GWMWater

CORPORATE PLAN
2025-2035

PROPOSED
CAPITAL WORKS PROGRAM
2025/26

30 April 2025

STATEMENT OF CORPORATE INTENT

1. Statement of Corporate Intent

1.1. Introduction

Grampians Wimmera Mallee Water Corporation (trading as GWMWater) was formed from an amalgamation of Grampians Region Water Authority and Wimmera Mallee Water Authority on 1 July 2004.

The amalgamation that became policy in 'Our Water Our Future' acknowledged that the two water businesses covered similar geographical areas and used common infrastructure to service most of the customer base in the Wimmera Mallee. At the time it was acknowledged that the merger would provide 'the best possible opportunity for the proposed Wimmera Mallee Pipeline (WMP) to succeed' (Department of Sustainability and Environment, 2004). Construction of the WMP was completed in 2010. It has demonstrated its value by securing water supply during a period where the region consistently experienced below average rainfall compared to historic averages.

The 2025/26 Corporate Plan is set in the context of the reset of the Victorian water policy with the Victorian Water Plan - Water for Victoria released in October 2016. Water for Victoria builds heavily on the most recent comprehensive policy framework for Victoria as articulated in Our Water Our Future. Water for Victoria acknowledges the commitments made to the Murray Darling Basin Plan (MDBP); the work that had been undertaken in developing Sustainable Water Supply Strategies (SWSS); the outcomes of the 2023 Water Price Review and the ongoing desire to improve productivity and efficiency.

The Letter of Expectations has become an annual communique issued by the Minister for Water. Last years 2024/25 Letter of Expectations has been used as the basis of this Corporate Plan.

The 2023-2028 Water Price Submission was premised on the assumption that investments in renewable technology will not give rise to any increase in water or wastewater prices. With significant renewable opportunities in north-west Victoria and plans to increase transmission capability running through Western Victoria, the opportunity to generate and export energy from the region will be enhanced. The upgrade of the transmission network will enhance GWMWater ability to realise the aspiration of becoming a net generator of renewable energy with a customer-facing presence.

The other aspect of climate variability is the weather patterns and associated catchment yield we have experienced over the past 30 years. These weather patterns have been markedly different from the preceding century. The increasing likelihood that the mineral sands projects that have been under development for some time transitioning to production, utilising the water holding they have secured increases the likelihood that this may create supply demand imbalance in the medium to longer term under the more conservative climate scenarios. GWMWater is investigating options to augment supply and a significant body of work is to be undertaken over the next twelve months that explores augmentation opportunities in the context of the increasing likelihood that all

three mineral sands projects in the region will commence in a five to ten year period as well as the increasing call for a reticulated water supply in parts of north west Victoria that is not serviced by a pipeline or has access to reliable groundwater.

Water quality remains one of the higher order risks for GWMWater. The vulnerability of our northern river systems was apparent when they were exposed by a Blue Green Algae outbreak on the Murray River in March 2016 and a black water event arising from the floods in the same year. The floods of 2022 also impacted water quality in the north and further validated the need to treat water sourced from the northern river systems before being supplied to customers. Northern Mallee customers on the Wemen system beyond Ouyen are receiving better quality water since 2023 as a consequence of the additional treatment installed in Ouyen to 'clean' the river water for rural supply and treat the water for urban supply. This solution will be replicated for offtakes at Piangil, Nyah and the Waranga Western Channel.

Drinking water quality upgrades committed as part of the 2023-2028 Water Price Submission are progressively being delivered. Ultima was declared a drinking water supply in January 2024 with water supplied from Lower Murray Water in Swan Hill. The water treatment plant to service Elmhurst was completed in December 2023 and declared a drinking water supply in November 2024. The pipeline to deliver drinking water from the Dimboola water treatment plant by extension of the pipeline from Nhill to Kaniva is completed. Upgrades to the water treatment plant, cleaning of the Kaniva reticulation network and new facility sites are expected to be completed by June 2025 with the town expected to be declared a drinking water supply during 2025/26. The Ararat to Moyston pipeline is expected to be constructed in Spring 2025 with the town expected to be declared a drinking water supply by mid 2026. The planning for the pipeline to extend the reach of drinking water to Berriwillock and Culgoa is well advanced and is expected to be under construction in the second half of 2025.

In 2025/26 under average inflow conditions, a high level of water security is expected in the Grampians headworks as well as the northern river systems. The significant rainfall of 2022 and 2023 provided us with a very good resource position.

Improved productivity and efficiency remain a key focus for GWMWater. The 2023-2028 Water Price Submission established a productivity target of 1.4 percent per annum. The asset management/works management system continues to deliver value to the business by improving the planning of work. The maturity of the SCADA system is continuing to minimise the level of site visitation as well as improve operational efficiency. The roll out of digital meters has improved both the cost and water resource efficiency. Investments in renewable energy are also further improving the cost base of GWMWater.

The investment in renewable energy has delivered significant reductions in energy costs as well as reducing our carbon footprint. We have bettered our 2018 pledge of a 19% reduction in carbon emissions by 2025 and we are on track to have all our energy derived from renewable sources by 2025. The construction of a 6.5 MW solar farm in Nhill with a 2.75 MW battery (6.7 MWh) storage will be completed in 2025. A feasibility assessment of a community energy scheme in Donald will consider a model that will potentially

provide a template for the delivery of community energy across the region.

Rural pipeline extensions and peripheral development continue to be key opportunities to be realised. The Pella, Quambatook, Wartook, Coonooer Bridge, Landsborough Valley and the Southwest Loddon Pipeline Project have all been delivered. The East Grampians Water Supply Project is being delivered as a construction contract with GWMWater assuming responsibility for the design. Project planning approvals that were part of an Early Works Contract are complete.

We continue to work with the community to secure non-irrigation reticulated water supply for rural landowners to improve rural productivity and, in most cases, improve the environment. Communities in the footprint of the West Grampians Water Supply Business Case and Southern Wimmera Northeast Pyrenees Water Supply Business Case continue to advocate for a secure water supply.

Increased investigative mining activity in the region has continued over the past 12 months. Activities progressed include:

- The Stawell Gold Mine (SGM) continues full scale production and with the recent announcements regarding successful exploration outcomes this is likely to continue into the foreseeable future. The SGM has also entered into a new Supply by Agreement which reflects and secures the current water needs of its operations.

- The WIM Resource Avonbank Project located near Dooen continues to progress at the Bankable Feasibility and Approvals Stages. The Environment Effects Statement (EES) and draft Planning Scheme Amendment (PSA) are complete. Public exhibition of the EES is complete but the deliberation by the panel is ongoing.

- The proposed WIM 150 Mineral Sands Project located just south of Taylors and Pine Lakes is now managed by Murray Zircon Ltd. The preparation of the EES relating to this project has been placed on hold for quite some time.

- Activities relating to the proposed Donald Mineral Sands project located near Banyena continue and works to support the mine are being developed. Discussions relating to their water supply and related infrastructure requirements are generally agreed.

- The Iluka Wimmera Project located north of Lake Toolondo continues at the Pre-feasibility Study (PFS) stage. The PFS and the EES are expected to be finalised and lodged late 2024. Separation trials of the ore extracted from the test pit continue in order to optimise processing technologies.

- VHM Limited is currently investigating the feasibility of a mineral sands mine in the vicinity of Goschen which is about 20 km south of Swan Hill. This mining proposal is currently the subject of an EES.

- Stavely Minerals continues explorations within the Ararat deposit located in the vicinity of Mount Ararat.

Farm Frites (FF) have been in discussion with Invest Victoria to establish a potato chip processing plant in Western Victoria over the past year.

The choice of Western Victoria has been based on establishing their presence at a midpoint between two established potato growing areas of Ballarat and Murrayville/Pinnaroo / Lamaroo. After initially looking at sites in Ararat and Glenorchy, Farm Frites has nominated the Wimmera Intermodal Freight Terminal (WIFT) at Dooen site that is an industrial estate of the Horsham Rural City Council.

The Farm Frites development is being pursued as a strategic investment for Victoria and Horsham Rural City Council. GWMWater does not have an established role in regional development but has taken a lead role in supporting industries that are of strategic significance.

As discussions are still conceptual at this stage, the base Corporate Plan does not incorporate any assumptions associated with the potential development. A scenario has been incorporated to test the sensitivity of servicing Farm Frites.

The 2025/26 Corporate Plan continues to project an improvement in the financial viability of GWMWater as represented in the key metrics of interest cover ratio. GWMWater has improved its credit rating since the immediate post-pipeline era from BBB- to A- under the Department of Treasury and Finance desktop credit ratings assessment criteria. Our financial strength will be enhanced by improved operational efficiency, prudent stewardship of infrastructure and resources, prudent investments in infrastructure as well as promoting a role for government in these investments where there are broader societal benefits.

1.2. Strategic Directions

In 2018, GWMWater established its Strategic Directions to guide the organisation through to 2023. Following a light touch review in 2023, given the significant change in GWMWater's workforce, the dynamic nature of the water sector and its legislative, regulatory and policy context, and the strategic challenges ahead, the Board agreed 2024/25 was an opportune time to conduct a strategic review.

Work commenced in January 2025 to define the organisation's 2035 vision, develop a four-year strategy and refresh the organisation's values.

GWMWater has made strong progress against its commitments in the 2023-28 water price submission. However, the impacts of climate change, the progression of the mineral sands mining industry in the region, and the cost of living crisis were significant considerations in the development of the revised strategy. Furthermore, a strong desire to support the agricultural industry as well as strengthen relationships with Traditional Owners influenced strategic thinking.

The revised Vision, Purpose and Strategy Statement is not necessarily a divergence from GWMWater's current vision, mission and strategic objectives, rather a refresh of how it is articulated. Arising from this review, the Board has:

- Reaffirmed renewable energy aspirations with a firm commitment to actively build more energy generation and pursue opportunities to expand to provision of energy as a retailer;
- Expressed a desire to continue to partner with the agricultural sector particularly, where feasible and when supported by appropriate funding, extending the Western Victoria water grid;
- Supported the need to better understand water supply augmentation opportunities to meet current and emerging water demands in the region;
- Sought to strengthen our understanding of our stakeholders' expectations to build trust and satisfaction;
- Committed to focusing on workforce readiness – building and attracting a capable team who are empowered with purpose and proud to work for the organisation.

The Board has reaffirmed its commitment to progressing renewable energy opportunities in front of the meter to build on the very successful behind the meter program. In recent times there has been a more positive policy setting for renewable energy, but this is yet to translate to changes in the regulatory settings that will provide better incentives for renewable energy investment by GWMWater. GWMWater has secured $400,000 from DEECA under the Neighbourhood Battery program to explore how this could be part of a GWMWater sponsored Community Energy Scheme in Donald.

The Board acknowledges the opportunities presented by the application of digital

technology in service delivery and strongly supports the reengineering of the corporation's digital interface to maintain its status as a leading digital utility.

The strategic direction of GWMWater is strongly influenced by the expectations of the regulators and there has been a significant shift in the posture of all regulators in recent years. The ESC has introduced changes to the customer codes to better protect vulnerable customers and ensure the water sector delivers value to its customers. The legislative changes of the Environmental Protection Act came into force from 1 July 2021 and coincided with a change of leadership at the EPA with a shift to regulating for the minimisation of harm by application of the principles of our General Environmental Duty. The Department of Health has shifted its posture to be more vigilant in its regulatory oversight of drinking water quality in the water sector and more recently sought to modify the regime to ensuring its role is more 'arm's length'. In response to these shifts in the regulatory setting, GWMWater has continued to build and invest in systems, people and processes which provide reliable and consistent results. GWMWater remains focused on providing visibility of the quality, reliability and cost of the services we provide.

Programs in this 2025/26 Corporate Plan reflect priorities of the Strategy and these are shaped by the Vision, Purpose, Strategy Statement and Values.

1.2.1. Vision

Vital services for thriving communities.

1.2.2. Purpose

Enhance prosperity and liveability in our communities through sustainable, quality and affordable water and other essential services.

1.2.3. Strategy statement

We provide affordable water services for our communities by sustaining infrastructure and looking for ways to enhance our region. We do this through strong community connections, innovative technology and a skilled workforce.

1.2.4. Values

At the time of preparing the Corporate Plan, GWMWater's revised organisational values are still in development, with consultation taking place at all levels of the business. GWMWater expects that the Board will adopt the revised values over the coming months. Until that occurs, GWMWater's Values are as follows:

Customer

We will promote a culture that respects the views of our customers and our people with a 'can do' approach.

Organisation

We will work as a team to deliver agreed organisational priorities whilst respecting the views of stakeholders.

Accountable

We will be accountable for the actions we take and responsible for those we influence.

Transparent

We will be able to promote the merit of our decision-making.

Efficient

We will ensure that the performance of our people, assets and resources are optimised in the provision of services.

Disciplined

We will ensure that our policies and processes support a consistent attainment of quality and safety in all aspects of our operations.

1.2.5. Context for the Strategic Directions

We operate within a dynamic region in an environment that is very much weather dependent.

The possible impact of greater climate variability in our region is significant. To the extent the weather patterns of the past 30 years are indicative of climate change, this would suggest that we are already experiencing a change in climate.

In 2010/11, we experienced three significant rainfall events that improved the region's water resource holding. In the subsequent five-year period, we returned to a dry cycle with rainfall and inflow records that were below average and amongst the lowest rainfall and inflow years on record. In 2016/17 we had a wetter season but in a historical sense, rainfall in that year was only marginally above average. Following the wet season of 2016/17, we once again returned to a dry cycle. In 2022, we had another wet year that filled the storages in the Grampians. A prolonged dry period has again followed, with 2024/25 on track to be one of the lowest inflow years on record. These weather patterns are consistent with climate trends forecast by the scientific community under climate change and climate variability in our region.

The investments in water efficiency have mitigated the impact of climate variability and ensured that we can continue to provide water and wastewater services that support regional growth and promote the liveability of our communities. Our investments reinforce our commitment to regional growth and liveability which, in turn, supports

our future success and viability. Because of climate change, we anticipate an expansion of our water delivery networks as landowners that have typically relied on local catchment for water supply become more vulnerable.

We will continue our transformation to a sophisticated digital utility focused on achieving service excellence through the appropriate use of technology. This will be achieved in the context of an improved understanding of our customer needs and strong partnerships with stakeholders and suppliers.

We will balance environmental, financial, and social obligations through smart, well-informed decisions and by continuing to demonstrate regional leadership.

Meeting the expectations of the shareholder will be at the core of our organisational strategy. These expectations are reflected in the policy agenda of Water for Victoria and the higher order of these policies as reflected in Letter of Expectations from the Minister for Water.

We will be proactive and adaptive so that we continue to meet the needs of the communities we serve. We will respond to the changes in our operating environment and will undertake initiatives that address any adverse impact we may have on the environment.

The opportunity to take advantage of our location north of the Great Dividing Range with significant open space will allow us to invest in clean energy. We anticipate not only being self-sufficient but expect that we will become a net generator of energy. By achieving our clean energy goals, we will explore our place in the energy marketplace.

The emergence of renewable energy as an efficient, cost-effective technology is disrupting the traditional models of energy service provision. The impact of this is even more pronounced in Northwest Victoria where electrification was introduced in the middle of the 20th century. The footprint of the electricity and distribution network that is implicated by these issues is inside the region serviced by GWMWater. We have introduced the concepts associated with the grid in the context of the Towards Zero Emissions and Beyond Preliminary Business Case.

GWMWater has constructed a 6.2 MW solar farm and an associated battery at Nhill which will support the organisation meet its obligation to achieve Net Zero in 2025. The possibility of a community energy scheme at Donald has been given a boost with a funding commitment from the Victorian Government following completion of a feasibility study. Our extensive customer base and reputation provides the opportunity, to become a facilitator of community energy with a customer facing presence.

Significant increases in energy prices in recent times given rise to a number of reviews of energy prices. In a Victorian context, the most significant review was an 'Independent Review of the Electricity and Gas Retail Markets in Victoria' conducted in 2017. This

review was overseen by a panel that included John Thwaites, Terry Mulder and Patricia Faulkner. This review concluded that it was in the retail area where there was excessive cost in the overall energy bill. The review made several recommendations and whilst involving an agency like GWMWater was not a recommendation, this is seen as an opportunity by GWMWater to provide a better value outcome for all utility services.

GWMWater completed the implementation of its customer portal in 2021 enabled by the introduction of digital meters. With the billing engine now having the capability to generate charges by the import of digital meter data, the same could apply to electricity meter data. Our touch point with all urban residents and rural landholders (to the extent they remain connected to the grid) positions GWMWater well to play a more significant role in the provisioning of utility services in the region.

