Queensland Competition Authority

Price monitoring review 2026-27: Unitywater

Interim report

May 2026

Contents

Overview

Our price monitoring investigation provides information to stakeholders, offering transparency that holds Unitywater accountable for its commercial practices and pricing decisions.

The investigation is being undertaken in two phases:[1]

- Phase 1: An interim report – for the period 1 July 2026 to 30 June 2027
- Phase 2: A draft report in December 2026, followed by a final report in April 2027 – for the period 1 July 2027 to 30 June 2030

This interim report sets out our preliminary findings on Unitywater's systems, processes and governance frameworks across procurement, asset management, capital investment and operating expenditure forecasting. We have also considered Unitywater's productivity measures. Our phase 1 assessment does not evaluate the prudency or efficiency of Unitywater's past or present capital and operating expenditure, nor does it form a view on the reasonableness of its submitted revenue and prices for 2026-27.

In contrast, our phase 2 review will include our assessment of the prudency and efficiency of Unitywater's forecast expenditure for the period 1 July 2027 to 30 June 2030.

Preliminary assessment

Unitywater has provided transparent revenue forecasts for 2026–27, and has documented its planning and governance arrangements. Relevantly, we note the proactive engagement at the board level on a range of efficiency matters, with a clear focus on customer affordability.[2]

While further assessment will be undertaken in phase 2 of our review, our preliminary findings indicate that the business is well-positioned to demonstrate improvements and respond constructively to our prudency and efficiency review.

Financial forecasts for 2026–27

For this interim report we are required to use the information submitted by Unitywater to establish a clear baseline of forecast revenue against which actual performance will be compared in our future periodic monitoring report for 2026–27.

Unitywater's forecasts for total revenue, prices, and bill impacts for 2026–27 have been presented in a manner that will support transparency when we come to compare these against actual price outcomes in future periodic monitoring reports (see Appendix A for revenue and pricing details).

Unitywater has provided sufficient information to enable us to monitor:

- forecast total revenue, which we will compare against its actual revenue for 2026-27
- forecast price and bill impacts for 2026–27 (excluding bulk water charges)
- service quality and reliability trends.

Our forthcoming phase 2 review will consider the prudency and efficiency of Unitywater's proposed forecast expenditure over 2027–28 to 2029–30.

[1] We are also required to prepare annual reports comparing forecasts with actual outcomes covering both phases.
[2] Unitywater, response to RFI 46: Various board materials.

The structured presentation of forecast information enhances stakeholders' ability to understand the drivers of future pricing decisions and demonstrates a transparent approach to price monitoring.

Governance arrangements

Unitywater maintains a mature and structured, enterprise-level governance framework that integrates strategic planning, capital investment, asset management, risk management and procurement. Unitywater's overarching enterprise-level governance systems appear robust, well documented and consistent with good industry practice. The framework establishes a clear foundation for decision-making and expenditure oversight.

Based on our interim review, the governance framework is likely to support prudent and efficient outcomes if applied appropriately and consistently.

Procurement, asset management and capital investment frameworks

We found that Unitywater's capital planning, delivery and asset management systems are structured and mature and reflect good industry practice. Unitywater's procurement framework appears robust and does not raise material concerns regarding processes or procedures.

The frameworks are supported by processes and procedures that demonstrate structured governance and decision-making, with robust oversight and challenge processes embedded into them. Where opportunities for improvement have been identified, Unitywater appears to be actively responding with appropriate initiatives.

Although prudency and efficiency assessments will subsequently be undertaken in phase 2 of our review, current practices suggest an appropriate level of discipline and rigour in Unitywater's processes.

Operating expenditure forecasting

Unitywater's forecasting practices are based on a clearly articulated methodology with established governance arrangements. They are consistent with good industry practice and are characterised by clear accountability, structured review processes, integration across planning functions and mechanisms for ongoing validation and improvement. This supports transparent and reliable forecasting.

The approach provides a reasonable basis for our ongoing price monitoring activities, especially in phase 2, when we consider prudency and efficiency matters.

Productivity initiatives and performance indicators

Unitywater has outlined a range of productivity initiatives. While our interim report does not assess the effectiveness of these initiatives, we note that there is a commitment to continuous improvement and cost management in the business.

The performance indicators presented are consistent with good industry practice. They provide a practical framework for monitoring service quality and reliability as well as operational performance. This will be important when we assess Unitywater's actual performance against its forecasts in future price monitoring reports.

Introduction

We have been directed by the Queensland Government to undertake a price monitoring investigation of the water and sewerage services provided by Unitywater for the period 1 July 2026 to 30 June 2030 (the price monitoring period).[3]

Unitywater is a council-owned distributor-retailer responsible for providing water and sewerage services to customers in three local government areas in south-east Queensland. It supplies more than 900,000 people in the Moreton Bay, Noosa and Sunshine Coast council areas.

Its core functions are:

- purchasing bulk water from Seqwater and distributing it to customers thorough its water network
- collecting, treating, and disposing of sewage and other wastewater
- providing retail services, including customer metering and billing.

Unitywater was established on 1 July 2010 as a statutory body under the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009*.

Background on price monitoring

The water and sewerage services provided by Unitywater are monopoly business activities for the purposes of the *Queensland Competition Authority Act 1997* (QCA Act).[4] This means the activities are subject to the prices oversight regime in Part 3 of the QCA Act.

Under Part 3, we may be directed by the government to monitor the pricing practices relating to declared monopoly business activities and to periodically report the results of the investigation.[5]

The purpose of price monitoring is to promote transparency, improve business accountability and incentivise better performance. It does this by providing customers and stakeholders with a better understanding of the efficiency of the businesses' expenditure and pricing decisions. The regime is informative rather than determinative, as the businesses are responsible for setting their own prices.

Our last price monitoring review of Unitywater's activities was completed in March 2014 and covered the period 1 July 2013 to 30 June 2015.[6] That review also covered the water and sewerage activities of Urban Utilities and the three local councils in south-east Queensland that provide water and sewerage services in their respective council areas – Logan, Redland and Gold Coast.

How are Unitywater prices set?

Unitywater sets its own prices.

[3] The referral was issued by the Acting Minister for Finance, Trade, Employment and Training on 24 September 2025. The referral and cover letter are available on our website.
[4] QCA Act, s 20; QCA Regulation 2018, s 2.
[5] Under section 23A of the QCA Act. We can also be directed to investigate and make recommendations about the pricing practices relating to the activities, which may include recommending prices (s 23 of the QCA Act).
[6] QCA, *SEQ retail water price monitoring 2013–15*, QCA website, 2026.

While Unitywater has some code requirements with respect to small customers (residential and business) for matters like the presentation of billing information,[7] overall it is responsible for setting the prices its customers pay.

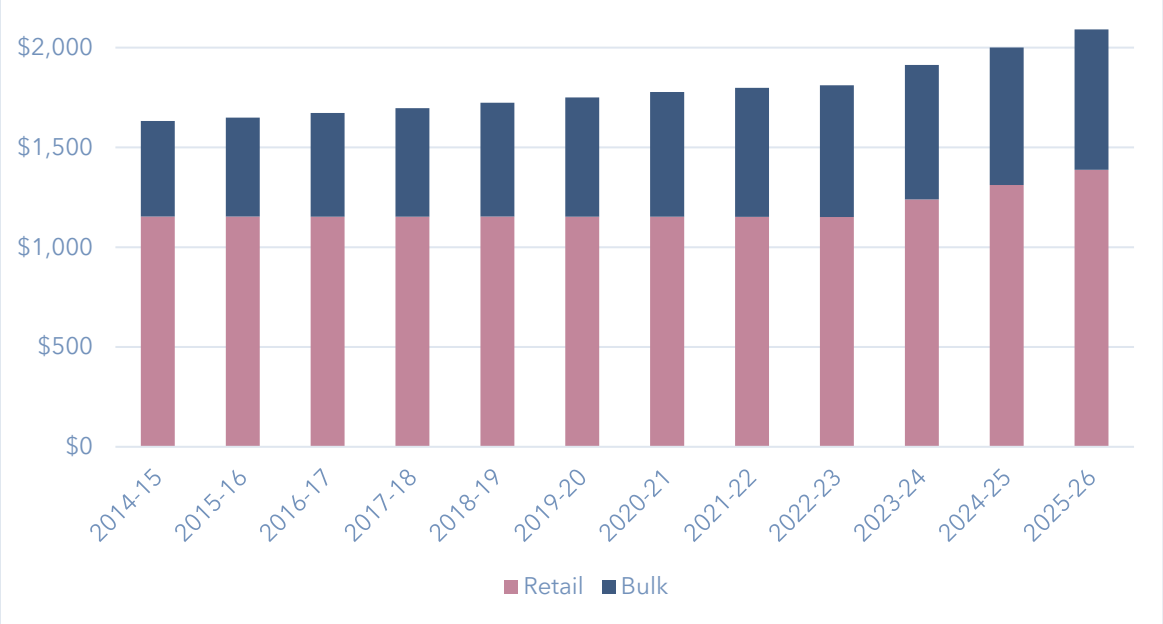
Our role is to enhance transparency and accountability of the businesses' expenditure and price-setting processes when establishing the baseline of forecast expenditure and prices that we can monitor against.

