



Annual Report

2025



WESTERNPORT
WATER

Table of contents

1. Year in review	3
Responsible Body's Disclosure	2
Managing Director's report	3
Our purpose and functions	6
Responsible Minister	7
2. Key projects and initiatives	10
3. Financial summary	16
4. Governance and organisational structure	18
5. Leadership, diversity and culture	23
Health and safety	26
Workforce data collections	31
6. Resilient and liveable cities and towns	35
7. Compliance and enforcement	42
8. Customer, community and engagement	44
9. Recognising Aboriginal values	54
10. Recognise recreational values	60
11. Climate change and energy	63
12. Other disclosures	73
13. Other statutory obligations	81
14. Performance and Financial Management	84
15. Certification of Performance Report	86
16. Independent Auditor's Report	87
17. Financial management statements	89
18. Financial Management Compliance Attestation	130
19. Statutory Certification	131
20. Auditor General's Report	132
21. Appendices	
Appendix 1 – Disclosure index	134
Appendix 2 – Customer commitments	136
Appendix 3 – Glossary	141

Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present Westernport Water's Annual Report for the year ending 30 June 2025.



Annabelle Roxon
Chair
Westernport Water
30 September 2025



Acknowledgement of Country

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

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

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

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

Cover image: Island and San Remo by Tommy Williams.

1. Year in review

Managing Director's report

I am pleased to present Westernport Water's Annual Report for 2024–25, reinforcing our commitment to a future where customer value, climate resilience, environmental protection, and a thriving workforce are central to everything we do.

Financials

Our financial position is healthy and strong, with a modest net profit after tax surplus of \$98,000 recorded, with only a small amount of debt compared to our overall resources. We're keeping our debt levels low, preparing for future years when we'll need funding for more capital projects to support growth in our region. By maintaining a strong financial position, we've been able to borrow money at lower interest rates, which helps us save on borrowing costs.

We are finding innovative ways to reduce costs while ensuring that the expectations of our regulators, staff and customers are met. We will continue to collaborate with the broader water sector and the Gippsland Regional Water Alliance. We commenced the delivery of the Work Smart Action Plan, implementing a range of staff-nominated initiatives focused on process and reporting improvements, as well as small-scale technology upgrades.

Putting customers first

We continued to listen to, learn from, and support our customers. Our Customer Assessment Panel played a pivotal role in evaluating our performance from the community's perspective. Our Annual Watermark publication outlines our performance against customer outcomes and included the panel's commentary on our performance. This is sent to all customers and is available on our website.

We continue to enjoy strong community trust, with customer satisfaction in our water and wastewater services at an all-time high. Customer insights from our annual Customer Satisfaction Survey guide our investment in products and services, ensuring safe and great-tasting water for our growing region. Ongoing investment in improving the quality of water over recent years has continued with a targeted focus on our distribution system. Customer satisfaction with drinking water increased to 74 percent against a target of 68 percent.

Our key message to our customers who are having payment difficulties, is to reach out to us, with our customer assistance programs focusing on tailored solutions, including payment flexibility. We remain focused on helping customers with paperwork and applications for other government concessions that might be available to them. In 2024-25, we facilitated \$1.19M of financial assistance via concession rebates, utility relief grants, high usage leak allowances and hardship grants. We have also taken action to support our farming community.

Planning for the Future

We are dedicated to serving our community and customers now, and for generations to come. Over ten years ago we invested in doubling the capacity of Candowie Reservoir, negotiated water entitlements to Bass River and the Corinella aquifer, and constructed a connection to the Greater Yarra Thompson System, giving us access to the Melbourne water supply system, which includes water from the Wonthaggi Desalination Plant when it is operating. Access to the Greater Yarra Thomson System over the past 12 months has enabled us to focus on the security of our overall water supply. An update to our Urban Water Strategy in 2027 will focus on the long-term security of our water supply and drought response.



Upgrades to the Rhyll Sewer Pump Station to ensure continuous operation in any weather

Reliable infrastructure and technology underpin our ability to serve our community. Over the last 12 months, we have completed our masterplan for our Cowes Wastewater Treatment Plant, finished the San Remo / Newhaven Bridge Pipeline and Fitting Renewal Project, developed a new ICT strategy and ICT improvement plan, and began work on the Asset Management Information System Upgrade Project. Our asset planning and capital works continued to be delivered with a focus on efficiency, sustainability, and value for money. In the year ahead, we will commence the development of our 2050 Strategy, creating a 25-year outlook to further guide our long-term decision-making as we plan for the future.



Senior Technical Officers assessing new developments

Safe and better for working here

Delivering essential services requires great people. This year, we developed our first holistic People Strategy to ensure that our people are safe and better for working at Westernport Water. It's comprised of four focus areas: safety and wellbeing; inclusion; attraction and retention; and being future ready. The People Strategy, which will run for three years, will focus on what matters in our business, with emphasis on Westernport Water's values of care, courage and commitment.

Driving climate resilience and liveability

We made strong progress under our Climate Change Strategy 2023-28, advancing a range of initiatives that support both climate resilience and community liveability. Investments in energy efficiency projects helped reduce our operational emissions, while our Floating Wetland Pilot continued to attract interest across the sector, reinforcing our leadership in nature-based solutions. Learnings from this two-year research project are informing the design of our recycled water wetland at our King Road Wastewater Treatment Plant (stage 1), for which we were successful in receiving \$2.4M in Federal Government funding (total stage 1 project cost estimate \$6.46M), with construction due to begin in July 2026.

We also continued to engage the community through awareness campaigns promoting Permanent Water Saving Rules, supporting responsible water use year-round. Alongside the ongoing implementation of our Water Supply Demand Strategy, these efforts are helping us adapt to a changing climate, safeguard future water security, and meet our emissions reduction targets. Together, these actions reflect our commitment to environmental stewardship and delivering long-term value for our customers and community.

Reconciliation and engagement

We deepened our partnership with Traditional Owners through the implementation of our second Innovate Reconciliation Action Plan, led local activities through the Bass Coast Reconciliation Network, and supported the establishment of Barrithbarrith, a Gathering Place on the Bass Coast envisioned as a space for cultural learning, connection, and healing for Aboriginal and Torres Strait Islander peoples and the broader community.

Looking ahead

As we look to 2025–26, we remain focused on advancing the outcomes of our Corporate Plan with care, courage and commitment. We are planning for the future needs of our growing community while making every decision with sustainability and equity in mind. Our dedicated team, strong partnerships, and unwavering commitment to delivering public value, ensure that we are well positioned to meet the challenges ahead. Thank you to our staff, Board, customers, partners and Traditional Owners for your continued guidance and support. Together, we are building a future where water connects people, place and prosperity.

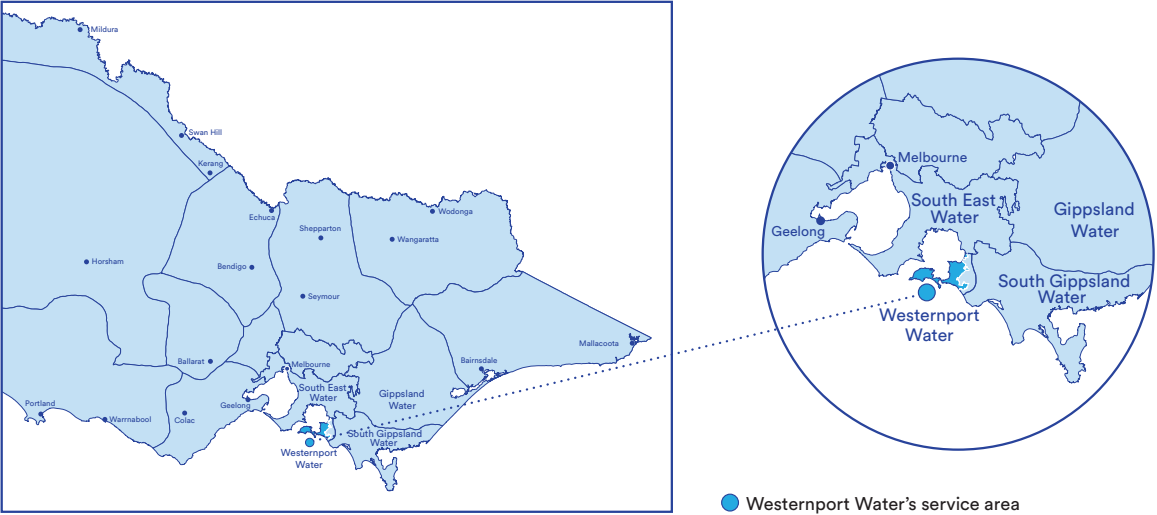
Dona Tantirimudalige

Managing Director, Westernport Water

30 September 2025

Figure 1.1: Westernport Water Area Map

Victoria Urban Water Corporations



Assets key

Water	Wastewater
Corporate	Recycled water





Purpose and functions

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

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

Westernport Water is one of 18 water corporations operating and reporting to the State Government of Victoria. We are responsible for servicing 23,688 customers from 27 townships across an area covering 300 square kilometres, including Millowl (Phillip Island) and mainland communities from The Gurdies in the north, to Archies Creek in the southeast.

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

We source 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 (KRWWTP). Effluent collected from the townships of Kilcunda and Dalyston is treated under an agreement with South Gippsland Water at its Wonthaggi Wastewater Treatment Plant. There are ninety-nine pump stations across the wastewater network that are used to service approximately 90 percent of properties that receive drinking water.

Westernport Water offers a range of valuable services to its customers. These include the delivery of Class-A recycled water in specific areas of Phillip Island for various purposes, such as residential, recreational, commercial, and agricultural use. Additionally, the organisation 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.

Manner of establishment

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

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

Responsible Ministers

Westernport Water is established under the *Water Act 1989*. During the 2024–25 reporting period, the responsible Ministers for Water were:

- the Hon. Harriet Shing MP from 1 July 2024 to 18 December 2024
- the Hon. Gayle Tierney MP from 19 December 2024 to 30 June 2025.

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

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

The LoE was issued to Westernport Water by the Hon Harriet Shing MP, the former Victorian Minister for Water, on 11 April 2024 by section 247 of the *Water Act 1989*. The LoE outlines the Victorian Government's priority policy areas for the water sector and water corporations. Westernport Water must report on its progress towards meeting its obligations set out in its Corporate Plan and the following identified priority policy areas:

1. Climate Change and Energy (LOE1)
2. Customer, Community and Engagement (LOE2)
3. Recognising Aboriginal Values (LOE3)
4. Recognise Recreational Values (LOE4)
5. Resilient and Liveable Cities and Towns (LOE5)
6. Leadership, Diversity and Culture (LOE6)
7. Performance and Financial Management (LOE7)
8. Compliance and Enforcement (LOE8).

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

The Environment Protection Authority Victoria (EPA Victoria) and the Victorian Department of Health (DoH) are responsible for overseeing the quality of our recycled water and drinking water, respectively.

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

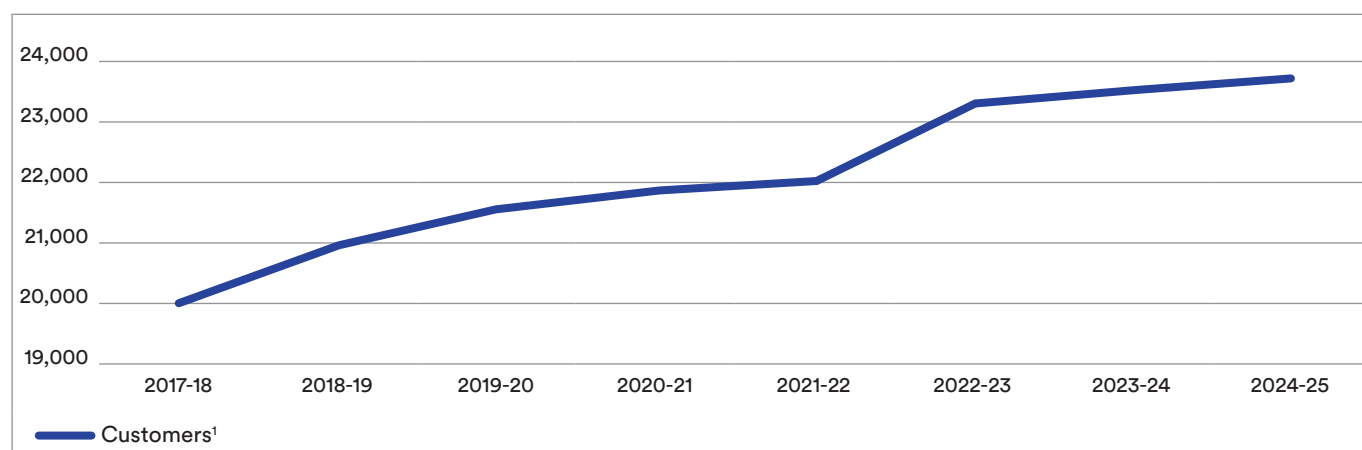
This report of operations presents the progress made by Westernport Water towards achieving its objectives and commitments to customers and includes full-year performance of the outputs for which Westernport Water was responsible at the end of the financial year 30 June 2025.

Table 1.1: Water sources available to Westernport Water

Source	Volume available ML	Water taken ML	Type
Tennent Creek	2,911	1,192	Surface water
Melbourne Supply System	1,000	1,432	Melbourne Supply System ¹
Bass River	3,000	0	Surface water
Corinella Aquifer	490	0	Groundwater
Total (ML)	7,401	2,624	

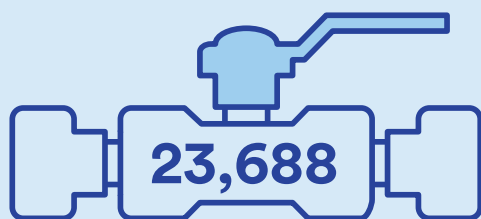
Note

1. Unused water allocation from the Melbourne Supply System, otherwise known as the Greater Yarra Thompson System, from previous years is carried over. The 1,432 ML taken from the Melbourne Supply System reflects the use of 493 ML of carry-over entitlement. The additional use of the Melbourne Supply System in 2024-25 reflects the unusually dry year and our strategy to maintain Candowie Reservoir capacity above 40 percent.

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

1. Customer growth remains consistent with the previous year, with an increase of 180 customers during 2024-25.

A Snapshot of our customers and network assets



total customers

Connected customers:

water = **18,744**

sewer = **17,285**

recycled water = **1,151**



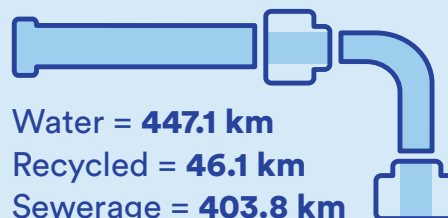
1,410

domestic renters

164

non-domestic renters

Length of pipes



Water = **447.1 km**

Recycled = **46.1 km**

Sewerage = **403.8 km**



Annual customer
demand **2,623ML**

Average annual
household drinking
water consumption

95kL



Average annual residential bill



Owner occupier

\$1,383

Tenant/renter

\$233

2. Key initiatives and projects

Since 1 July 2024, Westernport Water has developed and commenced programs and initiatives in line with our 2024-29 Corporate Plan, to deliver efficient and effective water and wastewater products and services. These programs also contribute towards meeting the Minister's Letter of Expectations and Statement of Obligations.

We deliver value to our customers

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

Corporate objectives

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

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

The Water Quality Continuous Improvement Plan has continued to support enhancements to both raw and treated water quality. This financial year, efforts were focused on strengthening the performance of the distribution system. Key initiatives included the completion of the Distribution System Master Plan, which will help forecast future growth and inform water quality improvements across the network. This will enable process optimisation and guide targeted investment in distribution system enhancements.

Work also commenced to explore options for an improved water quality information system capable of storing and analysing both water and wastewater quality data. In addition, our routine network flushing program continued, incorporating in-field testing of water quality parameters before and after flushing to better understand the performance of the reticulation system.



Providing reliable water services with upgrades to the Cowes Pressure Reduction Valve

New water quality analysers were purchased and commissioned at our four network dosing sites to confirm that drinking water quality remains high and compliant with regulatory requirements.

A total of \$573,100 was invested in these initiatives during the year. For the 2025–26 period, \$750,000 has been allocated to initiate the IBWPP master plan and to acquire a dedicated water quality database.

Review procurement practices to deliver social, environmental and economic benefits

This initiative aimed to identify opportunities to embed greater social, environmental, and economic value into our procurement activities. Key actions included a comprehensive review of our current procurement practices, policies, and internal training programs, as well as identifying opportunities to increase purchasing from social benefit suppliers which includes; Victorian businesses that are a certified social enterprise, a verified Aboriginal business (at least 50% Aboriginal and/or Torres Strait Islander-owned), or a business that provides employment supports or services under the *Disability Services and Inclusion Act 2023*. Following this review, we expect to see an increase in the use of social benefit suppliers through the introduction of new practices that drive broader economic value.

The review has directly informed updates to our procurement framework, ensuring alignment with the Victorian Government Purchasing Board (VGPB) policies, the Social Procurement Framework, and the Department of Treasury and Finance (DTF) Standing Directions for Public Construction.

The total cost of this initiative was limited to internal labour resources allocated across the planning, development, and delivery phases. No external consultants were engaged; however, the initiative required a significant investment of staff time.

Our people are safe and better for working here

First and foremost, our staff need to be safe when working for us. This includes physical and psychosocial safety, and applies everywhere our people work: whether that's at a treatment plant, on the road, walking around a pumping station or a neighbourhood reading meters, as well as in a corporate setting and working from home.

Corporate objectives

We want our staff to benefit from working with us, or, put another way, that all our people are better for working at Westernport Water. That's about fair remuneration, but it's more than pay alone. It includes learning and development, career progression, non-salary benefits, being part of a diverse and inclusive workforce, being connected to the community we serve, having fun and being engaged and satisfied in the work we do.

Develop and implement Westernport Water's People Strategy

This is Westernport Water's first People Strategy, developed to bring together existing and future strategies, ensuring an integrated approach to People, Culture & Safety activities for the benefit of all staff and Westernport Water.

This was achieved following:

- reviews of organisational needs
- consultation with the Board, Executive and employees
- approval by the Executive and Board.



Preparing our Fire Wardens for emergencies

The People Strategy encompasses projects and ongoing activities and is anticipated to be an iterative document that will evolve in response to Westernport Water's operational needs and external drivers.

The People Strategy was delivered using internal labour resources throughout the consultation, development and confirmation phases.

Commence Attraction and Retention Plan

The Attraction and Retention Plan forms part of the larger People Strategy and responds to the challenges of being a smaller organisation in a rural/regional setting, which requires people with the right skills and experience in key positions. It addresses strategic workforce planning, remuneration review and policy, recruitment enhancements and employee experience.

In 2024-25, the Plan involved a review of Westernport Water's job advertising templates, recruitment & selection processes and onboarding system improvements with an aim to simplify, reduce barriers, and improve the candidate experience.

A Transition to Retirement process, Reward & Recognition Framework and Leave Management process were developed and implemented, along with improvements to Learning & Development, Health & Wellbeing and HR system processes.

Changes to the Plan, uplifts and modifications were managed by internal subject matter experts researching and implementing process improvements. System upgrades and improvements were completed within existing annual system maintenance budgets.

Commence Work Smart Initiative to identify and progress efficiency measures

Westernport Water developed and commenced its Work Smart Action Plan to deliver improvements to drive customer value and create benefits in the workplace. Each initiative in the plan was selected from a broader list that was generated by staff across the business. Ideas were prioritised based on potential benefits and ease of implementation.

Three actions were completed throughout the year. Westernport Water transitioned its online collaboration platform to Microsoft Viva Engage, included in existing Microsoft licensing costs. Utility Relief Grant payment uploads were automated for customers, reducing workloads and delivering efficiencies. Lastly, secure online direct debit applications were launched, removing the need for paper forms and manual processing.

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

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

Corporate Objectives

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

Renew San Remo to Newhaven Bridge Pipeline and Fittings

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

The works involved the replacement/refurbishment of the existing pipe support brackets, as well as the refurbishment and wrapping of a 419mm diameter mild steel cement-lined potable water pipe in a protective coating. Refurbishing and replacing these items will extend the pipeline's life by another thirty years.



San Remo Bridge upgrades to pipes and fittings

This project was one of the highest-risk and highest-cost projects that Westernport Water has undertaken and involved a large number of stakeholders. During the reporting period, \$3.34M was invested to complete the project. The total project spend over multiple years was \$5.8M.

Develop new ICT Strategy 2025-28

Westernport Water's new ICT Strategy focuses on three key priority areas:

- enabling greater autonomy and flexibility by critically reviewing the role of external service providers
- uplifting our information management systems and processes
- improving our approach to data management and analysis.

These priorities support a more effective and efficient organisation, while managing our regulatory responsibilities and risks appropriately.

The new ICT Strategy 2025-28 includes the following key projects:

- testing the market for managed services
- implementing a new asset management information and work order management solution
- developing our first organisation-wide data management and governance plan
- creating a strategic ICT investment and renewal plan to inform the 2028-33 Price Submission.

The development of the ICT Strategy 2025-28 was delivered using internal resources and is now complete.

Deliver ICT Improvement Plan, including Data Security and Privacy Improvements 2024-25

As part of ongoing efforts to enhance ICT infrastructure, security, and operational resilience, a series of projects were successfully delivered during 2024-25. These focused on modernising device management, upgrading critical server infrastructure and improving network redundancy across key sites. Key deliverables were:

- **Microsoft Endpoint Manager Platform Implementation**

As part of strengthening our cybersecurity and device management capability, Westernport Water built and deployed the Microsoft Endpoint Manager platform, enabling Westernport Water to efficiently provide staff with managed, securely configured devices. The solution aligns with ASD Essential Eight Maturity Level 1 (ML1) cybersecurity controls and supports streamlined deployment of software and configurations to users, regardless of their location.

- **Operational Technology Infrastructure Upgrade**

We replaced and uplifted all end-of-life operational technology server infrastructure. Resilience improvements were achieved by relocating a member server from an existing high-availability pair to a separate physical location on the mainland. Additionally, a warm spare replica server was introduced to strengthen Westernport Water's business continuity capabilities.

- **Backup Satellite Internet Link Deployment**

Backup satellite internet links were implemented at all key sites to enhance the resilience of the corporate-wide area network (WAN), and ensure continued communication, particularly during prolonged power outage emergency events.

Upgrade Westernport Water's Asset Management Information System

The renewal of Westernport Water's Asset and Works Management Systems presents an opportunity to enhance efficiency in managing and recording asset data, as well as associated financial and technical information. This upgrade supports data-driven decision making and enables Westernport Water to optimise whole-of-lifecycle asset management.

During the year, over \$254,000 was invested in procurement phase activities of the project. Following an extensive open tender process, the contract for the system upgrade was awarded in June 2025. The selected system is scalable and well-suited to the size and structure of our organisation. The implementation is scheduled to commence in August 2025 and is expected to be completed within 12 months.

Develop a Compliance and Enforcement Framework

The Compliance and Enforcement Framework was developed to provide the foundation of a robust system to manage non-compliant customer behaviours and connections to our network as per the *Water Act 1989*.

The initiative focused on analysing Westernport Water's current profile of customer non-compliances and associated risks across areas such as backflow prevention, trade waste and illegal connections. During the year, information and data were collected from internal and external stakeholders to gain a holistic view of Westernport Water's risk profile. The delivery of the framework has provided Westernport Water with a deeper understanding of our business needs and supports strategic decision making on how we manage non-compliance into the future.

The project was made possible through existing internal resources.

We partner with our community

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

Corporate objectives

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

Implement Year Two of the Innovate Reconciliation Action Plan 2.0 2023-25

Westernport Water's Innovate RAP remains a strong commitment by our organisation, employees, and community to contribute to reconciliation in Australia. This is our third Reconciliation Action Plan (RAP), building on more than eight years of focused engagement with Traditional Owners, and Aboriginal and Torres Strait Islander peoples, including the successful delivery of two previous RAPs.



Westernport Water Staff at the 2025 Sorry Day event with Uncle Rob Ogden and Uncle Anthony Egan



Managing Director Dona Tantirimudalige with members of the Gippsland Regional Water Alliance

Throughout the reporting period, we closed out the majority of reconciliation actions. Of the 100 initiatives, 79 have been completed, 17 are in progress, and four are at risk of not being completed by the time the RAP concludes in October 2025. Key achievements in 2024–25 include strengthening relationships with the Bunurong Land Council, Barrithbarrith, and local Aboriginal suppliers, as well as delivering major events commemorating dates of significance in partnership with the Bass Coast Reconciliation Network members.

During the reporting period, \$14,744 was invested in delivering reconciliation and recognition outcomes and engaging with Traditional Owners whilst embedding reconciliation into every aspect of our business. Further information on reconciliation activities, achievements and cultural heritage activities can be found in section 10.

Collaborate with the Gippsland Regional Water Alliance

Westernport Water continued its ongoing partnership with other Gippsland Water Corporations as part of the Gippsland Regional Water Alliance, to improve the effectiveness of processes and programs. Throughout the year, staff collaborated with peers across various functional areas to compare approaches, realise efficiencies, and share challenges and solutions. Specific areas of collaboration have included customer perception surveys, graduate recruitment, procurement practices and ICT services and support.

We value and protect our natural environment

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

Corporate objectives

- Minimise environmental impacts.
- Mitigate and adapt to climate change.
- Protect and enhance our environment.
- Empower the community to use water in a sustainable manner.
- Plan for our future through strategic business planning.

Deliver Year Two of the Climate Change Strategy 2023-28

In 2024–25, we successfully delivered the second year of Westernport Water’s Climate Change Strategy, continuing our efforts to meet the requirements of the *Climate Change Act 2017* and the emission reduction commitments under the Statement of Obligations – Emissions Reduction 2022 (SoO-ER). Our actions this year contributed to ongoing progress toward the Whole of Government pledge for 100 percent renewable electricity from 2025–26, and our long-term emissions reduction targets of 90 percent by 2030 and net zero by 2035.

Key initiatives included planning for large-scale solar at Cowes Wastewater Treatment Plant, advancing the Virtual Energy Network pilot, continued participation in the Zero Emissions Water partnership, and progressing energy efficiency upgrades at our treatment plants. We also updated our Climate Change Adaptation Plan and pursued nature-based solutions through wetland initiatives. These activities are detailed further in Section 11 of this report.

The total investment in 2024–25 was \$184K, reflecting our commitment to integrating climate action into asset planning and infrastructure decisions. Looking ahead, we will focus on implementation, scaling renewable energy generation, and embedding climate resilience into operations as we work toward achieving our strategic emissions targets.



Floating Wetland project – National Water Week community tour

Floating Wetland Pilot Project at CWWTP – part of year two of the Integrated Water Management (IWM) Priorities

The pilot project delivered in collaboration with CSIRO, RMIT University Centre for Nature Positive Solutions, (formally Deakin University’s Blue Carbon Lab) and Covey Associates, explored the effectiveness of constructed floating wetlands in removing nutrients and reducing greenhouse gas emissions from treated wastewater.

In early 2025, the project concluded with findings indicating that the constructed floating wetland (CFW) had no significant impact on nutrient levels throughout the sampling period. Despite no reductions in nutrient levels, greenhouse gas emissions were, on average, 17 to 63 percent lower from the treatment channel than from the control channel. With the wetland plant roots providing ample surface area for microbes, these emission reductions likely resulted from increased greenhouse gas consumption rates in the treatment channel. However, more studies are needed to confirm this hypothesis. Observable emerging contaminant uptake was evident after one year.

The Floating Wetland Pilot Project, with a total investment of \$275,000, has provided valuable learnings on wetland establishment and maintenance requirements that will be considered during the design and tendering phase of the King Road Recycled Water and Wetland Storage Project. The CFW will remain in the wastewater lagoon for the foreseeable future. All sponsors and project partners are detailed on page 61.



3. Financial summary

Table 3.1 : Profit and loss five-year summary

Profit and loss – summary	2024-25 \$ 000	2023-24 \$ 000	2022-23 \$ 000	2021-22 \$ 000	2020-21 \$ 000
Core revenue	28,627	26,036	24,731	23,449	22,990
Developer contributions and gifted assets	2,115	3,369	2,455	2,296	3,688
Other revenue ¹	945	805	488	1,097	1,048
Total revenue²	31,687	30,210	27,674	26,842	27,726
Operating expenditure	13,839	12,543	11,833	11,644	10,798
Depreciation ³	9,529	8,045	7,727	7,308	6,749
Finance costs	348	265	264	255	238
Other	7,840	8,016	6,977	8,137	6,668
Total expenditure⁴	31,556	28,869	26,801	27,344	24,453
Net profit before tax	131	1,341	873	(502)	3,273

Notes

1. Other revenue is derived from non-service and non-usage revenue.
2. Total revenue includes net gain on disposal of assets so may differ from how Total Revenue is displayed in the Comprehensive Operating Statement.
3. Depreciation includes impairment and amortisation.
4. Total expenditure summary includes net finance costs so may differ from how Total Expenses is reported in the Comprehensive Operating Statement.

Net profit

The corporation recorded a net profit before tax of \$131,000 for the financial year. This planned favourable result will support the funding of future multi-year capital investments, as outlined in the ESC-approved Pricing Submission for 2023–28. Maintaining manageable debt levels continues to be a priority to ensure long-term financial sustainability, while delivering reliable and affordable water services. The organisation remains in a strong financial position, supported by stable cash flow and disciplined cost control throughout the year.

Revenue

Total revenue for the year reached \$31.687M. This includes a \$1.254M reduction in gifted asset revenue compared to the previous year, reflecting a slowdown in growth and development activity against annual budget expectations across the service area. The underlying tariffs were increased by CPI in line with the ESC approved guidelines of 3.6 percent. Service charge revenue performed below expected levels reflecting lower than expected customer connection growth compared to prior year.

Expenditure

Expenditure was closely monitored throughout the year, with a strong emphasis on delivering value for customers and the community through efficient operations and an increase in customer assistance in a challenging

economic climate. Depreciation levels remain in line with expectations, driven by a well-managed capital works program however, a 23 percent increase in asset revaluation required at 30 June 2024 increased the depreciation costs compared to prior year.

Due to changes in project timing, borrowings and associated interest expenses remained low.

Financial position – balance sheet

The balance sheet remains in a healthy and strong position, with a low gearing ratio of 4.3 percent as debt levels are being closely managed in anticipation of capital works funding required in future years to facilitate growth. The balance sheet reflects a high net asset position and low debt which is the result of favourable cash flows and lower borrowings than expected for the financial year.

Current liabilities

Current liabilities appear higher than current assets, which would normally indicate a working capital deficiency. However, a large portion of current liabilities relates to unearned income, which represents service revenue billed and received in advance due to the cyclical billing process. In addition, approval has been received from TCV for the refinancing of current borrowings.

Table 3.2 : Balance sheet summary

Balance Sheet – summary	2024-25 \$ 000	2023-24 \$ 000	2022-23 \$ 000	2021-22 \$ 000	2020-21 \$ 000
Current assets	9,755	10,077	8,923	6,781	5,485
Non-current assets	349,697	346,236	287,100	286,147	285,167
Total assets	359,452	356,313	296,023	292,928	290,652
Current liabilities	10,858	10,657	9,911	10,311	11,053
Non-current liabilities	71,843	69,003	53,660	52,667	51,009
Total liabilities	82,701	79,660	63,571	62,978	62,062
Net assets	276,751	276,653	232,452	229,950	228,590

Cash flows

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

Significant changes or factors affecting performance

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

Capital projects/asset investment programs

The capital program delivered \$11.5M in investment, fully achieving the annual budget for the year and completing year two of the 2023–28 ESC Pricing Submission initiatives. Details of key projects are provided later in the report.

Information on the new and existing capital projects for Westernport Water and the broader Victorian public sector is contained in the most recent Budget Paper No.4 State Capital Program (BP4). This is available on the Department of Treasury and Finance website at this link: <https://www.budget.vic.gov.au/budget-papers>. There were no capital projects completed during the 2024-25 financial year that had a total capital value more than \$10M.

Prior year adjustments

No prior year adjustments have been required for the 2024-25 accounts.

Disclosure of grants and transfer of payments

Two capital grants to the total value of \$285k were received during the 2024-25 financial year to assist with delivery of the King Road Floating Wetland Pilot Project and the Waste to Energy Project.

Subsequent events

There were no events occurring after the balance date that would significantly affect Westernport Water's reported financial position for 2024-25 financial year.

4. Governance and organisational structure

The Minister for Water

Westernport Water is established under the *Water Act 1989*. During the 2024–25 reporting period, the responsible Ministers for Water were:

- the Hon. Harriet Shing MP from 1 July 2024 to 18 December 2024
- the Hon. Gayle Tierney MP from 19 December 2024 to 30 June 2025.

Corporate governance

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

Executive Team

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

- Dona Tantirimudalige – Managing Director
- Gareth Kennedy – General Manager Corporate & Customer
- David Girdwood – General Manager Assets & Operations
- Kathy Hawke – Executive Manager Finance – Chief Financial Officer
- Fiona Blackmore – Executive Manager People, Culture & Safety.

Governing Board

During 2024–25, the Board of Directors consisted of nine members, including the Managing Director, appointed by the Victorian Government. In November 2024, a Board Delegate commenced as a mentorship and development opportunity. The Directors' key functions include:

- setting the strategic direction and policy framework by adopting, implementing, and resourcing the Corporate Plan 2025–30
- ensuring compliance with legislative and regulatory obligations
- setting service standards and monitoring achievements
- establishing measurable goals and objectives as well as Board and Committee charters
- evaluating Board and Executive performance to ensure the integrity of corporate governance practice and ethical conduct.

The following Board Director movements occurred during the 2024–25 reporting period.

From 1 July 2024 to 30 June 2025 – Director appointments and movements

- Jethro Calma-Holt was appointed as a Board Delegate on 20 November 2024.

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

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

Dona Tantirimudalige (Managing Director) was appointed Managing Director in September 2021. Dona is an experienced leader within the Victorian water industry and has a strong passion for the role of the public sector in creating a fair and just society, focussed on those we serve. Dona has over 27 years of experience in the water industry across strategic planning, customer experience, and the asset life cycle. She has over ten years of board director experience across various sectors including not-for-profits, community banking, legal services and peak bodies. Dona is a Member of the Australian Institute of Company Directors, holds a Masters in Public Policy & Management and a Bachelor of Engineering (civil – honours), and is currently an industry director on the Energy & Water Ombudsman of Victoria board.

