



CORPORATE PLAN

2013 to 2018

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MESSAGE FROM THE MANAGING DIRECTOR

Welcome to our Corporate Plan for 2013 to 2018. This plan is prepared by Westernport Water (the Corporation or WPW) for approval by the Minister for Water and Treasury, and contains a comprehensive overview of the Corporation's plans for the 5 year period.

The plan is intended to explain the key drivers of our business operations and the services we will provide to our customers over a five year planning period in relation to:

- Business undertakings, organisation structure and locality;
- Statement of Corporate intent;
- Performance targets of the Corporation;
- Key assumptions underlying the Corporate Plan;
- Business objectives and plans;
- Strategic Risk Register;
- Proposed tariffs and capital expenditure; and
- Measurable Service and Performance Indicators.



The Corporate Plan 2013-18 is prepared by Westernport Water in accordance with the Water Act 1989, and reflects the proposals included in the Water Plan 3 draft determination released by the Essential Services Commission (ESC) in March 2013. Water Plan 3 is a five year commitment by the Corporation to deliver on the broad range of water industry measures and commences 1 July 2013. The Corporate Plan, which is also effective from 1 July 2013, is prepared annually and reported to the Minister and Treasurer quarterly. Any significant variation from the ESC draft determination is specifically highlighted.

Water Plan 2 (2008-2013) followed a period of severe drought in 2006-07 and included measures to double the available sources of water now totaling 5,000ML per annum. In addition, increasing available capacity of Candowie Reservoir from 2,263ML to 4,463ML by raising the dam wall three metres, acquiring additional perimeter land of 16.5 hectares and raising the Grantville-Glen Alvie road one metre, will be completed in June 2013.

Westernport Water commissioned its first Class A Recycled Water Plant at the Cowes Wastewater Treatment Plant in 2012 with capacity to increase to 3ML per day as demand for this product grows.

Water Plan 3 and Corporate Plan 2013-18 will move the focus on asset reliability to include improved efficiency of the sewerage collection and treatment at Cowes and King Road Wastewater Treatment Plants, with a corresponding reduction in the concentration of ocean outfall disposal.

Westernport Water will continue to provide for increased permanent residents and holiday population growth of 2 percent per annum. Completion of the four lane highway from Melbourne to San Remo in 2014 is expected to increase the number of visitors to our region and demand on our services. Westernport Water's achievements in asset performance matched by our customer satisfaction levels will continue to make Westernport a region of choice for permanent residents and holiday visitors.

A handwritten signature in dark ink, appearing to read 'Murray Jackson', written over a light blue horizontal line.

Murray Jackson
Managing Director

THE MAIN BUSINESS UNDERTAKINGS OF THE ORGANISATION

Westernport Water is a not for profit corporation with core functions of providing water and wastewater services wherever economically, environmentally and socially practicable to properties and communities throughout our service district. Westernport Water services 17,000 customers (and a peak population of more than 60,000) across an area of 300 square kilometres on Phillip Island and the mainland stretching from The Gurdies to Archies Creek.



Westernport Water has a diversified water supply with water sourced from the catchment supplying the Candowie Reservoir (located in the Bass Hills near Glen Forbes) via Tennent Creek, the Bass River and groundwater bores from the Corinella Aquifer. All water is treated at the Ian Bartlett Water Purification Plant (IBWPP) at the Candowie Reservoir and then pumped to the San Remo Basin for distribution to customers within our district, with an average annual system demand of approximately 1,900ML (or 1.9GL).

Wastewater services are provided to approximately 90% of properties that receive water. Westernport Water has two wastewater treatment plants that process approximately 1,200 ML of domestic wastewater per annum. The principal plant on Phillip Island is the Cowes wastewater treatment plant (CWWTP), treating around 90% of the volume servicing Phillip Island and the township of San Remo.

The secondary plant, King Road Wastewater Treatment Plant (KRWWTTP), treats approximately 10% of the volume and is located in Coronet Bay, servicing the townships of Corinella, Coronet Bay and Grantville, located on the east coast of Westernport. Wastewater from the townships of Kilcunda and Dalyston is treated under an agreement with South Gippsland Water at their Wonthaggi treatment plant.

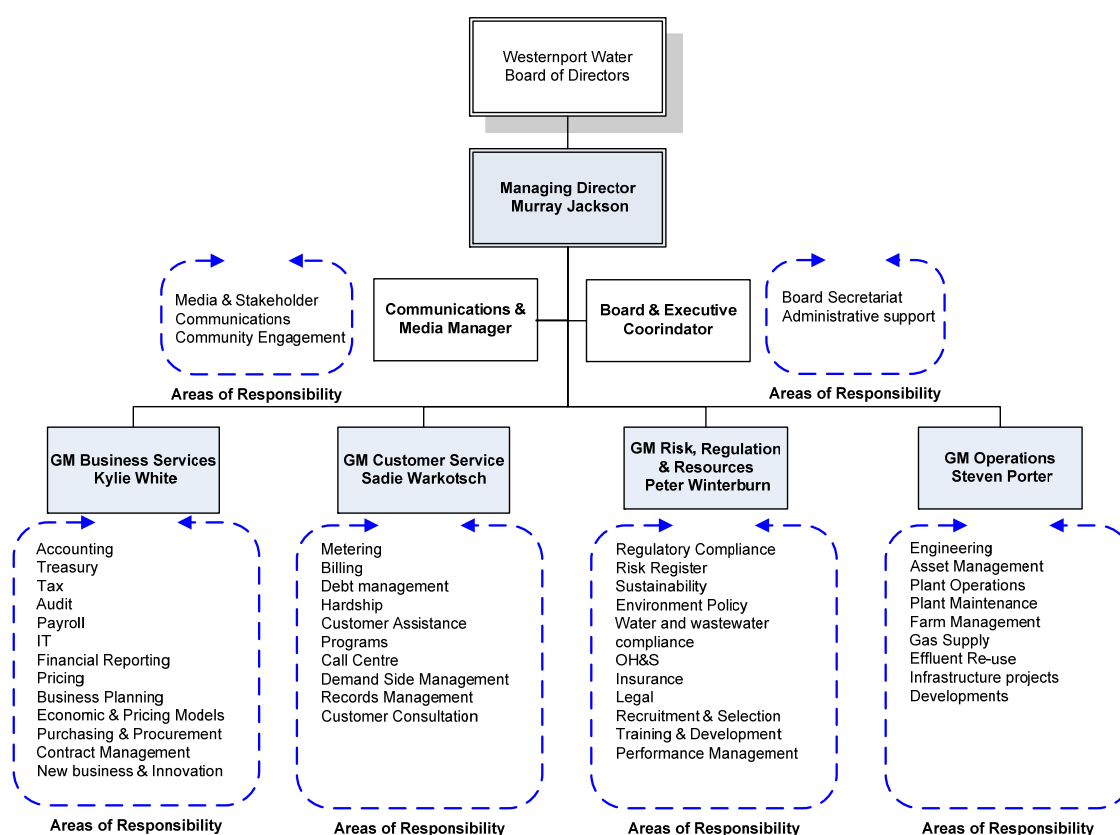
Westernport Water also provides the following products and services:

- **Recycled water** for new residential developments, agriculture and recreation reserves: Phillip Island Class A Recycled Water plant at the existing Cowes wastewater treatment plant (CWWTP) was commissioned in July 2012, and demand for this product has been included in our revenue forecasts. Class A water will offset demand on our drinking water supply, although the initial demand for recycled water is minimal but expected to grow as property developments progress;
- Removal of **minor trade wastes** (greasy waste): Westernport Water engages a specialist licensed operator under a commercial contract for the provision of greasy waste collection services;
- A **liquid waste disposal** facility at Cowes waste treatment plant;
- **Specialist advice** service on infrastructure and facility design for new developments;
- **Reticulated gas**. Westernport Water owns and operates a small (2.5km) Liquid Petroleum Gas (LPG) reticulation network in the San Remo area, trading as Westernport Water & Gas. Gas services are considered non-core services;
- Supply of **lucerne and grass hay**, a by-product of our effluent and land management processes at King Road wastewater treatment plant: demonstrating to farmers that recycled water is a suitable and profitable option to grow high quality pasture.

BUSINESS STRUCTURE

WPW has adopted a business structure that represents an efficient allocation of resources to ensure that our products and services are delivered to our customers and community in line with our business strategic objectives.

The organisational chart for WPW is as follows:



SECTION A: STATEMENT OF CORPORATE INTENT

Westernport Water is a sustainable enterprise providing quality products and services to our community.

THE BUSINESS OBJECTIVES OF WESTERNPORT WATER

We provide water and wastewater products and services, as well as advisory services, all of which are cost-effective for our customers and deliver triple bottom line results to our stakeholders. We value working in our region which is a model for a self-sustainable community; balancing residential, agricultural, tourism and commercial needs. We support our environment by striving for carbon neutrality and providing a range of sustainable water products. We proudly engage our community and stakeholders, and are committed to the development and well-being of our staff.

Our six strategic focus areas, which provide specific intent for the development of our business plan and objectives over the five-year Corporate Plan period from 1 July 2012 to 30 June 2013, are detailed below.

1. OUR CORPORATE GOVERNANCE

To maintain the integrity and value of our business through sound governance, financial sustainability and risk management.

2. OUR PRODUCTS AND SERVICES

To provide quality products and services to meet our community's expectations and needs.

3. OUR ASSETS

To enable the reliable and cost-effective delivery of products and services to our customers.

4. OUR COMMUNITY

Add value to our communities.

5. OUR ENVIRONMENT

To be recognised as an environmentally sustainable organisation.

6. OUR PEOPLE

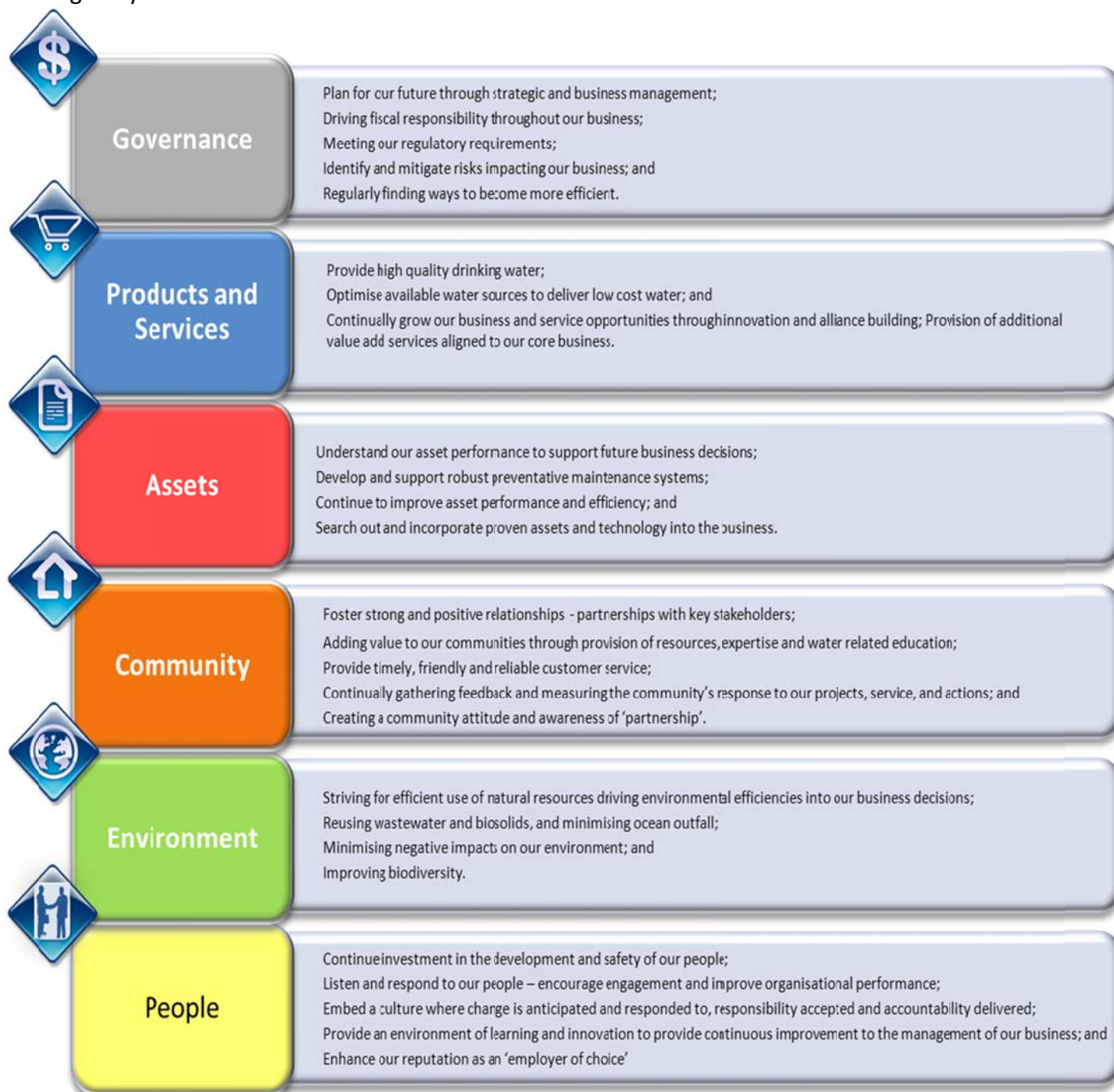
To be an innovative, high performance organisation with a reputation that is valued by current and prospective employees.

