Unitywater

# Price monitoring submission

## Part 1, 2026-27

unitywater.com

# Executive summary

Unitywater submits this Part 1 regulatory review as part of the Queensland Competition Authority's (QCA's) price monitoring framework. Unitywater is committed to a transparent, constructive and cooperative engagement with the QCA throughout this review. We have already provided a detailed response to the QCA's initial request for information and will continue to work closely with the QCA to ensure that all relevant information, analysis and justification is available to support the QCA's assessment.

Since the previous price monitoring exercise, where the QCA found no exercise of monopoly power, we have decreased our prices in real terms and improved service performance. This has been done by containing controllable costs, improving capital efficiency, and increasing service standards.

We benchmark strongly against peers and forecast a modest price increase in 2026-27.

## Key insights: our past performance and future operating environment

Over the past decade, Unitywater has maintained strong network performance, controlled unit costs and delivered real price decreases for our customers.

- Our water network's reliability remained strong, recording 3.6 water main breaks per 100 km of mains, compared with the national median of 16.5 reported in the Bureau of Meteorology's *National performance report 2023–24* (2023-24 NPR).[1] This places Unitywater among the top-performing utilities in Australia for reliability and service quality.
- The rate of sewer main breaks per 100 km has improved markedly, from a high of 25 breaks per 100 km in 2014-15 to 6 breaks per 100 km by 2023-24 – a reduction of 76% in break frequency.
- Between 2014-15 and 2023-24, Unitywater's wastewater operating costs per property have declined by 11.9%. Our controllable costs for wastewater services outperformed the sector by approximately 10%, based on the 2023-24 NPR.
- If Unitywater's 2013-14 operating expenditure (opex) had simply grown in line with inflation, opex would now be approximately $898 per connection in 2024-25. In contrast, our actual opex in 2024-25 is $622 per connection, with the gap expected to be maintained through to 2026-27.
- Unitywater's component of the bill has increased at a cumulative average annual rate of 1.8%, equating to a total rise of $220 between 2014-15 and 2025-26.
- Unitywater's prices have declined by 13% in real terms since the last price monitoring review.

Over the coming decade, we anticipate our future operating environment will be shaped by the following factors:

- The Queensland Government's *Shaping SEQ Plan* predicts that by 2046, our region will be home to an additional 525,000 people, with 215,600 new dwellings planned for Unitywater's service region. This represents 5.4% of Australia's total population growth and is the largest share of growth compared to elsewhere across the country.

[1] The Bureau of Meteorology published the complete dataset for the 2024-25 NPR in mid-December 2025. However, changes in definitions introduced this year resulted in series breaks in several key indicators that meant new information could not be compared with historical data. To allow for comparisons over time, Unitywater has chosen to report the results from the 2023-24 NPR and will assess and validate the 2024-25 NPR data ahead of our Part 2 submission, due in August 2026.

- Demand forecasts have progressively increased over time. Current demand forecasts show extensive demand outside of our established connections area across a number of growth fronts in the Moreton Bay and Sunshine Coast regions.
- Unitywater and Urban Utilities are explicitly excluded from the State Government's Residential Activation Fund scheme which provides funding for trunk infrastructure to enable development and delivery of new homes. As a result, existing and future Unitywater customers are funding the majority of this substantial cost of growth.

## Previous price monitoring

The QCA conducted its fourth price monitoring review of Unitywater's monopoly distribution and retail water and wastewater services for the period 1 July 2013 to 30 June 2015. The review examined our pricing, costs, demand forecasts, capital and operating expenditures, policies and procedures, and assessed whether there was any evidence of the exercise of monopoly power.

### No evidence of monopoly pricing

The QCA found no evidence of Unitywater exercising monopoly power during the 2013-14 or 2014-15 financial years. In both years, our total forecast revenues fell below the QCA's calculated Maximum Allowable Revenue (MAR), which is based on prudent and efficient costs.

- In 2013-14, our total revenue was $448.2 million, compared to a QCA-calculated MAR of $508.3 million, which is an under-recovery of $60.1 million (11.8%).
- In 2014-15, our total revenue was $474.2 million, compared to a QCA MAR of $517.0 million, an under-recovery of $42.8 million (8.3%).

### Capital expenditure judged prudent and efficient

The QCA reviewed Unitywater's capital expenditure (capex) program of $344.8 million for the two-year period and confirmed that it was prudent and efficient. A detailed review of six major projects (representing over $68 million) was undertaken. All six projects, including the Supervisory Control and Data Acquisition (SCADA) integration, Maleny Wastewater Treatment Plant (WWTP) upgrade, Suncoast WWTP transfer, and the Northern Service Centre construction, were found to be prudent, with only minor efficiency adjustments applied to the Fleet trucks project (a 0.75% reduction on sampled costs). The QCA also noted that our capital delivery and governance processes, including business case development and gated approvals, were generally consistent with good industry practice.

### Vast majority of operating costs accepted

Unitywater's total operating costs for 2013-14 and 2014-15 were forecast at $285.2 million and $308.8 million, respectively. The QCA accepted 99.8% of Unitywater's submitted opex forecasts, making only a minor adjustment of $0.6 million over two years.

The QCA's consultant also concluded our procurement and materials/services management showed clear efficiency improvements, with documented savings achieved across multiple categories.

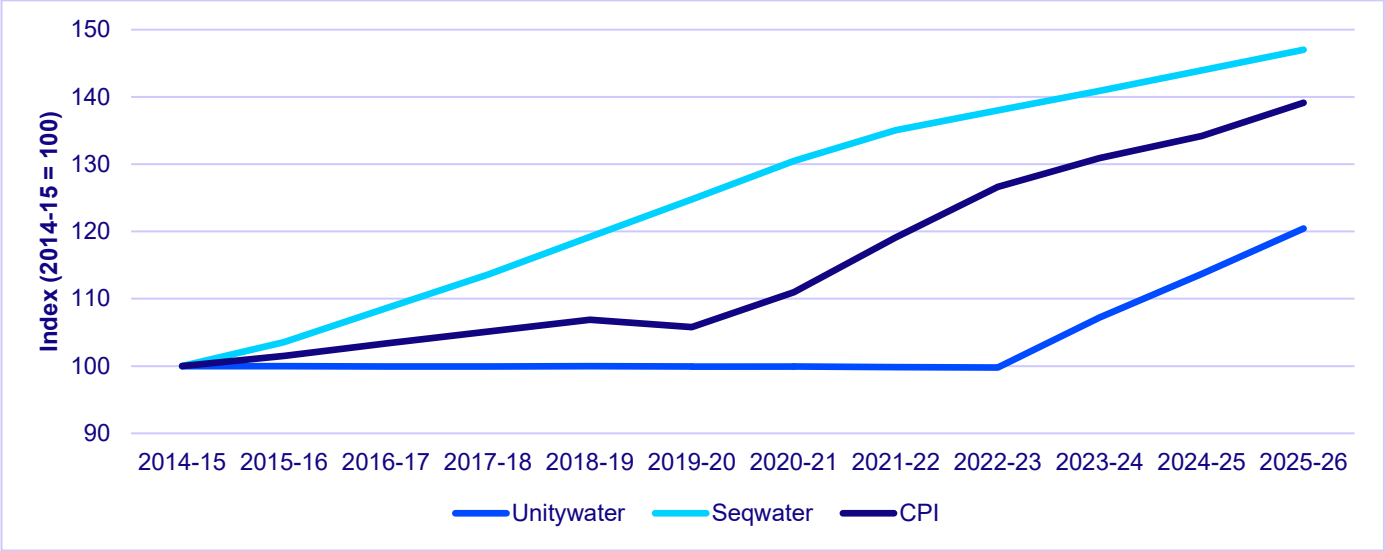
# Performance since the last price monitoring review

Since the conclusion of the last QCA price monitoring review in 2014-15, Unitywater has delivered measurable improvements in cost efficiency, price restraint, and benchmarked performance. These gains demonstrate our sustained focus on operating discipline and prudent investment, and they underscore our alignment with the regulatory principles of efficiency, transparency, and fairness to customers.

## Real price restraint and improved affordability

Unitywater's prices have grown modestly over the past decade, particularly when compared with both regulated benchmarks and other major suppliers. As shown in **Figure 1**, Unitywater's price index has increased by significantly less than the Brisbane Consumer Price Index (CPI).

Fig. 1 – Unitywater prices since 2014-15 (base = 100)




Source: Unitywater analysis based on data sourced from the Australian Bureau of Statistics (ABS), Seqwater and Unitywater.

Since the QCA's previous price monitoring activities ceased in 2014-15, our prices have grown at less than half the rate of Seqwater, with the latter showing a steep and sustained rise through to 2025-26.

Most notably, Unitywater's prices have declined by 13% in real terms since the end of the QCA's previous price monitoring activities. This outcome reflects a disciplined pricing strategy that passes efficiency gains through to customers, in contrast to the continued upward pressure in costs from State-controlled bulk water charges. As we move beyond the eight-year freeze on Unitywater's contributions to water bills, we will balance the need for affordability with the investment required to maintain service levels and meet the needs of our growing region and our Participant Councils (City of Moreton Bay, Sunshine Coast Council and Noosa Shire Council), while also ensuring the long-term financial sustainability of our business. This restraint occurred during a period of growing asset base, increasing service obligations, and heightened community expectations at a time of increasing complexity and scale of regulation across many aspects of the business, and tightening of local and national labour markets.

## Sustained reductions in operating costs

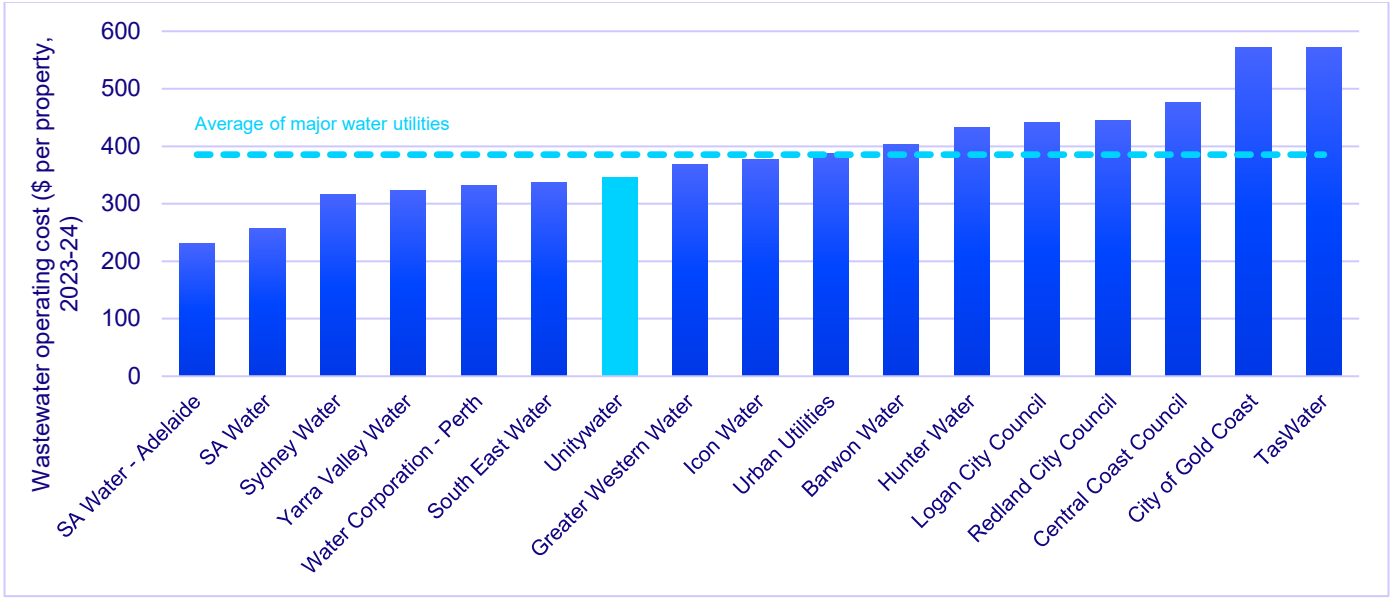
Unitywater has achieved material cost reductions since the most recent price monitoring activities concluded. Between 2014-15 and 2023-24, wastewater operating costs per property declined by 11.9%. The general downward trajectory has been sustained across a decade, despite rising cost inputs such as energy and labour.

These savings have been realised through targeted operational improvements, including automation of field services, energy optimisation at WWTPs, strategic procurement reforms and digital initiatives. Our commitment to continuous improvement has helped us absorb demand and inflationary pressures without compromising service outcomes.

## Benchmarking: strong position on controllable costs

Where Unitywater has control over expenditure, we compare favourably against peer utilities. **Figure 2** shows that we rank below the average of major urban water utilities in terms of wastewater costs per property in 2023-24.

Fig. 2 – Operating costs - Wastewater ($ per property, 2023-24)




Note: Redland City Council, a large water utility under the Bureau of Meteorology's *National performance report* (NPR) classification, has been added so that all South East Queensland (SEQ) distributor-retailers are included in the comparison.
Source: 2023-24 NPR.

Our performance sits alongside or below other large urban providers such as Yarra Valley Water, Sydney Water and Water Corporation - Perth. The major urban water utilities with lower operating costs per property typically service much larger populations and have a higher network density than Unitywater, and therefore benefit from greater economies of scale.

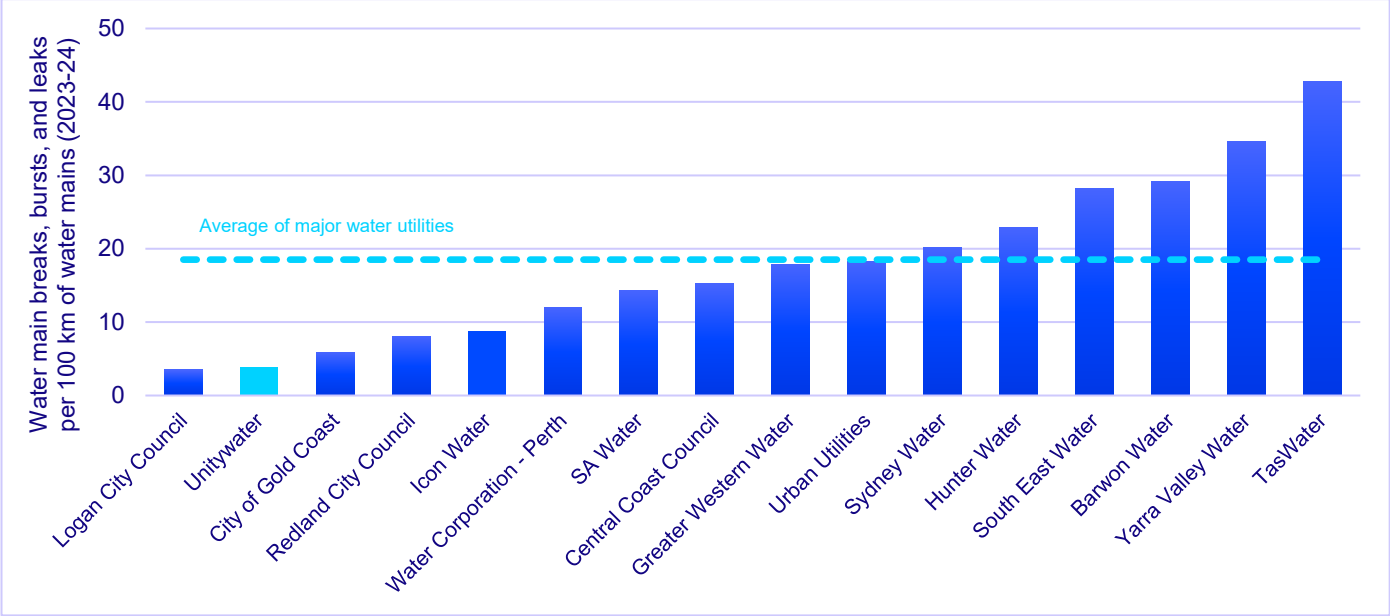
Overall, our controllable costs for wastewater services outperform the sector by approximately 10%, based on national performance reporting of urban water utilities by the Bureau of Meteorology. These outcomes are consistent with our internal assessments and are corroborated by other national performance reporting under frameworks such as the Water Services Association of Australia (WSAA).

## Asset reliability has improved while unit costs contained

Unitywater's efforts to contain opex per connection have not come at the expense of network reliability. Over the past decade, Unitywater's asset performance results highlight continued improvement in both water and wastewater infrastructure reliability.

Our frequency of water main breaks per 100 km has remained stable and within a narrow range since 2015-16 and we remain one of the top performers on this metric among major water utilities across Australia (refer **Figure 3**). While individual year results vary, the overall trend shows a slight improvement over time, indicating that we have sustained the integrity of our water reticulation network even as opex per connection declined.

Fig. 3 – Water main breaks, bursts and leaks per 100 km of water mains (2023-24)




Note: Redland City Council, a large water utility under the NPR classification, has been added so that all SEQ distributor-retailers are included in the comparison.
Source: 2023-24 NPR.

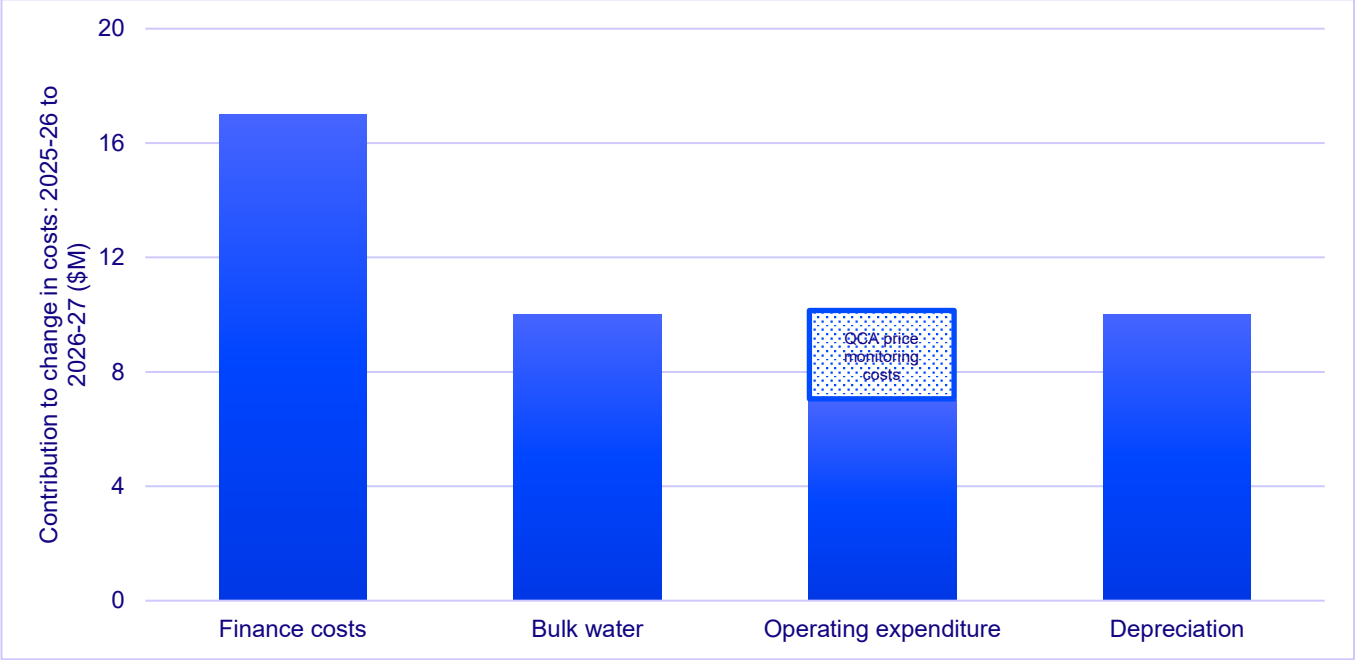
More significantly, the rate of sewer main breaks per 100 km has improved markedly over the same period. From a high of 25 breaks per 100 km in 2014-15, the frequency dropped steadily each year, reaching just 6 breaks per 100 km by 2023-24. This represents a reduction of 76% in break frequency, signalling the effectiveness of our proactive maintenance, asset renewal strategy and network monitoring efforts.

Together, these indicators demonstrate that we have not only reduced costs, including maintenance expenditure, but have also delivered improved asset resilience. The business is achieving better outcomes for customers and the environment, with fewer service disruptions and lower risk of wastewater overflows or water supply interruptions.

# Forecast performance

Building on this solid performance, and to accommodate increasing costs, Unitywater is proposing a modest price increase of 3.9% in 2026-27 which increases to 4.4% when including the estimated costs of the QCA price monitoring. The changes to costs are set out in **Figure 4** below.

Fig. 4 – Change in costs – 2026-27 ($M)




Source: Unitywater analysis.

Finance costs are projected to rise in 2026-27, driven by both higher borrowing requirements and prevailing market interest rates. Recent increases in interest rates have materially lifted the cost of new and refinanced debt. The uplift in forecast finance costs in 2026-27 reflects this higher cost of capital, consistent with movements in the broader financial market and Unitywater's forward funding profile.

Operating expenditure, which is a subset of total costs, is forecast to increase by only 2.4% from 2025-26 to 2026-27, at a rate lower than inflation. An additional increase of 1.3% ($3.7 million) is anticipated to accommodate costs associated with QCA price monitoring activity. This restrained opex growth reflects our deliberate cost control, efficiency improvements and targeted internal budgeting strategies.

Depreciation is forecast to increase in 2026-27 due to the progressive commissioning of $500 million of new essential assets in 2026-27.

The size of the capital program is underpinned by a clear need to address population growth, asset condition, and service resilience. Key investments are focused on increasing capacity in wastewater treatment and reticulation systems to meet sustained development in Moreton Bay and the Sunshine Coast, including major upgrades at the Burpengary East and Kawana WWTPs, as well as extensions to the wastewater network in growth corridors. In parallel, a substantial portion of the capital plan is directed toward renewal and replacement of aging infrastructure, with over $100 million allocated to address condition-driven priorities across Unitywater's reticulation and trunk networks.

The 2026-27 capital program also includes funding for digital and operational technology investments, including the continuation of our digital metering rollout, smart sewer network program, and enterprise system upgrades. These investments are essential to improve asset visibility, reduce reactive maintenance, and enable long-term efficiency in service delivery.

# Responding to Stated Matters

The QCA is required to consider several Stated Matters in Part 1 of their price monitoring investigation. To assist, this submission summarises Unitywater's position and evidence against each of the Stated Matters.

## D(1.1): Forecast prices and revenues

Unitywater's prices and revenues presented in this submission are forecasts. Unitywater customarily finalises prices and revenue requirements in May, incorporating the latest available information that impacts our operating environment. Prices to apply from 1 July are then published in June. At present, there remain material uncertainties in the outlook for several external factors beyond our control, including but not limited to inflation and interest rates. Accordingly, Unitywater proposes to review these forecast prices and revenues in May, consistent with our established price-setting timetable. This approach will ensure that the actual 2026-27 prices appropriately reflect material updates in the external environment.

Despite significant cost pressures and increasing demand, we propose to constrain price increases to 3.9% with a further 0.5% adjustment to accommodate the additional costs associated with price monitoring activity. In aggregate, this results in a total price increase of 4.4% forecast for 2026-27. The typical residential customer in the Moreton Bay region is expected to see an annual increase of approximately $66, or 3.7%, in their total water and wastewater bill. For customers in the Sunshine Coast and Noosa regions, the increase is slightly higher – around $92 per year, or 5.3%. This higher increase for customers in the Sunshine Coast and Noosa regions reflects moves to reach price parity within Unitywater's service region in 2028-29. The regional pricing approach is based on the Participant Council's asset investment and maintenance at the time of Unitywater's formation and is gradually moving to parity as these approaches have been standardised through the maturity of the one business. Unitywater's costs also reflect our relatively low network density and the need to carefully manage impacts on the unique natural environment of our region.

## D(1.2): Capital governance, procurement and delivery practices

Unitywater applies a robust and mature framework for capital planning and delivery. Investment is guided by Unitywater's Water Netserv Plan Part A (Netserv Plan), the Strategic Asset Management Plan (SAMP), and an integrated risk-based prioritisation methodology. Projects are governed through a multi-stage gated approval process and overseen by the Board through the Capital Investment and Innovation Committee. These arrangements are consistent with good industry practice and are underpinned by documented commercial controls and internal assurance.

## D(1.3): Productivity and efficiency initiatives

Unitywater has embedded a wide-ranging portfolio of initiatives to improve capital and operating efficiency. For 2026-27, our opex budget is targeting cost savings of around 1% ($2.7 million). These include smart metering and pressure management to reduce non-revenue water and defer network augmentation; condition-based asset monitoring, such as the Works Management Uplift Program (WMUP) and Sewer Corrosion and Odour Mitigation Plan (SCOMP), to avoid premature renewals; and energy optimisation initiatives that have reduced consumption per megalitre (ML) treated. On the operating side, Unitywater has achieved an 11.9% reduction in wastewater operating costs per property since 2014-15, through automation, process efficiency and improved procurement. We have done this despite the impact of storms and other significant weather events on our network that have resulted in unplanned expenditure to restore operations.

## D(1.4): Measurement of efficiency and productivity

Unitywater monitors and reports performance against a clear suite of indicators that reflect both cost efficiency and service outcomes. Key measures include operating cost per property (by service), sewer and water main breaks per 100 km, WWTP reliability and unit energy consumption. These indicators are benchmarked against national peers via the Bureau of Meteorology and WSAA frameworks. Unitywater also conducts internal trend analysis and post-implementation reviews to assess the realised benefits of specific initiatives. This performance framework enables transparent tracking of progress and provides a structured basis for evaluating the effectiveness of cost management and innovation initiatives over time.

## D(1.5): Service quality and reliability

Unitywater continues to meet or exceed our service obligations while delivering efficiency improvements. The business maintains high levels of reliability in water and sewer services, with significant improvements over time. Sewer main breaks per 100 km have declined by 76% since 2016, and water main performance has remained stable. Wastewater treatment plant performance, measured by mean time between reactive maintenance, customer service and response time metrics also remain within regulatory benchmarks.

