Wannon Water

Corporate Plan

2026-2031



wannonWATER

Acknowledgement of Country

We acknowledge Aboriginal and Torres Strait Islander people as Australia's first peoples and as the Traditional Owners and custodians of the land and water on which we rely.

We acknowledge the Gunditj Mirring Traditional Owners Aboriginal Corporation, Eastern Maar Aboriginal Corporation, Barengi Gadjin Land Council Aboriginal Corporation, and Wadawurrung Traditional Owners Aboriginal Corporation.

We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us. We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

Pareeyt Poondee-teeyt
Water is life
Dhauwurd Wurrung language group

Pa Poonteeyt paman paman
And life is sacred
Keerray Wurrung language group

Contents

A message from our Chair and Managing Director	4
A new era	5
Our purpose and vision	6
Our areas of focus	8
Our financial position	9
Prioritising our work	10
2026/27 priorities	12
Key facts	16
The year ahead	17



A message from our Chair and Managing Director

We're pleased to present Wannon Water's Corporate Plan, a roadmap that builds on our purpose to deliver water and sewerage services for our community, now and for the future. This plan sets out how we will continue delivering essential services today while preparing our region for the challenges and opportunities ahead.

Our region is experiencing significant shifts driven by climate change, evolving customer expectations, technological advancement and economic pressures. These challenges require us to plan with foresight, adapt with confidence, and invest in systems and practices that strengthen the resilience of our communities and environment for generations to come. In this context, our vision of a healthy region enabled by water provides a clear direction for the decisions we make today and the investments we prioritise for the future.

This Corporate Plan turns our long-term vision into practical priorities. It reinforces the foundational work that supports all we do – maintaining water quality, caring for the environment, managing essential assets, supporting safe workplaces, and sustaining strong governance and accountability. These responsibilities provide the platform for delivering trusted services every day and supporting long-term regional health and prosperity.

Looking ahead, we will invest in smart, efficient systems and resilient infrastructure, diversify our water sources, advance circular economy opportunities, and embed climate adaptation across planning and operations.

We will also deepen our partnerships with Traditional Owners, grounded in respect, cultural knowledge and shared outcomes.

Trust is built through the services we deliver every day. Our customers and communities remain at the heart of every decision we make. We are committed to keeping services affordable, supporting those experiencing financial stress, and delivering equitable, customer-centred services. We will continue strengthening connections with our customers and community to enhance understanding of the essential role water plays in everyday life.

We're equally proud of the culture and capability of our people. Their professionalism, resilience and dedication ensure we can deliver essential services in all conditions. As we navigate ongoing change, we will continue fostering an inclusive, values-led, high-performing workforce where everyone can contribute their best and lead with pride and accountability.

With clear direction, strong partnerships and committed people, Wannon Water will continue to play a vital role in enabling a thriving, healthy and sustainable future for our region.



Helen Scarborough
- Board Chair



Steve Waterhouse
- Managing Director

A new era

Wannon Water is entering a new era guided by a refreshed purpose and vision.

We're focussed on creating a ***healthy region enabled by water*** - a future where our water and sewerage services help support community wellbeing and regional prosperity. It's recognition that healthy people, places, ecosystems and economies all depend on safe, reliable and sustainable water services.

A key part of this new era is building stronger organisational resilience. This means more than responding well in a crisis. It includes being able to adapt, look ahead, prevent issues before they arise and make the most of opportunities even when conditions are challenging.

These capabilities will help us respond to climate change, new technology, financial pressures, a changing workforce and evolving community expectations, all while continuing to deliver on our ambitious strategic goals.



Our purpose and vision

Delivering water and sewerage services for our community, now and for the future

A healthy region enabled by water

We provide safe, reliable water and sewerage services - a responsibility our customers trust us to deliver.

We're not just serving this region; we're part of it. We live here, our families are here, and our work supports our communities and local economy.

Every decision, investment and interaction we make has lasting impact. With resilience at the centre of our purpose, we act today to strengthen our communities for tomorrow.

This work is not new - it's who we are and how we show up for the communities we serve. It's the quiet professionalism that ensures customers trust their water, our environment is protected, and our region can grow and thrive.

Climate change is already reshaping the water cycle, increasing weather extremes, and putting pressure on the reliability of our systems. This calls for leadership, adaptation and long term planning that builds resilience, cuts emissions, restores natural systems and supports healthier communities.

Our **customers also expect more.** They want services that are affordable, accessible, responsive and environmentally responsible. They expect us to innovate, support vulnerable customers, and show clear value for every dollar we invest. At the same time, **financial pressures and ageing infrastructure** mean we must balance affordability with investment in modern, sustainable, future ready assets.

Technological change brings opportunity and responsibility. Smart systems, real time data, automation and digital tools can lift service quality and efficiency - but we must introduce them carefully, protect privacy, and ensure our people have the skills and support to thrive through change.

Cultural recognition must also guide our progress. Strengthening partnerships with Traditional Owners, valuing cultural knowledge, and respecting rights and leadership in caring for Country are essential. And by **embracing diversity and inclusion** across our workforce, we gain better insight, better decisions and stronger connections with the communities we serve.

Every role here matters. Whether maintaining critical infrastructure, engaging with customers, delivering major projects, or providing essential support, our work creates a healthy region enabled by water. **Together, we make a real difference,** supporting the wellbeing, prosperity and environmental health of the communities we proudly serve.

We are **committed to working without causing harm** to ourselves, colleagues and community, and to care for and protect the environment. This aspiration is a collective mindset and goes beyond the physical safety of people, inclusive of mental health and wellbeing and the environments we work in. We continue to build this into our Zero Harm culture supported by our Zero Harm Safety Behaviours framework and 'I Will' behavioural statements.

ZERO HARM

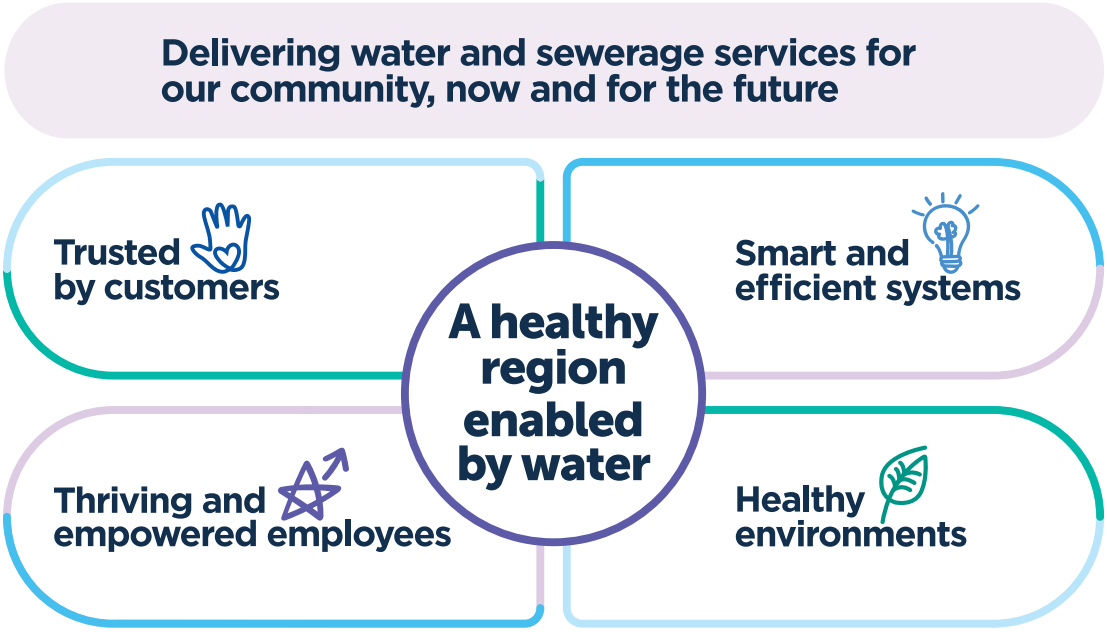
Our areas of focus

Our vision includes four focus areas that guide every part of what we do. They're our shared priorities, and they give us a strong foundation to move into the future with confidence.

They cover the important things, such as providing safe, high quality services; maintaining and renewing our assets; keeping our workplaces safe; and supporting our people to succeed. They also include the planning, governance, financial management and compliance required to help us stay accountable and trusted.

Importantly, they reflect our role as a regional leader - partnering with others, supporting emergency responses and economic development, aligning with government priorities and contributing to social and environmental outcomes, including our progress toward net zero.

By naming these priorities, we recognise the contribution of every employee - whether working in the field, in treatment plants, in offices or out in the community. Each of us plays a vital role in supporting the wellbeing, resilience and opportunities of our region.



Our financial position

Wannon Water's financial outlook reflects our commitment to delivering affordable, reliable and high quality services while progressing our long term strategic priorities.

Although operating losses before tax remain influenced by higher depreciation, the position is expected to improve over the planning period.

Revenue growth stays modest as we balance low customer growth with our commitment to keeping bills affordable, supported by modest price increases approved in our 2023–28 Price Submission and forecast for the remainder of the planning period.

At the same time, operating costs continue to rise as we meet regulatory requirements, respond to growing expectations from customers and government, plan for increased water demand during drought, manage ageing infrastructure, and address emerging risks such as cyber security. Inflation continues to put upward pressure on both operating and capital expenditure.

To support a resilient and sustainable future for our region, we're undertaking a significant capital program over the five years, totalling $251 million. This includes major investments such as the Quality Water for Wannon Program, which will deliver better tasting, higher quality water for communities in Heywood, Port Fairy and Portland, as well as the replacement of our customer relationship management and billing system to modernise customer engagement, improve data integration and ensure billing accuracy.

These investments result in total debt forecast to increase by $142 million over the planning period, which is managed carefully according to Department of Treasury and Finance guidelines. In line with this, costs in relation to depreciation and borrowings are also planned to increase across the planning period.

Despite these challenges, operating cash flows are expected to strengthen, growing from $14.4 million in 2026/27 to $19.5 million by the end of the period, supporting the delivery of safe, affordable and sustainable services for our community.

Prioritising our work

Our focus areas are supported by outcomes that define what success will look like. Our Board and Executive Leadership Team have prioritised several outcomes that will need increased effort in 2026/27 - highlighted in bold.

Trusted by customers

- Tailored and easy experiences
- Customer digital excellence
- **Building water literacy**
- Building trust with Traditional Owners

Thriving and empowered employees

- A values-driven culture
- An equitable and inclusive culture
- **First Nations capability**
- **A high-performing and future-capable workforce**





Smart and efficient systems

- **Data informed decision-making**
- **Efficient and productive processes**
- Asset planning and performance
- Regulatory stewardship

Healthy environments

- Climate-resilient systems
- Circular and regenerative resources use
- **Diversified water sources**
- Healthy catchments and ecosystems
- Support Aboriginal self-determination

2026/27 priorities

Initiatives	Purpose	Focus Area					Timing	
	Delivering water and sewerage services for our community, now and for the future	Trusted by customers	Thriving and empowered employees		Smart and efficient systems		Healthy environments	
		Building water literacy	First Nations capability	A high performing and future capable workforce	Data informed decision making	Efficient and productive processes	Diversified water sources	26/27	Future
Build an understanding of water pressure challenges across our communities and consider this in future plans and development.	●	●						●	●
Continue the multi-year Quality Water for Wannon Program to improve the taste of water, while managing our requirements and customer expectations for water quality improvements in other towns.	●	●				●		●	●
Enhance bill affordability by strengthening support networks for vulnerable customers, improving options for customers to manage their bills, and increasing awareness of charges and expectations.	●	●			●			●	●
Ensure customer voices on critical areas are considered in the next price submission.		●			●			●	
Deepen our understanding of customer perceptions and their drivers through improved data analysis and research.		●			●			●	