Inherent to the objectives outlined in the Corporate Plan is that all regulatory and compliance requirements are achieved with accurate and timely exchange of corporate data, and that the directives provided by The Statement of Obligations will continue to be employed and developed within the activities of WPW through the efficient use of resources.

THE PERFORMANCE TARGETS OF THE CORPORATION

WPW has implemented a strategic management framework encompassing six strategic focus areas, as discussed in the previous section, and key business objectives. These strategic areas and business objectives form the basis of our Corporate Plan framework for the five year period, exemplify the nature and scope of WPW's business, and support the program of works that have been included in the operational and capital expenditure forecasts detailed in [Section C: Business Objectives and Plans for 2013/14](#).

The following section details our strategic management framework, our key business objectives, and the various performance targets which will be used to measure the success of the Corporation's business plan during the year.



The key performance indicators (KPIs) included in the following section are based on measurable performance targets with regards to striving for operational efficiencies, sound financial management principles, engagement of our community, and providing our staff with a safe working and motivated environment for staff development.

KPIs are reviewed annually to ensure they remain aligned with our key business objectives. Further details on key business objectives are discussed in [Section C](#).

The following list of KPIs drive our business decisions, and are regularly reported to and reviewed by our Board of Directors as well as Audit & Risk Committee.

OUR CORPORATE GOVERNANCE

KPI	Frequency of reporting	Target
Annual strategic workshop (Oct). Key strategic issues/risks/opportunities discussed at Board - these are discussed more often than annually by the Board	Annual	Strategic outcomes agreed and included in business plans. Development of business plan based on risks and opportunities.
Gross Operating Margin (%)	Annual	>40%
Debt to Assets	Annual	<6%
Capital Replacement - rate of spending on infrastructure with level of depn	Annual	1.5
Annual Audit Plans	Bi-monthly	Audit actions recorded and completed as per agreed recommendations. Reported to Audit & Risk Committee monthly.
No major compliance issues	Monthly	No major audit or regulatory non-compliance issues recorded. Reported to Audit & Risk Committee monthly. New compliance framework developed.
Departmental emergency response plans – in place and tested (for critical business activities)	Bi-annual	Tested and outcomes reported to Audit & Risk Committee.
Operational/project risk reviews	Bi-annual	Reviews conducted - % complete as per schedule. Reported to Audit & Risk Committee.
Driving operational efficiencies through process improvements, technology, and procurement decisions	Bi-annual	Process Improvement Projects (PIPs) register. Procurement process savings. Target of \$100k per year.
Improved risk management culture (NEW)	Quarterly	100% staff participation in risk awareness workshops. All strategic risk to have treatment plans developed, implemented and tested.

Additional financial sustainability ratios are included in [Appendix C](#).

OUR PRODUCTS AND SERVICES

KPI	Frequency of reporting	Target
Compliance with SDW Act and regulations	Monthly	100% compliance.
Water quality strategy implemented	Bi-annual	3 year strategy (2013-14). Initiatives implemented (2014-2017).
Customer satisfaction on taste and odour	Annual	Satisfaction results maintained (or improved) from 2012 results.
Meeting ESC performance targets	Quarterly	No GSL payments made. Quarterly self-audit of ESC performance results.
Application of optimisation model for business decisions – least cost water utilised first	Bi-annual	Operational optimisation model implemented in WP3.
Participation and support to industry forums	Annual	Contributions to industry R&D (baseline of 1% of total CAPEX).
Investigation of other services to increase revenue and improve customer satisfaction with WPW services	Annual	All activities for service improvements identified in WP3 and implemented in line with strategic plans.

Additional performance service standards and targets are included in [Appendix C](#).

OUR ASSETS

KPI	Frequency of reporting	Target
No major unplanned events on regularly serviced key assets (as per preventative maintenance plan)	Monthly	No unplanned events recorded against critical assets included in PM plans. No more than 5 unplanned water interruptions within any 12 month period (GSL). All sewer spills in a house contained with 1 hr of notification (GSL) All sewer spills onto property contained within 5 hours of notification (GSL). Preventative maintenance programs implemented as per schedule.
Proactive monitoring of asset performance to minimise impacts and costs to the business due to faults and failures	Bi-annual	Reduce costs of call outs and overtime from 2012-13 \$'s. Implement agreed components of the Asset Management Strategy - Year 2.

Additional asset performance standards and targets are included in [Appendix C](#).

OUR COMMUNITY

KPI	Frequency of reporting	Target
Stakeholder engagement plan	Bi-annual	Implemented and reviewed annually.
Creating a community attitude and awareness of 'partnership'	Annual	Overall customer satisfaction maintained (or improved) from 2012 results relating to community involvement. Involvement in educational forums. Targeted education and marketing plans developed and progressively implemented over Corp Plan period.
Implementation of additional online services	Annual	Increased utilisation of customer on-line forms. Provide customer account access via web. Improve payment facilities. Reduce A/H service costs. Monitor customer contact via online services to determine customer education programs for future newsletters.

OUR ENVIRONMENT

KPI	Frequency of reporting	Target
Minimising environmental negative impact	Quarterly	No Breaches of EPA Licence. 100% sewer spills contained within 5 hours. No significant incidents recorded resulting in long term detrimental impact on the environment. EMS – continued education and training for all staff.
Identification and implementation of environmental impact reduction initiatives	Quarterly	Reduce the mixing zone – from ocean outfall. Improving quality of ocean outfall. Increasing reuse customer base to reduce the volume of ocean outfall.
Implementation of environmental procurement practices	Annual	Evidence of procurement decisions taking into consideration environmental considerations – project management and procurement framework.
Improving biodiversity	Annual	Implement 5 year management plan to increase in biodiversity value on our land. Partnership with Landcare – to improve land management.

Additional environmental performance standards and targets are included in [Appendix C](#).

OUR PEOPLE

KPI	Frequency of reporting	Target
Planned Training and Development Executed	Quarterly	100%
Performance Management Plans and Reviews Completed	Formally every six months	100% completed as per schedule. Reviews recorded in Performance Manager (PM).
Health and safety performance monitoring	Monthly	No Lost Time Injuries (LTIs) resulting in 'standard' workcover claim Attendance register for WPW sponsored health & wellbeing programs 100% compliance with OHS Act 2007 & DG Act 1985 following workplace reviews Improvement plan developed within 30 days of internal Hazard /Incident notification. Implement paperless online hazard & incident reporting system (IRIS) during 2013/14 All incident reports submitted within 2 w/days on event Zero incidents resulting from non-compliance with safety procedures
WPW staff participation in Water People Matter survey	Every 2 nd Year	>55% participation rate
Improvement in staff satisfaction reported in Water People Matter survey	Annual	Implementation of new performance framework Culture and capability plan developed and implemented
Recognition as Employer of Choice	Annual	Continuing close relationships with education providers in our region Participation in school and industry career expos

SECTION B: KEY ASSUMPTIONS UNDERLYING THE CORPORATE PLAN

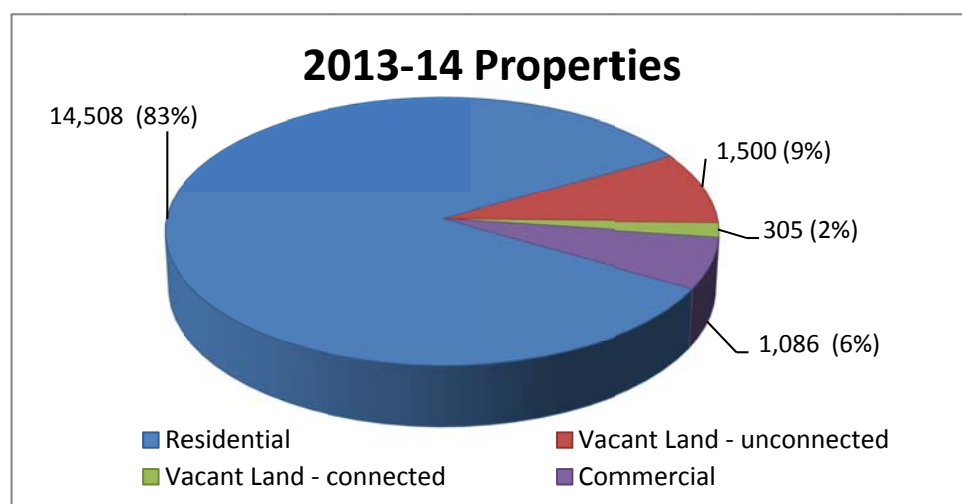
OVERVIEW

WPW forecasts that 17,400 properties will be supplied with water services and 14,300 with sewerage services in 2013-14. The majority of properties serviced by WPW are residential of which 55% are non-permanent residents (who can be characterised as holiday-home owners) and 45% are permanent residents.

There are also 1,500 properties classified as unconnected vacant land. Commercial (or non-residential) customers account for only 6% of total property numbers. WPW has 1,086 commercial customers and one major trade-waste customer.

The commercial or non-residential sector is classified as per the definitions provided by Department of Environment and Primary Industry (DEPI) and includes municipal sites, farms, shops and restaurants, horticultural users and a significant accommodation sector comprising motels, bed and breakfasts, and caravan parks. Currently the largest commercial potable water user in the region is an established holiday resort (approx. 10ML per year).

The following chart details the forecast composition of the WPW 2013-14 customer base:



CUSTOMER AND DEMAND ASSUMPTIONS

Property Forecast 2013-14

Property Type	Property Nos.	Water Plan	Variance from WP
Residential	14,813	14,813	0%
Vacant Land (unconnected)	1,500	-	-
Commercial	1,086	1,086	0%
TOTAL PROPERTIES	17,399	15,899	0%

The major assumptions driving the property forecast are:

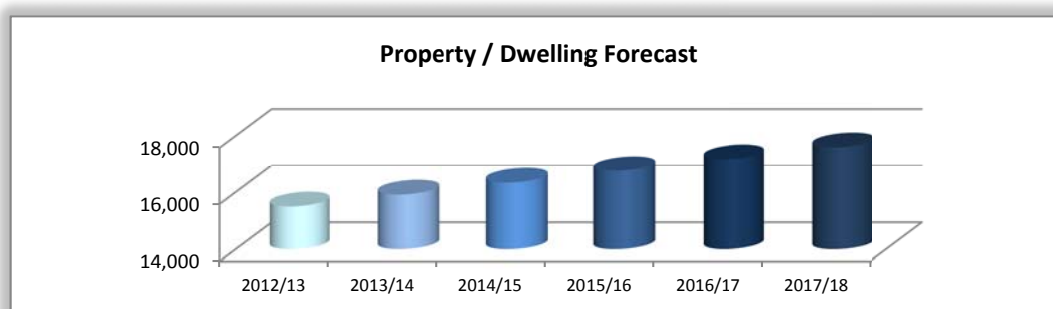
- Growth in residential properties of 2.0% from 2012-13;
- Growth in commercial properties 0.9% from 2012-13;
- Reduction in unconnected vacant residential land of 1.3%; and
- No significant growth in commercial or industrial customers.

WPW has continued with growth assumptions as per WP3 forecasts.

Steady growth in our region is supported by the number of developments currently underway and building permits lodged with the local shire (Bass Coast Shire Council).

One of the key assumptions underpinning our Corporate Plan proposals is the expected level of demand for our services. WPW forecast assumptions are supported by the Victoria in the Future (2012) publication issued by Department of Planning and Community Development, as well as the Bass Coast Shire Council's projections from Census data. Property (dwelling and population) growth in our region has continued to be strong over the last 10 years (average 2% growth each year), and we forecast that this level of growth will be maintained over the five year Water Plan period.

