OFFICIA

Corporate Plan

2026 - 31

WESTERNPORT WATER™

Acknowledgement

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

Message from the Chair and MD

In a dynamic and ever-changing global and local context, and continuing cost of living pressures, we remain committed to serving our community, planning for the future, and delivering value to our customers, now and for generations to come. We care about our people, our customers, what we do, and how we do it. We are proud to present Westernport Water's 2026-31 Corporate Plan outlining our strategies to continue to deliver services now and for the future.

We will continue to invest to ensure the long-term sustainability of the services we provide and we will continue to take proactive steps to provide targeted relief to customers, residential or commercial, who are finding it difficult to meet payments. Our key message to our customers who are having payment difficulties is to reach out to us, with our customer assistance programs providing 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.

Our financial position is healthy with a focus on keeping our debt levels low compared to our overall resources, preparing for future years when we will need funding for more capital projects to support growth in our region. While growth has moderated and placed some pressure on revenue, we continue to place a strong emphasis on efficiency and prudent financial management.

As part of our ongoing commitment to maintain affordability for customers, we continue to identify and pursue opportunities to secure alternative revenue sources to support future investment. After three years of detailed assessment and engagement, the Corporation has secured a Tailored Compliance Engagement (TCE) with the Australian Taxation Office confirming that the tax treatment arising from the Victoria Power Networks Pty Ltd v Federal Commissioner of Taxation (the VPN decision) in relation to gifted assets can be applied from 30 June 2026 and retrospectively. This outcome is expected to deliver potential cash savings subject to final ATO review. While this treatment has not been reflected in the current financial statements, it is anticipated to be received providing a future benefit to customers through an ongoing reduction in the Corporation's tax liability.

We are working more efficiently, while ensuring the long-term sustainability of our services, and meeting the expectations of our customers, regulators and staff. We will continue to collaborate with the Gippsland Regional Water Alliance and the broader water sector to deliver value for money outcomes to our customers and work innovatively to find more effective ways of delivering our services.

We commenced the delivery of the Work Smart Action Plan over the last 12 months, implementing a range of staff-nominated initiatives focused on process and reporting improvements, as well as small-scale technology upgrades. We were successful in receiving $2.4M Federal Government funding (total stage 1 project cost estimate $6.46M) for the King Road WWTP recycled water wetland (stage 1 with construction due to begin in the year ahead). We were also awarded an important $5M National Water Grid grant (project cost estimate $11.3M). With this funding we will be able to move forward with the Distribution Network Resilience project with a focus on planning and design in the next few years. Grants like these help us keep our borrowings low while investing for the future. The Corporation will continue to explore and pursue additional revenue streams, including further grant funding, to help offset costs and minimise impacts on customers.

We will continue to invest in our assets and our long term strategies, dedicated to serving our customers for generations to come. Over ten years ago we invested in doubling the capacity of Candowie Reservoir, negotiated water entitlements to Bass River, 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 Melbourne Water Supply 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, while continuing to communicate the importance of permanent water saving measures to those we serve, and increasing the use of recycled water.

We will continue to deliver the climate change strategy, begin planning for our next price submission to the ESC (PS28), and finalise our 2050 Strategy, a 25-year blueprint to support investment in the assets, technology and people we need to deliver the outcomes that our customers and community desire, whilst ensuring value for money for future generations.

Ongoing and consistent investment in water quality improvement over recent years has continued with a focus on our distribution system. We completed our Distribution System Master Plan and will continue implementing our water quality improvement plan. Customer satisfaction overall with drinking water remained above our target of 69 per cent, with 79 per cent of customers reporting satisfaction with drinking water. We will continue to focus on providing great tasting water through our Water Quality Improvement plan in the year ahead.

Our ICT strategy ensures we are adaptable and innovative, rising to the challenge of cyber security, while embracing the new opportunities that technology offers. We will commission a data and analytics platform to enable whole of business decision-making, will explore how AI can safely support what we do, will migrate our end of life corporate information to a modern cloud-based storage for improved collaboration, and commence planning for the implementation of a secure customer portal. We continue to embed Clear Vision, our new asset management and works management system to optimise whole-of-lifecycle asset management.

Westernport Water is committed to reconciliation with Australia's First Nations peoples. We remain a committed member of the Bass Coast Reconciliation Network, will implement the Aboriginal and Torres Strait Islander Engagement Plan that was approved by the Bunurong Land Council in January 2026, and will develop our fourth Reconciliation Action Plan (RAP). We will continue to support the Barrithbarrith Gathering Place, and undertake meaningful engagement in relation to cultural values and water planning for key sites including the King Road Wetland Project (Part B). We will continue to work with our partners to advocate for a future where our shared history is acknowledged, and embrace genuine respectful relationships as we work to restore land and waterways, and realise the benefits of a diverse and inclusive community and workplace.

Doing work that makes a difference to our community, where our people know their contributions are impactful and their skills and knowledge are valued, distinguish us as a culturally positive workplace of choice. The 2025 People Matter Survey indicated 93 per cent of our people felt we provided a safe workplace, 94 per cent said their managers supported flexible working, 87 per cent would recommend WPW as a good place to work, and there was an overall engagement score of 75. Year one of our three year People Strategy has seen hazard and incident reporting improvements to support our people going home safe and well, while flexible work arrangements, retirement transition and strengthening Aboriginal and Torres Strait Islander cultural competency has underpinned our inclusion and diversity goals to be stronger, together. Uplifts to candidates' recruitment experience has helped us attract great people and a comprehensive learning and development has built capability and positioned us well to be future ready. A strong focus on continuing to stand for an equitable and inclusive workplace has resulted in balanced gender representation in leadership and a marginal gender pay gap with women earning 2 per cent more than men calculated by the median.

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

Chair
Annabelle Roxon

Signed by:
Annabelle Roxon
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29 April 2026

Managing Director
Dona Tantirimudalige

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Dona Tantirimudalige
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29 April 2026

About us

This Corporate Plan 2026-31 has been developed in accordance with the requirements of the *Water Act 1989*.

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

The Corporation's purpose, undertakings, and objectives, along with the 2026–31 financial statements, which include the information required by the Minister for Water are outlined within the Corporate Plan.

Our purpose

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

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

Our role

The core functions of Westernport Water are to provide drinking water, recycled water, and wastewater services to properties and communities throughout its district in accordance with the standards listed in the Westernport Water Customer Charter 2023-28, or by agreement.

Westernport Water is one of 18 water corporations operating and reporting to the State Government of Victoria. Westernport Water is responsible for its own management and performance, servicing approximately 24,000 customers from 27 townships, across an area covering 300 square kilometers, including Millowl (Phillip Island) and mainland communities from The Gurdies in the north to Archies Creek in the southeast.

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

Westernport Water sources water from Tennent Creek, the Corporation's main water supply source, with additional entitlements to the Bass River, the Victorian Water Grid via the Greater Yarra Thompson System and groundwater from Corinella Aquifer, providing access to 4,401 ML of water annually. 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 who consume on average 2,623ML annually.

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 per cent of properties that receive drinking water.

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

Corporate Focus Areas and Initiatives of 2026-31

	Strategic Focus Areas	Corporate Objectives	Corporate Initiatives
Innovation	We deliver value to our customers	- 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.	1. Deliver the Water Quality Improvement Program (2023-28) 2. Finalise 2050 Strategy to drive integrated planning outcomes 3. Progress the submission for the Essential Services Commission's 2028 Price Review 4. Pilot use of artificial intelligence to improve business operations
Innovation	Our people are safe and better for working here	- Provide a safe and healthy work environment. - Attract and retain adaptable, skilled, and experienced employees. - Meaningful benefits and pay. - Reflect the diverse community we serve through inclusion, participation, and engagement. - Find and smooth friction points in processes, creating efficiencies and improving employee experience	5. Implement our People Strategy (2025-28)
Liveability	We invest in our assets to meet the needs of future generations	- 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	6. Progress the King Road Recycled Water Wetland Project 7. Implement our ICT Strategy (2025-28) 8. Deliver business process improvements resulting from new asset management system capabilities 9. Progress the Cowes Wastewater Treatment Plant Master Plan Project
Liveability	We partner with our community	- Support a more liveable and resilient community through affordable and efficient services. - Communicate and engage effectively and openly with all areas of our community. - Build strong community partnerships focused on shared livability benefits. - Contribute to community wellbeing through opportunities that support social and recreational benefits	10. Develop our fourth Reconciliation Action Plan 11. Deliver value for money outcomes with the Gippsland Regional Water Alliance
Sustainability	We value and protect our natural environment	- 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	12. Deliver the Climate Change Strategy (2023-28)

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

Climate Change and Energy

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

Key performance areas:

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

KPI	KPI – Measure	Definition	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target	2030-31 Target
Emissions reductions – Total scope 1 and 2 (1.1.3.025)	t CO2-e	Projected total emissions for each year subsequent to the current reporting year until, and including, the water corporations net zero scope 1 and 2 target year	5,598	5,598	5,598	606	606

KPI	Definition	Deliverables 2026-31
Emissions reductions – Total scope 1 and 2 (1.1.3.027)	Qualitative explanation of projects or initiatives to reduce Scope 1 and/or 2 emissions (including emissions reductions achieved per project in t CO2-e where feasible)	Continue to implement the Climate Change Strategy's priority areas: - Plant efficiencies and upgrades focused on reducing emissions from waste and wastewater. - Renewable electricity generation and procurement. - Commence EV fleet transition and charging infrastructure implementation for zero-emissions transport. - Carbon sequestration and landscape regeneration, including pilot environmental plantings and self-generated carbon offsets, and wastewater treatment through constructed wetlands.
Increasing renewable energy – Total renewable energy (1.2.2.029)	Qualitative explanation of projects or initiatives to increase renewable electricity consumption and/or generation (including renewable generation capacity increased per project where feasible)	- Generate Large-Scale Generation Certificates through the Power Purchase Agreement with Zero Emissions Water. - Continue participation in the Virtual Energy Network to share exported solar generation across sites and explore additional local partnerships. - Transition additional large-scale energy sites to the State Electricity Commission for 100% renewable energy supply, subject to continuation of the Virtual Energy Network trial. - Monitor and report electricity consumption (MWh) across sites. - Commence implementation of 550 kW of solar assets and exploration of battery storage to support energy resilience.

KPI	Definition	Deliverables 2026-31
Adapting to climate change – Adaptation (1.3.1.002)	Description of the current and anticipated impacts of climate related risks on the organisation's business, strategy, and service delivery where such information is material.	- Plan for reduced yields from the Tennent Creek catchment due to projected climate change impacts. - Offset declining surface water availability through transition to alternative sources, including manufactured water via connection to the Melbourne Water Supply System. - Manage cost and reliability trade-offs between surface and manufactured water sources. - Implement strategic planning responses through the Urban Water Strategy and Climate Change Strategy. - Align actions with regional water security planning, including the Central and Gippsland Region Sustainable Water Strategy.
Adapting to Climate Change – Adaptation (1.3.1.003)	Description of metrics used by the organisation to monitor relevant climate related risks and opportunities	- WPW monitors and reports water resource availability and uses the latest DEECA climate impact data for water resource planning. - Emissions are reported in accordance with government directives.

Customer, Community and Engagement

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

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

KPI	KPI – Measure	Definition	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target	2030-31 Target
Customer satisfaction – Customer satisfaction (2.1.1.001)	Number out of 10	Provide annual target for customer ratings of 'Overall Satisfaction' against customer perception/ reputation surveys that will be undertaken over the planning period	7	7	7	TBD	TBD
Bills and support – Bills (2.2.1.022)	Number	Published tariff schedules for urban water services	1	1	1	1	1

KPI	Definition	Deliverables 2026-31
Customer satisfaction – Customer satisfaction (2.1.1.002)	Narrative describing how water corporations target for customers' rating of Overall Satisfaction' will be met over the planning period	- Overall satisfaction is measured using a ten-point agreement scale. Target of 7 out of 10 for overall customer satisfaction. - There are several major projects, actions and campaigns that will be delivered over the next 12 months in support of our customer commitments, which will support high levels of ongoing customer satisfaction. These are detailed in our Communications and Engagement Plan 2023-26 which will be updated in July 2026. - In 2026-27, Westernport Water will re-establish its Annual Customer Assessment Panel to form and communicate its satisfaction with our annual performance.