Bill impacts since our last review – typical residential customer

Unitywater charges its customers based on distribution-retailer and bulk water components. To provide a representative view of bill impacts on a typical residential customer since our previous price monitoring review in 2014–15, we have constructed an indicative total weighted bill[8] for water and wastewater services based on annual consumption of 200 kL.[9] Ultimately, the mix of fixed and usage charges, the level of water consumption, and the customer's location within the service area will affect the typical residential bill.

Distinguishing between Unitywater's distribution-retailer charges and bulk water charges provides a transparent comparison of the relative bill impact contribution of each component. These are shown in Figure 1 and Table 1 for the period since our last price monitoring review.

Figure 1: Typical residential bills since 2014–15, bulk and retail components (annual 200 kL)



Source: QCA analysis; Unitywater, response to request for information (RFI), April 2026.

[7] For example, Seqwater bulk water charges must be separately itemised (Department of Energy and Water Supply, *South East Queensland Customer Water and Wastewater Code*, version 1.0, Queensland Government, April 2017).

[8] Weighted to reflect regional pricing differences, relative to the number of connections within pricing regions, across Unitywater's retail customer base.

[9] To derive a typical residential customer bill we have adopted a standard consumption level of 200 kL (calculated as the sum of the annual bill for water services and wastewater services). This is consistent with the Bureau of Meteorology's National Performance Report, which uses 200 kL consumption to support comparability across service providers. See BOM, *National performance report 2024–25: water and wastewater service providers, Part A*, Australian Government, March 2026.

Table 1: Bill impacts for a typical residential customer since 2014-15

Year	Retail component		Bulk water component	
	Typical bill	Change	Typical bill	Change
2014–15	$1,153.80	n/a	$478.47	n/a
2015–16	$1,153.62	($0.18)	$495.58	$17.11
2016–17	$1,153.09	($0.53)	$519.49	$23.91
2017–18	$1,153.11	$0.02	$543.60	$24.11
2018–19	$1,153.86	$0.75	$570.32	$26.71
2019–20	$1,152.92	($0.94)	$597.09	$26.77
2020–21	$1,153.00	$0.08	$624.40	$27.31
2021–22	$1,152.30	($0.71)	$646.20	$21.80
2022–23	$1,151.49	($0.81)	$660.20	$14.00
2023–24	$1,239.24	$87.75	$674.20	$14.00
2024–25	$1,311.92	$72.68	$688.80	$14.60
2025–26	$1,387.74	$75.82	$703.40	$14.60

	Retail component	Bulk water component
Total increase	$233.94	$224.93
Average annual increase	$21.27	$20.45
Compound annual increase	1.7%	3.6%

Note: Amounts may not add due to rounding.
Source: QCA analysis; Unitywater, response to RFI 46.

Since our previous price monitoring investigation, the retail component has increased on average by $21, or 1.7%, per annum, for a typical customer bill.

Bill impacts for 2026-27 – typical residential customer

We are unable to provide typical residential customer impacts for the bulk water component as at the time of preparing this interim report, we did not have access to Seqwater's bulk water price for 2026–27.

Nonetheless, we have been able to show the indicative bill impacts for the retail component of a typical residential bill (Table 2), based on the forecast prices submitted by Unitywater (Appendix A).[10]

[10] Unitywater advised that forecast prices may be revised in May 2026 given the uncertain outlook for several external factors (e.g. inflation and interest rates), consistent with its established price-setting timetable. See Unitywater, *Price monitoring submission, Part 1 2026–27,* submission to the Queensland Competition Authority, December 2025, p 68 ('Unitywater submission').

Table 2: Unitywater forecast typical residential customer bill – retail component only

Bill component	2025–26	2026–27	Price change (%)
Water usage charges	$157.40	$163.00	3.6
Water service charge	$360.64	$379.85	5.3
Sewerage service charge	$728.04	$767.28	5.4
Sewerage usage charge	$141.66	$146.70	3.6
Total retail component	**$1,387.74**	**$1,456.82**	**5.0**
Bulk water component	$703.40	TBA	n/a
Total	$2,091.14	TBA	TBA

Note: Amounts may not add due to rounding.
Source: QCA analysis; Unitywater, response to RFI 46.

These impacts will be considered in our periodic monitoring report when we compare Unitywater's submitted forecasts with actuals.

Consultation process and key dates

The timeframe for finalising this interim report was compressed and stakeholder consultation will be undertaken within phase 2 of our investigation.

We invite stakeholders, including members of the community, to participate in phase 2 of the review (see Figure 2 for an indicative timetable). Submissions on the businesses' proposal and any other issues considered relevant to our review are invited by 5 October 2026. There will be a further opportunity to provide submissions after we publish the draft report.

Figure 2: Indicative timetable for phase 2 of the review

Keeping updated during the review

To obtain updates about our review, stakeholders should regularly check our website or subscribe to receive email alerts. Further information can be requested by using the contact form on our website or by calling us on 07 3222 0555.

1 Governance, policies and procedures

The referral asks us to consider Unitywater's 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'.[11]

Large, well-run businesses typically maintain a substantial suite of strategies, plans, policies and procedures. These document and define the objectives, rules, standards, and operational guidelines to support the business in undertaking its functions in a standardised and repeatable manner, while achieving its organisational and strategic objectives. For simplicity, we refer to these collectively as 'frameworks'.

In the context of a capital-intensive business such as Unitywater, the key frameworks relevant to our review include the business' approaches to procurement, capital planning and delivery, asset management, risk management and the governance arrangements underpinning these functions.

We undertook a high-level preliminary review of Unitywater's frameworks. Overall, our interim view is that Unitywater appears to maintain robust and mature frameworks that reflect good industry practice. Where opportunities for improvement have been identified, Unitywater appears to be responding with appropriate improvement initiatives.

Our findings are preliminary and will be refined through a detailed review of how the frameworks, policies and procedures operate in practice. Their effectiveness depends on consistent and appropriate application, which will be considered in our draft report through a review of selected case studies of capital projects and programs.

Why are good practice frameworks important?

From a price monitoring perspective, the strength of an organisation's frameworks is an important factor in evaluating the reasonableness and credibility of forecast expenditures. Broadly speaking, evidence of robust, good industry practice frameworks indicate that a business applies systematic and structured approaches to project evaluation, decision-making and risk management. When appropriately and consistently applied, these frameworks offer some confidence in the likely prudency and efficiency of investment and expenditure decisions and outcomes.

For instance, effective and robust procurement policies support transparency and accountability, appropriate management of risk, more favourable pricing outcomes for project delivery, and overall value for money. Similarly, rigorous frameworks for capital planning and delivery foster prudent and timely investment decisions, consideration of trade-offs and competing priorities, cost oversight and control, and alignment with broader strategic objectives. Robust asset management strategies can optimise asset performance and resilience, minimise maintenance costs, and realise optimal value from assets across their asset life cycle.

[11] Referral, section D(1.2).

QCA approach

We reviewed Unitywater's key frameworks relating to its capital planning and delivery, asset management, risk management, procurement and supporting governance arrangements. This review was informed by Unitywater's submission, Unitywater's responses to requests for information (RFIs), interviews with key personnel, and the findings of our independent technical consultant, Utilities Regulation Australia (URA).

Key evaluation principles

For this high-level review, we looked for evidence that Unitywater's frameworks and processes are robust and reflect good industry practice. We considered whether the frameworks provide for appropriate oversight, challenge and control of expenditures throughout the planning and delivery process; and are likely to support efficient expenditure and investment decisions if applied appropriately and consistently.

In our assessment, we have had regard to several general characteristics that may indicate good industry practice, developed in consultation with URA. At a high level, markers of good practice can include:

- **Alignment** with relevant recognised industry standards, for example ISO 550001[12] standard for asset management, and internal alignment of policies and procedures with higher level strategic and corporate objectives.
- **Decision-making systems and integration** – effectiveness of systems and processes for managing expenditure and investment decisions, including integration across the asset lifecycle. Clearly defined investment planning and decision-making frameworks that include gateway reviews, clear policies, and procedural guidance to ensure consistency across projects.
- **Criteria for investment decision-making** – decision frameworks should include explicit criteria addressing drivers, investment need, prudency, efficiency, customer value and expected benefits. We would expect to see robust and structured processes for challenge and oversight throughout the planning and delivery process.
- **Application of decision-making framework and prioritisation** – how systems and processes are applied in practice to support, modify, or halt investment decisions. Demonstrated examples of frameworks being actively used to assess investments, including documentation showing when projects have been progressed, deferred, or cancelled following gateway reviews.
- **Implementation and effectiveness**[13] – evidence from case studies or internal reviews showing that governance and decision-making processes are actively and consistently used. Evidence should demonstrate application across the relevant process stages including concept, evaluation, planning and delivery.
- **Maturity and evolution of frameworks** – evidence of proactive review, including benchmarking against peers and recognised best practice, adaptability to changing business environments, and demonstrated responsiveness to opportunities for improvement. We

[12] International Organization for Standardization, *ISO 550001:2024, Asset Management-Asset management system–Requirements,* 2024.

