

Corporate Plan

2025 - 30



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Acknowledgement

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 Millowl for thousands of years. We acknowledge them and their continued connection to this place, as we go about managing the water resources today.

Message from the Chair and MD

In the face of global and local challenges, and cost of living pressures, we remain committed to delivering value to our customers, and serving our community. We care about our people and our customers, about what we do, and how we do it. We will continue to invest to ensure the long term sustainability of the services we provide, as we strive to protect and restore the environment. We are proud to present Westernport Water's 2025-30 Corporate Plan which outlines our strategies to continue to deliver services now and for the future.

Our financial position is healthy with a small amount of debt compared to our overall resources. We are focussed on keeping our debt levels low, preparing for future years when we will need funding for more capital projects to support growth in our region. We continue to focus on working more efficiently, while ensuring the long-term sustainability of our services, and meeting the expectations of our customers, regulators and staff. We will continue to collaborate with the broader water sector, and the Gippsland Regional Water Alliance to deliver value for money outcomes to our customers.

We launched the Work Smart initiative last year that identified opportunities for more efficient and effective ways to work, with the 2025 Work Smart Action Plan to deliver 16 initiatives focussed on process and reporting improvements, and small-scale technology upgrades.

We will maintain a strong focus on data protection and privacy, have developed a new ICT strategy and ICT improvement Plan focused on embracing the opportunities that new technology offers while rising to the cyber security challenges our evolving environment brings. In the year ahead we will implement Year One of the ICT Strategy (2025-28) and begin upgrading our Asset Management Information System to optimise whole-of-lifecycle asset management and improve our works management system.

We will continue to invest in our assets and our long term strategies, dedicated to serving our customers for generations to come. Over the last 12 months we embedded our urban water strategy, our long-term biosolids strategy, and completed our masterplan for Cowes Wastewater Treatment Plant. We also completed the San Remo to Newhaven Bridge Pipeline & Fittings renewal project. In the year ahead will implement year three of our Climate Change strategy with a focus on adaptation and emissions reduction, and will commence the development of our 2050 Strategy to drive integrated planning outcomes, with this 25-year outlook to guide our long term decision-making and investment.

Ongoing and consistent investment in water quality improvement over recent years has continued with a focus on our distribution system. We 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. We will continue to focus on providing great tasting water through our Water Quality Improvement Plan in the year ahead.

We understand that our customers continue to experience cost of living pressures. In addition to payment flexibility, we remain focussed on facilitating and delivering rebates and grants to our customers. In 2023-24 we facilitated \$960,110 of finance assistance through concession rebates, utility relief grants, high usage leak allowances, and hardship grants. We will continue to take proactive steps to provide targeted relief to customers, residential or commercial, who are finding it difficult to meet payments.

In 2023-24 we participated in four careers events, and our sponsorship and grants program delivered benefits across 53 varied and diverse community stakeholder engagements, 38 sponsored events, and 40 educational events. We remain committed to partnering across our community with the continuation of our community grants and sponsorship program, as well as maintaining our relationship with the Phillip Island Community Orchard.

Westernport Water is committed to reconciliation with Australia's First Nations peoples. Our work as part of the Bass Coast Reconciliation Network acknowledged 11 dates of significance and facilitated four major community events in 2023-24. We will continue to work with our partners to advocate for a future where our shared history is acknowledged, and embrace genuine respectful relationships as we work to restore land and waterways, and realise the benefits of a diverse and inclusive community and workplace. We remain a committed member of the Bass Coast Reconciliation Network, have entered into a service agreement with the Bunurong Land Council Aboriginal Corporation for on-country services, and will continue to support Barithbarith (Gathering Place). In the year ahead we will commence development of our fourth Reconciliation Action Plan which builds on over eight years of focused

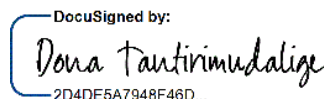
engagement with Traditional Owners, and Aboriginal and Torres Strait Islander people, including the delivery of our previous three RAPs.

Providing a great place to work that is safe, inclusive, equitable, and rewarding, with flexibility and meaningful benefits and pay, is a priority for us. The 2024 People Matter Survey indicated 95% of our people felt we provided a safe workplace, 98% felt their managers supported flexible working, and an engagement score of 73. A strong focus on continuing to stand for an equitable and inclusive workplace has resulted in balanced gender representation in leadership and a marginal gender pay gap with women earning 2% more than men calculated by the median. We also developed our first consolidated People Strategy to ensure our culture remains strong and anchors our ways of working.

We value, protect, and strive to restore our natural environment, with a financially sustainable business, sound governance, and prudent investments. We are forward thinking as we plan for our future. We are finding innovative ways to manage cost pressures with a focus on efficiency, while recognising and managing our risks and continuing to provide a great place to work, to ensure our services meet our customers' expectations now, and in the future.

Signed by:

F796C8B9FC94405...
Chair
Annabelle Roxon
29 April 2025

DocuSigned by:

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Managing Director
Dona Tantirimudalige
22 April 2025

About us

This Corporate Plan 2025-30 has been developed in accordance with the requirements of the *Water Act 1989*.

Throughout the document, Westernport Region Water Corporation will be referred to as either “Westernport Water” or “the Corporation.”

The Corporation’s purpose, undertakings, and objectives, along with the 2025–30 financial statements, which include the information required by the Minister for Water are outlined within the Corporate Plan.

Our purpose

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

The Corporate Plan also details the strategies and initiatives of Westernport Water to achieve its purpose; including activities to ensure compliance with the requirements set out in the Statement of Obligations (SoO) and the Minister for Water’s Letter of Expectations (LoE).

Our role

The core functions of Westernport Water 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. Westernport Water is responsible for its own management and performance, servicing approximately 24,000 customers from 27 townships, across an area covering 300 square kilometers, 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. Permanent residential occupancy rates are higher for waterline communities with 70 per cent to 89 per cent, compared to Phillip Island which can be as low as 44 per cent in Cowes and up to 57 per cent in townships like Rhyll, Cape Woolamai and San Remo.

Westernport Water sources water from Tennent Creek, the Corporation's main water supply source, with additional entitlements to the Bass River, the Melbourne Supply System and groundwater from Corinella Aquifer. 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.

We operate two wastewater treatment plants: the Cowes Wastewater Treatment Plant (CWWTP) and the King Road Wastewater Treatment Plant (KRWWTTP). 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 per cent of properties that receive drinking water.

Westernport Water offers a range of valuable services to its customers. These include the delivery of Class-A recycled water as an alternative fit for purpose water source in specific areas of Phillip Island, which is used by residential and commercial customers for toilet flushing, irrigation and agricultural use. Additionally, the Corporation provides services for the removal of commercial trade waste, operates a liquid waste disposal facility, and offers specialist advice on infrastructure and facility design for new developments. These services not only cater to the diverse needs of the community but also underscore Westernport Water's commitment to sustainability and environmental stewardship.

Corporate Focus Areas and Initiatives of 2025-26

	Strategic Focus Areas	Corporate Objectives	Corporate Initiatives
Innovation	We deliver value to our customers	<ul style="list-style-type: none"> - 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 	<ol style="list-style-type: none"> 1. Deliver Year Three of the Water Quality Continuous Improvement Program (2023-28) 2. Commence Development of the 2050 Strategy to drive integrated planning outcomes
	Our people are safe and better for working here	<ul style="list-style-type: none"> - Provide a safe and healthy work environment. - Attract and retain adaptable, skilled, and experienced employees. - Meaningful benefits & pay. - Reflect the diverse community we serve through inclusion, participation, and engagement. - Find & smooth friction points in processes, creating efficiencies & improving employee experience 	<ol style="list-style-type: none"> 3. Implement Year One of WPW's People Strategy (2025-28) 4. Continue to implement WorkSmart Initiatives to improve processes and drive efficiencies
Liveability	We invest in our assets to meet the needs of future generations	<ul style="list-style-type: none"> - 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 	<ol style="list-style-type: none"> 5. Commence site works of the King Road Recycled Water Wetland, consistent with integrated water management priorities. 6. Implement Year One of WPW's ICT Strategy (2025-28) 7. Deliver Year Two of Westernport Water's Asset Management Information System Replacement
	We partner with our community	<ul style="list-style-type: none"> - 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 livability benefits. - Contribute to community wellbeing through opportunities that support social and recreational benefits 	<ol style="list-style-type: none"> 8. Commence development of WPW's fourth Reconciliation Action Plan 9. Collaborate with Gippsland Regional Water Alliance to Deliver Value for Money Outcomes for Customers
Sustainability	We value and protect our natural environment	<ul style="list-style-type: none"> - Minimise environmental impacts. - Mitigate and adapt to climate change. - Protect and enhance our environment. - Empower the community to use water in a sustainable manner. - Plan for our future through strategic business planning 	<ol style="list-style-type: none"> 10. Deliver Year Three of the Climate Change Strategy (2023-28)

Water for Victoria and the Minister's Letter of Expectations– our delivery

Climate Change and Energy

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

Key performance areas:

- Emissions Reductions
- Increasing Renewable Energy
- Adapting to Climate Change.

KPI	KPI – Measure	Definition	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target
Emissions reductions – Total scope 1 and 2 (1.1.3.025)	t CO2-e	Projected total emissions for each year subsequent to the current reporting year until, and including, the water corporations net zero scope 1 and 2 target year	3,325	3,386	1,802	1,873	606

KPI	Definition	Deliverables 2025-30
Emissions reductions – Total scope 1 and 2 (1.1.3.027)	Qualitative explanation of projects or initiatives to reduce Scope 1 and/or 2 emissions (including emissions reductions achieved per project in t CO2-e where feasible)	Continue to implement the Climate Change Strategy's priority areas: <ul style="list-style-type: none"> - Plant efficiencies and upgrades. - Renewable electricity self-generation and procurement. - Commence implementation of EV Fleet transition and charging infrastructure for zero emissions transport. - Reducing emissions from waste and wastewater. - Carbon sequestration and landscape regeneration, including pilot projects for environmental plantings and self-generated carbon offsets, wastewater treatment constructed wetlands, and teal carbon sequestration.

KPI	Definition	Deliverables 2025-30
Increasing renewable energy – Total renewable energy (1.2.2.029)	Qualitative explanation of projects or initiatives to increase renewable electricity consumption and/or generation (including renewable generation capacity increased per project where feasible)	<ul style="list-style-type: none"> - Generate access to Large-Scale Generation Certificates through the Power Purchase Agreement with Zero Emissions Water. - Continued participation in Virtual Energy Network to use the electricity grid for energy sharing of Westernport Water's exported solar generation with other sites and continue to assess local partnership opportunities. - Transition large-scale energy sites to the State Electricity Commission providing 100% renewable energy. - Continue to monitor and report on electricity consumption (MWh) at our sites. - Commence implementation of 550kW of solar system assets and exploration of battery storage to support energy resilience.
Adapting to climate change – Adaptation (1.3.1.002)	Description of the current and anticipated impacts of climate related risks on the organisation's business, strategy, and service delivery where such information is material.	<ul style="list-style-type: none"> - Climate change is expected to impact on yield of our major water supply catchment, Tennent Creek. The decline in surface water supply will be offset in future years with other sources potentially including manufactured water via WPW's connection to the Melbourne System. Manufactured water is inherently more expensive and more reliable than surface water. WPW will manage this risk through planning tools including WPW's Urban Water Strategy, Climate Change Strategy and actions incorporated in the Central and Gippsland Region Sustainable Water Strategy
Adapting to Climate Change – Adaptation (1.3.1.003)	Description of metrics used by the organisation to monitor relevant climate related risks and opportunities	<ul style="list-style-type: none"> - WPW measures and reports water resource availability and utilises latest climate impact data provided by DEECA for water resource planning. - Emissions reporting is as per Government directives

Customer, Community and Engagement

Ensure that all aspects of service delivery will be customer and community-centred and will continue to build extensive and effective community engagement and partnerships in planning and implementation of service delivery. Key performance areas:

- Customer Satisfaction
- Bills and Support
- Customer and Community Engagement.