KPI	Definition	Deliverables 2026-31
Bills and support – Bills (2.2.1.020)	Efforts to manage pricing impacts for urban water services	- In line with our 2023-28 Price Determination, price adjustment will be capped at CPI increases for the next two years. - Westernport Water will provide a minimum of 50 hardship grants and 53 utility relief grants in the next 12 months to assist customers.
Bills and support – Bills (2.2.1.021)	Any significant variations to the most recent Pricing Decision projections	- Average household bills for owner occupiers and tenants will remain consistent with the Essential Services Commission price determination. Changes will be limited to inflation and cost of debt adjustments. - Westernport Water is on-track to exceed all hardship commitments forecast in its 2023-28 Price Submission.
Customer and community engagement – customer and community engagement (2.4.2.001)	Development and delivery of a Customer Engagement Strategy/Plan/Policy that is also published on the corporation's website	- Westernport Water will develop and commence implementation of its three-year Communications and Engagement Plan 2026-29. This Plan will be made available on the Corporation's website. - Our Annual Community Support Program provides funding to eligible community organisations to build positive change in our region. Up to $50,000 will be made available.
Customer and community engagement – customer and community engagement (2.4.2.002)	If the Customer Engagement Strategy/Plan/Policy is under development and yet to be published, what is the corporation's timing to complete it and to publish on its website?	- Westernport Water will develop and commence implementation of its three-year Communications and Engagement Plan 2026-29. Our adopted Communications and Engagement Policy is scheduled for review in Q2 of 2027.
Customer and community engagement – customer and community engagement (2.4.2.003)	How will the water corporation measure success against outcomes of its Customer Engagement Strategy/Plan/Policy?	- Customer and community engagement initiatives and deliverables will be detailed in the Corporation's Communications and Engagement Plan 2026-29. - Through the Communications and Engagement Plan, we commit to deliver the outcomes customers sought as part of the 2023-28 price review process. By implementing this plan, we seek to foster positive relationships with stakeholders, increase awareness of our products and services, build water literacy, and enhance the overall customer experience. - Progress reports are provided to our Board, and through our annual report, which is published on our website. - Annually we engage customers through a Customer Assessment Panel to review our performance against key customer outcomes.

Indicators		2025-26 Actual	2026-27* Target	2027-28 Target	2028-29* Target	2029-30* Target	2030-31* Target
2.2.1.001	Residential bill – owner occupier ($ real 2025/26) The annual expected bill for an owner-occupier with typical (average) water use of 95kL in real 2025-26 dollars (i.e. Excl. inflation effects in forward years)	$1,411.56	$1,463.79	$1,463.79	$1,463.79	$1,463.79	$1,463.79
2.2.1.002	Percentage change from prior year (%)	2.4%	3.7%	-	-	-	-
2.2.1.003	Residential bill tenant ($ real 2025/26) The annual expected bill for a tenant with typical (average) water use of 95kLin real 2025/26 dollars (i.e. Excl. inflation effects in forward years)	$238.13	$246.94	$246.94	$246.94	$246.94	$246.94
2.2.1.004	Percentage change from prior year (%)	2.4%	3.7%	-	-	-	-
2.2.1.005	Typical (average) water use (kL) assumed in owner occupied and tenant bill calculations (kL)	95	95	95	95	95	95
2.2.1.006	Non-residential bill – business ($real 2025/26) The annual expected bill for a business using 3ML per annum in real 2025/26 dollars (i.e. Excl inflation effects in forward years)	$8,693.23	$9,014.75	$9,014.75	$9,014.75	$9,014.75	$9,014.75
2.2.1.007	Percentage change from prior year (%) Excluding CPI	2.4%	3.7%	-	-	-	-

*Note: * PS28 draft budget to be confirmed and is subject to approval by ESC as part of the pricing submission process. .*

Reporting on operational performance relating to customer responsiveness

Customer Responsiveness Indicator Targets		2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Target	2026-27 Target
UPP 1	Water bills – customers on flexible payment plans No. of customers with instalment plans (number)	237	211	238	296	>211	>211
UPP 6	Water bills – customers awarded hardship grants No. of customers awarded hardship grants (number)	238	228	196	289	>50	>50

Customer Responsiveness Indicator Targets		2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Target	2026-27 Target
CRS 4* (2.4.1.001)	Customer Responsiveness - water quality complaints No of complaints per 100 customers (number)	0.25	0.11	0.15	0.18	<0.22	<0.22
CRS 7* (2.4.1.006)	Customer Responsiveness – number of payment issue complaints No of complaints per 100 customers (number)	0.08	0.08	0.03	0.08	<0.10	<0.10
CRS 3* (2.4.1.011)	Customer Responsiveness – total complaints No of complaints per 100 customers (number)	0.65	0.38	0.29	0.35	<0.6	<0.6

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

Recognise Traditional Owner Values

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

Key performance areas:

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

KPI	KPI – Measure	Definition	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target	2030-31 Target
Partnerships with Traditional Owners – Partnerships with Traditional Owners (3.1.1.001)	Number	Provide the number of formal partnership agreements with Traditional Owners/ Traditional Owner Groups	1	1	1	1	1
Supporting Aboriginal self-determination – Aboriginal self-determination (3.2.1.001)	Number	Provide the number of formal partnership agreements with Aboriginal Community Controlled Organisations	1	1	1	1	1

KPI	Definition	Deliverables 2026-31
Partnerships with Traditional Owners – Partnerships with Traditional Owners (3.1.1.002)	Describe the nature of the formal partnership agreements entered into with Traditional Owner Groups	- Maintain membership of the Bass Coast Reconciliation Network. - Enter a Service Agreement with the Bunurong Land Council Aboriginal Corporation (BLCAC) for on-Country services. - Develop our fourth Reconciliation Action Plan (RAP) in consultation with the RAP Working Group and Reconciliation Australia. - Implement the Aboriginal and Torres Strait Islander Engagement Plan 2025-28 that was approved by the Bunurong Land Council in January 2026.
Partnerships with Traditional Owners – Partnerships with Traditional Owners (3.1.1.003)	Demonstrate that Traditional Owners had the opportunity to review and/or endorse, all sections of the most recent annual report that included specific reference to Traditional Ecological Knowledge, values, and well-being	- Maintain open and transparent engagement with Westernport Water's RAP Working Group who monitor progress against key RAP deliverables. The RAP Working Group members, including Traditional Owners, review and endorse the Annual Report and RAP.
Partnerships with Traditional Owners – Partnerships with Traditional Owners (3.1.1.004)	Demonstrate how water corporations have informed relevant Traditional Owners of opportunities to access water entitlements or allocation within their Country	- Build capacity and engagement opportunities for Aboriginal and Torres Strait Islander participation in water management through the implementation of Westernport Water's Aboriginal and Torres Strait Island Engagement Plan. - Participate in a water industry partnership with the Bunurong Land Council Aboriginal Corporation to deliver water is life outcomes. - Undertake meaningful engagement in relation to cultural values and water planning for key sites including the King Road Wetland Project (Part B) and the Cowes Next Generation Upgrade.

KPI	Definition	Deliverables 2026-31
Supporting Aboriginal self-determination – Aboriginal self-determination (3.2.1.002)	Describe the nature of the partnership agreements with Aboriginal Community Controlled Organisations.	- Develop and implement Westernport Water's fourth Reconciliation Action Plan 2026-29. - Support the aspirations of the Bunurong Land Council in water management and planning, engaging them on the development of the Urban Water Strategy and the 2028 Pricing Submission. - Tailor an agreement and operating procedure for the Bunurong Fire Team to access water for cultural purposes. - Continue to support Barrithbarrith Gathering Place Steering Committee, who are working to achieve their vision to bring together and strengthen the culturally diverse Aboriginal and Torres Strait Islander Community on the Bass Coast. - Participate in the Workplace RAP Barometer (WRB) to monitor progress toward reconciliation with Aboriginal and Torres Strait Islander peoples, gain valuable employee insights, and improve workplace culture.
Supporting Aboriginal self-determination – Aboriginal self-determination (3.2.1.003)	Provide commentary on strategies implemented to provide procurement opportunities to Aboriginal businesses to supply goods and services to water corporations, including addressing any procurement barriers.	- Implement outcomes in the Procurement Strategy, Reconciliation Action Plan and Engagement Plan to increase Aboriginal and Torres Strait Islander supplier diversity to support improved economic and social outcomes. - Implement actions and initiatives detailed within the Procurement Strategy.

Recognise Recreational Values

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

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

KPI	KPI – Measure	Definition	2026-27 Target	2027-28 Target	2028-29 Target	2029-30 Target	2030-31 Target
Consideration of recreational values in business operations – recreational values (4.1.1.001)	Number	Provide the number of site-based projects planned/delivered to improve recreational enjoyment of water storages	2[1]	-	-	-	-
Consideration of recreational values in business operations – recreational values (4.1.1.003)	Number	Provide number of water storage recreational areas with Recreational Area Management Plans in place	-[2]	-	-	-	-

1. Plans are being developed to assist with creating targets for recreational areas from 2027 onwards. The two planned projects listed relate to the Phillip Island Community Orchard and Part B of the King Rd Wetland Project. 2. Westernport Water manages one reservoir with restricted access, we offer community and educational tours by appointment, however public access remains restricted.

KPI	Definition	Deliverables 2026-31
Consideration of recreational values in business operations – recreational values (4.1.1.002)	Provide a brief description on how site-based projects will improve/have improved recreational enjoyment of water storages.	- Undertake meaningful engagement exploring water for recreational outcomes through part B of the King Road Recycled Water Wetland Project. - Strengthen relationships and support for the Phillip Island Community Orchard and recycled water demonstration site with security in a long-term agreement. - Westernport Water manages one reservoir with restricted access, as such we have reimagined how to support improved recreational opportunities and are supporting community driven projects supporting recreational opportunities, including community gardens, sporting facilities and community hydration.
Engagement processes with community or stakeholders – Recreational values (4.2.1.001)	Provide evidence of community engagement processes that identified and considered recreational objectives relating to: - waterway health and environmental land water planning and management.	- Continue to engage with stakeholders on opportunities to identify and consider recreational and cultural values as part of the King Road Recycled Water Wetland Storage Project. - Continue to engage and involve Bunurong Traditional Owners and the Land Council in decisions relating to water planning, management and the environment in the context of meeting recreational objectives.
Improvements to information sources – Recreational values (4.3.1.001)	Provide evidence of actions taken to improve information sources to help recreational users plan their activities.	- Provide public access to current and future recreational opportunities on website and include details on access points, safety information, and any relevant restrictions or regulations. - Through the establishment of the new corporate website in 2027, we will improve access to information and about safety, restrictions, and regulations. - Site signage improvements at Wimbledon Heights and King Road Wastewater Treatment Plant.
Collaboration with stakeholders – Recreational values (4.4.1.001)	Provide evidence of actions taken to collaborate with other organisations and government agencies to explore and progress opportunities to support recreational objectives.	- Share learnings from the Floating wetlands in collaboration with RMIT Centre for Nature Positive Solutions. - Increase access and improve information and assets/visitor experience for niche recreation at the King Road Wastewater Treatment Plant in collaboration with the Land Council, Bird Life Bass Coast, Melbourne Water, Bass Coast Landcare Network, Corinella Residents and Ratepayers Association and local schools. - Progress and support recreational objectives for the Gap Road site in collaboration with Bass Coast Shire Council. - Administration support provided to Phillip Island Community Orchard to support recreational objectives for the Wimbledon Heights site.

