

Corporate Plan

2024 - 29



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



Reconciliation - Celebrating the official launch of our Innovative Reconciliation Action Plan 2023-25.

Message from the Chair and MD

Westernport Water remains focused on identifying and embracing opportunities through collaboration, resilience, and a flexible, action-oriented mindset.

We are committed to serving our community, we care about our people, our customers, and the long-term sustainability of the services we provide. We strive to protect and restore the environment, while maintaining service levels and the long-term financial **sustainability of the organisation**. **We are proud to present Westernport Water's 2025-29 Corporate Plan**. With a focus on collaboration and innovation, this plan outlines our strategy to protect the environment, and deliver services now and for generations to come.

We have been focused on controlling costs while maintaining service levels and being there when our customers need us. We are prudent with our spending and are keeping our debt levels low as we prepare for the future. In the years ahead, we will review our overall procurement practices, commence the Work Smart initiative to bring to life more efficient ways of working, and continue to collaborate with the Gippsland Regional Water Alliance to improve processes and programs.

Water is a precious resource. We know that safe and great tasting water is a priority for our customers and will always remain a priority for us. Over the last 12 months we have invested in an annual program of work that included air scouring to clean 105km of water main, a trial of alternative water main cleaning methods (ice pigging) to remove naturally occurring sediments, the first installation of automatic flushing devices, and the Stanley Road storage tank roof replacement. In the years ahead we will develop a master plan for the Ian Bartlett Water Purification Plant, continue the development of the master plan for the water distribution system, and continue engaging with our customers to develop localised insights and actions. Investing in and continuously improving the taste and quality of water remains a priority for us through the implementation of our ongoing Water Quality Continuous Improvement Program (2023-28).

We know that without intervention, the changing climate will have far reaching impacts, and the time to act is now. At Westernport Water we accelerated our emissions reduction ambitions to 2035. In 2022-23 we installed 426 solar panels, launched our new Climate Change Strategy, and developed our Renewable Energy Plan. In the years ahead we will commence the implementation of 430kW of solar system assets and exploration of battery storage, expand the already established Virtual Energy Network pilot exploring the use of the electricity grid for energy sharing, and will develop the Asset Climate Adaptation Framework.

We will begin revegetating 42ha of our land for environmental benefits, and the Electric Vehicle Transition Plan will be finalised. We will further assess the viability for biogas options at our Cowes Wastewater Treatment Plant in line with **Sustainability Victoria's Waste to Energy Fund**, and continue to work with **CSIRO and Deakin University's Blue Carbon Lab** to capture learnings from our floating wetland pilot project, a priority project of the Western Port Integrated Water Management Forum. Learnings from this pilot will inform the future construction of a 60ML recycled water constructed wetland storage project that aims to utilise nature-based solutions to improve the quality of treated wastewater and reduce greenhouse gas emissions, while concurrently creating value adding habitat.

The San Remo to Newhaven Bridge Pipeline and Fittings Renewal Project will continue, we will promote water efficiency targets, roll out our Smart Water Advice Accommodation Kits for guests visiting and staying in the region, as well as continue to support non-residential customers to enhance water efficiency. We value and protect the environment and continue to invest to meet the needs of current and future generations.

We maintain a strong focus on data protection and privacy and will develop a new ICT strategy, and deliver the ICT Improvement Plan focused on embracing the opportunities that new technology offers while rising to the cyber **security challenges our evolving environment brings**. **We will also begin upgrading WPW's Asset Managing Information System**.

We understand that our customers continue to experience cost of living pressures. In addition to payment flexibility, Westernport Water remains focussed on facilitating and delivering rebates and grants to our customers. In 2022-23 through our Customer Care Program our customers were able to get access to \$1,061,548 of finance assistance through concession rebates, utility relief grants, high usage leak allowances, and hardship grants. We will continue to take proactive steps to provide targeted relief to customers, residential or commercial, that are finding it difficult to make payments.

OFFICIAL

In addition, in 2022-23 our sponsorship and grants program delivered benefits across 51 varied and diverse community stakeholder engagements, 34 sponsored events, 24 educational events, and 27 sponsorships and donations. We remain committed to partnering across our community with the continuation of this community grants and sponsorship program, as well as maintaining our relationship with the Phillip Island Community Orchard.

As a long-term supporter of reconciliation on the Bass Coast, we will continue to work with our partners to advocate for a future where our shared history is acknowledged, embrace genuine and respectful relationships as we work to restore land and waterways, and realise the benefits of a diverse and inclusive community and workplace. We remain a committed member of the Bass Coast Reconciliation Network, are committed to entering a service agreement with the Bunurong Land Council Aboriginal Corporation for on-country services, and will maintain corporate sponsorship for the Community Gathering Place Steering Committee. We are also aiming to appoint an independent Aboriginal Delegate to our Board, source and implement additional in-person training facilitated by accredited personnel, and utilise Aboriginal affiliated recruitment agencies to support Aboriginal staff recruitment. We will continue implementing our Innovate Reconciliation Action Plan 2.0 (RAP) which builds on over seven years of focused engagement with Traditional Owners, and Aboriginal and Torres Strait Islander people, including the delivery of our previous two RAPs.

Providing a great place to work that is safe, inclusive, equitable, and rewarding, with flexibility and meaningful benefits and pay, is a priority for us. As part of the 2023 People Matter Survey carried out by the Victoria Public Sector Commission, 99 per cent of our people indicated that Westernport Water provides a safe work environment. This builds on our staff satisfaction of 80 per cent, and an engagement score of 76. In addition, a strong focus on continuing to stand for an equitable and inclusive workplace has resulted in balanced gender representation in leadership and has reduced the gender pay gap to 2.9 per cent at Westernport Water. We will build on these foundations in the year ahead by developing our first consolidated People Strategy, bringing together diversity and inclusion, work health and safety, wellbeing, learning and development, and a proactive attraction and retention strategy, all focussed on enabling our people to thrive.

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 reduce costs while recognising and managing our risks and continuing to provide a great place to work, to **ensure our services meet our customers' expectations now, and in the future.**



Chair
Annabelle Roxon



Managing Director
Dona Tantirimudalige

About us

The Westernport Region Water Corporation (“Westernport Water” or “Corporation”) Corporate Plan 2024-29 has been developed in accordance with the requirements of the *Water Act 1989*.

The Corporate Plan includes the purpose, undertakings and objectives of the Corporation, as well as the 2024-25 financial statements containing the information required by the Minister for Water.

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 outlines the strategies and initiatives of Westernport Water to achieve its purpose. The plan also includes activities to ensure compliance with the requirements set out in the Statement of Obligations (SoO) and the **Minister for Water’s** Letter of Expectation (LoE) that are applicable to all Victorian water corporations.



Students from Our Lady Star of the Sea Primary School received a drink bottle as part of our Prep Water Bottle Program.

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 over 23,000 customers from 27 townships, across an area covering 300 square kilometers, including Millowl (Phillip Island) and mainland communities from The Gurdies in the north to Archies Creek in the southeast.

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

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

We operate two wastewater treatment plants: the Cowes Wastewater Treatment Plant (CWWTP) and the King Road Wastewater Treatment Plant (KRWWTTP). Effluent collected from the townships of Kilcunda and Dalyston is treated under an agreement with South Gippsland Water at its Wonthaggi Wastewater Treatment Plant. There are also 99 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 for various purposes in specific areas of Phillip Island, such as residential, recreational, commercial, and agricultural use. Additionally, the organisation provides services for the removal of commercial trade waste, operates a liquid waste disposal facility, and offers specialist advice on infrastructure and facility design for new developments. These services not only cater to the diverse needs of the community but also underscore Westernport Water's commitment to sustainability and environmental stewardship.

Corporate Focus Areas and Initiatives of 2024-25

	Strategic Focus Areas	Corporate Objectives	Corporate Initiatives
Innovation	We deliver value to our customers	<ul style="list-style-type: none"> - Provide reliable services that meet our customers' needs - Empower customers with accessible services and information to manage their water use - Provide and promote flexible payment options for customers experiencing hardship - Continually seek opportunities to deliver increased value for our customers 	<ol style="list-style-type: none"> 1. Deliver Year Two of the Water Quality Continuous Improvement Program (2023-28) 2. Review Procurement Practices to Deliver Social, Environmental and Economic Benefit
	Our people are safe and better for working here	<ul style="list-style-type: none"> - Provide a safe and healthy work environment - Attract and retain adaptable, skilled and experienced employees - Meaningful benefits & pay - Reflect the diverse community we serve through inclusion, participation and engagement - Find & smooth friction points in processes, creating efficiencies & improving employee experience 	<ol style="list-style-type: none"> 3. Develop Westernport Water's People Strategy (2024-26) 4. Commence Talent Attraction & Retention Plan 5. Commence Work Smart Initiative to Identify and Progress Efficiency Measures
Liveability	We invest in our assets to meet the needs of future generations	<ul style="list-style-type: none"> - Foster an engaged culture of asset management - Enable reliable service delivery in an increasingly variable climate - Provide safe, sustainable, and reliable water and wastewater services 	<ol style="list-style-type: none"> 6. Renew San Remo to Newhaven Bridge Pipeline and Fittings 7. Develop new ICT Strategy (2025-28) 8. Deliver ICT Improvement Plan, including Data Security and Privacy Improvements (2024-25) 9. Upgrade Westernport Water's Asset Management Information System 10. Develop Compliance and Enforcement Framework
	We partner with our community	<ul style="list-style-type: none"> - Support a more liveable and resilient community through affordable and efficient services - Communicate and engage effectively and openly with all areas of our community - Build strong community partnerships focused on shared livability benefits - Contribute to community wellbeing through opportunities that support social and recreational benefits 	<ol style="list-style-type: none"> 11. Deliver Innovate Reconciliation Action Plan 2.0 (2023-25) 12. Collaborate with Gippsland Regional Water Alliance to Improve Effectiveness of Processes and Programs
Sustainability	We value and protect our natural environment	<ul style="list-style-type: none"> - Minimise environmental impacts - Mitigate and adapt to climate change - Protect and enhance our environment - Empower the community to use water in a sustainable manner - Plan for our future through strategic business planning 	<ol style="list-style-type: none"> 13. Deliver Year Two of the Climate Change Strategy (2023-28) 14. Continue with Floating Wetland pilot project at CWWTP - part of year two of the Integrated Water Management (IWM) Priorities

Water for Victoria and the **Minister’s** Letter of Expectations— our delivery

Victoria has a long and proud history of effectively managing its water resources which are critical to our economy, environment, and our communities. Through alignment of our Corporate Plan and Water for Victoria, we will deliver a water system that is modern, efficient, innovative, future focused and affordable. The tables below show the Water for Victoria’s Priority Policy Areas and the Minister’s LoE’s key performance indicators, and Westernport Water’s deliverables.

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	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 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 upcoming target year (e.g. 2029/30 FY)	5,598	3,325	3,386	1,802	1,873

KPI	Definition	Deliverables 2025-29
Emissions reductions – Total scope 1 and 2 (1.1.3.027)	Qualitative explanation of projects or initiatives to reduce Scope 1 and/or 2 emissions (including emissions reductions achieved per project in t CO2-e where feasible)	Continue to implement the Climate Change Strategy’s priority areas: <ul style="list-style-type: none"> - Plant efficiencies, targeting an annual reduction of 856 tCO2e. - Renewable electricity, targeting an annual reduction of 573 tCO2e. - Zero emissions transport, targeting an annual reduction of 26 tCO2e. - Reducing emissions from waste and wastewater, targeting an annual reduction of 2045 tCO2e. - Carbon sequestration and landscape regeneration, targeting an annual reduction of 500 tCO2e.

KPI	Definition	Deliverables 2025-29
Increasing renewable energy – Total renewable energy (1.2.2.029)	Qualitative explanation of projects or initiatives to increase renewable electricity consumption and/or generation (including renewable generation capacity increased per project where feasible)	<ul style="list-style-type: none"> - Deliver emissions reduction through the Power Purchase Agreement with Zero Emissions Water. - Continued participation in Virtual Energy Network to use the electricity grid for energy sharing of Westernport Water's exported solar generation with other sites and continue to assess local partnership opportunities. - Continue to monitor and report on electricity consumption (MWh) at our sites. - Commence implementation of 430kW of solar system assets and exploration of battery storage to support energy resilience. - Finalise the Renewable Energy Plan under the Climate Change Strategy, including potential expansion of the Virtual Energy Network.
Adapting to climate change – Adaptation (1.3.1.001)	Demonstration of reasonable progress in integrating climate change adaptation and risk into planning and decision-making across all aspects of the business	<ul style="list-style-type: none"> - Climate Adaptation Risk Workshop and second iteration of the Climate Change Adaptation Risk Plan and updates to the climate risk register. - Development of Asset Climate Adaptation Framework. - Implement Year Three of the Urban Water Strategy (2022-27) that includes review of our drought preparedness plan. - Continue to implement initiatives that align with the United Nation's Sustainable Development Goals. - Case study: Exploring climate adaptation through investigating nature-based solutions for water quality improvement and carbon sequestration as an innovative approach across areas of wastewater management, built assets, and natural environment.