Unitywater

# Contents


**Executive summary** **2**

Key insights: our past performance and future operating environment 2

Previous price monitoring 3

No evidence of monopoly pricing 3

Capital expenditure judged prudent and efficient 3

Vast majority of operating costs accepted 3

Performance since the last price monitoring review 4

Real price restraint and improved affordability 4

Sustained reductions in operating costs 5

Benchmarking: strong position on controllable costs 5

Asset reliability has improved while unit costs contained 6

Forecast performance 6

Responding to Stated Matters 8

D(1.1): Forecast prices and revenues 8

D(1.2): Capital governance, procurement and delivery practices 8

D(1.3): Productivity and efficiency initiatives 8

D(1.4): Measurement of efficiency and productivity 9

D(1.5): Service quality and reliability 9

**Glossary of acronyms and abbreviations** **15**

**Context** **17**

About the submission 17

The Stated Matters 17

About Unitywater 18

Our role in the urban water cycle 20

Strategic framework 20

External context 21

Structure and governance 23

Board 23

Executive leadership team 23

Previous price monitoring 25

No evidence of monopoly pricing 25

Capital expenditure judged prudent and efficient 25
Vast majority of operating costs accepted 25
Performance since the last price monitoring review 25
Real price restraint and improved affordability 25
Sustained reductions in operating costs 26
Benchmarking: strong position on controllable costs 27
Continued investment and service delivery 28
Asset reliability has improved while unit costs contained 28
**Performance and service reliability 31**
Obligations 31
Customer expectations 31
Stakeholder expectations 32
Council returns 32
Supporting development customers 32
Performance metrics and benchmarking 34
Public health obligations 34
Network performance and responsiveness 34
Customer service 34
Customer support 35
**Demand forecast 37**
Demand modelling and strategic planning 37
Netserv Plan 38
Seqwater Water Security Program 2023 38
Netserv Plan compared to Shaping SEQ 39
Regional variation in demand forecasts 40
Time fluctuations 40
Climate change and weather events 40
Customer lead time 41
Seasonality 41
**Procurement 44**
Enablers for efficient procurement spending 44
Procurement for Unitywater's capital program planning and delivery 46
Procurement outcomes 47

**Operating expenditure** **48**
Bulk water costs 51
Non-revenue water - water loss 51
Long-term network loss trend 51
System Leakage Management Plan 52
Benchmarking 53
Productivity and efficiency 53
Recent initiatives 54
2026-27 initiatives 55
**Capital expenditure** **56**
Capital planning and governance 57
Asset management planning 60
Delivery of capital works 61
Productivity and efficiency 64
Recent capital initiatives 64
2026-27 capital initiatives 66
**Revenue and pricing** **68**
Pricing approach 68
Forecast cost changes – 2026-27 68
Forecast connections 2026-27 69
Consumption demand 72
Revenue 73
Other services 74
Recycled water 74
Trade waste 75
Standpipes 75
Pricing 76
Historical pricing information and CPI comparison 76
Recommended 2026-27 water and wastewater prices 78
Volumetric versus fixed charges 79
Bulk water prices 80

Bill impact 81
Median residential bill 81
South East Queensland utilities price comparison 83

# List of Tables

**Table 1 – Key performance metrics 34**
**Table 2 – Unitywater customer survey measures 35**
**Table 3 – Netserv Plan dwelling forecast assumptions 39**
**Table 4 – Distribution of water consumption analysis (financial year) 42**
**Table 5 – Monthly variation in average water consumption (calendar year) 43**
**Table 6 – Operating cost escalation factors for 2026-27 50**
**Table 7 – Total non-revenue water and water losses for the period 1 July 2024 to 30 June 2025 52**
**Table 8 – Unitywater benchmarking profile: 2020 Leakage Management Benchmarking Program 53**
**Table 9 – Labour resource allocations by function 54**
**Table 10 – 2026-27 water and wastewater infrastructure capex by program ($M, nominal) 57**
**Table 11 – Forecast water connections for 2026-27 71**
**Table 12 – Forecast wastewater connections for 2026-27 72**
**Table 13 – Bulk water consumption by region for 2026-27 72**
**Table 14 – Change in forecast utility revenue requirement by driver (2026-27, $M) 74**
**Table 15 – Revenue from other services by type of service ($M) 74**
**Table 16 – Average annual increase from 2014-15 – Unitywater component 76**
**Table 17 – Proposed 2026-27 prices compared to 2025-26 – City of Moreton Bay 78**
**Table 18 – Proposed 2026-27 prices compared to 2025-26 – Sunshine Coast and Noosa 79**
**Table 19 – City of Moreton Bay residential impact (including bulk water charges) 82**
**Table 20 – Sunshine Coast and Noosa residential impact (including bulk water charges) 83**

# List of Figures

**Fig. 1 – Unitywater prices since 2014-15 (base = 100) 4**
**Fig. 2 – Operating costs - Wastewater ($ per property, 2023-24) 5**
**Fig. 3 – Water main breaks, bursts and leaks per 100 km of water mains (2023-24) 6**
**Fig. 4 – Change in costs – 2026-27 ($M) 7**

Fig. 5 – Unitywater service region and key assets 19
Fig. 6 – The urban water cycle 20
Fig. 7 – Unitywater's strategic framework 21
Fig. 8 – Unitywater organisational structure 24
Fig. 9 – Unitywater prices since 2014-15 (base = 100) 26
Fig. 10 – Operating costs - wastewater ($ per property) 27
Fig. 11 – Operating costs – wastewater ($ per property, 2023-24) 27
Fig. 12 – Operating costs per property excluding bulk water capital cost payments (2022-23) 28
Fig. 13 – Water main breaks, bursts, and leaks per 100 km of water mains (2023-24) 29
Fig. 14 – Sewer mains breaks and chokes per 100km 30
Fig. 15 – Sewer main breaks and chokes per 100 km (2023-24) 30
Fig. 16 – Developer application processing measures 33
Fig. 17 – Unitywater's demand modelling overview 37
Fig. 18 – Unitywater operating cost ($ per connection): scenario analysis 48
Fig. 19 – Historical non-revenue water trends (quarterly) 51
Fig. 20 – Unitywater historical and forecast capex ($M, real 2025-26 dollars) 57
Fig. 21 – Unitywater Asset Management Framework 58
Fig. 22 – Unitywater asset management benchmarking: 2020 level of attainment by subject 59
Fig. 23 – Unitywater's strategic documentation hierarchy 60
Fig. 24 – Unitywater's project management lifecycle 62
Fig. 25 – Unitywater's collaborative framework model 63
Fig. 26 – Projected growth in new connections – Unitywater 70
Fig. 27 – Projected growth in new connections – Moreton Bay 70
Fig. 28 – Projected growth in new connections – Sunshine Coast and Noosa 71
Fig. 29 – Utility revenue breakdown for 2026-27 73
Fig. 30 – Cumulative average bill increases from 2014-15 to 2025-26 77
Fig. 31 – Median bill breakdown by fixed and volumetric charge 80
Fig. 32 – Unitywater volumetric price and bulk water price comparison ($/kL) 80
Fig. 33 – 2026-27 median residential bill 81

Unitywater

# Glossary of acronyms and abbreviations

| Shortened form | Full reference |
|---|---|
| **2023-24 NPR** | Bureau of Meteorology's *National performance report 2023-24: urban water utilities* |
| **ABS** | Australian Bureau of Statistics |
| **ACP** | Unitywater's Asset Class Plan |
| **AMP** | Unitywater's Asset Management Plan |
| **BBT** | Build Better Together |
| **capex** | capital expenditure |
| **COVID-19** | Coronavirus disease caused by the SARS-CoV-2 virus |
| **CPI** | Consumer Price Index |
| **DMaTT** | Demand Modeller and Tracking Tool |
| **DRR Act** | *South East Queensland Water (Distribution and Retail Restructuring) Act 2009* (Qld) |
| **EA** | Enterprise Agreement |
| **EMP** | Unitywater's Energy Management Plan |
| **EP Act** | *Environmental Protection Act 1994* (Qld) |
| **ISO** | International Organisation for Standardisation |
| **kL** | kilolitre |
| **L/C/D** | litres per connection per day |
| **LGIP** | Local Government Infrastructure Plan |
| **MAR** | Maximum Allowable Revenue |
| **MHL** | magnesium hydroxide liquid |
| **ML** | megalitre |
| **Netserv Plan** | Unitywater's Water Netserv Plan Part A |
| **NPR** | Bureau of Meteorology *National performance report* |
| **opex** | operating expenditure |
| **Participant Councils** | City of Moreton Bay, Sunshine Coast Council and Noosa Shire Council |
| **PFAS** | perfluoroalkyl and polyfluoroalkyl substances |
| **QCA** | Queensland Competition Authority |

| Shortened form | Full reference |
|---|---|
| **SAMP** | Unitywater's Strategic Asset Management Plan |
| **SCADA** | supervisory control and data acquisition |
| **SCOMP** | Unitywater's Sewer Corrosion and Odour Mitigation Plan |
| **SEQ** | South East Queensland |
| **SLMP** | Unitywater's System Leakage Management Plan |
| **SOAP** | Unitywater's Sewer Odour Abatement Plan |
| **WSAA** | Water Services Association of Australia |
| **WMUP** | Unitywater's Works Management Uplift Project |
| **WS Act** | *Water Supply (Safety and Reliability) Act 2008* (Qld) |
| **WWTP** | wastewater treatment plant |

# Context

## About the submission

Unitywater's Part 1 submission to the QCA's urban water price monitoring investigation outlines the prudent and efficient revenue required for 2026-27 to deliver safe and reliable water and wastewater services to our current and future customers, and how this translates to our pricing and customer bills.

The submission has been prepared to respond to QCA's request, as well as the Stated Matters of the referral notice issued by the Queensland Government under Section 23A and Section 24 of the *Queensland Competition Authority Act 1997* (Qld).

### The Stated Matters

The referral notice states that the following matters are to be considered as part of QCA's Part 1 review:

1.1 forecast Total Revenues, Distributor-Retailer Prices and Water Bill Impact for the Price Monitoring Period from 1 July 2026 to 30 June 2027.

1.2 the efficiency of the Businesses' procurement practices by assessing the existence of robust policies and procedures having regard to good industry practice as well as compliance, assessing the robustness of the capital expenditure program planning and delivery processes and procedures in an overall sense and identify any areas for improvement.

1.3 reasonableness of productivity initiatives aimed at reducing capital expenditure and operating expenditure costs, including but not limited to efficiency improvements, innovation and demand management, and identify any opportunities for productivity targets.

1.4 reasonableness of performance measures, benchmarks and indicators against which progress from initiatives identified under Stated Matter (1.3) can be assessed.

1.5 service quality and reliability, consistent with other regulatory obligations using existing and published performance indicators of Urban Utilities and Unitywater for the purpose of assessment of service standards.

1.6 for the periodic report, how the forecast Total Revenue, Distributor-Retailer Prices and Water Bill Impact compare against the actual Total Revenue, Distributor-retailer Prices and Water Bill Impact for the Price Monitoring Period from 1 July 2026 to 30 June 2027.

Unitywater understands this price monitoring investigation is intended to inform, rather than determine current and future Unitywater revenues and pricing structures. We support the process to further demonstrate transparency of pricing to our customers, stakeholders and Government.

# About Unitywater

Unitywater is a statutory authority, formed under the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009* (Qld) (DRR Act), established on 1 July 2010.

We exist for our customers – to provide essential water and wastewater services to more than 900,000 people across the Moreton Bay, Sunshine Coast and Noosa regions of SEQ. Our customers include residential property owners, commercial and industrial enterprises and developers.

Our purpose to support healthy and thriving communities is about the people and the regions we serve. Our services are essential to life and growth and contribute beyond public health to demonstrate environmental leadership through more liveable communities, green spaces, cleaner waterways and circular economy.

Our intention is to be defined as an organisation which adds economic, social and environmental value through our actions with customers, communities and partners.

We currently operate and maintain more than $4.3 billion worth of infrastructure across our service region (see **Figure 5**) of approximately 5,223 square kilometres, including:

- 363,809 water connections
- 6,475 km of water mains
- 103 water reservoirs
- 74 water pump stations
- 67,672 hydrants
- 323,583 wastewater connections
- 6,256 km of sewer mains
- 166 km of recycled water main pipes
- 17 WWTPs, including 12 producing recycled water
- 803 wastewater pump stations.

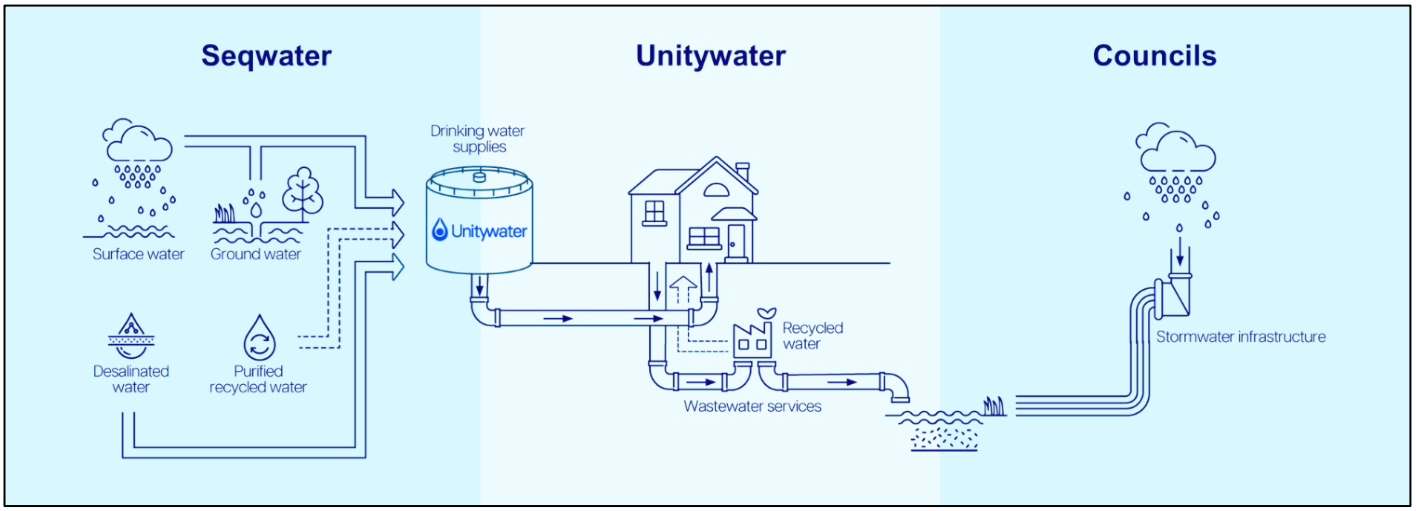
Fig. 5 – Unitywater service region and key assets


Source: Unitywater.

# Our role in the urban water cycle

The structure of urban water and wastewater services in SEQ was established through the DRR Act, which separated bulk water sourcing, storage, and treatment (managed by the State Government-owned Seqwater) from retail services. Distributor-retailers including Unitywater retained retail services, including management of water, wastewater and recycled water networks – see **Figure 6**.

Fig. 6 – The urban water cycle




Source: Unitywater.

Unitywater purchases bulk water from the State Government to supply our customers and is required to pass the full cost of this water on to our customers. All bulk water charges are paid to the State Government, and Unitywater does not profit from these charges. Bulk water charges account for approximately 27% of customer bills, with more than $230 million returned to the State Government each year to repay debt associated with investment in the SEQ water grid and to cover the costs of maintaining catchments, paying interest on debt, treating and transporting drinking water.

# Strategic framework

Unitywater's 2030 Strategic Ambition sets the direction and tone for the organisation that our customers, stakeholders and communities aspire for us to be. As the enterprise strategy, it keeps us focused on the big picture goals and outcomes we are working towards and helps us in navigating changes to our external environment. Insights from customer research informed our strategic framework.

The 2030 Strategic Ambition is supported by three corporate strategies: Customer and Community, People, and Sustainability. These corporate strategies provide greater detail on how we will achieve the goals of the 2030 Strategic Ambition. By identifying and aligning the tasks and initiatives to be delivered across the business, they ensure clear links between activities and the 2030 Strategic Ambition to support effective resource allocation, budget prioritisation and planning.

Business unit plans are developed to reflect each business unit's ongoing service delivery requirements, and the way they lead, support or adopt strategy initiatives through programs or projects that will deliver the 2030 Strategic Ambition goals and outcomes.

The 2030 Strategic Ambition and corporate strategies are evaluated and reviewed every two years to ensure we can respond to changes in our internal and external operating contexts while still delivering on our ambitions. See **Figure 7** – Unitywater's strategic framework.

Fig. 7 – Unitywater's strategic framework


Source: Unitywater.

## External context

Our strategic framework enables us to navigate the challenges of our evolving external environment, including:

**Affordability and cost-of-living challenges:** As cost-of-living pressures continue to affect households, we recognise the importance of keeping our services affordable for customers. Over the past decade, Unitywater's component of the bill has increased at a cumulative average annual rate of 1.8%, equating to a total rise of $220 between 2014-15 and 2025-26. This reflects Unitywater's sustained price freeze from 2015-16 through 2022-23, an eight-year period in which our component of the bill did not increase, as we constrained the business by reducing costs through efficiency enhancements. In part, we did this to assist our customers while bulk water prices increased. As we move beyond this freeze, we now balance this need for affordability with the investment required to maintain service levels and meet the needs of our

growing region and our Participant Councils, while also ensuring the long-term financial sustainability of our business.

**Population growth and housing targets:** The Queensland Government's *Shaping SEQ Plan* predicts that by 2046, our region will be home to an additional 525,000 people, with 215,600 new dwellings planned for Unitywater's service region. This represents 5.4% of Australia's total population growth and is the largest share of growth compared to elsewhere across the country. In response to this growth and the augmentation it has triggered in water and wastewater networks, Unitywater's labour profile has been flexible over time, as resources are required to support capital delivery and ongoing safe operation. Supporting this growth also requires significant financial investment in both trunk water and wastewater infrastructure, with private sector developers typically making contributions to some of the costs, and State Government caps limiting the allowable charge per lot in some areas. Unitywater and Urban Utilities were also explicitly excluded from the State Government's Residential Activation Fund scheme which provided funding for trunk infrastructure to enable development and delivery of new homes. As a result, existing and future Unitywater customers are funding the vast majority of the cost of growth.

**Climate change:** We continue to develop our assessment of the emerging climate-related risks and opportunities that impact the business. Risks include climate extremities such as floods, droughts, heatwaves, bushfires and tidal inundation. We anticipate more frequent storms and other significant disruptive weather events will result in higher unplanned expenditure in restoring network operations. However, some of these future risks and impacts may be mitigated through a forward-looking approach underpinned by effective infrastructure planning and investment.

**Resource availability:** Regional growth is also driving increased competition for resources, particularly the skilled workforce needed to deliver essential infrastructure. This competition is expected to intensify in the lead-up to the 2032 Olympic and Paralympic Games.

**Stakeholder expectations:** Two of our three council areas are declared UNESCO[2] Biospheres, and consideration of how we manage impacts on this unique natural environment is a key focus of our shareholders, customers and community. Tourism also contributes significantly to the local economy and employment. Each year, more than 13 million domestic and international visitors travel to our region, contributing an estimated $3.3 billion to the Sunshine Coast economy alone. Ensuring the reliability and performance of our services is essential to sustaining and strengthening this industry.

**Evolving regulatory environment:** Changes in regulation and compliance obligations including the PFAS[3] National Environmental Management Plan 2.0, and passage of the *Environmental Protection (Powers and Penalties) and Other Legislation Amendment Act 2024* (Qld) have placed increased pressure on our business to proactively manage risks associated with PFAS and environmental nuisances such as odour. Other regulatory updates have also added requirements to the business, including changes to the *Fair Work Act 2009* (Cth) and increased obligations around psychosocial safety, and the *Security of Critical Infrastructure Act 2018* (Cth).

[2] United Nations Educational, Scientific and Cultural Organisation.
[3] Perfluoroalkyl and polyfluoroalkyl substances.

# Structure and governance

## Board

Unitywater is governed by an independent skills-based board, to ensure achievement of our strategic ambition, customer value via good service and reasonable pricing, and to achieve sustainable returns for Participant Councils. Under the Participation Agreement, Board members are approved by the Mayors of our Participant Councils.

To support effective governance, the Board has three key committees, each with defined responsibilities aligned with Unitywater's strategic and operational priorities.

**Audit and Risk Committee:** Assists the Board to fulfil its corporate governance responsibilities by reviewing Unitywater's safety, risk management, environmental, cyber and other legislated annual financial reports, including external audit by the Queensland Audit Office. In addition, it provides oversight and direction with respect to internal control systems, insurance, internal audits and regulatory compliance processes.

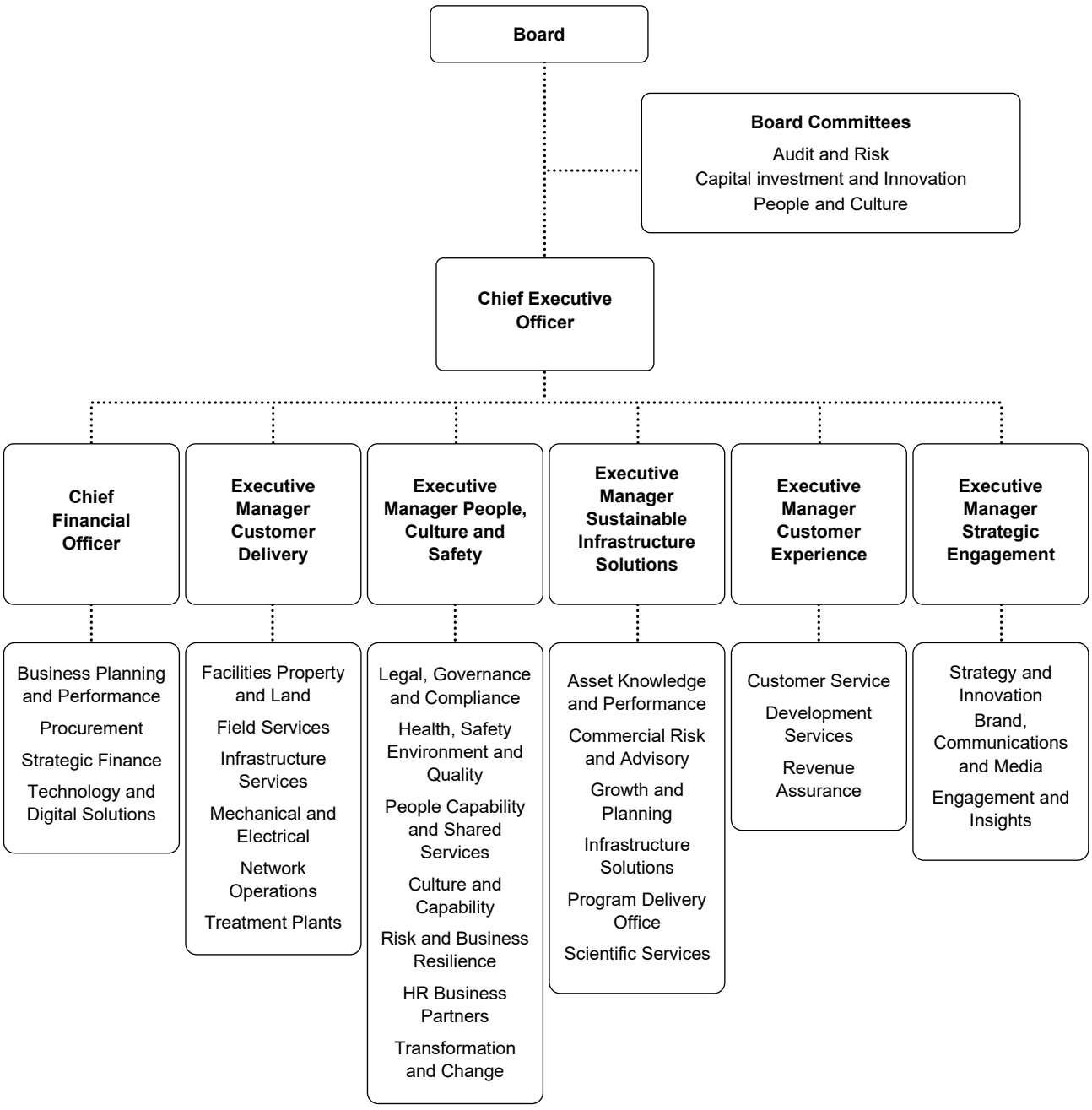
**Capital Investment and Innovation Committee:** Reviews and oversees Unitywater's annual program of capital works while also providing direction on sustainable investment strategies and innovation that improves productivity and informs long-term sustainability goals.

**People and Culture Committee:** Supports the Board by conducting detailed examination of Unitywater's annual corporate objectives regarding people, diversity, productivity, capability and the remuneration framework for all our team members. It assists the Board in meeting its decision-making obligations under the incentive framework for senior team members. The committee also provides oversight and direction on Unitywater's strategic workforce and culture change programs.

## Executive leadership team

Our Chief Executive Officer is appointed by and reports to the Board, with our executive leadership team leading day-to-day operations. See **Figure 8** for an overview of Unitywater's organisational structure.

Fig. 8 – Unitywater organisational structure




Source: Unitywater.

Unitywater

# Previous price monitoring

The QCA conducted its fourth price monitoring review of Unitywater's monopoly distribution and retail water and wastewater services for the period 1 July 2013 to 30 June 2015. The review examined our pricing, costs, demand forecasts, capital and operating expenditures, policies and procedures, and assessed whether there was any evidence of the exercise of monopoly power.

## No evidence of monopoly pricing

The QCA found no evidence of Unitywater exercising monopoly power during the 2013-14 or 2014-15 financial years. In both years, our total forecast revenues fell below the QCA's calculated MAR, which is based on prudent and efficient costs.

- In 2013-14, our total revenue was $448.2 million, compared to a QCA-calculated MAR of $508.3 million, which is an under-recovery of $60.1 million (11.8%).
- In 2014-15, our total revenue was $474.2 million, compared to a QCA MAR of $517.0 million, an under-recovery of $42.8 million (8.3%).

## Capital expenditure judged prudent and efficient

The QCA reviewed Unitywater's capex program of $344.8 million over the two-year period and confirmed that it was broadly prudent and efficient. A detailed review of six major projects (representing over $68 million) was undertaken. All six projects, including the SCADA integration, Maleny WWTP upgrade, Suncoast WWTP transfer, and the Northern Service Centre construction, were found to be prudent, with only minor efficiency adjustments applied to the Fleet trucks project (a 0.75% reduction on sampled costs). The QCA also noted that our capital delivery and governance processes, including business case development and gated approvals, were generally consistent with good industry practice.

## Vast majority of operating costs accepted

Unitywater's total operating costs for 2013-14 and 2014-15 were forecast at $285.2 million and $308.8 million, respectively. The QCA accepted 99.8% of our operating costs as efficient but made targeted adjustments to our costs of $0.6 million.

The QCA's consultant also concluded our procurement and materials/services management showed clear efficiency improvements, with documented savings achieved across multiple categories.