The following details have been sourced from the Council's analysis of Census data and current data regarding subdivisions and regional growth in properties (dwellings):



Source: Bass Coast Shire Council / Developments
<http://forecast2.id.com.au/Default.aspx?id=344&pg=5330>

Customer Demand Forecast 2013-14

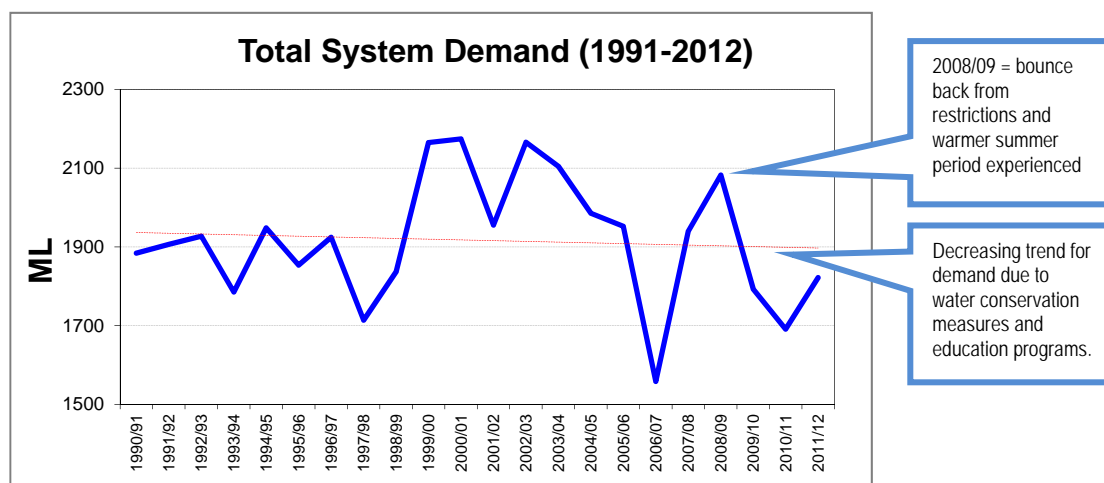
Growth in water consumption is anticipated to be 1% less than the percentage growth in property numbers for the following reasons:

- Highly seasonal customer visitation and continuing low usage for holiday homes; and
- Ongoing water conservation programs aimed at constraining demand.

The following table provides forecast demand for 2013-14:

Customer Type	Demand (ML)	Water Plan (ML)	Variance in assumptions (%)
Residential	1,053	1,053	0%
Commercial	579	579	0%
TOTAL CUSTOMER DEMAND	1,632	1,632	0%

WPW has continued to realise a consistent 2% growth in properties each year for the last 6 years, however total system demand¹ has reduced to below the 10 year average of 1,900ML/yr, as highlighted in graph below:



¹ Total system demand includes non-revenue water and water losses (estimated at average 13% per year).

Average Annual Water Consumption

The average annual water consumption for a WPW residential customer is approximately 73kL² and 534kL³ per commercial customer. The low residential average consumption figure is affected by the large percentage (approx. 55%) of residential properties that are holiday homes and use minimal water.

The following table illustrates the customer impacts and pricing over the next five years:

Average Residential Account (73KL)	CPI	Volume	Water Fixed	Waste Fixed	Total	% Change
2012-13	CPI 1.6%	\$ 108.89	\$ 365.62	\$ 555.57	\$ 1,030.08	4.1%
2013-14	CPI 2%	\$ 127.96	\$ 348.52	\$ 555.00	\$ 1,031.49	0.1%
2014-15	Plus CPI	\$ 126.95	\$ 349.76	\$ 556.98	\$ 1,033.70	0.2%
2015-16	Plus CPI	\$ 127.41	\$ 351.01	\$ 558.96	\$ 1,037.38	0.4%
2016-17	Plus CPI	\$ 127.86	\$ 352.26	\$ 560.96	\$ 1,041.08	0.4%
2017-18	Plus CPI	\$ 128.32	\$ 353.52	\$ 562.95	\$ 1,044.79	0.4%

Recycled Water Customers

Class A recycled water plant was commissioned in July 2012. All new subdivisions on Phillip Island will be required to connect to the recycled water ('dual pipe') network, as well as the current Class B customers.

WPW is continuing with developing an education and marketing campaign for the recycled water market.

WPW has received a number of enquiries from other customers in our service region to connect to the recycled water network, including farmers and a major tourist resort. However, only customers who are located near or on the current recycled water network will be able to connect. Future planning to increase the recycled water market into other areas of our service district on Phillip Island and San Remo is included in future capital programs. Future developments within the San Remo district planned along the proposed recycled water proposed network will be required to install purple pipe.

Replacement of potable water demand with recycled water usage is expected to be up to 20% for connected residential properties. Approximately 1,400 residential customers are expected to be connected over the next 10 year planning period. Currently 159 residential customers and 5 commercial customers are receiving recycled water.

WATER SUPPLY ASSUMPTIONS

WPW accesses water from a diverse range of sources. The Bulk Entitlements held by WPW are currently 2,911ML from Tennent Creek and 3,000ML from the Bass River. WPW also holds a licence to access up to 491ML of groundwater from the Corinella Aquifer.

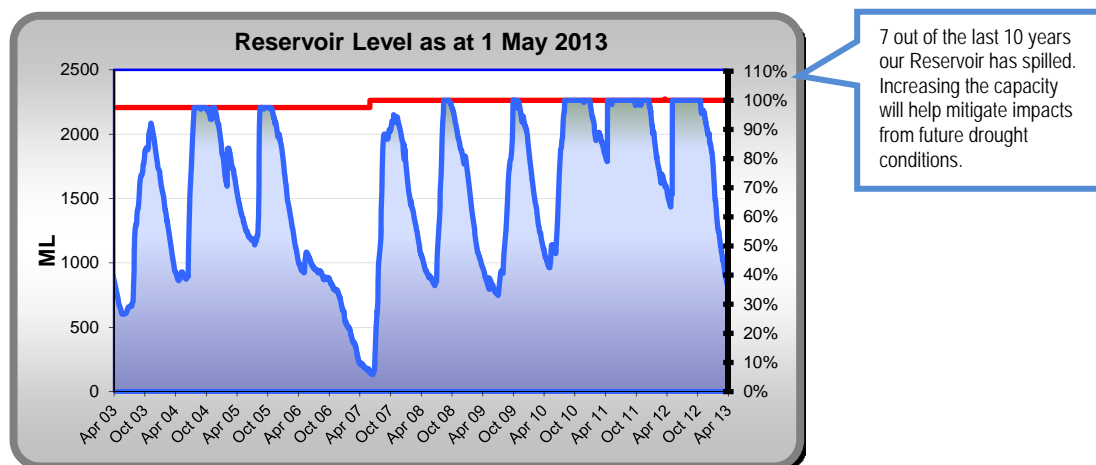
Works to increase the capacity of Candowie Reservoir are scheduled to be completed in June 2013. Augmentation of Candowie Reservoir has increased the storage capacity from 2,263ML to 4,463ML. The Corporation has commenced works on a connection to the desalination pipeline and has secured a bulk entitlement of up to 1,000ML per annum from the Melbourne Water headworks system. Connection to the Melbourne Water headworks system is scheduled to be completed in 2013-14. WPW is continuing investigations on providing Melbourne Water with an alternative connection to facilitate required maintenance scouring of the pipeline from the Desalination plant at Wonthaggi to Cardinia Reservoir.

² Average residential consumption is based on customer demand forecast of 1,053ML and residential properties (not including connected vacant land) of 14,508

³ Average commercial consumption is based on customer demand forecast of 579ML and total commercial properties of 1,086

The increase in storage capacity at Candowie will enable optimized capture of lowest cost water sources, and deliver increased system yield under “return to dry” conditions with 95% reliability from 1,285ML to 2,650ML. The diversified combination of Bulk Entitlements, increased storage capacity, and a connection to the Melbourne Water headworks system means the forecast water supply demands of the region can be cost-effectively met through to year 2055.

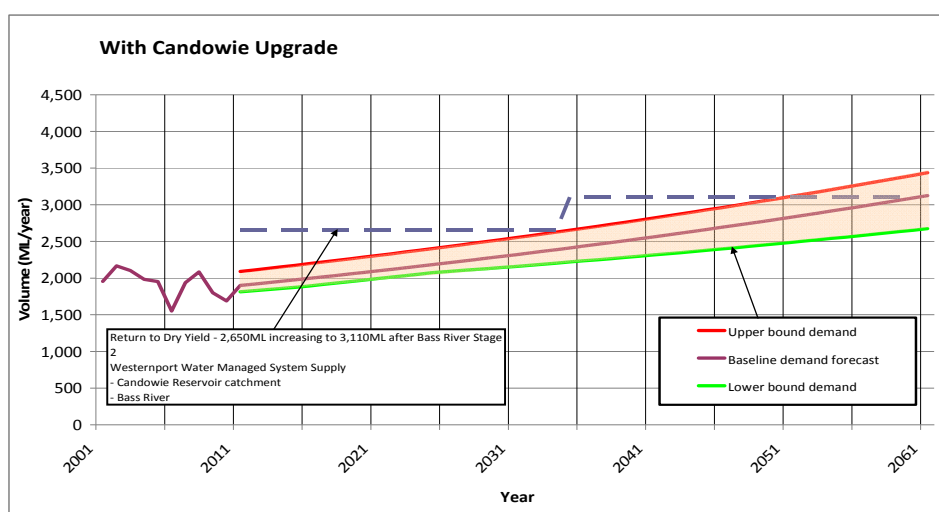
In the future the Corporation has the option, if needed, to either access water from the Melbourne Water headworks system or implement the Stage 2 upgrade to the Bass River Pump Station. On current demand forecasts this will not be required until around 2035.



To facilitate its planning for future growth, WPW initiated a review of its Water Supply-Demand Strategy (WSDS) in 2011. Victoria in Future (VIF) population growth forecasts have been used in the development of the 2011 WSDS. The VIF population growth forecast for Phillip Island ranges between 1% and 2% for the period through to 2026. Phillip Island is considered representative of the growth for the Westernport region and a 1% growth rate in demand has been adopted as baseline. This aligns with the Corporation’s knowledge of the region.

To reflect the uncertainty in forecast demand, WPW has also developed upper and lower bound limits as a probable range of demand growth around the baseline demand. These forecasts are based on historic water consumption, population growth projections for the area and recent trends in water use.

The growth in demand and WPW’s supply capacity (post the Candowie Upgrade) is shown below;



WATER TREATMENT

The capacity of the Corporation's water treatment plant will meet the projected demands to 2055, as discussed in water supply assumptions above. The following table summarises capacity and demand of our treatment plant:

Water Treatment Plant	Nominal plant capacity in 2010/11	Forecast unrestricted demand 2012/13	Nominal plant capacity in 2015/16	Forecast unrestricted demand 2015/16
Ian Bartlett Water Purification Plant (IBWPP)	10,950ML/a subject to available water 30ML/d Peak Daily Capacity	1,900ML/a 14ML/d Peak Daily Demand	10,950ML/a subject to available water 30ML/d Peak Daily Capacity	2,000ML/a 15ML/d Peak Daily Demand

SEWER TREATMENT

The Corporation has developed a long term strategy for the operation and upgrade of the Cowes WWTP. Improvement works are planned over the corporate plan period to upgrade and optimise the treatment process. This includes the conversion of the plant to a full Biological Nitrogen removal (BNR) plant. The outcome of these works is that the efficiency and capacity of the plant will be concurrently improved, as will the quality of effluent being discharged to ocean.

Growth in demand in the area serviced by the King Rd WWTP is not forecast to change markedly over the corporate plan period.