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

on ESG sustainability strategy and impact management. Chris is an experienced Board Director, currently serving as an Independent Director of Nyamba Buru Yawuru and Roebuck Export Depot serving the Traditional Owners of Broome (WA). Chris is also a Non-Executive Director of Parks Victoria, and is a member of its Audit & Risk Committee. He also chairs the ESG Committee of Blackwattle Investment Partners. Chris has a Bachelor of Commerce with a major in Marketing and Management and minor in Asian Studies. He has a Graduate Diploma in Applied Finance, a Master of Business Administration as well as a Graduate Certificate in International Development. He is also a graduate of the AICD.

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

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

Joanne Pearson was first appointed to the Board on 1 October 2017 and was reappointed on 1 October 2021 until 30 September 2025. Joanne is the Chair of Westernport Water's Audit and Risk Committee and is a member of the People, Safety and Community Committee. Joanne has significant experience as an executive and non-executive director and as a member of Audit and Risk Committees. Joanne is currently a Director of TasWater, is Chair of the Audit and Risk Committee and a member of the Environment, Public Health, Infrastructure and Climate Change Committee. In May 2025, Joanne was appointed as an External Member of the Phillip Island Nature Parks Audit, Risk and Finance Committee. Joanne served as an independent member of the ActewAGL Safety, Audit and Risk Committee until October 2024 and as a member of the Audit and Risk Committee for the Uniting Church of Australia, Synod of Victoria and Tasmania until December 2024. Her executive experience was primarily in large and complex, regulated energy businesses, with her last executive role as Chief Financial Officer of Jemena. Joanne has an MBA and a Bachelor of Business in Accounting, is a Fellow of CPA Australia and a Graduate of the Australian Institute of Company Directors.

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

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

Kushal Shah, CA, LL.B, Executive MBA (Melbourne Business School), B.Com, M.Com, CIA, Cert. in ESG, is an accomplished finance, governance, risk, and ESG professional with over 22 years of experience across public and private sectors in Australia, Asia, and Europe. He currently serves as Chair of Kooweerup Regional Health Services, Board Director at VITS Language Loop, and as an independent Audit & Risk Committee member at VicScreen and the Melbourne Recital Centre. As Managing Partner of DBS Global, Kushal advises Boards and executives on ESG strategy and operations, financial stewardship, governance transformation, and risk culture. Kushal has held senior roles with Big 4 firms and large corporates, bringing deep industry insights across healthcare, government, technology, energy, logistics, manufacturing and retail. He is recognised for his ability to strengthen governance, improve financial management, drive organisational performance, and achieve strategic objectives. He is known for navigating complexity with clarity, integrating policy, commercial, and operational insight to support evidence-based, future-focused decision-making that delivers long-term value. Kushal has a proven record of building trusted relationships, build consensus, and collaborate with and influence diverse stakeholders. Kushal was appointed to the Board of Westernport Water on 1 October 2023 until 30 September 2027.

Jethro Calma-Holt is Westernport Water's first Independent Aboriginal Delegate to be engaged in the role, effective December 2024, for a 12 month period. Jethro is Kungarakan and Iwaidja, with a passion for engaging with Aboriginal and Torres Strait Islander people to identify needs and implement strategies to improve education, health and wellbeing. Jethro is the Indigenous Affairs Events and Partnerships Advisor for Coles, where he can influence over 110,000 team members through NAIDOC Week, National Reconciliation Week and other meaningful activities. For nearly four years prior, he led Carlton Football Club through whole of club improvements to respect, represent and empower First Nations culture. Other significant roles for Jethro include the National Indigenous Manager at SEDA Group, developing organisational change initiatives and supporting people through their studies, traineeships and transition to work. Jethro has also taken part in the Observership Program on the Board of the Koorie Heritage Trust. The Independent Board Delegate role is designed to assist in developing the skills and experience relevant to applying for a Board position within the Victorian water sector. This appointment aligns with the Victorian Government's Water for Victoria policy, which aims to increase opportunities for First Peoples in water management.

Board committees

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

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

Audit and Risk Committee (ARC)

The purpose of the ARC is to assist the Board in discharging its duties regarding the Corporation's financial management, risk and control framework and its external accountability responsibilities. The ARC's responsibilities are set out in Standing Direction 3.2.1.1. Key responsibilities are to:

- independently review and assess the effectiveness of Westernport Water's systems and controls for financial management, performance and sustainability, including risk management
- oversee the internal audit function under Direction 3.2.2
- review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament
- review information in the report of operations on financial management, performance and sustainability before it is released to Parliament
- review and monitor compliance with the FMA, these Directions and the Instructions, and advise the Responsible Body on the level of compliance attained
- review and monitor remedial actions taken to address compliance deficiencies
- maintain effective communication with external auditors (including the Auditor-General and the Auditor-General's duly appointed agents and representatives)
- consider recommendations made by internal and external auditors relating to or impacting on financial management, performance and sustainability and the actions to be taken to resolve issues raised
- regularly review the implementation of actions in response to internal or external audits, including remedial actions to mitigate future instances of non-compliance.

The Board appoints members for a three-year term and are subject to the Board and Committee Charter.

Meetings are held quarterly and at any other time on request of a committee member or the internal or external auditor. In 2024-25, the committee met six times. The ARC membership for the reporting period was as follows:

From 30 June 2024 to 20 November 2024:	From 20 November 2024 to 1 July 2025:
– Joanne Pearson (Chair)	– Joanne Pearson (Chair)
– Leigh Berrell	– Leigh Berrell
– Christopher Newton	– Christopher Newton
– Ishara Saldin	– Ishara Saldin
– Kushal Shah.	– Kushal Shah
	– Jethro Calma-Holt (Board Delegate).

Infrastructure, Sustainability & Innovation Committee (ISIC) 30 June 2024 – 1 July 2025

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

The ISIC meets approximately two times each financial year, and at least two members must be in attendance for a meeting to be held. The ISIC membership from:

30 June 2024 to 20 November 2024

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

20 November 2024 to 1 July 2025:

- Tanya Ha (Chair)
- Leigh Berrell
- Graham Hawke
- Ishara Saldin
- Kushal Shah
- Jethro Calma-Holt (Board Delegate).

People, Safety & Community Committee (PSCC) 30 June 2024 – 1 July 2025

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

The PSCC meets approximately two times each financial year and at least two members must be in attendance for a meeting to be held. The PSCC membership from 30 June 2024 to 1 July 2025:

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

Board / Committee attendance

During the 2024-25 period a total of ten Board meetings, six ARC meetings and two each for ISIC and PSCC were held. The following tables provide a breakdown of Director attendance.

Table 4.1: 1 July 2024 – 30 June 2025

Board Members – Directors	Board	ARC	ISIC	PSCC
Annabelle Roxon (Board Chair)	10/10	3/6*	N.A.	2/2
Christopher Newton (Deputy Board Chair)	9/10	6/6	1/2*	2/2
Graham Hawke	10/10	N.A.	2/2	2/2
Joanne Pearson	8/10	6/6	N.A.	1/2
Leigh Berrell	8/10	5/6	2/2	N.A.
Tanya Ha	9/10	1/6*	2/2	1/2
Ishara Saldin	10/10	6/6	2/2	N.A.
Dona Tantirimudalige (Managing Director)	10/10	6/6*	2/2*	2/2*
Jethro Calma-Holt (Board Delegate) ²	7/7	4/4	1/1	N.A.
Kushal Shah	8/10	6/6	2/2	N.A.

Notes

1. *Denotes attendance by a director not a member of the committee.
2. Jethro Calma-Holt was appointed to the Board, ARC and ISIC on 20 November 2024, and his attendance reflects only the meetings from then until 30 June 2025.

Figure: 4.1 Organisational structure



Note

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

5. Leadership, diversity and culture

Westernport Water's People Strategy 2025-28 will be enabled by our cultural values of Care, Courage and Commitment and includes inclusion and diversity as a focus area. A refreshed leadership development program is one of several initiatives in the People Strategy. They're part of the People Strategy to ensure it reflects the needs of our diverse communities and contains strategies and goals that will increase cultural diversity in the workforce and gender equity in both leadership and throughout the organisation.

Aligned Corporate Plan 2024-29 initiatives:

- Develop and commence implementation of Westernport Water's People Strategy 2025-28.
- Deliver the annual WHS Compliance and Improvement plan.
- Implement Year Two of the Innovate Reconciliation Action Plan 2023-25.

The Westernport Water People Strategy 2025-28 has incorporated the previously individual Diversity & Inclusion and Workplace Health & Safety three-year strategies. Overall, it sets out our commitment to ensuring that our workforce is safe, supported and empowered to thrive.

Diversity and inclusion

Under the heading of *'Everyone belongs: we are stronger together'*, inclusion and diversity is one of four focus areas in the new People Strategy. Diverse teams drive innovation and adaptability. They foster inclusive cultures that research confirms contribute to stronger performance. By prioritising inclusion and diversity, we not only enhance business outcomes but also better reflect the communities we serve. This ensures that every individual feels respected, valued and has a sense of belonging.

Key deliverables from the focus areas of Aboriginal and Torres Strait Islander cultural capability, gender equity, generational diversity and removal of barriers to a more inclusive workforce included:

- support the delivery of the Innovate Reconciliation Action Plan, October 2023 to Oct 2025
- introduction of in-person cultural competency training delivered by Traditional Owners with a focus on increasing employees' understanding of historical context and its impact today
- implementation of the Gender Equality Action Plan
- embedding of Gender Impact Assessments for policies, programs and services
- continuation of a phased retirement program

- continued promotion and uptake of a range of flexible work agreements
- delivery of annual diversity and inclusion training
- providing an annual diversity and inclusion events calendar.

Gender equality

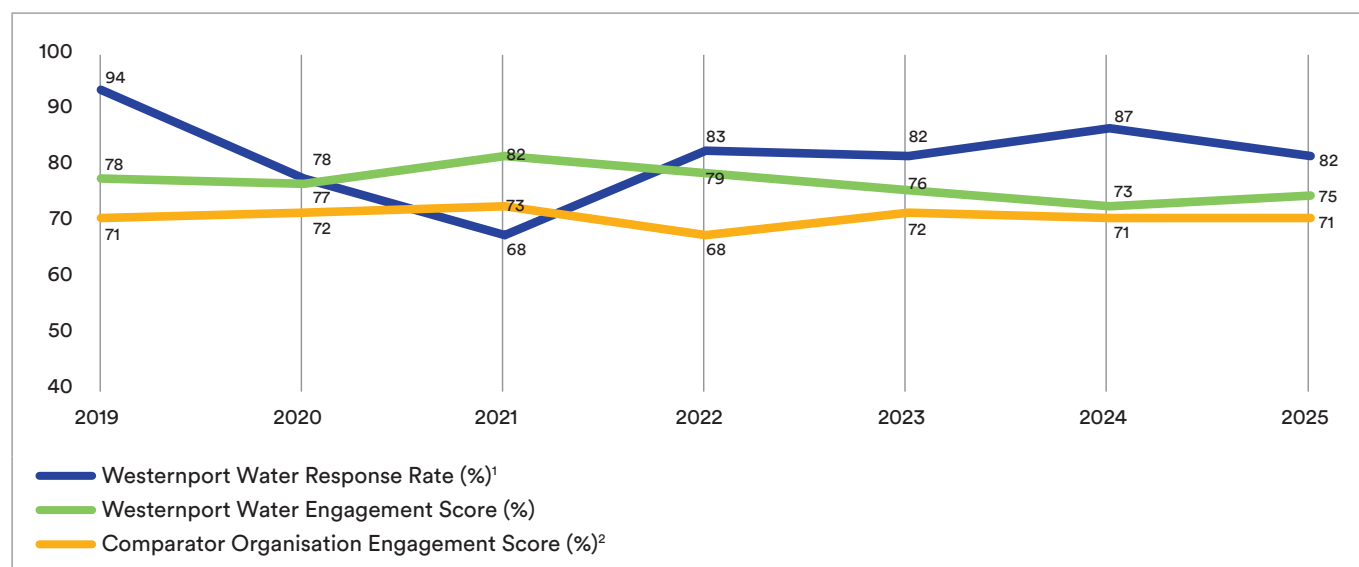
Westernport Water completed its first Gender Equality Action Plan 2022-25, supporting our ongoing commitment to diversity and inclusion in our workplace. This Plan had priority areas for action, including a safe, respectful workplace culture, gendered workforce diversity, and the gender pay gap.

A detailed assessment of the Plan's success will be conducted over the coming months and is required by the Commission for Gender Equality in the Public Sector by December 2025. Initial results demonstrate that Westernport Water has performed well in key areas of equal pay, senior leadership representation, and uptake of flexible work arrangements. We are committed to continuing to progress against all areas of gender equality and the development of our second Gender Equality Action Plan will commence shortly and is due to be finalised in May 2026.



Internal event to celebrate Wear it Purple Day

Figure 5.1: People Matter Survey participation and engagement scores 2019 to 2025



Notes

1. Participation rates remained high moving from 87 to 82, which is well above the comparator water corporations' result of 71.
2. Engagement score has slightly increased and is still above the comparator group.

Reward and recognition

Westernport Water recognises that reward and recognition play an essential role in employee experience, job satisfaction and retention. A Reward & Recognition Framework was formally launched in April 2025 guiding how Westernport Water values both personal and professional milestones and celebrates employees' abilities, qualities, achievements and years of service regularly through informal and formal celebrations.

This year, we celebrated several employees who reached significant years of service milestones with the corporation, including one employee who reached a remarkable 40 years of valued service, as well as one 25 year celebration, two 20-year celebrations, one 15-year celebration, and two 10-year celebrations. Overall, a truly astounding achievement for these individuals.

Recognising and celebrating Westernport Water's values supports a culture of social connection and a sense of belonging for our employees. We celebrate and acknowledge those who have been recognised as living Westernport Water's values through peer nominations with thank you cards from our Managing Director, along with a winner for each Westernport Water value announced and celebrated annually.

People Matter Survey results

The 2025 People Matter Survey was held in April 2025, with results received prior to the end of June. Therefore, both 2024 and 2025 results have been included in Figure 5.1, which provides participation and engagement scores since 2019. We are proud that we continue to meet or exceed the water industry benchmark for employee engagement annually and strive to improve our results year on year, continually analysing trends and understanding the underlying drivers of our results is also

important. Our engagement score has been relatively consistent over the past three years with variation within three percent.

Public sector values and conduct

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

Employment and conduct principles

Westernport Water's approach to employment is undertaken through fair, equitable and merit-based principles and upheld throughout the employment lifecycle. Westernport Water's recruitment selection processes ensure applicants are assessed, evaluated, and selected fairly and equitably, and candidate appointment decisions are based on key selection criteria as well as other accountabilities. During 2024-25, this process was reviewed to uplift merit and equity and further emphasise fair and reasonable processes, special measures and reasonable adjustments to reduce any potential biases or barriers.

Governance training

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

Industrial relations

Westernport Water continues to have a positive relationship with its employees and unions. Negotiations to replace the current enterprise agreement formally commenced in February 2025, and the enterprise agreement passed its nominal expiry date in April 2025. There were no disputes brought under the enterprise agreement or new external claims initiated in the reporting period.

Employee development

In 2024–25, Westernport Water maintained a strong focus on executing a well-established learning and development program. A key area of emphasis was improving accessibility to training for employees by incorporating flexible delivery options. These included onsite and local sessions where possible, to minimise the impact of time spent travelling to training.

We delivered a broad range of training programs using both internal and external providers, offering flexible delivery methods to support diverse learning needs and schedules, while fulfilling our commitment to the Corporation's learning and development program.

Table 5.1: Training completed

Training Course Description	Type	No. Achieved	Int Ext	Funded
Master of Data Science	Masters	1	Ex	Fully
Master of Environmental Engineering	Masters	1	Ex	Partly
Graduate Diploma of Science	Graduate Diploma	1 ¹	Ex	Fully
Principles of Wastewater Management	Certificate	1	Ex	Fully
Asset Management Fundamentals	Certificate	1	Ex	Fully
Fundamentals of Backflow Prevention	Certificate	1	Ex	Fully
Essentials of Engagement	Certificate	1	Ex	Fully
Accessible Information Training	Certificate	1	Ex	Fully
Australian Institute of Company Directors	Certificate	1	Ex	Fully
Microsoft Program Training	Certificate	11 ²	Ex	Fully
Work Health and Safety based training	Certificate	275 ³	In/Ex	Fully
Water Industry Operations (Certificate)	Certificate III	2	Ex	Fully
Water Industry Operations (Units)	Certificate	8 ⁴	Ex	Fully
Mental Health First Aid	Certificate	6	Ex	Fully
Mental Health Essentials	Participation	2 ⁵	Ex	Fully
Leadership Development	Participation	34 ⁵	Ex	Fully
Inclusion & Diversity Training	Participation	49 ⁶	Ex	Fully
Cultural Awareness Training	Participation	34	Ex	Fully
Family and Domestic Violence training	Participation	38	Ex	Fully
Recycled Water Inspection Training	Participation	16	In	Fully
Governance Matters Training	Participation	315 ⁷	In	Fully
Online learning courses completed	Participation	550 ⁸	In	Fully
Emergency Management Training	Participation	117 ⁹	In	Fully

Notes

1. Environment & Sustainability Graduate Diploma.
2. Microsoft Excel and Power BI.
3. Includes all compliance-based training – Delivery methods are a mix of face to face and online training.
4. Individual units of competency out of Training Package for Certificate III in Water Industry Operations.
5. Gippsland Leadership Development Program, Leadership Culture & Strategy Development Sessions, Individual Leadership Development.
6. Active Bystander and A Better Go – Lets Get Going.
7. Governance Matter's is an internal program delivered to all Westernport Water employees and includes a mix of face-to-face training and eLearns.
8. eLearns completed through our corporate learning management system.
9. Emergency Management Training includes multiple different courses as part of the EMT program.

Health and safety

At Westernport Water, our foremost priority is safeguarding the health and safety of our employees, ensuring they return home safe and well every day. We uphold a robust Safety Management System (SMS) that aligns with the principles of ISO 45001:2018. This provides a structured framework for identifying and managing workplace risks, fosters a safety culture and drives continuous improvement across all levels of our organisation.

This was the first year of having an annual WHS compliance and improvement plan, which highlights and tracks key compliance activities and priority WHS projects. The previous three-year WHS Strategy finished in June 2024 and is now part of the People Strategy.

Under five key pillars of safety improvement at Westernport Water, the following initiatives for safety improvement were delivered during 2024-25.

Table 5.2: Health and safety key pillars & initiatives

Safety leadership and employee capability	– Delivery of an enhanced Safety Leadership Program encompassing regular meetings focussed on WHS strategic initiatives, combined with a frontline operational safety program where leaders engage with workers to discuss safety risks and opportunities for improvement. 123 inspections were carried out. – Delivered a contemporary WHS training plan for all employees, including safety induction, safety leadership and a WHS training / competency matrix. – WHS promotion to improve worker knowledge of WHSMS process and risk. – Delivered the annual Health & Wellbeing Plan, including wellbeing toolkits and resources for employees.
Technology and systems	– Digital technologies review of recording WHS activities to simplify accessibility. This integrated all WHS inspections (including leadership walks and contractor audits) into the Safety Culture software and trialled an electronic Take 5 risk assessment. – Streamlined hazard and incident reporting in the Rapid Global system. – Reviewed and updated the WHS Management System and supporting documents to ensure regulatory currency and fitness for business use. – Emergency management documents review and evacuation exercises.
Risk management	– Reviewed the WHS Risk Register, in consultation with functional risk owners and HSRs, and expanded structure to uplift controls oversight.
Communications	– Development of new templates for WHS communications and supporting guidelines, including safety alerts, toolbox talks, lessons learned and development work on a structured WHS awareness program.
Injury/Illness prevention and health surveillance	– Development of new manager and worker injury management toolkits. – Reviewed health monitoring activities for compliance with legislative obligations and internal procedures.

Psychosocial risk management

Westernport Water remains proactive in advancing workplace safety through the continued development of our psychosocial health improvement program ahead of the forthcoming Victorian Compliance Code. Our approach covers prevention of work-related psychosocial risk drivers and support for employees facing mental health challenges, including:

- Psychosocial Risk Improvement Plan
- Employee Mental Health Peer Support Officers
- Employee Assistance Program (EAP)
- Enhanced induction programs
- Mental health manager training.

Child Safety

Westernport Water is committed to ensuring the safety and well-being of all children engaged in our services, including school tours and public engagement activities. We maintain a comprehensive Child Safety Management System that aligns with Victoria's eleven Child Safe Standards, established under the *Child Wellbeing and Safety Act 2005*. These standards guide our efforts to prevent harm and abuse, promote child empowerment, and foster a culture of safety across the organisation. Our child safety program encompasses:

- Child Safety Policy and Code of Conduct
- Worker child safety position categorisation and treatment plan system
- Working with Children Checks
- reporting processes
- child safety training.

WHS risk management

The WHS risk register was expanded to increase overall risk oversight. Two new risks, lithium batteries and anaphylaxis, were added, along with existing risks that had not yet been formally documented. Adjustments were made to risk ratings including an increase for noise and a renaming of the COVID risk to 'Infectious Disease'.

2025 People Matter Survey

93%

Ninety-three percent of staff surveyed in the 2025 People Matter Survey responded positively to the statement that 'my organisation provides a physically safe work environment'—a slight reduction from 2024 results of 95 percent.



TRIFR

Total Recordable Injury Frequency Rate¹



11.38

2024-25

6.37

2023-24

30.18

2022-23

0

Lost time injuries
(LTIs / MTIs – 2024-25)

1

Significant injuries
(LTIs / MTIs – 2024-25)

0

days lost to injury
(2024-25)

Note

1. Whilst the Total Recordable Injury Frequency Rate (TRIFR) appears high, it is important to note that, due to the relatively small size of our organisation, a single recordable injury has a significant impact on the overall result. This can make our TRIFR appear inflated when compared with larger organisations.

Incident management

Table 5.3: Injury management

	2024-25	2023-24	2022-23
Lost time Injury	0 ¹	1	3
Significant Injury	1 ²	0	0
Days lost to injury	0	136.3	159.86

Notes

1. No lost time injuries were recorded during the reporting period. This continued low incidence is consistent with previous years and reflects Westernport Water's proactive approach to risk management, particularly notable given the high-risk nature of the work performed.
2. One significant injury occurred during the reporting period; this injury required medical treatment.

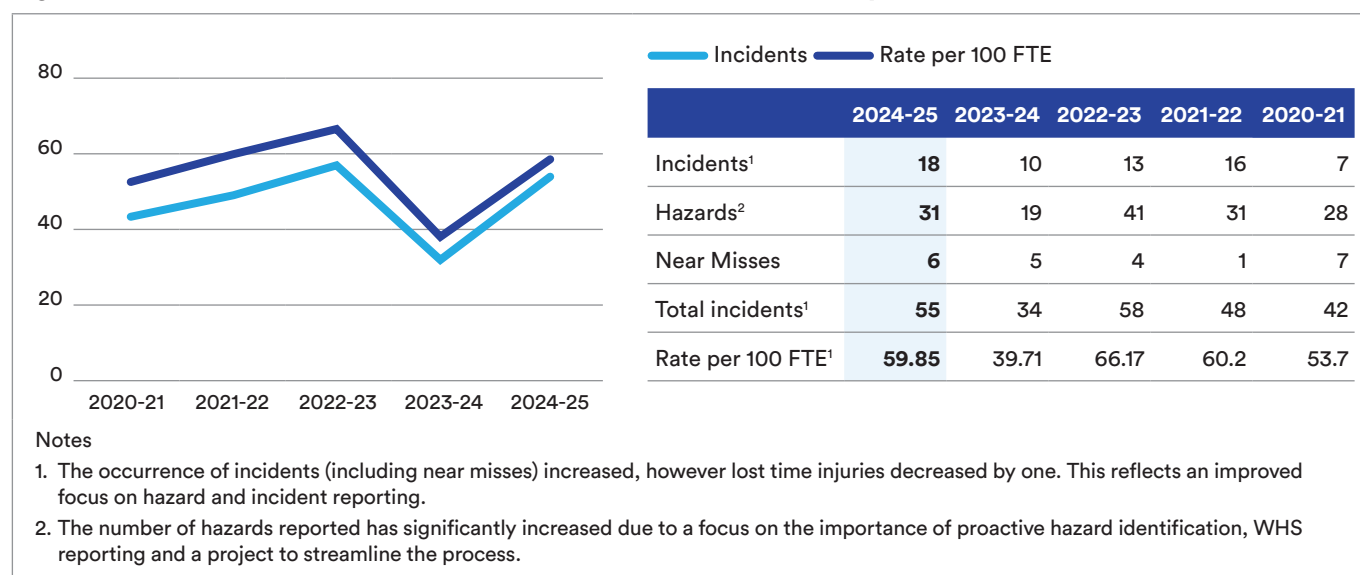
There were no reported lost time injuries this year. This represents a reduction from previous years, which is still a relatively low number considering the high-risk work undertaken.

The Total Recordable Injury Frequency Rate (TRIFR) has increased due to two separate incidents resulting in injuries – one requiring medical treatment and one requiring first aid. No time was lost because of these incidents however, they have increased the TRIFR as a direct result.

There was a decrease in days lost due to injuries in previous years, with zero days reported. Long-term workers' compensation claims are not included in this ongoing figure.

An incident was brought to WorkSafe's attention during an unplanned visit prompted by an anonymous report. The incident was not initially reported as it seemed outside notification requirements, we later submitted a notification after consulting with WorkSafe. A new process is now in place to assess whether similar incidents, or exposures should be reported.

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



WorkCover

In 2024-25, one new worker's compensation impairment claim was approved for medical and similar expenses only – no time has been lost on this matter.

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

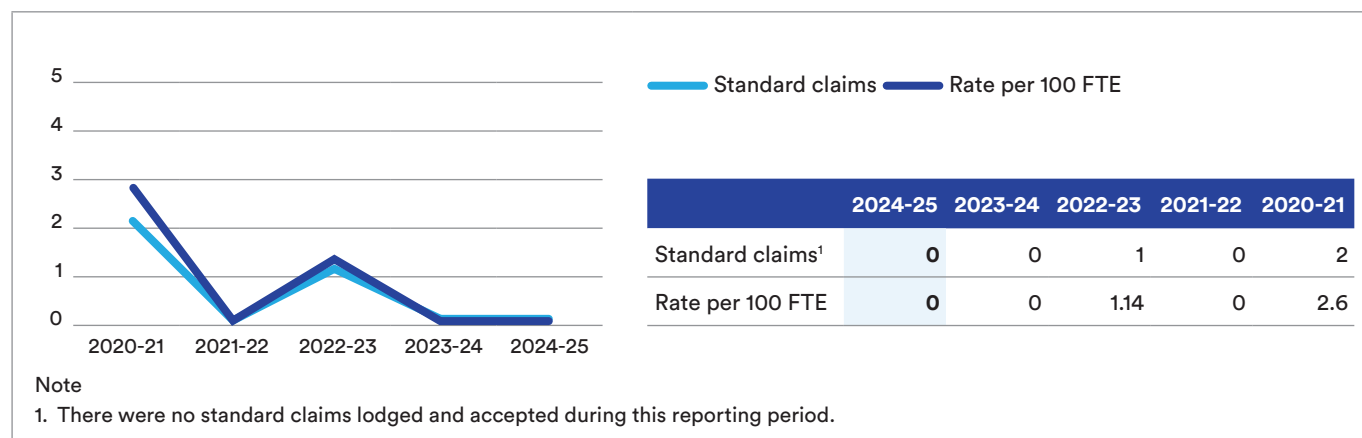


Figure 5.4: Lost time standard claims and rate per 100 FTE

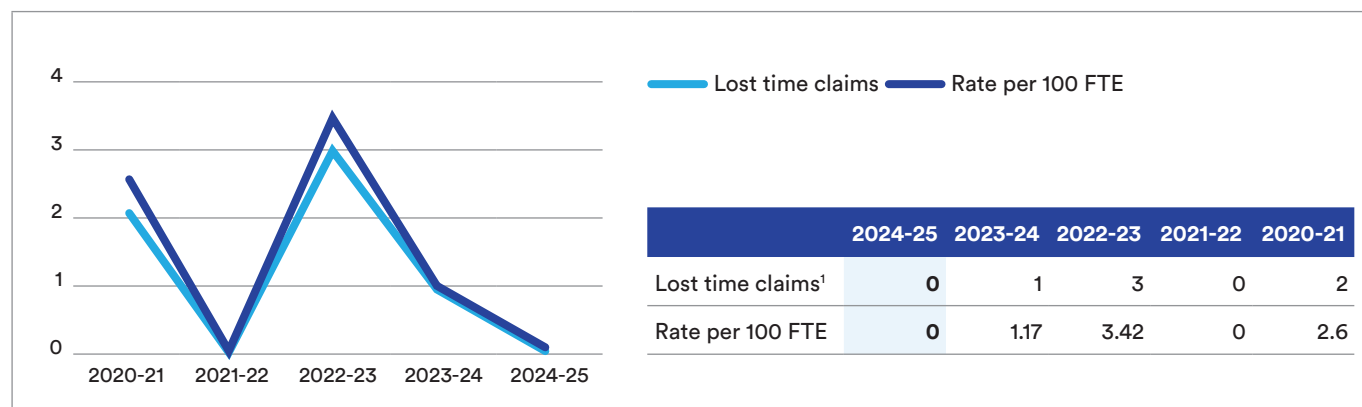


Figure 5.5: Claims exceeding 13 weeks and rate per 100 FTE

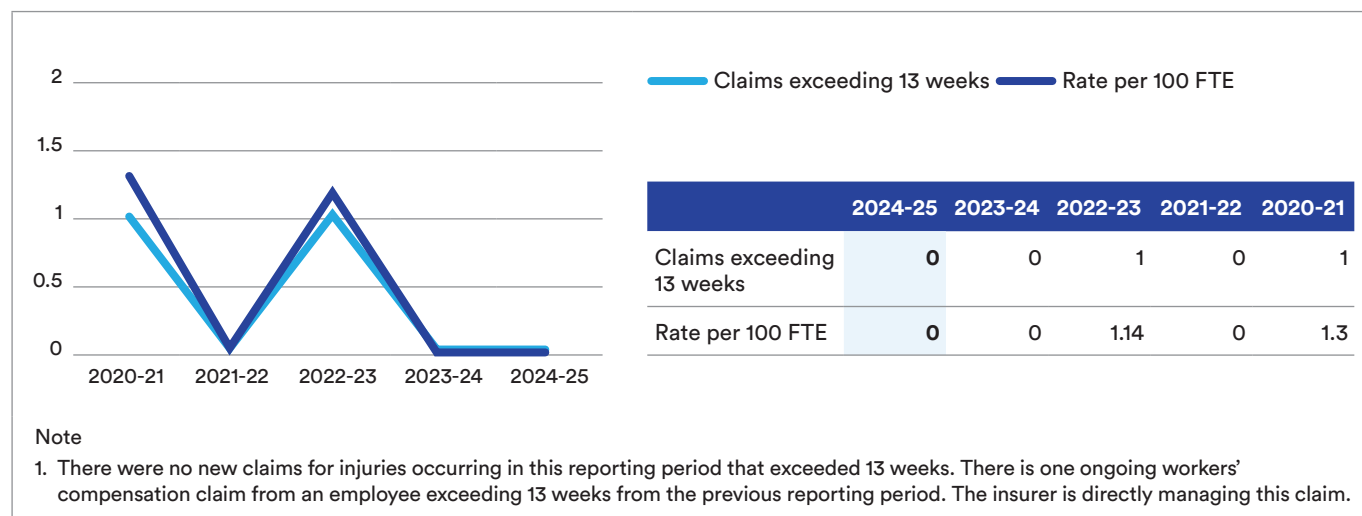


Table 5.4: Performance against WH&S management measures

Measure	KPI	2024-25	2023-24	2022-23
Incidents	No. of Incidents / hazards / near misses ¹	55	34	58
	Rate per 100 FTE	59.85	39.71	66.17
Claims	No. of standard claims	0	0	1
	Rate per 100 FTE	0.0	0.0	1.14
	No. of lost time claims ²	0	1	3
	Rate per 100 FTE	0.0	1.17	3.42
	No. of claims exceeding 13 weeks	0	0	1
	Rate per 100 FTE	0.0	0.0	1.14
Fatalities	Fatality claims	0	0	0
Claim costs	Average cost per standard claim ³	\$0	\$6,002	\$91,400
Return to work (RTW)	Percentage of claims with RTW plan <30 days	100%	100%	0
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS and OHS plans (signed by Managing Director or equivalent)	completed	completed	completed
	Evidence of OHS criteria(s) in purchasing guidelines (including goods, services and personnel)	completed	completed	completed
Consultation and participation	Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs) and issue resolution procedures (IRPs)	completed	completed	completed
	Compliance with agreed structure on DWGs, HSRs and IRPs	completed	completed	completed
	Number of WHS Committee meetings	9	11	14
Risk Management	Percentage of internal audits/inspections conducted as planned	100%	86%	100%
	Percentage of reported incidents investigated	96%	74%	100%
	Percentage of issues identified arising from:			
	– internal audits	82%	76%	100%
	– HSR provisional improvement notices (PINs)	–	–	–
Training	– Work Safe notices	–	–	–
	Percentage of managers and employees that have received OHS training: ⁴			
	– induction	100%	100%	100%
	– management training	100%	100%	100%
	– contractors, temps, visitors	100%	100%	100%
	Percentage of HSR's trained:			
	– acceptance of role	100%	0%	0%
	– re-training (refresher)	100%	100%	100%

Notes

1. The number of hazards reported has significantly increased due to a focus on the importance of proactive hazard identification, WHS reporting and a project to streamline the process. The occurrence of incidents (including near misses) increased, however lost time injuries decreased by one. This is a reflection of an improved focus on hazard and incident reporting.
2. There have been no lost time claims during the reporting period. There is one active worker's compensation claim from a former employee exceeding 13 weeks (about 3 months). This is now being managed directly by the insurer.
3. There were no reported standard claims during the reporting period that were lodged and accepted. One claim that was lodged in 2023-24 was accepted in this reporting period – this claim is for medical and like only (no time lost). One other medical and like claim was submitted during the reporting period and is still under review from the insurer – it has not yet been accepted.
4. 16 people have commenced with Westernport Water during the reporting period. All new inductees receive their eLearn package to undertake in Kineo which includes OHS topics along with enrolment in specific role-based competency, license and OHS requirements based on the WHS Training Matrix. Managers are assigned specific training that includes OHS Duty of Care along with any relevant requirements as per the WHS Training Matrix.

Workforce data

There was an increase in full-time-equivalent (FTE) employees in 2024-25, due to three current temporary project-related contracts, the addition of two new ongoing positions, and a low vacancy rate as of 30 June 2025.

The following tables provide a breakdown of the workforce as of June 2025. Employees have been correctly classified in workforce data collections.