Customer, Community and Engagement

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

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

KPI	KPI – Measure	Definition	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target
Customer satisfaction – Customer satisfaction (2.1.1.001)	Number out of 10	Provide annual target for customer ratings of 'Overall Satisfaction' against customer perception/ reputation surveys that will be undertaken over the planning period	7	7	7	7	7
Bills and support – Bills (2.2.1.022)	Number	Published tariff schedules for urban water services	1	1	1	1	1

KPI	Definition	Deliverables 2025-29
Customer satisfaction – Customer satisfaction (2.1.1.002)	Narrative describing how water corporations target for customers’ rating of Overall Satisfaction’ will be met over the planning period	<ul style="list-style-type: none"> - Overall satisfaction is now measured using a ten-point agreement scale (2023). - As this is a new survey scale and methodology, we will continue to build our understanding of how we perform and the contributing factors. - With a number of major projects, actions and campaigns in the Communications and Engagement Strategy, combined with projects detailed under PS23 Outcome 1: High-quality drinking water and Outcome 4: Keep water interruptions to a minimum, we have set our target aiming to maintain our performance. - In 2024-25, Westernport Water will also establish its first Annual Customer Assessment Panel to form and communicate its opinion on our annual performance.
Bills and support – Bills (2.2.1.020)	Efforts to manage pricing impacts for urban water services	<ul style="list-style-type: none"> - As per our Price Determination 2023-28, we will limit price changes to CPI adjustments for the next four years. - Westernport Water has committed to support customers with over 75 hardship grants and a minimum of 53 utility relief grants in the next 12 months.
Bills and support – Bills (2.2.1.021)	Any significant variations to the most recent Pricing Decision projections	<ul style="list-style-type: none"> - N/A
Customer and community engagement – customer and community engagement (2.4.2.001)	Development and delivery of a Customer Engagement Strategy/Plan/Policy that is also published on the corporation’s website (Yes/No)	<ul style="list-style-type: none"> - Yes, Westernport Water is implementing actions and initiatives outlined in its Customer and Engagement Plan 2023-26. By implementing Year 2 of this plan, we seek to foster positive relationships with stakeholders, increase the awareness of our products and services, build water literacy, and enhance the overall customer experience. This Plan is available on the Corporation’s website. - Our Annual Community Support Program will once again provide funding to eligible community organizations to build positive change in our region. Up to \$35,000 will be provided in the areas of water and wastewater literacy and education, water conservation, environmental and social wellbeing, and Aboriginal water values.
Customer and community engagement – customer and community engagement (2.4.2.002)	If the Customer Engagement Strategy/Plan/Policy is under development and yet to be published, what is the corporation’s timing to complete it and to publish on its website?	<ul style="list-style-type: none"> - Westernport Water’s existing Communications and Engagement Plan 2023-26 is available to the public on our website. Our adopted Communications Policy is scheduled for review in Q4 of 2023-24.

KPI	Definition	Deliverables 2025-29
Customer and community engagement – customer and community engagement (2.4.2.003)	How will the water corporation measure success against outcomes of its Customer Engagement Strategy/Plan/Policy?	<ul style="list-style-type: none"> - Customer and community engagement initiatives and deliverables are in the Corporation’s Communications and Engagement Plan 2023-26 published on our website. - Through the Communications and Engagement Plan, we are committed to delivering the outcomes customers sought as part of the 2023-28 price review process. By implementing this plan, we seek to foster positive relationships with stakeholders, increase the awareness of our products and services, build water literacy, and enhance the overall customer experience. - Progress reports are provided annually to our Board, and through our annual report, which is published on our website. - In 2024-25, Westernport Water will also establish its first Annual Customer Assessment Panel to form and communicate its opinion on our annual performance.

Recognising Aboriginal Values

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

Key performance areas:

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

KPI	KPI – Measure	Definition	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 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 for water planning and management	2	2	2	2	2
Supporting Aboriginal self-determination – Aboriginal self-determination (3.2.1.001)	Number	Provide the number of formal partnership agreements with Aboriginal Community Controlled Organisations for water planning and management	1	1	1	1	1

KPI	Definition	Deliverables 2025-29
Partnerships with Traditional Owners – Partnerships with Traditional Owners (3.1.1.002)	Describe the nature of the formal partnership agreements entered into with Traditional Owner Groups for water planning and management.	<ul style="list-style-type: none"> - Maintain membership of the Bass Coast Reconciliation Network. - Strengthen and formalise Tarbuck Biik (Green Team) partnership. - Enter a Service Agreement with the Bunurong Land Council Aboriginal Corporation (BLCAC) for on Country services. - Deliver Westernport Water’s third Reconciliation Action Plan (RAP) – Innovate RAP 2023-25.

KPI	KPI – Measure	Definition	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target
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 monitors progress against key RAP deliverables. The RAP Working Group members, including Traditional Owners, review and endorse the Annual Report and RAP progress reports.					
Partnerships with Traditional Owners – Partnerships with Traditional Owners (3.1.1.004)	Demonstrate how water corporations have informed relevant Traditional Owners of opportunities to access water entitlements or allocation within their Country	- Build capacity and engagement opportunities for Aboriginal and Torres Strait Islander participation in water management through Action 14 of Westernport Water’s Innovate RAP 2023-25.					
Supporting Aboriginal self-determination – Aboriginal self-determination (3.2.1.002)	Describe the nature of the partnership agreements with Aboriginal Community Controlled Organisations for water planning and management.	Westernport Water’s third Reconciliation Action Plan 2023-25 includes a commitment to enter a formal partnership via a Service Agreement to support the aspirations of the Bunurong Land Council. This builds on our strong working relationship with Traditional Owners via our RAP Working Group and Bass Coast Reconciliation Network.					
Supporting Aboriginal self-determination – Aboriginal self-determination (3.2.1.003)	Provide commentary on strategies implemented to provide procurement opportunities to Aboriginal Enterprises to supply goods and services to water corporations, including addressing any procurement barriers.	- Implement outcomes in the Social Procurement Strategy and RAP to increase Aboriginal and Torres Strait Islander supplier diversity to support improved economic and social outcomes.					



Director Chris Newton and Managing Director Dona Tantirimudalige present our new Innovate Reconciliation Action Plan

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	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target
Consideration of recreational values in business operations – recreational values (4.1.1.001)	Number	Provide the number of site-based projects planned/delivered to improve recreational enjoyment of water storages	1*	2*	-	-	-
Consideration of recreational values in business operations – recreational values (4.1.1.003)	Number	Provide number of water storage recreational areas with Recreational Area Management Plans in place	0	-	-	-	-

*In relation to recreation, one Westernport Water reservoir has restricted access and as such we have supported alternative projects as described at KPI 4.1.1.001 below.

KPI	Definition	Deliverables 2025-29
Consideration of recreational values in business operations – recreational values (4.1.1.002)	Provide a brief description on how site-based projects will improve/have improved recreational enjoyment of water storages.	<ul style="list-style-type: none"> - Explore opportunities to deliver improved recreational outcomes like bird watching through projects like the Recycled Water Wetland Storage Project. - Maintain relationships and support for the Phillip Island Community Orchard and recycled water demonstration site. - Westernport Water only has one reservoir with restricted access, as such we have reimagined how to create recreational opportunities and are supporting community driven garden projects, one particular project being the Phillip Island Community Orchard. Supporting the community to turn a previously unused space into accessible and thriving community space to encourage people to connect with water through growing food, spending time in nature and enjoying local outdoor activities.
Engagement processes with community or stakeholders – Recreational values (4.2.1.001)	Provide evidence of community engagement processes that identified and considered recreational objectives relating to: <ul style="list-style-type: none"> - waterway health and environmental land - water planning and management. 	<ul style="list-style-type: none"> - Engagement with stakeholders on opportunities to discharge to and restore waterways as part of the Recycled Water Wetland Storage Project.

KPI	Definition	Deliverables 2025-29
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.	- Develop an action plan for the development and maintenance of a comprehensive webpage to provide up-to-date information on current and future recreational opportunities. The webpage will include details on access points, safety information, and any relevant restrictions or regulations.
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.	- Floating wetland pilot trial at CWWTP to inform the broader Recycled Water Wetland Storage Project at KRWWTP. A trial study is underway with Deakin University Blue Carbon Lab and CSIRO.

Resilient and Liveable Cities and Towns

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

Key performance areas:

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

KPI	KPI – Measure	Definition	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target
Circular economy outcomes – Circular economy (5.3.1.002)	Percentage	Provide the percentage of biosolids mass reused	0*	0	0	0	0

*Targets are currently zero. Awaiting results of contaminant testing which will allow us to calculate application rates and then percentage reuse based on available land.

KPI	Definition	Deliverables 2025-29
Water efficiency and water recycling – Urban water efficiency/recycling (5.2.1.001)	Projects or initiatives to deliver urban water efficiency, including residential and non-residential, and any projects delivering on water efficiency outcomes in Water for Victoria and relevant urban and sustainable water strategies.	<p>Public awareness campaigns and initiatives include:</p> <ul style="list-style-type: none"> - Updating Permanent Water Saving Rules signage across our service region. - Supporting non-residential customers to enhance water efficiency via the Water Smart program, which facilitates the monitoring of water services at sites. Through this, we will assist large businesses and councils to promptly address any incidents that arise. - Rolling out Smart Water Advice Accommodation Kits with education resources and collateral to make available to guests visiting and staying with accommodation providers. - Continuing to promote regional water efficiency targets aimed at improving water efficiency. - Continuing to extend our Class A recycled water distribution system to reduce potable water use.
Water efficiency and water recycling – Urban water efficiency/recycling (5.2.1.002)	Projects to deliver water recycling, reporting should have regard to the statutory obligations of water corporations and water efficiency initiatives to promote the integrated and sustainable use of water resources in their region	<ul style="list-style-type: none"> - The PS23 project Sustainable Reuse and Afforestation is set to increase the available land for irrigation by recycled water at Cowes Wastewater Treatment Plant. - The Recycled Water Wetland Storage Project will provide 60 ML of constructed wetlands for nature-based effluent treatment and storage for recycled water use. - Irrigation infrastructure is to be installed on land not previously irrigated. - Continue IWN floating wetlands trial at CWWTP to demonstrate effectiveness of nature-based treatment solutions to produce recycled water suitable for return to environment.
Water efficiency and water recycling – Urban water efficiency/recycling (5.2.1.003)	Other projects to deliver water conservation, reporting should have regard to the statutory obligations of water corporations and water efficiency initiatives to promote the integrated and sustainable use of water resources in their region	<ul style="list-style-type: none"> - Water Smart program to support non-residential customers to become more water-efficient by facilitating the monitoring of water services at sites. Through this program, we will assist large businesses and councils to promptly address any incidents that arise.
Water efficiency and water recycling – Urban water efficiency/recycling (5.2.1.004)	Projects to deliver sustainable and resilient water services systems, reporting should have regard to the statutory obligations of water corporations and water efficiency initiatives to promote the integrated and sustainable use of water resources in their Region	<ul style="list-style-type: none"> - The Recycled Water Strategy 2023-26 commits Westernport Water to achieving a baseline recycled water volume of 267 ML/year for the period 2023-28.
Water efficiency and water recycling – Urban water consumption (5.2.3.044)	Please provide commentary on non-revenue water attributed to leakages (for 2024-25 only)	<ul style="list-style-type: none"> - Continue to report on volumes of potable water sourced, customer consumption and water losses as per regulatory requirements. - Water consumption is trending below historical YTD trends. - Optimise water mains renewal program.
Integrated water management – Integrated water management (5.1.1.001)	Progress towards contributing to the development or review, and implementation of Strategic Direction Statement(s) applicable to its region	<ul style="list-style-type: none"> - Continue to participate in Forums for Integrated Water Management (IWM).