The capacity of the Cowes WWTP and King Rd WWTP to meet the projected demands is summarised below:

Water Recycling Plant	2010/11				2015/16			
	Nominal WWTP Capacity	Forecast Actual Inflow	Forecast Recycled Water Sales	Class of Recycled Water	Nominal WWTP Capacity	Forecast Actual Inflow	Forecast Recycled Water Sales	Class of Recycled Water
Cowes WWTP	6.0 ML/d average dry weather	1000ML	110ML	Class B	8.0 ML/d average dry weather	1060ML	199ML	Class A
King Rd WWTP	0.37ML/d average dry weather	100ML	100ML	Class B	0.37ML/d average dry weather	110ML	110ML	Class B

PRICING

Water Volumetric pricing

WPW implemented an Inclining Block Tariff (IBT) structure for water consumption in July 2008 applicable to domestic residential customers only. The pricing for the IBT usage blocks for 2012-13 are as per the table below. In our forward planning, the IBT has been replaced with a standard usage rate for both residential and commercial customers. The pricing increases over the next five year period have been based on the ESC's Draft Determination plus an assumption of 2% CPI each year:

Inclining Block	Consumption Per Billing Period	2012-13 \$ per kL	2013-14 \$ per kL	2014-15 \$ per kL	2015-16 \$ per kL	2016-17 \$ per kL	2017-18 \$ per kL
Block 1	0-33kL	\$1.4916	\$1.7676	\$1.7739	\$1.7802	\$1.7865	\$1.7929
Block 2	33-108kL	\$1.7870					
Block 3	Greater 108kL	\$2.3015					
Commercial	All consumption	\$1.6245					

Reuse Pricing

Reuse water will be charged at various volumetric tariffs. The price increases over the next five year period have been based on the ESC's Draft Determination plus an assumption of 2% CPI each year:

Reuse	Consumption	2012-13 \$ per kL	2013-14 \$ per kL	2014-15 \$ per kL	2015-16 \$ per kL	2016-17 \$ per kL	2017-18 \$ per kL
Residential	All consumption	\$1.000	\$1.0200	\$1.0236	\$1.0273	\$1.0309	\$1.0346
Commercial	Less than 5,000kL per year	\$0.4750	\$0.4845	\$0.4862	\$0.4880	\$0.4897	\$0.4914
Commercial	More than 5,000kL per year	\$0.4000	\$0.4080	\$0.4095	\$0.4109	\$0.41424	\$0.4138

Fixed Service Charges – Water, Waste and Reuse Pricing

A small rebalancing of tariffs will be effective in 2013-14, with a pricing increase applied to the variable water charge and a small reduction to the water fixed charge. The price increases over the next five year period have been based on the ESC's Draft Determination plus an assumption of 2% CPI each year:

Fixed Charges	2012-13 \$ per annum	2013-14 \$ per annum	2014-15 \$ per annum	2015-16 \$ per annum	2016-17 \$ per annum	2017-18 \$ per annum
Residential						
Water	\$365.60	\$355.49	\$356.76	\$358.03	\$359.31	\$360.59
Waste	\$555.56	\$566.10	\$568.12	\$570.14	\$572.17	\$574.21
Reuse	\$25.00	\$25.50	\$25.59	\$25.68	\$ 25.77	\$ 25.87
Commercial						
Water (20mm tapping)	\$365.60	\$355.49	\$356.76	\$358.03	\$359.31	\$360.59
Water (25mm tapping)	\$658.08	\$639.88	\$642.16	\$644.44	\$646.74	\$649.04
Water (32mm tapping)	\$1,243.40	\$1,208.95	\$1,213.26	\$1,217.58	\$1,221.92	\$1,226.27
Water (40mm tapping)	\$2,267.28	\$2,204.41	\$2,212.26	\$2,220.14	\$2,228.05	\$2,235.99
Water (50mm tapping)	\$4,059.24	\$3,946.65	\$3,960.71	\$3,974.82	\$3,988.98	\$4,003.19
Water (65mm tapping)	\$8,082.00	\$7,857.77	\$7,885.76	\$7,913.85	\$7,942.04	\$7,970.33
Water (80mm tapping)	\$14,006.48	\$13,617.85	\$13,666.36	\$13,715.04	\$13,763.89	\$13,812.92
Water (100mm tapping)	\$25,197.16	\$24,497.97	\$24,585.24	\$24,672.81	\$24,760.70	\$24,848.90
Water (150mm tapping)	\$58,074.64	\$56,463.12	\$56,664.25	\$56,866.09	\$57,068.65	\$57,271.94
Waste (1 cistern per property)	\$555.56	\$566.10	\$568.12	\$570.14	\$572.17	\$574.21

Fixed Charges	2012-13 \$ per annum	2013-14 \$ per annum	2014-15 \$ per annum	2015-16 \$ per annum	2016-17 \$ per annum	2017-18 \$ per annum
Waste (> 2 cisterns per property)	\$201.80	\$204.00	\$204.73	\$205.46	\$206.19	\$206.92

Vacant Land Pricing

WPW commenced restructuring our approach to charging vacant land customers for water and sewerage services during the 2005-2008 regulatory period. Water and sewer vacant land charges have remained at nominal values (no price increases apart from CPI) for the 2008-2013 regulatory period.

Effective from 1 July 2013 WPW vacant land charges for *unconnected* vacant land will be charged at a discounted rate (50%) of the standard connected 20mm service charge.

Connected vacant land will attract the full 20mm water fixed charge and only 50% of the sewer charge (where sewer is available).

The pricing increases over the next five year period have been based on the ESC's Draft Determination plus an assumption of 2% CPI each year:

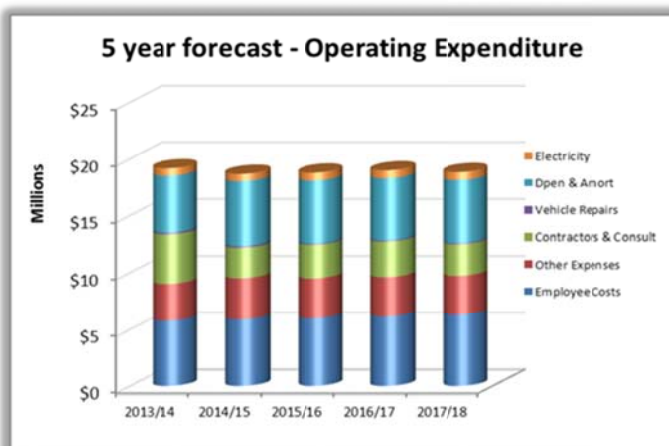
Fixed Charges	2012-13 \$ per annum	2013-14 \$ per annum	2014-15 \$ per annum	2015-16 \$ per annum	2016-17 \$ per annum	2017-18 \$ per annum
Water – Unconnected	\$238.96	\$177.75	\$178.38	\$179.01	\$179.65	\$180.29
Waste – Unconnected	\$245.60	\$283.05	\$284.06	\$285.07	\$286.09	\$287.10
Reuse – Unconnected	-	-	-	-	-	-

FINANCE ASSUMPTIONS

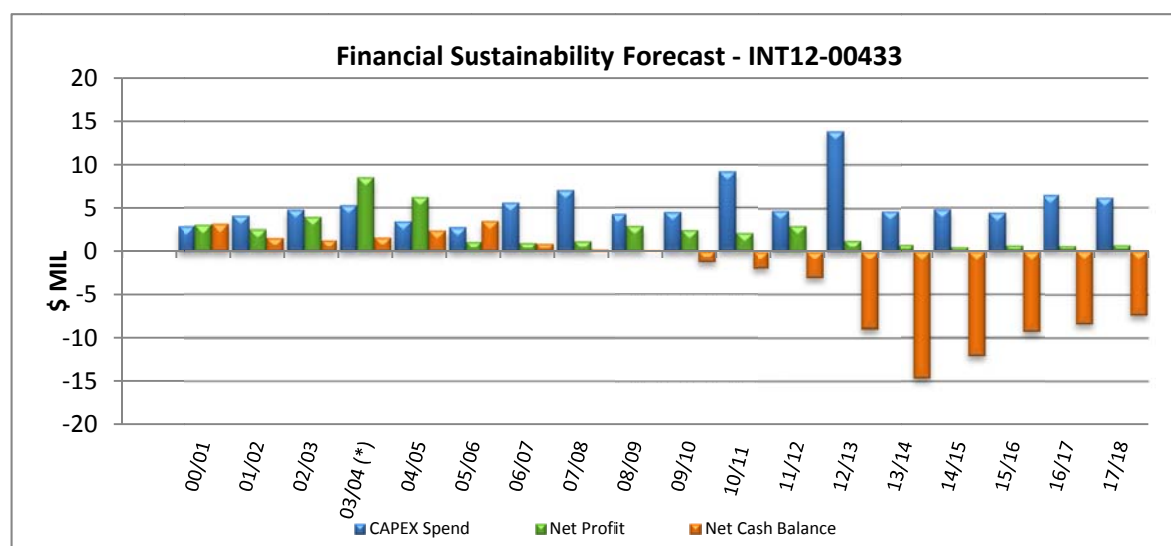
WPW has maintained a positive financial sustainability position over the previous five year period, with minimal borrowings, annual net operating profit, and modest capital investment programs. 2012-13 presented the corporation with a challenge of balancing the need to secure fixed long term borrowings to fund major capital programs, as well as achieving a sustainable net profit position. A number of programs scheduled for 2012-13 were deferred due to limits on the amount WPW was able to borrow during the year. Additional borrowings for 2013-14 have been required to fund the deferred capital projects, 2013-14 capital projects, and timing between quarterly revenue receipts.

The key financial assumptions used in the development of the 2013-14 Corporate Plan budgets have been modelled on:

- Maintaining a positive net profit position for the Corporate Plan period;
- Developing a capital replacement program to support business operations, and meet service delivery obligations. Asset replacement and renewals program developed from our strategic asset management plans and our new asset management system (AMS);
- Timing of key capitalisation of major projects over the five year period – which affects annual depreciation estimates;
- Demand forecast consistent with previous year trend, allowing for 2% growth in property numbers, as per Water Plan forward estimates;
- No cost allocation for the use of metropolitan water. The current pricing principles for metropolitan water, as provided by Melbourne Water headworks system, are based on a usage per ML charge. WPW does not expect to utilise its 1,000 ML bulk entitlement in this 5 year corporate plan;
- Increasing debt lending facilities for future CAPEX program, additional short term borrowings, and securing suitable long term borrowing strategy;
- Not undertaking any Government funded projects;
- As advised by DEPI in Water Plan 3 Guidance Notes, the Environmental Contribution will be levied at 5% of 2011-12 operating revenue, and will be effective from 1 July 2013 to 30 June 2017. WPW contribution has increased from \$547k in 2012-13 to \$813k in 2013-14 (49%);
- Minimal or no payments of dividends and tax over the Corporate Plan period;
- CPI increase capped at 2% each year; and
- Proposed pricing path of 0.4% average annual increase over WP3, as per ESC's draft determination.



FINANCIAL PERFORMANCE – Now and Into the Future



WPW's financial sustainability over the planning period, as highlighted in above graph, indicates a progressive draw down on cash reserves to fund increasing capital renewals and replacement programs. WPW will be entering into a period of increased borrowings over the short to medium term. A borrowing strategy will be developed in conjunction with Treasury Corporation Victoria (TCV) to ensure appropriate debt levels can be serviced from future net operating cash flows, as well as minimise borrowing (FAL) costs.

The financial position is premised on the major assumptions driving net profit, as discussed in above section, and the timing of payments for our capital investment program.

WPW focus for capital is to upgrade our sewer distribution and treatment systems to accommodate the growth in our Cowes region, as well as our annual replacement program. Our current [average] capital replacement ratio is 1.5, which is considered an acceptable benchmark level by VAGO guidelines, and remains our target over the corporate planning period [refer to performance targets for [Governance \(p.8\)](#)].

WPW is currently implementing a new asset management system (AMS), which will be in operation for the first year of the Corporate Plan period. The new AMS will provide a more sophisticated and fully integrated asset management process that will support future planning decisions, and predicate preventative maintenance costs. WPW's focus on preventative maintenance programs, over the last two years, has assisted with the identification of potential 'spikes' in capital expenditure (renewals and replacements) based on condition assessments that are progressively being captured at asset level. Detailed operational and capital expenditure forecasts developed using the new AMS will be reflected in future Corporate and Water Plans.

Further financial ratios are provided in the Corporate Plan 2013-14 financial templates, refer to [Appendix B](#).

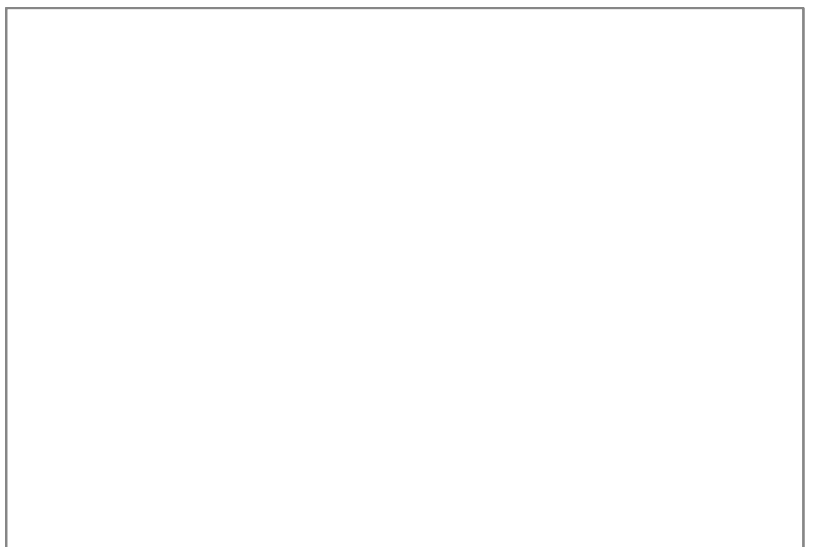
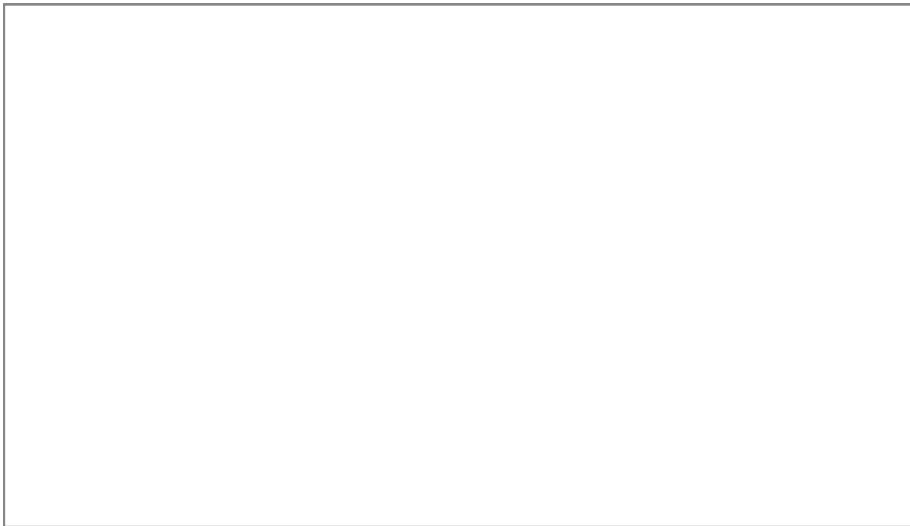
SECTION C: BUSINESS OBJECTIVES AND PLANS

Section C details WPW's business objectives and plans. The objectives are driven by our **six strategic focus areas** of the Corporation:

- Our Governance
- Our Products and Services
- Our Assets
- Our Community
- Our Environment
- Our People

The planned spend on our business objectives for the 2013-14 period is allocated into capital expenditure (CAPEX) of \$4.7M and operational expenditure (OPEX) of \$19.2M.