Figure 5.6: Comparative workforce data – FTE employee trends for 2021-25

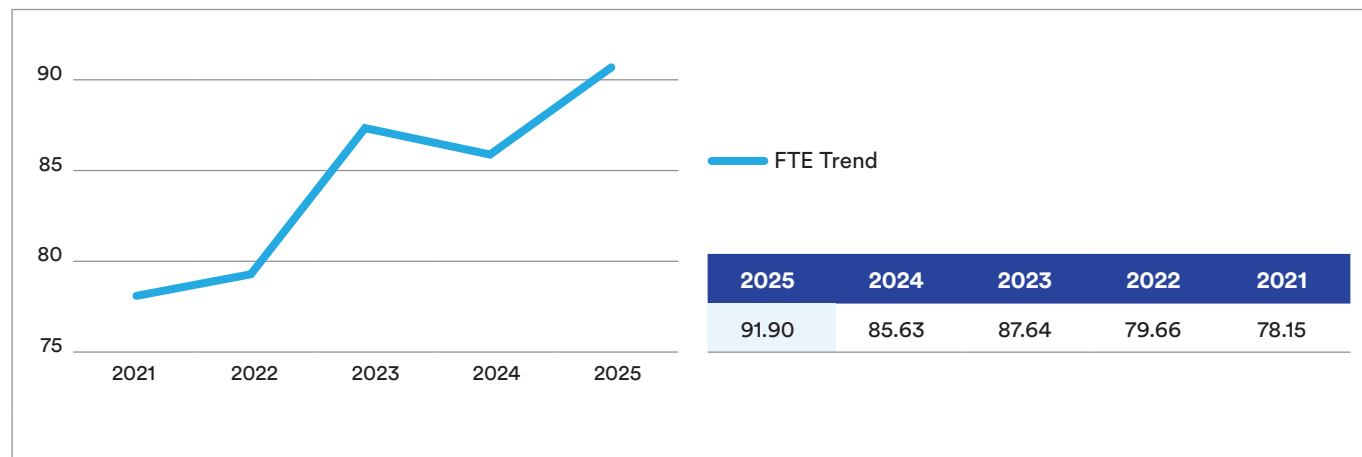


Table 5.5: Employment levels

Classification	2024-25		2023-24	
	Number (headcount) ¹	FTE	Number (headcount)	FTE
Executive ²	4	4	4	4
Senior managers ³	16	16	15	14.84
Administration staff ⁴	53 ⁶	45.48	49	41.79
Field staff ⁵	27 ⁷	26.42	25	25
Total	100	91.90	93	85.63
Male	60 ⁸	59.05	54	53.47
Female	40	32.85	39	32.16
Total	100	91.90	93	85.63

Notes

- All figures reflect employment levels during the last full pay period in June of each year, excluding employees on long-term leave without pay, external contractors/consultants and temporary staff employed by employment agencies.
- Executive – Executive staff employed under the Public Entity Executive Remuneration Policy.
- Senior managers – Senior Executive Officers ongoing or under contract.
- Administration staff – Employees with administration tasks as the primary responsibility of their position.
- Field staff – Employees with field tasks as the primary responsibility of their position.
- The increase in Administration staff is due to three temporary project positions.
- The increase in field staff is due to the filling of two vacant Maintenance Officer positions.
- The number of men increased by six. This is directly related to the overall increase in organisational headcount. The increase is due to the filling of two previously vacant Maintenance Officer positions, three temporary contract positions filled by men and the appointment of a man into the Customer Service team, previously occupied by a woman.

Table 5.6: Gender categories – 30 June 2025

Gender	All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (Headcount)	FTE	Number (headcount)	FTE
Women ¹	40	32.85	19	20	32.22	1	0.63
Men ¹	60	59.05	53	1	53.63	6	5.42
Self-described	0	0	0	0	0	0	0

Note

1. The number of men increased by six. This is directly related to the overall increase in organisational headcount.

Gender equity

As part of our Gender Equality Action Plan 2022-25, Westernport Water aimed for gender balance across all levels, including in leadership positions. We are committed to creating an inclusive and diverse workplace, fostering a balanced working environment that provides equal opportunities and advancement for women. By actively promoting women in the water industry generally, and STEM roles specifically, we continue to strive for ongoing gender balance, with the senior leadership team in 2024-25 comprised of 46 percent women employees.

Table 5.7: Workforce inclusion – Gender equity progress against target in 2024-25, and performance in 2023-24

Workforce inclusion policy	Target for 2025	Progress in 2024-25	Progress in 2023-24
Gender equity	In June 2025, there will continue to be a 50/50 gender balance in senior leadership positions. ¹	46% of senior leadership positions held by women ²	46% of senior leadership positions held by women ²

Notes

1. Senior leadership positions include those holding an executive or manager title.
2. There were no changes in the composition of the leadership team during 2024-25.

Workforce inclusion policy

Westernport Water exceeded its target of three percent of our workforce identifying as Aboriginal and/or Torres Strait Islander in 2025. Below are Aboriginal and/or Torres Strait Islander employment progress against target in 2024-25 and performance in 2023-24.

Table 5.8: Workforce inclusion

Workforce inclusion policy initiative	Target for 2025 ²	Progress in 2024-25	2023-24
Increase % of employees who identify as Aboriginal and/or Torres Strait Islander ¹	Employees who identify as being Aboriginal and/or Torres Strait Islander: 3% by 2025	Employees who identify as Aboriginal and/or Torres Strait Islander: 3.7% ³	Employees who identify as being Aboriginal and/or Torres Strait Islander: 3%

Notes

1. The total number of employees includes Board Directors.
2. The target has been set considering the temporary nature of the Board Directors.
3. The increase is due to the appointment of an Aboriginal Board Delegate to the Westernport Water Board Committee.

5.9 Workforce data disclosures

	June 2025			June 2024		
	Ongoing		Fixed term and casual employees	Ongoing		Fixed term and casual employees
	Employees (headcount)	FTE	FTE	Employees (headcount)	FTE	FTE
Gender						
Men	60 ¹	53.63	5.4 ²	54	49.00	4.47
Women	40	32.22	0.63	39	26.87	5.29
Age						
Under 25	2	1	0.42	4	2	1.63
25-34	17	13.14	2.00	17	12.8	2.63
35-44	37	30.42	2.63	31	22.86	3.87
45-54	19	16.82	1.00	16	14.63	1.00
55-64	17	16.63	0	19	17.74	0.63
Over 64	8	7.84	0	6	5.84	0
Classification						
Band 1 ²	0	0	0	0	0	0
Band 2	18 ³	13.06	2.42	16	9.75	4.18
Band 3	17	14.68	0	15	11.05	2.11
Band 4	17	13.94	1.63	17	14.05	1.63
Band 5	16	15.52	0	14	13.52	0
Band 6	12	9.65	1.00	12	9.50	1.00
SEO ⁴	16	15.00	1.00	15	14.00	0.84
Executive ⁵	4	4.00	0	4	4.00	0
Other ⁶	0	0	0	0	0	0

Notes

1. The variation is related to vacancy movements with an increase in the appointment of males.
2. Employees are classified as a band 1 to 6 under the Westernport Water Enterprise Agreement.
3. Increase in band 2 headcount due to the filling of existing vacancies.
4. SEO – Senior Executive Officers full-time or under contract.
5. Executive – Executive staff employed under the Public Entity Executive Remuneration Policy.
6. Other – Traineeships outside of banding system.

Executive data

The following tables disclose the employees who are employed as an executive under Part 3 of the *Public Administration Act 2004 (PAA)* or a person to whom the Victorian Government's Public Entity Executive Remuneration Policy applies on 30 June 2024. These are referred to as members of the Senior Executive Service (SES). All variances (Var.) listed in the following tables is describing the variance to the previous year.

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

Table 5.10: Reconciliation of SES numbers

		2025	2024	2023
	Executives with total remuneration over \$100,000	4	4	3
<i>Add</i>	Vacancies	0	0	0
	Executives employed with total remuneration below \$100,000	0	0	0
	Accountable Officer (Secretary)	0	0	0
<i>Less</i>	Separations	0	0	0
	Total executive numbers	4	4	3

Table 5.11: Executive officers by division and gender

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

Note

1. Var. – Refers to the variance from the prior year.

Table 5.12: Executive officers by SES level

SES Level	Total		Women		Men		Self-described	
	No.	Var. ¹	No.	Var. ¹	No.	Var. ¹	No.	Var. ¹
SES-1	2	(0)	0	(0)	2	(0)	0	(0)
SES-2	1	(0)	1	(0)	0	(0)	0	(0)
SES-3	0	(0)	0	(0)	0	(0)	0	(0)
Total²	3	(0)	1	(0)	2	(0)	0	(0)

Notes

1. Var. – Refers to the variance from the prior year.

2. In Table 5.11, we report four executives and Table 5.12 we report three. This is because one of executives is not covered by a PEERS contract, which is the SES level.

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

Income band (salary) ¹	Executives	SEO
<\$160,000		12
\$160,000 – \$179,000		2
\$180,000 – \$199,000	1	
\$200,000 – \$219,000		2
\$220,000 – \$239,000		
\$240,000 – \$259,000	1	
\$260,000 – \$279,000	1	
\$280,000 – \$299,000		
\$300,000 – \$319,000	1	
Total	4	16

Notes

1. Salaries are based on Total Remuneration Packages. Increases are because of Enterprise Agreement increases for SEOs and Public Entity Executive Remuneration (PEER) increases for Executives.

6. Resilient and liveable cities and towns

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

Aligned Corporate Plan 2024-29 initiatives:

- Deliver Year Two of the Water Quality Continuous Improvement Program.
- Renew San Remo to Newhaven Bridge Pipeline and Fittings.
- Commence Treatment Plant Energy Efficiency Project.
- Continue with Floating Wetland Pilot Project at CWWTP – part of year two of the integrated Water Management (IWM) Priorities.

Integrated water management

Urban Water Strategy

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

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

Westernport Water aims to meet the strategy objectives by:

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



Bunurong Land Council's revegetation works at Candowie Reservoir

Seasonal challenges

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

Healthier urban waterways and landscapes

Westernport Water is contributing to healthier urban waterways and landscapes through the support of an extension officer (employed by the Bass Coast Landcare Network) and in the delivery of revegetation projects, and integrated pest plant and animal control programs.

Thirty-two properties within the Candowie Reservoir catchment received natural resource management advice and referral to Melbourne Water for funding support as applicable.

The Bass Coast Landcare Network team planted 1,020 plants along Guys Creek, and 2,265 plants were planted by the Bunurong Land Council Aboriginal Corporation (BLCAC) Balit Biik Eastern Team at Candowie Reservoir.

A vertebrate pest management program was completed at the King Road Wastewater Treatment Plant, with seventeen foxes and a feral cat removed from the environment. Three days of pest plant control was undertaken at Candowie Reservoir.

Water consumption and drought response

Per capita residential drinking water consumption

In 2024-25, the per capita residential drinking water consumption was 193.44 litres per day, an increase of six litres per day. This reflects an increase in average residential consumption from 90 kL per annum to 95 kL per annum and is attributed to drier conditions. The comparison includes a corrected figure from last year's annual report for per capita residential drinking water (187.43 litres per day in 2023-24).

The average residential household bills

In 2024-25, average residential household bill was \$1,382.86, based on the average residential consumption of 95 kL. In comparison, larger water users paid \$1,640.68 and tenants paid \$491.08 based on 200 kL of consumption. To support customers experiencing financial difficulties, a range of grants, concessions and rebates were made available to ensure bills remained affordable.

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

Quarter 1 – July – September 2024	352,802
Quarter 2 – October – December 2024	517,248
Quarter 3 – January – March 2025	551,332
Quarter 4 ¹ – April – June 2025	204,134
Total annual residential consumption	1,625,516

Note

1. Our service area is divided into three billing regions, with water meters read monthly. As a result, a full picture of customer consumption takes three months to compile, meaning quarter four readings are incomplete.

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

Major non-residential users are defined as 'a non-residential customer consuming greater than 50 ML'. During the reporting period, there were no non-residential customers that consumed greater than 100 ML.



Choose Tap

Table 6.2: Major non-residential water users' volumetric range¹

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

Notes

1. Westernport Water do not have any major water customers.

Table 6.3: Community Support Programs

	Number of customers
Community Rebate Program ¹	5
Community Housing Retrofit Program ²	0

Notes

1. Westernport Water has recently recommenced assisting customers under the Community Rebate Program.
2. Westernport Water does not participate in the Community Housing Retrofit Program.

Customer satisfaction

Customer surveys are conducted annually in September. In 2024, we surveyed over 1,000 customers and are pleased that satisfaction with drinking water continues to trend upward, with 74 percent of customers reporting satisfaction.

Figure 6.1: Customer satisfaction trends for drinking water 2019 – 2024

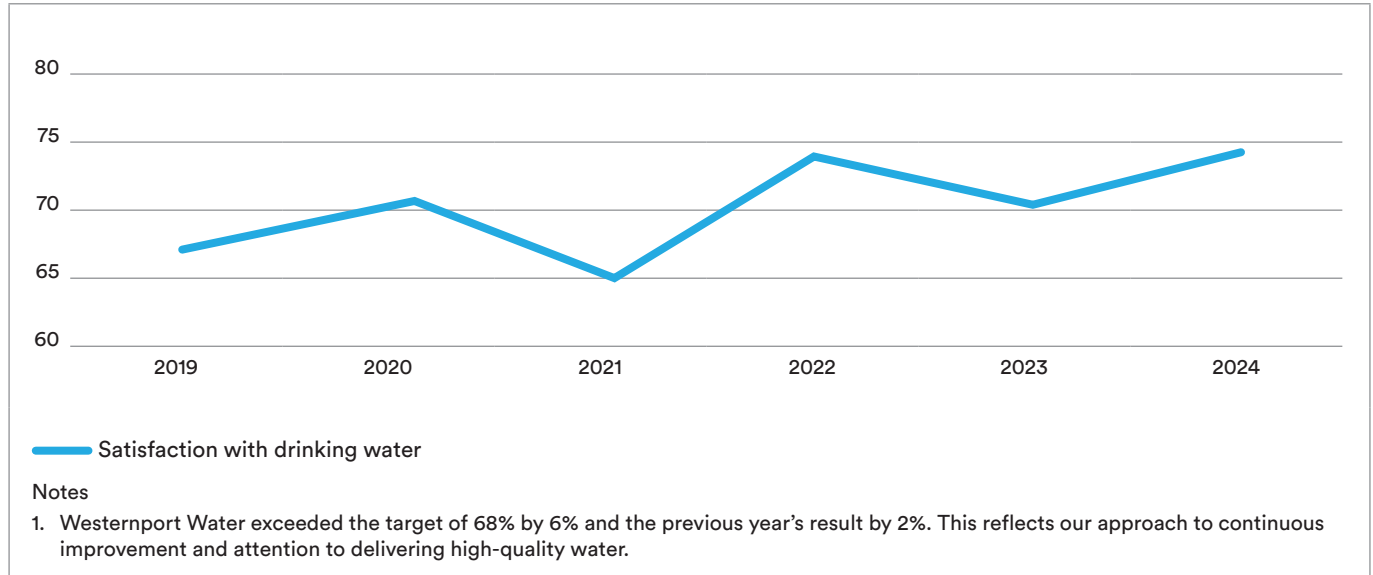


Table 6.4: Reporting water consumption for residential and non-residential connections (ML)

2024-25				
Residential Connections	1. Number of residential connections		17,579	
	2. Potable water volume consumed by residential connections		1,662	
	3. Per capita daily residential potable water consumption¹		193.44	
	4. Recycled water volume used by residential connections		39	
	5. Treated storm water volume used by residential connections		0	
Non-Residential Connections	6. Number of non-residential connections		1,165	
	7. Potable water volume consumed by non-residential connections		927	
	8. Recycled water volume (end use) used by non-residential connections. It is mandatory to provide the split below (per ESC performance indicators).	Commercial purposes		77
		Industrial purposes		0
		Agricultural purposes		376
		Municipal purposes		2.0
		Optional	Beneficial allocation	
	Within process		23	
	Total		478	
	9. Total number of connections		18,744	
	10. Total potable water consumed		2,589	
	11. Total recycled water and stormwater volume		157	
	12. Total volume of water used by connections			
	Average annual water consumption			
Non-revenue water	13. Leakage		2.14	
	14. Firefighting		0	
	15. Other		9.86	
	16. Total non-revenue water		12	
	Total volume of water from all sources		2,601	
Total no. customers			23,688	

Notes

1. This increase in water consumption reflects a rise in average residential household consumption from 90 kL per annum to 95 kL per annum.

Table 6.5: Water quality performance against target 2024-25

Water quality indicator	2024-25 Actual %	Target met	2024-25 Target %	2023-23 %	2022-23 %	2021-22 %	2020-21 %	2019-20 %
E. coli (% samples containing zero organisms per 100 ML) ¹	100	Yes	100	100	100	100	100	100
Turbidity (Nephelometric Turbidity Units, NTU) ²	100	Yes	100	100	100	100	100	100
Trihalomethanes (ug/L) ³	100	Yes	100	100	100	100	100	100

Notes

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

Drought response

Drought preparedness

The Drought Preparedness Plan is a part of Westernport Water’s 2022 Urban Water Strategy. The Plan outlines management actions for the various water sources available and responses to maintain a balance between water demand and availability. The Drought Preparedness Plan was enacted in 2024-25 as the reservoir level fell below the drought response trigger. Westernport Water has begun actions under its drought response plan to ensure that there is an adequate water supply now and into the future. These actions include;

- supplementing demand with supply from the Greater Yarra Thomson Yarra River Entitlement
- weekly monitoring of the reservoir volume
- communicating with the community regarding the reservoir volume and promotion of voluntary water conservation measures
- increased surveillance of water leaks and pipe bursts within the reticulation system.



Sunrise at Candowie Reservoir

Water restriction by-law

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

During the reporting period, Westernport Water continued to monitor water supply conditions, demand patterns, and climatic indicators to assess the need for water restrictions. Despite dry seasonal conditions at times, water storages remained stable, with no formal water restrictions required due to our access to the Melbourne Water Supply System. Westernport Water maintained a focus on proactive community engagement, encouraging voluntary water conservation through education campaigns and promoting Permanent Water Saving Rules. This ensured responsible water use while supporting the region's long-term water security.

Water efficiency and water recycling

Recycled water

Westernport Water produces recycled water for use on its own land and provides it at a lower price than potable water for use by customers.

Recycled water can be used in place of potable water in specific applications to help reduce the demand on potable water and reduce the amount of treated effluent discharged to the ocean. In 2024-25, 137.2 ML of recycled water was used in applications that would have otherwise been supplied with potable water, including, household uses (toilet flushing and garden watering), process water on the wastewater treatment site, irrigation of public facilities, sporting fields, community gardens, and cattle drinking water.

The Recycled Water Strategy is key for achieving sustainable water management in our region. This strategy provides clear reuse targets and outlines the steps to achieve them. Actions from the strategy include:

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

Circular economy outcomes

Implementation of the recycled water strategy

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

Reuse targets were met, with a total reuse volume for irrigation to Westernport Water land of 303.2 ML, and a combined total reuse volume of 503.2 ML achieved with customers. This exceeded the 267 ML volumetric reuse target set for 2024-25 in the Recycled Water Strategy. Recycled water usage data is available in Table 6.6.

The Recycled Water Strategy 2023-26 details a range of initiatives to meet the baseline volumetric customer commitments, with more ambitious projections for dry years. In addition to achieving our reuse targets for 2024-25, progress towards our strategic initiatives continues. In 2024-25, we continued to investigate non-weather-dependent uses for our recycled water to secure reuse options resilient to climate variability. This includes the design and construction of a wetland at KRWWTTP to store and treat wastewater through a nature-based process, as well as investigating options for the release of treated effluent into waterways for environmental benefits.

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

Biosolids management

Biosolids, produced by the wastewater treatment process, can be used as a soil conditioner, making nutrients available to enhance crop yields on agricultural land. Biosolids are managed in accordance with Westernport Water's EPA Victoria approved Regional Environmental Improvement Plan. The Environmental Improvement Plan has been updated to reflect the new National



Irrigating with Recycled Water at King Road Wastewater Treatment Plant

Environmental Management Plan (NEMP3.0) published by the heads of EPAs Australia and New Zealand in 2025.

We produced 277 dry tonnes of biosolids in 2024-25. In May 2025, we spread 694 dry tonnes of biosolids on Westernport Water land at CWWTP for soil improvement in line with our strategies and expert advice. Biosolids were applied to land per the Victorian and national guidance. This has resulted in 251 percent reuse of biosolids for 2024-25 (biosolids reused as a percentage of biosolids produced).

Sustainable water strategies

The Urban Water Strategy (UWS)

Adopted in March 2022, the UWS provides a 50-year outlook forecasting demand and supply. It contributes to Westernport Water's vision of delivering sustainable water and wastewater services that enhance the health and liveability of our community. This Strategy sets out the key challenges facing our region with consideration of climate and population projections based on the best available science, feedback and insights from our customers, and presents options and actions to preserve and enhance our communities, while balancing social, environmental, and economic costs and benefits.

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

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

Westernport Water is in a fortunate position to have a secure water supply for our region from our three available sources (Candowie Reservoir, Bass River and the Corinella Aquifer), as well as access to the Melbourne Supply System with a further 29 months of water security. We recognise that with future demand and climate change impacts, the sustainable management of our water sources will be more critical than ever to ensure the resilience and liveability of our community and the continued security of our supply. We will continue to monitor resources over the next five years and present the Annual Water Outlook each December.

Conservation and water recycling

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



New centre pivot irrigation at King Road Corinella

Corporate water consumption

Water consumption at the Newhaven Office and the depot increased from the previous year due to an increase in head count and more employees returning to the office after a significant period working from home.

Our corporate water use is monitored through the VicFacilities online tool. The tool identifies anomalies and sends alerts to site managers, providing early detection of any water leaks.

Table 6.6: Corporate water consumption

Indicator	2024-25	2023-24	2022-23	2021-22	2020-21
W1. Total water consumption (kilolitres)	316 ¹	255	536	317	219
W2. Units of office water used per FTE (kilolitres/FTE)	3.44	2.98	6.12	3.98	2.8
W3. Units of office water used per office area (kilolitres/m2)	0.33	0.26	0.55	0.33	0.23

Notes

1. The increase in water usage can be attributed to more staff working in the office compared to prior years.

Urban Development – Housing Statement

In 2024-25, Westernport Water supported the delivery of 189 new lots that are now ready for building within its service area. This represents a slowdown in development activity compared to 2023-24, when 225 lots were developed. The original forecast for 2024-25 anticipated 356 lots, indicating a lower-than-expected growth rate during the period.

Westernport Water continues to work closely with Bass Coast Shire Council through quarterly meetings focused on future development, potential subdivisions, and regional growth opportunities. Additionally, we maintain ongoing engagement with developers to support planning and servicing strategies that align with our long-term infrastructure needs.

Environmental statutory obligations

The Western Port and Mornington Peninsula Region Healthy Waterways Strategy (October 2018) identifies Guys Creek, which runs through the Corporation's KRWWTTP, as a high priority for establishing and/or maintaining vegetation buffers. In the previous financial year 300m section of Guys Creek was fenced off to exclude livestock and prepare for revegetation planting. In September 2023, partially funded by Melbourne Water, 900m of fencing around Guys Creek at the KRWWTTP was undertaken. Additionally, Westernport Water staff collaborated with Landcare on riparian vegetation planting. A total of 3,300 trees, shrubs and grass covers were planted to aid with creek health and the subsequent recreational values linked to Guys Creek. In 2024-25, Melbourne Water provided a further funding opportunity of \$7,013.50 for additional planting along Guys Creek. The planting has been scheduled for Spring 2026, given the dry weather conditions. Further plantings have had a budget allocated to buffer the irrigation areas on two of KRWWTTPs pivots, however dry conditions have delayed this to the 2025-26 period.

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

Sewerage Planning

As part of its wastewater system asset management planning, Westernport Water continues to assess the impacts of growth across its service area. The 2023–2033 Wastewater System Review identified a range of capacity improvements required to service future developments.

In addition to the 10-year plan, anticipated long-term growth in the San Remo catchment has prompted early engagement with Bass Coast Shire Council. This includes options assessment and investigations into potential sewerage upgrade options to ensure infrastructure keeps pace with development.

Management of irrigation runoff

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

Solids loading for Western Port

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



Australian Water Association Young Water Professionals Tour of Cowes Wastewater Treatment Plant

7. Compliance and enforcement

Bulk water entitlements

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

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

Westernport Tennent Creek BE

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

Candowie Reservoir did not reach capacity in 2024-25 due to a lack of inflow and rainfall. Per the environmental flow conditions of the BE, 352 ML was released. The environmental flow enhances the downstream creek environment, helping the flora and fauna to remain healthy.

Bass River BE

No water was extracted under this BE during 2024-25. Westernport Water met all conditions of the BE during the reporting period.

Greater Yarra System – Thomson River Pool BE

A total of 1,432 ML was extracted from this BE in 2024-25 whilst the Victorian Desalination Plant was offline. Compliance with all conditions and requirements for this BE was achieved. We received a water allocation every month from the Water Resource Manager, Melbourne Water, who also provided an update on any carryover water and spills from the Melbourne system storages.

The latest information from the Melbourne Water Storage Manager is that Westernport Water has OML of water allocation left for 2024-25, a carryover of 3,636 ML, and a balance of available water of 3,636 ML (equivalent to 19 months demand). Westernport Water contributes to the formulation of the system management rules and the operating arrangements to manage the Bulk Entitlement.

Melbourne Water is now making seasonal allocations as Storage Manager (and not Resource Manager) following Melbourne Water's appointment as Storage Manager for the Melbourne system (and revocation of MW's Resource Manager appointment) in 2022.

Corinella Aquifer BE

A water extraction bore licence enables Westernport Water to take and use 490 ML of groundwater from the Corinella Aquifer for urban water supply. The groundwater licence is granted until 30 June 2031. Under the revised Urban Water Strategy, the long-term strategy for this groundwater source has been revised and this source is only used during low rainfall periods after other sources have been fully utilised. During the reporting period, we did not extract any water from bores under this licence.

Table 7.1: Water consumption

BE (Westernport) Conversion Order			14.1(a)	14.1(ab)	14.1(b)	14.1(c)	14.1(ca)	14.1(d)
System	Storages	Bulk entitlement ML/year	Max. rate of extraction ML/day	Daily flow to environment ML/day	Water storages ML ¹	Amount taken ML/y	Annual environment flow ML ³	Amendment of programs
Tennent Creek	Candowie Reservoir	2,911	14.1	5.0 winter 0.1, summer 7.5 fresh	1,912	1,192	352	No
			14.1(e)	14.1(f)	14.1(g)	14.1(h)	14.1(i)	14.1(j)
			Entitlement transfer from	Entitlement transfer to	Entitlement amendment	New entitlement	Failure to comply	Difficulties and remedial actions
			No	No	No	No	No	No

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

BE (Greater Yarra System – Thomson River Pool – Westernport Water) Order 2014 ³			16.1(a)	16.1(b)	16.1(c)	16.1(d)	16.1(e)	16.1(f) ⁴
		Bulk entitlement ML/year	Amount taken ML/y	Water allocation and carryover ML	Entitlement volume compliance	Entitlement transfer	Approval, amendment and implementation of metering program	Entitlement amendment
Greater Yarra System – Thomson River Pool		1,000	1,432	3,636	Yes	No	Yes	No
			16.1(g)	16.1(h)	16.1(i)			
			New entitlement	Failure to comply	Difficulties and remedial actions			
			No	No	No			

Notes

1. Water storage level on 30 June 2025.
2. Daily flow in waterway must exceed 40 ML/d during any extraction periods.
3. Environmental flow released via the environment flow pipeline.

8. Customer, community and engagement

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

Aligned Corporate Plan 2024-29 initiatives:

- Implement Year two of the Innovate RAP 2023-25
- Implement the second year of the community performance regime as per Price Submission 2023-28
- Deliver Year two of the Water Quality Continuous Improvement Program
- Collaborate with Gippsland Regional Water Alliance to improve effectiveness of process and programs.

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

We engage openly and transparently with our community by building strong partnerships and working collaboratively to meet our corporate objectives.

Bills and support

Prices for 2024-25

Based on Westernport Water's average annual residential consumption of 95 kL, total household bills for owner occupiers was \$1,382.86. A 2.1 percent price increase was applied for the 2024-25 financial year. This was reflective of inflation, affecting the operational and capital costs of delivering water and sewerage services.

Prices for 2025-26

Based on Westernport Water's recent average annual residential consumption of 95kL, total household bills will increase from 1 July 2025 from \$1,383 to \$1,412 for owner occupiers and remain relatively flat for tenants (\$233 to \$238). These changes are in line with inflation and changes to the cost of debt and Melbourne Water tariffs.

Waterways and Drainage Charge

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

Customers in rural areas are charged at a lower rate to reflect the different services provided compared to urban customers. In 2024-25, the Waterways and Drainage Charge is \$67.00, and in 2025-26, the Waterways and Drainage Charge is \$68.60.

Table 8.1: Total urban bills for 2024-25 compared with previous year

Indicator	2024-25 (\$)	2023-24 (\$)	Notes
1. Residential bill – owner occupier (\$ real 2024-25)			
The actual bill for an owner-occupier with a typical (average) water use in real 2024-25 dollars	\$1,383	\$1,321	
Percentage change from prior year	4.7%	8.0%	1
1. Residential bill – tenant (\$ real 2024-25)			
The actual bill for a tenant with a typical (average) water use in real 2024-25 dollars	\$233	\$211	
Percentage change from prior year	10.4%	16.6%	1
Typical (average) water use (kL) assumed in owner-occupier and tenant bill calculations	95 kL	90 kL	
2. Non-residential bill – business (\$ real 2024-25)			
The annual bill for a business using 3 ML per annum in real 2024-25 dollars	\$8,518	\$8,150	2
Percentage change from prior year	4.5%	10.6%	

Notes

1. Percentage change is influenced by an increase in average consumption.
2. Calculations assume no additional cistern charges and has a 20mm meter.

Reporting on operational performance relating to customer responsiveness

Table 8.2: Customer responsiveness and bill support indicators

Customer responsiveness and bill support indicators	2023-24	2024-25	Variance to previous year	Current year target	Variance to target
Water bills – customers on flexible payment plans					
No. of customers with instalment plans	238	296	24%	–	–
Water bills – customers awarded hardship grants					
No. of customers awarded hardship grants	288	289	0.35%	–	–
Customer Responsiveness – water quality complaints¹					
No. of complaints per 100 customers	0.15	0.18	20%	0.22	-18.18%
Customer Responsiveness – number of payment issue complaints²					
No. of complaints per 100 customers	0.3	0.8	166%	0.10	-700%
Customer Responsiveness – total complaints³					
No. of complaints per 100 customers	0.29	0.35	20.69%	0.71	-50.70%

Notes

- The increase in water quality complaints saw a slight increase this year but the figure remains below the annual target of 0.22. This can be attributed to required infrastructure upgrades in the distribution system which led to aerated water. Each complaint was investigated and there were no identifiable themes or causes for the increase in complaints.
- There was an increase in the number of payment issue complaints this year, during the first quarter, as customers were still experiencing inflationary pressures, as well as Telstra e-notices customer not receiving their e-notices bills.
- The increase in overall complaints was a result of the uptick in water quality and payment usage complaints received.

Table 8.3: Reporting on operational performance

Water and Sewerage Service Indicators	2023-24	2024-25	Variance to previous year	Current year target	Variance to target
Customer Responsiveness					
Complaints referred to EWOV responded to within EWOV-established time. ¹	15	14	-6.67%		

Notes

- We do not have a complaint target.



Community education

Customer support

Table 8.4: Community service obligations

Performance indicator	2024-25 (\$)	No. of customers	2023-24 (\$)	No. of customers	Notes
Provision of water and sewerage concessions	1,004,918	23,302	960,110	22,005	–
Rebates paid to not-for-profit organisations under the water and sewerage rebate scheme	27,401	425	31,895	495	1
Utility relief grant scheme payments	120,165	432	105,018	394	2
Customer Care grant (Sewerage and Water Connection Scheme)	21,810	272	15,489	218	3
High usage leak allowance (HULA)	24,463	58	31,139	89	4
Water concession for life-support machines	0	0	0	0	5
Total community service obligation provided	1,198,757	24,439	1,143,651	23,201	

Notes

1. Rebates for not-for-profit organisations have decreased slightly compared to last year.
2. Increase in Utility Relief Grants due to increased customer requests and ongoing work to target vulnerable customers.
3. Customer Care Grants were higher due to increased requests and additional drought relief support for farming community.
4. We have seen a decrease in the amount of HULAs awarded from last year with higher values awarded to customers.
5. We do not currently have any customers who access a water concession for life support machines.

Customer care

We continued to support customers facing financial challenges due to cost-of-living and restriction activities remained on hold until 2025-26. Our customer assistance programs were available to provide tailored solutions, including flexible payment arrangements, help with paperwork, and applications for government concessions. Additionally, financial assistance programs such as Customer Care Grants, Utility Relief Grants, and concession rebates were offered to those in need. We commenced referrals to external debt collection agents in April 2025.



Annual staff Christmas gift appeal for local children in need

Water and sewerage concessions

Eligible concession card holders can have up to 50 percent deducted automatically from their water and sewerage charges up to a yearly maximum of \$363 for 2024–25. During the year 23,302 concessions were applied to the value of \$1,004,918.

The cap for the Water and Sewerage Concession for 2025-26 is \$372.10 for the full concession, and \$186.05 for customers with one service only.

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

Under the scheme, organisations using land for community benefit may be eligible for a water and sewerage rebate, providing up to \$260 per year off the fixed service charge component of water bills. During the year, 425 organisations received help from the scheme, saving \$27,401.

Water concession on life support machines

Eligible concession card holders using life support machines at home were eligible for concessions on their electricity and water bills during the year. Eligible applicants include account holders with a Pensioner Concession Card, Health Care Card, or Veterans' Affairs Gold Card who use or have a household member using an eligible life support machine. Westernport Water do not have any customers that have disclosed they are using a life support machine, so no customers were provided with concession support of this kind.

Hardship relief grant scheme (sewerage and water connection scheme)

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

Eligible customers were able to receive a maximum of \$650 on each utility type in a two-year period (or \$1,300 for households with a single source of energy (for example, electricity only). Westernport Water's Customer Care Officer supported customers with their applications and during 2024-25, relief grants for paying overdue energy or water bills were provided to 432 customers, totalling \$120,165.