KPI	Definition	Deliverables 2025-29
Integrated water management – Integrated water management (5.1.1.002)	Progress towards the implementation of priority IWM projects and plans as applicable	<ul style="list-style-type: none"> - Continue with Floating Wetland pilot project at CWWTP - part of year two of the Integrated Water Management (IWM) Priorities -
Integrated water management – Integrated water management (5.1.1.003)	Progress towards delivering IWM outcomes for the region (regional IWM forums) and/or IWM targets set out in the relevant catchment scale IWM plans (metro IWM forums)	<ul style="list-style-type: none"> - Continue to participate in Forums with Metro and the Western Port Integrated Water Management (IWM) Program partners to plan and deliver Catchment Scale Integrated Water Management Plans. - Continued involvement in the Monitoring, Evaluation, Reporting and Improvement (MERI) Plan.
Integrated water management – Integrated water management (5.1.1.004)	Progress towards contributing to relevant IWM actions included in urban water, sustainable water, waterways, and catchment management strategies and plans.	<ul style="list-style-type: none"> - Continued participation in the IWM Forums and support development and delivery of the Western Port Catchment Scale IWM Action Plan. - Deliver Year Two of the Recycled Water Strategy. - Deliver Year Three of the Urban Water Strategy. - Continue with Floating Wetland pilot project at CWWTP - part of year two of the Integrated Water Management (IWM) Priorities
Integrated water management – Integrated water management (5.1.1.006)	Actively participate and promote stakeholder collaboration with other organisations through IWM Forums, to help facilitate IWM.	<ul style="list-style-type: none"> - Continued participation in IWM Forums and collaboration with implementation partners to deliver Priority Structural Actions.
Circular economy outcomes – circular economy (5.3.1.001)	Provide commentary on projects or initiatives that adopt circular economy principles and/or contribute towards identified targets in "Recycling Victoria: A New Economy".	<ul style="list-style-type: none"> - Deliver Year Two of the Climate Change Strategy. - Deliver Year Two of the Recycled Water Strategy. - Further assess viability for the Bio-Gas options at CWWTP in line with the Climate Change Strategy and Sustainability Victoria's Waste to Energy Fund – Bioenergy.
Environmental statutory obligations – environmental obligations (5.4.1.001)	Water corporations should manage impacts to water quality in their operations including managing risks posed to water quality in special water supply catchment areas or catchments and provide commentary on specific actions that deliver targeted outcomes to satisfy these environmental obligations.	<ul style="list-style-type: none"> - Collaborate closely with Melbourne Water to undertake various activities to protect waterways, from delivering on-ground works to participating in state and regional planning. We encourage others to care for our waterways through support and education programs, stewardship programs and help with improvements through incentive schemes that provide funding support to landowners and managers. - 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.

KPI	Definition	Deliverables 2025-29
Environmental statutory obligations – environmental obligations (5.4.1.002)	Water Corporations should demonstrate compliance with the Obligations for Managers of Land or Infrastructure (Water) (OMLI) under the Environmental Protection Act 2017 relating to managing impacts to water quality in their operations and provide commentary on specific actions that deliver targeted outcomes to satisfy this environmental obligations	<ul style="list-style-type: none"> - Collaborate closely with Melbourne Water and the EPA to identify risks to waterways, which involves delivering on-ground works and participating in state and regional planning. Additionally, support the regional working group that conducts quarterly consultations with the EPA. - Utilise Risk Management and Monitoring Plans to identify and manage environmental impacts from operations.
Environmental statutory obligations – environmental obligations (5.4.1.003)	Water Corporations to undertake specific actions that deliver targeted outcomes to satisfy water corporations' environmental obligations consistent with the actions and intended outcomes contained in the: <ul style="list-style-type: none"> a) Regional Catchment Strategy b) Victorian Waterway Management Strategy and Regional Waterway Strategy c) Port Phillip Bay Environmental Management Plan (MW Only); and d) Other environmental activities or general projects that help implement catchment/ waterway health objectives 	<ul style="list-style-type: none"> - Continue to monitor policies and actions aligned to the Regional Catchment Strategy Victorian Waterway Management Strategy and Regional Waterway Strategy. - Continue to consult with Melbourne Water and DEECA to explore opportunities for returning recycled water to the environment to mitigate the impact of climate change.
Sustainable water use – sustainable water use (5.5.1.001)	Progress on actions taken in the development and implementation of Sustainable Water Strategies applicable to the region	<ul style="list-style-type: none"> - Continue to monitor policies and actions aligned to the Central and Gippsland Region Sustainable Water Strategy. - Continue to monitor strategic management directions and regional outcomes aligned to the West Gippsland Regional Catchment Strategy. - Continue to participate in Tarbuk Biik (Strong Country) Stakeholder Meetings – Bass Coast region.



Emergency response – Generators mobilised to keep services flowing.

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.

KPI	KPI – Measure	Definition	2024-25 Target
Diversity and inclusion – Diversity and inclusion (6.1.1.003)	Number	Provide the number of executive officers who identify as female.	3
Diversity and inclusion – Diversity and inclusion (6.1.1.005)	Number	Percentage of all the staff who complete the VPSC people matter survey	84%
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 accredited personnel	50%*
Diversity and inclusion – Diversity and inclusion (6.1.1.007)	Number	Number of Aboriginal staff employed	3

* All staff are required to undertake online cultural competency training at induction. In-person training will recommence FY24-25.

KPI	Definition	Deliverables 2025-29
Diversity and inclusion – Diversity and inclusion (6.1.1.001)	Is a Diversity Inclusion Plan/s published on entity website (Y/N) (for 2024-25 only)	<ul style="list-style-type: none"> - The Diversity and Inclusion Strategy 2021-24 is published on the Corporation’s website. Diversity and Inclusion initiatives for 2024-25 (and beyond) will be developed as part of the People Strategy, which will be published on the Corporation’s website during the 2024-25 financial year.
Diversity and inclusion – Diversity and inclusion (6.1.1.002)	Is a Gender Equality Action Plan published on entity website (Y/N) (for 2024/25 only)	<ul style="list-style-type: none"> - The Gender Equality Action Plan 2022-25 is published on the Corporation’s website. Deliverables for 2026-29 will be developed as part of the People Strategy.
Diversity and inclusion – Diversity and inclusion (6.1.1.004)	Actions taken to improve participation by Traditional Owners and Aboriginal Victorians in Board committees and other organisational committees	<ul style="list-style-type: none"> - Westernport Water will seek to appoint an independent Aboriginal Delegate to its Board, and will work with that appointee and the RAP Working Group to support Aboriginal participation in decision-making.
Diversity and inclusion – Diversity and inclusion (6.1.1.008)	Summary of progress against LOE Priority Area Leadership, diversity and culture	<ul style="list-style-type: none"> - Deliver our third Reconciliation Action Plan 2023-25. - Continuing to require completion of online cultural competency training for all staff, whilst sourcing and implementing in-person training facilitated by accredited personnel during the RAP period. - Utilise Aboriginal affiliated recruitment agencies to support Aboriginal staff recruitment. - Deliver year 3 of Westernport Water’s Gender Equality Action Plan (GEAP) 2022-25, including: <ul style="list-style-type: none"> - Having consulted with employees to gain additional feedback on internal promotions and secondment opportunities, ensure opportunities are transparent, accessible, and promoted broadly across the workforce. - supporting executive officers with learning & development opportunities to provide support & strengthen capability. - as part of the Water Industry Equity, Diversity and Inclusion Strategy 2024-28, participate in industry groupings (including Vic Water Managing Directors Forum, Diversity & Inclusion Steering Group (DISC) and Practitioners Network) to identify and dismantle gender barriers (including intersectional factors), for operational, treatment & customer service roles, and apply findings at Westernport Water. - Promote 2025 staff survey to ensure high participation, including information on why survey is being run, actions from previous results and assurance on confidentiality of responses.

Performance and Financial Management

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

Key performance areas:

- Audited statement of performance
- Additional financial performance.

KPI	Definition	Deliverables
Additional financial performance – financial performance 7.4.2.001	Financial business targets and projections, including projections for dividend and tax equivalent payments (for 2024-25 to 2028-29)	- 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 2024-25 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 2024-25 to 2028-29)	- Continue to take a conservative approach post COVID-19 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 2024-25 to 2028-29)	- Unregulated income is conducted through the sale of disposal of assets including cattle and hay via utilisation of the corporations land through the Farm Management Plan and the sale of expired fleet vehicles as part of the fleet replacement program. Refer to the Financial Statements Appendix A.
Additional financial performance – financial performance 7.4.2.005	Operational risk assessment, encompassing analysis of factors likely to affect achievement of efficiency targets, and/or create significant financial risk for the corporation (for 2024-25 to 2028-29)	- Included in the Financial Sensitivity Analysis tables, refer pages 39-41. - A Corporate Plan Initiative for 2024-25 is to commence the WorkSmart initiative to identify and progress efficiency measures. This initiative seeks to drive customer value through understanding and achieving efficiency targets whilst mitigating financial risk.
Additional financial performance – financial performance 7.4.2.006	Impact on financial performance of high and low scenarios for key planning variables (such as supply availability, water consumption, interest rates) (for 2024-25 to 2028-29)	- Included in the Financial Sensitivity Analysis tables, refer pages 39-41.
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 2024-25 only)	- Included in the Corporate Plan Performance Measures and Targets 2024-25, refer page 23.

Customer Protection, including the Prevention of Harm from Family Violence

Westernport Water takes our responsibility as custodians of customer data very seriously. We are dedicated to continuous improvement in cybersecurity, in alignment with the Victorian Protective Data Security Framework (VPDSF). To achieve this goal, we are conducting a comprehensive gap assessment against the VPDSF. This review will provide Westernport Water with a thorough understanding of our current maturity level and will enable us to develop a prioritised action plan to advance our cybersecurity capabilities.

At Westernport Water, we routinely engage in various ICT activities to ensure our readiness to recover from cybersecurity or data loss incidents. These activities encompass regular backups, robust identity management practices, timely installation of security updates, and application hardening, among others. In the event of a data breach, Westernport Water has a clearly defined procedure outlining our response. This includes initiating an incident response, promptly notifying relevant agencies, and seeking expert assistance for recovery, if necessary, based on the severity of the breach. Furthermore, we have several cybersecurity enhancement projects scheduled for completion in the 2024-25 financial year which underscore our commitment to improving our cybersecurity posture and safeguarding the data entrusted to us by our customers and stakeholders.

Westernport Water remains committed to information security to protect customer information from loss or exploitation. This includes regular privacy and cybersecurity refresher training for all staff and regular audits of our data privacy protections. We maintain a Privacy Charter that explains to customers what personal information we collect and how we disclose this information. We also have procedures in place to manage any privacy-related complaints or data breach. There were no notifiable data breaches recorded last year.

In 2022-23 our customers were able to access \$1,061,548 of finance assistance through concession rebates, utility relief grants, high usage leak allowances, and hardship grants. We continue to have strong targets in place to provide targeted relief to customers and prioritise support measures over debt recovery activity, such as legal action or supply restrictions.

Over the last 12 months, Westernport Water collaborated with the Essential Services Commission to review its Family Violence Policy and supporting procedures in line with the Water Industry Standard - Urban Customer Service. The review led to improvements to the policy with a visual guide now available for customers that maps out what to expect when seeking support from Westernport Water.

Cyber Security

Westernport Water takes a strategic approach to cybersecurity risk reduction by combining the best practices of the National Institute of Standards and Technology (NIST) Cybersecurity Framework with the Essential Eight (E8) guidelines from the Australian Cyber Security Centre. This dual framework strategy allows us to stay on top of industry standards and cover all essential cybersecurity areas.

The NIST Cybersecurity Framework gives us a structured way to manage and reduce risks, focusing on key functions like identifying threats, protecting our systems, detecting breaches, and responding effectively. Alongside this the E8 provides targeted strategies for critical security controls, enhancing our ability to defend against common cyber threats.

By integrating these frameworks into our cybersecurity practices, Westernport Water strengthens its resilience against evolving risks while keeping in line with global and national standards. This approach underscores our commitment to ensuring ongoing the security and integrity of the data and systems entrusted to us by our community and stakeholders.

Housing Statement

Victoria's Housing Statement recognises the role that Water Corporations must play in getting Victorians into their new homes faster through speeding up connections as our towns and cities grow.

As the referral authority for planning applications in the Bass Coast Shire Council (BCSC) area, Westernport Water closely collaborates with BCSC to review and provide water, wastewater, and recycled water services (if applicable) for development and subdivisions within our service catchment. Our development referral application review process and timelines comply with the current Planning Act and Subdivision Act. Additionally, Westernport Water is actively engaged with developer consultants in engineering designs for these developments.