KPI	KPI – Measure	Definition	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target
Customer satisfaction – Customer satisfaction (2.1.1.001)	Number out of 10	Provide annual target for customer ratings of 'Overall Satisfaction' against customer perception/ reputation surveys that will be undertaken over the planning period	7	7	7	7	7
Bills and support – Bills (2.2.1.022)	Number	Published tariff schedules for urban water services	1	1	1	1	1

KPI	Definition	Deliverables 2025-30
Customer satisfaction – Customer satisfaction (2.1.1.002)	Narrative describing how water corporations target for customers' rating of Overall Satisfaction' will be met over the planning period	<ul style="list-style-type: none"> - Overall satisfaction is measured using a ten-point agreement scale. Target of 7 out of 10 for overall customer satisfaction. - There are several major projects, actions and campaigns that will be delivered over the next 12 months in support of our customer commitments, which will support high levels of ongoing customer satisfaction. - In 2025-26, Westernport Water will re-establish its Annual Customer Assessment Panel to form and communicate its satisfaction with our annual performance.
Bills and support – Bills (2.2.1.020)	Efforts to manage pricing impacts for urban water services	<ul style="list-style-type: none"> - In line with our 2023-28 Price Determination, price adjustment will be capped at CPI increases for the next four years. - Westernport Water will provide a minimum of 50 hardship grants and 53 utility relief grants in the next 12 months to assist customers.
Bills and support – Bills (2.2.1.021)	Any significant variations to the most recent Pricing Decision projections	<ul style="list-style-type: none"> - Average household bills for owner occupiers (3.4 per cent) and tenants (2.3 per cent) increased in line with inflation and cost of debt adjustments. - Westernport Water is on-track to meet all hardship commitments forecast in its 2023-28 Price Submission.
Customer and community engagement – customer and community engagement (2.4.2.001)	Development and delivery of a Customer Engagement Strategy/Plan/Policy that is also published on the corporation's website (Yes/No)	<ul style="list-style-type: none"> - Westernport Water is implementing actions and initiatives outlined in its Communications and Engagement Plan 2023-26. This Plan is available on the Corporation's website. - Our Annual Community Support Program provides funding to eligible community organisations to build positive change in our region. Up to \$50,000 will be made available.
Customer and community engagement – customer and community engagement (2.4.2.002)	If the Customer Engagement Strategy/Plan/Policy is under development and yet to be published, what is the corporation's timing to complete it and to publish on its website?	<ul style="list-style-type: none"> - Westernport Water's existing Communications and Engagement Plan 2023-26 is available to the public on our website. Our adopted Communications and Engagement Policy is scheduled for review in Q2 of 2027.
Customer and community engagement – customer and community engagement (2.4.2.003)	How will the water corporation measure success against outcomes of its Customer Engagement Strategy/Plan/Policy?	<ul style="list-style-type: none"> - Customer and community engagement initiatives and deliverables are in the Corporation's Communications and Engagement Plan 2023-26 published on our website. - Through the Communications and Engagement Plan, we commit to deliver the outcomes customers sought as part of the 2023-28 price review process. By implementing this plan, we seek to foster positive relationships with stakeholders, increase the awareness of our products and services, build water literacy, and enhance the overall customer experience. - Progress reports are provided to our Board, and through our annual report, which is published on our website. - Annually we engage customers through a Customer Assessment Panel to review our performance against key customer outcomes.

Indicator	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target
Residential bill – owner occupier (\$ real 2024/25)						
The annual expected bill for an owner-occupier with typical (average) water use in real 2024/25 dollars (i.e. today's dollars) (2.2.1.001)	\$1,365.68	\$1,365.68	\$1,365.68	\$1,365.68	\$1,365.68	\$1,365.68
Percentage change from prior year (%) (2.2.1.002)	3.4%	-	-	-	-	-
Residential bill tenant (\$ real 2024/25)						
The annual expected bill for a tenant with typical (average) water use in real 2024/25 dollars (i.e. today's dollars) (2.2.1.003)	\$216.08	\$216.08	\$216.08	\$216.08	\$216.08	\$216.08
Percentage change from prior year (%) (2.2.1.004)	2.3%	-	-	-	-	-
Typical (average) water use (kL) assumed in owner-occupier and tenant bill calculations (kL) (2.2.1.005)	88	88	88	88	88	88
Non-residential bill – business (\$real 2024/25)						
The annual expected bill for a business using 3 ML per annum in real 2024/25 dollars (i.e. today's dollars) (2.2.1.006)	\$8,515.8	\$8,515.8	\$8,515.8	\$8,515.8	\$8,515.8	\$8,515.8
Percentage change from prior year (%) (2.2.1.007)	4.5%	-	-	-	-	-

Customer Responsiveness Indicator Targets	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Target	2025-26 Target
UPP 1 Water bills – customers on flexible payment plans No. of customers with instalment plans (number)	278	237	211	238	211	211
UPP 6 Water bills – customers awarded hardship grants No. of customers awarded hardship grants (number)	259	238	228	196	>75	>50
CRS 4* (2.4.1.001) Customer Responsiveness - water quality complaints (Excl. Rural Corporations) No of complaints per 100 customers (number)	0.93	0.25	0.11	0.15	0.22	0.22
CRS 7* (2.4.1.006) Customer Responsiveness – number of payment issue complaints No of complaints per 100 customers (number)	0.10	0.08	0.08	0.03	0.10	0.10
CRS 3* (2.4.1.011) Customer Responsiveness – total complaints No of complaints per 100 customers (number)	1.37	0.65	0.38	0.29	0.6	0.6

*In the 2022-27 Corporate Plan this measurement changed from 1000 customers to 100 customers. Decimal point adjusted for previous years.

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.

Key performance areas:

- Partnerships with Traditional Owners
- Supporting Aboriginal Self-determination.

KPI	KPI – Measure	Definition	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target
Partnerships with Traditional Owners – Partnerships with Traditional Owners (3.1.1.001)	Number	Provide the number of formal partnership agreements with Traditional Owners/ Traditional Owner Groups	1	1	1	1	1
Supporting Aboriginal self-determination – Aboriginal self-determination (3.2.1.001)	Number	Provide the number of formal partnership agreements with Aboriginal Community Controlled Organisations	1	1	1	1	1

KPI	Definition	Deliverables 2025-29
Partnerships with Traditional Owners – Partnerships with Traditional Owners (3.1.1.002)	Describe the nature of the formal partnership agreements entered into with Traditional Owner Groups	<ul style="list-style-type: none"> - Maintain membership of the Bass Coast Reconciliation Network. - Enter a Service Agreement with the Bunurong Land Council Aboriginal Corporation (BLCAC) for on Country services. - Complete our third Reconciliation Action Plan (RAP) – Innovate RAP 2023-25 and engage on the development of a Stretch RAP (4th).
Partnerships with Traditional Owners – Partnerships with Traditional Owners (3.1.1.003)	Demonstrate that Traditional Owners had the opportunity to review and/or endorse, all sections of the most recent annual report that included specific reference to Traditional Ecological Knowledge, values, and well-being	<ul style="list-style-type: none"> - Maintain open and transparent engagement with Westernport Water's RAP Working Group who monitor progress against key RAP deliverables. The RAP Working Group members, including Traditional Owners, review and endorse the Annual Report and RAP progress reports.
Partnerships with Traditional Owners – Partnerships with Traditional Owners (3.1.1.004)	Demonstrate how water corporations have informed relevant Traditional Owners of opportunities to access water entitlements or allocation within their Country	<ul style="list-style-type: none"> - Build capacity and engagement opportunities for Aboriginal and Torres Strait Islander participation in water management through Action 14 of Westernport Water's Innovate RAP 2023-25. - Undertake meaningful engagement in relation to cultural values and water planning for part B of the King Road Wetland Project.
Supporting Aboriginal self-determination – Aboriginal self-determination (3.2.1.002)	Describe the nature of the partnership agreements with Aboriginal Community Controlled Organisations	<ul style="list-style-type: none"> - Westernport Water's third Reconciliation Action Plan 2023-25 includes a commitment to enter a formal partnership via a Service Agreement to support the aspirations of the Bunurong Land Council. - Continue to strengthen the relationship with and support for Barithbarith (gathering Place) a shared network of Traditional Owners, Aboriginal and Torres Strait Islander Community members and local organisations across the Bass Coast and South Gippsland.

KPI	KPI – Measure	Definition	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target
Supporting Aboriginal self-determination – Aboriginal self-determination (3.2.1.003)		Provide commentary on strategies implemented to provide procurement opportunities to Aboriginal business to supply goods and services to water corporations, including addressing any procurement barriers.	-	-	-	-	-

Recognise Recreational Values

Support the wellbeing of communities by considering recreational values in water management. Key performance areas:

- Consideration of recreational values in business operations
- Engagement processes with community or stakeholders
- Improvements to information sources
- Collaboration with stakeholders.

KPI	KPI – Measure	Definition	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target
Consideration of recreational values in business operations – recreational values (4.1.1.001)	Number	Provide the number of site-based projects planned/delivered to improve recreational enjoyment of water storages	1*	2*	-	-	-
Consideration of recreational values in business operations – recreational values (4.1.1.003)	Number	Provide number of water storage recreational areas with Recreational Area Management Plans in place	0	-	-	-	-

*Plans are being developed to assist with creating targets for recreational areas from 2027 onwards.

KPI	Definition	Deliverables 2025-30
Consideration of recreational values in business operations – recreational values (4.1.1.002)	Provide a brief description on how site-based projects will improve/have improved recreational enjoyment of water storages.	<ul style="list-style-type: none"> - Undertake meaningful engagement exploring water for recreational outcomes through part B of the King Road Recycled Water Wetland Project. - Strengthen relationships and support for the Phillip Island Community Orchard and recycled water demonstration site. - Westernport Water manages one reservoir with restricted access, as such we have reimagined how to support improved recreational opportunities and are supporting community driven projects supporting recreational opportunities, including community gardens, sporting facilities and community hydration.

KPI	Definition	Deliverables 2025-30
Engagement processes with community or stakeholders – Recreational values (4.2.1.001)	Provide evidence of community engagement processes that identified and considered recreational objectives relating to: <ul style="list-style-type: none"> - waterway health and environmental land - water planning and management. 	<ul style="list-style-type: none"> - Engagement with stakeholders on opportunities to establish a recycled water wetland incorporating recreational and cultural values as part of the King Road Recycled Water Wetland Storage Project.
Improvements to information sources – Recreational values (4.3.1.001)	Provide evidence of actions taken to improve information sources to help recreational users plan their activities.	<ul style="list-style-type: none"> - Develop an action plan for the development and maintenance of a comprehensive webpage to provide up-to-date information on current and future recreational opportunities. The webpage will include details on access points, safety information, and any relevant restrictions or regulations. - Through strategic partnerships we will help the community to develop accessible information sources to improve information available.
Collaboration with stakeholders – Recreational values (4.4.1.001)	Provide evidence of actions taken to collaborate with other organisations and government agencies to explore and progress opportunities to support recreational objectives.	<ul style="list-style-type: none"> - Share learnings from the Floating wetland pilot trial at CWWTP in collaboration with Deakin University Blue Carbon Lab and CSIRO.

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 and manage water resources in a sustainable manner that enhances environmental outcomes and amenity in urban and rural landscapes.