Community rebate program (housing retrofit)

The Community Rebate Program offers complimentary water efficiency audits performed by a licensed plumber. The program helped five vulnerable customers reduce their water usage. Under the program, eligible customers may receive up to \$750 for agreed-upon products or services. The program does not provide subsidies for bills but aids customers on a concession or payment arrangement to reduce water use and utility costs.

High usage leak allowance

Customers who experienced unexpected high-water usage were provided with support and options under the Victorian Water Industry's Guideline for Unexplained High Usage and Undetected Leak Program. Only one water bill rebate will be offered per customer, per property, per five-year period for eligible water loss events. Customers may make one claim for either a single leakage event or a single unexplained high usage event within a five-year period. Claims for both leakage events and unexplained high usage events cannot be made within a five-year period. The High Usage Leak Allowance Scheme provided \$24,463 of relief for 58 customers during the reporting period.

Telephone interpreter services

At Westernport Water, we recognise the importance of effective communication in providing exceptional service to all our customers. Recognising that language barriers can hinder interactions, we are proud to offer this valuable service, specifically designed to cater to customers who do not speak English. This free service aims to remove or reduce barriers to accessing support and information about water and wastewater services when needed.

Energy and Water Ombudsman Victoria

This Ombudsman provides a dispute resolution service for energy and water consumers and has the power to investigate and resolve disputes between Victorian consumers and their water company. During the year, the Energy and Water Ombudsman Victoria (EWOV) received eleven complaints (0.05 complaints per 100 customers). One complaint required investigation, seven were assisted referrals, which we were able to resolve, and three were customer inquiries resolved by EWOV.

EWOV contact details

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

Customer protection, including the prevention of harm from family violence

Westernport Water has continued to enhance customer protections over the last 12 months in various ways. A new Customer Support Policy was approved by the Board, which included additional information on our commitment to deliver targeted customer service training to support vulnerable customers. Our dependency on customer forms was reduced via the launch of a new secure online direct debit portal for customers.

Westernport Water exceeded its performance commitments for the award of hardship grants and Utility Relief Grant Scheme payments. Our hardship grants increased from 198 in 2023-24 to 269 in 2024-25. We also facilitated the payment of 432 Utility Relief Grants, up from 394 the previous year.

Information, cybersecurity and privacy training was also provided to all staff. There were no privacy related complaints, no known or suspected data breaches, and no information security incidents of any severity in 2024-25.

Customer and community engagement

Deliver year two of the Communications and Engagement Plan 2023-26

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

Some of the activities undertaken throughout the year included Customer Assessment Panel engagement, water cafés, community events, reconciliation forums, working groups, community meetings, tours, project briefings, drop-in sessions, Choose Tap education and the Schools Water Efficiency Program. Each of which are outlined within the Communications and Engagement Plan that is available on the Westernport Water website.

Customer Assessment Panel – Strengthening Accountability Through Community Engagement

In 2024-25, Westernport Water successfully established and engaged a Customer Assessment Panel as part of our commitment to transparency, accountability, and continuous improvement. We recognise the value of involving our customers in meaningful ways to shape and assess service delivery that meets the evolving needs of our community.

The Panel, recruited and engaged in August 2024, was tasked with reviewing our performance and providing independent customer commentary. This customer-led feedback was published in the 2024 edition of our Annual Watermark, delivered to every customer in September 2024. The inclusion of the Panel's perspective reflects our approach to performance stewardship and builds trust through open communication.

The success of the Customer Assessment Panel initiative demonstrates our dedication to empowering customers, strengthening community voice, and ensuring that our services remain responsive, transparent, and customer-focused. In June 2025, we replicated the process and recruited customers to participate in the Customer Assessment Panel, which assessed our performance for the 2024-25 reporting period.

Maintain the Reconciliation Action Plan Working Group

During the reporting period, Westernport Water maintained a strong representation of First Nations within its Reconciliation Action Plan Working Group (RWG). We extended invitations to Bunurong Traditional Owners, Aboriginal and Torres Strait Islander community members, and also encouraged participation from interested employees across the organisation.

This engagement drive was successful, resulting in the addition of new internal members. Their contributions have enriched our conversations, deepened our understanding, and strengthened our ongoing commitment to reconciliation, cultural respect, and meaningful action.

Our Reconciliation Action Plan (RAP) is a living document that requires a committed Working Group to drive meaningful action year after year. The RWG serves as the heart of our organisation's reconciliation journey. Consistent membership signals to Aboriginal and Torres Strait Islander communities and our staff that we are committed to reconciliation. Our internal members represent diverse teams across the organisation and play a vital role in fostering learning, inclusivity, and cultural awareness, helping to embed reconciliation into our everyday thinking, processes, and practices. More detailed information is available in Section 9.

Deliver actions in the Innovate Reconciliation Action Plan

The RAP is integral to our commitment to reconciliation and fostering a more inclusive and respectful workplace and community. Endorsed by Reconciliation Australia in October 2023 and launched in February 2024, we are now approaching the end of our third RAP, which concludes in October 2025.

From the 100 deliverables outlined within the RAP, 79 have been completed, 17 are in progress, and four deliverables are at risk of not being completed by the end of the RAP in October 2025. Any outstanding activities will be delivered concurrently with the development of our fourth RAP.

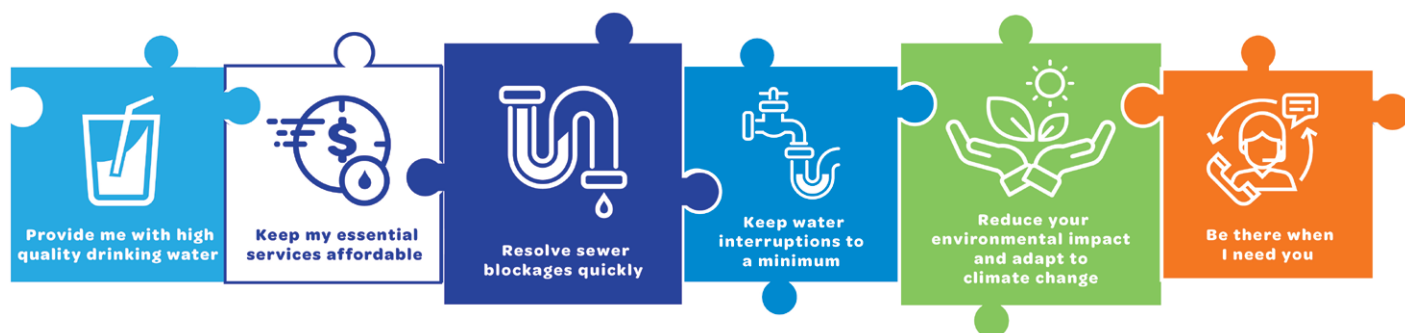
Deliver year two of the five-year pricing period 2023-28

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

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

Provided in Appendix 2 is a summary of our performance for each customer commitment. This performance is also made available on our website, provided to ESC Victoria, and published with customer comments in our Annual Watermark.

Figure 8.1: Customer Commitments 2023-28



Customer satisfaction

Regional Water Alliance and customer insights

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

Surveying is conducted in partnership with the Victorian Regional Water Alliance, which has been collaborating for 11 years to conduct annual customer surveys. These surveys gather feedback and insights from customers about water services, overall satisfaction levels, and specific areas for improvement.

The Water Alliance was formed in 2013 by the Gippsland water corporations and has since evolved to include six water corporations. The collaborative survey approach enables alliance members to benchmark, compare and measure our performance against other Victorian regional water corporations and continually track and observe results for any changes or insights into our performance.

An independent contractor conducts research on behalf of participating water corporations in the regional 'Water Alliance', which together surveyed over 4,000 customers for the past two years, more than the target of 2,400.

Customer satisfaction with ease of effort

Customers answering 'Yes' to 'Have you been in touch with your water corporation in the last 12 months? And would you say that they are easy to deal with?' 96 percent of customers who had been in contact with Westernport Water in the last 12 months overwhelmingly agree that we are easy to deal with.

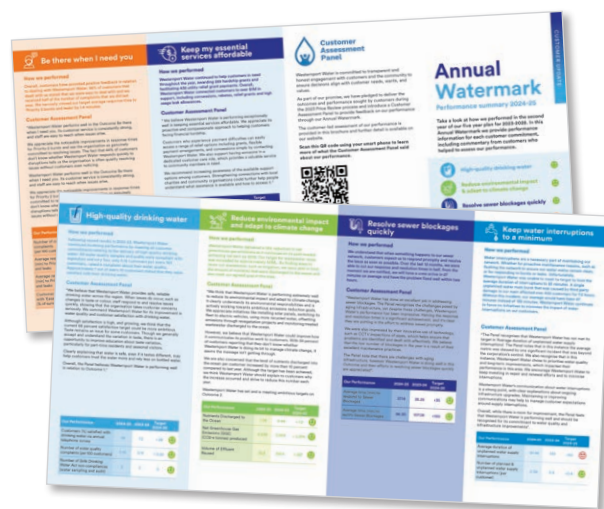


Figure 8.2 Satisfaction with tap water quality (y/n)

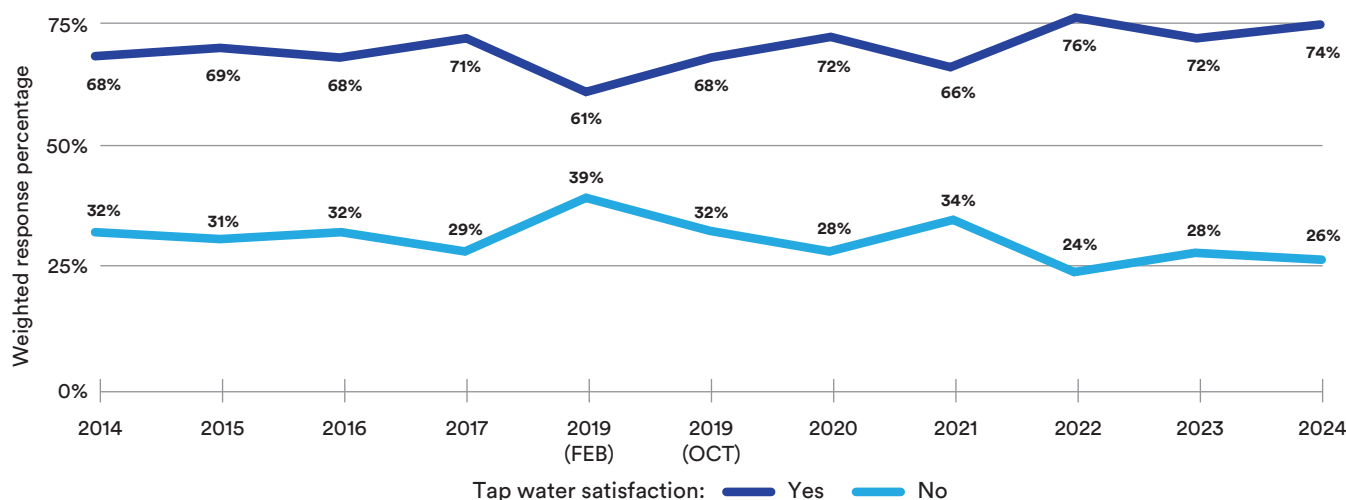
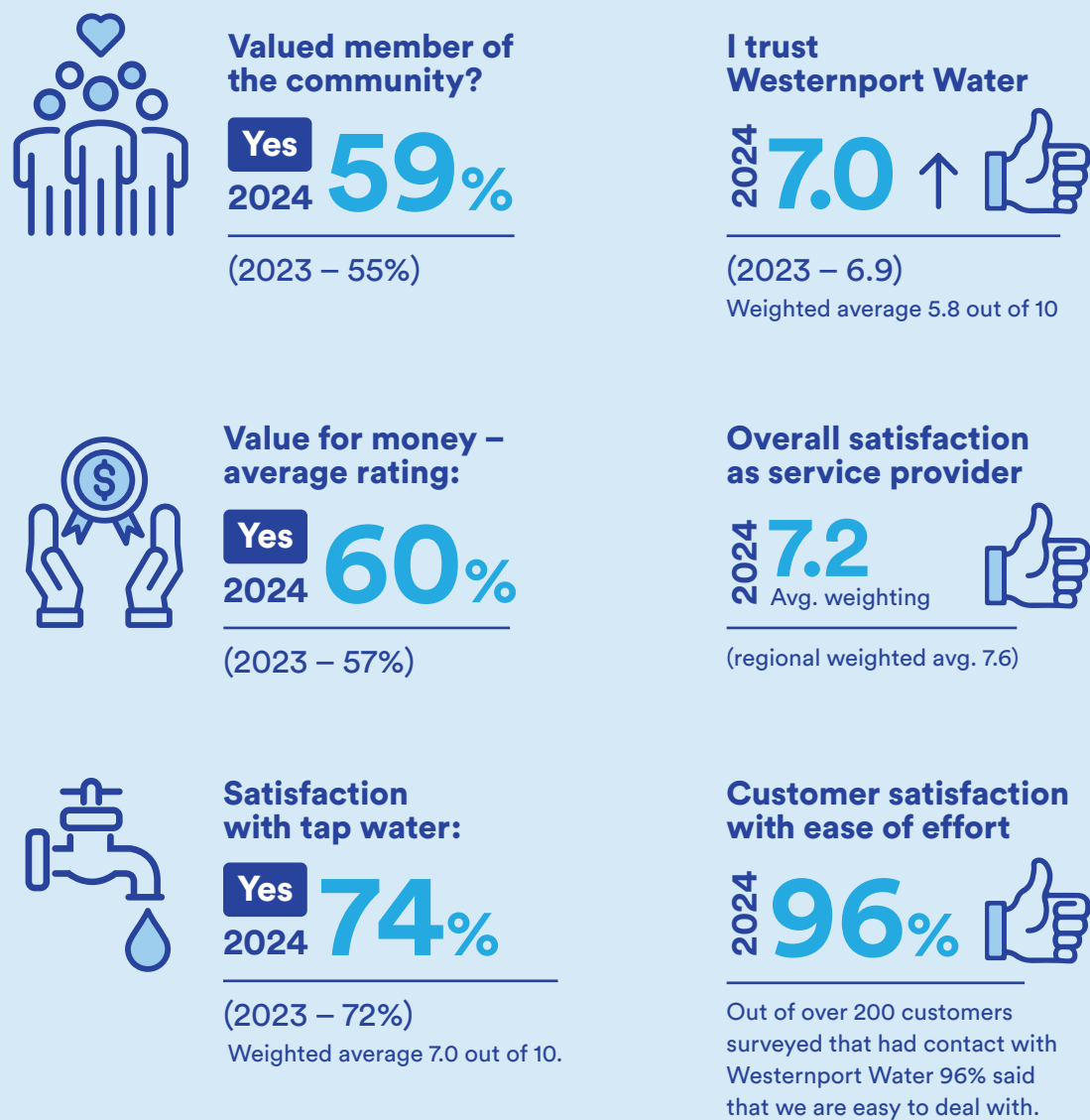


Figure 8.2: Customer perception insights



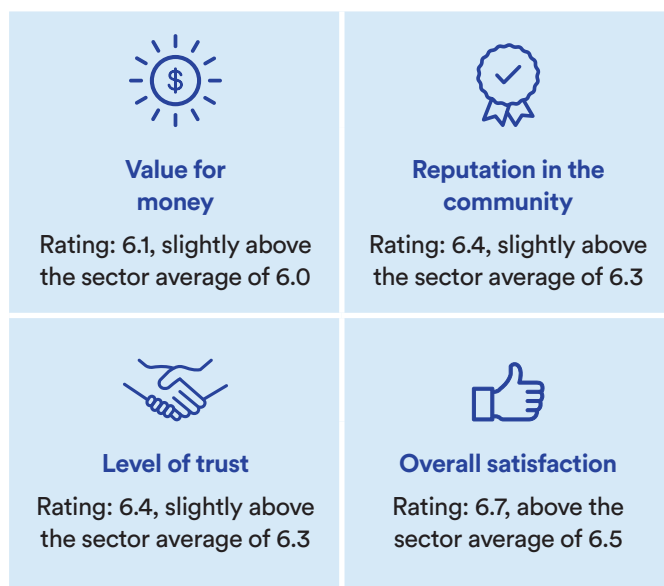
Customer satisfaction and the ESC customer perceptions survey

The Commission surveyed 5,200 customers across the 15 state-owned urban and regional water corporations on the four key areas: value for money, reputation in the community, level of trust, and overall satisfaction. Customers rated each area out of 10 and results are presented as a rolling average.

In the latest ESC Customer Perceptions Survey, our performance was rated slightly above the sector average across all key measures. Customers rated us 6.1 for value for money, compared to the sector average of 6.0. Our reputation in the community and level of trust both scored 6.4, just above the sector average of 6.3. Most notably, our overall satisfaction was rated at 6.7, exceeding the sector average of 6.5, highlighting our continued commitment to delivering quality services and building strong relationships with our customers.

For more information visit www.esc.vic.gov.au/how-customers-rate-their-water-business.

How customers rate their water business – Results for period August 2024 to June 2025



Community sponsorship

In the 2024–25 financial year, Westernport Water contributed a total of \$53,856 (excl. GST) in sponsorships and donations to support our local community. When factoring in the value of in-kind support, including free use of our Hydration Station and portable refill stations at public events, billboard advertising, reusable drink bottles, and other promotional items, our overall community investment reached \$79,827 (excluding GST).

A significant portion of this support was delivered through our Community Support Program (CSP), which provided \$43,629 (excl. GST) in direct funding to 20 not-for-profit community groups. These grants helped deliver projects and events that align with our vision of a more sustainable and liveable region.

Throughout the year, we actively engaged with our community through approximately 50 stakeholder meetings, 37 sponsored events, 39 educational sessions, and two sponsorships or donations—highlighting our ongoing commitment to community involvement and positive impact.

Education

At Westernport Water, communications, engagement, and education work hand-in-hand to share important information, build understanding, encourage participation, gather insights, and educate customers and the community about our products and services. As part of our Communications and Engagement Plan (2023-26), all our education campaigns and programs fall into two streams: Water Literacy and School Education.



Local community groups who received event funding



Phillip Island & District Basketball Association – recipients of Sports Hydration Kits

In year two of this plan, we continued to support and promote four sector-wide campaigns that aligned with both streams, including Choose Tap, the 3Ps wastewater campaign, National Water Week, and Target Your Water Use. Smart Water Advice kits were distributed to some accommodation providers with the remainder to be rolled out over the following 12 months.

These campaigns play a vital role in promoting sustainable water practices by raising awareness around water conservation and encouraging responsible water use across the community.

Four community groups and two schools participated in educational tours and excursions to our sites during the 2024-25 period. We also ran seven incursions at local primary and pre-schools, participated in two student career events and presented to three community groups. In total, we successfully delivered 39 educational engagements during the 2024-25 period.

Westernport Water actively participates in National Water Week (NWW), a national initiative that promotes water conservation and sustainability. During the annual campaign, various events and educational activities were organised to engage the community and raise awareness about responsible water use, notably the Victorian NWW Poster Competition. This year, almost 150 local primary school students entered posters that expressed the value of water in their lives and the importance of protecting this precious resource.



Secondary School tour of Cowes Wastewater Treatment Plant

The Victorian Water Efficiency Strategy (VWES)

The VWES aims to conserve water supplies by:

- Reducing water consumption
- encouraging the use of water-saving appliances, fixtures and fittings
- providing information, resources and support to customers, through innovative and collaborative practices among water corporations to facilitate state-wide water-wise practices.



Primary School incursion program – Down the Drain lesson

Residential water efficiency programs and initiatives available during 2024-25 were:

- Target Your Water Use (TYWU) campaign
- School education programs; National Water Week
- Smart Approved WaterMark website and resources provided by Smart Water Advice
- improved information on the website
- continuation of the Permanent Water Saving Rules
- comparative consumption data – on bills and website
- customer care programs
- Community Water Rebate Program
- WaterSmart Program.

Smart Water Advice

Smart Water Advice is a valuable customer education tool that supports our efforts to encourage water conservation. Developed by The Water Conservancy, this subscription-based resource offers expert, easy-to-understand information on water efficiency to households and communities. By building water literacy, increasing the perceived value of water, and promoting behaviour change, the program plays a key role in helping customers use water more efficiently and reduce waste.

This collaborative approach, introduced to Victoria through Smart Water Advice, has facilitated consistent and professional messaging across the sector, thereby enhancing community engagement and promoting water-efficient behaviours. We have subscribed to the program since its inception in 2016. In 2025, the statewide agreement was considered and renewed for Victorian Water Corporations for the period 2026-29, achieving cost savings through economies of scale.



Community Support program event sponsorship

Choose Tap

Westernport Water has proudly been a member of the Choose Tap Coalition since its inception in 2014. This national alliance of councils and water corporations from across Australia works together to promote tap water as the drink of choice, and the Choose Tap campaign nationwide.

Through collaboration, we share expertise, knowledge, resources, and leverage a consistent and widely recognised brand and message. In 2024–25, Westernport Water continued to champion the Choose Tap message through a range of successful initiatives, including:

- **Permanent Water Refill Stations** – We continued our MOU with Bass Coast Shire Council and Phillip Island Nature Parks by installing drinking fountains at sites, including San Remo Esplanade Foreshore Reserve, Harris Beach Ventnor and Cape Woolamai Anzac Beach carpark. We also installed fountain banks at Phillip Island Soccer Club, Phillip Island Golf Club and Newhaven Primary School via the Community Support Program.
- **Prep Water Bottle Initiative (ninth year)** – 250 stainless steel water bottles were distributed to Prep students at seven local primary schools in January 2025, helping to build healthy habits from day one of school.
- **South Coast Water Partnership (eighth year)** – continues to promote Choose Tap campaign key messages, that local tap water is clean, safe, and good for our health. Partnership member organisations (Westernport Water, South Gippsland Water, Bass Coast Shire Council, South Gippsland Shire Council, GippSport, South Coast Prevention Team and Gippsland Region Public Health Unit) collaborated on two campaigns during 2024-25, including the annual summer social media campaign and a poster campaign at local community buildings, sporting facilities and in member office spaces.

WaterSmart Program

The WaterSmart Program, funded by the Victorian Government, helps non-residential customers better understand and manage their water use. By providing access to tools such as digital water monitoring, water audits, and leak detection services, the program supports businesses, councils, schools, and community organisations to identify inefficiencies, reduce consumption, and lower costs. Through WaterSmart, customers gain valuable insights that lead to practical water-saving actions – supporting both environmental outcomes and long-term sustainability.

In 2024–25, we focused on the rollout of Tier 1 (Water Use Monitoring) and Tier 2 (Water Audits & Leak Detection) to help non-residential customers reduce water consumption and costs. In Tier 1, we provided funding to nine businesses linking them to the VicFacilities online portal, offering real-time monitoring at 15 minute intervals and high-use alerts to help quickly identify leaks and inefficiencies. In the year ahead, we will focus on Tier 2, eligible customers with existing digital monitoring, and conduct comprehensive water audits or leak detection services.

Schools Water Efficiency Program (SWEP)

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

Eight schools in the region are registered with the SWEP program, with most schools receiving email alerts for higher-than-usual water usage and potential leaks during the 2024-25 period. This resulted in a saving of an estimated 979 kL of water, with an estimated avoided cost of \$2,400. Since the program began in 2012, local schools have saved approximately 37.4 megalitres of water at an estimated avoided cost of \$60,000.



2025 Prep Water Bottle Initiative

9. Recognising Aboriginal values

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



Reconciliation Australia Reconciliation Australia's leadership team visit

Key performance areas:

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

Aligned Corporate Plan 2024-29 initiatives:

- Develop Westernport Water's People Strategy
- Continue to implement Integrated Water Management outcomes
- Implement Year two of the Innovate RAP 2023-25.

Partnerships with Traditional Owners

Westernport Water is committed to building strong, respectful, and collaborative relationships with Traditional Owners. In line with our commitment to reconciliation and self-determination, we continue to establish and maintain formal partnerships that support shared goals, cultural connection, and capacity building.

In September 2024, we were honoured to share our journey with Reconciliation Australia staff and Board members during their recent visit to Millowl (Phillip Island). It was an incredible opportunity to reflect on the Bass Coast Reconciliation Network's regional approach to Reconciliation, achievements, the progress we've made, and the important work still ahead.

As of 30 June 2025, we have two formal partnership agreements in place with Traditional Owners, reflecting our ongoing efforts to embed meaningful engagement and recognition of Aboriginal and Torres Strait Islander peoples across our operations. These partnerships form a key foundation in delivering culturally inclusive services and contributing to positive outcomes for Country and community, including:

- Barrithbarrith – Gathering Place Steering Committee
- Bass Coast Reconciliation Network – that includes the Bunurong Land Council and First Nations Community

In addition to these partnerships, we continue to support a few informal partnerships that support Aboriginal businesses, artists, and community initiatives. For more information, please refer to the following section.

Maintain membership of the Bass Coast Reconciliation Network – A regional approach to reconciliation

The Bass Coast Reconciliation Network (BCRN) is a collaborative alliance of organisations within the Bass Coast region, committed to advancing reconciliation through partnership, respect and shared action. The network includes Bass Coast Shire Council, Bass Coast Health, Westernport Water, Phillip Island Nature Parks, Bunurong Land Council Aboriginal Corporation, Bass Coast South Gippsland Reconciliation Group, Myli – My Community Library, Dhelk Dja and Aboriginal and Torres Strait Islander community members. Reconciliation event partners have also included West Gippsland Catchment Management Authority.

Since its formation in 2019, the BCRN has continued to grow in strength and unity, demonstrating the value of coming together to achieve more than any one organisation could do alone. Over the 2024–25 reporting period, the BCRN deepened its relationships, enhanced coordination, and built stronger partnerships with Traditional Owners and local Aboriginal and Torres Strait Islander communities.

The BCRN's primary goal remains to drive collective action on reconciliation while supporting each member organisation to meet and advance their RAP commitments. By pooling time, resources, and knowledge, BCRN members can deliver more meaningful outcomes, reduce the burden on community representatives, and provide consistent and respectful opportunities for engagement.

The BCRN plays a pivotal role in fostering collaboration across the region, serving as a central link between organisations, the Aboriginal and Torres Strait Islander community, and the broader public. Through shared learning and coordinated planning, we amplify our impact and deepen our understanding of reconciliation principles within and across our organisations.

In 2024–25, our unified approach continued to demonstrate how partnerships can drive social change, support truth-telling, and foster a culture of inclusion and respect. The BCRN remains committed to empowering Traditional Owners and Aboriginal and Torres Strait Islander people by ensuring their voices are heard, respected, and reflected in all reconciliation activities.

A full summary of BCRN's annual program of reconciliation events and key initiatives is provided in the following section.

Case Study

Enabling the Gathering Place Steering Committee

The Barrithbarrith Gathering Place Steering Committee is comprised of Aboriginal people living on the Bass Coast who have been working for several years to establish an inclusive and welcoming place for the Community to gather, celebrate, and strengthen cultural identity and a sense of belonging. Barrithbarrith means 'plover' in the Boonwurrung language.

Westernport Water, along with Bass Coast Shire Council, Phillip Island Nature Parks and Bass Coast Health, have partnered with the Steering Committee over the last year to provide financial and in-kind support as it works towards becoming an incorporated organisation. Barrithbarrith was successful in its application to the Aboriginal Community Infrastructure Fund (Victorian Department of Government Services) to undertake a project to test the feasibility of a Gathering Place for First Nations people. The first round of consultation is almost complete, and the investigation of potential sites will commence in the coming months.

The Phillip Island Nature Parks, Bass Coast Shire Council, Bass Coast Health, and Westernport Water support the goals of the Gathering Place and have provided administrative support to facilitate community engagement. They have also collaboratively funded the group \$50,000 to enable progress on the project and lay the foundations for self-determination.



Barrithbarrith
Gathering Place

Brian Stephens, Chair of Barrithbarrith

"Extensive engagement and support from our partners has allowed us to shape and progress our vision for a Gathering Place on the Bass Coast. A place where our culturally diverse Aboriginal and Torres Strait Island community can come together."

Gareth Kennedy, General Manager Corporate and Customer Westernport Water

"Barrithbarrith is an incredible example of a community-driven project that will build and foster connections for First Nations people living in our service area. Westernport Water is pleased to play a supporting role and excited to see the Community's plans develop."

The Bunurong Land Council Aboriginal Corporation – Registered Aboriginal Party

We provide services on the traditional lands of the Bunurong people. The Bunurong Land Council Aboriginal Corporation (BLCAC) is the Registered Aboriginal Party that represents the interests of Bunurong people. Appointed pursuant to the *Aboriginal Heritage Act 2006* (Vic) the BLCAC covers part of metropolitan Melbourne, the Mornington Peninsula, the Bass Coast and West Gippsland.

During the reporting period, we strengthened our engagement with the BLCAC through various forums and collaborative projects. These included the King Road Wetland project, partnership with the Strong Country Team, participation in the Bass Coast Reconciliation Network, and joint delivery of community events. We also engaged BLCAC to deliver Welcome to Country ceremonies at key events, supported cultural values activities and a language request, and worked together to name Westernport Water's training rooms at the Newhaven Office. Engagement continues on future land management initiatives and regional events, including the recent Ngangga – NAIDOC Festival in July 2025. Further details are provided in Section 10.

Westernport Water seeks to go beyond the minimum requirements of the Statute and the Act by supporting the self-determination of the Bunurong people, through our partnership with the BLCAC. We are committed to supporting their cultural rights, as well as their aspirations for Country, people, lands, and waters.

We acknowledge and respect Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation. We recognise the unique histories, cultures, and knowledge systems of the many diverse Aboriginal and Torres Strait Islander groups across Australia. We acknowledge that we serve a community located on the unceded lands and waters of the Bunurong people, and we are committed to walking together on a path of truth, respect, and reconciliation.



Cultural learning experience with Rob Ogden for National Reconciliation Week

Reconciliation action plans

Delivering the Innovate RAP 2023-25

Westernport Water's Innovate RAP remains a strong commitment by our organisation, employees, and community to contribute to reconciliation in Australia. This is our third Reconciliation Action Plan (RAP), building on more than eight years of focused engagement with Traditional Owners, and Aboriginal and Torres Strait Islander peoples, including the successful delivery of two previous RAPs.



2023-25 Innovate Reconciliation Action Plan

Reconciliation Australia endorsed Westernport Water's Innovate RAP (2023–25) in October 2023. Throughout the 2024–25 financial year, we have maintained momentum in implementing meaningful reconciliation actions. The Innovate RAP continues to guide Westernport Water and its employees in taking sustainable and strategic steps forward, based on the core pillars of relationships, respect, and opportunities.

Out of our Reconciliation Action Plan initiatives, 79 have been completed, 17 are in progress, and 4 are at risk of not being completed by the time the RAP concludes in October. Key achievements in 2024–25 include strengthening relationships with the Bunurong Land Council and Barrithbarrith, local Aboriginal suppliers, as well as delivering major events commemorating dates of significance with the Bass Coast Reconciliation Network partners.

RAP Working Group (RWG)

The RAP Working Group remains a vital driver of reconciliation initiatives within Westernport Water, providing a collaborative forum to engage with Aboriginal and Torres Strait Islander communities, reconciliation stakeholders, and the Board. Comprising internal and external representatives—including Traditional Custodians, community members from Bunurong Country, leadership, and staff from across the organisation—the group champions reconciliation and supports the delivery of our RAP commitments.

In early 2025, Westernport Water continued to promote opportunities for community members to join the Reconciliation Action Plan (RAP) Working Group. We maintain an open expression of interest for Bunurong people and First Nations people living in the region we serve. The RAP Working Group meets four times annually, and external members receive remuneration for their time and valuable contributions.

We extend our sincere gratitude to Patrice Mahoney OAM, who concluded her tenure on the RAP Working Group late in 2024. Patrice's unwavering dedication, passion, and leadership have significantly advanced our reconciliation journey, leaving a lasting legacy of partnership and cultural understanding that will continue to inspire and guide our efforts.

First Nations Members during 2024-25 were:

- Uncle Robert Ogden
- Uncle Jarrod West
- Paul Patten
- Aunty Zoe Upton.



NAIDOC Art Exhibition team

Community engagement and reconciliation efforts

Throughout the 2024–25 financial year, Westernport Water collaborated with the Bass Coast Reconciliation Network (BCRN) to support a regional program of reconciliation events. Together, we delivered four major events, along with a number of smaller events, that acknowledged and celebrated key dates of significance for Aboriginal and Torres Strait Islander peoples. These initiatives strengthened our commitment to reconciliation and deepened community engagement, helping foster mutual respect, cultural understanding, and meaningful relationships.

Events included:

– NAIDOC Week First Nations Art Exhibition

Held annually in July, this exhibition celebrates the rich cultures, heritage, and creative expression of Aboriginal and Torres Strait Islander peoples. Led by the volunteer Bass Coast South Gippsland Reconciliation Group, a proud member of the BCRN, the exhibition provides a platform for artists to share stories, traditions, and contemporary perspectives through visual art. Audiences were also able to access and purchase artworks via the online gallery, extending the reach and impact of the event.

– Commemoration of Tunnerminnerwait and Maulboyheener

Held annually in Wonthaggi, the commemoration of Tunnerminnerwait and Maulboyheener honours the legacy of two Aboriginal freedom fighters who were captured at Harmers Haven in 1842 and later became the first people publicly executed in Melbourne. In January 2025, over 140 community members gathered to reflect on their resistance and to acknowledge the broader history of colonial injustice. This significant event invites open dialogue about truth-telling and the need to recognise and confront our shared history. Supported by members of the Bass Coast Reconciliation Network (BCRN) and local organisations, the commemoration plays a vital role in deepening community understanding of the impacts of colonisation, particularly in the Bass Coast, which is often overlooked in mainstream historical narratives. It stands as a powerful act of remembrance and education, contributing to the ongoing journey toward reconciliation.

– National Sorry Day – Cape Paterson

In 2025, the Sorry Day Healing event was held at Cape Paterson on Bunurong Country. This heartfelt gathering brought together over 140 people in a spirit of reflection, remembrance, and healing. Aboriginal and Torres Strait Islander leaders shared powerful personal stories, highlighting the enduring impact of the Stolen Generations. Patrice Mahoney OAM spoke about the significance of acknowledging these truths as part of the healing process and our ongoing national journey toward reconciliation.



2024 NAIDOC Art Exhibition

– National Reconciliation Week – Strong Country Day

As part of National Reconciliation Week, Westernport Water partnered with the Bunurong Land Council Aboriginal Corporation and West Gippsland Catchment Management Authority to co-host Strong Country Day. This collaborative event highlighted the importance of land, culture, and connection. Held on Bunurong Country, the day brought together land and water management organisations, Traditional Owners, and community members for a shared learning experience. Activities such as guided cultural walks, storytelling, and yarning circles provided participants with deeper insight into Bunurong perspectives and cultural values. The event demonstrated the strength of working in partnership with key land management stakeholders to embed cultural knowledge in the way we care for Country and foster reconciliation through action.