Initiatives	Purpose	Focus Area						Timing	
	Delivering water and sewerage services for our community, now and for the future	Trusted by customers	Thriving and empowered employees		Smart and efficient systems		Healthy environments	26/27	Future
		Building water literacy	First Nations capability	A high performing and future capable workforce	Data informed decision making	Efficient and productive processes	Diversified water sources		
Expand our customers' water literacy by continuing to promote the Every Drop Counts campaign, Permanent Water Saving Rules and alternative water sources.		●					●	●	●
Strengthen future water security by creating a five-year Net Zero and Climate Adaptation Roadmap, promoting alternative water sources, and supporting permanent water-saving habits. Support healthy environments through the Gellibrand River Restoration and Supply Resilience Project and by maintaining strong relationships with regional environmental groups.	●	●				●	●	●	●
Deliver the Long-term Conversations with Customers Plan to help people better understand the challenges Wannon Water is facing, while improving transparency and building wider community awareness, support and trust.		●						●	●

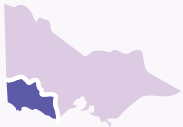
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	Delivering water and sewerage services for our community, now and for the future	Trusted by customers	Thriving and empowered employees		Smart and efficient systems		Healthy environments	26/27	Future
		Building water literacy	First Nations capability	A high performing and future capable workforce	Data informed decision making	Efficient and productive processes	Diversified water sources		
Initiate the Customer Experience Project (CX Plus) to replace the current billing and customer relationship system.					●	●		●	●
Conduct a cultural audit to determine baseline cultural capability within the organisation.	●		●					●	●
Develop a First Nations' Action Plan, including a Cultural Capability Training Program that is structured and tailored to role (levels) and establish the foundational Level 1.			●	●				●	●
Deliver the key actions in the Enterprise Information and Analytics Framework to strengthen Executive oversight, guide future investment and capability decisions, and make sure our information and analytics practices align with our risk settings, regulatory obligations and strategic goals.				●	●	●		●	●
Deliver improvements in asset and operational data quality, enhance non-revenue water analytics, and automate regulatory and operational reporting to strengthen evidence-based asset decision-making ahead of the next price submission.					●			●	●

Initiatives	Purpose	Focus Area						Timing	
	Delivering water and sewerage services for our community, now and for the future	Trusted by customers	Thriving and empowered employees		Smart and efficient systems		Healthy environments	26/27	Future
		Building water literacy	First Nations capability	A high performing and future capable workforce	Data informed decision making	Efficient and productive processes	Diversified water sources		
Develop an organisational Recycled Water Strategy to guide future diversified water source considerations.							●	●	●
Design the climate adaptation works program and deliver the vulnerability and exposure assessments.							●	●	
Deliver an adaptive pathway for biosolids management that provides logic for infrastructure investment.							●	●	●
Implement the new Safe Drinking Water Regulation Risk Management Plan and Transition Plan.	●	●						●	●
Prepare the 2027-32 Urban Water Strategy.	●	●						●	
Prepare a draft Water Infrastructure Technology Plan for linear assets.	●	●			●			●	



Key facts

36
megalitres
water treated
every day



1,600
hectares
land managed



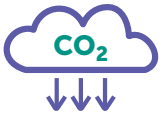
13
megalitres
drinking water
consumed



3,000
MWh
renewable energy
produced locally



5,000
tonnes
biosolids recycled



20,000
tonnes
carbon emissions
avoided



$200M
capital investment
over 5 years



100
customer calls
answered daily



$500K
for **2,000**
vulnerable customers

The year ahead

Major priorities

$10M
Gellibrand River Restoration and Supply Resilience project

- Curdievale bore operational
- Return natural river flow
- New emergency bore to increase systems resilience
- Reduced algal risk at Dales Road storage
- Co-funded by Australian Government

50-year Urban Water Strategy

Warrnambool Sewage Treatment Plant
increase in capacity of
12ML per day

wannonWATER

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Wannon Water

Corporate Plan

2026-2031

Financial and Regulatory Commentary



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CONTENTS

INDICATORS OF SUCCESS 3
FINANCIAL AND REGULATORY COMMENTARY 4
Revenue 5
Costs to operate 6
Capital expenditure 7
Debt 8
Funds from operations 9
Interest coverage 9
Income Tax 9
Dividends / Capital Repatriation 9
Sensitivity analysis 10
Planning assumptions 11
Operating Statement for the period ending 30 June 2026 to 30 June 2031 12
Balance Sheet as at 30 June 2026 to 30 June 2031 13
Cashflow Statement for the period ending 30 June 2026 to 30 June 2031 14
Appendix 1: Indicator Summary and Performance Report 15
Appendix 2: Customer bill impacts 29
Appendix 3: Schedule of Regulated Charges 30
Appendix 4: Quarterly financial projections 34
Operating Statement for the period ending 30 June 2027 34
Balance Sheet as at 30 June 2027 35
Cashflow Statement for the period ending 30 June 2027 36

INDICATORS OF SUCCESS

and meaningful progress

		2026/27 forecast	2030/31 forecast
CUSTOMER	Provision of safe drinking water Mandatory notifications to customers of non-compliance with ADWG and Safe Drinking Water Regulations (excluding regulated supplies)	No notifications	No notifications
	Customer satisfaction with water quality Average satisfaction score of surveyed customers who are satisfied with water quality	7.5	8.0
	Customer satisfaction with value for money Average satisfaction score of surveyed customers satisfied with Wannon Water's service in terms of value for money	7.0	7.2
	Customer satisfaction with interruptions Percentage of surveyed customers who experienced water service interruptions that are satisfied with our management of the interruption	96%	98%
	Net promotor score	+20	+24
	Partnering to help our region flourish Percentage of customers surveyed who are satisfied with our performance partnering with communities to help its region flourish	55%	55%
ENVIRONMENT	Environmental compliance Number of noncompliance events with our EPA amalgamated licence	<5	<5
	Carbon emission reduction On track to achieve carbon neutrality by 2030, reducing total net emissions to those created directly from our operations (scope 1)	6,980	0
	Biodiversity and cultural heritage protection Number of reportable non-compliance with the relevant biodiversity and cultural heritage legislations	0	0
ENABLERS	Employee engagement and performance Engagement score in the Victorian Public Sector Commission People Matter Survey	78	78
	Gender balanced workforce Percentage of appointments who are female	45%	50%
	Employee wellbeing Psychological Safety Climate (PSC) score in People Matter Survey	High PSC	High PSC
	Cost efficiency Controllable operating cost per water connection ($2026/27)	$1,489	$1,364
	Funding borrowing costs Cash Interest Cover ratio greater than 2.5 times	3.0 times	2.5 times

FINANCIAL AND REGULATORY COMMENTARY

Financial projections support our strategic priorities and strategic enablers.

The operating result continues to be significantly influenced by depreciation, with operating losses before tax expected to improve from $38.3 million in 2026/27 to $33.8 million by the end of the planning period.

Depreciation is forecast to increase significantly compared to the previous corporate plan due to the impact of infrastructure asset revaluations undertaken under the Victorian Auditor-General's Office's five-year cyclical revaluation requirements. This revaluation was completed at the end of the 2025/26 financial year and has resulted in an uplift of approximately $683.4 million or 62 per cent in infrastructure asset values, increasing future depreciation expenses.

The forecast operating loss for 2026/27 reflects rising operating costs and depreciation expenses, both of which are increasing at a faster rate than revenue. Revenue growth remains modest due to low customer growth and our commitment to maintaining affordable bills for our customers.

Wannon Water's approved 2023-28 Price Submission includes small annual increases to water and sewerage charges (before inflation) for residential customers. These approved price paths, together with inflation assumptions, are key inputs to our financial forecasts and contribute to projected revenue of $99.3 million in 2026/27.

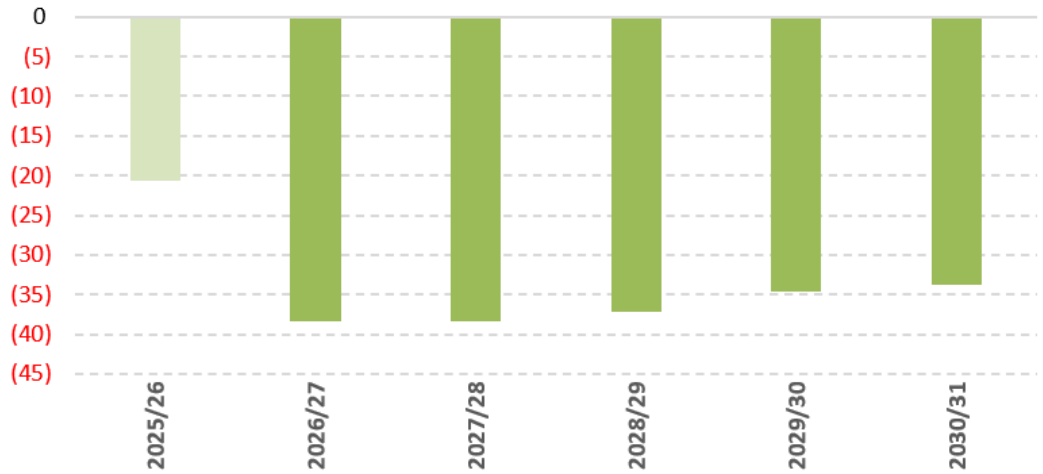
Operating costs are expected to rise as we meet regulatory obligations, respond to increasing expectations from customers and government stakeholders, manage higher water demand driven by drought conditions, maintain ageing infrastructure, and mitigate emerging risks such as cyber security threats. Ongoing volatility in inflation continues to place upward pressure on both operating and capital expenditure.

Our substantial capital investment program is another contributor to higher depreciation and borrowing costs.

Over the five-year period, operating cash flows are expected to increase from $14.4 million in 2026/27 to $19.5 million by the end of the planning period. Planned capital investment totals $251 million, highlighted by the $89 million Quality Water for Wannon project, which will significantly improve water quality and taste for customers in Heywood, Port Fairy and Portland.

Debt management strategies will continue to align with Department of Treasury and Finance guidelines. Total debt is forecast to increase by $142 million over the planning period—supporting the required capital program—reaching an expected $265 million in the final year.

Operating loss before tax ($ million)



Revenue

Revenue is forecast to increase by $2.9 million in 2026/27 compared to the 2025/26 forecast.

Water and sewerage charges are expected to rise by $3.1 million, reaching $80.2 million in 2026/27. Increased development activity is projected to contribute an additional $2.6 million over the same period.

Key drivers influencing water and sewerage revenue projections include assumed inflation of 3.7 per cent, customer growth of 1 per cent, and the regulator-approved average price increase of 0.9 per cent.

During the first two years of the planning period, fixed water service charges are forecast to decrease by 1.2 per cent, while variable water usage charges will increase by 2.0 per cent. This structure responds to customer preferences by gradually shifting a greater proportion of bills to usage-based pricing.

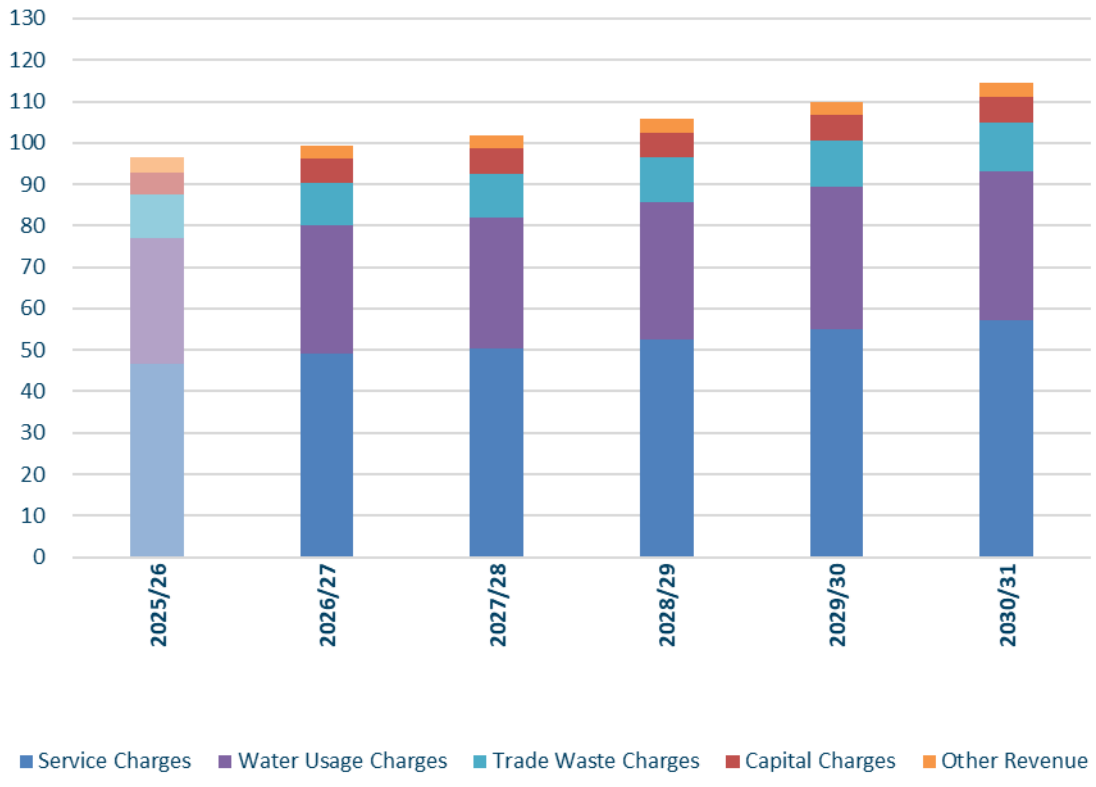
Sewer service charges are expected to rise by 1.0 per cent per annum, while trade waste charges are projected to increase by 2.0 per cent per annum, both before inflation.