Resilient and Liveable Cities and Towns

Contribute to healthy communities by supporting safe, affordable, high-quality services and resilient, liveable environments, and recovery from emergency events that builds back with improved resilience against future risks and manage water resources in a sustainable manner that enhances environmental outcomes and amenity in urban and rural landscapes.

Key performance areas:

- integrated water management
- water efficiency and water recycling

- circular economy outcomes
- environmental Statutory Obligations
- sustainable water use
- developer and council engagement.

KPI	Definition	Deliverables 2026-31
Water efficiency and water recycling – Urban water efficiency/recycling (5.2.1.001)	Projects or initiatives to deliver urban water efficiency, including residential and non-residential, and any projects delivering on water efficiency outcomes in Water for Victoria and relevant urban and sustainable water strategies.	Public awareness campaigns and initiatives include: - Complete updates to the Permanent Water Saving Rules signage across our service region. - Support non-residential customers to enhance water efficiency via the WaterSmart program, which facilitates monitoring of water services at sites. Through this, we will assist large businesses and government agencies to detect issues early. - Continuing to promote regional water efficiency targets and campaigns aimed at improving water efficiency. - Continuing to promote Class A recycled water as a suitable fit for purpose alternative to potable water through the quick connect program.
Water efficiency and water recycling – Urban water consumption (5.2.3.044)	Please provide commentary on non-revenue water attributed to leakages (for 2027-28 only)	- Continue to report on volumes of potable water sourced, customer consumption and water losses as per regulatory requirements. - Optimise water mains renewal program.
Integrated water management – Integrated water management (5.1.1.006)	Actively participate and promote stakeholder collaboration with other organisations through IWM Forums, to help facilitate IWM.	- Participate in IWM Forums and collaborate with implementation partners to deliver Priority Structural Actions. - Support water sector state-wide campaigns and initiatives like the Permanent Water Saving Rules review and Social Content pilot.
Integrated water management – Integrated water management (5.1.1.009)	Progress towards development or review, update and implementation of strategic forum owned IWM plans, outcomes and/or targets, as applicable to the region	- Continue collaborative approach to integrated water management in the Western Port Catchment, IWM Action Plan and Monitoring, Evaluation, Reporting and Improvement (MERI) plan.
Integrated water management – Integrated water management (5.1.1.010)	Progress towards the implementation of IWM actions, projects, or other activity with IWM approach achieving shared benefits, as applicable to the region.	- Continue to advance structural actions and partner projects outlined in the Western Port Catchment IWM Action Plan, including the development of the King Road wastewater treatment plant recycled water constructed wetlands.
Circular economy outcomes – circular economy (5.3.1.001)	Provide commentary on projects or initiatives that adopt circular economy principles and/or contribute towards identified targets in "Recycling Victoria: A New Economy".	- Deliver Year Three of the Climate Change Strategy. - Draft the new 2026-30 Recycled Water Strategy.

KPI	Definition	Deliverables 2026-31
Environmental statutory obligations – environmental obligations (5.4.1.001)	Water corporations should manage impacts to water quality in their operations including managing risks posed to water quality in special water supply catchment areas or catchments and provide commentary on specific actions that deliver targeted outcomes to satisfy these environmental obligations.	- Collaborate with Melbourne Water to undertake activities to protect waterways, from delivering on-ground works to participating in state and regional planning. We encourage others to care for our waterways through support and education programs, stewardship programs and help with improvements through incentive schemes that provide funding support to landowners and managers. - Engage a Catchment Facilitator to work with landowners within the Candowie Reservoir catchment to minimise erosion, protect waterways, invasive weed and plant control, vermin control, and responsible application of fertilizers and herbicides / pesticides. - Raw and treated water is sampled weekly to ensure that we meet the requirements of the Department of Health and Australian Drinking Water Guidelines. - Continue to implement the Continuous Water Quality Improvement Plan 2023-28.
Environmental statutory obligations – environmental obligations (5.4.1.002)	Report on performance against the Obligations for Managers of Land or Infrastructure (Water) (OMLI) under the Environment Protection Act 2017 and the Statement of Obligations (General)(in relation to sewerage services and connections) under the Water Industry Act 1994.	- Collaborate closely with Melbourne Water, DEECA and the EPA to identify risks to waterways, which involves delivering on-ground works and participating in state and regional planning. Additionally, support the regional working group that conducts quarterly consultations with the EPA. - Utilise Risk Management and Monitoring Programs to identify and manage environmental impacts from operations.
Environmental statutory obligations – environmental obligations (5.4.1.003)	Water Corporations to undertake specific actions that deliver targeted outcomes to satisfy water corporations' environmental obligations consistent with the actions and intended outcomes contained in the: a) Regional Catchment Strategy b) Victorian Waterway Management Strategy and Regional Waterway Strategy c) Port Phillip Bay Environmental Management Plan (MW Only); and d) Other environmental activities or general projects that help implement catchment/ waterway health objectives	- Continue to monitor policies and actions aligned to the Regional Catchment Strategy Victorian Waterway Management Strategy and Regional Waterway Strategy. - Continue to consult with Melbourne Water, DEECA and EPA to explore opportunities for returning recycled water to the environment to mitigate the impact of climate change, such as waterways that are flow stressed.
Sustainable water management – sustainable water strategies (5.5.2.001)	Progress on actions taken in the development and implementation of Sustainable Water Strategies applicable to the region	- Continue to monitor policies and actions aligned to the Central and Gippsland Region Sustainable Water Strategy. - Continue to monitor strategic management directions and regional outcomes aligned to the West Gippsland Regional Catchment Strategy.
Housing Statement - Developer and council engagement (5.6.1.002)	Describe the strategies to be employed to engage with applicable entities, including developers and councils, before a planning permit referral is received, including to understand potential blocks and/or delays created by processes and systems	- Continue engaging with Bass Coast Shire Council and developers regarding potential developments within Westernport Water's service areas to establish servicing strategies. - Conduct long-term capital planning to address forecasted future infrastructure needs.

KPI	Definition	Deliverables 2026-31
Housing Statement - Developer and council engagement (5.6.1.006)	Describe progress and/or any blocks in reporting on current annual report Housing Statement indicators	- WPW has developed timelines for reporting development related activities, including planning permit conditions, developer deeds, design approvals, and Consent to Statement of Compliance.

Leadership, Diversity and Culture

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

Key performance areas:

- Diversity and Inclusion

KPI	Measure	Definition	2026-27 Target
Diversity and inclusion – Diversity and inclusion (6.1.1.003)	Number	Provide the number of executive officers who identify as women.	3
Diversity and inclusion – Diversity and inclusion (6.1.1.005)	Number	Percentage of all the staff who complete the VPSC people matter survey.	85%
Diversity and inclusion – Diversity and inclusion (6.1.1.006)	Number	Number of staff within the water entity who have undertaken a cross-cultural training course facilitated by a suitably experienced provider.	90%
Diversity and inclusion – Diversity and inclusion (6.1.1.007)	Number	Number of Aboriginal staff employed.	3

KPI	Definition	Deliverables 2026-31
Diversity and inclusion – Diversity and inclusion (6.1.1.001)	Is a Diversity Inclusion Plan/s published on entity website (Y/N) (for 2027-28 only)	- Diversity and Inclusion initiatives for 2026-27 (and beyond) are part of the People Strategy, which is available on the Corporation's website.
Diversity and inclusion – Diversity and inclusion (6.1.1.002)	Is a Gender Equality Action Plan published on entity website (Y/N) (for 2026/27 only)	- The Gender Equality Action Plan 2022-25 is published on the Corporation's website. The Gender Equality Action Plan 2026-28 (which is also part of the People Strategy) will commence in 2026-27, after finalization and approval.
Diversity and inclusion – Diversity and inclusion (6.1.1.004)	Actions taken to improve participation by Traditional Owners and Aboriginal Victorians in Board committees and/or other organisational committees	- An Independent Aboriginal Delegate is engaged as a (non-voting) member of WPW's Board. - WPW will continue to work with its RAP Working Group, which comprises internal staff, Traditional Owners and Aboriginal community members, to support Aboriginal participation in decision-making and deliver its reconciliation commitments.
Diversity and inclusion – Diversity and inclusion	Summary of progress against LOE Priority Area Leadership, diversity and culture	- Develop and finalise WPW's fourth Reconciliation Action Plan. - Completion of online cultural competency training for all staff. - Utilise Aboriginal affiliated recruitment agencies to support

KPI	Definition	Deliverables 2026-31
(6.1.1.008)		Aboriginal staff recruitment. - Meeting gender equality legislative requirements. - Supporting executive officers and the leadership team with learning and development opportunities to provide support and strengthen capability. - As part of the Water Industry Equity, Diversity and Inclusion Strategy 2024-28, participate in industry groupings (including Vic Water Managing Directors Forum, Diversity and Inclusion Steering Group (DISC) and Practitioners Network) to identify and dismantle gender barriers (including intersectional factors), for operational, treatment and customer service roles, and apply findings at Westernport Water. - Promote 2026 staff survey to continue high participation, including employee feedback on actions from results.

Performance and Financial Management

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

Key performance areas:

- Audited statement of performance
- Additional financial performance.

KPI	Definition	Deliverables
Additional financial performance – financial performance 7.4.2.001	Financial business targets and projections, including projections for dividend and tax equivalent payments (for 2027-28 to 2030-31)	- Included in the Financial Statements, refer Appendix A.
Additional financial performance – financial performance 7.4.2.002	Quarterly financial projections for the first year of the planning period (for 2026-27 only)	- Included in the Financial Statements, refer Appendix A.
Additional financial performance – financial performance 7.4.2.003	Debt management strategies in line with DTF management guidelines and requirements (for 2027-28 to 2030-31)	- Continue to take a conservative approach due to the increasing inflation pressures on our customers.
Additional financial performance – financial performance 7.4.2.004	Any unregulated business activity/ies including forecasts of revenue and expenditure and the benefits realised/reasons for undertaking the activity/ies (for 2027-28 to 2030-31)	- Unregulated income is conducted via the sale of disposal of assets including cattle and hay via utilisation of the corporations land through the Farm Management Plan and the sale of expired fleet vehicles as part of the fleet replacement program. Refer to the Financial Statements – Appendix A.

KPI	Definition	Deliverables
Additional financial performance – financial performance 7.4.2.005	Operational risk assessment, encompassing analysis of factors likely to affect achievement of efficiency targets, and/or create significant financial risk for the corporation (for 2027-28 to 2030-31)	- Included in Financial Sensitivity Analysis tables, refer Appendix E
Additional financial performance – financial performance 7.4.2.006	Impact on financial performance of high and low scenarios for key planning variables (such as supply availability, water consumption and fuel market disruptions for 2027-28 to 2030-31)	- Included in Financial Sensitivity Analysis tables, refer Appendix E.
Additional financial performance – financial performance 7.4.2.007	The entity's credit rating received from Treasury Corporation Victoria (TCV) for Financial Accommodation Levy or an independent credit rating (for 2027-28 only)	- The entity received a -AA credit rating from TCV for 2025-26. The credit rating for 2026-27 will be confirmed by TCV via the annual DTF borrowings approval process expected by 30 June 2026.

Customer Protection, including the Prevention of Harm from Family Violence

Westernport Water takes its responsibility as a custodian of customer data seriously and remains strongly committed to the continuous improvement of information security. Our approach is aligned with the Victorian Protective Data Security Framework (VPDSF).

We maintain a comprehensive suite of ICT controls designed to strengthen organisational resilience against cybersecurity incidents and data loss. These include regular system backups, robust identity and access management controls, and the timely deployment of security updates and patches. Westernport Water also has a clearly defined incident response framework, incorporating escalation protocols, prompt notification of relevant authorities, and the engagement of specialist support where required, based on incident severity.