In summary, the following charts represent OPEX and CAPEX as they relate to our key strategic focus areas, and the initiatives to be implemented to achieve our business objectives⁴.



⁴ Please note: depreciation of \$5.7M, is included in 'Our Assets'.

CAPITAL INVESTMENT

The following table provides details of our proposed capital projects over the next five year planning period, which has been based on Water Plan 3 draft determination given by ESC for the period 2013-18.

Project Driver	Project Details (in 2013 \$'s)	2013-14	2014-15	2015-16	2016-17	2017-18	Total
COMPLIANCE	Cowes Tree Plantation		75,000				75,000
	Cowes WWTP Irrigation	250,000					250,000
	CWWTP - Master Plan Works	510,000	1,300,000	670,000	290,000	240,000	3,010,000
	CWWTP - Sludge Management	50,000	50,000	50,000	50,000	50,000	250,000
	IBWPP Tertiary Treatment		100,000	2,060,000			2,160,000
	King Rd - Plantation		50,000				50,000
	KRWWTP - Sludge Management	5,000			5,000		10,000
	Odour Control - Fredericks Pump Station	15,000					15,000
	Odour Control - Woolamai Pump Station	245,000					245,000
	IBWPP Sludge Management Program	25,000	25,000	25,000	25,000	25,000	125,000
	Wastewater Future - Cowes PS upgrades	550,000	760,000				1,310,000
Compliance Total		1,650,000	2,360,000	2,805,000	370,000	315,000	\$7,500,000
GROWTH	Church St PS upgrade	150,000					150,000
	Cowes Class A extension - Link main				30,000	530,000	560,000
	King Rd - Irrigation	150,000	250,000		150,000		550,000
	King Rd WWTP Storage Lagoon				200,000		200,000
	Wastewater Future - Cowes reticulation	130,000	150,000	-	4,640,000	2,500,000	7,420,000
	Desal Connections	300,000					300,000
	Candowie Upgrade Project (CUP) - additional funding	400,000					400,000
Growth Total		1,130,000	400,000	-	5,020,000	3,030,000	\$9,580,000
IMPROVED SERVICES	Landvic updates - automate to Open Spatial GIS		30,000				30,000
	Medium pressure pump station - alarms		70,000		180,000		250,000
	R & D contributions	25,000	25,000	25,000	25,000	25,000	125,000
	Rhyll Rd pump upgrade		100,000				100,000
	San Remo Basin HYPO system Upgrade	100,000					100,000
	Sewer main improvements	100,000	100,000	100,000	100,000	100,000	500,000
	Carry over projects (new)	680,000	300,000	300,000	300,000	202,000	1,782,000
Improved service Total		905,000	625,000	425,000	605,000	327,000	\$2,887,000
RENEWALS	Switchboard Replacements		150,000	150,000			300,000
	Corinella Borefield - Permanent PS	45,000					45,000
	CWWTP - Civil & Mech & Elec	50,000	50,000	50,000	50,000	50,000	250,000
	IBWPP - Civil & Mech & Elec	105,000	60,000	70,000	60,000	50,000	345,000
	IBWPP - Pump & Valve Replacement Program		150,000				150,000
	KRWWTP - Civil & Mech & Elec	20,000	20,000	20,000	20,000	20,000	100,000
	Meter replacement program	20,000	20,000	100,000	20,000	20,000	180,000
	Motor Vehicle Replacements Program	255,000	50,000	100,000	50,000	50,000	505,000
	Water Main Replacement Program (3)	150,000	480,000	515,000	-	-	1,145,000
	San Remo Basin Cover Replacement (5)				105,000	2,090,000	2,195,000
	Solar Battery replacement		50,000				50,000
	SPS - Civil Works	50,000	50,000	50,000	50,000	50,000	250,000
	SPS - Mech and Elec Works	100,000	100,000	100,000	100,000	100,000	500,000
	Water Distribution system - Mech and Elec Works	50,000	50,000	50,000	50,000	50,000	250,000
	Woolamai pump station - generator		100,000				100,000
	Stanley Rd - Master Plan	150,000	120,000				270,000
Renewal Total		995,000	1,450,000	1,205,000	505,000	2,480,000	\$6,635,000
OTHER	Replace gas detectors					15,000	\$15,000

Project Driver	Project Details (in 2013 \$'s)	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Grand Total		\$4,680,000	\$4,835,000	\$4,435,000	\$6,500,000	\$6,167,000	\$26,617,000

BUSINESS PLANS

OUR CORPORATE GOVERNANCE – Business Plans

The intent of this key focus area, leading to the following business objectives, is to maintain the integrity and value of our business through sound governance and financial management.

- Planning for our future through strategic and business planning;
- Driving fiscal responsibility throughout our business;
- Meeting our regulatory requirements;
- Identifying and mitigating risks impacting our business;
- Regularly finding ways to become more efficient.

OPEX –

The operating expenditures planned for “Our Corporate Governance” areas for the 2013-14 year total approximately \$2.4M and are attributable to the following activities:

- A continual ‘all hazards’ approach to risk management during 2013-14 with programs for security risk management, water quality, and people health and welfare.
- Implementation of knowledge management framework via intranet;
- Continuing our archiving project to ensure ongoing compliance with record keeping legislation (PROV);
- New Archive Officer position to implement Records Strategy and ensure compliance with PROV standards;
- Finalise Records Management Strategy initiatives;
- Finalise easements held or required to be lodged over the Corporations assets;
- Finalise implementation of Human Resources Information System (HRIS);
- Finalise implementation of Performance Management module;
- Compliance framework developed by end of 2013-14;
- Undertake an insurance risk gap analysis with Marsh in 2013-14.

CAPEX

The key capital expenditure planned for “Our Corporate Governance” areas for the 2013-14 year is approximately \$0.03M and includes the following projects:

- Enhancement of our intranet;
- R&D to support water industry initiatives developed via the intelligent networks initiative and Technology Approvals Group (TAG).

OUR PRODUCTS AND SERVICES – Business Plans

The intent of this key focus area, leading to the following business objectives, is to provide cost-effective, quality products and services that complement our core business and meet our community's needs.

- Providing high quality drinking water;
- Optimisation of available water sources to deliver low cost water;
- Continually growing our business and service opportunities through innovation and alliance building;
- Provision of additional value added services aligned to our core business.

OPEX

The operating expenditures planned for the 2013-14 year total approximately \$4.3M and are attributable to the following activities:

- Targeted air-scouring and flushing programs;
- Tank and basin cleaning;
- Increased activity for CCTV gravity mains inspections;
- Implementation of initiatives identified to address Employee Opinion Survey;
- Annual Customer Satisfaction survey;
- Contribution to technology research groups for R&D;
- Additional interest expense due to increased funding;
- Department of Health audit of our water quality risk management plan;
- Targeted marketing and education campaign for recycled water customers.

CAPEX

The key capital expenditure planned for the 2013-14 year is approximately \$0.7M and includes the following projects:

- Installation of mixers at San Remo Basin and Stanley Rd tank for improved water quality;
- Renewal of chlorine dosing system at San Remo Basin;
- Installation of an odour control unit at Church St Sewage Pump station;
- Renewals program – meter replacements, switchboards, sewer pump station(s) and treatment plant(s) mechanical and electrical upgrades; and
- Connections to Melbourne Water headworks systems will be completed in 2013-14 to provide alternative water sources via a Metropolitan Water connection (DP6) in the event of severe drought.

MATERIAL CHANGES WITH PREVIOUS PLANS

Water Plan 2008-2013

- The updated Water Supply Demand Strategy identified that the proposed WP2 upgrade to the Bass River Pump Station and associated pipeline is not required until demand approaches 3,000ML/a;
- Bass River bypass pipeline WP2 project was also deferred - proposed project to build a pipeline directly from Bass River to treatment plant and bypass reservoir to mitigate potential risk of major algal bloom affecting stored water in Candowie, will be replaced by the Metropolitan Water connection DP6;
- Additional treatment upgrade at Candowie reservoir deferred to 2014-15 (WP3) – due to current water quality improvement programs and estimated improvements in water quality as an outcome of increased dam capacity;
- WPW has committed funds for the installation of a secondary connection to the desalination pipeline. This connection will allow scour water from the pipeline to be transferred directly to Candowie Reservoir, where it can be stored and treated;

- WPW commenced the construction of a Class A Recycled Water plant at our CWWTP. This project was not included in the current water plan capital investment program;
- Additional costs associated with under channel pipeline project due to increased size of pipeline;
- Expenditure on Candowie upgrade project in 2012-13 (\$3M) includes brought forward costs included in WP3 (\$1.4M) and additional expenditure due to variations (\$1.6M); and
- Current forecast of water plan net capital expenditure up to 30 June 2013 will be over WP2 budget (\$5M).

Water Plan 2013-2018

- Additional costs associated with Candowie Upgrade project and ancillary works identified in WP3 have been incurred in 2012-13 (\$3M).

OUR ASSETS – Business Plans

The intent of this key focus area, leading to the following business objectives, is to enable the reliable and cost-effective delivery of products and services to our customers.

- Understanding the performance of our assets to support future business decisions;
- Supporting and developing robust preventative maintenance systems;
- Continuing to improve asset performance and efficiency;
- Searching out and incorporating proven assets and technology into the business.

OPEX

The Water Plan 3 period will see a strategic shift in Asset management from Building Awareness to Improved Decision Making.

To support this process further investigations into the criticality and condition of the Corporations underground assets will be undertaken (see Preventative Maintenance Plan section).

CAPEX

With the completion of the planned major augmentations to the water supply system in 2012-13 the Corporation is focusing on the wastewater system.

Growth in the Cowes area in particular will be progressively addressed by a multi-year program of works to update the Cowes wastewater collection and transfer system as well as the Cowes wastewater Treatment Plant.

Wastewater collection and transfer

Long-term planning has identified that the growth in the Cowes area will place the wastewater system under increasing pressure.

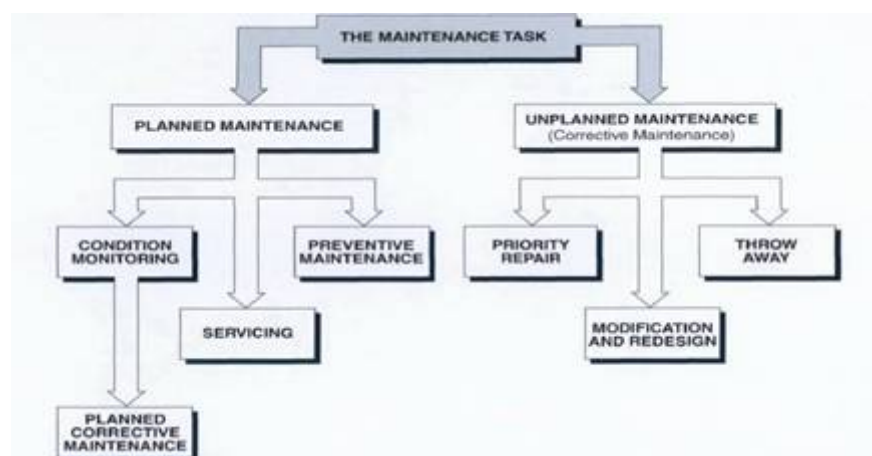
Options analysis has identified that the most economical path forward is to progressively divert sewage flows from east and west of Cowes to a new regional pump station. These diversions in conjunction with upgrades to two key sewer pump stations will ensure that service levels are maintained.

Wastewater Treatment

The Cowes Wastewater Treatment Plant is to be upgraded to cater for the growth in the Cowes area as well as improve the quality and, in conjunction with additional land based irrigation capacity, reduce the quantity of effluent discharged to ocean. To leverage off the benefits of this program the majority of the upgrades to the treatment process will occur over 2013-14 and 2014-15. Other complementary works will occur over future years.