The 2026/27 financial year represents the fourth year of the current regulatory pricing period, which concludes in June 2028. For the remaining years of this plan, price paths are assumed to increase at 1% per annum, however any increase in prices beyond the 2027/28 year is subject to the Essential Services Commission review and approval of Wannon Water's Price Submission, which has not yet been prepared.

Unregulated revenue streams contribute $1.6 million in 2026/27, derived from brine receival, property leases, recovery of treatment plant-specific costs, and project cost recoveries.

A breakdown of each major revenue source for the planning period is presented below.

Revenue ($ million)



Costs to operate

Operating expenditure covers the delivery of water and sewerage services, operations and maintenance, customer billing and collection services, infrastructure planning, and broader corporate activities. Total operating costs for 2026/27 are forecast at $70.0 million.

The Corporate Plan incorporates a modest increase in expenditure. This is driven in part by initiatives to strengthen organisational resilience—particularly efforts to reduce cyber-related risks, enhance asset inspection and condition assessment programs, and meet growing environmental obligations and climate-related events.

Additional cost pressures stem from inflation in contracted services, higher water demand driven by drought conditions, maintain ageing infrastructure, and higher borrowing costs associated with an expanded capital program.

Employee cost increases are aligned with the enterprise agreement and government wage policy. Employee numbers are expected to increase by 5.4 FTE in 2026/27 before reducing by 4.5 FTE by 2028/29. Employee numbers then stabilise over the remainder of the planning period.

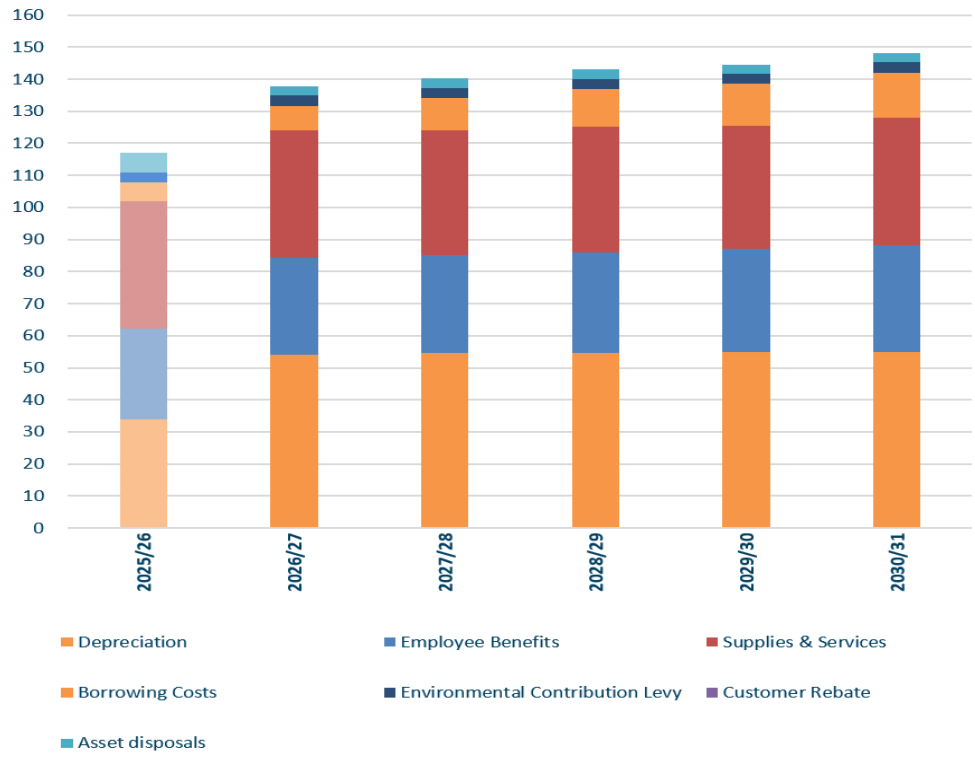
Supplies and services expenditure is forecast to rise by 1 per cent in 2026/27 and remain relatively stable over the subsequent years. The primary driver of the initial increase is higher technology-related expenditure, reflecting changes in IT service delivery models and the need to further strengthen Wannon Water's cyber security environment.

Depreciation remains the largest single operating expense across the planning horizon, increasing disproportionately to the planned $251 million capital works program. The large increase in depreciation is a direct result of the fixed asset revaluation performed by the Valuer General of Victoria (VGV) at 30 June 2026.

Borrowing expenses will also rise as total debt increases from $123 million to $265 million over the planning period, driven largely by investment in critical infrastructure. Borrowing costs are forecast to grow from $7.6 million to $14.2 million, increasing from 7.7 per cent to 12.4 per cent of revenue.

An annual environmental contribution levy of $3.2 million is forecast from 2026/27 and for each remaining year of the planning period. This levy supports government initiatives that advance sustainable water management and mitigate adverse environmental impacts.

Operating costs ($ million)



Capital expenditure

Capital expenditure over the planning period totals $251 million and incorporates investments to deliver Quality Water for Wannon, replace the Customer Relationship Management (CRM) and customer billing systems, upgrade network and treatment infrastructure, renew ageing infrastructure, and implement key technology improvements.

As is the case with operating costs, the cost of the capital works program has increased significantly in recent years, at times at a rate greater than the consumer price index (CPI). This trend is expected to continue and has been incorporated into the planning period.

The Quality Water for Wannon program will deliver improved water quality and taste for customers in Heywood, Port Fairy and Portland. The program responds directly to customer feedback and once implemented will meet the revised aesthetic-based standards in the Australian Drinking Water Guidelines. The program is partially funded through the National Water Grid Fund. Reflecting sector-wide increases in construction costs, the estimated cost is now higher than originally budgeted. Procurement activities will be completed during 2026/27 to confirm delivery costs. This Corporate Plan therefore includes an updated total program allowance of $89 million.

The Customer Relationship Management (CRM) and billing system replacement, a $20.2 million investment, will commence in late 2025/26 and is scheduled for completion by the end of 2026/27. The new system will modernise customer engagement, improve data integration and ensure billing accuracy. It will also reduce operational and continuity risk by transitioning away from a legacy supplier with a declining customer base, ensuring Wannon Water is supported by a sustainable and future-ready technology partner.

Wannon Water's investment in the Gellibrand River restoration and supply resilience continues and is expected to be completed in 2026/27. This project will provide additional ground water for community and industrial use, to reduce impacts on the river and environment. This project is partly funded via the Federal Government, Water Infrastructure for Sustainable and Efficient Regions (WISER) initiative for Victoria.

In 2026/27, $4.4 million will be invested to upgrade the existing IDEA tanks at the Warrnambool Sewerage Treatment Plant (STP) to include UV disinfection. Completion of the broader STP upgrade in 2025/26 provides the additional capacity required to renew and modernise older components of the plant.

Additional to the specified projects in 2026/27, approximately $6.7 million will be invested in asset renewals to extend the life of existing water and sewerage infrastructure and maintain service reliability.

The five largest projects in financial terms are:

Project	2026/27 Budget
Quality Water for Wannon – Heywood, Port Fairy, Portland	$23.3M
Customer Relationship Management and Billing System	$16.7M
WISER - Gellibrand River Restoration and Supply Resilience	$8.5M
Warrnambool STP UV disinfection IDEA tanks 1- 4	$4.4M
Hopkins Point road water supply upgrade	$2.4M

Debt

Our business requires an additional $142 million in new debt over the planning period to fund significant capital expenditure outlays. Total debt is expected to increase from $123 million as at 30 June 2026 to $169 million as at 30 June 2027, and $265 million at the end of this planning period.

Loans scheduled to mature in all years of the planning period will be refinanced into new fixed rate debt. Should cash flows from operations exceed payments for capital works, this surplus will be used to repay debt.

The loan portfolio will continue to be structured to ensure it remains consistent with approved debt maturity and interest rate risk profiles. We set a debt portfolio composition consistent with the Department of Treasury and Finance expectations. Projections at 30 June 2026 and 30 June 2027 are shown in this table:

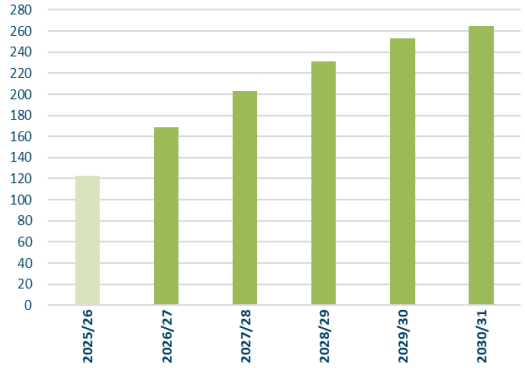
Debt portfolio composition

Term to Maturity	Target	Limits	30 June 2026 Projection	30 June 2027 Projection
0 – 1 year	9%	0 – 20%	9%	7%
1 – 3 years	18%	7 – 25%	20%	20%
3 – 5 years	18%	7 – 25%	20%	21%
5 – 7 years	18%	7 – 25%	20%	21%
7 – 9 years	18%	7 – 25%	21%	20%
Over 9 years	19%	0 – 25%	10%	11%

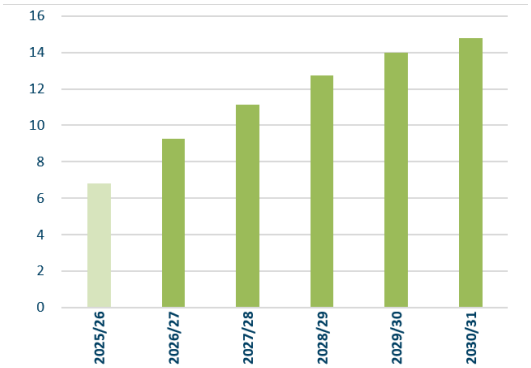
Gearing

The gearing ratio increases in line with projected growth in total debt, rising from 7 per cent to 15 per cent over the planning period. Although the ratio trends upward, it remains comparatively low, indicating that Wannon Water continues to maintain strong financial stability and a high degree of financial flexibility.

Total debt ($ million)



Gearing (debt / assets) (per cent)

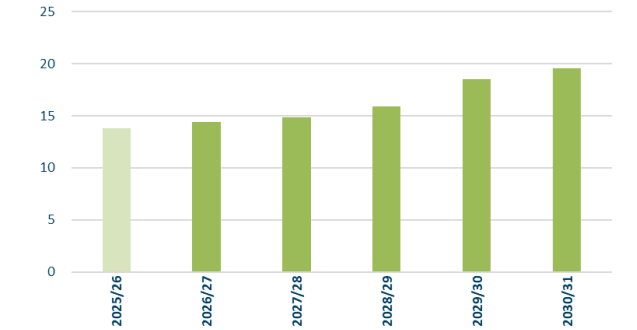


Funds from operations

We will continue to generate positive cash flows from operations over the planning period. Net cash inflows from operating activities are forecast at $14.4 million in 2026/27 and increase to $19.5 million by the end of the planning period.