Westernport Water remains committed to safeguarding customer information from unauthorised access, loss, or misuse. This commitment is supported through mandatory privacy and cybersecurity training for staff and regular audits of data protection controls. Our Privacy Charter clearly outlines how customer information is collected, used, and disclosed, and we maintain formal processes for managing privacy complaints and data breach incidents. Importantly, no notifiable data breaches were recorded during the reporting period.

During 2024–25, Westernport Water delivered $1.19M in financial assistance to customers through concession rebates, utility relief grants, high-usage leak allowances, and hardship support programs.

Cyber Security

Westernport Water takes cybersecurity seriously and works to protect the information and services our community relies on.

We follow recognised standards, including the NIST Cybersecurity Framework and the Essential Eight, to guide how we prevent, detect, and respond to cyber threats. These frameworks help us put strong security measures in place and stay prepared for emerging risks.

We also comply with the Victorian Protective Data Security Framework, which sets strict requirements for how Victorian public sector organisations manage and protect sensitive information.

By combining these approaches, we strengthen our ability to keep systems secure, respond quickly if something goes wrong, and restore services as soon as possible. This helps ensure the safety and reliability of the services we provide to our customers and community.

Corporate Plan Performance Measures and Targets 2026-27

	Corporate Plan Performance Measure	Target
1	Delivery of the Corporate Plan Initiatives *To achieve safe and reliable water and wastewater services to support sustainable and liveable communities.*	Successful completion of the 12 Corporate Plan Initiatives in line with the program for delivery.
2	Maintain investments in-line with DTF annual approved borrowing limits *To ensure Westernport Water continues to demonstrate sound financial performance.*	Maintain the Corporation's annual borrowings in line with DTF annual approved borrowing limits for 2026-27.
3	Customer Survey – Satisfaction result *To understand customer perceptions and overall satisfaction of our customers with Westernport Water as a service provider.*	7 out of 10 rating for overall customer satisfaction.
4	Compliance – Enforcement action *To measure compliance with legislation by ensuring no enforcement action such as a penalty infringement or abatement notice, direction or an enforceable undertaking.*	0 regulator actions.
5	Employee Satisfaction - People Matter Survey *To measure the level of engagement of employees to provide an indication of their commitment to the organisation's goals and values and their motivation to contribute to the organisation's success.*	>77 Employee Engagement Index.
6	Water quality compliance with Safe Drinking Water Regulations *To ensure the provision and supply of safe drinking water in accordance with the regulations.*	100% compliance.
7	Environmental Impact - Compliance with EPA Licence *To measure compliance at Westernport Water's two licensed wastewater treatment plant sites.*	100% compliance.
8	Customer Service Level - Guaranteed Service Level payment *To measure the level of service to customers the ESC sets out provision for payments to customers for failure to meet Guaranteed Service Level.*	≤ 3 payments in the 2026-27 year.
9	Delivery of our Customer Commitments - Price Submission 2023-28 *To ensure we are delivering on the customer commitments set out in our Price Submission 2023-28.*	Annual performance consistent with PS23 customer commitments.

Corporate Plan Initiatives

We deliver value to our customers

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

The Water Quality Continuous Improvement Plan focuses on both operational improvements to water quality and strategic planning to improve water treatment. These efforts will ensure that Westernport Water continues to deliver the highest water quality to our customers.

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

2. Finalise 2050 Strategy to drive integrated planning outcomes

This initiative will provide a 25-year blueprint to invest in the assets, technology and people we need to deliver the outcomes that our customers and community desire, whilst ensuring value for money for future generations. The 2050 Strategy will span multiple price reviews, allowing us to plan beyond regulatory periods and manage competing challenges in a sustainable way.

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

3. Progress the submission for the Essential Services Commission's 2028 Price Review

Westernport Water will continue to develop its Price Submission for the 2028-33 regulatory period. Our focus areas will be driven by the priorities and preferences of our customers. Proposals will be developed and tested with our customers through extensive engagement to ensure that they reflect the needs of our community. We will continue to work towards an offer that balances service improvements, renewals, customer growth and affordability, whilst maintaining our strong record of compliance.

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

4. Pilot use of artificial intelligence to improve business operations

We recognise that the responsible use of artificial intelligence to support our business is fundamental to our success in a digital future. It is important that we continue to understand and realise the benefits that artificial intelligence can bring, such as efficiency, data-driven decision-making, improved safety and innovation. Furthermore, we will look at opportunities to enhance customer experience and optimise our asset management practices.

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

Our people are safe and better for working here

5. Continue to implement our People Strategy (2025-28)

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

This initiative addresses our Workplace Health and Safety and Business Continuity strategic risks.

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

6. Progress the King Road Recycled Water Wetland Project

With capital funding support from the Australian Government, the King Road Recycled Water Wetland Project will construct a 3ha recycled water wetlands system and 150ML effluent storage lagoon, whilst improving biodiversity and investing in opportunities for cultural and recreational benefits.

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

7. Implement Year Two of our ICT Strategy (2025-28)

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

Upcoming activities include the commissioning of a data and analytics platform to enable whole of business decision-making, the migration of our end of life corporate information to a modern cloud-based storage for improved collaboration and the commencement of planning for the implementation of a secure customer portal.

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

8. Deliver business process improvements resulting from new asset management system capabilities

Following the implementation of our new asset management information system, Westernport Water will leverage a recent review of end-to-end asset management practices to identify opportunities to use new software capabilities to deliver efficiency and value.

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

9. Progress the Cowes Wastewater Treatment Plant Next Generation Upgrade

The Cowes Wastewater Treatment Plant is being upgraded under the Next Generation Upgrade Project. There are three objectives for the upgrade: meet current and future compliance, upgrading for growth, address Scope 1 and Scope 2 emissions to align to WPW's Climate Change Strategy. Upcoming activities include finalising the concept design and market testing.

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

We partner with our community

10. Develop our fourth Reconciliation Action Plan

Westernport Water will commence the co-design and development of its fourth Reconciliation Action Plan, strengthening our role as an active partner in advancing reconciliation. Building on the foundations of our previous RAPs, this Stretch RAP will move beyond commitment to meaningful action — embedding reconciliation across our governance, operations and community engagement.

In close partnership with Bunurong Traditional Owners and Aboriginal and Torres Strait Islander people across our region, we will deepen relationships founded on trust, respect and shared decision-making. The plan will drive tangible outcomes in cultural recognition, economic participation, workforce inclusion and caring for Country, positioning Westernport Water as a leader in reconciliation within the Victorian water sector.

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

11. Deliver Value for Money outcomes with the Regional Water Alliance

Westernport Water will maintain its position in the Gippsland Regional Water Alliance to drive performance improvements for customers. Through collaboration with South Gippsland Water, East Gippsland Water, Gippsland Water and Southern Rural Water, the Alliance will focus efforts on coordinated action that delivers measurable efficiencies, enhanced service outcomes and smart use of public resources.

The Alliance will continue to leverage its collective expertise to deliver shared services, realise benefits from joint procurement opportunities, partner to undertake customer engagement together and improve our operational resilience through coordinated emergency management support.

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

We value and protect our natural environment

12. Deliver the Climate Change Strategy (2023-28)

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

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

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

Key Drivers of Corporate Plan 2026-31

Material financial changes from 2025-26 Corporate Plan

The Corporation continues to focus on efficiency and disciplined financial management to deliver services in a cost-effective manner. Since the development of PS23 and the previous 2025-30 Corporate Plan, a range of changing macroeconomic conditions has required a reassessment of the assumptions underpinning the 2026-30 plan. In particular, an ongoing slowdown in new developments across the service area has reduced the rate of new customer connections by 2 per cent year on year, resulting in $1.8M lower than anticipated service and usage revenue for 2026-27.

Depreciation is expected to increase significantly from the previous five-year plan, reflecting the impact of asset revaluations undertaken in accordance with the Victorian Auditor-General's Office's five-year cyclical revaluation requirements. The most recent revaluation, to be completed at the end of the 2026 financial year, is expected to result in a $94 million or 30 per cent uplift in infrastructure asset values, which has consequently increased ongoing depreciation expenses by $4.3M in 2026-27 compared to 2025-26 Corporate Plan estimates.

At the same time, the Corporation is facing increased costs, including the need to purchase additional water from the Melbourne Water pool to maintain supply security, higher interest rates on borrowings, and broader increases in operating expenditure including materials and supplies, ICT services, energy, insurance and maintenance costs. Together, these factors have shifted both revenue and cost expectations, requiring a more cautious and adaptive financial approach over the planning period.

Due to the significant impacts of increased depreciation and reduction in growth in the region, Net Profit After Tax (NPAT) will no longer be profitable for the remaining PS23 period, however the Corporation remains in a sound financial position, with relatively low debt compared to its overall asset base. Maintaining this conservative debt profile is a key priority, ensuring capacity to fund future capital investment needed to support regional growth while keeping costs manageable.

Consistent with its commitment to affordability, the Corporation continues to identify opportunities to reduce debt and minimise cost pressures. Following three years of assessment and engagement, the Corporation has successfully obtained a tailored compliance engagement (TCE) from the Australian Taxation Office (ATO) confirming that the Full Federal Court decision of Victoria Power Networks Pty Ltd v Federal Commissioner of Taxation (the VPN decision) tax treatment can be applied retrospectively. This is expected to deliver potential savings, subject to final ATO review. While not reflected in the current financial statements, this outcome is anticipated to benefit customers through a refund of tax paid and a reduction in future tax liabilities.

Price Submission 23 (2023-28)

The 2026-31 Corporate Plan projects and budgets will continue to deliver the efficiencies committed to within the Price Submission 23 (PS23) for 2023-28, which was approved by the ESC on 20 December 2022.

Pricing and tariffs for 2026-31 remain unchanged, only increasing by CPI as per year 4 PS23 assumptions. Annual tariffs reflect the approved adjustments for Melbourne Water Bulk Charges and cost of debt adjustments as detailed in Schedule 5 of PS23 for 2023-28. The PS23 Capital program is also expected to be delivered within the budget expectations.

The efficiency dividend announced by the Victorian Government in Budget Paper 4 (May 2023), introduced after PS23 had commenced, continues to affect alignment with PS23 budgets. While the ongoing cash requirement is delivered through capital repatriation and does not directly impact operating expenditure, it has increased reliance on borrowings as funds are redirected away from planned capital programs. Variations to PS23 are detailed in Appendix D.

Debt Management

Debt management remains a key focus in maintaining the Corporation's long-term financial sustainability, particularly as debt is being used to support an expanded capital program. The Corporation is committed to prudent financial management, carefully balancing operating expenditure and debt levels to ensure affordability for customers while meeting future infrastructure needs.

Overall, the remaining PS23 period, debt to equity ratio remains consistent with PS23 assumptions, helping to minimise price impacts while enabling investment in critical assets. The increase in borrowings relative to PS23 assumptions reflects a revenue shortfall from slower growth and expenditure not known at the time of pricing, noting that PS23 did not include provision for such unknown risks. While the capital program remains within PS23 budget, additional borrowings will be required to fund future capital investment.

The Corporation has actively pursued external funding opportunities and has been successful in securing approximately $7.4 million in grant funding to support future capital works. The Corporation will continue to explore and pursue additional revenue streams, including further grant funding, to help offset costs and minimise reliance on debt.

The following table shows the level of fixed debt for the Corporation over the five-year Corporate Plan period (excluding temporary borrowing facilities and may be reduced).