# Performance since the last price monitoring review

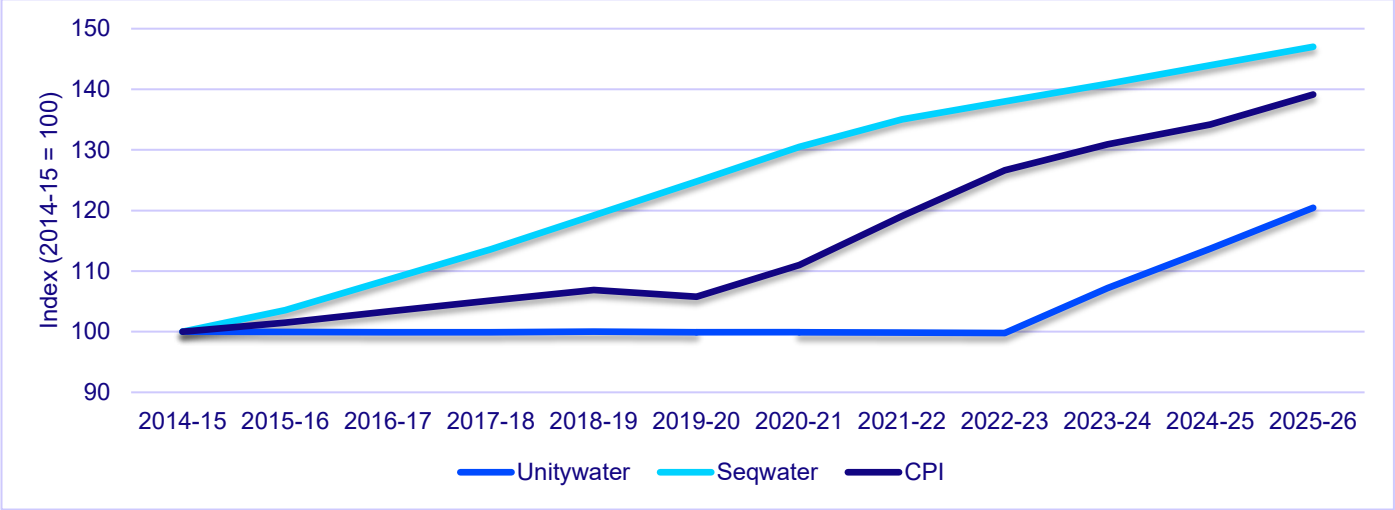
Since the conclusion of the last QCA price monitoring review in 2014-15, we have delivered measurable improvements in price restraint, cost reduction and our performance relative to similar water utilities.

## Real price restraint and improved affordability

Unitywater's prices have grown modestly over the past decade, particularly when compared with both industry benchmarks and other major suppliers. Our prices have grown at 1.8% per year on average since 2014-15, including an eight-year period of no nominal price increases.

This means that our prices have increased by significantly less than CPI, as shown in **Figure 9** below. Since 2014-15, Unitywater's prices have grown at less than half the rate of Seqwater.

Fig. 9 – Unitywater prices since 2014-15 (base = 100)




Source: Unitywater analysis based on data sourced from the ABS, Seqwater and Unitywater.

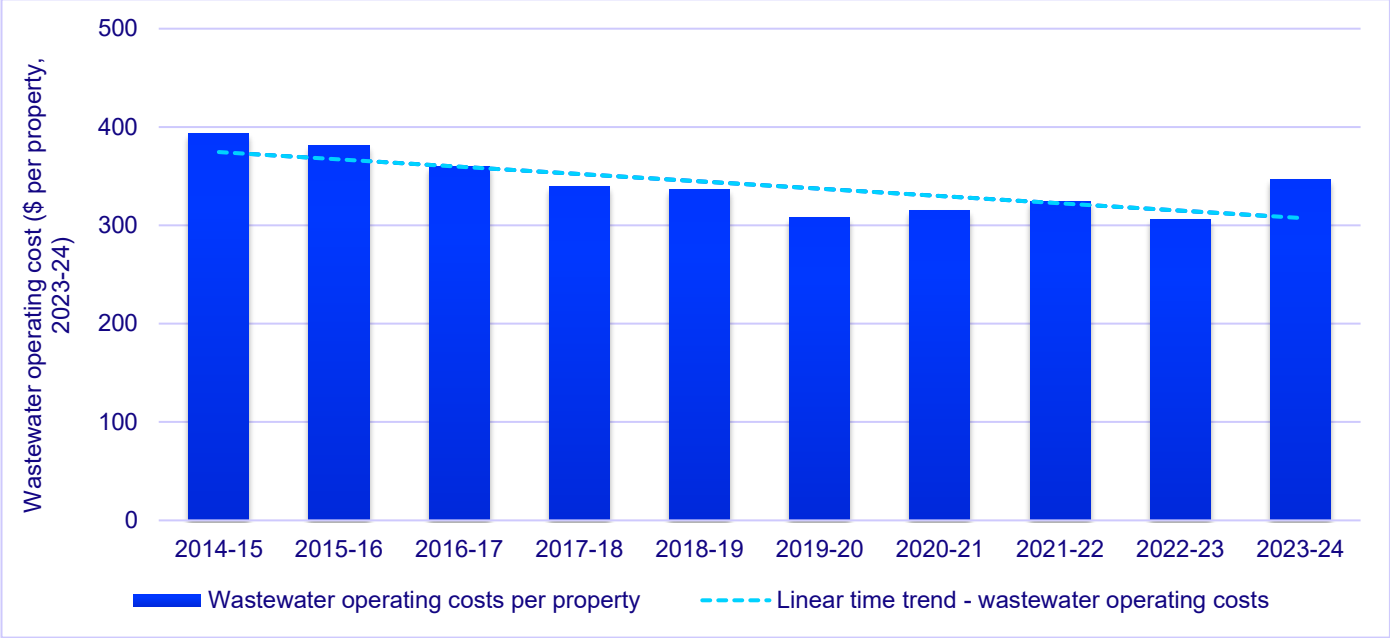
Most notably, our prices have declined by 13% in real terms since the last price monitoring review. Given that the QCA found that our prices under-recovered when last reviewed, this performance demonstrates a disciplined approach to reducing costs and keeping prices low.

## Sustained reductions in operating costs

Unitywater has achieved material cost reductions since the most recent price monitoring activities concluded. Wastewater operating costs per property have declined by 11.9% between 2014-15 and 2023-24, as shown in **Figure 10**. The downward trajectory in costs per connection has been sustained across the decade, despite rising cost inputs such as energy and labour.

These savings have been realised through targeted operational improvements, including automation of field services, energy optimisation at WWTPs, strategic procurement reforms and digital initiatives. Our commitment to continuous improvement has helped us absorb demand and inflationary pressures without compromising service outcomes.

Fig. 10 – Operating costs - wastewater ($ per property)

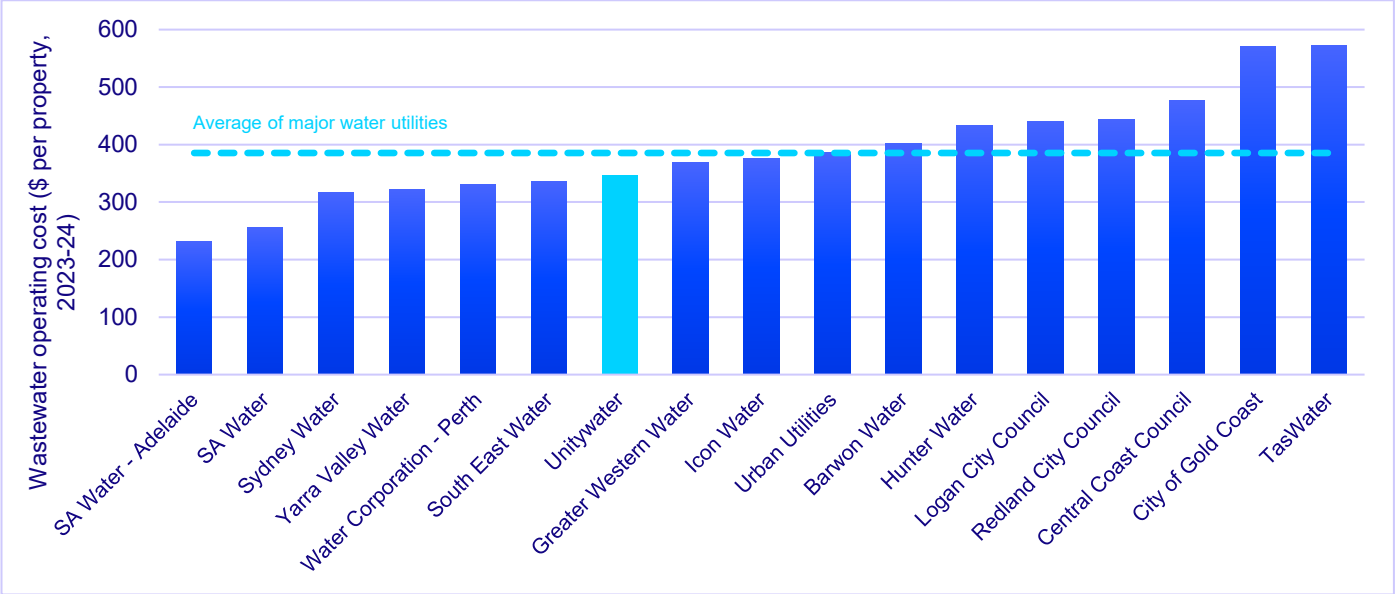



Source: 2023-24 NPR.

## Benchmarking: strong position on controllable costs

Where Unitywater has control over expenditure, it compares favourably against peer utilities. We rank better than the average performance of major urban water utilities in terms of wastewater costs per property, as shown in **Figure 11**. Our performance sits alongside or below other large urban providers such as Yarra Valley Water, Sydney Water and Water Corporation - Perth.

Fig. 11 – Operating costs – wastewater ($ per property, 2023-24)




Note: Redland City Council, a large water utility under the NPR classification, has been added so that all SEQ distributor-retailers are included in the comparison.
Source: 2023-24 NPR.

Overall, our controllable costs for wastewater services remain below the average for major water utilities, based on the 2023-24 NPR.

In benchmarking total operating costs, the Bureau of Meteorology's methodology includes bulk water capital cost payments to Seqwater in total operating costs for all SEQ distributor-retailers. As a result, the raw operating cost data presented in the NPR does not provide a consistent basis for comparing costs that are directly within the control of individual water businesses. When bulk water capital cost payments are excluded, Unitywater achieves materially improved benchmarked performance on total operating costs per property, as shown in **Figure 12**. On this measure, Unitywater performs [redacted].

Fig. 12 – Operating costs per property excluding bulk water capital cost payments (2022-23)

[redacted]

## Continued investment and service delivery

Despite our strong cost performance, we have maintained high levels of service reliability and customer satisfaction, while progressing a capital program that supports growth, renewals and environmental compliance. We have balanced affordability with infrastructure sustainability, investing in digital and physical networks while continuing to meet our statutory obligations and customer service commitments.

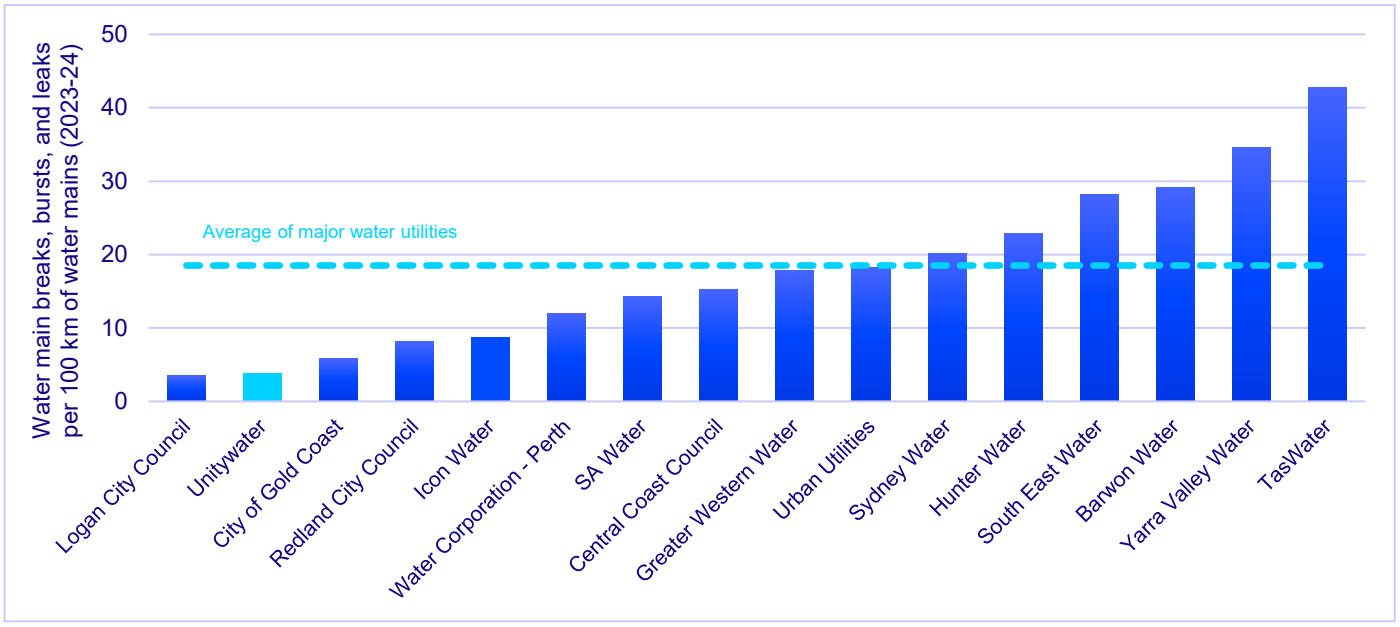
## Asset reliability has improved while unit costs contained

Unitywater's efforts to contain opex per connection have not come at the expense of network reliability. Over the past decade, Unitywater's asset performance results highlight continued improvement in both water and wastewater infrastructure reliability.

The frequency of water main breaks per 100 km has remained stable and within a narrow range since 2015-16 and Unitywater remains one of the top performers among major water utilities (refer **Figure 13**). While

individual year results vary, the overall trend has been a slight improvement over time, indicating that we have sustained the integrity of our water reticulation network even as opex per connection declined.

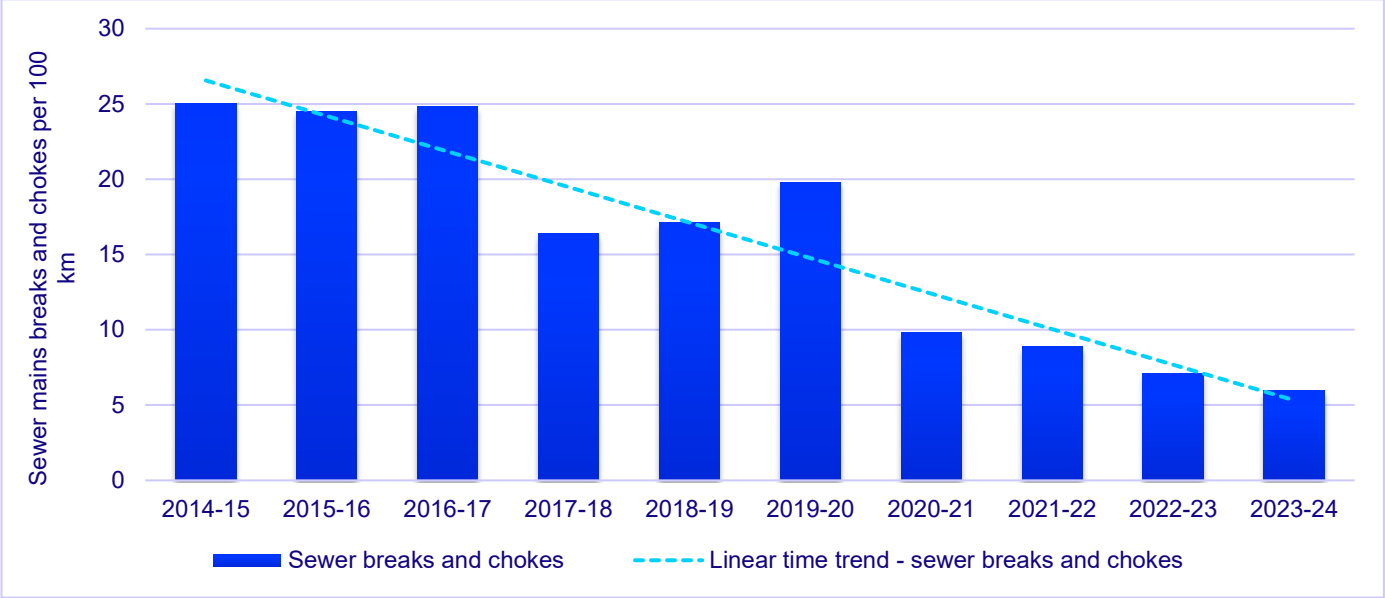
Fig. 13 – Water main breaks, bursts, and leaks per 100 km of water mains (2023-24)




Note: Redland City Council, a large water utility under the NPR classification, has been added so that all SEQ distributor-retailers are included in the comparison.
Source: 2023-24 NPR.

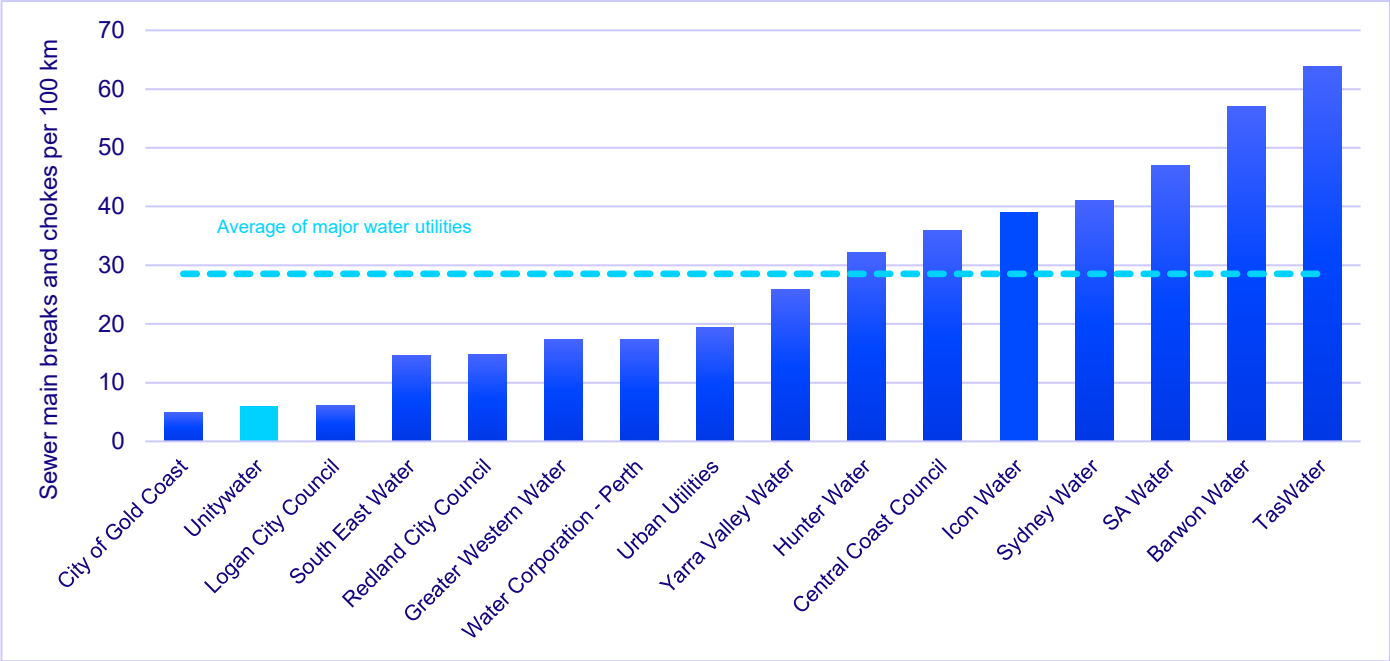
More significantly, the rate of sewer main breaks and chokes per 100 km has improved markedly over the same period, as shown in **Figure 14**. From a high of 25 breaks per 100 km in 2014-15, the frequency dropped steadily each year, reaching just 6 breaks per 100 km by 2023-24 and one of the top performers on this measure relative to other major Australian water utilities (refer **Figure 15**). This represents a reduction of 76% in break frequency, signalling the effectiveness of Unitywater's proactive maintenance, asset renewal strategy, and network monitoring efforts.

Fig. 14 – Sewer mains breaks and chokes per 100km




Source: 2023-24 NPR.

Fig. 15 – Sewer main breaks and chokes per 100 km (2023-24)




Source: 2023-24 NPR.

Together, these indicators show that we have not only reduced costs but have also delivered improved asset resilience. We are achieving better outcomes for customers and the environment, with fewer service disruptions and lower risk of wastewater overflows or water supply interruptions.

# Performance and service reliability

Unitywater's approach to performance and service reliability focuses on meeting compliance obligations, while balancing customer and stakeholder expectations.

## Obligations

Unitywater is subject to extensive compliance obligations, including statutory requirements, contract terms, licence conditions and industry codes applicable to our business operations. In particular, the following obligations require ongoing investment to ensure compliance obligations are satisfied.

**Customer Water and Wastewater Code:** The South East Queensland Customer Water and Wastewater Code outlines the rights and responsibilities of distributor-retailers and their customers. The code includes standards for customer service, billing, metering, complaints handling and service continuity.

**Public health compliance:** Unitywater has obligations under the *Public Health Act 2005* (Qld) and Public Health Regulation 2018, to ensure a safe water supply. This includes strict compliance with requirements for the prevention and reporting of any contamination that may pose a risk to public health, as well as ongoing water quality monitoring and record-keeping responsibilities.

**Environmental obligations:** Under the *Environmental Protection Act 1994* (Qld) (EP Act), Unitywater must uphold general environmental duties, including preventing environmental harm and nuisance. Unitywater is also subject to specific requirements under our Environmental Authorities for WWTPs and pump stations, covering monitoring, reporting, and operational standards. These obligations guide the design, operation, and maintenance of infrastructure and inform future upgrades to ensure ongoing regulatory compliance. Environmental obligations also extend to construction activities, including the requirement for regulated waste transport licenses for construction and clean-up activities.

**Workplace health and safety obligations:** The *Work Health and Safety Act 2011* (Qld) requires Unitywater to ensure the safety of employees, contractors, customers, and community by identifying hazards, managing risks, and implementing safe work practices. It shapes operations, training programs, and maintenance activities across all assets and work locations.

## Customer expectations

Unitywater maintains a comprehensive program of customer research, including ongoing and targeted studies to inform business strategy, support investment decisions, and guide the planning and evaluation of customer programs. The insights gained from this research provide a clear understanding of customer expectations, to help guide decision making across the business.

Recent research conducted in June 2025 surveyed customers to assess their priorities across various aspects of the customer experience. Insights from this research show that while paying a reasonable price, customers place a high value on reliability and consider a quick response to network issues as the top priority.

Targeted customer research also highlights strong customer support for environmental initiatives, with 80% of customers expecting Unitywater to provide recycled water for public spaces, improve the health of local waterways, and prioritise sustainable practices in the delivery of water and wastewater services.

# Stakeholder expectations

Unitywater operates under a Participation Agreement that outlines the roles, responsibilities and expectations of our Participant Councils. The agreement includes specific objectives with regards to Unitywater's service delivery, including operating on a sustainable basis, providing commercial returns to participants, striving for efficiency and innovation, engaging with communities and ensuring continuity, and maintenance and improvement of existing service standards.

These expectations are confirmed through regular formal and informal engagement with Council CEOs and elected representatives, ensuring alignment on priorities and strategic direction. Most recently, Unitywater has received formal correspondence from each Participant Council, confirming that service levels must, at minimum, remain at their current standards. These three items of correspondence have been appended to our submission.

### Council returns

Unitywater is required to provide returns to Participant Councils under the Participation Agreement. The Participant Return is based on each participant's share of the Regulated Asset Base contributed at establishment, comprising debt and participation rights as agreed by the Participant Councils and Unitywater.

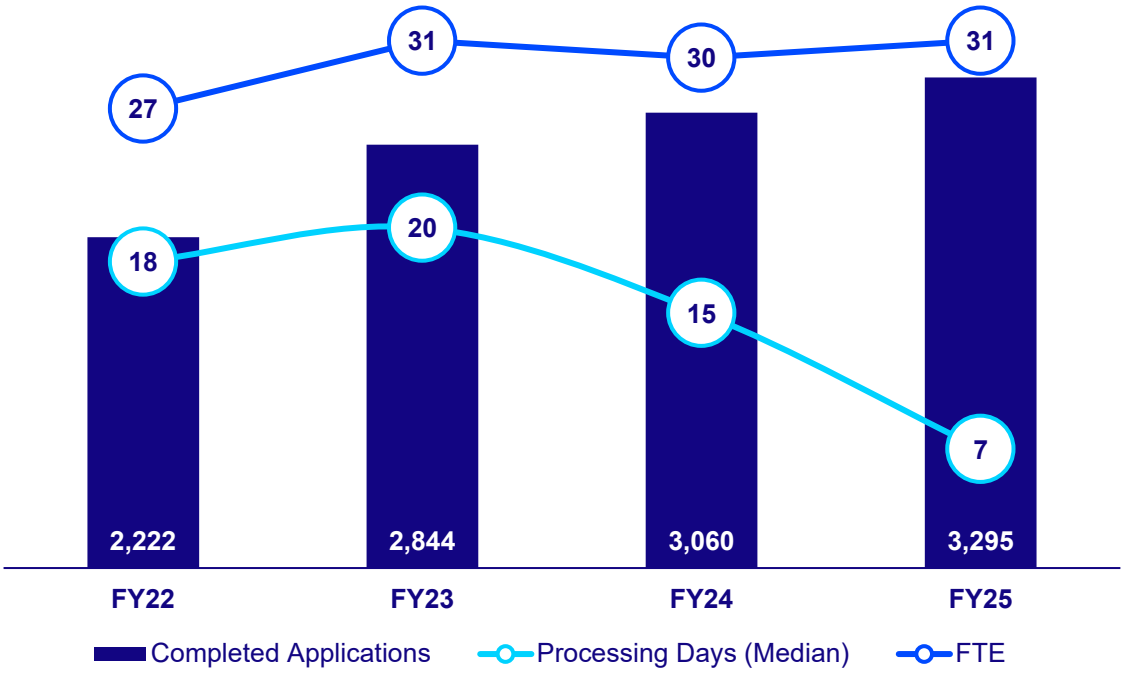
# Supporting development customers

Unitywater plays a vital role in supporting the region's growth by delivering reliable water and wastewater services that enable sustainable development and economic activity. We provide timely, transparent and efficient services for developers, builders and non-residential customers, ensuring that growth is well planned, affordable and environmentally responsible.

Unitywater's role extends beyond service provision. We are an active partner in shaping how communities grow. Through early engagement with developers, councils and state agencies, Unitywater ensures that approvals, connections and planning processes are coordinated and consistent. This collaborative approach supports the Queensland Government's Shaping SEQ 2023 Regional Plan and reflects our commitment to simplifying and streamlining development interactions for customers.