[13] This is primarily a matter for the subsequent stages of our investigation and will be considered in phase 2. However, a sample of case studies was provided, which have been considered at a high level in developing our interim findings.

should expect to see acknowledgement of any gaps or deficiencies and a clearly articulated 'desired future state' and plans to achieve it.

- **Monitoring and progress reporting** – regular, transparent reporting on progress against improvement plans and strategies, including milestones, performance indicators and actions to address deficiencies or challenges.
- **Evidence of consultation** with relevant stakeholders to demonstrate alignment between strategies and process improvements, and service or value outcomes.

Analysis and interim findings

Our desktop review, supported by URA's expert assessment, did not identify any material or obvious deficiencies in Unitywater's frameworks, or departures from good industry practice. Where opportunities for improvement have been identified, Unitywater appears to be responding with appropriate improvement initiatives.

This is our preliminary finding based on the information considered to date, which is commensurate with the general scope of this interim report. Our interim observations will be subject to further testing and refinement for our draft and final reports.

URA's assessment noted some areas for potential further review, particularly regarding the application of the frameworks in practice, and evidence of the outcomes they are delivering.[14] This is consistent with the preliminary scope of this interim report and does not necessarily infer deficiencies in processes or compliance, or departures from good industry practice. These matters may be explored further in our draft and final reports where relevant, when we consider additional information and capital project case studies. Case study reviews will provide a more complete picture of how the frameworks function in practice, and whether they are leading to sound investment decisions and prudent and efficient outcomes.

Our initial observations on each key element of Unitywater's frameworks are set out in the following sections.

Governance framework

Good practice enterprise-level governance is characterised by clear frameworks that provide structure, consistency and accountability to how an organisation makes decisions and performs its functions. This includes how ideas are developed, reviewed, challenged, approved and implemented across the organisation. Good governance frameworks typically comprise structured governance bodies, defined responsibilities and delegations, clear decision-making criteria, process frameworks, and formal management and oversight arrangements.

At a high level, Unitywater's overarching enterprise-level governance systems appear robust, well documented and consistent with good industry practice. The framework establishes a clear and integrated foundation for decision-making and expenditure oversight.

Based on our interim review, the overarching governance framework is likely to support prudent and efficient investment outcomes if applied appropriately and consistently.

[14] URA, *Unitywater Price Monitoring 2026–30, Consultants Expenditure Review – Phase 1*, April 2026, pp 23–35. ('URA Phase 1 report')

Capital planning, delivery and asset management

Capital planning and delivery frameworks define how investment needs are identified, scoped and developed, prioritised, challenged, approved and delivered. A robust, good practice framework should require that expenditure is evidence-based, aligned with broader strategic objectives and justified by service needs. It should also support accountability by clearly specifying decision-making roles and responsibilities, pathways for approval, challenge processes and ongoing oversight.

Asset management frameworks articulate the principles and processes for the operation and management of assets. This can include for example, principles for how and when assets should be operated, inspected and maintained, replaced, refurbished or retired. At a high level, the objectives of a robust asset management framework are to optimise asset performance and reliability and maximise realised value over the lifecycle of the asset – having regard to cost, risk and compliance.

We found that Unitywater's capital planning, delivery and asset management systems are structured, mature, and reflect good industry practice. Some of our key observations include:

- The capital planning framework structurally supports prudency and efficiency within investment decision-making. We saw evidence of a clearly defined decision-making framework supported by a formal stage gate model, defined approval authorities and structured business case documentation.[15] The governance architecture is coherent, integrated and committee-driven, supporting oversight, challenge and control across the asset lifecycle.
- Business cases are required to clearly define baseline performance, risk assessments, expected benefits and success criteria, with stage-gate reviews testing strategic alignment, delivery readiness and value before funding approval. Operating expenditure impacts and whole-of-life costs are considered to ensure investment decisions demonstrate prudency, efficiency and customer value. Stakeholders are consulted through a customer research program covering value, pricing and support for key initiatives, and through targeted engagements to inform overall business strategy and investment decisions.
- Investment prioritisation criteria are structured, risk- and evidence-based and reflect a weighted-multi-criteria approach.[16] Prioritisation is undertaken by a dedicated asset prioritisation group and assessed at multiple stages in the process.[17]
- Performance monitoring frameworks for capital projects appear comprehensive, with defined reporting requirements and governance processes. Dedicated teams, including the project control group, provide oversight of progress, performance and delivery risks.
- A review of two sample case studies demonstrates the application of the capital planning and decision-making processes. The case studies illustrated the use of ongoing oversight and review processes, which enabled Unitywater to reduce project scope and timing to achieve improved value for money and efficiency outcomes.[18]

[15] Unitywater, *Pr11057 – CIPM – Capital Infrastructure Project Manual*, June 2025.
[16] See, Unitywater, *Response to RFI 36 – Asset Prioritisation Group methodology*, 19 March 2026.
[17] Unitywater, *Asset Prioritisation Group Charter*; Unitywater, *Pr11073 – CIPM – Project Risk Assessment and Prioritisation Guidelines,* July 2025.
[18] Unitywater, *Response to RFI 22: Project scope adjustment examples*, 19 March 2026.

- Unitywater's asset management framework appears aligned with good industry practice and the requirements of ISO 55001[19], and is periodically benchmarked to peers through the Water Services Association of Australia (WSAA). Improvement actions arising from benchmarking reviews are clearly articulated as 'asset management focus areas' within the strategic asset management plan.[20] Asset criticality assessment methods, and condition assessment frameworks are clearly documented.
- Unitywater's transition to a partner delivery model represents a significant change in delivery governance. This transition is expected to impact on the documentation of procedures for capital planning and delivery. Some procedures have been updated, but these do not yet cover the full model. A transformation program is underway to update the processes and frameworks to support the new delivery model.

Procurement processes

A good practice procurement framework should establish processes for sourcing and contracting that are compliant, probity-based and capable of demonstrating value for money. It should include clear and systematic processes that define procurement thresholds, probity controls, delegations, contract management, assurance and close-out requirements. These processes should be applied consistently across the whole organisation with appropriate monitoring and assurance in place to ensure that the processes are being implemented appropriately.[21]

Based on our review, Unitywater's procurement framework does not raise material concerns regarding processes or procedures. Our key findings include:

- The framework is well-documented with established processes to support procurement management. The framework appears to be comprehensive and well-documented, supported by clear policies covering sourcing, contract management and compliance. Procurement outcomes and efficiency initiatives also demonstrate a focus on value for money and cost control at the individual procurement or contract level.
- A procurement guide outlines key considerations across the entire procurement cycle, tailored to the size, scope and complexity of each activity. The guide and procurement policy demonstrate a focus on the core principles of value-for-money, effectiveness and efficiency, integrity and accountability.[22]
- We considered two case studies that demonstrated a consistent application of Unitywater's procurement processes for high-value, high-complexity projects aligned with the procurement guide and policy. However, further case studies would need to be reviewed to assess the application of the framework to projects of different size, scope and complexity. We may consider these matters further in preparing our draft report.
- The procurement guide outlines Unitywater's commitment to continuous improvement in procurement practices. Unitywater advised that it updated its procurement and delivery approach in response to feedback from internal stakeholders, suppliers and external reviews.

[19] The International Organization for Standardization (ISO) is an independent, non-governmental entity that develops voluntary, consensus-based international standards for industries. ISO standards are developed by international panels of experts and are globally recognised as benchmarks for best practice in various fields. The Institute of Asset Management is the international professional body for management of physical assets. The IAM develops asset management knowledge and best practice.
[20] Unitywater, *Strategic Asset Management Plan 2021–22 to 2025–26*, November 2025.
[21] URA, Phase 1 report, p 16.
[22] Unitywater, *Pr10611 – Procurement guide,* 2025; Unitywater, *OP8051 – Procurement policy*, 2025.