Fixed Debt $'000	2025-26 Forecast	2026-27 Budget	2027-28 Budget	2028-29* Budget	2029-30* Budget	2030-31* Budget
Total Fixed Debt Budget (per PS23)	16,240	18,240	16,040	N/A	N/A	N/A
Total Fixed Debt Budget	20,200	28,950	37,100	45,850	59,600	72,600

*Note: *All estimates from 2028–29 are subject to the ESC 2028 pricing submission approval process. Budget for Total Fixed Debt as per PS23 in 2027-28 has been corrected as was incorrectly stated as $13.140M in 2025-26 Corporate Plan.*

Financial Analysis, Considerations and Projections

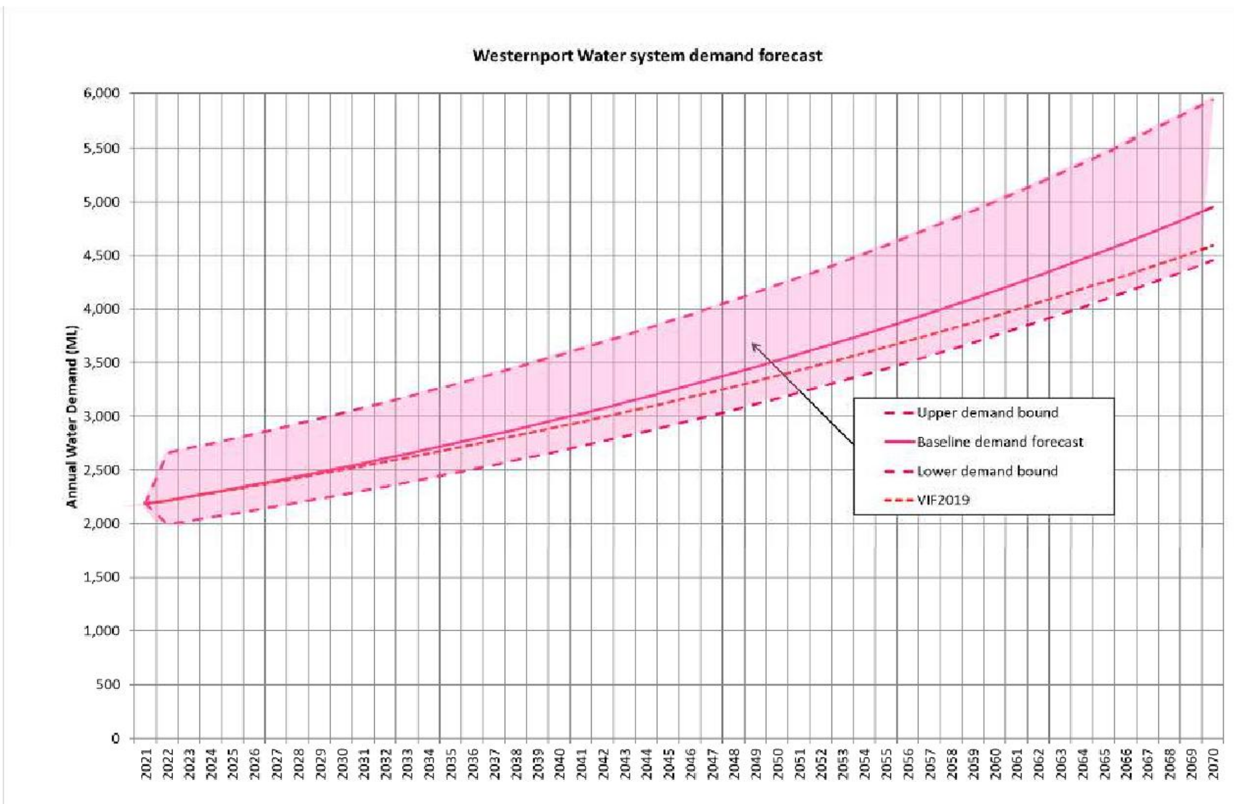
The financial analysis tables and projections are provided in Appendix A.

The financial targets and ratio analysis are set out in Appendix B. These ratios are consistent across the five-year outlook. In previous years and in the PS23 submission, no provision was made for dividend payments however, with the introduction of the Victorian State Government efficiency dividend from June 2024 the financial statements have been adjusted to reflect this ongoing commitment until 30 June 2033 which will be in the form of a cash capital repatriation payment.

Planning Assumptions

Water Allocations

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



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

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

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

Recycled Water Assumptions 2026-27

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

CWWTP treats sewage from Phillip Island (excluding Silverleaves) and San Remo. This treatment plant receives 85 per cent of inflow from Westernport Water's sewer network. In FY 25/26, around 14 per cent of inflow from CWWTP was treated to Class A or B recycled water quality and distributed to residents in new housing estates in Cowes and Ventnor, and to non-residential users such as the Phillip Island Golf Club and recreation reserves. The remaining 86 per cent of treated effluent is discharged to Bass Strait at Pyramid Rock.

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

The key projects for 2026-27 from our Recycled Water Strategy include:

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

The key to increasing reuse is to maximise opportunities for sustainable reuse on Westernport Water land as well as a targeted awareness campaign for commercial customers. Westernport Water will continue to encourage recycled water use by commercial and residential customers, especially customers with a demand that is not dependent on weather conditions.

Pricing

Tariff schedule	2025-26	2026-27	2027-28	2028-29*	2029-30	2030-31
CPI % assumptions	2.4	3.7*	3.7	3.7	3.7	3.7
Water and Recycled Water Volumetric pricing per kL						
Potable (Residential)	$2.5066	$2.5993	$2.6955	$2.7952	$2.8987	$3.0059
Potable (Non-residential)	$2.5066	$2.5993	$2.6955	$2.7952	$2.8987	$3.0059
Recycled Water (Residential)	$1.3584	$1.4086	$1.4607	$1.5148	$1.5708	$1.6290
Recycled Water (Non-residential less than 5,000kL p.a.)	$0.6605	$0.6850	$0.7103	$0.7366	$0.7638	$0.7921
Recycled Water (Non-residential more than 5,001kL p.a.)	$0.5429	$0.5630	$0.5838	$0.6054	$0.6278	$0.6511
Connected Fixed Charges $ per annum						
Residential						
Water	$454.15	$470.96	$488.38	$506.45	$525.19	$544.62
Waste	$719.28	$745.89	$773.49	$802.11	$831.79	$862.56
Reuse	$33.92	$35.18	$36.48	$37.83	$39.23	$40.68
Non-Residential						
Water (20mm tapping)	$454.15	$470.96	$488.38	$506.45	$525.19	$544.62
Water (25mm tapping)	$817.52	$847.77	$879.13	$911.66	$945.39	$980.37
Water (32mm tapping)	$1,544.61	$1,601.76	$1,661.03	$1,722.49	$1,786.22	$1,852.31
Water (40mm tapping)	$2,816.53	$2,920.74	$3,028.81	$3,140.88	$3,257.09	$3,377.60
Water (50mm tapping)	$5,042.60	$5,229.18	$5,422.66	$5,623.29	$5,831.36	$6,047.12
Water (65mm tapping)	$10,598.53	$10,990.68	$11,397.33	$11,819.03	$12,256.34	$12,709.82
Water (80mm tapping)	$17,399.58	$18,043.37	$18,710.97	$19,403.28	$20,121.20	$20,865.68
Water (100mm tapping)	$31,301.22	$32,459.36	$33,660.36	$34,905.79	$36,197.31	$37,536.61
Water (150mm tapping)	$72,143.30	$74,812.61	$77,580.67	$80,451.16	$83,427.85	$86,514.68
Waste	$719.28	$745.89	$773.49	$802.11	$831.79	$862.56
Waste (> 2 cistern per property)	$265.63	$275.46	$285.65	$296.22	$307.18	$318.55
Unconnected Fixed Charges $ per annum						
Water	$227.04	$235.45	$244.16	$253.19	$262.56	$272.27
Waste	$360.25	$373.58	$387.40	$401.73	$416.60	$432.01

*Note: *Tariffs for 2026–27 onward assume a 3.7 per cent increase as approved by the Essential Services Commission (ESC). Final tariffs will also reflect CPI and adjustments for Melbourne Water bulk charges and cost of debt under Schedule 5 of PS23, confirmed by the ESC in June 2026. All estimates from 2028–29 are subject to the ESC 2028 pricing submission approval process.*

Operating Environment Assumptions 2026-31

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

The 2026-31 Corporate Plan has factored in the immediate known economic conditions which is consistent with PS23 methodology however, unknown non-controllable operational impacts often require the business to demonstrate agility and at times re-think its approach for long-term sustainability.

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

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

Finance Assumptions 2026-31

The financial assumptions set out below form the basis for the budgeted net loss after tax result of $7.651M and a positive net cash flow from operating activities.

Revenue Assumptions

Service Charges:

- The Tariff Schedule for 2026-27 and subsequent years has been calculated using a CPI increase of 3.7 per cent as confirmed by the Essential Services Commission in June 2025 via the annual tariff approval process which includes further adjustments for Melbourne Water Bulk Charges and cost of debt adjustments as per Schedule 5 of PS23.
- Residential customer growth of 0.2 per cent, 2 per cent below PS23 forecast reflecting very low growth over the past year which is expected to continue in the short term.
- Non-residential connection growth of 0.2 per cent, 0.97 per cent below PS23 forecast reflecting very low growth over the past year which is expected to continue in the short term.

Water Usage:

- Domestic water consumption of 95kL per connection, an increase from 88kL previously forecast in PS23
- Non-Domestic water consumption of 651kL per connection.

Developer Income:

- Creation of approximately 70 new allotments which is a significant reduction from 395 new allotments in 2025-26 which was consistent with PS23 growth predictions reflecting the slowdown in growth.
- Development revenue is expected to perform well below PS23 assumptions as there have been significant delays in completing existing developments as well as significantly lower growth compared to budget profiles.

OPEX Assumptions

- Increases in wage and salaries will be in line with the draft Enterprise Agreement which is expected to be finalised during 2025-26. This increase is consistent with overall government policy for annual wage rises, a 3 per cent increase in base rates and allowances.
- Employee costs include a 3 per cent vacancy rate in line with PS23 assumptions.
- Overall operational expenditure has been profiled against the approved PS23 budget offset by the efficiency rate of 1.5 per cent as committed to our customers during the pricing submission engagement.
- Current climate impacts have resulted in water purchase requirements from the Melbourne Water Pool and an increase in fleet management costs including fuel purchases are contributing to an increase in operational expenditure, above PS23 expectations.
- The requirement to prepare the next Pricing Submission (PS28) with the Essential Services Commission (ESC) will incur additional one-off costs for 2027FY.
- Costs related to the contribution to Zero Emissions Water Carbon Offsets (ZEWCO) will result in an increase in administration expenses compared to prior year.
- Environmental Contribution Levy (ECL) will remain unchanged.
- Borrowing costs will increase due to higher interest rates and increased borrowing requirements used to assist funding of the capital programs.
- Revaluation of assets by Valuer General Victoria (VGV) effective 30 June 2026 will result in a 30 per cent increase in depreciation expense compared to the prior year due to a $94M increase in asset values.
- Information technology expense increases from prior year are due to additional licence fees for new software and discovery costs to enable implementation of other new software and technology including AI.
- CPI increases for future years have been assumed at 3.7 per cent each year in line with 2026-27FY confirmed CPI *subject to ESC confirmation.

Customer and Demand Assumptions 2026-27

Property Forecast 2026-27

Westernport Water's growth assumptions are primarily based on the 2021 Victoria In Future forecasts. However, historical trends have also been incorporated into our growth assumptions which formed the basis of our PS23 growth predictions. The major assumptions driving the property forecast for 2026-27 are significantly lower than PS23 assumptions as are based on historical actuals and future development projections:

- growth in residential properties of 0.2 per cent in 2026-27
- growth in non-residential connections of 0.2 per cent in 2026-27
- no growth predicted in unconnected vacant residential land.