In recent years, Unitywater has made measurable improvements to development assessment and approval processes, as shown in **Figure 16**. The introduction of online lodgement, integrated tracking and pre-lodgement support has reduced processing times and improved transparency for customers. In 2024-25, more than 90% of applications were processed within 20 business days, with average turnaround times now among the best in the sector. These results reflect Unitywater's focus on continuous improvement, digital innovation and collaboration with local government partners.

Fig. 16 – Developer application processing measures




Streamlined processes and online tools are delivering faster, more transparent outcomes for developers.

Source: Unitywater.

# Performance metrics and benchmarking

**Table 1** summarises Unitywater's performance results against Customer Charter targets and national benchmarks from the 2023-24 NPR. These indicators demonstrate our commitment to maintaining reliable services that achieve compliance obligations and meet the expectations of our customers and Participant Councils.

Table 1 – Key performance metrics

| Measure | Unitywater Result | Customer Charter Target | National Median (NPR 2023-24) | Commentary |
|---|---|---|---|---|
| **Drinking water quality compliance** | **100%** | 100% | 99.7% | Full compliance achieved |
| **Water main breaks (per 100 km)** | **3.9** | ≤ 25 | 17.9 | Top 10% with strong performance relative to other major water utilities. |
| **System leakage – total loss (litres per connection per day, (L/C/D))** | **73.7** | ≤ 71.9 | N/A | |
| **System leakage – real loss (L/C/D)** | **55.6** | ≤ 45 | 68.5 | Better than national median |
| **Average duration of outage (minutes)** | **144** | N/A | 148 | |
| **Wastewater main breaks and chokes (per 100km)** | **6.0** | <40 | 25.8 | Deliberate investment to drive environmental and reliability outcomes. Strong performance relative to other major water utilities. |

Source: 2023-24 NPR and Unitywater.

## Public health obligations

In 2024–25, Unitywater achieved 100% compliance with water quality standards, meeting public health obligations to ensure a safe water supply to our community.

## Network performance and responsiveness

The network's reliability remained strong, recording 3.9 water main breaks per 100 kilometres of main, compared with the national median of 17.9 reported in the 2023–24 NPR. These results place Unitywater among the top-performing utilities in Australia for reliability and service quality. Average duration of outage time also remained below the national median.

## Customer service

Unitywater is committed to delivering safe, reliable and financially sustainable water and wastewater services that customers can depend on every day. Success is measured not only through network performance, but through customer satisfaction, value for money and trust.

Table 2 – Unitywater customer survey measures

| | Measure (out of 10) Year to September 2025 (four-quarter rolling average) |
|---|---|
| **Trust** | 7.4 |
| **Value for Money (VFM)** | 6.3 |
| **Customer Satisfaction (CSAT)** | 7.3 |

Source: Unitywater.

Trust and value in Unitywater are particularly high due to strong performance ratings from customers in delivery of core services, including reliable and consistent supply services, high quality water delivery and well-maintained infrastructure. With this, Unitywater is also perceived as an expert in water and forward-thinking in planning for future needs, while also providing strong customer service where we are seen as easy to deal with, helpful and responsive to customer needs.

Unitywater's service culture is guided by the Customer Charter, which sets clear expectations for communication, accessibility and responsiveness. It guarantees that customers can easily reach us, receive courteous assistance, and have issues resolved quickly and professionally.

Unitywater's local contact centre remains central to this service promise. In 2024–25, 88.6% of customers managed their accounts online and 73% received bills electronically. With digital engagement continuing to grow, Unitywater is prioritising smarter, more accessible self-service options. Customers can securely view and pay bills, manage payments and receive real-time alerts about planned works and outages, giving customers greater control and confidence in their service.

## Customer support

Unitywater is committed to supporting customers who are experiencing vulnerability or financial stress by providing fair, compassionate and practical assistance that helps them manage their accounts and regain stability.

Unitywater's Customer Care Program provides early and proactive support to customers facing temporary or ongoing hardship. Through direct conversations, trained staff work with customers to understand their circumstances and develop solutions that fit their needs. This may include tailored payment plans, extensions or referrals to community support services.

Unitywater has focused on continually delivering and promoting customer support options available to enhance awareness among those customers who may need any financial customer support, temporarily or longer term. The support and promotion have strengthened over time in response to customer research, including focus groups in 2023, where feedback reinforced the importance of customer support and highlighted the additional need for self-service options for customers in challenging financial situations. Unitywater's response included development of a new online Support Finder tool, made available from mid-2023 on Unitywater's website, which customers could use to determine the support option most relevant for them, anonymously and at their own convenience. Customer research over time has demonstrated the value of the range of customer support mechanisms available and communications to promote these, indicating that customers who are aware of this support, and customers who have taken up this support, have demonstrated stronger impressions of Unitywater and been more comfortable with meeting bill payments.

In 2024-25, we strengthened our approach by introducing new digital tools that help identify early signs of payment difficulty and prompt outbound care calls. Partnerships with local community organisations also enable more customers to access financial counselling and wellbeing support, providing a coordinated network of assistance.

# Demand forecast

Unitywater uses demand forecasts to inform prices as well as investment and opex. Demand forecast drives investment in network augmentation and network capacity expansion to meet growth from new developments. It also underpins base opex and has an impact on variable costs, such as chemicals, electricity, biosolids, customer services, and wastewater-related inspection and maintenance.

## Demand modelling and strategic planning

Unitywater has developed and implemented an advanced demand modelling tool called DMaTT (Demand Modeller and Tracking Tool) to support infrastructure planning by aligning it with the regional growth strategy (refer **Figure 17**). DMaTT enables evidence-based decision-making by incorporating inputs, such as council planning schemes, state population projections and approved developments, and is regularly updated to reflect changes in local government planning. The forecasts inform Unitywater's Netserv Plan and help optimise infrastructure investment by reducing the risk of under- or over-investment. Customers can access detailed demand forecast data online, and the outputs continue to be utilised by a range of stakeholders, including the Participant Councils and Seqwater.

Fig. 17 – Unitywater's demand modelling overview


Source: Unitywater.

Population forecasts are a key driver of Unitywater's long-term infrastructure planning, which inform the development of Network Master Plans and Treatment Servicing Plans over a 30-year horizon. These forecasts are validated through field testing, scenario modelling, and technology assessments to ensure infrastructure solutions are effective and sustainable.

## Netserv Plan

Unitywater develops long-term planning and operational strategies to support growth and ensure delivery of essential water and wastewater services across our service area. As part of this process, demand forecasts are prepared and published within the planning assumptions of the Netserv Plan. These forecasts cover a 20-year planning horizon and incorporate projected dwelling growth within Unitywater's service area.

Unitywater is responsible for developing and publishing the planning assumptions that underpin the Netserv Plan, which are formally endorsed by the Participant Councils and the Planning Minister. These assumptions incorporate varying population and employment growth rates over time at multiple levels of granularity, including Council level, ABS Census SA2 (to reflect demographic and statistical boundaries), network catchment, and lot-based levels. The planning assumptions are reviewed periodically and updated as part of Unitywater's statutory Netserv Plan review cycle, with consistency testing undertaken through the Network Demand Determination process outlined in Schedule 6 of the Plan.

Demand forecasts sourced from the planning assumptions are developed using Unitywater's DMaTT. Investment decisions, along with revenue and expenditure forecasts, are complemented by a top-down review that considers broader patterns and trends, together with an audit of development driven growth, to refine and validate long term planning.

Two key elements that drive forecast demand, and thereby underpin forecast utility revenue, are the number of connections and the average consumption per connection. As the Netserv Plan provides projections of dwellings rather than connections, Unitywater has adopted projected dwellings as a proxy for connection growth.

## Seqwater Water Security Program 2023

South East Queensland faces long-term water supply challenges arising from population growth, climate change, and evolving demand patterns. In response, Seqwater's Water Security Program 2023 sets out a 30-year strategy for ensuring a safe, reliable, and resilient water supply.

Seqwater noted:

> *Under current levels of demand, the region has enough spare supply to manage through dry periods. However, as SEQ's population continues to grow and threats to water supply arise – such as climate change – it's important we're well prepared*.[4]

Demand forecasts developed by Unitywater through the planning assumptions under the Netserv Plan are provided to Seqwater for inclusion in the regional demand projections that underpin the SEQ Water Security Program. These forecasts align with the regional 'high' and 'low' demand scenarios used by Seqwater to assess bulk-supply system capacity and long-term water-security planning.

[4] Source: https://www.seqwater.com.au/water-security-investment-program

## Netserv Plan compared to Shaping SEQ

Shaping SEQ is the Queensland Government's long-term regional plan for SEQ, setting out how the region will grow sustainably to 2046 and beyond. It establishes dwelling and employment supply targets for the period 2021-2046. **Table 3** compares the Netserv Plan's planning assumptions dwelling forecasts against the Shaping SEQ growth targets.

Table 3 – Netserv Plan dwelling forecast assumptions

| Local Government Area | 2021 | 2026 | 2031 | 2036 | 2041 | 2046 | Netserv Dwelling Growth 2021-46 | Shaping SEQ dwelling supply target |
|---|---|---|---|---|---|---|---|---|
| **City of Moreton Bay** | 191,993 | 215,207 | 247,749 | 275,410 | 300,341 | 325,498 | 133,505 | 125,800 |
| **Sunshine Coast** | 153,300 | 177,404 | 200,449 | 225,849 | 244,463 | 270,124 | 116,824 | 84,800 |
| **Noosa** | 31,029 | 31,601 | 32,987 | 34,334 | 35,526 | 36,497 | 5,468 | 5,000 |
| **Total** | **376,322** | **424,212** | **481,185** | **535,593** | **580,330** | **632,119** | **255,797** | **215,600** |

Source: Unitywater; Queensland Government.

Under the DRR Act, Unitywater is required to ensure our demand forecasts are consistent with both Council Local Government Infrastructure Plans (LGIPs) and Shaping SEQ. The Netserv Plan dwelling forecasts exceed Shaping SEQ growth targets. This outcome reflects the fact that Council LGIPs currently project higher growth trajectories than Shaping SEQ.

Unitywater has received formal endorsement of the Netserv Plan planning assumptions from each Council, ensuring consistency with LGIPs as required by the DRR Act. These endorsed assumptions form the basis of the Netserv Plan and are documented in the extrinsic material supporting the plan. Until Councils complete amendments to bring LGIPs into alignment with Shaping SEQ, Unitywater will continue to operate within this dual framework.

This variance highlights our approach to deliver capacity just ahead of growth, ensuring the network can support future demand and unlock new growth fronts. If growth occurs more slowly than projected, the impact is a longer timeframe for cost recovery rather than an inappropriate servicing solution. Infrastructure remains fit-for-purpose, reliable, and aligned with long-term demand.

Unitywater is in the process of preparing new assumptions for Sunshine Coast and City of Moreton Bay to align with a new Sunshine Coast planning scheme and LGIP planning assumptions. Once endorsed, these new planning assumptions will be incorporated into the Netserv Plan at the next review in 2026. We will also consider the review of Shaping SEQ growth targets once they become available. The new planning assumptions will provide the basis for the ongoing review of network master plans, capital works program and Netserv Plan schedule of works, ensuring infrastructure planning remains consistent, evidence-based and responsive to both local and regional growth frameworks.

Demand forecasts have progressively increased, and current demand forecasts show extensive demand outside of the connections area across a number of growth fronts in the Moreton Bay and Sunshine Coast regions. To support financially sustainable growth in these areas, Unitywater is utilising voluntary Water Infrastructure Agreements (as defined under the DRR Act) to secure revenue above capped infrastructure

charges and to ensure the timely delivery of revenue versus infrastructure investment. The agreed charge, which seeks to recover 100% of Unitywater costs from developers, looks at the ultimate infrastructure, considers existing assets and new assets the development may need to contribute to, as well as the timing, and lag for connections. This is done in an open book format with developers and helps define where Unitywater can sustainably support growth and where refusal of connections may be appropriate.

## Regional variation in demand forecasts

Growth rates within Unitywater's demand forecasts vary across different catchments for water supply and wastewater service within our service area. These variations reflect the underlying urban planning designations, development approvals and physical constraints across the region.

**Higher growth areas**: Elevated growth rates are typically forecast in areas identified for urban expansion or densification under Participant Council planning schemes, such as Queensland Government designated Priority Development Areas or growth corridors supported by planned trunk infrastructure. These areas are expected to experience accelerated demand as development activity progresses.

**Lower or stable growth areas**: Mature or constrained areas where network capacity, environmental limitations, or planning designations restrict further development, are projected to experience lower or stable growth. These forecasts reflect the limited potential for additional dwellings or non-residential development in such catchments.

Urban planning designations do not always result in new dwellings or non-residential development being delivered as forecast. To address this, Unitywater supplements these regional forecasts with audits of development approvals and monitoring of actual yearly growth.

This data provides early insight into the timing, scale, and location of emerging developments, enabling Unitywater to refine short to medium-term demand projections and incorporate the latest available information into the network planning process, including prioritised network augmentation where required.

Variation between forecast and actual growth is mitigated through the frequent review and update of the Netserv Plan planning assumptions, ensuring forecasts remain current.

## Time fluctuations

Actual growth is determined by the rate at which new dwellings or non-residential developments are constructed. Development activity and housing construction are outside of Unitywater's control and may differ from forecast growth or growth associated with approved developments. For example, a development approval may not proceed within its four-year currency period.

This variability introduces a high level of "noise" into short-term forecasts, resulting in uneven yearly growth rates. Variation between forecast and actual growth is mitigated through frequent reviews and updates of the Netserv Plan's planning assumptions that considers audit of development approvals and monitoring of actual yearly growth, ensuring forecasts remain current and responsive to observed development activity.

## Climate change and weather events

Unitywater monitors climate change impacts which are considered in the planning phase. Flood and sea-level rise risks have been assessed for our assets, and mitigation plans are in place to manage these risks. Drought conditions primarily affect bulk water storage reserves, which are managed by Seqwater.

## Customer lead time

An important consideration in demand forecasting is the lead time between the delivery of new infrastructure and the point at which customers connect and begin generating revenue.

Once a new development area is identified and infrastructure is delivered, there is typically a lag before dwellings or non-residential premises are constructed and connected to the network. During this period, Unitywater incurs the cost of providing capacity but does not yet receive the corresponding revenue from customer charges. This is factored into the financial models for major development areas where Unitywater is negotiating Water Infrastructure Agreements to capture the upfront investment required for water and wastewater infrastructure.

Further, wherever possible, Unitywater leverages existing surrounding assets to provide interim connections, ensuring service availability for early customers while monitoring uptake.

By recognising this lead time, Unitywater's financial planning accounts for the difference between infrastructure readiness and revenue realisation, ensuring that pricing, capital planning, and cash flow projections remain robust, reliable and evidence-based.

## Seasonality

As shown in **Table 4,** seasonal conditions impact the demand for water and our services over the financial year. The analysis has been developed using flow-balance bulk water data available since the 2019-20 financial year. While this analysis is based on several years of recent data, it does not fully capture long-term seasonal trends. Substantial variability remains, particularly during summer months when rainfall patterns can fluctuate considerably.

Table 4 – Distribution of water consumption analysis (financial year)

| Month | % of Yearly Volume | Unit Rate Factor |
|---|---|---|
| **July** | 8.38% | 1.006 |
| **August** | 8.76% | 1.052 |
| **September** | 8.51% | 1.021 |
| **October** | 8.64% | 1.036 |
| **November** | 8.37% | 1.005 |
| **December** | 8.41% | 1.010 |
| **January** | 7.60% | 0.912 |
| **February** | 7.96% | 0.955 |
| **March** | 8.52% | 1.023 |
| **April** | 7.88% | 0.945 |
| **May** | 8.45% | 1.014 |
| **June** | 8.50% | 1.020 |
| **Totals** | **100.00%** | **12.000** |

Source: Unitywater.

**Table 5** demonstrates the consumption levels that would normally be expected during hot summer periods without much rainfall, highlighting the impact of seasonal variability on demand. Outdoor usage, such as watering gardens and filling pools, combined with hot weather drives higher consumption during summer months (around November to March). In contrast, cooler months (around May to August) typically record lower consumption, as outdoor use declines and rainfall often meets demand. However, year-to-year variability is high. For instance, in January 2019 consumption rose to approximately 239 Litres per person per day following a dry summer.

Table 5 – Monthly variation in average water consumption (calendar year)

| Month | Approximate average consumption (Litres per person per day) | Notes |
|---|---|---|
| **January** | ~230–240 | Peak summer use (hot, dry) and peak holiday visitation period |
| **February** | ~220–230 | High use continues; peak visitation period, especially by retirees |
| **March** | ~200–220 | Transition from summer; peak holiday period for retirees |
| **April** | ~180–200 | Outdoor use still moderate |
| **May** | ~170–180 | Cooler, less outdoor watering |
| **June** | ~170–180 | Winter period lower demand |
| **July** | ~170–180 | Coldest months; lowest outdoor use |
| **August** | ~170–180 | Beginning of spring, still moderate |
| **September** | ~170–180 | Warmer beginnings, more garden/pool use |
| **October** | ~200 | Outdoor watering increases |
| **November** | ~180–200 | Warmer weather, but rainfall may reduce need |
| **December** | ~200–220 | Peak outdoor activity, holiday season |

Source: Unitywater.

This variability highlights that while average consumption is often considered as a useful metric, Unitywater needs to invest to ensure capacity is available to meet peak demand, not just average demand. Accordingly, our fixed charges are structured to enable Unitywater to recover costs associated with meeting total demand. Unitywater demand forecast is calculated with reference to maximum daily and monthly demand, ensuring infrastructure planning and pricing remain robust and sustainable.

# Procurement

Procurement covers the planning, selection, contracting, contract management, and management of suppliers for goods and services. Unitywater's procurement framework aims to deliver effective and efficient expenditure across the organisation. This is supported by strong corporate governance and policy foundations that support transparency and accountability, appropriate risk controls, enabling systems, user training and reporting arrangements.

Value for money and efficiency in spending are important but are not the sole considerations for procurement. Unitywater's procurement activities must meet a range of legislative and regulatory obligations, including those related to workplace health and safety, modern slavery mitigation and how quickly we pay small business suppliers, as well as address organisation-level strategic priorities, such as environmental sustainability and First Nations engagement. The procurement framework therefore balances value, efficiency, integrity and accountability with delivery on other obligations and objectives through a multi-criteria assessment framework. It is also underpinned by a proportionality principle that guides the work involved and cost of a procurement activity to be commensurate with the value, risk and complexity of the activity.

Unitywater's centralised procurement function is sourcing and transaction focused. Each awarded contract is owned by the relevant business unit, which is responsible for the operationalisation and ongoing performance management of each contract, including the measurement or reporting of sourcing event outcomes after the award of contracts.

## Enablers for efficient procurement spending

Unitywater's Procurement Policy is based on enabling, capturing, and sustaining value for the organisation and our customers. In undertaking procurement across the organisation, Unitywater has sought to achieve this overarching objective by focusing on key enablers to promote efficient expenditure.

**Forward planning and whole-of-organisation focus:** Unitywater's centralised procurement function partners with key internal stakeholders to plan for future procurement requirements and understand expectations and timelines for business requirements. This focus helps Unitywater's procurement activity to:

- align with the organisation's strategies, goals, and plans
- ensure sufficient time has been allowed for the process
- be informed by cross-organisation collaboration
- consider the needs of the organisation as a whole.

**Consistent processes:** Undertaking consistent, streamlined and harmonised source to contract processes help to reduce time spent and administrative burden on procurement activities and supports prompt decision-making within reasonable timeframes. The established processes also support suppliers and other stakeholders to gain trust in Unitywater's procurement process and provide assurance that they will be treated fairly and impartially through transparent and competitive processes that foster a healthy working relationship with Unitywater. Process consistency is further supported by the use of digital tools that:

- prioritise prescribed purchasing channels, such as catalogue-based purchasing
- systemise decisions through automated workflows that enable real-time enforcement of procurement policies and procedures

- embed process controls to avoid long procurement cycle times, value leakage and potential fraud, and support contract compliance.

**Clear decision criteria:** Our procurement processes require team members undertaking procurement to consider the total costs relevant for an activity as part of a total cost of ownership framing. The achievement of Unitywater's corporate objectives and values also form clear decision criteria that inform our procurement activities.

**Embedded strategies for value creation:** Unitywater has commenced undertaking procurement activity at a category level for select expenditure items, including electricity, in which staff members involved in these procurement processes employ category-specific solutions and leverage agreed category or sourcing strategies. Staff members are also encouraged to focus:

- externally, by creating or leveraging competition in the supplier base, negotiating favourable commercial terms and investing in joint innovation with suppliers
- internally, through adopting demand management strategies and optimising product specifications.

**Analytics support:** Unitywater has adopted a range of analytical tools to support procurement activities, including:

- [redacted], Unitywater's enterprise resource planning platform
- [redacted], which allows for the dissection of expenditure by contract, category and supplier, and assists in trend analysis
- [redacted], a market intelligence platform
- [redacted], a supplier risk platform
- [redacted], a modern slavery platform.

Together, these tools offer staff members undertaking procurement a range of reporting and data analytics, enabled by intelligent automation where practicable, to:

- support informed decision-making around sourcing requirements
- assess data flows through procurement and payment systems to identify and address process variances that lead to suboptimal purchase outcomes, such as contract leakage and rework
- identify emerging opportunities and risks in the supply of key products and services.

**Commitment to capability development:** We provide team members with comprehensive and regularly updated training materials and guidance across the entire procurement process to support the consistent implementation of procurement practices, build organisational capability and ensure procurement decisions are evidence-based. This includes targeted mandatory procurement awareness training and is complemented by access to guidance material within procurement systems and tailored support services from the centralised procurement function. Our commitment to improving internal capability extends to acquiring and retaining specialist skills and knowledge to support Unitywater being an 'intelligent customer' for key sourcing activities, such as those related to the delivery of our capital program.

**Appropriate risk-sharing arrangements and contract incentives:** Unitywater has explored alternatives to the pure lump-sum transfer approach and sought to adopt collaborative risk-sharing arrangements in circumstances where this delivers overall benefits. This includes the Build Better Together (BBT) delivery framework for capital works. In addition, our key contracts incorporate performance incentives to align supplier behaviours with long-term service and asset outcomes.

**Focus on post-contract management:** Our procurement framework supports team members across the organisation to maintain value for Unitywater and our customers by enabling effective processes and procedures for:

- managing contract delivery
- monitoring and reporting on contract performance
- ensuring effective administering
- managing contract options and variations.

**Structured supplier interactions:** Our approach to interacting with contracted suppliers seeks to maximise value for both parties. In particular, it balances tactical interactions with opportunities to develop strong, collaborative relationships with key suppliers that enable integrated ways of working. We engage with our suppliers to pursue cost efficiencies, service quality improvements, and product and service delivery innovations as part of a long-term commitment to our customers.

**Supply-chain risk assessments:** Our systems incorporate ongoing monitoring of risk within the supply chain. [redacted] Our organisation can also leverage tested incident response procedures for when supply-chain disruptions occur for key inputs.

## Procurement for Unitywater's capital program planning and delivery

Historically, Unitywater undertook a lump-sum design-and-construct approach to tenders and contracts as part of delivering our capital program. Work was generally undertaken with known suppliers under the Strategic Infrastructure Development Partners Agreement, with most of the delivery risk sitting with the supplier.

Changes in market conditions during and in the years following the coronavirus (COVID-19) pandemic highlighted significant capacity, cost and delivery risks associated with the established procurement approach. This period exposed Unitywater and our delivery partners to risks including:

- global supply chain disruptions, resulting in challenges accessing key construction materials
- rapid cost increases for materials,[5] resulting in widening gaps between approved project estimates and actual costs
- some construction companies experiencing cashflow difficulties or entering bankruptcy
- tightening demand for construction services, including design and construction markets in anticipation of requirements for the 2032 Brisbane Olympic and Paralympic Games.

The need to change the way the capital program was procured, contracted, and managed reflected input from internal stakeholders, suppliers and an external review of Unitywater's procurement framework. A consistent theme was that we needed to engage supplier markets differently and consistently to help meet current demand and future growth within the geographic areas we service. Consultation also identified capability and capacity gaps that, once addressed, could better support the delivery of the capital program.

Following an options analysis of alternative delivery models, a long-term partnering approach underpinned by performance-based contracts, the BBT model, was adopted. This approach seeks to improve efficiency

[5] As evidenced by annual growth in excess of 9% in the ABS Producer Price Index series *Heavy and civil engineering construction, Australia* and *Road and bridge construction, Queensland* during parts of 2022 and 2023.

and effectiveness across the asset lifecycle, enhancing Unitywater's capability and capacity through better engagement and integration across functional areas as well as leveraging partner and market capability.

Through a tender process, contracts were awarded to two construction companies and an engineering professional services joint venture to deliver the capital program. Contracts under the BBT program feature:

- an agreed target out-turn cost framework, as opposed to a lump-sum sourcing and delivery approach
- an open-book cost-intelligence model that offers greater price and cost surety
- an incentive scheme to foster appropriate behaviours and align delivery partner incentives with Unitywater's objectives.

## Procurement outcomes

Unitywater's ongoing focus to enable, capture and sustain value across the life of the contract with a total life of ownership and operations lens is evidenced through examples of strategic sourcing outcomes that have been delivered for Digital Meters, the Energy Management Plan (EMP), and Magnesium Hydroxide Liquid (MHL) projects.

**Digital Meters – Awarded October 2025**

This sourcing event was for the award of a 5+ year contract for the supply and installation of digital devices as new and replacement water meters, plus attached data loggers across Unitywater's network. The sourcing event achieved a saving of [redacted] compared to initial costings and avoided a further [redacted] per year increase in meter reading costs.

**Energy Management Plan – Developed 2024-25**

Electricity is a material operating cost. Unitywater operations consume approximately 76 GWh of electricity per year across 1,000+ small and 99 large (≥100MWh p.a.) sites. Electricity is currently sourced at a reasonable price and through options that offer reduced carbon emissions. Eleven options were explored across electricity supply, carbon offset, carbon reduction, and cost reduction which will impact the next energy contract cost and carbon.

Existing electricity supply contracts are due to expire in June 2026. As part of the upcoming tender process, Unitywater will seek to enter into a five-year contract for electricity supply for large and small sites at the most competitive price available.