Cash flows from operations will be used to partly fund capital expenditure payments in all planning years.

Funds from operations ($ million)

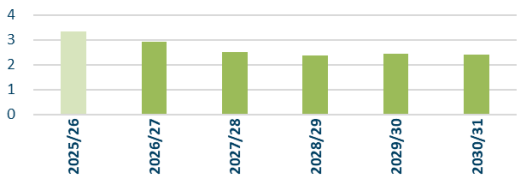


Interest coverage

Cash interest cover levels are expected to remain healthy over the planning period, despite an extensive capital works program and the requirement to fund increased debt.

The ratio is forecast to hover around 2.5 times during the planning period. At peak debt in 2030/31 the ratio is at 2.4 times. This provides an indication of Wannon Water's ability to finance the additional borrowing costs associated with the extensive capital works program and to maintain affordable customer bills.

Cash interest cover (times)



Income Tax

Wannon Water has accumulated significant income tax losses in previous years, primarily due to accelerated depreciation allowances under tax legislation for infrastructure assets. These tax depreciation rates have historically exceeded accounting depreciation, resulting in ongoing tax losses. In recent years, this gap between tax and accounting depreciation has narrowed.

Although tax depreciation is expected to continue declining over the planning period, Wannon Water does not anticipate tax payments being required during this timeframe.

Dividends / Capital Repatriation

In May 2023 the Victorian State Treasurer announced a range of saving and efficiency measures that apply to Public Corporations as part of the Victorian state budget. The efficiency measure, a capital repatriation request by the State Government, requires an annual $1.5 million payment totalling $7.5 million during the planning period.

Sensitivity analysis

Water consumption patterns, capital contributions, and the timing of major capital projects represent the most significant variables affecting profit, cash flow, interest cover, and gearing outcomes.

Although Wannon Water is progressively increasing the variable component of customer bills, fluctuations in water consumption are expected to have a negligible impact on total revenue. Sensitivity analysis indicates that under a lower-consumption scenario, gearing would increase only marginally and cash interest cover would decrease slightly. However, both indicators would remain strong and within acceptable ranges.

Capital contributions are one off in nature and infrequent. Given signed funding agreements, there is a high level of confidence that forecast contributions for current projects will occur and be recognised as revenue or contributed capital during the planning period.

The Quality Water for Wannon program represents our largest investment during the planning period. As outlined on page 10, current estimates indicate construction costs are expected to exceed the original budget. The procurement process, including staged gateway reviews to confirm scope, delivery approach and implementation readiness, will further refine these estimates prior to final approvals. Given the scale of the investment, any material changes to scope or delivery timing may influence debt and borrowing requirements across the planning period.

Current interest rate forecasts indicate an increase at the beginning of 2026/27, followed by a period of stabilisation or gradual decline. Given the uncertainty surrounding future market conditions, the Corporate Plan adopts conservative assumptions, treating interest rates as relatively stable across the planning period. With the organisation’s debt profile increasing, Wannon Water will continue to actively monitor and manage interest rate exposure. A 0.5% increase or decrease in the interest rate assumption would result in a corresponding increase or decrease in borrowing costs of $0.19 million in 2026/27, rising to $0.98 million by 2030/31 as borrowings increase.

Planning assumptions

	2025-26 Budget	2025-26 Forecast	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget	2030-31 Budget
Prices							
CPI (%)	2.50[1]	2.75[2]	2.75[3]	2.50	2.50	2.50	2.50
Customer Growth (%)	1.30	1.21	1.17	0.74	0.74	0.74	0.74
Water Sales							
Total (ML)	11,968	12,507	12,503	12,114	12,189	12,265	12,340
Borrowings							
Interest Rate (%)	5.03	4.86	4.97	4.97	4.97	4.97	4.97
Financial Accommodation Levy (basis point)	74	53	53	53	53	53	53
Credit Rating	A	A	A	A	A	A	A
Other							
Enterprise Agreement increase (%)	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Number FTE	247.3	243.0	248.4	245.4	243.9	243.4	243.4
Superannuation Guarantee Levy (%)	12.0	12.0	12.0	12.0	12.0	12.0	12.0

[1] For tariff purposes only, 3.70% was assumed
[2] For tariff purposes only, 2.40% was assumed
[3] For tariff purposes only, 2.70% was assumed

Operating Statement for the period ending 30 June 2026 to 30 June 2031

	2025/26 Budget ($)	2025/26 Forecast ($)	2026/27 Budget ($)	2027/28 Budget ($)	2028/29 Budget ($)	2029/30 Budget ($)	2030/31 Budget ($)
REVENUE							
Tariffs & Charges							
- Water Service Charges	12,745	12,654	13,157	13,473	14,048	14,647	15,272
- Water Volumetric Charges	27,275	30,387	30,936	31,636	32,974	34,370	35,825
- Sewer Service Charges	34,203	34,068	36,061	36,926	38,551	40,247	42,018
- Trade Waste	9,711	10,536	10,200	10,579	10,964	11,371	11,795
Sub-total - Tariffs & Charges	83,934	87,645	90,353	92,614	96,536	100,634	104,911
Interest Received	68	119	122	122	122	122	122
Capital Charges							
- Gifted Assets	5,000	2,325	4,181	4,181	4,181	4,181	4,181
- Government Capital Contributions	0	1,756	0	0	0	0	0
- Other Customer Contributions	1,644	1,021	1,739	1,783	1,827	1,873	1,920
Sub-total - Capital Charges	6,644	5,102	5,921	5,964	6,009	6,054	6,101
Other Revenue	3,021	2,776	2,390	2,443	2,459	2,476	2,534
Asset Sale Proceeds	716	811	556	761	654	480	691
TOTAL REVENUE	**94,384**	**96,453**	**99,341**	**101,904**	**105,780**	**109,767**	**114,358**
EXPENDITURE							
Employee Benefits	28,923	28,274	30,078	30,549	31,373	32,180	33,146
Depreciation and Amortisation	33,558	34,002	54,129	54,547	54,705	54,825	55,014
Supplies & Services							
- Chemicals	1,730	1,869	2,054	2,069	2,131	2,242	2,362
- Contractors & Consultants	10,648	10,460	12,318	11,413	11,022	10,105	10,331
- Electricity	6,157	6,130	6,440	6,453	6,571	6,775	6,988
- Other Goods & Services	18,398	21,100	19,119	19,157	19,457	19,383	20,105
Sub-total - Supplies & Services	36,933	39,559	39,930	39,092	39,182	38,504	39,786
Borrowing Costs	5,227	5,140	6,609	8,784	10,394	11,648	12,664
Cost of Assets Sold	3,595	6,117	2,756	2,961	2,854	2,680	2,891
Levy - Financial Accommodation	861	833	996	1,175	1,314	1,408	1,493
Environmental Contribution Levy	3,163	3,163	3,163	3,163	3,163	3,163	3,163
Customer Rebate	0	0	0	0	0	0	0
TOTAL EXPENDITURE	**112,261**	**117,088**	**137,661**	**140,271**	**142,985**	**144,409**	**148,156**
NET RESULT OF OPERATIONS	**(17,878)**	**(20,635)**	**(38,320)**	**(38,367)**	**(37,206)**	**(34,642)**	**(33,798)**
OTHER COMPREHENSIVE REVENUE	0	0	0	0	0	0	0
INCOME TAX EXPENSE	**5,348**	**6,176**	**11,481**	**11,495**	**11,147**	**10,378**	**10,124**
TOTAL COMPREHENSIVE RESULT	**(12,529)**	**(14,460)**	**(26,839)**	**(26,872)**	**(26,059)**	**(24,264)**	**(23,674)**

Balance Sheet as at 30 June 2026 to 30 June 2031

	2025/26 Budget ($) $'000	2025/26 Forecast ($) $'000	2026/27 Budget ($) $'000	2027/28 Budget ($) $'000	2028/29 Budget ($) $'000	2029/30 Budget ($) $'000	2030/31 Budget ($) $'000
ASSETS							
Current							
Cash at Bank	65	224	867	974	825	153	614
Accrued Revenue	12,572	12,444	12,444	12,444	12,444	12,444	12,444
Receivables	11,072	12,737	12,656	12,307	12,250	12,095	11,977
Inventory	3,630	3,574	3,574	3,574	3,574	3,574	3,574
Current Assets	**27,339**	**28,979**	**29,542**	**29,299**	**29,093**	**28,266**	**28,609**
Non-Current							
Receivables	568	558	405	248	86	72	72
Property, Plant & Equipment	1,105,972	1,774,372	1,795,156	1,795,820	1,788,606	1,780,711	1,758,657
Non-Current Assets	**1,106,540**	**1,774,930**	**1,795,562**	**1,796,068**	**1,788,692**	**1,780,784**	**1,758,729**
TOTAL ASSETS	**1,133,879**	**1,803,909**	**1,825,104**	**1,825,368**	**1,817,785**	**1,809,050**	**1,787,338**
LIABILITIES							
Current							
Payables	6,180	3,967	4,162	4,119	4,123	4,127	4,132
Borrowings	8,500	8,500	8,000	8,500	8,500	9,500	8,500
Provisions	5,328	5,438	5,591	5,748	5,910	6,077	6,249
Income in Advance	1,445	1,169	1,169	1,169	1,169	1,169	1,169
Current Liabilities	**21,452**	**19,074**	**18,922**	**19,536**	**19,702**	**20,873**	**20,050**
Non-Current							
Borrowings	109,500	114,000	161,000	194,500	223,000	243,500	256,000
Provisions	565	583	599	615	632	650	668
Deferred Tax Liabilities	180,710	385,016	373,535	362,040	350,893	340,516	330,391
Right of use liabilities	1,875	1,826	1,826	1,826	1,826	1,826	1,826
Non-Current Liabilities	**292,650**	**501,425**	**536,960**	**558,982**	**576,352**	**586,492**	**588,885**
TOTAL LIABILITIES	**314,102**	**520,499**	**555,882**	**578,518**	**596,054**	**607,365**	**608,935**
NET ASSETS	**819,777**	**1,283,410**	**1,269,222**	**1,246,850**	**1,221,730**	**1,201,685**	**1,178,403**
EQUITY							
Contributed Capital	454,815	444,915	457,566	462,066	463,005	467,224	467,616
Asset Revaluation Reserve	357,230	831,140	831,140	831,140	831,140	831,140	831,140
Accumulated Surplus	7,732	7,355	(19,484)	(46,356)	(72,415)	(96,679)	(120,353)
TOTAL EQUITY	**819,777**	**1,283,410**	**1,269,222**	**1,246,850**	**1,221,730**	**1,201,685**	**1,178,403**

Cashflow Statement for the period ending 30 June 2026 to 30 June 2031

	2025/26 Budget ($) $'000	2025/26 Forecast ($) $'000	2026/27 Budget ($) $'000	2027/28 Budget ($) $'000	2028/29 Budget ($) $'000	2029/30 Budget ($) $'000	2030/31 Budget ($) $'000
OPENING CASH BALANCE	1,061	4,984	224	867	974	825	153
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from other entities	86,570	88,790	93,038	95,358	99,302	103,424	107,611
Capital receipts	2,902	1,777	2,407	1,783	1,827	1,873	1,920
Interest revenue	12	105	42	42	42	42	42
	89,484	90,672	95,486	97,183	101,172	105,339	109,573
Payments to suppliers and employees	(65,439)	(67,746)	(70,294)	(69,225)	(70,380)	(70,560)	(72,706)
Borrowing costs	(5,227)	(5,140)	(6,609)	(8,784)	(10,394)	(11,648)	(12,664)
Financial accommodation levy	(861)	(834)	(996)	(1,175)	(1,314)	(1,408)	(1,493)
Environmental levy	(3,163)	(3,163)	(3,163)	(3,163)	(3,163)	(3,163)	(3,163)
	(74,690)	(76,883)	(81,062)	(82,347)	(85,251)	(86,779)	(90,026)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**14,794**	**13,789**	**14,424**	**14,836**	**15,920**	**18,560**	**19,547**
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments for property, plant and equipment	(36,406)	(32,860)	(73,488)	(53,990)	(46,163)	(45,430)	(31,669)
Proceeds from the sale of property, plant and equipment	716	811	556	761	654	480	691
Capital Repatriation	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Capital Contribution	13,400	2,500	14,151	6,000	2,439	5,719	1,892
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(23,790)**	**(31,049)**	**(60,281)**	**(48,729)**	**(44,570)**	**(40,731)**	**(30,586)**
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings	(8,000)	(8,000)	(11,500)	(11,000)	(11,500)	(11,500)	(12,500)
Proceeds from borrowings - new	16,000	20,500	58,000	45,000	40,000	33,000	24,000
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	**8,000**	**12,500**	**46,500**	**34,000**	**28,500**	**21,500**	**11,500**
NET MOVEMENT IN CASH	**(996)**	**(4,760)**	**643**	**106**	**(149)**	**(671)**	**461**
CLOSING CASH BALANCE	**65**	**224**	**867**	**974**	**825**	**153**	**614**