Corporate Plan Performance Measures and Targets 2024-25

Corporate Plan Performance Measure		Target
1	Delivery of the Corporate Plan Initiatives <i>To achieve safe and reliable water and wastewater services to support sustainable and liveable communities.</i>	Successful completion of the 14 Corporate Plan Initiatives in line with the program for delivery.
2	Maintain the Corporation's AA rating <i>To ensure Westernport Water continues to demonstrate sound financial performance.</i>	Maintain the Corporation's AA credit rating.
3	Customer Survey – Satisfaction result <i>To understand customer perceptions and overall satisfaction of our customers with Westernport Water as a service provider.</i>	7 out of 10 rating for overall customer satisfaction.
4	Compliance – Enforcement action <i>To measure compliance with legislation by ensuring no enforcement action such as a penalty infringement or abatement notice, direction or an enforceable undertaking.</i>	0 regulator actions.
5	Employee Satisfaction - People Matter Survey <i>To measure the level of engagement of employees to provide an indication of their commitment to the organisation's goals and values and their motivation to contribute to the organisation's success.</i>	>78 Employee Engagement Index
6	Water quality compliance with Safe Drinking Water Regulations <i>To ensure the provision and supply of safe drinking water in accordance with the regulations.</i>	100% compliance.
7	Environmental Impact - Compliance with EPA Licence <i>To measure compliance at Westernport Water's two licensed wastewater treatment plant sites.</i>	100% compliance.
8	Customer Service Level - Guaranteed Service Level payment <i>To measure the level of service to customers the ESC sets out provision for payments to customers for failure to meet Guaranteed Service Level.</i>	≤ 3 payments in the 2024-25 year.
9	Delivery of our Customer Commitments - Price Submission 2023-28 <i>To ensure we are delivering on the customer commitments set out in our Price Submission 2023-28.</i>	Annual performance consistent with PS23 customer commitments.

Performance measure results from previous years are reported annually via both the Westernport Water Annual Report and the Westernport Water Annual Watermark.

Corporate Plan Initiatives

Each year as part of our annual planning process, we identify a set of Corporate Plan Initiatives that will enable us to deliver on our strategic focus areas and corporate objectives. The following section outlines our Corporate Plan Initiatives for the 2024-25 financial year.

We deliver value to our customers

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

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

The Water Quality Continuous Improvement Plan focuses on operational improvements in water quality. In the upcoming year, the program will concentrate on the following areas to improve water quality:

- Develop a master plan for the Ian Bartlett Water Purification Plant
- Continue with the development of the master plan for the water distribution system, including potential augmentations for growth, maintaining service levels, optimal source utilisation, system resilience measures, and reviewing disinfection strategies
- Continue engaging our with customers to develop localised insights that identify drivers of customer satisfaction with water quality
- Prepare for legislative changes - Safe Drinking Water Regulations (sunset 2025).

These efforts will ensure that Westernport Water continues to deliver the highest water quality to our customers.

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

2. Review procurement practices to deliver social, environmental and economic benefit

Westernport Water will undertake a review of its procurement practices to ensure they align with the Victorian Government's purchasing principles.

Consistent with guiding principles, our practices will be reviewed to ensure value for money, accountability, integrity, fairness and transparency.

Furthermore, the review will focus on scalability to ensure that our processes are appropriate and efficient - recognising the risk and complexity of each procurement.

This Corporate Initiative aims to address our Governance and Financial strategic risks.

Our people are safe and better for working here

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

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

3. Develop and commence implementation of **Westernport Water's People Strategy**

This initiative aims to develop an overarching People Strategy which covers all aspects of people, culture and safety activities at Westernport Water. It will cover three years and align our corporate initiatives and priorities with people, culture and safety actions and commitments, ensuring we have the capabilities and skills needed for our future workforce. It will include work, health and safety and diversity and inclusion strategies, which have been longstanding focus areas at Westernport Water, continuing to support achievement of a strong culture and meet compliance requirements.

It also seeks to respond to recruitment and retention needs, learning and development outcomes and leadership capability development, in a broader environment full of disruptors, from climate change, AI (Artificial Intelligence), personalisation of the workplace and cost of living; all issues for our people and Westernport Water to navigate. These actions occur in the context of the water industry as an essential service, and delivery of value to our customers.

This Corporate Initiative aims to address our Business Continuity and Work, Health & Safety strategic risks.

4. Commence Talent Attraction and Retention Plan

As a smaller organisation, it's critical to have people with the right skills and experience in key positions when vacancies arise, or new roles are required. In our post-pandemic context, a tight employment market for specific skills coupled with finding people already in our region or attracting them here provides additional challenges. The development of a proactive strategy responds to these issues, and will address:

- strategic workforce planning;
- remuneration review and policy;
- simplification of position descriptions for recruitment advertising;
- review of recruitment advertising channels and approach;
- succession planning; and
- identification and smoothing of friction points in people processes, improving employee experience.

5. Commence WorkSmart Initiative to Identify and Progress Efficiency Measures

Westernport Water is actively seeking out new ways to work that will drive customer value and create benefits for the workplace. The WorkSmart Committee has been established to bring a cross-business focus to emerging cost pressures in order to find alternative approaches that offer efficiencies. In turn, this will allow the business to continue to fund and deliver its commitments to customers.

This Corporate Initiative aims to address our Governance and Financial strategic risks.



The installation of solar systems at key sites have increased renewable energy generation and contributed to efficiencies.

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

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

6. Renew San Remo to Newhaven Bridge Pipeline and Fittings

The San Remo to Newhaven Bridge Pipeline and Fittings Project is essential to ensure reliable and high-quality services to San Remo and Phillip Island. Westernport Water has three pipelines connected to the underside of the San Remo Bridge; two of these supply drinking water from the San Remo Basin to Phillip Island and the third pipe transports wastewater from San Remo to the Cowes Wastewater Treatment Plant. The pipeline assets vary in age from thirty to fifty years, and the project includes a combination of replacing and refurbishing the brackets that attach the pipelines to the bridge and wrapping of the mild steel water pipe.

A key project consideration is the method of access to the pipes, with Westernport Water consulting closely with key stakeholders such as the Department of Transport and Planning, and Parks Victoria. Impacts on road users and water users will be kept to a minimum and water and wastewater services will continue as normal during the works period.

The works are expected to extend the asset life of the pipelines and fittings by thirty years and contribute to the ongoing supply of reliable water and wastewater services to our customers. This year will see the completion of this complex project, after numerous years of planning and approvals.

This Corporate Initiative aims to address our Asset Management and Product Quality strategic risks.

7. Develop new ICT Strategy (2025-28)

This year Westernport water will engage with an external partner to develop an ICT strategy for the years 2025-28. This will involve assessing current state technology, identifying future needs, and setting clear objectives in alignment with business outcomes and addressing our key strategic risks. The strategy will focus on operational efficiency, asset management, data security, information management, employee skills and partnering opportunities with other water corporations in our region with a key outcome being the improvement of the customer experience and the development of an ICT roadmap for the period.

The roadmap will describe the initiatives and investments needed to achieve the stated objectives while considering budget constraints and resource availability. The strategy will be continuously evaluated over the period to ensure Westernport Water can adapt to evolving technological trends and regulatory requirements, with the goal being the secure provision of technology, skills and services to support customer delivery.

This Corporate Initiative aims to address our Technology strategic risk.

8. Deliver ICT Improvement Plan, including Data Security and Privacy Improvements (2024-25)

The ICT Improvement Plan for 2024-25 will prioritise lifecycle management and focus on improving our ability to detect and respond to cyber threats, optimise network performance, and improve operational resilience to align with our organisational objectives more effectively.

Our main uplift project is a comprehensive lifecycle upgrade of firewalls at key sites plus internet service upgrades where available. The key benefits of this project are:

- Enhanced audit logging capabilities enabling the shared Victorian Government Security Operations Centre to improve the monitoring of the Westernport Water ICT systems and enable earlier detection of irregular cyber activities.
- Improved data traffic management capabilities to enable separation of the core treatment plant operations from the corporate business systems.
- Gives Westernport Water a pathway to change internet service providers more easily in the future.

In addition to these critical works, we will be upgrading the operating system of our staff laptops to maintain a secure and supported technology platform. We will also be introducing improved mobility features to our ICT business systems and infrastructure which will allow our staff to work more efficiently in the field.

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

9. Upgrade Westernport Water's Asset Management Information System

Westernport Water has identified opportunities for improvement within the Asset Management Information System. These opportunities primarily focus on enhancing the capabilities of Asset Management and Works Management software, enabling Westernport Water to maximise the value of our assets and optimising whole of lifecycle asset management. We are currently assessing the process and configuration requirements to meet the organisations current and future needs.

This Corporate Initiative aims to address our Technology and Asset Management strategic risks.

10. Develop Compliance and Enforcement Framework

The Compliance and Enforcement Framework will provide the foundations required to ensure we have a robust system in place to manage non-compliant connections to our network, and water theft.

Water is a precious and limited resource, it is critical to our economy, environment and communities. We need to ensure we are managing water fairly for all water users whilst maintaining the health of our environment and network reliability for our community.

The framework will take a holistic approach, analysing **Westernport Water's** current profile of non-compliant connections, water theft history, challenges and associated risks. We will consider areas such as backflow prevention, trade waste and illegal connections. We will ensure appropriate measures are in place to enforce our powers under the *Water Act* 1989 to meet our obligations to our customers.

This Corporate Initiative aims to address our Governance and Asset Management strategic risks.

We partner with our community

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

At Westernport Water, we believe that community and stakeholder engagement is successful when customers and communities:

- understand what it is we do, and the impacts and cost of delivering essential services;
- affected by a project or decision are actively involved and engaged;
- can share their thoughts, opinions, and have confidence that their concerns are acknowledged and addressed;
- have the opportunity to influence outcomes by being informed and engaged in the development of our products and services;
- may better understand our priorities and challenges, why they are being engaged, and their level of influence in the engagement process; and
- can provide input that will shape the preferred solution and deliver customer driven outcomes.

11. Deliver Innovate Reconciliation Action Plan 2.0 (2023-25)

Our Innovate Reconciliation Action Plan 2.0 (RAP) October 2023 to October 2025 builds on over seven years of focused engagement with Traditional Owners, and Aboriginal and Torres Strait Islander people, including the delivery of our previous two RAPs.

Talking, walking, and working together, we will build trust and respectful relationships with Traditional Owners and Aboriginal and Torres Strait Islander peoples to enable us to achieve positive social change, and support self-determination to increase their access to water and involvement in water management.

Westernport Water's commitment to reconciliation is reflected in everything we do and is highlighted in our Innovate RAP 2023-25. Through the Innovate RAP we will advance reconciliation within our sphere of influence and focus on strengthening relationships with Aboriginal and Torres Strait Islander peoples. Internally, we will drive reconciliation through business activities, services, and programs, embedding processes and systems at all levels of the business.

Westernport Water is committed to reconciliation with Australia's First Nations people and is committed to building respectful and collaborative relationships with the Traditional Owners of the land, the Bunurong people, and other Aboriginal and Torres Strait Islander people living in the region.

This Corporate Initiative aims to address our Governance strategic risk.

12. Collaborate with Gippsland Regional Water Alliance to Improve Effectiveness of Process and Programs

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

This Corporate Initiative aims to address our Business Continuity and Financial strategic risks.



Community Support Program supports Phillip Island CFA – pictured, Katrina Knight Westernport Water, Anita Reed CFA, Jordan Crugnale MP, Member for Bass. Our Community Support Program provides funding for community-led initiatives that help build strong, healthy and sustainable communities. Resilient and Liveable Cities and Towns

We value and protect our natural environment

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

- investing in best practice technology;
- monitoring our treatment facilities and the environment;
- utilising an Environmental Management System to manage environmental risks;
- working with local environment groups on issues of regional significance;
- considering recreational values and integrated water management; and
- providing strategies to support climate change adaptation and mitigation, and emissions reduction.

13. Deliver Year Two of the Climate Change Strategy (2023-28)

Our current Climate Change Strategy was developed in 2022-23 and sets out our actions to meet the requirements of the Victorian Government under the *Climate Change Act 2017*, and specifically, our emission reduction commitments outlined in the *Statement of Obligations – Emissions Reduction 2022*.

In 2021, the Victorian Government released its Whole of Government Emissions Reduction Pledge outlining its commitment for 100% of electricity needs to be met with renewable energy sources. Our Climate Change Strategy maps out our pathway to reaching 100% use of renewable energy sources at our sites and how we will reach our emission reduction pledge commitment of 606t CO₂-e, by 2030, and net zero emissions by 2035.

Year Two of the Climate Change Strategy will see implementation of our Renewable Energy Plan including continuation of the Virtual Energy Network and progress toward implementation of 430kW of solar generation assets in parallel with energy efficiency projects to reduce electricity use at our treatment plants. The Electric Vehicle Transition Plan will be finalised mapping our fleet transition pathway. We will instigate the revegetation of 42ha of our land for carbon offsets and environmental benefits.

