environmental incidents

Environmental incidents are unplanned incidents that have the potential to impact the environment or community. There were zero EPA reportable incidents during 2023-24, however, Westernport Water continues to improve processes and ensure rapid response is available in the event of any environmental incidents.

Office based environmental reporting

Westernport Water keeps one head office inclusive of a maintenance depot. Across all sites, Westernport Water supports 85.63 FTE. Environmental data on the head office is presented within the Corporation's consumption reports in section 11.

Environmental performance is measured across all sites in a few ways:

- Permission Information and Performance Statements are used to monitor against EPA Victoria's corporate licence, guidelines, and regulatory requirements.
- Checking performance against ESC service standards for sewer system performance.
- Internal auditing of the EMS.
- Recording the number of environmental incidents, updating the risk rating and strengthening the controls within the Corporation's Aspects and Impacts Register and Legal Obligations Register.
- Site audits are conducted to ensure any risks to the environment are reduced.

Resource recovery and waste minimisation

Westernport Water is a paperless corporation and provides e-billing services that minimise the need for printing, reducing paper waste and ink cartridge waste.

Waste generated at the office is separated into a three-bin system under Bass Coast Shire Council's waste removal requirements, which reduces the total volume of waste disposed to landfill. Organic waste roadside collection allows all types of food waste, paper, tissues, paper towel and any organic waste generated on-site to be sent to an organic recycling facility, where the waste is turned into a soil improvement product when blended with green waste. In addition, there is one mobile muster, one battery and three e-waste bins to further comply with the GED requirements in finding alternative waste solutions to minimise landfill.

14. Performance and Financial Management

Performance Report

The Performance Report for the 2023-24 financial year compared to prior years reflects updated requirements under Ministerial Reporting Direction 7 (MRD07): Performance and Financial Sustainability which has resulted in the following amendments:

Noting that the following Customer Responsiveness Performance Indicators have been removed and are now reported in table 8.1 on page 50; WB1 – Water bills average household bill by owner occupiers, WB2 – Water bills average household bill by tenants.

Financial Performance Indicators

KPI No.	Key Performance Indicator	2022-23 Result	2023-24 Result	Variance to prior year %	Notes	2023-24 Target	Variance to target %	Notes
F1	Cash Interest Cover Net operating cash flows before net interest and tax/net interest payments	26.18	64.94	148.1	1a	28.75	125.9	1b
F2	Gearing Ratio Total Debt (including finance leases) /total assets	3.4%	3.1%	-8.8	2a	5.3%	-41.8	2b
F3	Internal Financial Ratio Net operating cash flow less dividends /net capital expenditure	131%	107%	-18.3	3a	66%	62.1	3b
F4	Current Ratio Current assets/current liabilities (excluding long-term employee provisions and revenue in advance)	210%	190%	-9.5	4a	183%	3.8	4b
F5	Return on Assets Earnings before net interest and tax/average assets	0.4%	0.4%	0.0	5a	0.8%	-50.0	5b
F6	Return on Equity Net profit after tax/average total equity	0.3%	0.4%	33.3	6a	0.7%	-40.3	6b
F7	EBITDA Margin Earnings Before Interest, Tax, Depreciation and Amortisation/total revenue	31.70%	31.70%	0.0	7a	34%	-6.8	7b

Notes

- 1a & 1b Net interest paid was significantly favourable to target due to higher cash balances held during the financial year and borrowings being required later in the year than planned due to timing delays in the delivery of the capital works program against budget.
- 2a & 2b Total debt was lower compared to 2023-24 target as delays in the delivery of a major capital project resulted in less borrowings being required. A 23% increase in asset values resulting from a managerial revaluation has also contributed to the favourable result for FY24 against FY23.
- 3a & 3b Unfavourable to prior year due to capital expenditure increase of over 30% from 2022-23 and slightly offset by an increase in operating cash flows. Favourable vs 2023-24 target due to higher than expected operating cash flow revenue and less capital expenditure than budgeted.
- 4a & 4b An increase in current liabilities has resulted in an unfavourable variance to prior year attributed to an increase in tax payable for 2023-24. An increase in current assets due to higher cash being held than planned at year end has resulted in a favourable result to target for the current year.
- 5a & 5b A decrease in earning due to lower than budgeted metered usage revenue has contributed to the unfavourable variance against target. This was partially offset by developer income received which was higher than prior year and exceeded budget expectations.
- 6a & 6b Return on equity decreased from target and was unfavourable to prior year due to a lower net profit for 2023-24 than planned attributed to lower than expected metered usage revenue.
- 7a & 7b A decrease in earning position due to lower than expected metered use revenue has contributed to the unfavourable variance to target and prior year earning before interest, tax, depreciation and amortisation.

Water and Sewerage Network Reliability Indicators

KPI No.	Key Performance Indicator	2022-23 Result	2023-24 Result	Variance to prior year %	Notes	2023-24 Target	Variance to target %	Notes
REW 8	Water Service – minutes off supply (planned and unplanned) how many minutes on average a customer was without water supply during a year	93.67	140.31	50%	1a	116	21%	1b
REW 5	Unplanned water supply interruptions percentage of customers receiving more than 1 unplanned interruptions in the year	0.6%	0.96%	60%	2a	9.3%	-90%	2b
RES 1	Sewerage Service – sewer blockages number of sewer blockages reported per 100 kilometres of sewer main	4.32	3.48	-19%	3a	6	-42%	3b
RES 6	Sewerage Service – sewer spills number of sewer spills reported per 100 kilometres of sewer main	4.07	2.23	-45%	4a	2.74	-19%	4b
RES 7	Sewerage Service – containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours	91%	100%	10%	5a	100%	0%	

Water Reuse Indicators

CRR 1	Recycled water – effluent treatment and reuse proportion of water recycled as a percentage of the volume of effluent produced	18%	19.67%	9%	6a	16.60%	18%	6b
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Notes

- 1a & 1b An unplanned water main burst on the Kilcunda supply main in Q1 resulted in interruptions to three localities for an extended period. The interruption was due to a third party damaging the water main. Average unplanned water supply without this third party damage would have been within target.
- 2a & 2b One locality received 2 unplanned interruptions in the reporting period when a fitting used in an emergency repair failed, resulting in a second unplanned interruption to replace the fitting.
- 3a & 3b Decrease is attributed to increased preventative maintenance program in the 2023-24 reporting period.
- 4a & 4b Decrease is attributed to increased preventative maintenance program in the 2023-24 reporting period.
- 5a In 2022-23, 1 sewer spill was not contained within 5 hours meaning the 100% target was not achieved.
- 6a The volume of effluent treated decreased (drier year, less stormwater inflow) and volume of recycled water increased compared to 2022-23, so the proportion of water recycled to the volume of effluent produced increased by 9%.
- 6b Drier weather and an extended irrigation season resulted in the yearly effluent reuse target of 267ML being exceeded.

Customer Responsiveness Performance Indicators

ESC Code	Key Performance Indicator	2022-23 Result	2023-24 Result	Variance to prior year %	Notes	2023-24 Target	Variance to target %	Notes
UPP 1	Water bills – customers on flexible payment plans No. of customers with instalment plans	211	238	13%	1a			
UPP 6	Water bills – customers awarded hardship grants No. of customers awarded hardship grants	228	196	-14%	2a			
CRS 4	Customer Responsiveness – water quality complaints¹ No. of complaints per 100 customers"	0.11	0.15	36%	3a	0.22	-32%	3b
CRS 7	Customer Responsiveness – number of payment issue complaints No. of complaints per 100 customers"	0.08	0.03	-63%	4a	0.10	-70%	4b
CRS 3	Customer Responsiveness – total complaints No. of complaints per 100 customers"	0.38	0.29	-24%	5a	0.71	-59%	5b

Notes

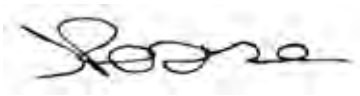
- 1a An increase in flexible payment plans reflects cost of living pressures and increasing awareness of WPW's customer support program within the community.
- 2a Despite the decrease in hardship grants, the figure remains well above the annual target of 100. Our total expenditure on hardship grants has increased year on year. Our success in facilitating Utility Relief Grant Scheme payments for customers may have offset demand for hardship grants slightly.
- 3a & 3b Despite the increase in water quality complaints, the figure remains well below the annual target of 0.22. This can be attributed to a proactive flushing program. Each complaint was investigated and there were no identifiable themes or causes for the increase in complaints.
- 4a & 4b There was a considerable decrease in the number of payment issue complaints this year. This can be attributed to better customer information regarding fees and charges across multiple mediums.
- 5a & 5b The 2023-24 financial year follows significant customer engagement that was undertaken as part of the 2023 Price Review. This typically increases awareness and understanding of our products and services amongst customers, leading to a reduction in complaints.

Certification of Performance Report

We certify the accompanying Performance Report of Westernport Region Water Corporation in respect of the 2023-24 financial year is presented fairly in accordance with the *Financial Management Act 1994*.

The Performance Report outlines the relevant performance indicators for the financial year as determined by the responsible Minister and as set out in the 2023-28 Corporate Plan, the actual and comparative results achieved for the financial year against predetermined performance targets and these indicators, and an explanation of any significant variance between the actual results and performance targets and/or between actual results in the current year and previous year.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the Performance Report to be misleading or inaccurate.



Joanne Pearson
Acting Chair
Westernport Water



Dona Tantirimudalige
Managing Director
Westernport Water



Kathy Hawke
Chief Finance Officer
Westernport Water

Dated this 2nd day of October 2024

15. Independent Auditor's Report



Independent Auditor's Report

To the Board of the Westernport Region Water Corporation

Opinion	<p>I have audited the performance report of the Westernport Region Water Corporation (the corporation) for the year ended 30 June 2024, which comprises the:</p> <ul style="list-style-type: none">• financial performance indicators• water and sewerage network reliability performance indicators• customer responsiveness performance indicators• water reuse indicator• certification of performance report. <p>In my opinion, the performance report of the Westernport Region Water Corporation for the year ended 30 June 2024 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the <i>Financial Management Act 1994</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance report in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance report	<p>The Board is responsible for the preparation and fair presentation of the performance report in accordance with the performance reporting requirements of the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.</p>

**Auditor's
responsibilities
for the audit of
the
performance
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
- evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
3 October 2024



Paul Martin
as delegate for the Auditor-General of Victoria

16. Financial Statements for the year ended 30 June 2024

Westernport Region Water Corporation (the Corporation) has pleasure in presenting its audited general-purpose financial statements for the financial year ended 30 June 2023. It is presented in the following structure:

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Westernport Region Water Corporation
Comprehensive operating statement
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue			
Revenue from contracts with customers	2.1	29,819	27,589
Interest income		142	46
Other income		176	163
Total revenue		30,137	27,798
Expenses			
Depreciation and impairment	4.1.1	7,596	7,274
Amortisation	4.2	449	453
Employee benefits	3.1.1	9,596	8,801
Direct operational expenses	3.2	1,915	1,939
Repairs and maintenance expense	3.3	1,032	1,093
Environmental contribution	8.2	1,075	1,075
Interest expense	6.1.2	265	264
Administration and other operating expenses	3.4	6,941	5,902
Total expenses		28,869	26,801
Net result from transactions		1,268	997
Other economic flows included in net result			
Net gain/(loss) on disposal of non-financial assets	4.1.4	73	(124)
Net (gain) /loss arising from revaluation of derivative financial liabilities	9.2.1	-	-
Total other economic flow included in net result		73	(124)
Net result before income tax		1,341	873
Income tax expense/(benefit)	8.1.1	337	222
Net result for the period		1,004	651
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in physical asset revaluation surplus	9.1.1	57,596	2,469
Income tax relating to these items	8.1.2 ,9.1.1	(14,399)	(618)
Total comprehensive income for the period		43,197	1,851
Comprehensive result		44,201	2,502

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

Westernport Region Water Corporation

Balance sheet

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6.2.1	3,954	2,476
Receivables	5.1	4,465	3,389
Contract assets	5.2	595	1,080
Inventories		644	562
Biological assets		193	146
Current tax assets	8.1.1	-	990
Prepayments		226	280
Total current assets		10,077	8,923
Non-current assets			
Receivables	5.1	40	40
Infrastructure, property, plant and equipment	4.1.1	343,842	284,990
Intangible assets	4.2	2,349	2,065
Investment in Zero Emissions Water (ZEW) Ltd	5.5	5	5
Total non-current assets		346,236	287,100
TOTAL ASSETS		356,313	296,023
LIABILITIES			
Current liabilities			
Payables	5.3	3,142	2,445
Contract liabilities	5.4	3,862	4,250
Interest bearing liabilities	6.1	1,250	1,000
Employee benefits	3.1.2	2,403	2,216
Total current liabilities		10,657	9,911
Non-current liabilities			
Interest bearing liabilities	6.1	9,890	9,140
Employee benefits	3.1.2	189	322
Deferred tax liabilities	8.1.2	58,873	44,138
Other financial liabilities	5.6	51	60
Total non-current liabilities		69,003	53,660
TOTAL LIABILITIES		79,660	63,571
NET ASSETS		276,653	232,452
EQUITY			
Contributed capital		51,323	51,323
Physical asset revaluation reserve	9.1.1	152,486	109,289
Accumulated surplus		72,844	71,840
TOTAL EQUITY		276,653	232,452

The above Balance Sheet should be read in conjunction with the accompanying notes.