– Cultural Experience Sessions

Westernport Water staff had the opportunity to participate in a powerful Cultural Experience on the shores of Western Port, led by Bunurong Elder Rob Ogden. Rob generously shared stories of Country, culture, and history, offering deeper insights into the significance and protocols of Welcome to Country and Smoking Ceremonies. The session provided more than cultural education — it was a timely and meaningful opportunity for staff to reflect on the importance of respect, truth-telling, and reconciliation, particularly in light of the ongoing racism and recent instances of public disrespect directed toward First Nations people. These experiences served to strengthen cultural understanding and reaffirm our organisation's commitment to walking respectfully with Traditional Owners and building cultural competency across our workforce.



Adam Magennis yarning with partners at the Strong Country National Reconciliation Week event

Workplace Reconciliation Barometer 2024

– Key findings

In 2024, Westernport Water participated again in Reconciliation Australia's Workplace Reconciliation Barometer (WRB). This national survey measures employee perceptions and attitudes about reconciliation and the impact of our Reconciliation Action Plan (RAP). This year's results reflect strong cultural awareness and engagement across our workforce, with Westernport Water consistently outperforming similar organisations at the same stage of the RAP.

Employees report a strong commitment to reconciliation, with all employees recognising the organisation's visible stance against racism and positive relationships between First Nations and non-Indigenous employees. A significant majority acknowledge the importance of the relationship between First Nations and non-Indigenous Australians, support truth-telling about colonisation, and feel confident engaging respectfully with First Nations people. Most staff are aware of the Traditional Custodians of the land they work on and report that cultural learning opportunities and reconciliation activities are readily available, reflecting the organisation's genuine commitment to Reconciliation.

When benchmarked against the national average for organisations at a similar stage of their RAP journey, Westernport Water exceeded the average performance across nearly every measure — particularly in areas such as respect, cultural understanding, governance, and senior leadership commitment. Notably, 91 percent of staff identified our senior leadership as visible champions of reconciliation, compared to the national average of 63 percent.

These results highlight the positive workplace culture that underpins Westernport Water's Reconciliation efforts and provide a strong foundation for continued action under our Innovate RAP.

Supporting Aboriginal self-determination

In line with Government expectations to advance reconciliation and strengthen partnerships with First Nations peoples, we recognise the importance of supporting self-determination.

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

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

Westernport Water's RWG has made significant progress engaging on the key elements for the Aboriginal and Torres Strait Islander Engagement Plan. The plan provides a comprehensive framework for engaging Aboriginal and Torres Strait Islander peoples in water management. It builds on the Working Together Protocols and a draft that was developed through 2022 and 2023 during the delivery of Westernport Water's first Innovate Reconciliation Action Plan.

Genuine engagement with the RWG, Aboriginal and Torres Strait Islander peoples, and Bunurong Traditional Owners on the new Engagement Plan has taken longer than expected. A draft is currently being developed, with the final plan anticipated by October 2025.



Strong Country event at BCLACs Rhyll property during 2025 National Reconciliation Week

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

In the final year of our Social Procurement Strategy, we continued to focus on delivering all three priority outcomes and reviewed existing processes to create easier pathways for staff to engage with Victorian Aboriginal businesses. This review also led to the development and consolidation of our Procurement and Social Procurement Strategy into one guiding document.

Supplier data has again been analysed using the ABN Wash Tool to help identify social impact and a case study highlighting a Victorian Aboriginal business is published in this Annual Report.

Victorian Aboriginal businesses engaged

In 2024-25, Westernport Water engaged with nine Victorian Aboriginal businesses with a total spend of \$638,880. We received a total of six tender responses from an Aboriginal business, with two of the tenders progressing to contract award.

Cultural heritage

Cultural heritage advisory work was completed as part of the Asbestos Cement Water Main Renewal Program and King Road Recycled Water and Wetland Storage Project. An Aboriginal Cultural Heritage Advisor was engaged to advise and induct staff and contractors on cultural heritage requirements for earthworks associated with the renewal program. For the King Road Wastewater Treatment Plant, a report on the reintroduction of Bunurong Traditional Plants in Westernport and planning for community engagement and the integration of cultural values.

Cultural Heritage Management Plans (CHMP)

No mandatory Cultural Heritage Management Plans were deemed necessary for the duration of this reporting period. There was no requirement under the *Heritage Act 2017* to undertake an assessment of historical heritage. Although there was no project requirement to undertake an assessment, we initiated the voluntary CHMP process for the King Road Wetland and Storage Project.

Cultural heritage and contracts

CHMPs are prepared by Westernport Water as a way of protecting and managing Aboriginal cultural heritage. During the reporting period, Westernport Water engaged a Cultural Heritage Advisor who undertook a Cultural Heritage Due Diligence Assessment for the Asbestos Cement Water Main Renewal program of works. The assessment involved planning to identify any potential Aboriginal cultural heritage, on-site Cultural Heritage Induction, on-site observation, and advice to detect any signs of cultural material or artefacts, documenting the process, and managing any discoveries appropriately.



Tunnerminnerwait and Malboyheener event 2025

10. Recognising 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.

Aligned Corporate Plan 2024-29 initiative:

- Implement Year Two of the Innovate Reconciliation Action Plan 2.0 2023-25.

Recreational values

Table 10.1 : Consideration of recreational values in business operations

Indicator Name		2024-25
4.1.1.001	Provide the number of site-based projects planned/delivered to improve the recreational enjoyment of water storages.	1
4.1.2.003	Provide the number of water storage recreational areas with Recreational Area Management Plans in place.	0

Number of accessible storages/sites

Westernport Water has no water storage recreational areas with Recreational Area Management Plans in place; however, it does have one site open to the community for recreational purposes, the Phillip Island Community Orchard.



Tenby Point community tour of KRWWTTP

An alternative approach to delivering recreational value

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

Alternative initiatives that provide community benefits include:

- the ongoing provision of land and support for the Phillip Island Community Orchard (PICO)
- use of recycled water to support high-value community assets
- provision of education trailer to support educational events, tours and outcomes
- the provision of 23+ permanent and five portable community water refill stations
- providing community access to water and wastewater treatment facilities in the form of guided tours and organised group visits for bird watching, walking groups and schools.

Engagement processes with the community and stakeholders

Floating wetlands pilot trial

Throughout the year, Westernport Water coordinated a Project Control Group (PCG) and Advisory Committee for the CWWTP Floating Wetlands Project comprised of staff, project partners from CSIRO, RMIT University Centre for Nature Positive Solutions (formally Deakin University's Blue Carbon Lab) Covey Associates and representatives from the Board and the Intelligent Water Network.

To share key learnings and preliminary findings from the floating wetland pilot trial, Westernport Water hosted the following events throughout 2024-25:

- a large delegate of young water professionals visited the Cowes Wastewater Treatment Plant for a tour as part of the Australian Water Association regional study tour
- a National Water Week public event with attendees from local agencies and the community. The event explored the application of constructed wetlands in farm dams to increase biodiversity and reduce greenhouse gas emissions
- a forum sharing the outcomes of the Floating Wetlands Pilot was hosted for 44 people, across nine different organisations, at RMIT University in Melbourne in early April 2025.

King Road wetland project

As part of the Australian Government Water Infrastructure for Sustainable and Efficient Regions (WISER) initiative, we were selected to receive funding for a series of recycled water wetlands at our King Road Wastewater Treatment Plant in Corinella. The project will provide environmental and community benefits and contribute to a circular economy by installing a series of wetlands to polish and store recycled water for beneficial reuse. In 2024-25, Westernport Water completed preliminary engagement with BLCAC and a number of key stakeholders. The design of the wetlands commenced, accompanied by preliminary investigations to inform the Cultural Heritage Management Plan (CHMP). In 2025-26, the design will be finalised and investigations for informing the CHMP will continue. The level of engagement with the community and stakeholders will increase to inform future community benefits and the integration of Bunurong cultural values at the site.

Waterway health and environmental land

During 2024-25, Melbourne Water provided funding of \$7,013 under the Liveable Communities, Liveable Waterways Program, for further planting along Guys Creek to support the riparian works already completed in previous reporting years.

Further plantings at King Road will ensure there is a buffer from the irrigation areas on the Western and Eastern pivots, however dry conditions have delayed this to the 2025-26 financial year.

Westernport Water in collaboration with the Bunurong Land Council this financial year, planted out 2,265 native grass coverings, shrubs and trees along Candowie Reservoir driveway to remove the high risk that came with mowing these areas, due to the gradient of the land and proximity to passing traffic.



Rehabilitated wedge tail eagle Storm, being released at KRWWTTP

Improvements to information sources

Westernport Water continues to enhance its information sources, application processes, and overall service to the community by improving access to clear, relevant, and up-to-date information. Our website is regularly updated, and we have expanded the range of tour options available to schools and community groups. Valuable educational outreach materials and teacher resources support these tours.

Through these ongoing improvements, Westernport Water is helping to build a more informed and engaged community.

Future water for recreational values activities include:

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



Phillip Island Community Orchard

Collaboration with stakeholders

Supporting local community groups to access sites for recreation

We understand the community's interest in accessing publicly owned sites and reservoirs and have made an ongoing commitment to explore alternative ways to provide opportunities for water for recreation. The Phillip Island Community Orchard is a proven example of this in practice. Another project that we are working on is the King Road Wetlands Storage, which is assessing the options to provide water for recreation.

A decade of growth at Phillip Island Community Orchard

We continued to celebrate the ongoing success and growth of the Phillip Island Community Orchard (PICO), now in its eleventh year of fostering partnership, community spirit, and sustainable living. What began as a vision from a small group of passionate gardeners has flourished into a thriving community hub, supported by Westernport Water through the provision of land, resources, and access to Class-A recycled water. With the leadership of the dedicated PICO committee and volunteers, local community and land care groups, the once-vacant land has transformed into a space that promotes environmental stewardship, local food production, social connection, and education.

Over the years, PICO has become a beacon of what community collaboration can achieve. More than 900 volunteer hours are contributed annually, with support from Westernport Water and other partners, including the Bass Coast Shire Council. The orchard continues to deliver wide-ranging benefits—from supplying fresh produce to the local food kitchen to offering hands-on gardening workshops. As a flagship community site, PICO exemplifies our commitment to accessible public assets, sustainability, and building resilient communities. We remain dedicated to supporting its growth and encouraging broader community participation in the future.

To further enhance the site, Westernport Water is working with the Phillip Island Community Orchard committee. It supports the concept of constructing a shelter or communal structure to improve usability and provide essential amenities. As landowners, we are also reviewing the Land Use Agreement and Lease to ensure they reflect current needs and support the long-term sustainability of the orchard in collaboration with all relevant stakeholders.

11. Climate change and energy

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

Key performance areas:

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

Aligned Corporate Plan 2024-29 initiatives:

- Commence Treatment Plant Energy Efficiency Project
- Deliver Year Two of the Climate Change Strategy 2023-28
- Continue to participate and implement Integrated Water Management (IWM) Outcomes, including assimilating the performance of the floating wetland pilot to improve wastewater quality and how this information informs the King Road Wetland Project.

Adapting to climate change

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

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

Westernport Water initiated its inaugural Climate Change Adaptation Plan during 2018-19 period. In the Plan, two climate scenarios (4.5 and 8.5) are explored across two future timeframes (2030 and 2070), representing moderate (4.5) and high (8.5) greenhouse gas emission trajectories respectively, to assess a range of potential climate future scenarios. The primary objective of the Adaptation Plan is to prepare Westernport Water for the impacts of climate change on assets, supply and demand forecasting, people and the environment, now and into the future. The goal is to ensure we can continue to provide reliable services and meet customer expectations

under a changing climate, while balancing the impacts on the Corporation's financial sustainability and water services costs.

The Climate Change Adaptation Plan is made up of prioritised adaptation actions split into five focus programs that align with Westernport Water's strategic framework. Results from the review, investigations and consultations with key stakeholders informed the updated iteration of the Climate Change Adaptation Plan 2024- 26 live document and encapsulates holistic risks organisational wide and aligns with industry objectives.

Westernport Water continues to pilot nature-based solutions for greater resilience and climate adaptation, including the Floating Wetland Pilot Project, a priority project of the Western Port Catchment Integrated Water Management and the planning and feasibility for the King Road Recycled Water Wetland Project.

Climate change emissions reduction

Underpinning the Climate Change Adaptation Plan is Westernport Water's Climate Change Strategy and Emissions Reduction Pledge. The second iteration of the Climate Change Strategy 2023-28 was endorsed in May 2023 with year two implemented in 2024-25. The strategy was developed to reduce our greenhouse gas emissions footprint and change the way we work to ensure the physical impacts of climate change are managed effectively.



Floating wetlands pilot at the Cowes Wastewater Treatment Plant

In May 2021, the Victorian Government released its Whole of Government Emissions Reduction Pledge, committing all government entities to sourcing 100 percent of their electricity demands from renewable energy sources from 2025, subsequently accelerating reduction targets by 45 percent. The result of the Policy has bolstered Westernport Water's emission reduction pathway, as shown in Figure 11.2, where projected emissions reduction is expected to reach 3,325 tCO₂-e by 2025-26, exceeding the target commitment within the SoO-ER of 5,598 tCO₂-e. Feasibility results from the Renewable Energy Generation facility have informed Westernport Water's decision to install a large-scale solar system in 2026-27 that will self-generate large-scale certificates. The Electric Vehicle Transition Plan, developed in late 2024, will support our reduction in scope 1 emissions and inform the methodology to successfully transition, which includes the source of electricity being green.

These initiatives will further support the Climate Change Strategy commitments to achieve the 90 percent emissions reduction by 2030, compared with our baseline emissions. Our baseline emissions are based on the five-year period from 2011–2016, as our first climate strategy started in 2017. The strategic approach to climate change is supported by four key principles:

Climate change principles

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

In 2024-25, the Corporation delivered the following actions outlined in the strategy:

- Finalised our Renewable Energy Generation Project Feasibility as an element of our renewable energy planning.
- Electric Vehicle Fleet Transition Plan and an option analysis assessment completed to support the commencement of infrastructure upgrades in 2025-26.

- Treatment Plant Energy Efficiency Project informed by the CWWTP Masterplan design plans underway, including early discussions with the EPA.
- Continued the Virtual Energy Network (VEN) pilot to share renewable energy between Westernport Water sites, including extending the exemption from the State Purchase Contract for this project to continue. This project enables exploration of virtually sharing energy between sites, as opposed to having to install renewable energy systems at all large consuming sites. Westernport Water can instead focus on the most feasible sites and share from there.
- Continued participation in Zero Emissions Water (ZEW), a collective of 12 Victorian water corporations who are working together to reduce emissions through a Power Purchase Agreement for Large-scale Generation Certificates (LGCs) from the Kiamal Solar Farm.
- Received funding from IWN to trial an emission accounting software envisaged to improve how we collect and collate our emission data in a more streamlined manner.

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

- Continued participation in the sustainability working group with strategic partners, Totally Renewable Phillip Island, Bass Coast Shire Council (BCSC) and Phillip Island Nature Parks (PINP), with a shared vision for increased renewable energy production on Phillip Island.
- Continued research into carbon sequestration and offsetting opportunities on Corporation owned land, such as through environmental plantings and investigation of the potential for carbon storage in sediment below wetlands, referred to as teal carbon storage.
- Commenced implementation of the updated iteration of the Climate Change Adaptation Plan following a facilitated workshop, supported by the development of the Asset Climate Adaptations Framework, assessing risk to assets under climate scenarios.

Figure 11.1 Emissions profile

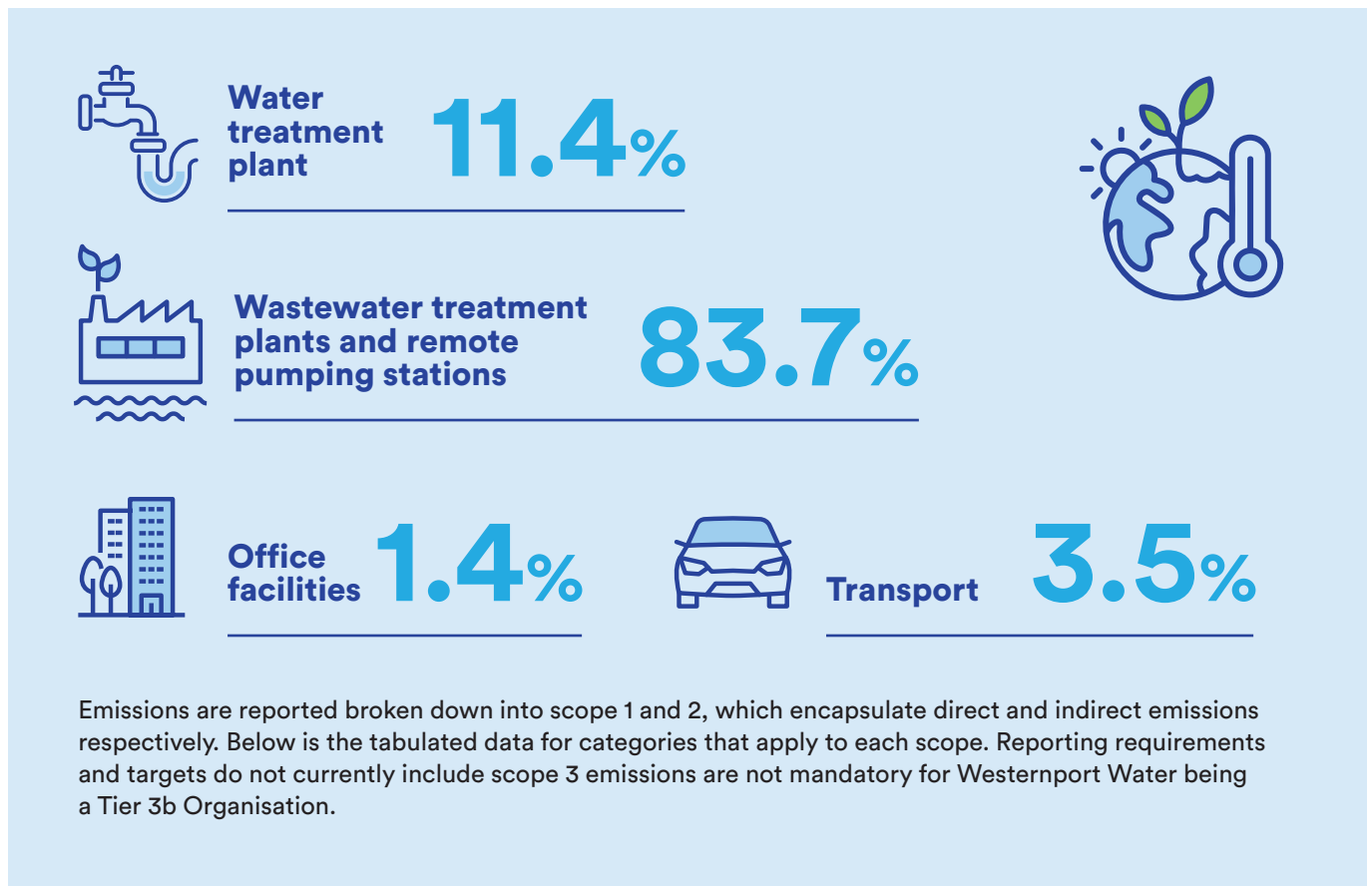


Table 11.1: Total scope 1 and 2 emissions reporting

The variance is compared to the previous year expressed as a percentage.

Service delivery category	Scope 1 and 2 Emissions (t CO2-e)					Variance (%)	Notes
	2022-23 total emission	2023-24 total emissions	2024-25 Emissions				
			Scope 1	Scope 2	Total emissions		
Water treatment and supply	1,148	989	21	675	696	-30	1
Sewage collection, treatment & recycling	5,408	4,407	3,337	1,796	5,133	16	2
Transport	219	173	217	–	217	25	3
Other (e.g. office, depot)	118	90	24	63	87	-4	4
Total Emissions (a) (after REC retirement)° (a)	6,893	5,659	3,599	1,999	5,598	7	5
Carbon offsets (self-generated) retired (b)	–	–	–	–	–	–	6-7
Net Emissions (a-b)	6,893	5,659	3,599	1,999	5,598	-1	

Notes

1. Increased Scope 1 emissions from the diesel generator and dosing for Melbourne Water Supply.
2. Higher Scope 1 fugitive emissions due to the load increase of chemical oxygen demand into the sewage treatment plants.
3. Increased FTE may have an impact on the fleet usage and negligible fuel increase.
4. CO₂-e emissions from Office and Depot continue to decrease aligned with renewable energy generation and other initiatives.
5. Total emissions were 6,133 tCO₂-e during this reporting period.
6. 695 Large Scale Certificates (LGCs) were surrendered that equate to a reduction in scope 2 emissions by 535 tCO₂-e.
7. No carbon offsets were retired in this reporting period to reduce scope 1 emissions.

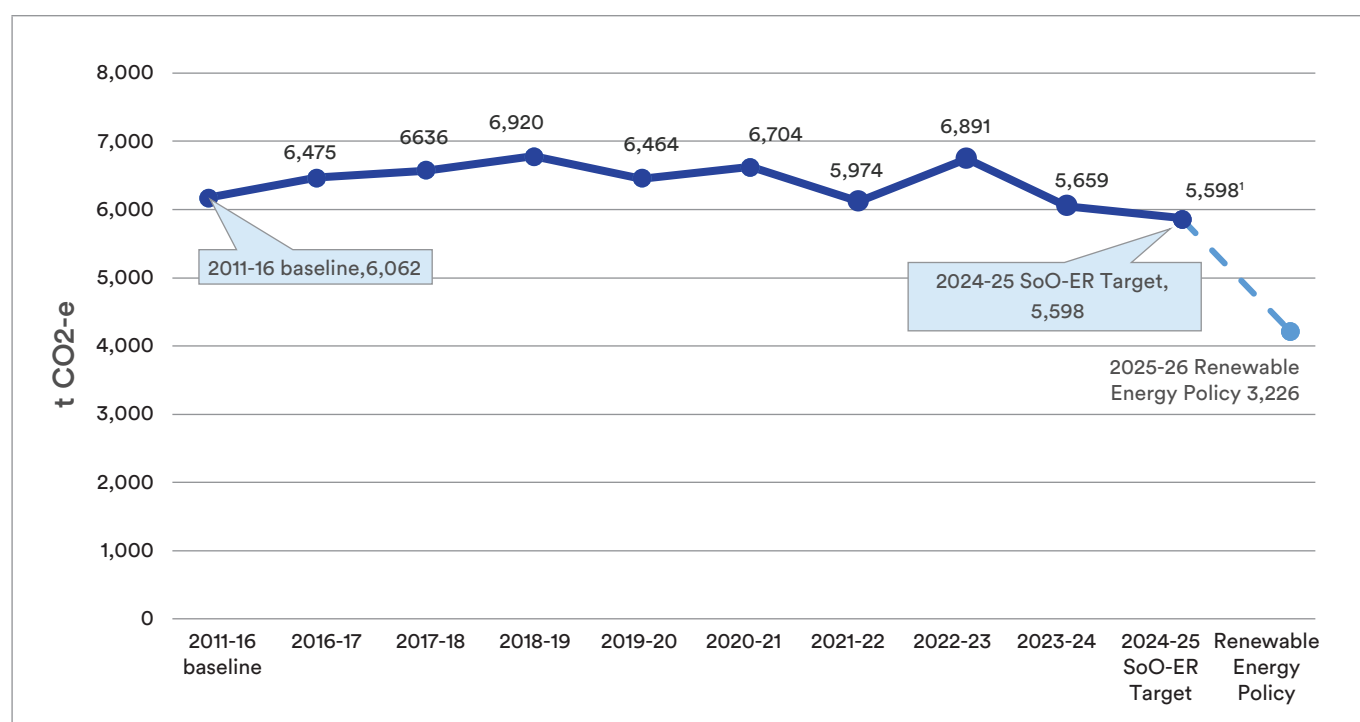
Greenhouse Gas Emissions during 2024-25 saw a decrease in the Scope 2 emissions of the water treatment supply due to the electricity demand reducing given the dry periods impacting Candowie Reservoir levels, subsequently relying on alternate water supply from the Greater Yarra Thomson Scheme as part of Westernport Water's Drought Strategy. An overall increase in load of chemical oxygen demand in the inflow to both wastewater treatment plants increased the Scope 1 emissions by 24 percent.

Accumulated Large Scale Certificates to the amount of 695 were surrendered to meet the target of 5,598 tCO₂-e emissions. This year shows a reduction in CO₂-e emissions aligned to a decreasing trend established in prior years. The emissions progress graph below shows how we are tracking in reducing emissions to meet SoO-ER five-year emissions targets.

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

Figure 11.2 Progress towards upcoming five-year emissions target

Annual net scope 1 and 2 greenhouse gas emissions (in tCO₂-e) Graph for progress towards upcoming five-year scope 1 and 2 emissions target



Note

1. The emissions progress graph shows stability in how we are tracking in reducing emissions to meet SoO-ER five-year target. A spike in 2022-23 showed an increase in tCO₂-e emissions due to additional impacts on wastewater treatment and a 90th percentile rain year. This current year shows a reduction in tCO₂-e emissions aligned to a decreasing trend established in prior years.

An amount of 695 Renewable Energy Certificates were retired to support meeting the emission target of this reporting period. Westernport Water continues to accrue Large-scale Generation Certificates (LGCs) from the Kiamal Solar Farm through the Power Purchase Agreement Zero Emissions Water (ZEW). These LGCs will continue to be a mechanism used by WPW to ensure that scope 2 emissions can be reduced to meet targets.

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

Sewage collection, treatment, and recycling in wastewater services have the highest emissions due to the natural biological processes and decomposition of

waste during the treatment process. The predominant gas is methane which makes up 92 percent of this reporting period's fugitive emissions. Cowes Wastewater Treatment Plant makes up 78 percent of the fugitive emissions from both King Road and Cowes Treatment Plants. The Masterplan for the CWWTP was progressed to investigate further treatment opportunities and process efficiencies to reduce methane and subsequently the total emissions from this site.

The Business Case for environmental plantings and self-generated carbon offsets was approved by the Board to reduce the impact of scope one emissions in the wastewater treatment process. Planning for the delivery methodology is currently underway.

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

Service delivery category	Scope 1 Emissions by greenhouse gas (reported in t CO ₂ -e)			Notes
	Carbon dioxide (CO ₂)	Methane (CH ₄)	Nitrous oxide (N ₂ O)	
	t CO ₂	t CO ₂ -e	t CO ₂ -e	
Water treatment and supply	21	0.03	0.06	1
Sewage collection, treatment & recycling	13	3,073	251	2
Transport	215	0.04	1.4	3
Other (e.g. office, depot)	24	0.03	0.1	4, 5
TOTAL	273	3,073	252	6, 7

Notes

1. Calculations for emission factors as published for 2024-25 in accordance with NGER released by the Clean Energy Regulator.
2. Concentrated chemical oxygen demand in the inflow has increased methane by 26% from the previous reporting year.
3. Vehicle emissions for unleaded petrol vehicles use the energy content factor 34.2 (MJ).
4. Vehicle emissions for diesel vehicles use the energy content factor 38.8 (MJ).
5. Stationary diesel is calculated using the same emission factor for diesel as per above.
6. Only these three greenhouse gases are required to be reported on that are representative of our activities.
7. These figures are calculated post surrender of LGCs.

Stationary fuel

Sources of emissions from stationary fuel include diesel backup generators for critical facilities and both unleaded and diesel machinery. Westernport Water collects data through billing information from fuel suppliers.

Table 11.3 Total stationary fuel used in buildings and machinery

Fuel type	Total stationary fuel use (buildings and machinery) 2024-25				Notes
	2022-23	2023-24	MJ	t CO ₂ -e	
Machinery					
Fossil gas	–	–	–	–	1
Biogas	–	–	–	–	1
Diesel	429,835	478,264	767,615	54	2
LPG	–	–	–	–	1
Petrol	120,139	91,137	74,575	4.5	
Other	–	–	–	–	1
Total Fuels (MJ)	549,974	569,400	842,190	58.3	
Total tCO₂-e	37.56	39	58	58	

Notes

1. No fossil gas, biogas, or LPG stationary fuel used in buildings or machinery.
2. Diesel has increased since the reliance on Melbourne Water Supply requiring dosing onsite that has no power connected.

The dryer weather has prompted Westernport Water to enact its Drought Preparedness Strategy, requiring the reliance on Melbourne Water to supply potable water to the service area. To ensure water quality, dosing was necessary and subsequently the site of dosing required power from a generator, the solar was not adequate to maintain the quality alone. This reliance increased diesel fuel consumption for a short period whilst water supply was maintained.

Transportation

Our fleet comprises 33 vehicles, 82 percent of which are maintenance and operations vehicles requiring power and traction. Sixteen percent of vehicles are hybrid, with the intention of increasing this number through the Electric Vehicle Transition Plan, which will commence infrastructure upgrades in 2025-26.

Table 11.4 Number and proportion of vehicles in the organisation segmented by engine/fuel type and vehicle category (as at end of reporting period)

Transportation vehicle category ^{1,2}	Transportation vehicle engine/fuel type ³						Notes
	Petrol	Diesel ⁵	LPG	Petrol Hybrid	Diesel Hybrid	Battery Electric	
Passenger vehicles	1	0	0	5	0	0	1
Goods vehicles	0	27	0	0	0	0	2
Category Total (Number)	1	27	0	5	0	0	

Notes

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

Table 11.5: Total energy used in transportation TP1 T1-3

Total energy used in transportation (MJ)	2024-25	2023-24	2022-23	Notes
Road vehicles Total (MJ)	3,098,977	2,468,258	3,116,571	1
<i>Fuel Type</i>				
Petrol	531,355	308,855	237,897	2
Diesel	2,567,622	2,159,404	2,878,673	
Electricity	–	–	–	3
Greenhouse gas emissions from fleet (CO₂-e)	217	172.93	218.77	

Notes

- 1, 2. Increase in petrol consumption assumed due to fleet dynamics and increased FTE.
3. No electric vehicles in Westernport Waters' fleet. The Electric Vehicle Transition Plan was initiated in 2023-24.

Westernport Water initiated the Electric Vehicle Transition Plan 2023-24 subsequently plans are in place to upgrade infrastructure in 2026-27 to commence the first stage of electric vehicle transition. The future transition to additional hybrid and electric fleet vehicles will support further reduction of non-renewable fuel used in transportation and reduction of scope 1 emissions generated from transportation.

Energy consumption and renewable energy production

During 2024-25, total electricity consumption reduced as per Table 11.5 below, noticeably in the water treatment and supply service category, given the low levels of Candowie Reservoir and drought planning. There was a slight increase in electricity consumption for sewerage collection, treatment & recycling, attributed in part to the higher-than-average chemical oxygen demand and the recycled water plant running for more extended periods given increased demand for recycled water during unseasonably dry weather.

Table 11.6: Total electricity consumption reporting by service

Total electricity use	2024-25 (MWh)	2023-24 (MWh)	Notes
Water Treatment & supply	877	1,243	
Sewerage collection, treatment & recycling	2,340	2,192	
Other (office, depot)	89	88	
TOTAL (a)	3,306	3,523	1

Notes

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

Westernport Water has a demand of 3,306 MWh on the electricity grid. Under the Australian Large-scale Renewable Energy Target (LRET), electricity retailers are required to surrender Renewable Energy Certificates (RECs, also called Large-scale Generation Certificates or LGCs) in proportion to their customers' electricity use. This ensures that part of our electricity demand is matched with renewable generation.

Table 11.7: Total electricity consumption reporting by source

Electricity use	2024-25 (MWh)	2023-24 (MWh)	Notes
Purchased directly through an electricity retailer	3,306	3,523	
Not directly purchased but sourced from outside the organisation	–	–	
Corporation led/self-sourced activities and initiatives	218	205	1
TOTAL (By source)	3,524	3,728	

Notes

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

During 2024-25, the Corporation met six percent of its total electricity demands from self-led renewable energy. The renewable energy sourced was generated from Westernport Water's solar systems located at the CWWTP, KRWTP, Newhaven Office and Church Street sewer pump station, in which 218 MWh (or 90 percent) of the generated 240 MWh was consumed onsite. The onsite solar consumption requires careful management of the site operations and timing of energy demand, and awareness of unnecessary electricity consumption. Cowes Wastewater Treatment Plant, a larger site with higher energy demands, consumes all of the solar generated on site.

The Virtual Energy Network is an internal trading mechanism that Westernport Water has been trialling between its solar generating sites and some selected smaller sites, enabling a percentage of any exported solar energy to be consumed at a participating site. This initiative has required perseverance and careful management to ensure government exemptions and accounting align with mandatory reporting requirements.

Although Westernport Water accrued 321 Large Generation Certificates (LGCs) under the Zero Emissions Water (ZEW) Power Purchase Agreement (PPA) over the 2024-25 financial year, this resulted in a stockpile of 1,282. To ensure the Westernport Water emission target is met, 695 LGC will be surrendered this reporting period. The future surrender of LGCs is a consideration in the renewable energy target to meet the Victorian Government Whole of Government Emissions Reduction Pledge, committing all government entities to sourcing one hundred percent of their electricity demands from renewable energy sources by the end of 2025, being a staggered approach between large sites and small site transitions.

Table 11.8: Total renewable electricity consumption reporting

Renewable energy consumption categories	2022-23 renewable electricity consumption	2023-24 renewable electricity consumption	2024-25 renewable electricity consumption			Notes
	MWh	MWh	MWh	% of total consumption	Variance between current and previous year (%)	
Total renewable electricity consumption from grid-sourced electricity, reported because of the Commonwealth Government's LRET						
Total Grid-sourced (LRET)	730	660	602	17	-18	1
Total renewable electricity consumption from Corporation led/self-sourced activities and initiatives						
Biogas		–	–	–	–	
Hydroelectric		–	–	–	–	
Solar	208	205	218	6	4.7	2
Wind		–	–	–	–	
Other renewable (self led)		–	–	–	–	
Total Renewable Electricity Consumption	938	865	820	23	-13	

Notes:

1. Grid-sourced electricity requires the retailer to offset a proportion as part of the Renewable Energy Target. 602 MWh was calculated in accordance with Ministerial Guidelines, which denotes the certificates surrendered by the retailer. Electricity demand of the grid has decreased since the last financial year, reducing the retailers' offsets in proportion to the obligated percentage. Onsite consumption of solar includes 218 MWh from behind the meter solar systems, including shared to smaller sites through the Virtual Energy Network. No export was included in this calculation.
2. Percentage of renewable electricity consumption against the total electricity demand.