It also provided evidence of internal audits of procurement processes undertaken in 2022 and 2025, including the audit findings and the actions taken in response.[23]

- An internal quality assurance program conducts peer reviews of randomly selected procurement activities, with results used to identify strengths and improvement opportunities within the procurement framework, systems and end-user capability.[24] Unitywater stated that it provides regularly updated training, mandatory awareness programs, system-based guidance, and tailored support from a central procurement function to build organisational capability across the full procurement process.[25]

URA recommended that Unitywater consider benchmarking the maturity of its procurement framework against industry peers using recognised processes to inform potential gaps and reveal any opportunities for improvement.[26]

Risk management

Unitywater appears to maintain a mature risk management system aligned with AS ISO 31000 standards,[27] reflecting good industry practice. Our initial review identified no material deficiencies in Unitywater's' risk frameworks, processes, or procedures. Our key observations include:

- The risk management policy establishes an enterprise-wide framework for identifying, assessing, mitigating and monitoring strategic, operational and financial risks. This is supported by a board-approved risk appetite statement that clearly articulates the nature and level of risk the organisation is prepared to accept. The risk management procedure sets our clear structured guidance on recognition and ranking of risks, analysis, reporting and the implementation of controls and mitigation actions.[28]
- Risk management is embedded through the application of a risk assessment and scoring tool within asset management plans and project documentation.[29] This aims to ensure risks are assessed and managed in a consistent and objective manner across the organisation. We could not fully review the application of risk management processes in practice, or compliance systems, as part of this preliminary review. We may revisit these matters in our draft report where relevant.
- Unitywater demonstrates a commitment to continuous improvement in its risk management systems. The risk management procedure is reviewed at least every two years, informed by changes in operating context, major incidents, stakeholder and board feedback, independent reviews, and benchmarking. Ongoing oversight is provided through quarterly reviews of strategic, enterprise and operational risks, periodic internal and external audits, and governance by the executive leadership team and committees.[30]
- Over the past 12 months, Unitywater has undertaken a periodic review of its enterprise risk management system. This review is delivering several improvements including, aligning the risk appetite statement with the organisation's 2030 strategic ambition and objectives, refining enterprise risk profiles, and strengthening the overall risk management framework.

[23] Unitywater, *Response to RFI 19 – Procurement framework audits,* 19 March 2026.
[24] URA, Phase 1 report, p 32.
[25] Unitywater submission p 45.
[26] URA, Phase 1 report, p 32.
[27] See, International Organization for Standardisation, *AS ISO 31000:2018 Risk Management – Principles and Guidelines*.
[28] Unitywater, *Pr9306 – Risk Management Procedure*, September 2025.
[29] Unitywater, *Pr10731 – Risk Assessment and Scoring Criteria Tool*, May 2024.
[30] URA, Phase 1 report, p 21.

URA noted some inconsistencies in how risk management procedures are referenced across Unitywater's risk management documentation. These inconsistencies related to labelling, risk assignment and scoring.[31] We note that Unitywater has committed to resolving the discrepancies as part of its updates to the risk management framework.

Next steps

The findings of this interim review of Unitywater's frameworks suggest overall robust and good practice systems are in place, with embedded processes for continuous improvement. Where opportunities for improvement have been identified, Unitywater appears to be responding with appropriate improvement initiatives.

Not all elements of these frameworks could be fully examined for this interim review stage, particularly evidence of how frameworks are applied in practice and the outcomes they are delivering. We may continue our review of these matters in our phase 2 review where relevant. This may include requesting additional supporting information from Unitywater.

[31] URA, Phase 1 report, pp 28–30.

2 Operating expenditure

Our interim review considers the forecasting methods that underpin Unitywater's operating expenditure (opex), as these indicate whether the forecasts are credible, transparent and suitable for our price monitoring responsibilities.[32]

We have considered how Unitywater forecasts its opex and considered whether the arrangements for developing, challenging and approving opex forecasts are robust and consistent with good industry practice.

However, we have not determined if forecast opex is prudent and efficient, as this will be assessed in phase 2 of our review.

Why is good practice opex forecasting important?

From a price monitoring perspective, opex forecasting demonstrates how well a business understands its cost drivers, applies reliable and realistic assumptions, and links its service outcomes and obligations to its anticipated costs. Collectively, these elements provide an indication of how well a business aligns with good industry practice. Greater alignment with good industry practice increases the likelihood that costs are prudent and efficient.

A clear and robust forecasting methodology will be important to demonstrate that Unitywater's proposed opex is prudent and efficient in phase 2 of our review.

QCA approach

We considered the following aspects of Unitywater's opex forecasting:

- the method used to forecast opex
- the governance and assurance arrangements supporting forecast development
- whether Unitywater's approach is consistent with good industry practice.

This review was informed by Unitywater's submission, responses to requests for information (RFI), interviews with key personnel, and the findings of our independent technical consultant, URA.

Key evaluation considerations

In our assessment, we considered the following:

- **Forecasting framework** – whether there is a clearly defined and consistently applied methodology, supported by documented assumptions, escalation factors, and modelling approaches.
- **Cost drivers and assumptions** – if there are clear links between cost drivers and forecast opex, with key assumptions well justified, tested through sensitivity analysis, and supported by robust data and audit trails.
- **Integration** – whether there is alignment of forecasting with broader business planning processes (including corporate planning, asset management, and risk management), with risks explicitly considered.

[32] Our high-level assessment of Unitywater's procurement process, which is related to opex, is in chapter 1.

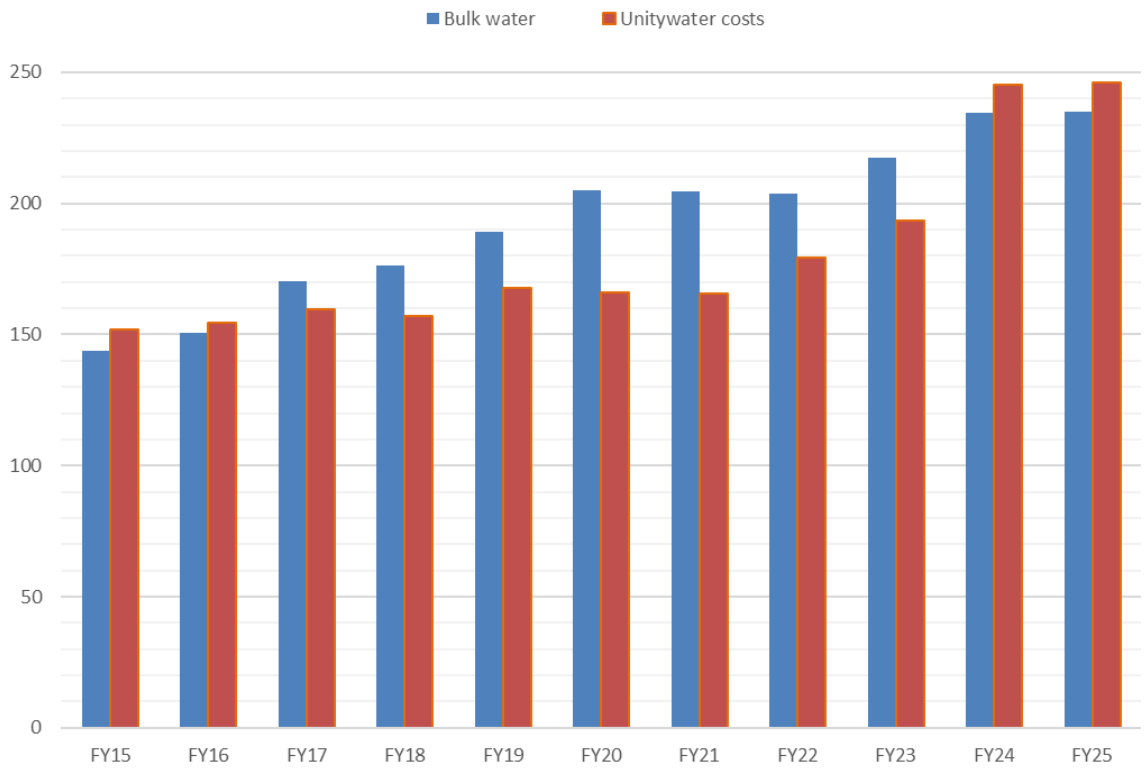
- **Performance and benchmarking** – whether there is a transparent reconciliation of historical and forecast opex, with variances explained, lessons incorporated, and appropriate benchmarking applied.
- **Governance and continuous improvement** – whether there is a strong governance and accountability framework, supported by regular reviews of forecast accuracy, ongoing improvement processes, and evidence of internal challenge and independent review.

Historical opex outcomes

Our interim report focuses on Unitywater's forecasting methodology. In terms of historical performance since our previous price monitoring review, we have separated Unitywater's controllable opex from its bulk water costs (Figure 3):

- Bulk water costs are the costs that Seqwater charges for the supply of bulk water services, which is passed onto customers by Unitywater.[33]
- Unitywater's opex reflects the items it is responsible for forecasting to maintain and manage its water and sewerage operations.

Figure 3: Unitywater's bulk water costs and opex ($ million) – since 2014-15



Sources: Unitywater Annual Reports: Financial Statements.

[33] Unitywater submission, p 20; Department of Energy and Water Supply, *South East Queensland Customer Water and Wastewater Code*, version 1.0, April 2017, pp 14–15.