Appendix 1: Indicator Summary and Performance Report

Additional areas of interest	Response
Customer protection, including prevention of harm from family violence	
Activities and actions identified within the Victorian Data Security Framework, including plans to improve the information security maturity of the business, and protect customer information from loss or exploitation by employees, contractors or malicious third parties. Also, plans in place for response to a data breach that has, or had potential to, compromise customer information. Demonstrated improvements in the customer support measures reported to the Essential Services Commission for customers experiencing payment difficulties; including payment plans, hardship grants, and fulfilment of utility relief grant applications; with legal action and supply restrictions being used only as a last resort. Work collaboratively with DEECA on family violence governance guidelines and consider development of Key Performance Indicators.	Compliance with the VPDSS is part of the Cyber Resilience Policy. We attest to the VPDSS annually, with any significant gaps identified during the process being addressed in our Cyber Resilience Strategy (refreshed annually). We have identified and valued our information assets, annually assessing risks and mitigating controls applied to these assets. We are currently updating our Cyber Incident Response Framework to incorporate further responses where highly sensitive data including Family Violence data is impacted by a cyber event. We have undertaken an extensive risk assessment based on our existing controls for FV and PII data and are currently undertaking a number of initiatives designed to enhance our controls protecting sensitive information. Our CX+ project is gaining momentum, with significant customer experience improvements expected.
Cyber security	
The State Emergency Management Plan - Cyber Security Sub-Plan states that entities should adopt one of, or a combination of two, internationally recognised approaches to reduce their cyber security risk: • 'Essential Eight' Maturity Model provided by the Australian Cyber Security Centre (ACSC); • Cyber Security Framework by the National Institute of Standards and Technology, USA. Demonstrate progress and an ongoing commitment to integrating cyber risk management capacity, capability, process and system improvements into planning and decision making across the business. This includes activities and actions that will reduce the business exposure to cyber-attack, minimise the impacts of service disruption to customers, and restore services promptly following an attack.	Our Cyber Resilience Policy states that we highlight our commitment to protecting our data "..by complying with the Victorian Protective Data Security Standards (VPDSS) and aligning with the internationally recognised NIST 800-53 information security standard as well as the ACSC Essential 8...". We are legislatively required to comply to the VPDSS by Parts IV and V of the Privacy and Data Protection Act (Vic.) (2014). Although not mandated, we have begun to adopt elements of the Security of Critical Infrastructure (Cwlth) 2018, as appropriate. We have undertaken an extensive risk analysis of our core systems and are building a Cyber Safety framework based on ISO 27002, NIST and E8 controls. Our cyber strategy roadmap continues to implement initiatives designed to strengthen our controls, including redevelopment of our Cyber Incident Response Plan to align more closely with the NIST/SANS incident response framework, and other initiatives designed to enhance our alignment to the E8 and ISO27002.

Climate Change and Energy	2026/27 Target	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast	2030/31 Forecast
Emissions Reduction - Total Scope 1 and 2					
Projected total emissions for each year subsequent to the current reporting year until, and including, the water corporation's net – zero scope 1 and 2 target year.	6,980	6,980	6,980	0	0

Climate Change and Energy	Response
Emissions Reduction - Total Scope 1 and 2	
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).	We remain dedicated to our net-zero roadmap, focusing on strategic initiatives to reduce Scope 1 and Scope 2 emissions. We have doubled our electric vehicle fleet from two to four to reduce transport-related emissions, and we are developing a portfolio of carbon offset projects to address difficult-to-mitigate fugitive gas emissions. A major upcoming milestone is the commissioning of our 500kW floating solar project, the largest of its type in Australia, which will reduce emissions while dramatically cutting energy consumption at one of our largest water pump stations. These activities, combined with our ongoing transition to renewable energy, provide a comprehensive framework for reaching and maintaining our goals.
Increasing Renewable Energy	
Qualitative explanation of projects or initiatives to increase renewable electricity consumption and/or generation (including renewable generation capacity increased per project where feasible).	We successfully transitioned to purchasing 100% renewable energy for all operational sites, reducing our Scope 2 emissions to zero. A key milestone will be the commissioning of the 500kW Brierly Basin floating solar array, the largest of its kind in Australia, which will dramatically reduce grid consumption at one of our highest-demand water pumping stations. This follows the success of our Strong Street Solar and Battery project, which proved the technical and commercial viability of integrated systems by reducing year-on-year energy expenditure by 69%, while increasing resilience with instant power-backup. While we have paused a larger-scale Solar and Battery Energy Storage System (BESS) project following a thorough investigation, we remain committed to reassessing its viability in 2026/27 and we will continue to bring forward innovative business cases that demonstrate emissions reductions at affordable prices.
Adapting to Climate Change	
New: Description of the current and anticipated impacts of climate related risks on the organisation's business, strategy, and service delivery where such information is material.	Dry conditions are heightening operational risks, and we are maintaining situational awareness and adapting our strategy and services to ensure resilience. We are currently designing our organisational approach to climate adaptation. Over the next year we'll be undertaking detailed exposure and vulnerability assessments under future projected climate scenarios – informing specific adaptation plans.
New: Description of the metrics used by the organisation to monitor relevant climate-related risks and opportunities.	Board strategic risk framework includes key controls, indicators and thresholds for monitoring climate-related risks.

Customer, Community and Engagement Targets	2026/27 Target	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast	2030/31 Forecast
Customer satisfaction Provide annual target for customer ratings of 'Overall Satisfaction' against customer perception/ reputation surveys that will be undertaken over the planning period.	6.6	6.6	6.6	6.6	6.6
Water Bills – customers on flexible payment plans No of customers with instalment plans	2887				
Water Bills – customers awarded hardship grants No of customers awarded hardship grants	157				
Customer Responsiveness - water quality complaints No of complaints per 100 customers	0.38				
Customer Responsiveness - number of payment issue complaints No of complaints per 100 customers	0.17				
Customer Responsiveness - total complaints No of complaints per 100 customers	0.75				

Customer, Community and Engagement	Response
Customer satisfaction	
Narrative describing how water corporation's target for customers' rating of 'Overall Satisfaction' will be met over the planning period.	We continue to implement and deliver the Customer Experience Strategy from 2023 - 28 which is expected to yield incremental improvements in overall satisfaction.
Bills and support	
Residential bill – owner occupier - annual expected bill for an owner-occupier with typical (average) water use Residential bill – owner occupier - percentage change from prior year Residential bill – tenant - annual expected bill for a tenant with typical (average) water use Residential bill – tenant - percentage change from prior year Residential bill – Typical (average) water use (kL) assumed in owner-occupier and tenant bill calculations Non-residential bill – business - annual expected bill for a business using 3 ML per annum Non-residential bill – business - percentage change from prior year	See appendix two

Customer, Community and Engagement	Response
Efforts to manage pricing impacts for urban water services.	In our Price Submission, we proposed offsetting customer bill impacts by leveraging balance sheet capacity to increase total borrowings – a measure endorsed by the ESC, DEECA, and DTF. As part of our 2023–28 Customer Experience Strategy, we are also prioritising initiatives that support customers in managing and paying their bills.
Any significant variations to the most recent Pricing Decision projections.	None to report.
Published tariff schedules for urban water services.	See appendix three.
Customer responsiveness Water quality complaints Number of payment issue complaints Total complaints	See table on previous page.
Customer and community engagement	
Development and delivery of a Customer Engagement Strategy/Plan/Policy that is also published on the corporation's website (Yes/No).	Our Community Engagement Framework is a mature and evolving model that was recognised by the International Association for Public Participation (IAP2), receiving the 2023 IAP2 Core Values Award for Organisation of the Year in both Australasia and internationally. We continue to refine and embed the framework as a core aspect of our operations, ensuring it includes accessible online engagement opportunities for the community. The framework is publicly available on our website. In 2025 we undertook a Maturity Assessment with the Engagement Institute (previously IAP2) and was awarded Silver for our Engagement approach.
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?	N/A
How will the water corporation measure success against outcomes of its Customer Engagement Strategy/Plan/Policy?	We regularly evaluate our annual engagement cycle and actively seek feedback from customers about their experience with the engagement process. Additional insights into our approach are provided by Wannon Water's Community Advisory Committee (previously Regional Advisory Forum) , which includes customers and a diverse range of stakeholders from across the region.

Recognise Aboriginal Values	Response
Partnerships with Traditional Owners	
Provide the number of formal partnership agreements with Traditional Owners/ Traditional Owner Groups.	We currently have one formal partnership agreement in place in the form of the 'Partnerships Officer Role' at Eastern Maar Aboriginal Corporation.
Describe the nature of the formal partnership agreements entered into with Traditional Owner Groups.	The formal partnership arrangement is a Water Corporations Partnership Officer role in association with Barwon Water, Grampians Wimmera Mallee Water and Eastern Maar Aboriginal Corporation. In 2026 we will work to achieve additional partnership agreements by establishing, building and strengthening our relationship with Gunditj Mirring Traditional Owners Aboriginal Corporation.
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.	We maintain engagement with two Traditional Owner groups, providing them the opportunity to review relevant components of the annual report concerning Traditional Ecological Knowledge. With previous reports endorsed, we remain committed to continuing this process in future annual reporting.
Demonstrate how water corporations have informed relevant Traditional Owners of opportunities to access water entitlements or allocation within their Country.	We are focussed on building relationships with Traditional Owners groups. The project to improve summer flows in the Gellibrand River one example of the evolving opportunities to engage.
Supporting Aboriginal self-determination	
Provide the number of formal partnership agreements with Aboriginal Community Controlled Organisations.	We continue to aim to establish and build relationships with the four Aboriginal Community Controlled Health Organisations in this region, and other Aboriginal Community Controlled Organisations which may lead to co-designing formal partnership agreements in this year or subsequent years. As part of our Towards Reconciliation (page 20) implementation, we will prioritise building strong relationships to lay the foundation for a future partnership agreement.
Describe the nature of the partnership agreements with Aboriginal Community Controlled Organisations.	To achieve a partnership agreement in future, we will continue to focus on establishing and building relationships.
Provide commentary on strategies implemented to provide procurement opportunities to Aboriginal businesses to supply goods and services to water corporations, including addressing any procurement barriers.	Within our Procurement Strategy, we are focused on building capacity within both our organisation and our supply chain to create greater opportunities for direct and indirect social procurement outcomes - particularly supporting Aboriginal businesses. One of the key objectives in the strategy is to address procurement barriers by 'Reducing complexity and enhancing awareness of our processes for both buyers and suppliers'.