Four sites now have solar systems installed with an approximate combined rated capacity of 172 kW. In the reporting period, these systems generated a combined 240 MWh, with 93 percent of this electricity was consumed on-site and as part of the VEN. The Corporation entered the State Purchase Contract (large sites >40MWh). Transition to the State Electricity Commission (SEC) commences 1 July 2025. To support meeting emission reduction targets and the 100 percent renewable energy pledge, Westernport Water initiated a Renewable Energy Generation feasibility study, which has informed the site location and size of the solar system to support this pledge with the intention to generate large-scale certificates.

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

Renewable energy consumption categories	2024-25 Total on-site renewable electricity generation capacity (MW)	2024-25 Total on-site renewable electricity generated (MWh)			Notes
		Consumed on-site	Exported	2024-25 Total by source	
Biogas	–	–	–	–	1
Hydroelectric	–	–	–	–	2
Solar	0.172	218	22	240	3
Wind	–	–	–	–	4
Other renewable	–	–	–	–	
Total (Renewable)	0.172	218	22	240	

Notes:

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

Renewable energy generation comes from existing behind-the-meter solar installations. Some excess generation can be traded and shared to assist the energy demands of some smaller sites through the Virtual Energy Network (VEN). In 2023-24 we commenced our feasibility into Renewable Energy Generation projects which has provided a pathway for increased renewable energy generation and a reduction in emissions to contribute to sustaining 100 percent sourced renewable energy usage.

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

Total energy usage	Renewable (MJ)	Non-renewable (MJ)	Total (MJ)	Notes
From fuels	-	3,932,666	3,932,666	1
From electricity	783,626	11,903,219	12,686,845	2
Total	783,626	15,835,885	16,619,511	

Notes:

1. This includes energy used from fuels to perform activities within the reporting period, including stationary and transport fuels.
2. This includes energy used from electricity to perform activities within the reporting period. Energy used from electricity from the grid and self generated solar converted into megajoules (MJ) where 1 MWh equals 3,600 MJ.

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

Table 11.11: Total energy usage per Full Time Equivalent (FTE) employee

Total energy usage (fuels and electricity) in MJ	Total FTE employees	Energy usage (MJ) per FTE employee	Notes
16,619,511	91.9	180,843	1

Notes:

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

Table 11.12 Total Renewable Energy Certificate (REC) Retirement Reporting to Reduce Scope 2 Emissions

REC retirement method	Scope 3 emissions (t CO ₂ -e)	Notes
Voluntarily retired by [Corporation]	695	1
Mandatorily retired or conveyed to [Corporations] electricity retailer for mandatory retirement	602	2
Total REC Retired	1,297	

Notes:

1. Large Scale Certificates: A mechanism to surrender to ensure scope 2 emission targets are met.
2. Grid-sourced electricity requires the retailer to offset a proportion as part of the Renewable Energy Target. 602 MWh was calculated in accordance with Ministerial Guidelines, which denotes the certificates surrendered by the retailer. Electricity demand of the grid has decreased since last financial year, reducing the retailers' offsets in proportion to the obligated percentage

12. Other statutory disclosures

Local Jobs First

The *Local Jobs First Act 2003*, introduced in August 2018, brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy, which were previously administered separately. Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria. MPSG applies to all construction projects with a value of \$20 million or more. The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP-applicable projects, respectively, where contracts were entered into before August 15, 2018.

Projects commenced – Local Jobs First Standard

During 2024-25, Westernport Water commenced one Local Jobs First Standard project totalling \$1.5 million. The project is located in regional Victoria, with a commitment of 100 percent of local content, and zero in metropolitan Melbourne. No projects were commenced that occurred statewide. The MPSG applied to zero of these projects. The commitments made as part of the Local Jobs First policy for these projects are as follows:

- 100 per cent of local content commitment was made
- a total of 1.0121 Annualised Employee Equivalent (AEE) jobs were committed, including the creation of 0 jobs and the retention of 1.012 existing AEE jobs
- One small to medium enterprise prepared a Local Industry Development Plan (LIDP) for contracts, successfully appointed principal contractor. Zero small to medium-sized businesses were engaged through the supply chain on commenced Standard Projects.

Projects completed – Local Jobs First Standard

During 2024-25, we completed zero Local Jobs First Standard projects.

Projects commenced – Local Jobs First Strategic

During 2024-25, we commenced and completed zero Local Jobs First Strategic Projects.

Reporting requirements – grants

Nil report for 2024-25.

Disclosure of social procurement activities under the Social Procurement Framework

The Social Procurement Framework governs how the Victorian Government undertakes social procurement. The framework applies to the procurement of all goods, services and construction undertaken by, or on behalf of, entities subject to the Standing Directions 2018 under the *Financial Management Act 1994*.

Westernport Water leverages its buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment — above and beyond the goods, services and construction works procured.

Social Procurement Framework

Westernport Water's Social Procurement Strategy prioritises the following Social Procurement objectives:

- opportunities for Victorian Aboriginal people
- sustainable Victorian social enterprise and Aboriginal business sectors
- sustainability, including:
 - o environmentally sustainable outputs
 - o environmentally sustainable business practices
 - o implementation of the Climate Change Policy Objectives.

Social procurement achievements

During 2024-25, Westernport Water:

- Engaged 11 social benefit suppliers with a total spend of \$641,778.25 with certified social enterprises, Aboriginal businesses and disability enterprises
- Increased spend with suppliers that are Victorian Aboriginal businesses by \$622,609 in 2025.
- Established one contract with Victorian Government suppliers that include social procurement commitments.

During 2024-25, Westernport Water also implemented several initiatives to support its Social Procurement Strategy which included:

- Conducting a procurement review which included a focus on identifying opportunities to improve and increase spend with Victorian Aboriginal businesses, which has informed the upcoming internal changes.
- Incorporating social and sustainable evaluation criteria into procurement documentation (e.g. Requests for Tender) to ensure purchases align with the Social Procurement Strategy
- Providing education and training to procurement staff to increase awareness of social procurement.

Achievements

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

- Awarded a public construction contract to a Victorian Aboriginal business
- Engaged with the Reconciliation Action Group to identify practices that can strengthen social benefit outcomes

Case Study

Social procurement – Tarwin Cultural Services

Westernport Water is proud to continue its decade long relationship with Rob Ogden, a proud Bunurong Tyereelore, Trawoolway Traditional Owner and Heritage Advisor. Since 2022, Westernport Water has engaged Rob through his consultancy business Tarwin Cultural Services, a 100% Aboriginal-owned business specialising in providing cultural heritage, cultural education and support for Aboriginal and local communities.

Founded by Rob Ogden, a former Cultural Heritage Manager at the Bunurong Land Council Aboriginal Corporation said, *“Tarwin Cultural Services was built from a strong sense of self-determination and a desire to share culture.”*

“We provide cultural education, heritage services, and community programs that continue to make a meaningful impact on community, Country, and industry alike.”

“It’s not a one-way story. It’s about sitting down together as a collective, listening, learning, and understanding.”

Rob Ogden, Tarwin Cultural Services

Highlights of the past 12 months

Over the previous 12 months, Westernport Water engaged Tarwin Cultural Services across a range of meaningful activities that support cultural education and cultural safety, including:

- cultural heritage monitoring for key infrastructure projects, including the delivery of site-based cultural heritage inductions for contractors and operations staff
- facilitation of workshops focused on cultural values and engagement advice for the King Road Recycled Water Wetlands Storage Project
- cultural heritage advice on planning, management, and conservation of heritage places
- active membership of Westernport Water’s Reconciliation Action Group; and
- ongoing active participation in the Bass Coast Reconciliation Network
- delivery of Welcome to Country, Smoking Ceremony and yarn about the importance and significance of traditional cultural ceremony during National Reconciliation Week.



Key Outcomes

Building trust through genuine cultural engagement

One of the most significant outcomes of our long-standing partnership with Tarwin Cultural Heritage Services has been the development of genuine trust. What began as a formal relationship has evolved into a more personal and authentic connection between employees and Tarwin Cultural Heritage Services. As Rob described, trust, is not just important to him — it is a vital foundation for meaningful engagement with First Nations people more broadly.

Insights gained for long-term risk management and cultural heritage protection

The insights gained through cultural heritage monitoring don’t just guide current projects; they inform future planning and help shape long-term risk management. This engagement also provides opportunities for Rob to expand and share his knowledge as a cultural knowledge holder, ensuring we continue to protect Country in practical, meaningful ways.

Powerful opportunity for cultural learning

During National Reconciliation Week, Rob led a Smoking Ceremony that became a profound moment of cultural exchange. For many attendees, it was their first real exposure to Aboriginal culture.

A simple question from an attendee — *“What is a smoking ceremony?”* — sparked meaningful reflection. As Rob shared, *“We always continue to talk about the past, but not the now.”* He described the experience as transformative:

“That whole week helped me change my whole thought process... It lights a spark if people still don’t know.” Attendees left with newly gained knowledge, and some, with a sense of sorrow.

The work with Tarwin Cultural Heritage Services continues to influence Westernport Water’s approach to engagement, project planning, and reconciliation. It is a pathway to shared understanding, cultural safety, and genuine, long-term impact.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure that where services compete or potentially compete with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest. Government businesses that undertake significant business activities are required to implement competitive neutrality measures (such as setting competitive neutral prices), which account for any net advantage that comes from public ownership. Competitive neutrality policy promotes fair competition between public and private businesses, providing government entities with a tool to inform decisions on resource allocation. This policy does not override other policy objectives of government and focuses on removing resource allocation distortions.

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

Government advertising expenditure

In 2024-25, there were no advertising campaigns with a total media spend of \$100,000 or greater (excl. GST).

Disclosure of major contracts

Westernport Water did not award any major contracts exceeding \$10M during 2024-25.

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

In 2024-25, there were 10 consultancies engaged during the year where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2024-25 in relation to these consultancies was \$47,313.07 (excl. GST).

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

In 2024-25, there were 17 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2024-25 for these consultancies is \$1,206,011.79 (excluding GST). Details of individual consultancies are outlined below.

Table 12.2: Consultancies awarded 01 July 2024 to 30 June 2025

Consultant	Purpose	Start Date	Finish Date	Total Approved Project Fee \$ (ex GST)	Expenditure (\$) 2024-25 (ex GST)	Future Expenditure (\$)
Anthesis (Australia) Pty Ltd	Self generated Carbon Offsets	Aug 2024	Oct2024	69,183	40,775	0
Centorrino Technologies Pty Ltd	ICT Project Management Advisory	Oct 2024	Dec 2024	10,800	10,800	0
CMP Consulting Group Pty Ltd	Hastings St SPS Upgrade Detailed Design	May 2024	Aug 2024	62,609	62,609	0
CMP Consulting Group Pty Ltd	DP6 Water Quality Upgrade Preliminary Design	Sept 2024	Oct 2024	27,908	27,908	0
Dr Vincent Clark Archaeology & Heritage Pty Ltd	King Road Wetlands Cultural Heritage Management Plan	Jul 2024	Sep 2024	35,340	32,340	0
Engeny Australia Pty Ltd	Water Distribution System Master Plan	Dec 2024	May 2024	179,385	177,060	0
Landell ICT Procurement and Advisory Services Pty Ltd	AMIS Business Case	Jul 2024	Aug 2024	27,600	27,600	0
Landell ICT Procurement and Advisory Services Pty Ltd	AMIS Procurement Advisory Services	Oct 2024	Mar 2025	42,893	42,893	0
Landell ICT Procurement and Advisory Services Pty Ltd	WIMS Procurement Advisory Services	Oct 2024	Mar 2025	23,828	23,828	0
Mott MacDonald	Cowes WWTP Stage 3 – Concept Designs	Feb 2024	Jul 2024	329,800	233,648	0
Nation Partners Pty Ltd	Planning and Environmental Approvals Assessment	Oct 2024	Dec 2024	12,831	12,703	0
Robert Francis Ogden	Cultural Heritage Services – AC Water Mains	Oct 2024	May 2025	44,930	44,930	0
Pinion Advisory Pty Ltd	King Road Recycled Water Wetland Concept and Detailed Design	Aug 2024	Jul 2025	457,822	337,822	120,000
SMEC Australia (Pty) Ltd	Flora and Fauna Assessment	Aug 2024	Feb 2025	59,746	59,746	0
Stantec Australia Pty Ltd	Emission Reduction Pledge and Feasibility Assessment	Jul 2024	Oct 2024	22,150	22,150	0
Stantec Australia Pty Ltd	Cowes WWTP Solar PV Concept Design and Specifications	Oct 2024	Dec 2024	45,950	45,950	0
The Trustee for Aster Advisory	Probity Consultancy	Feb 2025	Jul 2025	11,098	6,300	4,798

Table 12.3: Details of reviews and studies

During 2024-25, there were two reviews undertaken with a total cost of \$51,465. Details are outlined below.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL
CMP Consulting Group Pty Ltd	Confirm the concept design for CWWTP Stage 3 upgrade	Confirm process model is correctly set up and calibrated. Confirm final effluent qualities	Confirm CWWTP upgrade can meet nutrient, emission and energy reduction targets	\$5,000	Not completed	N
CDM Smith Australia Pty Ltd	Review of PFAS risk assessment for land application of biosolids	Review risk assessment and confirm biosolids application rates	Confirm risks are acceptable and biosolids application rates have been correctly calculated	\$8,490	\$8,487	N
CDM Smith Australia Pty Ltd	Review of PFAS management plan	Review risks and actions associated with PFAS Management Plan before Board approval	Confirm that PFAS Management Plan has covered all risks and actions are proportionate and affordable	\$38,000	\$37,977	N

DataVic Access Policy

Westernport Water has reviewed its data sets under the DataVic Access Policy and will make available Customer Commitments data, details on contractors and consultants for the 2024-25 reporting period. A report will be made available on request and summary data will be loaded to Westernport Water's website.

Information and communication technology expenditure

The Corporation undertook one project during 2024-25 that met the criteria of the "ICT Reporting Standard for the Victorian Public Service" issued September 2015. For 2024-25, total ICT expenditure of \$2,335,471 with the details shown in table 12.4 (excluding direct employee costs).

Table 12.4: ICT expenditure

All operational ICT expenditure Business as Usual (BAU) ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities (excluding internal labour)		
	Non Business as Usual (non BAU) ICT expenditure	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
(Total = Operational expenditure & Capital Expenditure)	(Total = Operational expenditure & Capital Expenditure)		
\$2,335,471	\$263,352	\$1,824,422	\$247,697

Table 12.5: ICT project reporting requirements

Agency name	Westernport Water
Government domain	Environment and water
ICT project category	– Routing and Scheduling – Assets/Materials Management – Reporting – Financial Management
Project title	Asset Management Information System Replacement
Description	The project will replace legacy asset management and work order management systems improving functionality and flexibility to enable more accurate, accessible and comprehensive information for decision-making.
Project management methodology used	PRINCE2
Current project stage	Project Delivery – Project has commenced delivery.
Project benefit type	Non-financial benefits – Compliance – Increased quality – Efficiency/Productivity – Risk reduction
‘Project Initiated’ start date	3 September 2024
Planned ‘Project Initiated’ end date	30 June 2025
Revised ‘Project Initiated’ end date	14 April 2025
Planned ‘Project Initiated’ cost	\$200,000
Revised ‘Project Initiated’ cost	\$254,000
‘Business Case Approved’ date	14 April 2025 (Tender Assessment Report)
Planned ‘Project Delivery’ start date	14 April 2025
Planned ‘Project Delivery’ end date	30 October 2026
Planned ‘Project Delivery’ cost	\$1,440,000
Project status	Green (G) – on track.
Previous project status	Project status for the last 12 months: Green (G) – on track.
Reporting period comments	Business requirements were developed, and an open tender went to market. The contract was awarded in June and design workshops will commence in August 2026.

Cyber security

The Office of the Victorian Information Commissioner (OVIC) is an independent regulator responsible for governance of the VPDSF which is comprised of 18 Victorian Protective Security Standards (VPDSS). These standards aim to ensure Victorian public sector organisations manage information throughout its lifecycle (creation to disposal); manage information across all the security domains (information, personnel, information, communications and technology (ICT), physical); manage security risks to information; manage external parties with access to information; share information with other agencies with confidence and minimise security incidents.

As part of our VPDSF obligations, Westernport Water completed and submitted a Protective Data Security Plan in August 2024 following a security risk profile assessment in accordance with the *Privacy and Data Protection Act 2014*. In the last 12 months, Westernport Water did not record any activity that contravened a protective data security standard for data systems it kept.

In 2024-25, Westernport Water also delivered several cybersecurity improvements, such as the deployment of Microsoft Endpoint Manager platform to efficiently provide staff with managed, securely configured devices and the replacement and uplift of all end-of-life operational technology server infrastructure. These contributed to progressing Westernport Water's ASD Essential Eight maturity.

Disclosure of Emergency Procurement

Nil report for 2024-25.

Disclosure of procurement complaints

Nil report for 2024-25.

Asset Management Accountability Framework (AMAF) maturity assessment

Westernport Water has demonstrated compliance with AMAF for the 2024-25 financial year through an internal review.

Compliance with Building Act 1993

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

Westernport Water conducts mandatory testing of emergency and exit lighting per relevant standards. Monthly, quarterly, and bi-annual inspections and preventative maintenance routines for mechanical services, as well as annual fire service audits, are conducted. These inspections then inform the works program delivered annually through existing maintenance contracts.

Westernport Water was issued with zero emergency orders concerning buildings in 2024-25.

Freedom of Information (FOI)

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

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

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

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

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

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed in this Annual Report have been retained by Westernport Water and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

Making a request:

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

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

If you are unable to make a request online, you can request documents in the possession of Westernport Water by writing to:

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

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

FOI statistics/timeliness

During 2024-25, Westernport Water received one FOI application from the general public, resulting in Westernport Water making one decision during the 12 months ended June 2025.

There were zero decisions made within the statutory time period. Of the decisions made outside time, one was made within a further 45 days. Of the total decisions made, no documents were found specific to the request.

Further information

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

Carers recognition

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

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

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

Disability Act

In accordance with the *Disability Act 2006*, Westernport Water has developed a Disability Action Plan which partly sits within the Attraction & Retention Plan and seeks to address the inequity that people with disability experience in the workplace and the community by:

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

Compliance with the *Public Interest Disclosures Act 2012*

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

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

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

Westernport Water cannot receive disclosures. Our Public Interest Disclosure Coordinator will, at all times comply with our obligations and work with the investigating body, as requested in the instance of a Public Interest Complaint Investigation. Westernport Water's Public Interest Disclosure Policy is available on our website and procedures can be made available upon request.

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

Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135
Internet: www.ibac.vic.gov.au

Details of reviews and studies

During 2024-25, there were zero reviews and studies undertaken by Westernport Water.

13. Other statutory obligations

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

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

During 2024-25, Westernport Water:

- identified future program works within the region and land managed by the Corporation to ensure it is contributing to the priorities within the strategy.

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

Activities during 2024–25 to support biodiversity management included:

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

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

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

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

The Western Port and Mornington Peninsula Region Healthy Waterways Strategy (October 2018) identified Guys Creek, which runs through the Corporation's KRWWTWP, as a high priority for establishing and/or maintaining vegetation buffers. Under the Liveable Communities, Liveable Waterways Program, further planting along Guys Creek to support the riparian works already completed in previous reporting years. These further plantings will ensure there is a buffer from the irrigation areas on the Western and Eastern pivots.

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

The **Environmental Reference Standard (ERS) 2021** is a mechanism under the *Environment Protection Act 2017* that encapsulates the State of knowledge of the SEPP Waters, and includes revisions to align with the duties, regulations, and guidelines that came into effect on 1 July 2021. Specifically, the ERS details environmental values relying on existing and new knowledge which identifies rules for decision makers and obligations on industry to guide the protection and management of ecological values, in respect to identified beneficial uses in Victoria. The ERS is made up of environmental values and benchmark quality objectives, including air, noise, land, and water (surface water and groundwater). Each reference standard identifies environmental values, accompanied by specific indicators and objectives. These parameters help assess whether ambient environmental values are being achieved, maintained, or threatened.

The Cowes Wastewater Treatment Plant has an ocean outfall, operating under an EPA licence, with specific quality metrics and flow volumes that must be adhered to. Westernport Water has been compliant with ERS parameters based on its current monitoring program, including the conditions of the treatment plants' licence. This has been verified by an independent qualitative marine ecosystem monitoring report, completed in 2024 for the CWWTP outfall, which assessed the impact of treated effluent discharge at Pyramid Rock. Results show that Westernport Water meets the requirements specified in the EPA licence. Under this licence, a Risk Management and Monitoring Program is maintained to manage risks to human health and the environment. Subsequently, marine studies will continue to assess the condition of the mixing zone extending 200m from the effluent discharge point on a scheduled basis. This report directly informs our opportunities for wastewater treatment improvements to mitigate any impacts to the receiving marine environment as part of our obligations under the General Environmental Duty (GED).

Environmental Protection and Biodiversity Conservation Act 1999

There were no referrals made during this reporting year.

Environmental management

We are committed to minimising the impacts of our operations on the environment. Potential Impacts are controlled under the Corporations Environmental Management System (EMS) following best practices of ISO 14001, and the continuous improvement methodology.

This financial year, Westernport Water complied with all conditions specified within its EPA-licensed sites. The Corporation improved its EMS and continued implementing this framework across the business to align and meet requirements of the GED that underpins the *Environment Protection Act 2017*. Continuous Improvement aligns with the ISO 14001 Plan-Do-Check-Act Framework, ensuring objectives are systematically reviewed and compliance can be met.

In 2024-25, we:

- continued business implementation of the EMS, for example, increased site inspections and checks for compliance
- continued review and improvement actions of the EMS and its alignment to meet the requirements of the GED
- improved processes for identifying environmental requirements and enhanced awareness of the environmental impacts from construction projects
- undertook three environmental site audits to ensure compliance with the GED, which included assessment of assets that may pose a risk to the environment and how Westernport Water manages them and informs renewal options.

Environmental incidents

Environmental incidents are unplanned incidents that have the potential to impact the environment or community. There were zero EPA reportable incidents during 2024-25, however, Westernport Water continues to improve processes and ensure a rapid response is available in the event of any environmental incidents to minimise human health and environmental impacts.

Office based environmental reporting

Westernport Water maintains one head office, which includes a maintenance depot. Across all sites, there are 91.9 FTE. Environmental data on the head office is presented within the Corporation's consumption reports in Section 11.

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

- permission information and performance statements used to monitor against EPA Victoria's corporate licence, guidelines, and regulatory requirements
- checking performance against ESC service standards for sewer system performance
- internal auditing of the EMS
- recording the number of environmental incidents, updating the risk rating and strengthening the controls within the Corporation's Aspects and Impacts Register and Legal Obligations Register
- site audits are conducted to ensure any risks to the environment are reduced
- assessing projects to ensure environmental impacts are managed accordingly
- quarterly reporting to management to ensure oversight of environmental performance.

Resource recovery and waste minimisation

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

Waste generated at the office is separated into a three-bin system under Bass Coast Shire Council's waste removal requirements, which reduces the total volume of waste disposed to landfill. Organic waste roadside collection allows all types of food waste, paper, tissues, paper towel and any organic waste generated on-site to be sent to an organic recycling facility, where the waste is turned into a soil improvement product when blended with green waste. Recycle bins form the bin system and in addition, there is one mobile muster, one battery and three e-waste bins, and a container deposit to support the container deposit scheme with funds being donated to the Royal Children's Hospital through a staff-led initiative.

14. Performance and Financial Management

2024-25 Performance Report

The Performance Report for the 2024-25 financial year compared to prior years reflects updated requirements under Ministerial Reporting Direction: Performance and Financial Management which has resulted in the following amendments:

Financial Performance Indicators

KPI No.	Key Performance Indicator	2023-24 Result	2024-25		Variance to prior year %	Notes	Variance to target %	Notes
			Result	Target				
7.1.2.001	Cash Interest Cover Net operating cash flows before net interest and tax / net interest payments	64.94	31.60	26.00	-51.3%	1a	21.5%	1b
7.1.2.006	Gearing Ratio Total debt (including finance leases) / total assets * 100	3.1%	4.3%	6.3%	38.7%	2a	-31.7%	2b
7.1.2.011	Internal Financing Ratio Net operating cash flows less dividends / net capital expenditure * 100	107%	60%	42.4%	-43.9%	3a	41.5%	3b
7.1.2.016	Current Ratio Current assets / current liabilities (excluding long-term employee provisions and revenue in advance) (%)	190%	185%	190%	-2.6%	4a	-2.8%	4b
7.1.2.021	Return on Assets (ROA) Earnings before net interest and tax / average assets * 100	0.4%	0.1%	0.9%	-75.0%	5a	-89.0%	5b
7.1.2.026	Return on Equity (ROE) Net profit after tax / average total equity * 100	0.4%	0.0%	0.8%	-90.0%	6a	-95.1%	6b
7.1.2.031	EBITDA Margin Earnings before interest, tax, depreciation and amortisation / total revenue * 100	31.7%	31.6%	35.7%	-0.3%	7a	-11.5%	7b

Notes

- 1a & 1b Net interest paid was unfavourable to prior year due to higher interest rates and higher borrowings held compared to previous year which was required to fund a larger capital expenditure program delivery in 2024-25 compared to 2023-24. Net operating cash flow was favourable to target due to higher interest and cash receivables due to a higher proportion of customers paying on time than expected.
- 2a & 2b Total debt was higher than prior year due to approved borrowings required to fund delivery of a 30% larger capital works program in 2024-25 compared to previous year. The favourable result to target for FY25 was due to less reliance on borrowings to fund the current capital program, resulting in lower debt than expected for the year.
- 3a & 3b Unfavourable to prior year due to capital expenditure increase of over 30% from 2023-24 reflecting a larger planned capital program. Net operating cash flow is favourable to target due to a higher proportion of customers paying on time than expected.
- 4a & 4b The decrease in cash holdings compared to 2023-24 reflects the strategic use of cash in place of borrowings during 2024-25, resulting in lower year-end cash and planned borrowings. The unfavourable variance to target is attributed to an increase in liabilities reflecting higher tax payable than expected for 2024-25.
- 5a & 5b A decrease in earnings largely attributed to lower than budgeted developer income and the unbudgeted purchase of bulk water required as a result of drier climate conditions has resulted in an unfavourable variance to prior year and target.
- 6a & 6b Return on equity decreased from target and was unfavourable to prior year due to a lower net profit for 2024-25 than planned and higher depreciation than budgeted resulting from a managerial revaluation performed at 30 June 2024 which was not accounted for in the FY25 budget.
- 7a & 7b A decrease in earning position due to lower than expected developer revenue and increased expenses related to purchase of bulk water has contributed to the unfavourable variance to target and prior year earning before interest, tax, depreciation and amortisation.

Water and Sewerage Network Reliability Indicators

Report on operational performance relating to urban water and sewerage network reliability and water reuse.

KPI No.	Key Performance Indicator	2023-24 Result	2024-25		Variance to prior year %	Notes	Variance to target %	Notes
			Result	Target				
7.1.3.001 (REW 8)	Water Service – minutes off water supply (planned and unplanned) How many minutes on average, a customer was without water supply during a year (minutes)	140.31	138.74	116.00	-1%	1a	20%	1b
7.1.3.006 (REW9)	Unplanned Water Supply Interruptions Percentage of customers receiving more than one unplanned interruption in the year (%)	0.96	0.87	6.00	-9%	2a	-86%	2b
7.1.3.011 (RES 1)	Sewer blockages Number of sewer blockages reported per 100km of sewer main	3.48	6.93	6.00	99%	3a	16%	3b
7.1.3.016 (RES 6)	Sewer Spills Number of sewer spills reported per 100km of sewer main	2.23	3.96	2.74	78%	4a	45%	4b
7.1.3.021 (RES 7)	Containment of sewer spills Percentage of sewer spills from reticulation and branch sewers contained within 5 hours (%)	100.00	100.00	100.00	0%	5a	0%	5b

Notes

- 1a - 1b Dry environmental conditions caused a significant increase in the requirement to isolate water for planned and unplanned works during the 2024-25 reporting period. This has been attributed to a combination of unseasonably dry environmental conditions and the subsequent locality of where breaks have occurred (close proximity to trees which further exacerbated dry ground conditions). This saw an increase in the requirement to isolate the water main for the entirety of the works (normally contained to only when the asset is been repaired/replaced) to avoid undermining the integrity of trees, while maintaining the safety of employees during the repairs. A number of these repairs were scheduled as planned isolations, to provide customers with advanced notification of the water isolation.
- 2a – 2b Appropriate planning continued to minimise the number of unplanned interruptions experienced by customers during the 2024-25 reporting period.
- 3a Dry weather conditions during the 2024-25 reporting period resulted in increased root infiltration due to trees seeking hydration within the sewer network compared to the 2023-24 reporting period.
- 3b Dry weather conditions during the 2024-25 reporting period resulted in increased root infiltration due to trees seeking hydration within the sewer network. This has resulted in an increased number of sewer main blockages for the 2024-25 reporting period. Preventative maintenance programs are in place, involving the use of CCTV and high-pressure cleaning, to identify potential or partial blockages and rectifying them before they impact customers.
- 4a Refer to 3a.
- 4b Refer to 3b.
- 5a – 5b Efficient processes and continued training result in the timely identification, containment and resolution of sewer spills, minimising the impact to customers and the environment.

KPI No.	Key Performance Indicator	2023-24 Result	2024-25		Variance to prior year %	Notes	Variance to target %	Notes
			Result	Target				

Water Reuse Indicators

7.1.3.046	Recycled water – effluent treatment and reuse Proportion of water recycled as a percentage of the volume of effluent produced (%)	19.67%	32.20%	16.60%	64%	6a	94%	6b
-----------	---	--------	--------	--------	-----	----	-----	----

Notes

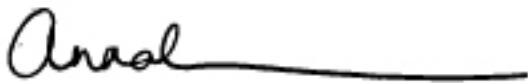
- 1a – 1b Weather in 2024-25 has been dry, meaning there was increased demand for recycled water, so use relative to effluent produced was increased.

15. Certification of Performance Report 2024-25

We certify the accompanying Performance Report of Westernport Region Water Corporation in respect of the 2024-25 financial year is presented fairly in accordance with the *Financial Management Act 1994*.

The Performance Report outlines the relevant performance indicators for the financial year as determined by the responsible Minister and as set out in the 2024-29 Corporate Plan, the actual and comparative results achieved for the financial year against predetermined performance targets and these indicators, and an explanation of any significant variance between the actual results and performance targets and/or between actual results in the current year and previous year.

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



Annabelle Roxon
Chair
Westernport Water



Dona Tantirimudalige
Managing Director
Westernport Water



Kathy Hawke
Chief Finance Officer
Westernport Water

Dated this 30th day of September 2025

16. Independent Auditor's Report



Independent Auditor's Report

To the Board of Westernport Region Water Corporation

Opinion	I have audited the performance report of Westernport Region Water Corporation (the corporation) for the year ended 30 June 2025, which comprises the: • financial performance indicators • water and sewerage network reliability performance indicators • water reuse indicator • notes to the performance report • certification of the performance report. In my opinion, the performance report of the corporation for the year ended 30 June 2025 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the <i>Financial Management Act 1994</i>.
Basis for opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's responsibilities for the audit of the performance report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the performance report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the performance report	The Board is responsible for the preparation and fair presentation of the performance report in accordance with the performance reporting requirements of the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance report

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

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

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

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

MELBOURNE
1 October 2025



Timothy Maxfield

as delegate for the Auditor-General of Victoria

17. Financial Management Statements for the year ended 30 June 2025

Westernport Region Water Corporation (the Corporation) has the pleasure of presenting its audited general-purpose financial statements for the financial year ended 30 June 2025. It is presented in the following structure:

Contents

Financial statements:

Comprehensive operating statement	90
Balance sheet	91
Statement of changes in equity	92
Cash flow statement	93

Notes to the financial statements:

1. About this report	94
The basis on which the financial statements have been prepared and compliance with reporting regulations	
2. Funding delivery of our services	96
Revenue recognised from taxes, grants, sales of goods and services and other sources	
3. The cost of delivering our services	100
Operating expenses of the Corporation	
4. Key assets available to support delivery of our service	104
Land, property, infrastructure, plant and equipment, biological assets, intangible assets, investments and other financial assets	
5. Other assets and liabilities	111
Working capital balances and other key assets and liabilities	
6. How we financed our operations	114
Borrowings, cash flow information, leases, assets pledged as security	
7. Risks, contingencies and valuation judgements	116
Financial risk management, contingent assets and liabilities as well as fair value determination	
8. Statutory obligations	123
Tax, environmental contributions, dividends	
9. Other disclosures	125
Financial Management Compliance Statement Statutory Certification	

Westernport Region Water Corporation
Comprehensive operating statement
For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Revenue			
Revenue from contracts with customers	2.1	31,259	29,819
Other income		169	176
Total revenue		31,428	29,995
Expenses			
Depreciation and impairment	4.1.1	9,027	7,596
Amortisation	4.2	502	449
Employee benefits	3.1.1	10,417	9,596
Direct operational expenses	3.2	2,244	1,915
Repairs and maintenance expense	3.3	1,178	1,032
Environmental contribution		1,205	1,075
Administration and other operating expenses	3.4	6,635	6,941
Total expenses		31,208	28,604
Finance income		85	142
Finance expense		(348)	(265)
Net finance costs	3.5	(263)	(123)
Net result from transactions		(43)	1,268
Other economic flows included in net result			
Net gain/(loss) on disposal of non-financial assets	4.1.4	174	73
Total other economic flow included in net result		174	73
Net result before income tax		131	1,341
Income tax expense	8.1.1	33	337
Net result for the period		98	1,004
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in physical asset revaluation surplus		-	57,596
Income tax relating to these items	8.1.2	-	(14,399)
Total comprehensive income for the period		-	43,197
Comprehensive result		98	44,201

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

Westernport Region Water Corporation

Balance sheet

As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6.2.1	3,236	3,954
Receivables	5.1	5,516	5,060
Inventories		645	644
Biological assets		141	193
Prepayments		217	226
Total current assets		9,755	10,077
Non-current assets			
Receivables	5.1	26	40
Infrastructure, property, plant and equipment	4.1.1	347,814	343,842
Intangible assets	4.2	1,852	2,349
Investment in Zero Emissions Water (ZEW) Ltd	5.3	5	5
Total non-current assets		349,697	346,236
TOTAL ASSETS		359,452	356,313
LIABILITIES			
Current liabilities			
Payables	5.2	6,015	7,004
Interest bearing liabilities	6.1	1,190	1,250
Employee benefits	3.1.2	2,557	2,403
Current tax payable	8.1.1	1,096	-
Total current liabilities		10,858	10,657
Non-current liabilities			
Interest bearing liabilities	6.1	14,200	9,890
Employee benefits	3.1.2	187	189
Deferred tax liabilities	8.1.2	57,407	58,873
Other financial liabilities		49	51
Total non-current liabilities		71,843	69,003
TOTAL LIABILITIES		82,701	79,660
NET ASSETS		276,751	276,653
EQUITY			
Contributed capital		51,323	51,323
Physical asset revaluation reserve		152,486	152,486
Accumulated surplus		72,942	72,844
TOTAL EQUITY		276,751	276,653

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

Westernport Region Water Corporation
Statement of changes in equity
For the year ended 30 June 2025

	Note	Contributed capital \$'000	Reserves \$'000	Accumulated surplus \$'000	Total \$'000
Balance at 1 July 2023		51,323	109,289	71,840	232,452
Net result for the period		-	-	1,004	1,004
Total other comprehensive income for the period		-	43,197	-	43,197
Balance at 30 June 2024		51,323	152,486	72,844	276,653
Balance at 1 July 2024		51,323	152,486	72,844	276,653
Net result for the period		200	-	98	298
Total other comprehensive income for the period		(200)	-	-	(200)
Balance at 30 June 2025		51,323	152,486	72,942	276,751

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

Westernport Region Water Corporation

Cash flow statement

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts			
Service and usage charges / Revenue from contracts with customers		27,920	25,309
Interest received		85	150
Developer contribution fees		632	280
Goods and Services Tax received from the ATO		1,881	2,245
Other receipts		2,814	2,609
Total receipts		33,332	30,593
Payments			
Payments to suppliers and employees		(23,970)	(22,355)
Interest and other cost of finance paid		(328)	(258)
Income taxes paid		(404)	
Environmental contribution levy paid		(1,205)	(1,075)
Total payments		(25,907)	(23,688)
Net cash flows from/(used in) operating activities		7,425	6,905
Cash flows from investing activities			
Proceeds from sale of infrastructure, property, plant & equipment		294	116
Payments for infrastructure, property, plant and equipment		(12,687)	(6,543)
Net cash flows from/(used in) investing activities		(12,393)	(6,427)
Cash flows from financing activities			
Proceeds from borrowings		5,000	2,000
Repayment of borrowings		(750)	(1,000)
Net cash flows from/(used in) financing activities		4,250	1,000
Net increase/(decrease) in cash and cash equivalents		(718)	1,478
Cash and cash equivalents at the beginning of the financial year		3,954	2,476
Cash and cash equivalents at the end of the financial year⁽¹⁾	6.2.1	3,236	3,954

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

Note

1. All cash flow at year end remains invested in the Central Banking System (CBS) account.

Westernport Region Water Corporation

Notes to the financial statements

1. About this report

Introduction

The financial report includes separate financial statements for Westernport Region Water Corporation (the Corporation) as an individual reporting entity. This financial report is a general-purpose financial report, that consists of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Statutory Certification and notes accompanying these statements for the period ending 30 June 2025. The general-purpose financial report has been prepared in accordance with Australian Accounting Standards (AASs), Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions. The Corporation is a not-for-profit entity for the purpose of preparing the financial statements.