Key performance areas:

- Integrated water management
- Water efficiency and water recycling
- Circular economy outcomes
- Environmental Statutory Obligations
- Sustainable water use
- Developer and council engagement

KPI	KPI – Measure	Definition	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target
Circular economy outcomes – Circular economy (5.3.1.003)	Tonnes (t)	Mass dry weight of biosolids reused	0	0	0	0	0
Circular economy outcomes – circular economy (5.3.1.004)	Tonnes (t)	Mass dry weight of biosolids produced	300	306	312	318	325

KPI	KPI – Measure	Definition	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target
Circular economy outcomes – circular economy (5.3.1.005)	Tonnes (t)	Mass dry weight of biosolids stored	300	306	312	318	325

KPI	Definition	Deliverables 2025-30
Water efficiency and water recycling – Urban water efficiency/recycling (5.2.1.001)	Projects or initiatives to deliver urban water efficiency, including residential and non-residential, and any projects delivering on water efficiency outcomes in Water for Victoria and relevant urban and sustainable water strategies.	<p>Public awareness campaigns and initiatives include:</p> <ul style="list-style-type: none"> - Updating Permanent Water Saving Rules signage across our service region. - Supporting non-residential customers to enhance water efficiency via the WaterSmart program, which facilitates the monitoring of water services at sites. Through this, we will assist large businesses and government agencies to detect issues early. - Refresh Smart Water Advice Accommodation Kits and make them available to accommodation providers. - Continuing to promote regional water efficiency targets aimed at improving water efficiency. - Continuing to promote Class A recycled water as a suitable fit for purpose alternative to potable water.
Water efficiency and water recycling – Urban water efficiency/recycling (5.2.1.003)	Other projects to deliver water conservation, reporting should have regard to the statutory obligations of water corporations and water efficiency initiatives to promote the integrated and sustainable use of water resources in their region	<ul style="list-style-type: none"> - The WaterSmart program will support non-residential customers to become more water-efficient by facilitating the monitoring of water services at sites. Through this program, we will assist large businesses and government agencies to detect issues early.
Water efficiency and water recycling – Urban water consumption (5.2.3.044)	Please provide commentary on non-revenue water attributed to leakages (for 2025-26 only)	<ul style="list-style-type: none"> - Continue to report on volumes of potable water sourced, customer consumption and water losses as per regulatory requirements. - Optimise water mains renewal program.
Integrated water management – Integrated water management (5.1.1.006)	Actively participate and promote stakeholder collaboration with other organisations through IWM Forums, to help facilitate IWM.	<ul style="list-style-type: none"> - Continue participation in IWM Forums and collaboration with implementation partners to deliver Priority Structural Actions.
Integrated water management – Integrated water management (5.1.1.009)	Progress towards development or review, update and implementation of strategic forum owned IWM plans, outcomes and/or targets, as applicable to the region	<ul style="list-style-type: none"> - Continue collaborate approach to integrated water management in the Western Port Catchment IWM Action Plan and Monitoring, Evaluation, Reporting and Improvement (MERI) plan.
Integrated water management – Integrated water management (5.1.1.010)	Progress towards the implementation of IWM actions, projects, or other activity with IWM approach achieving shared benefits, as applicable to the region.	<ul style="list-style-type: none"> - Continue to advance structural actions and partner projects outlined in the Western Port Catchment IWM Action Plan, including the development of the King Road wastewater treatment plant recycled water constructed wetlands.

KPI	Definition	Deliverables 2025-30
Circular economy outcomes – circular economy (5.3.1.001)	Provide commentary on projects or initiatives that adopt circular economy principles and/or contribute towards identified targets in "Recycling Victoria: A New Economy".	<ul style="list-style-type: none"> - Deliver Year Three of the Climate Change Strategy. - Deliver Year Three of the Recycled Water Strategy. - Biogas options at CWWTP have been assessed in line with the Climate Change Strategy and Sustainability Victoria's Waste to Energy Fund – Bioenergy. The completed feasibility study found it to not be financially viable at this stage.
Environmental statutory obligations – environmental obligations (5.4.1.001)	Water corporations should manage impacts to water quality in their operations including managing risks posed to water quality in special water supply catchment areas or catchments and provide commentary on specific actions that deliver targeted outcomes to satisfy these environmental obligations.	<ul style="list-style-type: none"> - Collaborate closely with Melbourne Water to undertake various activities to protect waterways, from delivering on-ground works to participating in state and regional planning. We encourage others to care for our waterways through support and education programs, stewardship programs and help with improvements through incentive schemes that provide funding support to landowners and managers. - Engage a Catchment Facilitator to work with landowners within the Candowie Reservoir catchment to minimise erosion, protect waterways, vermin control, and responsible application of fertilizers and herbicides / pesticides. - Raw and treated water is sampled weekly to ensure that we meet the requirements of the Department of Health and Australian Drinking Water Guidelines. - Continue to implement the Continuous Water Quality Improvement Plan 2023-28.
Environmental statutory obligations – environmental obligations (5.4.1.002)	Water Corporations should demonstrate compliance with the Obligations for Managers of Land or Infrastructure (Water) (OMLI) under the Environmental Protection Act 2017 relating to managing impacts to water quality in their operations and provide commentary on specific actions that deliver targeted outcomes to satisfy this environmental obligations	<ul style="list-style-type: none"> - Collaborate closely with Melbourne Water and the EPA to identify risks to waterways, which involves delivering on-ground works and participating in state and regional planning. Additionally, support the regional working group that conducts quarterly consultations with the EPA. - Utilise Risk Management and Monitoring Plans to identify and manage environmental impacts from operations.
Environmental statutory obligations – environmental obligations (5.4.1.003)	Water Corporations to undertake specific actions that deliver targeted outcomes to satisfy water corporations' environmental obligations consistent with the actions and intended outcomes contained in the: <ul style="list-style-type: none"> a) Regional Catchment Strategy b) Victorian Waterway Management Strategy and Regional Waterway Strategy c) Port Phillip Bay Environmental Management Plan (MW Only); and d) Other environmental activities or general projects that help implement catchment/ waterway health objectives 	<ul style="list-style-type: none"> - Continue to monitor policies and actions aligned to the Regional Catchment Strategy Victorian Waterway Management Strategy and Regional Waterway Strategy. - Continue to consult with Melbourne Water and DEECA to explore opportunities for returning recycled water to the environment to mitigate the impact of climate change, such as waterways that are flow stressed.

KPI	Definition	Deliverables 2025-30
Sustainable water management – sustainable water strategies (5.5.2.001)	Progress on actions taken in the development and implementation of Sustainable Water Strategies applicable to the region	<ul style="list-style-type: none"> - Continue to monitor policies and actions aligned to the Central and Gippsland Region Sustainable Water Strategy. - Continue to monitor strategic management directions and regional outcomes aligned to the West Gippsland Regional Catchment Strategy. - Continue to participate in Tarbuk Biik (Strong Country) Stakeholder Meetings – Bass Coast region.
Housing Statement - Developer and council engagement (5.6.1.002)	Describe the strategies to be employed to engage with applicable entities, including developers and councils, before a planning permit referral is received, including to understand potential blocks and/or delays created by processes and systems	<ul style="list-style-type: none"> - Continue engaging with Bass Coast Shire Council and developers regarding potential developments within Westernport Water's service areas to establish servicing strategies. - Conduct long-term capital planning to address forecasted future infrastructure needs.
Housing Statement - Developer and council engagement (5.6.1.006)	Describe progress and/or any blocks in reporting on current annual report Housing Statement indicators	<ul style="list-style-type: none"> - WPW has developed timelines for reporting development related activities, including planning permit conditions, developer deeds, design approvals, and Consent to Statement of Compliance. WPW is also in the process of creating a workflow platform for recording indicators.

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.

Key performance areas:

- Diversity and Inclusion

KPI	KPI – Measure	Definition	2025-26 Target
Diversity and inclusion – Diversity and inclusion (6.1.1.003)	Number	Provide the number of executive officers who identify as women.	3
Diversity and inclusion – Diversity and inclusion (6.1.1.005)	Number	Percentage of all the staff who complete the VPSC people matter survey	85%
Diversity and inclusion – Diversity and inclusion (6.1.1.006)	Number	Number of staff within the water entity who have undertaken a cross-cultural training course facilitated by a suitably experienced provider	90%
Diversity and inclusion – Diversity and inclusion (6.1.1.007)	Number	Number of Aboriginal staff employed	3

KPI	Definition	Deliverables 2025-30
Diversity and inclusion – Diversity and inclusion (6.1.1.001)	Is a Diversity Inclusion Plan/s published on entity website (Y/N) (for 2025-26 only)	<ul style="list-style-type: none"> - Diversity and Inclusion initiatives for 2025-26 (and beyond) are part of the People Strategy, which will be published on the Corporation's website during the 2024-25 financial year.
Diversity and inclusion – Diversity and inclusion (6.1.1.002)	Is a Gender Equality Action Plan published on entity website (Y/N) (for 2025/26 only)	<ul style="list-style-type: none"> - The Gender Equality Action Plan 2022-25 is published on the Corporation's website. Deliverables for 2025-26 are part of the People Strategy.
Diversity and inclusion – Diversity and inclusion (6.1.1.004)	Actions taken to improve participation by Traditional Owners and Aboriginal Victorians in Board committees and/or other organisational committees	<ul style="list-style-type: none"> - An Independent Aboriginal Delegate has been appointed to WPW's Board. - WPW will continue to work with its RAP Working Group, which comprises internal staff, Traditional Owners and Aboriginal community members, to support Aboriginal participation in decision-making and deliver its reconciliation commitments.
Diversity and inclusion – Diversity and inclusion (6.1.1.008)	Summary of progress against LOE Priority Area Leadership, diversity and culture	<ul style="list-style-type: none"> - Commence development of WPW's fourth Reconciliation Action Plan. - In-person training facilitated by accredited personnel and completion of online cultural competency training for all staff. - Utilise Aboriginal affiliated recruitment agencies to support Aboriginal staff recruitment. - Meeting gender equality legislative requirements. - Supporting executive officers with learning & development opportunities to provide support & strengthen capability. - As part of the Water Industry Equity, Diversity and Inclusion Strategy 2024-28, participate in industry groupings (including Vic Water Managing Directors Forum, Diversity & Inclusion Steering Group (DISC) and Practitioners Network) to identify and dismantle gender barriers (including intersectional factors), for operational, treatment & customer service roles, and apply findings at Westernport Water. - Promote 2025 staff survey to continue high participation, including employee feedback on actions from previous results and assurance on confidentiality of responses.

Performance and Financial Management

Improve efficiency and consistency in the reporting of performance while delivering safe and cost-effective water and wastewater services in a financially sustainable manner.

Key performance areas:

- Audited statement of performance
- Additional financial performance.

KPI	Definition	Deliverables
Additional financial performance – financial performance 7.4.2.001	Financial business targets and projections, including projections for dividend and tax equivalent payments (for 2025-26 to 2029-30)	<ul style="list-style-type: none"> - Included in the Financial Statements, refer Appendix A.

KPI	Definition	Deliverables
Additional financial performance – financial performance 7.4.2.002	Quarterly financial projections for the first year of the planning period (for 2025-26 only)	- Included in the Financial Statements, refer Appendix A.
Additional financial performance – financial performance 7.4.2.003	Debt management strategies in line with DTF management guidelines and requirements (for 2025-26 to 2029-30)	- Continue to take a conservative approach due to the increasing inflation pressures on our customers.
Additional financial performance – financial performance 7.4.2.004	Any unregulated business activity/ies including forecasts of revenue and expenditure and the benefits realised/reasons for undertaking the activity/ies (for 2025-26 to 2029-30)	- Unregulated income is conducted through the sale of disposal of assets including cattle and hay via utilisation of the corporations land through the Farm Management Plan and the sale of expired fleet vehicles as part of the fleet replacement program. Refer to the Financial Statements – Appendix A.
Additional financial performance – financial performance 7.4.2.005	Operational risk assessment, encompassing analysis of factors likely to affect achievement of efficiency targets, and/or create significant financial risk for the corporation (for 2025-26 to 2029-30)	- Included in Financial Sensitivity Analysis tables, refer Appendix E
Additional financial performance – financial performance 7.4.2.006	Impact on financial performance of high and low scenarios for key planning variables (such as supply availability, water consumption, interest rates) (for 2025-26 to 2029-30)	- Included in Financial Sensitivity Analysis tables, refer Appendix E.
Additional financial performance – financial performance 7.4.2.007	The entity's credit rating received from Treasury Corporation Victoria (TCV) for Financial Accommodation Levy or an independent credit rating (for 2025-26 only)	- Included in the Corporate Plan Performance Measures and Targets 2025-26, refer Appendix B.