Preventative Maintenance Plan in 2013-14

The Corporation has been progressively developing its Operations and Maintenance Plan which will be \$562,000 for the 2013-14 year. A comprehensive program of planned maintenance activities will be implemented over 2013-14 in accordance with the following hierarchy of activities:



These activities have been aligned with corresponding financial cost centres to allow for detailed tracking of progress against budget. In addition the maintenance activities have been incorporated within the Corporation's Asset Management System (AMS). This represents a major step forward for the Corporation as the maintenance activities are now allocated to specific assets. The required activity can be issued and tracked via the Focus Work Order system to the person allocated responsibility for delivering on the activity. The development of the Operations and Maintenance Plan was bottom-up and involved input from many levels across the Corporation. The Plan is supported, where appropriate, with corresponding Service Level agreements for those activities to be delivered by Contractors.

Two major activities for the year are:

- Initiate and investigation into the condition and remaining effective life of the Corporations AC water mains, and
- Rehabilitate another 135m section of the 648mm branch main supplying water to Phillip Island

A summary of the preventative maintenance plan is provided in the following table:

PM Programs	2012/13 Forecast	2013/14 Corp Plan
Chemical Tanks/Systems	\$ 28,154	\$ 44,511
Irrigation	\$ 23,247	\$ 23,946
Monitoring	\$ 6,131	\$ 33,714
Reuse Plant Electrical	\$ -	\$ 5,000
Reuse Plant Performance	\$ -	\$ 11,719
SCADA	\$ 20,000	\$ 44,600
Sewer Distribution	\$ 57,302	\$ 96,313
Sewer Plant Electrical	\$ -	\$ 21,388
Sewer Plant Performance	\$ 14,700	\$ 17,661
SPS Electrical	\$ 97,000	\$ 99,910
UPS Inspections	\$ 4,000	\$ 4,000
Water Distribution	\$ 79,700	\$ 110,151
Water Plant Electrical	\$ 14,400	\$ 7,944
Water Plant Performance	\$ 42,595	\$ 40,934
Other (treatment)	\$ 35,500	
TOTAL	\$ 422,729	\$ 561,791

OPEX

The operating expenditures planned for the 2013-14 year total approximately \$9.1M and include the following activities:

- Improve the Corporation's after-hours support coverage by sourcing a supplier either internally or externally; integrate after hours support with direct input into CRM at the time of the call and potentially attend to first level SCADA alarms. This will reduce duplication of work efforts from after hours call logging;
- Upgrade ClearSCADA to version 2013 to enable smartphone access which will enable quicker response to SCADA alarms;
- Update of the Corporations Sewer Model;
- Implement asset management program for bores, pumps and raw water distribution line in accordance with groundwater extraction conditions;
- Ongoing maintenance and repair of the water and sewer infrastructure with an increased focus on pump stations;
- Further development of the preventative maintenance program based on data collected and analysis of asset performance via AMS and SCADA systems; and
- Initiate investigation into the condition and remaining effective life of the corporations AC water mains.

CAPEX

The key capital expenditures planned for the 2013-14 year total approximately \$3.3M and partially comprise the following projects:

- Commence upgrade works at Cowes wastewater treatment plant in accordance with Environmental Protection Authority (EPA) Works Approval #51068;
- Pump Station upgrades;
- Cowes wastewater reticulation system upgrade;

- Various equipment replacement and renewals program – computer hardware, software, miscellaneous office equipment, motor vehicles, depot equipment; and
- Infrastructure replacement and renewals – pipeline, valves, electrical switchboards, household meters, flowmeters.

MATERIAL CHANGES FROM WATER PLAN 3

- Deferral of some costs associated with the CWWTP (\$1.0M). Costs have been reallocated to 2014-15 due to timing for finalising design.
- Carryover expenditure on Candowie Upgrade included in 2013-14 has been brought forward to 2012-13. Recovery of these costs had not been included in ESC's draft determination.

OUR COMMUNITY - Business Plans

The intent of this key focus area, leading to the following business objectives, is to be a valued member of the community we service by:

- Fostering strong and positive relationships and partnerships with key stakeholders;
- Adding value to our community through the provision of resources, expertise and water related education;
- Providing timely, friendly and reliable customer service at a time, place and method of delivery that is convenient for our customers;
- Continually gathering feedback and measuring the community's response to our products, services, and actions; and
- Creating a community attitude and awareness of 'partnership'.

In 2013-14 we will continue implementing our Corporate Social Responsibility program, the aim of which is to continually improve the social responsibility of WPW, whether it is through our corporate reputation, our ability to recruit and retain quality staff, or the effective use of our resources to support local community development initiatives. These include initiatives such as:

- Increasing opportunities to engage with our community and stakeholders. The aim of these opportunities is to ensure the corporation effectively partners with stakeholders on issues to formulate mutually beneficial outcomes, to consider community concerns and to ensure these are reflected in our decision making;
- Hosting and contributing to community and environmental events;
- Providing career opportunities and youth development through our scholarship and partnership programs;
- Adding value to the community through the provision of our hydration station at community events;
- Water conservation and education programs to local schools, regional groups and large commercial potable water users;
- Working with local education providers, building relationship and delivering water conservation and education programs using the Corporation's resources;
- Implementation of a marketing strategy to promote the positive contribution of Class A Recycled Water and its safe uses to the community; and
- Strengthening relationships with our community via our Customer Consultative Panel (CCP), and other stakeholder and consultative groups.

OPEX

The operating expenditures planned for the 2013-14 year total approximately \$1M. The following activities provide more information:

- Improved after hours support for all product and service enquiries with a dedicated 24 x 7 telephone response to any fault or emergency call;
- Provision of a range of water conservation tools and items (eg. water audits, educational material, showerheads, shower timers, etc);
- Water conservation education programs to local schools, regional groups and large commercial potable water users;
- Employment opportunities to the local youth market via scholarship and traineeship programs;
- Education and marketing campaign to promote Class A Recycled Water;
- Continue developing our website to meet customer needs.

CAPEX

The key capital expenditure planned for the 2013-14 year is approximately \$0.02M (included in carryover CAPEX amount).

- Corporate signage updates to incorporate new logo; and
- Recycled water signage in all new developments connected to our recycled water network.

MATERIAL CHANGES FROM WATER PLAN 3

Nil

OUR ENVIRONMENT - Business Plans

The intent of this key focus area, leading to the following business objectives, is to be an environmentally sustainable organisation, reducing our environmental footprint.

- Striving for efficient use of natural resources driving environmental efficiencies into our business decisions;
- Minimising negative impacts on our environment;
- Reusing wastewater and biosolids, and minimizing ocean outfall;
- Improving biodiversity.

WPW will be working towards little to no environmental impacts from our business activities through undertaking an energy audit of the business to increase the efficient use of natural resources, implementation of sewerage management plan audit recommendations, a review of treated effluent irrigation to land, reduction of the mixing zone area from the ocean outfall, and ensuring we meet the bulk entitlement requirement regarding environmental flows obligations and monitoring. In the next 5 years WPW will need to respond to changes in State Environment Protection Policies under the statutory policy review being undertaken by DEPI and EPA.

OPEX

The operating expenditures planned for the 2012/13 year total approximately \$1.4M. The following activities provide more information:

- Environmental contribution to DEPI increase from \$547k to \$813k (49%);
- WPW Environmental Management System will continue to be utilised to assess and manage the environmental impacts of WPW's business activities;

- Continue to work with partners, Melbourne Water and Landcare, in an integrated approach to managing catchment management issue impacting Candowie reservoir to meet Net Gain planning permit requirements;
- Undertake stage 3 revegetation on WPW land immediately surrounding Candowie reservoir;
- Implement Regional Environmental Improvement Plan for Biosolids once final reclassification and approval from EPA has been received;
- Undertake Class A validation testing and Department of Health (DoH) and EPA approved audit of the Class A scheme;
- Wastewater Management Strategy framework developed to provide a holistic overview of wastewater treatment plants, management and future programs;
- Develop King Road Land Management plan for irrigation, soil, ground water and natural resources; and
- Implementation of Sewerage system management plan audit recommendations.

CAPEX

The capital expenditures planned for the 2012/13 year total approximately \$0.7M and relate to:

- Irrigation network extension and land preparation works for tree plantation at Cowes WWTP and King Rd WWTP;
- Implementing odour control systems;
- Sludge management at Cowes and King Road WWTP.

MATERIAL CHANGES FROM WATER PLAN 3

Nil

OUR PEOPLE - Business Plans

The intent of this key focus area, leading to the following business objectives, is to be an innovative, high performance organisation with a reputation that is valued by current and prospective employees.

- Continuing investment in the development and safety of our people;
- Listening and responding to our people to encourage engagement and to improve organisational performance;
- Continue to embed a culture where change is anticipated and responded to, responsibility is accepted and accountability delivered;
- Providing an environment where learning and innovation can grow to provide continuous improvement to the management of our business;
- Enhancement of our reputation as an employer of choice.

OPEX

The main operating expenditures planned for the 2012/13 year total approximately \$1.2M. These include:

- Enhancement of our HRIS (Human Resources Information System) reporting system;
- Implementation of Culture and Capability 3 year program;
- Training and formal qualification opportunities for our people to ensure our knowledge and business practices remain current and exploit all opportunities for business efficiency and effectiveness;
- Continuation of traineeship and industry placement programs;
- Continual investment in our “wellness” programs for staff to complement existing health and safety programs;
- OH&S management system assurance assessment based on AS/NZS 4801 during 2013-14;
- Monthly staff communication forums to provide progress reports against Corporate Plan targets and other matters of interest;
- Embedding our performance management system and framework across the business;
- Enhancement of our reputation as an employer of choice through school work experience programs and branding within our communities, and out regions;
- Develop an “On Boarding” plan for new employees in 2013/14;
- Annual review of our business succession plans;
- Develop business resilience and capability with our human resource management;
- Invest in our future via our succession planning, scholarship, traineeship and work experience programs.

CAPEX

There is no capital expenditure planned for 2013-14 specifically identified in our capital program, however the following items are projects that are considered under this focus area:

- Further development of intranet – building on knowledge management framework;
- OH&S equipment purchases.

MATERIAL CHANGES WITH PREVIOUS PLANS

Nil

SECTION D: BUSINESS RISK

The objective leading into 2013/14 will be to continue to build WPW risk capability, maturity and culture. To support this objective WPW, will embark on phase 1 of a 3 year risk improvement program.

Adopting the VMIA risk maturity model the elements to focus on in year 1 include:

- ◆ Review risk policy and plan ;
- ◆ Governance and accountability; and
- ◆ Risk Management Culture.

The specific activities to deliver the plan during 2013-14 are:

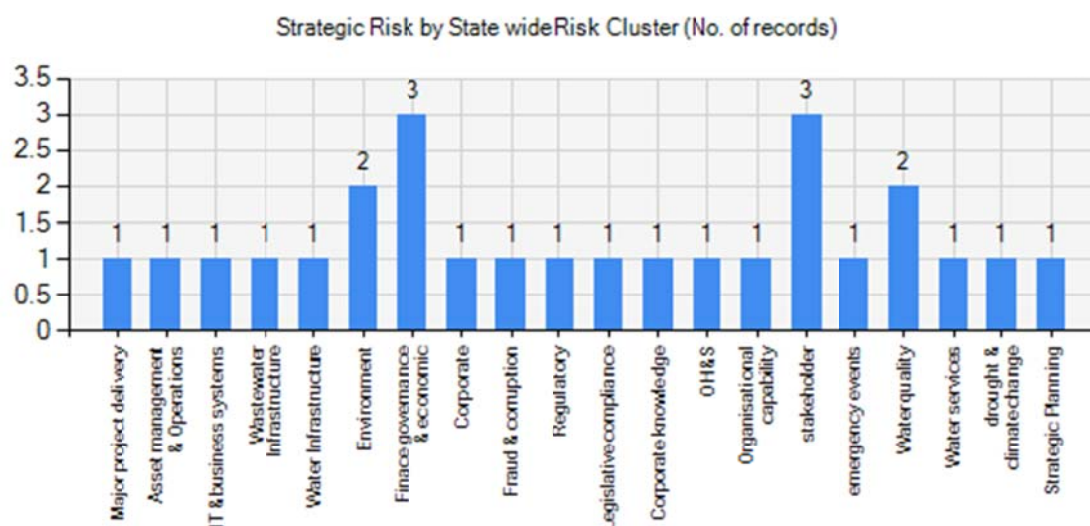
- ◆ Review risk policy and management plan to ensure alignment with the current business environment;
- ◆ Build wider accountability and ownership of risk by ensuring each strategic risk has measurable treatment plans and controls; and
- ◆ To ensure a risk culture is included in day-to-day business decisions by conducting targeted workshops to build broader knowledge of risk across the business.