**Supply of Magnesium Hydroxide Liquid– Awarded October 2024**

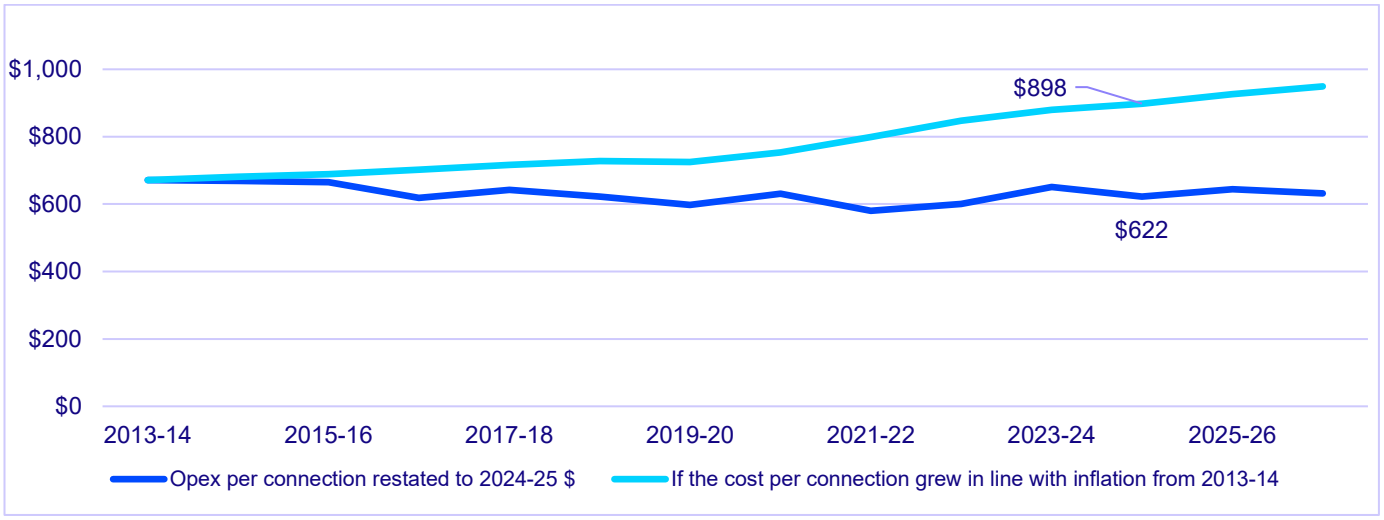
Magnesium hydroxide liquid is an odour control and asset corrosion prevention agent dosed throughout the wastewater network and WWTPs. Spend per year was approximately [redacted] which was reduced to approximately [redacted], a [redacted] saving, through this sourcing event.

# Operating expenditure

Unitywater is committed to maintaining downward pressure on prices to ensure our services remain affordable for customers, while continuing to deliver reliable, high-quality outcomes in line with our Customer Charter and Participant Council requirements. Since 2014, we have operated in an environment characterised by a growing population, increasingly complex regulatory obligations, and volatile external economic conditions. Notwithstanding these pressures, sustained focus on innovation, procurement discipline and continuous improvement has allowed Unitywater to materially contain operating costs over the last decade.

**Figure 18** highlights the sustained efficiency achieved. If Unitywater's 2013-14 opex had simply grown in line with inflation, opex would now be approximately $898 per connection in 2024-25. In contrast, our actual opex in 2024-25 is $622 per connection, with the gap expected to be maintained through to 2026-27. These long-term savings have been delivered through targeted reforms in the way we operate, maintain and renew our assets, and through prudent management of growth-driven costs.

Fig. 18 – Unitywater operating cost ($ per connection): scenario analysis




Source: ABS for weighted average of eight capital cities all groups CPI; Unitywater for opex data.

Through prudent asset management focussed on optimising asset performance and extending service life, Unitywater continues to deliver long-term value for customers. This includes sustained review of maintenance practices, investment prioritisation and lifecycle strategies. As part of strengthening network reliability, Unitywater has in recent years incurred additional maintenance costs to address a historical backlog. This one-off, time-limited program is improving service performance and enabling Unitywater to operate the network more efficiently with existing personnel into the future.

While Unitywater has achieved significant efficiencies, several unavoidable external cost pressures have arisen over the past five years. Key cost drivers include:

- regulatory requirements, such as increases in water quality, environmental, safety, economic price monitoring and cyber regulatory obligations requiring additional monitoring, reporting, treatment processes and contingency measures
- Enterprise Agreement (EA) outcomes, while above-trend, were commensurate with the impact of regional labour shortages and competition across the sector

- energy and materials pricing, which have been impacted by increased global demand, supply chain constraints and energy transition requirements, have increased electricity, fuel and chemical costs
- technology and cyber security, including cyber regulatory compliance, global IT market pricing and the rising cyber-threat environment have increased the cost of essential managed services, software licensing and security measures required to protect operational systems and customer data.

Unitywater has also made committed, strategic investments to support regional water security and environmental outcomes. A key example is the Wamuran Irrigation Scheme, a deliberate step-change in operating cost to deliver climate-resilient recycled water, reduce nutrient discharge to waterways, defer building an ocean outfall (with an estimated capital cost of more than [redacted]) by at least 10 years, and support local agribusiness. The scheme directly supports Unitywater's long-term goals of net zero nutrients and net zero carbon dioxide equivalent emissions, and aligns with regional planning for water security in SEQ.

We take our obligations to our customers and the community seriously. The global escalation of cyber risk, including data breaches, ransomware and payment fraud, has required a proportionate uplift in cyber security opex to protect critical water infrastructure, customer information and payment systems. These costs are prudent, efficient and necessary to protect our customers and data, comply with legislative and regulatory obligations, and maintain safe and reliable essential services in the contemporary risk environment.

Within this challenging environment, Unitywater is managing to limit operational expenditure escalations for the vast majority of cost categories and kept individual escalation to a minimum. **Table 6** sets out the operating cost escalation that will be applied for 2026-27, together with escalation factors and justification for the escalation.

Table 6 – Operating cost escalation factors for 2026-27

| Cost Category | Proposed escalator | 2026-27 Proposed escalation | Justification |
|---|---|---|---|
| **Bulk water cost** | CPI | 2.7% | Bulk water prices are set externally by Seqwater and passed through to Unitywater. Escalation reflects forecast CPI[6] until Seqwater's regulated pricing determination is confirmed. |
| **Labour cost** | Rates in Unitywater EAs | 3% | Labour cost escalation reflects scheduled increases in years three and four under Unitywater's existing four-year EAs negotiated in 2024. |
| **Electricity** | Anticipated contract increases | [redacted] | Electricity costs reflect anticipated contract increases in a highly volatile energy market. National electricity prices have risen by 37.1% in the 12 months to October 2025 (ABS), and Unitywater's forecast escalation represents prudent budgeting while continuing to optimise energy demand and procurement. |
| **Insurance** | Risk guidance | [redacted] | Insurance escalation reflects increases in Unitywater's insured asset base, rising replacement values, and continued hardening of global insurance markets. Expanded and higher-value infrastructure requires proportionate increases in coverage to maintain adequate risk protection. |
| **Chemicals** | CPI | 2.7% | Chemical costs are escalated at CPI to reflect general inflationary movements across global chemical supply chains. Unitywater continues to manage costs through optimisation of treatment processes and procurement efficiencies. |
| **IT managed services** | Average contract increases | [redacted] | Escalation reflects average contract increases across critical managed services. The IT sector is experiencing rapid cost growth driven by global demand, cyber security requirements, and US-linked technology pricing. Unitywater has moderated these impacts through active contract management. |
| **Postage** | Historical average | 10% | Escalation is based on Unitywater's historical average increase in postage costs, reflecting typical pricing movements within national postal services. |

Source: Unitywater; ABS.

[6] The percentage change through the four quarters to the June quarter 2027 as shown in Table 3.1 of the Reserve Bank of Australia's November 2025 *Statement on Monetary Policy* (https://www.rba.gov.au/publications/smp/2025/nov/).

# Bulk water costs

Forecast bulk water costs of $266 million account for approximately 50% of Unitywater's total opex for 2026-27.

Bulk water costs represent the purchase of bulk water from Seqwater and are determined by expected demand in each region together with the bulk water price, which is assumed to increase in line with forecast CPI. These costs comprise both the volume of water consumed and billed to customers (pass-through in full), as well as non-revenue water.

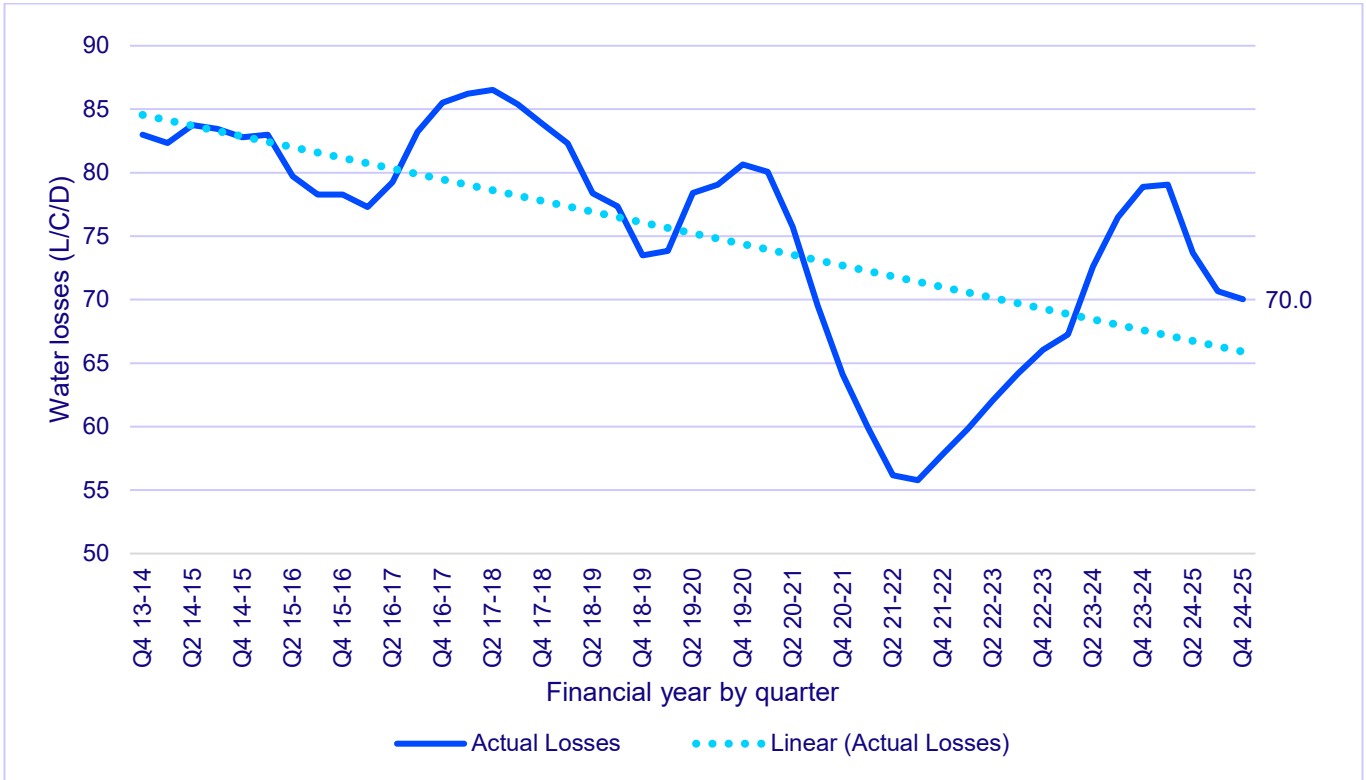
## Non-revenue water - water loss

Non-revenue water encompasses network losses, water theft and unbilled consumption. Unitywater estimates approximately 93% of our non-revenue water is as a result of water losses, with the balance from unbilled metered and unmetered consumption. Real losses are the physical loss of water from the system due to leaks and bursts across the network. Apparent losses are typically under registration from aged or inaccurate water meters. For 2026-27, Unitywater is forecasting non-revenue water to represent approximately 8.9% of total water purchased in Moreton Bay and 11.6% in the Sunshine Coast and Noosa region, totalling to approximately 10.3% of total water purchased.

## Long-term network loss trend

Total network losses include real losses and apparent losses. **Figure 19** presents a long-term trend of total network losses since 2013. **Table 7** outlines the calculation of total network losses (real plus apparent losses) for the 2024-25 financial year.

Fig. 19 – Historical non-revenue water trends (quarterly)




Source: Unitywater.

Table 7 – Total non-revenue water and water losses for the period 1 July 2024 to 30 June 2025

| Non-revenue water | Sunshine Coast and Noosa | Moreton Bay | Unitywater |
|---|---|---|---|
| **Number of connections** | 121,914 | 160,630 | **282,544** |
| **Bulk water purchased (ML per annum)** | 34,072 | 34,270 | **68,342** |
| **Billed metered water (ML per annum)** | 29,272 | 31,393 | **60,665** |
| **Total non-revenue water (ML per annum)** | 4,800 | 2,877 | **7,677** |
| **Non-revenue water (% of bulk water purchased)** | 14.1% | 8.4% | **11.2%** |
| **Water losses** | | | |
| **Apparent losses (ML per annum)** | 739 | 791 | **1,530** |
| **Real losses (ML per annum)** | 3,837 | 1,856 | **5,693** |
| **Total losses (ML per annum)** | 4,576 | 2,647 | **7,223** |

Note: The difference between total non-revenue water and total losses reflects unbilled consumption.
Source: Unitywater.

The calculated losses in Q4 2024-25 are 70.0 L/C/D, 2.4% lower than the long-term target of 71.7 L/C/D. The steep fall and rise in the total network losses for year 2021 to 2023, as shown in **Figure 19**, is due to defective Seqwater bulk meters in the southern region resulting in an under-registration of flows. These meters were repaired in April 2022. The sudden increase in the total network losses in the 2023-24 financial year is attributed to a major hidden leak on a major trunk main, which was subsequently repaired.

## System Leakage Management Plan

Unitywater imports 66 to 70 gigalitres of water annually from Seqwater through 28 Bulk Flow Meters. Based on historical performance, approximately 11% of the imported water has been lost as non-revenue water, resulting in approximately $28 million per annum in lost revenue for Unitywater.

The System Leakage Management Plan (SLMP) was updated in November 2021 to incorporate a nine-pillar framework to address losses across the network. The plan targets an 11% reduction in total losses over the next decade and uses an economic approach to leakage reduction to find an optimal balance between the cost of implementing maintenance programs (such as Active Leakage Detection) or capital works (such as pressure management) and the value of the water conserved.

As part of a structural improvement program, several enabling initiatives have been implemented to enhance data reliability and accuracy. These include improving bulk metering accuracy, establishing District Metered Area reporting, and strengthening water balance processes.

The investment plan offers additional benefits beyond economic returns, including:

- reducing the number of breaks in the water supply network through pressure reduction
- extending the life of assets
- reducing maintenance backlogs
- reducing customer side leakage to benefit customers
- delaying the construction of the planned desalination plant
- contributing to Unitywater's sustainability commitments.

## Benchmarking

In 2020, Unitywater participated in a Leakage Management Benchmarking Program conducted by Isle Utilities. The exercise included sixteen water utilities (eight from Australia, seven from the United Kingdom, and one from Brazil). The program aimed to establish an objective basis for assessing performance, identifying change drivers, fostering innovation, and developing improvement pathways to reduce non-revenue water. **Table 8** presents an overview of Unitywater's performance relative to other participants, showing that Unitywater ranked in the top quartile for [redacted] of the [redacted] key performance indicators.

Table 8 – Unitywater benchmarking profile: 2020 Leakage Management Benchmarking Program

Source: Isle Utilities.

This benchmarking identified two metrics for improvement to implement remote controlled pressure reduction valves and install digital acoustic network sensors on key water mains. Unitywater has initiated targeted actions to strengthen performance and enhance leakage management outcomes in line with the SLMP.

# Productivity and efficiency

Unitywater's focus on productivity and efficiency is central to maintaining affordability, driving continuous improvement in how we plan, deliver and operate our services. Through targeted initiatives, innovation and process optimisation, we are enhancing value for money, supporting sustainable growth and enabling reinvestment in initiatives that improve customer experience and community outcomes.

A key measure of our productivity is in relation to resource utilisation across the organisation. In 2026-27, headcount will remain stable while we continue to identify, implement and benefit from new initiatives. Additionally, external benchmarking (refer **Table 9**) indicates that our allocation of resources to support our customers is in line with Queensland and international providers.

Table 9 – Labour resource allocations by function

[redacted]

This benchmarking shows that Unitywater has proportionally higher resourcing in direct roles, and lower in support for direct, and support.

Each business unit is focused on operating productively and efficiently, working together to identify opportunities that benefit both Unitywater's cost base and the community. A large portion of our higher value initiatives are focussed on wastewater operations, treatment, and maintenance, as this is our largest individual cost pool.

## Recent initiatives

Unitywater has delivered initiatives in recent years through a combination of innovation, continuous improvement and step change activities. These initiatives have delivered cost savings in our current year while also supporting prudent and efficient operations into the future.

Through the implementation of the EMP, Unitywater has offset electricity price increases through reduced electricity usage. This included optimising existing processes by using data effectively to understand and eliminate operating challenges driving higher energy usage, diffuser asset utilisation strategies and control changes, the implementation of solar and cogeneration facilities where economically viable, coupled with commercial negotiations and procurement strategies. The EMP continues into 2026-27.

The SCOMP, through optimising chemical usage throughout the network, has delivered less failures of critical assets, lower number of reactive and emergency works, while also increasing the predicted life of assets.

The WMUP has enabled our teams to better assess and alter the timing of key maintenance activities using technology enabled platforms, delivering an overall benefit to the cost of an asset over its lifetime, this has also delivered a switch from 70% reactive maintenance to 70% planned maintenance, enabling efficiencies, improved staff productivity and overall lower costs.

Technology has been a key enabler of maintaining prudent and efficient operations. The use of data to inform maintenance timing and detect leaks to reduce bulk water purchases and inflows to wastewater have enabled efficient operations and will be vital in minimising the impact of a growing region and aging infrastructure in the future.

Overall, key activities have enabled $2.7 million to be removed from the 2026-27 budget offsetting cost increases driven by external factors.

## 2026-27 initiatives

Unitywater continues to invest and deliver operating cost improvements to ensure we deliver affordable services to our customers. In 2026-27, Unitywater is targeting cost savings of around 1% of opex. Key activities that will enable this include:

- The continued implementation of Digital Meters that aims to enable the identification of water network leaks immediately reducing water losses for both our customers and our business, as well as reducing the need for meter readings. This delivers benefits of approximately [redacted], avoids costs of [redacted], and enables customer service efficiencies through the reduction of time spent handling customer complaints. Additionally, procurement negotiations have reduced the cost to deliver the program by [redacted] in 2026-27. These savings were achieved through effective tendering techniques and quality negotiations with vendors.
- The delivery of the People Experience Uplift project is a technology enabled initiative which will reduce payroll processing and minimise the administrative efforts associated with people management from onboarding through to offboarding for leaders and people across the business. This initiative will deliver savings of [redacted] in 2026-27 and higher savings in following years. Additionally, it mitigates the business against risk of penalties driven by the complexity and the variety of employment agreements that are operational within the business.
- Optimisation of asset utilisation and fleet purchases to reduce the requirement of external hire activities delivering around [redacted] in saved hire charges previously outsourced. This work will also improve our ability to respond to reactive works more efficiently, reducing the time spent on jobs in future.
- Optimisation of MHL dosing enabled by the implementation of new stronger chemicals allowing reduced consumption coupled with ongoing optimisation of dosing levels and placements delivering [redacted] in savings.
- Ongoing implementation of initiatives identified as a part of the EMP will deliver savings of [redacted] associated with lower power consumption. This includes the operation of cogeneration at Kawana, solar installations at WWTPs, the cleaning and maintenance of the Brendale bioreactor.

Unitywater continues to investigate innovations to find further ways to reduce operating and capital costs and deliver our commitments to the community. 2026-27 will see the continuation of shellfish reef studies and nutrient offset trials, which will benefit the community by lowering the impact of nutrients in effluent and will also support lowering ongoing operating costs of chemicals and treatment. This will reduce the amount of treatment required and potentially defer the capital renewal of infrastructure.

Unitywater alongside other Queensland water providers is experiencing increasing biosolids management risks driven by evolving environmental regulations, emerging contaminants such as PFAS, and rising disposal and transport costs. Stricter regulatory limits on contaminant levels and land application standards are increasing treatment and testing requirements, while reduced availability of suitable reuse or disposal sites heightens operational and cost pressures. Unitywater is investigating in 2026-27 opportunities to mitigate these risks.

Throughout the year, the innovation program will continue to harvest ideas from inside and outside of our business for assessment and testing, to identify new ways to achieve further productivity gains, improve customer experience or efficiently pursue strategic goals.

# Capital expenditure

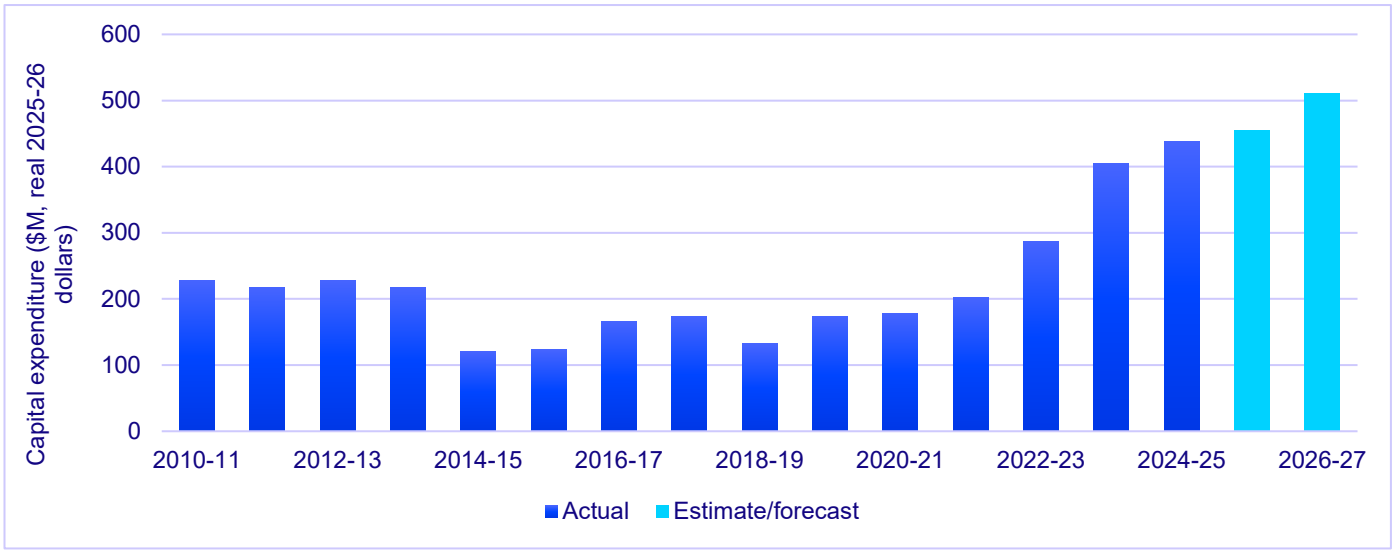
Unitywater has established a 30-year capex forecast that will ensure we can continue to meet existing service levels as well as support significant population growth in our region. Our 5-year capital program has been optimised to deliver new growth infrastructure both within our current and future connections area as well as to support growth outside of the connections area in close collaboration with our Participant Councils and State Government. Our capital program remains responsive to changes in our regulatory environment, local planning changes and asset performance and is regularly reviewed against business priorities and external changes.

Unitywater classifies capex based on three key drivers.

1. **Renewal of existing infrastructure:** Our renewal programs are designed to maintain and enhance customer service levels now and into the future. Unitywater is the eighth-largest water utility in Australia by pipe length (approximately 12,750 km), with a significant proportion of asbestos cement pipes and infrastructure located in areas with challenging soil conditions and terrain. The renewal program aims to balance long-term maintenance costs with risk-based asset replacement, ensuring our maintenance teams can sustainably manage network growth. Future impacts from climate change present emerging risks to infrastructure, and as such, new technologies are being assessed as part of renewals options, to strengthen long-term resilience and reliability.
2. **Growth to service population increase:** Our region is among the fastest growing in Australia, and our growth program reflects this rapid expansion. We are investing to support development both within and beyond our current connections area. Investments include:
   - Upgrading existing WWTPs to accommodate increased flows and comply with more stringent environmental licence conditions.
   - Constructing and enhancing trunk infrastructure for water and wastewater services to support new growth areas. This includes pipelines, reservoirs, and pump stations.
   - Partnering with developers to deliver critical infrastructure on our behalf, ensuring timely and cost-effective delivery.
   - Implementing multiple small-scale projects within our reticulation network to enable densification and improve service delivery in established areas.
3. **Compliance and improvement:** Unitywater is regulated by the Department of Local Government, Water and Volunteers (Drinking Water Quality Management Plan and Recycled Water Management Plans) and the Department of Environment, Tourism, Science and Innovation (Environmental Licence). Our Capital Plan includes investments to continue to protect the health of our customers and environment as well as investments that will deliver long-term benefits to our organisation, customers and stakeholders. These investments include:
   - Projects identified in the Drinking Water Quality Management Plan to improve or maintain safe drinking water. These projects include increased chemical redosing facilities, reservoir water safety improvements and disinfectant improvement projects.
   - Projects to reduce the risk of an environmental licence breach such as odour mitigation projects and overflow abatement projects.
   - Safety-focused infrastructure upgrades to protect both our workforce and the community.
   - Customer and environmentally beneficial projects that have been assessed as having a positive net present value.
   - Projects that will deliver efficiency gains for operations to achieve lower operating costs.

As a result of these drivers, we have already begun to increase our capital investment substantially (refer **Figure 20**), with this trend expected to continue for the next few years.

Fig. 20 – Unitywater historical and forecast capex ($M, real 2025-26 dollars)




Note: Includes support capex, indirect overheads, capitalised interest and depreciation.
Source: Unitywater.

