Unitywater Annual Report 2025-26

unitywater.com

Acknowledgement of Country

At Unitywater, we respectfully acknowledge the Traditional Custodians of the lands and waters on which we live, work, and operate, the Kabi Kabi, Jinibara and Turrbal Peoples. We honour the rich cultural heritage, deep spiritual connection, and enduring relationship that Aboriginal and Torres Strait Islander Peoples have with their Country, particularly their profound knowledge of and stewardship over the waterways that sustain us all.

We pay our deepest respects to Elders past and present, who hold the wisdom, traditions, and stories of their people. We recognise that the waterways we rely on today have been cared for by First Nations Peoples for tens of thousands of years, and we acknowledge the impacts of colonisation, which have disrupted ancient and sustainable practices.

We are dedicated to promoting reconciliation and inclusion, ensuring that the voices and perspectives of First Nations Peoples are heard and valued. We strive to integrate Indigenous knowledges and practices into our operations, recognising their crucial role in protecting and sustaining our precious water resources.

Together, as one Unitywater, we will work towards building a harmonious and inclusive community, united in respect and understanding. We are committed to fostering respectful and collaborative relationships, and to learning from and working with Aboriginal and Torres Strait Islander Peoples to create a sustainable future for all.

Welcome

Unitywater is pleased to present the 2025-26 Annual Report.

This report is published on our website at unitywater.com/annualreport

A limited number of copies of this report have also been printed. If you wish to access a printed copy, please call or email Unitywater to arrange delivery or collection.

Please use these contacts if you need further information or assistance with this Annual Report:

Phone: 1300 086 489 | Email: customer.service@unitywater.com

Interpreter service

We are committed to providing accessible services to Queensland residents from all cultural and linguistic backgrounds. If you have difficulty understanding this Annual Report and require an interpreter, please contact the Translating and Interpreting Service (TIS National) by phoning 131 450.

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Unitywater Annual Report 2025-26

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2025-26 Results

Value every drop	
Drinking water quality compliance	100%
Drinking water supplied	64,728ML
Wastewater treated	66,103ML
Meter readings performed	1,282,479
Recycled water supplied	1,711ML
Water main breaks and leaks per 100km of mains	3.6

Customer of the future	
Customer trust score	7.5 out of 10
Customer ease score	5.0 out of 7
100% biosolids recycled	100%
Total nitrogen diverted away from natural waterways	13.1%
Total phosphorus diverted away from natural waterways	22%
Percentage carbon emissions reduction	2.8%
Renewable energy generation	2,440 MWh

Keep it simple	
Self-service by customers	89.6%
Customers received bills electronically	74.9%

One Unitywater	
Safety culture maturity level	Public compliance
Women in water	37.8%
Gender pay gap	3.04%
First Nations employment	2.8%
High Potential Incident Frequency Rate	1.5

Unitywater

Message from the Chair

Each year, Unitywater's Annual Report captures more than performance metrics. It records how our organisation has led with purpose, delivered with care and responded with commitment to the communities we serve. This year's report reflects another year of progress, and I am proud to share it.

The Board's role is to provide strategic governance and oversight, ensuring Unitywater remains financially strong, operationally resilient and future ready. We do this by setting clear strategic expectations and ensuring that decisions are grounded in sound judgement and aligned to the long-term interests of our customers, our Participant Councils and our region.

Maintaining long-term affordability for customers remains one of the Board's most important responsibilities. We are deeply aware of the pressures that households and businesses are navigating, and we take that awareness into every boardroom discussion. That focus has delivered strong outcomes for our customers. Since the last independent pricing review from 2013 to 2015, Unitywater's prices have reduced by 13% in real terms, and customers benefited from an eight-year price freeze between 2015-16 and 2022-23. Over the past decade, price increases have remained well below inflation while we have continued to improve service performance and invest in essential infrastructure for our growing region.

The Board has continued to support a disciplined approach to efficiency balanced with the high standards of service our customers deserve.

We are proud to deliver returns that actively support the objectives of our Participant Councils. The value we return to our Participant Councils helps fund the broader community infrastructure and initiatives that make these regions exceptional places to live, work and raise families.

Our region continues to grow at a pace that is both exciting and demanding. The Board has provided oversight of our significant infrastructure investment program to ensure it is being delivered efficiently and with long-term value in mind. Delivering the right infrastructure, in the right place and at the right time, is how we enhance the liveability and prosperity of this region for generations to come.

Unitywater also continued to play an important enabling role in supporting the Queensland Government's objectives around housing delivery, economic growth and regional liveability. We work alongside government and industry partners to ensure essential water and wastewater services keep pace with the bold growth agenda for South East Queensland.

To the Executive Leadership Team, thank you for your resolve and dedication to delivering outcomes that matter. To every Unitywater team member, thank you for the skill, care and commitment you bring to your work each day, for our customers and communities. And to our Participant Councils, thank you for your continued confidence, partnership and shared ambition. Together, we are building a healthier, more resilient and successful region for the long term.

Michael Arnett

Board Chair

Message from the CEO

The 2025-26 financial year was another year of genuine progress for Unitywater, and I am proud of what our team has achieved. Our purpose, keeping communities healthy and thriving, is the thread that runs through every decision we make, every service we deliver and every investment we commit to. It is what our people show up for every day, and it is what this report reflects.

Our 2030 Strategic Ambition continues to guide us forward, anchored in three enterprise strategies: Customer and Community, People, and Sustainability. These strategies give us focus, create alignment across our organisation and ensure that every team, every project and every decision points in the same direction. This year, we made tangible progress across all three, and the results speak for themselves. Together, they are helping us respond to the challenges of a growing region by embracing new ways of working, investing in innovative solutions and delivering greater long-term value for our customers and communities.

We continued to deliver essential services to more than 950,000 customers across our region, and the millions of visitors who come to experience everything these communities have to offer. Our teams demonstrated diligence to keep services reliable, responsive and of the highest quality, with external benchmarking confirming our network performance as some of the best in the country. Customer satisfaction and service delivery remain a priority, and this year we continued to invest in the tools, processes and people that make every interaction with Unitywater a positive one. From expanding digital services to exploring emerging technologies, we are innovating to make it easier for customers to engage with us while improving the efficiency and resilience of our operations.

In 2025-26, Unitywater delivered a total operating surplus of $189 million. After excluding developer contributions net of tax, the available remaining funds of $39 million allow us to borrow less for infrastructure investment by the same amount, reducing our long-term interest bill and therefore cost to our customers. The total return provided to our Participant Councils was $140 million, composed of $34 million in tax equivalents, $58 million in interest on loans and $48 million in dividends. These results reflect the financial discipline and operational strength that underpin our ability to deliver for customers and communities alike.

Our infrastructure investment program continued to gain momentum. Responding to the pace of growth across Moreton Bay and the Sunshine Coast requires us to plan and build well ahead of demand. We progressed major projects across our service region, with new water supply and wastewater infrastructure being delivered through our collaborative model. This framework is working, bringing greater efficiency, stronger relationships and better outcomes for customers and communities. Projects such as the Wamuran Irrigation Scheme demonstrate how we are innovating to create lasting benefits by improving water security, making better use of existing resources and supporting sustainable regional growth. The foundations we are laying today will serve this region well for decades to come.

Sustainability remained a strong focus throughout the year. We continued our journey toward net zero, increasing our use of renewable energy and progressing nature-based solutions to improve waterway health across our region. Innovation is central to achieving these ambitions. This year, our work to support a circular economy identified a Bioresource Recovery Facility as a solution to manage biosolids in a way that improves resource recovery, helps manage long-term operating costs and delivers positive environmental outcomes. By rethinking traditional approaches to water and wastewater services, we are building a more resilient, efficient and sustainable business that delivers lasting value for our customers.

Our people remain our greatest strength, and I am proud of the culture we are building together. Women continue to hold close to half of our leadership roles, First Nations representation continues to grow and our investment in leadership development, wellbeing and cultural capability is delivering real, measurable results. Our One Unitywater Behaviours are becoming embedded in how we work, and the energy I see across our organisation reflects a team that is proud of where they work and the outcomes they are achieving.

While we measure success in many ways, nothing matters more than every person who starts their day with us ending it safely at home. Keeping our people and our communities safe is the foundation from which everything else we do is built. This year, we continued to advance our safety maturity across the organisation, and the culture of genuine care growing within Unitywater is something the Executive Leadership Team and I are proud to champion.

To the Board, thank you for your strategic guidance, your challenge and your confidence. To our Participant Councils, thank you for your partnership and your trust. To our suppliers and community partners, thank you for the role you play in helping us deliver. And to our incredible Unitywater team, thank you for your skill, your dedication and the care you bring to work every day.

Anna Jackson

Chief Executive Officer

Chapter 1 – About us

Unitywater operates in one of Australia's most exceptional environments in terms of natural beauty, geographical and demographic breadth. Unitywater is a statutory authority, formed under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* (Qld). Governed by an independent, skills-based Board, we have a Participation Agreement with our shareholders – City of Moreton Bay, Noosa Council and Sunshine Coast Council.

We exist for our customers, to provide safe water services to more than 950,000 customers across the Moreton Bay, Sunshine Coast and Noosa regions of South East Queensland. Our purpose, 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 a 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.

While serving our customers of today, we are considering and investing for our customers of the future. We foster a great internal community for our people, our South East Queensland locals who work in the field or behind the scenes.

Our purpose

Supporting healthy and thriving communities.

Our strategy

Our 2030 Strategic Ambition sets the direction and tone for the organisation we want to be. It keeps us focused as we navigate our external environment.

The Strategic Ambition is built around four themes which are linked to who we are now and who we intend to be:

- Value every drop
- Customer of the future
- Keep it simple
- One Unitywater

Our strategic themes provide clear direction as we set priorities, maintain focus on our goals and give our stakeholders confidence in where we are heading. They guide how we deliver meaningful outcomes for our customers, the community, our people and our stakeholders.

Our strategic planning is closely aligned with the Queensland Government's objectives for the community, contributing to safe, healthy and sustainable communities, supporting economic growth, and planning for the state's future. Through the reliable delivery of water and wastewater services, we support public health and community wellbeing, while our ongoing investment in resilient infrastructure enables population growth and regional development. We also play a vital role in environmental stewardship and water security, supporting the responsible management of natural resources. By aligning our operations and long-term planning with these whole-of-government priorities, we deliver lasting value for our customers, communities and the broader Queensland economy.

Chapter 2 – Our financial performance

Sound financial management and strong governance are the foundations that allow us to keep delivering for our customers and the communities we serve, even as we navigate a period of significant regional growth, rising financial costs and the transition to new systems and ways of working. Our financial discipline and commitment to innovate to drive productivity continues to create value for customers, supporting both long-term affordability and the infrastructure investment required to meet the needs of one of Australia's fastest-growing regions.

Result

In 2025-26, Unitywater recorded a net operating surplus of $189 million after tax, which is an $8 million, or 5%, increase on the previous year. Excluding developer revenue, the result was $39 million, with 100% of this used to reduce the new borrowings required for water and wastewater capital investment. That's money working directly for the communities we serve.

Revenue

Total revenue reached $1,018 million, with 79% coming from our customers and 21% from developers. Water charges made up 43% of total revenue and wastewater charges 30%.

Revenue from water and wastewater services grew by $58 million (8%), reflecting customer growth, higher consumption as well as price increases introduced to recover rising costs of providing services to our customers and increases to the State Government’s bulk water charges.

Developer revenue moved from $196 million in 2024-25 to $215 million in 2025-26, an increase of 10%. Developer contributions remain an important funding source for the infrastructure needed to connect and serve new customers, and include:

- $92 million in cash infrastructure charges, helping to fund investment in growth water and wastewater infrastructure
- $124 million in developer-built assets adopted into our network, reflecting the volume of new developments being completed and connected across our region.

Capital investment

We invested $386 million in the growth and renewal of our water and wastewater infrastructure, up 6% on 2024-25. This investment is a direct reflection of the growth being experienced across the region and our commitment to the long-term reliability and resilience of the services our customers and communities depend on.

Expenses

As our asset network expands to meet the region's growth, total expenses increased by $78 million (10%). Borrowing costs rose in line with higher interest rates and increased debt funding for capital works and depreciation increased in line with the expanding asset network.

Bulk water purchased from the State Government via Seqwater represented 31% of our cost base. Interest and depreciation together accounted for a further 26%.

Consolidated Statement of Profit or Loss

	2021-22 $M	2022-23 $M	2023-24 $M	2024-25 $M	2025-26 $M
Total revenue	758.3	759.8	887.4	931.6	1,018.0
Total expenses	(605.2)	(622.3)	(721.6)	(750.7)	(828.7)
Net operating result	**153.1**	**137.5**	**165.8**	**180.9**	**189.3**
Less developer revenue net of tax	(104.1)	(90.9)	(140.4)	(137.1)	(150.8)
Surplus invested in water and wastewater infrastructure	**49.1**	**46.6**	**25.4**	**43.9**	**38.5**

The total return provided to Participant Councils in 2025-26 was $140 million, composed of $34 million tax equivalents, $58 million in interest on loans and $48 million in dividends. Returns to Participant Councils provide a reliable revenue stream that contributes to their delivery of services within our communities.

	2021-22 $M	2022-23 $M	2023-24 $M	2024-25 $M	2025-26 $M
Interest on Council loans	47.6	46.6	52.4	56.2	57.8
Tax equivalents	45.0	28.0	32.9	37.8	34.5
Dividend declared	40.4	65.4	54.7	46.0	47.7
Total Participant returns	**133.0**	**140.0**	**140.0**	**140.0**	**140.0**

We remain in a stable financial position, as we actively manage growing customer expectations, and a broader network footprint. Our financial performance and financial sustainability are reflected through the following key performance measures.

	2021-22	2022-23	2023-24	2024-25	2025-26
Funds from operations to net debt (%)	17	15	15	15	15
EBITDA[1] interest cover (times)	5.0	4.6	4.1	3.8	3.6
Net debt to fixed assets (%)	36	37	38	39	40

[1] Earnings before interest, tax, depreciation and amortisation and excludes adopted developer-built asset revenue.

Chapter 3 – Value every drop

Water is our most precious resource. To ensure that as a community we value every drop, we continually explore ways to be more efficient and sustainable.

Our strategic intent is to ensure:

- We're efficient in the delivery of our services.
- Our communities view water as a precious and finite resource.
- We maximise reuse of wastewater and create sustainable bioresources.
- We commit to growing our smart network, installing more digital sensors and moving to predictive maintenance opportunities.
- We have reliable and diversified sources of income to contribute to stabilising costs over time.

Progressing our intent in this area supports the following United Nations Sustainable Development Goals:

- Clean Water and Sanitation
- Industry, Innovation and Infrastructure
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Life Below Water, and Life on Land.

Excellent network performance delivers for customers

Unitywater continues to perform well when compared to major water utilities across Australia on core network reliability measures, recording the lowest rates of both water main breaks and sewer main breaks and chokes among the nation's large utilities in 2024–25.

Benchmarking through the Bureau of Meteorology's *National Performance Report 2024-25: water and wastewater service providers* (NPR) shows Unitywater achieved:

- Lowest water main break rate of all Australian major utilities. Unitywater recorded 3.5 breaks per 100km of main, compared to an industry figure of 16.8. That is approximately one fifth of the rate seen elsewhere.
- Lowest sewer main break and choke rate of all Australian major utilities. At 4.3 breaks per 100km of main, Unitywater sits well clear of the 26.9 recorded across major utilities. In South East Queensland, the only utility to record a lower sewer break and choke rate is Redland City Council, which operates in the large utility category and achieved 3 per 100 km of main.

Both results place Unitywater far below the industry median, reflecting a consistent focus on maintenance and asset management that keeps the network in strong shape for the communities we serve. These outcomes are also consistent with Participant Council and customer expectations, delivering reliable services to regions with tourism driven local economies.

- Real water losses decreased by 7.4% in 2024-25, following the rectification of major leaks identified during the year. Unitywater recorded 55 litres of water lost to leaks per day per connection, which sits below the industry median.
- Reducing water loss matters for customers, for the environment and for long-term cost efficiency. This result reflects the kind of proactive network management that keeps the system running well and supports responsible use of a shared resource.

Restoration timeframes for unplanned water outages remain a focus area. Customers, particularly businesses whose operations depend on uninterrupted water supply, expect rapid resolution when disruptions occur. Reducing the average duration of unplanned outages is a clear priority, and it is one we are actively working to address.

The 2024-25 NPR confirms what our own annual benchmarking analysis has shown consistently: the network outperforms industry norms on asset reliability, and operational cost discipline remains strong despite the structural challenges of the region, for the benefit of our customers.

Maintaining services through extreme weather events

South East Queensland's summer storm season runs from November to April each year, bringing with it the real risk of network disruptions that can affect water supply and wastewater services for thousands of households.

Extreme weather events place unique pressure on water and wastewater infrastructure. Both networks depend on power to pump and push water through the system, meaning that power outages can rapidly affect service delivery. At the same time, heavy rainfall creates a different challenge for the wastewater network, which can become overwhelmed by stormwater inflow, increasing the risk of overflows on private property and in the environment.

Ahead of the storm season, teams carried out summer preparedness planning across the network, testing assets, checking water reservoir operational levels, inspecting critical equipment and testing generators. Customers were also encouraged to update their contact details in My Account so we could reach them quickly in an emergency.

A record-breaking supercell swept through South East Queensland bringing giant hail, destructive winds and heavy rainfall in late November 2025. December storms brought a series of thunderstorm events and flash flooding. In advance of each storm, Unitywater shifted to proactive preparedness campaigns, encouraging residents to check their overflow relief gullies (ORGs) and downpipes ahead of the storms.

We maintained service continuity throughout by prioritising crew safety while responding as quickly as conditions allowed. The dual-season communications strategy, covering proactive preparedness and real-time emergency response, helped keep the community informed and better prepared. By building strong operational readiness ahead of each event and working in partnership with Local Disaster Management Groups, Unitywater demonstrated its capacity to protect both service delivery and its people during high-pressure situations.

Unitywater's ongoing maintenance and renewal program is backed by a $400 million five-year investment commitment, improving the long-term resilience of water and wastewater networks ahead of each storm season.

Urban Water Price Monitoring Review Part 1 confirms good governance

In September 2025, the Queensland Government directed the Queensland Competition Authority (QCA) to undertake a price monitoring investigation of South East Queensland's two water distributor-retailers, Unitywater and Urban Utilities. The review covers Unitywater’s forecast expenditure and proposed prices over the 2026-27 to 2029-30 price monitoring period and is being undertaken in two phases. We are committed to transparent, constructive and cooperative engagement with the QCA throughout the review.

Unitywater’s Part 1 submission, lodged with the QCA in December 2025, set out our proposed 2026-27 pricing approach, balancing customer affordability with ongoing investment in essential infrastructure and services to support our growing region.

The QCA published its Part 1 interim report on Unitywater in June 2026. Its preliminary assessment found that Unitywater had provided transparent revenue forecasts and documented planning and governance arrangements and noted proactive Board-level engagement on efficiency matters with a clear focus on customer affordability. The QCA assessed Unitywater's overarching governance systems as robust, well documented and consistent with good industry practice, with capital planning, delivery and asset management systems described as structured and mature. It also found that our procurement framework raised no material concerns and that our operating expenditure forecasting arrangements were consistent with good industry practice.

Taken together, these findings supported the QCA's broader conclusion that its review, supported by its independent technical consultant, Utilities Regulation Australia (URA), did not identify any material deficiencies in Unitywater's frameworks or departures from good industry practice. The QCA found that our frameworks provide a strong foundation for decision-making and expenditure oversight and are likely to support prudent and efficient outcomes when applied appropriately and consistently.

These findings build on Unitywater's strong record in previous QCA price monitoring. In the 2013-15 review, the QCA found no evidence of an exercise of monopoly power, assessed our capital expenditure program as broadly prudent and efficient, and accepted 99.8% of submitted operating expenditure as efficient. The review also recognised strengths in Unitywater's capital planning and delivery arrangements while identifying areas for further improvement.

Since that review, Unitywater has continued to strengthen its governance and operating discipline while maintaining price restraint and improving service performance. Over 15 years, our independent Board's annual price-setting approach has kept prices low and stable while supporting continued investment in essential water and wastewater infrastructure. That discipline has helped position Unitywater among Australia's leading water utilities for efficiency and service performance. This is reflected in the Bureau of Meteorology's National Performance Report 2024-25, which placed our network and service performance among the best of 15 comparable major utilities nationally.

The QCA's 2026 interim report also highlighted Unitywater's long-term service and pricing performance. Since the previous review, sewer main breaks, chokes and leaks have fallen substantially, with water main break performance remaining stable, while growth in the retail component of a typical customer bill was limited to a compound annual rate of 1.7%, well below average CPI of 3.2% over the same period.

Unitywater’s Part 2 submission is due to the QCA in August 2026. Part 2 will involve a more detailed assessment of the prudency and efficiency of our forecast expenditure for 2027-28 to 2029-30, together with forecast prices and customer bill impacts.

Water and wastewater pricing 2025-26 shows where customers money goes

Our customer education strategy supports customers across our service region to learn more about the water and wastewater services Unitywater provides them. Primary topics include how we make sure they’re getting safe drinking water, how to prepare for extreme weather, and how wastewater is treated. We use a variety of communication channels to share information including our quarterly bills.

As a key customer touchpoint, we take a strategic ‘think customer’ approach to our billing, and this year shared information about how to help keep the wastewater network clear, along with an explanation about changes to water prices and how increasing operational costs were impacting prices.

The ‘What your water bill pays for’ campaign demonstrates how the money we receive through bills is used to invest in essential infrastructure, support the State Government bulk water network, provide returns to our Participant Councils, and meet the operating costs of ensuring the delivery of safe and reliable water and wastewater services to our region. Currently, more than $250 million from customer bills is passed directly to State Government-owned Seqwater, representing approximately one quarter of the total bill.

For every $100 collected in 2025-26, Unitywater directed funds across four key areas:

- $26 to the Queensland State Government to cover bulk water charges, repaying investment in the SEQ Water Grid and funding the daily operation of the network that captures, stores and treats water before it reaches our region.
- $28 for our daily operating costs, from the electricity and chemicals that keep treatment plants running to the vehicles and equipment used to respond to faults around the clock, right across our region.
- $18 to the City of Moreton Bay, Sunshine Coast and Noosa Councils through interest on loans, tax equivalents and dividends, supporting local infrastructure and services like roads and community facilities.
- $28 directly into upgrading and expanding our network, renewing ageing pipes and infrastructure for existing customers while connecting new homes in one of Australia's fastest-growing regions.

Monitoring the supply chain through global conflict and uncertainty

Throughout the year, Unitywater closely monitored the impacts of ongoing global conflict and economic uncertainty on supply chains critical to water and wastewater operations. Prolonged instability in the Middle East contributed to volatility in global fuel markets, increasing transport costs and uncertainty around the availability and delivery of key operational materials, equipment and services.

Recognising the potential risks to essential service delivery, we maintained a proactive and coordinated approach to organisational resilience and operational readiness. The organisation’s Strategic Response Group and Business Continuity Planning Working Group met regularly to assess emerging risks, monitor market conditions and evaluate a range of operational scenarios that could affect customers, projects, contractors and team members.

During this period, there were no material disruptions to Unitywater’s core operations or customer services. However, targeted measures were implemented across the business to improve operational efficiency, strengthen contingency planning and support continuity of essential services should conditions deteriorate further.

As part of this work, we reviewed fuel dependency across operational activities, prioritised critical asset and fleet requirements, and strengthened engagement with suppliers and service providers to improve visibility of potential supply constraints. Procurement and operational teams also worked together to identify alternative sourcing options and review inventory holdings for critical materials and equipment.