Customer Protection, including the Prevention of Harm from Family Violence

Westernport Water takes its role as a custodian of customer data seriously and is firmly committed to continuous improvement in information security. Our approach is aligned with the Victorian Protective Data Security Framework (VPDSF). Westernport Water recently undertook a gap assessment of our maturity against the VPDSF with the findings collated into a prioritised action plan for us to progress over time.

We maintain a robust suite of ICT practices designed to ensure organisational resilience against cybersecurity incidents and data loss. These practices include regular system backups, strong identity and access management controls, timely application of security updates. Westernport Water has a clearly defined incident response procedure, which includes escalation protocols, prompt notification of relevant authorities, and the engagement of expert resources when appropriate, based on the severity of an incident.

Westernport Water remains committed to protecting customer information from unauthorised access, loss, or misuse. This is supported by ongoing privacy and cybersecurity training for all staff and periodic audits of data privacy controls. Our Privacy Charter outlines our data handling practices, including the collection, use, and disclosure of customer information. We also maintain formal processes for managing privacy-related complaints and data breaches. Notably, no notifiable data breaches were recorded during the past year.

In 2023-24, Westernport Water facilitated \$960,110 in financial assistance to customers via concession rebates, utility relief grants, high usage leak allowances, and hardship grants. We continue to maintain ambitious support targets and prioritise customer assistance over debt recovery activities, such as legal action or supply restrictions, to ensure equitable outcomes for our customers.

Cyber Security

Westernport Water takes a strategic approach to cybersecurity risk reduction by integrating the National Institute of Standards and Technology (NIST) Cybersecurity Framework with the Australian Cyber Security Centre's Essential Eight (E8) guidelines. This dual-framework strategy ensures alignment with industry best practices while addressing critical cybersecurity risks.

The NIST Cybersecurity Framework provides a structured method for managing and mitigating cyber risks, focusing on key functions: identifying threats, protecting systems, detecting breaches, and responding effectively. Complementing this, the E8 delivers targeted security controls to strengthen our defence against common cyber threats.

By embedding these frameworks into our cybersecurity practices, Westernport Water enhances its resilience against evolving threats while maintaining compliance with both global and national standards. This approach underscores our commitment to safeguarding the integrity and security of the data and systems entrusted to us by our community and stakeholders.

Corporate Plan Performance Measures and Targets 2025-26

	Corporate Plan Performance Measure	Target
1	Delivery of the Corporate Plan Initiatives <i>To achieve safe and reliable water and wastewater services to support sustainable and liveable communities.</i>	Successful completion of the 10 Corporate Plan Initiatives in line with the program for delivery.
2	Maintain the Corporation's AA rating <i>To ensure Westernport Water continues to demonstrate sound financial performance.</i>	Maintain the Corporation's AA credit rating in line with DTF financial criteria, noting that a higher rate of FAL may be applied due to the requirement of not being on par or above the Victorian state credit rating.
3	Customer Survey – Satisfaction result <i>To understand customer perceptions and overall satisfaction of our customers with Westernport Water as a service provider.</i>	7 out of 10 rating for overall customer satisfaction.
4	Compliance – Enforcement action <i>To measure compliance with legislation by ensuring no enforcement action such as a penalty infringement or abatement notice, direction or an enforceable undertaking.</i>	0 regulator actions.
5	Employee Satisfaction - People Matter Survey <i>To measure the level of engagement of employees to provide an indication of their commitment to the organisation's goals and values and their motivation to contribute to the organisation's success.</i>	>78 Employee Engagement Index.
6	Water quality compliance with Safe Drinking Water Regulations <i>To ensure the provision and supply of safe drinking water in accordance with the regulations.</i>	100% compliance.
7	Environmental Impact - Compliance with EPA Licence <i>To measure compliance at Westernport Water's two licensed wastewater treatment plant sites.</i>	100% compliance.
8	Customer Service Level - Guaranteed Service Level payment <i>To measure the level of service to customers the ESC sets out provision for payments to customers for failure to meet Guaranteed Service Level.</i>	≤ 3 payments in the 2025-26 year.
9	Delivery of our Customer Commitments - Price Submission 2023-28 <i>To ensure we are delivering on the customer commitments set out in our Price Submission 2023-28.</i>	Annual performance consistent with PS23 customer commitments.

Corporate Plan Initiatives

We deliver value to our customers

1. Deliver Year Three of the Water Quality Continuous Improvement Program (2023-28)

The Water Quality Continuous Improvement Plan focuses on operational improvements in water quality. These efforts will ensure that Westernport Water continues to deliver the highest water quality to our customers.

This initiative aims to address our Governance and Product Quality strategic risks.

2. Commence development of the 2050 Strategy to drive integrated planning outcomes

This initiative will provide a 25-year outlook for our business to invest in our assets, technology, environment, and people to deliver our long-term vision for our customers and community. The 2050 strategy will give us a roadmap that spans multiple price reviews, allowing us to manage competing challenges in a sustainable way.

This initiative aims to address our Climate Change, Financial and Governance strategic risks.

Our people are safe and better for working here

3. Implement Year One of WPW's People Strategy (2025-28)

Comprised of five elements, this Strategy will ensure our culture is strong and anchors our ways of working. The People Strategy's elements are our people go home safe and well; everyone belongs inclusion and diversity; we attract and retain great people; core and future skills and capability; and focussing on & delivering what matters: the water industry is an essential service, and we deliver value to our customers.

This initiative aims to address our Workplace Health and Safety and Business Continuity strategic risks.

4. Continue to implement WorkSmart Initiatives to improve processes and drive efficiencies

Westernport Water continues to seek out new ways to work that will drive customer value and create benefits for the workplace. The WorkSmart Action Plan 2025 will deliver 16 initiatives that were sourced from an employee engagement process that generated over 150 ideas for targeted improvements. The planned improvements focus on process and reporting efficiencies, along with small-scale technology upgrades.

This initiative aims to address our Financial and Governance strategic risks.

We invest in our assets to meet the needs of future generations

5. Commence site works of the King Road Recycled Water Wetland, consistent with integrated water management priorities

With capital funding support from the Australian Government, the King Road Recycled Water Wetland Project will construct a 3ha recycled water wetlands system and 55ML effluent storage lagoon, whilst improving biodiversity and investing in opportunities for cultural and recreational benefits.

This initiative aims to address our Asset Management and Climate Change strategic risks.

6. Implement Year One of WPW's ICT Strategy (2025-28)

The ICT Strategy (2025-2028) will ensure Westernport Water remains adaptable to technological advancements while maintaining a secure and efficient ICT environment that supports operational requirements.

This initiative aims to address our Technology, Cyber and Business Continuity strategic risks.

7. Deliver Year Two of Westernport Water's Asset Management Information System Replacement

The Asset Management Information System Replacement project focuses on enhancing the capabilities of Westernport Water's current asset management and works management software, enabling Westernport Water to optimise whole-of-lifecycle asset management and deliver works management improvements.

This initiative aims to address our Technology, Financial and Business Continuity strategic risks.

We partner with our community

8. Commence development of WPW's fourth Reconciliation Action Plan

Westernport Water is committed to reconciliation with Australia's First Nations peoples and is committed to building respectful and collaborative relationships with the Traditional Owners of the land, the Bunurong people, and other Aboriginal and Torres Strait Islander people living in the region. Our fourth Reconciliation Action Plan will build on past progress to deepen relationships with First Nations communities.

This initiative aims to address our Workplace, Health & Safety, Business Continuity and Governance strategic risks.

9. Collaborate with Gippsland Regional Water Alliance to Deliver Value for Money Outcomes for Customers

Westernport Water will continue to drive a strong focus on performance, business improvements and efficiencies through an ongoing partnership with South Gippsland Water, East Gippsland Water, Gippsland Water and Southern Rural Water. The partnership represents a unique alliance of regional water businesses that delivers improvement opportunities through collaboration that ultimately benefit staff, customers, and the Gippsland community.

This initiative aims to address our Asset Management, Business Continuity, Technology and Governance strategic risks.

We value and protect our natural environment

10. Deliver Year Three of the Climate Change Strategy (2023-28)

Our Climate Change Strategy maps out our pathway to reaching 100% use of renewable energy sources at our sites and how we will reach our emission reduction pledge commitment of 606t CO₂-e by 2030, and net zero emissions by 2035.

Year Three of the Climate Change Strategy will see progress toward the implementation of our Electric Vehicle fleet transition, continuation of our Virtual Energy Network, and 510kW of solar generation assets in parallel with energy efficiency projects to reduce electricity use at our treatment plants.

This initiative aims to address our Climate Change, Financial and Governance strategic risks.

Key Drivers of Corporate Plan 2025-30

Price Submission 23 (2023-28)

The 2025-30 Corporate Plan projects and budgets will continue to deliver the efficiencies committed to within the Price Submission 23 (PS23) for 2023-28, which was approved by the ESC on 20 December 2022.

Several changes in the macroeconomic conditions have occurred since the Price Submission 23 and previous 2024-29 Corporate Plan which have altered some of the economic assumptions underpinning the 2025-2030 plan. These include the need to purchase more water from the Melbourne Water Pool to secure water supply, a lower residential growth rate in our service area, higher interest rates payable on our borrowings and assumed Enterprise Agreement (EA) salary increases.

Depreciation has increased significantly since our last five-year plan due to the impact of a management revaluation of our infrastructure. This was required under government Financial Reporting Directions – FRD103 at the end of 2024FY which led to a \$58M increase in asset values.

Pricing and tariffs for 2025-30 remain unchanged, only increasing by CPI as per year 3 PS23 assumptions. Annual tariffs reflect the approved adjustments for Melbourne Water Bulk Charges and cost of debt adjustments as detailed in Schedule 5 of PS23 for 2023-28.

Net Profit After Tax (NPAT) will remain profitable in line with budget expectations for the PS23 period, with an allowance for variations including the introduction of an efficiency dividend as announced by the Victorian State Government in Budget Paper 4 released in May 2023. As this cash payment will be in the form of Capital Repatriation it will not directly impact operating expenses. Variations to PS23 are detailed in Appendix D.

Debt Management

Debt management remains a key focus in maintaining the long-term financial stability of the Corporation.

The Corporation is committed to maintaining its AA credit rating by prudently managing operating expenditure and debt levels. Overall, the five-year debt to equity ratio is in line with PS23 assumptions to minimise price increases to customers, in lieu of repaying debt.

Debt levels have been reprofiled against PS23 assumptions to reflect the rephasing of the capital program with a contingency allowance to support short term cashflow for any timing changes to major capital works. Fixed loans of \$1.25M will be repaid and redrawn to assist funding requirements for 2025-26. Short term borrowings and investment will be utilised to smooth cash flow, with longer term borrowings directed towards the financing of the capital program.

Although efficiencies have been identified to fund the Victorian State Government efficiency dividend and more are continuing to be pursued, as this was not known at the time of PS23 submission, it is assumed that short term borrowings may be required to support cashflow to fund capital repatriation payments. The following table shows the level of fixed debt for the Corporation over the five-year Corporate Plan period (excluding temporary borrowing facilities).