1.2.6. Strategic Directions

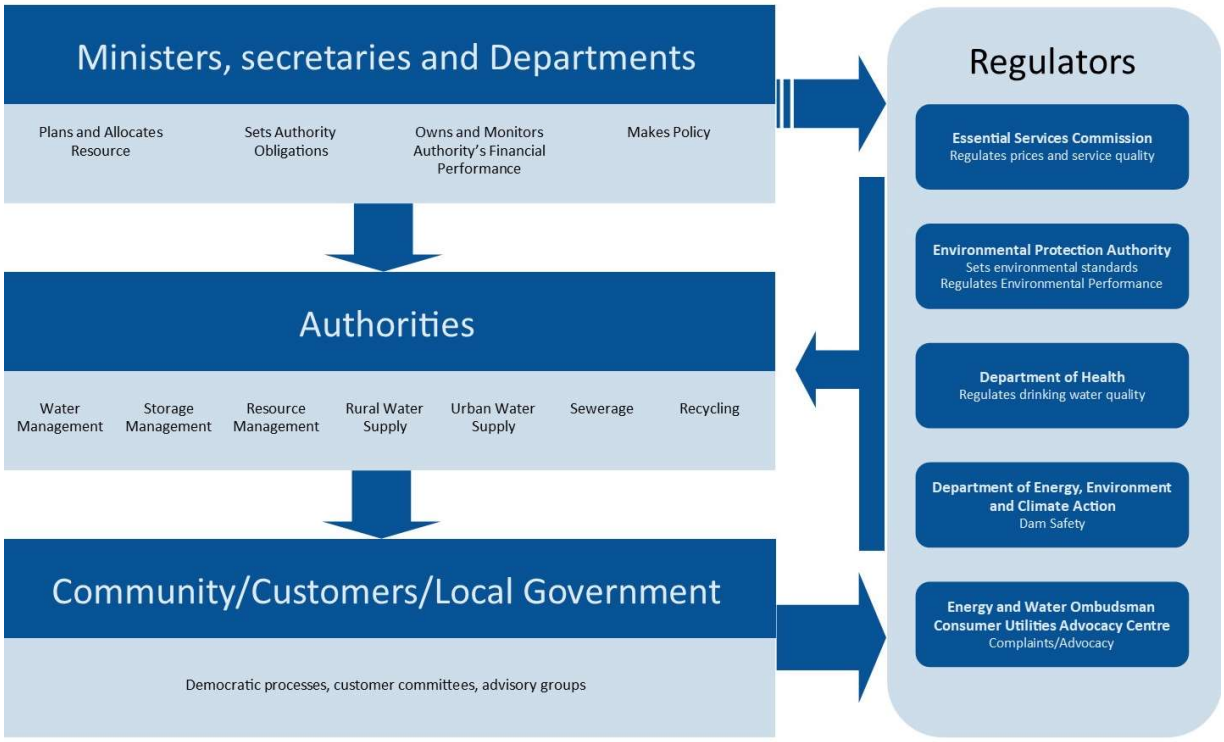
Key to the recent review was an improved articulation of GWMWater's Vision, Purpose and Strategy to build a sense of ownership at all levels of the organisation. Initiatives, goals and measures have been developed to support the implementation. Board and staff from all levels of the organisation will come together to officially launch the strategy in June 2025.

Annual reviews are undertaken of the performance measures and initiatives that support the attainment of the strategic themes as represented in the Strategy. These are weighted in accordance with their relative importance and mapped to an overall digital dashboard. The digital dashboard reports performance against the attainment of the Board's strategic aspirations in the Business Performance Report.

1.3. Accountability Framework

The structural overview provided in Table 1-1 provides a visual representation of GWMWater as a Government Business Enterprise with other key stakeholders.

Table 1-1 Overview of the Victorian Water Industry Institutional Structure



GWMWater is a vertically integrated water business and, by virtue of this, deals with all facets of water activity. The implications of this are outlined in Section 1.9.

The commercial governance of GWMWater is facilitated by the development of the annual Corporate Plan. The Corporate Plan is the principal mechanism for facilitating communication between GWMWater and government. The primary accountability of GWMWater for the delivery of water and wastewater services, including meeting the government's water policy, is to the Minister for Water. In price review years, this includes receipt of a water business pricing submission prior to lodgment with the Essential Services Commission (ESC) to ensure consistency with government policy.

Portfolio responsibility for water is through the Department of Energy, Environment and Climate Action (DEECA). Commercial oversight of the water sector is undertaken by the Department of Treasury and Finance (DTF); with this Corporate Plan to be considered by the Treasurer as well as the Minister for Water.

The Statement of Obligations (SoO) issued by the Minister for Water reflects the expectations of government for both urban and rural activities undertaken by GWMWater. The SoO is a regulatory instrument that provides a framework for the ESC to assess water business price submissions where they go beyond the core requirements of the Water Act or the Customer Charter(s).

As a rural water business that is within the area covered by the Murray Darling Basin

Plan, there is also an expectation that GWMWater will 'work with the DEECA to implement relevant Murray Darling Basin Plan obligations'. Regulatory oversight of rural activities is overseen by the Australian Competition and Consumer Commission (ACCC).

The Corporate Plan acknowledges the role of the ESC in monitoring GWMWater performance against agreed services outcomes and standards for the water industry. The underlying service levels and the performance against proposed outcomes are specifically addressed in this 2025/26 Corporate Plan.

In addition to the mandated service measures required of the ESC, PREMO requires water businesses to nominate Output measures important to the communities they serve. GWMWater has engaged on the relevance of the Outcomes measures it developed in the preparation of the 2023 GWMWater Price Submission to ensure they are reflective of the deliverables that are important to the community.

1.4. Obligations of the Corporation

The government appoints the Board in accordance with Division 3 of the *Water Act* 1989.

The obligations of GWMWater are primarily driven by the requirements of the government as shareholder; with the principle legislative instrument being the *Water Act* 1989. The expectations of government are further prescribed in the SoO. The SoO is generally reflective of the broader water policy framework of government. In 2016 Water for Victoria was adopted as the reset of water policy in Victoria. Water for Victoria fundamentally recognises water as an integral part of the social fabric of Victoria. Water for Victoria starts to articulate the Victorian Government aspirations in climate adaptation and mitigation.

The obligations of water corporations extend to the requirements of technical regulators. The Department of Health (DH), Environment Protection Authority (EPA) and DEECA are responsible for technical regulation of GWMWater. DH is responsible for regulating water quality; EPA is responsible for regulating environmental performance, while DEECA is responsible for oversight of Dam Safety requirements. The ESC itself plays a regulatory role in setting standards and monitoring performance against these service standards.

GWMWater is also a member of the Energy and Water Ombudsman of Victoria (EWOV) scheme which provides an advocacy service for customers and independent arbitration services to facilitate resolution of disputes between customers and water businesses.

GWMWater is also expected to comply with legislative obligations and these also impact on service. These include, but are not restricted to:

- *Water Act* 1989
- *Water Industry Act* 1994

- F*inancial Management Act 199*4
- *Environment Protection Act* 2017 associated regulations and policies
- *Public Health and Wellbeing Act* 2008
- *Safe Drinking Water Act* 2003
- *Food Act* 1984
- *Fluoride Act* 1973
- *Occupational Health and Safety Regulations* 2017 and other associated legislation, regulations and codes
- *Roads Management Act* 2004
- Water Industry Regulatory Order (WIRO)
- Bulk Entitlement Orders
- *Water (Governance) Act* 2006
- *Climate Change Act* 2010
- *Gender Equality Act* 2020

The 2024/25 'Letter of Expectations' from the Minister for Water has been used as the basis for this plan. The 'Letter of Expectations' outlines the government's expectations in delivering the policy initiatives of Water for Victoria that would not necessarily be 'codified' in the Statement of Obligations.

1.5. Corporate Governance

The Board is committed to properly and dutifully discharging its governance responsibilities. The following outlines the governance structure at GWMWater.

- Board of Directors: Responsible for overall governance and strategic direction including oversight of risk management and organisation performance.
- Executive Management: Executes Board strategy, implements decisions of the Board, and manages day-to-day operations.
- Committees: Established as required to focus on specific areas according to their priority to the Board from a strategic, risk or compliance perspective.

1.5.1. Matters reserved for the board

Matters Reserved for the Board is a list of the responsibilities the Board has allocated to itself. If matters arise that are not reserved for the Board but are ambiguous in the context of the Managing Director's delegated authority or the Instrument of Delegation, the Managing Director will bring these to the attention of the Chair. In conferring with the Chair agreement will be reached as whether such matters will be brought to the Board for approval or otherwise reported to the Board as a matter addressed under delegated authority.

GWMWater was established by gazettal order as a legal entity under the *Water Act 1989* with accountability to the Minister for Water and Treasurer. Section 247 of the Water Act 1989 specifically requires GWMWater to prepare an annual Corporate Plan and Section

248 requires the Corporate Plan to provide a Statement of Corporate Intent.

For the Board to meet its service obligations and deliver on its Statement of Corporate Intent it needs to devolve responsibilities to the organisation. In doing so there are certain Matters Reserved for the Board and in some cases, these are prescribed by legislation.

- Approval of the Governance Policy and associated Governance Framework
- Appointment of Managing Director.
- Approval of the Instrument of Delegation
- Approval of the Risk Management Policy and associated Risk Management Framework and Risk Appetite Statement
- Approval of the Treasury Management Policy and associated Treasury Management Framework
- Development and approval of the Strategic Plan including the Vision and Mission
- Approval of the Water Price Submission
- Approval of the Annual Corporate Plan
- Approval of the Annual Tariffs (Section 260 Water Act)
- Approval of the Annual Financial and Performance Statements
- Oversight of compliance with Victorian government Executive Remuneration Policy and Victorian government Wages Policy
- Ratify the appointment of the Board Secretary
- Reviewing the Corporation and Managing Director's performance
- Appointment of Deputy Chair (Section 105 Water Act)

1.5.2. Constitution

GWMWater was constituted by Ministerial Order with effect from 1 July 2004, under Section 98 and 100 of the *Water Act 1989* (the Act). Section 124 of the Act gives GWMWater the powers necessary to perform its functions, however those powers can only be exercised to perform a function given to GWMWater by an Act of Parliament.

On 1 July 2007, the *Water (Governance) Act* 2006 became effective. An integral part of this change was the Managing Director becoming a member of the Board of Directors.

1.5.3. Board of Directors

Current Board Directors are as follows:

Caroline Welsh (Chair)	Andrew Nicolaou (Deputy Chair)
Paul Hardy	Elisa de Wit
David Jochinke	Judith Holt
Rodney Jackson	Michelle Jackson

Uncle Ron Marks (delegate)	Mark Williams (Managing Director)

To support the effective discharge of its governance obligations, the Board has established four committees as outlined below:

- Audit, Governance and Risk
- Environment and Works
- Climate, Carbon and Resources
- People and Culture

The Occupational Health and Safety Committee is chaired by the Managing Director.

1.5.4. Decision-Making Process

The decision making of the board will be influenced by the authority it devolves to management as defined by the Managing Directors delegated authority and the Instrument of Delegation.

Procurement processes will be defined by policies and procedures that are based on Victorian government standards that reflect the desire to deliver best value. Where appropriate these will reflect desired social outcomes as defined by government from time.

1.5.5. Accountability and Transparency

The Board is committed to transparency and accountability. In order to achieve this the Board will;

- undertake Regular reporting to stakeholders on organizational performance and financial status.
- maintain Open communication channels for feedback and concerns.
- establish an audits and assurance program to ensure compliance and effectiveness.

1.5.6. Ethical Standards and Integrity

The Board is committed to discharging its duties ethically and with integrity. In doing so the Board will;

- Adhere to ethical standards in all activities.
- Promote a culture of integrity and accountability.
- Implement policies to prevent conflicts of interest and ensure ethical behaviour.

1.6. Customer, Community and Stakeholder Engagement

GWMWater has adopted the IAP2 Model of Public Sector Community Engagement. IAP2 outlines the whole spectrum of customer involvement in decision making, with GWMWater acting more in the 'involve and collaborate' level of the IAP2 public

participation spectrum.

GWMWater has a genuine commitment to engagement in a community that is actively interested in water.

Table 1-2 IAP2 Public Participation Spectrum

INCREASING IMPACT ON THE DECISION →

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. We will seek your feedback on drafts and proposals.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will work together with you to formulate solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

Our Communication and Engagement Strategy is very much shaped by the journey we have been on for the past two decades that is summarised in Table 1-3 below.

Table 1-3 GWMWater Communications Context

TIMELINE	STATUS	COMMUNICATIONS RESPONSE	
2000 – 2010	CRISIS	REACTIVE	Crisis response to Millennium Drought. All communications and engagement focused on response to drought including water restrictions and capital works (Wimmera Mallee Pipeline) to secure water supply.
2010 – 2018	RECOVERY	REACTIVE / PROACTIVE	Recovery period establishing 'what next' and understanding what our customers value. During this time other 'like' sectors were progressing their digital customer integration and online services.
2019 >	RESPOND & RECONNECT	PROACTIVE / REACTIVE	Our customers have told us what they value and expect. It's now time to deliver and engage in a way that meets their expectations and enhances our reputation as a valuable and innovative organisation in the region.

The Communications and Engagement Strategy has been updated with a key priority to reengineer GWMWater's customer-facing digital interface. This will build off the success of the customer portal to improve opportunities for e-commerce and enhance the provision of information to customers and stakeholders on water use, service availability and infrastructure capability that is spatially enabled.

GWMWater continues to hold a biannual Customer and Stakeholder Workshop to support regional engagement and consultation. Key stakeholders include representatives from the Victorian Farmers Federation, local government, education, health, and the energy and telecommunications sectors.

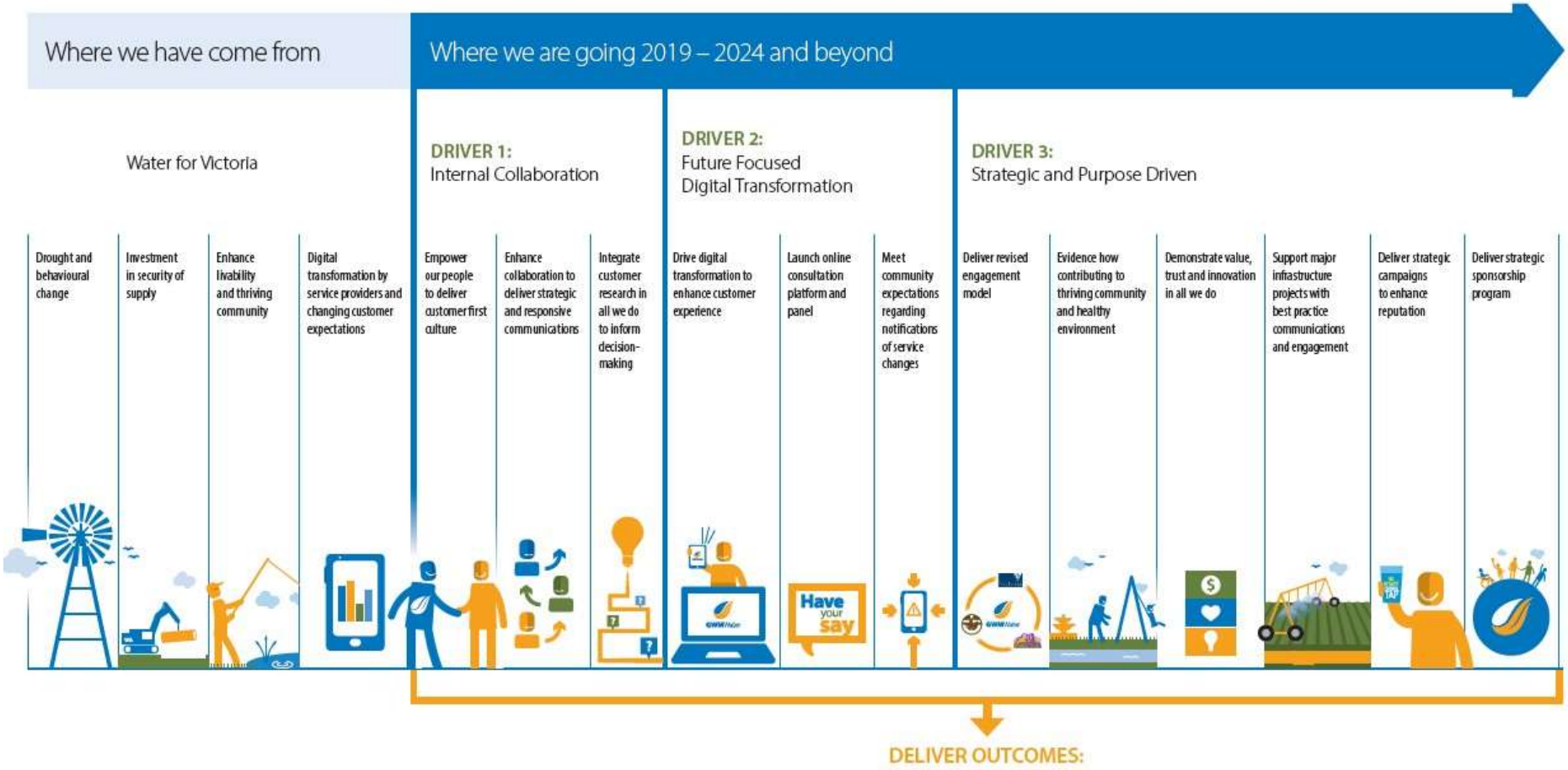
GWMWater also has 'special purpose' committees and forums that assist in the development of strategy and policy. The Committees also monitor the performance of delivery against these strategies and policies. The following is the current list of Committees and Forums that GWMWater has in place to guide strategy and policy:

- Wimmera Glenelg Bulk and Environmental Entitlement Storage Manager Reference Group
- Regional Recreational Water Users Group
- Lake Fyans Committee of Management
- East Grampians Rural Pipeline Project Steering Committee
- Wimmera Glenelg Bulk Entitlement Headwork Operation Review Project Steering Committee (wound up)
- Irrigation Diverters Consultative Committee (in recess)
- West Grampians Rural Water Supply Steering Committee (in recess)
- Dunmunkle Creek Asset Decommissioning Project Steering Committee (in recess)
- Community Panel (in abeyance)
- Drought Reference Committee (in recess since 2010)

GWMWater engages regularly with local government authorities and consults directly with specific communities of interest when considering new water quality or wastewater improvement initiatives. Committees are also formed from time to time by expressions of interest to assist with the development of recreation management plans for GWMWater reservoirs.