Property type	Property Numbers 2025-26 Forecast	Pricing Submission Year 3	Variance from PS23 Year 3	Property Numbers 2026-27 Planned	Pricing Submission Year 4	Variance from PS23 Year 4
Residential	17,925	18,611	-3.7%	18,278	18,978	-3.7%
Vacant Land	1,226	1,500	-18.3%	1,226	1,500	-18.3%
Non-residential	1,184	1,182	0.1%	1,204	1,195	0.8%
Total Properties	20,335	21,293	-4.5%	20,708	21,673	-4.5%

Customer Demand Forecast 2026-27

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

Westernport Water modelled a range of supply and demand scenarios through the 2022 Urban Water Strategy which informed the PS23 demand assumptions. For the purpose of future forecasts, the PS23 demand assumption has been updated using last year's average residential household demand (95kL). The annual non-residential water connections demand forecast remains at 651kL.

Customer Type	Forecast Demand 2025-26 ML	Demand PS23 Year 3	Variance from PS23 Yr3	Forecast Demand 2026-27 ML	Demand PS23 Year 4	Variance from PS23 Yr 4
Residential	1,702	1,637	4.0%	1,736	1,670	3.9%
Non-residential	769	762	0.9%	783	778	0.6%
Total Customer Demand	2,471	2,399	3.0%	2,519	2,448	2.9%

Appendix A – Financial Templates

Table A1 – Operating Statement

Operating Statement $'000	2025-26 Forecast	2026-27	2027-28	2028-29*	2029-30	2030-31
Revenue						
Service Charges	23,729	24,610	25,503	26,446	27,426	28,449
Usage Charges	5,674	5,881	6,098	6,323	6,557	6,800
Developer Contribution	260	200	207	215	223	231
Developer Contribution - Gifted Assets	1,280	500	500	500	500	500
Investment Interest	100	68	71	88	97	111
Other Revenue	811	829	860	894	931	975
Total Revenue	31,854	32,088	33,239	34,466	35,734	37,066
Expense						
Operating and Maintenance Expense	3,205	3,294	3,416	3,543	3,674	3,810
Administration Expense	5,924	6,414	6,651	6,897	7,153	7,417
Environmental Contributions	1,205	1,206	1,206	1,326	1,326	1,326
Borrowing Cost / Interest Expense	586	1,101	1,578	2,065	2,604	3,338
Depreciation / Amortisation	10,528	14,074	14,595	15,135	16,648	17,264
IT	2,771	3,377	3,502	3,631	3,765	3,905
Labour	11,427	12,707	13,090	13,484	13,890	14,308
Consultants	204	167	173	179	186	193
Total Expense	35,850	42,340	44,211	46,260	49,246	51,561
Net Operating Profit/(Loss) Before Tax	(3,996)	(10,252)	(10,972)	(11,794)	(13,512)	(14,495)
Non-Operating Items						
Profit on sale of disposal of assets	0	50	50	50	50	50
Net Profit/(Loss) Before Tax	(3,996)	(10,202)	(10,922)	(11,744)	(13,462)	(14,445)
Tax	(999)	(2,551)	(2,731)	(2,936)	(3,366)	(3,611)
Net Profit/(Loss) After Tax	(2,997)	(7,651)	(8,191)	(8,808)	(10,096)	(10,834)
Net Profit - Retained Earnings	(2,997)	(7,651)	(8,191)	(8,808)	(10,096)	(10,834)
Retained Earnings - Opening Balance	72,943	69,946	62,295	54,104	45,296	35,200
Retained Earnings - Closing Balance	69,946	62,295	54,104	45,296	35,200	24,366

*Note: *All estimates from 2028–29 are subject to the ESC 2028 pricing submission approval process.*

Table A2 – Operating Statement by Quarter 2026-27

Operating Statement 2026-27 $'000	Q 1 Period	Q2 Period	Q2 YTD	Q3 Period	Q3 YTD	Q4 Period	Q4 YTD
Revenue							
Service Charges	6,140	6,231	12,371	6,089	18,460	6,150	24,610
Usage Charges	1,134	1,526	2,660	1,803	4,463	1,418	5,881
Developer Contribution	50	50	100	50	150	50	200
Developer Contribution - Gifted Assets	-	-	-	275	275	225	500
Investment Interest	18	19	37	10	47	21	68
Other Revenue	164	313	477	162	639	190	829
Total Revenue	7,506	8,139	15,645	8,389	24,034	8,054	32,088
Expense							
Operating and Maintenance Expense	659	824	1,482	824	2,306	988	3,294
Administration Expense	1,283	1,603	2,886	1,603	4,489	1,925	6,414
Environmental Contributions	301	301	602	301	903	303	1,206
Borrowing Cost / Interest Expense	229	267	497	268	764	337	1,101
Depreciation / Amortisation	3,518	3,518	7,036	3,518	10,554	3,520	14,074
IT	675	777	1,452	777	2,229	1,148	3,377
Labour	3,131	3,201	6,332	3,187	9,519	3,188	12,707
Consultants	38	40	78	42	120	47	167
Total Expense	9,834	10,531	20,365	10,520	30,885	11,455	42,340
Net Operating Profit/(Loss) Before Tax	(2,328)	(2,392)	(4,720)	(2,131)	(6,851)	(3,401)	(10,252)
Non-Operating Items							
Profit on sale of disposal of assets	-	15	15	15	30	20	50
Net Profit/(Loss) Before Tax	(2,328)	(2,377)	(4,705)	(2,116)	(6,821)	(3,381)	(10,202)
Tax	(582)	(594)	(1,176)	(529)	(1,705)	(846)	(2,551)
Net Profit/(Loss) After Tax	(1,746)	(1,783)	(3,529)	(1,587)	(5,116)	(2,535)	(7,651)
Net Profit/(Loss) - Retained Earnings	(1,746)	(1,783)	(3,529)	(1,587)	(5,116)	(2,535)	(7,651)
Retained Earnings - Opening Balance	69,946	68,200	69,946	66,417	69,946	64,830	69,946
Retained Earnings - Closing Balance	68,200	66,417	66,417	64,830	64,830	62,295	62,295

Table A3 – Balance Sheet

Balance Sheet $'000	2025-26 Forecast	2026-27	2027-28	2028-29*	2029-30	2030-31
Current Assets						
Cash and Cash Equivalents	1,777	1,453	1,098	1,424	3,378	1,221
Receivables	5,781	5,768	5,945	6,105	6,321	6,516
Inventories	839	852	865	879	894	909
Prepayments	351	356	361	367	372	378
Total Current Assets	8,748	8,429	8,270	8,775	10,965	9,024
Non-current assets						
Property Plant and Equipment	472,263	483,844	497,190	513,670	520,833	532,248
Less Accum Depreciation	(3,270)	(15,820)	(28,835)	(6,113)	(20,959)	(36,354)
PP&E at WDV	468,993	468,024	438,355	507,557	499,874	495,894
Work In Progress	10,602	8,529	3,821	3,327	7,309	10,039
Intangibles	1,202	1,464	1,718	1,968	2,112	2,255
Receivables	28	28	28	28	28	28
Total Non-current Assets	480,825	478,045	473,922	512,880	509,323	508,216
Total Assets	489,573	486,474	482,191	521,655	520,288	517,240
Current Liabilities						
Borrowings	1,600	1,000	1,250	1,250	1,250	1,200
Employee Benefits	2,284	2,286	2,355	2,426	2,498	2,573
Payables	2,409	2,485	2,550	2,588	2,590	2,704
Unearned Income	3,531	3,612	3,772	3,900	4,055	4,194
Other	40	40	40	40	40	40
Total Current Liabilities	9,864	9,423	9,967	10,204	10,433	10,711
Non-current Liabilities						
Borrowings	18,600	27,950	35,850	44,600	58,350	71,400
Employee Benefits	272	272	280	289	297	306
Deferred Tax Liability	84,770	81,013	77,069	83,901	79,243	74,292
Total Non-current Liabilities	103,642	109,235	113,199	128,790	137,890	145,998
Total Liabilities	113,506	118,658	123,166	138,994	148,323	156,709
Net Assets	376,067	367,816	359,025	382,661	371,965	360,531
Equity						
Retained Earnings	69,946	62,295	54,104	45,296	35,200	24,366
Asset Revaluation Reserve	255,198	255,198	255,198	288,242	288,242	288,242
Capital Repatriation - Efficiency Dividend	(400)	(1,000)	(1,600)	(2,200)	(2,800)	(3,400)
Contributed Capital	51,323	51,323	51,323	51,323	51,323	51,323
Total Equity	376,067	367,816	359,025	382,661	371,965	360,531

*Note: *All estimates from 2028–29 are subject to the ESC 2028 pricing submission approval process. Current borrowings will be redrawn as they fall due and therefore moved to non-current liabilities. This should be considered where a working capital deficiency is indicated above (current assets less than current liabilities). Unearned income relates to revenue received in advance due to the cyclical nature of the billing process.*

Table A4 – Balance Sheet by Quarter 2026-27

Balance Sheet 2026-27 $'000	Q 1	Q2	Q3	Q4
Current Assets				
Cash and Cash Equivalents	1,773	1,126	860	1,453
Receivables	5,948	5,908	6,174	5,768
Inventories	843	846	849	852
Prepayments	706	535	363	356
Total Current Assets	9,270	8,415	8,246	8,429
Non-current assets				
Property Plant and Equipment	471,938	474,290	479,208	483,844
Less Accumulated Depreciation	(6,407)	(9,545)	(12,683)	(15,820)
PP&E at WDV	465,531	464,745	466,525	468,024
Work In Progress	12,724	12,885	10,097	8,529
Intangibles	1,146	1,090	1,034	1,464
Receivables	28	28	28	28
Total Non-current Assets	479,429	478,748	477,684	478,045
Total Assets	488,699	487,163	485,930	486,474
Current Liabilities				
Borrowings	1,750	1,250	1,250	1,000
Employee Benefits	2,311	2,229	2,258	2,286
Payables	2,695	3,329	2,837	2,485
Unearned Income	3,624	3,620	3,616	3,612
Other	40	40	40	40
Total Current Liabilities	10,420	10,468	10,001	9,423
Non-current Liabilities				
Borrowings	20,100	22,100	23,450	27,950
Employee Benefits	272	272	272	272
Deferred Tax Liability	84,187	82,387	81,858	81,013
Total Non-current Liabilities	104,559	104,759	105,580	109,235
Total Liabilities	114,979	115,227	115,581	118,658
Net Assets	373,720	371,936	370,349	367,816
Equity				
Retained Earnings	68,199	66,415	64,828	62,295
Asset Revaluation Reserve	255,198	255,198	255,198	255,198
Capital Repatriation - Efficiency Dividend	(1,000)	(1,000)	(1,000)	(1,000)
Contributed Capital	51,323	51,323	51,323	51,323
Total Equity	373,720	371,936	370,349	367,816

Note: Current borrowings will be redrawn as they fall due and therefore moved to non-current liabilities. This should be considered where a working capital deficiency is indicated above (current assets less than current liabilities). Unearned income relates to revenue received in advance due to the cyclical nature of the billing process.