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

The annual financial statements were authorised for issue by the Board on 30 September 2025.

The principal address is:

Westernport Region Water Corporation
2 Boys Home Road
Newhaven VIC 3925

Basis of preparation

These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

The Corporation is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. The Corporation's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As the Corporation is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Corporation.

Capital grants which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of distributions to or contributions by owners have also been designated as contributions by owners.

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

These financial statements cover the Corporation as an individual reporting entity and include all the controlled activities of the Corporation. There is no entity consolidated into the Corporation.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable *Australian Accounting Standards (AASs)*, which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. Funding delivery of services

Introduction

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

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

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

2.1 Revenue from contracts with customers

	Note	2025 \$'000	2024 \$'000
Revenue from service, usage and trade waste charges	2.1.1	28,627	26,036
Developer contributions	2.1.2	2,115	3,369
Other revenue	2.1.3	517	414
Total revenue from contracts with customers		31,259	29,819

2.1.1 Revenue from service, usage and trade waste charges

The Corporation derives revenue from the transfer of goods and/or services over time and at a point in time in the following revenue streams. Revenue is recognised when, or as, the performance obligations to the customer are satisfied. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (refer note 5.2). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded (refer note 5.1).

Total revenue from contracts with customers is \$31.3m (2024: \$29.8m). This consists of revenue from service and usage charges of \$28.6m (2024: \$26.m), Developer contributions of \$2.1m (2024: \$3.4m) and other revenue of \$517k (2024: \$414k).

	2025 \$'000	2024 \$'000
- Water usage charges	5,632	4,303
- Water service charges	9,076	8,690
- Sewage service charges	13,607	12,762
- Sewage disposal charges	27	38
- Trade waste charges	228	208
- Recycling water charges	57	35
Total revenue from service, usage and trade waste charges	28,627	26,036

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

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Water and Sewage service charges	Service charges are recognised as revenue when the services have been provided or service charge has been made. Service charges are billed in advance and recognised evenly throughout the financial year to reflect continuous service being provided to customers. Service charges are based on fixed fee for access to water, recycled water and sewage disposal. The charges are payable within 28 days.	Revenue is recognised over time as service is provided.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Water and Sewage usage charges	Water usage and sewer disposal charges are recognised as revenue when water is consumed by customers, and sewage waste is disposed by customers. Meter reading is undertaken progressively during the year and are billed quarterly in arrears. Water and wastewater service charges are billed quarterly in advance. An estimation of usage and disposal charges is made at the end of each accounting period for connection where meters were not read at balance date. This is calculated by determining the level of billable service provided multiplied by the cost of each service. The charges are payable within 28 days.	Revenue is recognised over time as service is provided.
Trade waste disposal charges	Revenue related to trade waste disposal is based on the volume of waste disposed by customers.	Revenue is recognised at a point in time.
Recycled water charges	Recycled water charges are all recognised as revenue over time as the performance obligation is satisfied. The Corporation measures these charges based on the regulated prices and the volume of water consumed by customers, and sewage and trade waste disposed by customers. The charges are payable within 28 days.	Revenue is recognised over time as service is provided

At balance date, any portion of service charges that is billed in advance and the performance obligation is not satisfied, is recognised as contract liabilities (refer Note 5.2). The charges for fully satisfied performance obligations that are unbilled at year end that are estimated are recognised as contract assets (refer Note 5.1).

2.1.2 Developer contributions

	2025 \$'000	2024 \$'000
Developer contributed assets	1,489	2,186
New customer contributions	626	1,183
Total developer contributions	2,115	3,369

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Developer contributed assets	Developer contributed assets arise when developers pay for the cost of construction of new infrastructure assets and subsequently gift these assets to the Corporation to maintain in perpetuity. Depending on the type of developer application, this can result in the performance obligation being satisfied: - when the Statement of Compliance is issued to the customer, or - when the customer is connected to the Corporation's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued. Revenue is recognised at the fair value of the gifted assets by assessing the value of the works using schedule of rates.	Revenue is recognised at a point in time.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
New customer contributions	New customer contributions represent non-refundable upfront charges applicable when customers request to build or develop a property and connect to the Corporation's water supply and sewerage infrastructure network. The charges contribute towards the cost of augmenting the Corporation's water supply distribution systems and sewerage disposal systems. Depending on the type of new customer contribution application, this can result in the performance obligation being satisfied at the point in time when the Corporation satisfies its performance obligation. This will vary depending on the type of application submitted by the customer. As a result, a performance obligation can be satisfied when: - the Statement of Compliance is issued to the customer; or - the customer is connected to the Corporation's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued; or - the customer receives consent from the Corporation to proceed with their application. The rates applied to calculate the new customer contributions are regulated by the Essential Services Commission.	Revenue is recognised at a point in time.

2.1.3 Other revenue

	2025 \$'000	2024 \$'000
Revenue from other services rendered - Fees and services	299	284
Works and services provided to third parties	135	130
Interest received from customers	83	-
Total other revenue	517	414

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

2.1.4 Timing of recognition of revenue from customers

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

2024	Service charges - water	Usage charges - water	Service charges - sewerage	Disposal charges - sewerage	Disposal charges - trade waste	Recycled water charges	Developer contributed assets	New customer contributions	Other revenue	Total revenue with customers
At a point in time	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Over time	8,690	4,303	12,762	38	-	208	-	2,186	1,183	414
Total	8,690	4,303	12,762	38	208	35	2,186	1,183	414	29,819
2025	Service charges - water	Usage charges - water	Service charges - sewerage	Disposal charges - sewerage	Disposal charges - trade waste	Recycled water charges	Developer contributed assets	New customer contributions	Other revenue	Total revenue with customers
At a point in time	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Over time	9,076	5,632	13,607	27	-	228	-	1,489	517	2,860
Total	9,076	5,632	13,607	27	228	57	1,489	626	517	31,259

3. The cost of delivering our services

Introduction

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

3.1 Employee benefits

3.1.1 Employee benefits – Comprehensive Operating Statement

	2025 \$'000	2024 \$'000
Employee benefits		
- Salaries and wages	7,089	6,698
- Annual leave	732	656
- Long service leave	224	204
- Sick leave	322	314
- Employer superannuation contributions	1,012	883
- Employer superannuation contributions - defined benefits	44	44
- Payroll tax	128	115
- Director fees	242	211
- WorkCover premium	252	101
- Other	372	370
Total employee benefit costs	10,417	9,596

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. They are expensed in the period in which they are incurred.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The defined benefit plan(s) provides benefits based on years of service and final average salary. The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans. The Corporation does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Corporation accounts for contributions to these plans as if they were defined contribution plans under AASB 119 *Employee Benefits*. The Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Corporation is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.1.2 Employee benefits - balance sheet

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

	2025 \$'000	2024 \$'000
Current provisions:		
Annual leave (and RDO)		
Unconditional and expected to settle within 12 months	697	626
Unconditional and expected to settle after 12 months	105	176
Long service leave		
Unconditional and expected to settle within 12 months	157	125
Unconditional and expected to settle after 12 months	1,207	1,144
Provisions for on-costs		
Unconditional and expected to settle within 12 months	182	149
Unconditional and expected to settle after 12 months	209	183
Total current provisions for employee benefits	2,557	2,403
Non-current provisions:		
Long service leave - conditional	161	166
On-costs	26	23
Total non-current provisions for employee benefits	187	189
Total provisions for employee benefits	2,744	2,592

Wages and salaries, annual leave and sick leave

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

The components of this liability are measured at:

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

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

On-costs

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

Long service leave

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

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

The components of this current LSL liability are measured at:

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

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

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

3.2 Direct operational expenses

	2025 \$'000	2024 \$'000
Chemicals	371	492
Electricity	785	759
Testing and Sampling	210	202
Melbourne bulk water entitlement	818	416
Lease payments	60	46
Total direct operational expenses	2,244	1,915

Direct operating expenses generally represent the day-to-day running costs incurred in normal operations.

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

3.3 Repairs and maintenance

	2025 \$'000	2024 \$'000
Preventative maintenance	718	565
Major maintenance	460	467
Total repairs and maintenance	1,178	1,032

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

3.4 Administration and other operating expenses

	2025 \$'000	2024 \$'000
Purchase of inventory	80	22
Contractors	2,516	2,416
Consultants	147	152
Information computer technology expenses	1,918	2,242
Training and education	210	127
Licence fees, permits and registration	182	146
Vehicle repairs & maintenance costs	55	55
Insurance	436	340
Postage charges	127	98
Conference costs (excl travel & accommodation)	19	36
Debt collection fees	12	-
Mobile phone costs	58	40
Subscription & memberships	86	142
Guaranteed service level payments	(1)	348
Ex-gratia payments (Bad debt expense)	38	13
Other supplies	752	764
Total administration and other operating expenses	6,635	6,941

Other operating expenses generally represent any other expenses not incurred in day-to-day normal operations.

Expense	Description	Recognition policy
Contractors	All contractors formally engaged to provide works or services for or on behalf of the corporation.	As incurred. Recognised in the Comprehensive operating statement.
Information Computer Technology expenses	All operating expenses, maintenance contracts, license fees and other costs associated with operating the information technology environment of the Corporation.	Accruals basis. Recognised in the Comprehensive operating statement.
Other expenses (including supplies)	All operating expenses, maintenance contracts, license fees and other costs associated with operating the information technology environment of the Corporation.	Accruals basis. Recognised in the Comprehensive operating statement.

3.5 Net finance costs

	2025 \$'000	2024 \$'000
Interest received from investments	85	142
Interest on secured TCV loans	(283)	(201)
Financial accommodation levy	(65)	(64)
Total net finance costs	(263)	(123)

Finance income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets.

Finance costs includes costs incurred in connection with the borrowing of funds including interest on bank overdrafts, short term and long-term borrowings, financial liabilities recognised for service concession arrangements, amortisation of discounts or premiums relating to borrowings and lease charges.

Finance income is recognised using the effective interest method and finance costs are recognised as expenses in the period in which they are incurred.

Financial accommodation levy is a levy applied to the Corporation to remove the market advantage that government entities may experience in borrowings as a result of being guaranteed by the State of Victoria. The financial accommodation levy is a commercial rate charged for new borrowings based on the Corporation's underlying credit rating and is paid into the State's Consolidated Fund in accordance with section 40N of the *Financial Management Act 1994* in respect of financial accommodation provided to the Corporation by the State Government of Victoria

4. Key assets available to support delivery of our service

Introduction

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

4.1 Infrastructure, property, plant and equipment: Carrying amount

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

	Land	Building	Plant and equipment	Water distribution	Infrastructure harvesting and major transfer	Infrastructure water quality	Infrastructure sewer collection	Infrastructure treatment and disposal	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2025										
Balance at 1 July 2024										
Gross carrying amount	16,697	4,409	6,055	118,370	38,156	2,734	117,884	33,740	8,702	346,747
Accumulated depreciation	-	(134)	(2,390)	(111)	(2)	(9)	(152)	(107)	-	(2,905)
Opening net book value - 1 July 2024	16,697	4,275	3,665	118,259	38,154	2,725	117,732	33,633	8,702	343,842
Additions	-	-	-	-	-	-	-	-	12,027	12,027
Disposals	-	(24)	(25)	(8)	-	-	(5)	(122)	-	(184)
Transfer between asset classes	-	59	1,159	6,355	10	50	1,924	882	(10,439)	-
Assets received free of charge (nominal consideration)	-	-	-	430	-	-	726	-	-	1,156
Depreciation	-	(135)	(764)	(2,997)	(822)	(166)	(2,869)	(1,274)	-	(9,027)
Closing net book amount	16,697	4,175	4,035	122,039	37,342	2,609	117,508	33,119	10,290	347,814
Total as at 30 June 2025 represented by:										
Cost of fair value	16,697	4,438	6,926	125,147	38,167	2,784	120,529	34,500	10,290	359,478
Accumulated depreciation	-	(263)	(2,891)	(3,108)	(825)	(175)	(3,021)	(1,381)	-	(11,664)
Net book amount	16,697	4,175	4,035	122,039	37,342	2,609	117,508	33,119	10,290	347,814

4.1.2 Initial recognition and subsequent measurement

Infrastructure, property, plant and equipment

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

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

Items with a cost or value in excess of \$1,000 (2024: \$1,000) and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

Motor Vehicles

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

Revaluation of infrastructure, property, plant and equipment

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

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

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

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

The Corporation assets relating to land, buildings and infrastructure assets were independently valued by the VGV as at 30 June 2021. The market that the assets are valued in is being impacted by the uncertainty of interest rates and increased construction costs. The valuer has advised that the current market environment creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period. A fair value assessment was performed effective 30 June 2025 in line with FRD103 requirements and determined that no adjustments were required for 2025. Refer to Note 7.2 Fair value determination for further information on the revaluation methods used for the asset classes.

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

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

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

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

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

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

Westernport Water has, in accordance with FRD 103, applied indexation to its asset classes as at 30 June 2025 using the relevant cost indices published by the Australian Bureau of Statistics, namely the Producer Price Index (PPI) for Building Construction (Victoria) and Road and Bridge Construction (Victoria). Based on this assessment, no interim or managerial revaluation threshold was met and therefore no revaluation adjustment was required for the year.

Biological Assets

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

4.1.3 Depreciation and impairment

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

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

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

Asset	Useful life years 2025 and 2024
Buildings	50 - 70
Water Distribution	20 - 90
Water Harvesting & major transfer	10 - 150
Water Quality	15 - 75
Sewer Collection	10 - 90
Sewer Treatment and disposals	10 - 120
Plant, equipment and machinery	10 - 70
Motor Vehicles	5

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

An independent valuation of the Corporation's water and sewer infrastructure was carried out by JLL Australia on behalf of the Valuer General Victoria on 30 June 2021 and although it is impracticable to predict future years, adjustments will be made where necessary for future impacts including allowances for additions and disposals. The impacts of the current economic and climate-related emerging risks were taken into account when estimating the useful life of these assets. A fair value assessment was performed effective 30 June 2025 in line with FRD103 requirements and determined that no adjustments were required for 2025.

Indefinite life assets

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

Impairment

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

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

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

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

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

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

At each reporting date, and whenever there is an indication that the asset may be impaired, the Corporation reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

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

	2025 \$'000	2024 \$'000
Sales proceeds	436	249
Costs of the assets ⁽¹⁾	(789)	(523)
Accumulated depreciation	527	347
Net gain/(loss) on disposal	174	73

Note

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

4.2 Intangible assets

	Water entitlements \$'000	Software costs \$'000	Patents and Licences \$'000	Large scale generation certificates \$'000	Other \$'000	Total \$'000
Year ended 30 June 2025						
Balance at 1 July 2024						
Cost or fair value	370	4,320	335	13	78	5,116
Accumulated amortisation	(45)	(2,559)	(131)	(2)	(31)	(2,768)
Opening net book amount	325	1,761	204	11	47	2,348
Additions	-	-	-	5	1	6
Amortisation	(4)	(407)	(73)	(2)	(16)	(502)
Carrying amount	321	1,354	131	14	32	1,852
Total as at 30 June 2025						
represented by:						
Cost or fair value	370	4,320	335	18	79	5,122
Accumulated amortisation	(49)	(2,966)	(204)	(4)	(47)	(3,270)
Carrying amount	321	1,354	131	14	32	1,852

Recognition

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

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

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

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

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

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

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

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

Bulk water entitlements

Bulk water entitlements are treated as an intangible asset on the Balance Sheet at cost (in accordance with AASB 138 *Intangible Assets* and FRD 109A *Intangible Assets*) and are not subject to amortisation. Bulk water entitlements are tested annually for impairment.

Impairment of intangible assets

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

Software costs

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

Software as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Corporation with the right to access the cloud provider's application software over the contract period. As such the Corporation does not receive a software intangible asset at the contract commencement date. Vendor-controlled software is not recognised as an intangible asset and is included in Note 3.4.

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

Recognise as an other expense (Note 3.4) over the term of the service contract	• Fee for use of application software • Customisation costs
Recognise as an other expense (Note 3.4) as the service is received	• Configuration costs • Data conversion and migration costs • Testing costs • Training costs

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

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

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

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

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

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

Capitalisation of configuration and customisation costs in SaaS arrangements

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

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

Large-scale Generation Certificates

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

5. Other assets and liabilities

Introduction

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

5.1 Receivables

	2025 \$'000	2024 \$'000
Current		
Contractual		
Trade receivables	3,986	3,773
Allowance for expected credit loss	(45)	(45)
Other receivables	472	439
Contract assets	783	595
Statutory		
GST input tax credit recoverable	320	298
Total current receivables	5,516	5,060
Non-current		
Contractual		
Trade receivables	83	97
Allowance for expected credit loss	(57)	(57)
Total non-current receivables	26	40
Total receivables	5,542	5,100

Receivables consist of:

Receivable	Initial measurement	Subsequent measurement
Contractual receivables (other receivables and loans)	Recognised at fair value plus any directly attributable transaction costs. The Corporation holds contractual receivables with the objective of collecting the contractual cash flows. An equity transfer of \$200,000 was received from DEECA on 30 June 2025 for capital project funding. This transfer has been accounted as Additions to Net Asset Base (ATNAB) from DEECA in accordance with paragraph 4.2(b) of FRD 119 Transfers through Contributed Capital under the <i>Financial Management Act 1994</i> (2024: \$0)	Classified as financial instrument and measured at amortised cost using the effective interest method, less any impairment.
Contractual receivables (Trade receivables including service and usage charges and allowance for expected credit loss)	Measured at transaction price, unless they contain a significant financing component, when they are recognised at fair value. The Corporation does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Non-current receivables relates to Private Schemes.	Classified as financial instrument and measured at amortised cost less any expected credit loss.
Statutory receivables	Recognised at fair value plus any directly attributable transaction costs.	Amortised cost less any expected credit loss.
Contract assets	Contract assets relate to the Corporation's right to consideration in exchange for services transferred to customers for works completed but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. This usually occurs when the Corporation issues an invoice to the customer. The balance of the contract assets at 30 June 2025 was impacted by timing of the works completed by contractors and is not billable at this stage. The works are expected to be completed and recovered early next year.	Classified as financial instrument and measured at amortised cost using the effective interest method, less any impairment

5.1.1 Impairment of contractual receivables

Contractual receivables at amortised cost

The Corporation applies the AASB 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for contractual receivables. The Corporation has grouped contractual receivables - service and usage charges on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Corporation's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year, including consideration of the impact of the macroeconomic market conditions might have on the impact of customers to make payments of their water bills.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Statutory receivables at amortised cost

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance has been recognised.

5.2 Payables

	2025 \$'000	2024 \$'000
Contractual		
Trade creditors	368	778
Sundry creditors	570	536
Accrued expenses	960	1,638
Contract liabilities	4,058	3,862
Statutory		
PAYG and other payables	59	190
Total current payables	6,015	7,004
Total trade and other payables	6,015	7,004

Payables consist of:

- Contractual payables, classified as financial instruments and measured at amortised cost. Trade creditors, sundry creditors and accrued expenses represent liabilities for goods and services provided to the Corporation prior to the end of the financial year that are unpaid and;
- Statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.
- Payables for supplies and services have an average credit period of 5-10 days
- The contract liabilities primarily relate to developer contributions and other consideration received in advance of the Corporation performing its contract obligations and will be recognised as revenue when the services are performed. Refer to Note 2.1 for further details of the performance obligation.

5.3 ZEW transactions and balances

Westernport Region Water Corporation is one of 12 water corporation members of Zero Emissions Water (ZEW) Limited, a public company limited by guarantee. ZEW's substantial objective is to acquire electricity, contracts for difference and other derivative products in relation to electricity, and/or green products from an energy and emissions reduction facility in Victoria and in turn supply these products to its members. This vehicle provides the opportunity for water corporation members to collaboratively promote energy and emissions reduction initiatives in Victoria and to reduce emissions.

On 30 October 2018, a Members' Agreement was entered into between the water corporations and ZEW in order to regulate their rights and obligations as members of ZEW and as participants in the project. The Members' Agreement establishes the operating activities of ZEW and the decision-making responsibilities of the ZEW Directors.

Under the Members' Agreement Westernport Region Water Corporation's liability as a member is limited to \$10 in the event of a winding up.

As required by Australian Accounting Standards, Westernport Region Water Corporation has assessed the nature of its relationship with ZEW, and has concluded that it does not have control, joint control or significant influence over ZEW. The water corporation will account for its investment in ZEW as a financial instrument within the scope of AASB 9 *Financial Instruments*. ZEW is a related party of Westernport Region Water Corporation.

On 30 October 2018, ZEW entered into an 11-year Power Purchasing Agreement (PPA) with a solar farm energy generator whereby ZEW will act as a central intermediary between the energy generator and the water corporations. The PPA contains a contract for difference (CFD) payment mechanism in respect of electricity generated by the facility and the sale and supply of large-scale generation certificates (LGCs) from the facility.

Further extensions were granted until 31 January 2021 as a result of delays in commissioning ZEW's section of the solar farm which delayed the meeting of the conditions precedent resulting in the Corporation receiving a share of the settlement for these further delays of \$8,000 which was recognised in the 2020-21 financial year.

On 22 January 2021, the conditions precedent in the PPA was completed and the CFD derivative was recognised as a financial liability measured at its fair value. Subsequent changes in the derivative's fair value have been recognised in profit and loss. Refer to note 7.1 and 7.2 for more information about the judgements and assumptions used in measuring fair value determination of derivative financial instruments.

The Corporation now has an obligation to purchase its percentage of energy allocation under the Members' Agreement, via the CFD derivative. The financial impact of the Members' Agreement with ZEW has resulted in increased revenue and expenses, and the recognition of a derivative financial instruments and LGCs as intangible assets.

The Members' Agreement specifies that ZEW may call on the Corporation to make a loan available to ZEW amounting to \$11,404. The loan, if requested by ZEW, would meet the definition of a financial asset as it gives rise to a contractual right for us to receive cash from ZEW at the end of the loan term. At 30 June 2021, ZEW had requested and received a loan payment of \$5,000. As this loan is concessional, it has been treated as an investment in ZEW and measured at amortised cost.

6. How we financed our operations

Introduction

This section provides information on the sources of finance utilised by the Corporation during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Corporation.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provide additional, specific financial instrument disclosures.

6.1 Interest bearing liabilities

	2025 \$'000	2024 \$'000
Current interest-bearing liabilities		
Secured borrowings from Treasury Corporation of Victoria (TCV)	1,190	1,250
Total current interest-bearing liabilities	1,190	1,250
Non-current interest-bearing liabilities		
Secured borrowings from Treasury Corporation of Victoria (TCV)	14,200	9,890
Total non-current interest-bearing liabilities	14,200	9,890
Total interest-bearing liabilities	15,390	11,140

Loans are sourced from the Treasury Corporation of Victoria (TCV) and secured by the Treasurer in the form of a government guarantee. They are classified as a financial instrument and are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the initial amount recognised (net of transaction costs) and the redemption amount is recognised in the Comprehensive Operating Statement over the period of the interest-bearing liabilities, using the effective interest method.

The Corporation has classified borrowings which mature within 12 months as current liabilities from the reporting date on the basis that the entity will and has discretion to refinance or rollover these loans with the Treasury Corporation of Victoria, pursuant to section 8 of the *Borrowings and Investment Powers Act 1987*. Borrowings known as 11am debt are classified as current borrowings if utilised (2025: \$0k).

6.1.1 Maturity of borrowings

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates				
			Less than 1 month \$'000	1-3 month \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	5+ years \$'000
30 June 2025							
Secured borrowings from TCV	15,390	15,390	-	690	500	6,400	7,800
Total	15,390	15,390	-	690	500	6,400	7,800
30 June 2024							
Secured borrowings from TCV	11,140	11,140	-	750	500	4,940	4,950
Total	11,140	11,140	-	750	500	4,940	4,950

6.2 Cash flow information

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

6.2.1 Cash flow reconciliation

	2025 \$'000	2024 \$'000
Cash at bank	3,236	3,954
Balance as per cash flow statement	3,236	3,954

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. Commitments included in this section are as follows:

- Total commitments payable
- Operating lease commitments
- Capital commitments
- Other commitments

These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.3.1 Total commitments payable

Nominal Amounts: 2025	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Capital commitments	849	402	676	1,927
Environmental contribution levy	1,206	2,411	-	3,617
Efficiency payments	1,000	-	-	1,000
Operating low value lease commitments payable	545	42	-	587
Other (non-lease commitments)	223	144	-	367
Total commitments (inclusive of GST)	3,823	2,999	676	7,498
Less GST recoverable from the ATO	(147)	(54)	(61)	(262)
Total commitments (exclusive of GST)	3,676	2,945	615	7,236

Nominal Amounts: 2024	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Capital commitments	5,056	-	-	5,056
Environmental contribution levy	1,205	3,617	-	4,822
Efficiency payments	200	-	-	200
Operating low value lease commitments payable	546	587	-	1,133
Other (non-lease commitments)	297	307	-	604
Total commitments (inclusive of GST)	7,304	4,511	-	11,815
Less GST recoverable from the ATO	(536)	(81)	-	(617)
Total commitments (exclusive of GST)	6,768	4,430	-	11,198

7. Risks, contingencies and valuation judgements

The Corporation is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Corporation related mainly to fair value determination.

7.1 Financial instruments specific disclosure

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Trade creditors:
Receivables:	- For supplies and services
- Trade receivables	- Other payables
- Sale of goods and services	Interest bearing liabilities
- Other receivables	Derivative financial liability
Investment in Zero Emissions Water (ZEW) Ltd	
Derivative financial asset	

Due to the short-term nature of the financial assets and liabilities held by the Corporation, their carrying value is assumed to approximate their fair value.

Classification of financial instruments

Financial instrument	Initial measurement	Subsequent measurement
Financial assets at amortised cost		
Financial assets include: - Loans and receivables - Cash and deposits - Receivables - Investment in ZEW	Fair value plus or minus any directly attributable transaction costs	Amortised cost only using the effective interest rate method less impairment if both of the following criteria are met: • the asset is held within a business model whose objective is to collect the contractual cash flows, and • the contractual terms give rise to cash flows that are solely payments of principal and interest
Financial liabilities at fair value through net results		
Derivative instruments: - Derivative financial liability	Fair value through net result	Fair value through net result
Financial liabilities at amortised cost		
Financial liabilities include: - Payables (excluding statutory payables); - Borrowings	Fair value, plus or minus any directly attributable transaction costs subsequent to initial recognition.	Amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the profit and loss, over the period of the interest-bearing liability using the effective interest rate method.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Corporation retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Corporation has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Corporation has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Corporation's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

7.1.1 Financial instruments: Categorisation

2025	Notes	Cash and deposits	Financial assets / liabilities designated at fair value through profit/loss (FVTPL)	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits	6.2.1	3,236	-	-	-	3,236
Receivables						
Service and usage charges	5.1	-	-	3,967	-	3,967
Contract assets	5.1	-	-	783	-	783
Other receivables	5.1	-	-	472	-	472
Investment in Zero Emissions Water (ZEW) Ltd	5.3	-	-	5	-	5
Total contractual financial assets		3,236	-	5,227	-	8,463
Contractual financial liabilities						
Trade creditors	5.2	-	-	-	368	368
Sundry creditors	5.2	-	-	-	570	570
Accrued expenses	5.2	-	-	-	960	960
Contract liabilities	5.2	-	-	-	4,058	4,058
Borrowings						
Loans from Treasury Corporation Victoria (TCV)	6.1	-	-	-	15,390	15,390
Derivative financial liabilities						
Financial liabilities designated at fair value through profit or loss		-	49	-	-	49
Total contractual financial liabilities		-	49	-	21,346	21,395

2024	Notes	Cash and deposits	Financial assets / liabilities designated at fair value through profit/loss (FVTPL)	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits	6.2.1	3,954	-	-	-	3,954
Receivables						
Service and usage charges	5.1	-	-	3,768	-	3,768
Contract assets	5.1	-	-	595	-	595
Other receivables	5.1	-	-	439	-	439
Investment in Zero Emissions Water (ZEW) Ltd	5.3	-	-	5	-	5
Total contractual financial assets		3,954	-	4,807	-	8,761
Contractual financial liabilities						
Trade creditors	5.2	-	-	-	778	778
Sundry creditors	5.2	-	-	-	536	536
Accrued expenses	5.2	-	-	-	1,638	1,638
Contract liabilities	5.2	-	-	-	3,862	3,862
Borrowings						
Loans from Treasury Corporation Victoria (TCV)	6.1	-	-	-	11,140	11,140
Derivative financial liabilities						
Financial liabilities designated at fair value through profit or loss		-	51	-	-	51
Total contractual financial liabilities		-	51	-	17,954	18,005

7.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	Total interest income / (expense) \$'000
2025	
Contractual financial liabilities	
Financial liabilities at cost	348
Total contractual financial liabilities	348
2024	
Contractual financial liabilities	
Financial liabilities at cost	265
Total contractual financial liabilities	265

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

The Corporation was not aware of any contingent assets at the time of finalisation of the financial report (2024:\$0).

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - o it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - o the amount of the obligations cannot be measured with sufficient reliability.

The Corporation has no known contingent liabilities at the time of finalisation of the financial report (2024:\$0).

7.2 Fair value determination

This section sets out information on how the Corporation determined fair value for financial reporting purposes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Corporation determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the Corporation's independent valuation agency. The Corporation, in conjunction with VGV, JLL Australia and Opteon monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

Fair value determination

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 *Fair Value Measurement* by adding Appendix F *Australian implementation guidance for not-for-profit public sector entities*. Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable to annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

For all assets measured at fair value, the Corporation considers the current use is the highest and best use.

The following table shows the valuation techniques used in measuring fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

7.2.1 Non-financial physical assets

2025	Carrying amount as at 30 June 2025 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾ \$'000	Level 2 ⁽¹⁾ \$'000	Level 3 ⁽¹⁾ \$'000
Land at fair value				
Non-specialised land	880	-	880	-
Specialised land	15,817	-	-	15,817
Total of land at fair value	16,697	-	880	15,817
Buildings at fair value				
Non-specialised buildings	4,175	-	4,175	-
Total of buildings at fair value	4,175	-	4,175	-
Plant and equipment at fair value				
Plant and equipment	4,035	-	-	4,035
Total of plant and equipment at fair value	4,035	-	-	4,035
Infrastructure at fair value				
Infrastructure - water distribution	122,039	-	-	122,039
Infrastructure - water harvesting and major transfers	37,342	-	-	37,342
Infrastructure - water quality	2,609	-	-	2,609
Infrastructure - sewer collection	117,508	-	-	117,508
Infrastructure - sewer treatment and major disposal	33,119	-	-	33,119
Total of infrastructure at fair value	312,617	-	-	312,617

Note

- Classified in accordance with the fair value hierarchy.

There have been no transfers between levels during the period.

The Valuer General Victoria (VGV) is the Corporation's independent valuation agency in relation to valuation of property, plant and equipment and infrastructure.

The Corporation, in conjunction with VGV monitors changes in the fair value of property, plant and equipment and infrastructure through relevant data sources to determine whether revaluation is required.

Non-specialised land and non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

An independent valuation was performed by Opteon on 30 June 2021 to determine fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset. A fair value assessment was performed effective 30 June 2025 in line with FRD103 requirements using Valuer General Victoria (VGV) indexation and determined that adjustments were not required for non-specialised land and building values for 2025.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

An independent valuation of the Corporation's specialised land was performed by the Valuer General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2021. A fair value assessment was performed effective 30 June 2025 in line with FRD103 requirements using Valuer General Victoria (VGV) indexation and determined that adjustments were not required for specialised land values for 2025.