The emphasis of the period ahead is outlined in the Community Engagement Roadmap Figure 1-1.

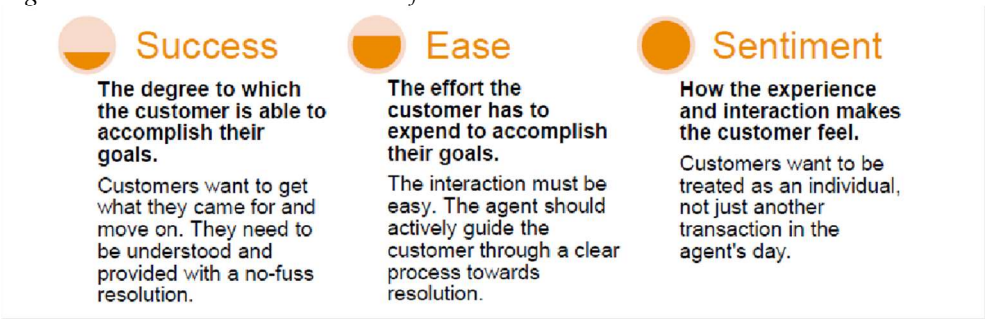
Figure 1-1 Community Engagement Roadmap



1.6.1. Customer Service Benchmarking

The ESC engaged Customer Service Benchmarking Australia (CSBA) to independently benchmark the call centre performance of Victorian water businesses. CSBA uses a proprietary approach called SenseCX for scoring the key aspects of the customer experience provided by water businesses' call centre agents during a telephone call.

Figure 1-2 SenseCX Three Pillars of Customer Service



The overall benchmark score is the percentage of total points achieved out of the total points available for each area. This provides GWMWater with insights into how we can improve customer service within our call centre and benchmarks our performance against other water businesses. The 2023-24 Water Performance Report, published in December 2024, shows that GWMWater is the third highest performing water business in Victoria, with an overall benchmark score of 55, 5 points lower than the previous year.

Table 1-4 Victorian Water Business Rankings 2023-24 - Overall benchmark score and scores under SenseCX

Water business	Score	Ease	Sentiment	Success
Barwon Water	65	57	74	65
Coliban Water	57	43	68	61
GWM Water	55	39	67	58
South East Water	54	40	66	57
South Gippsland Water	54	38	65	59
Wannon Water	54	35	64	61
Yarra Valley Water	53	35	63	59
Central Highlands Water	53	41	66	54
Westernport Water	52	33	65	59
Greater Western Water	52	35	62	60
East Gippsland Water	52	33	61	59
Goulburn Valley Water	52	33	63	59
North East Water	51	32	62	57
Gippsland Water	51	33	64	56
Lower Murray Water	51	34	62	55
Victorian Water Sector (average)	**54**	**37**	**65**	**59**

Source: ESC Water Performance Report 2023-24

1.6.2. GWMWater Customer Satisfaction

GWMWater conducts its own Customer Satisfaction Survey every second year. The survey assesses the level of satisfaction of customers in relation to services provided. The 2020/21 survey indicated a decline in overall satisfaction. This was also reflected in principle metric of the Net Promoter Score which dropped to 13 percent; closer to results previously recorded in 2016/17. GWMWater has attributed this drop to several factors and results could be impacted due to the COVID-19 pandemic.

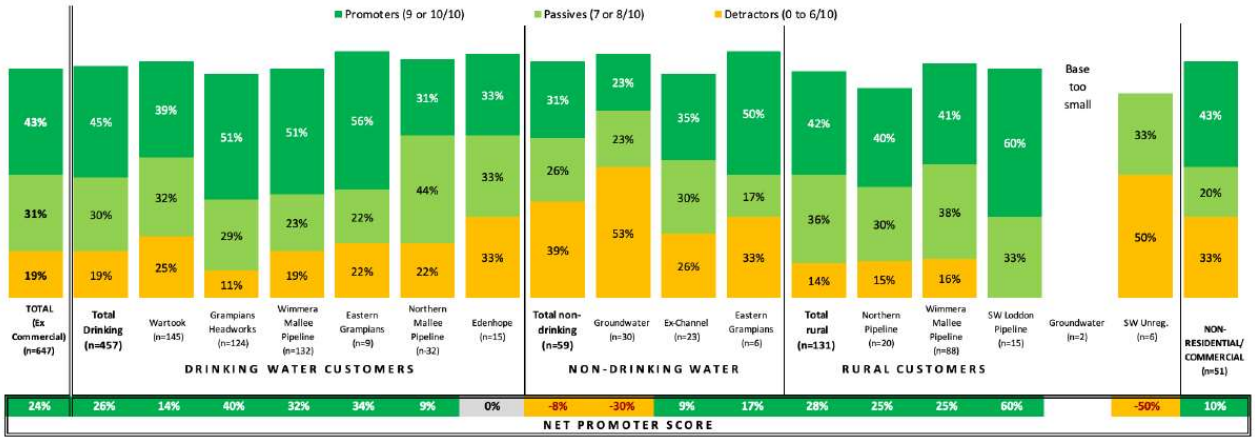
Table 1-7 Comparison of Net Promoter Scores 2008-2023

Survey Year	**2023**	**2021**	**2019**	**2017**	**2016**	**2014**	**2012**	**2010**	**2008**
NPS	24%	13%	30%	23%	10%	2%	2%	3%	-2%
Urban Drinking Water	26%	16%	35%	26%	11%	11%	N/A	N/A	N/A
Urban Non- Drinking	-8%	-25%	-1%	9%	-8%	-7%	N/A	N/A	N/A
Rural Customers	28%	15%	18%	17%	7%	-11%	N/A	N/A	-16%

The survey indicated GWMWater remains least favourable with customers in towns

receiving a regulated water supply and rural customers on the Northern Mallee Pipeline, and strategies are in place to improve our standing with customers in these segments. We also introduced a non-residential segment which indicates another area for improvement.

Figure 1-3 Net Promoter Scores, Customer Survey 2023



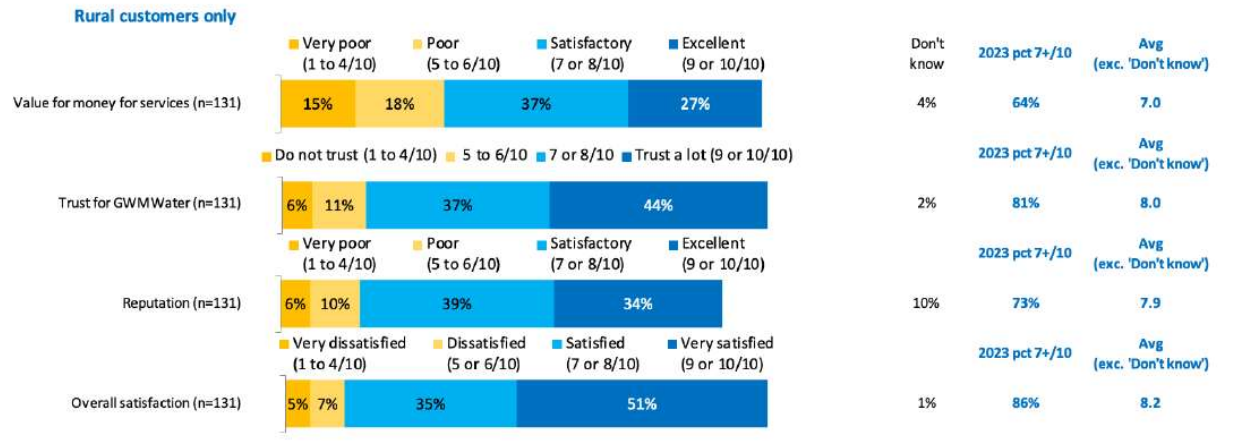
The ESC introduced its own urban customer satisfaction survey in 2018. The ESC survey instrument is managed by InSync and covers four categories:

- Value for Money
- Reputation
- Trust, and
- Overall Satisfaction

The results of the ESC Customer survey are inconsistent with the results of our own survey that is better segmented to the demographics of our community. The GWMWater instrument in recent surveys has also sought to replicate those of the ESC and the results have consistently achieved higher ratings in all four categories used by the ESC.

The GWMWater survey also seeks to understand rural customer satisfaction and Figure 15 below outlines the results of the 2023 survey.

Figure 1-4 Rural Customer Satisfaction Survey 2023

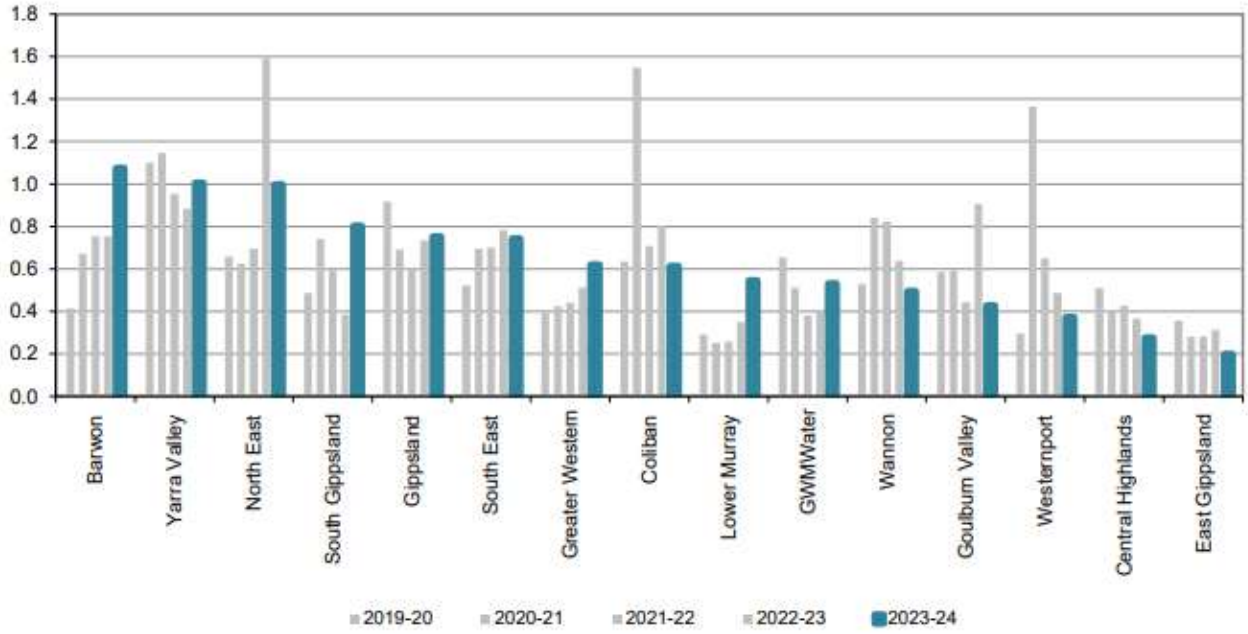


We continue to work with the ESC to reconcile the results of GWMWater's survey instrument with the surveys undertaken by Insync on behalf of the ESC.

1.6.3. Urban Customer Complaints

The ESC also considers customer satisfaction in the context of customer complaints. GWMWater tracks below the statewide average of 0.78 as well as the regional average of 0.69 for 2023-24.

Figure 1-5 Urban Customer Complaints Made to Water Businesses (per 100 customers)

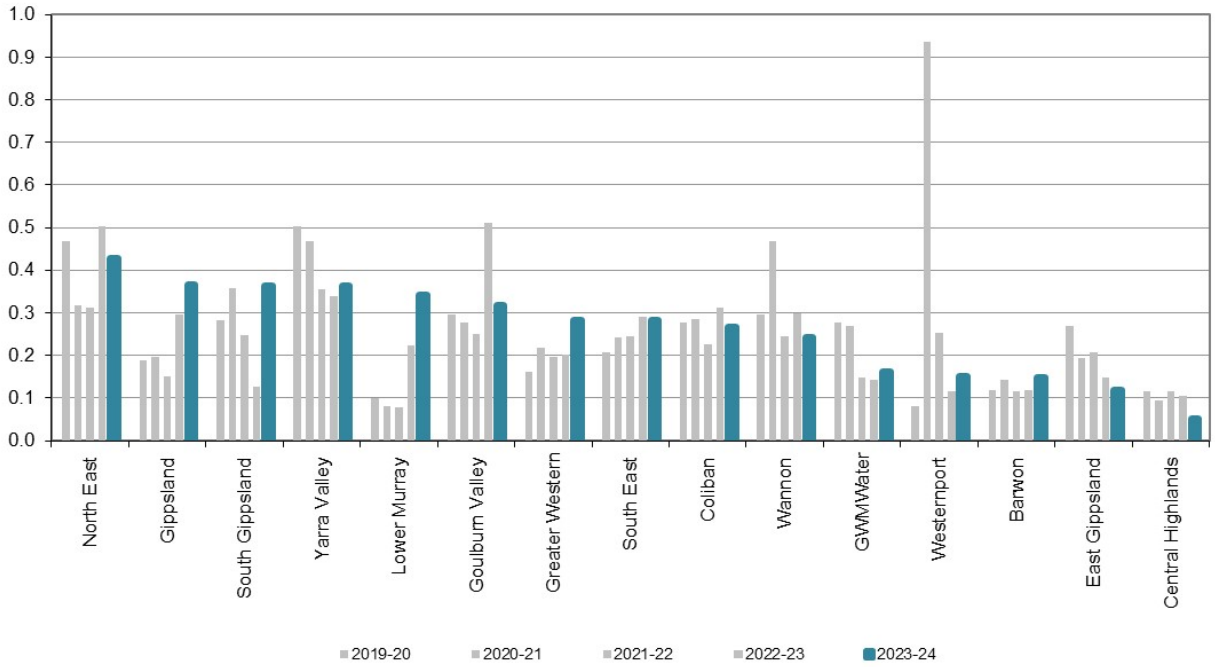


Source: Water Performance Report 2023-24, 16 December 2024

1.6.4. Urban Customer Water Quality Complaints

A dimension of service that has been recognised by the Minister for Water relates to water quality as measured by the number of water quality complaints. GWMWater tracks below the statewide average of 0.29 as well as the regional average of 0.23 for 2023-24.

Figure 1-6 Urban Water Quality Complaints Made to Water Businesses (per 100 customers)



GWMWater remains committed to understanding our current and future customer expectations and proactively working to meet those expectations.

1.7. Main Business Undertakings

1.7.1. Service Area

GWMWater is one of the largest water businesses in Victoria with a footprint the equivalent size as Tasmania.

The service area of GWMWater is outlined in Figure 1-7 below.

Figure 1-7 Service Area of GWMWater

1.8. Scope of Activities

Urban water supply is a significant activity of GWMWater. In a 'normal' season, this involves the delivery of around 9-10 GL of water to approximately 34,000 customers in 71 urban centres. Most of the water supplied to these urban centres is potable water that meets the specifications of the Drinking Water Regulations of the *Safe Drinking Water Act* 2003. Water supplied to several smaller towns is non-potable (regulated water) and a program of consultation with these communities ensures that water quality issues are understood. GWMWater provides wastewater services to 28 of the 71 towns.