Westernport Region Water Corporation

Statement of changes in equity

For the year ended 30 June 2024

	Note	Contributed capital \$'000	Reserves \$'000	Accumulated surplus \$'000	Total \$'000
Balance at 1 July 2022		51,323	107,438	71,189	229,950
Net result for the period		-	-	651	651
Total other comprehensive income for the period	9.1.1	-	1,851	-	1,851
Balance at 30 June 2023		51,323	109,289	71,840	232,452
Balance at 1 July 2023		51,323	109,289	71,840	232,452
Net result for the period		-	-	1,004	1,004
Total other comprehensive income for the period	9.1.1	-	43,197	-	43,197
Balance at 30 June 2024		51,323	152,486	72,844	276,653

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Westernport Region Water Corporation
Cash flow statement
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts			
Service and usage charges / Revenue from contracts with customers		25,309	23,758
Interest received		150	38
Developer contribution fees		280	439
Goods and Services Tax received from the ATO		2,245	1,105
Other receipts		2,609	3,641
Total receipts		30,593	28,981
Payments			
Payments to suppliers and employees		(22,355)	(21,282)
Interest and other cost of finance paid		(258)	(262)
Environmental contribution levy paid		(1,075)	(1,792)
Total payments		(23,688)	(23,336)
Net cash flows from/(used in) operating activities	6.2.2	6,905	5,645
Cash flows from investing activities			
Proceeds from sale of infrastructure, property, plant & equipment		116	87
Payments for infrastructure, property, plant and equipment		(6,543)	(4,402)
Net cash flows from/(used in) investing activities		(6,427)	(4,315)
Cash flows from financing activities			
Proceeds from borrowings		2,000	-
Repayment of borrowings		(1,000)	-
Net cash flows from/(used in) financing activities		1,000	-
Net increase/(decrease) in cash and cash equivalents		1,478	1,330
Cash and cash equivalents at the beginning of the financial year		2,476	1,146
Cash and cash equivalents at the end of the financial year¹	6.2.1	3,954	2,476

The above Cash Flow Statement should be read in conjunction with the accompanying notes

Note

1. All cash flow at year end remains invested in the Central Banking System (CBS) account.
2. Repayment of borrowings for 2023FY were not cash transactions as were refinanced and reported as non-current liabilities.

Westernport Region Water Corporation

Notes to the financial statements

1. About this report

Introduction

The financial report includes separate financial statements for Westernport Region Water Corporation (the Corporation) as an individual reporting entity. This financial report is a general-purpose financial report, that consists of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, director's declaration and notes accompanying these statements for the period ending 30 June 2024. The general-purpose financial report has been prepared in accordance with Australian Accounting Standards (AASs), Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Financial Management Act 1994 and applicable Ministerial Directions. The Corporation is a not-for-profit entity for the purpose of preparing the financial statements.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

The annual financial statements were authorised for issue by the Board on 2 October 2024.

The principal address is:

Westernport Region Water Corporation
2 Boys Home Road
Newhaven VIC 3925

Significant events or factors

There were no major changes or factors affecting performance during the reporting period.

Basis of preparation

A description of the nature of its operations and the Corporation's principal activities is included in the Report of Operations, which does not form part of these financial statements.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

Functional and presentation currency

Items included in this financial report are measured using the currency of the primary economic environment in which the Corporation operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Corporation's functional and presentation currency.

Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Corporation's operational cycle.

Rounding

Unless otherwise stated, amounts in the report have been rounded to the nearest thousand dollars. Figures in the financial statements may not equate due to rounding.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets, all classes of property, plant and equipment and investment property.

Comparative information

In these financial statements, the Corporation has changed the classification or presentation of certain disclosures (and relevant comparative information) to improve readability by the user. This change in the presentation has not arisen as a result of the identification of errors or changes in accounting policies by the Corporation. Where adjustments have been made to comparative information as a result of the correction of errors and changes in accounting policies, the nature of error and its magnitude has been disclosed in line with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Accounting estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are made in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in applying Australian Accounting Standards or "AAS" that have significant effects on the financial statements and estimates relate to:

Significant judgement and estimation area	Note number
Contract Assets - Accrued water usage charges	5.2
Estimated fair value of derivative financial instrument	5.5 and 7.3
Estimated fair value of land, buildings, infrastructure, plant and equipment	4.1
Estimation of useful life	4
Impairment of assets	4
Employee benefit provisions	3
Superannuation defined benefit scheme - Actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates	3
Revenue Recognition - Determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is within the scope of AASB 15 Revenue from Contracts with Customers (AASB 15) or AASB 1058 Income of not-for-profit entities (AASB 1058)	5.4
Revenue Recognition - The timing of satisfaction of performance obligations and determining transaction price and amounts to performance obligations	2.1.1
Recognition and measurement of Software as-a-Service (SaaS) arrangements	4.2
National Tax Equivalent Regime (NTER) tax rate change as per AASB 108	8.1.1
Impairment – Calculation of the expected credit loss	5.1.2

For the year ended 30 June 2024, the Corporation recognised a net profit of \$1.0m. The Corporation's net assets as at 30 June 2024 were \$276.7m. The Corporation has \$4.0m of resources comprising cash, cash equivalents and deposits, other highly liquid assets and unused credit lines available at the date of authorisation of these financial statements.

Management are continuously reviewing budgets and forecasts while monitoring cash flow requirements and customer payment trends during this period of uncertainty and conclude that the going concern assumption still remains appropriate.

These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable *Australian Accounting Standards (AASs)*, which include Interpretations, issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting (AASB 1049)*. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. In addition, the Corporation adopted Disclosure of Accounting Policies (Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates) from 1 July 2023. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments did not result in any changes to the accounting policies themselves and did not impact the accounting policy information disclosed throughout.

2. Funding delivery of services

Introduction

Westernport Region Water Corporation leads through collaboration and innovation to deliver sustainable water and wastewater services that improve the health and liveability of our community.

This section provides information about how the Corporation is funded and the accounting policies relevant for an understanding of the items recognised in the financial statements.

Income is recognised to the extent it is probable the economic benefits will flow to the Corporation and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

Structure

2.1 Revenue from contracts with customers

2.1.1 Revenue from service, usage and trade waste charges

2.1.2 Developer contributions

2.1.3 Other revenue

2.1.4 Timing of recognition of revenue from customers

2.1 Revenue from contracts with customers

	Note	2024 \$'000	2023 \$'000
Revenue from service, usage and trade waste charges	2.1.1	26,036	24,731
Developer contributions	2.1.2	3,369	2,455
Other revenue	2.1.3	414	403
Total revenue from contracts with customers		29,819	27,589

2.1.1 Revenue from service, usage and trade waste charges

The Corporation derives revenue from the transfer of goods and/or services over time and at a point in time in the following revenue streams. Revenue is recognised when, or as, the performance obligations to the customer are satisfied. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (refer note 5.4). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded (refer note 5.2).

Total revenue from contracts with customers is \$29.8m (2023: \$27.6m). This consists of revenue from service and usage charges of \$26.0m (2023: \$24.7m), Developer contributions of \$3.4m (2023: \$2.5m) and other revenue of \$414k (2023: \$403k).

	2024 \$'000	2023 \$'000
- Water usage charges	4,303	4,582
- Water service charges	8,690	8,148
- Sewage service charges	12,762	11,774
- Sewage disposal charges	38	27
- Trade waste charges	208	166
- Recycling water charges	35	34
Total revenue from service, usage and trade waste charges	26,036	24,731

Revenue from service, usage and trade waste charges is determined to be in accordance with AASB 15 *Revenue from Contracts with Customers* (AASB 15).

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Service charges (trade waste and recycled water, water and sewerage)	Service charges are recognised as revenue when the services have been provided or service charge has been made. Service charges are billed in advance and recognised evenly throughout the financial year to reflect continuous service being provided to customers. Service charges are based on fixed fee for access to water, recycled water and sewerage disposal. The charges are payable within 28 days.	Revenue is recognised over time as service is provided.
Usage charges, Disposal charges - sewerage	Water usage and sewer disposal charges are recognised as revenue when water is consumed by customers, and sewage waste is disposed by customers. Meter reading is undertaken progressively during the year and are billed quarterly in arrears. An estimation of usage and disposal charges is made at the end of each accounting period for connection where meters were not read at balance date. This is calculated by determining the level of billable service provided multiplied by the cost of each service. The charges are payable within 28 days. At balance date, any portion of service charges that is billed in advance and the performance obligation is not satisfied, is recognised as contract liabilities (refer note 5.4). The charges for fully satisfied performance obligations that are unbilled at year end that are estimated and contract assets are recognised (refer note 5.2).	Revenue is recognised over time as service is provided.
Trade waste disposal charges	Revenue related to trade waste disposal is based on the volume of waste disposed by customers.	Revenue is recognised at a point in time.
Recycled water charges	Recycled water charges are all recognised as revenue over time as the performance obligation is satisfied. The Corporation measures these charges based on the regulated prices and the volume of water consumed by customers, and sewage and trade waste disposed by customers. The charges are payable within 28 days.	Revenue is recognised over time as service is provided

2.1.2 Developer contributions

	2024 \$'000	2023 \$'000
Developer contributed assets	2,186	1,806
New customer contributions	1,183	649
Total developer contributions	3,369	2,455

Note

1. An internal review of Developer contributed assets identified infrastructure assets from prior years (2019: \$215k, 2020: \$54k, \$2021: \$638k and 2022: \$378k) which have been recognised in 2023FY.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Developer contributed assets	<p>Developer contributed assets arise when developers pay for the cost of construction of new infrastructure assets and subsequently gift these assets to the Corporation to maintain in perpetuity.</p> <p>Depending on the type of developer application, this can result in the performance obligation being satisfied:</p> <ul style="list-style-type: none"> - when the Statement of Compliance is issued to the customer, or - when the customer is connected to the Corporation's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued. <p>Revenue is recognised at the fair value of the gifted assets by assessing the value of the works using schedule of rates.</p>	Revenue is recognised at a point in time.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
New customer contributions	<p>New customer contributions represent non-refundable upfront charges applicable when customers request to build or develop a property and connect to the Corporation's water supply and sewerage infrastructure network. The charges contribute towards the cost of augmenting the Corporation's water supply distribution systems and sewerage disposal systems.</p> <p>Depending on the type of new customer contribution application, this can result in the performance obligation being satisfied at a point in time when the Corporation satisfies its performance obligation. This will vary depending on the type of application submitted by the customer. As a result, a performance obligation can be satisfied when:</p> <ul style="list-style-type: none"> - the Statement of Compliance is issued to the customer; or - the customer is connected to the Corporation's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued; or - the customer receives consent from the Corporation to proceed with their application. <p>The rates applied to calculate the new customer contributions are regulated by the Essential Services Commission.</p>	Revenue is recognised at a point in time.

2.1.3 Other revenue

	2024 \$'000	2023 \$'000
Revenue from other services rendered – Fees and charges	284	282
Works and services provided to third parties	130	121
Total other revenue	414	403

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Revenue from other services rendered - Fees and charges	Revenue is recognised when the Corporation has completed its performance obligations. Fees and charges represent a variety of services provided by the Corporation such as processing of application fees and making new connections or alterations to the corporation's network. The Corporation uses pricing principles to calculate the price of individual services rather than direct regulation by the Essential Services Commission. The charges are payable within 28 days.	Revenue is recognised over the period over which goods and services are provided to the customer.
Works and services provided to other third parties	Revenue is recognised when the Corporation has completed its contractual obligations. Revenue represents charges for services to third parties for the collection of drainage and parks rates on behalf of Melbourne Water Corporation and the Department of Energy, Environment and Climate Action (DEECA) respectively. The charges are payable within 28 days.	Revenue (e.g., commissions or fees) is recognised on a 'net' basis, and over time as the Corporation is acting as an agent on behalf of third parties who provide the service to the customer.

2.1.4 Timing of recognition of revenue from customers

The Corporation derives revenue from the transfer of goods and services over time and at a point in time for the following charges.

2023	Service charges - water	Usage charges - water	Service charges - sewerage	Disposal charges - sewerage	Disposal charges - trade waste	Recycled water charges	Developer contributed assets	New customer contributions	Other revenue	Total revenue with customers
At a point in time	-	-	-	-	-	166	-	1,806	649	403
Over time	8,148	4,582	11,774	27	34	-	34	-	-	24,565
Total	8,148	4,582	11,774	27	34	166	34	1,806	649	403
2024										
At a point in time	-	-	-	-	-	208	-	2,186	1,183	414
Over time	8,690	4,303	12,762	38	35	-	35	-	-	25,828
Total	8,690	4,303	12,762	38	35	208	35	2,186	1,183	414
										29,819

3. The cost of delivering our services

Introduction

This section provides an account of the expenses incurred by the Corporation in delivering services and outputs and how the Corporation's funding is applied and the accounting policies that are relevant for an understanding of these items recognised in the financial statements.

Structure

3.1 Expenses incurred in delivery of services

3.1.1 Employee benefits – Comprehensive Operating Statement

3.1.2 Employee benefits - balance sheet

3.1.3 Superannuation

3.2 Direct operational expenses

3.3 Repairs and maintenance

3.4 Administration and other operating expenses

3.1 Expenses incurred in delivery of services

	Note	2024 \$'000	2023 \$'000
Employee benefit expenses	3.1.1	9,596	8,801
Direct operational expenses	3.2	1,915	1,939
Repairs and maintenance	3.3	1,032	1,093
Administration and other operating expenses	3.4	6,941	5,902
Total expenses incurred in delivery of services		19,484	17,735

3.1.1 Employee benefits – Comprehensive Operating Statement

	2024 \$'000	2023 \$'000
Employee benefits		
- Salaries and wages	6,698	6,001
- Annual leave	656	627
- Long service leave	204	218
- Employer superannuation contributions	883	795
- Employer superannuation contributions - defined benefits	44	45
- Payroll tax	115	110
- Other	996	1,005
Total employee benefit costs	9,596	8,801

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

Directly attributable costs for bringing an asset to the location and condition necessary for operation, such as costs of employee benefits arising directly from the construction or acquisition of the item of infrastructure, property, plant and equipment are capitalised.

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period (see note 3.1.3).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Corporation is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.1.2 Employee benefits - balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2024 \$'000	2023 \$'000
Current provisions:		
Annual leave (and RDO)		
Unconditional and expected to settle within 12 months	626	587
Unconditional and expected to settle after 12 months	176	204
Long service leave		
Unconditional and expected to settle within 12 months	125	84
Unconditional and expected to settle after 12 months	1,144	1,047
Provisions for on-costs		
Unconditional and expected to settle within 12 months	149	134
Unconditional and expected to settle after 12 months	183	160
Total current provisions for employee benefits	2,403	2,216
Non-current provisions:		
Long service leave - conditional	166	285
On-costs	23	37
Total non-current provisions for employee benefits	189	322
Total provisions for employee benefits	2,592	2,538

Reconciliation of movements in on-cost provisions

	2024 \$'000
Opening balance	331
Additional provisions recognised	84
Amounts utilised during the period	-
Effect of changes in the discount rate	(60)
Closing balance	355
Current	332
Non-current	23

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Corporation does not have an unconditional right to defer settlements of these liabilities.