This Corporate Initiative aims to address our Environmental, Climate Change and Governance strategic risks.

14. Continue with Floating Wetland Pilot Project at CWWTP – Part of Year Two of the Integrated Water Management (IWM) Priorities

The floating wetland pilot trial was part-funded by DEECA, as a key priority project in the Western Port IWM Forum Area. The floating wetland was installed on the effluent lagoon at the CWWTP in April 2023 to establish a trial to assess the performance of the nature-based system at improving water quality and reducing greenhouse gas emissions. The second year of the pilot project sees the ongoing monitoring and analysis as trends in data are established.

The Project Working Group meets regularly with updates provided to the Project Reference Group at key stages. Water quality improvements will directly benefit our recycled water customers and receiving environments. The pilot project is run in partnership with Deakin University Blue Carbon Lab and CSIRO and findings will also be used to inform our strategic approach to the use of recycled water in wetland systems, particularly our plans for a wetland storage system at KRWWTP.

This Corporate Initiative aims to address our Environmental, Climate Change, and Governance strategic risks.

Key Drivers of Corporate Plan 2024-29

Price Submission 23 (2023-28)

The 2023-28 Corporate Plan projects and budgets have been developed to align with the parameters set within the Price Submission 23 (PS23) for 2023-28, which was approved by the ESC on 20 December 2022. Pricing and tariffs for 2024-25 are increasing by CPI as per year 2 PS23 assumptions. Annual tariffs reflect the approved adjustments for Melbourne Water Bulk Charges and cost of debt adjustments as detailed in Schedule 5 of PS23 for 2023-28.

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

Debt Management

Debt management remains a key focus in maintaining the financial stability of the Corporation. The 2024-25 Corporate Plan continues to actively manage debt levels and balance debt against capital program requirements.

Due to the current challenging economic environment, 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.

The Corporation is committed to maintaining its AA credit rating by prudently managing operating expenditure and debt levels. Overall the five-year outlook is in line with PS23 assumptions to minimise price increases to customers, in lieu of repaying debt. The following table shows the level of fixed debt for the Corporation over the five-year Corporate Plan period (excluding temporary borrowing facilities).

Short term borrowings and investment will be utilised to smooth cash flow, with longer term borrowings directed towards the financing of the capital program.

Debt levels will be reprofiled against PS23 assumptions to reflect the rephasing of the capital program with a contingency allowance to support short term cashflow for any changes to major capital works. Fixed loans of \$1.25M will be repaid and redrawn to assist funding requirements for 2024-25. Although there is a commitment to find efficiencies to fund the new Victorian State Government efficiency dividend, as this was not known at the time of PS23 submission, it is assumed that short term borrowings may be required to support cashflow to fund these capital repatriation payments which is reflected in the table below.

Fixed Debt	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
\$'000	Forecast	Budget	Budget	Budget	Budget	Budget
Total Fixed Debt Budget (per PS23)	14,640	15,640	16,240	18,240	13,140	N/A
Total Fixed Debt Budget	11,140	19,590	21,340	21,650	16,900	14,900

Financial Analysis, Considerations and Projections

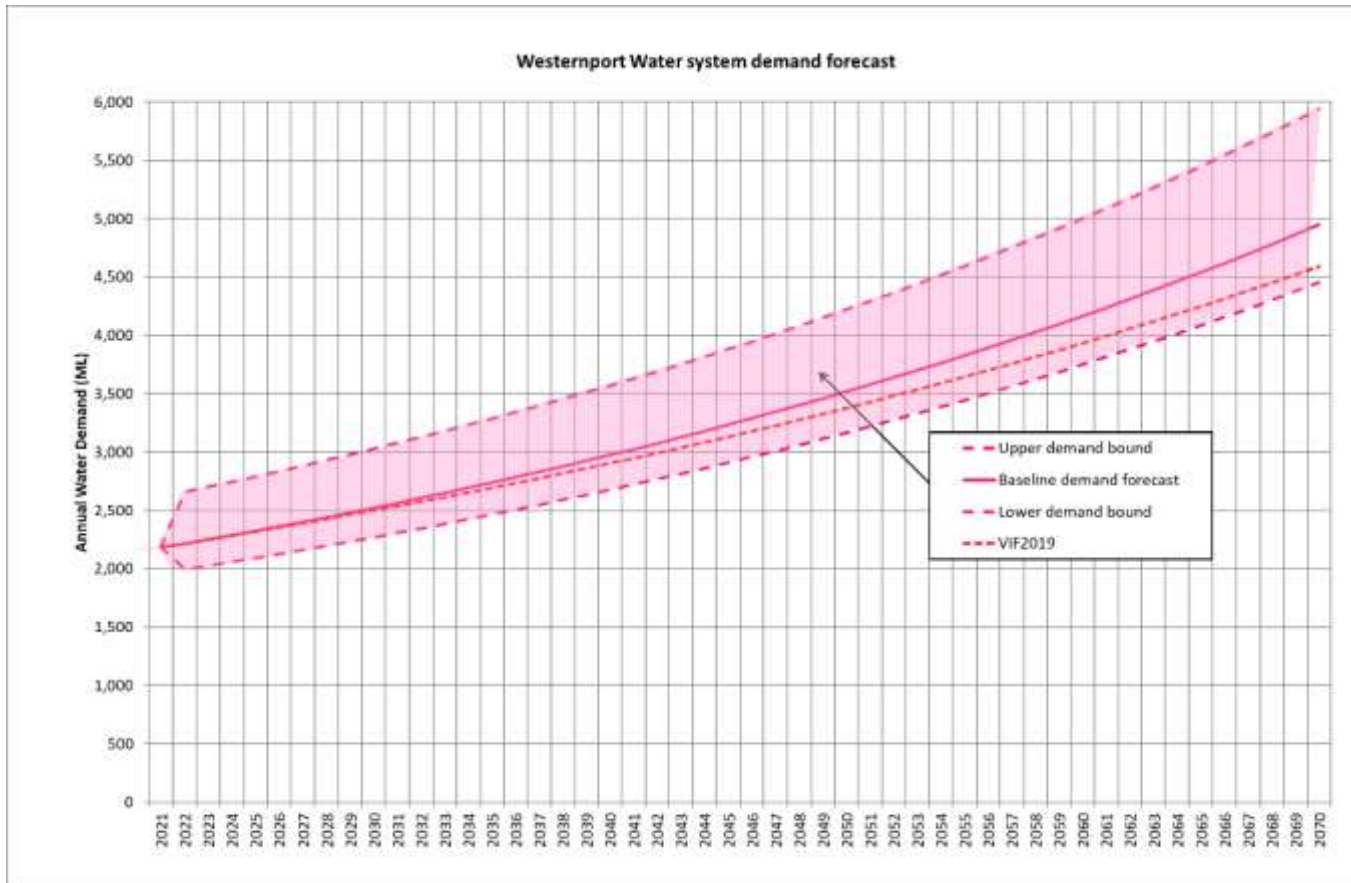
The financial analysis tables and projections are provided in Appendix A.

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 new Victorian State Government efficiency dividend from June 2024 announced in May 2023, the financial statements have been adjusted to reflect this change which will be in the form of a cash capital repatriation payment.

Planning Assumptions

Water Allocations

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



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

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

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

Recycled Water Assumptions 2024-25

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 new Recycled Water Strategy which includes inputs from customer engagement and our environmental obligations.

CWWTP treats sewage from the major towns on Phillip Island (excluding Silverleaves) and San Remo. This treatment **plant receives 85 per cent of inflow from Westernport Water's sewer** network. Based on the past five-year average, around 3.9 per cent of inflow from CWWTP is treated to a Class A or B recycled water quality and distributed to residents in new housing estates in Cowes and Ventnor, and to non-residential users such as the Phillip Island Golf Club and recreation reserves. A further 2.7 per cent is used onsite to water tree plantations and the remaining 93.4 per cent of treated effluent is discharged to Bass Strait at Pyramid Rock.

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

The key projects for 2024-25 from our Recycled Water Strategy include:

- upgrade of our recycled water infrastructure to meet demands at CWWTP;
- expansion of irrigation to newly purchased land at CWWTP; and
- reducing inflow and infiltration of stormwater into our sewer network (ongoing).

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



Phillip Island Community Orchard Open Day – Pictured Westernport Water’s Geoff Russell and Managing Director Dona Tantirimudalige.

Pricing

Tariff schedule	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
CPI % assumptions	7%	3.6%*	3.5%	3.5%	3.5%	3.5%
Water & Recycled Water Volumetric pricing per kL						
Potable (Residential)	\$2.3465	\$2.4286	\$2.5136	\$2.6016	\$2.6927	\$2.7869
Potable (Non-residential)	\$2.3465	\$2.4286	\$2.5136	\$2.6016	\$2.6927	\$2.7869
Recycled Water (Residential)	\$1.2803	\$1.3251	\$1.3715	\$1.4195	\$1.4692	\$1.5206
Recycled Water (Non-residential less than 5,000kL p.a.)	\$0.6226	\$0.6444	\$0.6669	\$0.6903	\$0.7144	\$0.7395
Recycled Water (Non-residential more than 5,001kL p.a.)	\$0.5117	\$0.5296	\$0.5481	\$0.5673	\$0.5872	\$0.6077
Connected Fixed Charges \$ per annum						
Residential						
Water	\$429.79	\$444.83	\$460.40	\$476.52	\$493.19	\$510.46
Waste	\$680.35	\$704.16	\$728.81	\$754.32	\$780.72	\$808.04
Reuse	\$31.98	\$33.10	\$34.26	\$35.46	\$36.70	\$37.98
Non-Residential						
Water (20mm tapping)	\$429.79	\$444.83	\$460.40	\$476.52	\$493.19	\$510.46
Water (25mm tapping)	\$773.66	\$800.74	\$828.76	\$857.77	\$887.79	\$918.87
Water (32mm tapping)	\$1,461.73	\$1,512.89	\$1,565.84	\$1,620.65	\$1,677.37	\$1,736.08
Water (40mm tapping)	\$2,665.39	\$2,758.68	\$2,855.23	\$2,955.17	\$3,058.60	\$3,165.65
Water (50mm tapping)	\$4,772.00	\$4,939.02	\$5,111.89	\$5,290.80	\$5,475.98	\$5,667.64

OFFICIAL

Water (65mm tapping)	\$9,988.39	\$10,337.98	\$10,699.81	\$11,074.31	\$11,461.91	\$11,863.07
Water (80mm tapping)	\$16,465.87	\$17,042.18	\$17,638.65	\$18,256.00	\$18,894.96	\$19,556.29
Water (100mm tapping)	\$29,621.49	\$30,658.24	\$31,731.28	\$32,841.88	\$33,991.34	\$35,181.04
Water (150mm tapping)	\$68,271.86	\$70,661.38	\$73,134.52	\$75,694.23	\$78,343.53	\$81,085.55
Waste	\$680.35	\$704.16	\$728.81	\$754.32	\$780.72	\$808.04
Waste (> 2 cistern per property)	\$251.26	\$260.05	\$269.16	\$278.58	\$288.33	\$298.42
Unconnected Fixed Charges \$ per annum						
Water	\$214.87	\$222.39	\$230.17	\$238.23	\$246.57	\$255.20
Waste	\$340.76	\$352.69	\$365.03	\$377.81	\$391.03	\$404.72

Note:

*The Tariff Schedule for 2024-25 above has been calculated using a CPI increase of 3.6 per cent as confirmed by WPW's economic regulator, the Essential Services Commission on 26 April 2024 through the annual tariff approval process. However, tariffs will require further adjustments for Melbourne Water Bulk Charges and cost of debt as per Schedule 5 of PS23 which is expected to be confirmed in May 2024.

Customer Impact Table

Average Residential Account (88 kL)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Water Fixed	\$429.79	\$444.83	\$460.40	\$476.52	\$493.19	\$510.46
Volumetric	\$206.49	\$213.72	\$221.20	\$228.94	\$236.95	\$245.25
Waste Fixed	\$680.35	\$704.16	\$728.81	\$754.32	\$780.72	\$808.04
Total	\$1,316.63	\$1,362.71	\$1,410.41	\$1,459.77	\$1,510.87	\$1,563.75
% Change	7%	3.6%	3.5%	3.5%	3.5%	3.5%

Average Commercial Account (651 kL)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Water Fixed	\$429.79	\$444.83	\$460.40	\$476.52	\$493.19	\$510.46
Volumetric	\$1,527.57	\$1,581.04	\$1,636.37	\$1,693.65	\$1,752.92	\$1,814.28
Waste Fixed	\$680.35	\$704.16	\$728.81	\$754.32	\$780.72	\$808.04
Total	\$2,637.71	\$2,730.03	\$2,825.58	\$2,924.48	\$3,026.83	\$3,132.77
% Change	7%	3.6%	3.5%	3.5%	3.5%	3.5%

Average Tenant Account (88 kL)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Volumetric	\$206.49	\$213.72	\$221.20	\$228.94	\$236.95	\$245.25
% Change	7%	3.6%	3.5%	3.5%	3.5%	3.5%

Operating Environment Assumptions 2024-29

As Westernport Water enters the second year of the PS23 regulatory period, it remains committed to ensuring that products and services remain affordable and will continue to focus on supporting our most vulnerable customers experiencing financial hardship through flexible payment options and targeted hardship grants. By aligning internal skills and capabilities to our key focus areas, Westernport Water will deliver the operational efficiencies required to reduce operational expenditure in the next five year regulatory period, as committed to in PS23.