Water supply for domestic and stock (D&S) customers is the predominant rural activity. This involves raw water delivery to approximately 16,000 rural meter points, around 9,000 customers through rural pipeline networks. These networks are being further extended as part of the East Grampians Water Supply Project which is currently in progress. There are other communities in north-western Victoria seeking a rural pipeline supply. Business cases have been prepared for unserviced areas in the West Grampians and Southern Wimmera and Northeast Pyrenees.

Intensive agricultural activities such as poultry farms, piggeries and commercial feedlots are the largest bulk water users. Viticulture is the next largest bulk water user and this has expanded in 2015 with the development of the Landsborough pipeline. Mining is a significant holder of water with Stawell Gold Mine resuming operation in January 2019 following a two-year period where they were operating in a 'care and maintenance' mode. There are no other active mines in the region but the probability of a mineral sands mine commencing operation is increasing.

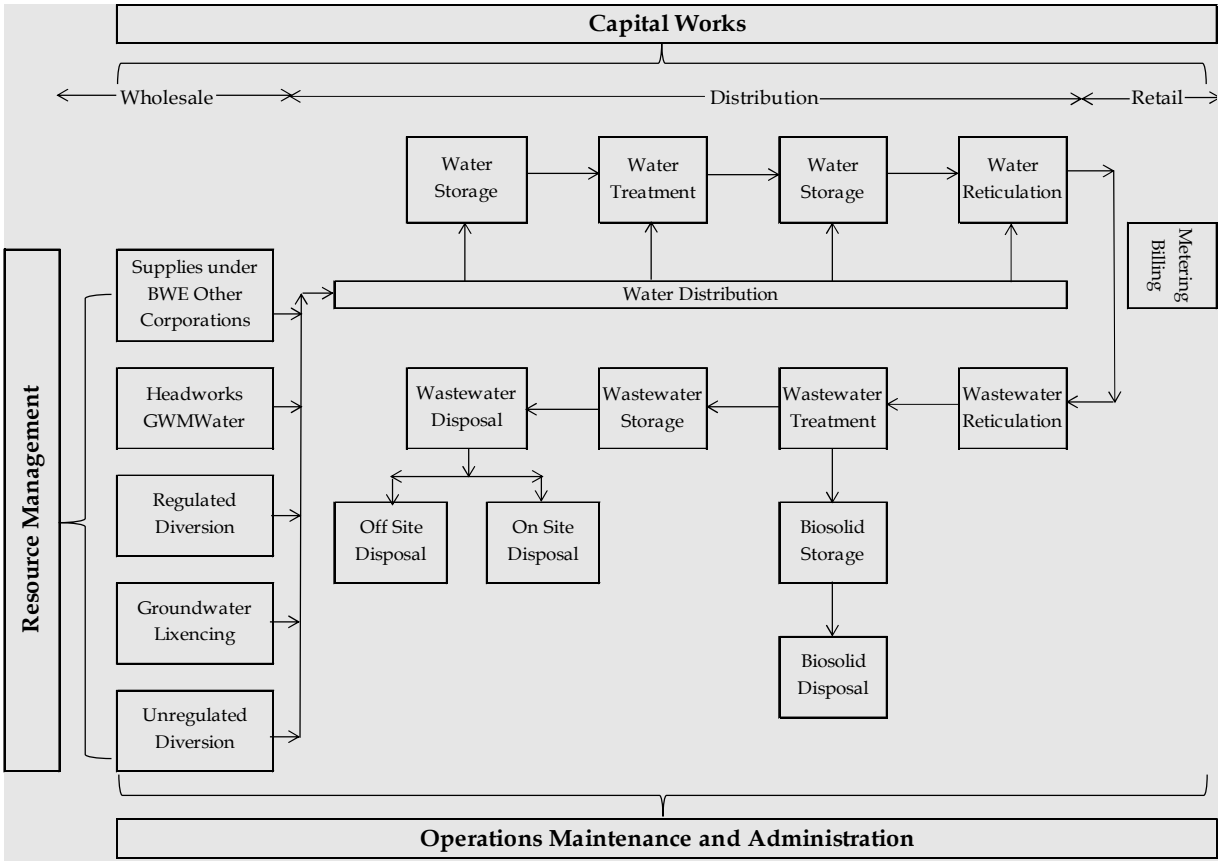
Headwork operation and bulk water management is a significant part of GWMWater operations. GWMWater owns and operates a number of headwork and bulk water supply assets. Many of the reservoirs also provide amenity for recreational activities. Groundwater bore supply 12 towns in the south-east, south-west and west of the supply area. Groundwater management, river diversions and support of key environmental management strategies are also functions of GWMWater.

A significant role that GWMWater undertakes in the region is one of Resource Manager and Storage Manager. GWMWater is the appointed Resource Manager for the Wimmera, Glenelg and Avoca basins, and Storage Manager for the Wimmera-Mallee Headworks System. These functions are undertaken on behalf of the Minister for Water. The role of Resource Manager extends to the management of surface water and groundwater, through the issue of diversion licences from unregulated waterways, licences for farm dams and groundwater extraction licences. In this role, GWMWater is also responsible for monitoring and enforcing compliance with diversion licences.

GWMWater undertakes significant water resource monitoring across the region. Whilst some of these activities are funded, GWMWater's role and the cost of providing this service needs to be clarified. This Corporate Plan assumes that existing funding arrangements are ongoing.

As a vertically integrated water corporation, GWMWater is involved in all activities associated with the provision of water and wastewater services. The services supplied by GWMWater are best summarised by Figure 1-8 below.

Figure 1-8 Services supplied by GWMWater



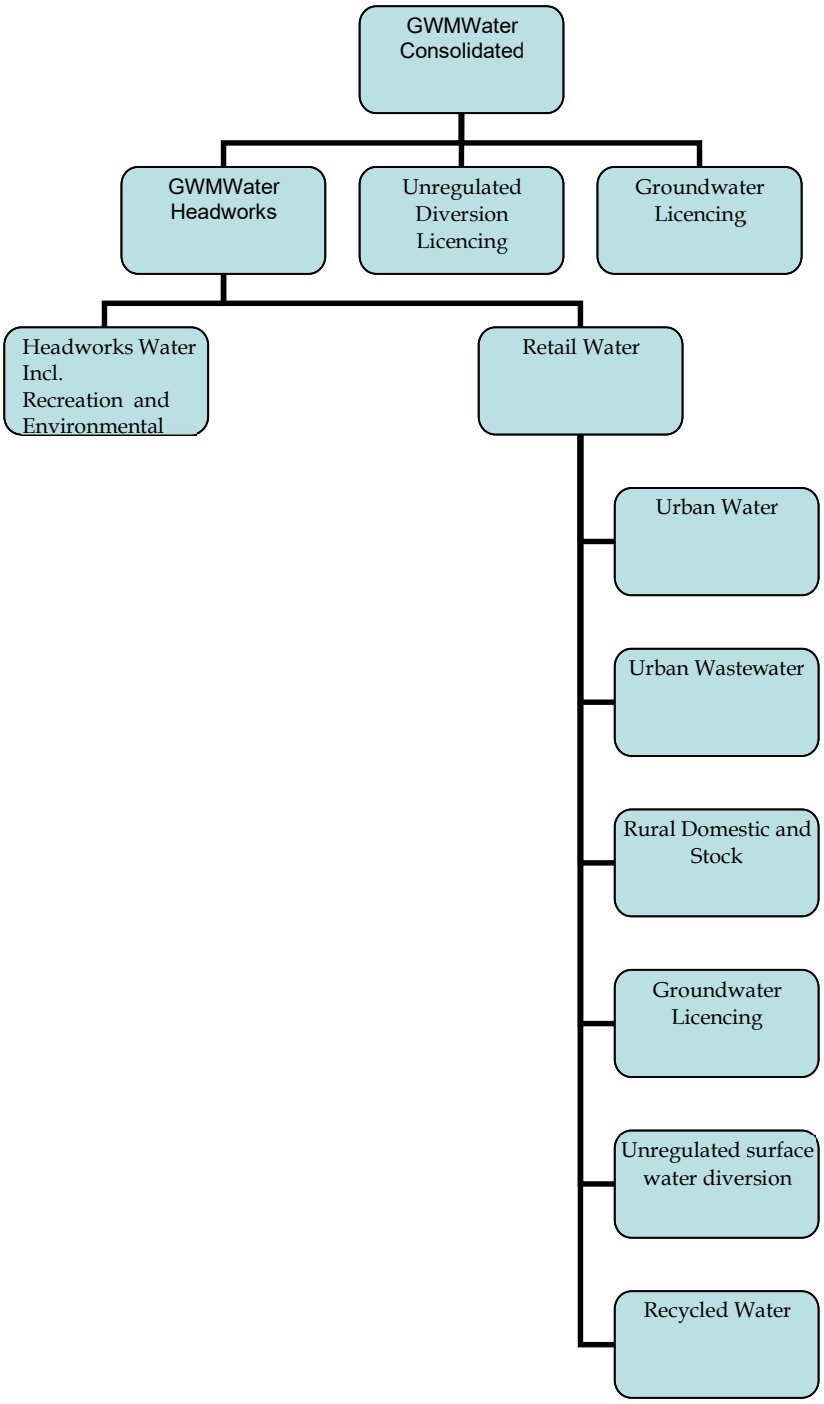
1.9. Business Segments

GWMWater has a number of segments or lines of business where revenue and expenditure are recorded separately. Those same levels of segmentation are used for pricing purposes and are outlined in Figure 1-9.

The Wholesale/Headworks area supplies bulk water to GWMWater's urban storages and rural customers, two other regional urban water businesses (Coliban and Wannon Water) and major bulk water Supply by Agreement customers.

Headworks operations also include a number of water bodies presently used for recreational purposes across the region. The operation of the headworks is governed by the Bulk Entitlement Orders that also provide for environmental releases to the Wimmera and Glenelg rivers and compensation flows to the Glenelg River.

Figure 1-9 Segmented Reporting



GWMWater's renewable energy activities to date have been restricted to generating energy to meet our own requirements. When our activity extends beyond our requirements, a new segment will be added to appropriately 'ring fence' these activities from the delivery of water and wastewater services.

1.9.1. Service Delivery Model

GWMWater operates from a corporate headquarters in Horsham and regional operational facilities in Horsham, Ararat, Birchip, St Arnaud, Warracknabeal, Nhill,

Dimboola, Stawell, Murtoa, Charlton, Donald, Ouyen, Hopetoun, Sea Lake, Edenhope and Willaura.

The significant headworks reservoirs, varying sources of water, pipeline networks, water treatment systems and service delivery requirements are both a major challenge and an opportunity for GWMWater.

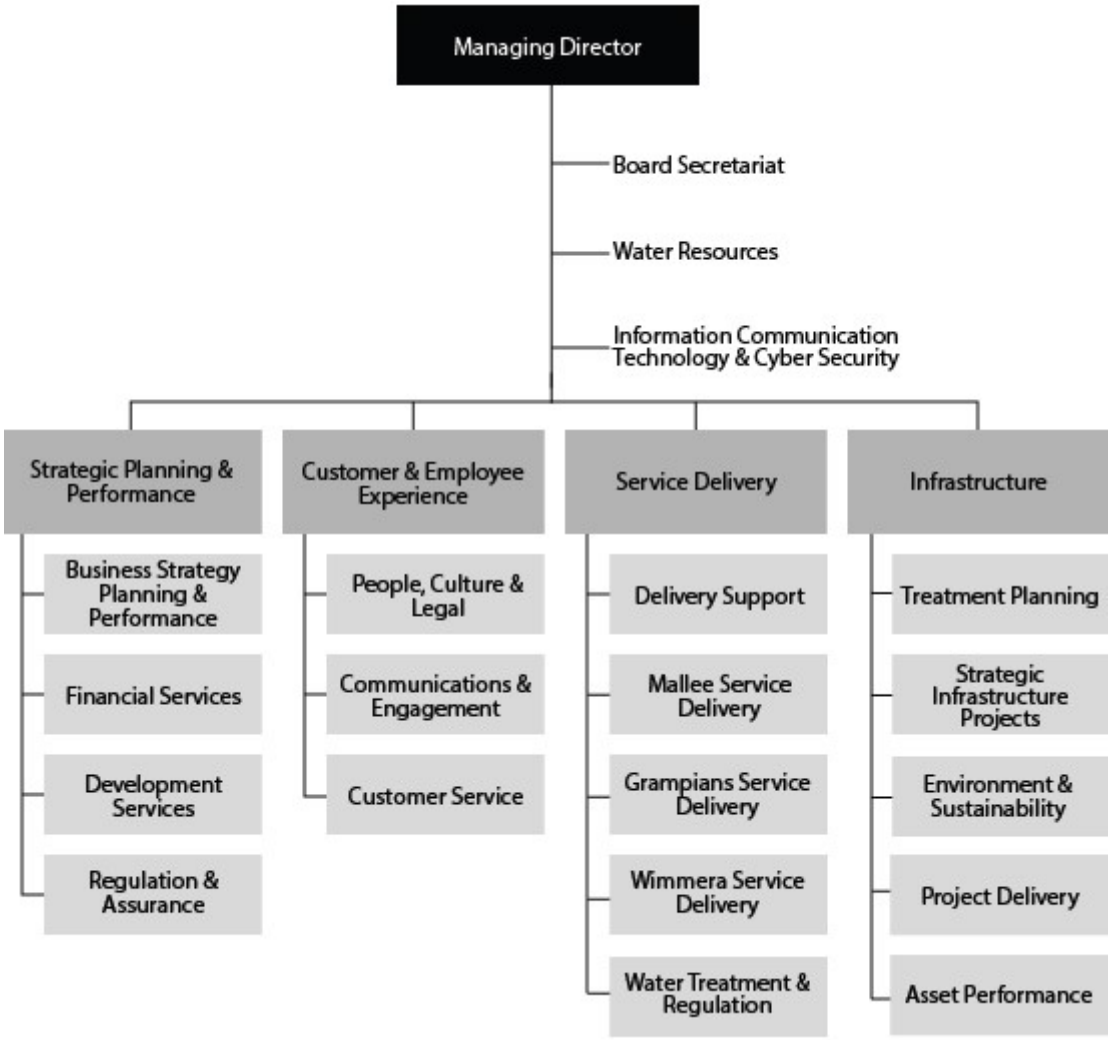
The operating model has been refined to provide a greater focus on operations and maintenance activities and water and wastewater quality with the establishment of an Operational Management Centre in Horsham.

1.10. Organisation Structure

GWMWater's organisation structure has been developed to ensure we have the resources required to meet substantial capital works, appropriate customer service levels and consultation program requirements.

The current organisation structure for the GWMWater is shown in Figure 1-10.

Figure 1-10 GWMWater Organisation Structure



1.11. Regional Demographics and Socio Economic Status

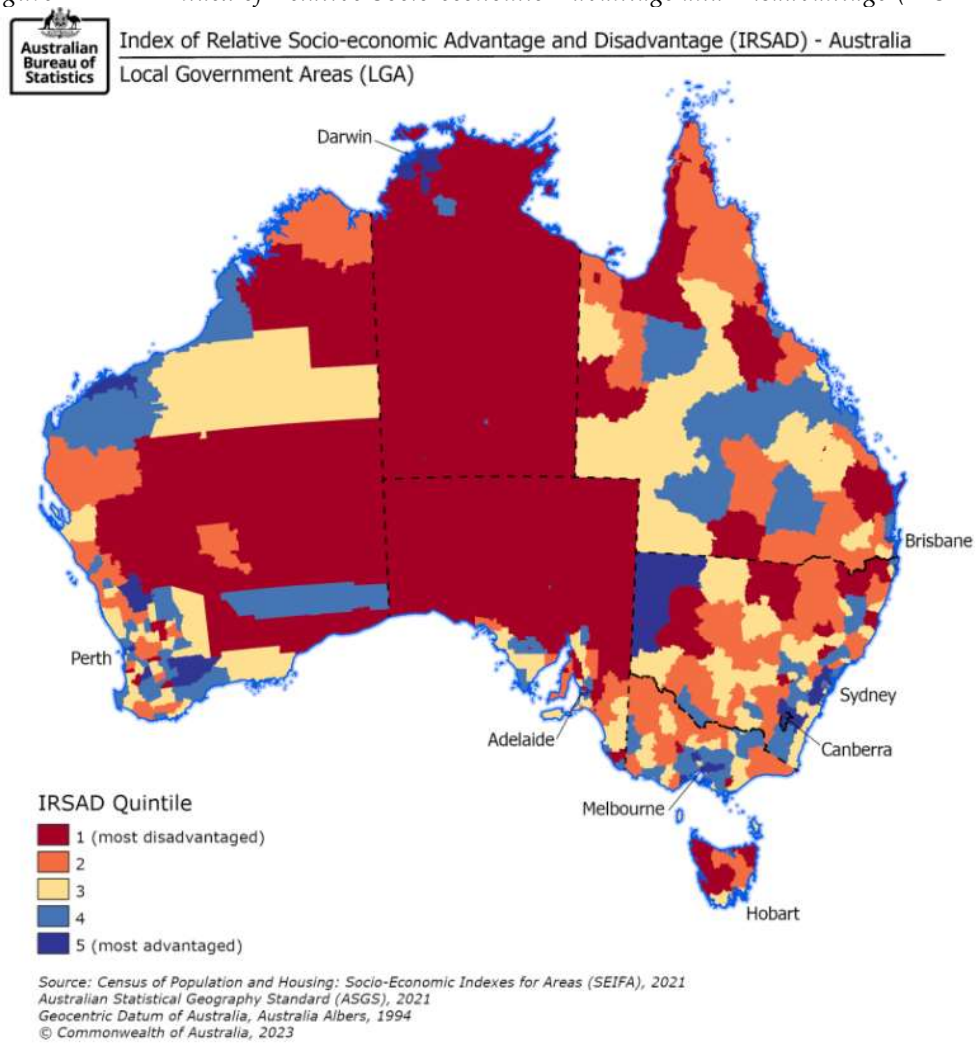
The area serviced by GWMWater has a total population of approximately 64,000 people. The service area covers 13 municipalities. Seven of these municipalities have total coverage, with six having partial coverage.