The components of this liability are measured at:

- Undiscounted value – the component the Corporation expects to wholly settle within 12 months; or
- Present value – the component the Corporation does not expect to wholly settle within 12 months.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

On-costs

On costs, such as payroll tax, superannuation and workers' compensation insurance, are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Long service leave

Long Service Leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL (representing seven or more years of continuous service) is disclosed as a current liability even where the Corporation does not expect to settle the liability within 12 months. The Corporation does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value – the component the Corporation expects to wholly settle within 12 months; or
- Present value – the component the Corporation does not expect to wholly settle within 12 months.

Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flows included in the net result within the operating statement.

3.1.3 Superannuation

Superannuation contributions

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Corporation to the relevant superannuation plans in respect to the services of its employees, both past and present. Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that the Corporation is required to comply with.

The Corporation makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (Vision Super). This Fund has two categories of membership, accumulation and defined benefit, both are funded differently. The Defined Benefit category provides lump sum benefits based on years of service and final average salary. The accumulation category receives fixed contributions from the Corporation and its employees' legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are made or become due.

Contributions by the Corporation (excluding any unfunded liability payments) to the superannuation plans for the financial year ended 30 June 2024 are detailed below:

Scheme	Type of scheme	Rate %	2024 \$'000	2023 \$'000
Vision Super	Defined benefits	11 (2023: 10.5)	45	44
Vision Super	Accumulation	11 (2023: 10.5)	316	286
Other	Accumulation	11 (2023: 10.5)	566	510

In addition to the above contributions, the Corporation has not paid any unfunded liability payments to Vision Super during the 2023-24FY (2023: \$0).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$45k (2023: \$44k).

Accumulation

Contributions to the accumulation plans are expensed as the contributions are paid or become payable.

Defined Benefit

The Corporation does not use defined benefit accounting because sufficient information is not available. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Corporation in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

The Corporation makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. In addition, the Corporation reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit. Defined Benefit option is not available to new employees unless already participating and eligible upon commencement of employment.

A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. The Corporation was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the VBI's were:

	30 June 2023 (triennial review)	30 June 2022 (interim review)
Net investment returns	5.7% pa	5.5% pa
Salary information	3.5% pa	2.5% pa to 30 June 2023, 3.5% pa thereafter
Price inflation (CPI)	2.8% pa	3% pa

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024.

A full investigation was conducted as at 30 June 2023 identified the following:

- A VBI surplus of \$84.7 million;
- A total liability surplus of \$123.6 million; and
- A discounted accrued benefits surplus of \$141.9 million;

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 97%).

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including the Corporation) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2024 interim actuarial investigation

Vision Super has advised that the VBI at 30 June 2024 was 105.4%. The financial assumptions used to calculate this VBI were:

- Net investment returns 5.6% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.7% pa

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2024. It is anticipated that this actuarial investigation will be completed by 31 October 2024. The Corporation was notified of the 30 June 2024 VBI during August 2024.

3.2 Direct operational expenses

	2024 \$'000	2023 \$'000
Chemicals	492	557
Electricity	759	707
Testing and Sampling	202	225
Melbourne bulk water entitlement	416	373
Lease payments	46	77
Total direct operational expenses	1,915	1,939

Expense	Description	Recognition policy
Chemicals	Chemical expenses incurred directly related to water and sewage operations.	Accruals basis. Recognised in the Comprehensive operating statement.
Electricity	Electricity expenses incurred directly related to operations.	Accruals basis. Recognised in the Comprehensive operating statement.
Testing and Sampling	Testing and Sampling expenses incurred directly related to water and sewage operations.	Accruals basis. Recognised in the Comprehensive operating statement.
Melbourne bulk water entitlement	Bulk charges comprise fixed monthly availability prices from three separate sources of water (headworks) and a single variable usage price for water ordered from the Victorian Desalination Plant.	As incurred. Recognised in the Comprehensive operating statement.
Lease Payments	Operating lease payments related to hire of equipment to support operations (all are low value and or short term).	Accruals basis. Recognised on a straight-line basis over the lease term in the Comprehensive operating statement.

3.3 Repairs and maintenance

	2024 \$'000	2023 \$'000
Preventative maintenance	565	599
Major maintenance	467	494
Total repairs and maintenance	1,032	1,093

Expense	Description	Recognition policy
Planned maintenance, repair costs and minor renewal costs	Where the repair relates to the replacement of a component of an asset.	Routine maintenance that does not enhance the performance of the asset is expensed as incurred.

3.4 Administration and other operating expenses

	2024 \$'000	2023 \$'000
Purchase of inventory	22	87
Contractors	2,416	1,791
Consultants	152	271
Information computer technology expenses	2,242	2,012
Training and education	127	124
Licence fees, permits and registration	146	204
Vehicle repairs & maintenance costs	55	77
Insurance	340	294
Postage charges	98	104
Conference costs (excl travel & accommodation)	36	27
Debt collection fees	-	3
Mobile phone costs	40	103
Subscription & memberships	142	77
Guaranteed service level payments	348	-
Bad debt expenses	13	8
Other supplies	764	720
ZEW derivative expense	-	-
Total administration and other operating expenses	6,941	5,902

Expense	Description	Recognition policy
Contractors	All contractors formally engaged to provide works or services for or on behalf of the corporation.	As incurred. Recognised in the Comprehensive operating statement.
Information Computer Technology expenses	All operating expenses, maintenance contracts, license fees and other costs associated with operating the information technology environment of the Corporation.	Accruals basis. Recognised in the Comprehensive operating statement.
Other expenses (including supplies)	All operating expenses, maintenance contracts, license fees and other costs associated with operating the information technology environment of the Corporation.	Accruals basis. Recognised in the Comprehensive operating statement.
ZEW derivative expense	Relates to Westernport Water's investment in Zero Emissions Water Limited (ZEW). The Corporation pays or receives the difference between the floating electricity price and the fixed price set under the agreement for the units of energy supplied into the National Electricity Market by the solar farm. The future settlements of Contract for Difference (CfD) are classified as derivative financial instruments. Refer Note 5.5 for further details on the arrangement between the Corporation and ZEW.	Upon expiration or exercise of the cash flow derivative, the Corporation will recognise an expense depending on the position of the cash flow derivative. The fair value of the cash flow derivative is adjusted in OCI upon settlement with the difference being recognised as an expense in the Comprehensive operating statement.

4. Key assets available to support delivery of our service

Introduction

The Corporation controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the Corporation to be utilised for delivery of those outputs.

Structure

4.1 Infrastructure, property, plant and equipment: Carrying amount

4.1.1 Reconciliation of movements in carrying values of infrastructure, property, plant and equipment

4.1.2 Initial recognition and subsequent measurement

4.1.3 Depreciation and impairment

4.1.4 Net gain/loss on disposal of non-current assets

4.2 Intangible assets

4.1 Infrastructure, property, plant and equipment: Carrying amount

4.1.1 Reconciliation of movements in carrying values of infrastructure, property, plant and equipment

	Land	Building	Plant and equipment	Water distribution	Infrastructure harvesting and major transfer	Infrastructure water quality	Infrastructure sewer collection	Infrastructure treatment and disposal	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2024										
Opening net book amount	16,697	4,409	3,576	97,630	31,693	2,314	96,374	27,860	4,437	284,990
Additions	-	-	-	-	-	-	-	-	6,618	6,618
Disposals	-	-	-	(20)	(1)	(4)	(5)	(6)	-	(36)
Transfers in/(out) of assets under construction	-	-	-	-	-	-	-	-	-	-
Transfer between asset classes	-	-	343	1,065	12	50	180	703	(2,353)	-
Assets received free of charge (nominal consideration)	-	-	-	401	-	-	1,868	-	-	2,269
Revaluation	-	-	375	21,840	7,128	500	21,618	6,135	-	57,596
Depreciation	-	(134)	(629)	(2,657)	(678)	(135)	(2,303)	(1,059)	-	(7,595)
Other movements	-	-	-	-	-	-	-	-	-	-
Closing net book amount	16,697	4,275	3,665	118,259	38,154	2,725	117,732	33,633	8,702	343,842
At 30 June 2024										
Cost of fair value	16,697	4,409	6,055	118,370	38,156	2,734	117,884	33,740	8,702	346,747
Accumulated depreciation	-	(134)	(2,390)	(111)	(2)	(9)	(152)	(107)	-	(2,905)
Net book amount	16,697	4,275	3,665	118,259	38,154	2,725	117,732	33,633	8,702	343,842
Year ended 30 June 2023										
Opening net book amount	14,919	3,828	3,568	95,057	31,984	2,241	94,586	28,200	9,310	283,693
Additions	-	-	-	-	-	-	-	-	4,044	4,044
Disposals	-	-	(10)	(38)	(70)	-	(93)	-	-	(211)
Transfer between asset classes	-	19	594	4,367	529	210	2,487	711	(8,917)	-
Assets received free of charge (nominal consideration)	-	-	-	586	-	-	1,683	-	-	2,269
Revaluations	1,778	691	-	-	-	-	-	-	-	2,469
Depreciation	-	(129)	(576)	(2,342)	(750)	(137)	(2,289)	(1,051)	-	(7,274)
Closing net book amount	16,697	4,409	3,576	97,630	31,693	2,314	96,374	27,860	4,437	284,990
At 30 June 2023										
Cost of fair value	16,697	4,409	7,372	102,266	33,168	2,584	100,933	30,371	4,437	302,237
Accumulated depreciation	-	-	(3,796)	(4,636)	(1,475)	(270)	(4,559)	(2,511)	-	(17,247)
Net book value as at 30 June 2023	16,697	4,409	3,576	97,630	31,693	2,314	96,374	27,860	4,437	284,990

4.1.2 Initial recognition and subsequent measurement

Infrastructure, property, plant and equipment

Items of infrastructure, property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Items with a cost or value in excess of \$1,000 (2023: \$1,000) and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

Motor Vehicles

Vehicles are valued using the current replacement cost method. The Corporation acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition use and disposal in the market is managed by experienced fleet managers in the Corporation who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Revaluation of infrastructure, property, plant and equipment

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in Financial Reporting Direction 103I Non-Financial Physical Assets (FRD 103I).

The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by the Corporation to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors under the direction of the VGV.

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 103I.

The Corporation in conjunction with VGV, monitors changes in the fair value of each asset class through relevant data sources, in order to determine whether a revaluation is required.

The Corporation assets relating to land, buildings, infrastructure and service concession assets were independently valued by the VGV as at 30 June 2021. The market that the assets are valued in is being impacted by the uncertainty that rising interest rates and increased construction costs have caused. The valuer has advised that the current market environment creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period. A managerial revaluation was performed effective 30 June 2024 in line with FRD103 requirements and determined that adjustments were required for 2024 which have been applied. Refer to Note 7.3 Fair value determination for further information on the revaluation methods used for the asset classes.

Accounting for revaluation movements of infrastructure, property, plant and equipment

Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Revaluation increases or decreases arise from differences between an asset's carrying value and its fair value.

Revaluation increases and revaluation decreases relating to individual assets within a class of infrastructure, property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. An asset revaluation surplus is not transferred to accumulated funds on the de-recognition of the related asset.

Revaluation increments are credited directly to equity in the asset revaluation reserve, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, in which case the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as an expense, except to the extent that a credit balance exists in the asset revaluation reserve applicable to the same class of assets, in which case the decrement is debited directly to the asset revaluation reserve.

Biological Assets

An increase or decrease in the fair value of these biological assets is recognised in the consolidated comprehensive operating statement as an 'other economic flow'.

4.1.3 Depreciation and impairment

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life, commencing from the time the asset is held ready for use.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life years 2024 and 2023
Buildings	30-50
Water Distribution	20-100
Water Harvesting & major transfer	10-200
Water Quality	25-70
Sewer Collection	25-70
Sewer Treatment and disposals	25-70
Plant, equipment and machinery	1-30
Motor Vehicles	4

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

An independent valuation of the Corporation's water and sewer infrastructure was carried out by JLL Australia on behalf of the Valuer General Victoria on 30 June 2021 and although it is impracticable to predict future years, adjustments will be made where necessary for future impacts including allowances for additions and disposals. The impacts of the current economic and climate-related emerging risks were taken into account when estimating the useful life of these assets. A managerial revaluation was performed effective 30 June 2024 in line with FRD103 requirements and determined that adjustments were required for 2024 which have been applied.

Indefinite life assets

Land, earthworks, land under declared roads, and core cultural assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment

Non-financial assets, including items of Infrastructure, Property, Plant and Equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Exposure to climate-related matters could be an indicator that an asset (or a group of assets) is impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off, except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs to sell. The impact of climate risk is not a key assumption in the current replacement cost and fair value less costs to sell. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

The recoverable amount of specialised non-cash-generating assets which are held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*.

Whilst the potential risks and related opportunities from climate related change are considered as part of the Corporation's asset impairment review methodology and processes, based on what is currently known, it is not expected that climate risks will have a significant impact on the Corporation's principal activities, particularly from an asset impairment standpoint.