**Table 10** shows the breakdown of 2026-27 forecast water and wastewater infrastructure capex by program.

Table 10 – 2026-27 water and wastewater infrastructure capex by program ($M, nominal)

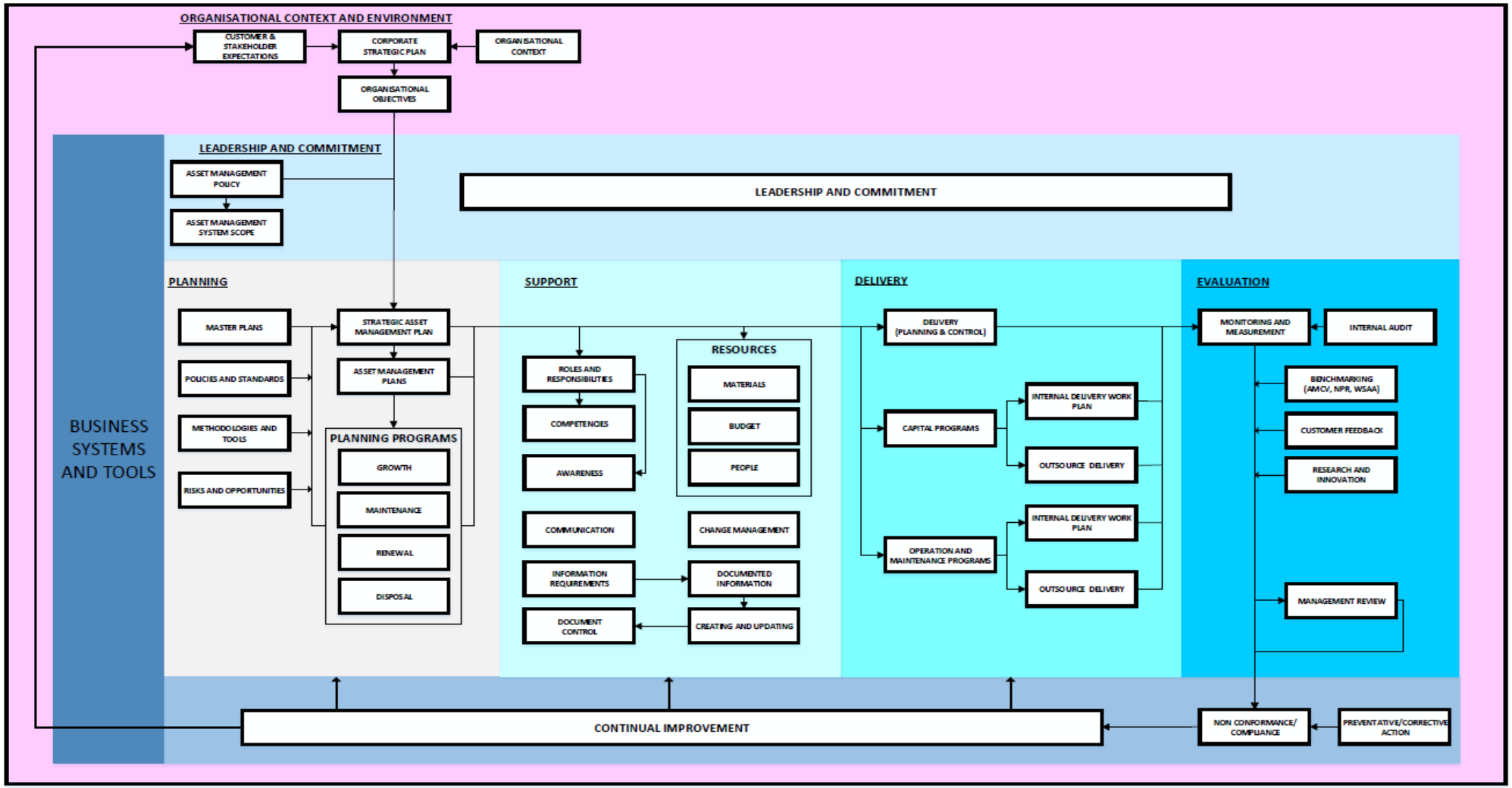
| Program | Forecast capex ($M) |
|---|---|
| **Network growth** | 158.5 |
| **Network renewals** | 94.0 |
| **WWTP growth** | 104.8 |
| **WWTP renewals** | 58.2 |
| **Other** | 11.4 |
| **Total** | **426.9** |

Note: Excludes indirect overheads, capitalised interest and depreciation.
Source: Unitywater.

## Capital planning and governance

Unitywater's capital planning process is a key process within our asset management framework (refer **Figure 21**). Asset management at Unitywater promotes efficient investment in, and operation and utilisation of all assets for the long-term interest of customers and external stakeholders, balancing cost, risk and performance aligned with Unitywater's Strategic Ambition. The framework provides a clear line of sight from our Corporate Strategies – Customer and Community, People, and Sustainability – ensuring that corporate objectives are effectively delivered through the capital investment program.

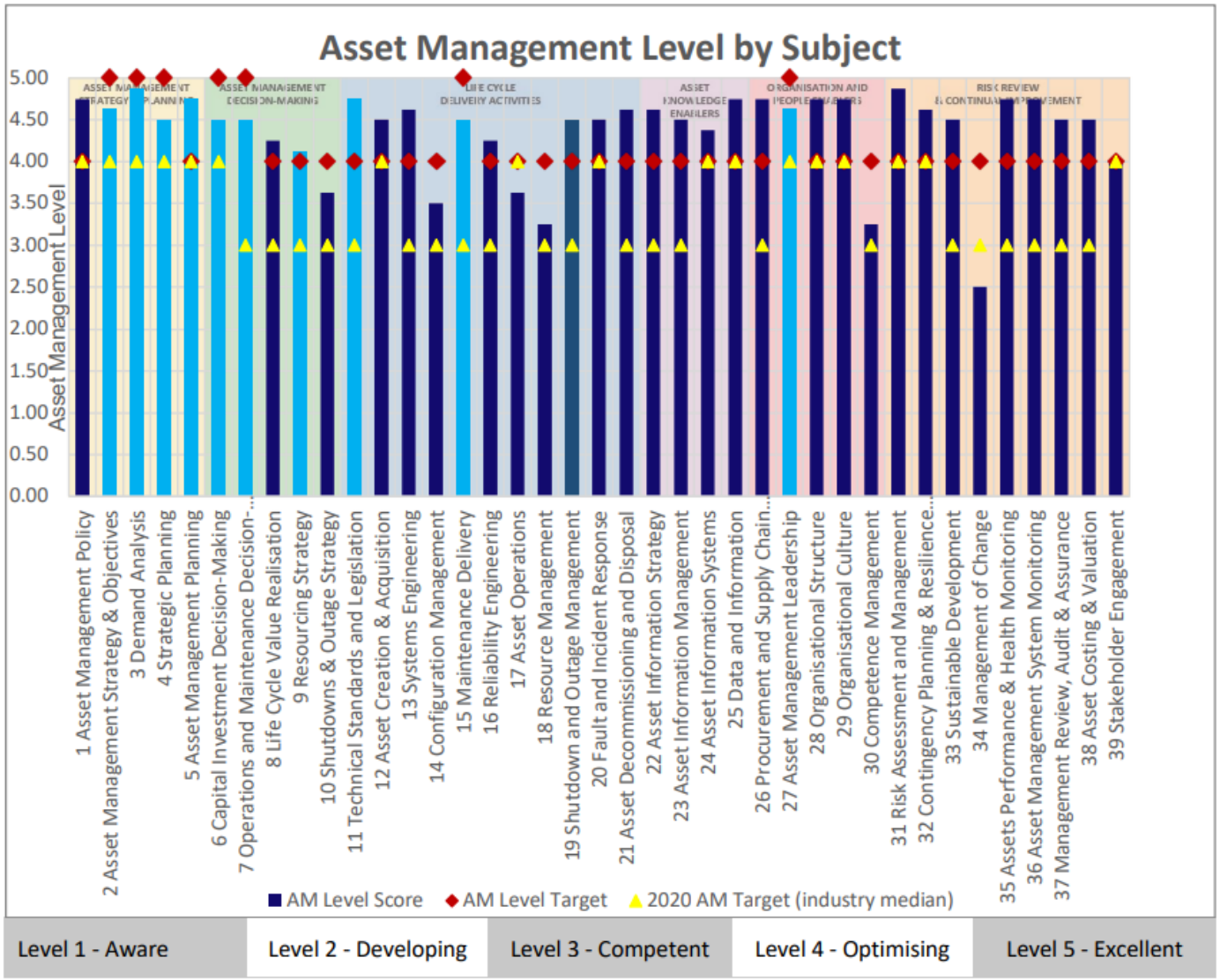
Fig. 21 – Unitywater Asset Management Framework




Source: Unitywater.

Unitywater's asset management system is aligned with international best practice and has been assessed against the requirements of ISO[7] 55001 (Asset management — Asset management system — Requirements). In 2020, it was benchmarked through the WSAA Asset Management Customer Value Project, where Unitywater was rated as competent or higher across 38 of the 39 subjects in the framework (refer **Figure 22**).

Fig. 22 – Unitywater asset management benchmarking: 2020 level of attainment by subject




Source: WSAA.

These results reflect the strong emphasis Unitywater places on effective asset management. Notably, our scores exceeded the industry median target levels in 27 of the 39 subjects. The independent auditors highlighted several areas of strength:

- Asset Management Strategy and Planning (Subjects 1–5)
- Asset Management Decision Making (Subjects 6–10)
- Asset Knowledge Enablers (Subjects 22–25).

[7] International Organisation for Standardisation.

## Asset management planning

Unitywater has adopted a risk-based approach to asset management, supported by extensive documentation (refer **Figure 23**), to ensure lowest whole-of-life costs across the asset lifecycle.

Fig. 23 – Unitywater's strategic documentation hierarchy


Source: Unitywater.

Unitywater's SAMP outlines how the organisation translates corporate goals and strategic priorities into actionable asset management objectives. The SAMP serves as a five-year roadmap, reviewed annually in alignment with Unitywater's corporate planning cycle, and is informed by customer expectations, stakeholder needs, financial planning, risk assessments, and long-term demand forecasts derived from master plans. It provides the framework for developing Asset Management Plans (AMPs) and Asset Class Plans (ACPs), which guide the management of Unitywater's extensive asset base.

AMPs are developed for Unitywater's water, wastewater and recycled water networks, as well as each WWTP. These plans have a ten-year horizon and include detailed information on asset configuration, age, condition, service requirements, risk profiles, and financial strategies. ACPs are created for strategically important asset classes to ensure consistency in cost, risk, and performance management across the organisation. Unitywater has also adopted interactive dashboards for AMPs, enabling real-time monitoring of asset performance and condition across our WWTPs and pumping stations. These dashboards support data-driven decision-making and align with ISO 55001 standards for asset management.

A comprehensive suite of service levels has been developed for each class, aligned with the corporate objectives and asset management objectives. These service levels drive investment in maintenance and renewals, highlight non-performing assets and identify inefficiencies and non-compliances.

Together, the SAMP, AMPs, and ACPs form the foundation of Unitywater's asset management system, ensuring that infrastructure investments are aligned with strategic goals, regulatory obligations, and community needs across Moreton Bay, Sunshine Coast, and Noosa.

## Delivery of capital works

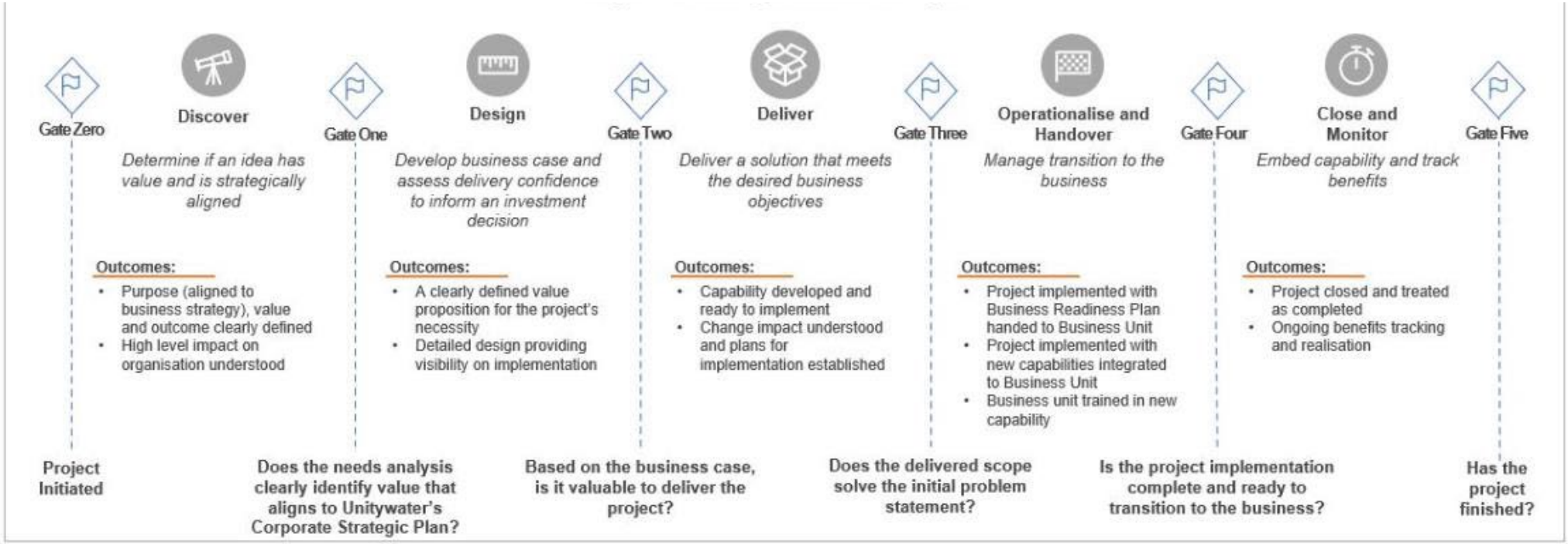
Unitywater manages capital works infrastructure projects through a structured enterprise stage gate process to ensure alignment with strategic goals, asset management objectives, sustainability targets, and the UN Sustainable Development Goals, while promoting prudent and efficient expenditure.

Delivery is governed by five enterprise stage gates, as shown in **Figure 24**: Discover, Design, Deliver, Operationalise and Handover, and Close and Monitor. The Capital Infrastructure Project Manual outlines the systems, processes, tools, templates, and governance pathways for Low and Medium Complexity Projects across these gates, while High Complexity Projects follow Enterprise Performance processes requiring detailed business cases. The manual also includes a master process map and detailed process tables that guide project requests, assessments, approvals, and management for both planned and emergent capital projects.

Unitywater has recently transitioned to a collaborative framework model (refer **Figure 25**) for infrastructure design and delivery. The improved model will support and enable Unitywater to transition to a multi-year, program-based approach to infrastructure design and project delivery in a way that enhances Unitywater's relationships with industry and focuses on optimising whole-of-lifecycle performance of assets.

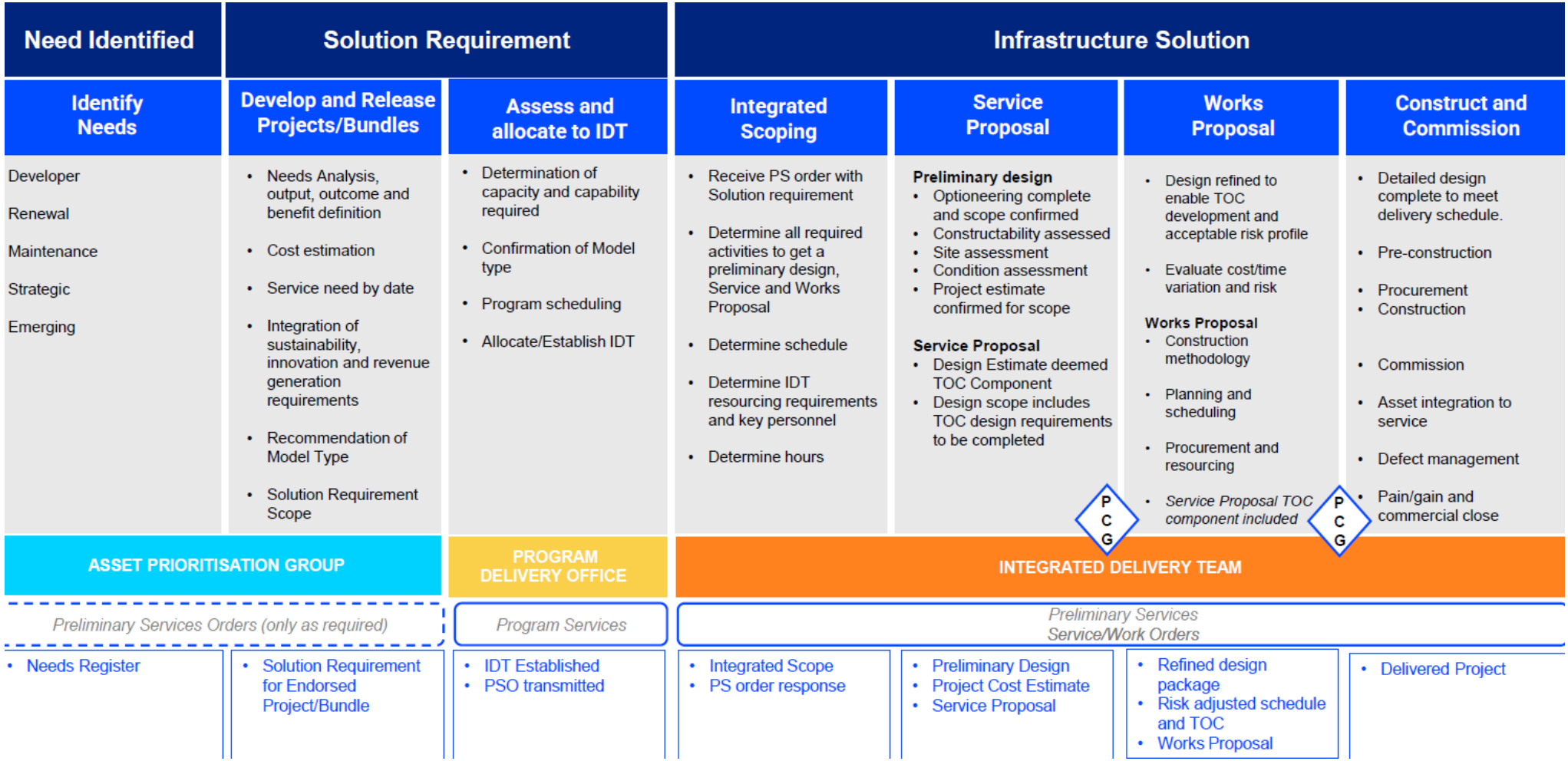
One design partner and two delivery partners were onboarded in 2024 and the project office has been ramping up to transition the majority of the capital program across in the coming years. An optimised lifecycle model has been established to govern all works which is firmly grounded in partner contracts.

Fig. 24 – Unitywater's project management lifecycle




Source: Unitywater.

Fig. 25 – Unitywater's collaborative framework model




Source: Unitywater.

# Productivity and efficiency

Unitywater is committed to delivering affordable development and infrastructure for our community. The abovementioned processes are targeted at ensuring investment is prudent and efficient from planning through to execution and operation.

With a growing region and external economic factors, the capital program has faced similar challenges to our operating expenditure. However, Unitywater continues to demonstrate through continuous improvement and step change initiatives, that it can execute a capital program that delivers the required outcomes to a high standard, at a cost that is affordable and demonstrates prudent investment.

## Recent capital initiatives

### COLLABORATIVE DELIVERY FRAMEWORK

Unitywater has recently transitioned to a collaborative framework model for infrastructure design and delivery. During 2025-26, the BBT Partners are scheduled to deliver [redacted]. Through use of the BBT framework, Unitywater has avoided capex of approximately [redacted]. These benefits were delivered using partner skills, knowledge, and innovative thinking to optimise the use of technologies in WWTP upgrades.

Overall, the collaborative framework is delivering efficiencies and additional benefits including:

- access to a worldwide network of water and wastewater professionals
- colocation of Unitywater and Partner resources increasing opportunities for collaboration and program optimisation
- full transparency of project costs and access to significant material buying power
- capacity to scale our project delivery requirements quickly.

### NO-DIG TECHNOLOGY

Transitioning to no-dig technology delivers faster, less disruptive and often cheaper renewal of sewer assets by avoiding open excavation. The technology enables reduced reinstatement costs, reduced traffic and business disruption while extending the life of the asset through durable linings in a cost-effective manner. Relining or horizontal directional drilling are the primary technologies employed at Unitywater. This is now used in 100% of sewer gravity main renewals and where applicable in water renewal projects.

Additionally, the sewer relining program coupled with productivity benefits of no dig technology has delivered 70% reduction in sewer main breaks and chokes in 10 years and has supported the reduction in overall renewals capital costs and carbon outputs. [redacted]

No-dig technology and the uses of this across both the sewer and water network continue to be tested, in line with regulatory requirements and economic viability.

### CAPITAL PLANNING AND ANALYSIS

Unitywater's Caboolture South WWTP has been historically identified as a point source contributor of nutrients to the overloaded Caboolture River. Growth projections for this service area demonstrated

Unitywater would need to implement a solution to reduce the amount of treated effluent discharged into the river.

Through planning processes, options analysis[8] was completed that identified two potential viable solutions:

- build the Moreton Bay Ocean Outfall at a cost of more than [redacted]
- develop a recycled water scheme – the Wamuran Irrigation Scheme – at a cost of [redacted] that would support local agriculture industry and defer the need for Moreton Bay Ocean Outfall by at least 10 years.

The Wamuran Irrigation Scheme enables the beneficial reuse of up to 2.6 billion litres of recycled water each year from Unitywater's Caboolture South WWTP, supplying high quality Class A water to local farms for irrigation. This approach reduces nutrient discharges to the Caboolture River and Moreton Bay, helping protect sensitive ecosystems and meet tightening environmental regulations.

In addition to environmental benefits, the scheme supports agricultural resilience and regional economic growth, providing farmers with a reliable, climate-resilient water source that reduces dependence on potable or dam water. For Unitywater, it offers a cost-effective alternative to traditional effluent disposal upgrades, aligning with long-term sustainability goals and demonstrating leadership in circular economy initiatives.

### MAROOCHYDORE WASTEWATER TREATMENT PLANT RENEWAL

Through targeted process engineering and technical optimisation, Unitywater has successfully avoided the need for a WWTP upgrade at Maroochydore, delivering substantial financial and operational efficiencies. A full upgrade was originally estimated to cost more than [redacted], but through detailed process analysis and performance optimisation, the team identified opportunities to extend the life and capacity of existing infrastructure. Instead of undertaking a costly full-scale redevelopment, a focused renewals program valued at [redacted] is being implemented instead of the full upgrade, effectively deferring the need for a major upgrade until 2041.

During the delivery of this renewals program, Unitywater has maintained full treatment capacity while operating with only half of the physical infrastructure, a significant operational achievement. This outcome reflects the organisation's ability to apply data-driven decision-making, strong asset knowledge, and technical innovation to achieve high performance within existing system constraints.

The success of this initiative is underpinned by collaboration between Unitywater, process engineering experts, operational teams, and a trusted delivery partner, ensuring that all optimisation strategies were robust, safe, and compliant with environmental standards.

### BRENDALE WASTEWATER TREATMENT PLANT

In 2023, Unitywater sought market tenders to construct the Brendale WWTP upgrade based on a completed design. Tendered prices were above the available budget, with a likely total project cost of around [redacted] (including [redacted] in construction costs). Unitywater reviewed the project further through our established governance and investment process. Based on that review a decision was made, with Board approval, to defer the project. Minor operational works, including tank cleaning and diffuser replacement, were undertaken to support the deferral.

[8] Further detail for this project, including Unitywater's optional analysis and business case, will be provided as part of our Part 2 submission, due by August 2026.

Following engagement of the BBT Partners, Unitywater requested development of an alternative, optimised solution for the Brendale WWTP upgrade. Using the designs provided by the BBT Partners, and their process expertise, a revised high-level design was prepared, which allowed Unitywater to optimise the project efficiency and outcomes. [redacted] Current estimates indicate a total project cost of approximately [redacted], representing an indicative saving of more than [redacted] compared to the earlier tendered market prices.

### SEWER ODOUR ABATEMENT PLAN

Unitywater has developed a Sewer Odour Abatement Plan (SOAP) that provides a strategic approach for the ongoing management of wastewater overflows and their associated causes and effects.

A major contributor to wastewater overflow is rainfall dependent inflow and infiltration. The rainwater enters the wastewater network from many minor defects contributing small amounts of ingress dispersed widely throughout the network. Using a data-driven risked based approach, the plan identifies areas where field inspections are recommended to identify sources of inflow and infiltration in the prioritised catchments. This includes inspecting private property plumbing to identify illegal stormwater flows to the wastewater network.

As a part of this, Unitywater identified a pump station that may not have been sufficient to manage the volume of wastewater indicating an imminent renewal would be required. Through SOAP investigations, it was identified that the cause of pump issues was not capacity, rather a hole in piping causing pressure issues. This investigation enabled the deferral of the planned renewal by 5 years, saving [redacted].

## 2026-27 capital initiatives

Unitywater continues to focus on initiatives that will deliver benefits and value across the business. The collaborative delivery framework will continue to mature with a focus on innovation, delivery excellence and strong cost management. This includes the bundling of work geographically supporting both cost efficiency and improved safety performance. It is anticipated that more than $500 million of capex will be incurred during 2026-27.

The 2026-27 capital program will continue to be a blend of renewals and growth capex. With a risk-based approach to renewals, and a key focus on delivery of the maintenance strategy, our Sustainable Infrastructure Solutions team are continually assessing optionality to deliver the best life of asset outcomes for our business through the capital planning and delivery processes. Initiatives delivered through our capital program during 2026-27 will focus on delivering future operational cost savings for the business. Examples of some of these initiatives are outlined below.

### WASTEWATER TREATMENT PLANT ULTRA-VIOLET LIGHT SYSTEM RENEWAL

Our WWTPs utilise ultra-violet lights to support disinfecting the effluent at the back of the process. Unitywater is upgrading three of the sites with improved technology, installing new light-emitting diode smart systems. These systems will continue to support the process effectively at a lower ongoing operating cost, reducing electricity consumption and reducing the frequency of lamp replacements. In addition, the systems are much more cost effective to maintain, reducing and in some instances removing the requirement for cranes.

## KAWANA CO-GENERATION

Kawana Cogeneration project aims to maximise biogas utilisation, improve site energy resilience and efficiency while supporting reliable and scalable operations of the Kawana WWTP. The project is a proposed replacement and upgrade of the Kawana WWTP cogeneration engine, informed by thorough biogas flow analysis and electrical infrastructure assessment.

The prior system failure was attributed to high hydrogen sulphide levels in the biogas supply, leading to corrosion and damage to the cogeneration unit components. This initiative delivers [redacted] reduction in electricity consumption while also supporting achievement of Unitywater's net zero strategic initiative. In addition to the operational and environmental benefits, effective capital planning has identified engineering and mitigations to avoid similar failure of the equipment in the future therefore reducing the overall asset lifecycle cost.

## HYDROCYCLONES

As part of our broader innovation and process-intensification focus, hydrocyclones were identified as an emerging opportunity to improve sludge settleability and clarifier performance while reducing reliance on large, capital-intensive infrastructure upgrades. A network-wide assessment was undertaken to identify if the hydrocyclone technology would add value to any of our plants, and where hydrocyclone technology could provide the greatest operational and strategic benefit. Multiple candidates were identified, with the Redcliffe WWTP being selected as a suitable candidate.

If successful, this technology will:

- improve sludge settleability to 100 mL/g
- reduce the cost associated with chemical dosing required to achieve settling from [redacted]
- enhance clarifier performance by demonstrating compliance during wet weather events.

Collectively, these outcomes are expected to defer the need for additional clarifier installations or upgrades, at a cost of approximately [redacted] each, at Redcliffe WWTP by five to ten years, or remove the need entirely.