Fixed Debt	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
\$'000	Forecast	Budget	Budget	Budget	Budget	Budget
Total Fixed Debt Budget (per PS23)	15,640	16,240	18,240	13,140	N/A	N/A
Total Fixed Debt Budget	17,390	20,200	21,950	21,950	22,700	23,450

Financial Analysis, Considerations and Projections

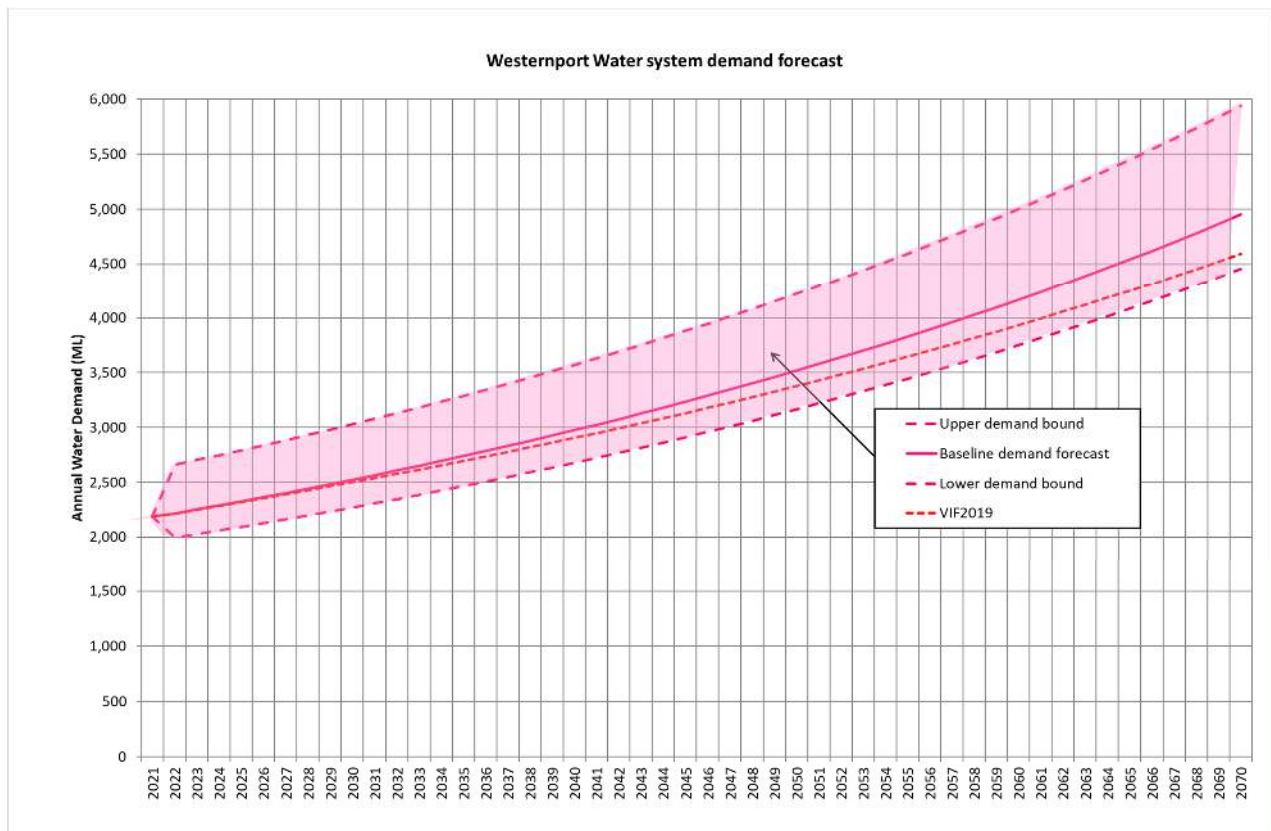
The financial analysis tables and projections are provided in Appendix A.

The financial targets and ratio analysis are set out in Appendix B. These ratios are consistent across the five-year outlook. In previous years and in the PS23 submission, no provision was made for dividend payments however, with the introduction of the Victorian State Government efficiency dividend from June 2024 the financial statements have been adjusted to reflect this change which will be in the form of a cash capital repatriation payment.

Planning Assumptions

Water Allocations

An Urban Water Strategy (UWS) was completed in March 2022 to plan for the supply of water and future growth in population and connections to the water supply system. The growth is based on the Victorian Government's Victoria In Future (VIF) projections for the Westernport Water region and annual increase in recent years. The demand forecast provides an upper and lower band limit from the expected or baseline demand. The baseline demand was developed based on a 2 per cent per annum increase in residential demand and a 1 per cent increase in non-residential demand. The graph below shows the demands until the year 2070. An updated Urban Water Strategy will be delivered in March 2027, which will review the previous demand forecasting for the next 50 years.



Westernport Water accesses water from a diverse range of sources. Bulk entitlements are held for 2,911 ML from Tennent Creek in Candowie Reservoir, 1,000 ML from the Melbourne Headworks system via the desalination transfer pipeline water supply system and 3,000 ML from the Bass River.

Climate change is predicted to affect the yield from our water sources but to what extent is uncertain. The yields have been assessed according to DEECA guidelines for assessing the impact of climate change on water supplies in Victoria and reflect the scenarios recommended in the guidelines.

The UWS indicates that the water supply system will be robust for the next ten years supplying all the forecast demands. The Westernport Water Climate Change Adaptation Plan identifies actions to meet future climate change scenarios and their impact on water supplies. Ongoing management of water supplies will be reviewed annually as part of the Annual Water Outlook, and in response to the UWS actions, to ensure Westernport Water meets customer demands now and into the future. Westernport Water communicates the short-term water resource position via the Annual Water Outlook published prior to summer each year.

Recycled Water Assumptions 2025-26

Westernport Water's Recycled Water Strategy provides an over-arching guide to support the continued uptake of recycled water to ultimately reduce volumes of treated wastewater discharged to the ocean from CWWTP. In 2022-23, Westernport Water developed a Recycled Water Strategy which includes inputs from customer engagement and our environmental obligations.

CWWTP treats sewage from the major towns on Phillip Island (excluding Silverleaves) and San Remo. This treatment plant receives 85 per cent of inflow from Westernport Water's sewer network. Based on the past five-year average, around 6.5 per cent of inflow from CWWTP is treated to a Class A or B recycled water quality and distributed to residents in new housing estates in Cowes and Ventnor, and to non-residential users such as the Phillip Island Golf Club and recreation reserves. A further 2.0 per cent is used onsite to water tree plantations and the remaining 91.5 per cent of treated effluent is discharged to Bass Strait at Pyramid Rock.

KRWWTP treats sewage from Grantville, Coronet Bay, Corinella, Tenby Point and Pioneer Bay, receiving around 15 per cent of Westernport Water's sewage inflow. All KRWWTP's treated wastewater is irrigated on Westernport Water owned farmland surrounding the treatment plant, except 90th percentile rainfall years when discharge to Guys Creek is permitted by the EPA.

The key projects for 2025-26 from our Recycled Water Strategy include:

- Recycled water wetland storage at KRWWTP
- Expansion of irrigation to land at CWWTP; and
- Reducing inflow and infiltration of stormwater into our sewer network (ongoing).

The key to increasing reuse is to maximise opportunities for sustainable reuse on Westernport Water land. Westernport Water is investigating how different crop types and irrigation systems can maximise recycled water use. Westernport Water will continue to encourage recycled water use by commercial and residential customers, especially customers with a demand that is not dependent on weather conditions.

Pricing

Tariff schedule	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
CPI % assumptions	3.6	2.4*	2.4	2.4	2.4	2.4
Water & Recycled Water Volumetric pricing per kL						
Potable (Residential)	\$2.4554	\$2.5066	\$2.5668	\$2.6284	\$2.6914	\$2.7560
Potable (Non-residential)	\$2.4554	\$2.5066	\$2.5668	\$2.6284	\$2.6914	\$2.7560
Recycled Water (Residential)	\$1.3251	\$1.3584	\$1.3910	\$1.4243	\$1.4585	\$1.4935
Recycled Water (Non-residential less than 5,000kL p.a.)	\$0.6451	\$0.6605	\$0.6764	\$0.6926	\$0.7092	\$0.7262
Recycled Water (Non-residential more than 5,001kL p.a.)	\$0.5302	\$0.5429	\$0.5560	\$0.5693	\$0.5830	\$0.5970
Connected Fixed Charges \$ per annum						
Residential						
Water	\$445.04	\$454.15	\$465.05	\$476.22	\$487.64	\$499.35
Waste	\$704.56	\$719.28	\$736.54	\$754.22	\$772.32	\$790.85
Reuse	\$33.13	\$33.92	\$34.74	\$35.57	\$36.42	\$37.30
Non-Residential						
Water (20mm tapping)	\$445.04	\$454.15	\$465.05	\$476.22	\$487.64	\$499.35
Water (25mm tapping)	\$801.12	\$817.52	\$837.14	\$857.23	\$877.80	\$898.87
Water (32mm tapping)	\$1,513.62	\$1,544.61	\$1,581.68	\$1,619.64	\$1,6658.51	\$1,698.32
Water (40mm tapping)	\$2,760.02	\$2,816.53	\$2,884.13	\$2,953.35	\$3,024.23	\$3,096.81
Water (50mm tapping)	\$4,941.43	\$5,042.60	\$5,163.62	\$5,287.55	\$5,414.45	\$5,544.40
Water (65mm tapping)	\$10,349.96	\$10,598.53	\$10,852.89	\$11,113.36	\$11,380.08	\$11,653.21
Water (80mm tapping)	\$17,050.49	\$17,399.58	\$17,817.17	\$18,244.78	\$18,682.66	\$19,131.04
Water (100mm tapping)	\$30,673.21	\$31,301.22	\$32,052.45	\$32,821.70	\$33,609.43	\$34,416.05
Water (150mm tapping)	\$70,695.87	\$72,143.30	\$73,874.74	\$75,647.74	\$77,463.28	\$79,322.40
Waste	\$704.56	\$719.28	\$736.54	\$754.22	\$772.32	\$790.85
Waste (> 2 cistern per property)	\$260.20	\$265.65	\$272.01	\$278.54	\$285.22	\$292.07
Unconnected Fixed Charges \$ per annum						
Water	\$222.49	\$227.04	\$232.49	\$238.07	\$243.79	\$249.64
Waste	\$352.88	\$360.25	\$368.89	\$377.75	\$386.81	\$396.10

Note:

*The Tariff Schedule for 2025-26 and subsequent years above have been calculated using a CPI increase of 2.4 per cent as determined by WPW's economic regulator, the Essential Services Commission (ESC) through the annual tariff approval process. Tariffs include further adjustments for Melbourne Water Bulk Charges and cost of debt as per Schedule 5 of PS23 as confirmed by ESC in June 2025.

Operating Environment Assumptions 2025-30

Westernport Water remains committed to ensuring that products and services remain affordable and throughout this third year of the PS23 regulatory period will continue to focus on supporting our most vulnerable customers experiencing financial hardship through flexible payment options and targeted hardship grants.

The 2025-30 Corporate Plan has factored in the immediate known economic conditions which is consistent with PS23 methodology however, unknown non-controllable operational impacts often require the business to demonstrate agility and at times re-think its approach for long-term sustainability.

Due to the current challenging economic environment and operational requirements, the PS23 capital program has been slightly reprofiled against the original budget with a small number of planned capital program scopes being brought forward due to contractor and material shortages, however, will remain on budget for the PS23 regulatory period. Key projects are outlined in the Capital Expenditure tables in Appendix C.

Westernport Water will continue to deliver the efficiencies required to reduce operational expenditure in the next five-year regulatory period, as committed to in PS23. This will be achieved by reviewing process and aligning internal skills and capabilities to our key focus areas through our WorkSmart Action Plan initiative.

Finance Assumptions 2025-26

The financial assumptions set out below form the basis for the budgeted net profit after tax result of \$0.924M and a positive net cash flow from operating activities.

Revenue Assumptions

Service Charges:

- The Tariff Schedule for 2025-26 and subsequent years has been calculated using a CPI increase of 2.4 per cent as confirmed by the Essential Services Commission in June 2025 via the annual tariff approval process which includes further adjustments for Melbourne Water Bulk Charges and cost of debt adjustments as per Schedule 5 of PS23.
- Residential customer growth of 2 per cent, slightly below PS23 forecast reflecting lower than expected growth.
- Non-residential connection growth of 1.17 per cent inline with PS23 expectations.

Water Usage:

- Domestic water consumption, 88kL per connection.
- Non-Domestic water consumption, 651kL per connection.

Developer Income:

- Creation of approximately 395 new allotments based on PS23 growth predictions, current forecasts, and historical trends.
- New Customer Contribution model from the PS23 which ensures that the cost of new development in the area is better aligned to the developer and not the existing customer base.
- Development revenue is expected to perform consistent with PS23 assumptions as although there has been lower growth compared to budget profile, this has been offset by increased development costs.