4.1.4 Net gain/loss on disposal of non-current assets

The surplus/ (deficit) from ordinary activities includes the following specific net gains and expenses:

	2024 \$'000	2023 \$'000
Sales proceeds	249	126
Costs of the assets ¹	(523)	(539)
Accumulated depreciation	347	289
Net gain/(loss) on disposal	73	(124)

Note

1. The cost of assets reflects the gross cost and not the written down value of disposed assets.

4.2 Intangible assets

	Water entitlements \$'000	Software costs \$'000	Patents and Licences \$'000	Large scale generation certificates \$'000	Other \$'000	Total \$'000
Cost of fair value	370	3,558	279	7	57	4,271
Accumulated amortisation	(37)	(1,701)	(105)	(1)	(22)	(1,866)
Carrying amount	333	1,857	174	6	35	2,405

Year ended 30 June 2023

Opening net book amount	333	1,857	174	6	35	2,405
Additions	-	35	56	4	21	116
Disposals	-	-	-	(3)	-	(3)
Amortisation	(4)	(443)	(4)	(1)	(1)	(453)
Closing carrying amount	329	1,449	226	6	55	2,065

At 30 June 2023

Cost of fair value	370	3,593	335	7	78	4,383
Accumulated amortisation	(41)	(2,143)	(110)	(1)	(23)	(2,318)
Carrying amount	329	1,450	225	6	55	2,065

Year ended 30 June 2024

Opening net book amount	329	1,450	225	6	55	2,065
Additions	-	727	-	6	-	733
Amortisation	(4)	(416)	(21)	(1)	(8)	(450)
Carrying amount	325	1,761	204	11	47	2,348

At 30 June 2024

Cost of fair value	370	4,320	335	13	78	5,116
Accumulated amortisation	(45)	(2,559)	(131)	(2)	(31)	(2,768)
Carrying amount	325	1,761	204	11	47	2,348

Recognition

Intangible assets represent identifiable non-monetary assets without physical substance.

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is met, internally generated intangible assets are recognised at cost.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) an intention to complete the intangible asset and use or sell it;
- c) the ability to use or sell the intangible asset;
- d) the intangible asset will generate probable future economic benefits;
- e) the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequently, intangible assets with finite useful lives are carried at cost of fair value less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begin when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation periods are reviewed and adjusted if appropriate at each balance date. Intangible assets with indefinite useful lives are not amortised. However, all intangible assets are assessed for impairment annually as outlined below.

A summary of the policies applied to the Corporation's intangible assets is as follows:

Intangible asset	Water entitlements	Software costs	Patents & licenses	Large Scale Generation Certificates	Other
Useful lives	Indefinite	Finite	Indefinite	Finite	Finite
Amortisation method used	Not amortised or revalued	10 years – straight line	Not amortised or revalued	10 years – straight line	Useful life - Straight line
Internally generated or acquired	Acquired	Internally generated or Acquired	Acquired	Acquired	Internally generated or Acquired
Impairment test/Recoverable amount testing	Annually and where an indicator of impairment exists	Amortisation method reviewed at each financial year-end; Reviewed annually for indicators of impairment	Annually and where an indicator of impairment exists	Annually and where an indicator of impairment exists	Amortisation method reviewed at each financial year-end; Reviewed annually for indicators of impairment

Bulk water entitlements

Bulk water entitlements are treated as an intangible asset on the Balance Sheet at cost (in accordance with AASB 138 Intangible Assets and FRD 109A Intangible Assets) and are subject to amortisation. Bulk water entitlements are tested annually for impairment.

Impairment of intangible assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in section 4.1.3.

Software costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

Software as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Corporation with the right to access the cloud provider's application software over the contract period. As such the Corporation does not receive a software intangible asset at the contract commencement date.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as an other expense (Note 3.4) over the term of the service contract	<ul style="list-style-type: none"> • Fee for use of application software • Customisation costs
Recognise as an other expense (Note 3.4) as the service is received	<ul style="list-style-type: none"> • Configuration costs • Data conversion and migration costs • Testing costs • Training costs

The Corporation made the following key judgements that may have the most significant effect on the amounts recognised in the financial statements.

Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses as the costs do not meet the recognition under AASB 138 *Intangible Assets*.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software.

1. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront).
2. Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, the Corporation has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

Large-scale Generation Certificates

Large-scale Generation Certificates are recognised as an intangible asset on the Balance Sheet at cost as per the Corporation's policy choice as opposed to held for sale or surrender (in accordance with AASB 138 *Intangible Assets* and FRD 109 *Intangible Assets*), and will be subject to amortisation, as the Large-scale Generation Certificates have a finite life.

5. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from the Corporation's operations and the delivery of services.

Structure

5.1 Receivables

5.1.1 Impairment of contractual receivables

5.1.2 Reconciliation of the expected credit loss allowance

5.2 Contract Assets

5.3 Payables

5.3.1 Ageing analysis of contractual payables

5.4 Contract liabilities

5.5 ZEW transactions and balances

5.6 Other Financial Liabilities

5.1 Receivables

	2024 \$'000	2023 \$'000
Current		
Contractual		
Trade receivables	3,773	3,254
Allowance for expected credit loss	(45)	(125)
Other receivables	439	151
Statutory		
GST input tax credit recoverable	298	109
Total current receivables	4,465	3,389
Non-current		
Contractual		
Trade receivables	97	97
Allowance for expected credit loss	(57)	(57)
Total non-current receivables	40	40
Total receivables	4,505	3,429

Receivables consist of:

Receivable	Initial measurement	Subsequent measurement
Contractual receivables (other receivables and loans)	Recognised at fair value plus any directly attributable transaction costs. The Corporation holds contractual receivables with the objective of collecting the contractual cash flows.	Classified as financial instrument and measured at amortised cost using the effective interest method, less any impairment.
Contractual receivables (service and usage charges)	Measured at transaction price, unless they contain a significant financing component, when they are recognised at fair value. The Corporation does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.	Classified as financial instrument and measured at amortised cost less any expected credit loss.
Statutory receivables	Recognised at fair value plus any directly attributable transaction costs.	Amortised cost less any expected credit loss.

The carrying amount at amortised cost is the reasonable approximation of fair value.

5.1.1 Impairment of contractual receivables

The Corporation applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for contractual receivables.

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for receivables – service and usage charges and other receivables:

	Current	More than 30 days due	More than 60 days due	More than 120 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2024					
Expected loss rate	0%	0%	0%	5%	2%
Gross carrying amount - receivables from service and usage charges	1,396	199	96	2,179	3,870
Gross carrying amount - other receivables	43	89	276	31	439
Total receivables	1,439	288	372	2,210	4,309
Loss allowance	-	-	-	102	102

	Current	More than 30 days due	More than 60 days due	More than 120 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2023					
Expected loss rate	0%	0%	0%	9%	5%
Gross carrying amount - receivables from service and usage charges	1,216	142	58	1,935	3,351
Gross carrying amount - other receivables	6	-	104	41	151
Total receivables	1,222	142	162	1,976	3,502
Loss allowance	-	-	-	182	182

Receivables from service and usage charges are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments for a period of greater than 120 days past due.

Loss allowance on receivables from service and usage charges are presented in administrative and other operating expenses within the comprehensive operating statement.

No interest is charged for the first 28 days from the invoice date. Thereafter, interest is charged at 6.9 per cent on the outstanding balance however no interest was applied to receivables during 2024. The average credit period for sales of goods / services and for other receivables is 40 days. There are no material financial assets that are individually determined to be impaired.

5.1.2 Reconciliation of the expected credit loss allowance

	Notes	2024 \$'000	2023 \$'000
Opening balance 1 July		182	182
Expected credit losses written off	6.2.2	(80)	(51)
Net provision movements including expected credit losses recovered		-	51
Balance as at 30 June		102	182

The expected credit loss allowance is calculated based on debtor days and we then apply an expected default rate based on historical expected credit losses and forward looking estimates.

Due to current macro-economic conditions, it is expected that rising interest rates, increase in unemployment rates and inflation may exceed the relevant loss allowance thresholds. Although payment patterns have altered, it is believed that at a macro level the current allowance for expected credit loss is sufficient to reflect the risks and uncertainties brought about by these current economic conditions. Should the macroeconomic assumptions change in the future, it could have a material impact on our allowance for doubtful debts in the subsequent years.

5.2 Contract assets

	2024 \$'000	2023 \$'000
Current		
Usage charges	595	1,080
Total current contract assets	595	1,080

	Usage charges \$'000
Opening balance as at 1 July 2023	1,080
Less: Amounts billed during the year	(692)
Additional provisions reversed	(388)
Add: Amount accrued at year end	595
Carrying amount as at 30 June 2024	595

Contract asset	Description	Recognition
Contract assets relating to usage charges - Accrued revenue	Accrued revenue is recognised for water and sewage usage that have been provided to customers at balance date but not yet billed.	Usage charges are all recognised as revenue when the service or other goods have been provided. The contract assets are transferred to contractual receivables when the rights become unconditional. This usually occurs when the Corporation issues a bill to the customer.

Significant changes in contract assets

Contract assets have decreased as the Corporation had accrued developer gifted assets as a temporary measure in 2023FY until the capitalisation process had occurred. The Corporation did not recognise a loss allowance for these contract assets.

5.3 Payables

	2024 \$'000	2023 \$'000
Contractual		
Trade creditors	778	750
Sundry creditors	536	526
Accrued expenses	1,638	992
Statutory		
PAYG and other payables	190	177
Total current payables	3,142	2,445

Payables consist of:

- Contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Corporation prior to the end of the financial year that are unpaid and;
- Statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.
- Payables for supplies and services have an average credit period of 5-10 days

5.3.1 Ageing analysis of contractual payables

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	Maturity dates			
				1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	5+ years \$'000
2024							
Supplies and services	2,416	2,416	2,416	-	-	-	-
Other payables	536	536	-	-	536	-	-
Total	2,952	2,952	2,416	-	536	-	-
2023							
Supplies and services	1,742	1,742	1,742	-	-	-	-
Other payables	526	526	-	-	526	-	-
Total	2,268	2,268	1,742	-	526	-	-

5.4 Contract liabilities

	Service charges paid in advance \$'000	Developer contributions - unearned \$'000	Total \$'000
Carrying amount as at 1 July 2022	3,212	193	3,405
Add: Developer contribution received for performance obligation yet to be completed during the year	27,475	1,191	28,666
Less: Revenue recognised in the reporting period for the completion of performance obligation	(27,325)	(496)	(27,821)
Closing balance at 30 June 2023	3,362	888	4,250
Add: Developers contribution received for performance obligations yet to be completed during the year	21,336	306	21,642
Less: Revenue recognised in the reporting period for the completion of performance obligations	(21,062)	(968)	(22,030)
Total contract liabilities at 30 June 2024	3,636	226	3,862
Represented by			
Current contract liabilities	3,636	226	3,862
Total contract liabilities at 30 June 2024	3,636	226	3,862

Contract liability	Description	Recognition
Contract liabilities relating to service charges - Customers paid in advance	Payments received in advance of the provision of goods or services or performance obligation yet to be performed by the Corporation to settle the terms of receipt of income.	Recognised as revenue, once it has performed the performance obligations associated with the payments.
Contract liabilities relating to developer contributions - Unearned Income	Payments received for new customer contributions in the reporting period, where the performance obligations are outstanding at balance date.	Recognised as revenue, once it has performed the performance obligations associated with the payments

5.5 ZEW transactions and balances

Westernport Region Water Corporation is one of 12 water corporation Members of Zero Emissions Water (ZEW) Limited, a public company limited by guarantee. ZEW's substantial objective is to acquire electricity, contracts for difference and other derivative products in relation to electricity, and/or green products from an energy and emissions reduction facility in Victoria and in turn supply these products to its Members. This vehicle provides the opportunity for water corporation members to collaboratively promote energy and emissions reduction initiatives in Victoria and to reduce emissions.

On 30 October 2018, a Members' Agreement was entered into between the water corporations and ZEW in order to regulate their rights and obligations as members of ZEW and as participants in the project. The Members' Agreement establishes the operating activities of ZEW and the decision-making responsibilities of the ZEW Directors.

Under the Members' Agreement Westernport Region Water Corporation's liability as a member is limited to \$10 in the event of a winding up.

As required by Australian Accounting Standards, Westernport Region Water Corporation has assessed the nature of its relationship with ZEW, and has concluded that it does not have control, joint control or significant influence over ZEW. The water corporation will account for its investment in ZEW as a financial instrument within the scope of AASB 9 Financial Instruments. ZEW is a related party of Westernport Region Water Corporation.

On 30 October 2018, ZEW entered into an 11-year Power Purchasing Agreement (PPA) with a solar farm energy generator whereby ZEW will act as a central intermediary between the energy generator and the water corporations. The PPA contains a contract for difference (CFD) payment mechanism in respect of electricity generated by the facility and the sale and supply of large-scale generation certificates (LGCs) from the facility.

Further extensions were granted until 31 January 2021 as a result of delays in commissioning ZEW's section of the solar farm which delayed the meeting of the conditions precedents. The Corporation share of the settlement for these further delays was \$8,000 which was recognised in the Statement of Comprehensive Income as other income in the 2020-21 financial year.

On 22 January 2021, the conditions precedent in the PPA was completed and the CfD derivative was recognised as a financial liability measured at its fair value. Subsequent changes in the derivative's fair value have been recognised in profit and loss. Refer to note 7.1 and 7.3 for more information about the judgements and assumptions used in measuring fair value determination of derivative financial instruments.

The Corporation now has an obligation to purchase its percentage of energy allocation under the Members' Agreement, via the CfD derivative. The financial impact of the Members' Agreement with ZEW has resulted in increased revenue and expenses, and the recognition of a derivative financial instruments and LGCs as intangible assets.

The Members' Agreement specifies that ZEW may call on the Corporation to make a loan available to ZEW amounting to \$11,404. The loan, if requested by ZEW, would meet the definition of a financial asset as it gives rise to a contractual right for us to receive cash from ZEW at the end of the loan term. At 30 June 2021, ZEW had requested and received a loan payment of \$5,000. As this loan is concessional, it has been treated as an investment in ZEW and measured at amortised cost.

5.6 Other Financial Liabilities

	2024 \$'000	2023 \$'000
Non-current		
Other financial liabilities		
Derivative financial instrument	51	60
Total other financial liabilities	51	60

6. How we financed our operations

Introduction

This section provides information on the sources of finance utilised by the Corporation during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Corporation.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provide additional, specific financial instrument disclosures.