Unitywater also continued progressing its Critical Infrastructure Risk Management Program in accordance with the *Security of Critical Infrastructure Act 2018* (Cth).

An impact assessment was completed to evaluate emerging obligations and evolving risks associated with critical infrastructure security and supply chain resilience. Work also progressed to update internal frameworks, procedures and governance arrangements to ensure ongoing compliance and alignment with changing regulatory expectations.

Importantly, we recognised that global uncertainty and rising fuel costs could affect team members in different ways. Leaders across the organisation actively engaged to understand individual impacts and discuss practical arrangements that balanced operational needs with employee wellbeing and flexibility.

Expanding digital metering to help customers save

Hidden leaks are one of the biggest drivers of unexpectedly high water bills for residential customers. Because traditional mechanical meters are only read once per quarter, concealed leaks can continue undetected for up to three months, even when customers regularly check for visible signs of leakage.

Across the network, water loss through leaks also affects the broader community. Every litre lost through undetected leaks is drinking quality water that has been treated, pumped and accounted for. At the same time, ageing infrastructure in older suburban areas makes leak occurrence more likely, creating a concentration of risk that a traditional quarterly meter read simply cannot address quickly enough.

A successful pilot program covering 10,000 properties resulted in over $5 million in cost savings and 826 million litres of water saved.

Unitywater began expanding our digital metering program across Moreton Bay, Sunshine Coast and Noosa from late March 2026. The program prioritises older areas where customers are statistically more likely to experience leaks and installs meters in defined network blocks based on water supply infrastructure layout rather than street by street. This approach allows us to more accurately identify potential leaks beyond the household level.

Digital meters securely transmit daily water use data to Unitywater, enabling faster leak identification, earlier customer notification and clearer billing. By 30 June 2026, a total of 6,901 digital meters were installed and a total 6,615 digital ready meters were rolled out. Upgrades undertaken during the financial year occurred across suburbs throughout our service region, commencing in areas with older infrastructure.

The program expansion represents a significant step forward in our ability to detect and respond to leaks at both a property and network level. Customers receiving digital meters gain access to daily data that empowers them to identify problems early, avoid unexpected bills and reduce their water use. At the network level, Unitywater can respond to emerging issues more efficiently, reducing water loss and supporting long-term water security for the region.

Creatures engage customers to protect their pipes

Wastewater blockages are one of the most disruptive and costly challenges in network maintenance.

To address the behavioural drivers that cause blockages, Unitywater launched our Creatures from the Deep campaign, designed to bring the consequences of wrong flushing and poor planting decisions to life in a way that resonated with the community. The campaign used the metaphor of creatures lurking in the wastewater network to make an invisible problem visible and memorable.

Based on data consisting of known wastewater blockages and incidents, the campaign addressed blockages caused by two distinct problems: items being flushed or rinsed into the network that should not be there, and tree root intrusion into ageing pipes.

Three complementary sources of evidence demonstrate momentum: operational data that reflects emerging system-level trends, digital customer data that shows how people are responding to the campaign in real time, and qualitative insights from customer research.

Across all three service regions combined, total network and pump station blockages reduced from 4,191 in 2024-25 to 3,684 in 2025-26, representing a significant blockage incident decrease of 12.2% year on year.

Smoking out inflow and infiltration to prevent overflows

When heavy rain falls, stormwater can find its way into the wastewater network through cracked maintenance holes, poorly maintained overflow relief gullies and downpipes that have been incorrectly connected to wastewater pipes instead of the stormwater system. Stormwater and wastewater are two separate systems that are not designed to mix. When they do, the wastewater network can become overwhelmed, increasing the risk of overflows that pose a real threat to public health and the natural environment.

Identifying exactly where stormwater is entering the network is difficult using conventional methods. Defects can be invisible from the surface and spread across thousands of private properties and network assets, making targeted intervention hard without a structured, data-driven approach.

Unitywater's annual smoke testing program uses a purpose-built analytical tool to evaluate pump station performance during rainfall events, identifying which suburbs are most at risk. Once target areas are confirmed, crews blow non-toxic, non-flammable artificial smoke through the wastewater pipes. The smoke emerges from vents, breaks or cracks, alerting crews to the precise location of defects in both Unitywater's maintenance holes and private plumbing.

In the 2025-26 round, testing covered 15 suburbs across Sunshine Coast and Moreton Bay including Bokarina, Clontarf, Mountain Creek, Minyama and Pelican Waters, with work scheduled for completion. Where private plumbing defects were identified, we communicated findings directly to property owners and requested reasonable steps be taken to fix them.

The program has proven highly effective at identifying and resolving the entry points that allow stormwater to inundate the wastewater network. With the vast majority of identified private plumbing defects now rectified, we have achieved a meaningful and measurable reduction in stormwater infiltration and the overflow risks that come with it. The program also supports environmental protection by reducing the volume of untreated wastewater that can reach waterways during wet weather events.

Since the program began in 2021, 38,000 properties have been investigated. Eight percent of these were found to have plumbing defects, and 81% of identified private plumbing defects have since been rectified. This has delivered an 18% annual reduction in stormwater inflow and infiltration, equivalent to 548 million litres reduced per year. In addition, 12,700 Unitywater maintenance holes have been inspected through the program.

Progressing an innovative bioresource recovery facility

After two years of rigorous feasibility work, Unitywater confirmed the feasibility of developing a Bioresource Recovery Facility on the Sunshine Coast, representing an important step in rethinking how we manage resources recovered through the wastewater treatment process. This significant milestone demonstrates our commitment to innovative solutions that support a more sustainable, resilient and circular operation.

Today, Unitywater produces approximately 72,000 tonnes of biosolids annually across our wastewater treatment plants, a volume projected to exceed 120,000 tonnes by 2051. Currently, all biosolids are sent for beneficial reuse in the agricultural sector – at a cost. Without intervention, the total cost of managing this growing stream is estimated at $1.6 billion over the next 25 years. The increasing volume of biosolids highlights the need for a long-term solution that improves resource recovery, strengthens operational resilience and supports sustainable cost management for our customers.

This facility will transform the way Unitywater manages biosolids by processing them to produce highly activated biochar, a valuable fertiliser product that supports the circular economy by turning waste into a resource. Rather than viewing biosolids as a waste stream, the facility creates an opportunity to recover value and keep resources in use for longer. The project supports our 2030 Strategic Ambition by reducing our environmental footprint, generating carbon reduction certificates and contributing to our nitrogen, phosphorus and carbon targets, all while delivering long-term operational and financial benefits that help keep customer bills stable.

A further benefit is the thermal destruction of the majority of PFAS and microplastics present in wastewater from upstream sources, helping address emerging environmental challenges and supporting the long-term health of waterways and communities.

The Bioresource Recovery Facility is an example of how Unitywater is innovating beyond traditional infrastructure solutions, by finding smarter ways to manage resources, improve sustainability and deliver lasting value for customers and the environment.

Pending planning approvals, detailed design and construction work will commence in 2026-27.

Innovation grows recycled water volumes

Unitywater continued to demonstrate innovation in water management, with the first full year of the nationally recognised Wamuran Irrigation Scheme supplying recycled water to agricultural customers across the Wamuran region, approximately 60 kilometres northwest of Brisbane. The scheme transforms treated wastewater into a valuable resource, creating a sustainable alternative water supply that strengthens regional water security while making better use of existing infrastructure. The scheme reflects years of planning, with design and feasibility commencing in 2020 before almost two years of construction and commissioning brought this innovative solution into operation in 2024. During the reporting period, the scheme supplied approximately 872ML of Class A recycled water, supporting four farming enterprises and reducing reliance on traditional water sources during periods of climate variability.

The scheme also delivered measurable environmental outcomes, diverting an estimated 3.9 tonnes of nitrogen and 0.8 tonnes of phosphorus from local waterways, while contributing to Unitywater's long-term target of net zero nutrient emissions by 2040. Importantly, the innovative approach also deferred the need for significant future infrastructure investment by avoiding the construction of a new ocean outfall, while creating additional capacity within the regional wastewater network to support population growth. This demonstrates how innovative thinking can improve environmental outcomes while helping manage long-term costs for customers.

Customer and industry benefits continued to emerge throughout 2025-26, with participating growers reporting improved production certainty, greater resilience during dry conditions and opportunities to diversify crops supported by a secure, climate-independent water supply. The scalable design also positions the scheme to support future agricultural growth across the region, with ultimate delivery capacity of up to 24ML per day.

Unitywater also continued to maximise the value of recycled water by supplying various commercial customers for use in low exposure applications such as irrigating public open spaces such as sports fields and turf farms, and in cooling towers and industrial processes such as concrete batching. Expanding the beneficial reuse of treated wastewater is an important part of our circular economy approach, ensuring every drop is used to its greatest potential before being returned to the environment. By maximising the reuse of treated wastewater, we:

- Promote sustainable resource consumption by preserving drinking water for essential community use
- Protect ecosystem health by reducing nutrient discharge to waterways.

The Wamuran Irrigation Scheme demonstrates how innovation can create shared value, supporting customers, strengthening regional industries, protecting the environment and preparing communities for future growth. This advances our goal of valuing every drop of our most precious resource and becoming a net positive blue organisation by 2040.

Banner mesh recycling improves circularity of construction site essentials

PVC banner mesh is a standard feature of construction sites, used to screen work areas from public view for privacy, safety, security and dust control. For a utility running an active program of infrastructure maintenance and renewal, banner mesh is used regularly across multiple sites. Until recently, however, this material had no pathway to reuse. After a single use on site it was discarded to landfill, contributing to waste volumes without any opportunity to recover its material value.

In a first for the Australian water industry, Unitywater partnered with our water and wastewater infrastructure capital delivery partner Downer and Brisbane-based recycler Climate One to establish a collection and recycling pathway for used banner mesh from construction sites. Once collected, the PVC material is processed and transformed into new products including corflute signs, which we reuse for project signage on site, as well as vinyl carpet tiles and PVC panels for use in the building and automotive industries. The initiative was announced in January 2026 and directly supports our Strategic Ambition 2030 sustainability commitments.

Chapter 4 – Customer of the future

Well-established in the communities we serve, we know our customers and are an integral part of their lives.

Our strategic intent is that:

- We're easy to do business with and our customers trust us.
- We predict customer experiences, while keeping prices affordable into the future.
- We contribute to greener, healthier communities, cleaner waterways, coastal waters and green corridors.
- We work closely with planning authorities to build resilient, healthy and thriving communities of the future.
- We engage the community and First Nations Peoples when making big decisions.

Our Customer and Community Strategy and Sustainability Strategy are the two engines that drive this ambition forward. The Customer and Community Strategy ensures we are listening, responding and building the kind of trusted, seamless experience that earns long-term confidence in Unitywater, while our Sustainability Strategy ensures the infrastructure, resources and environmental stewardship we invest in today will continue to support healthy and thriving communities well into the future.

Progressing our intent in this area supports the following United Nations Sustainable Development Goals:

- Good Health and Wellbeing
- Clean Water and Sanitation
- Affordable and Clean Energy
- Industry, Innovation and Infrastructure
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action
- Life Below Water, and Life on Land.

Helping unlock land for new homes for Queenslanders

South East Queensland is growing fast and translating that growth into real homes for real people requires water and wastewater infrastructure that is planned, funded and committed well ahead of the first slab being poured.

Unitywater's service region is expected to welcome more than 546,200 additional residents between 2021 and 2046, representing one of the largest growth shares in the country, according to the Queensland Government's 2023 ShapingSEQ Plan.

In supporting this growth, Unitywater is on track to exceed the Queensland Government's housing targets, by providing water and wastewater services for 255,797 new dwellings in our region by 2046. Our target exceeds the Queensland Government's ShapingSEQ Plan for City of Moreton Bay, Sunshine Coast and Noosa, providing for 18.6% more new dwellings than the Plan's target of 215,600.

While infill development within established connection areas continues to drive steady growth, around 40% of projected growth will occur outside these areas, across greenfield locations spanning at least 15 new development fronts in the Sunshine Coast and City of Moreton Bay regions. Water Infrastructure Agreements are a critical mechanism for facilitating this expansion.

Under the *South-East Queensland Water Act (Distribution and Retail Restructuring) Act 2009* (Qld), developers can enter into agreements with Unitywater to define the terms for designing, constructing and funding the trunk infrastructure their greenfield developments require. These agreements set out each party's responsibilities, timelines, technical standards and cost-sharing arrangements, giving developers certainty and giving communities the assurance that essential services will be in place when people move in.

In 2025-26, Unitywater executed 30 new Water Infrastructure Agreements across our service region, with 28 within City of Moreton Bay reflecting the scale and pace of residential development across Moreton Bay's rapidly growing western and northern corridors. Two agreements were executed on the Sunshine Coast, supporting continued growth in the region. Together, these 30 agreements will collectively unlock approximately 3,923 new residential dwellings, ensuring that infrastructure planning keeps pace with the state's ambitions for new homes.

The geographic concentration in Moreton Bay includes the growth corridors of Waraba, Morayfield South Central and surrounding areas. These are among the most significant urban development zones in the country. We have been working closely with developers, councils and the Queensland Government to ensure water and wastewater capacity is in place to support them. Our $2 billion, five-year capital investment program provides the platform on which these agreements are built, to ensure the network can grow to meet developer needs.

This year, we issued more than 10,000 residential connection approvals for new homes across our region, the largest number ever recorded by Unitywater in a single year. This milestone demonstrates the scale of growth underway and the critical role Unitywater plays in enabling new housing and supporting Queensland's growing communities.

Growing infrastructure to welcome new customers to the region

Our region is one of the fastest growing in Australia, and the infrastructure we build today will shape the future. This year, we made significant progress on new water supply infrastructure, delivering the reservoirs, pipelines and networks that will keep communities healthy and connected for decades to come. These projects form part of our $2 billion investment in water and wastewater infrastructure over the next five years.

Publication of our 2024–2029 Water Netserv Plan outlined our long-term strategies for delivering essential water and wastewater services across Moreton Bay, Sunshine Coast and Noosa, in line with legislative requirements under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* (Qld). It includes updates to the Schedule of Works, Accelerated Infrastructure Schedule (as an addendum to the Netserv Plan), connection area mapping, and planning assumptions to support sustainable growth over the next 20 years.

BRIBIE ISLAND ROAD WATER MAIN GROWTH PROJECT

Bribie Island Road is the primary artery for water delivery to Bribie Island and surrounding communities. The existing pipeline had reached the limits of its capacity, and with a growing population relying on it.

In early 2026, we began upgrading a critical section of this pipeline, installing approximately 260 metres of new trunk water main to improve network capacity and reliability. Rather than open-cut excavation along a busy road, we chose horizontal directional drilling and auger boring, trenchless techniques that dramatically reduce disruption to the community and the surrounding environment.

Delivered in partnership with Downer, the project will ensure Bribie Island and nearby communities continue to receive safe, reliable water as the area grows.

AURA WATER GROWTH PROJECT

With 71,000 residents projected to call Aura home by 2056, we needed to build a water supply network from the ground up. The Aura Water Project delivers a new water reservoir and 12 kilometres of pipeline connecting Aura in Caloundra South to the Ewen Maddock Water Treatment Plant, creating a completely new water network for this major growth community.

Construction is well underway with our delivery partner McConnell Dowell and is expected to be complete by late 2026. The project commenced in April 2023 as part of Unitywater’s $270 million Aura and Harmony Program of work and is delivering 27.6 kilometres of water and wastewater pipelines, two large water reservoirs, and an advanced wastewater pump station.

PINE VALLEY WATER SUPPLY GROWTH PROJECT

The Pine Valley Water Supply Project is purpose-built for the next wave of growth in Moreton Bay's fastest-developing corridors. A new 15 megalitre water reservoir located off Jacko Place in Morayfield, paired with more than eight kilometres of associated pipeline, will supply water to growing communities in Waraba, Morayfield and Narangba, areas where more than 100,000 new residents are expected to arrive in the coming years.

Construction commenced in early 2025 with delivery partner Downer and is on track for completion by mid-2027. Wherever possible, pipelines have been routed through existing easements and road reserves to protect the natural environment, with all clearing works supervised by qualified fauna spotters and undertaken in consultation with Kabi Kabi representatives.

MORAYFIELD WASTEWATER NETWORK CAPACITY GROWTH PROJECT

The Morayfield South Central and Waraba areas are at the heart of one of South East Queensland's most significant urban expansion zones. Over the next 20 years, approximately 126,000 new residents are expected to move into these communities.

To make that possible, Unitywater commenced construction in early 2026 on the Morayfield Wastewater Network Capacity Upgrade, a project being delivered in two stages with our delivery partner Downer. Stage one will serve approximately 26,000 people and includes nearly three kilometres of new wastewater pipeline and upgrades to two existing pumping stations at Coach Road West and Buchanan Road. Stage two will decommission an ageing pipeline and install a new, higher-capacity connection linking the expanded development areas to our South Caboolture Wastewater Treatment Plant – ultimately serving around 100,000 residents.

The project will also unlock approximately 6,000 residential lots, directly enabling housing supply in one of the region's most in-demand areas. Horizontal directional drilling and micro-tunnelling techniques are being used to protect the environment and minimise disruption to existing communities during construction.

WARABA WASTEWATER NETWORK GROWTH PROJECT

The new City of Waraba is being built from the ground up, and Unitywater is building the wastewater network to service this area. The Waraba Wastewater Network project, delivered with our construction partner Killard Tallai Joint Venture, includes 4.5 kilometres of new wastewater pipeline that will eventually serve approximately 70,000 people across 30,000 lots over the next 40 years.

After almost 18 months of construction, the project reached completion in late 2025 with commissioning and final testing completed in early 2026, on time and on budget. The team navigated complex construction conditions through existing residential areas, using horizontal directional drilling at Sheepstation Creek and Dobson Creek to protect sensitive environments and minimise community disruption.

At the heart of the Waraba Wastewater Network sits a state-of-the-art wastewater pump station and beneath it, one of the year's most striking engineering achievements. A five-storey underground wet well now anchors the entire system, managing wastewater flows during peak demand and ensuring a consistent downstream flow to the treatment network.

Sealing the wet well required a 350-tonne crane to lift and precisely position a 35-tonne concrete slab poured directly adjacent to the site. Once operational, the pump station can process more than 380 litres of wastewater per second, the equivalent of more than three million toilet flushes every day. High-technology sensors across the network detect potential issues or leaks faster than ever before, while an integrated odour control system ensures minimal impact on surrounding communities.

BURPENGARY EAST WASTEWATER TREATMENT PLANT GROWTH PROJECT

As Moreton Bay's northern growth corridor continues to expand, so does the demand placed on the Burpengary East Wastewater Treatment Plant. The population it serves is expected to grow from 50,000 to 81,000 people, and the existing plant capacity needs to grow with it. Once complete, the upgraded plant will have capacity to treat 14 million litres of wastewater per day.

Unitywater appointed Ventia to deliver a comprehensive upgrade program that includes new inlet works with enhanced odour control, a new bioreactor, a new clarifier, renewal of treated water disinfection systems and electrical and control system upgrades. Construction commenced in May 2024, and the project is on track for completion in early 2027, with all works contained within the existing plant premises on Uhlmann Road, Burpengary East.

The upgrade also reflects our commitment to the environment. Increased nutrient treatment capacity will reduce the load discharged to the Caboolture River, a waterway we have been actively rehabilitating through our $8 million nutrient offset program, which includes bank stabilisation works and the planting of thousands of native seedlings along the lower Caboolture River.

New partner expands asset delivery capability

In February 2026, Unitywater welcomed infrastructure contractor Abergeldie to our collaborative delivery partnership, strengthening the team already working alongside Downer, Dormway and Elevate (a joint venture of Aurecon and AECOM) to deliver Unitywater's $2 billion capital investment program.

The collaborative delivery partnership brings together Unitywater as the infrastructure owner, with designers and contractors under a single, integrated model. Rather than managing separate contracts in isolation, the approach streamlines project delivery to achieve better outcomes on cost, time and quality.

In 2025-26, year two of the partnership, 83% of capital projects are being delivered through this model. That is a strong foundation, and the expansion of the model reflects a deliberate decision to build further capacity ahead of an extended period of infrastructure demand.

Abergeldie joins the partnership with a depth of experience in complex water infrastructure, including its prior work with Unitywater on the Maroochydore Wastewater Treatment Plant Upgrade. From February 2026, Abergeldie began supporting wastewater treatment plant upgrades at Kawana and Coolum, complementing the work already underway across Unitywater's broader portfolio.

Customers share their priorities for water and wastewater

Unitywater's decisions about where and how to invest are made with customer insight, which is central to our planning. The feedback we receive year after year tells a consistent story about what matters most.

Through quarterly surveys reaching more than 500 customers at a time, three clear expectations have been maintained: service reliability, liveability and sustainability, and value for money. These themes form the foundation of how Unitywater approaches its capital program.

Unitywater ran additional customer and stakeholder research from February through March 2026 to confirm what customers expect from future investment. The process included pop-up activations to facilitate conversations with residents, tourists and business owners in person. Targeted interviews were held with business customers and community interest groups.

More than 1,200 responses were received, and the results were clear. Every one of the 11 investment initiatives tested attracted support from more than 70% of respondents. This result reflects a community that is engaged, informed and genuinely supportive of investment that is purposeful and well-directed.

Nine in 10 customers (90%) want Unitywater to invest in infrastructure that maintains current high service levels. A further 88% want fast response times when unexpected service issues arise. Customers favour proactive investment over reactive fixes.

Customers view waterway health and environmental quality as central to what makes South East Queensland a great place to live, with 88% wanting sustainability initiatives to be embedded in how

Unitywater plans and delivers infrastructure, and 96% supporting a balanced approach to investment specifically aimed at keeping waterways healthy.

Affordability matters to customers, as does acting early to avoid larger costs down the track, with 94% supporting strategic investment in maintenance and infrastructure renewal to minimise service disruptions, 93% wanting current service levels maintained or improved, and 92% believing decisions should weigh cost, community, environment and service together.

Ombudsman confirms customer enquiries are resolved with care

Unitywater remained committed to supporting customers through responsive, transparent and fair complaint resolution processes, building on continued improvement in The Energy and Water Ombudsman Queensland (EWOQ) reporting.

The EWOQ Annual Report 2024-25 recorded a significant reduction in water complaints across Queensland, with closed water complaints decreasing by 23% overall compared with the previous year. Unitywater saw better-than-average results with Ombudsman complaint numbers decreasing by 35% compared with 2023-24, reflecting continued focus on improving customer communication, issue resolution and internal dispute handling processes. While EWOQ independently assesses whether outcomes are fair, reasonable and consistent with regulatory obligations, the reduction in complaints indicates improved resolution pathways for customers and fewer matters requiring escalation.

Throughout the year, we continued to strengthen customer support processes, ensuring customers experiencing billing, supply or service concerns were provided with clear information, timely assistance and appropriate review pathways. This approach supports trust in our services while reinforcing accountability and fairness in customer outcomes.

Shellfish reef trial expanded for more nutrient removal

Wastewater treatment removes most nutrients before water is released into local waterways, but even well-treated effluent carries residual nutrients into waterways. As more households connect to Unitywater's network, the cumulative nutrient load on the Pine River and Moreton Bay becomes a growing challenge.

Shellfish in particular are highly efficient filter feeders that absorb nutrients from the water column as they grow, making them a compelling option for waterway restoration. However, evidence for their effectiveness at scale in local conditions was limited, and the question of how to design and position reef structures for maximum impact remained unanswered.

In 2023, Unitywater launched a shellfish reef trial in the Pine River in partnership with the University of the Sunshine Coast (UniSC), OzFish and Healthy Land and Water. The initial phase installed 40 oyster baskets at a single site downstream from Unitywater's Murrumba Downs Wastewater Treatment Plant, demonstrating an average reduction of 2.8 kilograms of carbon and 294 grams of nitrogen per basket compared to control sites.