OPEX Assumptions

- Increases in wage and salaries will remain in line with PS23, however consistent with the current Enterprise Agreement and overall government policy for annual wage rises, a 3 per cent increase in base rates and allowances and 0.5% increase in superannuation has been applied effective 1 July 2025.
- Employee costs include a 3 per cent vacancy rate in line with PS23 assumptions.
- Overall operational expenditure has been profiled against the approved PS23 budget offset by the efficiency rate of 1.5% as committed to our customers during the pricing submission engagement.
- Current climate impacts have resulted in water purchase requirements from the Melbourne Water Pool, contributing to an increase in operational expenditure, above PS23 expectations.
- The requirement to perform a five-year valuation with the Valuer General Victoria (VGV) effective 30 June 2026 will result in a one-off increase in administration expenses compared to prior year.
- Dam safety compliance works of \$195k which is expected to be recurring annually for the remainder of the regulatory period has also contributed to operational increases.
- Preventative maintenance cost increases is attributed to above CPI contractor and materials cost pressures.
- Environmental Contribution Levy (ECL) will remain unchanged.
- CPI increases for future years has been assumed at 2.4 per cent each year in line with 2025-26FY confirmed CPI.

Customer and Demand Assumptions 2025-26

Property Forecast 2025-26

Westernport Water's growth assumptions are primarily based on the 2021 Victoria In Future forecasts. However, historical trends have also been incorporated into our growth assumptions which formed the basis of our PS23 growth predictions. The major assumptions driving the property forecast are:

- Growth in residential properties of 2.24 per cent in 2025-26
- Growth in non-residential connections of 1.17 per cent in 2025-26
- No growth predicted in unconnected vacant residential land.

Property type	Property Numbers 2024-25 Forecast	Pricing Submission Year 2	Variance from PS23 Year 2	Property Numbers 2025-26 Planned	Pricing Submission Year 3	Variance from PS23 Year 3
Residential	17,594	18,203	-3.3%	17,988	18,611	-3.3%
Vacant Land	1,522	1,500	1.5%	1,522	1,500	1.5%
Non-residential	1,166	1,170	-0.3%	1,180	1,182	-0.1%
Total Properties	20,282	20,873	-2.8%	20,689	21,293	-2.8%

Customer Demand Forecast 2025-26

Water demand is typically difficult to forecast because it varies depending on weather conditions, changing population and water use behaviour. There is an additional level of complexity due to the large peaks in (non-permanent) population in summer and the large number of tourists that visit the region, which are also heavily influenced by weather conditions.

Westernport Water modelled a range of supply and demand scenarios through the 2022 Urban Water Strategy which informed the PS23 demand assumptions. Average demand for residential and non-residential customers has been forecast using the average annual consumption over the previous three financial years which is in line with PS23 assumptions with adjustments made for growth and the impacts on demand resulting from historical trend.

- Annual residential water connections demand forecast 88 kL
- Annual non-residential water connections demand forecast 651 kL

Customer Type	Forecast Demand 2024-25 ML	Demand PS23 Year 2	Variance from PS23 Yr2	Forecast Demand 2025-26 ML	Demand PS23 Year 3	Variance from PS23 Yr 3
Residential	1,548	1,601	-3.3%	1,583	1,637	-3.3%
Non-residential	759	762	-0.4%	768	769	-0.1%
Total Customer Demand	2,307	2,363	-2.5%	2,350	2,406	-2.3%

Appendix A – Financial Templates

Table A1 – Operating Statement

Operating Statement \$'000	2024-25 Forecast	2025-26	2026-27	2027-28	2028-29	2029-30
Revenue						
Service Charges	23,166	24,660	25,799	26,793	28,099	29,135
Usage Charges	5,598	6,012	6,588	6,988	7,413	7,864
Developer Contribution	1,085	1,145	1,060	1,114	1,147	1,182
Developer Contribution - Gifted Assets	2,000	2,000	2,000	2,000	2,060	2,122
Investment Interest	136	137	102	125	114	124
Other Revenue	719	739	764	789	814	841
Total Revenue	32,704	34,693	36,313	37,809	39,648	41,267
Expense						
Operating & Maintenance Expense	3,022	2,941	3,029	3,120	3,214	3,310
Administration Expense	5,016	5,801	5,975	6,154	6,339	6,529
Environmental Contributions	1,206	1,206	1,206	1,206	1,326	1,326
Borrowing Cost / Interest Expense	350	690	841	947	965	1,038
Depreciation / Amortisation	9,175	9,385	9,829	10,123	10,427	10,844
IT	2,393	2,706	2,787	2,870	2,956	3,045
Labour	10,124	10,578	10,903	11,237	11,582	11,937
Consultants	146	205	190	216	202	230
Total Expense	31,432	33,511	34,759	35,874	37,011	38,259
Net Operating Profit Before Tax	1,272	1,182	1,555	1,935	2,637	3,008
Non-Operating Items						
Profit on sale of disposal of assets	100	50	50	50	50	50
Net Profit Before Tax	1,372	1,232	1,605	1,985	2,687	3,058
Tax	343	308	401	496	672	764
Net Profit After Tax	1,029	924	1,204	1,489	2,015	2,293
Net Profit - Retained Earnings	1,029	924	1,204	1,489	2,015	2,293
Retained Earnings - Opening Balance	72,844	73,872	74,796	76,000	77,489	79,504
Retained Earnings - Closing Balance	73,872	74,796	76,000	77,489	79,504	81,797

Table A2 – Operating Statement by Quarter 2025-26

Operating Statement 2025-26 \$'000	Q 1 Period	Q2 Period	Q2 YTD	Q3 Period	Q3 YTD	Q4 Period	Q4 YTD
Revenue							
Service Charges	6,087	6,108	12,195	6,211	18,407	6,254	24,660
Usage Charges	1,246	1,521	2,767	1,835	4,602	1,410	6,012
Developer Contribution	288	286	574	286	859	286	1,145
Developer Contribution - Gifted Assets	-	250	250	250	500	1,500	2,000
Investment Interest	44	35	79	38	116	21	137
Other Revenue	157	280	437	122	559	179	739
Total Revenue	7,822	8,480	16,302	8,742	25,044	9,649	34,693
Expense							
Operating & Maintenance Expense	588	735	1,323	735	2,059	882	2,941
Administration Expense	1,160	1,450	2,610	1,450	4,061	1,740	5,801
Environmental Contributions	301	301	603	301	904	301	1,206
Borrowing Cost / Interest Expense	168	168	336	177	513	177	690
Depreciation / Amortisation	2,314	2,332	4,646	2,354	7,000	2,386	9,385
IT	541	622	1,163	622	1,786	920	2,706
Labour	2,597	2,429	5,027	2,867	7,894	2,684	10,578
Consultants	45	50	95	51	146	58	205
Total Expense	7,716	8,088	15,804	8,558	24,362	9,149	33,511
Net Operating Profit Before Tax	106	392	498	184	682	500	1,182
Non-Operating Items							
Profit on sale of disposal of assets	-	15	15	15	30	20	50
Net Profit Before Tax	106	407	513	199	712	520	1,232
Tax	27	102	128	50	178	130	308
Net Profit After Tax	80	305	385	149	534	390	924
Net Profit - Retained Earnings	80	305	385	149	534	390	924
Retained Earnings - Opening Balance	73,872	73,952	73,872	74,257	73,872	74,406	73,872
Retained Earnings - Closing Balance	73,952	74,257	74,257	74,406	74,406	74,796	74,796

Table A3 – Balance Sheet

Balance Sheet \$'000	2024-25 Forecast	2025-26	2026-27	2027-28	2028-29	2029-30
Current Assets						
Cash & Cash Equivalents	4,893	2,655	3,568	2,498	3,670	2,481
Receivables	5,734	6,024	6,017	6,432	6,516	6,932
Inventories	827	839	852	865	878	892
Prepayments	242	242	248	255	261	268
Total Current Assets	11,697	9,761	10,685	10,049	11,326	10,574
Non-current assets						
Property Plant & Equipment	343,213	379,386	393,385	408,945	432,173	442,457
Less Accum Depreciation	(11,557)	(3,120)	(12,493)	(22,147)	(4,723)	(15,064)
PP&E at WDV	331,656	376,266	380,892	386,798	427,451	427,392
Work In Progress	16,292	11,035	7,648	3,777	3,324	7,308
Intangibles	2,345	2,379	2,446	2,552	2,701	2,894
Receivables	44	44	44	44	44	44
Total Non-current Assets	350,338	389,724	391,031	393,170	433,520	437,639
Total Assets	362,035	399,485	401,715	403,220	444,847	448,213
Current Liabilities						
Borrowings	1,190	1,250	1,000	1,250	1,250	1,250
Employee Benefits	2,438	2,511	2,586	2,664	2,744	2,826
Payables	1,980	2,034	1,981	1,939	2,146	2,360
Unearned Income	3,632	3,780	3,682	4,091	4,063	4,432
Other	50	50	50	50	50	50
Total Current Liabilities	9,290	9,626	9,299	9,995	10,253	10,919
Non-current Liabilities						
Borrowings	16,200	18,950	20,950	20,700	21,450	22,200
Employee Benefits	248	256	263	271	279	288
Deferred Tax Liability	59,216	67,647	67,594	67,755	77,746	77,995
Total Non-current Liabilities	75,664	86,853	88,807	88,726	99,476	100,483
Total Liabilities	84,954	96,479	98,106	98,721	109,729	111,402
Net Assets	277,081	303,006	303,609	304,498	335,118	336,811
Equity						
Retained Earnings	73,872	74,796	76,000	77,489	79,504	81,797
Asset Revaluation Reserve	152,486	178,087	178,087	178,087	207,292	207,292
Capital Repatriation - Efficiency Dividend	(600)	(1,200)	(1,800)	(2,400)	(3,000)	(3,600)
Contributed Capital	51,323	51,323	51,323	51,323	51,323	51,323
Total Equity	277,081	303,006	303,609	304,498	335,118	336,811

Note: Where current assets are less than current liabilities indicating a working capital deficiency this is not the case as current borrowings will be redrawn as they fall due therefore moved to non-current liabilities. Unearned income relates to billed revenue already received in advance due to the cyclical nature of the billing process.

Table A4 – Balance Sheet by Quarter 2025-26

Balance Sheet 2025-26 \$'000	Q 1	Q2	Q3	Q4
Current Assets				
Cash & Cash Equivalents	3,915	3,787	3,823	2,655
Receivables	5,478	6,093	6,207	6,024
Inventories	830	833	836	839
Prepayments	596	389	266	242
Total Current Assets	10,820	11,102	11,132	9,761
Non-current assets				
Property Plant & Equipment	343,213	347,372	354,541	379,386
Less Accum Depreciation	(13,761)	(15,982)	(18,225)	(3,120)
PP&E at WDV	329,453	331,390	336,316	376,266
Work In Progress	18,755	18,140	13,757	11,035
Intangibles	2,235	2,125	2,014	2,379
Receivables	44	44	44	44
Total Non-current Assets	350,487	351,699	352,131	389,724
Total Assets	361,307	362,801	363,264	399,485
Current Liabilities				
Borrowings	1,000	1,000	1,000	1,250
Employee Benefits	2,483	2,420	2,465	2,511
Payables	2,009	2,223	2,591	2,034
Unearned Income	3,412	3,756	3,605	3,780
Other	50	50	50	50
Total Current Liabilities	8,954	9,449	9,712	9,626
Non-current Liabilities				
Borrowings	15,700	16,700	16,700	18,950
Employee Benefits	250	252	254	256
Deferred Tax Liability	59,242	58,934	58,984	67,647
Total Non-current Liabilities	75,192	75,886	75,937	86,853
Total Liabilities	84,147	85,335	85,649	96,479
Net Assets	277,160	277,466	277,615	303,006
Equity				
Retained Earnings	73,952	74,257	74,406	74,796
Asset Revaluation Reserve	152,486	152,486	152,486	178,087
Capital Repatriation - Efficiency Dividend	(600)	(600)	(600)	(1,200)
Contributed Capital	51,323	51,323	51,323	51,323
Total Equity	277,160	277,466	277,615	303,006

Note: Where current assets are less than current liabilities indicating a working capital deficiency, this is not the case as current borrowings will be redrawn as they fall due therefore moved to non-current liabilities. Unearned income relates to billed revenue already received in advance due to the cyclical nature of the billing process.