Structure

6.1 Interest bearing liabilities

6.1.1 Maturity analysis of interest-bearing liabilities

6.1.2 Interest expense

6.2 Cash flow information

6.2.1 Cash flow reconciliation

6.2.2 Reconciliation of net results to cash flow from operating activities

6.2.3 Financing facilities

6.3 Commitments for expenditure

6.3.1 Total commitments payable

6.1 Interest bearing liabilities

	2024 \$'000	2023 \$'000
Current interest-bearing liabilities		
Security borrowings from Treasury Corporation of Victoria (TCV)	1,250	1,000
Total current interest-bearing liabilities	1,250	1,000
Non-current interest-bearing liabilities		
Security borrowings from Treasury Corporation of Victoria (TCV)	9,890	9,140
Total non-current interest-bearing liabilities	9,890	9,140
Total interest-bearing liabilities	11,140	10,140

Interest bearing liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the initial amount recognised (net of transaction costs) and the redemption amount is recognised in the Comprehensive Operating Statement over the period of the interest-bearing liabilities, using the effective interest method.

The Corporation has classified borrowings which mature within 12 months as current liabilities from the reporting date on the basis that the entity will and has discretion to refinance or rollover these loans with the Treasury Corporation of Victoria, pursuant to section 8 of the *Borrowings and Investment Powers Act 1987*. Borrowings known as 11am debt are classified as current borrowings if utilised (2024: \$0k).

6.1.1 Maturity analysis of interest-bearing liabilities

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	Maturity dates			
				1-3 month \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	5+ years \$'000
30 June 2024							
Secured borrowings from TCV	11,140	11,140	-	750	500	4,940	4,950
Total	11,140	11,140	-	750	500	4,940	4,950
30 June 2023							
Secured borrowings from TCV	10,140	10,140	-	500	500	4,190	4,950
Total	10,140	10,140	-	500	500	4,190	4,950

6.1.2 Interest expense

	2024 \$'000	2023 \$'000
Interest on secured TCV loans	201	207
Financial accommodation levy	64	55
Other interest / bank charges	-	2
Total interest expense	265	264

Interest expense includes costs incurred in connection with the borrowing of funds. Interest costs include interest on bank overdrafts, short term and long-term borrowings, amortisation of discounts or premiums relating to borrowings.

Interest expense is recognised in the period in which it is incurred.

Borrowing costs include interest on short-term and long-term borrowings held with the Treasury Corporation of Victoria (TCV) and costs relating to the Financial Accommodation Levy (FAL) set by the Treasurer of the State of Victoria under section 40N(2) of the *Financial Management Act 1994*. The FAL is in place to remove the financial benefit obtained by the Corporation in securing lower than market interest rates as a result of being guaranteed by the State of Victoria.

6.2 Cash flow information

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

6.2.1 Cash flow reconciliation

	2024 \$'000	2023 \$'000
Cash at bank	3,954	2,476
Balance as per cash flow statement	3,954	2,476

6.2.2 Reconciliation of net results to cash flow from operating activities

	2024 \$'000	2023 \$'000
Net result for the period	1,004	651
Non-cash movements		
Gain on sale or disposal of non-current assets	(74)	124
Depreciation and amortisation of non-current assets	8,046	7,727
Resources provided free of charge or for nominal consideration	(2,186)	(1,806)
Bad debt write-off	67	51
Other non-cash movements - Capital labour transfer to work in progress	(912)	(1,142)
Movements in assets and liabilities		
(Increase)/decrease in receivables	351	326
(Increase)/decrease in inventories and livestock	(129)	(169)
(Increase)/decrease in other non-financial assets (prepayments)	55	(89)
(Increase)/decrease in derivative financial instruments	(9)	-
Increase/(decrease) in payables	27	(131)
Increase/(decrease) in current tax payable/(receivables)	336	(1)
Increase/(decrease) in provisions	51	128
Increase/(decrease) in prepaid income	(398)	850
Increase/(decrease) in deferred tax liabilities	-	222
Increase/(decrease) in other liabilities	676	(1,096)
Net cash flows from operating activities	6,905	5,645

6.2.3 Financing facilities

	2024 \$'000	2023 \$'000
Unsecured bank overdraft facility, reviewed annually and payable at call		
Amount unused ¹	-	2,000
Total	-	2,000
Secured loan facilities with various maturity dates through to 2023 - 24 and which may be extended by mutual agreement		
Amount used	11,140	10,140
Amount unused ²	9,000	2,000
Total	20,140	12,140

Note

1. The unsecured Westpac bank overdraft facility has been removed effective 1 July 2023.
2. Amount unused includes \$2M 11am temporary purpose borrowings.

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. Commitments included in this section are as follows:

- Total commitments payable
- Operating lease commitments
- Capital commitments
- Other commitments

These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.3.1 Total commitments payable

Nominal Amounts: 2024	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Capital commitments	5,056	-	-	5,056
Environmental contribution levy	1,205	3,617	-	4,822
Efficiency payments	200			200
Operating low value lease commitments payable	546	587	-	1,133
Other (non-lease commitments)	297	307	-	604
Total commitments (inclusive of GST)	7,304	4,511	-	11,815
Less GST recoverable from the ATO	(536)	(81)	-	(617)
Total commitments (exclusive of GST)	6,768	4,430	-	11,198

Nominal Amounts: 2023	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Capital commitments	73	-	-	73
Environmental contribution levy	1,075	-	-	1,075
Operating low value lease commitments payable	546	1,133	-	1,679
Other (non-lease commitments)	178	153	-	331
Total commitments (inclusive of GST)	1,872	1,286	-	3,158
Less GST recoverable from the ATO	(72)	(116)	-	(188)
Total commitments (exclusive of GST)	1,800	1,170	-	2,970

7. Risks, contingencies and valuation judgements

The Corporation is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Corporation related mainly to fair value determination.

Structure

7.1 Financial instruments specific disclosure

7.1.1 Financial instruments: Categorisation

7.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

7.1.3 Financial risk management objectives and policies

7.1.4 Interest rate exposure and risk sensitivity

7.2 Contingent liabilities

7.3 Fair value determination

7.3.1 Fair value of financial instruments measured at amortised cost

7.3.2 Non-financial physical assets

7.3.3 Fair value determinations – Financial Instruments

7.1 Financial instruments specific disclosure

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits Receivables: <ul style="list-style-type: none">- Trade receivables- Sale of goods and services- Other receivables Investment in Zero Emissions Water (ZEW) Ltd Derivative financial asset	Trade creditors: <ul style="list-style-type: none">- For supplies and services- Other payables Interest bearing liabilities Derivative financial liability

Due to the short-term nature of the financial assets and liabilities held by the Corporation, their carrying value is assumed to approximate their fair value.

Classification of financial instruments

Financial instrument	Initial measurement	Subsequent measurement
Financial assets at amortised cost		
Financial assets include: <ul style="list-style-type: none"> - Loans and receivables - Cash and deposits - Receivables - Investment in ZEW 	Fair value plus or minus any directly attributable transaction costs	Amortised cost only using the effective interest rate method less impairment if both of the following criteria are met: <ul style="list-style-type: none"> • the asset is held within a business model whose objective is to collect the contractual cash flows, and • the contractual terms give rise to cash flows that are solely payments of principal and interest
Financial assets at fair value through net results		
Derivative instruments	Fair value through net result	Fair value through net result
Financial liabilities at amortised cost		
Financial liabilities include: <ul style="list-style-type: none"> - Payables (excluding statutory payables); - Borrowings - Derivative financial liability 	Fair value, plus or minus any directly attributable transaction costs subsequent to initial recognition.	Amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the profit and loss, over the period of the interest-bearing liability using the effective interest rate method.
Derivative financial instruments		
Derivative financial instruments	Fair value on the date on which a derivative contract is entered into.	Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the consolidated comprehensive operating statement as an 'other economic flow' included in the net result.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Corporation retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Corporation has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Corporation has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Corporation's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Impairment of financial assets

At the end of each reporting period, the Corporation assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Climate-related matters may be relevant in the calculation of expected credit losses if, for example, they impact the range of potential future economic scenarios or assessment of significant increases in credit risk. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The Corporation records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. This is subject to AASB 9's impairment assessment includes the Corporation's contractual receivables, statutory receivables and its investment in debt instruments. Although not a financial asset, contract assets recognised applying AASB 15 (refer to note 5.4) are also subject to impairment however it is immaterial. Equity instruments are not subject to impairment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*. Impairment losses are recognised in the Comprehensive operating statement. Impairment losses recognised in the comprehensive operating statement on equity instruments classified as available for sale are not reversed through comprehensive operating statement.

Derivative financial instruments

Derivative financial instruments are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which all contractual obligations under Conditions Precedent are met and on subsequent measurement.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in fair value of derivatives after initial recognition are recognised in the consolidated comprehensive operating statement as an 'other economic flow' included in the net result.

7.1.1 Financial instruments: Categorisation

2024	Notes	Cash and deposits \$'000	Financial assets at amortised cost (AC) \$'000	Financial liabilities at amortised cost (AC) \$'000	Total \$'000
Contractual financial assets					
Cash and deposits	6.2.1	3,954	-	-	3,954
Receivables					
Service and usage charges	5.1	-	3,768	-	3,768
Other receivables	5.1	-	439	-	439
Derivative financial assets					
Investment in Zero Emissions Water (ZEW) Ltd	5.5	-	5	-	5
Total contractual financial assets		3,954	4,212	-	8,166
Contractual financial liabilities					
Trade creditors	5.3	-	-	778	778
Sundry creditors	5.3	-	-	536	536
Accrued expenses	5.3	-	-	1,638	1,638
Borrowings					
Loans from Treasury Corporation Victoria (TCV)	6.1	-	-	11,140	11,140
Derivative financial liabilities					
Financial liabilities designated at fair value through profit or loss	5.6	-	-	51	51
Total contractual financial liabilities		-	-	14,143	14,143

2023	Notes	Cash and deposits \$'000	Financial assets at amortised cost (AC) \$'000	Financial liabilities at amortised cost (AC) \$'000	Total \$'000
Contractual financial assets					
Cash and deposits	6.2.1	2,476	-	-	2,476
Receivables					
Service and usage charges	5.1	-	3,169	-	3,169
Other receivables	5.1	-	151	-	151
Derivative financial assets					
Investment in Zero Emissions Water (ZEW) Ltd	5.5	-	5	-	5
Total contractual financial assets		2,476	3,325	-	5,801
Contractual financial liabilities					
Trade creditors	5.3	-	-	750	750
Sundry creditors	5.3	-	-	526	526
Accrued expenses	5.3	-	-	992	992
Borrowings					
Loans from Treasury Corporation Victoria (TCV)	6.1	-	-	10,140	10,140
Derivative financial liabilities					
Financial liabilities designated at fair value through profit or loss	5.6	-	-	60	60
Total contractual financial liabilities		-	-	12,468	12,468

7.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	Total interest income / (expense) \$'000
2024	
Contractual financial liabilities	
Financial liabilities at cost	265
Total contractual financial liabilities	265
2023	
Contractual financial liabilities	
Financial liabilities at cost	264
Total contractual financial liabilities	264

7.1.3 Financial risk management objectives and policies

The Corporation's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk. As a whole, the Corporation's financial risk management program seeks to manage these risks and the associated volatility of its financial performance. The main purpose in holding financial instruments is to prudentially manage the Corporation's financial risks within the government policy parameters.

Risk management is carried out by the Audit and Risk Committee under policies approved by the Board of Directors. The Audit and Risk Committee identifies and evaluates financial risk in close co-operation with the Corporation's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk

Credit risk is the risk of financial loss to the Corporation as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises principally from the Corporation's receivables.

The Corporation's exposure to credit risk is influenced by the individual characteristics of each customer. The receivable balance consists of a large number of residential and business customers which are spread across a diverse range of industries. Receivable balances are monitored on an on-going basis to ensure that exposure to credit losses is not significant. The Corporation applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables (refer to note 5.1.1).

Financial assets (e.g., receivables) are written off against the carrying amount when there is no reasonable expectation of recovery. Impairment loss is written off by mutual consent is classified as a transaction expense. Credit losses following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in note 7.1.1, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Corporation's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The Corporation is continuously monitoring and assessing its credit risk profile due to the current economic impacts affecting customers. As a result, the Corporation has adjusted the credit risk profile in assessing the expected loss allowance in 2023-2024 (refer to note 5.1.1).

The Corporation's other credit risk arises from in-the-money receipts due from the Contracts for Difference derivative under the ZEW PPA. The Corporation determines its maximum exposure to credit risk relating to the derivative financial instrument at reporting date as the sum of the nominal values of all forecasted net cash receipts where the floating price due by the proponent exceeds the fixed price payable by the Corporation over the remaining PPA term.

At 30 June 2024, the Corporation has no other significant credit risk. There has been no material change to the Corporation's credit risk profile in 2023-2024.

Credit quality of financial assets

	Financial institution (triple-A credit rating) \$'000	Other (non-rated) \$'000	Total \$'000
2024			
Financial assets with loss allowance measured at 12-month expected credit loss:			
Cash (not assessed for impairment due to materiality)	3,954	-	3,954
Statutory receivables (with no impairment loss recognised)	298	-	298
Financial assets with loss allowance measured at lifetime expected credit loss:			
Contractual receivable applying the simplified approach for impairment	-	4,314	4,314
Total financial assets	4,252	4,314	8,566
2023			
Financial assets with loss allowance measured at 12-month expected credit loss:			
Cash and cash equivalents	2,476	-	2,476
Statutory receivables (with no impairment loss recognised)	109	-	109
Financial assets with loss allowance measured at lifetime expected credit loss:			
Contractual receivable applying the simplified approach for impairment	-	3,507	3,507
Total financial assets	2,585	3,507	6,092

Climate related risk

Climate change is a risk to the Corporation. Climate change risk includes the physical risk which can cause direct damage to assets or property as a result of rising global temperatures as well as transition risks which arise from the transition to low-carbon economy.

The Corporation has further enhanced its understanding of exposure to climate change risk through the development of the Corporation's Net Zero Roadmap which has provided a net zero emissions pathway to 2035 and a Smart Energy Strategy. The Audit and Risk Committee was presented with an Environment and Climate Change Strategy presentation during April 2023 to assist in considering climate-related risk in the preparation of the financial statements and monitors key strategic risks and their mitigations on an ongoing basis.

Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Corporation's policy is to settle financial obligations within 28 days and in the event of dispute make payments within 14 days from the date of resolution.

The Corporation is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees.