The trial was expanded in December 2025 with two additional installation sites and a total of 120 oyster baskets. The new baskets were designed in varying shapes and sizes to test which configurations shellfish prefer and which are most durable over time.

The expanded trial builds on a strong base of evidence and positions Unitywater as a leader in nature-based water quality solutions for the Australian water sector. Data from the initial site showed that 154 reefs installed across an area the size of two rugby fields could theoretically offset the nitrogen output from a treatment plant servicing 10,000 people. The expanded trial will run until 2028, generating further data to support decisions about additional installation sites and new locations. The project also directly supports Unitywater's $1.1 million Master Collaboration Agreement with UniSC, which funds at least four environmental research and development projects over three years.

Approved to stretch our Reconciliation pathway

In a significant milestone for 2025-26, Reconciliation Australia has formally invited Unitywater to develop a Stretch Reconciliation Action Plan (RAP. This is advanced level of RAP is extended only to organisations that have demonstrated sustained, meaningful progress. Development will take place throughout 2026, and it represents a genuine step forward in our reconciliation journey.

While the Stretch RAP takes shape, we remain focused on delivering the practical actions already in motion that support self-determination and cultural safety.

Launched in January 2026, the Yanyarin (Good Spirit First Nations Cultural Learning program is designed to create a safe, positive and respectful space for growth and understanding across the organisation. Yanyarin was co-designed with Traditional Custodians, drawing directly on their knowledge and lived experience. Unitywater team members also contributed their operational insights to shape the learning. The result is a program grounded in a strengths-based approach to reconciliation, one that centres on respect, shared learning and genuine partnership with Aboriginal and Torres Strait Islander Peoples.

Economic participation is a meaningful expression of reconciliation. Our First Nations Procurement Plan sets clear actions to increase the proportion of services delivered by First Nations businesses, building relationships that create lasting social and economic value. It is a commitment to walking alongside suppliers, growing trust over time and ensuring that Aboriginal and Torres Strait Islander businesses have a real and growing place in how Unitywater delivers its work.

Our First Nations Employment Plan now also outlines a clear commitment to growing First Nations employment within the organisation, creating culturally safe pathways and expanding opportunities through training and development.

Grant program supports healthy and thriving communities

Unitywater's Healthy and Thriving Community Grants Program supports local organisations delivering practical initiatives that benefit the region.

Applications for the 2025-26 grant round opened in October 2025, supporting projects aligned with three key categories: natural environment and liveability, First Nations Peoples and connection to Country and innovation and the future of water.

Three organisations were awarded funding through the program, supporting projects that protect local ecosystems, strengthen environmental stewardship and deliver lasting community benefit.

Bribie Island Environmental Protection Association received support for its turtle monitoring program which saw:

- 58 endangered loggerhead turtle nests monitored
- 30 kilometres of coastline protected
- More than 6,100 hatchlings safely reach the ocean.

Wildlife Noosa expanded its wildlife rescue capabilities through drone technology, delivering:

- Two new drones
- Four trained drone operators
- Support for the rescue of more than 2,000 animals annually
- More than 800 additional animals located using drone technology.

Hinterland Bush Links continued habitat restoration and community revegetation efforts across the Sunshine Coast Hinterland, including:

- More than 1,000 native trees planted
- Multiple hectares restored through removal of noxious weeds
- Environmental education events.

Through this program, Unitywater continues to support local initiatives delivering tangible environmental and sustainability outcomes across the region.

Lightning Cup energises school sports

A key expression of Unitywater's partnership with Sunshine Coast Lightning is the Unitywater Lightning Cup, an annual netball competition for Year 5 and 6 students from primary schools across Moreton Bay, Sunshine Coast and Noosa. The event reflects our commitment to healthy and thriving communities and provides a meaningful platform for school sport, teamwork and the values that both organisations champion.

Now in its fifth year, the Lightning Cup has grown into a much-anticipated event in the regional school sporting calendar, welcoming students who may be competing in netball for the first time alongside seasoned junior players.

The 2025 Unitywater Lightning Cup was held on 22 August at Fisherman's Road Sports Complex in Maroochydore. This was the largest turn out to date, with 84 teams from across the region competing for one of three trophies: the Lightning trophy for the championship division, the Storm trophy for boys teams and the Thunder trophy for new or developing players.

The event also featured multi-class come-and-try opportunities for students with different physical, cognitive or intellectual abilities. Unitywater's Drink Tap van was on site throughout the day, providing free fresh tap water and reinforcing the message to bring reusable bottles and avoid single-use plastics. Sunshine Coast Lightning players made appearances throughout the event, adding excitement and inspiration for young participants.

Art program deters graffiti and highlights community stories

Unitywater’s Community Art Program transforms essential water and wastewater infrastructure into vibrant public artworks that reflect local identity, celebrate natural environments and strengthen connection to place. In addition to improving visual amenity, art on infrastructure deters graffiti and reduces ongoing maintenance requirements, contributing to cleaner and more welcoming public spaces.

Pump stations, roadside cabinets and other operational assets are essential to our network, and the program helps reimagine these spaces as engaging visual features within the community.

During 2025-26, Unitywater completed a series of new public artworks including two murals in Noosa. In Tewantin, Sarah Bartel transformed a roadside cabinet and odour control unit into a celebration of smaller native species featuring strawflowers, bees and insects. In Noosaville, Louise Bastos from Solshine Arts reimagined a pump station with a native flora mural featuring golden wattle, selected through a community vote that attracted 258 responses.

In Caboolture, artist David Houghton revitalised a water pump station spotlighting four vulnerable local species: the Wallum Sedge Frog, Wallum Rocket Frog, Spotted-tailed Quoll and Swift Parrot. Caboolture locals were invited to vote on the featured wildlife, helping shape the final artwork and encouraging local connection to the project.

Additional artworks were also delivered at pump stations in Redcliffe and Buderim, continuing the program's reach across all three local government areas.

Drink Tap van helps reduce single use plastics

Single-use plastic bottles are a significant contributor to waste in waterways and the natural environment.

Over the past 12 months, Unitywater's Drink Tap van attended 55 community, sporting and lifestyle events across Moreton Bay, the Sunshine Coast and Noosa. Events included Sunshine Coast Lightning home games, the Redcliffe Dolphins pre-season showdown, the Qld OzTag Senior State Cup, the Dragon Boat Queensland State Championships and the Noosa Runaway Marathon, as well as agricultural shows and community festivals. The van was stationed at Noosa Heads Surf Life Saving Club for several weeks during the summer school holidays, providing a free water refill point for tourists and locals at one of the region's busiest holiday destinations.

Drink Tap van visits were supported by messaging encouraging attendees to bring reusable bottles and avoid purchasing single-use plastics, connecting community enjoyment directly to environmental responsibility.

The van filled the equivalent of over 38,000 reusable one litre water bottles across the 12-month period, displacing a significant volume of single-use plastic that would otherwise have been purchased, used and discarded. The program builds community awareness of Unitywater's water quality and reinforces the message that locally treated tap water is the smart, sustainable choice.

Chapter 5 – Keep it simple

There's power in keeping things simple. We prioritise projects that align with our 2030 Strategic Ambition. We look into the future and see a workplace where it's easy for our people to get their jobs done, simple to connect with others and everyone works together to get the best outcome for each other and for our customers.

Our strategic intent is to ensure:

- We commit to invest in digital solutions in the office, the field and our network.
- We ensure our engagement and communication is clear and simple.
- We create partnerships and adopt innovation, particularly around technologies, with a flexible, open mindset.
- We reduce unnecessary paperwork while retaining good governance.

Progressing our intent in this area supports the following United Nations Sustainable Development Goals:

- Clean Water and Sanitation
- Industry, Innovation and Infrastructure
- Responsible Consumption and Production
- Peace, Justice and Strong Institutions.

Master Collaboration Agreement streamlines key university partnership

In October 2025, Unitywater and UniSC signed a $1.1 million three-year Master Collaboration Agreement that formalised and expanded the existing partnership. This positions us as a forward-thinking organisation leveraging academic partnerships for solutions.

The Agreement aims to accelerate innovation and amplify strategic research outcomes efficiently by establishing a unified collaboration framework, creating alignment to long-term goals, and centralises oversight processes to focus on real world outcomes. Structured around three strategically aligned, high-impact pillars:

- Knowledge creation to invest in research, innovation and leadership development.
- Talent pipeline to build visibility, offering scholarships and creating pathways for future talent.
- Regional engagement to strengthen our community ties through shared initiatives and access to facilities.

The Agreement will unlock new opportunities for innovation and research and will deliver at least four research and development projects with real-world environmental applications, alongside the continuation and growth of existing programs including scholarships and the vacation work program.

The four initial research streams under the Agreement include the shellfish reef trial in the Pine River, establishing seagrass sites in Moreton Bay's Marine Park to test the effectiveness of seagrass in reducing nutrient levels entering local waterways, and a third project on application of Diatomix, a natural product that promotes growth of diatoms (microscopic algae), to improve water quality. The fourth is a PhD research project investigating water hammer, exploring how changing water pressures impact pipe integrity to better inform the life expectancy and maintenance of the pipe network.

The Agreement also supports industry advisory committees designed to align UniSC course content with industry requirements, creating a more direct connection between what universities teach and what the water sector needs. This curriculum alignment is intended to strengthen the talent pipeline into the water industry for local students across all career types.

The partnership also continued to support the three annual Unitywater Scholarships awarded to UniSC students: the Bright Future in Engineering Scholarship, the Fiona Waterhouse Women in STEM Scholarship and the Bright Future for First Nations Students Scholarship. Each scholarship provides $12,000 in financial support plus work experience and has produced tangible career outcomes for recipients who have transitioned from scholarship holders into vacation students, graduate hires and then permanent employees at Unitywater.

For our customers

Development Portal cuts processing time

Our region is growing fast, and the infrastructure to support that growth needs to keep pace. Launched in 2024, Unitywater's Development Portal gives applicants a single, streamlined platform to submit applications, make payments online and track their applications in real time. In 2025-26, Unitywater received 5,300 applications through the portal, with an average processing time of seven days.

The impact on processing times has been significant. In 2024-25, just 59% of applications were approved within 20 business days, meaning roughly four in every 10 applicants were waiting longer than they should. By December 2025, that figure had improved to 89.5%. That means nearly nine in 10 applications are now turned around within the target timeframe, a 30.5% improvement that has been achieved while application volumes have continued to grow.

This solution was designed in collaboration with industry partners through Unitywater's ongoing partnership with the Urban Development Institute of Australia (UDIA) Queensland under a Memorandum of Understanding. Through dedicated working groups and subcommittees, Unitywater and industry representatives continue to identify opportunities for continuous improvement and shape changes that improve the development experience. The Development Portal is a direct response to industry feedback and reflects our commitment to listening, engaging openly and working alongside the development community to support a growing region. Through the Technical and Process and Strategy and Planning subcommittees, industry stakeholders are actively contributing to operational improvements, policy development and long-term planning initiatives that will help create more efficient and effective outcomes for customers and partners alike.

Easy to access financial support, in those moments that matter

Unitywater continued supporting customers experiencing financial pressure during 2025–26 by providing accessible, flexible and personalised bill support options designed to help customers manage payments in ways that suited their circumstances. Through a range of support services, payment plans and digital self-service tools, customers were able to access assistance quickly and confidentially during periods of financial stress.

More than 14,905 customers over the previous 12 months received support through tailored bill assistance measures, including short-term payment plans and bill extensions. More than 12,994 customers accessed short-term payment plans, enabling bills to be paid through manageable instalments rather than a single payment.

Our approach focused on making assistance easy to access and responsive to individual needs. Customers could access seven-day payment extensions online, establish flexible payment arrangements, or use tools such as Smoothpay to spread bill payments evenly across the year. Digital support pathways included the online Support Finder tool and the My Account platform, helping customers identify the most appropriate support options quickly and conveniently.

Importantly, our hardship and support framework recognises that financial difficulty can arise from a range of life circumstances, including illness, family breakdown, unemployment, domestic and family violence, or natural disasters. Customers accessing support are treated with dignity, respect and confidentiality, with additional referrals available to community organisations and support services where needed.

Customers continue choosing e-billing for faster access and less paper

In line with our commitment to providing a seamless, customer-centric experience, Unitywater continues to encourage customers towards e-billing options. By prioritising digital-first channels, 74.9% of customers used e-billing in 2025–26, supporting faster, more convenient service delivery while also contributing to reduced paper use and a lower environmental footprint.

The use of e-billing is supported by the enhancement of the Unitywater My Account portal, a central hub designed for 24/7 account management. In 2025–26, 232,000 customers were registered to use My Account, representing a growth in users of 12.7%, reinforcing the growing preference for self-service and digital engagement.

The impacts for customers include earlier bill receipt compared to receiving post, providing a longer window to manage their household budgets.

The reduction in paper usage represents a significant step forward in our sustainability journey, eliminating the need for tonnes of paper and the carbon emissions associated with physical delivery.

For our people

Strategies map pathway to our 2030 Strategic Ambition

In 2025–26, Unitywater strengthened delivery of its 2030 Strategic Ambition through the launch of three enterprise-wide strategies focused on customers and community, sustainability, and people. Together, these strategies provide a practical roadmap to guide decision-making, strengthen organisational capability and support the delivery of our purpose: healthy and thriving communities.

The 2030 Strategic Ambition sets the long-term direction, defining the organisation’s commitment to customer outcomes, environmental leadership, operational excellence and a strong organisational culture. During the year, the release of the Customer and Community Strategy, Sustainability Strategy and People Strategy translated that ambition into practical focus areas and everyday actions for teams across the business.

The Customer and Community Strategy reinforces our commitment to delivering great service for the people and communities who rely on safe and reliable water and wastewater services every day. Built around three focus areas, the strategy supports a deeper understanding of customer expectations while maintaining strong service fundamentals and improving support during important customer moments.

The Sustainability Strategy established a framework for embedding environmental, social and economic sustainability considerations into decision-making across the organisation. The strategy reinforced the principle that sustainable outcomes are achieved through integrated planning, innovation and long-term thinking.

Three sustainability principles underpin the strategy: making holistic decisions, creating positive impacts and applying a possibilities mindset. These principles guide how Unitywater approaches infrastructure investment, environmental management, service delivery and organisational planning.

The People Strategy focuses on strengthening Unitywater’s culture, capability, safety and people readiness as the organisation continues to grow and evolve. Built around the One Unitywater theme within the 2030 Strategic Ambition, the strategy recognises that delivering strong outcomes for customers and communities starts with supporting our team members to perform at their best.

The strategy identified six focus areas: leading with safety, building capability and agility, embedding a constructive and inclusive culture, modelling a high-performance mindset, empowering people to drive change and developing strong and effective leaders.

Together, the three strategies create a strong organisational framework to support delivery of our long-term objectives. By aligning customer outcomes, sustainability priorities and team capability under a shared direction, we strengthen our ability to respond to future challenges while continuing to deliver reliable services and positive community outcomes.

Shaping ways for artificial intelligence to support our work

During 2025–26, Unitywater continued exploring how artificial intelligence (AI) could support the way work is delivered across the organisation, taking a practical and responsible approach focused on people, productivity and customer outcomes. Recognising the growing opportunities presented by emerging technologies, we commenced a structured program of work to better understand where AI-enabled tools could improve efficiency, support decision-making and create more time for specialist expertise across the business.

Early work focused on understanding existing use cases and identifying future opportunities where AI could deliver value for customers and team members while maintaining strong governance, data security and responsible use practices. This included development of an AI framework and governance approach to guide future adoption and support safe, ethical and effective use of AI technologies across the organisation.

A key milestone during the year was the commencement of the Development Services AI innovation sprint in February 2026. The sprint brought together team members to better understand operational challenges and identify practical opportunities where AI could improve efficiency and customer experience outcomes.

The collaboration explored how AI tools could support Development Services applicants and team members through streamlined processes, improved access to information and reduced administrative effort. Importantly, the work remained focused on learning, testing and building organisational understanding of both the opportunities and limitations of AI before broader implementation.

We also continued engaging team members through workshops, conversations and capability-building activities designed to help our team members understand how AI-enabled tools may support their work as technologies continue to evolve. This people-centred approach recognised that successful adoption of AI relies not only on technology, but also on building confidence, skills and responsible governance across the organisation.

Upgrading technology platforms for faster actions and better access

Keeping our people connected and informed is central to how we operate. This year we upgraded our intranet, called the Watercooler, to SharePoint Online, modernising the way our teams access information and collaborate every day.

Over 12 months, we transitioned to the cloud-based platform, delivering a refreshed intranet that is intuitive, mobile-accessible and built to grow with our organisation.

The upgrade ensures that every team member, regardless of where they work, has equal access to timely and relevant information. Field-based and remote team members, who previously had limited access, can now connect with the same ease as office-based staff. Improved navigation and search functionality reduce the time people spend looking for information, freeing them to focus on the work that matters.

The platform also strengthens how we share leadership communications and culture initiatives across the organisation, supporting a more informed and engaged team. The new platform is fully integrated with our broader digital workplace tools and built on secure, scalable technology. It reduces our reliance on fragmented communication channels and establishes a central, reliable source of information.

This investment reflects our commitment to creating an environment where our people feel supported, included and equipped to thrive. A team that is well-informed and well-connected is better placed to deliver quality outcomes for the communities we serve.

For our suppliers

Payment times supporting small businesses

Unitywater is committed to supporting small business by paying our suppliers promptly. As part of the *Payment Times Reporting Scheme* (PTRS), we report to the Australian Department of Treasury twice a year on how quickly we pay small business suppliers, those with an annual turnover of less than $10 million.

Our performance in the most recent reporting periods:

- July to December 2025: We paid $82 million to small businesses, making up 47% of all payments by value.
- January to June 2026: We paid $90 million to small businesses, representing 46% of all payments by value.

Our payment times were consistent across both periods and in line with previous reports, with 99% of small business invoices paid within terms, compared to the industry average of 82%.

We continue to perform strongly compared to similar organisations in the public register published by the PTRS. We are proud to support small business and aim to make payments within 20 days wherever possible. By paying on time, we help local suppliers stay strong and contribute to thriving regional economies across our service area.

Chapter 6 – One Unitywater

With our dedicated, motivated and talented team, it will be possible to deliver our 2030 Strategic Ambition.

It is our strategic intent that:

- Our people feel safe, included and valued in a positive workplace.
- Our people act as one team across the organisation.
- We attract diverse talent with the right skills to optimally meet our customers' needs.

Guided by our 2030 Strategic Ambition, Unitywater's People Strategy focuses on creating a safe, inclusive and high-performing workplace. The strategy outlines six focus areas: safety leadership, capability building, inclusive culture, high performance, change empowerment and strong leadership. Together, these priorities support team members to adapt to growth, evolving customer expectations and climate challenges while continuing to deliver reliable services for healthy and thriving communities. The strategy reinforces Unitywater's commitment to wellbeing, collaboration, innovation and customer-focused outcomes.

Progressing our intent in this area supports the following United Nations Sustainable Development Goals:

- Good Health and Wellbeing
- Gender Equality
- Decent Work and Economic Growth
- Reduced Inequalities
- Peace, Justice and Strong Institutions.

Life Savers

The Unitywater Life Savers program was launched in July 2025 as our core safety framework. It was built as a framework within our Safety Management program. Our goal is that 100% of our team go home safe every day.

The Life Savers framework was developed through team consultation and genuine feedback from across the business. The framework is a simplified, memorable way for our team members to keep themselves and each other safe. The Life Savers are Unitywater's 10 critical controls. They relate to some of the highest risk tasks our people face every day, where the smallest deviation can result in serious injury or death, from driving and working at heights to gas detection and excavation safety. Each one is a clear, actionable "do" rather than a list of rules to remember.

The 10 Life Savers critical controls are:

- Driving – always comply with road rules and drive to conditions.
- PPE – always wear the required PPE.
- Capability – always be trained, confident and mentally and physically ready to do the work.
- Hazards – always identify hazards, implement controls and follow procedures.
- Permit – always comply with Permit to Work conditions.
- Gas – always use a gas detector when working in areas where gas may be present.
- Isolate – always verify isolation of all energy sources before doing work.
- Exclusion Zones – always establish and comply with exclusion zones, barricading and signage.
- Heights – always use fall protection when working at heights.
- Excavation – always ensure an excavation is controlled to prevent collapse and is safe before entering.

The Life Savers were embedded across the organisation through toolbox talks, site-based launches for field teams and visual reinforcement through signage and posters displayed across major sites and facilities. Pocket-sized cards listing the 10 critical controls were distributed to team members to provide a practical, everyday reference in the field.

To maintain awareness and encourage ongoing conversation, a monthly Life Saver theme was promoted through internal communication channels including intranet news, digital screens and toolbox talks. The controls were also integrated into daily pre-start discussions and safety moments, helping reinforce safe behaviours and shared accountability across operational environments.

Life Savers are reinforced by the authority to stop unsafe work and supported by the Executive Leadership Team which has given team members the full authority to stop unsafe work.

Going home safe, every day

At Unitywater, keeping our people safe and supported is something we live every day. It's through our team’s dedication that we deliver the essential services communities depend on.

Safety is a shared commitment. It lives in the decisions we make, the way we look out for one another and the care we show for each other's wellbeing, physically and psychologically. We are building a culture that is constructive, inclusive and grounded in a common purpose: everyone belongs, everyone matters, and everyone goes home.

Every two years, we invite our people to share their honest view of safety at Unitywater through the Sentis Safety Culture Assessment. This year, more than 70% of our team took part and their feedback is shaping how we move forward.

The 2025-26 results are consistent with our previous assessment, with our safety culture maturity rating holding at public compliance. Our people have maintained a strong safety culture while navigating real and significant change.

The results also show meaningful progress in the areas that matter most. Team support for safety and wellbeing has improved and so has safety leadership. This tells us that our people are looking out for one another, speaking up when something is not right and taking personal accountability for their safety and the safety of those around them.

Strategic goal	Measure	2025-26 performance
Public compliance	Safety maturity (maturity status)	Target: Public Compliance Result: Public Compliance
	Recordable injuries HPIFR (high potential incident frequency rate)	Target: 1.6 Result: 1.5
	Recordable injuries TRIFR (total recordable injury frequency rate)	Target: 11.8 Result: 20.8

Although HPIFR has improved year on year, TRIFR was below target however our return-to-work rate was better than industry standards which reflects that injuries were minor and critical risks were controlled.

Embedding the One Unitywater Behaviours

In November 2024, Unitywater introduced a new set of organisational behaviours, Create the Future, Care Together and Own It. They guide our everyday decisions and interactions.

The shift marked an important step in aligning our culture with our 2030 Strategic Ambition. The behaviours better reflect where we are on our journey today and where we need to be to meet the challenges and opportunities ahead.

Each behaviour is supported by three simple habits, creating a clear and practical framework. Together, the behaviours and habits make it easier to understand what’s expected, how we show up for each other and how we bring purpose to life through our work.

To support the ongoing embedment of the One Unitywater Behaviours, we continued to use the One Unitywater Culture Pulse survey as an important listening and measurement tool. The survey gave team members the opportunity to provide feedback on the culture being built together and helped identify opportunities to strengthen how the behaviours are demonstrated across the business. Overall Culture Pulse results came back three points above the Australian benchmark. Insights informed initiatives focused on building a positive work environment where people feel safe, included, valued and connected to Unitywater's purpose and Strategic Ambition.

The behaviours are becoming a natural part of how we collaborate, solve problems and support one another. The result is a more connected, empowered and forward-focused culture across our business. Feedback gathered through the Culture Pulse demonstrated growing awareness of the behaviours and reinforced their role in shaping everyday interactions, decision-making and accountability across teams.