# Revenue and pricing

Unitywater customarily finalises prices and revenue requirements in May, incorporating the latest available information that impacts our operating environment. Prices to apply from 1 July are then published in June. At present, there remain material uncertainties in the outlook for several external factors beyond our control, including but not limited to inflation and interest rates. Accordingly, Unitywater proposes to review these forecast prices and revenues in May, consistent with our established price-setting timetable. This approach will ensure that the actual 2026-27 prices appropriately reflect material updates in the external environment.

## Pricing approach

Unitywater's pricing approach is underpinned by a clear commitment to affordability, fairness, and long-term financial sustainability. Our approach is guided by Board-approved pricing assumptions based on expected access and volumetric charges. It reflects a deliberate balance between customer affordability and the financial resilience required to deliver our services.

The Board-approved price path considers:

**Financial sustainability** – ensuring recovery of operating costs, servicing of debt obligations, and delivering agreed returns to Participant Councils

**Customer affordability** – maintaining manageable total bill increases for Unitywater customers

**Regional tariff alignment** – progressing toward consistent water and wastewater pricing across Sunshine Coast, Noosa and City of Moreton Bay

At establishment, Unitywater inherited a range of tariff structures from former councils, resulting in disparities in customer pricing across Unitywater's service region. Although customers are supplied through an integrated distribution network operated as a single scheme, these legacy arrangements created differences in tariff outcomes. In 2013-14, Unitywater commenced tariff reform to standardise water and wastewater charges. The subsequent decision to freeze Unitywater's prices for eight years, which was aimed at assisting customers while bulk water prices increased, extended the timeframe for achieving price parity. Unitywater has adopted a measured and structured price path that applies differential increases across regions, progressively transitioning towards a uniform tariff structure with full alignment targeted by 2028-29.

We benchmark final pricing outcomes to ensure alignment with community expectations and regulatory transparency.

This approach enables Unitywater to deliver reliable, high-quality services while supporting equitable outcomes across the region.

### Forecast cost changes – 2026-27

We have undertaken a full cost forecast for 2026-27. The main costs drivers are:

- **Interest expense** is forecast to increase by $17 million (54.8%), reflecting new drawdowns to fund capex requirements and higher interest rates on new and refinanced debt.

- **Bulk water costs**, set externally by Seqwater, are forecast to increase by $10 million (3.7%), exerting structural pressure on Unitywater's cost base.
- **Unitywater operating expenditure** is expected to rise by $6.7 million (2.4%), reflecting inflationary impacts on key inputs, service delivery, network growth and compliance obligations offset by efficiency measures. An additional $3.7 million is attributable to estimated costs associated with price monitoring activity, bringing the total increase to approximately $10 million (3.7%).
- **Depreciation** is expected to rise by $9.3 million (9.3%), as a result of the capitalisation of new assets in 2025-26.

This demonstrates that investment in capital projects is the principal driver of price increases, which in turn reflects the need for Unitywater's infrastructure to be able to accommodate Queensland Government population growth projections.

### Forecast connections 2026-27

Demand forecasts are subject to volatility due to a range of factors, including seasonality, customer lead times, and variability in development activity. These impacts can create uneven growth profiles year to year, which complicates investment planning and revenue forecasting.

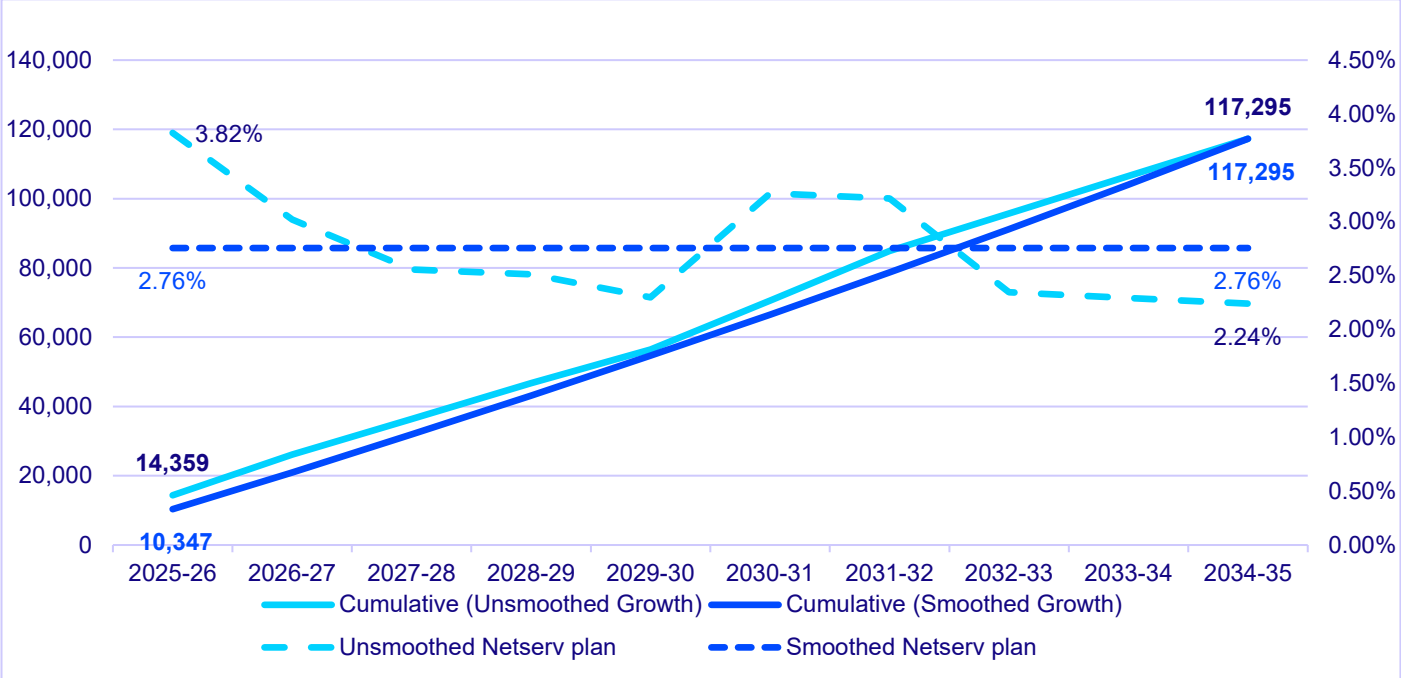
Customer connection growth is sourced from the Netserv Plan's planning assumptions, with dwelling growth used as a proxy for connection growth. The Netserv Plan builds growth assumptions incrementally each year, resulting in nonuniform annual increases in connections. For utility revenue forecasting, Unitywater applies a smoothed growth profile across the financial planning period. This approach produces the same total number of new connections over the forecast horizon but removes the year-on-year variability inherent in the detailed Netserv analysis.

At the regional level, smoothing is applied using compound annual growth rates over a 10-year forecast horizon. This method smooths short-term fluctuations while maintaining alignment with the long-term growth trajectory. Both the smoothed and unsmoothed profiles converge to the same total number of new connections at the end of the 10-year forecast period.

The smoothed method is deliberately conservative, providing greater business certainty and supporting prudent and efficient revenue forecasting. By focusing on long-term growth rather than short-term volatility, Unitywater ensures that financial planning remains stable, reliable, and aligned with disciplined planning principles.

**Figure 26** illustrates the difference between smoothed and unsmoothed growth in connections for Unitywater as a whole for the period 2026-35, highlighting the year-to-year variation with convergence to the same end target.

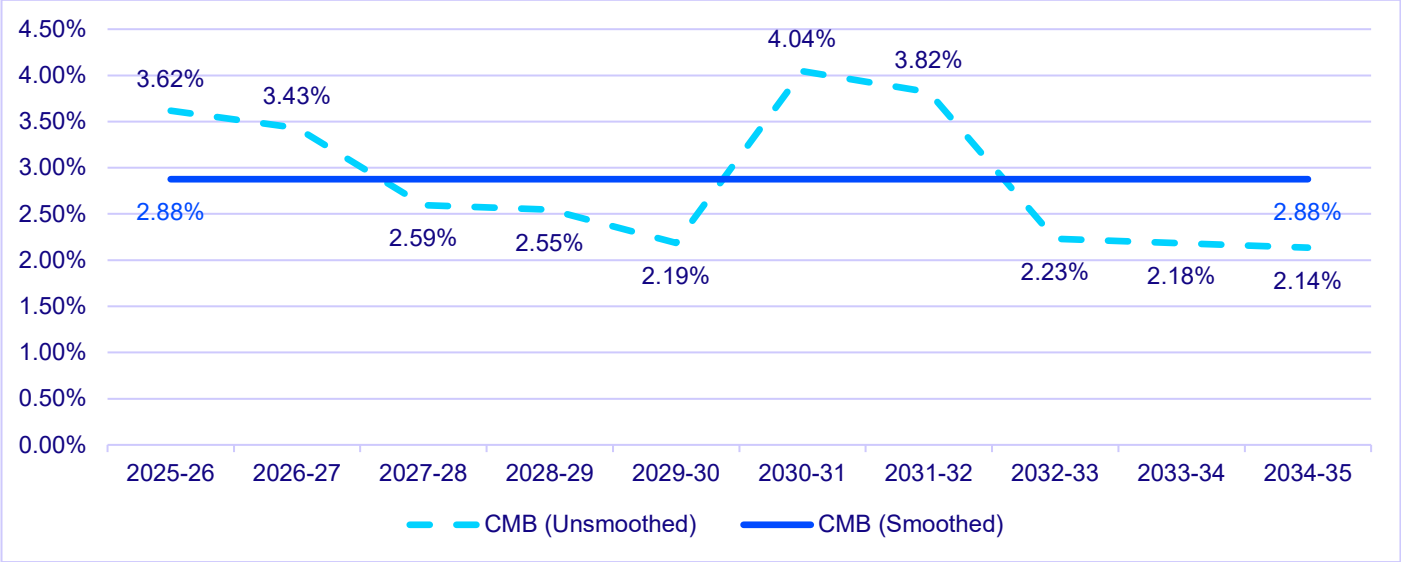
Fig. 26 – Projected growth in new connections – Unitywater




Source: Unitywater.

At a regional level, **Figure 27** shows the year-to-year variability in projected connection growth for the City of Moreton Bay, ranging from 2.1% to 4.0%. This compares to a consistent smoothed growth rate of 2.9% across the 10-year forecast period. The smoothing approach removes short-term peaks and troughs while preserving the total growth outcome.

Fig. 27 – Projected growth in new connections – Moreton Bay

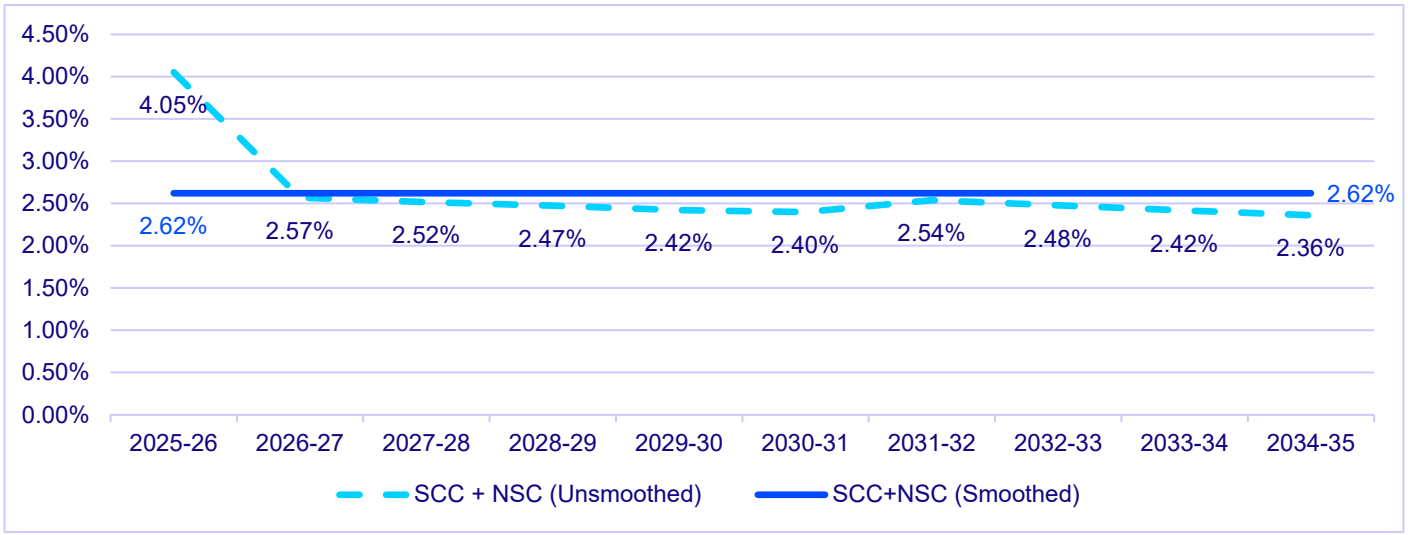



Source: Unitywater.

**Figure 28** highlights a similar pattern for the Sunshine Coast Council and Noosa Shire Council areas, with unsmoothed growth fluctuating between 2.4% and 4.1%. In contrast, the smoothed profile maintains a

steady 2.6% annual growth rate. The smoothing method provides a stable basis for revenue forecasting, particularly in regions with front-loaded or uneven development activity.

Fig. 28 – Projected growth in new connections – Sunshine Coast and Noosa




Source: Unitywater.

Together, these figures demonstrate how smoothing supports financial planning by mitigating volatility in connection growth while remaining aligned with the Netserv Plan's long-term growth assumptions.

Based on the smoothed growth rates derived from Netserv Plan planning assumptions, forecast connections for the 2026-27 financial year are presented in **Table 11**. The application of a smoothed growth methodology provides a consistent year-on-year trajectory that underpin Unitywater's proposed utility revenue forecasts.

Table 11 – Forecast water connections for 2026-27

| Water connections | Unit | Sunshine Coast and Noosa | Moreton Bay | Total Unitywater |
|---|---|---|---|---|
| **Opening connections** | no. | 175,048 | 196,654 | **371,702** |
| **Growth rate** | % | 2.62% | 2.88% | **2.76%** |
| **New connections** | no. | 4,588 | 5,656 | **10,244** |
| **Closing connections** | no. | 179,636 | 202,310 | **381,947** |
| **Average connections** | no. | 177,342 | 199,482 | **376,825** |

Source: Unitywater.

Wastewater connections (refer **Table 12**) are determined using the same smoothed growth methodology applied to water connections, projecting annual growth on a consistent basis.

Table 12 – Forecast wastewater connections for 2026-27

| Wastewater connections | Unit | Sunshine Coast and Noosa | Moreton Bay | Total Unitywater |
|---|---|---|---|---|
| **Opening connections** | no. | 164,340 | 166,581 | **330,921** |
| **Growth rate** | % | 2.62% | 2.88% | **2.76%** |
| **New connections** | no. | 4,308 | 4,791 | **9,099** |
| **Closing connections** | no. | 168,647 | 171,372 | **340,019** |
| **Average connections** | no. | 166,493 | 168,976 | **335,470** |

Source: Unitywater.

Within the forecast averages, the customer base is predominantly residential, with non-residential connections representing only a small proportion. For both water and wastewater services, the split is approximately 95% residential and 5% non-residential at the Unitywater level. This proportion reflects historical patterns and provides a consistent basis for application in the demand forecasts. Applying this ratio ensures that forecasts appropriately reflect the relative scale of residential growth while also recognising the contribution of non-residential connections to overall demand.

## Consumption demand

Unitywater forecasts water volumes by applying the average number of connections to an average level of consumption. The resulting total water volume for each region is then apportioned into two standard consumption tiers, with the allocation between Tier 1 and Tier 2 determined on the basis of historical demand patterns.

Projected consumption demand incorporates the expected impact of Unitywater's smart water meter rollout. These meters reduce customer-side leakage, resulting in lower overall demand. The consumption profile reflects the staged implementation of smart meters across the network.

Prior to accounting for leakage reductions, the base case consumption assumption at the Unitywater level is 484 L/C/D, consistent with historical average trends.

**Table 13** presents the forecast bulk water average consumption for 2026-27 across Unitywater's service regions.

Table 13 – Bulk water consumption by region for 2026-27

| | Sunshine Coast and Noosa | Moreton Bay | Total Unitywater |
|---|---|---|---|
| **Bulk water average consumption (L/C/D)** | 513 | 451 | **480** |
| **Bulk water consumption (ML)** | 33,206 | 32,838 | **66,044** |

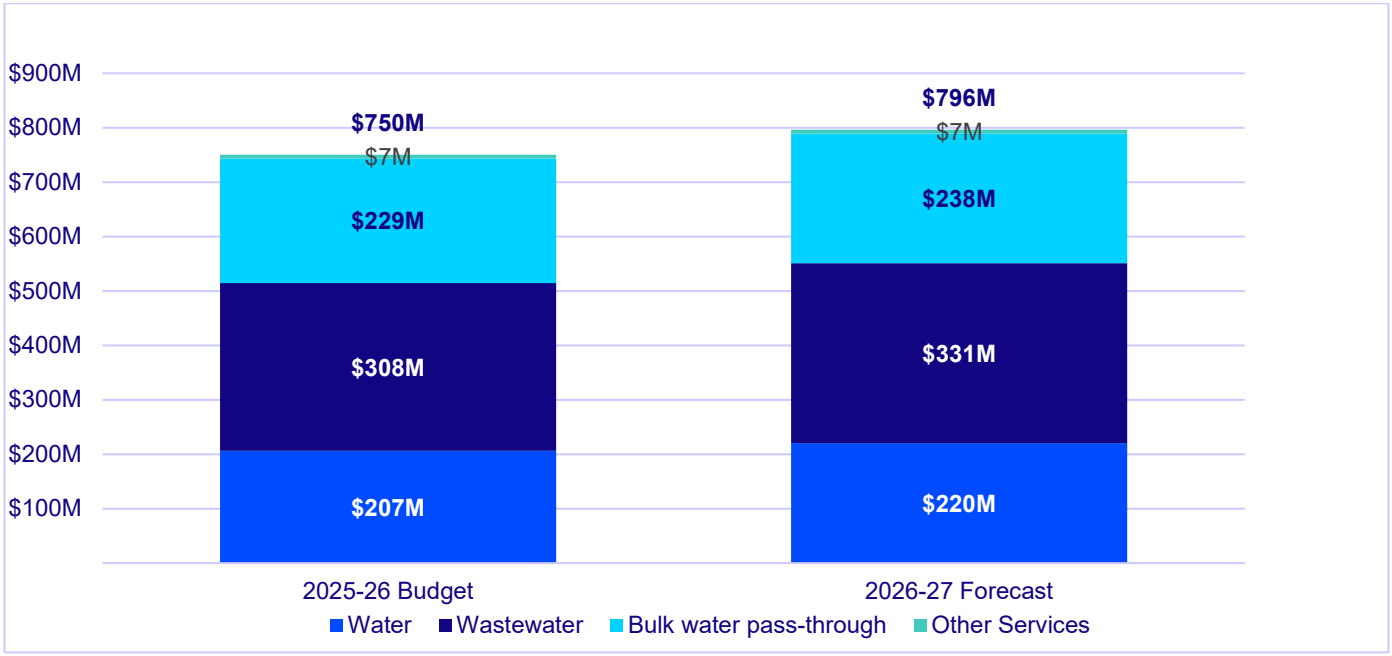
Source: Unitywater.

# Revenue

Unitywater's utility revenue forecast for 2026-27 is based on expected customer growth, demand patterns, and a proposed price increase of 3.9%, together with a further 0.5% adjustment to recover the estimated price monitoring costs. In aggregate, this results in a total forecast price increase of 4.4%. **Figure 29** presents the projected total revenue requirement for 2026-27 estimated at $796 million, comprising:

- water services
- wastewater services
- bulk water pass-through
- other services, including recycled water, trade waste, and standpipe usage.

Fig. 29 – Utility revenue breakdown for 2026-27




Note: The bulk water pass-through category does not include non-revenue water (included in the water category) or standpipe consumption (included in the other services category).
Source: Unitywater.

This forecast is sufficient to recover Unitywater's expenditure to prudently and efficiently manage assets and operate to deliver water and wastewater services and the capital program, consistent with Unitywater's long-term financial plan and service delivery obligations.

**Table 14** shows the breakdown of the change in the forecast utility revenue requirement by driver. This also highlights external factors outside Unitywater's control are largely responsible for the proposed increase in revenue.

Table 14 – Change in forecast utility revenue requirement by driver (2026-27, $M)

| | Change in utility revenue requirement ($M) |
|---|---|
| **Finance costs** | 16.6 |
| **Bulk water** | 9.8 |
| **Depreciation** | 9.3 |
| **Controllable operating expenditure** | 6.7 |
| **QCA price monitoring estimate** | 3.7 |
| **Total** | 46.0 |

Source: Unitywater.

Unitywater has undertaken scenario testing to assess the proposed 2026-27 utility revenue forecast against variations in key pricing and demand assumptions. Across all scenarios tested, utility revenue remains within 5% of our recommended 2026-27 forecast. These results support the robustness of Unitywater's proposed revenue and pricing proposals, with customer bills remaining stable and predictable, and confirms that our approach is prudent, equitable, and transparent.

## Other services

Unitywater provides a range of ancillary services, including:

- Recycled water – supporting sustainable water use across industrial and irrigation applications.
- Trade waste – managing non-domestic wastewater from commercial and industrial customers.
- Standpipe usage – enabling temporary water access for approved users.

**Table 15** shows the budgeted and forecast revenue from other services.

Table 15 – Revenue from other services by type of service ($M)

| Other Services | 2025-26 | 2026-27 |
|---|---|---|
| **Recycled Water** | [redacted] | [redacted] |
| **Trade Waste** | [redacted] | [redacted] |
| **Standpipes/Water Carrier/Other** | [redacted] | [redacted] |
| **Total** | 6.9 | 7.1 |

Source: Unitywater.

## Recycled water

Unitywater operates under a structured Recycled Water Management Plan framework, consistent with the *Water Supply (Safety and Reliability) Act 2008* (Qld) (WS Act) and Queensland Health guidelines. Recycled water is primarily supplied to industrial, agricultural, and irrigation customers. These applications reduce potable water demand and help offset operational costs associated with wastewater treatment and discharge.

Unitywater supplies recycled water in varying grades, from Class A+ to Class D, depending on the treatment capabilities of each WWTP and the requirements of users. Each class includes conditions specifying approved uses.

Revenue from recycled water sales represents a small but strategic portion of Unitywater's total service income. Pricing is generally structured to:

- reflect cost recovery for treatment and distribution
- remain competitive against alternative non-potable water sources
- encourage customer participation in sustainable water initiatives.

Recycled water demand is weather-sensitive and may fluctuate with rainfall.

## Trade waste

Unitywater's Trade Waste Program manages non-domestic wastewater discharges from commercial and industrial customers across our service region. The program ensures that trade waste entering the wastewater network complies with Unitywater's Trade Waste Management Plan, the WS Act and the EP Act.

Unitywater provides trade waste approvals, risk assessments and compliance monitoring for a diverse customer base.

A tiered pricing structure was introduced for all Category 1 Trade Waste Permits, effective 1 July 2023. Customers are assigned to a treatment tier based on:

- business type
- characteristics of the liquid waste generated
- potential impact on the wastewater network
- higher-impact discharges incur higher treatment costs and are allocated to higher tiers.

Revenue from the Trade Waste Program constitutes a non-tariff income stream, primarily derived from:

- application and permit fees – covering assessment and administration
- annual trade waste charges – based on strength and volume of discharges
- excess load or breach charges – applied when customers exceed approved discharge parameters.

Forecasts also incorporate expected growth in industrial and commercial customer connections. Trade waste income may fluctuate due to economic conditions, business activity and compliance factors.

## Standpipes

Unitywater's Standpipe Program provides temporary access to potable water for approved users, including construction sites, contractors, local government works and emergency services. Standpipes enable short-term water supply where permanent connections are impractical or cost-prohibitive, supporting operational and community activities.

The program is managed under Unitywater's water access policies, with approvals issued based on eligibility, compliance with health and safety standards, and appropriate usage requirements. Users must adhere to metering, reporting, and permit conditions to ensure responsible consumption and accountability.

Revenue from standpipe usage constitutes a non-tariff income stream, generated through:

- hire deposits for issuing standpipe access
- usage charges based on metered consumption and monthly hire
- security deposits, bond fees, or late charges, where applicable.

Actual revenue is variable and weather-sensitive, as demand may fluctuate due to rainfall, seasonal construction activity, or emergency events.

# Pricing

## Historical pricing information and CPI comparison

Unitywater's historical pricing trajectory demonstrates a consistent and measured approach to price setting, with annual movements generally aligned with or below CPI trends.

Over the past ten years, average residential bills have increased at a compound annual growth rate of 2.3%, compared to an average CPI of 3.2% over the same period. From 2014-15 to 2025-26, Unitywater's component of the bill has increased at a cumulative average annual rate of 1.8%, representing a total increase of $220 over the period, as shown in **Table 16** below.