Our analysis of Unitywater's annual financial statements since 2014–15[34] shows that annual bulk water costs and Unitywater's opex have increased annually at the same rate of 5%.[35]

Analysis and interim findings

Our preliminary review, supported by URA's assessment, did not identify any material or fundamental deficiencies in Unitywater's opex forecasting framework, nor departures from good industry practice. Unitywater has noted it is continuing to refine its approach, and improvements are already under consideration.[36]

This is our preliminary view based on the information considered to date, which is commensurate with the general scope of this interim report. Our interim observations will be subject to further testing and refinement in phase 2 of our review.

Forecasting methodology

Unitywater has an established, organisation-wide approach to developing, reviewing, and approving opex forecasts. Its Annual Forecasting and Planning Framework consolidates planning practices into a single framework to develop a five-year financial plan that provides a forward view of opex and capital expenditure, pricing, and financial sustainability. This approach reflects a mature base-step-trend framework.

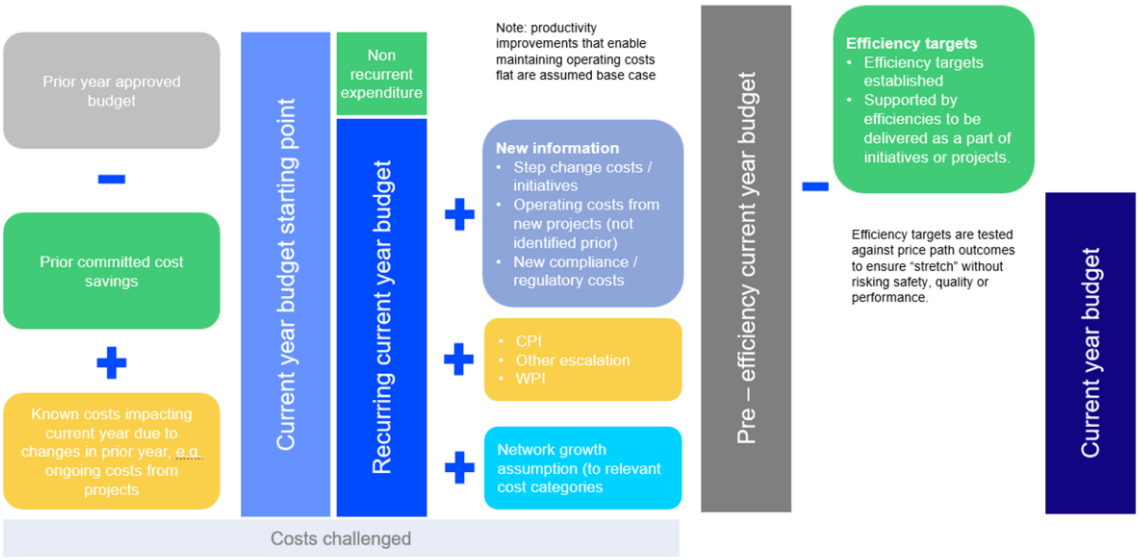
Forecasting is based on a hybrid top-down, bottom-up forecasting methodology[37] characterised as 'base, step change and trend'.[38] Opex forecasts are built using a structured methodology comprising:

- Base year costs – derived from prior approved budgets and adjusted for actual performance.
- Step changes – capturing new initiatives, regulatory changes, or emerging cost pressures.
- Trend changes – reflecting escalation factors such as CPI, wage growth, and network. Expansion.
- Efficiency targets – including identified savings and applied targets.

The overall approach is outlined in Figure 4.

[34] Unitywater, *Annual Reports*, Unitywater website.
[35] Compound annual growth rate.
[36] For example, Unitywater's application of indexation and step changes when forecasting costs. See URA, Phase 1 report, pp 48–49.
[37] Unitywater, response to RFI 02, *Annual Forecasting and Planning Framework*, pp 4–8.
[38] Unitywater, response to RFI 02, *Annual Forecasting and Planning Framework*, p 4.

Figure 4 Unitywater's opex forecasting methodology



Source: Unitywater, response to RFI 02, Annual Forecasting and Planning Framework.

Unitywater combines input from its individual business units (bottom-up) with enterprise-level oversight and affordability constraints (top-down). This allows forecasts to reflect operational realities while providing alignment with broader board-level objectives.

Unitywater also uses a contingency mechanism to forecast for known opex events with defined risk profiles, such as weather-related event costs. The contingency is designed to operate annually, where risks materialise, costs can be funded through this mechanism.

Unitywater's approach reflects an established and well-integrated approach, characterised by:

- a clearly defined and consistently applied methodology
- strong linkages between cost drivers, assumptions, and expenditure forecasts
- integration with corporate planning, capital investment, and financial sustainability processes
- provision for performance monitoring, benchmarking, and validation
- governance and assurance arrangements embedded across the process

Overall, the framework demonstrates a clearly articulated methodology, with a consistent application across the business. The inclusion of structured challenge and assurance processes further supports the credibility and transparency of the forecasting approach.

Governance and assurance arrangements

Unitywater has a clear and structured framework, centred on a base–step–trend framework, which should provide a consistent and repeatable process for establishing forecasts within its annual price setting and budgeting cycle.

From a governance perspective, there are established review and approval pathways in the business.

Table 3: Preliminary observations of Unitywater's governance arrangements

Governance element	Preliminary observations
Formally documented and embedded forecasting planning framework within planning process.	The Annual Forecasting and Planning Framework is a comprehensive and coherent planning document. URA noted forecast accuracy of opex outcomes of approximately ±1% between forecast and actual opex.
Board and executive roles –– board-level opex scrutiny	Roles and responsibilities are clearly identified.[39] Provision for challenging of forecasts is embedded in the planning process.
Base / step-change / trend decomposition of forecast	Framework is clearly outlined in planning documentation.[40] Escalation factors are subject to executive scrutiny, and assumptions are reviewed through formal governance cycles. Accountability for forecasts rests with operational management, with executive oversight and independent second-line review.
Calibration of efficiency targets	Efficiency targets are tested against 'price path outcomes'.[41]
Currency of external benchmarking	Most recent Water Services Association of Australia (WSAA) benchmark cited is 2024–25;[42] URA noted that incremental improvements have been achieved since 2020.[43]
Opex forecasts are underpinned by a board-approved risk appetite framework that informs expenditure and planning decisions	The framework incorporates the capacity to respond to uncertainty and variability, including the use of scenario considerations where required. Contingency arrangements are governed through defined thresholds and approval processes, with executive oversight of allocation and reprioritisation.
Integration with service and capital planning	URA noted forecasting is closely aligned with service delivery expectations, customer insights, and asset planning. Opex forecasts are informed by demand modelling, capital program delivery, and renewals planning. URA noted efficiency initiatives are subject to governance, including benefit identification and monitoring, and any intra-portfolio reallocations require executive approval.
Continuous improvement and validation	Forecasting processes are subject to ongoing review and have evolved over successive regulatory periods. Mechanisms such as reconciliation reporting, executive monitoring, and benchmarking—including total expenditure (totex) comparisons and external performance reporting—support validation of forecast assumptions and outcomes. URA noted that these arrangements should facilitate continuous improvement and refinement over time.

Source: QCA analysis.

[39] Unitywater, response to RFI 02, *Annual Forecasting and Planning Framework*, pp 8–11.
[40] Unitywater, response to RFI 02, *Annual Forecasting and Planning Framework*, pp 5–7.
[41] Unitywater, response to RFI 02, *Annual Forecasting and Planning Framework*, p 5.
[42] Unitywater supplementary material provided 13 February 2026.
[43] URA, Phase 1 report, p. 25.

While our forthcoming phase 2 review will assess the application of Unitywater's policies, procedures and systems in terms of prudent and efficient opex outcomes, we note that sound governance arrangements exist within Unitywater. Moreover, these provide multiple opportunities for updated information to be incorporated and reviewed within its opex forecasts.

Consistency with good industry practice

Overall, Unitywater's arrangements are consistent with good industry practice, characterised by clear accountability, structured review processes, integration across planning functions, and mechanisms for ongoing validation and improvement. This supports transparent and well-governed opex forecasts.

Next steps

The findings of this interim review indicate that there are systems and governance arrangements in place that suggest good industry practice. We will continue to review these matters in phase 2 of our review.

3 Productivity and performance indicators

Our interim review considers Unitywater's productivity initiatives and performance indicators, as they inform whether the business has effective arrangements in place to identify, implement and monitor efficiency improvements over time.

Unitywater's productivity governance and measurement arrangements are consistent with good industry practice and appear capable of supporting sustained productivity improvements if applied effectively. Moreover, Unitywater has produced a credible portfolio of operating and capital productivity initiatives.

We will be considering Unitywater's ongoing plans to improve productivity in phase 2 of our review.

Why are productivity and performance indicators important?