Central to empowering team members to build capability, two induction programs were launched in March 2026. The One Unitywater Cultural Induction, designed for all new starters, supports understanding of Unitywater's cultural and behavioural expectations from day one to build understanding of our cultural and behavioural expectations, and provide practical ways to bring the One Unitywater Behaviours to life.

The Act Safely Induction, designed for new starters in high safety risk roles, including those who go to site/field regularly to support people in these roles and are also exposed to high-risk work, further reinforces the connection between culture, personal accountability and safe work practices. This program strengthens understanding of safety expectations, tools and systems, and builds capability to apply critical controls in day-to-day work.

Entry level pathways attracting top talent across career types

Unitywater offers a range of pathways that give students and early-career professionals real, hands-on experience in one of the most essential industries there is. From vacation placements to apprenticeships, graduate programs to scholarships, these pathways are how we invest in the next generation and build the team our community will rely on for decades to come.

Each summer, we welcome undergraduate university students through our Vacation Student Program for a three-month paid placement. Our 2025-26 intake saw 20 students join teams across the business, working in disciplines as diverse as engineering, IT, media, science and innovation. Eleven members of this cohort were offered ongoing roles.

Our Graduate Development Program is designed to support the transition from study to career with purpose and structure. Graduates receive permanent employment, rotate across multiple parts of the business, access formal training and mentoring, and contribute to team innovation projects. It is a comprehensive foundation for a long career in the water industry.

This year's graduate intake includes five engineers spanning civil, mechanical, electrical and chemical disciplines. Over 24 months they will rotate through daily operations, major projects, environment and innovation, gaining the breadth of experience that sets them up for a successful start to their careers.

Balancing gender gaps

This year, Unitywater reported a 3.04% gender pay gap in favour of women in like-for-like roles, a result that reflects years of sustained, deliberate effort to embed equity across every level of our organisation.

In 2025, Unitywater was again recognised by WORK180, a platform focused on advancing gender equality in the workplace, as one of its Top 101 Employers for Women. We improved our ranking from 96 to 53, marking a continued upward trajectory in external recognition of our inclusion efforts.

Women hold 48.6% of our senior leadership roles and 47% of people management positions across the organisation. To support ongoing capability and awareness, we delivered unconscious bias training to leaders and continue to invest in attracting, developing and retaining women across all parts of the business.

Our commitment is also reflected in our employee benefits, including 20 weeks of fully paid parental leave for primary carers and four weeks for secondary carers. These provisions are designed to support our people through key life stages and reinforce equitable participation in the workforce.

During the year we also delivered the second cohort of BOOST, a five-month women's development program delivered in partnership with gender inclusion specialists WILDA. The program is designed to strengthen representation, engagement and retention, by supporting participants, their line leaders and senior leaders to build the mindsets, behaviours and skills that help everyone reach their full potential.

Through a combination of workshops, webinars, coaching and executive sponsorship, participants focused on accelerating career advancement, building networks, strengthening inclusive leadership and addressing the systemic barriers that enable everyone to reach their potential.

The inaugural BOOST cohort, delivered in November 2024, laid strong foundations for the continued evolution of the program and informed the design of the second cohort. Early outcomes have also demonstrated tangible organisational impact, with BOOST alumni reporting higher engagement and lower turnover than the broader female cohort in the 12 months following graduation. Confidence to build networks and seek broader exposure increased by 50%, supported by the role of sponsorship in opening doors and expanding access. Notably, around a quarter of participants progressed into secondments or higher-level roles within 12 months, reinforcing BOOST as a meaningful contributor to leadership pipeline development and inclusive career progression.

Census helps shape diverse and inclusive culture

At Unitywater, we believe that a truly great workplace is one where every person feels safe, seen and valued for who they are. Our 2025 Diversity and Inclusion Census in July 2025 gave our people the opportunity to share insights about their identity, background and beliefs. With 58% of our people taking part, the response reflects a genuine commitment across our organisation to help shape a culture built on belonging and respect.

The results indicate a diverse team:

- 13% of our people were born overseas
- 20% speak a language other than English at home
- 3% identify as Aboriginal and/or Torres Strait Islander
- 12% identify as neurodivergent
- 12% are people with disability
- 5% are members of the LGBTQIA+ community
- 71% of our people carry some form of caring responsibility outside of work, a reminder of the full and varied lives our team members lead.

Most encouragingly, 78% of our people feel included at Unitywater. That's a strong foundation, and one we are committed to building on.

These insights are directly informing our Diversity and Inclusion Plan 2024-2030, which focuses on six key areas: Gender, First Nations, Life Stage Diversity, Cultural and Linguistic Diversity, LGBTQIA+ and Disability and Accessibility.

Awards recognise our people who are creating the future

In 2025-26, the talent, innovation and dedication of our people earned recognition right across the water industry, with Unitywater taking home wins and finalist honours at some of Australia's most respected awards programs.

In October 2025, we won the 2025 Queensland Water Awards Infrastructure Project Innovation Award (Metro), presented by the Australian Water Association, for our Wamuran Irrigation Scheme. Delivered in partnership with WIS Joint Venture, GHD and Abergeldie, the scheme delivers around 2.6 gigalitres of high-quality Class A recycled water annually to five foundation farming operations growing strawberries, raspberries, turf and avocados. It also diverts 11 tonnes of nitrogen and 1.8 tonnes of phosphorus away from the Caboolture River each year, supporting Unitywater's commitment to net zero nutrient discharge to waterways by 2040. It is the first scheme of its kind to supply recycled water for use on minimally processed food crops in South East Queensland. The Wamuran Irrigation Scheme then went on to win the national Infrastructure Project Innovation Award (Metro) at the 2026 Australian Water Awards, held during Ozwater in May.

Also in October, we were a finalist in the Queensland Water Awards Customer Experience category for our Development Services Program, recognising our work to improve the experience of developers and builders connecting to our network.

In November 2025, we won the UDIA Queensland Awards for Excellence Community Engagement award for the Aura and Harmony Infrastructure Program, which recognised Unitywater's proactive, transparent and values-led approach to engaging with local communities, environmental groups and First Nations partners throughout the planning and delivery of the program.

Two Unitywater projects were also named finalists at the 2025 Australian Institute of Project Management (AIPM) Project Management Achievement Awards (PMAAs). The Digital Meter Program Pilot was recognised in the Technology and Digital Innovation Projects category, and the Electrical Safety Innovation project was a finalist in the Women in Project Management category. The arc flash program assessed more than 1,000 electrical switchboards for risk and reduced the threat of arc flash at 65 high-risk switchboards across our network, establishing new electrical safety standards for Queensland water utilities.

At the Water Industry Operations Association of Australia (WIOA) 2025 Queensland Conference, Safety Operations Manager Ben Ingram won the Best Paper award for his presentation on Unitywater's FNQ and Townsville deployments as part of the Mutual Aid Coordination Centre.

Conferences showcase our bright ideas and talent

This year, Unitywater people participated in four industry conferences, contributing to sector-wide conversations on water management, service delivery and team development. Participating in these forums keeps our people connected to current thinking and emerging practice, helps harvest knowledge that feeds directly into how we plan, operate and improve services. It also strengthens relationships with peers and regulators, and signals to current and future employees that Unitywater invests in its people's professional growth.

At Ozwater, Australia's principal annual water industry conference, six papers and presentations were selected across the three-day program. Held in Brisbane under the theme "Our Water. Our Tomorrow.", the event brought together practitioners from across the sector to examine shared challenges. Unitywater's contributions spanned seven of the conference's program streams, covering the breadth of our operations and the issues that matter most to our customers and communities.

The breadth of topics reflected the full range of what we do and who we are as an organisation, spanning seven of the conference's official program streams:

- Communities of the future
- Asset management, planning and delivery
- The water nexus
- Supporting healthy communities and environments
- Delivering excellence in customer experience
- Resilience and water security
- Securing community and environmental health.

Unitywater was also represented on the panel discussion Water in Transition: Policy and Regulation, contributing perspective to one of the conference's most forward-looking conversations about where the water sector is headed and what leadership through that transition looks like.

This year, Unitywater announced membership of Pride in Water, the Australian water sector's national network for LGBTIQ+ team members and allies. Joining Pride in Water is a natural extension of our commitment to belonging. It connects our people to a broader community of practice, and signals clearly to our team and our industry that inclusion is not just a value we hold internally but one we are willing to champion together.

Themed Resilience in Motion, QWater'25 in October focused on climate pressures, ageing infrastructure and community engagement. Unitywater was awarded a Best Paper Finalist for Boosting Gender Equity in the Water Sector. The paper showcased how our BOOST program is increasing female representation in leadership and embedding professional development pathways across the industry.

Unitywater led a cross-utility session on Stepping Up a Reconciliation Network in the Queensland Water Sector, alongside colleagues from Seqwater, Sunwater and Urban Utilities. The session highlighted the Water Utility Reconciliation Network's work to embed Aboriginal and Torres Strait Islander knowledge and experience into the sector's planning, management and operations.

The WIOA 2025 Qld conference included a water main tapping competition which saw teams from water utilities across the state race to successfully tap and connect to a live water main. Unitywater was well represented but lost out to the City of Gold Coast Council.

Chapter 7 - Governance

Risk management and accountability

Our business-wide approach to identifying, prioritising and managing risks underpins Unitywater's commitment to good management and corporate governance. Our approach to risk management aligns with AS/NZS ISO 31000: 2018 Risk Management – Principles and Guidelines.

CLIMATE VARIABILITY RISK

Unitywater's CEO and Board are responsible for effectively managing risks, including those related to climate variability. The Audit and Risk Committee, which meets quarterly, supports the CEO and Board in this function through review and monitoring of the appropriateness of our risk management practices and ensuring that the approved risk management practices are followed. Committee proceedings are reported to the Board. At an operational level, the Executive Leadership Team leads climate variability risk management by ensuring that risks and opportunities are identified, assessed and monitored, and that appropriate risk mitigation strategies are implemented in accordance with the risk appetite agreed by the Board. Our planning for a future with further climate variability which may be affected by flood and rising sea levels also includes the development of adaptive infrastructure planning and other critical measures including the Drought Management plan, the Water Matters plan and the Leakage Management plan.

CYBER SECURITY RISK

Unitywater maintains a constant vigilance towards cybersecurity risks. In 2025-26 we prioritised and invested in uplifting the security of information and operational technology assets. This program has a dedicated Security Operations Team for continuous monitoring and a Cybersecurity Delivery Team for ongoing enhancement of our tools and protections. Our Cyber Security Strategy has been updated to align with regulatory requirements, our business strategy and external risks.

This year we upgraded our Objective document control platform with stronger privacy and protection measures to safeguard information.

We continue to focus on updating infrastructure and business systems with recommended security patches, optimising network security and technology firewalls, and consistently maintaining backup recovery environments that serve as a final line of defence in the face of threats.

Unitywater's cyber security program continues to enhance our capabilities to stay ahead of both existing and emerging threats. This program aligns with industry standards and frameworks, including the Australian Cyber Security Centre's Strategies to Mitigate Cyber Security Incidents and the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) to protect against cyber-related threats.

INTERNAL AUDIT

Unitywater has an internal audit function to provide assurance to the Board that our financial and operational controls manage our risks, achieve our objectives and that we operate in an efficient, effective and ethical manner and in accordance with the *Financial Accountability Act 2009*.

Internal audit is undertaken by independent auditors who work to an annual strategic plan that has been approved by the Audit and Risk Committee and aligns with the Internal Audit Charter and the Treasury's Audit Committee Guidelines. The annual strategic plan has regard for our business' strategic risk profile, previous audits, industry insights and the key focus areas of the Queensland Audit Office. The internal auditors successfully completed audits identified. The internal audit function was conducted independently of management, and by authorised auditors and the deployment of the program had due regard for Queensland Treasury's Audit Committee Guidelines.

EXTERNAL SCRUTINY

The Queensland Audit Office is Unitywater's external auditor under the terms of the *Financial Accountability Act 2009 (Qld)*. It is responsible for auditing our financial statements.

CODE OF CONDUCT

Unitywater's Code of Conduct aligns to the ethics principles and ethics values in the *Public Sector Ethics Act 1994 (Qld)*. Our Code of Conduct describes these principles in terms of the values that guide our behaviours and the way we treat each other.

We are committed to creating and maintaining an environment which is professional, responsive, safe and free from any form of unlawful or inappropriate behaviour. Unitywater's Board Code of Conduct applies to the Board, Executives, team members and labour hire. A separate Code of Conduct applies to contractors and suppliers and is available to them when procuring goods and services. All team members have undertaken Code of Conduct training and are responsible for implementing the Code and ensuring that their actions reflect our One Unitywater behaviours and the standards of conduct described in the Code of Conduct. This includes in the use of our systems, tools and property.

CONSULTANCIES AND OVERSEAS TRAVEL

Details of spending on consultants and overseas travel undertaken by Unitywater representatives can be accessed at the Queensland Government Open Data website www.data.qld.gov.au.

INFORMATION SYSTEMS AND RECORD KEEPING

In 2025-26 Unitywater continued its commitment to quality information and records management by embedding, communicating and maintaining information management policies, standards and procedures.

Our information and records were managed by appropriately skilled staff supported by organisational structure improvements to align people and capabilities with emerging business needs.

We remained focused on mitigating risks and meeting the challenges of evolving technologies, increasingly in large, complex data sets and our obligations under the *Public Records Act 2002 (Qld)*, and other applicable whole-of-government records governance policies and guidelines. We created and kept full and accurate records of these activities as prescribed by the Corporate Records Management Policy, and in accordance with the standards and policies issued by the Queensland State Archives.

In line with an evolving information landscape, we undertook a range of strategic positioning activities to ensure, as the capture and use of information grows, that we provide the technologies and processes to ensure information and knowledge is secure, accessible and available to team members, our customers and the public.

We undertook regular health checks across all information systems to ensure they continued to provide business value, were strategically aligned and secure, supported and monitored. Plans were produced for key systems to ensure they were enhanced, replaced, retired or otherwise improved to retain continual alignment to business drivers.

HUMAN RIGHTS

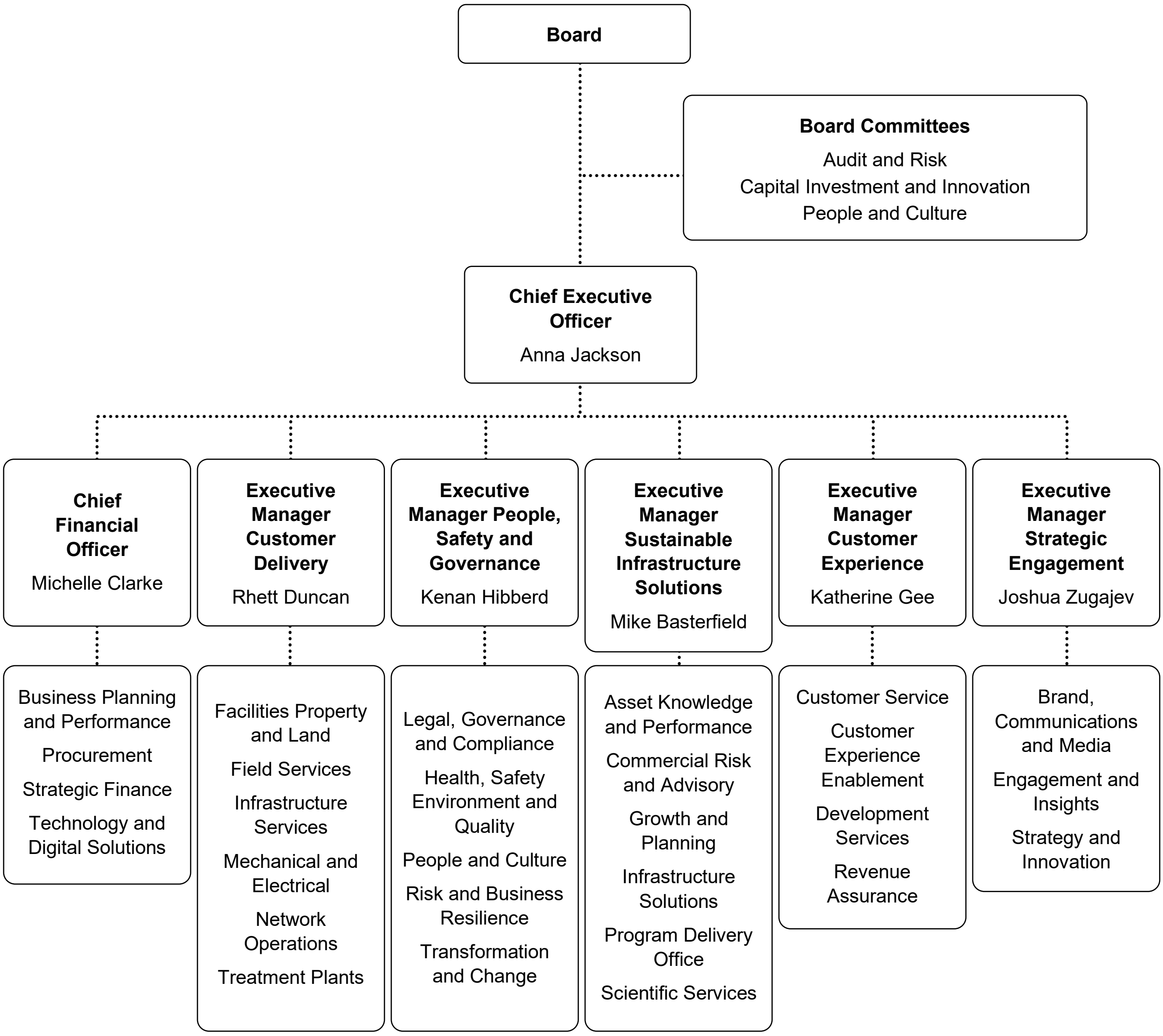
We have a continuous focus on mitigating breaches of human rights and considering human rights in our decision making processes under the *Human Rights Act 2019 (Qld).* Unitywater received zero human rights complaints for the financial year.

MODERN SLAVERY

Unitywater submitted our fifth Modern Slavery Statement in 2025, which is publicly available on the Australian Government's online Modern Slavery Register and on our website. The Modern Slavery Act 2018 (Cth) requires entities based or operating in Australia, which have an annual consolidated revenue of more than $100 million, to annually report on the risks of modern slavery in their operations and supply chains. 'Modern Slavery' is an overarching term used to cover a range of exploitative practices including human trafficking, slavery, forced labour, child labour, removal of organs and slavery-like practices. Generally, it pertains to a situation of servitude or forced labour activities in which an individual's freedom and liberty are unable to be exercised. Buying goods and services from ethical suppliers is one of the ways we ensure we are addressing modern slavery. Across our business we have continued to take a proactive approach to identify modern slavery risks across our operations and supply chain. We have taken a lead role in collaborating with the Water Services Association of Australia (WSAA) and other water utilities to develop an industry approach to address Modern Slavery.

Chapter 8 – Our structure

Our organisation structure



Our Board

Unitywater operates under a Participation Agreement made on 25 June 2010, with the City of Moreton Bay, Sunshine Coast and Noosa Councils.

Our organisation is governed by an independent skills-based Board, to ensure achievement of our Strategic Ambition and return value for shareholders. The combination of Board members' qualifications, skills and experience ensures a strong commercial focus, with emphasis on identifying efficiencies across the organisation and passing on cost savings to customers.

Under the Participation Agreement, Board members are approved by the Mayors of our Participant Councils, and the performance of the Board is evaluated annually. Board members cannot have been a Mayor, Councillor or officer of any of the Participating Councils in the prior two years in order to be eligible.

Michael Arnett - BComm, LLB, Chair

Michael has significant experience in the corporate, commercial, mining and natural resources (including water), banking, finance and securities sectors. He was previously a Board member of Unitywater (from 2009 to 2012) and of Seqwater (from 2012 to 2019). Michael is a Board member of, amongst others, NRW Holdings Limited and Queensland Energy Resources Limited.

Megan Corfield - BComm, BA (Econ), GAICD

Megan is a strategic businesswoman and professional non-executive director with more than 25 years of experience in leadership and governance roles across government and the utility, professional services and major event sectors. In addition to being a director of Unitywater, Megan recently held directorships with Altogether Group and the Northern Territory's Power and Water Corporation and is currently also Chair of International Parking Group. Megan's past board roles include Queensland Chair of Chief Executive Women, Chair of Connell Griffin and Non-Executive Director of Brisbane Grammar School, the Gold Coast Commonwealth Games Organising Committee, Tourism and Events Queensland, and advisory firms Infrasol and Urbis. Megan has a proven record of delivering new business value from strategy development to operational execution, negotiating and integrating mergers and acquisitions and building high performing teams.

Chris Hertle MPhil - Bio & Env Sci, BE (Chem)

Chris is a Chemical Engineer with over 40 years' international experience in municipal and industrial water, wastewater and solid waste management. His roles have spanned from concept design through to commissioning and operation, with the last decade focused on developing and implementing robust strategies for the growth of water businesses. A Fellow of the International Water Association and Engineers Australia, Chris has actively contributed to global water industry improvement through a range of technical and advisory committees. He is an Adjunct Professor and member of the Advisory Board at the University of Queensland's' Australian Centre for Water and Environmental Biotechnology and provides advice to a number of companies in the water industry.

Graham Quirk - GAICD

Graham Quirk has dedicated 34 years to public life, including his tenure as Lord Mayor of Brisbane from 2011 to 2019. As Chair of the Council of Mayors of South East Queensland, he led the Prefeasibility and Full Feasibility studies for the 2032 Olympic and Paralympic Games. He also contributed to the early development of the Wivenhoe Dam and its facilities as a member of the Brisbane and Area Water Board. Since leaving public office, Graham has provided advisory and review services to government and private enterprises and served as a director of Infrastructure Australia from 2019 to 2022. Today he serves as a Director on a number of Boards and provides consulting services to a number of private companies. In addition to his role on the Unitywater Board, Graham is a director of Racing Queensland and Racing Australia. Graham's past roles include serving on the Board of Governors for the International Institute of Business and Technology.

Sarah Zeljko - LLB, GAICD, GAIST

Sarah is an accomplished business leader with over 25 years of executive, operational, governance and advisory experience across public, private and government-owned corporations. In addition to being a director of Unitywater, Sarah has previously been Chair of the Board of Energy Queensland – Australia's largest government-owned energy business – and a director of IntelliDesign. Sarah is currently also a director of EnergyCo NSW, Stockyard Beef, Queensland Rugby Union and the International River Foundation. An admitted legal practitioner in the NSW and Qld Supreme Courts, she has led various boards, committees, and executive teams through strategic and operational challenges. Sarah has a proven track record of delivering revenue growth by developing and executing corporate strategies, negotiating commercial agreements, capital raising, mergers and acquisitions, and navigating complex multi-million-dollar transactions.

Board and committee meetings

Committee	Chairperson	Members	Frequency of meeting
Audit and risk (ARC)	Megan Corfield	Michael Arnett Sarah Zeljko	Quarterly
This committee helps the Board to fulfil its corporate governance responsibilities by reviewing **Unitywater**'s safety reports, risk management reports and annual financial reports. In addition, it provides oversight and direction with respect to internal control systems, insurance, and audit and regulatory compliance processes.			
Capital investment and innovation (CIIC)	Chris Hertle	Michael Arnett Graham Quirk	July, Aug, Oct, Dec, Feb, Apr and Jun
This committee reviews and oversees **Unitywater**'s annual program of capital works while also providing direction on sustainable investment strategies and innovation that informs long-term sustainability goals.			
People and culture (PCC)	Michael Arnett	Sarah Zeljko Megan Corfield	Sep, Mar and June
This committee supports the Board by conducting detailed examination of **Unitywater**'s annual corporate objectives and the remuneration framework for all our team members. It assists the Board to meet its decision-making obligations under the incentive framework for senior team members. The committee also provides oversight and direction on **Unitywater**'s strategic people and culture transformation programs.			