The 2024-29 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 the longer term sustainability.

Development activity is expected to continue to perform consistent with PS23 assumptions and prior year trends. The capital program is being driven by operational needs in alignment with PS23 requirements and limits across the full ten-year PS23 forecast. Key projects are outlined in the Capital Expenditure tables in Appendix C.



Phillip Island Football Club players choosing tap water to stay hydrated.

Finance Assumptions 2024-25

The financial assumptions set out below form the basis for the budgeted net profit after tax result of \$1.9M and a positive net cash flow from operating activities.

Revenue Assumptions

Service Charges:

- The Tariff Schedule for 2024-25 has been calculated using a CPI increase of 3.6 per cent as confirmed by the Essential Services Commission on 26 April 2024 via the annual tariff approval process, however will require further adjustments for Melbourne Water Bulk Charges and cost of debt adjustments as per Schedule 5 of PS23 which is expected in May 2024.
- Residential customer growth of 2.24 per cent.
- Non-residential connection growth of 1.17 per cent.

Water Usage:

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

Developer Income:

- Creation of approximately 399 new allotments based on PS23 growth predictions and historical trends.
- New Customer Contribution model from the PS23 which ensures that the cost of new development in the area is better aligned to the developer and not the existing customer base.

OPEX Assumptions

- Increases in wage and salaries will remain in line with PS23, consistent with the current Enterprise Agreement and overall government policy for annual wage rises (2 per cent increase in base rates and allowances and 0.5% increase in superannuation effective 1 July 2024).
- Employee costs include a 3 per cent vacancy rate in line with PS23 assumptions.
- Overall operational expenditure has been profiled against the approved PS23 budget offset by the efficiency rate of 1.5% as committed to our customers during the pricing submission engagement.
- A one-off cost associated to climate change (\$130k) has contributed to the increase in administration expenses above PS23 expectations. Dam safety compliance works of \$195k which is expected to be recurring annually for the remainder of the regulatory period has also contributed to this increase.
- Preventative maintenance costs will increase largely attributed to above CPI contractor cost pressures.
- Environmental Contribution Levy (ECL) will increase effective 1 July 2024. However, as the 2024-25 rate will not be confirmed until the Victorian State Budget is released on the 7 May 2024, the 2025FY budget includes the current 2023-24 rate of 5 per cent of 2018-19 revenue.
- CPI increases for future years has been assumed at 3.5 per cent each year (as per ESC PS23 model).

Financial Sensitivity Analysis

The 2024-29 Corporate Plan is forecasting a Net Profit After Tax (NPAT) for 2025FY of \$1.9M. As noted above, this forecast result has been derived using several assumptions. Within these assumptions there are several which could have a material impact on the financial outcome for 2024-25. A sensitivity analysis has been prepared to highlight the impact of the key variables on our forecast result.

Based on the sensitivity analysis, the NPAT result could range from a profit of \$362k to \$3.6M. The following tables provide the details of the key variables attributable to the potential movement in the profit result.

Variable	Sensitivity	Comments
Capital Revenue	50 per cent change in revenue (\$1.54M) - 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.
Water Usage	A 5 per cent change in consumption will impact revenue by \$271k. *A 10 per cent change in consumption will impact revenue by \$542k. *A 20 per cent change in consumption will impact revenue by \$1.08M. *A 50 per cent change in consumption will impact revenue by \$2.7M.	Customer water consumption is subject to seasonal conditions over peak periods. Water usage consumption could be adversely affected by external economic conditions that may impact the local tourism industry.
Electricity	A 10 per cent change in usage will impact expenditure by \$80k.	A wet winter/spring period is a causal factor in increased electricity usage and lower solar rebates. New contracts and uncertain pricing through the upcoming introduction of the SEC and emission reduction targets may impact costs however, operational efficiencies and alternate power purchasing agreements will be sought to mitigate this risk.
Employee Costs	A 3 per cent decrease in vacancy rate will result in a \$289k increase in employee costs.	The 2024-25 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 \$2.3M *A 20 per cent change in service charges received will impact revenue by \$4.6M *A 50 per cent change in service charges received will impact revenue by \$11.6M	Service charge revenue is fixed however cash flow could be negatively affected by the current economic conditions, particularly the inability of customers to pay. Delays in payment could have a negative impact to cash flow which could also result in increased borrowings and related interest charges.

*alternate scenarios

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

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

Profit Sensitivity – Down Side Assumption

If all the downside risks were to occur the forecast NPAT result would decline to \$362k. It is unlikely that all risks would arise simultaneously and at their respective maximum points of impact. In addition, the drivers behind each risk are different, which do not create direct links between each risk, such that if one risk were to arise it would not necessarily imply the other risks would emerge.

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

Profit & loss \$'000	2024-25 budget	Capital revenue	Water usage	Electricity	Employee Costs	Net result
Total Revenue	32,538	-	-	-	-	32,538
Revenue Adjustment	50*	(1,543)	(271)	-	-	(1,764)
Total Opex	(30,043)	-	-	-	-	(30,043)
Opex Adjustment	-	-	-	(80)	(289)	(369)
NPBT	2,545	-	-	-	-	362
Tax	636	-	-	-	-	-
NPAT	1,909	-	-	-	-	362

*Revenue from profit on sale of disposal of assets.

Profit Sensitivity – Up Side Assumption

The same business risks have the potential to generate an upside result for the corporation. As with the downside risk above the business drivers for each risk are different so it would be unlikely the NPAT would increase from \$1.9M to \$3.6M during 2024-25.

The table below provide the detail on how the profit upside may eventuate.

Profit & loss \$'000	2024-25 budget	Capital revenue	Water usage	Electricity	Employee Costs	Net result
Total Revenue	32,538	-	-	-	-	32,538
Revenue Adjustment	50*	1,543	271	-	-	1,864
Total Opex	(30,043)	-	-	-	-	(30,043)
Opex Adjustment	-	-	-	80	389	369
NPBT	2,545	-	-	-	-	4,778
Tax	636	-	-	-	-	1,195
NPAT	1,909	-	-	-	-	3,584

*Revenue from profit on sale of disposal of assets.

Customer and Demand Assumptions 2024-25

Property Forecast 2024-25

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

- Growth in residential properties of 2.24 per cent from 2023-24
- Growth in non-residential connections of 1.17 per cent from 2023-24
- No growth predicted in unconnected vacant residential land.

Property type	Property Numbers 2023-24 Forecast	Pricing Submission Year 1	Variance from PS23 Year 1	Property Numbers 2024-25 Planned	Pricing Submission Year 2	Variance from PS23 Year 2
Residential	17,565	17,805	-1.3%	18,204	18,204	0.00%
Vacant Land	1,450	1,500	-3.3%	1,533	1,533	0.00%
Non-residential	1,130	1,158	-2.4%	1,172	1,172	0.00%
Total Properties	20,145	20,463	-1.55%	20,909	20,909	0.00%

Customer Demand Forecast 2024-25

Water demand is typically difficult to forecast because it varies depending on weather conditions, changing population and water use behaviour. There is an additional level of complexity due to the large peaks in (non-permanent) population in summer and the large number of tourists that visit the region, which are also heavily influenced by weather conditions. Usage has been negatively impacted in recent years by various non-controllable factors however, demand is expected to return to the PS23 expected levels in the 2024-25 year.

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

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

Customer Type	Forecast Demand 2023-24 ML	Demand PS23 Year 2	Pricing Submission	Variance
Residential	1,368	1,566	1,566	0.00%
Non-residential	746	754	754	0.00%
Total Customer Demand	2,114	2,320	2,320	0.00%

Appendix A – Financial Templates

Table A1 – Operating Statement

Operating Statement \$'000	2023-24 Forecast	2024-25	2025-26	2026-27	2027-28	2028-29
Revenue						
Service Charges	22,019	23,201	24,461	25,661	26,927	27,869
Usage Charges	4,973	5,417	5,960	6,559	6,976	7,220
Developer Contribution	1,381	1,086	1,145	1,060	1,114	1,153
Developer Contribution - Gifted Assets	2,184	2,000	2,000	2,000	2,000	2,070
Investment Interest	168	95	105	25	25	26
Other Revenue	625	739	762	785	808	836
Total Revenue	31,351	32,538	34,433	36,090	37,850	39,175
Expense						
Operating & Maintenance Expense	2,659	2,726	2,825	2,902	2,988	3,086
Administration Expense	4,624	5,044	5,142	5,120	5,290	5,415
Environmental Contributions	1,080	1,080	1,112	1,146	1,180	1,216
Borrowing Cost / Interest Expense	270	320	330	339	350	360
Depreciation / Amortisation	7,955	8,748	9,110	9,396	9,559	9,846
IT	2,305	2,353	2,544	2,866	2,952	3,041
Labour	8,987	9,644	9,933	10,231	10,538	10,854
Consultants	163	128	152	136	162	144
GSL Payments	348	-	-	-	-	-
Total Expense	28,391	30,043	31,148	32,136	33,019	33,962
Net Operating Profit Before Tax	2,960	2,495	3,285	3,954	4,831	5,213
Profit on sale of disposal of assets	150	50	50	50	50	50
Net Profit Before Tax	3,110	2,545	3,335	4,004	4,881	5,263
Tax	777	636	834	1,001	1,220	1,316
Net Profit After Tax	2,332	1,909	2,501	3,003	3,661	3,947

Operating Statement \$'000	2023-24 Forecast	2024-25	2025-26	2026-27	2027-28	2028-29
Net Profit - Retained Earnings	2,332	1,909	2,501	3,003	3,661	3,947
Retained Earnings - Opening Balance	71,840	74,172	76,081	78,582	81,585	85,246
Retained Earnings - Closing Balance	74,172	76,081	78,582	81,585	85,246	89,193

Table A2 – Operating Statement by Quarter 2024-25

Operating Statement 2024-25 \$'000	Q 1 Period	Q2 Period	Q2 YTD	Q3 Period	Q3 YTD	Q4 Period	Q4 YTD
Revenue							
Service Charges	5,687	5,783	11,470	5,841	17,311	5,890	23,201
Usage Charges	943	1,426	2,369	1,505	3,874	1,543	5,417
Developer Contribution	248	258	506	258	764	322	1,086
Developer Contribution - Gifted Assets	-	250	250	250	500	1,500	2,000
Investment Interest	20	23	43	23	66	29	95
Other Revenue	180	180	360	189	549	190	739
Total Revenue	7,078	7,920	14,998	8,066	23,064	9,474	32,538
Expense							
Operating & Maintenance Expense	601	705	1,306	705	2,011	715	2,726
Administration Expense	942	989	1,931	1,466	3,397	1,647	5,044
Environmental Contributions	270	270	540	270	810	270	1,080
Borrowing Cost / Interest Expense	64	64	128	64	192	128	320
Depreciation / Amortisation	1,994	2,138	4,132	2,236	6,368	2,380	8,748
IT	500	543	1,043	645	1,688	665	2,353
Labour	2,164	2,352	4,516	2,457	6,973	2,671	9,644
Consultants	33	30	63	35	98	30	128
Total Expense	6,568	7,091	13,659	7,878	21,537	8,506	30,043
Net Operating Profit Before Tax	510	829	1,339	188	1,527	968	2,495
Non-Operating Items							
Profit on sale of disposal of assets	10	20	30	10	40	10	50
Net Profit Before Tax	520	849	1,369	198	1,567	978	2,545
Tax	130	212	342	50	392	245	636
Net Profit After Tax	390	637	1,027	149	1,175	734	1,909
Net Profit - Retained Earnings	390	637	1,027	149	1,175	734	1,909
Retained Earnings - Opening Balance	74,172	74,562	74,562	75,199	75,347	76,523	74,172
Retained Earnings - Closing Balance	74,562	75,199	75,199	75,347	76,523	77,256	76,081