Table A5 – Cash Flow Statement

Cash Flow Statement \$'000	2024-25 Forecast	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget
Cash Flows from Operating Activities						
Receipts from service and usage charges	28,062	28,998	30,666	32,220	33,831	35,418
Receipts from developer contributions	880	1,142	1,065	1,114	1,148	1,186
Refund from ATO	2,037	2,166	1,973	2,039	2,040	2,313
Interest received	80	137	102	125	114	124
Other cash receipts (Melbourne Water)	2,328	2,315	2,335	2,357	2,380	2,403
Payments to suppliers and employees	(23,681)	(24,699)	(25,033)	(25,739)	(26,075)	(27,257)
Interest paid	(324)	(542)	(734)	(843)	(877)	(922)
FAL Paid	(73)	(90)	(93)	(95)	(98)	(101)
Income tax payments	(410)	(455)	(335)	(416)	(516)	(682)
Environmental contributions	(1,206)	(1,206)	(1,206)	(1,206)	(1,326)	(1,326)
Other cash payments (Capital repatriation)	(600)	(600)	(600)	(600)	(600)	(600)
Net Cash from Operating Activities	7,092	7,166	8,141	8,957	10,020	10,557
Cash Flows from Investing Activities						
Payments for Property, Plant & Equipment	(12,494)	(12,369)	(9,133)	(10,182)	(9,753)	(12,651)
Proceeds from Sale of Property, Plant & Equipment	92	155	155	155	155	155
Net Cash from / (Used in) Investing Activities	(12,402)	(12,214)	(8,978)	(10,027)	(9,598)	(12,496)
Cash Flows from Financing Activities						
Proceeds from Borrowings	7,500	4,000	3,000	1,000	2,000	2,000
Repayment of Borrowings	(1,250)	(1,190)	(1,250)	(1,000)	(1,250)	(1,250)
Net Cash from Financing Activities	6,250	2,810	1,750	-	750	750
Net Increase (Decrease) For Year	939	(2,238)	913	(1,070)	1,172	(1,189)
Opening Cash Balance	3,954	4,893	2,655	3,568	2,498	3,670
Closing Cash Balance	4,893	2,655	3,568	2,498	3,670	2,481

Table A6 – Cash Flow Statement by Quarter for 2025-26

Cash Flow 2025-26 \$'000	Q1 Period	Q2 Period	Q3 Period	Q4 Period	2025-26 Budget
Cash Flows from Operating Activities					
Receipts from service and usage charges	6,732	6,812	7,552	7,902	28,998
Receipts from developer contributions	290	286	286	281	1,142
Refund from ATO	509	509	523	625	2,166
Interest received	44	35	38	21	137
Other cash receipts (Melbourne Water)	761	875	319	359	2,315
Payments to suppliers and employees	(5,966)	(5,695)	(5,675)	(7,363)	(24,699)
Interest paid	(12)	(218)	(13)	(299)	(542)
FAL Paid	(22)	(22)	(23)	(23)	(90)
Income tax payments	(206)	(78)	(86)	(85)	(455)
Environmental contributions	-	(402)	(402)	(402)	(1,206)
Other cash payments (Capital repatriation)	-	-	-	(600)	(600)
Net Cash from Operating Activities	2,130	2,102	2,519	415	7,166
Cash Flows from Investing Activities					
Payments for Property, Plant & Equipment	(2,418)	(3,281)	(2,533)	(4,137)	(12,369)
Proceeds from Sale of Property, Plant & Equipment	-	50	50	55	155
Net Cash used in Investing Activities	(2,418)	(3,231)	(2,483)	(4,082)	(12,214)
Cash Flows from Financing Activities					
Proceeds from Borrowings	-	1,000	-	3,000	4,000
Repayment of Borrowings	(690)	-	-	(500)	(1,190)
Net Cash from Financing Activities	(690)	1,000	-	2,500	2,810
Net Increase (Decrease) For Year	(978)	(129)	36	(1,168)	(2,238)
Opening Cash Balance	4,893	3,915	3,787	3,823	4,893
Closing Cash Balance	3,915	3,787	3,823	2,655	2,655

Appendix B – 2025-26 Performance Report

Table B1 – Financial Performance

Financial Performance Indicators		2023-24 Actual	2024-25 Projected	2025-26 Projected	2026-27 Projected	2027-28 Projected	2028-29 Projected	2029-30 Projected
7.1.2.001	Cash Interest Cover Net operating cash flows before net interest and tax / net interest payments (times)	65.3	23.3	15.5	12.2	12.0	12.6	12.7
7.1.2.006	Gearing Ratio Total debt (including finance leases) / total assets * 100 (%)	3.1%	4.8%	5.1%	5.5%	5.4%	5.1%	5.2%
7.1.2.011	Internal Financing Ratio Net operating cash flows less dividends / net capital expenditure * 100 (%)	107.4%	57.2%	58.7%	90.7%	89.3%	104.4%	84.5%
7.1.2.016	Current Ratio Current assets / current liabilities (excluding long term employee provisions and revenue in advance) (%)	143.0%	206.7%	167.0%	190.2%	170.2%	183.0%	163.0%
7.1.2.021	Return on Assets Earnings before net interest and tax / average assets * 100 (%)	0.40%	0.48%	0.47%	0.58%	0.70%	0.83%	0.89%
7.1.2.026	Return on Equity Net profit after tax / average total equity * 100 (%)	0.40%	0.40%	0.32%	0.40%	0.49%	0.63%	0.68%
7.1.2.031	EBITDA Margin Earnings before interest, tax, depreciation and amortisation / total revenue * 100 (%)	31.2%	33.3%	32.6%	33.8%	34.5%	35.5%	36.2%

Table B2 – Operational Performance

Reporting on operational performance relating to urban water and sewerage network availability

Water and Sewerage Network Reliability Indicators		2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Target	2025-26 Target
7.1.3.001	Water Service – minutes off supply (planned and unplanned) How many minutes on average a customer was without water supply during a year (minutes)	30.6	126.5	93.67	140.31	<116	<116
7.1.3.006	Unplanned water supply interruptions* Percentage of customers receiving more than 1 unplanned interruptions in the year (%)	2.4%	1.4%	0.6%	0.96%	<6.0%	<6.0%
7.1.3.011	Sewerage Service – sewer blockages Number of sewer blockages reported per 100 kilometres of sewer main (number)	5.4	5.4	4.32	3.48	<6	<6
7.1.3.016	Sewerage Service – sewer spills number of sewer spills reported per 100 kilometres of sewer main (number)	1.8	3.1	4.07	2.23	<2.74	<2.74
7.1.3.021	Sewerage Service – containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours (%)	100%	100%	91%	100%	100%	100%

*The measurement used to calculate has varied over time which explains the large variations in previous year actuals.

Water Reuse Indicators		2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Target	2025-26 Target
7.1.3.046	Recycled water – effluent treatment and reuse Proportion of water recycled as a percentage of the volume of effluent produced (%)	7%	17.9%	18%	19.67%	16.6%	16.6%

Notes: Customer responsiveness indicators have been relocated to **LoE2: Customer and Community Outcomes**. This includes several customers on flexible payment plans; awarded hardship grants; water quality complaints; payment issue complaints and total complaints.

Appendix C– Capital Expenditure

Table C1 – PS23 Capital Program 2023-28

Project Name	PS23 Year 1 Revised Budget 2023-24	PS23 Year 2 Budget for 2024-25*	PS23 Year 3 Budget for 2025-26	PS23 Year 4 Budget for 2026-27	PS23 Year 5 Budget for 2027-28	Total PS23 2023-28
Bio-gas waste to energy	165,738	-	-	-	-	165,738
Renewable energy generation	-	98,100	1,683,860	-	-	1,781,960
Treatment plant energy efficiency	77,744	73,767	-	160,000	-	311,511
Sustainable reuse and afforestation	83,514	151,793	820,000	300,000	-	1,355,307
Information and communications technology road map	202,755	149,011	480,000	327,939	488,893	1,648,598
Odour & corrosion mitigation program - pricing submission 23	10,130	18,000	105,000	421,242	45,000	599,372
Minor compliance projects	77,639	40,000	130,000	80,000	86,533	414,172
OH&S compliance program - pricing submission 2023	16,303	15,000	75,000	75,000	102,736	284,039
Compliance Total	633,823	545,671	3,293,860	1,364,181	723,162	6,560,697
Recycled water wetland storage	72,806	750,000	550,000	3,662,625	-	5,035,431
Water quality improvement program - Stage 2	10,501	585,000	230,000	203,191	1,105,773	2,134,465
Wastewater systems future - pricing submission 23	223,808	1,085,131	241,290	155,000	-	1,705,229
Cowes Wastewater Treatment Plant - master plan upgrades - stage 3	47,044	161,498	280,000	165,000	4,681,731	5,335,273
King Road Wastewater Treatment Plant effluent pump station upgrade	189,094	274,510	150,000	-	-	613,604
Recycled water improvement program	-	30,000	90,000	317,773	-	437,773
King Road Master Plan Stage 2	182,035	-	-	100,000	271,775	553,810
Growth Total	725,288	2,886,139	1,541,290	4,603,589	6,059,279	15,815,585
Building asset management plan - pricing submission 23	67,359	272,550	110,000	-	-	449,909
Plant improvement program - pricing submission 23	-	440,000	377,829	-	-	817,829
Water distribution and storage improvement	277,817	43,464	56,000	425,136	461,283	1,263,700
Sewerage pump station improvement program	5,402	170,000	22,000	-	108,981	306,383
Improved Services Total	350,578	926,014	565,829	425,136	570,264	2,837,821
Asset management information system upgrade	124,363	158,993	1,440,000	-	-	1,723,356
San Remo to Newhaven bridge pipeline and fittings renewal project - stage 2	2,208,322	3,123,810	-	-	-	5,332,132
Sewerage pump station civil, mechanical and electrical - pricing submission 23	625,722	424,505	700,000	535,000	406,235	2,691,462
Fleet and plant - renewal program - pricing submission 23	512,424	752,940	590,000	250,000	395,600	2,500,964
Water mains renewals - pricing submission 23	400,764	431,036	650,000	597,355	-	2,079,155
Cowes Wastewater Treatment Plant civil, mechanical and electrical - pricing submission 23	311,326	300,000	260,000	358,001	633,377	1,862,704
Sewer mains and junction renewals - pricing submission 23	255,779	315,000	290,000	275,000	251,217	1,386,996
Candowie & Ian Bartlett Water Purification Plant civil, mechanical and electrical - pricing submission 23	153,369	126,238	265,000	450,665	434,000	1,429,272
Information and communications - hardware and minor software renewals program	419,721	273,489	200,000	236,580	88,345	1,218,135
Water distribution civil, mechanical and electrical - pricing submission 23	182,941	580,810	27,000	147,190	10,058	947,999
Water meter and connections renewal program - pricing submission 23	243,109	75,000	240,000	245,000	59,521	862,630

Corporate improvement and renewals - pricing submission 23	73,370	143,285	150,000	135,000	156,715	658,370
King Road wastewater treatment plant civil, mechanical and electrical - pricing submission we	54,922	395,963	125,000	22,500	18,443	616,828
Minor storages civil, mechanical and electrical - pricing submission 23	16,103	40,000	25,000	90,000	86,792	257,895
Renewals Total	5,582,235	7,141,069	4,962,000	3,342,291	2,540,303	23,567,898
Total	7,291,924	11,498,893	10,362,979	9,735,197	9,893,008	48,782,001

Note: *Includes \$1.1M of unspent funds approved as carryover from PS1 and \$4.2M of unspent funds carried over from FY24.