Housing has been identified as one of the limiting factors in facilitating growth in the region. Development opportunities will emerge from the mineral sands and renewable energy sectors.

Recent changes in agricultural practice, combined with technology impact and sustained drought conditions, have impacted the regional economy.

Reduced employment opportunities for young people, poor access to tertiary education combined with an increasingly efficient rural sector has resulted in a population drift to larger centres either within the region or beyond. This has given rise to an ageing population that has an overall lower socio-economic status than other regions. A key factor in GWMWater planning considerations has been regional affordability of water and wastewater services.

Figure 1-11 Index of Relative Socio-economic Advantage and Disadvantage (IRSAD) by LGA - 2021



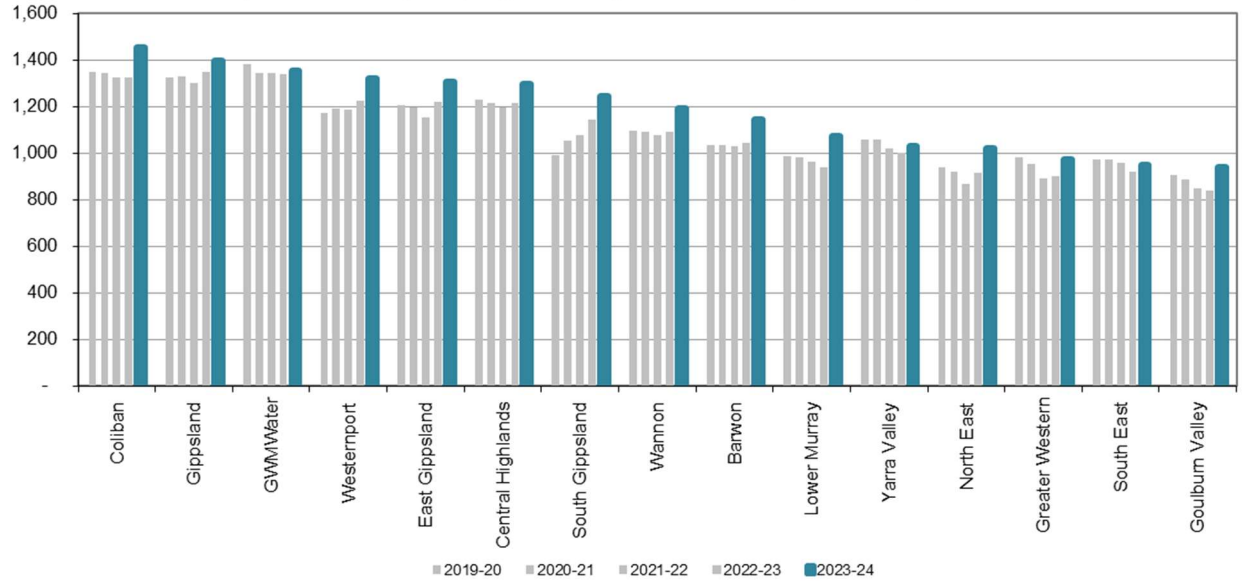
Urban customers' potential price sensitivity needs to be considered in the context of overall affordability. GWMWater urban water and wastewater service prices combined are the third highest in the state when using the typical owner-occupier customer bill benchmark as used by the ESC in the 2023/24 Water Industry Performance Report.

GWMWater price performance and overall affordability does however need to be considered in the context of the embedded component of the water price that helps support the supply of water to recreational lakes, sporting clubs and schools. Since 2013, GWMWater has been collecting a levy from customers to fund the delivery of subsidies to recreation lakes and discounts to sporting clubs and, since 2018, to schools.

GWMWater collected $19.76 from households ($9.88 for pensioners and concession card holders). Excluding this levy brings the total typical bill of GWMWater owner-occupier customers down from $1,352 to $1,333. This is $122 and $62 below Coliban Water ($1,455) and Gippsland Water ($1,394) respectively, and $11 higher than Westernport Water.

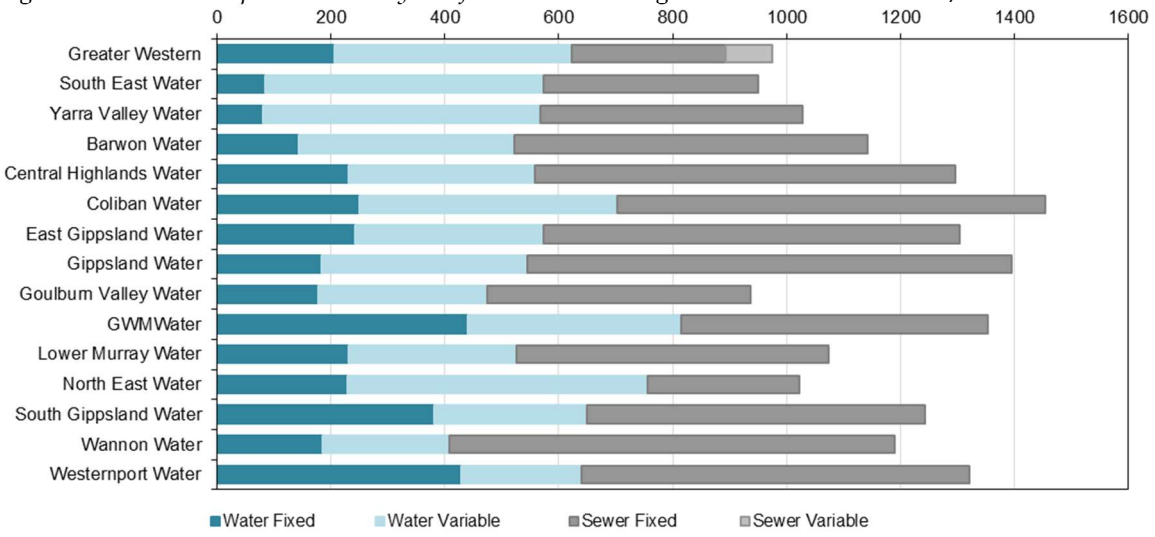
To put this levy into context, customers of the metropolitan water businesses contribute to Melbourne Water Waterways and Drainage Charge. This charge, which is presently $118.19 per residential property, lifts the charge applicable to all metropolitan water customers closer to those of regional water businesses.

Figure 1-12 Comparative Analysis of Affordability- Owner Occupied Average household bills, 2023/24



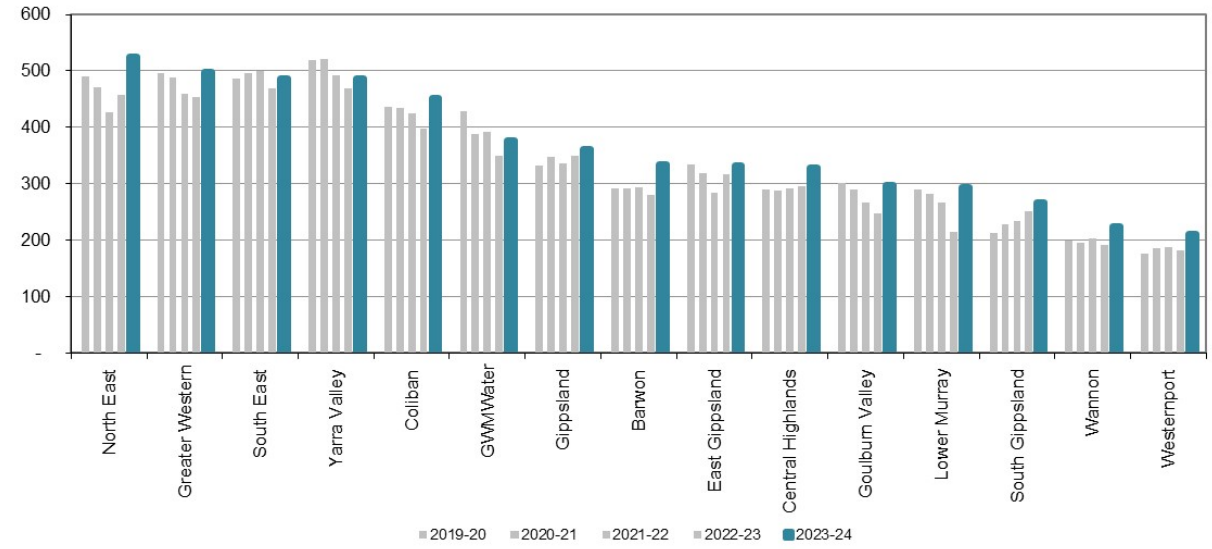
The following chart provides an overview of the comparative makeup of the total water and wastewater charge.

Figure 1-13 Comparative Analysis of total water charge in household bills 2023/24



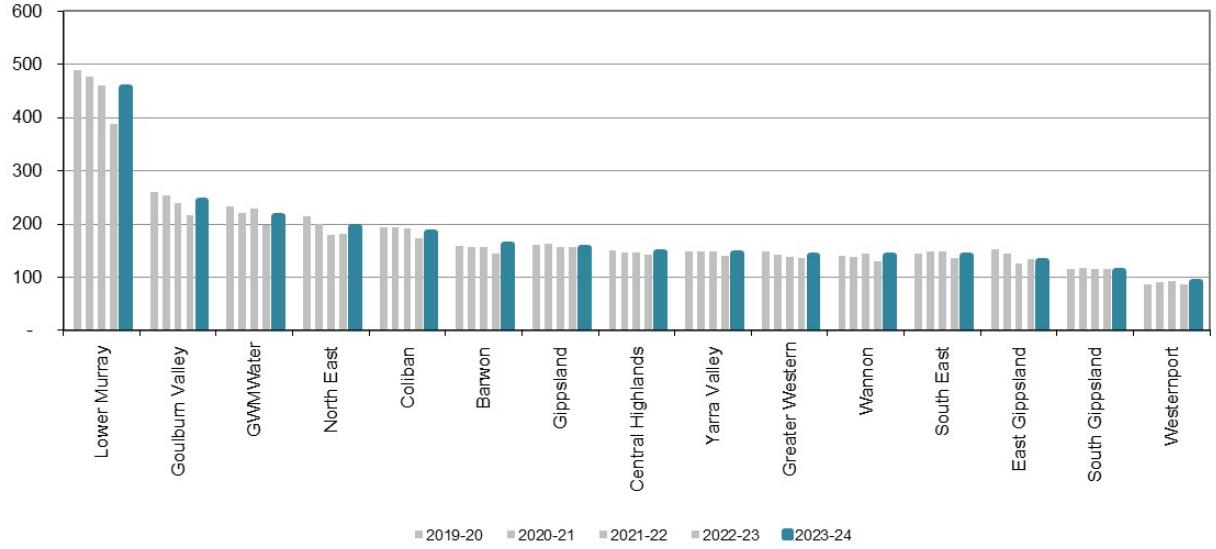
The GWMWater tariff structure produces better outcomes for people not owning the property they live in with tenants paying typically just under $400 per year.

Figure 1-14 Comparative Analysis of Affordability – Tenant Average household bills, 2023/24



These price outcomes need to be considered in the context of average water use; with GWMWater customers being large water users, a very traditional housing stock with minimal medium density housing, no high-density housing and a significant demand driven by evaporative air-conditioning. The extent of this high consumption is outlined in Figure 1-15 below.

Figure 1-15 Comparative Analysis of Residential Water Use 2023/24



Rural customers have had three consecutive exceptional seasons for agricultural activities in our region. This performance came in a period when there had been a significant uplift in land values across the region. The economic interdependency of urban centres to the performance of the rural sector is not as significant as it once was.

1.12. Sources of Water

GWMWater obtains water from a number of sources to meet the needs of its customers.

The major source of water is the extensive Grampians Headworks system, with 10 operational reservoirs in the area used to harvest and store water for supply to large areas of the region. The reservoirs also supply environmental and compensation flows to the Glenelg River and environmental flows to waterways in the Wimmera Catchment. The Grampians headworks reservoirs provide a valuable source of high-quality recreation opportunities. Recreation water has been identified as a policy priority for the Victorian government.

Other sources of water used by GWMWater are:

- The Murray River for the Northern Mallee Pipeline and Wimmera-Mallee Pipeline Supply System 5 to supply farms and towns in the north of the region.
- The Waranga Western Channel supplies Quambatook from the Normanville Pipeline and since 2019, a partial supply to the Southwest Loddon Pipeline.
- Groundwater as a primary water source for 12 towns, and as a supplementary or contingency supply for a further six towns.
- Several unregulated diversions from waterways to supply towns in the Eastern Grampians and Pyrenees areas.
- The Walpeup West bore network provides stock and domestic supplies for a small number of customers via GWMWater pipeline in the north-west of the region.

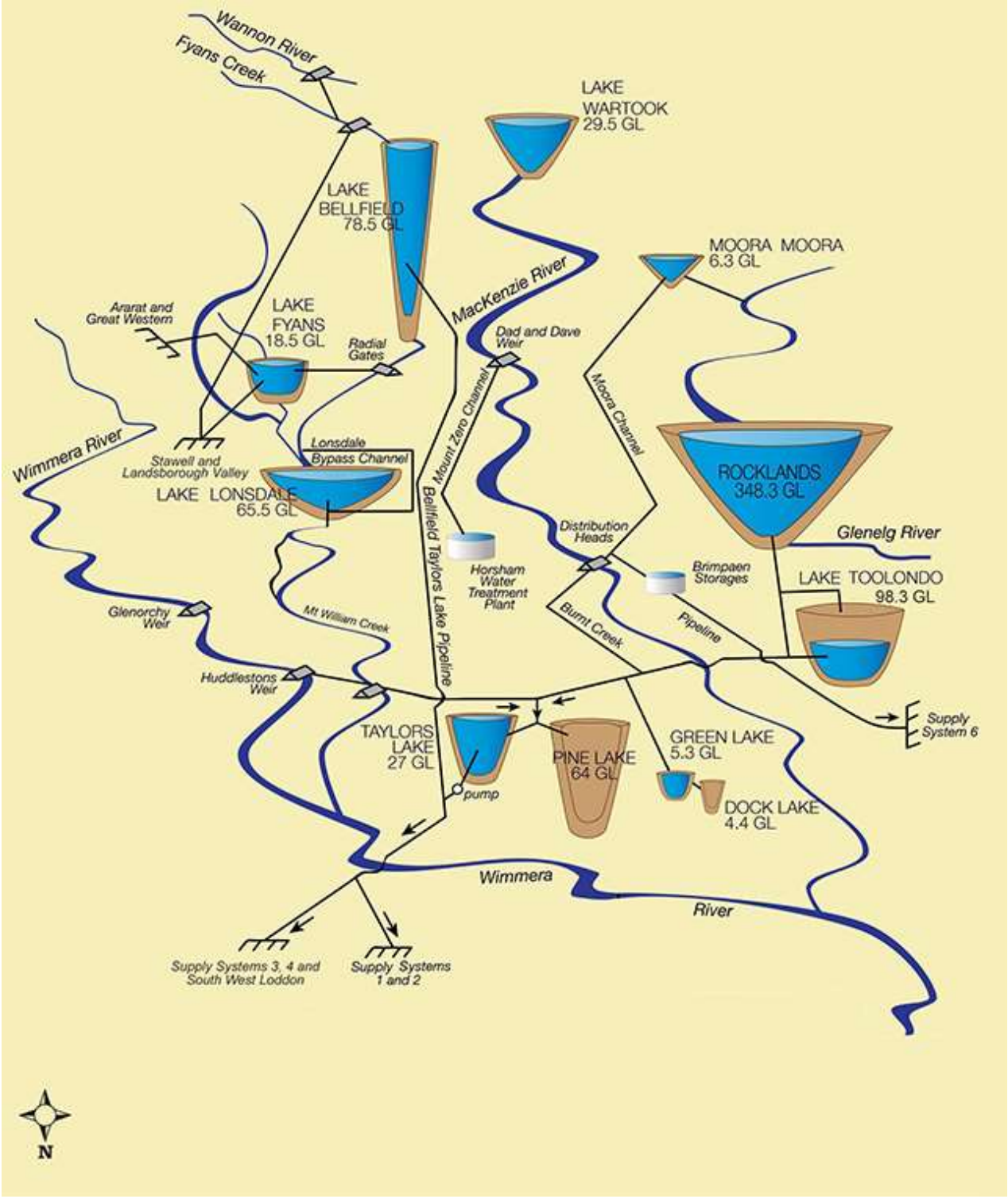
GWMWater is also responsible for the resource management and administration of:

- Groundwater supplies for irrigation and stock and domestic purposes, mainly in the

western part of the region.
- Regulated and unregulated diversions from waterways for irrigation and stock and domestic purposes.