Improvements in labour, capital, energy, maintenance and network operating efficiency can reduce the expenditure required to deliver a given level of service quality, placing downward pressure on prices.

Service quality indicators allow for the differentiation between cost reductions from genuine efficiency gains and those from service quality reductions or inappropriately deferred costs or transferred risks.

Effective governance arrangements support the prioritisation, challenging, implementation, and monitoring of productivity initiatives and projects. Robust performance indicators assess how well an organisation is delivering productivity and performance outcomes.

QCA approach

We considered the following aspects of Unitywater's productivity activities:

- the governance arrangements that underpin productivity activities
- the productivity initiatives identified and progressed by Unitywater
- the performance indicators and measurement frameworks used to monitor productivity outcomes.

This review was informed by Unitywater's submission, its responses to RFIs, interviews with key personnel, and the findings of URA.

Key evaluation considerations

In forming our interim view, we considered the following matters:

- **Productivity governance and accountability** – whether there is a clear and structured framework for identifying, assessing, approving and overseeing productivity initiatives, with defined roles and responsibilities.

- **Integration with business planning** – whether productivity considerations are embedded within broader corporate, financial, asset management and service planning processes, rather than treated as standalone activities.
- **Scope of productivity initiatives** – whether identified initiatives are targeted at material cost drivers and operational risks, or are consistent with generally recognised efficiency opportunities in the urban water sector.
- **Performance measurement and benchmarking** – whether Unitywater uses appropriate indicators to track productivity outcomes over time, including cost and service quality indicators and external benchmarking.
- **Monitoring, review and learning** – whether there are mechanisms to review performance, examine whether expected benefits are being realised, and incorporate lessons into future planning.

Analysis and interim findings

Our interim review, supported by URA's expert assessment, did not identify any material or obvious deficiencies in Unitywater's productivity governance, nor departures from good industry practice.[44] Furthermore, we are encouraged by Unitywater's efforts to identify and implement productivity improvements over time.

We note the following service outcomes of Unitywater since our previous price monitoring report: sewer main breaks, chokes and leaks per 100 km fell from a high of 25.0 in 2014–15 to 4.3 by 2024–25, and water main breaks per 100 km remained stable at 3.3 in 2014-15 to 3.5 in 2024–25 (Appendix C).[45] During the same period the retail component of the typical customer bill has increased at an annual rate of 1.7% (Table 1).

For our interim review, we have focused on whether Unitywater has productivity frameworks that are likely to result in initiatives that will help the organisation address its strategic challenges, such as rapid population growth, increasing capital delivery requirements, and cost escalation.

The performance indicators outlined in this interim report are consistent with good industry practice and provide a practical framework for monitoring service quality and reliability as well as operational performance.

Our initial observations are set out in the following sections.

Productivity governance

A structured productivity framework that provides clear arrangements for identifying, assessing, approving, implementing, monitoring and reviewing productivity initiatives helps ensure that productivity opportunities are generated through the normal systems of business planning, financial management, asset management, procurement and service delivery.

Unitywater demonstrates a structured approach to developing, implementing and monitoring productivity initiatives, which together we consider represents a credible efficiency plan.

[44] URA, Phase 1 report, p 57.
[45] BOM, *National performance report 2024–25: water and wastewater service providers, Part A*, Australian Government, March 2026.

Unitywater's productivity governance arrangements appear reasonable and broadly consistent with good industry practice. Productivity and efficiency considerations are embedded within corporate planning, budgeting and decision-making frameworks.[46]

Responsibility for identifying and delivering productivity initiatives sits at the business unit level, while oversight is provided through established executive-level forums and board-level committees. These arrangements enable productivity initiatives to be prioritised and challenged. Unitywater has also demonstrated that its productivity initiatives are subject to executive review, with benefits tracking and, where relevant, mechanisms to re-scope or re-prioritise initiatives.

We consider that Unitywater's governance arrangements support the identification, assessment and implementation of reasonable productivity initiatives. We note that these arrangements are themselves also subject to continual review and audit.

Productivity initiatives

A productivity initiative refers to an ongoing strategy of identifying opportunities for improvement, typically focussed on a business function or input and often motivated by the current or expected future operating challenges. These opportunities are analysed and challenged through the governance framework and may be implemented as specific and targeted projects.

Unitywater has identified and progressed a range of productivity and efficiency initiatives and projects across operating and capital activities. These initiatives broadly align with material cost drivers in the urban water sector, including labour, energy, asset maintenance, procurement and service delivery processes.

Unitywater's recent initiatives indicate that productivity improvements are being pursued through a combination of direct cost savings, avoided costs and longer-term operational improvements. For example, the Works Management Uplift Program has supported a shift from predominantly reactive maintenance to predominantly planned maintenance, while the Energy Management Plan[47] has been used to offset energy price increases through operational optimisation, solar and cogeneration projects, and procurement strategies. Similarly, the Sewer Corrosion and Odour Management Plan and associated chemical optimisation initiatives have been directed at extending asset life, reducing failures, increasing service quality and worker safety.

Productivity improvements are also being pursued through the capital program. Unitywater has highlighted its collaborative delivery model, no-dig renewal techniques, and targeted optimisation of major wastewater treatment plant investments as sources of avoided or deferred capital expenditure. Other examples include targeted renewals and optimisation works that seek to defer major upgrades, redesign of capital solutions to reduce project cost, and reuse and environmental initiatives that defer higher-cost infrastructure options.[48] These examples indicate that Unitywater's productivity planning extends beyond short-term opex savings and include broader cost avoidance and lifecycle efficiency outcomes.

Our interim review has not tested the sustainability, completeness or ongoing deliverability of these initiatives, nor has it validated claimed savings. Nonetheless, Unitywater's initiatives appear targeted at material areas of expenditure and operational risk, and are integration with existing governance and planning processes. The evidence provided suggests that productivity is approached as an ongoing program of continuous improvement within the business.

[46] URA, Phase 1 report, p 46.
[47] Unitywater submission, pp. 47, 50, 54–55.
[48] URA, Phase 1 report, p 27. The Kawana Cogeneration project is one such initiative (Unitywater submission, p 67).

We also note Unitywater is attempting to identify potential innovations to respond to its expected future operating challenges, such as shellfish reef studies and nutrient offset trials, and biosolids management investigations, and initiatives that reduce chemical dosing costs and potentially defer or capital upgrades.[49]

We consider that Unitywater's productivity initiatives appear reasonable in light of its operating environment.[50] This view is supported by our preliminary findings regarding its productivity frameworks, which are responsible for identifying productivity challenges and developing associated initiatives.

Performance measurement

Performance measurement helps assess whether productivity initiatives are translating into improved outcomes over time. Productivity improvements should be observable through lower costs for a given level of service or improved service outcomes for a given level of cost. It is important to recognise that deferral of costs and transfer of risks when inappropriate may temporarily improve a specific indicator. However, it would not constitute a productivity improvement. In our view, the performance of Unitywater's efficiency plan may be measured using a combination of cost, service reliability, asset performance and delivery measures over a sufficiently long period.

URA found no material gaps in Unitywater's productivity and efficiency measurement and monitoring arrangements. We expect Unitywater to provide additional information on the linkages between realised efficiency outcomes and forecast expenditure assumptions as part of its phase 2 submission. [51]

At this interim stage, Unitywater's performance measurement arrangements appear to provide a reasonable starting point for monitoring productivity performance. We will continue to assess the implementation, expected benefits and realised outcomes of Unitywater's productivity initiatives as further information becomes available through the price monitoring process

Benchmarking and performance indicators

Measures such as water and wastewater opex per property or connection, sewer and water main breaks per 100 km, wastewater treatment plant reliability and unit energy consumption can provide evidence of high-level productivity performance. Benchmarking this performance against peers, using the BOM's national performance report[52] and WSAA data, may help identify opportunities for productivity targets. However, benchmarking should be treated as a diagnostic tool rather than a standalone test of efficiency, given differences in vertical integration, exogenous operating factors and performance based environmental regulatory obligations.

While the most recent WSAA benchmarking is referenced, the business has noted it is already working to incorporate updated benchmarking information. We look forward to receiving updated benchmarking information when Unitywater submits its phase 2 proposals. Transparency of this information will be important in phase 2 of our review.

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[49] Unitywater, submission, p 55.
[50] An operating environment characterised by rapid population growth, increasing capital delivery requirements, cost escalation and strict environmental obligations.
[51] URA noted that an overarching efficiency document could provide greater visibility of a standardised approach to setting baselines, benefit measurement and aggregation of efficiency outcomes across programs and initiatives. (URA, Phase 1 report, p 57).
[52] BOM, *National performance report 2024–25: water and wastewater service providers, Part A*, Australian Government, March 2026.

The quality and reliability of water and sewerage services are key components of the retailers' performance and are linked to cost and pricing outcomes. Reducing costs and prices will not be efficient if it comes at the expense of an appropriate level of service, which generally reflects:

- customer expectations – for example, customers' willingness to pay for fewer interruptions
- the need to meet regulatory or legislative obligations – for example, minimum water quality standards.