Board meeting attendance to June 2026

Member	Board		ARC		PCC		CIIC	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Michael Arnett (Chair)	13	13	4	4	3	3	6	6
Megan Corfield	13	13	4	4	3	3	0	0
Sarah Zeljko	13	13	4	4	3	2	0	0
Chris Hertle	13	10	0	0	0	0	6	6
Graham Quirk	13	13	0	0	0	0	6	6

Our 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.

Anna Jackson - BA (Journalism), GAICD

Chief Executive Officer

As CEO of Unitywater, Anna Jackson is focused on delivering the sustainable water services that enable around 950,000 people across the Noosa, Sunshine Coast and Moreton Bay areas to be part of a healthy and thriving community.

The Unitywater team operate and maintain $4.7 billion of water, wastewater and recycled water assets to reliably provide the essential services valued by customers of today, while delivering a $2 billion water and wastewater infrastructure capital program over the next five years to support the fastest growing region in Australia.

Anna leads Unitywater through an era of its people and partners being defined as an organisation which adds economic, social and environmental value through its actions with customers, future customers and communities.

Anna has been an Executive in the Australian water industry since 2017 and was appointed Chief Executive Officer of Unitywater in 2022. She is active in national industry leadership as a Director of the Water Services Association of Australia and as a Steering Committee member to the Department of Foreign Affairs and Trade’s Australian Water Partnership.

Anna’s professional background is diverse and includes roles at Coffey Tetra Tech International Development, and for aerospace and technology company Raytheon.

Michelle Clarke – BCom, MCom, FCPA, CA, GAICD

Chief Financial Officer

Michelle joined Unitywater as Chief Financial Officer in November 2024, leading the team in financial, strategic and commercial decisions towards achieving our Strategic Ambition. Michelle has over 20 years of financial, strategy and corporate services experience, for both large public and private sector organisations. Prior to joining Unitywater, she spent six years at Griffith University as CFO, leading the finance, procurement and enterprise analytics teams. Michelle is a Chartered Accountant and Fellow of CPA Australia.

Mike Basterfield - BEng (Civil)

Executive Manager – Sustainable Infrastructure Solutions

Mike is a water industry professional with more than 35 years’ experience working across Australia, New Zealand and Asia. He has expertise and executive management experience in all facets of water infrastructure delivery including design, construction, commissioning, operation and maintenance of complex water systems. Mike is an experienced business manager and has a particular interest in net carbon zero initiatives which achieve commercial return.

Rhett Duncan - BEng (Civil), MBA, GAICD

Executive Manager - Customer Delivery

Rhett has more than 15 years' leadership experience at executive and general management levels. He is responsible for Unitywater's safe and efficient operation of the water supply and wastewater treatment systems to provide reliable services to customers. Rhett has previously worked in waste management, transport infrastructure and construction materials and led teams in challenging and changing business environments.

Katherine Gee - BBus (Accounting), LLB, CA, GAICD

Executive Manager - Customer Experience

Throughout her extensive experience in both the private and public sector, Katherine has gained deep insight into the needs of customers and the community. Her roles in telecommunications, local government and the water industry have included implementing major customer management systems, transforming customer experience and delivering organisational change.

Kenan Hibberd - BCom, FAHRI, MAICD

Executive Manager - People, Safety and Governance

Kenan has over 30 years of experience in human resources, quality systems and safety leadership in both the public and private sectors. He has held senior management positions in national and international organisations in the industrial services, engineering, logistics and health sectors. Kenan is an important contributor to industry skills and capability strategy through his role as a member of the Water Services Association Australia People and Culture Committee.

Joshua Zugajev - BCOMM (Public Relations)

Executive Manager - Strategic Engagement

Joshua joined Unitywater in 2023 and leads the teams that connect Unitywater people and external stakeholders with the utility's strategic business objectives. He has 20 years of experience in corporate reputation management and has previously led the media, communications and stakeholder engagement functions for SA Water as well as public affairs activities for ElectraNet and Australia Post.

Chapter 9 – Annual Financial Report

Contents

Unitywater

Key		
Judgements and estimates	Risks	Climate change impacts

Consolidated Statement of Profit or Loss

for the year ended 30 June 2026

	Notes	2026 $000	2025 $000
Revenue			
Revenue from contracts with customers			
Utility charges	2.1	745,904	687,576
Developer partial reimbursements[1]	2.1	91,682	73,372
Adopted developer-built assets	2.1	123,723	122,451
Other revenue	2.1	39,430	37,395
Other income	2.2	17,269	10,832
Total revenue		**1,018,008**	**931,626**
Expenses			
Bulk water purchases	2.3	253,794	235,077
Supplies and services	2.4	145,198	134,821
Employee expenses	3.1	112,471	97,530
Depreciation and amortisation	4.1, 4.2, 4.3, 4.5	131,424	116,862
Borrowing costs	5.8	86,579	75,164
Other expenses	2.5	18,155	13,710
Total expenses		**747,621**	**673,164**
Net result before income tax expense		**270,387**	**258,462**
Income tax expense	7.1	81,095	77,525
Net result		**189,292**	**180,937**

[1]Developer infrastructure charges are capped in certain circumstances and cover only part of the infrastructure capital cost.

The Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

Unitywater

Consolidated Statement of Financial Position

as at 30 June 2026

	Notes	2026 $000	2025 $000
Current assets			
Cash and cash equivalents	5.3	74,540	85,585
Trade and other receivables	5.4	157,159	143,226
Other assets	8.1	13,214	13,718
Total current assets		**244,913**	**242,529**
Non-current assets			
Trade and other receivables	5.4	1,606	1,471
Property, plant and equipment	4.1	5,502,382	5,082,578
Intangible assets	4.2	13,058	16,846
Right of use assets	4.3	44,847	10,952
Investment properties	4.5	8,302	8,866
Investment in associates	4.6	21,250	19,448
Other assets	8.1	182	570
Total non-current assets		**5,591,627**	**5,140,731**
Total assets		**5,836,540**	**5,383,260**
Current liabilities			
Trade and other payables	5.6	177,296	153,577
Contract liabilities	5.5	95,535	75,376
Employee benefits provision	3.4	30,484	26,342
Lease liabilities	5.7	1,212	1,510
Borrowings	5.8	1,825	1,825
Other liabilities	8.2	4,118	6,227
Total current liabilities		**310,470**	**264,857**
Non-current liabilities			
Contract liabilities	5.5	8	4,048
Employee benefits provision	3.4	4,530	3,847
Lease liabilities	5.7	42,082	8,757
Borrowings	5.8	2,275,727	2,090,552
Deferred tax liabilities	7.1	386,110	335,848
Other liabilities	8.2	14,804	14,086
Total non-current liabilities		**2,723,261**	**2,457,138**
Total liabilities		**3,033,731**	**2,721,995**
Net assets		**2,802,809**	**2,661,265**
Equity			
Contributed equity	5.2	1,434,782	1,434,782
Retained earnings		1,368,027	1,226,483
Total equity		**2,802,809**	**2,661,265**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2026

	Notes	Retained earnings $000	Contributed equity $000	Total $000
Balance at 1 July 2024		**1,091,532**	**1,434,782**	**2,526,314**
Total distribution to participants	5.2	(45,986)	-	(45,986)
Net result for the year		180,937	-	180,937
Balance at 30 June 2025		**1,226,483**	**1,434,782**	**2,661,265**
Total distribution to participants	5.2	(47,748)	-	(47,748)
Net result for the year		189,292	-	189,292
Balance at 30 June 2026		**1,368,027**	**1,434,782**	**2,802,809**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2026

	Notes	2026 Inflow / (Outflow) $000	2025 Inflow / (Outflow) $000
Cash flows from operating activities			
Receipts from contracts with customers (inclusive of GST)			
Utility charges		739,512	689,658
Developer partial reimbursements		103,526	81,418
Other revenue		39,360	46,543
Government grants and subsidies		9,131	3,650
Interest received		2,564	2,401
Goods and services tax refunded (net)		47,095	51,000
Total operating cash receipts		**941,188**	**874,670**
Payments to suppliers (inclusive of GST)			
Bulk water supplier		(253,276)	(235,035)
Other suppliers		(211,914)	(203,549)
Payments to employees		(107,731)	(97,778)
Borrowing costs		(82,866)	(70,615)
Income tax payments		(37,258)	(30,872)
Total operating cash payments		**(693,045)**	**(637,849)**
Net cash inflow from operating activities	5.3	**248,143**	**236,821**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		2,624	871
Proceeds from investment in associate		399	-
Receipt of asset-related government grant		3,000	10,000
Payments for property, plant and equipment and intangibles		(402,890)	(427,476)
Payments for investment properties		-	(11)
Net cash (outflow) from investing activities		**(396,867)**	**(416,616)**
Cash flows from financing activities			
Proceeds from borrowings			
Queensland Treasury Corporation - Portfolio linked loan		187,000	233,000
Economic Development Queensland - Building acceleration fund loan		-	25,550
Queensland Treasury Corporation - Working capital facility		112,259	152,745
Repayments of lease liabilities		(2,088)	(1,564)
Repayments of borrowings			
Economic Development Queensland - Building acceleration fund loan		(1,825)	(1,825)
Queensland Treasury Corporation - Working capital facility		(112,259)	(152,745)
Participation return payments		(45,408)	(55,465)
Net cash inflow from financing activities		**137,679**	**199,696**
Net decrease in cash and cash equivalents		(11,045)	19,901
Cash and cash equivalents at the beginning of the year		85,585	65,684
Cash and cash equivalents at the end of the year	5.3	**74,540**	**85,585**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. About this financial report

1.1 Reporting authority

The Northern SEQ Distributor-Retailer Authority trading as Unitywater was established under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* (the Restructuring Act) and is a Queensland statutory body under the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982*.

Unitywater is governed by an independent Board under the Northern SEQ Distributor-Retailer Authority Participation Agreement (the Participation Agreement) and the Restructuring Act on behalf of its three participating Councils: City of Moreton Bay, Sunshine Coast Council and Noosa Council (the participants).

In accordance with the Restructuring Act, Unitywater expires at the end of 99 years from when it was established on 3 November 2009 and the participants become the successor in law of the assets and liabilities in accordance with their participation rights at the expiry date of the Northern SEQ Distributor-Retailer Authority.

Unitywater is a for-profit entity for the purpose of reporting and is required to provide commercial returns to its participants per the Participation Agreement based on each participant's share of the Regulated Asset Base, comprising debt and participation rights as agreed by the Participating Councils and Unitywater. Refer to Note 5.2 for participation rights allocation.

Unitywater's primary function is the provision of water and wastewater services for its geographic area as set out in Section 11(1) of the Restructuring Act.

1.2 Basis of preparation

1.2.1 Basis of consolidation

The consolidated financial statements comprise the audited general purpose financial statements of Unitywater and the subsidiaries it controls (the Group - see Note 8.4), for the year ended 30 June 2026. Each member of the Group uses the same reporting period and accounting policies. All material intra-group transactions and balances are eliminated on consolidation. Subsidiaries are consolidated from the date control commences, to the date it ceases.

1.2.2 Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with:

- Australian Accounting Standards (AAS) and Interpretations, issued by the Australian Accounting Standards Board (AASB)
- The *Financial Accountability Act 2009*
- The *Financial and Performance Management Standard 2019*
- Queensland Treasury's *Financial Reporting Requirements for Queensland Government Agencies* (as applicable to statutory bodies)
- The *Statutory Bodies Financial Arrangements Act 1982*
- The exemptions under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*
- Other authoritative pronouncements

The consolidated financial statements were authorised for issue by the Board on 13 August 2026. Board members have the power to amend and reissue the financial statements.

1.2.3 Measurement basis

These consolidated financial statements have been prepared on an historical cost basis.

Estimation of fair value – is used for other measurement purposes. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Further information about the assumptions made in measuring fair value is included in Notes 2.1, 4.1, 4.4, 4.5 and 6.1.

1. About this financial report (cont.)

1.2 Basis of preparation

1.2.4 Classification as Current or Non-current

An asset or liability is current if the Group expects to realise or settle it within 12 months of the reporting period.

In addition, cash or cash equivalents, and liabilities which the Group does not have the right to defer settlement for at least 12 months after the reporting period, are considered current.

All other assets and liabilities are classified as non-current.

1.2.5 Presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of the Group. Amounts included in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

1.2.6 Goods and services tax (GST)

Revenue, expenses, assets, and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross GST basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1.2.7 Going concern

The consolidated financial statements have been prepared on a going concern basis in accordance with AASB 101 *Presentation of Financial Statements*.

1.2.8 Comparatives

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1. About this financial report (cont.)

1.2 Basis of preparation

1.2.9 Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about areas of estimation, uncertainty and critical judgements in applying accounting policies that have an effect on the amount recognised in the consolidated financial statements are described in the following notes:

Note 1.2	Basis of preparation – Estimation of fair value
Note 2.1	Utility charges – Estimation of unbilled water consumption
Note 2.1	Developer revenue – Fair value estimation of adopted developer-built assets
Note 2.3	Bulk water purchases – Estimation of consumption
Note 3.4	Employee benefits provision – Leave provision estimations
Note 4.1	Property, plant and equipment – Fair value estimation of donated property, plant and equipment
Note 4.1	Property, plant and equipment – Estimated useful lives of property, plant and equipment
Note 4.2	Intangible assets – Estimated useful lives of intangible assets
Note 4.3	Right of use assets – Estimation of cost of right of use assets
Note 4.4	Impairment – Estimation of fair value of non-current assets
Note 4.5	Investment properties – Estimation of fair value
Note 4.6	Investment in associates – Judgement regarding significant influence
Note 5.4	Trade and other receivables – Receivables expected credit loss estimation
Note 5.7	Lease liabilities – Judgement and estimation regarding lease liabilities
Note 6.3	Contingencies – Judgement regarding legal claims and environmental matters
Note 7.1	Income tax – Deferred tax estimate

1. About this financial report (cont.)

1.2 Basis of preparation

1.2.10 Climate change

Unitywater continues to develop its assessment of the emerging climate-related risks and opportunities that impact the business. Risks include but are not limited to climate extremes such as floods, droughts, heatwaves, bushfires and tidal inundation.

Unitywater assesses the potential impact of the physical risks of climate change in line with Unitywater's Risk Management Framework, through the development of critical plans, including the Drought Management Plan, Emergency Response Plan, Business Continuity Plan, Leakage Management Plan and Water Matters Plan. In limited circumstances, where proposed responses to risks identified in the critical plans are sufficiently mature, they have been incorporated into the forecast cash flows of Unitywater's assets.

Where new risks are identified as part of ongoing climate-related assessment, Unitywater will continue to monitor and assess the impacts as they relate to financial results and the carrying values of assets and liabilities.

Unitywater continues to develop its sustainability approach and seeks to support its 2030 Strategic Ambition and associated activities.

2. Our service delivery

This section gives further insight into the financial performance of Unitywater by providing details of Unitywater's earnings and costs.

2.1 Revenue from contracts with customers

	2026 $000	2025 $000
Revenue from contracts with customers		
Water access charges	143,401	132,429
Water volumetric charges	292,217	269,193
Wastewater access charges	262,900	242,399
Wastewater volumetric charges	47,386	43,555
Total utility charges	745,904	687,576
Adopted developer-built assets	123,723	122,451
Developer partial reimbursements	91,682	73,372
Total developer revenue	215,405	195,823
Fees and charges	14,382	13,092
Connection services and other works	24,291	23,694
Other	757	609
Total other revenue	39,430	37,395
Total revenue from contracts with customers	**1,000,739**	**920,794**

Utility revenue comprises variable usage (volumetric) and fixed access charges for the provision of water and wastewater services. It is recognised at the time of supply and customer consumption. Unitywater's performance obligations are met over time as the customer simultaneously receives and consumes the services provided (access to the network and provision of water and wastewater services). Revenue is measured at the price allocated to each service, whether it be access or usage.

Estimation of unbilled water consumption – Unitywater estimates customer consumption where customer water meters are unread at reporting date. Volumetric estimates are based on historical usage patterns. Access charge accruals are based upon each customers' access fees for the number of days from the last billing period to the end of the reporting period.

Unitywater finances part of the cost of water and wastewater growth infrastructure from developer partial reimbursements. Unitywater also adopts developer-built assets. These are recognised when network capacity is made available to the developer. This is evidenced by the developer receiving the right to connect to the infrastructure network. Approval to connect constitutes fulfilment of Unitywater's performance obligation in relation to revenue being recognised. Where approval to connect is yet to be given, developer revenue is shown as a contract liability (refer to Note 5.5 Contract liabilities).

Fair value estimation of adopted developer-built assets – The fair value of adopted developer-built assets is estimated as: the amount that it would cost Unitywater to have the asset constructed (by applying standard market rates by unit), or the total market value of similar assets. This represents the amount recognised as adopted developer-built assets.

2.2 Other income

	2026 $000	2025 $000
Other income		
Grants and subsidies	9,268	3,676
Lease revenue	2,986	3,102
Interest	2,559	2,414
Other	2,456	1,640
Total other income	**17,269**	**10,832**

2.3 Bulk water purchases

	2026 $000	2025 $000
Bulk water purchases	253,794	235,077
Total bulk water purchases	**253,794**	**235,077**

Bulk water purchases from Seqwater (the sole supplier of bulk water to Unitywater) are recognised as an expense in the period that the water is provided. The price Unitywater pays for bulk water is recommended by the Queensland Competition Authority and determined by the Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers.

Estimation of consumption – Unitywater estimates bulk water consumption where meters are unread at reporting date. Year-end estimates are provided by region, are typically for a short period of between 3 and 14 days and are based on recent usage patterns for the region. The expense is measured at the estimated volume multiplied by the bulk water price.

2.4 Supplies and services

	2026 $000	2025 $000
Materials and services	140,103	130,910
Consultants and legal fees	5,095	3,911
Total supplies and services	**145,198**	**134,821**

Supplies and services generally represent the day-to-day running costs incurred in normal operations. They are expensed in the reporting period in which they are incurred.

Consultants are classified according to the Queensland Government Procurement guidance definition.

2.5 Other expenses

	2026 $000	2025 $000
Insurance	2,892	2,738
Audit and compliance fees[1]	2,484	1,013
Adjustment of expected credit losses	203	8
Indirect tax expenses	3,769	3,161
Loss on disposal of property, plant and equipment	8,614	6,076
Other	193	714
Total other expenses	**18,155**	**13,710**

[1]Total external audit fees quoted by the Queensland Audit Office (QAO) relating to the 2026 consolidated financial statements are estimated to be $345,000 (2025: $323,000). There are no non-audit services included in this amount.

2.6 Financial sustainability

2.6.1 Financial sustainability ratios

The Group seeks to ensure it remains financially sustainable by ensuring that it meet's its financial obligations both current and future, managing and operating our water and wastewater infrastructure in order to meet our customer service obligations, environmental licence conditions and requirements for water quality, and by working to deliver our services to our customers at the lowest cost.

The following ratios reflect measures of financial sustainability and enable comparison with other water sector entities:

i. Operating ratio – Operating result before income tax expense expressed as a proportion of total revenue. Ongoing positive results are one factor which indicate that sufficient revenue is being generated to fund operating and future capital expenditure.

ii. Capital replenishment ratio – Capital expenditure on construction or replacement of non-current assets divided by depreciation expense on non-current assets. An average above one, over time, indicates that assets are being built or replaced at or above the rate the non-current asset base is being depreciated.

iii. Debt to revenue ratio – Total loans and borrowings divided by total revenue. This indicates the ability to pay principal and interest on borrowings when they fall due, from the funds generated through operations. Based on an optimal gearing ratio of 60%, the benchmark for a water utility debt to revenue ratio would be no more than 3 times.

The results have been disclosed for the current and comparative year as below:

	2026	2025
Financial sustainability metrics		
Operating ratio	27%	28%
Capital replenishment ratio	4.5 x	4.8 x
Debt to revenue ratio	2.2 x	2.2 x

3. Our team

This section provides details of the costs of our employees, including key management personnel, and outlines our related obligations for employee benefits.

3.1 Employee expenses

	Notes	2026 $000	2025 $000
Employee benefits			
Salaries and wages		125,027	110,213
Employer superannuation contribution	3.2	13,442	12,120
Other employee benefits		758	2,137
		139,227	124,470
Employee related expenses			
Payroll tax		7,002	6,327
Workers compensation premium		1,474	1,381
Training		1,745	1,349
Recruitment		827	668
Other employee expenses		1,015	811
		12,063	10,536
Less allocations to capital expenditure		(38,819)	(37,476)
Total employee expenses		**112,471**	**97,530**

Employee expenses include costs related to employment. Other employee benefits include directors' fees and redundancy payments. Other employee expenses include fringe benefits tax, conferences and seminars and employee health expenses. They are expensed in the period in which they are incurred unless they are directly attributable to capital projects in which case they are capitalised and depreciated over the life of the asset.

The number of employees as at 30 June including both full time and part time employees measured on a full-time equivalent basis is:

	2026	2025
Temporary employees	54	34
Permanent employees	812	799
Total number of employees	866	833

3.2 Superannuation

Unitywater contributes to the Local Government Superannuation Scheme (Brighter Super) for employees under both a defined benefits scheme and an accumulation superannuation scheme. Unitywater has no liability to, or interest in, Brighter Super other than the payment of the statutory contribution. Contributions are expensed when incurred.

Regional Defined Benefits Fund – Brighter Super

Unitywater contributes to the Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the trust deed and may be varied on the advice of an actuary. The scheme is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009 and is managed by the Brighter Super trustee.

The scheme is a pooled defined benefit plan, and it is not in accordance with the deed to allocate obligations, plan assets and costs at the entity level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations but has not been recognised as an asset or liability of Unitywater.

Unitywater may be liable to the scheme for a portion of another entities' obligations should that entity be unable to meet them. However, the risk of this occurring is extremely low and in accordance with the trust deed, changes to Unitywater's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2025. The actuary indicated that "At the valuation date of 1 July 2025, the net assets of the scheme exceeded the vested benefits, and the scheme was in a satisfactory financial position." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Unitywater is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages, and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is due on 1 July 2028.

Superannuation risks – The most significant risks that may result in Brighter Super increasing the contribution rate, on the advice of the actuary, are:

Investment risk – The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk – The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

Legislative risk – The risk that the cost of providing the benefits will increase as a result of changes to legislation.

The amount of superannuation contributions by superannuation plan type and fund incurred by Unitywater is as follows:

	Notes	2026 $000	2025 $000
Superannuation plan			
Regional Defined Benefits Fund - Brighter Super		199	250
Accumulation Benefit Fund - Brighter Super		5,174	5,250
Other defined contribution funds		8,069	6,620
Total superannuation contributions	**3.1**	**13,442**	**12,120**

3. Our team (cont.)

3.3 Key management personnel

3.3.1 Board members

Board members' remuneration is established under the Participation Agreement and is with the unanimous agreement of the participants. Board members' fees include fees paid for membership of Unitywater's Board and relevant Board committees. The Board members who were paid, or were due to be paid from Unitywater were:

	2026 $000	2025 $000
Remuneration		
Michael Arnett	161	158
Megan Corfield	86	84
Sarah Zeljko	78	76
Chris Hertle	80	78
Graham Quirk	76	74
Total board members' remuneration	**481**	**470**

3.3.2 Key executive management personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Group during the year. Further information can be found in the body of the Annual Report under the section relating to Our Structure – Our Executive Leadership Team.