GWMWater is both an entitlement holder and Storage Manager for the Grampians Headworks system (Figure 1-16). As Storage Manager GWMWater operates the headworks system in accordance with the Storage Management Rules that are an integral part of the Wimmera Glenelg Bulk Entitlement Order.

Figure 1-16 Grampians Headworks System Schematic



1.13. Resource Position

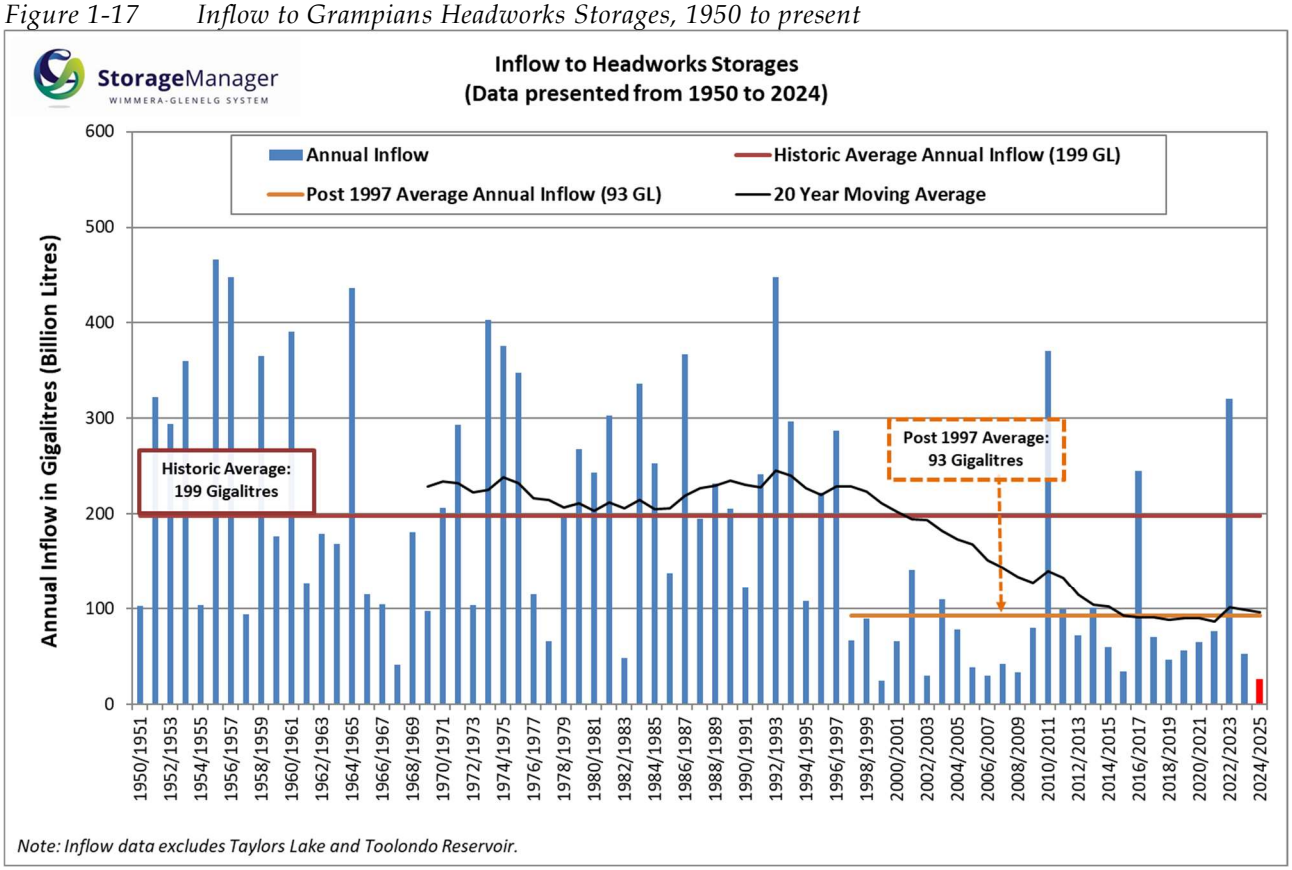
GWMWater headworks storages were holding 39 percent of capacity as of 11 April 2025, approximately 19% less than the corresponding period in 2024. Water is generally being held in the more efficient headworks storages. Opening allocations for the 2025/26 water year in the Murray and Goulburn River systems are expected to be 50% and 41%

respectively, under average inflow conditions. In 2025/26 under average inflow conditions, a high level of water security is expected.

Some medium-term vulnerabilities remain in the East Grampians urban supply systems and Edenhope, which were highlighted in our 2022 Urban and Rural Water Strategy. Work to address these vulnerabilities is being further considered within the 2022 Urban and Rural Water Strategy. Constraints within the East Grampians urban supply system will be resolved through the East Grampians Rural Pipeline Project. For Edenhope, these will be considered in the context of the proposed West Grampians Pipeline Project and through the identification of additional groundwater resources.

Our most significant concern is the extent that more recent climate history suggests that we will not have the recharge and inflow to reservoirs experienced historically. The impact of recent climate is highlighted in Figure 1-17 below.

Figure 1-17 Inflow to Grampians Headworks Storages, 1950 to present



1.14. Recreation Water

The GWMWater service district covers an area that is in the driest and warmest part of Victoria. The availability of affordable water for our recreational activities, lakes and weirs provides significant benefits to the liveability of the region; from health and wellbeing, to local businesses and the environment..

In 2013 following considerable community consultation, GWMWater introduced a Recreation Water Contribution Charge (RWCC) as part of its 2013-2018 Water Price

Submission. The RWCC supports subsidies for water supplied to nominated recreation lakes and discounts to eligible recreation and sporting clubs. These discounts have continued to be supported by customers and were extended to schools in 2018 following consultation as part of the 2018-2023 Water Price Submission.

The headworks reservoirs managed by GWMWater permit a range of water and land-based recreational activity consistent with the objective to protect water quality. Local community and agencies are involved with GWMWater in the development of Reservoir Recreation Management Plans to maximise recreational opportunities consistent with the storage management and water quality objectives.

The creation of water for the Wimmera Mallee Pipeline Recreation Lakes was one of the most significant community driven expectations of the WMP. The WMP Project business case commitment was that the Recreational Water Entitlement (3,090 ML) would have a high level of delivery security similar to farm (stock & domestic) water supply. The GWMWater Board has allocated consumptive water holding to recover recreational water shortfalls that have occurred from its growth water since the Wimmera Mallee Pipeline was completed. There has been a call for improved reliability from Regional Recreational Water Users Committee, Wimmera Mallee Recreational Lakes Alliance, VRFish and our recreational water user community to reflect the commitments made in the WMP Business Case. Both the reliability and the allocation profile of the recreational water entitlement at lower allocation levels require addressing, to enable the efficient supply of recreational water that requires supply early in the water season.

Since completion of the WMP, local communities, GWMWater and local government in the western part of the region have successfully established additional recreational lakes utilising redundant town and distribution storages at Ouyen, Green Lake (Sea Lake), Rainbow and Yaapeet. These areas were identified as strategic priorities for the provision of recreation water given the consistent low inflow regime that has restricted inflows to Lake Hindmarsh and Lake Albacutya, and as an alternative to Lake Walpeup. Gannawarra Shire has been successful in obtaining a grant for the connection of the Quambatook Weir Pool to our rural pipeline including funding for permanent water for the weir pool to be vested with GWMWater.

An eight year longitudinal study prepared by Street Ryan and Associates quantifies the benefits of recreation lakes between 2016/17 to 2023/24. The study was a joint initiative of Wimmera Development Association, GWMWater, the Wimmera Catchment Management Authority and Local Councils across GWMWater's region.

The study's most recent report titled 'Wimmera Southern Mallee Value of Recreational and Environmental Water: Trends 2016/17 to 2023/24' notes the significant socio-economic contribution to the region.

The economic contribution peaked at $33.68 million (in 2018-19) during the assessment years and dropped to $24.89 million in the depth of the COVID pandemic, rebounding to $29.73 million in 2022-23.

The elements of the economic contribution are summarised in Figure 1-18 below.

Figure 1-18 Participation and Economic Contribution Summary (Source: WSM Recreational Water Trends and Insights 2016-17 to 2023-24)

	2016-17	2017-18	2018-19	2019-20	2020-21	2022-23
Participation	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**
Overnight Visitors	56,887	62,730	76,680	46,869	38,355	44,317
Visit Nights	196,088	208,300	296,655	175,367	157,684	198,311
Av. Nights	3.45	3.32	3.87	3.74	4.11	4.47
Active day participation	78,156	77,022	84,886	63,038	54,948	74,445
Passive day participation	163,189	162,937	166,622	172,240	158,391	163,380
Total participation	298,232	302,689	328,187	282,148	251,399	282,142
Number of people	85,135	77,011	93,225	67,051	66,009	76,385
Av. Frequency	3.50	3.93	3.52	4.21	3.81	3.69
Economic Contribution	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**
Suppliers	$6.77	$9.23	$11.15	$11.83	$9.35	$10.50
Recreational Participants	$8.78	$9.21	$10.64	$6.96	$6.72	$8.37
Business and Multiplier	$11.99	$11.73	$11.89	$9.70	$8.83	$10.86
Total	$27.54	$30.18	$33.68	$28.49	$24.89	$29.73

The value of Wimmera Southern Mallee recreational water health benefits has been valued between $2.5 and $4.2 million per annum for all residents of regional Victoria. The value of users' health contribution has been estimated based on the prevention of chronic diseases (such as breast cancer, coronary heart disease, diabetes, bowel cancer and stroke). The mental health benefits are derived from the prevention of anxiety and depression.

1.15. Sustainability

Sustainability is integral to our business both in terms of regulatory compliance and demonstrating responsible practices. The introduction of the 'General Environmental Duty' has strengthened the obligation to manage risks to human health and the environment. GWMWater is continuing to develop climate change adaptation strategies and mitigation strategies. Given the shift in the cost and efficiency of renewable energy technologies relative to increases in energy costs, investments in mitigation strategies will be cost effective and not require customers to pay for such initiatives.

Heavy rains in Spring 2022 provided welcome inflows, but also challenged our wastewater management systems with spills and emergency discharges to waterways. Future investments will address opportunities to manage recycled water more sustainably. The WMP is an iconic project recognised for its environmental outcomes and, more particularly, its role in restoring environmental health to the natural rivers and water courses of the region. GWMWater continues to seek opportunities for improved efficiency in water management and use and are currently working with the Wimmera Catchment Management Authority to install infrastructure that will supply high quality raw water from the WMP to four key areas along the lower Wimmera River:

Lochiel, Arkona, Antwerp, and Tarranyurk. These water allocations are aimed at sustaining diverse life in times of low river flows and will provide refuge pools for at risk flora and fauna.

Our commitment to sustainability has continued with renewable energy investments to reduce our carbon footprint represented in Section 6.1 that summarises our performance to dates and initiatives that will reduce our fossil fuel embedded energy requirements.

Behind the meter solar installations have been completed at 59 sites, generating 2.3 MW of renewable energy. GWMWater has been working closely with energy businesses to explore the best way to maximise front of meter opportunities by facilitating the introduction of community microgrids or larger generation sites as part of an overall strategy. This is discussed in more detail in section 6.1 which outlines the commitments made in relation to renewable energy and carbon emissions.

1.16. Infrastructure Management

The large geographic service area, combined with the relatively low rainfall and the significant distance from the catchment to population centres and customers, requires considerable investment in infrastructure to meet service obligations.

On a gross replacement cost basis, GWMWater has approximately $2.7 billion[1] of assets under its stewardship.

The following Table 1-5 summarises the asset inventory involved in providing water and wastewater services throughout the area managed by GWMWater.

[1] Based on independent valuation of the GWMWater's water and sewer infrastructure carried out by Price Waterhouse Coopers Tangible Asset Valuations and Advisory Services on behalf of the Valuer General Victoria as at 30 June 2021. Refer to section 7.8.1 for details on asset valuation assumptions reflected in the financial statements.

Table 1-5 Infrastructure Assets

ASSET GROUP	CATEGORY	QUANTITY
URBAN WATER SUPPLY SYSTEM		
Water Mains	Reticulation / Trunk Mains	1,447 km
Water Pump Stations	(not including WTPs)	59
Water Treatment Plants	Dissolved Air Floatation/Flocculation #	14
	Microfiltration #	3
	Desalination	1
	Disinfection/pH Correction	28
	Multimedia / Point of Entry	4
Water Storages	Earthen (Urban)	31
	Tanks (Ground and Elevated)	131
Water Bores	Supply	39
	Observation	11
Water Meters		35,190
RURAL WATER SUPPLY SYSTEM		
Pipelines	Murray Supplied Pipeline	4,230 km
	Grampians Supplied Pipeline	9,221 km
	Other	326 km
Pump Stations		54
Water Treatment Plants	Strainer / Sedimentation / pH correction	2
Water Storages	Tanks (Ground and Elevated)	12
	Earthen (Rural)	25
Water Bores		37
Water Meters		15,445
WASTEWATER SYSTEM		
Wastewater Mains	Reticulation / Rising Mains	722 km
Wastewater Treatment Plants	Secondary WWTP	27
	Tertiary WWTP	2
Wastewater Pump Stations	Sewer Pump Stations	94
	Pressure Sewer Units	572
RECLAIMED SYSTEM (URBAN & RURAL)		
Re-Use Mains		68 km
Re-Use Storages (On-site and Off-site)		12
Re-Use Water meters		21
HEADWORKS		
Major Dams	Dams	12
Channels	Headworks	274 km
	Drainage	13 km
Channel Structures	Flow Control Structures	512
	Road Crossings	129
	Occupational Crossings	150
Pipeline		59 km
Energy Generation Assets		
Various Sites	Number of Solar Panels	5,834
	Batteries	2

includes plants under the control of BOOT operator

GWMWater provides potable water to approximately 92 per cent of its urban customers from 20 water treatment plants with a combined capacity of 112.8 ML/day. Four of these plants are owned and operated by a third party as part of a Private Public Partnership agreement. This is a significant improvement from 1998 when only 28 per cent of customers received potable water.

The coordination of water distribution over three million hectares has been simplified

with the Northern Mallee Pipeline and the Wimmera Mallee Pipeline. The previous channel supply network has been decommissioned with the only channels remaining part of the Grampians headworks system. The domestic and stock pipeline network is likely to expand further to support areas that have typically relied on local catchment which is becoming more uncertain under climate change.

1.17. Performance Monitoring and Reporting

The GWMWater Board and its Executive are strongly committed to monitoring their performance against adopted plans.