Table A5 – Cash Flow Statement

Cash Flow Statement $'000	2025-26 Forecast	2026-27 Budget	2027-28 Budget	2028-29* Budget	2029-30 Budget	2030-31 Budget
Cash Flows from Operating Activities						
Receipts from service and usage charges	28,364	29,233	30,327	31,438	32,609	33,819
Receipts from developer contributions	326	195	208	215	223	219
Refund from ATO	1,784	2,368	2,199	2,200	2,487	2,810
Interest received	100	68	71	88	97	111
Other cash receipts (Melbourne Water)	3,056	3,274	3,386	3,513	3,647	3,791
Payments to suppliers and employees	(27,538)	(29,164)	(29,895)	(30,762)	(32,190)	(33,483)
Interest paid	(536)	(986)	(1,500)	(1,971)	(2,498)	(3,178)
FAL paid	(84)	(159)	(226)	(294)	(372)	(471)
Income tax payments	(1,022)	(1,215)	(1,246)	(1,292)	(1,340)	(1,390)
Environmental contributions	(1,205)	(1,206)	(1,206)	(1,326)	(1,326)	(1,326)
Other cash payments (Capital repatriation)	(400)	(600)	(600)	(600)	(600)	(600)
Net Cash from Operating Activities	2,845	1,808	1,518	1,209	737	302
Cash Flows from Investing Activities						
Payments for Property, Plant and Equipment	(9,478)	(11,037)	(10,178)	(9,788)	(12,688)	(15,614)
Proceeds from Sale of Property, Plant and Equipment	164	155	155	155	155	155
Net Cash from / (Used in) Investing Activities	(9,314)	(10,882)	(10,023)	(9,633)	(12,533)	(15,459)
Cash Flows from Financing Activities						
Proceeds from capital contributions	200	-	-	-	-	-
Proceeds from Borrowings	6,000	10,000	9,500	10,350	15,350	14,650
Repayment of Borrowings	(1,190)	(1,250)	(1,350)	(1,600)	(1,600)	(1,650)
Net Cash from Financing Activities	5,010	8,750	8,150	8,750	13,750	13,000
Net Increase (Decrease) For Year	(1,459)	(324)	(355)	326	1,954	(2,157)
Opening Cash Balance	3,236	1,777	1,453	1,098	1,424	3,378
Closing Cash Balance	1,777	1,453	1,098	1,424	3,378	1,221

*Note: *All estimates from 2028–29 are subject to the ESC 2028 pricing submission approval process.*

Table A6 – Cash Flow Statement by Quarter for 2026-27

Cash Flow Statement 2026-27 $'000	Q1 Period	Q2 Period	Q2 YTD	Q3 Period	Q3 YTD	Q4 Period	Q4 YTD
Cash Flows from Operating Activities							
Receipts from service and usage charges	7,149	7,111	14,260	7,253	21,513	7,720	29,233
Receipts from developer contributions	44	50	94	50	144	51	195
Refund from ATO	694	515	1,209	524	1,733	635	2,368
Interest received	18	19	36	10	47	21	68
Other cash receipts (Melbourne Water)	1,237	1,040	2,277	504	2,781	493	3,274
Payments to suppliers and employees	(7,578)	(7,023)	(14,601)	(6,908)	(21,509)	(7,655)	(29,164)
Interest paid	(92)	(300)	(392)	(125)	(517)	(469)	(986)
FAL Paid	-	(34)	(34)	(38)	(72)	(87)	(159)
Income tax payments	(298)	(296)	(594)	(305)	(899)	(316)	(1,215)
Environmental contributions	-	(402)	(402)	(402)	(804)	(402)	(1,206)
Other cash payments (Capital repatriation)	(600)	-	(600)	-	(600)	-	(600)
Net Cash from Operating Activities	574	680	1,254	563	1,817	(9)	1,808
Cash Flows from Investing Activities							
Payments for Property, Plant and Equipment	(2,228)	(2,877)	(5,105)	(2,229)	(7,334)	(3,703)	(11,037)
Proceeds from Sale of Property, Plant and Equipment	-	50	50	50	100	55	155
Net Cash from / (Used in) Investing Activities	(2,228)	(2,827)	(5,055)	(2,179)	(7,234)	(3,648)	(10,882)
Cash Flows from Financing Activities							
Proceeds from Borrowings	1,650	2,000	3,650	1,350	5,000	5,000	10,000
Repayment of Borrowings	-	(500)	(500)	-	(500)	(750)	(1,250)
Net Cash from Financing Activities	1,650	1,500	3,150	1,350	4,500	4,250	8,750
Net Increase (Decrease) For Year	(4)	(647)	(651)	(266)	(917)	593	(324)
Opening Cash Balance	1,777	1,773	1,777	1,126	1,777	860	1,777
Closing Cash Balance	1,773	1,126	1,126	860	860	1,453	1,453

Appendix B – 2026-27 Performance Report

Table B1 – Financial Performance

Financial Performance Indicator		2024-25 Actual	2025-26 Projected	2026-27 Projected	2027-28 Projected	2028-29* Projected	2029-30 Projected	2030-31 Projected*
7.1.2.001	Cash Interest Cover Net operating cash flows before net interest and tax / net interest payments (times)	31.6	6.5	2.7	1.9	1.6	1.3	1.1
7.1.2.006	Gearing Ratio Total debt (including finance leases) / total assets) * 100 (%)	4.3%	4.1%	6.0%	7.7%	8.8%	11.5%	14.0%
7.1.2.011	Internal Financing Ratio Net operating cash flows less dividends / net capital expenditure * 100 (%)	60%	30.5%	16.6%	15.1%	12.6%	5.9%	2.0%
7.1.2.016	Current Ratio Current assets / current liabilities (excluding long term employee provisions and revenue in advance) (%)	185%	138.1%	145.1%	133.5%	139.2%	171.9%	138.5%
7.1.2.021	Return on Assets Earnings before net interest and tax / average assets * 100 (%)	0.10%	-0.83%	-1.88%	-1.94%	-1.95%	-2.10%	-2.16%
7.1.2.026	Return on Equity Net profit after tax / average total equity * 100 (%)	0.04%	-0.92%	-2.06%	-2.25%	-2.38%	-2.68%	-2.96%
7.1.2.031	EBITDA Margin Earnings before interest, tax, depreciation and amortisation / total revenue * 100 (%)	31.6%	22.3%	15.5%	15.8%	15.8%	16.2%	16.6%

*Note: *PS28 draft budget to be confirmed and is subject to approval by ESC as part of the pricing submission process.*

Table B2 – Operational Performance

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

Water and Sewerage Network Reliability Indicators		2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Target	2026-27 Target
7.1.3.001	Water Service – minutes off supply (planned and unplanned) How many minutes on average a customer was without water supply during a year (minutes)	126.5	93.67	140.31	138.74	<116	<116
7.1.3.006	Unplanned water supply interruptions Percentage of customers receiving more than 1 unplanned interruptions in the year (%)	1.4%	0.6%	0.96%	0.87%	<6.0%	<6.0%
7.1.3.011	Sewerage Service – sewer blockages Number of sewer blockages reported per 100 kilometres of sewer main (number)	5.4	4.32	3.48	6.93	<6	<6
7.1.3.016	Sewerage Service – sewer spills number of sewer spills reported per 100 kilometres of sewer main (number)	3.1	4.07	2.23	3.96	<2.74	<2.74
7.1.3.021	Sewerage Service – containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours (%)	100%	91%	100%	100%	100%	100%

Water Reuse Indicators		2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Target	2026-27 Target
7.1.3.046	Recycled water – effluent treatment and reuse Proportion of water recycled as a percentage of the volume of effluent produced (%)	7%	17.9%	18%	19.67%	16.6%	17.0%

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

Appendix C– Capital Expenditure

Table C1 – PS23 Capital Program 2023-28

Project Name	PS23 Year 1 Revised (Actual) 2023-24	PS23 Year 2 Revised (Actual) 2024-25	PS23 Year 3 Budget for 2025-26	PS23 Year 4 Budget for 2026-27	PS23 Year 5 Budget for 2027-28	Total PS23 2023-28
Bio-gas waste to energy	165,738	-	-	-	-	165,738
Renewable energy generation	-	99,747	1,623,738	6,000	-	1,729,485
Treatment plant energy efficiency	77,744	73,767	-	-	160,000	311,511
Sustainable reuse and afforestation	83,514	122,089	760,455	300,000	300,112	1,566,170
Information and communications technology road map	202,755	172,130	243,834	327,939	530,913	1,477,571
Odour and corrosion mitigation program - pricing submission 23	10,130	6,864	10,300	50,000	522,378	599,672
Minor compliance projects	77,639	5,000	47,262	80,000	204,271	414,172
OH&S compliance program - pricing submission 2023	16,303	9,315	44,494	175,000	38,927	284,039
Compliance Total	633,823	488,912	2,730,083	938,939	1,756,601	6,548,358
Recycled water wetland storage	72,806	629,412	1,212,102	2,750,000	371,111	5,035,431
Water quality improvement program - Stage 2	10,501	573,103	101,277	100,000	1,352,166	2,137,047
Wastewater systems future - pricing submission 23	223,808	1,234,993	127,146	119,283	-	1,705,230
Cowes Wastewater Treatment Plant - master plan upgrades - stage 3	47,044	161,498	915,405	2,000,000	2,211,326	5,335,273
King Road Wastewater Treatment Plant effluent pump station upgrade	189,094	274,510	56,628	-	-	520,232
Recycled water improvement program	-	10,000	167,035	350,000	-	527,035
King Road Master Plan Stage 2	182,035	-	-	-	296,775	478,810
Growth Total	725,288	2,883,516	2,579,593	5,319,283	4,231,378	15,739,058
Building asset management plan - pricing submission 23	67,359	280,564	102,291	-	-	450,214
Plant improvement program - pricing submission 23	-	364,650	189,447	100,000	56,487	710,584
Water distribution and storage improvement	277,817	62,116	15,750	150,000	758,017	1,263,700
Sewerage pump station improvement program	5,402	162,962	13,739	-	124,640	306,743
Improved Services Total	350,578	870,292	321,227	250,000	939,144	2,731,241
Asset management information system upgrade	124,363	133,885	846,652	618,456	-	1,723,356
San Remo to Newhaven bridge pipeline and fittings renewal project - stage 2	2,208,322	3,124,731	-	-	-	5,333,053
Sewerage pump station civil, mechanical and electrical - pricing submission 23	625,722	385,357	520,358	535,000	625,025	2,691,462
Fleet and plant - renewal program - pricing submission 23	512,424	750,442	466,033	250,000	522,065	2,500,964
Water mains renewals - pricing submission 23	400,764	805,874	767,847	18,590	46,134	2,039,209
Cowes Wastewater Treatment Plant civil, mechanical and electrical - pricing submission 23	311,326	298,780	302,963	409,004	540,631	1,862,704

Sewer mains and junction renewals - pricing submission 23	255,779	286,311	451,583	435,000	254,017	1,682,690
Candowie and Ian Bartlett Water Purification Plant civil, mechanical and electrical - pricing submission 23	153,369	112,009	523,490	397,087	240,190	1,426,145
Information and communications - hardware and minor software renewals program	419,721	247,698	142,618	236,580	156,518	1,203,135
Water distribution civil, mechanical and electrical - pricing submission 23	182,941	654,053	7,462	10,000	6,610	861,066
Water meter and connections renewal program - pricing submission 23	243,109	86,342	91,318	233,682	208,179	862,630
Corporate improvement and renewals - pricing submission 23	73,370	100,601	120,618	135,000	228,781	658,370
King Road wastewater treatment plant civil, mechanical and electrical - pricing submission	54,922	371,234	84,867	130,000	20,000	661,023
Minor storages civil, mechanical and electrical - pricing submission 23	16,103	29,616	17,178	90,000	104,998	257,895
Renewals Total	5,582,235	7,386,933	4,342,987	3,498,399	2,953,148	23,763,702
Total	7,291,924	11,629,653	9,973,890	10,006,621	9,880,271	48,782,359