Performance activities will be monitored, controlled and reported within WPW performance management system.

During the course of 2012/13 WPW reviewed, in conjunction with the Board, our strategic risk register. This evaluation considered both industry wide risks combined with public sector reported risks.

The risk register presented within the 2013/14 Corporate Plan is a culmination of the review process outlined above, which comprises 26 discreet strategic risks. WPW has noted DEPI observations in the Victorian Water Industry Risk Report 2012 and has rewritten the risk descriptions (statements) and future treatment controls for all strategic risks.

WPW has adopted the DEPI industry risk cluster and control categories to classify our 26 strategic risks, which is represented in the chart below.



As detailed above, the WPW strategic risks are evenly distributed across the 26 Statewide cluster categories with 74% represented across our risk profile. This is an increase of 15% as compared to the strategic risks reported in 2012-13. The change in focus for 2013-14 risks will be in the areas of sound financial governance and stakeholder management, as illustrated in the previous graph.

In summary, the three highest residual risks identified by WPW are listed as:

- ◆ Failure to provide a safe workplace;
- ◆ Ineffective risk management systems and processes; and
- ◆ Inadequate insurance protection.

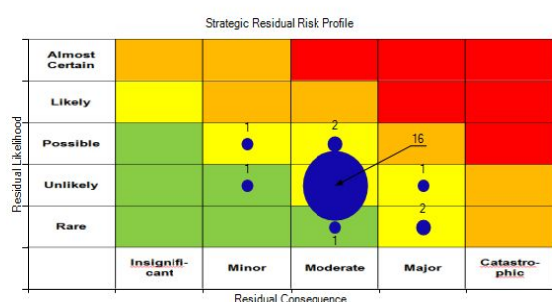
Action plan(s) included in 5 year planning period:

- ◆ OHSMS system quality audit review 2013-14;
- ◆ Implement trial of vehicle tracking in 2013-14;
- ◆ Elements of the risk management system to be included in the 3 year internal audit program;
- ◆ Implement year 1 of a 3 year risk improvement program;
- ◆ Undertake an insured risk analysis with brokers in 2013-14.

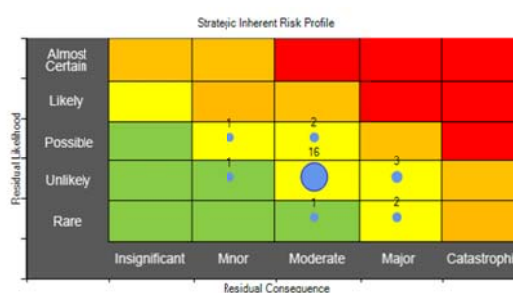
During 2013/14 WPW's aim is to provide greater scrutiny across our current and future risk controls. Consistent within the industry, WPW still maintains a reliance on administrative and business system controls. WPW's objective is provide greater control assurance against our risk appetite with measurable and specific programs to manage these risks during 2013-14. These will be tracked and measured through the Corporation's performance management reporting system.

The following chart depicts WPW strategic residual risk subsequent to implementing controls. Controls to manage strategic risks and business objectives are included in the capital investment or operating costs summary, as outlined in the [Business Objectives](#) section above.

As highlighted in the risk profile charts below the 2013-14 is similar to 2012-13 chart with 69% of risks clustered in the 'moderate' residual consequence range, which is in line with WPW acceptable limits.



2012-13 Strategic Residual Risks



2013-14 Strategic Residual Risk

The DEPI risk reporting portal has been used to collate and report our risks presented in our Corporate Plan which is included [Appendix A](#).

APPENDICES

APPENDIX A - RISK MANAGEMENT TEMPLATE

WPW strategic risk register is updated in the DEPI online portal. A copy of the submission is presented in the following section. The risk register contains high level risks identified by WPW as part of our annual strategic review process. The routine operational risks contained within the business risk register will be periodically assessed against these strategic risks along with the effectiveness of controls reported, supported by a risk assurance framework.

Our Reference: INT13-03417

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APPENDIX B - FINANCIAL TEMPLATES

Westernport Water has lodged all financial and general information via DEPI portal. The following is an extract of information from the portal.

				2013-14	2014-15	2015-16	2016-17	2017-18	Comments
Revenues and Expenses (Detailed) (\$'000)									
Revenue From Core Business (As Applicable)									
Urban Water Supply:									
Service / Fixed									
	Residential			5,381.0	5,622.0	5,758.0	5,896.0	6,038.0	Based on WP3 draft determination - 0.4% pricing path and 2% growth CPI 2% ea year
	Non-residential			730.0	763.0	781.0	800.0	819.0	
	Total Service / Fixed			6,111.0	6,385.0	6,539.0	6,696.0	6,857.0	
Usage/Volumetric									
	Residential			1,825.0	1,912.0	2,001.0	2,001.0	2,092.0	
	Non-residential			1,003.0	1,051.0	1,099.0	1,099.0	1,150.0	
	Total Usage/Volumetric			2,828.0	2,963.0	3,100.0	3,100.0	3,242.0	
Urban Sewerage									
Service / Fixed									
	Residential			7,979.0	8,419.0	8,797.0	9,191.0	9,603.0	
	Non-residential			834.0	880.0	919.0	961.0	1,004.0	
	Total Service / Fixed			8,813.0	9,299.0	9,716.0	10,152.0	10,607.0	
Usage/volumetric									
	Residential								
	Non-residential								
	Total Usage/volumetric			-	-	-	-	-	
Trade Waste Revenue by Agreement									
Trade Waste Usage Revenue				76.0	75.0	75.0	75.0	75.0	
Recycled Water									
	Service/Fixed Charges			17.0	15.0	15.0	15.0	15.0	
	Usage / Volumetric Charges			114.0	110.0	110.0	110.0	110.0	
	Total Recycled Water			131.0	125.0	125.0	125.0	125.0	
Total Revenue From Fees & Charges				17,959.0	18,847.0	19,555.0	20,148.0	20,906.0	
Operating, Maintenance & Administration (OMA) Expenses									
Operating and Maintenance Expense				4,564.0	4,826.0	5,107.0	5,354.0	5,371.0	
Administration Expense				2,259.0	2,389.0	2,528.0	2,650.0	2,658.0	
Total OMA Expenses				6,823.0	7,215.0	7,635.0	8,004.0	8,029.0	
OMA Expenses Breakdown (Total OMA)									
	Bulk water Supply								
	Headworks			248.0	262.0	278.0	291.0	292.0	
	Urban water - Treatment			1,237.0	1,308.0	1,384.0	1,451.0	1,456.0	
	Urban water - Reticulation			1,926.0	2,037.0	2,155.0	2,259.0	2,266.0	
	Sewerage - Reticulation			2,538.0	2,683.0	2,840.0	2,978.0	2,987.0	
	Sewerage - Treatment			638.0	675.0	714.0	748.0	751.0	
	Recycled Water			155.0	164.0	173.0	182.0	182.0	
	Surface Water Diversions				-	-	-	-	
	Other			81.0	86.0	91.0	95.0	95.0	
Total OMA Expenses				6,823.0	7,215.0	7,635.0	8,004.0	8,029.0	

Operating Statement (FS1) (\$'000)		2013-14	2014-15	2015-16	2016-17	2017-18	
Revenue							
	Service Charges	15,017.0	15,774.0	16,345.0	16,938.0	17,554.0	Based on WP3 draft determination - 0.4% pricing path and 2% growth, and NCC submission
	Usage Charges	2,942.0	3,073.0	3,210.0	3,210.0	3,352.0	
	Developer Contribution	605.0	700.0	700.0	700.0	700.0	
	Developer Contributions - Gifted Assets	950.0	400.0	400.0	400.0	400.0	
	Temporary Trade of Bulk Entitlements						
	Government Contributions / Grants						
	Investment Interest	38.0	40.0	40.0	40.0	40.0	
	Other Revenue	454.0	374.0	382.0	390.0	399.0	
	Total Revenue	20,006.0	20,361.0	21,077.0	21,678.0	22,445.0	
Expense							
	Operating and Maintenance Expense	4,564.0	4,826.0	5,107.0	5,354.0	5,371.0	Based on WP3 draft determination
	Administration Expense	2,259.0	2,389.0	2,528.0	2,650.0	2,658.0	
	Environmental Contributions	813.0	813.0	813.0	813.0	813.0	
	Borrowing Costs / Interest Expense	640.0	640.0	500.0	500.0	500.0	
	Depreciation and Amortisation	5,687.0	5,519.0	5,440.0	5,521.0	6,142.0	
	IT	536.0	567.0	600.0	629.0	631.0	
	Labour	3,078.0	3,255.0	3,444.0	3,611.0	3,622.0	
	Consultants	182.0	192.0	204.0	213.0	214.0	
	Other Expense	1,532.0	1,620.0	1,713.0	1,797.0	1,803.0	
	Total Expense	19,291.0	19,821.0	20,349.0	21,088.0	21,754.0	
	Earnings Before Tax	715.0	540.0	728.0	590.0	691.0	
	Income Tax Expense						
	Net Operating Result	715.0	540.0	728.0	590.0	691.0	
	Profit (loss) from Sale of Assets	86.0	-	-	-	-	
	Dividends Expense						
	Transfers (to)/from Reserves						
	Other Adjustments						
	Net Profit (Loss)	801.0	540.0	728.0	590.0	691.0	
	Retained Profit (Loss) Carried Forward	64,750.0	65,551.0	66,091.0	66,819.0	67,409.0	
	Closing Retained Profit (Loss)	65,551.0	66,091.0	66,819.0	67,409.0	68,100.0	

Balance Sheet		2013-14	2014-15	2015-16	2016-17	2017-18	
Current Assets							
	Cash on Hand	10.0	10.0	10.0	10.0	10.0	
	Receivables	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	Reduction in Receivables due to introduction of smooth billing Sept 13
	Less Provision for Impaired Receivables	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	
	Investments	-	-	-	-	-	
	Inventories	450.0	450.0	450.0	450.0	450.0	
	Prepayments	140.0	140.0	140.0	140.0	140.0	
	Other Current Assets	220.0	220.0	220.0	220.0	220.0	Reduction in Accrued income due to smooth billing
	Total Current Assets	1,570.0	1,570.0	1,570.0	1,570.0	1,570.0	
Non-Current Assets							
	Infrastructure	163,235.0	168,780.0	172,045.0	175,162.0	179,769.0	
	less Accumulated Depreciation	(12,241.0)	(16,440.0)	(20,749.0)	(25,138.0)	(29,623.0)	
	Infrastructure WDV	150,994.0	152,340.0	151,296.0	150,024.0	150,146.0	
	Land and Buildings	11,693.0	11,790.0	11,847.0	11,902.0	11,983.0	
	less Accumulated Depreciation	(205.0)	(279.0)	(355.0)	(432.0)	(511.0)	
	Land and Buildings WDV	11,488.0	11,511.0	11,492.0	11,470.0	11,472.0	
	Plant, Equipment and Motor Vehicles	11,119.0	12,141.0	12,743.0	13,317.0	14,166.0	
	less Accumulated Depreciation	(5,637.0)	(6,411.0)	(7,205.0)	(8,014.0)	(8,841.0)	
	Plant, Equipment and Motor Vehicles WDV	5,482.0	5,730.0	5,538.0	5,303.0	5,325.0	
	Capital Works In Progress	6,851.0	4,022.0	4,533.0	5,287.0	5,490.0	
	Total Property, Plant & Equipment	174,815.0	173,603.0	172,859.0	172,084.0	172,433.0	
Non-current Receivables		100.0	100.0	100.0	100.0	100.0	
	Deferred Tax Assets	-	-	-	-	-	
	Non-current Investments	-	-	-	-	-	
	Intangible Assets	1,517.0	1,144.0	983.0	837.0	685.0	
	Other Non-current Assets	100.0	100.0	100.0	100.0	100.0	
	Total Non-Current Assets	176,532.0	174,947.0	174,042.0	173,121.0	173,318.0	
	Total Assets	178,102.0	176,517.0	175,612.0	174,691.0	174,888.0	
Current Liabilities							
	Bank Overdraft	-	-	-	-	-	
	Current Payables	1,492.0	1,598.0	1,096.0	1,315.0	2,052.0	
	Short Term Borrowings	2,000.0	1,000.0	1,000.0	500.0	500.0	
	Finance Lease Liabilities (PPP)	-	-	-	-	-	
	Employee Benefit Provision	500.0	500.0	600.0	600.0	600.0	
	Provision for Dividend	-	-	-	-	-	
	Other Current Provisions	-	-	-	-	-	
	Other Current Liabilities	1,250.0	1,250.0	1,250.0	1,250.0	1,250.0	Unearned income due to smooth billing (service charges in advance) - assumed 1 month service charges
	Total Current Liabilities	5,242.0	4,348.0	3,946.0	3,665.0	4,402.0	
Non-Current Liabilities							
	Long Term Borrowings	10,000.0	8,750.0	7,500.0	6,250.0	5,000.0	
	Long Term Payables	-	-	-	-	-	
	Finance Lease Liabilities (PPP)	-	-	-	-	-	
	Other Lease Liabilities	-	-	-	-	-	
	Long Term Employee Benefit Provision	465.0	484.0	503.0	523.0	542.0	
	Deferred Tax Liabilities	13,656.0	13,656.0	13,656.0	13,656.0	13,656.0	
	Other Non-current Liabilities	-	-	-	-	-	
	Total Non-current Liabilities	24,121.0	22,890.0	21,659.0	20,429.0	19,198.0	
	Total Liabilities	29,363.0	27,238.0	25,605.0	24,094.0	23,600.0	
	Net Assets	148,739.0	149,279.0	150,007.0	150,597.0	151,288.0	
Equity							
	Government Equity Contributions	51,323.0	51,323.0	51,323.0	51,323.0	51,323.0	
	Asset Revaluation Reserve	31,865.0	31,865.0	31,865.0	31,865.0	31,865.0	
	Other Reserves	-	-	-	-	-	
	Accumulated Funds (Losses)	65,551.0	66,091.0	66,819.0	67,409.0	68,100.0	
	Total Equity	148,739.0	149,279.0	150,007.0	150,597.0	151,288.0	