Table A3 – Balance Sheet

Balance Sheet \$'000	2023-24 Forecast	2024-25	2025-26	2026-27	2027-28	2028-29
Current Assets						
Cash & Cash Equivalents	1,233	2,040	1,515	1,861	1,862	1,514
Receivables	4,729	4,951	5,261	5,547	5,836	6,040
Inventories	600	618	637	656	675	696
Prepayments	218	225	231	238	245	253
Total Current Assets	6,780	7,833	7,644	8,302	8,619	8,503
Non-current assets						
Property Plant & Equipment	308,195	325,800	345,327	363,423	380,552	394,734
Less Accum Depreciation	(25,202)	(33,950)	(43,061)	(52,457)	(62,016)	(71,862)
PP&E at WDV	282,993	291,850	302,266	310,966	318,536	322,872
Work In Progress	5,000	10,090	8,648	7,646	3,862	6,930
Intangibles	1,600	1,648	1,697	1,748	1,801	1,855
Receivables	45	46	48	49	51	52
Total Non-current Assets	289,638	303,635	312,659	320,410	324,249	331,709
Total Assets	296,417	311,468	320,303	328,712	332,868	340,212
Current Liabilities						
Borrowings	1,000	1,250	1,190	750	1,000	1,000
Employee Benefits	1,399	1,441	1,484	1,529	1,575	1,622
Payables	1,628	1,770	1,662	1,718	1,775	1,827
Unearned Income	2,597	2,675	2,755	2,838	2,923	3,011
Other	43	44	44	45	44	45
Total Current Liabilities	6,667	7,180	7,136	6,880	7,317	7,504
Non-current Liabilities						
Borrowings	10,140	18,340	20,150	20,900	15,900	13,900
Employee Benefits	380	391	403	415	428	441
Deferred Tax Liability	44,646	45,985	47,365	48,786	50,249	51,757
Total Non-current Liabilities	55,166	64,717	67,918	70,101	66,577	66,097
Total Liabilities	61,833	71,896	75,054	76,981	73,894	73,602
Net Assets	234,584	239,572	245,249	251,731	258,974	266,611

Balance Sheet \$'000	2023-24 Forecast	2024-25	2025-26	2026-27	2027-28	2028-29
Equity						
Retained Earnings	74,172	76,081	78,582	81,585	85,245	89,192
Asset Revaluation Reserve	109,289	112,568	115,945	119,423	123,006	126,696
Capital Repatriation – Efficiency Dividend	(200)	(400)	(600)	(600)	(600)	(600)
Contributed Capital	51,323	51,323	51,323	51,323	51,323	51,323
Total Equity	234,584	239,572	245,249	251,731	258,974	266,611

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

Table A4 – Balance Sheet by Quarter 2024-25

Balance Sheet 2024-25 \$'000	Q1	Q2	Q3	Q4
Current Assets				
Cash & Cash Equivalents	1,467	1,595	1,558	2,040
Receivables	4,657	4,729	4,802	4,951
Inventories	456	529	601	618
Prepayments	205	210	215	225
Total Current Assets	6,785	7,063	7,176	7,833
Non-current assets				
Property Plant & Equipment	309,888	312,791	313,973	325,800
Less Accumm Depreciation	(30,100)	(32,100)	(33,000)	(33,950)
PP&E at WDV	279,788	280,691	280,973	291,850
Work In Progress	4,000	8,000	8,000	10,090
Intangibles	1,980	1,970	1,960	1,648
Receivables	60	60	60	46
Total Non-current Assets	285,828	290,721	290,993	303,635
Total Assets	292,613	297,784	298,169	311,468
Current Liabilities				
Borrowings	1,250	1,250	1,250	1,250
Employee Benefits	1,388	1,411	1,419	1,441
Payables	1,524	1,529	1,577	1,770
Unearned Income	2,600	2,625	2,650	2,675
Other	44	44	44	44
Total Current Liabilities	6,806	6,859	6,940	7,180
Non-current Liabilities				
Borrowings	11,140	15,140	15,140	18,340
Employee Benefits	391	391	391	391
Deferred Tax Liability	44,224	44,758	44,872	45,985
Total Non-current Liabilities	55,755	60,289	60,403	64,717
Total Liabilities	62,561	67,148	67,343	71,896
Net Assets	230,052	230,636	230,826	239,572

Balance Sheet 2024-25 \$'000	Q1	Q2	Q3	Q4
Equity				
Retained Earnings	71,724	72,308	72,498	76,081
Asset Revaluation Reserve	107,005	107,005	107,005	112,568
Capital Repatriation - Efficiency Dividend	-	-	-	(400)
Contributed Capital	51,323	51,323	51,323	51,323
Total Equity	230,052	230,636	230,826	239,572

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

Table A5 – Cash Flow Statement

Cash Flow \$'000	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget	2028-29 Budget
Cash Flows from Operating Activities						
Receipts - Service & Usage Charges	24,833	26,329	28,900	30,609	32,208	33,335
Receipts – Developer Contributions	1,381	1,086	1,145	1,060	1,114	1,153
Refund from ATO	1,435	1,778	1,664	1,591	1,241	1,569
Interest Received	168	95	105	25	25	26
Receipts - Other (incl. Melb Water)	1,625	1,739	1,762	1,785	1,808	1,836
Payments to Suppliers & Employees	(21,166)	(22,975)	(21,708)	(22,401)	(23,110)	(23,756)
Interest Paid	(200)	(230)	(237)	(244)	(251)	(259)
FAL Paid	(70)	(90)	(93)	(95)	(98)	(101)
Income Tax Payments	(777)	(636)	(834)	(1,001)	(1,220)	(1,316)
Environmental Contribution	1,080)	(1,080)	(1,112)	(1,146)	(1,180)	(1,216)
Capital Repatriation	(200)	(400)	(600)	(600)	(600)	(600)
Net Cash from Operating Activities	5,949	5,615	8,993	9,583	9,935	10,672
Cash Flows from Investing Activities						
Payments for Property, Plant & Equipment	(9,383)	(13,453)	(11,530)	(10,194)	(5,149)	(9,240)
Proceeds from Sale of Property, Plant & Equipment	190	196	202	208	214	220
Net Cash from / (Used in) Investing Activities	(9,193)	(13,258)	(11,329)	(9,986)	(4,935)	(9,020)
Cash Flows from Financing Activities						
Proceeds from Borrowings	3,000	9,700	3,000	1,500	-	-
Repayment of Borrowings	(1,000)	(1,250)	(1,190)	(750)	(5,000)	(2,000)
Net Cash from Financing Activities	2,000	8,450	1,810	750	(5,000)	(2,000)
Net Increase (Decrease) For Year	(1,244)	807	(525)	346	1	(348)
Opening Cash Balance	2,476	1,233	2,040	1,515	1,861	1,862
Closing Cash Balance	1,233	2,040	1,515	1,861	1,862	1,514

Table A6 – Cash Flow Statement by Quarter for 2024-25

Cash Flow 2024-25 \$'000	Q1 Period	Q2 Period	Q3 Period	Q4 Period	2024-25 Budget
Receipts - Service & Usage Charges	5,266	6,582	7,372	7,109	26,329
Receipts – Developer Contributions	217	272	304	293	1,086
Refund from ATO	356	444	498	480	1,778
Interest Received	20	23	23	29	95
Receipts - Other (incl. Melb Water)	348	435	470	487	1,739
Payments to Suppliers & Employees	(4,595)	(5,744)	(6,203)	(6,433)	(22,975)
Interest Paid	(46)	(54)	(64)	(66)	(230)
FAL Paid	(18)	(22)	(25)	(25)	(90)
Income Tax Payments	(130)	(212)	(50)	(245)	(636)
Environmental Contribution	(270)	(270)	(270)	(270)	(1,080)
Capital Repatriation	-	-	-	(400)	(400)
Net Cash from Operating Activities	1,147	1,454	2,055	959	5,615
Cash Flows from Investing Activities					
Payments for Property, Plant & Equipment	(2,691)	(3,363)	(3,632)	(3,767)	(13,453)
Proceeds from Sale of Property, Plant & Equipment	39	49	53	55	196
Net Cash from / (Used in) Investing Activities	(2,652)	(3,314)	(3,580)	(3,712)	(13,258)
Cash Flows from Financing Activities					
Proceeds from Borrowings	-	4,500	1,250	3,950	9,700
Repayment of Borrowings	-	-	(1,250)	-	(1,250)
Net Cash from Financing Activities	-	4,500	-	3,950	8,450
Net Increase (Decrease) For Year	(1,504)	2,140	(1,524)	447	807
Opening Cash Balance	1,233	(271)	1,868	345	1,233
Closing Cash Balance	(271)	1,868	345	792	2,040

Appendix B – 2024-25 Performance Report

Table B1 – Financial Performance

Financial Performance Indicator		2021-22 Actual	2022-23 Actual	2023-24 Projected	2024-25 Projected	2025-26 Projected	2026-27 Projected	2027-28 Projected	2028-29 Projected
7.1.2.001	Cash Interest Cover Net operating cash flows before net interest and tax / net interest payments (times)	49.5	26.18	59.3	26.0	41.0	31.5	31.6	32.9
7.1.2.006	Gearing Ratio Total debt (including finance leases) / total assets * 100 (%)	3.5%	3.4%	3.8%	6.3%	6.7%	6.6%	5.1%	4.4%
7.1.2.011	Internal Financing Ratio Net operating cash flows less dividends / net capital expenditure * 100 (%)	67%	131%	64.7%	42.4%	79.4%	96.0%	201.3%	118.3%
7.1.2.016	Current Ratio Current assets / current liabilities (excluding long term employee provisions and revenue in advance) (%)	119.0%	210.0%	183.7%	190.4%	192.2%	228.9%	217.3%	209.8%
7.1.2.021	Return on Assets Earnings before net interest and tax / average assets * 100 (%)	-0.1%	0.40%	1.08%	0.91%	1.13%	1.33%	1.57%	1.66%
7.1.2.026	Return on Equity Net profit after tax / average total equity * 100 (%)	0.0%	0.30%	1.00%	0.81%	1.03%	1.21%	1.43%	1.50%
7.1.2.031	EBITDA Margin Earnings before interest, tax, depreciation and amortisation / total revenue * 100 (%)	26.5%	31.7%	36.2%	35.7%	37.1%	38.1%	39.1%	39.5%

Table B2 – Operational Performance

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

Water and Sewerage Network Reliability Indicators		2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Target	2024-25 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)	11.3	30.6	126.5	93.67	<116	<116
7.1.3.006	Unplanned water supply interruptions* Percentage of customers receiving more than 1 unplanned interruptions in the year (%)	1.1%	2.4%	1.4%	0.59%	<9.3%	<6.0%
7.1.3.011	Sewerage Service – sewer blockages Number of sewer blockages reported per 100 kilometres of sewer main (number)	3.6	5.4	5.4	4.32	6	6
7.1.3.016	Sewerage Service – sewer spills number of sewer spills reported per 100 kilometres of sewer main (number)	1.0	1.8	3.1	4.07	<2.74	<2.74
7.1.3.021	Sewerage Service – containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours (%)	100%	100%	100%	90.90%	100%	100%

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

Water Reuse Indicators		2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Target	2024-25 Target
7.1.3.046	Recycled water – effluent treatment and reuse Proportion of water recycled as a percentage of the volume of effluent produced (%)	14%	7%	17.9%	18.0%	16.6%	16.6%

Notes: 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.