The Corporation manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The Corporation obtains annual approval from the Treasurer of Victoria for new borrowings, borrowings to refinance maturing and non-maturing loans and temporary purpose borrowing facilities.

The Corporation manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services is Aa2 and Standard & Poor's double AA, which assists in accessing debt market at a lower interest rate).

The Corporation's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The carrying amount in the table of contractual financial liabilities recorded in the financial statements, \$14.1m (2023: \$12.5m) represents the Corporation's maximum exposure to liquidity risk (refer to note 7.1.1).

The table below illustrates the maturity analysis of the derivative financial liabilities.

	Carrying amount	Nominal amount	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years
30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative liability	51	51	-	-	-	-	51
Total	51	51	-	-	-	-	51

	Carrying amount	Nominal amount	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years
30 June 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative liability	60	60	-	-	-	-	60
Total	60	60	-	-	-	-	60

Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of the Corporation's financial instruments. Market risk comprises of interest rate risk, foreign exchange risk and other price risk. The Corporation's exposure to market risk is primarily through interest rate risk, there is insignificant exposure to foreign exchange risk and insignificant exposure to other price risks.

Objectives, policies and processes used to manage these risks are disclosed in the paragraphs below:

a) Interest Rate Risk

The Corporation's exposure to market interest rates relates primarily to the Corporation's long-term interest-bearing liabilities and funds invested in the market.

The Corporation minimises its exposure to interest rate changes on its long-term borrowings by holding a mix of fixed and floating rate debt. Debt is sourced from Treasury Corporation of Victoria and is managed within a range of Board approved limits with debt levels and interest rates being monitored regularly and managed in accordance with the Treasury Management Guidelines. The Corporation has not engaged hedging as part of its financial risk management strategy.

b) Foreign Exchange Risk or Other Price Risk

The Corporation has no significant exposure to Foreign Exchange Risk or Other Price Risk.

Interest rate risk sensitivity

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Corporation does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Corporation's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. The Corporation cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. A movement of 100 basis points up and down (100 basis points up and down) in market interest rates (AUD) is 'reasonably possible'.

The tables that follow show the impact on the Corporation's net result and equity for each category of financial instrument held by the Corporation at the end of the reporting period, if the above movements were to occur.

As at 30 June 2024, if interest rates changed by +/- 100 basis points from the year end rates with all other variables held constant, post-tax profit would have been \$71k lower/higher (2023: \$76k at +/- 100 basis points) as a result of higher / lower interest expense from variable interest rate borrowings.

The Corporation uses the Contract for Difference derivative financial instrument to manage energy related commodities purchased in the normal course of business, and therefore entered into this PPA to minimise a portion of the price risk to the Corporation.

2024	Carrying amount \$'000	-100 basis points \$'000	Profit or loss +100 basis points \$'000	-100 basis points \$'000	Equity +100 basis points \$'000
Cash	3,954	(40)	40	(40)	40
Interest bearing liabilities	11,140	111	(111)	111	(111)
Total		71	(71)	71	(71)

2023	Carrying amount \$'000	-100 basis points \$'000	Profit or loss +100 basis points \$'000	-100 basis points \$'000	Equity +100 basis points \$'000
Cash and deposits	2,476	(25)	25	(25)	25
Interest bearing liabilities	10,140	101	(101)	101	(101)
Total		76	(76)	76	(76)

7.1.4 Interest rate exposure and risk sensitivity

The carrying amount of financial assets and financial liabilities that are exposed to interest rates are set out in the table below:

2024	Weighted average interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
Financial assets					
Cash	1.00	3,954	-	3,954	-
Receivables	2.75	3,870	2,275	-	1,595
Contract assets	-	595	-	-	595
Other receivables	2.90	439	307	-	132
Total financial assets		8,858	2,582	3,954	2,322

Contractual financial liabilities					
Payables	-	2,952	-	-	2,952
Contract liabilities	-	3,862	-	-	3,862
Borrowings	2.76	11,140	11,140	-	-
Total financial liabilities		17,954	11,140	-	6,814

2023	Weighted average interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
Financial assets					
Cash	1.00	2,476	-	2,476	-
Receivables	2.90	3,351	1,993	-	1,358
Contract assets	-	1,080	-	-	1,080
Other receivables	2.90	151	145	-	6
Total financial assets		7,058	2,138	2,476	2,444
Contractual financial liabilities					
Payables	-	2,268	-	-	2,268
Contract liabilities	-	4,250	-	-	4,250
Borrowings	2.15	10,140	10,140	-	-
Total financial liabilities		16,658	10,140	-	6,518

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

The Corporation was not aware of any contingent assets at the time of finalisation of the financial report (2023:\$0).

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - o it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - o the amount of the obligations cannot be measured with sufficient reliability.

7.2.1 Contingent liabilities

The Corporation has no known contingent liabilities at the time of writing the report (\$0 in 2023).

7.3 Fair value determination

This section sets out information on how the Corporation determined fair value for financial reporting purposes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result or OCI
- land, buildings, infrastructure, plant and equipment
- investment properties; and
- biological assets.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

The Corporation determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Corporation determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the Corporation's independent valuation agency. The Corporation, in conjunction with VGV, JLL Australia and Opteon monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for the financial instruments (refer to Note 7.3.1), non-financial physical assets (refer to Note 7.3.2) and derivatives (refer to Note 7.3.3).

7.3.1 Fair value of financial instruments measured at amortised cost

	Carrying amount 2024 \$'000	Fair value 2024 \$'000	Carrying amount 2023 \$'000	Fair value 2023 \$'000
Financial assets				
Cash and cash equivalents	3,954	3,954	2,476	2,476
Financial liabilities				
Loans from Treasury Corporation of Victoria (TCV)	11,140	11,140	10,140	10,140

Fair value determination non-physical assets

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Corporation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Consistent with AASB 13 *Fair Value Measurement*, the Corporation determines the policies and procedures for both recurring fair value measurements such as infrastructure, property, plant and equipment, biological assets, investment properties and financial instruments and for non-recurring fair value measurements such as assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

For the purpose of fair value disclosures, the Corporation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

7.3.2 Non-financial physical assets

2024	Carrying amount as at 30 June 2024 \$'000	Fair value measurement at end of reporting period using:		
		Level 1' \$'000	Level 2' \$'000	Level 3' \$'000
Land at fair value				
Non-specialised land	880	-	880	-
Specialised land	15,817	-	-	15,817
Total of land at fair value	16,697	-	880	15,817
Buildings at fair value				
Non-specialised buildings	4,275	-	4,275	-
Total of buildings at fair value	4,275	-	4,275	-
Plant and equipment at fair value				
Plant and equipment	3,665	-	-	3,665
Total of plant and equipment at fair value	3,665	-	-	3,665
Infrastructure at fair value				
Infrastructure - water distribution	118,259	-	-	118,259
Infrastructure - water harvesting and major transfers	38,154	-	-	38,154
Infrastructure - water quality	2,725	-	-	2,725
Infrastructure - sewer collection	117,732	-	-	117,732
Infrastructure - sewer treatment and major disposal	33,633	-	-	33,633
Total of infrastructure at fair value	310,503	-	-	310,503

Note

1. Classified in accordance with the fair value hierarchy.

2023	Carrying amount as at 30 June 2023 \$'000	Fair value measurement at end of reporting period using:		
		Level 1' \$'000	Level 2' \$'000	Level 3' \$'000
Land at fair value				
Non-specialised land	880	-	880	-
Specialised land	15,817	-	-	15,817
Total of land at fair value	16,697	-	880	15,817
Buildings at fair value				
Non-specialised buildings	4,409	-	4,409	-
Total of buildings at fair value	4,409	-	4,409	-
Plant and equipment at fair value				
Plant and equipment	3,576	-	-	3,576
Total of plant and equipment at fair value	3,576	-	-	3,576
Infrastructure at fair value				
Infrastructure - water distribution	97,630	-	-	97,630
Infrastructure - water harvesting and major transfers	31,693	-	-	31,693
Infrastructure - water quality	2,314	-	-	2,314
Infrastructure - sewer collection	96,374	-	-	96,374
Infrastructure - sewer treatment and major disposal	27,860	-	-	27,860
Total of infrastructure at fair value	255,871	-	-	255,871

Note

1. Classified in accordance with the fair value hierarchy.

There have been no transfers between levels during the period.

The Valuer General Victoria (VGV) is the Corporation's independent valuation agency in relation to valuation of property, plant and equipment and infrastructure.

The Corporation, in conjunction with VGV monitors changes in the fair value of property, plant and equipment and infrastructure through relevant data sources to determine whether revaluation is required.

Non-specialised land and non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

An independent valuation was performed by Opteon on 30 June 2021 to determine fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset. A managerial revaluation was performed effective 30 June 2024 in line with FRD103 requirements using Valuer General Victoria (VGV) indexation and determined that adjustments were not required for non-specialised land and building values for 2024.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and specialised buildings

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the majority of the Corporation's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Corporation's specialised land and specialised buildings was performed by the Valuer General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2021. A managerial revaluation was performed effective 30 June 2024 in line with FRD103 requirements using Valuer General Victoria (VGV) indexation and determined that adjustments were not required for specialised land and building values for 2024.

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated current replacement cost method.

For all assets measured at fair value, the current use is considered the highest and best use.

Infrastructure assets

Water and sewer infrastructure are valued using the current replacement cost method less all forms of obsolescence and depreciation. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the current replacement cost calculation. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction includes structure services and finishes as applicable.

An independent valuation of the Corporation's water and sewer infrastructure was carried out by JLL Australia on behalf of the Valuer General Victoria. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuation is 30 June 2021. A managerial revaluation was performed effective 30 June 2024 in line with FRD103 requirements utilising ABS indices. This determined that a cumulative increase of 23% had occurred since 30 June 2021 which was applied to infrastructure assets for 2024.

These assets are classified as Level 3 fair value as the lowest level input, the absence of an active market, has a significant impact on the fair value which is unobservable.

Climate related factors and fair value measurement

The Corporation's infrastructure, property, plant and equipment assets are exposed to the risk of damage from extreme weather events such as storms, high winds, floods and drought. Changes in global climate conditions could intensify one or more of these events. In addition, extreme weather events may also increase the cost of operations. The Corporation has extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection. The Corporation has incorporated considerations for climate change into its risk management practices, such as the establishment and maintenance of flood management systems and increased monitoring during fire danger periods. Physical risks arising from fires, floods and drought are to a great extent subject to risk transfer and thereby within the cover of The Corporation's property and business interruption insurance programmes. However, should the frequency and severity of these events increase as a result of climate change, the cost of such coverage may increase.

The Corporation will further enhance the understanding of exposure of climate change risk in the process of executing the Corporation's climate change action plan over the next five years. As at 30 June 2024, the Corporation considered climate-related risk in the preparation of the financial statements.

Market participants' views of potential climate-related matters, including legislation, may affect the fair value measurement of assets and liabilities in the financial statements. Where relevant, climate-related matters may also affect the disclosure of fair value measurements, particularly those categorised within Level 3 of the fair value hierarchy. AASB 13 requires disclosure of unobservable inputs used in fair value measurements. Those inputs should reflect the assumptions that market participants would use, including assumptions about climate-related risk.

Reconciliation of Level 3 fair value movements

A reconciliation from the opening balances to the closing balances for fair value measurements categorised within Level 3 of the fair value hierarchy, disclosing separately changes during the period.

2024	Specialised land \$'000	Water distribution \$'000	Water harvesting \$'000	Water quality \$'000	Sewer collection \$'000	Sewer treatment \$'000	Plant and equipment \$'000
Opening balance	15,817	97,630	31,693	2,314	96,374	27,860	3,576
Purchases (sales)	-	1,446	11	46	2,043	697	343
Revaluation	-	21,840	7,128	500	21,618	6,135	375
Depreciation	-	(2,657)	(678)	(135)	(2,303)	(1,059)	(629)
Closing balance	15,817	118,259	38,154	2,725	117,732	33,633	3,665

2023	Specialised land \$'000	Water distribution \$'000	Water harvesting \$'000	Water quality \$'000	Sewer collection \$'000	Sewer treatment \$'000	Plant and equipment \$'000
Opening balance	14,191	95,057	31,984	2,241	94,586	28,200	3,568
Purchases (sales)	-	4,915	459	210	4,077	711	584
Revaluation	1,626	-	-	-	-	-	-
Depreciation	-	(2,342)	(750)	(137)	(2,289)	(1,051)	(576)
Closing balance	15,817	97,630	31,693	2,314	96,374	27,860	3,576

Description of significant unobservable inputs to Level 3 valuations

2024 and 2023	Valuation technique	Significant unobservable inputs
Specialised Land and Buildings	Market approach	Community Service Obligations (CSO)
Infrastructure – Water Distribution	Depreciated replacement cost approach	Average cost per kilometer Useful life of the infrastructure
Infrastructure – Water Harvesting	Depreciated replacement cost approach	Cost per unit (Quantity 1 Reservoir) Useful life of the infrastructure
Infrastructure – Water Quality	Depreciated replacement cost approach	Cost per unit (Quantity 1 Reservoir) Useful life of the infrastructure
Infrastructure - Sewer Collection	Depreciated replacement cost approach	Average cost per kilometer Useful life of the infrastructure
Infrastructure - Sewer Treatment/Disposal	Depreciated replacement cost approach	Cost per unit (Quantity 2 Treatment Plants) Useful life of the infrastructure
Plant and equipment	Depreciated replacement cost approach	Useful life of the asset

7.3.3 Fair value determination – Financial instruments

	Carrying amount as at 30 June 2024 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Derivative financial liabilities at fair value				
Derivative instrument - Zero Emissions Water	51	-	-	51
Total Derivative financial liabilities at fair value	51	-	-	51

	Carrying amount as at 30 June 2023 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Derivative financial liabilities at fair value				
Derivative instrument - Zero Emissions Water	60	-	-	60
Total Derivative financial liabilities at fair value	60	-	-	60

Derivative financial liabilities

The fair value of derivative instruments is based on the discounted cash flow technique. The selection of variables requires significant judgement and assumptions in estimating the fair value of derivatives. In the absence of an active market, the fair value of the Corporation's CfD derivative is valued using unobservable inputs such as future wholesale electricity prices provided by Department of Energy, Environment and Climate Action's (DEECA) independent advisor and comparable risk free rates of zero coupon government bonds obtained from the Reserve Bank of Australia. The assumptions underpinning the estimate of future wholesale electricity prices included factors influencing supply and demand fluctuations, and the current economic climate. In addition, assumptions are applied to forecast the renewable energy generation volumes over the life of the derivative instrument. The fair value estimate for financial year 2024 was based on valuation and assumptions received at 30 June 2023. This indicated a \$32k increase however as estimates were not confirmed, this has not been applied to the values shown for the reporting period.