Position	Responsibilities
Chief Executive Officer	Accountable to the Board for the overall management and operation of the Group as well as ensuring the successful delivery of the Group's strategic direction.
Chief Financial Officer	Drives customer, community and shareholder value through ensuring financial sustainability, corporate performance reporting and analysis, financial management and reporting, procurement, and technology and digital solutions.
Executive Manager Sustainable Infrastructure Solutions	Responsible for leading all aspects of Unitywater's long-term strategic asset planning, asset management, asset performance, efficient capital works design and delivery, laboratory services, business development and water quality management.
Executive Manager Customer Delivery	Responsible for managing operations and maintenance of water networks, water reservoirs, recycled water networks including the Wamuran Irrigation Scheme, wastewater collection networks, pumping stations and wastewater treatment plants of Unitywater as well as fleet operation, stores, property and facilities and non-regulated private works operations.
Executive Manager Customer Experience	Responsible for ensuring Unitywater's commercial and regulatory obligations to customers, community and government are met through the effective management and leadership of customer service, revenue assurance and development services.
Executive Manager People, Safety and Governance	Responsible for workforce strategy, safety, environmental compliance, quality systems, workplace relations, human resources practices, policies and procedures of Unitywater, business resilience, risk management and legal and governance.
Executive Manager Strategic Engagement	Responsible for ensuring Unitywater's strategic direction and operational activities anticipate and respond to customer, community and stakeholder priorities and expectations, and are implemented in ways that create positive experiences for them and our people.

3. Our team (cont.)

3.3 Key management personnel

3.3.3 Remuneration for key executive management personnel

Remuneration and other terms of employment for Unitywater's key executive management personnel are determined by the Board and specified in individual employment contracts. The contracts provide for the provision of fixed term and performance-related cash payments, including:

i. Short-term employee benefits:
   - Monetary benefits which include salaries and allowances paid and provided for during the year, performance payments paid during the year, and annual leave entitlements paid and provided for.
   - Non-monetary benefits which relate to allocated parking spaces provided for the executive team.

ii. Post-employment benefits which consist of superannuation contributions.

iii. Long term employee benefits which represent long service leave entitlements paid and provided for.

iv. Termination benefits include payments in lieu of notice and other lump sum separation entitlements. Contracts of employment provide for notice periods regardless of the reason for separation.

Performance payments of key executive management are capped at 20% of Fixed Annual Remuneration (FAR). Amounts payable are tied to the achievement of pre-determined and documented organisational, business unit and individual performance targets as agreed by the Board and the Chief Executive Officer. Performance targets utilise a balanced scorecard approach that drives value across strategy, operational excellence, people and community outcomes within the regions in which Unitywater operates. Performance payments require endorsement by the People and Culture Committee and approval by the Board. No other non-cash benefits are provided to executives as the FAR concept captures various benefits structured within a total reward rather than a base salary plus benefits approach.

All remuneration component amounts are reviewed annually and annual increases in remuneration are in accordance with recommendations endorsed by the People and Culture Committee and approved by the Board.

Where employment is terminated for any reason, a severance payment is payable in accordance with the Fair Work Act 2009, employment contract and commercial arrangements. The payment is calculated based on the individual's period of service and FAR and is paid in compliance with the relevant legislation.

All executives were employed for the entire financial year unless otherwise disclosed.

Remuneration for key executive management personnel comprises the following components:

1 July 2025 - 30 June 2026

Position	Short term benefits		Post-employment benefits[2]	Long term employment benefits[1]	Termination benefits	Total remuneration
	Monetary[1]	Non-monetary				
	$000	$000	$000	$000	$000	$000
Chief Executive Officer	820	6	30	19	-	875
Chief Financial Officer	458	6	30	6	-	500
Executive Manager Sustainable Infrastructure Solutions	467	6	30	7	-	510
Executive Manager Customer Delivery	439	6	30	18	-	493
Executive Manager Customer Experience	428	6	30	14	-	478
Executive Manager People, Safety and Governance	458	6	30	15	-	509
Executive Manager Strategic Engagement	412	6	30	7	-	455
Total remuneration	**3,482**	**42**	**210**	**86**	**-**	**3,820**

[1] *Includes leave entitlements which will be taken in future periods.*

[2] *Post employment benefits includes year end accruals.*

3. Our team (cont.)

3.3 Key management personnel

3.3.3 Remuneration for key executive management personnel

1 July 2024 - 30 June 2025

Position	Short term benefits		Post-employment benefits[2]	Long term employment benefits[1]	Termination benefits	Total remuneration
	Monetary[1]	Non-monetary				
	$000	$000	$000	$000	$000	$000
Chief Executive Officer	704	6	30	13	-	753
Chief Financial Officer (25 November 2024 - 30 June 2025)[3]	230	6	19	2	-	257
Executive Manager Sustainable Infrastructure Solutions	439	6	30	5	-	480
Executive Manager Customer Delivery	406	6	30	16	-	458
Executive Manager Customer Experience & Acting Chief Financial Officer (1 July 2024 - 25 November 2024)	420	6	30	18	-	474
Executive Manager People, Safety and Governance	410	6	30	17	-	463
Executive Manager Strategic Engagement	356	6	30	5	-	397
Total remuneration	**2,965**	**42**	**199**	**76**	**-**	**3,282**

[1] Includes leave entitlements which will be taken in future periods.

[2] Post employment benefits includes year end accruals.

[3] Ineligible for performance payment.

3.3.4 Performance payments

Individual performance payments are based upon achievement of corporate, business unit and individual targets. The performance assessment process occurs after the end of the financial year when performance reviews are completed and endorsed by the People and Culture Committee and approved by the Board. Payment of performance bonuses occurs in the year following actual performance and is reflected in key executive management's short term monetary benefits in the year paid. Performance bonuses were paid this financial year by 22 October 2025.

The aggregate performance bonuses paid to key executive management personnel are as follows:

	2026	2025
	$000	$000
Performance payments paid	517	387

3. Our team (cont.)

3.4 Employee benefits provision

	2026 $000	2025 $000
Current		
Accrued salaries and wages	8,168	6,455
Annual leave liability	10,333	8,474
Long service leave liability	11,805	11,256
Leave in lieu liability	178	157
Total current employee benefits provision	**30,484**	**26,342**
Non-current		
Long service leave liability	4,530	3,847
Total non-current employee benefits provision	**4,530**	**3,847**

A liability is recognised for benefits accruing to employees for salaries and wages, annual leave, leave in lieu and long service leave up to the reporting date, when it is probable that settlement will be required, and the liability is capable of being measured reliably. Employee benefits are recognised as a current liability where Unitywater does not have an unconditional right to defer settlement of these liabilities.

i. **Salaries and wages**

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current salary and wage rates in respect of employees' service up to that date.

ii. **Annual leave and long service leave**

A liability for annual leave and long service leave expected to be settled within 12 months of the reporting date is recognised in respect of employee's service up to the reporting date and is measured at current salary and wage rates and includes related employee on-costs. Leave expected to be settled more than 12 months after the reporting date is measured at the present value of expected future payment eligibility in respect of services provided by employees up to the reporting date. For long service leave, consideration is also given to expected future wage and salary levels, staff retention and periods of service.

Leave provision estimations – Expected future payments relating to such leave are compiled using average oncost rates, uplifted using the Consumer Price Index (CPI), then discounted using the corporate bond market yield at the reporting date and adjusted for historical retention rates where appropriate.

iii. **Leave in lieu**

A liability for leave in lieu is accrued up to the end of the reporting period and represents the amount unpaid at the reporting date at current salary and wage rates and includes related employee on-costs.

iv. **Sick leave**

As sick leave is non-vesting, an expense is recognised for this leave as taken.

4. Our assets

This section outlines the key assets we use to support delivery of our water and wastewater services.

4.1 Property, plant and equipment

4.1.1 Movement in carrying amounts

	Land	Buildings	Infrastructure	Plant and equipment	Work in progress	Total
	$000	$000	$000	$000	$000	$000
Cost	57,039	17,879	4,989,963	85,227	573,535	5,723,643
Less accumulated depreciation[1]	-	(3,829)	(1,030,823)	(40,272)	-	(1,074,924)
Net book value at 30 June 2024	**57,039**	**14,050**	**3,959,140**	**44,955**	**573,535**	**4,648,719**
Additions	-	-	-	-	424,701	424,701
Transfers from / (to) Investment Property	(107)	-	-	-	-	(107)
Transfers from work in progress	5,051	11,910	297,894	15,160	(330,015)	-
Adopted developer-built assets	-	-	129,800	3	-	129,803
Disposals	-	-	(5,855)	(1,052)	-	(6,907)
Depreciation						
Depreciation expensed	-	(724)	(105,065)	(7,095)	-	(112,884)
Depreciation capitalised	-	(95)	(65)	(587)	-	(747)
Net book value at 30 June 2025	**61,983**	**25,141**	**4,275,849**	**51,384**	**668,221**	**5,082,578**
Cost	61,983	29,789	5,403,106	86,955	668,221	6,250,054
Less accumulated depreciation[1]	-	(4,648)	(1,127,257)	(35,571)	-	(1,167,476)
Net book value at 30 June 2025	**61,983**	**25,141**	**4,275,849**	**51,384**	**668,221**	**5,082,578**
Additions	-	-	-	-	414,293	414,293
Transfers from / (to) Investment Property	453	-	-	-	-	453
Transfers from work in progress	49	217	307,164	22,026	(329,456)	-
Adopted developer-built assets	-	-	142,284	1,287	-	143,571
Disposals	(1,425)	(43)	(8,672)	(1,097)	-	(11,237)
Depreciation						
Depreciation expensed	-	(851)	(116,480)	(8,941)	-	(126,272)
Depreciation capitalised	-	(47)	(61)	(896)	-	(1,004)
Net book value at 30 June 2026	**61,060**	**24,417**	**4,600,084**	**63,763**	**753,058**	**5,502,382**
Cost	61,060	29,695	5,827,022	105,421	753,058	6,776,256
Less accumulated depreciation[1]	-	(5,278)	(1,226,938)	(41,658)	-	(1,273,874)
Net book value at 30 June 2026	**61,060**	**24,417**	**4,600,084**	**63,763**	**753,058**	**5,502,382**

[1] *Including accumulated impairment losses/reversals for Infrastructure of $4,016,048 (2025: $4,016,048).*

4. Our assets (cont.)

4.1 Property, plant and equipment

4.1.1 Movement in carrying amounts

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Items of property, plant and equipment with a total value in excess of the following thresholds are recognised in the year of acquisition:

Asset type	Threshold
Land	$1
Buildings	$5,000
Plant and equipment – fleet	$5,000
Plant and equipment – other	$1,000
Infrastructure	$1

Infrastructure assets are defined as a group of separately identifiable assets which, when considered together, are operating to achieve the objectives of the provision of a particular service. For example, individual components of a pumping station.

All infrastructure assets deemed to form part of a major network (for example water supply and wastewater services) will be recorded as an asset regardless of the cost of the individual asset.

i. **Initial recognition of property, plant and equipment**

Acquisitions of property, plant and equipment are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Constructed assets include the cost of purchased services, materials, direct labour, borrowing costs and an appropriate proportion of overheads attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets under construction not commissioned at the reporting date are reported as work in progress.

Adopted developer-built assets are initially recorded at fair value when Unitywater obtains control of the assets and then AASB 116 *Property, Plant and Equipment* rules apply after that as if that value had been their cost.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for Unitywater. Costs incurred subsequent to initial recognition are capitalised when the expenditure improves the condition of the asset beyond its originally assessed standard of performance or capacity.

Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset. Components are separately recorded and valued on the same basis as the asset class to which they relate.

Unitywater's complex assets are its infrastructure distribution networks.

Fair value estimation of donated property, plant and equipment – The initial value of adopted developer-built assets is estimated as: the amount that it would cost Unitywater to have the asset constructed (by applying standard market rates by unit), or the total market value of similar assets.

ii. **Asset valuation**

Property, plant and equipment is measured at historical cost less accumulated depreciation and accumulated impairment losses.

4. Our assets (cont.)

4.1 Property, plant and equipment

4.1.1 Movement in carrying amounts

iii. **Depreciation**

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use. Land is not depreciated as it has an indefinite life.

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful life of each item of property, plant and equipment.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment are reviewed annually and adjusted if appropriate.

The **estimated useful lives** for each class of depreciable assets are:

Buildings	40 – 100 years
Infrastructure assets	
- Water infrastructure assets	2 – 120 years
- Sewer infrastructure assets	5 – 180 years
Plant and equipment	2 – 40 years

iv. **Gains and losses on disposals**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the asset at the time of disposal. These gains and losses are included in the Consolidated Statement of Profit or Loss.

4. Our assets (cont.)

4.2 Intangible assets

4.2.1 Movement in carrying amounts

	Software $000	Work in progress $000	Total $000
Cost	60,937	5,482	66,419
Accumulated amortisation	(49,547)	-	(49,547)
Net book value at 1 July 2024	**11,390**	**5,482**	**16,872**
Additions	-	3,241	3,241
Transfers from work in progress	7,938	(7,938)	-
Disposals	(40)	-	(40)
Amortisation	(3,227)	-	(3,227)
Net book value at 30 June 2025	**16,061**	**785**	**16,846**
Cost	67,638	785	68,423
Accumulated amortisation	(51,577)	-	(51,577)
Net book value at 30 June 2025	**16,061**	**785**	**16,846**
Additions	-	365	365
Transfers from work in progress	366	(366)	-
Disposals	-	-	-
Amortisation	(4,153)	-	(4,153)
Net book value at 30 June 2026	**12,274**	**784**	**13,058**
Cost	68,004	784	68,788
Accumulated amortisation	(55,730)	-	(55,730)
Net book value at 30 June 2026	**12,274**	**784**	**13,058**

Intangible assets with a cost greater than $1,000 are capitalised. Subsequent expenditure is capitalised when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

i. **Software**

Costs associated with the development, implementation or enhancement of on-premise systems and software are capitalised where they meet the definition of, and recognition criteria for, an intangible asset. The cost of software includes the cost of all materials, direct labour, other directly attributable costs, borrowing costs (if applicable) and an appropriate proportion of overheads attributable during the configuration of the software. These costs are then amortised over the useful life of the software on a straight-line basis.

ii. **Amortisation**

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The useful lives of intangible assets are reviewed annually and adjusted if appropriate.

The **estimated useful lives** for intangible assets are:

Software 3 – 17 years

4. Our assets (cont.)

4.3 Right of use assets

4.3.1 Movement in carrying amounts

	Land $000	Buildings $000	Total $000
Cost	201	33,926	34,127
Less accumulated depreciation	(48)	(22,830)	(22,878)
Net book value at 1 July 2024	**153**	**11,096**	**11,249**
Additions	-	2,085	2,085
Reassessments[1]	59	(548)	(489)
Depreciation			
Depreciation expensed	(12)	(619)	(631)
Depreciation capitalised	-	(1,262)	(1,262)
Net book value at 30 June 2025	**200**	**10,752**	**10,952**
Cost	260	24,175	24,435
Less accumulated depreciation	(60)	(13,423)	(13,483)
Net book value at 30 June 2025	**200**	**10,752**	**10,952**
Additions[2]	384	32,720	33,104
Reassessments[3]	-	2,891	2,891
Depreciation			
Depreciation expensed	(179)	(709)	(888)
Depreciation capitalised	-	(1,212)	(1,212)
Net book value at 30 June 2026	**405**	**44,442**	**44,847**
Cost	644	59,786	60,430
Less accumulated depreciation	(239)	(15,344)	(15,583)
Net book value at 30 June 2026	**405**	**44,442**	**44,847**

[1] CPI adjustments as per lease contracts.

[2] Addition of a new northern corporate office building lease in June 2026

[3] CPI adjustments as per lease contracts and an increase in the make good provision of the southern corporate office.

Unitywater leases office premises in the Sunshine Coast and City of Moreton Bay regions, as well as wetlands in the Sunshine Coast. A right of use asset is recognised when control of the use of a specific asset for a length of time is conveyed by a lease contract in exchange for consideration. Except in the case of short-term leases or leases of low-value assets (which are expensed through the Consolidated Statement of Profit or Loss), such right of use assets are capitalised at cost on the commencement date of the lease.

Refer to Note 5.7 Lease liabilities for details of the financing of these assets.

Estimation of cost of right of use assets – The cost of right of use assets comprises the initial lease liability adjusted for initial direct costs, lease payments prior to commencement, lease incentives and estimated make good costs. The assets are subsequently held at cost less accumulated depreciation and impairment losses, and remeasured in line with lease liabilities as a result of CPI adjustments. They are depreciated on a straight-line basis over the lesser of the various lease terms or the assets' estimated useful lives, with any extension clause options being taken up where reasonably certain.

4.4 Impairment

4.4.1 Impairment testing

The carrying amounts of Unitywater's non-current assets (including intangible assets, right of use assets, investment properties and investment in associates) are reviewed annually to determine whether there is any indication of impairment. If there is an indication of impairment, an impairment test is performed to determine whether the assets' carrying value exceeds their recoverable amount. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised as an expense. An impairment loss is reversed when there is an indication the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Estimation of fair value of non-current assets – The recoverable amount of an asset is the higher of its net selling price (fair value less costs to sell) and the value to be realised through using the assets (value in use). In assessing value in use, the estimated future cash flows are discounted to their present value using a Weighted Average Cost of Capital (WACC) as the discount rate which reflects Unitywater's capital structure and assessment of the time value of money and the risks specific to the asset. The fair value of Unitywater's assets has been estimated using an income-based approach and assessed against carrying amount.

Unitywater undertook an impairment review during the financial year. Internal indicators of impairment including obsolescence and physical damage, significant changes with an adverse effect, and internal reporting concerning economic performance of an asset were considered, together with external sources of information such as changes in technological, market, economic or legal environment, changes in regulated environment, policy and/or legislative changes and market interest rate changes.

The impairment review noted the impacts of growth in Unitywater's service region which drives developer-partial reimbursements and adopted developer-built assets and is contributing to a divergence in Unitywater's statutory asset base and regulatory asset base.

The Group assessed the recoverable amount of the water and wastewater network cash generating unit (CGU) using a value in use model as the primary basis, reflecting management's internal financial forecasts. The value in use calculation incorporates assumptions regarding future demand, operating and capital expenditure requirements, long term growth expectations and a discount rate of 6.51%. As an alternate cross check, management also prepared a fair value estimate using market based cashflow inputs and a discount rate of 6.62%. These discount rates were derived from inputs provided by Queensland Treasury Corporation.

Judgement was required in determining assumptions sensitive to macro-economic conditions, including inflation and interest rates. A terminal value was applied at the end of the cash flow projection period, ensuring the CGU is assessed as a going concern and to limit reliance on a discrete forecast period. The terminal value was determined using a market based terminal value multiple (commonly referred to in the sector as a 'RAB multiple') consistent with observed practice for long life infrastructure assets.

Sensitivity analysis indicates that reasonably possible changes in key assumptions, including a higher discount rate, lower terminal value range or reduced consumption demand would reduce headroom but would not result in an impairment. No reasonably possible change in assumptions considered individually would cause the recoverable amount to fall below the carrying amount.

Unitywater's review of asset valuation in 2026 concluded that the recoverable amount remains supportive of the assets' carrying value and hence no impairment is indicated. There are no material indicators of impairment at the time the financial statements were authorised for issue.

Based on this review, no impairment expense (2025: $nil) was recognised in relation to property, plant and equipment, intangibles, right of use assets, investment properties or investment in associates in the Consolidated Statement of Profit or Loss.

4. Our assets (cont.)

4.5 Investment properties

4.5.1 Movement in carrying amounts

	Land	Buildings	Plant and equipment	Work in progress	Total
	$000	$000	$000	$000	$000
Cost	3,965	4,831	160	-	8,956
Less accumulated depreciation	-	(77)	(11)	-	(88)
Net book value at 1 July 2024	**3,965**	**4,754**	**149**	**-**	**8,868**
Additions	-	-	-	11	11
Transfers from / (to) Property, Plant and Equipment	107	-	-	-	107
Transfers from WIP	-	10	1	(11)	-
Depreciation	-	(106)	(14)	-	(120)
Net book value at 30 June 2025	**4,072**	**4,658**	**136**	**-**	**8,866**
Cost	4,072	4,841	161	-	9,074
Less accumulated depreciation	-	(183)	(25)	-	(208)
Net book value at 30 June 2025	**4,072**	**4,658**	**136**	**-**	**8,866**
Transfers from / (to) Property, Plant and Equipment	(453)	-	-	-	(453)
Depreciation	-	(98)	(13)	-	(111)
Net book value at 30 June 2026	**3,619**	**4,560**	**123**	**-**	**8,302**
Cost	3,619	4,841	161	-	8,621
Less accumulated depreciation	-	(281)	(38)	-	(319)
Net book value at 30 June 2026	**3,619**	**4,560**	**123**	**-**	**8,302**

The Groups investment properties consist of land and two commercial buildings. Investment property also includes property that is being constructed or developed for future use as investment property.

The commercial properties are leased to tenants under operating leases with rentals payable monthly, lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Minimum lease payments receivable on leases are disclosed in note 6.2.

Rental income from investment property recognised in profit or loss is $1,164,572 (2025: $1,326,666). Direct operating expenses on property that did generate rental income for the period were $107,310 (2025: $139,176).

i. **Asset valuation**

Investment property, which is property held to earn rentals and/or for capital appreciation, is recognised at cost (including transaction costs), less accumulated depreciation and impairment.

ii. **Depreciation**

Land is not depreciated as it has an indefinite life. Buildings are depreciated on a straight-line basis over their estimated useful life.

The **estimated useful lives** for each class of depreciable assets are:

Buildings	45 – 50 years
Plant and equipment	5 – 25 years

4. Our assets (cont.)

4.5 Investment properties

4.5.2 Fair value

	Carrying amount $000	Fair value $000
2026		
Investment property	8,302	19,300
Total	**8,302**	**19,300**
2025		
Investment property	8,866	21,200
Total	**8,866**	**21,200**

4.6 Investment in associates

4.6.1 Net carrying amounts – Unitywater Group's share

	2026 $000	2025 $000
Utility Management Group Pty Ltd	5,983	4,908
Detection Group Pty Ltd	12,883	12,140
Pipeline Inspection and Assessment Pty Ltd	2,384	2,400
Total investment in associates	**21,250**	**19,448**

Associates are those entities in which the Group has significant influence but not control or joint control over the financial and operating polices. Refer to Note 8.4 for further information regarding shareholding and voting rights.

Investment in associates are accounted for using the equity method whereby the investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of the associates' net assets.

The Group's consolidated statement of profit or loss includes its share in associates profit or loss for the year ended 30 June 2026 $1,802,323 profit (2025: $591,976 profit).

Refer to Note 6.4 – Subsequent events regarding the proposed disposal of the Group's investment in Utility Management Group Pty Ltd.

Judgement regarding significant influence - Unitywater has significant influence over an associate when it has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

5. Our funding

This section provides information on funding our daily operations and the related costs.

5.1 Capital management

Unitywater Group manages its finances to maintain a stable and appropriate capital structure given the financial risk profile and regulated nature of its business, whilst delivering returns to its Participating Councils (City of Moreton Bay, Sunshine Coast Council and Noosa Council) and to ensure it can fund its ongoing operations.

Unitywater's capital comprises contributed equity, retained earnings and net debt.

	Notes	Parent 2026 $000	Parent 2025 $000
Contributed equity	5.2	1,434,782	1,434,782
Retained earnings		1,368,149	1,254,192
Total equity		2,802,931	2,688,974
Borrowings	5.8	2,277,552	2,092,377
Less: cash and cash equivalents	5.3	(74,540)	(85,585)
Net debt		2,203,012	2,006,792
Net capital		**5,005,943**	**4,695,766**
Gearing ratio		**44%**	**43%**

The gearing ratio represents the degree to which an entity's activities are funded through debt versus equity. This is calculated by dividing the net debt by the net capital as shown above.