We have outlined a range of service quality and reliability indicators in appendix B and provide an overview of Unitywater's historic performance against these in appendix C. In its submission to the 2026–27 periodic report, Unitywater should provide an explanation of its performance against these indicators and interactions between quality and cost and pricing outcomes.

Next steps

Performance targets can assist in guiding the prioritisation of initiatives by providing a clear basis for assessing performance and identifying areas where further efficiencies may be achievable. Having regard to Unitywater's track record, we consider it is well placed to identify and implement further initiatives to improve performance. We expect Unitywater to continue to develop and deliver additional initiatives over the monitoring period to support efficient and sustained performance improvement.

The findings of this interim review indicate that there are systems and governance arrangements in place that suggest good industry practice with respect to identifying and undertaking productivity initiatives. We will continue our review of these matters in phase 2 of our review.

Appendix A: Forecast revenue and prices for 2026–27

Unitywater advised that its forecasts may be revised given the uncertain outlook for several external factors (e.g. inflation and interest rates).[53]

Table 4: Forecast revenue for 2026–27 ($ million)

Category	Forecast revenue
Water[a]	$220.3
Sewerage	$330.6
Other	$7.1
Total	$557.9

a Excludes bulk water revenue.
Source: Unitywater, response to RFI 46.

Table 5: Moreton Bay water and sewerage charges (residential)

	2025-26 (actual)	2026-27 (forecast)	Difference
Water charges (excluding bulk water)			
Access charge ($/yr)	$374	$389	$15 (4.1%)
Tier 1 charge ($/kL)[a]	$0.787	$0.815	$0.028 (3.6%)
Tier 2 charge ($/kL)[b]	$1.570	$1.625	$0.055 (3.5%)
Sewerage charges			
Access charge ($/yr)	$747	$778	$31 (4.1%)
Usage charge ($/kL)[c]	$0.787	$0.815	$0.028 (3.6%)

a Applies to consumption up to 300 kL per year. b Applies to consumption above 300 kL per year. c Applies to the estimated volume of sewage produced (i.e. water usage x 90%), capped at 270 kL per annum.
Source: Unitywater, submission, pp 78–79; Unitywater, *Water and sewerage prices by region 2025–26*, Unitywater website, 2025, accessed 8 May 2026.

[53] Unitywater, submission, p 68.

Table 6: Moreton Bay water and sewerage charges (non-residential)

	2025-26 (actual)	2026-27 (forecast)	Difference
Water charges (excluding bulk water)			
Access charge ($/yr)[a]	$374	$389	$15 (4.1%)
Usage charge ($/kL)	$1.570	$1.625	$0.055 (3.5%)
Sewerage charges			
Access charge ($/yr)[b]	$747	$778	$31 (4.1%)
Usage charge ($/kL)[c]	$1.570	$1.625	$0.055 (3.5%)

a Minimum charge based on meters up to 25 mm. Higher charges apply to larger meters. b Minimum charge based on meters up to 25 mm and sewerage usage percentage of 90%. Higher charges apply for larger meters and/or a different sewerage usage percentage. c Applies to the estimated volume of sewage produced (i.e. water usage x sewerage usage percentage).
Source: Unitywater, submission, pp 78–79; Unitywater, *Water and sewerage prices by region 2025–26*, accessed 8 May 2026.

Table 7: Sunshine Coast and Noosa water and sewerage charges (residential)

	2025-26 (actual)	2026-27 (forecast)	Difference
Water charges (excluding bulk water)			
Access charge ($/yr)	$345	$369	$24 (6.9%)
Tier 1 charge ($/kL)[a]	$0.787	$0.815	$0.028 (3.6%)
Tier 2 charge ($/kL)[b]	$1.570	$1.625	$0.055 (3.5%)
Sewerage charges			
Access charge ($/yr)	$708	$756	$48 (6.8%)
Usage charge ($/kL)[c]	$0.787	$0.815	$0.028 (3.6%)

a Applies to consumption up to 300kL per year. b Applies to consumption above 300 kL per year. c Applies to the estimated volume of sewage produced (i.e. water usage x 90%), capped at 270 kL per annum.
Source: Unitywater, submission, pp 78–79; Unitywater, *Water and sewerage prices by region 2025–26*, Unitywater website, 2025, accessed 8 May 2026.

Table 8: Sunshine Coast and Noosa water and sewerage charges (non-residential)

	2025-26 (actual)	2026-27 (forecast)	Difference
Water charges (excluding bulk water)			
Access charge ($/yr)[a]	$345	$369	$24 (6.9%)
Usage charge ($/kL)	$1.570	$1.625	$0.055 (3.5%)
Sewerage charges			
Access charge ($/yr)[b]	$708	$756	$48 (6.8%)
Usage charge ($/kL)[c]	$1.570	$1.625	$0.055 (3.5%)

a Minimum charge based on meters up to 25 mm. Higher charges apply to larger meters. b Minimum charge based on meters up to 25 mm and sewerage usage percentage of 90%. Higher charges apply for larger meters and/or a different sewerage usage percentage. c Applies to the estimated volume of sewage produced (i.e. water usage x sewerage usage percentage).
Source: Unitywater, submission, pp 78–79; Unitywater, *Water and sewerage prices by region 2025–26*, Unitywater website, 2025, accessed 8 May 2026.

Appendix B: Service quality and reliability indicators

The quality and reliability of water and sewerage services are key components of the retailers' performance and are linked to cost and pricing outcomes. Reducing costs and prices will not be efficient if it comes at the expense of an appropriate level of service, which generally reflects:

- customer expectations – for example, customers' willingness to pay for fewer interruptions
- the need to meet regulatory or legislative obligations – for example, minimum water quality standards.

Extensive information on the retailers' performance across a wide range of service quality and reliability indicators is already publicly available. In particular:

- The state government publishes performance data for Queensland water service providers against key performance indicators. The reporting is intended to encourage performance improvement and to provide customers with information that allows them to compare their provider's performance with others.[54]
- The Bureau of Meteorology (BOM) publishes an annual national performance report (NPR) that benchmarks and compares the pricing and service quality of Australian water service providers. These reports are prepared independently by the BOM, with support from state and territory governments, and the Water Services Association of Australia (WSAA), and provided under the National Water Initiative (NWI).[55]

The retailers also publish customer service standards that describe the level of service customers can expect to receive. These standards are set out in the retailers' customer charters.

We will initially monitor service performance against the indicators outlined in Table 9 to gain insight into the retailers' current level of service quality and reliability. These indicators align with the measures that the retailers already report on under the state and federal reporting regimes discussed above. In most cases, they are also established customer service standards, with defined performance targets.

We provide an overview of Unitywater's historic performance against these indicators in Appendix C. In its submission to the 2026–27 periodic report, Unitywater should provide an explanation of its performance against these indicators and interactions between quality and cost and pricing outcomes.

[54] Business Queensland, Queensland Government, *Water service provider performance reporting*, accessed 29 April 2026.
[55] BOM, Australian Government, *National performance report 2024–25: water and wastewater service providers, Part A*, March 2026.

Table 9: Initial service performance indicators for retailer assessment

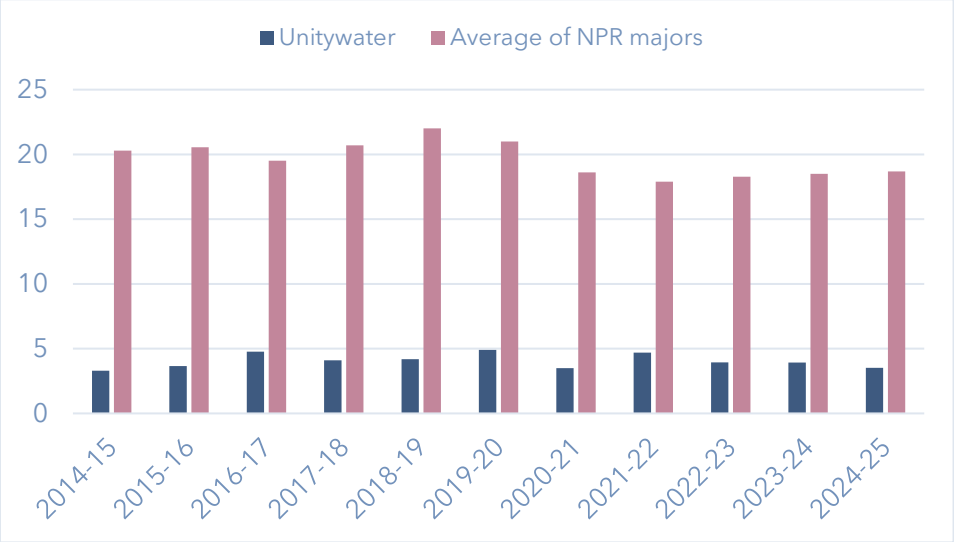
Indicator	Comment
Drinking water quality compliance (% of population per year)	• This key indicator of water quality combines two NPR indicators: microbiological compliance and chemical compliance. • Compliance is assessed against the Australian Drinking Water Guidelines (ADWG). • The retailers have a customer service standard to supply safe and clean drinking water that complies with the ADWG.
Water main breaks (per 100 km of water main per year)	• A break, burst or leak in a water main may result in reduced water pressure or loss of supply to customers. • It is an indicator of the resilience and condition of the water network, and service reliability. The retailers are required to set a customer service standard, including a performance target. Unitywater's performance target is no more than 25 breaks per 100 km of water main.
Unplanned water interruptions (number of incidents per 1,000 properties per year)	• This refers to an unplanned interruption resulting in a loss of supply to customers. • It is an indicator of the condition of the water network and service reliability. • The retailers are required to set a customer service standard, including a performance target.
Average duration of unplanned water interruptions (minutes per year)	• This refers to the average length of time customers are without water supply as a result of an unplanned interruption. • It is an indicator of the condition of the water network and service reliability, and the effectiveness of responding to incidents and restoring services.
Sewerage main breaks and chokes (per 100km of sewer mains per year)	• This occurs when sewage cannot flow freely due to a break or blockage in a sewer main, which may lead to sewage overflows. • An indicator of the condition of the network and service reliability. • The retailers are required to set a customer service standard, including a performance target. Unitywater's performance target is no more than 40 breaks and chokes per 100km of sewer main.