To the extent that the significant inputs are unobservable, the Corporation categorises these derivatives as Level 3 within the fair value hierarchy.

A reconciliation from the opening balances to the closing balances for fair value measurements is set out within the following table categorised within Level 3 of the fair value hierarchy for financial instruments, disclosing separately changes during the period.

2024	Derivative financial instrument \$'000
Opening balance	60
Net cash settlements paid	(9)
Closing balance	51
2023	Derivative financial instrument \$'000
Opening balance	51
Net cash settlements paid/(received)	9
Closing balance	60

8. Statutory obligations

Introduction

This section included disclosures in relation to the Corporation's statutory obligations.

Structure

8.1 Tax

8.1.1 Income tax

8.1.2 Deferred tax assets and liabilities

8.2 Environmental contributions

8.1 Tax

8.1.1 Income tax

The Corporation is subject to the National Tax Equivalent Regime (NTER) pursuant to section 88(1) of the *State Owned Enterprises Act 1992*, which is administered by the Australian Taxation Office. The income tax expense or revenue for the period is the expected tax payable or receivable on the current period's taxable income based on the national corporate income tax rate of 25% (2023: 25%), adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The income tax expense for the financial year differs from the amount calculated on the net result. The differences are reconciled as follows:

	2024 \$'000	2023 \$'000
Income statement		
Current income tax expense (paid or payable)	-	(636)
Deferred income tax expense		
Temporary differences	337	858
Income tax reported in the Income Statement	337	222
Income tax payable		
NTER instalment paid	-	(694)
ATO receivable	-	(296)
Income tax payable/(receivable) at 30 June	-	(990)
Tax reconciliation		
Net result before income tax expense	1,341	873
Tax at the Australian tax rate of 25%	337	217
Permanent differences	-	5
Income tax on profit before tax	337	222

8.1.2 Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets

	2024 \$'000	2023 \$'000
Amounts recognised in Comprehensive Operating Statement		
Doubtful debts	26	46
Employee benefits	648	635
Unearned Revenue	866	966
Project pool	359	368
Other accruals	40	85
Fair value increase in CFD	1	3
Initial recognition of CFD	12	12
Livestock	-	4
Tax losses	20	1,174
Total deferred tax assets	1,972	3,293
Movements:		
Opening balance at 1 July	3,293	2,395
(Credited)/Debited to the Comprehensive Operating Statement	(1,321)	898
Closing balance at 30 June	1,972	3,293
Deferred tax asset expected to be recovered after more than 12 months	795	817
Deferred tax asset expected to be recovered within 12 months	1,157	1,302
Tax losses	20	1,174
Ending balance at 30 June	1,972	3,293

Deferred tax liabilities

	2024 \$'000	2023 \$'000
Amounts recognised in Comprehensive Operating Statement		
Depreciation	9,995	10,996
Livestock	16	-
Other deferred tax liabilities - FBT	5	6
Amounts recognised directly in equity		
Deferred tax liabilities due to revaluation	50,829	36,429
Total deferred tax liabilities	60,845	47,431
Movements		
Opening balance at 1 July	47,431	45,693
Credited/(Debited) to the net result	(985)	1,120
Credited to the other comprehensive result	14,399	618
Closing balance at 30 June	60,845	47,431
Deferred tax liabilities expected to be settled after more than 12 months	60,824	47,425
Deferred tax liabilities expected to be settled within 12 months	21	6
Total at 30 June	60,845	47,431
Ending balance at 30 June	58,873	44,138

8.2 Environmental contributions

	2024 \$'000	2023 \$'000
Environmental contribution levy	1,075	1,075

The *Water Industry (Environmental Contributions) Act 2004* (the Act) amended the *Water Industry Act 1994* to make provision for environmental contributions to be paid by water authorities. The Act establishes an obligation for authorities to pay into a consolidated fund annual contributions for the first period, from 1 October 2004 to 30 June 2008 in accordance with the pre-established schedule of payments, which sets out the amounts payable by each corporation. The contribution period has been extended until 30 June 2024.

The purpose of the environmental contribution is set out in the Act, and the funding may be used for financing initiatives that seek to promote the sustainable management of water or address water-related initiatives.

The Corporation has a statutory obligation to pay an environmental contribution to the Department of Energy, Environment and Climate Action. This contribution is recognised as an expense during the reporting period as incurred.

9. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

9.1 Reserves

9.1.1 Physical assets revaluation surplus

9.2 Other economic flows included in net results

9.3 Events occurring after balance date

9.4 Responsible persons

9.5 Remuneration of executives

9.6 Related parties

9.7 Remuneration of auditors

9.8 Ex-gratia expense

9.9 Changes in accounting policies

9.9.1 Australian Accounting Standards issued that are not yet effective

9.1 Reserves

9.1.1 Physical assets revaluation surplus

	2024 \$'000	2023 \$'000
Balance at the beginning of financial year	109,289	107,438
Revaluation increments	43,197	1,851
Balance at the end of financial year	152,486	109,289

9.2 Other economic flows included in net results

9.2.1 Net gain/(loss) on non-financial assets

(Gain)/Loss on the fair value of derivative financial instrument represents the movement in the fair value of the financial instrument compared to initial recognition. This net gain/loss reflects a positive/negative fair value movement in the Corporation's electricity derivative in the PPA as a result of higher/lower floating electricity prices. Any gain/loss is recognised as an other economic flow included in net result. There are no gain or losses reported for 2024 (\$0 in 2023).

9.3 Events occurring after the balance date

DTF issued an efficiency savings payment request to Government in the form of a \$200k capital repatriations Allocation Statement for the 2024 financial year with an effective date of 5 July 2024. DEECA & DTF have directed under FRD 119 that the \$200k capital repatriations must not be accrued into 2023-24 and should only be recorded once declared by the portfolio minister and paid to the portfolio department. This payment was made on 15 July 2024 and will be recorded in the 2024-25 financial statements.

There have been no other matters or circumstances that have arisen since the end of the financial year which significantly affected, or may significantly affect the operations of the Corporation, the results of those operations, or state of affairs of the Corporation in future financial years.

9.4 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period. The responsible Minister during the 2023-2024 reporting period was the Hon. Harriet Shing MP, Minister for Water. Remuneration paid to the respective Minister is excluded in the financial statements.

The names of persons who were directors of the Corporation at any time during the financial year are:

Name	Title	Period of appointment
The Hon. Harriet Shing MP	Minister for Water	1 July 2023 - 30 June 2024
Ms Annabelle Roxon	Board Chair	1 October 2023 - 30 June 2024
Ms Annabelle Roxon	Board Chair (Acting)	1 July 2023 – 30 September 2023
Ms Joanne Pearson	Audit Risk Committee Chair, Director	1 July 2023 - 30 June 2024
Ms Dona Tantirimudalige	Managing Director	1 July 2023 - 30 June 2024
Mr Christopher Newton	Director	1 July 2023 - 30 June 2024
Ms Tanya Ha	Director	1 July 2023 - 30 June 2024
Mr Leigh Berrell	Director	1 July 2023 - 30 June 2024
Mr Graham Hawke	Director	1 July 2023 - 30 June 2024
Ms Ishara Saldin	Director	1 July 2023 - 30 June 2024
Mr Kushal Shah	Director	1 October 2023 - 30 June 2024

Responsible person's remuneration – Accountable Officer

Remuneration received or receivable by the Accountable Officer in connection with the management of the Corporation during the reporting period was in the range \$300k - \$320k (\$270k-\$280k in 2023) exclusive of superannuation.

	2024 number	2023 number
\$20,000 - \$29,999	6	7
\$30,000 - \$39,999	1	1
\$50,000 - \$59,999	1	-
\$270,000 - \$279,999	-	1
\$300,000 - \$319,999	1	-
Total	9	9
Total remuneration \$'000	555	485

9.5 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

	2024 \$'000	2023 \$'000
Short-term employee benefits	791	567
Post-employment benefits	87	128
Total remuneration¹	878	695
Total number of executives	5	5
Total annualised employee equivalents²	4	3.4

Notes

1. The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 9.6).
2. Annualised employee equivalent is based on the time fraction worked over the reporting period.

9.6 Related parties

The Corporation is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Corporation include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements
- and controlled business interests.

All related party transactions have been entered into on an arm's length basis.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly, this comprises independent Directors and the Managing Director. Key management personnel (as defined in AASB 124 *Related Party Disclosures*) includes the Portfolio Minister and all Directors listed under responsible persons in note 9.4 who have the authority and responsibility for planning, directing and controlling the activities of the Corporation directly or indirectly, during the financial year.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State of Victoria's Annual Financial Report.

	2024 \$'000	2023 \$'000
Short-term employee benefits	503	446
Post-employment benefits	52	39
Total	555	485

Significant transactions with government-related entities

During the year, the following government-related entity transactions occurred:

Government related entity	Nature of transaction	2024 \$'000	2023 \$'000
Amounts recognised as revenue in the Statement of Comprehensive Income:			
Department of Health and Human Services	Customer Rebates	960	933
Amounts recognised as receivables / (payables) in the Balance sheet:			
Department of Treasury and Finance	ATO receivable	-	296
Cash paid during the year:			
Department of Energy, Environment and Climate Action	Environmental Contribution Levy	1,075	1,075
Treasury Corporation of Victoria	Interest from borrowings	201	207
Department of Treasury and Finance	Financial Accommodation Levy	64	55
Treasury Corporation of Victoria	Secured borrowings	(11,140)	(10,140)
State Revenue Office	Payroll Tax	115	109

Transactions with key management personnel and other related parties

Given the breadth and depth of Corporation activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

All other transactions that have occurred with KMP and their related parties have been trivial or domestic in nature. In this context, transactions are only disclosed when they are considered of interest to users of the financial report in making and evaluation decisions about the allocation of scarce resources.

Zero Emissions Water (ZEW) Ltd – Power Purchase Agreement

ZEW is a related party of The Corporation. Below is a summary of transactions and holdings with ZEW:

	2024 \$'000	2023 \$'000
Contract for difference and compensation net payments	9	9
Large Scale Generation Certificates	6	(1)

9.7 Remuneration of auditors

	2024 \$'000	2023 \$'000
Victorian Auditor-General's Office		
Audit or review of the financial statements	33	31
Other audit services		
Other audit services ¹	125	133
Total remuneration of auditors	158	164

Notes

1. The Victorian Auditor General's Office is not allowed to provide non-audit services.

9.8 Ex-gratia expense

The Corporation is not aware of any ex-gratia expenses at the time of finalising the annual report (2023: \$0).

9.9 Changes in accounting policies

The Corporation is not aware of any changes in current accounting policies at the time of finalising the annual report.

9.9.1 Australian Accounting Standards issued that are not yet effective

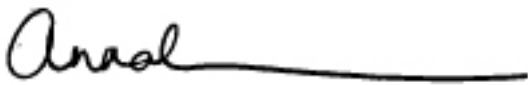
Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2024 reporting period. DTF assesses the impact of all these new standards and advises the Corporation of their applicability and early adoption where applicable.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on the Department's reporting.

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, Amendments to AASB10 and AASB128.
- AASB2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments.
- AASB2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector.
- AASB2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, Amendments to AASB101.
- AASB2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback, Amendments to AASB16.
- AASB2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Non-For-Profit Public Sector Entities.
- AASB2022-6 Non-current Liabilities with Covenants.
- AASB2023-1 Supplier Finance Arrangements.

Financial Management Compliance Attestation Statement

I, Annabelle Roxon Chair of the Board, certify on behalf of Westernport Region Water Corporation that Westernport Water has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink, appearing to read 'Annal', followed by a long horizontal line extending to the right.

Annabelle Roxon
Chair
Westernport Water

03 September 2024

Statutory Certification

Accountable officer's and chief finance and accounting officer's declaration

The attached financial statements for the Westernport Region Water Corporation have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and financial position of the Corporation at 30 June 2024.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 2 October 2024.



Joanne Pearson
Acting Chair
Westernport Water



Dona Tantirimudalige
Managing Director
Westernport Water



Kathy Hawke
Chief Finance Officer
Westernport Water

Dated this 2nd day of October 2024

17. Auditor General's Report



Independent Auditor's Report

To the Board of the Westernport Region Water Corporation

Opinion	<p>I have audited the financial report of the Westernport Region Water Corporation (the corporation) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2024• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including material accounting policies• accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the corporation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
3 October 2024



Paul Martin
as delegate for the Auditor-General of Victoria

18. Appendix 1 – Customer commitments



Westernport Water is committed to delivering the outcomes and performance that customers value. These performance areas were identified by customers in the 2023 Price Review as the outcomes that matter. Our results are made available each year in the Annual Watermark, which is a report card provided to every customer.

Outcome 1: High-quality drinking water

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
a. Customer satisfaction with drinking water – customers answering ‘Yes’ to ‘Are you satisfied with your drinking water?’ (via the annual customer survey)	% of survey respondents	Target	>70%	>67%	>68%	>69%	>70%	>70%
		Actual	75%	72%				
b. Number of water quality complaints	Per 100 customers	Target	<0.22	<0.22	<0.22	<0.22	<0.22	<0.22
		Actual	0.11	0.15				
c. Number of <i>Safe Drinking Water Act</i> non-compliances (water sampling and audit)	Number	Target	0	0	0	0	0	0
		Actual	0	0				
d. Delivery of Water Quality Continuous Improvement Program by 2026-27	Project status	Target		On-Track	On-Track	On-Track	Complete	
		Actual		On-Track				
e. Delivery of Community Drinking Water Education Program by 2027-28	Project status	Target		On-Track	On-Track	On-Track	On-Track	Complete
		Actual		0				

Business comment

Following record results in 2022-23, Westernport Water continued its strong performance by meeting all customer commitments relating to the delivery of high-quality drinking water. All water quality samples and audits were compliant with legislation and very few, only 0.15 customers per every 100 customers, raised a complaint about their water quality. Approximately 7 out of every 10 customers stated that they were satisfied with their drinking water.