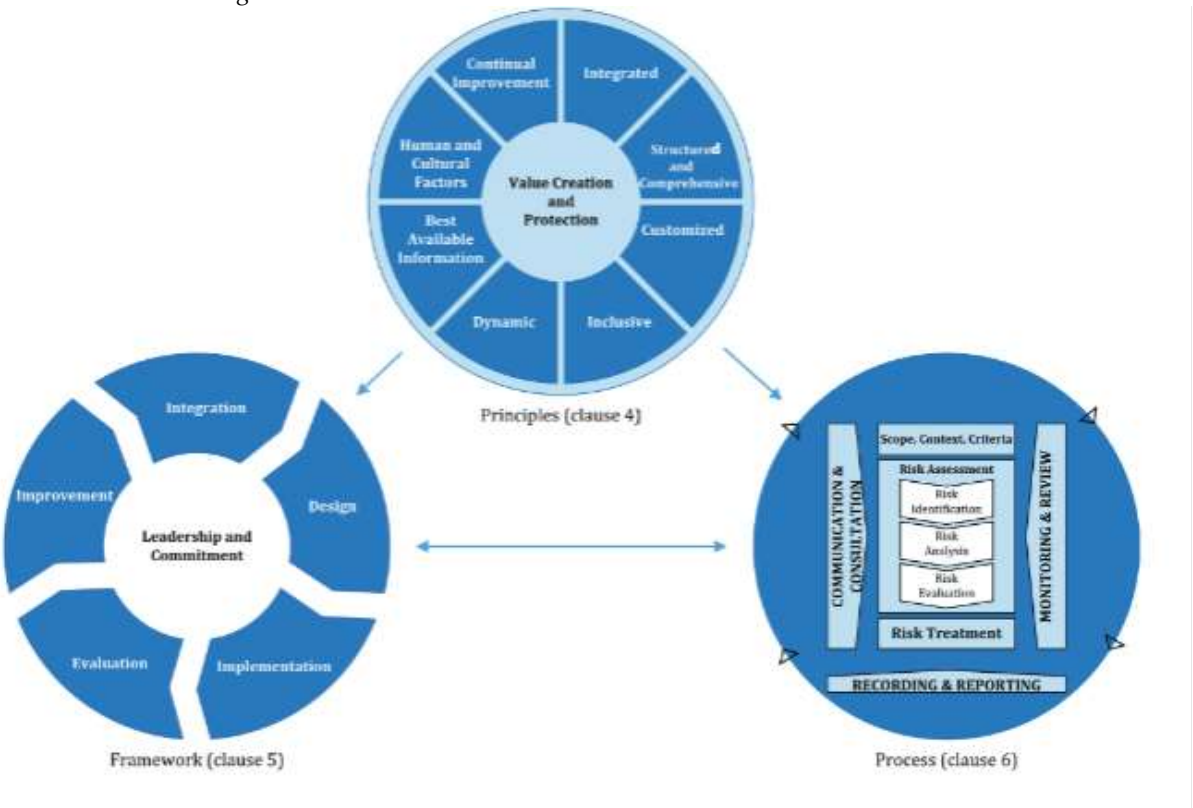
Performance monitoring of GWMWater is reported on a monthly basis. The information in these reports forms an integral part of the performance reports prepared for the Minister for Water and the Treasurer and submitted quarterly.

The performance targets included herein are reflective of the specific requirements established by the Corporate Planning guidelines. They also reflect the more significant suite of indicators established by regulatory agencies such as the ESC, DH and the EPA.

2. Risk Management

GWMWater's risk management framework is consistent with the Victorian Government Risk Management Framework and the International Standard ISO 31000 (Risk Management).

Figure 2-1 *Risk Management Framework*



2.1. Risk Management System Elements

The key elements of the Risk Management System include:

- Identification and quantification of all risks and opportunities potentially impacting upon the strategic, operational and financial well-being of GWMWater.
- Provision of the necessary risk analysis framework including a Risk Appetite Statement and Risk Matrix to identify the likelihood and consequences of risk.
- Allocating responsibility and resources to implement and manage a risk management system that ensures effective identification, analysis, communication and treatment of risk.
- Managing the implementation of cost-effective risk treatment plans, performance monitoring and reporting.
- Developing a risk awareness culture and incorporating risk management in all activities.
- Conducting regular reviews through meetings, internal and external audits.
- Integrating risk management into quality, Occupational Health and Safety and

environmental management systems adopted by the organisation.

The risk appetite statement aims to empower management to make more effective risk-based decisions, and operate within acceptable and agreed levels of risk.

2.2. GWMWater Risks

GWMWater has an enterprise-wide risk management framework consisting of the:

- Strategic risk register consisting of 10 risks.
- Corporate register incorporating 79 business-as-usual risks.
- Individual risk registers for high-value and high-risk projects.
- Individual risk registers for water quality, environment and occupational health and safety risks.

Each risk is reviewed on a frequency determined by its current rating, with treatment strategies identified and justified based on the organisation's risk appetite. All strategic and 'very- high' rated risks are escalated and reported to the Board monthly.

The management of risk within GWMWater is heavily influenced by external factors. Regulatory, technological, economic, environmental and social drivers shape a large part of the way risk is managed at GWMWater.

Geopolitical Risks

Geopolitical risks influence the region in a number of ways. The World Economic Forum's 2025 Global Risks Report highlights a significant escalation in geopolitical risks, driven by a fractured global landscape. The report identifies state-based armed conflict and terrorism, as the top risk for 2025, reflecting the ongoing instability in regions like Ukraine, the Middle East, and Sudan. Increased geopolitical tensions and conflicts can disrupt global trade routes and supply chains crucial for the region's agricultural and manufacturing sectors which may lead to reduced foreign investment and economic growth.

Additionally, the report underscores the rising threat of geoeconomic confrontations, such as sanctions, tariffs, and investment screening, which are exacerbated by societal polarisation and economic inequality.

The report also notes that these geopolitical challenges are intertwined with environmental and technological risks, creating a complex web of threats that hinder global stability and progress. The findings emphasise the need for coordinated international efforts to address these multifaceted risks and promote a more stable and resilient global environment.

The diversification of the supply chain issues are more pronounced in the minerals sands and rare earths markets. This is making the rare earths and minerals sands developments in the Wimmera Southern Mallee more likely to advance. In the event that all three advance concurrently, there will be significant pressure on the water resources of the region to the point it will trigger the need to augment the water supply of the region.

Strategic Risks

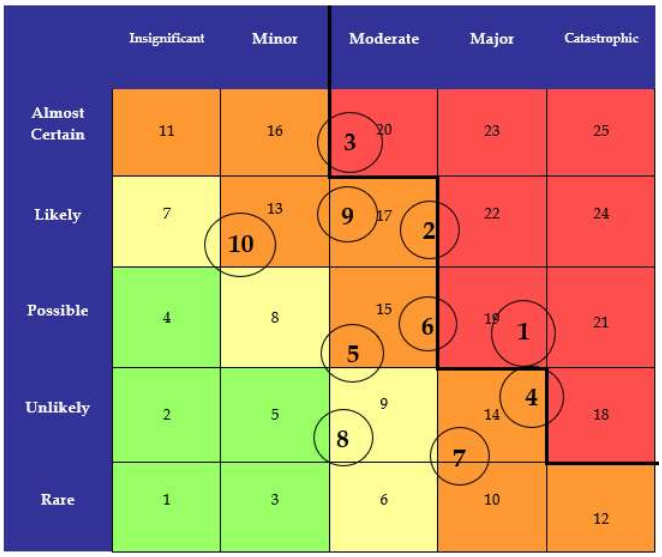
Responsibility for reviewing and reassessing these risks has been devolved to the relevant subcommittee of the Board that has oversight of these risks.

The strategic risk profile of GWMWater has been reviewed and updated, with a summary of each strategic risk provided below.

Figure 2-2 Strategic Risk Heat Map

April 2024

April 2025



Risk 1 - Health and Safety

Much of the work undertaken by our staff is required to take place in open or non-regular work environments. This creates inherent risk with risk assessments needing to be undertaken to ensure that all potential risks are identified and managed. The most significant risk is associated with underground services and the management of contractors working at high-risk locations.

The Board has a policy of 'zero harm' which is supported by GWMWater's Safety Strategy. GWMWater has a clear delineation of competency requirements that are backed up through regular training. This is underpinned by a culture of reporting near misses, supervision of contractors, hazard identification and investment in equipment to minimise the risk of harm.

There has been no material change in health and safety risk over the past 12 months.

Risk 2 - Water Quality

Under climate change the likelihood of Blue green algae events are likely to be more prevalent. These events highlight the vulnerability of the Murray River and to a lesser extent the Waranga Channel as a water source from a water quality perspective.

There has been an improvement in water quality risk since the completion of a number of water quality upgrades The delivery of the Health Based Targets program is a key focus. Water quality upgrades at Kaniva, Moyston, Berriwillock and Culgoa are all being progressed.

There has been no material change in water quality risk over the past 12 months.

Risk 3 – Climate Change

The prevalence and severity of extreme events associated with climate change have increased, as natural catastrophes of late have shown.

GWMWater has concurred with the Victorian Government that the likelihood of severe events resulting from climate change is certain. The many controls in place demonstrate that we are well prepared for this challenge and the impacts.

The risk has been assessed from a water supply demand perspective in the context of the Urban and Rural Water Supply Strategy. Two climate scenarios have been developed, a post 1975 scenario and a post 1997 scenario with both having an increased probability that supply will be constrained. With this there will be greater emphasis on managing demand by promotion of conservation as well as canvassing augmentation options to improve supply across the region.

We continue to implement actions that respond and mitigate the risk, with mitigation being accelerated by the delivery of carbon emissions reduction initiatives that have an ambition of reaching carbon neutrality.

Climate change remains a higher order risk for GWMWater given the likely impact on northwest Victoria under the more extreme climate scenarios.

Risk 4 - Financial Viability

GWMWater's long-term financial position continues to perform better than assumed in pricing submissions and corporate plans. The capacity to meet financial commitments remains strong albeit with a short-term decline in our credit rating as reflected in this Corporate Plan. The decline is largely the result of new borrowings to fund growth investment in rural pipelines ahead of the realisation of additional rates and charges revenue and investment in renewable energy funded from future operating expenditure savings and energy generation revenue impacting the Debt to EBITA ratio.

An uplift in interest rates has the potential to have a material impact on financial viability and customer prices. This will be closely monitored including impacts on customer affordability and collection rates.

Any requirement to augment supply because of climate risk could impact financial viability and work is being undertaken to better understand the cost of these augmentation options.

The risk rating has slightly increased due to the likelihood being elevated from rare to unlikely. This is largely due to external factors driven by increases in cost of living, cost escalation and global pressures on markets.

Risk 5 - Asset Performance

GWMWater has had a strong commitment to the delivery of rural pipeline solutions and has been discerning about asset renewal to ensure it is well targeted.

We have made a significant investment in managing redundant assets and improving our asset management capability both from a system and people perspective. Through this investment in asset management, we are improving the maturity of condition and performance data to support the development of robust asset maintenance and renewal plans.

Our urban water and wastewater asset performance relative to other water businesses would suggest that our urban infrastructure is less reliable than our peers. As a result of the changed business model from channel to pipeline, we have generally had sufficient personnel to manage the potential customer disruption. The more targeted renewal and maintenance plans will provide improvement of the overall performance of our infrastructure that will also improve customer service. During the year there has been a subtle improvement in the likelihood but a corresponding shift in the consequence of poor asset performance.

The risk of poor asset performance has been slightly escalated over the past twelve months and this is strongly influenced by completion of the capital works program.

Risk 6 - Water Security / Reliability

The low utilisation of rural water allowances is underpinning the security of the consumptive water holding. The South West Loddon Rural Water Supply and East Grampians Water Supply projects provide connections to the broader water grid.

The Board has adopted a more conservative position in relation to the release of growth water given the level of interest in rural pipeline extensions. This is also influenced by the probability of mining development in the region progressing.

By virtue of current water allocations and availability, the risk has remained stable.

Risk 7 - Maintaining a technologically advanced and secure organisation

Cyber security has posed an increasing level of risk as technology advances over time. GWMWater strives to be a technologically literate organisation and a leading digital utility for its customers. The World Economic Forum has recognised cybercrime and cyber insecurity as one of the top 10 risks to global finance and stability.

Weaving cyber security into the Strategic Risk register will address potential gaps and promote a positive culture around advancing technology and protecting GWMWater from cyber threats. The establishment of the Security Operation Centre (SOC) and the introduction of Dual Factor Authentication has further mitigated the cyber risks of GWMWater.

The initiatives of the past twelve months have maintained a steady risk rating.

Risk 8 - Reputation Management

The Communications and Engagement Strategy is a framework built to support GWMWater with the delivery of our organisational strategy and our commitment to providing vital services for thriving communities. The Strategy is formed through the strategic goals, internal consultation, customer research and stakeholder feedback. It is the mission of the Communications and Engagement Strategy to provide innovative and affordable services through partnerships with stakeholders, customers and the community.

GWMWater holds responsibility for water quality, both rural and urban water supply, wastewater management, environmental and recreational water management, customer service and emergency repairs. Each area is complex in itself and collectively they pose significant communication challenges. At a high level, this strategy endeavours to deliver three main outcomes: people will be thriving and actively engaged in enhancing our customer's experience; customer's digital communications expectations will be met and their future needs anticipated; customers and stakeholders will receive information that is relevant to them, will have a deeper understanding and value for our services and be empowered to make decisions about their water usage and services. All our activities and initiatives are supported by communication and engagement plans tailored to the

relevant audiences and adaptable if required.

To complete the Water Price Submission, GWMWater underwent strong customer and community engagement to engage on a level consistent with the expectations of the ESC under the PREMO water pricing framework. GWMWater uses the International Association for Public Participation (IAP2) model as a framework for community, customer and stakeholder engagement. The application of the IAP2 model has been successful in meeting the expectations of customers, the community and other stakeholders. Some challenges with planning and development servicing to support the Victorian Housing Strategy are an emerging issue in this area but are yet to be formally considered.

Over the past 12 months there has been no significant change to reputational risk of GWMWater.

Risk 9 - Culture

Culture is a risk that has been stable in recent years, The People Matters Survey results have not materially changed.

There has been no significant change in culture risk at GWMWater over the past twelve months.

Risk 10 - Compliance

GWMWater's culture is underpinned by a strong commitment to systems, policies and processes that ensure compliance.

Our greatest challenge in compliance is the significant suite of compliance obligations, hence this risk is rated as a high 13. Further improvement in systems and processes has made this less likely but there is also lower tolerance of non-compliance.

There has been no change in the risk rating and GWMWater continues to channel resources into meeting its compliance obligations.

3. Impact of Climate Change

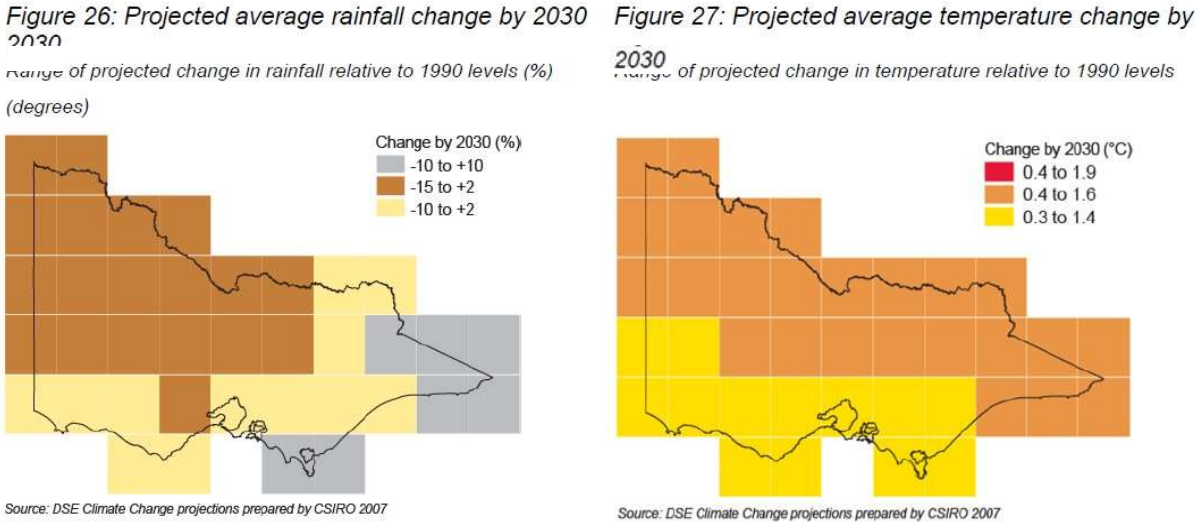
GWMWater has a significant record of achievement in responding to the challenges presented by climate change. The most notable achievements have centered on improving the efficiency of the water storage and delivery systems through the delivery of the WMP and facilitation of the sale of the irrigation water from the Wimmera Irrigation System (and associated closure of the system) to the Commonwealth Government. Modest achievements have also been made on improving our energy use by investing in solar power and energy efficiency initiatives that aim to reduce our carbon footprint.