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated current replacement cost method.

For all assets measured at fair value, the current use is considered the highest and best use.

Infrastructure assets

Water and sewer infrastructure are valued using the current replacement cost method less all forms of obsolescence and depreciation. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the current replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the infrastructure. The estimated cost of reconstruction includes structure services and finishes as applicable.

An independent valuation of the Corporation's water and sewer infrastructure was carried out by JLL Australia on behalf of the Valuer General Victoria. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuation is 30 June 2021. A fair value assessment was performed effective 30 June 2025 in line with FRD103 requirements utilising ABS indices and determined that adjustments were not required for infrastructure assets for 2025.

These assets are classified as Level 3 fair value as the lowest level input, the absence of an active market, has a significant impact on the fair value which is unobservable.

Climate related factors and fair value measurement

The Corporation's infrastructure, property, plant and equipment assets are exposed to the risk of damage from extreme weather events such as storms, high winds, floods and drought. Changes in global climate conditions could intensify one or more of these events. In addition, extreme weather events may also increase the cost of operations. The Corporation has extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection. The Corporation has incorporated considerations for climate change into its risk management practices, such as the establishment and maintenance of flood management systems and increased monitoring during fire danger periods.

Physical risks arising from fires, floods and drought are to a great extent subject to risk transfer and thereby within the cover of The Corporation's property and business interruption insurance programmes. However, should the frequency and severity of these events increase as a result of climate change, the cost of such coverage may increase.

The Corporation will further enhance the understanding of exposure of climate change risk in the process of executing the Corporation's climate change action plan over the next five years. As at 30 June 2025, the Corporation considered climate-related risk in the preparation of the financial statements.

Market participants' views of potential climate-related matters, including legislation, may affect the fair value measurement of assets and liabilities in the financial statements. Where relevant, climate-related matters may also affect the disclosure of fair value measurements, particularly those categorised within Level 3 of the fair value hierarchy. AASB 13 requires disclosure of unobservable inputs used in fair value measurements. Those inputs should reflect the assumptions that market participants would use, including assumptions about climate-related risk.

Although it is intended that asset valuations will be based on a five year cycle, FRD 103 *Non financial physical assets* (FRD103) requires entities to perform annual fair value assessments for each class of non financial physical assets to determine whether additional revaluations need to be undertaken between revaluation cycles. Management perform interim valuations when the triggers of FRD103 are met.

Description of significant unobservable inputs to Level 3 valuations

2025 and 2024	Valuation technique	Significant unobservable inputs
Specialised Land	Market approach	Community Service Obligations (CSO)
Infrastructure – Water Distribution	Depreciated replacement cost approach	Average cost per kilometer Useful life of the infrastructure
Infrastructure – Water Harvesting	Depreciated replacement cost approach	Cost per unit (Quantity 1 Reservoir) Useful life of the infrastructure
Infrastructure – Water Quality	Depreciated replacement cost approach	Cost per unit (Quantity 1 Reservoir) Useful life of the infrastructure
Infrastructure - Sewer Collection	Depreciated replacement cost approach	Average cost per kilometer Useful life of the infrastructure
Infrastructure - Sewer Treatment/Disposal	Depreciated replacement cost approach	Cost per unit (Quantity 2 Treatment Plants) Useful life of the infrastructure
Plant and equipment	Depreciated replacement cost approach	Useful life of the asset

8. Statutory obligations

Introduction

This section included disclosures in relation to the Corporation's statutory obligations.

8.1 Tax

8.1.1 Income tax

Westernport Region Water Corporation sought an administrative ruling from the Australian Taxation Office (ATO) on the taxation treatment of gifted assets as a result of *Victoria Power Networks Pty Ltd v Commissioner of Taxation* (2020). The ATO issued a letter of comfort with implications on the NTER (National Tax Equivalent Regime). This has been raised with Department stakeholders as it has sector wide implementation for the 2026 financial year.

The Corporation is subject to the National Tax Equivalent Regime (NTER) pursuant to section 88(1) of the *State Owned Enterprises Act 1992*, which is administered by the Australian Taxation Office. The income tax expense or revenue for the period is the expected tax payable or receivable on the current period's taxable income based on the national corporate income tax rate of 25% (2024: 25%), adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The income tax expense for the financial year differs from the amount calculated on the net result. The differences are reconciled as follows:

	2025 \$'000	2024 \$'000
Income statement		
Current income tax expense (paid or payable)	1,499	-
Deferred income tax expense		
Temporary differences	(1,466)	337
Income tax reported in the Income statement	33	337
Income tax payable		
NTER instalment paid	(403)	-
ATO payable	1,499	-
Income tax payable/(receivable) at 30 June	1,096	-
Tax reconciliation		
Net result before income tax expense	131	1,341
Tax at the Australian tax rate of 25%	33	337
Income tax on profit before tax	33	337

8.1.2 Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets

	2025 \$'000	2024 \$'000
Amounts recognised in Comprehensive Operating Statement		
Doubtful debts	26	26
Employee benefits	686	648
Unearned Revenue	909	866
Project pool	350	359
Other accruals	44	40
Fair value increase in CFD	-	1
Initial recognition of CFD	12	12
Tax losses	-	20
Total deferred tax assets	2,027	1,972
Movements:		
Opening balance at 1 July	1,972	3,293
(Credited)/Debited to the Comprehensive Operating Statement	55	(1,321)
Closing balance at 30 June	2,027	1,972
Deferred tax asset expected to be recovered after more than 12 months	790	795
Deferred tax asset expected to be recovered within 12 months	1,237	1,157
Tax losses	-	20
Ending balance at 30 June	2,027	1,972

Deferred tax liabilities

	2025 \$'000	2024 \$'000
Amounts recognised in Comprehensive Operating Statement		
Depreciation	8,596	9,995
Livestock	9	16
Other deferred tax liabilities - FBT	-	5
Amounts recognised directly in equity		
Deferred tax liabilities due to revaluation	50,829	50,829
Total deferred tax liabilities	59,434	60,845
Movements		
Opening balance at 1 July	60,845	47,431
Credited/(Debited) to the net result	(1,411)	(985)
Credited to the other comprehensive result	-	14,399
Closing balance at 30 June	59,434	60,845
Deferred tax liabilities expected to be settled after more than 12 months	59,425	60,824
Deferred tax liabilities expected to be settled within 12 months	9	21
Total at 30 June	59,434	60,845
Ending balance at 30 June	57,407	58,873

9. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

9.1 Other economic flows included in net results

9.1.1 Net gain/(loss) on non-financial assets

(Gain)/Loss on the fair value of derivative financial instrument represents the movement in the fair value of the financial instrument compared to initial recognition. This net gain/loss reflects a positive/negative fair value movement in the Corporation's electricity derivative in the ZEW PPA as a result of higher/lower floating electricity prices. Any gain/loss is recognised as an other economic flow included in net result. There are no gain or losses reported for 2025 (2024: \$0).

9.2 Events occurring after the balance date

There have been no other matters or circumstances that have arisen since the end of the financial year which significantly affected, or may significantly affect the operations of the Corporation, the results of those operations, or state of affairs of the Corporation in future financial years.

9.3 Responsible persons

In accordance with the Ministerial Directions issued by the Minister of Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period. The responsible Ministers during the 2024-2025 reporting period are presented below. Remuneration paid to the respective Minister is excluded in the financial statements.

The names of responsible persons of the Corporation at any time during the financial year are:

Name	Title	Period of appointment
The Hon. Gayle Tierney MP	Minister for Water	19 December 2024 - 30 June 2025
The Hon. Harriet Shing MP	Minister for Water	1 July 2024 – 18 December 2024
Ms Annabelle Roxon	Board Chair	1 July 2024 - 30 June 2025
Ms Joanne Pearson	Audit Risk Committee Chair, Director	1 July 2024 - 30 June 2025
Ms Dona Tantirimudalige	Managing Director	1 July 2024 - 30 June 2025
Mr Christopher Newton	Director	1 July 2024 - 30 June 2025
Ms Tanya Ha	Director	1 July 2024 - 30 June 2025
Mr Leigh Berrell	Director	1 July 2024 - 30 June 2025
Mr Graham Hawke	Director	1 July 2024 - 30 June 2025
Ms Ishara Saldin	Director	1 July 2024 - 30 June 2025
Mr Kushal Shah	Director	1 July 2024 - 30 June 2025

Responsible persons remuneration – Accountable Officer

Remuneration received or receivable by the Accountable Officer in connection with the management of the Corporation during the reporting period was in the range \$340k - \$350k (\$300k-\$320k in 2024) exclusive of superannuation.

	2025 number	2024 number
\$20,000 - \$29,999	7	6
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	1	1
\$300,000 - \$319,999	-	1
\$340,000 - \$349,999	1	-
Total	9	9
Total remuneration \$'000	595	555

9.4 Related Parties

The Corporation is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Corporation include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements
- and controlled business interests.

All related party transactions have been entered into on an arm's length basis.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly, this comprises independent Directors and the Managing Director. Key management personnel (as defined in AASB 124 *Related Party Disclosures*) includes the Portfolio Minister and all Directors listed under responsible persons in note 9.3 who have the authority and responsibility for planning, directing and controlling the activities of the Corporation directly or indirectly, during the financial year.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State of Victoria's Annual Financial Report.

	2025 \$'000	2024 \$'000
Short-term employee benefits	832	791
Post-employment benefits	96	87
Total	928	878
Total number of executives	4	5
Total annualised employee equivalents	4	4

Significant transactions with government-related entities

During the year, the following government-related entity transactions occurred:

Government related entity	Nature of transaction	2025 \$'000	2024 \$'000
Amounts recognised as revenue in the Statement of Comprehensive Income:			
Department of Health and Human Services	Customer Rebates	1,031	960
Amounts recognised as receivables / (payables) in the Balance sheet:			
Department of Treasury and Finance	ATO payable	1,096	-
Cash paid/(received) during the year:			
Department of Energy, Environment and Climate Action	Environmental Contribution Levy	1,205	1,075
Treasury Corporation of Victoria	Interest from borrowings	266	201
Department of Treasury and Finance	Financial Accommodation Levy	65	64
Treasury Corporation of Victoria	Secured borrowings	(15,390)	(11,140)
State Revenue Office	Payroll Tax	127	115
Essential Services Commission	Water Regulation Contribution	22	22
Environment Protection Authority	Environmental licence fees	10	42

Transactions with key management personnel and other related parties

Given the breadth and depth of Corporation activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

All other transactions that have occurred with KMP and their related parties have been trivial or domestic in nature. In this context, transactions are only disclosed when they are considered of interest to users of the financial report in making and evaluation decisions about the allocation of scarce resources.

Zero Emissions Water (ZEW) Ltd – Power Purchase Agreement

ZEW is a related party of The Corporation. Below is a summary of transactions and holdings with ZEW:

	2025 \$'000	2024 \$'000
Contract for difference and compensation net payments	3	9
Large Scale Generation Certificates	5	6

9.5 Remuneration of auditors

	2025 \$'000	2024 \$'000
Victorian Auditor-General's Office		
Audit or review of the financial statements	34	33
Other audit services		
Other non-audit services ⁽¹⁾	118	125
Total remuneration of auditors	152	158

Notes

1. The Victorian Auditor General's Office is not allowed to provide non-audit services. Non-audit services relate to internal audit and other regulatory audit activities.

9.6 Ex-gratia expense

The Corporation made \$38k of ex-gratia payments at the time of finalising the annual report as included in Note 3.4 (2024: \$13k).

9.7 Changes in accounting policies

The Corporation is not aware of any changes in current accounting policies at the time of finalising the annual report.

9.8 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after the operative dates stated:

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.

The Corporation is currently in the process of assessing the potential impact of these standards and amendments.

A number of other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on the financial statements in the period of initial application.

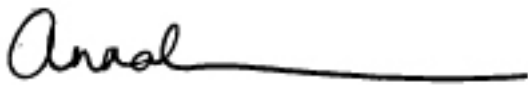
Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2025 reporting period. DTF assesses the impact of all these new standards and advises the Corporation of their applicability and early adoption where applicable.

Topic	Key requirements	Effective date	Estimated impact
AASB 2023-5	Amendments to Australia Accounting Standards – Lack of Exchangeability	1 January 2025	The standard is not expected to have a material impact on the Corporation.
AASB2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128	1 January 2025	The standard is not expected to have a material impact on the Corporation.
AASB 2024-2	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026	The standard is not expected to have a material impact on the Corporation.

Topic	Key requirements	Effective date	Estimated impact
AASB 18	Presentation and Disclosure in Financial Statements	1 January 2027	The standard is not expected to have a material impact on the Corporation.
AASB2022-8	Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	1 January 2027	The standard is not expected to have a material impact on the Corporation.
AASB2022-9	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	1 January 2027	The standard is not expected to have a material impact on the Corporation.
AASB2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128	1 January 2025	The standard is not expected to have a material impact on the Corporation.

18. Financial Management Compliance Attestation Statement

I, Annabelle Roxon Chair of the Board, on behalf of the Westernport Region Water Corporation, certify that Westernport Water has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink, appearing to read 'Annabel', followed by a long horizontal line extending to the right.

Annabelle Roxon
Chair
Westernport Water

11 August 2025

19. Statutory Certification

Accountable officer's and chief finance and accounting officer's declaration

The attached financial statements for the Westernport Region Water Corporation have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2025 and financial position of the Corporation on 30 June 2025.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 30 September 2025.



Annabelle Roxon
Chair
Westernport Water



Dona Tantirimudalige
Managing Director
Westernport Water



Kathy Hawke
Chief Finance Officer
Westernport Water

Dated this 30th day of September 2025

20. Auditor General's Report



Independent Auditor's Report

To the Board of Westernport Region Water Corporation

Opinion	I have audited the financial report of Westernport Region Water Corporation (the corporation) which comprises the: • balance sheet as at 30 June 2025 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • statutory certification. In my opinion, the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and Australian Accounting Standards – Simplified Disclosures.
Basis for opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's responsibilities for the audit of the financial report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
1 October 2025



Timothy Maxfield
as delegate for the Auditor-General of Victoria

21. Appendices

Appendix 1 – Disclosure index

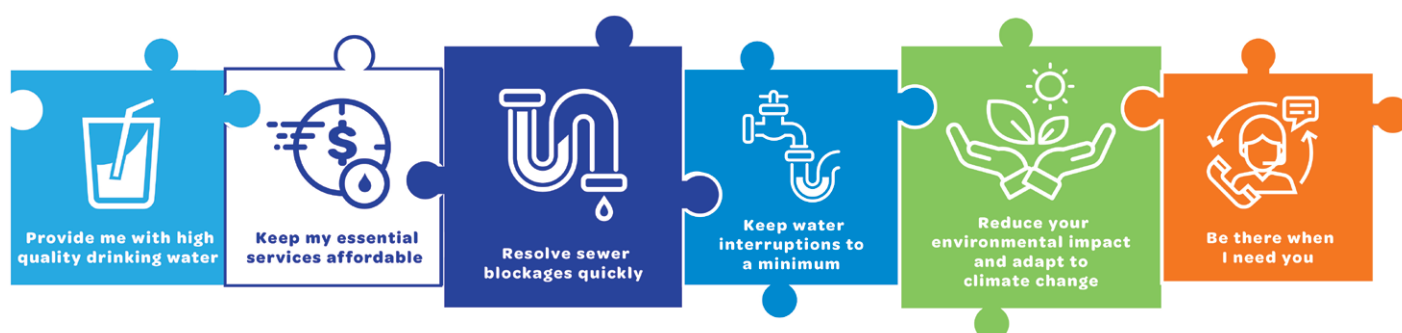
The Annual Report complies with all relevant Victorian legislation. This index outlines how Westernport Water meets statutory disclosure requirements.

Legislation	Requirement	Page	Legislation	Requirement	Page
<i>Standing Directions and Financial Reporting Directions</i>			FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	80
Report of Operations			FRD 22	Application and operation of the <i>Carers Recognition Act 2012</i>	80
Charter and purpose			FRD 22	Summary of the financial results for the year	16
FRD 22	Manner of establishment and the relevant Ministers	7	FRD 22	Significant changes in financial position during the year	17
FRD 22	Purpose, powers, functions and duties	6	FRD 22	Statement of availability of other information on request	79
FRD 22	Nature and range of services provided	7	FRD 22	Details of consultancies over \$10,000	75
FRD 22	Key initiatives and projects	10	FRD 22	Details of consultancies under \$10,000	76
FRD 8	Departmental objectives, indicators and outputs	6	FRD 22	Disclosure of ICT expenditure	77
Management and structure			FRD 22	Disclosure of government advertising expenditure	75
FRD 22	Organisational structure	22	FRD 22	Disclosure and review of study expenditure	77
Financial and other information			FRD 22	Disclosure of grants and transfer payments (other than contributions by owners) (updated guidance)	17
FRD 10	Disclosure index	150	FRD 22	Disclosure of procurement complaints (including nil response required)	79
FRD 12	Disclosure of major contracts	75	FRD 22	Disclosure of emergency procurement	79
FRD 15	Executive Officer disclosures	33	FRD 22	Asset Management Accountability Framework (AMAF) maturity assessment	79
FRD 22	Employment and conduct principles	31	FRD 24	Reporting of environmental data by government entities	83
FRD 22, 29	Workforce data	32	FRD 25	Local Jobs First	73
FRD 22	Workforce Inclusion Policy	32	FRD 27	Performance Reporting	84
FRD 22	Occupational health and safety policy	26	SPF	Social Procurement Framework	73
FRD 22	Major changes or factors affecting performance	17	SPF, FRD22	Social procurement activities	73
FRD 22	Subsequent events	17			
FRD 22	Application and operation of the <i>Freedom of Information Act 1982</i>	79			
FRD 22	Compliance with the building and maintenance provisions of the <i>Building Act 1993</i>	79			
FRD 22	Statement on National Competition Policy (Competitive Neutrality Policy)	79			

Legislation	Requirement	Page
Ministerial Reporting Directions		
MRD 01	Climate Change and Energy	63
MRD 02	Customer, Community and Engagement	44
MRD 03	Recognising Aboriginal Values	54
MRD 04	Recognising Recreational Values	60
MRD 05	Resilient and Liveable Cities and Towns	35
MRD 06	Leadership, Diversity and Culture	23
MRD 07	Performance and Financial Management	16, 94
MRD 08	Compliance and Enforcement	42
Compliance attestation and declaration		
SD 5.1.4	Attestation for compliance with Ministerial Standing Directions	130
SD 5.2.3	Responsible Body Declaration in the report of operations or Declaration in report of operations	2
SD 5.2.2	Declaration in Financial Statements	131
Other requirements under Standing Directions 5.2		
SD 5.2.1 (a)	Compliance with Australian accounting standards and other authoritative pronouncements	131
SD 5.2.1 (a)	Compliance with Standing Directions	130
SD 5.2.1 (b)	Compliance with Model Financial Report	131
Other disclosures as required by FRDs in the notes to the Financial Statements		
FRD 21	Responsible Person and Executive Officer Disclosures in the Financial Report	125
FRD 103	Non-financial Physical Assets	120
FRD 105	Borrowing Costs	114
FRD 106	Impairment of Assets	107
FRD 109	Intangible Assets	108
FRD 110	Cash Flow Statements	93
FRD 112	Defined Benefits Superannuation Obligations	100
FRD 114	Financial Instruments	116

Legislation	Requirement	Page
Legislation other		
	<i>Compliance with the Building Act 1993</i>	79
	<i>Financial Management Act 1994</i>	86
	<i>Freedom of Information Act 1982</i>	79
	<i>Local Jobs First Act 2003</i>	73
	<i>Public Interest Disclosures Act 2012</i>	80
	<i>Water Act 1989</i>	7
	<i>Carers Recognition Act 2012</i>	80
	<i>Disability Act 2006</i>	80
	Statement on National Compliance Policy (Competitive Neutrality Policy)	75

Appendix 2 – Customer commitments



Westernport Water is committed to delivering the outcomes and performance that customers value. Customers identified these performance areas in the 2023 Price Review as the outcomes that matter. Our results are made available each year in the Annual Watermark, which is a report card provided to every customer. In the Annual Watermark we provide performance information for each commitment, including commentary from customers who were empowered to assess and comment on our performance. The following report covers the first two years of the 2023-28 pricing period.

Outcome 1: High-quality drinking water

Output	Unit		23-24	24-25	25-26	26-27	27-28
a. Customer satisfaction with drinking water – customers answering ‘Yes’ to ‘Are you satisfied with your drinking water?’ (via the annual customer survey)	% of survey respondents	Target	>67%	>68%	>69%	>70%	>70%
		Actual	72%	74%			
b. Number of water quality complaints	Per 100 customers	Target	<0.22	<0.22	<0.22	<0.22	<0.22
		Actual	0.15	0.18			
c. Number of <i>Safe Drinking Water Act</i> non-compliances (water sampling and audit)	Number	Target	0	0	0	0	0
		Actual	0	0			

Business comment

Westernport Water continued its strong performance by meeting all customer commitments relating to the delivery of high-quality drinking water. All water quality samples and audits were compliant with legislation, and very few, only 0.18 customers per 100, raised a complaint about their water quality.

Customer comment

We believe that Westernport Water provides safe, reliable drinking water across the region. When issues do occur, such as changes in taste or colour, staff respond and resolve issues quickly, showing that the organisation takes customer concerns seriously. We commend Westernport Water for its improvement in water quality and customer satisfaction with drinking water.

Although satisfaction is high, and growing, we think that the current 68 percent satisfaction target could be more

ambitious. Taste remains an issue for some customers. Though we generally accept and understand the variation in taste, there is an opportunity to improve education about taste variation, particularly for part-time residents and seasonal visitors. Clearly explaining that water is safe, even if it tastes different, may help customers trust the water more and rely less on bottled water.

Overall, the Panel believes Westernport Water is performing well in relation to Outcome 1.

Outcome 2: Reduce your environmental impact and adapt to climate change

Output	Unit		23-24	24-25	25-26	26-27	27-28
a. Nutrients discharged to the ocean (target does not apply in extreme wet weather years as defined by EPA license conditions.)	Tonnes of nitrogen discharged per 1,000 sewer connections	Target	<1.2	<1.2	<1.2	<1.2	<1.2
		Actual	0.94	1.04			
b. Net greenhouse gas emissions	CO2-e Tonnes	Target	<5,974	<5,598	<5,598	<5,598	<4,199
		Actual	5,659	5,598			
c. Volume of effluent reused (target does not apply in extreme wet weather years as per EPA license conditions.)	ML per annum	Target	>267	>267	>267	>267	>267
		Actual	319.6	503			

Business comment

Westernport Water delivered and met all customer commitments for Outcome 2. Our target for wastewater reuse was exceeded by 236 ML, or 88 percent. This was due to low wastewater flows and high recycled water demand resulting from dry weather. By finding ways to reuse our wastewater, such as through irrigation, we were able to limit the amount of nutrients discharged to the ocean and meet our commitment in this area. Westernport Water surrendered large-scale generation certificates to meet the net greenhouse gas emissions commitment.

Customer comment

We think that Westernport Water is performing extremely well to reduce its environmental impact and adapt to climate change. It clearly understands its environmental responsibilities and is actively working towards ambitious emissions reduction goals. We appreciate initiatives like installing solar panels, switching its fleet to electric vehicles, using more recycled water, offsetting emissions through revegetation projects and monitoring treated wastewater discharged to the ocean.

However, we believe that Westernport Water could improve how it communicates its positive work to customers. With 58 percent of customers reporting that they don't know whether Westernport Water is doing its bit to manage climate change, it seems the message

isn't getting through. We suggest presenting information about environmental initiatives in short, easily digestible formats and promoting through various channels, both digitally and in-person.

We are also concerned that the level of nutrients discharged into the ocean per customer increased by more than 10 percent compared to last year. Although the target has been achieved, we think Westernport Water should explain to customers why the increase occurred and strive to reduce this number each year.

Westernport Water has set and is meeting ambitious targets on Outcome 2. We recommend that it continue this good work while increasing communication to raise customer awareness about these results.

Outcome 3: Resolve sewer blockages quickly

Output	Unit		23-24	24-25	25-26	26-27	27-28
a. Average sewer blockage response time	Minutes to respond	Target	<35	<35	<35	<35	<35
		Actual	28.26	27.1			
b. Average sewer blockage rectification time	Minutes to rectify	Target	<150	<150	<150	<150	<150
		Actual	107.08	96.3			

Business comment

We understand that when something happens to our sewer network, customers expect us to respond promptly and resolve the issue as soon as possible. Over the last 12 months, we have continued to improve our response and resolution times for both commitments.



Customer comment

Westernport Water is doing an excellent job of resolving sewer blockages quickly. We appreciate that the organisation finds and fixes issues before they affect customers or the environment, and we are very impressed it achieved a response time of 27 minutes to clear blockages.

We support Westernport Water's risk-based management initiatives, like installing emergency storage tanks to minimise disruptions and using CCTV to proactively monitor lines with a history of blockages. It is pleasing that performance has improved since last year.

We want to see the organisation strive for continual improvement and maintain its proactive approach. Given the growing impact of extreme weather, staying ahead of potential issues will be important for maintaining strong performance.

Overall, Westernport Water is performing very well on this Outcome, proving it is committed to reducing risks and limiting disruptions for customers.



Outcome 4: Keep water interruptions to a minimum

Output	Unit		23-24	24-25	25-26	26-27	27-28
a. Average duration of unplanned water supply interruptions	Minutes	Target	<85	<85	<85	<85	<85
		Actual	139	91.6			
b. Average number of planned and unplanned water supply interruptions per customer	Number per customer	Target	<0.4	<0.4	<0.4	<0.4	<0.4
		Actual	0.4	0.39			

Business comment

Water interruptions are sometimes unavoidable and are often a necessary part of maintaining a safe and reliable water network. Many interruptions result from third-party impacts, while others are due to essential maintenance activities such as pipe flushing or responding to bursts and leaks. Unfortunately, Westernport Water did not meet its target of limiting the average duration of interruptions to 85 minutes, despite a 32% improvement on the year prior.

Customer comment

We acknowledge that Westernport Water has kept interruptions per customer low, but it hasn't met its target for the average duration of unplanned interruptions. We understand that some disruptions are unavoidable due to extreme weather, ageing infrastructure, and third-party damage.

Westernport Water showed accountability for missing this target by financially penalising itself by making a donation to a community-led cause. It is also working to reduce the number and duration of disruptions through pipe upgrades, pressure reducers, and renewal programs, and by assessing its response approach. We support Westernport Water in carrying out careful repair works

and investing in the future, even if doing so has come at the expense of meeting its targets.

We also suggest that more could be done to prevent unplanned disruptions caused by third parties, such as educating contractors and the community, and enforcing stricter penalties.

We want Westernport Water to continue to strive to reduce both the number and duration of unplanned outages while maintaining customer satisfaction and not increasing costs. Overall, we believe Westernport Water's performance on this target is acceptable given the challenges faced.

Outcome 5: Be there when I need you

Output	Unit		23-24	24-25	25-26	26-27	27-28
a. Number of customer complaints	Number per 100 customers	Target	<0.6	<0.6	<0.6	<0.6	<0.6
		Actual	0.34	0.29			
b. Average response time to Priority 1 bursts and leaks	Minutes	Target	<30	<30	<30	<30	<30
		Actual	6	57			
c. Average Response time to Priority 2 bursts and leaks	Minutes	Target	<35	<35	<35	<35	<35
		Actual	36	24			
d. Customer satisfaction with ease of effort – 'Would you say that they are easy to deal with?' ¹	(% of survey respondents)	Target	>89%	>89%	>89%	>89%	>89%
		Actual	92%	96%			

Notes

1. Customer satisfaction with ease of effort – (customers answering 'Yes' to 'Have you been in touch with your water corporation in the last 12 months? And would you say that they are easy to deal with?' (via annual customer satisfaction survey).

Business comment

Overall, customer complaints are down, and satisfaction with ease of effort is at an all-time high of 96 percent. This result is based on customers who have recently had contact with us and found us easy to deal with. We exceeded our Priority 2 commitment; however we missed our target for average response time to 'Priority 1 bursts and leaks, noting we only had one in the last 12 months.

Customer comment

Westernport Water performs well in the outcome – be there when I need you. Its customer service is consistently strong, and staff are easy to reach when issues arise.

We appreciate the noticeable improvements in response times for Priority 2 bursts and see the organisation as genuinely committed to resolving issues. The fact that 44% of customers don't know whether Westernport Water responds quickly to disruptions tells us the organisation is often quietly resolving issues without customers even noticing.

The Panel acknowledges Westernport Water missed its target for Priority 1 bursts and leaks response time. However, we think customers should keep in mind that there have been only three Priority 1 bursts in the last

five years, meaning the average response this year is based on only one incident. We think that is important context for customers to understand when assessing Westernport Water's performance. We also suggest that Westernport Water consider whether the current measure is appropriate.

We commend Westernport Water for its strong customer focus and quick resolution of service issues. Regarding complaints, we suggest that there is opportunity for Westernport Water to make billing systems more user-friendly.

Overall, Westernport Water is performing well in relation to this Outcome, despite missing its target for Priority 1 bursts.

Outcome 6: Keep my essential services affordable

Output	Unit		23-24	24-25	25-26	26-27	27-28
a. Number of hardship grants approved	Number	Target	>100	>75	>50	>50	>50
		Actual	198	269			
b. Number of utility relief grant scheme payments	Number	Target	>53	>53	>53	>53	>53
		Actual	394	432			

Business comment

Westernport Water continued to help customers in need throughout the year, awarding 289 hardship grants and facilitating 432 utility relief grant payments. Overall, Westernport Water facilitated over \$1M in support for eligible customers, including concessions, rebates, relief grants and high usage leak allowances.

Customer comment

We believe Westernport Water is performing exceptionally well in keeping essential services affordable. We appreciate its proactive and compassionate approach to helping customers facing financial hardship. Customers who experience payment difficulties can easily access a range of relief options including grants, flexible payment arrangements, and concessions simply by contacting Westernport Water. We also support having someone in a dedicated customer care role, which provides a valuable service to community members in need.

We recommend increasing awareness of the available support options among customers. Strengthening connections with local charities and community organisations could further help people understand what assistance is available and how to access it.

Westernport Water provides thoughtful, proactive customer care, and compassion during challenging times. Customers cannot choose their water provider, so we are grateful that Westernport Water demonstrates such exceptional care for our community.

Appendix 3 – Glossary

Terms	Meaning
AAS	Australian Accounting Standards
AEE	Annualised Employee Equivalent
AMAF	Asset Management Accountability Framework
ANCOLD	Australian and New Zealand Committee on Large Dams
ARC	Audit and Risk Committee
AS/NZS	Australian and New Zealand Standard
AWA	Australian Water Association
BCLN	Bass Coast Landcare Network
BCRN	Bass Coast Reconciliation Network
BCSC	Bass Coast Shire Council
BE	Bulk Entitlement
BLCAC	Bunurong Land Council Aboriginal Corporation
CCS	Climate Change Strategy
CFAO	Chief Finance and Accountable Officer
CHMP	Cultural Heritage Management Plan
CRSWS	Central Region Sustainable Water Strategy
CSR	Corporate Social Responsibility
CWWTP	Cowes Wastewater Treatment Plant
DoH	Department of Health
DEECA	Department of Environment, Energy and Climate Action
DI	Diversity and Inclusion
DPCD	Department of Planning and Community Development
DTF	Department of Treasury and Finance
DWG	Designated Work Group
EA	Enterprise Agreement
EMS	Emergency Management System
EO	Executive Officer
EOFY	End of Financial Year
EMP	Environmental Management Plan
EPA	Environment Protection Authority
ESC	Essential Services Commission
ERS	Environmental Reference Standard
EWOV	Energy and Water Ombudsman Victoria
FOI	Freedom of Information
FRD	Financial Reporting Direction
GGE	Greenhouse Gas Emissions
GIS	Geospatial Information System
GRWA	Gippsland Regional Water Alliance
GSERP	Government Sector Executive Remuneration Panel
HSRs	Health and Safety Representatives
IBAC	Independent Broad-Based Anti-Corruption Commission
ICAM	Incident Cause Analysis Method
ICT	Information Communications Technology
IBWPP	Ian Bartlett Water Purification Plant
ISIC	Infrastructure, Sustainability, and Innovation Committee
ISSN	International Standard Serial Number
IWM	Integrated Water Management
KRWWTP	King Road Wastewater Treatment Plant
LTWRA	Long Term Water Resource Assessment

Terms	Meaning
LGCs	Large-scale Generation Certificates
LMS	Learning Management System
LoE	Letter of Expectations
MOU	Memorandum of Understanding
MRD	Ministerial Reporting Direction
MSDS	Material Safety Data Sheet
NPS	Net Promoter Score
OHS	Occupational Health and Safety
OHSMS	Occupational Health and Safety Management System
OIP	Organisational Improvement Plan
PSCC	People, Safety, and Community Committee
PICO	Phillip Island Community Orchard
PMT	Project Management Team
PPA	Power Purchase Agreement
PRGC	People Remuneration and Governance Committee
PSC	Project Steering Committee
PS23	Price Submission 2023-28
PWSR	Permanent Water Saving Rules
RAP	Reconciliation Action Plan
RWG	RAP Working Group
RTW	Return to Work
SCADA	Supervisory Control and Data Acquisition
SD	Standing Direction
SEPP	State Environment Protection Policy
SEW	South East Water
SoO	Statement of Obligations
SPF	Social Procurement Framework
SPS	Sewer Pump Station
SSIC	Safety, Sustainability, and Innovation Committee
SWEP	School Water Efficiency Program
TRIFR	Total Recordable Incident Frequency Rate
TYWU	Target Your Water Use
UV	Ultraviolet
URA	Utilities Regulation Advisory
UWS	Urban Water Strategy
VAGO	Victorian Auditor General's Office
VEN	Virtual Energy Network
VPSC	Victorian Public Sector Commission
VWES	Victorian Water Efficiency Strategy
WHS	Work Health and Safety
WSAA	Water Services Association of Australia
WSDS	Water Supply Demand Strategy
WoV	Waters of Victoria
ZEW	Zero Emissions Water

Units	Meaning
CO ₂ -e	carbon dioxide equivalent
KL	kilolitre = one thousand litres
mg	milligram = one thousand grams
ML	megalitre = one million litres
t	metric tonne
µg	micrograms = one thousand milligrams



**WESTERNPORT
WATER**

2 Boys Home Road
Newhaven 3925
Victoria, Australia

T 1300 720 711 ABN 63 759 106 755
westport@westernportwater.com.au
westernportwater.com.au