Unitywater's capital usage is monitored using key credit metrics and ratios which also form part of our funding arrangements with Queensland Treasury Corporation (QTC).

	Parent 2026	Parent 2025
Key credit metrics		
EBITDA[1] interest coverage >= 2.5	6.5	8.6
EBIT[2] interest coverage >=1.75	3.4	4.7
Funds from operations interest coverage >= 2.25	5.6	7.5
Net debt to fixed assets <= 60%	19%	17%

[1] *Earnings before interest, tax, depreciation and amortisation.*

[2] *Earnings before interest and tax.*

Unitywater is in compliance with the facility covenants. Its implied credit rating, as determined by QTC, is BBB+. The definition of interest expense and net debt under the Participating Local Government (PLG) Loan Agreements and QTC Master Facility Agreements excludes any debt or interest payable under the PLG Loan Agreements. These metrics also exclude developer partial reimbursements and adopted developer-built assets.

5.2 Equity

5.2.1 Contributed equity

On 1 July 2010, the City of Moreton Bay and the Sunshine Coast Council transferred their water businesses to Unitywater. The transfer comprised assets, liabilities and employees of the participant Councils' water distribution and wastewater operations.

On 19 December 2013, the Minister for Energy and Water Supply approved the amendments to the Participation Agreement required to accommodate Noosa Council as a participant from 1 January 2014.

The resulting participation rights of each council are as follows:

		2026 $000	2025 $000
City of Moreton Bay	58.24%	835,591	835,591
Sunshine Coast Council	37.51%	538,213	538,213
Noosa Council	4.25%	60,978	60,978
Total contributed equity	**100.00%**	**1,434,782**	**1,434,782**

5.2.2 Participation returns

In accordance with the Restructuring Act, the participating Councils have entered into an agreement (the Participation Agreement) to determine each entity's participation rights in Unitywater Group. The Participation Agreement specifies the participants' rights to participate in a distribution of profits of Unitywater Group in proportion to the percentage set out next to the participant's name in the Register of Participation Rights. During the period from 15 March to 15 April in each financial year, Unitywater Group must give to the participants an estimate of Unitywater Group's net result for the financial year; and the amount of the participation return to be paid for the financial year, including the amount payable for different participation rights.

A liability for participation returns payable is made for the amount of any participation return declared by the Board on or before the end of the financial year but not distributed at the end of the reporting period. A participation return may only be paid out of current year net result after tax of Unitywater Group. The net result after tax is adjusted for developer revenue received net of tax and depreciation on assets contributed and assets funded by infrastructure charges, because developer revenue is a form of funding for Unitywater's capital expansion. If insufficient adjusted profits are available to meet agreed returns, there is provision for a special dividend to be made.

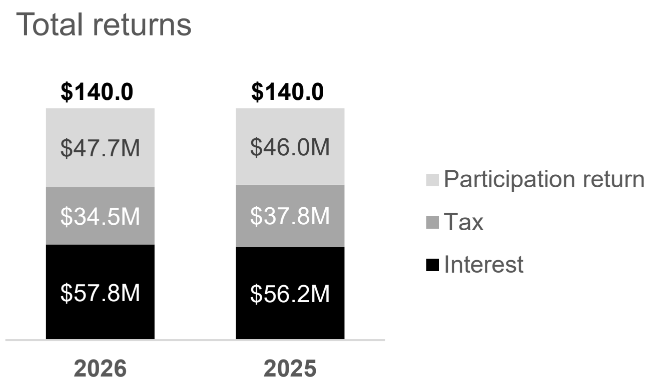
The following participation returns have been paid or are payable at 30 June 2026:

	2026 $000	2025 $000
In accordance with the Participation Agreement, an interim participation return was declared on 22 January 2026 and paid on 13 February 2026	23,471	24,049
The Board declared the full year participation return on 30 June 2026	24,277	21,937
Total participation return paid/payable	**47,748**	**45,986**
City of Moreton Bay	27,809	26,783
Sunshine Coast Council	17,910	17,249
Noosa Council	2,029	1,954
Total	**47,748**	**45,986**

5. Our funding (cont.)

5.2 Equity

5.2.2 Participation returns



Total returns to participating Councils comprise interest on debt (refer Note 5.8), tax equivalents (refer Note 7.1) and participation return.

5.3 Cash and cash equivalents

	2026 $000	2025 $000
Cash at bank and on hand	74,540	85,585
Total cash and cash equivalents in the Consolidated Statement of Cash Flows	**74,540**	**85,585**

Cash and cash equivalents comprise cash on hand and at bank, cheques receipted not banked, deposits held on call, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5. Our funding (cont.)

5.3 Cash and cash equivalents

5.3.1 Reconciliation of cash flows from operating activities

	2026 $000	2025 $000
Cash flows from operating activities		
Net result for the year	189,292	180,937
Non-cash items included in operating result:		
Depreciation and amortisation	131,424	116,862
Loss on disposal of property, plant and equipment	8,614	6,076
Adopted developer-built assets	(143,571)	(129,803)
Share of profit from investments in associates	(2,201)	(592)
Credit losses on trade and other receivables	203	8
Changes in assets and liabilities:		
Decrease / (increase) in trade and other receivables	(14,271)	1,992
(Increase) in inventories held for use	(219)	(670)
(Increase) / decrease in prepayments	1,111	(279)
(Decrease) / increase in trade and other payables	10,946	(3,935)
Increase in contract liabilities	16,119	24,196
(Decrease) / increase in employee benefits provision	4,825	(276)
(Decrease) in other liabilities	(4,391)	(430)
Increase in deferred tax liabilities	50,262	42,735
Net cash inflow from operating activities	**248,143**	**236,821**

5. Our funding (cont.)

5.4 Trade and other receivables

	2026 $000	2025 $000
Current		
Trade receivables from contracts with customers	144,869	137,557
Less: expected credit losses	(586)	(455)
	144,283	137,102
Income tax receivable	5,818	-
GST receivables	6,259	5,316
Other receivables	799	808
Total current	**157,159**	**143,226**
Non-current		
Other receivables	1,606	1,471
Total non-current	**1,606**	**1,471**
Total trade and other receivables	**158,765**	**144,697**

Trade debtors are amounts due from customers for the provision of water, wastewater, trade waste and other services performed in the ordinary course of business. Accrued receivables are recognised for water and wastewater charges and other works and services where performance obligations have been satisfied but not yet invoiced.

Trade and other receivables are initially measured at fair value and are subsequently carried at amortised cost. Trade debtors (from contracts with customers) are generally due for settlement 30 days from invoice date and are therefore classified as current. Overpayments are reclassified to Contract liabilities (see Note 5.5). Other receivables are due in accordance with their contractual terms.

Trade debtors are generally interest-bearing once they become overdue.

Receivables expected credit loss estimation – Collectability of trade receivables is reviewed on an ongoing basis with provision being made for impairment based on expected credit losses. This estimate considers future cash flows with regard to historical credit loss experience as well as forecast market outlook based on a provision matrix methodology. Individual debts that are uncollectible are written off when identified after obtaining the appropriate level of authorisation. Generally, trade receivables are written off where an amount is considered to be unrecoverable (For example bad debt, not economical to pursue, unable to locate customer or negotiated settlement). Movements in expected credit losses are recognised as an expense.

	2026 $000	2025 $000
Movement in expected credit losses		
Opening balance	**455**	**504**
(Decrease) / increase in provision	131	(49)
Closing balance	**586**	**455**

5. Our funding (cont.)

5.4 Trade and other receivables

Ageing of impaired, as well as unimpaired financial assets is disclosed in the following table:

Trade and other receivables	Expected Credit Loss Rate %	Gross $000	Expected Credit Losses $000	Total $000
2026				
Accrued receivables	0.02%	88,852	16	88,836
Current billed	0.01%	53,015	7	53,008
Past due 0-30 days	0.10%	6,111	6	6,105
Past due 31-60 days	0.43%	1,622	7	1,615
Past due 61-90 days	0.75%	2,140	16	2,124
More than 91 days	7.02%	7,611	534	7,077
Total trade and other receivables		**159,351**	**586**	**158,765**
2025				
Accrued receivables	0.02%	82,080	15	82,065
Current billed	0.01%	49,355	7	49,348
Past due 0-30 days	0.09%	6,767	6	6,761
Past due 31-60 days	0.42%	1,177	5	1,172
Past due 61-90 days	0.76%	1,185	9	1,176
More than 91 days	9.00%	4,588	413	4,175
Total trade and other receivables		**145,152**	**455**	**144,697**

Unitywater

5. Our funding (cont.)

5.5 Contract liabilities

	Developer partial reimbursements	Refundable deposits	Debtor over payments	Other	Total
	$000	$000	$000	$000	$000
Balance at 2024	28,212	8,422	7,170	11,424	55,228
Previously deferred revenue recognised during the period	(27,894)	-	(2,930)	(5,879)	(36,703)
Additional revenue deferred during the period	39,534	7,853	3,887	11,948	63,222
Refunds of balances previously deferred	-	(1,637)	(625)	(61)	(2,323)
Closing balance 2025	**39,852**	**14,638**	**7,502**	**17,432**	**79,424**
Current	39,852	14,638	7,502	13,384	75,376
Non-current	-	-	-	4,048	4,048
Total contract liabilities	**39,852**	**14,638**	**7,502**	**17,432**	**79,424**
Previously deferred revenue recognised during the period	(35,361)	-	(2,848)	(13,358)	(51,567)
Additional revenue deferred during the period	47,728	9,053	4,185	19,888	80,854
Refunds of balances previously deferred	-	(7,437)	(971)	(4,760)	(13,168)
Closing balance 2026	**52,219**	**16,254**	**7,868**	**19,202**	**95,543**
Current	52,219	16,254	7,868	19,194	95,535
Non-current	-	-	-	8	8
Total contract liabilities	**52,219**	**16,254**	**7,868**	**19,202**	**95,543**

Contract liabilities represent customer receipts for which performance obligations have yet to be met. The majority of this balance consists of developer partial reimbursements/deposits where the right to connect has yet to be given (see Note 2.1 for details). Obligations are generally met within 12 months of receipt of the funds.

In addition, refundable infrastructure offsets are also recognised as a contract liability where construction of the asset has been lawfully completed or in accordance with the agreement with the developer.

5. Our funding (cont.)

5.6 Trade and other payables

	2026 $000	2025 $000
Current		
Trade creditors	25,343	22,606
Participation return payable	24,277	21,937
Interest payable	25,889	22,172
Accrued expenses	97,791	82,664
Income tax payable	-	607
Other	3,996	3,591
Total trade and other payables	**177,296**	**153,577**

Trade and other payables represent the value of goods and services provided to Unitywater prior to the end of the financial year that remain unpaid. Trade and other payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase price less any applicable discounts. Generally, amounts owing are unsecured and are settled on 30-day terms or as contractually/legally required.

5.7 Lease liabilities

	2026 $000	2025 $000
Lease liabilities		
Current	1,212	1,510
Non-current	42,082	8,757
Total lease liabilities	**43,294**	**10,267**

Discounted lease payments are recognised as lease liabilities at the commencement date of the lease. In determining the present value of the lease payments, Unitywater has used its incremental borrowing rate since the implied interest rate is not able to be readily determined. Subsequently, interest at this rate is added to the lease liability, and payments deducted, in order to reflect the carrying value of the lease liability. Where lease contracts incorporate CPI escalations, the lease liability and its corresponding right of use asset are adjusted to take this into account once the impact is known.

The total cash outflow for leases in 2026 was $2,088,101 (2025: $1,897,314).

Judgement and estimation regarding lease liabilities – The lease liability represents an estimate of the present value of the lease payments since CPI adjustments are not accounted for until confirmed and the discounting is based on Unitywater's incremental borrowing rate. Management has used judgement when considering whether extension options will be exercised.

Refer to Note 4.3 Right of use assets for details of the assets covered by these leases.

5. Our funding (cont.)

5.8 Borrowings

5.8.1 Borrowing costs

	2026 $000	2025 $000
Interest on loans	100,971	87,292
Interest on lease liabilities	146	108
	101,117	87,400
Less capitalised borrowing costs	(14,538)	(12,236)
Total borrowing costs	**86,579**	**75,164**

Borrowing costs comprise interest expense and related fees on bank overdrafts, short-term and long-term borrowings. They are recognised as an expense using the effective interest method in the period in which they are incurred. Borrowing costs that are not settled in the period in which they arise are accrued as interest payable. Where material, borrowing costs directly attributable to a specific capital project that takes more than 12 months to prepare for its intended use, are added to the cost of those assets.

In 2026, borrowing costs of $14,537,600 (2025: $12,235,946) were capitalised. The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.40% (2025: 3.83%), which is the effective interest rate of the borrowings.

5.8.2 Composition of borrowings

	2026 $000	2025 $000
Current		
Economic Development Queensland		
Building Acceleration Fund loan	1,825	1,825
Total current borrowings	**1,825**	**1,825**

	2026 $000	2025 $000
Non-current		
Participating Councils		
Subordinated debt	1,160,652	1,160,652
Queensland Treasury Corporation		
Portfolio linked loan	1,095,000	908,000
Economic Development Queensland		
Building Acceleration Fund loan	20,075	21,900
Total non-current borrowings	**2,275,727**	**2,090,552**

Borrowings are initially recognised at fair value, net of any transaction costs directly attributable to the borrowings, and then subsequently held at amortised cost using the effective interest method. Borrowing costs that are not settled in the period in which they arise are accrued as interest payable.

No assets have been pledged as security for any liabilities. All borrowings are in Australian dollar denominated amounts and carried at amortised cost. The fair value of the loans and borrowings subsequently measured at amortised cost is set out in Note 6.1. There have been no defaults or breaches of the loan agreements during the 2026 financial year (2025: None).

5. Our funding (cont.)

5.8 Borrowings

5.8.2 Composition of borrowings

Principal repayments for debt funding with Queensland Treasury Corporation and the Participating Councils are due at the end of the life of the loans as per their terms and conditions. The Participating Councils' loans have a 20-year term, terminating on 30 June 2033 with an extension clause of 10 years. Debt is subordinated to Queensland Treasury Corporation with variable interest rates set annually on a portfolio-based approach. The maturity profile is disclosed in Note 6.1 along with Unitywater's other financial liabilities.

The weighted average interest rate on borrowings for the year is 4.65% (2025: 4.35%). Interest payments are made quarterly in arrears at rates ranging from 4.40% to 4.98% (2025: 3.83% to 4.84%).

On 7 July 2023, the Minister for Economic Development Queensland executed the revised Building Acceleration Fund (BAF) Agreement with Unitywater to receive financial assistance of $25,550,000 to co-fund the delivery of water and wastewater infrastructure to unlock development of the Caboolture West Neighbourhood Development Precinct 1. The facility is interest free and requires annual repayments of $1,825,000 until 28 February 2037.

Sensitivity analysis for variable rate instruments

The following sensitivity analysis depicts the outcome to profit and loss if interest rates would change by +/- 1% from the year end rates applicable to Unitywater's financial assets and liabilities. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year, except for the current year financial liabilities which assume periodic refinancing.

		Interest rate risk			
		-1%		+1%	
	Net carrying amounts	Profit	Equity	Profit	Equity
	$000	$000	$000	$000	$000
2026					
Financial assets	74,540	(745)	(745)	745	745
Financial liabilities	(2,277,552)	1,366	1,366	(1,344)	(1,344)
Sensitivity (net)	**(2,203,012)**	**621**	**621**	**(599)**	**(599)**
2025					
Financial assets	85,585	(856)	(856)	856	856
Financial liabilities	(2,092,377)	1,247	1,247	(1,190)	(1,190)
Sensitivity (net)	**(2,006,792)**	**391**	**391**	**(334)**	**(334)**

5. Our funding (cont.)

5.8 Borrowings

5.8.3 Financing arrangements at balance date

Financing facilities	Utilised 2026 $000	Not Utilised 2026 $000	Total Facility 2026 $000	Utilised 2025 $000	Not Utilised 2025 $000	Total Facility 2025 $000
Bank overdraft	-	50	**50**	-	50	**50**
Credit card	18	732	**750**	18	732	**750**
Working capital	-	250,000	**250,000**	-	250,000	**250,000**
Loans	2,277,552	55,248	**2,332,800**	2,092,377	-	**2,092,377**
	2,277,570	**306,030**	**2,583,600**	**2,092,395**	**250,782**	**2,343,177**

6. Our financial risks

This section outlines the valuation methodologies for our financial instruments, the framework used to manage the financial risks to our business, as well as our commitments and potential commitments.

6.1 Financial risk framework

6.1.1 Financial instruments

Financial instruments are classified and measured as follows:

Financial instrument	Initial measurement	Subsequent measurement
Cash and cash equivalents	Fair value	Amortised cost
Trade receivables and lease receivables	Fair value	Amortised cost
Investments in associates	Cost	Cost plus/minus profits/losses
Payables	Fair value	Amortised cost
Borrowings	Fair value net of directly attributable transaction costs	Amortised cost (using the effective interest method)
Lease liabilities	Present value of unpaid lease payments at commencement date	Adjusted for lease payments, interest and lease modifications

Unitywater classifies its financial assets at amortised cost because they are held to collect contractual cash flows consisting solely of principal and interest.

Financial assets are derecognised if the contractual rights to the cash flows from the financial assets expire, if the financial asset is transferred to another party without retaining control, or substantially all risks and rewards of the asset are transferred. Financial liabilities are derecognised if the obligations specified in the contract expire or are discharged or cancelled.

Borrowing costs that are not settled in the period in which they arise are accrued as interest payable.

Derivatives

Unitywater does not enter into transactions for speculative purposes, or for hedging.

6. Our financial risks (cont.)

6.1 Financial risk framework

6.1.2 Categorisation of financial instruments

Unitywater has the following categories of financial assets and financial liabilities:

Category	Notes	2026 $000	2025 $000
Financial assets			
Cash and cash equivalents	5.3	74,540	85,585
Trade and other receivables	5.4	146,688	139,381
Investments in associates	4.6	21,250	19,448
Total financial assets		**242,478**	**244,414**
Financial liabilities			
Trade and other payables	5.6	177,296	153,577
Lease liabilities	5.7	43,294	10,267
Borrowings	5.8	2,277,552	2,092,377
Total financial liabilities		**2,498,142**	**2,256,221**

GST and income tax payable/receivable do not qualify as financial instruments and are excluded from the table above.

Risk management framework

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board established the Audit and Risk Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board on its activities.

Exposure to financial risks is managed in accordance with the Group's approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Group.

Risk exposure

The activities of the Group expose it to a variety of financial risks as set out below.

Credit risk is the risk of financial loss to the Group if a customer or another party fails to meet its obligations.

The Group is exposed to credit risk through its customers, investments with the Queensland Treasury Corporation (QTC) and deposits held with banks. It uses ageing analysis to measure this risk (see Note 5.4).

Unitywater has a concentration of credit risk from receivables due from its customers. In respect of trade and other receivables, Unitywater is obliged to service all customers in its service area without regard to customer credit quality. Unitywater manages credit risk in accordance with its Credit Management Policy, which outlines credit collection processes, continuing service provision whilst minimising risks associated with fulfilling payment requirements, customer awareness regarding the use of appropriate payment options and plans to reduce likelihood of non-payment and provisions for those customers suffering genuine financial hardship.

With regard to cash and cash equivalents, Unitywater only deals with creditworthy counterparties and recognised financial intermediaries as a means of mitigating the risk of financial losses from default. Unitywater's Investment and Cash Management Policy provides a high-level framework which prescribes the credit rating of counterparties. The QTC Cash Fund is an asset management portfolio with investments in a wide variety of high credit rating counterparties. Deposits are capital guaranteed.

Exposure to credit risk is monitored on an ongoing basis.

6. Our financial risks (cont.)

6.1 Financial risk framework

6.1.3 Financial risk management

The maximum exposure to credit risk at 30 June 2026 in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provision for impairment (see Notes 5.3 and 5.4).

No collateral is held as security and no credit enhancements relate to financial assets held by Unitywater.

No financial assets and financial liabilities have been offset and presented net in the Consolidated Statement of Financial Position.

Liquidity risk is the risk that the Group may encounter difficulty in meeting obligations associated with financial liabilities which are settled by delivering cash or another financial asset.

The Group is exposed to liquidity risk through its trading in the normal course of business, and through borrowings from the QTC for its working capital requirements. It uses maturity analysis to measure this risk (see below).

The Group manages its exposure to liquidity risk due to unexpected volatility in cash flows, by maintaining sufficient cash deposits as well as short and long-term borrowing facilities. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

The following table sets out the liquidity risk of financial liabilities held by the Group at reporting date. It represents the contractual maturity of financial liabilities, including interest payments, calculated based on undiscounted cash flows.

	Financial liabilities				
	Carrying amount	Cash flow payable in			Total cash flows
		< 1 year	1-5 years	>5 years	
	$000	$000	$000	$000	$000
2026					
Trade and other payables	177,296	177,296	-	-	177,296
PLG loans	1,160,652	58,671	235,844	1,293,152	1,587,667
QTC borrowings	1,095,000	49,670	203,898	1,095,000	1,348,568
EDQ loan	21,900	1,825	9,125	10,950	21,900
Lease liabilities	43,294	2,301	10,841	52,870	66,012
Total financial liabilities	**2,498,142**	**289,763**	**459,708**	**2,451,972**	**3,201,443**
2025					
Trade and other payables	153,577	153,577	-	-	153,577
PLG loans	1,160,652	57,394	231,202	1,348,344	1,636,940
QTC borrowings	908,000	38,095	159,823	908,000	1,105,918
EDQ loan	23,725	1,825	9,125	12,775	23,725
Lease liabilities	10,267	2,029	3,816	6,722	12,567
Total financial liabilities	**2,256,221**	**252,920**	**403,966**	**2,275,841**	**2,932,727**

Market risk - The Group's market risk is primarily in relation to interest rate risk. This is the risk that a value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk through its borrowings from QTC and Participating Councils, investment with QTC and cash deposited in interest-bearing accounts. It uses sensitivity analysis to measure this risk (see Note 5.8).

The Group is not materially exposed to commodity price changes.

6. Our financial risks (cont.)

6.1 Financial risk framework

6.1.3 Financial risk management

Unitywater manages this part of its portfolio by setting, monitoring and adjusting the terms and duration of its loan portfolio as allowed under its commercial financing contract, with QTC and the Participating Councils such that the desired interest rate risk exposure can be constructed.

6.1.4 Fair value

Unitywater Group does not carry any financial assets or financial liabilities at fair value.

Cash, trade and other receivables, and payables are carried at amortised cost which is assumed to approximate fair value – the value of the original transaction, less any allowance for impairment.

Borrowings are carried at amortised cost using the effective interest method. Fair value of interest-bearing borrowings is notified by QTC. It is calculated based on discounted expected future cash flows.