Table C2 – Capital Program 2025-30

Project Name	PS23 Year 3 - Budget for 2025-26	PS23 Year 4 - Budget for 2026-27	PS23 Year 5 - Budget for 2027-28	PS28 Year 1 - Budget for 2028-29	PS28 Year 2 - Budget for 2029-30	Total 2025-30
Renewable energy generation	1,683,860	-	-	-	-	1,683,860
Treatment plant energy efficiency	-	160,000	-	-	-	160,000
Sustainable reuse and afforestation	820,000	300,000	-	110,000	113,850	1,343,850
Information and communications technology road map	480,000	327,939	488,893	-	-	1,296,832
Odour & corrosion mitigation program - pricing submission 23	105,000	421,242	45,000	-	-	571,242
Minor compliance projects	130,000	80,000	86,533	-	-	296,533
OH&S compliance program - pricing submission 2023	75,000	75,000	102,736	40,000	41,400	334,136
Compliance Total	3,293,860	1,364,181	723,162	150,000	155,250	5,686,453
Recycled water wetland storage	550,000	3,662,625	-	2,050,000	2,121,750	8,384,375
Water quality improvement program - Stage 2	230,000	203,191	1,105,773	1,000,000	1,035,000	3,573,964
Wastewater systems future - pricing submission 23	241,290	155,000	-	2,020,000	2,090,700	4,506,990
Cowes Wastewater Treatment Plant - master plan upgrades - stage 3	280,000	165,000	4,681,731	20,000	20,700	5,167,431
King Road Wastewater Treatment Plant effluent pump station upgrade	150,000	-	-	20,000	20,700	190,700
Recycled water improvement program	90,000	317,773	-	-	-	407,773
King Road Master Plan Stage 2	-	100,000	271,775	-	-	371,775
Growth Total	1,541,290	4,603,589	6,059,279	5,110,000	5,288,850	22,603,008
Building asset management plan - pricing submission 23	110,000	-	-	-	-	110,000
Plant improvement program - pricing submission 23	377,829	-	-	-	-	377,829
Water distribution and storage improvement	56,000	425,136	461,283	40,000	41,400	1,023,819
Sewerage pump station improvement program	22,000	-	108,981	110,000	113,850	354,831
Improved Services Total	565,829	425,136	570,264	150,000	155,250	1,866,479
Asset management information system upgrade	1,440,000	-	-	-	-	1,440,000
Sewerage pump station civil, mechanical and electrical - pricing submission 23	700,000	535,000	406,235	-	-	1,641,235
Fleet and plant - renewal program - pricing submission 23	590,000	250,000	395,600	330,000	341,550	1,907,150
Water mains renewals - pricing submission 23	650,000	597,355	-	3,000,000	3,105,000	7,352,355
Cowes Wastewater Treatment Plant civil, mechanical and electrical - pricing submission 23	260,000	358,001	633,377	80,000	82,800	1,414,178
Sewer mains and junction renewals - pricing submission 23	290,000	275,000	251,217	290,000	300,150	1,406,367
Candowie & Ian Bartlett Water Purification Plant civil, mechanical and electrical - pricing submission 23	265,000	450,665	434,000	130,000	134,550	1,414,215
Information and communications - hardware and minor software renewals program	200,000	236,580	88,345	-	-	524,925
Water distribution civil, mechanical and electrical - pricing submission 23	27,000	147,190	10,058	-	-	184,248
Water meter and connections renewal program - pricing submission 23	240,000	245,000	59,521	-	-	544,521
Corporate improvement and renewals - pricing submission 23	150,000	135,000	156,715	-	-	441,715
King Road wastewater treatment plant civil, mechanical and electrical - pricing submission 23	125,000	22,500	18,443	-	-	165,943
Minor storages civil, mechanical and electrical - pricing submission 23	25,000	90,000	86,792	-	-	201,792
Renewals Total	4,962,000	3,342,291	2,540,303	3,830,000	3,964,050	18,638,644
Total	10,362,979	9,735,197	9,893,008	9,240,000	9,563,400	48,794,584

Note: Total PS28 Year 1 & 2 indicative budget is subject to ESC approved PS28 submission therefore only projects that are continuing from PS23 have been displayed.

Appendix D – Variance to PS23

Table D1 – Fixed Service Charge Revenue PS23 2023-28

Fixed Service Charge Revenue \$'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.6	2.4*	2.4	2.4	
Total Fixed Service Charge Revenue as per PS23	22,123	23,267	24,343	25,414	26,539	121,685
Total Fixed Service Charge Revenue as per Corporate Plan	22,019	23,166	24,660	25,799	26,793	122,437
Variance \$	(104)	(101)	317	385	254	752

Table D2 – Metered Usage Revenue PS23 2023-28

Metered Usage Revenue \$'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.6	2.4*	2.4	2.4	
Total Metered Usage Revenue as per PS23	5,484	5,767	6,031	6,299	6,579	30,159
Total Metered Usage Revenue as per Corporate Plan	4,337	5,598	6,012	6,588	6,988	29,523
Variance \$	(1,147)	(169)	(19)	289	409	(636)

Table D3 – Average Customer Bill PS23 2023-28

Average Customer Bill	2023-24	2024-25	2025-26	2026-27	2027-28
CPI%	7	3.6	2.4*	2.4	2.4
Average Customer Bill per PS23	1,316.63	1,365.68	1,394.01	1,427.47	1,461.73
Average Customer Bill as per Corporate Plan	1,316.63	1,365.68	1,394.01	1,427.47	1,461.73
Variance \$	-	-	-	-	-

Note: *The Tariff Schedule for 2025-26 and subsequent years above have been calculated using a CPI increase of 2.4 per cent as confirmed by WPW's economic regulator, the Essential Services Commission through the annual tariff approval process. Tariffs include further adjustments for Melbourne Water Bulk Charges and cost of debt as per Schedule 5 of PS23 as confirmed by ESC in June 2025.

Table D4 – Development Revenue PS23 2023-28

Development Revenue \$'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.6	2.4	2.4	2.4	
Total Development Revenue as per PS23	3,033	3,087	3,130	3,031	3,069	15,349
Total Development Revenue as per Corporate Plan	3,565	3,085	3,145	3,060	3,114	15,969
Variance \$	532	(2)	15	29	45	620

Table D5 – Net Profit After Tax (NPAT) PS23 2023-28

NPAT \$'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.6	2.4	2.4	2.4	
Total NPAT per PS23	2,307	2,412	2,845	2,826	3,238	13,628
Total NPAT as per Corporate Plan	1,004	1,029	924	1,204	1,489	5,650
Variance \$	(1,303)	(1,383)	(1,921)	(1,622)	(1,749)	(7,978)

Table D6 – Capital Program PS23 2023-28

Capital \$'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%*	7	3.6	3.5	3.5	3.5	
Total Capital Budget per PS23	11,735	8,887	10,034	11,265	5,753	47,674
Total Capital Budget as per Corporate Plan *including PS18 \$1.1M carryover	12,546	10,039	9,338	11,191	5,669	48,782
Actual & forecast expenditure	7,292	11,499	10,363	9,735	9,893	48,782
Variance \$	5,254	(1,460)	(1,025)	1,456	(4,225)	-

Note: *CPI for 5 year capital program from Year 3 of PS23 remains at 3.5% as per ESC PS23 model.

Appendix E – Financial Sensitivity Analysis

The 2025-30 Corporate Plan is forecasting a Net Profit After Tax (NPAT) for 2026FY of \$0.924M. As noted above, this forecast result has been derived using several assumptions which could have a material impact on the financial outcome for 2025-26. A sensitivity analysis has been prepared to highlight the impact of the key variables on our forecast result.

Based on the sensitivity analysis, the NPAT result could range from a loss of \$1M to a profit of \$2.6M. The following tables provide the details of the key variables attributable to the potential movement in the profit result.

Variable	Sensitivity	Comments
Capital Revenue	50 per cent change in revenue (\$1.57M) - cash component - contributed assets	Revenue is subject to local and nationwide economic factors, beyond the control of Westernport Water. No sign of imminent loss of revenue. Capital revenue could be negatively affected by impacts on development due to the change in economic conditions. However, development could be positively impacted due to an increased transient population and increasing building costs.
Water Usage	A 5 per cent change in consumption will impact revenue by \$300k. *A 10 per cent change in consumption will impact revenue by \$601k. *A 20 per cent change in consumption will impact revenue by \$1.2M. *A 50 per cent change in consumption will impact revenue by \$3M.	Customer water consumption is subject to seasonal conditions over peak periods. Water usage consumption could be adversely affected by external economic conditions that may impact the local tourism industry.
Electricity	A 10 per cent change in usage will impact expenditure by \$80k.	A wet winter/spring period is a causal factor in increased electricity usage and lower solar rebates. New contracts and uncertain pricing through the upcoming introduction of the SEC and emission reduction targets may impact costs however, operational efficiencies and alternate power purchasing agreements will be sought to mitigate this risk.
Employee Costs	A 3 per cent decrease in vacancy rate will result in a \$317k increase in employee costs.	The 2025-26 budget includes a vacancy rate of 3 per cent which is less than current trends, however is in line with PS23 assumptions.
Service Charges	A 10 per cent change in service charges received will impact cash revenue by \$2.47M *A 20 per cent change in service charges received will impact revenue by \$4.93M *A 50 per cent change in service charges received will impact revenue by \$12.3M	Service charge revenue is fixed however cash flow could be negatively affected by the current economic conditions, particularly the inability of customers to pay. Delays in payment could have a negative impact to cash flow which could also result in increased borrowings and related interest charges.

**alternate scenarios*

Each risk has been assessed in terms of the consequence on the business should the risk emerge, and the potential likelihood that the risk may emerge. The risk rating score for each risk is considered moderate for the business. The table below shows the risk rating scores. Due to the fixed nature and application of service charges, this is not currently considered a risk in the profit sensitivity assumptions however it is a consideration for cash flow forecasts as noted above.

Variable	Sensitivity	Comments	Risk
Capital Revenue			
- Cash	Moderate (\$100k to \$500k loss)	Possible (once every 5 years)	Moderate
- Contributed Assets	Moderate (\$100k to \$500k loss)	Possible (once every 5 years)	Moderate
Water Usage	Moderate (\$100k to \$500k loss)	Possible (once every 5 years)	Moderate
Electricity	Minor (less than \$100k loss)	Possible (once every 5 years)	Moderate
Employee Costs	Moderate (\$100k to \$500k loss)	Possible (once every 5 years)	Moderate

Profit Sensitivity – Down Side Assumption

If all the downside risks were to occur the forecast NPAT result would decline to a loss of \$1M. It is unlikely that all risks would arise simultaneously and at their respective maximum points of impact. In addition, the drivers behind each risk are different, which do not create direct links between each risk, such that if one risk were to arise it would not necessarily imply the other risks would emerge.

The table below provides the details on the forecast result on before and after tax basis.

Profit & loss \$'000	2025-26 budget	Capital revenue	Water usage	Electricity	Employee Costs	Net result
Total Revenue	34,693	-	-	-	-	34,693
Revenue Adjustment	50*	(1,573)	(300)	-	-	(1,823)
Total Opex	(33,511)	-	-	-	-	(33,511)
Opex Adjustment	-	-	-	(80)	(317)	(397)
NPBT	1,232	-	-	-	-	(1,038)
Tax	308	-	-	-	-	-
NPAT	924	-	-	-	-	(1,038)

*Revenue from profit on sale of disposal of assets.

Profit Sensitivity – Up Side Assumption

The same business risks have the potential to generate an upside result for the corporation. As with the downside risk above the business drivers for each risk are different so it would be unlikely the NPAT would increase from \$0.924 to \$2.6M during 2025-26.

The table below provides the detail on how the profit upside may eventuate if all upside scenarios occurred.

Profit & loss \$'000	2025-26 budget	Capital revenue	Water usage	Electricity	Employee Costs	Net result
Total Revenue	34,693	-	-	-	-	34,693
Revenue Adjustment	50*	1,573	300	-	-	1,923
Total Opex	(33,511)	-	-	-	-	(33,511)
Opex Adjustment	-	-	-	80	317	397
NPBT	1,232	-	-	-	-	3,502
Tax	308	-	-	-	-	876
NPAT	924	-	-	-	-	2,627

*Revenue from profit on sale of disposal of assets.