Outcome 1 Customer Assessment Panel

"We think that Westernport Water is doing a commendable job in some areas, particularly in terms of compliance with regulations and their efforts in continuous improvement. The fact that they meet or exceed their targets and have a strong commitment to improving water quality is appreciated. Some of us even love the taste of the water, which is a positive note.

However, more could be done, especially on customer satisfaction with the taste of the water. Many of us feel that the current satisfaction target of 67% is not ambitious enough, considering 72% of customers reported being satisfied. We believe Westernport Water should aim higher to meet the expectations of a greater proportion of customers. Taste, in particular, seems to be a recurring

issue, with a significant number of us noting that about a third of customers are not satisfied with taste. The variation in taste, possibly due to seasonal changes, is a concern that some of us feel needs more attention.

There's also some frustration with fluctuations in water pressure, which impacts our overall experience. Additionally, while communication has been praised by some, others feel that more transparency and education could help improve satisfaction, particularly for part-time residents.

In summary, while we recognise and appreciate the efforts and successes of Westernport Water, we think there's room for improvement, especially in enhancing the taste of the water and raising the bar on customer satisfaction targets."

Outcome 2: Reduce your environmental impact and adapt to climate change

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
a. Nutrients discharged to the ocean (target does not apply in extreme wet weather years as defined by EPA license conditions.)	Tonnes of nitrogen discharged per 1,000 sewer connections	Target	N/A	<1.2	<1.2	<1.2	<1.2	<1.2
		Actual	0.8	0.94				
b. Net greenhouse gas emissions	CO2-e Tonnes	Target	<5974	<5,974	<5,598	<5,598	<5,598	<4,199
		Actual	6,611	5,659				
c. Volume of effluent reused (target does not apply in extreme wet weather years as per EPA license conditions.)	ML per annum	Target	N/A	>267	>267	>267	>267	>267
		Actual	347	319.6				

Business comment

Westernport Water delivered a 14% reduction in net greenhouse gas emissions as we continue on our path toward achieving net zero by 2035. Our target for wastewater reuse was exceeded by approximately 50ML (20%). By finding ways to reuse our wastewater, such as irrigation, we were able to limit the amount of nutrients that were discharged to the ocean and also meet our agreed goal in this area.

A feasibility study was completed in 2023-24 and found that a Bio-Gas Waste to Energy Project would not be financially viable or the most effective technical option during this period. Westernport Water has commenced investigating alternative solutions to achieve the same outcome (i.e. reduce Scope 1 and Scope 2 emissions at Cowes Wastewater Treatment Plant).

Outcome 2 Customer Assessment Panel

"Westernport Water has made great progress in reducing its environmental impact and adapting to climate change, particularly in the areas of greenhouse gas emissions and overall environmental efforts. The Panel appreciates the thoughtful and forward-thinking approach that Westernport Water has demonstrated.

However, the Panel is concerned about the increase in nutrient discharge, which rose by nearly 20% last year. This is a significant point that needs attention.

We also believe that there is room for improvement in how Westernport Water communicates its efforts to the community. Many customers feel that they are not well-informed about the positive work being done. More effective communication, such as regular newsletters or educational materials could help customers better understand and appreciate the company's environmental initiatives.

While the performance in reducing environmental impact is strong and meets all targets, better communication and addressing the increasing nutrient discharge are areas that could enhance Westernport Water's efforts in this outcome."

Outcome 3: Resolve sewer blockages quickly

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
a. Average sewer blockage response time	Minutes to respond	Target	N/A	<35	<35	<35	<35	<35
		Actual	58.1	28.26				
b. Average sewer blockage rectification time	Minutes to rectify	Target	N/A	<150	<150	<150	<150	<150
		Actual	229.4	107.08				

Business comment

We understand that when something happens to our sewer network, customers expect us to respond promptly and resolve the issue as soon as possible. Over the last 12 months, we were able to cut our response and resolution times in half. From the moment we are notified, we will have a crew arrive within 28 minutes on average and have the problem fixed well within two hours.

Outcome 3 Customer Assessment Panel

"Westernport Water has done an excellent job in addressing sewer blockages. The Panel recognises the challenges posed by aging infrastructure, yet despite these challenges, Westernport Water's performance has been impressive. Halving the response and resolution times is a significant achievement, and it's clear they are putting in the effort to address issues promptly.

We were also impressed by their innovative use of technology, such as CCTV inspections of pipes, which helps ensure that problems are identified and dealt with effectively. We believe that the low number of blockages in the year is a result of their excellent maintenance practices.

The Panel understands that there are challenges with aging infrastructure, however Westernport Water is doing well in this Outcome and their efforts in resolving sewer blockages quickly are appreciated."



Backflow testing on rural customer water meters.

Outcome 4: Keep water interruptions to a minimum

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
a. Average duration of unplanned water supply interruptions	Minutes	Target	N/A	<85	<85	<85	<85	<85
		Actual	93.8	139				
b. Average number of planned and unplanned water supply interruptions per customer	Number per customer	Target	<0.4	<0.4	<0.4	<0.4	<0.4	<0.4
		Actual	0.42	0.4				

Business comment

Water interruptions are a necessary part of maintaining our network. Whether for proactive maintenance reasons, such as flushing the network to ensure our water mains remain clean, or for responding to bursts or leaks. Unfortunately, Westernport Water was unable to meet its target to limit the average duration of interruptions to 85 minutes. A single unplanned water main burst that was caused by third party damage to our main affected over 400 customers for 7.5 hours. Without this incident, our average would have been 87 minutes instead of 139 minutes.

Outcome 4 Customer Assessment Panel

"The Panel recognises that Westernport Water has not met its target in – 'Average duration of unplanned water supply interruptions'. The Panel notes that in this instance the average metric was skewed by one significant incident that was beyond the corporation's control. We also recognise that in this instance, Westernport Water chose to prioritise water quality and long-term improvements, which impacted their performance in this area. We encourage Westernport Water to keep investing in repair and renewal efforts and to minimise interruptions.

Westernport Waters's communication about water interruptions is a strong point, with clear explanations about ongoing infrastructure upgrades. Maintaining or improving communications may help to manage customer expectations around supply interruptions.

Overall, while there is room for improvement, the Panel feels that Westernport Water is performing well and should be recognised for its commitment to water quality and infrastructure improvements."

Outcome 5: Be there when I need you

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
a. Number of customer complaints	Per 100 customers	Target	N/A	<0.6	<0.6	<0.6	<0.6	<0.6
		Actual	0.58	0.29				
b. Average response time to Priority 1 bursts and leaks	Minutes	Target	30	<30	<30	<30	<30	<30
		Actual	0	6				
c. Average Response time to Priority 2 bursts and leaks	Minutes	Target	35	<35	<35	<35	<35	<35
		Actual	39.2	36.38				
d. Customer satisfaction with ease of effort – 'Would you say that they are easy to deal with?' ¹	(% of survey respondents	Target	N/A	>89%	>89%	>89%	>89%	>89%
		Actual	88%	92%				

Notes

1. Customer satisfaction with ease of effort – (customers answering 'Yes' to 'Have you been in touch with your water corporation in the last 12 months? And would you say that they are easy to deal with?' (via annual customer satisfaction survey).

Business comment

Overall, customers have provided positive feedback in relation to dealing with Westernport Water. 92% of customers that dealt with us recently stated that we were easy to deal with and we only received half of the number of complaints that we did last year. We narrowly missed our target average response time to 'Priority 2 bursts and leaks' by 1.4 minutes.

Outcome 5 Customer Assessment Panel

"Westernport Water performs well overall in the Outcome 'Be there when I need you', but the Panel has some concerns that the target for average response time to Priority 2 bursts and leaks has not been met.

The Panel recognises that using an average as a reporting metric is problematic, and a suggestion is to report the number of responses meeting the required response time rather than the average time. The Panel also suggests better promotion of existing reporting tools like Snap Send Solve, or to create an app or a text-based urgent contact system to make it easier for customers to report issues.

Despite these suggestions, the Panel notes the great achievements of Westernport Water with a high customer satisfaction rate of 92% and halving the number of complaints year-on-year. We appreciate their helpfulness and willingness to address issues.

Though improvements can be made in response times, overall Westernport Water's performance in being there when needed is strong and appreciated."

Outcome 6: Keep my essential services affordable

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
a. Number of hardship grants approved	Number	Target	25	>100	>75	>50	>50	>50
		Actual	229	198				
b. Number of utility relief grant scheme payments	Number	Target	N/A	>53	>53	>53	>53	>53
		Actual	266	394				

Business comment

Westernport Water continued to help customers in need throughout the year, awarding 198 hardship grants and facilitating 394 utility relief grant payments. Overall, Westernport Water provided over \$1M in support of customers that were able to meet specific criteria, including concessions, rebates, relief grants and high usage leak allowances.

Outcome 6 Customer Assessment Panel

"Westernport Water has performed well in keeping essential services affordable. The Panel acknowledges that Westernport Water has met its targets providing hardship grants and utility relief payments and commends them for providing these supports. The Panel recommends improved communication to customers about these supports.

The Panel has some concern about how the metrics on grants align with the broader outcome of keeping essential services affordable and note that the metrics do not measure affordability for all customers. The Panel recommends increased transparency, communication, and improvements on metrics to capture their performance on affordability more broadly.

Overall, the Panel applauds Westernport Water for its efforts to assist those in hardship and for maintaining affordability amid rising costs of living."

Glossary

Terms	Meaning
AAS	Australian Accounting Standards
AMAF	Asset Management Accountability Framework
ANCOLD	Australian and New Zealand Committee on Large Dams
ARC	Audit and Risk Committee
AS/NZS	Australian and New Zealand Standard
AWA	Australian Water Association
BCLN	Bass Coast Landcare Network
BCRN	Bass Coast Reconciliation Network
BCSC	Bass Coast Shire Council
BE	Bulk Entitlement
BLCAC	Bunurong Land Council Aboriginal Corporation
CCS	Climate Change Strategy
CFAO	Chief Finance and Accountable Officer
CHMP	Cultural Heritage Management Plan
CRSWS	Central Region Sustainable Water Strategy
CSR	Corporate Social Responsibility
CWWTP	Cowes Wastewater Treatment Plant
DoH	Department of Health
DEECA	Department of Environment, Energy and Climate Action
DI	Diversity and Inclusion
DPCD	Department of Planning and Community Development
DTF	Department of Treasury and Finance
DWG	Designated Work Group
EA	Enterprise Agreement
EAP	Employee Assistance Program
EMS	Emergency Management System
EO	Executive Officer
EOFY	End of Financial Year
EMP	Environmental Management Plan
EPA	Environment Protection Authority
ESC	Essential Services Commission
ERS	Environmental Reference Standard
EWOV	Energy and Water Ombudsman Victoria
FOI	Freedom of Information
FRD	Financial Reporting Direction
GED	General Environmental Duty
GGE	Greenhouse Gas Emissions
GIS	Geospatial Information System
GRWA	Gippsland Regional Water Alliance
GSERP	Government Sector Executive Remuneration Panel
HSRs	Health and Safety Representatives
IBAC	Independent Broad-Based Anti-Corruption Commission
ICAM	Incident Cause Analysis Method
ICT	Information Communications Technology
IBWPP	Ian Bartlett Water Purification Plant
ISIC	Infrastructure, Sustainability and Innovation Committee
ISSN	International Standard Serial Number
IWM	Integrated Water Management
KRWWTP	King Road Wastewater Treatment Plant
LTWRA	Long Term Water Resource Assessment
LGCs	Large-scale Generation Certificates

Terms	Meaning
LMS	Learning Management System
LoE	Letter of Expectations
MOU	Memorandum of Understanding
MRD	Ministerial Reporting Direction
MSDS	Material Safety Data Sheet
NPS	Net Promoter Score
OHS	Occupational Health and Safety
OHSMS	Occupational Health and Safety Management System
OIP	Organisational Improvement Plan
PICO	Phillip Island Community Orchard
PMT	Project Management Team
PPA	Power Purchase Agreement
PRGC	People Remuneration and Governance Committee
PSC	Project Steering Committee
PSCC	People, Safety and Community Committee
PS23	Price Submission 2023-28
PWSR	Permanent Water Saving Rules
RAP	Reconciliation Action Plan
RWG	RAP Working Group
RTW	Return to Work
SCADA	Supervisory Control and Data Acquisition
SD	Standing Direction
SEPP	State Environment Protection Policy
SEW	South East Water
SoO	Statement of Obligations
SPF	Social Procurement Framework
SPS	Sewer Pump Station
SSIC	Safety, Sustainability, and Innovation Committee
SWEP	School Water Efficiency Program
TRIFR	Total Recordable Incident Frequency Rate
TYWU	Target Your Water Use
UV	Ultraviolet
URA	Utilities Regulation Advisory
UWS	Urban Water Strategy
VAGO	Victorian Auditor General's Office
VEN	Virtual Energy Network
VPSC	Victorian Public Sector Commission
VWES	Victorian Water Efficiency Strategy
WHS	Work Health and Safety
WSAA	Water Services Association of Australia
WSDS	Water Supply Demand Strategy
WoV	Waters of Victoria
ZEW	Zero Emissions Water
WSAA	Water Services Association of Australia
WSDS	Water Supply Demand Strategy
WoV	Waters of Victoria
Units	Meaning
CO ₂ -e	carbon dioxide equivalent
KL	kilolitre = one thousand litres
mg	milligram = one thousand grams
ML	megalitre = one million litres
t	metric tonne
µg	micrograms = one thousand milligrams

19. Disclosure index

The Annual Report of Westernport Water is prepared following all relevant Victorian legislation and pronouncements. This index has been prepared to help identification of Westernport Water's compliance with statutory disclosure requirements.

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