Sources: NHMRC, *National Water Quality Management Strategy, Australian Drinking Water Guidelines 6 (2011)*, version 4.0, updated June 2025, Australian Government; BOM, *National performance report 2024–25: water and wastewater service providers, Part A*, Australian Government, March 2026; Business Queensland, Queensland Government, *Water service provider performance reporting*, accessed 29 April 2026; Queensland Government, *South East Queensland Customer Water and Wastewater Code*, version 1.0, April 2017; Unitywater, Customer Charter, undated.

Appendix C: Service quality and reliability performance

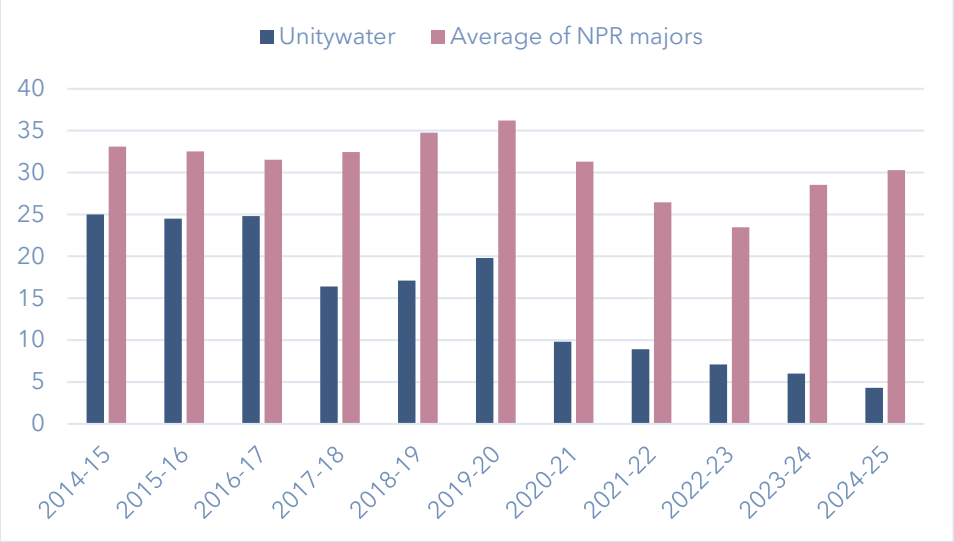
We provide an overview of Unitywater's historic performance against the service quality and reliability indicators in Appendix B. We provide a comparison with the average of the NPR major utilities (more than 100,000 connected proprieties), where their data is available.

Figure 5: Water main breaks (per 100 km of water main per year)



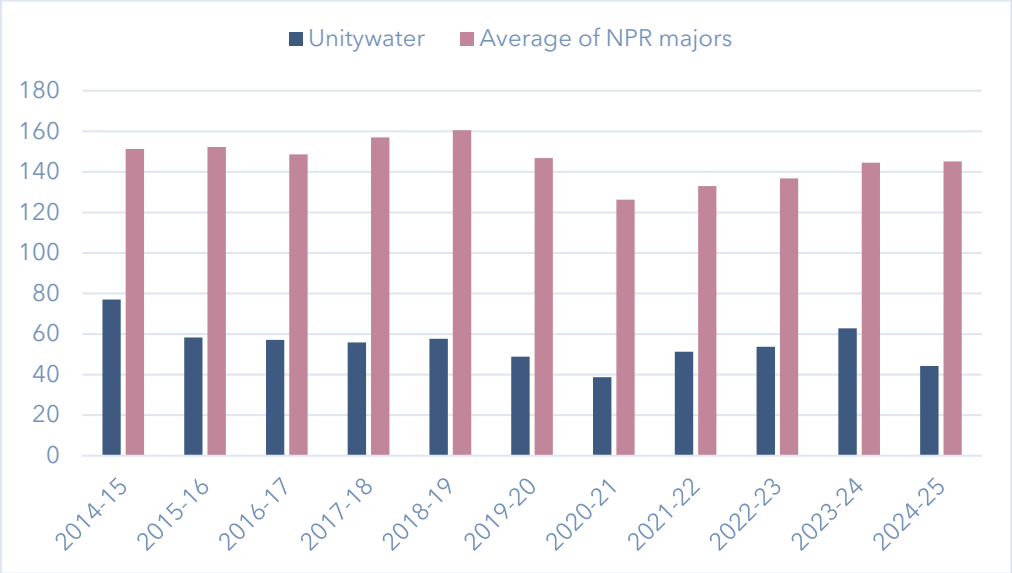
Source: Bureau of Meteorology, *National performance report 2024–25: water and wastewater service providers, Part A*, Australian Government, March 2026.

Figure 6: Sewerage main breaks and chokes (per 100 km of sewer mains per year)



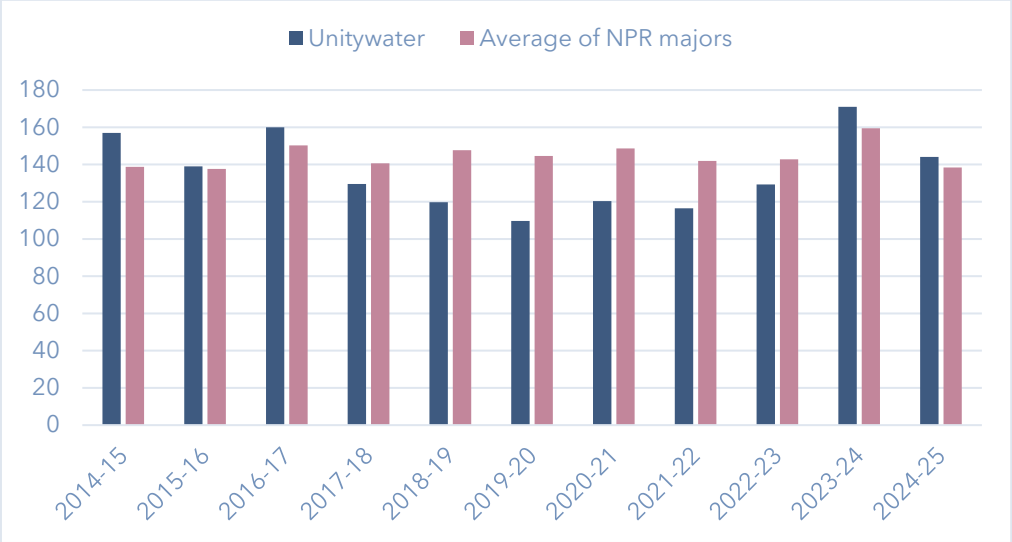
Source: Bureau of Meteorology, *National performance report 2024–25: water and wastewater service providers, Part A*, Australian Government, March 2026.

Figure 7: Unplanned water interruptions (number of incidents per 1,000 properties per year)



Source: Bureau of Meteorology, *National performance report 2024–25: water and wastewater service providers, Part A*, Australian Government, March 2026.

Figure 8: Average duration of unplanned water interruptions (minutes per year)



Source: Bureau of Meteorology, *National performance report 2024–25: water and wastewater service providers, Part A*, Australian Government, March 2026.

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—— *Water and sewerage pricing*, Unitywater website, 2025, accessed 8 May 2026.

Utilities Regulation Australia (URA), *Unitywater Price Monitoring 2026–30 – Consultants Expenditure Review Phase 1,* final report, April 2026.