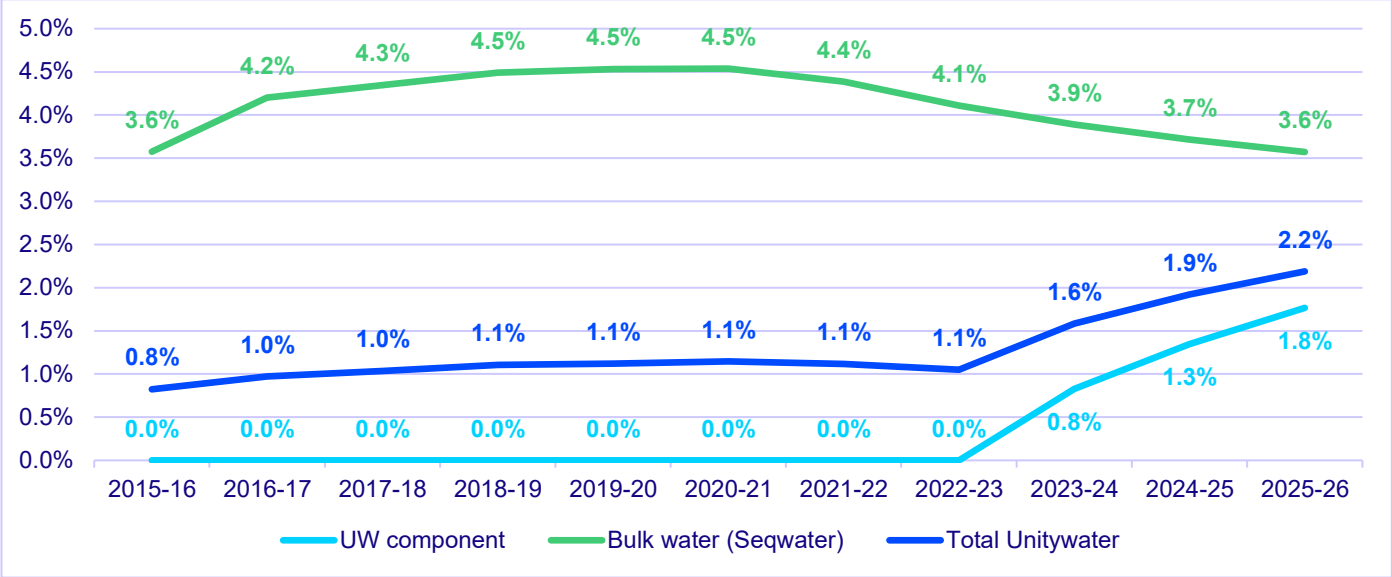
Table 16 – Average annual increase from 2014-15 – Unitywater component

| Year | Financial year | Annual increase (%) | Cumulative average percentage increase from year 0 (%) |
|---|---|---|---|
| 1 | 2015-16 | **0.0** | **0.0*** |
| 2 | 2016-17 | **0.0** | **0.0*** |
| 3 | 2017-18 | **0.0** | **0.0*** |
| 4 | 2018-19 | **0.0** | **0.0*** |
| 5 | 2019-20 | **0.0** | **0.0*** |
| 6 | 2020-21 | **0.0** | **0.0*** |
| 7 | 2021-22 | **0.0** | **0.0*** |
| 8 | 2022-23 | **0.0** | **0.0*** |
| 9 | 2023-24 | 7.4 | 0.8 |
| 10 | 2024-25 | 6.0 | 1.3 |
| 11 | 2025-26 | 5.9 | 1.8 |

Note: * Only bulk water prices increased in the years indicated.
Source: Unitywater.

**Figure 30** illustrates the cumulative average increase in the annual residential bill over the period from 2014-15 to 2025-26, highlighting Unitywater's restrained pricing approach and the structural impact of bulk water costs.

Fig. 30 – Cumulative average bill increases from 2014-15 to 2025-26




Source: Unitywater; Seqwater.

This trend reflects Unitywater's commitment to cost containment and pricing stability, while continuing to invest in essential infrastructure and service quality. The historical data underscores our focus on affordability and prudent financial management, particularly in the context of rising input costs and external economic pressures.

Between 2014-15 and 2022-23, Unitywater maintained a price freeze, with no changes to our component of pricing. This was enabled by Unitywater achieving substantial cost reductions to keep customer bills as low as possible. During this period, increases in prices were solely attributable to rising bulk water costs, which were passed through to customers.

However, the strong population growth following the COVID-19 pandemic increased service demand, accelerating the need for infrastructure investment and placing upward pressure on costs. In response to this materially changed operating environment, including inflationary pressures, rising input and borrowing costs, and evolving compliance and service expectations, We began adjusting our pricing from 2023-24 to recover from extended price freeze. This catch-up was necessary to restore financial sustainability after eight years of holding Unitywater's charges flat, depite rising costs. Notwithstanding these pressures, Unitywater's pricing remains measured and below CPI over the long term.

While bulk water costs, set externally by Seqwater, remain a structural driver of volumetric pricing, Unitywater's component now reflects the financial realities of delivering essential services in a more complex and cost-intensive environment.

In 2025-26, the total median residential bill of $1,775 includes a combined water and wastewater volumetric component of $686 of which approximately 70%, or $482, relates directly to bulk water costs.

Unitywater continues to manage our own cost base tightly, ensuring that increases in our component of the bill remain modest and targeted, supporting affordability while enabling critical investment in network reliability and service quality.

## Recommended 2026-27 water and wastewater prices

The proposed water and wastewater prices for 2026-27 are designed to recover the forecast revenue requirement while continuing Unitywater's transition toward regional price parity by 2028-29.

Key features of the pricing approach include:

- two-part tariff structure (fixed access + volumetric usage)
- targeted adjustments to access charges to manage bill impacts and support equity
- pass-through of bulk water price increases as determined by Seqwater.

Unitywater has consistently applied a two-part tariff structure for water services, comprising a fixed access charge and a volumetric usage charge. In 2013-14, Unitywater implemented a tariff reform that extended this structure to wastewater services by introducing a volumetric charge component. This reform standardised pricing rules and methodology we applied across our service region, replacing the varied and inconsistent approaches inherited from former council arrangements. The two-part tariff structure remains a key feature of our pricing approach.

The proposed prices, as outlined in **Tables 17** and **18**, are determined following a comprehensive assessment of Unitywater's financial sustainability, ensuring recovering operational costs, fulfilling debt servicing obligations, and providing agreed returns to the Participant Councils. While the volumetric charge is applied uniformly across the Moreton Bay, Sunshine Coast and Noosa regions, fixed access charges have not yet reached full alignment.

Table 17 – Proposed 2026-27 prices compared to 2025-26 – City of Moreton Bay

| City of Moreton Bay | 2025-26 | 2026-27 | Difference | |
|---|---|---|---|---|
| **Water Access $ p.a.** | $374 | $389 | $15 | 4.1% |
| **Water Tier 1 $/kL: 0 – 300kL pa** | $0.787 | $0.815 | $0.028 | 3.6% |
| **Water Tier 2 $/kL: above 300kL pa** | $1.570 | $1.625 | $0.055 | 3.5% |
| **Bulk Water $/kL** | $3.517 | $3.611 | $0.094 | 2.7% |
| **Combined Tier 1 $/kL** | $4.304 | $4.426 | $0.122 | 2.8% |
| **Combined Tier 2 $/kL** | $5.087 | $5.236 | $0.149 | 2.9% |
| **Wastewater Access $ p.a.** | $747 | $778 | $31 | 4.1% |
| **Wastewater Tier 1 $/kL** | $0.787 | $0.815 | $0.028 | 3.6% |
| **Wastewater Tier 2 $/kL** | $1.570 | $1.625 | $0.055 | 3.5% |

Source: Unitywater.

Table 18 – Proposed 2026-27 prices compared to 2025-26 – Sunshine Coast and Noosa

| Sunshine Coast and Noosa | 2025-26 | 2026-27 | Difference | |
|---|---|---|---|---|
| **Water Access $ p.a.** | $345 | $369 | $24 | 6.9% |
| **Water Tier 1 $/kL: 0 – 300kL pa** | $0.787 | $0.815 | $0.028 | 3.6% |
| **Water Tier 2 $/kL: above 300kL pa** | $1.570 | $1.625 | $0.055 | 3.5% |
| **Bulk Water $/kL** | $3.517 | $3.611 | $0.094 | 2.7% |
| **Combined Tier 1 $/kL** | $4.304 | $4.426 | $0.122 | 2.8% |
| **Combined Tier 2 $/kL** | $5.087 | $5.236 | $0.149 | 2.9% |
| **Wastewater Access $ p.a.** | $708 | $756 | $48 | 6.8% |
| **Wastewater Tier 1 $/kL** | $0.787 | $0.815 | $0.028 | 3.6% |
| **Wastewater Tier 2 $/kL** | $1.570 | $1.625 | $0.055 | 3.5% |

Source: Unitywater.

Bulk water charges reflect Seqwater's price path up to 2025-26 and are assumed to increase in line with forecast CPI for 2026-27. This assumption remains subject to change, pending Seqwater's formal pricing advice expected in January or February 2026.

The wastewater volumetric charge is applied to the calculated volume of wastewater produced, based on a 90% of water usage. For residential customers, the wastewater charge is subject to a cap of 270kL per annum.

## Volumetric versus fixed charges

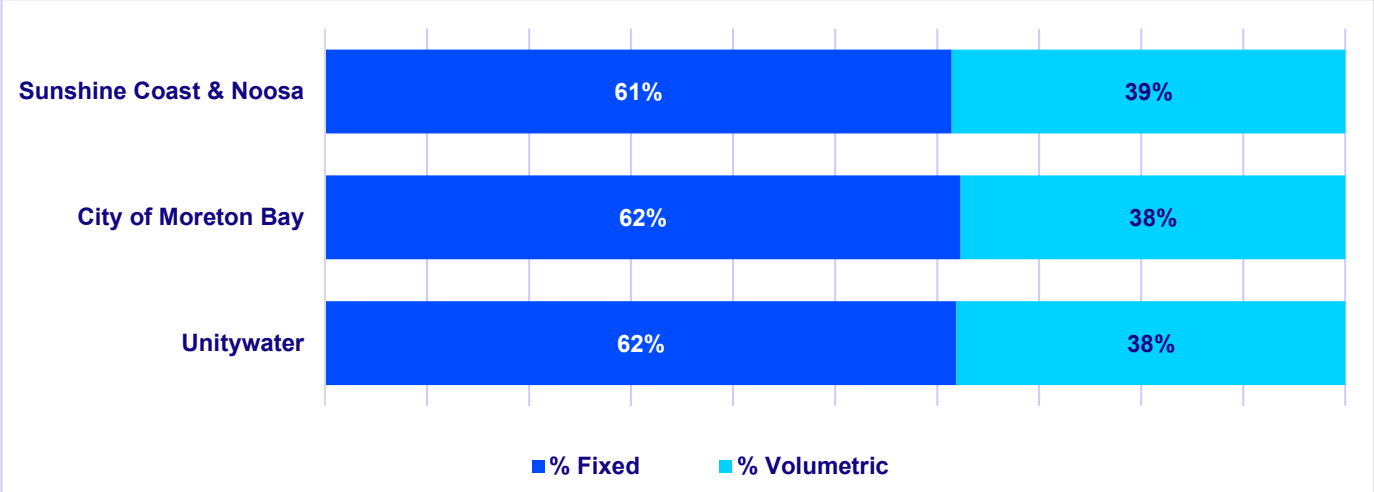
Unitywater's pricing structure reflects the cost-to-serve and infrastructure intensity of our network, balancing equity and sustainability. This two-part tariff comprising fixed access and volumetric usage charges is underpinned by:

- **Revenue stability**, delivered through fixed access charges that provide predictable funding for essential infrastructure and service delivery.
- **Customer responsiveness**, enabled by a volumetric pricing mechanism that allows bills to reflect actual usage, ensuring that those who place greater demand on the network contribute proportionally to the operation and ongoing investment in the infrastructure that supports their service.
- **Transparent cost pass-through**, with bulk water charges, set externally by Seqwater, clearly separated and passed through without margin.

While the fixed component ensures revenue stability, the volumetric charge acts as a demand management lever by encouraging efficient water use. This structure supports both cost recovery and customer behaviour change, aligning with Unitywater's long-term sustainability and equitable service provision across our regions.

**Figure 31** shows the breakdown of the median bill into the share of fixed and volumetric charges.

Fig. 31 – Median bill breakdown by fixed and volumetric charge

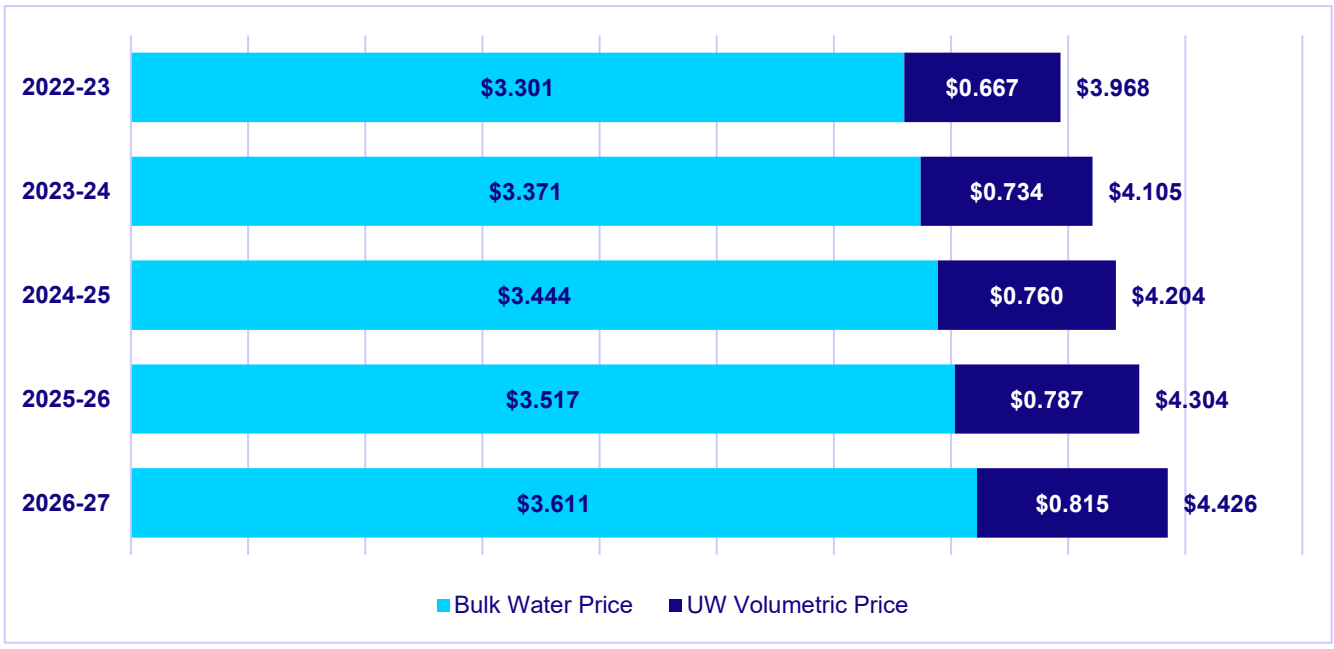



Source: Unitywater.

## Bulk water prices

Bulk water costs are passed through directly to customers and reflect Seqwater's price determination through to 2025-26. For the 2026-27 budget, bulk water prices are assumed to increase in line with forecast CPI, with an estimated rate of $3.611/kL (refer **Figure 32**). This equates to $495 per household per annum, representing approximately 27% of the total median residential bill.

Fig. 32 – Unitywater volumetric price and bulk water price comparison ($/kL)




Source: Unitywater.

# Bill impact

## Median residential bill

Under the proposed pricing, the median residential bill is forecast to increase by a total of 4.4%. This is comprised of 3.9% coupled with 0.5% for the estimated costs of the QCA price monitoring. This results in an annual bill of $1,854, up from $1,775 in 2025-26 ($19.75 per quarterly bill).

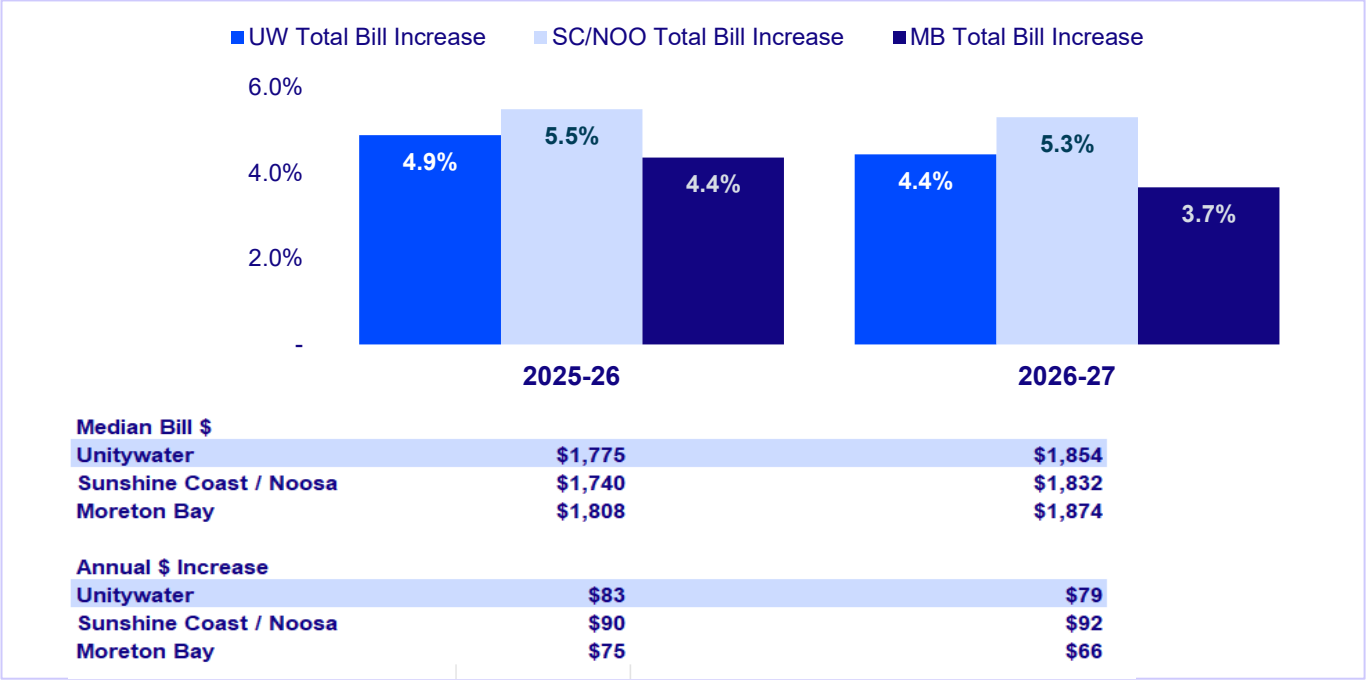
The increase reflects modest adjustments to support revenue sustainability while maintaining affordability. Unitywater's approach ensures that the overall bill impact remains reasonable, with targeted adjustments to access charges to support the transition to price parity.

The regional pricing approach is based on the Participant Council's asset investment and maintenance at the time of Unitywater's formation and is gradually moving to parity as these approaches have been standardised through the maturity of the one business.

Regionally, this reflects a 5.3% increase for Sunshine Coast and Noosa and a 3.7% increase for Moreton Bay. For household bills, this equates to an annual increase of $92 ($23 per quarterly bill) for Sunshine Coast and Noosa, and $66 ($16.50 per quarterly bill) for Moreton Bay.

A summary of the proposed 4.4% price increase and its associated impact is set out in **Figure 33**.

Fig. 33 – 2026-27 median residential bill




| Median Bill $ | | |
|---|---|---|
| Unitywater | $1,775 | $1,854 |
| Sunshine Coast / Noosa | $1,740 | $1,832 |
| Moreton Bay | $1,808 | $1,874 |
| | | |
| Annual $ Increase | | |
| Unitywater | $83 | $79 |
| Sunshine Coast / Noosa | $90 | $92 |
| Moreton Bay | $75 | $66 |

Source: Unitywater.

### $66 (3.7%) increase proposed for the median residential user in City of Moreton Bay

**Table 19** shows the customer impact across various customer types within the Moreton Bay region, with proposed price increases for 2026-27 impacting the median residential user in Moreton Bay as follows:

- $66 (3.7%) more including bulk water, with Unitywater's component of the bill increasing by $53 (4.0%).

- Water access charges will increase by $15 (4.1%) and wastewater access charges will increase by $31 (4.1%).
- Unitywater component of volumetric charges, based on consumption of 137kL per annum will increase by $7 (3.6%).
- Seqwater bulk water charges will increase by $13 (2.7%).

Table 19 – City of Moreton Bay residential impact (including bulk water charges)

| Annual usage band (kL) | % of total residential connections in band | Average usage in band (kL) | 2025-26 annual bill ($) | 2026-27 annual bill ($) | Total change in bill | | Total change in Unitywater component of bill | |
|---|---|---|---|---|---|---|---|---|
| | | | | | $ | % | $ | % |
| 0 kL | 1 | – | 1,121 | 1,167 | 46 | 4.1 | 46 | 4.1 |
| 0 to 75 kL | 19 | 48.0 | 1,362 | 1,415 | 53 | 3.9 | 49 | 4.1 |
| 75 to 165 kL | 45 | 121.0 | 1,728 | 1,792 | 64 | 3.7 | 52 | 4.0 |
| 165 to 350 kL | 31 | 229.0 | 2,269 | 2,349 | 80 | 3.5 | 58 | 4.0 |
| 350+ kL | 3 | 617.0 | 4,238 | 4,375 | 137 | 3.2 | 79 | 3.8 |
| **Median user** | | **137.0** | **1,808** | **1,874** | **66** | **3.7** | **53** | **4.0** |

Source: Unitywater.

### $92 (5.3%) increase proposed for the median residential user in Sunshine Coast and Noosa

**Table 20** shows the customer impact across the Sunshine Coast and Noosa regions, with proposed price increases for 2026-27 impacting the median residential user in the Sunshine Coast and Noosa as follows:

- $92 (5.3%) more including bulk water, with Unitywater's component of the bill increasing by $79 (6.3%).
- Water access charges will increase by $24 (6.9%), and wastewater access charges will increase by $48 (6.8%).
- Unitywater component of volumetric charges, based on consumption of 137 kL per annum will increase by $7 (3.6%).
- Seqwater bulk water charges will increase by $13 (2.7%).

Table 20 – Sunshine Coast and Noosa residential impact (including bulk water charges)

| Annual usage band (kL) | % of total residential connections in band | Average usage in band (kL) | 2025-26 annual bill ($) | 2026-27 annual bill ($) | Total change in bill | | Total change in Unitywater component of bill | |
|---|---|---|---|---|---|---|---|---|
| | | | | | $ | % | $ | % |
| 0 kL | 1 | – | 1,053 | 1,125 | 72 | 6.8 | 72 | 6.8 |
| 0 to 75 kL | 21 | 47.0 | 1,289 | 1,367 | 79 | 6.1 | 74 | 6.6 |
| 75 to 165 kL | 44 | 119.0 | 1,649 | 1,739 | 89 | 5.4 | 78 | 6.4 |
| 165 to 350 kL | 30 | 228.0 | 2,196 | 2,301 | 105 | 4.8 | 84 | 6.0 |
| 350+ kL | 4 | 592.0 | 4,042 | 4,202 | 160 | 3.9 | 104 | 5.3 |
| **Median user** | | **137.0** | **1,740** | **1,832** | **92** | **5.3** | **79** | **6.3** |

Source: Unitywater.

## South East Queensland utilities price comparison

A comparison of SEQ utilities' median residential bills, based on 2025-26 prices and calculated using Unitywater's median usage of 137 kL per annum, shows that Unitywater's total median residential bill of $1,775 falls within the mid-range of SEQ utilities. This is $18 (1.0%) above the regional average of $1,757.

**Key comparative insights:**

- **Comparable with regional peers:** Unitywater's bill is almost identical to Gold Coast ($1,773) and marginally higher than Logan ($1,766).
- **Below the highest SEQ charges:** Unitywater's bill is $111 (6.3%) lower than Redland ($1,886), which records the highest charges in the region.
- **Above Urban Utilities:** Unitywater's bill is $190 (10.7%) higher than Urban Utilities ($1,585). This differential has widened slightly from $168 (9.9%) against Brisbane region in 2024-25 and reflects structural cost differences, including Unitywater's larger and more geographically dispersed service area compared to the higher-density, urbanised catchment serviced by Urban Utilities. Another change is despite servicing double the population, the capital infrastructure program for Urban Utilities is now lower than the Unitywater program, reflecting the significant growth profile of the Unitywater service region, which will carry 5.4% of Australia's total population growth which is the largest share of growth compared to elsewhere across the country.

This outcome reflects Unitywater's balanced pricing approach, which maintains affordability while supporting investment in essential growth infrastructure and sustaining service reliability through prudent renewal and maintenance.

Sunshine Coast COUNCIL

16 October 2025

Mr Michael Arnett
Chair, Unitywater Board
PO Box 953
CABOOLTURE QLD 4510

Dear Mr Arnett, Michael

Thank you for your recent correspondence regarding the QCA's price monitoring investigation.

Sunshine Coast Council supports the key priorities you've outlined - maintaining shareholder returns, investing in infrastructure to support growth, and ensuring reliable service levels for customers and the environment. These are essential to the sustainability of our region.

I have written to the Minister for Local Government and Water and Minister for Fire, Disaster Recovery Volunteers, to outline Council's concerns, which include:

- Any reduction in Unitywater's dividend to Sunshine Coast Council would significantly impact our budget, potentially requiring a general rates increase of up to 5% or a reduction to services delivered to our community.
- Government commentary that appears to pre-empt the QCA's findings. Council strongly supports an independent, evidence-based process that reflects the true cost of service delivery and protects long-term financial sustainability.
- Support for further consideration of the bulk water charge, which your analysis suggests could deliver meaningful bill relief if the water grid debt is finalised by 2028.

Thank you for your continued engagement. We look forward to working together to ensure the best outcomes for our community.

[redacted]

**Mayor Rosanna Natoli**

NOOSA Council

13 November 2025

Mr Michael Arnett
Chair
Unitywater
PO Box 953
CABOOLTURE QLD 4510

*Via email:* [redacted]

Dear Mr Arnett

On behalf of Noosa Shire Council, I wish to express our support for Unitywater in relation to the Queensland Competition Authority's (QCA) price monitoring investigation.

We are confident in Unitywater's commitment to transparency and accountability, and in its efforts to ensure water bills remain affordable for all Queenslanders, particularly for residents of the Noosa Shire. Noosa Council values the important work Unitywater undertakes and fully supports its ongoing activities.

On behalf of Council, I acknowledge and value the significant service Unitywater delivers to our community, including both residents and millions of visitors each year. Any reduction in this standard of service would be of serious concern, given the critical nature of the service provided.

We thank you for your leadership in championing Unitywater's role in South East Queensland. We look forward to continuing our collaboration with Unitywater and the State Government to achieve our shared goal of delivering high-quality, affordable water solutions across the region, while strengthening our partnerships.

Yours sincerely

[redacted]

Cr Frank Wilkie
Noosa Shire Mayor

Office of the CEO

CITY OF MORETON BAY

Phone (07) 3205 0555
Our Ref 74472191
Date 19 December 2025

Anna Jackson
Chief Executive Officer
Unitywater

BY EMAIL [redacted]

Dear Anna,

**CITY OF MORETON BAY ENDORSEMENT**

The City of Moreton Bay appreciates the opportunity to provide a written endorsement in relation to the operations of Unitywater. As Chief Executive Officer of the City and formerly Chief Executive Officer of Noosa Council, I can provide a unique shareholder view as to the operations and their efficiency. During my near 4-year tenure leading both local governments that are shareholders, I have not received a single complaint in relation to Unitywater's water and sewer pricing. The residents and ratepayers of both local government areas are vocal on numerous matters, however the price point set each year by Unitywater is not a matter of concern.

From an operational and relationship perspective I can attest to a culture of continuous improvement and service delivery. Both of which are not an easy task to achieve in a high growth environment, where extreme levels of new housing development must be balanced with asset maintenance and renewal in established suburbs.

Anna, thank you for the opportunity to provide this endorsement of Unitywater. I can be available at any time to speak with any government authority undertaking reviews into Unitywater.

Yours sincerely,

[redacted]

Scott Waters
**Chief Executive Officer**