Cash Flow Statement		2013-14	2014-15	2015-16	2016-17	2017-18
Cash Flows From Operations						
Cash Receipts						
Service and Usage Charges Income		21,048.0	21,133.0	21,217.0	21,302.0	21,387.0
Other Customer Revenue		272.0	270.0	270.0	270.0	270.0
Receipts from Government		-	-	-	-	-
Developer Contributions		610.0	570.0	570.0	570.0	570.0
GST Refunds from ATO		1,305.0	1,300.0	1,300.0	1,300.0	1,300.0
Investment (Interest) Income		-	-	-	-	-
Other Cash Receipts		96.0	-	-	-	-
Total Cash Receipts from Operations		23,331.0	23,273.0	23,357.0	23,442.0	23,527.0
Cash Payments						
Payments to suppliers and Employees		(15,335.0)	(14,434.0)	(14,555.0)	(14,683.0)	(14,816.0)
Interest and Other Costs of Finance Paid		(560.0)	(551.0)	(737.0)	(600.0)	(482.0)
GST paid to the ATO		(6.0)	(6.0)	(5.0)	(5.0)	(6.0)
Income Tax Payments		-	-	-	-	-
Environmental Contributions		(996.0)	(813.0)	(813.0)	(813.0)	(813.0)
Other Payments		-	-	-	-	-
Total Cash Payments from Operations		(16,897.0)	(15,804.0)	(16,110.0)	(16,101.0)	(16,117.0)
Net Cash Inflow (Outflow) from Operations		6,434.0	7,469.0	7,247.0	7,341.0	7,410.0
Cash Flows From Investing Activities						
Proceeds/(Payment) from Investments		-	-	-	-	-
Payments for Infrastructure Assets		-	-	-	-	-
Payments for Property, Plant & Equipment		(10,992.0)	(4,544.0)	(4,173.0)	(6,028.0)	(5,971.0)
Payments for Intangible Assets		-	-	-	-	-
Proceeds from Sale of Assets		95.0	-	-	-	-
Net Cash Inflow/(Outflow) from Investing Activities		(10,897.0)	(4,544.0)	(4,173.0)	(6,028.0)	(5,971.0)
Cash Flows From Financing Activities						
Proceeds from Borrowings		7,233.0	-	-	-	-
Proceeds from Government Equity Contributions						
Repayment of Borrowings / Overdraft		(2,780.0)	(2,925.0)	(3,074.0)	(1,313.0)	(1,439.0)
Payment of Dividends						
Net Cash Inflow (Outflow) from Financing		4,453.0	(2,925.0)	(3,074.0)	(1,313.0)	(1,439.0)
Net Increase (Decrease) in Cash		(10.0)	-	-	-	-
Cash Held at the Beginning of the Period		20.0	10.0	10.0	10.0	10.0
Cash Held at the End of the Period		10.0	10.0	10.0	10.0	10.0
Cash on Hand per Balance Sheets		10.0	10.0	10.0	10.0	10.0

Corporate Plan tariffs - based on FINAL WP3 determination received after Corporate Plan submission

Estimate 2% CPI for Yr2 to Y5 used in DSE template submission

CPI
ESC Final Determination Pricing Path

2.50%	0%	0%	0%	0%
0.40%	0%	0%	0%	0%

Residential

Variable Charge
Residential Water Access Charge
Residential Sewer Access Charge
Recycled Water -Fixed
Recycled Water Residential Variable Charge -Variable

Vacant Land

Unconnected Water Access Charge
Unconnected Sewer Access Charge

Commercial

Water Non-Residential 20mm Access Charge - Fixed
Water Non-Residential 25mm Access Charge - Fixed
Water Non-Residential 32mm Access Charge - Fixed
Water Non-Residential 40mm Access Charge - Fixed
Water Non-Residential 50mm Access Charge - Fixed
Water Non-Residential 65mm Access Charge-Fixed
Water Non-Residential 80mm Access Charge-Fixed
Water Non-Residential 100mm Access Charge-Fixed
Water Non-Residential 150mm Access Charge-Fixed
Sewerage Non Residential (1 cistern)-Fixed
Sewerage Non Residential (>2 cisterns)-Fixed
Recycled Water -Fixed
Recycled Water - Variable > 5,000KL
Recycled Water - Variable < 5,000KL

	2013-14	2014-15	2015-16	2016-17	2017-18
Variable Charge	\$ 1.8510	\$ 1.8510	\$ 1.8510	\$ 1.8510	\$ 1.8510
Residential Water Access Charge	\$ 360.20	\$ 360.19	\$ 360.19	\$ 360.19	\$ 360.19
Residential Sewer Access Charge	\$ 555.30	\$ 555.30	\$ 555.30	\$ 555.30	\$ 555.30
Recycled Water -Fixed	\$ 25.01	\$ 25.01	\$ 25.01	\$ 25.01	\$ 25.01
Recycled Water Residential Variable Charge -Variable	\$ 1.0005	\$ 1.0005	\$ 1.0005	\$ 1.0005	\$ 1.0005
Unconnected Water Access Charge	\$ 180.10	\$ 180.09	\$ 180.09	\$ 180.09	\$ 180.09
Unconnected Sewer Access Charge	\$ 278.15	\$ 278.15	\$ 278.15	\$ 278.15	\$ 278.15
Water Non-Residential 20mm Access Charge - Fixed	\$ 360.20	\$ 360.19	\$ 360.19	\$ 360.19	\$ 360.19
Water Non-Residential 25mm Access Charge - Fixed	\$ 648.35	\$ 648.34	\$ 648.34	\$ 648.34	\$ 648.34
Water Non-Residential 32mm Access Charge - Fixed	\$ 1,224.95	\$ 1,224.95	\$ 1,224.95	\$ 1,224.95	\$ 1,224.95
Water Non-Residential 40mm Access Charge - Fixed	\$ 2,233.59	\$ 2,233.58	\$ 2,233.58	\$ 2,233.58	\$ 2,233.58
Water Non-Residential 50mm Access Charge - Fixed	\$ 3,998.88	\$ 3,998.88	\$ 3,998.88	\$ 3,998.88	\$ 3,998.88
Water Non-Residential 65mm Access Charge-Fixed	\$ 7,961.77	\$ 7,961.76	\$ 7,961.76	\$ 7,961.76	\$ 7,961.76
Water Non-Residential 80mm Access Charge-Fixed	\$ 13,798.08	\$ 13,798.08	\$ 13,798.08	\$ 13,798.08	\$ 13,798.08
Water Non-Residential 100mm Access Charge-Fixed	\$ 24,822.20	\$ 24,822.20	\$ 24,822.20	\$ 24,822.20	\$ 24,822.20
Water Non-Residential 150mm Access Charge-Fixed	\$ 57,210.41	\$ 57,210.41	\$ 57,210.41	\$ 57,210.41	\$ 57,210.41
Sewerage Non Residential (1 cistern)-Fixed	\$ 555.30	\$ 555.30	\$ 555.30	\$ 555.30	\$ 555.30
Sewerage Non Residential (>2 cisterns)-Fixed	\$ 205.11	\$ 205.11	\$ 205.11	\$ 205.11	\$ 205.11
Recycled Water -Fixed	\$ 25.01	\$ 25.01	\$ 25.01	\$ 25.01	\$ 25.01
Recycled Water - Variable > 5,000KL	\$ 0.4002	\$ 0.4002	\$ 0.4002	\$ 0.4002	\$ 0.4002
Recycled Water - Variable < 5,000KL	\$ 0.4868	\$ 0.4868	\$ 0.4868	\$ 0.4868	\$ 0.4868

Customer Impact Analysis	CPI	Volume (73kL)	Water Fixed	Waste Fixed	Total	% Change
2012-13	1.60%	\$ 108.89	\$ 365.62	\$ 555.57	\$ 1,030.08	4.1%
2013-14	2.50%	\$ 135.12	\$ 360.20	\$ 555.30	\$ 1,050.63	2.0%
2014-15	Plus CPI	\$ 135.12	\$ 360.19	\$ 555.30	\$ 1,050.61	0.0%
2015-16	Plus CPI	\$ 135.12	\$ 360.19	\$ 555.30	\$ 1,050.61	0.0%
2016-17	Plus CPI	\$ 135.12	\$ 360.19	\$ 555.30	\$ 1,050.61	0.0%
2017-18	Plus CPI	\$ 135.12	\$ 360.19	\$ 555.30	\$ 1,050.61	0.0%

TRIM Ref: IN13-06012

Please note: The net impact of changes to Corporate Plan financial forecast due to the increase in CPI (from 2% to 2.5%) and WP3 Final Determination in 2013-14 is minimal (approx. \$112k over 5 year period). WPW will not be resubmitting the 2013-14 Corporate Plan to DSE due to the minimal change from original submission, which was based on the WP3 Draft Determination.

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APPENDIX C – PERFORMANCE INDICATORS AND TARGETS

Water	ESC Average 2007-2012	WP3 Service Performance Targets				
		2013/14 Target	2014/15 Target	2015/16 Target	2016/17 Target	2017/18 Target
Unplanned water supply interruptions (per 100km)	35	40	40	35	35	35
Average time taken to attend bursts and leaks (priority 1) (minutes)	12.8	30	30	30	30	30
Average time taken to attend bursts and leaks (priority 2) (minutes)	68.4	100	100	90	90	90
Average time taken to attend bursts and leaks (priority 3) (minutes)	224.52	450	450	450	450	450
Unplanned water supply interruptions restored within 5 hours (per cent)	98%	100%	100%	100%	100%	100%
Planned water supply interruptions restored within 5 hours (per cent)	94%	100%	100%	100%	100%	100%
Average unplanned customer minutes off water supply	63	60	60	60	60	60
Average planned customer minutes off water supply	98.2	90	90	90	90	90
Average unplanned frequency of water supply interruptions	0.531	0.5	0.5	0.5	0.5	0.5
Average planned frequency of water supply interruptions	0.5384	0.5	0.5	0.5	0.5	0.5
Average duration of unplanned water supply interruptions (minutes)	114.8	120	120	120	120	120
Average duration of planned water supply interruptions (minutes)	179.20	120	120	120	120	120
Number of customers experiencing more than 1 unplanned water supply interruptions in the year	?	1500	1500	1500	1500	1500
Unaccounted for water	8%	10.0%	10.0%	10.0%	10.0%	10.0%

Sewerage

Sewerage blockages (per 100km)	6.40	12	12	10	10	10
Average time to attend sewer spills and blockages (minutes)	129.80	90	90	90	90	90
Average time to rectify a sewer blockage (minutes)	223.00	200	200	200	200	200
Spills contained within 5 hours (per cent)	91%	100%	100%	100%	100%	100%
Customers receiving more than 3 sewer blockages in the year		0	0	0	0	0

Customer service

Complaints to EWOV (per 1000 customers)		1.1	1.1	1.1	1.1	1.1
Telephone calls answered within 30 seconds	94%	90%	90%	90%	90%	90%

Minimum flow rates

20mm	15
25mm	30
32mm	60
40mm	90
50mm	na

Additional services

[CO ₂ / Green energy target]		18.5%	19.0%	31.5%	32.0%	33.0%
[Recycled water target]	11%	100%	100%	100%	100%	100%
[Biosolids reuse]		100%	100%	100%	100%	100%
[Environmental discharge indicator]		100%	100%	100%	100%	100%
[Drinking water quality indicators]	100%	100%	100%	100%	100%	100%

* ESC draft determination did not agree with service standard – sewerage blockages per 100km as presented above.