Table C2 – Capital Program 2026-31

Project Name	PS23 Year 4 - Budget for 2026-27	PS23 Year 5 - Budget for 2027-28	PS28 Year 1 - Budget for 2028-29*	PS28 Year 2 - Budget for 2029-30	PS28 Year 3 - Budget for 2030-31	Total 2026-31
Renewable energy generation	6,000					6,000
Treatment plant energy efficiency	-	160,000	-	-	-	160,000
Sustainable reuse and afforestation	300,000	300,112	110,000	114,070	118,291	942,473
Information and communications technology road map	327,939	530,913	-	-	-	858,852
Odour and corrosion mitigation program - pricing submission 23	50,000	522,378	-	-	-	572,378
Minor compliance projects	80,000	204,271	-	-	-	284,271
OH&S compliance program - pricing submission 2023	175,000	38,927	40,000	41,480	43,015	338,422
Compliance Total	938,939	1,756,601	150,000	155,550	161,305	3,162,395
Recycled water wetland storage	2,750,000	371,111	2,050,000	2,125,850	2,204,506	9,501,467
Water quality improvement program - Stage 2	100,000	1,352,166	1,000,000	1,037,000	1,075,369	4,564,535
Wastewater systems future - pricing submission 23	119,283	-	2,020,000	2,094,740	2,172,245	6,406,268
Cowes Wastewater Treatment Plant - master plan upgrades - stage 3*	2,000,000	2,211,326	20,000	20,740	21,507	4,273,573
King Road Wastewater Treatment Plant effluent pump station upgrade	-	-	20,000	20,740	21,507	62,247
Recycled water improvement program	350,000	-	-	-	-	350,000
King Road Master Plan Stage 2	-	296,775	-	-	-	296,775
Growth Total	5,319,283	4,231,378	5,110,000	5,299,070	5,495,136	25,454,867
Plant improvement program - pricing submission 23	100,000	56,487	-	-	-	156,487
Water distribution and storage improvement	150,000	758,017	40,000	41,480	43,015	1,032,512
Sewerage pump station improvement program	-	124,640	110,000	114,070	118,291	467,001
Improved Services Total	250,000	939,144	150,000	155,550	161,305	1,655,999
Asset management information system upgrade	618,456	-	-	-	-	618,456
Sewerage pump station civil, mechanical and electrical - pricing submission 23	535,000	625,025	-	-	-	1,160,025
Fleet and plant - renewal program - pricing submission 23	250,000	522,065	330,000	342,210	354,872	1,799,147
Water mains renewals - pricing submission 23	18,590	46,134	3,000,000	3,111,000	3,226,107	9,401,831
Cowes Wastewater Treatment Plant civil, mechanical and electrical - pricing submission 23	409,004	540,631	80,000	82,960	86,030	1,198,625
Sewer mains and junction renewals - pricing submission 23	435,000	254,017	290,000	300,730	311,857	1,591,604
Candowie and Ian Bartlett Water Purification Plant civil, mechanical and electrical - pricing submission 23	397,087	240,190	130,000	134,810	139,798	1,041,885
Information and communications - hardware and minor software renewals program	236,580	156,518	-	-	-	393,098
Water distribution civil, mechanical and electrical - pricing submission 23	10,000	6,610	-	-	-	16,610
Water meter and connections renewal program - pricing submission 23	233,682	208,179	-	-	-	441,861
Corporate improvement and renewals - pricing submission 23	135,000	228,781	-	-	-	363,781
King Road wastewater treatment plant civil, mechanical and electrical - pricing submission	130,000	20,000	-	-	-	150,000

Minor storages civil, mechanical and electrical - pricing submission 23	90,000	104,998	-	-	-	194,998
Renewals Total	3,498,399	2.953,148	3,830,000	3,971,710	4,118,663	18,371,920
Total	10,006,621	9,880,271	9,240,000	9,581,880	9,936,410	48,645,182

*Note: *Total PS28 Year 1, 2 and 3 indicative budget is subject to ESC approved PS28 submission therefore only projects that are continuing from PS23 have been displayed. This includes an additional estimate of $30M required to complete Cowes Wastewater Treatment Plant - master plan upgrades - stage 3 which has not been included in the PS28 estimates as is subject to business plan finalisation and DTF approval.*

Appendix D – Variance to PS23

Table D1 – Fixed Service Charge Revenue PS23 2023-28

Fixed Service Charge Revenue $'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.6	2.4	3.7	3.7	
Total Fixed Service Charge Revenue as per PS23	22,123	23,267	24,343	25,414	26,539	121,685
Total Fixed Service Charge Revenue as per Corporate Plan	22,019	23,166	23,729	24,610	25,503	119,026
Variance $	(104)	(101)	(614)	(804)	(1,036)	(2,659)

Table D2 – Metered Usage Revenue PS23 2023-28

Metered Usage Revenue $'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.6	2.4	3.7	3.7	
Total Metered Usage Revenue as per PS23	5,484	5,767	6,031	6,299	6,579	30,159
Total Metered Usage Revenue as per Corporate Plan	4,337	5,598	5,674	5,881	6,098	27,588
Variance $	(1,147)	(169)	(357)	(418)	(481)	(2,571)

Table D3 – Average Customer Bill PS23 2023-28

Average Customer Bill	2023-24	2024-25	2026-27	2026-27	2027-28
CPI%	7	3.6	2.4	3.7	3.7
Average Customer Bill per PS23	1,316.63	1,365.68	1,394.01	1,445.59	1,499.08
Average Customer Bill as per Corporate Plan	1,316.63	1,365.68	1,394.01	1,445.59	1,499.08
Variance $	-	-	-	-	-

*Note: *The Tariff Schedule for 2026-27 and subsequent years above have been calculated using a CPI increase of 3.7 per cent to be confirmed by WPWs economic regulator, the Essential Services Commission through the annual tariff approval process. Tariffs include further adjustments for Melbourne Water Bulk Charges and cost of debt as per Schedule 5 of PS23 to be confirmed by ESC in June 2026.*

Table D4 – Development Revenue PS23 2023-28

Developmental Revenue $'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.6	2.4	3.7	3.7	
Total Development Revenue as per PS23	3,033	3,087	3,130	3,031	3,069	15,349
Total Development Revenue as per Corporate Plan	3,565	3,085	1,540	700	707	9,597
Variance $	532	(2)	(1,590)	(2,331)	(2,362)	(5,752)

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

NPAT $'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.6	2.4	3.7	3.7	
Total NPAT per PS23	2,307	2,412	2,845	2,826	3,238	13,628
Total NPAT as per Corporate Plan	1,004	99	(2,995)	(7,645)	(8,183)	(17,720)
Variance $	(1,303)	(2,313)	(5,840)	(10,472)	(11,421)	(31,348)

Table D6 – Capital Program PS23 2023-28

Capital $'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.6	3.5	3.5	3.5	
Total Capital Budget per PS23	11,735	8,887	10,034	11,265	5,753	47,674
Total Capital Budget as per Corporate Plan *including PS18 $1.1M carryover	12,546	10,039	9,338	11,191	5,669	48,782
Actual and forecast expenditure	7,292	11,630	9,974	10,007	9,880	48,782
Variance $	5,254	(1,591)	(636)	1,184	(4,211)	-

*Note: *CPI for 5 year capital program from Year 4 of PS23 remains at 3.5 per cent as per ESC PS23 model.*

Appendix E – Financial Sensitivity Analysis

The 2026-31 Corporate Plan is forecasting a Net Loss After Tax for 2027FY of $7.651M. As noted above, this forecast result has been derived using several assumptions which could have a material impact on the financial outcome for 2026-27. A sensitivity analysis has been prepared to highlight the impact of the key variables on our forecast result.

Based on the sensitivity analysis, the net loss result could range from a loss of $8.5M to a loss of $6.8M. The following tables provide the details of the key variables attributable to the potential movement in the net profit/loss result.

Variable	Sensitivity	Comments
Capital Revenue	50 per cent change in revenue ($0.35M) - cash component - contributed assets	Revenue is subject to local and nationwide economic factors, beyond the control of Westernport Water. No sign of imminent loss of revenue. Capital revenue could be negatively affected by impacts on development due to the change in economic conditions. However, development could be positively impacted due to an increased transient population and increasing building costs.
Water Usage	A 5 per cent change in consumption will impact revenue by $294k. *A 10 per cent change in consumption will impact revenue by $588k. *A 20 per cent change in consumption will impact revenue by $1.176M. *A 50 per cent change in consumption will impact revenue by $2.941M.	Customer water consumption is subject to seasonal conditions over peak periods. Water usage consumption could be adversely affected by external economic conditions that may impact the local tourism industry.
Electricity	A 10 per cent change in usage will impact expenditure by $80k.	A wet winter/spring period is a causal factor in increased electricity usage and lower solar rebates. New contracts, uncertain pricing and emission reduction targets may impact costs however, operational efficiencies and alternate power purchasing agreements will be sought to mitigate risk.
Employee Costs	A 3 per cent decrease in vacancy rate will result in a $393k increase in employee costs.	The 2026-27 budget includes a vacancy rate of 3 per cent which is less than current trends, however is in line with PS23 assumptions.
Service Charges	A 10 per cent change in service charges received will impact cash revenue by $2.46M *A 20 per cent change in service charges received will impact revenue by $4.92M *A 50 per cent change in service charges received will impact revenue by $12.3M	Service charge revenue is fixed however cash flow could be negatively affected by the current economic conditions, particularly the inability of customers to pay. Delays in payment could have a negative impact to cash flow which could also result in increased borrowings and related interest charges.
Fuel Market Disruption	A 5 per cent change in contractor expenses will impact cash revenue by $224k. *A 10 per cent change in contractor expenses will impact revenue by $448k. *A 20 per cent change in contractor expenses will impact revenue by $896k.	Recent fuel market disruptions have increased energy price volatility, driving higher vehicle operating costs. While these impacts are reflected in the budget, there remains a risk of contractor cost pass-through via escalation mechanisms, variations, or revised service rates, increasing overall service delivery costs.

**alternate scenarios*

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

Variable	Sensitivity	Comments	Risk
Capital Revenue			
- Cash	Moderate ($100k to $500k loss)	Possible (once every 5 years)	Moderate
- Contributed Assets	Moderate ($100k to $500k loss)	Possible (once every 5 years)	Moderate
Water Usage	Moderate ($100k to $500k loss)	Possible (once every 5 years)	Moderate
Electricity	Minor (less than $100k loss)	Possible (once every 5 years)	Moderate
Employee Costs	Moderate ($100k to $500k loss)	Possible (once every 5 years)	Moderate
Fuel Market Disruption	Moderate ($100k to $500k loss)	Possible (once every 2 years)	Moderate

Profit Sensitivity – Down Side Assumption

If all the downside risks were to occur the forecast net loss result would decline to a loss of $8.657M. It is unlikely that all risks would arise simultaneously and at their respective maximum points of impact. In addition, the drivers behind each risk are different, which do not create direct links between each risk, such that if one risk were to arise it would not necessarily imply the other risks would emerge.

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

Profit and loss $'000	2026-27 budget	Capital revenue	Water usage	Electricity	Employee Costs	Fuel Market Disruption	Net result
Total Revenue	32,087	-	-	-	-	-	32,087
Revenue Adjustment	50	(350)	(294)	-	-	-	(594)
Total Opex	(42,339)	-	-	-	-	-	(42,339)
Opex Adjustment	-	-	-	(80)	(393)	(224)	(697)
Net loss before tax	(10,202)	-	-	-	-	-	(11,543)
Tax	(2,550)	-	-	-	-	-	(2,886)
Net loss after tax	(7,651)	-	-	-	-	-	(8,657)

*Revenue from profit on sale of disposal of assets.

Profit Sensitivity – Up Side Assumption

The same business risks have the potential to generate an upside result for the corporation. As with the downside risk above the business drivers for each risk are different so it would be unlikely the net loss position would improve from $7.651M to $6.646M during 2026-27.

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

Profit and loss $'000	2026-27 budget	Capital revenue	Water usage	Electricity	Employee Costs	Fuel Market Disruption	Net result
Total Revenue	32,087	-	-	-	-	-	32,087
Revenue Adjustment	50*	350	294	-	-	-	694
Total Opex	(42,339)	-	-	-	-	-	(42,339)
Opex Adjustment	-	-	-	80	393	224	697
Net loss before tax	(10,202)	-	-	-	-	-	(8,861)
Tax	(2,550)	-	-	-	-	-	(2,215)
Net loss after tax	(7,651)	-	-	-	-	-	(6,646)

*Revenue from profit on sale of disposal of assets.