Meeting urban bill reporting requirements

Indicators	2023-24 Actual	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target
2.2.1.001 Residential bill – owner occupier (\$ real 2023/24) The annual expected bill for an owner-occupier with typical (average) water use in real 2023/24 dollars (i.e.. Excl. inflation effects in forward years)	\$1,316.63	\$1,362.71	\$1,410.41	\$1,459.77	\$1,510.87	\$1,563.75
2.2.1.002 Percentage change from prior year (%)	7%	3.5%	3.5%	3.5%	3.5%	3.5%
2.2.1.003 Residential bill tenant (\$ real 2023/24) The annual expected bill for a tenant with typical (average) water use in real 2023/24 dollars (i.e.. Excl. inflation effects in forward years)	\$206.49	\$213.72	\$221.20	\$228.94	\$236.95	\$245.25
2.2.1.004 Percentage change from prior year (%)	7%	3.5%	3.5%	3.5%	3.5%	3.5%
2.2.1.005 Typical (average) water use (kL) assumed in owner occupied and tenant bill calculations (kL)	88	88	88	88	88	88
2.2.1.006 Non-residential bill – business (\$real 2023/24) The annual expected bill for a business using 651 ML per annum in real 2023/24 dollars (i.e.. Excl inflation effects in forward years)	\$2,637.71	\$2,730.03	\$2,825.58	\$2,924.48	\$3,026.83	\$3,132.77
2.2.1.007 Percentage change from prior year (%) Excluding CPI	7%	3.5%	3.5%	3.5%	3.5%	3.5%

Reporting on operational performance relating to customer responsiveness

Customer Responsiveness Indicator Targets	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Target	2024-25 Target
UPP 1 Water bills – customers on flexible payment plans No. of customers with instalment plans (number)	513	278	237	211	N/A	211
UPP 6 Water bills – customers awarded hardship grants No. of customers awarded hardship grants (number)	107	259	238	228	>100	>75
CRS 4* (2.4.1.001) Customer Responsiveness - water quality complaints No of complaints per 100 customers (number)	0.08	0.93	0.25	0.11	0.22	0.22
CRS 7* (2.4.1.006) Customer Responsiveness – number of payment issue complaints No of complaints per 100 customers (number)	0.005	0.10	0.08	0.08	0.10	0.10
CRS 3* (2.4.1.011) Customer Responsiveness – total complaints No of complaints per 100 customers (number)	0.30	1.37	0.65	0.38	0.6	0.6

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

Appendix C – Capital Expenditure

Table C1 – PS23 Capital Program 2023-28

Project Name	PS23 Year 1 Revised Budget 2023-24	PS23 Year 2 Budget for 2024-25*	PS23 Year 3 Budget for 2025-26	PS23 Year 4 Budget for 2026-27	PS23 Year 5 Budget for 2027-28	Total PS23 2023-28
Bio-gas waste to energy	163,000	247,413	1,699,420	-	-	2,109,833
Renewable energy generation	-	400,000	982,403	399,557	-	1,781,960
Treatment plant energy efficiency	189,511	214,870	1,000,000	-	-	1,404,381
Sustainable reuse and afforestation	172,809	907,751	-	-	165,558	1,246,118
Information and communications technology road map	274,558	477,913	1,031,557	160,120	-	1,944,148
Odour & corrosion mitigation program - pricing submission 23	23,519	-	33,893	23,274	518,686	599,372
Minor compliance projects	79,870	24,945	137,923	73,455	97,979	414,171
OH&S compliance program - pricing submission 2023	54,593	54,844	56,489	58,184	59,929	284,039
Compliance Total	957,860	2,327,735	4,941,684	714,590	842,152	9,784,022
Recycled water wetland storage	155,284	270,000	516,198	3,927,692	166,257	5,035,431
Water quality improvement program - Stage 2	66,955	499,748	319,610	1,248,151	-	2,134,464
Wastewater systems future - pricing submission 23	208,352	875,000	-	621,877	-	1,705,229
Cowes Wastewater Treatment Plant - master plan upgrades - stage 3	107,451	430,000	825,046	-	128,001	1,490,498
King Road Wastewater Treatment Plant effluent pump station upgrade	260,000	400,000	-	-	-	660,000
Recycled water improvement program	-	299,647	138,126	-	-	437,773
King Road Master Plan Stage 2	192,326	-	96,956	-	264,528	553,810
Growth Total	990,368	2,774,395	1,895,936	5,797,720	558,786	12,017,205
Building asset management plan - pricing submission 23	76,568	730,191	193,868	-	-	1,000,627
Plant improvement program - pricing submission 23	31,948	-	629,854	126,062	29,965	817,829
Water distribution and storage improvement	329,117	181,380	189,907	563,296	-	1,263,700
Sewerage pump station improvement program	10,649	153,564	33,893	36,362	71,915	306,383
Improved Services Total	448,282	1,065,135	1,047,522	725,720	101,880	3,388,539
Asset management information system upgrade	188,918	619,445	619,445	-	-	1,427,807
San Remo to Newhaven bridge pipeline and fittings renewal project - stage 2	2,812,923	2,950,000	-	-	-	5,762,923
Sewerage pump station civil, mechanical and electrical - pricing submission 23	540,451	532,753	326,846	555,190	736,223	2,691,462
Fleet and plant - renewal program - pricing submission 23	1,007,695	330,872	397,166	347,958	417,273	2,500,964
Water mains renewals - pricing submission 23	431,409	556,155	281,155	281,155	281,155	1,831,030
Cowes Wastewater Treatment Plant civil, mechanical and electrical - pricing submission 23	347,206	708,999	227,157	217,659	361,683	1,862,704
Sewer mains and junction renewals - pricing submission 23	191,687	204,011	203,361	384,013	403,924	1,386,996
Candowie & Ian Bartlett Water Purification Plant civil, mechanical and electrical - pricing submission 23	225,649	156,174	198,100	224,316	625,034	1,429,272

Information and communications - hardware and minor software renewals program	448,100	139,878	372,196	194,056	172,071	1,326,301
Water distribution civil, mechanical and electrical - pricing submission 23	217,197	433,139	55,783	68,232	73,647	847,999
Water meter and connections renewal program - pricing submission 23	262,451	153,045	142,754	122,364	182,016	862,630
Corporate improvement and renewals - pricing submission 23	166,500	113,198	100,212	151,511	256,001	787,423
King Road wastewater treatment plant civil, mechanical and electrical - pricing submission we	111,004	347,083	44,327	50,156	64,258	616,828
Minor storages civil, mechanical and electrical - pricing submission 23	34,823	41,352	49,598	59,465	72,657	257,895
Renewals Total	6,986,012	7,286,104	3,018,100	2,656,076	3,645,943	23,592,235
Total	9,382,522	13,453,370	10,903,242	9,894,106	5,148,761	48,782,000

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

Table C2 – Capital Program 2024-29

Project Name	PS23 Year 2 Budget for 2024-25*	PS23 Year 3 Budget for 2025-26	PS23 Year 4 Budget for 2026-27	PS23 Year 5 Budget for 2027-28	PS28 Year 1 Budget for 2028-29	Total 2024-29
Bio-gas waste to energy	247,413	1,699,420	-	-	-	1,946,833
Renewable energy generation	400,000	982,403	399,557	-	-	1,781,960
Treatment plant energy efficiency	214,870	1,000,000	-	-	-	1,214,870
Sustainable reuse and afforestation	907,751	-	-	165,558	110,000	1,183,309
Information and communications technology road map	477,913	1,031,557	160,120	-	-	1,669,589
Odour & corrosion mitigation program - pricing submission 23	-	33,893	23,274	518,686	-	575,853
Minor compliance projects	24,945	137,923	73,455	97,979	-	334,301
OH&S compliance program - pricing submission 2023	54,844	56,489	58,184	59,929	40,000	269,446
Compliance Total	2,327,735	4,941,684	714,590	842,152	150,000	8,976,161
Recycled water wetland storage	270,000	516,198	3,927,692	166,257	2,050,000	6,930,147
Water quality improvement program - Stage 2	499,748	319,610	1,248,151	-	1,000,000	3,067,509
Wastewater systems future - pricing submission 23	875,000	-	621,877	-	2,020,000	3,516,877
Cowes Wastewater Treatment Plant - master plan upgrades - stage 3	430,000	825,046	-	128,001	20,000	1,403,047
King Road Wastewater Treatment Plant effluent pump station upgrade	400,000	-	-	-	20,000	420,000
Recycled water improvement program	299,647	138,126	-	-	-	437,773
King Road Master Plan Stage 2	-	96,956	-	264,528	-	361,484
Growth Total	2,774,395	1,895,936	5,797,720	558,786	5,110,000	16,136,837
Building asset management plan - pricing submission 23	730,191	193,868	-	-	-	924,059
Plant improvement program - pricing submission 23	-	629,854	126,062	29,965	-	785,881
Water distribution and storage improvement	181,380	189,907	563,296	-	-	934,583
Sewerage pump station improvement program	153,564	33,893	36,362	71,915	110,000	405,734
Improved Services Total	1,065,135	1,047,522	725,720	101,880	110,000	3,050,257
Asset management information system upgrade	619,445	619,445	-	-	-	1,238,889
San Remo to Newhaven bridge pipeline and fittings renewal project - stage 2	2,950,000	-	-	-	-	2,950,000
Sewerage pump station civil, mechanical and electrical - pricing submission 23	532,753	326,846	555,190	736,223	-	2,151,012
Fleet and plant - renewal program - pricing submission 23	330,872	397,166	347,958	417,273	330,000	1,823,269
Water mains renewals - pricing submission 23	556,155	281,155	281,155	281,155	3,000,000	4,399,621
Cowes Wastewater Treatment Plant civil, mechanical and electrical - pricing submission 23	708,999	227,157	217,659	361,683	80,000	1,595,498
Sewer mains and junction renewals - pricing submission 23	204,011	203,361	384,013	403,924	290,000	1,485,309
Candowie & Ian Bartlett Water Purification Plant civil, mechanical and electrical - pricing submission 23	156,174	198,100	224,316	625,034	130,000	1,333,624
Information and communications - hardware and minor software renewals program	139,878	372,196	194,056	172,071	-	878,201

Water distribution civil, mechanical and electrical - pricing submission 23	433,139	55,783	68,232	73,647	40,000	670,802
Water meter and connections renewal program - pricing submission 23	153,045	142,754	122,364	182,016	-	600,179
Corporate improvement and renewals - pricing submission 23	113,198	100,212	151,511	256,001	-	620,923
King Road wastewater treatment plant civil, mechanical and electrical - pricing submission 23	347,083	44,327	50,156	64,258	-	505,824
Minor storages civil, mechanical and electrical - pricing submission 23	41,352	49,598	59,465	72,657	-	223,072
Renewals Total	7,286,104	3,018,100	2,656,076	3,645,943	3,870,000	20,476,223
Total	13,453,370	10,903,242	9,894,106	5,148,761	9,240,000	48,639,478

Note: * Includes \$1.1M of unspent funds approved as carryover from PS1 and \$4.2M of unspent funds carried over from FY24. Total PS28 Year 1 indicative budget is \$19.64M as per ESC approved submission however only projects that are continuing from PS23 have been displayed.

Appendix D – Variance to PS23

Table D1 – Fixed Service Charge Revenue PS23 2023-28

Fixed Service Charge Revenue \$'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.6	3.5	3.5	3.5	
Total Fixed Service Charge Revenue as per PS23	22,123	23,267	24,461	25,661	26,927	122,439
Total Fixed Service Charge Revenue as per Corporate Plan	22,019	23,201	24,461	25,661	26,927	122,269
Variance \$	(104)	(66)	-	-	-	(170)

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	3.5	3.5	3.5	
Total Metered Usage Revenue as per PS23	5,484	5,767	6,060	6,360	6,675	30,346
Total Metered Usage Revenue as per Corporate Plan	4,973	5,417	5,960	6,559	6,976	29,885
Variance \$	(511)	(350)	(100)	199	301	(461)

Table D3 – Average Customer Bill PS23 2023-28

Average Customer Bill	2023-24	2024-25	2025-26	2026-27	2027-28
CPI%	7	3.6*	3.5	3.5	3.5
Average Customer Bill per PS23	1,316.63	1,362.71	1,410.41	1,459.77	1,510.87
Average Customer Bill as per Corporate Plan	1,316.63	1,362.71	1,410.41	1,459.77	1,510.87
Variance \$	-	-	-	-	-

Note: *The Tariff Schedule for 2024-25 above has been calculated using a CPI increase of 3.6 per cent as confirmed by WPW's economic regulator, the Essential Services Commission on 26 April 2024 through the annual tariff approval process. However, tariffs will require further adjustments for Melbourne Water Bulk Charges and cost of debt as per Schedule 5 of PS23 which is expected to be confirmed in May 2024.

Table D4 – Development Revenue PS23 2023-28

Development Revenue \$'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	7	3.5	3.5	3.5	3.5	
Total Development Revenue as per PS23	3,033	3,087	3,145	3,060	3,114	15,439
Total Development Revenue as per Corporate Plan	3,565	3,086	3,145	3,060	3,114	15,970
Variance \$	532	(1)	-	-	-	531

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	3.5	3.5	3.5	3.5	
Total NPAT per PS23	2,307	2,412	2,859	2,854	3,285	13,717
Total NPAT as per Corporate Plan	2,332	1,909	2,501	3,003	3,661	13,406
Variance \$	25	(503)	(358)	149	376	(311)

Table D6 – Capital Program PS23 2023-28

Capital \$'000	2023-24	2024-25	2025-26	2026-27	2027-28	Total PS23
CPI%	5.5	3.5	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 rephased *including PS1 \$1.1M carryover	12,546	10,039	9,338	11,191	5,669	48,782
Total Capital Budget rephased *including FY24 carryover	9,383	13,453	10,903	9,894	5,149	48,782
Variance \$	3,163	(3,414)	(1,565)	1,296	520	-