Recognise Recreational Values	Response
Consideration of recreational values in business operations	
Provide the number of site-based projects planned/delivered to improve recreational enjoyment of water storages.	One, focusing on updating the Konongwootong Reservoir Master Plan.
Provide a brief description on how site-based projects will improve/have improved recreational enjoyment of water storages.	The Recreation Opportunities Strategy (2022) identifies specific prioritised opportunities to increase recreational access to Wannon Water assets including water storages.
Provide the number of water storage recreational areas with Recreational Area Management Plans in place.	We provide recreational access to the Konongwootong Reservoir. We do not intend to establish Recreational Area Management Plans for specific sites.
Engagement processes with community or stakeholders	
Provide evidence of community engagement processes that identified and considered recreational objectives relating to: - waterway health and environmental land - water planning and management	Our Recreation Opportunities Strategy (2022) included specific customer engagement to inform and prioritise opportunities. Progressing business case development for specific initiatives will include additional engagement where appropriate.
Improvements to information sources	
Provide evidence of actions taken to improve information sources to help recreational users plan their activities.	We have implemented a new web site which includes additional sources of information regarding access to recreational areas.
Collaboration with stakeholders	
Provide evidence of actions taken to collaborate with other organisations and government agencies to explore and progress opportunities to support recreational objectives.	We plan to approach Glenelg Hopkins Catchment Management Authority and First Nations community to explore partnering opportunities for the Konongwootong Reservoir Masterplan review and updates.

Resilient and Liveable Cities and Towns	Response
Integrated water management	
Actively participate and promote stakeholder collaboration with other organisations through IWM Forums, to help facilitate IWM.	We will continue to build engagement with partner agencies and community organisations for improved IWM outcomes and will facilitate two IWM Forums and three Practitioner meetings annually. Wannon Water will host the new IWM Officer role (commencing July 2026) to facilitate connection and coordination in IWM across our region, and empower stakeholders to embed IWM thinking, resources and capacity.
Progress towards development or review, update and implementation of strategic forum-owned IWM plans, outcomes and/or targets, as applicable to the region.	The great south coast released its second SDS in March 2024, this has identified 21 priority projects for implementation in the coming years. These projects contribute towards building resilient landscapes and utilising our natural resources effectively. The progress will be monitored through the IWM forum.
Progress towards the implementation of IWM actions, projects, or other activity with IWM approach achieving shared benefits, as applicable to the region.	We will continue to advocate for expanded Roof Water Harvesting within new estates – particularly within the new “East of Aberline” precinct in Warrnambool. We are working with LGA’s and CMA’s in preparing grant applications to progress IWM projects. We are engaging private enterprise (ProviCo, Warrnambool Golf Club, McColl’s Transport) and exploring partnership opportunities to champion IWM within the private sector, explore transferrable benefits for community assets, and embed IWM outcomes within the wider community.
Water Use and Efficiency - Urban Water Efficiency	
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.	We will continue participating in the state government led WaterSmart Program which targets water efficiency opportunities for non-residential customers with high water use through installation of digital meters and water consumption analysis. We will be running an awareness campaign for the Gellibrand Summer Flows project, promoting efficient water use in the Otways system over summer periods and educating our customer base that their water comes from the Gellibrand River and the importance of river health. This is in addition to our “Every Drop Counts” campaign. Advocacy for Warrnambool’s Roof Water Harvesting project continues with *discussions* between Warrnambool City Council and Victorian Planning Authority to ensure provision for RWH is included. The HILAC/Showgrounds Roof Water Harvesting project will be submitted for grant funding, seeking to both augment potable water use and alleviate stormwater loads. The Provico/Warrnambool Golf Course Water project seeks opportunities to utilise re-use water streams to supplement potable water use. The above examples are transferrable case studies and examples of optimising water retention, efficiency and usage, with potential to grow as other initiatives around the region.
Water Use and Efficiency - Urban Water Consumption	

Resilient and Liveable Cities and Towns	Response				
Please provide commentary on non-revenue water attributed to leakages.	Urban leakage (the main component of non-revenue water) will continue to be identified through monitoring of night flows and locating and repairing the leaks promptly. The volume of all leakage for each town is determined as part of the annual water consumption review. There has been an increase in non-revenue water with an estimated loss of 22% for 2024/25 up from 17% in 2023/4. The increase is attributed to rapid shifts between dry and wet weather contributing to pipe bursts and an increase in reactive maintenance activities, and data discrepancies due to aging equipment and multiple systems making it difficult to track accurately. Factors contributing to NRW include leaks and pipe bursts, faulty meters, theft, unbilled water usage for firefighting, mains flushing and operational use in our facilities. We are working toward a NRW Recovery Project to reduce water losses and maximise revenue.				
Circular Economy Outcomes					
Provide commentary on projects or initiatives that adopt circular economy principles and/or contribute towards identified targets in "Recycling Victoria: A New Economy".	We will deliver projects in our circular economy roadmap and high priority opportunities related to key material flows. We have a focus on capturing and sharing our findings, learnings and case studies and will continue to lead a regional collaborative approach.				
Biosolids	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
Mass dry weight of biosolids reused (Estimated Dry Tonnes)	3,100	3,100	3,100	3,100	3,100
Mass dry weight of biosolids produced (Estimated Dry Tonnes)	9,800	10,345	9,700	10,130	9,800
New: Mass dry weight of biosolids stored (Estimated Dry Tonnes)	25,000	25,000	25,000	25,000	25,000
Environmental Obligations					
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.	We will deliver on water quality meeting compliance with the Australian Drinking Water Guidelines 2011. This compliance will be underpinned by the Health Based Target (HBT) driven program which identifies capital works or treatment optimisation to continuously improve water quality and the customer experience. Special water catchments have been categorised under the HBT program which determine treatment requirements to achieve safe drinking water. Selective water harvesting undertaken during ideal river flow conditions to optimise quality to the customer.				
Report on performance against the Obligations for Managers of Land or Infrastructure (Water) (OMLI) under the Environment Protection Act 2017 and the Statement of Obligations (General) (in relation to sewerage services and connections) under the Water Industry Act 1994.	We are a referral agency to councils ensuring we have runoff management controls in place through the implementation of wastewater management plans within our special catchments, meeting our obligations under the EPA Act 2017. Specific harvesting within the catchment is undertaken during low-risk periods when river flows are optimal and water quality deemed acceptable.				

Resilient and Liveable Cities and Towns	Response
Water Corporations to undertake specific actions that deliver targeted outcomes to satisfy water corporations' environmental obligations consistent with the actions and intended outcomes contained in the: a) Regional Catchment Strategy b) Victorian Waterway Management Strategy and Regional Waterway Strategy c) Port Phillip Bay Environmental Management Plan (MW Only); and d) Other environmental activities or general projects that help implement catchment/ waterway health objectives	Wannon Water has partnership agreements with the Glenelg Hopkins Catchment Management Authority (CMA) and Corangamite CMA that outlines the agreed ways of working together, key areas of focus important to both organisations, governance structures, regular liaison and review timing to support these partnerships at officer and executive levels. These agreements enable Wannon Water to deliver on our environmental obligations relevant to a), b) and d).
Sustainable Water Management	
Progress on actions taken in the development and implementation of Sustainable Water Strategies applicable to the region.	Action 8-9 in the Central and Gippsland Sustainable Water Strategy (SWS) involves stakeholders to work together to investigate a preferred water supply augmentation option to improve critical water flows in the Gellibrand River through the summer low flow period. On track to complete a Flows study to help inform the environmental values realised, protected or sustained with the relevant flow regime. With no water to add to the system, this will only help us determine when to extract water from other sources if available and enable that amount (saved) to become temporary passing flow. A bore at Curdievale is under construction and will be available to augment supply for the South Otway Pipeline from late 2027. Cultural values are being included where possible, yet EMAC are self-determining their input into the project. The second Project Advisory Group Meeting was held in late September 2025, the group expressed an interest in Wannon Water reducing both surface and groundwater extractions. The reach from Arkins weirs has been included to help inform the benefits of passing flows from those weirs. We are preparing for involvement in the upcoming update to the Western SWS.
Housing Statement	
Describe the strategies to be employed to engage with applicable entities, including developers and councils, before a planning permit referral is received, including to understand potential blocks and/or delays created by processes and systems.	Wannon Water has well established processes to ensure timely processing and response to planning permits referrals. Note: land development is not experiencing high levels of growth across our service area.
New: Describe progress and/or any blocks in reporting on current annual report Housing Statement indicators.	No issues

Leadership, Diversity and Culture	Response
Diversity and Inclusion	
Is a Diversity Inclusion Plan/s published on entity website (Y/N).	No, this is built into our *We are Wannon* people strategy as a specific pillar. The document is internal facing.
Is a Gender Equality Action Plan published on entity website (Y/N).	Yes
Provide the number of executive officers who identify as women.	1
Actions taken to improve participation by Traditional Owners and Aboriginal Victorians in Board committees and other organisational committees.	Our Board Observer (Aboriginal) Scholarship Program continues in 2026 with our first participant successfully completing their tenure in 2025 and a 2nd candidate successfully appointed to the role at time of writing. Staff continue to have opportunity to nominate to join internal committees when EOIs for membership are called,
Target percentage of all the staff who complete the VPSC people matter survey in 2026.	85%
Target number of staff within the water entity who have undertaken a cross-cultural training course facilitated by a suitably experienced provider.	120
Target number of Aboriginal staff employed (FTE as at 30 June 2027).	2
Summary of progress against LOE Priority Area Leadership, diversity and culture.	"We are Wannon," our People Strategy 2024–2028, defines our commitment to leadership, diversity, and culture. Key initiatives include ongoing delivery of the Gender Equality Action Plan, enhancing executive recruitment practices, implementation of our Women's Development Program, and establishing gender-balanced succession pathways. We are advancing our Towards Reconciliation Strategy, strengthening employment pathways, and building an inclusive culture through Belonging@Wannon. As proud members of WaterAble, we support people with disabilities and carers in the water sector. We maintain certification with Family Friendly Workplaces, hold membership with Diversity Council Australia and are an endorsed employer with Work180. We are also continuing to integrate Wellness@Wannon, our integrated Health and Wellbeing Plan.

Performance and Financial Management	Response
Financial Performance	
Financial business targets and projections, including projections for dividend and tax equivalent payments.	See Financial Overview section.
Quarterly financial projections for the first year of the planning period.	See Appendix 4.
Debt management strategies in line with DTF management guidelines and requirements.	See Financial Overview section.
Any unregulated business activities including forecasts of revenue and expenditure and the benefits realised/reasons for undertaking the activities.	See Financial Overview section.
Operational risk assessment, encompassing analysis of factors likely to affect achievement of efficiency targets, and/or create significant financial risk for the corporation.	See Financial Overview section.
Impact on financial performance of high and low scenarios for key planning variables (such as supply availability, water consumption, interest rates).	See Financial Overview section.
The entity's credit rating received from Treasury Corporation Victoria (TCV) for Financial Accommodation Levy or an independent credit rating.	See Financial Overview section.