The fair values of the borrowings, together with the carrying amounts, are as follows:

	Carrying amount $000	Fair value $000
2026		
Participating Councils		
Subordinated loans	1,160,652	1,159,509
QTC borrowings		
Portfolio linked loan	1,095,000	1,079,727
Economic Development Queensland		
Building Acceleration Fund loan	21,900	16,124
Total borrowings	**2,277,552**	**2,255,360**
2025		
Participating Councils		
Subordinated loans	1,160,652	1,186,104
QTC borrowings		
Portfolio linked loan	908,000	909,966
Economic Development Queensland		
Building Acceleration Fund loan	23,725	17,990
Total borrowings	**2,092,377**	**2,114,060**

6.2 Commitments

6.2.1 Leases as lessor

Non-cancellable operating leases

Where leases do not transfer substantially all of the risks and rewards of ownership, they are classified as operating leases. In this respect, Unitywater leases commercial property to businesses as well as other sites to telecommunication carriers for installation and operation of mobile telecommunication facilities. Commitments to Unitywater under non-cancellable operating leases at reporting date are receivable as follows:

	2026 $000	2025 $000
Within one year	2,081	1,982
1 to 2 Years	1,871	1,917
2 to 3 Years	1,632	1,709
3 to 4 Years	1,617	1,459
4 to 5 Years	1,576	1,440
More than five years	21,497	22,449
Total commitments – leases as a lessor	**30,274**	**30,956**

6.2.2 Capital expenditure commitments

Material classes of capital expenditure commitments contracted for at reporting date but not recognised in the accounts as payable are as follows:

	2026 $000	2025 $000
Capital expenditure commitments		
Within one year	131,439	106,868
One year and no later than five years	103,231	90,464
Total commitments	**234,670**	**197,332**

Contractual commitments for capital expenditure cover both property, plant and equipment and intangible assets.

As disclosed in Note 6.3, Unitywater has represented to an authority to undertake certain works on existing assets. These amounts are not included in the amounts disclosed above.

6.3 Contingencies

Legal claims and environmental matters

Judgement regarding legal claims and environmental matters – There is currently a dispute with a Unitywater contractor and subcontractor in relation to a design and construct contract. Claims and counter claims have been filed between Unitywater and the contractor with Unitywater filing amended pleadings in 2024-25 to join the subcontractor to the proceedings. Unitywater will strenuously defend the contractor's counter claim.

The asset which is subject to the design and construct contract will require modification in a future period to meet the requirements of Unitywater's Environmental Authority and general environmental duty. Unitywater is still working with the relevant environmental authority to confirm what the requirements to modify the plant will be. The financial implications will vary depending upon the technical solution selected. Investment of up to $232 million may be required and will be impacted by the nature and timing of the solution. Any amounts incurred may be capitalised to the asset depending upon the circumstances.

Judgement regarding commercial settlements – As at 30 June 2026 the Group is in the process of negotiating a commercial settlement with a contractor in relation to a construction contract. The Group believe that a favourable outcome is probable. The settlement amount is estimated at $25 million.

6.4 Subsequent events

Prior to 30 June 2026, Headworks Australia Pty Ltd, a wholly owned subsidiary of Unitywater, entered into arrangements to dispose of its full 23.88% equity interest in Utility Management Group Pty Ltd (UMG) for fixed consideration of approximately $7.1 million.

As at 30 June 2026, key conditions precedent to completion remained outstanding and the transaction was in progress. Accordingly, the investment in UMG is recognised in the consolidated financial statements at balance date. The proposed disposal represents a non-adjusting event after reporting date and accordingly, the anticipated gain on disposal has not been recognised.

7. Our tax

This section breaks down our costs and obligations regarding income tax.

7.1 Income tax

7.1.1 Income tax expense

Unitywater Group is subject to the Local Government Tax Equivalents Regime (LGTER). Under the LGTER, Unitywater Group is required to make income tax equivalent payments to the Participating Councils in accordance with the requirements of its Participation Agreement.

Income tax equivalent expense (referred to as income tax expense) on the Consolidated Statement of Profit or Loss comprises current and deferred tax. Current tax is the tax the Group expect to pay on taxable income for the year, based on tax rates (and tax laws) which are enacted at the reporting date. The Group recognise current tax as a liability (or asset) to the extent that it is unpaid (or refundable). Taxable income differs from profit before tax reported in the Consolidated Statement of Profit or Loss, as it excludes items of income and expense that are taxable or deductible in other years, and also excludes any items that will never be taxable or deductible. Unitywater Group's liability for current tax expense is calculated using tax rates enacted at balance date.

The Group operates as a tax consolidated group consisting of Headworks Australia Pty Ltd, Unitywater Properties Pty Ltd and their subsidiaries (see Note 8.4 for details). Unitywater is the head entity of the tax consolidated group.

A tax sharing agreement is in place between the entities of the tax consolidated group which limits the joint and several liability of the wholly owned entities in the case of a default by the parent entity, Unitywater.

The Group has a tax funding agreement in place under which the wholly-owned entities fully compensate Unitywater for any current tax payable assumed and are compensated by Unitywater for any current tax receivable and deferred tax assets relating to unused tax losses that are transferred to Unitywater under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements. The amounts receivable/payable under the tax funding agreement are due upon payment by the parent entity of those liabilities and are subject to the parent entity providing to the wholly owned entities satisfactory evidence of that payment. The wholly owned entities shall promptly pay to the parent entity that contribution amount and the parent entity shall promptly pay to the relevant wholly owned entities, amounts receivable by them under the funding arrangement.

7. Our tax (cont.)

7.1 Income tax

7.1.1 Income tax expense

	2026 $000	2025 $000
Income tax expense recognised in consolidated profit or loss		
Current tax expense		
Current income tax charge	30,745	34,791
Adjustments for current income tax of prior years	87	-
Current tax expense	30,832	34,791
Deferred tax expense		
Deferred income tax charge	50,350	42,734
Adjustments for deferred tax of prior years	(87)	-
Deferred tax expense	50,263	42,734
Total income tax expense	**81,095**	**77,525**
Reconciliation of effective tax rate		
Consolidated net result before income tax expense	270,387	258,462
Income tax expense at 30%	81,116	77,539
Franking credit gross-up[1]	40	-
Franking credit offset[1]	(133)	-
Non-deductible expenses	17	10
Change in unrecognised temporary differences subject to initial recognition exemption	55	(24)
Income tax expense	**81,095**	**77,525**

[1]*During the financial year, a fully franked dividend was received from Detection Group Pty Ltd. The franking credits attached to the dividend have been recognised as a non-refundable tax offset, reducing the income tax equivalent liability, thereby reducing the amount payable for the year.*

7. Our tax (cont.)

7.1 Income tax

7.1.2 Deferred tax assets and liabilities

Deferred tax estimate – Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied when these temporary differences reverse. A deferred tax asset is recognised for unused tax losses, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities have been offset as there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on Unitywater Group.

Deferred tax assets and liabilities are attributable to the following:

	Assets		**Liabilities**		**Net**	
	2026 $000	**2025 $000**	**2026 $000**	**2025 $000**	**2026 $000**	**2025 $000**
Property, plant and equipment	-	-	(395,254)	(343,783)	(395,254)	(343,783)
Right of use assets	-	-	(13,454)	(3,286)	(13,454)	(3,286)
Prepayments	157	-	-	(158)	157	(158)
Employee benefits	8,819	8,000	-	-	8,819	8,000
Other provisions and accruals	217	184	-	-	217	184
Lease liabilities	13,651	3,359	-	-	13,651	3,359
Accrued revenue	-	-	(470)	(479)	(470)	(479)
Capital gains timing difference	321	-	-	-	321	-
Other items	(97)	315	-	-	(97)	315
Tax asset/(liability)	23,068	11,858	(409,178)	(347,706)	(386,110)	(335,848)
Set off	(23,068)	(11,858)	23,068	11,858	-	-
Net tax liability	**-**	**-**	**(386,110)**	**(335,848)**	**(386,110)**	**(335,848)**

7. Our tax (cont.)

7.1 Income tax

7.1.3 Movements in deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2026	2025	2026	2025	2026	2025
	$000	$000	$000	$000	$000	$000
Opening balance	**11,858**	**11,594**	**(347,706)**	**(304,708)**	**(335,848)**	**(293,114)**
Current year's income tax equivalent expense	11,210	264	(61,472)	(42,998)	(50,262)	(42,734)
Closing balance	**23,068**	**11,858**	**(409,178)**	**(347,706)**	**(386,110)**	**(335,848)**

7.1.4 Unrecognised deferred tax liabilities

As part of the restructure of the water entities, the City of Moreton Bay and Sunshine Coast Councils transferred assets and employee leave provisions to Unitywater on 1 July 2010. The conditions for the initial recognition exceptions in relation to these assets and liabilities were met, meaning that any temporary differences arising from the acquisition of the transferred assets and leave balances were not recognised. Further, no temporary differences are recognised in the current or future periods in relation to these assets and leave balances.

Deferred tax liabilities not recognised in 2026 were $73,371 (2025: $24,025).

8. Other

This section covers remaining assets and liabilities of our business as well as disclosures to assist in understanding our consolidated financial statements.

8.1 Other assets

	2026 $000	2025 $000
Current		
Prepayments	7,515	8,238
Inventories held for use (cost)	5,699	5,480
Total other current assets	**13,214**	**13,718**
Non-current		
Prepayments	182	570
Total other non-current assets	**182**	**570**

An amount of $4,939,783 (2025: $4,598,917) of inventory was recognised as an expense during the year.

8.2 Other liabilities

	2026 $000	2025 $000
Current		
Unearned revenue	4,003	6,112
Security deposits and retentions	115	115
Total other current liabilities	**4,118**	**6,227**
Non-current		
Unearned revenue	12,596	13,154
Provision for restoration	2,208	932
Total other non-current liabilities	**14,804**	**14,086**

8. Other (cont.)

8.3 Related parties

8.3.1 Transactions and balances with Participating Councils

	City of Moreton Bay		Sunshine Coast Council		Noosa Council		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	$000	$000	$000	$000	$000	$000	$000	$000
Revenue								
Revenue from contracts with customers								
Utility charges	7,866	7,355	6,687	5,832	1,150	1,200	15,703	14,387
Developer revenue	-	2,410	37	80	-	-	37	2,490
Other revenue	142	4,781	802	457	366	506	1,310	5,744
	8,008	**14,546**	**7,526**	**6,369**	**1,516**	**1,706**	**17,050**	**22,621**
Expenses								
Supplies and services	289	109	111	110	12	12	412	231
Interest on loans	33,715	32,768	21,634	21,025	2,451	2,382	57,800	56,175
Taxation equivalents	20,065	22,037	12,923	14,193	1,464	1,608	34,452	37,838
Participation returns	27,809	26,783	17,910	17,249	2,029	1,954	47,748	45,986
	81,878	**81,697**	**52,578**	**52,577**	**5,956**	**5,956**	**140,412**	**140,230**
Amounts receivable								
Utility charges	800	688	1,018	569	130	154	1,948	1,411
Other receivables	804	1,374	1,055	52	134	3	1,993	1,429
Taxation equivalents	1,348	-	868	-	98	-	2,314	-
	2,952	**2,062**	**2,941**	**621**	**362**	**157**	**6,255**	**2,840**
Property, plant and equipment - Work in progress additions	**22**	**15**	**220**	**114**	**-**	**-**	**242**	**129**
Amounts payable								
Interest payable	8,429	8,192	5,408	5,256	613	596	14,450	14,044
Supplies and services	2	3	12	1,469	-	-	14	1,472
Taxation equivalents	-	2,128	-	1,371	-	155	-	3,654
Participation returns	14,139	12,776	9,106	8,229	1,032	932	24,277	21,937
	22,570	**23,099**	**14,526**	**16,325**	**1,645**	**1,683**	**38,741**	**41,107**
Contract liabilities - Deposits and deferred revenue	**16**	**15**	**42**	**38**	**14**	**16**	**72**	**69**
Borrowings - Loans	**677,025**	**677,025**	**434,409**	**434,409**	**49,218**	**49,218**	**1,160,652**	**1,160,652**

Amounts owing are unsecured and are expected to be settled in cash.

8. Other (cont.)

8.3 Related parties

8.3.2 Transactions with associate entities

Associate	Nature of payments	2026 $'000	2025 $'000
Pipe Management Australia Pty Ltd	Revenue from lease of property	157	84
Pipe Management Australia Pty Ltd	Revenue from Standpipe usage charge	110	95
Pipe Management Australia Pty Ltd	Maintenance of water and wastewater assets	18,474	15,909
Detection Group Pty Ltd	Leak detection services	2,530	2,548
Detection Group Pty Ltd	Shareholder dividend declared and paid	399	-

8.3.3 Key management personnel transactions

A number of the Board members and executive management personnel hold positions in other entities where they may have control, joint control or significant influence over the financial or operating policies of those entities. Other than the transactions disclosed in Notes 3.3.1 and 8.3.2, $7,000 (2025: None) of related party transactions occurred between the Group and these entities during the year.

8. Other (cont.)

8.4 Group structure

The Unitywater Group consists of the following Australian incorporated entities:

Name of entity	Principal activity	Interest held by the Group 2026	2025
Northern SEQ Distributor-Retailer Authority trading as Unitywater	Water and wastewater services		
|_ Unitywater Properties Pty Ltd[1]	Property investment	100.0%	100.0%
| |_ Unitywater Properties No.2 Pty Ltd[1]	Property investment	100.0%	100.0%
|_ Headworks Australia Pty Ltd[1]	Holding company	100.0%	100.0%
|_ WTCC Pty Ltd[1]	Water and wastewater services	100.0%	100.0%
|_ Detection Group Pty Ltd[2]	Water and wastewater services	39.9%	39.9%
|_ Pipeline Inspection and Assessment Ltd[2]	Software services	39.9%	39.9%
|_ Utility Management Group Pty Ltd[2/3]	Holding company	23.9%	23.9%
|_ Pipe Management Australia Pty Ltd[2/3]	Water and wastewater services	23.9%	23.9%
|_ IC Pipes Pty Ltd[2/3]	Water and wastewater services	23.9%	23.9%
|_ UMG Assets Pty Ltd[2/3]	Water and wastewater services	23.9%	23.9%

[1] *Consolidated subsidiary*

[2] *Equity accounted associate*

[3] *Refer to Note 6.4 – Subsequent events regarding the proposed disposal of the Group's investment in Utility Management Group Pty Ltd*

All the above entities have fully paid-up ordinary share capital. Ownership interests are a direct reflection of voting rights. Unitywater supports its subsidiaries to ensure they can meet their obligations when they fall due.

8.5 New and revised accounting standards

At the date of authorisation of the financial report, the following Australian accounting standards and interpretations had been issued that may potentially have an impact on Unitywater Group's Financial Statements, but were not yet effective as of 30 June 2026. None of these have been early adopted and their impacts on the consolidated financial statements are not expected to be material. All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Group's activities or have no material impact on the Group.

Standard/Interpretation	Application date for Unitywater
AASB 18 (FP) Presentation and Disclosure in Financial Statements *(for for-profit entities)*	1 July 2027

Unitywater applies standards and interpretations in accordance with their respective commencement dates.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 will replace AASB 101 *Presentation of Financial Statements*. The new standard introduces the following key new requirements

i. Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net result will not change.
ii. Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

The Group has assessed the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The impacts are predominantly presentational, and disclosure based, with no material change to underlying net result or cash flows. Minor amendments are expected to the Group's chart of accounts to meet the new categories required to be presented in the statement of profit or loss. Amendments to 'other' line items are expected to ensure they are appropriately described based on their shared characteristics. Management defined performance measures will be required to be disclosed in a new note disclosure including information on how the measure is calculated, how it provides useful information and a reconciliation to statutory results.

Certificate of Unitywater Group for the year ended 30 June 2026

These general purpose consolidated financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

i. the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
ii. the consolidated financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Unitywater Group for the financial year ended 30 June 2026 and of the financial position of the Group at the end of that year.

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Michael Arnett	Anna Jackson	Michelle Clarke
BCom, LLB	BJou, GAICD	BCom, MCom, CA, FCPA, GAICD
Chair	Chief Executive Officer	Chief Financial Officer
Signature	Signature	Signature
Date: 13 August 2026	Date: 13 August 2026	Date: 13 August 2026

Queensland Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the Board of Northern SEQ Distributor-Retailer Authority trading as Unitywater

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Northern SEQ Distributor-Retailer Authority and its controlled entities (the group).

The financial report comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the management certificate.

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2026:

a) I received all the information and explanations I required.

b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

c) In my opinion, the financial report:

   i. gives a true and fair view of the group's financial position as at 30 June 2026, and their financial performance and cashflows for the year then ended

   ii. complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

I have determined that there are no key audit matters to communicate in our report.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Board for the financial report

The Board is responsible for:

- the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error
- the establishment and keeping of accounts in accordance with prescribed requirements
- assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor’s responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. My auditor’s report must state whether I have received all the information and explanations required, and whether I consider the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

www.auasb.gov.au/auditors_responsibilities/ar3.pdf

A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at: www.qao.qld.gov.au/audit-program/audit-standards

These descriptions form part of my auditor’s report.

Lisa Fraser

14 August 2026

Lisa Fraser
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Compliance letter to the Minister

Obj Ref: A9503748

The Honourable Ann Leahy MP

Minister for Local Government and Water

Minister for Fire, Disaster Recovery and Volunteers

1 William Street

BRISBANE QLD 4000

31 August 2026

Dear Minister

I am pleased to submit for presentation to the Parliament, the Unitywater Annual Report 2025-26 and financial statements.

I certify that this Annual Report complies with:

- The prescribed requirements of the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2019; and
- The detailed requirements set out in the Annual Report Requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements is provided in the appendix of this annual report.

Yours sincerely

Michael Arnett

Board Chair

Glossary

Term	Meaning
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ALD	Acoustic Leak Detection
ARC	Audit and Risk Committee
AS/NZS	Australian/New Zealand Standard
ATO	Australian Taxation Office
AWA	Australian Water Association
A&C	Accreditation and Certification
APES	Accounting Professional and Ethical Standards
BBT+	Bond Credit Rating
CA	Chartered Accountant
CEO	Chief Executive Officer
CIIC	Capital Investment and Innovation Committee
CO2	Carbon Dioxide
CPI	Consumer Price Index
Cth	Commonwealth
EPMO	Enterprise Program Management Office
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBIT	Earnings before interest and tax
EP	Equivalent Persons
EWOQ	Energy and Water Ombudsman Queensland
FAHRI	Fellow of the Australian Human Resources Institute
FAR	Fixed Annual Remuneration
FCPA	Fellow of CPA Australia
FWC	Fair Work Commission
GAICD	Graduate Australian Institute of Company Directors
GAIST	Graduate Australian Institute of Super Trustees
GST	Goods and Services Tax

Term	Meaning
HPIFR	High Potential Incident Frequency Rate
HR	Human Resources
ICMP	Integrated Catchment Management Plan
IPMA	International Project Management Association
ISO	International Organisation for Standardisation
IT	Information Technology
km	Kilometre
M	Million
kPa	Kilopascal
kW	Kilowatt
L/s	Litres per Second
LGTER	Local Government Tax Equivalents Regime
MAICD	Member of the Australian Institute of Company Directors
MID	Ministerial Infrastructure Designation
ML	Megalitre
mm	Millimetre
MOHRI	Minimum Obligatory Human Resource Information
MP	Member of Parliament
MWh	Megawatt hour
NIST CSF	National Institute of Standards and Technology Cybersecurity Framework
NPR	National Performance Report
Wastewater	Waste discharged from sinks, drains, toilets and appliances such as dishwashers and washing machines.
Sewerage	The infrastructure network used to receive, store, transport and treat wastewater.
OCI	Organisational culture index
ORG	Overflow relief gulley
PCC	People and Culture Committee
PFAS	Per- and polyflouoalkyl substances
PMAA	Project Management Achievement Awards
PPE	Personal protective equipment

Term	Meaning
PT	Pressure transient sensors
PTRS	Payment Times Reporting Scheme
PLG	Participating Local Government
QAO	Queensland Audit Office
QCA	Queensland Competition Authority
QTC	Queensland Treasury Corporation
RAP	Reconciliation Action Plan
SEQ	South East Queensland
STEM	Science Technology Engineering and Maths
TIS	National Translating and Interpreting Service
TRIFR	Total Recordable Injury Frequency Rate
UDIA	Urban Development Institute of Australia
WACC	Weighted Average Cost of Capital
WILDA	Women in Leadership Development Alliance
WIOA	Water Industry Operations Association of Australia
WWTP	Wastewater Treatment Plant
WSAA	Water Services Association of Australia
UniSC	University of the Sunshine Coast
UN SGDs	United Nations Sustainable Development Goals

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	• **A letter of compliance from the accountable officer or statutory body to the relevant Minister/s**	ARRs – section 7	106
Accessibility	• **Table of contents** • **Glossary**	ARRs – section 9.1	Page 3-4 113-114
	• **Public availability**	ARRs – section 9.2	Page 2
	• **Interpreter service statement**	*Queensland Government Language Services Policy* ARRs – section 9.3	Page 2
	• **Copyright notice**	*Copyright Act 1968* ARRs – section 9.4	Page 2
	• **Information Licensing**	*QGEA – Information Licensing* ARRs – section 9.5	N/A
General information	• **Introductory Information**	ARRs – section 10	Pages 5-11
Non-financial performance	• **Government's objectives for the community and whole-of-government plans/specific initiatives**	ARRs – section 11.1	Pages 9, 22-29
	• **Agency objectives and performance indicators**	ARRs – section 11.2	Pages 5, 9, 12-21
	• **Agency service areas and service standards**	ARRs – section 11.3	Pages 9, 13
Financial performance	• **Summary of financial performance**	ARRs – section 12.1	Pages 10-11
	• **Organisational structure**	ARRs – section 13.1	Page 46-51

Governance – management and structure	• **Executive management**	ARRs – section 13.2	Pages 47-51
	• **Government bodies (statutory bodies and other entities)**	ARRs – section 13.3	N/A
	• **Public Sector Ethics**	*Public Sector Ethics Act 1994* ARRs – section 13.4	Page 44
	• **Human Rights**	*Human Rights Act 2019* ARRs – section 13.5	Page 45
	• **Queensland public service values**	ARRs – section 13.6	Pages 8, 38 - 44
Governance – risk management and accountability	• **Risk management**	ARRs – section 14.1	Page 43
	• **Audit committee**	ARRs – section 14.2	Page 49
	• **Internal audit**	ARRs – section 14.3	Pages 43-44
	• **External scrutiny**	ARRs – section 14.4	Page 44
	• **Information systems and recordkeeping**	ARRs – section 14.5	Page 44
	• **Information Security attestation**	ARRs – section 14.6	N/A
Governance – human resources	• **Strategic workforce planning and performance**	ARRs – section 15.1	Pages 36-42
	• **Early retirement, redundancy and retrenchment**	Directive No.04/18 *Early Retirement, Redundancy and Retrenchment* ARRs – section 15.2	N/A
Open Data	• **Statement advising publication of information**	ARRs – section 16	Page 44
	• **Consultancies**	ARRs – section 31.1	Page 44 and https://data.qld.gov.au
	• **Overseas travel**	ARRs – section 31.2	Page 44 and https://data.qld.gov.au

	• **Queensland Language Services Policy**	ARRs – section 31.3	N/A
	• **Charter of Victims' Rights**	*VCSVRB Act 2024* ARRs – section 31.4	N/A
Financial statements	• **Certification of financial statements**	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	106
	• **Independent Auditor's Report**	FAA – section 62 FPMS – section 46 ARRs – section 17.2	107-108

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

QGEA *Queensland Government Enterprise Architecture*

VCSVRB *Victims' Commissioner and Sexual Violence Review Board Act 2024*

www.unitywater.com

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Emergencies and faults 24 hours
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Mon - Fri (except public holidays)

Unitywater, PO Box 953, Caboolture QLD 4510

Customer Service counters 8.30am - 4.30pm
Mon - Fri (except public holidays)
50 First Avenue, Maroochydore QLD 4558
1737 Anzac Avenue, Mango Hill QLD 4509

Unitywater has certification to
OH&ISO 450001: 2018 Reg No 500000079
Quality ISO 900: 2015 Reg No 500000079
Food Safety ISO 22000: 2018 Reg No 500000079