2026/27 Performance Report

Financial Performance Key Performance Indicators	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget
Cash Interest Cover Net operating cash flows before net interest and tax/net interest payments	3.0 times	2.6 times	2.5 times	2.5 times	2.5 times
Gearing Ratio Total debt (including finance leases) / total assets	9.3%	11.1%	12.7%	14.0%	14.8%
Internal Financing Ratio Net operating cash flow less dividends / net capital expenditure	19.6%	27.5%	34.5%	40.9%	61.7%
Current Ratio Current assets / current liabilities (excluding long-term employee provisions and revenue in advance)	210.9%	200.4%	196.7%	177.1%	189.0%
Return On Assets Earnings before net interest and tax / average assets	-1.7%	-1.6%	-1.4%	-1.2%	-1.1%
Return On Equity Net profit after tax/average total equity	-2.1%	-2.1%	-2.1%	-2.0%	-2.0%
EBITDA Margin Earnings before interest, tax, depreciation and amortisation / total revenue	23.6%	25.6%	27.6%	30.3%	30.9%

Operational Performance Indicators	2026/27 Target
Water and Sewerage Network Reliability Indicators	
Water Service – minutes off supply (planned and unplanned) How many minutes on average a customer was without water supply during a year	11
Unplanned water supply interruptions Percentage of customers receiving 5 unplanned interruptions in the year	0
Sewerage Service – sewer blockages Number of sewer blockages reported per 100 kilometres of sewer main	18
Sewerage Services – sewer spills Number of sewer spills reported per 100 kilometres of sewer main	7.6
Sewerage Services – containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours	97
Water Reuse Indicators	
Recycled water – effluent treatment and reuse Proportion of water recycled as a percentage of the volume of effluent produced	20

Customer Outcome Measures (outcomes generated through the Price Submission 2023-2028)	**2026/27 Target**
Outcome 1: Ongoing reliability of water and sewerage services	
Average score of customers surveyed who agree they can rely on their sewerage service from Wannon Water	8.6
Average satisfaction score of customers surveyed with water supply reliability	9.0
Number of customers who experienced two or more unplanned interruptions to their water service	≤ 86
Number of sewer spills to customer properties	≤ 35
Number of unplanned water interruptions	≤ 119
Number of residential sewer supply customer interruptions	≤ 79
Outcome 2: Ongoing protection of the environment though action and education, prioritising Country and our communities	
Number of noncompliance events with our EPA Amalgamated Licence	≤ 5
On track to achieve carbon neutrality by 2030, reducing total net emissions to those created directly from our operations (scope one)	6,980
Install disinfection system as the first step of the Warrnambool Sewage Treatment Plant upgrade by 31 December 2025	Complete
Complete an evaluation study report which identifies alternative wastewater disposal methodologies for further upgrades of the Warrnambool Sewage Treatment Plant by 30/6/25	Complete
Outcome 3: Fair and reasonable bills for all	
Average satisfaction score of surveyed customers satisfied with Wannon Water's services in terms of value for money	7.0
Percentage of customers surveyed who are aware of financial/customer support program	50%
The variable portion of a residential customer's bill has increased to 20 per cent (Group A, owner, average kL water use)	19.4%
Outcome 4: Improved water quality in identified communities	
Average satisfaction score of surveyed customers who are satisfied with water quality	7.5
Average satisfaction score of surveyed customers who are satisfied with water quality in terms of taste	7.0
Percentage of surveyed customers in Area 1 (Portland, Heywood, Port Fairy) who drink the water we supply	55%
Average satisfaction score of surveyed customers in Area 1 (Portland, Heywood, Port Fairy) who are satisfied with water quality in terms of taste	4.5
Install additional water treatment to improve taste of water in at least one of Portland, Heywood or Port Fairy communities by 2026	Complete

Customer Outcome Measures (outcomes generated through the Price Submission 2023-2028 process)	**2026/27 Target**
Outcome 5: Improved customer experience of our products and services	
Percentage of surveyed customers who experienced water service interruptions that are satisfied with Wannon Water's management of the interruption	96%
Percentage of surveyed customers who experienced sewer spills on or within their property, that are satisfied with Wannon Water's management of the spill	100%
Net Promoter Score	+20
Outcome 6: Active partnerships for healthy and resilient communities	
Percentage of regional stakeholders surveyed who are satisfied with Wannon Water's performance partnering on areas of regional priority	80%
Percentage of customers surveyed who are satisfied with Wannon Water's performance partnering with communities to help its region flourish	55%

Appendix 2: Customer bill impacts

Indicator	2025/26	2026/27	2027/28	2028/29*	2029/30*	2030/31*
Residential Bill – owner occupier ($ real 2025/26) The annual expected bill for an owner-occupier with typical (average) water use in real 2025/26 dollars (i.e. excluding inflation effects in forward years)	$1,284	$1,295	$1,307	$1,321	$1,335	$1,350
Percentage change from prior year		0.86%	0.87%	1.09%	1.09%	1.09%
Residential Bill – tenant ($ real 2025/26) The annual expected bill for an owner-occupier with typical (average) water use in real 2025/26 dollars (i.e. excluding inflation effects in forward years)	$247	$251	$256	$259	$262	$265
Percentage change from prior year		2.00%	2.00%	1.09%	1.09%	1.09%
Typical (average) water use (kL) assumed in owner-occupier and tenant bill calculations	140	140	140	140	140	140
Non-Residential Bill – business ($ real 2025/26) The annual expected bill for a business using 3 ML per annum in real 2025/26 dollars (i.e. excluding inflation effects in forward years)	$9,129	$9,297	$9,468	$9,571	$9,675	$9,781
Percentage change from prior year		1.84%	1.84%	1.09%	1.09%	1.09%

* Bill impacts up to 2027/28 are made with a high level of confidence as prices for services are approved to 30 June 2028. Prices beyond 1 July 2028 are subject to approval of Wannon Water's Price Submission 2028 by the Essential Services Commission. This is expected to occur in quarter 2 2028.

Appendix 3: Schedule of Regulated Charges

	2025/ 26		2026/ 27		2027/ 28		2028/ 29		2029/ 30		2030/31
CPI%	2.40%	PPM	3.70%	PPM	2.50%	PPM	2.50%	PPM	2.50%	PPM	2.50%
URBAN RESIDENTIAL AND NON-RESIDENTIAL, RURAL WATER SERVICE AND FIRE SERVICE CHARGES (PER ANNUM)											
Service Charge Group A - Portland, Heywood, Port Fairy, Allansford, Noorat/ Glenormiston, Camperdwon, Carlisle, Carpendeit, Cobden, Koroit, Lismore/ Derrinallum, Mortlake, Purnim, Simpson, Terang, Warrnambool, Balmoral, Caramut, Cavendish, Dunkeld, Glenthompson, Hamilton, Penshurst and Tarrington											
0-20mm connection	**$191.86**	-1.20%	**$196.57**	-1.20%	**$199.06**	1.09%	**$206.26**	1.09%	**$213.72**	1.09%	**$221.45**
21-25mm connection	**$285.98**	-1.20%	**$293.00**	-1.20%	**$296.72**	1.09%	**$307.45**	1.09%	**$318.57**	1.09%	**$330.09**
26-32mm connection	**$769.64**	-1.20%	**$788.53**	-1.20%	**$798.54**	1.09%	**$827.42**	1.09%	**$857.34**	1.09%	**$888.35**
33-40mm connection	**$1,347.58**	-1.20%	**$1,380.67**	-1.20%	**$1,398.20**	1.09%	**$1,448.77**	1.09%	**$1,501.17**	1.09%	**$1,555.47**
41-50mm connection	**$2,117.87**	-1.20%	**$2,169.87**	-1.20%	**$2,197.42**	1.09%	**$2,276.90**	1.09%	**$2,359.26**	1.09%	**$2,444.60**
51-80mm connection	**$3,081.00**	-1.20%	**$3,156.65**	-1.20%	**$3,196.73**	1.09%	**$3,312.36**	1.09%	**$3,432.17**	1.09%	**$3,556.32**
81-100mm connection	**$4,455.26**	-1.20%	**$4,564.66**	-1.20%	**$4,622.63**	1.09%	**$4,789.84**	1.09%	**$4,963.10**	1.09%	**$5,142.62**
101-150mm connection	**$6,223.60**	-1.20%	**$6,376.42**	-1.20%	**$6,457.40**	1.09%	**$6,690.98**	1.09%	**$6,933.00**	1.09%	**$7,183.78**
151+mm connection	**$8,221.31**	-1.20%	**$8,423.19**	-1.20%	**$8,530.16**	1.09%	**$8,838.71**	1.09%	**$9,158.42**	1.09%	**$9,489.70**
Service Charge Group B - Peterborough, Port Campbell, Timboon, Dartmoor, Casterton, Coleraine, Macarthur, Merino and Sandford											
0-20mm connection	**$346.70**	-1.20%	**$355.21**	-1.20%	**$359.72**	1.09%	**$372.73**	1.09%	**$386.21**	1.09%	**$400.18**
21-25mm connection	**$516.61**	-1.20%	**$529.29**	-1.20%	**$536.01**	1.09%	**$555.39**	1.09%	**$575.47**	1.09%	**$596.28**
26-32mm connection	**$1,389.19**	-1.20%	**$1,423.30**	-1.20%	**$1,441.37**	1.09%	**$1,493.50**	1.09%	**$1,547.52**	1.09%	**$1,603.49**
33-40mm connection	**$2,431.97**	-1.20%	**$2,491.68**	-1.20%	**$2,523.32**	1.09%	**$2,614.59**	1.09%	**$2,709.16**	1.09%	**$2,807.15**
41-50mm connection	**$3,821.81**	-1.20%	**$3,915.65**	-1.20%	**$3,965.37**	1.09%	**$4,108.80**	1.09%	**$4,257.42**	1.09%	**$4,411.42**
51-80mm connection	**$5,559.48**	-1.20%	**$5,695.99**	-1.20%	**$5,768.32**	1.09%	**$5,976.97**	1.09%	**$6,193.17**	1.09%	**$6,417.19**
81-100mm connection	**$8,038.94**	-1.20%	**$8,236.34**	-1.20%	**$8,340.94**	1.09%	**$8,642.65**	1.09%	**$8,955.27**	1.09%	**$9,279.20**
101-150mm connection	**$11,229.47**	-1.20%	**$11,505.22**	-1.20%	**$11,651.33**	1.09%	**$12,072.78**	1.09%	**$12,509.48**	1.09%	**$12,961.97**
151+mm connection	**$15,666.54**	-1.20%	**$16,051.24**	-1.20%	**$16,255.09**	1.09%	**$16,843.07**	1.09%	**$17,452.32**	1.09%	**$18,083.61**
Service Charge - Darlington											
Darlington Service Charge	**$191.86**	-1.20%	**$196.57**	-1.20%	**$199.06**	1.09%	**$206.26**	1.09%	**$213.72**	1.09%	**$221.45**

	2024/ 25		2026/ 27		2027/ 28		2028/ 29		2029/ 30		2030/31
CPI%	0.00%	PPM	3.70%	PPM	2.50%	PPM	2.50%	PPM	2.50%	PPM	2.50%
URBAN RESIDENTIAL WATER USAGE CHARGES (PER KL)											
Usage Charge Group A - Portland, Heywood, Port Fairy, Allansford, Noorat/ Glenormiston, Camperdwon, Carlisle, Carpendeit, Cobden, Koroit, Lismore/ Derrinallum, Mortlake, Purnim, Simpson, Terang, Warrnambool, Balmoral, Caramut, Cavendish, Dunkeld, Glenthompson, Hamilton, Penshurst and Tarrington											
User Charge Block 1 (0-438 litres/day)	**$1.7610**	2.00%	**$1.8626**	2.00%	**$1.9473**	1.09%	**$2.0177**	1.09%	**$2.0906**	1.09%	**$2.1662**
User Charge Block 2 (439-822 litres/day)	**$2.6972**	2.00%	**$2.8529**	2.00%	**$2.9827**	1.09%	**$3.0905**	1.09%	**$3.2022**	1.09%	**$3.3180**
User Charge Block 3 (822+ litres/day)	**$4.0462**	2.00%	**$4.2798**	2.00%	**$4.4745**	1.09%	**$4.6363**	1.09%	**$4.8040**	1.09%	**$4.9777**
Usage Charge Group B - Peterborough, Port Campbell, Timboon, Dartmoor, Casterton, Coleraine, Macarthur, Merino and Sandford											
User Charge Block 1 (0-438 litres/day)	**$1.1419**	2.00%	**$1.2078**	2.00%	**$1.2627**	1.09%	**$1.3083**	1.09%	**$1.3556**	1.09%	**$1.4046**
User Charge Block 2 (439-822 litres/day)	**$2.0799**	2.00%	**$2.1999**	2.00%	**$2.2999**	1.09%	**$2.3830**	1.09%	**$2.4691**	1.09%	**$2.5584**
User Charge Block 3 (822+ litres/day)	**$3.1200**	2.00%	**$3.3001**	2.00%	**$3.4502**	1.09%	**$3.5750**	1.09%	**$3.7043**	1.09%	**$3.8382**
Usage Charge - Darlington											
Darlington Usage all usage (per kL)	**$0.7359**	0.00%	**$0.7631**	0.00%	**$0.7821**	1.09%	**$0.8103**	1.09%	**$0.8396**	1.09%	**$0.8699**
URBAN NON-RESIDENTIAL AND RURAL WATER USAGE CHARGES (PER KL)											
Usage Charge Group A - Portland, Heywood, Port Fairy, Allansford, Noorat/ Glenormiston, Camperdwon, Carlisle, Carpendeit, Cobden, Koroit, Lismore/ Derrinallum, Mortlake, Purnim, Simpson, Terang, Warrnambool Balmoral, Caramut, Cavendish, Dunkeld, Glenthompson, Hamilton, Penshurst and Tarrington											
Potable Water (per kL)	**$2.6972**	2.00%	**$2.8529**	2.00%	**$2.9827**	1.09%	**$3.0905**	1.09%	**$3.2022**	1.09%	**$3.3180**
Non-Potable Water (per kL)	**$1.7610**	2.00%	**$1.8626**	2.00%	**$1.9473**	1.09%	**$2.0177**	1.09%	**$2.0906**	1.09%	**$2.1662**
Usage Charge Group B - Peterborough, Port Campbell, Timboon, Dartmoor, Casterton, Coleraine, Macarthur, Merino and Sandford											
Potable Water (per kL)	**$2.0800**	2.00%	**$2.2000**	2.00%	**$2.3001**	1.09%	**$2.3833**	1.09%	**$2.4695**	1.09%	**$2.5588**
Non-Potable Water (per kL)	**$1.1419**	2.00%	**$1.2078**	2.00%	**$1.2627**	1.09%	**$1.3083**	1.09%	**$1.3556**	1.09%	**$1.4046**

	2025/ 26		2026/ 27		2027/ 28		2028/ 29		2029/ 30		2030/31
CPI%	0.00%	PPM	3.70%	PPM	2.50%	PPM	2.50%	PPM	2.50%	PPM	2.50%
Usage Charge - Darlington											
Darlington Usage all usage (per kL)	$0.7359	0.00%	$0.7631	0.00%	$0.7821	1.09%	$0.8103	1.09%	$0.8396	1.09%	$0.8699
RURAL WATER USAGE SURCHAGRE											
All Rural Usage Charge Groups	$2.0000	0.00%	$2.0000	0.00%	$2.0500	0.00%	$2.1012	0.00%	$2.1537	0.00%	$2.2075
UN-CONNECTED WATER SERVICE CHARGE (PER ANNUM)											
Service Charge - All Groups	$191.86	0.00%	$198.95	0.00%	$203.92	1.09%	$211.29	1.09%	$218.93	1.09%	$226.85
UN-METERED WATER SERVICE CHARGE (PER ANNUM)											
All Service Charge Groups	$1,704.96	0.00%	$1,768.04	0.00%	$1,812.24	1.09%	$1,877.79	1.09%	$1,945.71	1.09%	$2,016.10
CONNECTED SEWERAGE SERVICE CHARGE (PER ANNUM)											
Service Charge Group - All Groups	$845.75	1.00%	$885.81	1.00%	$917.03	1.09%	$950.20	1.09%	$984.57	1.09%	$1,020.19
UN-CONNECTED SEWERAGE SERVICE (PER ANNUM)											
Service Charge Group - All Groups	$253.67	1.00%	$265.68	1.00%	$275.04	1.09%	$284.98	1.09%	$295.28	1.09%	$305.96
TRADE WASTE VOLUME AND LOAD CHARGES											
Major Trade Waste Volume Charges											
Volume ($/kL)	$0.8431	2.00%	$0.8917	2.00%	$0.9322	2.00%	$0.9746	2.00%	$1.0189	2.00%	$1.0652
BOD ($/kg)	$1.9374	2.00%	$2.0492	2.00%	$2.1424	2.00%	$2.2398	2.00%	$2.3417	2.00%	$2.4482
Suspended Solids ($/kg)	$0.3516	2.00%	$0.3719	2.00%	$0.3888	2.00%	$0.4064	2.00%	$0.4248	2.00%	$0.4441
Ammonia ($/kg)	$2.0295	2.00%	$2.1466	2.00%	$2.2442	2.00%	$2.3463	2.00%	$2.4530	2.00%	$2.5646

	2025/ 26		2026/ 27		2027/ 28		2028/ 29		2029/ 30		2030/31
CPI%	0.00%	PPM	3.70%	PPM	2.50%	PPM	2.50%	PPM	2.50%	PPM	2.50%
Minor Trade Waste Volume Charges & Non-Residential Sewage Volume Charges											
Group 1 - Warrnambool, Allansford and Koroit											
Volume ($/kL)	**$1.7421**	0.00%	**$1.8065**	0.00%	**$1.8516**	1.09%	**$1.9185**	1.09%	**$1.9878**	1.09%	**$2.0597**
Group 2 - Hamilton											
Volume ($/kL)	**$1.7417**	0.00%	**$1.8061**	0.00%	**$1.8512**	1.09%	**$1.9181**	1.09%	**$1.9874**	1.09%	**$2.0592**
Group 3 - Portland											
Volume ($/kL)	**$1.8647**	0.00%	**$1.9336**	0.00%	**$1.9819**	1.09%	**$2.0535**	1.09%	**$2.1277**	1.09%	**$2.2046**
Group 4 - Port Fairy											
Volume ($/kL)	**$2.0976**	0.00%	**$2.1752**	0.00%	**$2.2295**	1.09%	**$2.3101**	1.09%	**$2.3936**	1.09%	**$2.4801**
Group 5 - Camperdown, Casterton, Cobden, Coleraine, Dunkeld, Heywood, Mortlake, Peterborough, Port Campbell, Simpson, Terang and Timboon											
Volume ($/kL)	**$2.0479**	0.00%	**$2.1236**	0.00%	**$2.1766**	1.09%	**$2.2553**	1.09%	**$2.3368**	1.09%	**$2.4213**
FIRE SERVICE CHARGES											
All Price Groups											
0-20mm connection	**$63.24**	0.00%	**$65.57**	0.00%	**$67.20**	1.09%	**$69.63**	1.09%	**$72.14**	1.09%	**$74.74**
21-25mm connection	**$94.19**	0.00%	**$97.67**	0.00%	**$100.11**	1.09%	**$103.73**	1.09%	**$107.48**	1.09%	**$111.36**
26-32mm connection	**$253.16**	0.00%	**$262.52**	0.00%	**$269.08**	1.09%	**$278.81**	1.09%	**$288.89**	1.09%	**$299.33**
33-40mm connection	**$443.20**	0.00%	**$459.59**	0.00%	**$471.07**	1.09%	**$488.10**	1.09%	**$505.75**	1.09%	**$524.04**
41-50mm connection	**$696.43**	0.00%	**$722.19**	0.00%	**$740.24**	1.09%	**$767.01**	1.09%	**$794.75**	1.09%	**$823.49**
51-80mm connection	**$1,013.10**	0.00%	**$1,050.58**	0.00%	**$1,076.84**	1.09%	**$1,115.79**	1.09%	**$1,156.15**	1.09%	**$1,197.97**
81-100mm connection	**$1,464.85**	0.00%	**$1,519.04**	0.00%	**$1,557.01**	1.09%	**$1,613.33**	1.09%	**$1,671.68**	1.09%	**$1,732.14**
101-150mm connection	**$4,389.57**	0.00%	**$4,551.98**	0.00%	**$4,665.77**	1.09%	**$4,834.54**	1.09%	**$5,009.41**	1.09%	**$5,190.61**
151+mm connection	**$5,802.94**	0.00%	**$6,017.64**	0.00%	**$6,168.08**	1.09%	**$6,391.19**	1.09%	**$6,622.37**	1.09%	**$6,861.91**

Appendix 4: Quarterly financial projections

Operating Statement for the period ending 30 June 2027

	30 September 2026 ($)	31 December 2026 ($)	31 March 2027 ($)	30 June 2027 ($)	2026/27 Year ($)
Revenue					
Tariffs & Charges	20,984,000	23,470,000	24,274,000	21,625,000	90,353,000
Other Revenue	2,153,000	2,217,000	2,231,000	2,387,000	8,988,000
Total Revenue	**23,137,000**	**25,687,000**	**26,505,000**	**24,012,000**	**99,341,000**
Expenses					
Employee Benefits	7,225,000	7,987,000	6,980,000	7,887,000	30,078,000
Depreciation	13,493,000	13,546,000	13,506,000	13,584,000	54,129,000
Other Goods and Services	11,710,000	13,222,000	14,328,000	14,195,000	53,455,000
Total Expenses	**32,428,000**	**34,755,000**	**34,814,000**	**35,666,000**	**137,662,000**
Operating Profit/ (Loss)	**(9,291,000)**	**(9,068,000)**	**(8,309,000)**	**(11,654,000)**	**(38,321,000)**
Income Tax Expense/ (Revenue)	0	0	0	11,481,000	11,481,000
Net Profit/ (Loss) After Tax	**(9,291,000)**	**(9,068,000)**	**(8,309,000)**	**(173,000)**	**(26,840,000)**

Balance Sheet as at 30 June 2027

	Opening Balance ($)	September 2026 ($)	December 2026 ($)	March 2027 ($)	June 2027 ($)
Assets					
Cash	224,000	34,000	4,533,000	231,000	867,000
All Other Current Assets	28,755,000	28,849,000	28,547,000	28,498,000	28,674,000
Current Assets	28,979,000	28,883,000	33,080,000	28,729,000	29,541,000
Non-Current Assets	1,774,930,000	1,781,872,000	1,785,986,000	1,789,974,000	1,795,562,000
Total Assets	**1,803,909,000**	**1,810,755,000**	**1,819,066,000**	**1,818,703,000**	**1,825,103,000**
Liabilities					
Debt - Current	8,500,000	8,500,000	3,500,000	5,500,000	8,000,000
All Other Current Liabilities	10,574,000	10,711,000	10,922,000	10,868,000	10,922,000
Current Liabilities	19,074,000	19,211,000	14,422,000	16,368,000	18,922,000
Debt - Non Current	114,000,000	130,000,000	138,000,000	144,000,000	161,000,000
All Other Non-Current Liabilities	387,425,000	387,425,000	387,441,000	387,441,000	375,960,000
Non-Current Liabilities	501,425,000	517,425,000	525,441,000	531,441,000	536,960,000
Total Liabilities	**520,499,000**	**536,636,000**	**539,863,000**	**547,809,000**	**555,882,000**
NET ASSETS	**1,283,410,000**	**1,274,119,000**	**1,279,203,000**	**1,270,894,000**	**1,269,221,000**
Equity					
Retained Earnings	7,355,000	(1,936,000)	(11,003,000)	(19,312,000)	(19,484,000)
All Other Equity	1,276,055,000	1,276,055,000	1,290,206,000	1,290,206,000	1,288,706,000
EQUITY	**1,283,410,000**	**1,274,119,000**	**1,279,203,000**	**1,270,894,000**	**1,269,222,000**

Cashflow Statement for the period ending 30 June 2027

	September 2026 ($)	December 2026 ($)	March 2027 ($)	June 2027 ($)	2026/27 Year ($)
Cash at Start of Period	**224,000**	**34,000**	**4,533,000**	**231,000**	**224,000**
Cash Flow from Operating Activities	**3,787,000**	**4,549,000**	**4,736,000**	**1,351,000**	**14,424,000**
Cash Flow from Investing Activities					
Payments for property, plant and equipment	(20,023,000)	(17,311,000)	(17,161,000)	(18,994,000)	**(73,488,000)**
Proceeds from the sale of property, plant and equipment	45,000	109,000	123,000	279,000	**556,000**
Capital Repatriation	0	0	0	(1,500,000)	**(1,500,000)**
Capital Contribution	0	14,151,000	0	0	**14,151,000**
Total Cash flow from Investing Activities	**(19,978,000)**	**(3,051,000)**	**(17,038,000)**	**(20,215,000)**	**(60,281,000)**
Cash Flow from Financing Activities					
Proceeds from borrowings	18,000,000	8,000,000	10,000,000	22,000,000	**58,000,000**
Repayment of borrowings	(2,000,000)	(5,000,000)	(2,000,000)	(2,500,000)	**(11,500,000)**
Total Cash flow from Financing Activities	**16,000,000**	**3,000,000**	**8,000,000**	**19,500,000**	**46,500,000**
Net Movement in Cash	(191,000)	4,498,000	(4,302,000)	636,000	643,000
Cash at End of Period	**34,000**	**4,533,000**	**231,000**	**867,000**	**867,000**

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