The primary objective of the WMP was to secure the region from a water supply perspective. The water balance that formed the basis of the WMP Business Case was modelled on historic averages over a 98-year period. The Project Delivery Agreement (PDA) that formally committed GWMWater and the funding partners to the project based the principles of water sharing beyond the WMP in Schedule 4 of the PDA. The principles agreed reflect the water savings concepts developed for the Business Case and confirmed the basis of the 103,000 ML saved.

CSIRO has undertaken considerable research assessing the implications of predicted climate in various regions across Australia. The research findings for the Grampians Wimmera Mallee region are quite significant in terms of reduced water availability. The CSIRO study specifically concluded that prior to the construction of the WMP 'there is a very high level of surface water diversion in the Wimmera and large losses in the distribution system. This has caused major changes to the water regimes of the terminal lakes. Climate change is likely to result in substantial reductions to the volume of surface water available – the best estimate is that water availability will reduce by about one-fifth. This would reduce the reliability of non-urban water supply and would impact further on the terminal lakes.'

GWMWater has identified the potential impact of climate change as a business risk. These issues have implications for the broader regional economy and have been considered in the Strategic Directions. GWMWater's current course of action is actively monitoring the effects of a changing climate on our catchments and water sources in conjunction with the Bureau of Meteorology. This will ensure that future decisions and investment to respond to both observed and predicted climate change impacts are well informed.

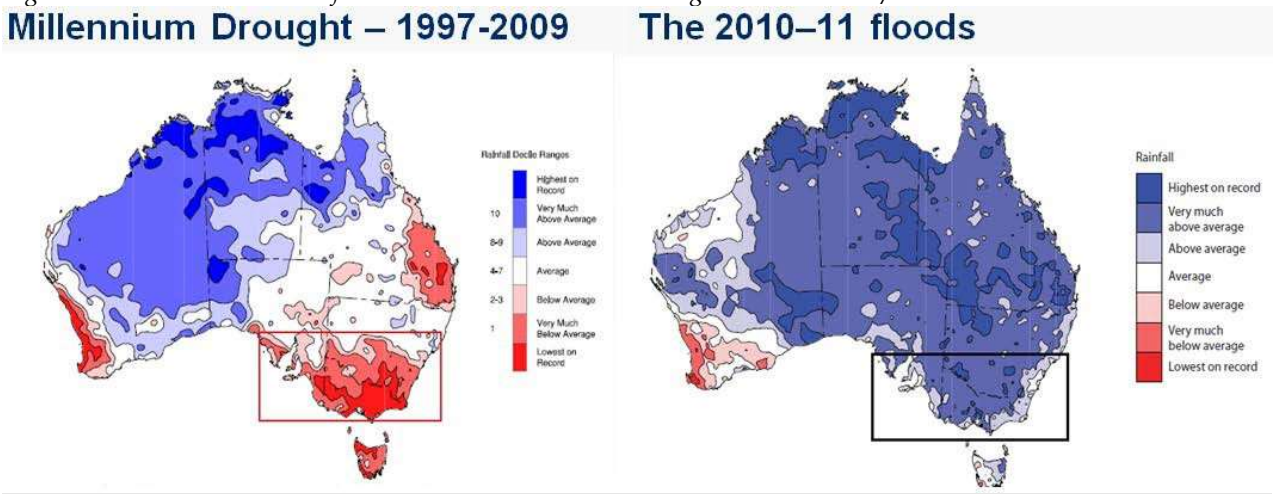
Figure 3-1 CSIRO Rainfall and Temperature Futures



The work undertaken by the CSIRO has been further considered in the 'South Eastern Australian Climate Initative - Synthesis Report'[1]. This report has provided greater focus on the weather events since the period of the millennium drought.

The following charts in Figure 3-2 highlight the rainfall data relative to long-term trends across Australia. For the Grampians catchments, rainfall during the millennium drought was the lowest on record, whilst the 2010/11 flood events occurred during a period of very much above average rainfall. Since the 2010/11 flood events we have seen a return to a primary dry cycle, similar to that experienced during the millennium drought.

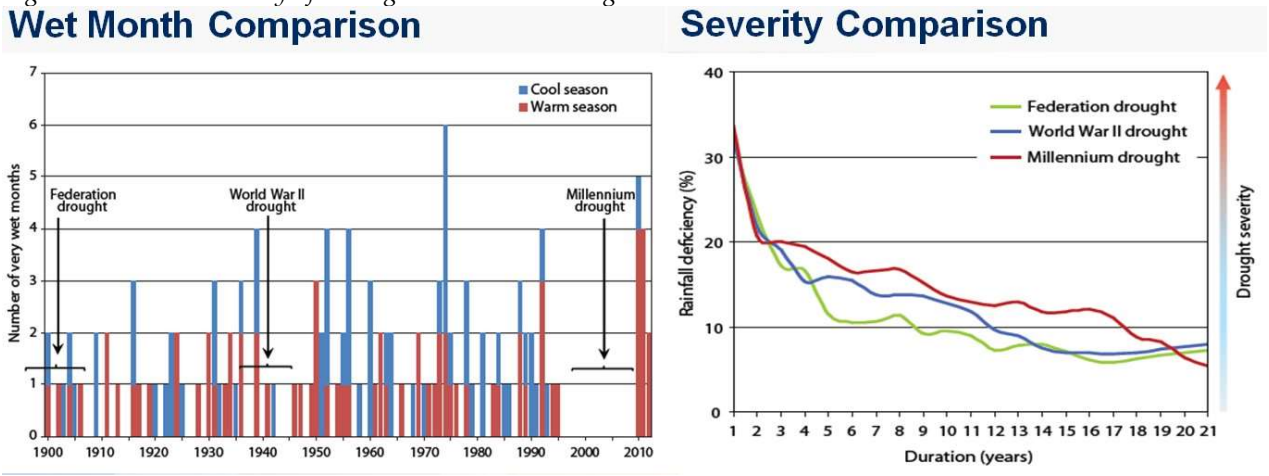
Figure 3-2 Recent Rainfall Trends – Millennium Drought and the 2010/11 Floods



[1] CSIRO (2012) Climate and water availability in south-eastern Australia: A synthesis of ~~findings from Phase 2 of the~~ South Eastern Australian Climate Initiative (SEACI), CSIRO, Australia, September 2012, 41 pp.

The below analysis conveys the severity and significance of the millennium drought relative to the Federation Drought and the World War II drought. Figure 3-3 shows that 'the Millennium drought stands out as having no very wet months for 180 consecutive months'[2]. When considered in terms of severity, the Millennium drought was the worst drought in the instrumental record for all durations between three and 19 years'[3].

Figure 3-3 Severity of Drought in known Drought Periods



The significance of all this is to better understand what climate change may mean in terms of future water availability in the region. Reduced rainfall, changes in the seasonal timing of rainfall and increased average daytime temperatures will most likely have a compounding effect on reductions in water runoff. The South East Climate Initiative has analysed the potential relationship of reduced runoff in percentage terms as well as volume for wet, median and dry climate scenarios within the Murray Darling Basin.

Figure 3-4 Projections of Future Water Availability

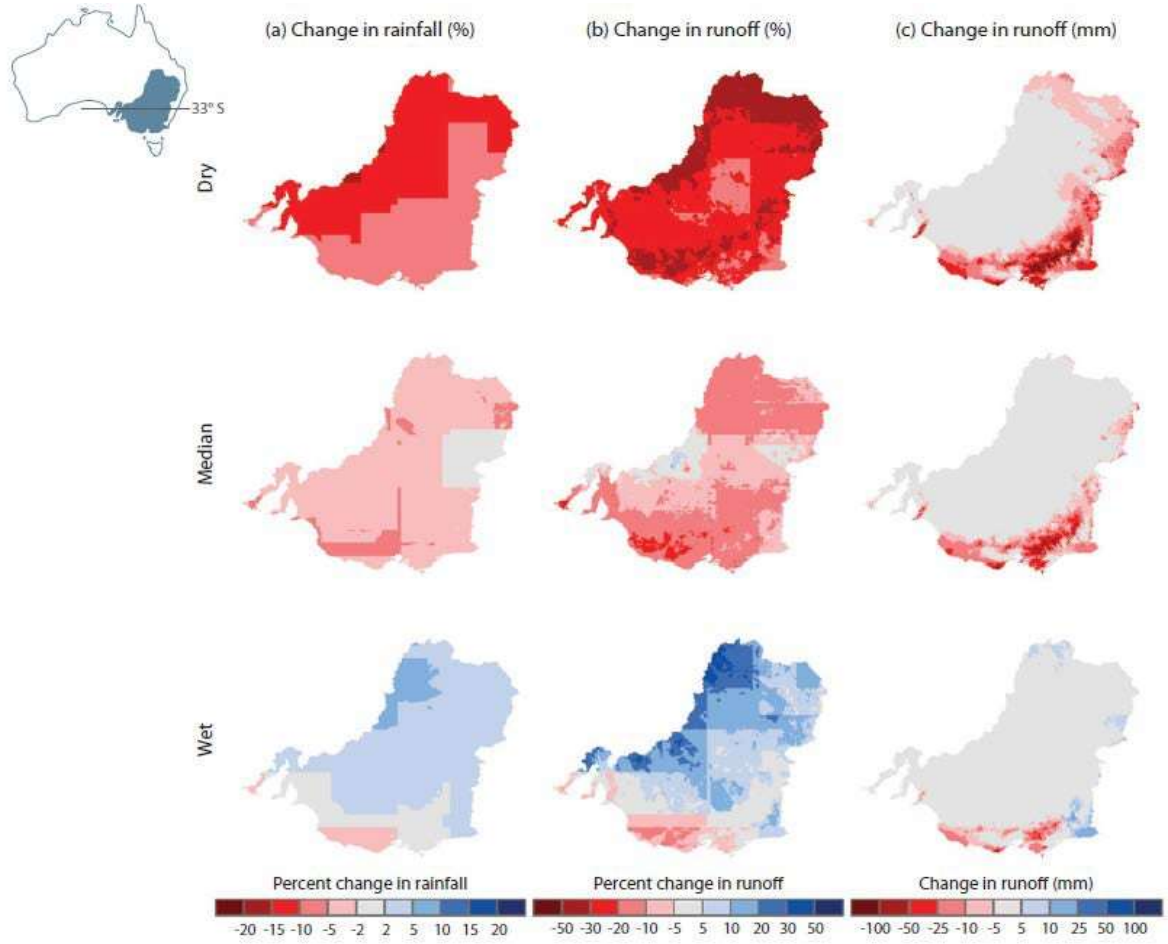


Figure 19. Projected change in (a) mean annual rainfall (percent change); (b) mean annual runoff (percent change); and (c) mean annual runoff (mm change) for a 1 °C global warming. The dry and wet estimates represent the 10th and 90th percentile of projected changes based on the outputs of 15 global climate models.

GWMWater is still very much in the early years of system operation under a pipeline delivery network. Confidence in the reliability of water supply is critical to the underlying confidence of water consumers, so understanding the potential implications of climate factors is a business imperative.

The projected implications of climate change and climate variability are key considerations which feed into a range of internal planning processes and activities. GWMWater continues to utilise the best available information on the projected impacts of climate change across Western Victoria, and in particular, projections for key water catchment areas.

4. Water Quality Improvements for Water Treatment

Investments in water quality upgrades reflect the risk to human health from different water supplies.

Towns supplied by the Murray River are most challenged by variable water quality from unprotected catchments. Upgrades to reduce microbial risks or 'health-based targets' for urban customers were completed at Ouyen and Underbool in 2023, with upgrade works to be completed at Manangatang in 2025. Planning will commence for health-based target related improvements to towns supplied by Lake Fyans including Willaura, and Ararat, Stawell, Great Western which are operated by Trility.

Drinking water quality upgrades included in the 2023 Water Price Review are progressively being delivered. Ultima was declared a drinking water supply in January 2024 with water supplied from Lower Murray Water in Swan Hill. The water treatment plant constructed to service Elmhurst was completed in December 2023 and declared a drinking water supply in November 2024. The pipeline to deliver drinking water to Kaniva from the Dimboola water treatment plant by extension of the pipeline from Nhill has been completed with upgrades to the water treatment plant, cleaning of the Kaniva reticulation network and new facility sites are expected to be completed by June 2025. The Ararat to Moyston pipeline is expected to be constructed in Spring 2025 with the town expected to be declared a drinking water supply by mid 2026. Planning to extend the drinking water pipeline supplying Sea Lake and Woomelang to Berriwillock and Culgoa is well advanced and is expected to be under construction in the second half of 2025. These towns will see a significant improvement moving from a raw water supply from the Murray River to a treated water supply from Grampians catchment.

The second stage of the 'Clean Water' project has been boosted by the announcement of Commonwealth funding towards additional treatment facilities at the Waranga Western Channel offtake to be delivered with existing commitments at Piangil and Nyah offtakes. The first stage was completed in 2023 for the Wemen Supply System with a Dissolved Air Filtration (DAF) plant installed at Ouyen to treat water supplied to both the Ouyen water treatment plant, non-potable towns and rural customers. This project, undertaken as a pilot for the broader program, cost approximately $0.8 million and was funded by GWMWater. The DAF plant has operated virtually 'trouble-free' since commissioning and successfully delivered the project outcomes. The purpose of the pilot was to demonstrate and test cost and benefit assumptions. The Post Completion Evaluation demonstrated significant benefits and, over the long term, in combination with further stages, will provide a more resilient water grid. Providing cleaner water from the Piangil, Nyah and Waranga systems will allow greater flexibility in sourcing supply, significantly enhance the regions resilience to drought, provide consistent quality to customers, and reduce overall energy consumption.

The final stage of fluoridation improvement works and upgrade of the water treatment process at the Mt Zero which supplies Horsham and Natimuk are planned to be completed by the end of 2024/25 with construction of Clear Water Storage planned in 2025/26.

5. Planning for Future Growth

GWMWater has adopted the growth projection in the context of the latest available 'Victoria In Future' estimates provided by the Victorian Government and basis of its 2023 GWMWater Price Submission planning assumptions for this Corporate Plan.

Horsham, Stawell and Ararat are assumed to grow by 1% per annum, all other areas are projected to remain stable. A study coordinated by Wimmera Southern Mallee Development has highlighted a significant housing shortage in the region. Ararat Rural City Council and Northern Grampians Shire (Stawell) in particular have identified opportunities to advance larger developments to facilitate growth. These towns have become popular destinations due to their proximity to Melbourne and access to rail as a means of transport combined with reasonable social amenity.

All water treatment facilities are considered to have sufficient capacity to meet present and future scenarios over the planning period. This includes any potential growth opportunities created by the additional water savings generated by the WMP. In the case of Ararat, Stawell, Halls Gap, Pomonal and Great Western, this risk is covered as the private sector service provider, Trility, has assumed the full demand risk.

The WMP was aimed at providing additional water to stimulate growth in the region. In its construction, GWMWater has optimised the capacity of the pumps and storage facilities to meet initial demands. Over the past 12 months, the likelihood of minerals sands developments in the region progressing to production has increased significantly and this is putting pressure on the ability of growth water to accommodate further growth in the region.

GWMWater is currently seeking funding to complete GWMWater Infrastructure Strategic Plan (2025–2045) to build a clear, investment-ready case for GWMWater's future infrastructure direction under a dry climate outlook. The focus is on rural system sustainability, headworks efficiency, emerging pressures such as mineral sands mining and changing inflow dynamics.

This strategy will support cross-functional planning, guide strategic investment decisions, and build a common internal understanding of future infrastructure pathways to ensure the region's water services remain secure, sustainable, and adaptive.

By clearly outlining GWMWater's future infrastructure direction, this strategy strengthens the organisation's ability to pursue funding partnerships and confidently advocate its role as a delivery agent for regionally significant projects – including pipelines, headworks upgrades, and strategic system interconnections.

The strategy will help inform key external partners including DEECA and the Australian Government's Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA), which oversees the National Water Grid Authority of GWMWater's regional infrastructure needs, priorities, and capabilities.

The ESC advocated a principle-based approach to New Customer Contributions (NCCs) in the 2013 Water Price Review. Under the principles-based approach, the reference charge for NCCs is zero and any charge needs to be able to demonstrate the incremental cost of servicing a new customer or development.

The Letter of Expectations acknowledged the significant role that the water sector will play in the delivery of Vitoria's housing statement. GWMWater is already playing a significant role in Ararat where GWMWater has worked closely with Ararat Rural City Council and a developer to 'unlock' an area east of Ararat to the provision of wastewater services.

6. Letter of Expectations (2024/25)

The 2024/25 Letter of Expectations (LoE) was used to support the development of the Corporate Plan. The commentary that follows outlines achievements to date and expands on initiatives being undertaken that will allow GWMWater to meet these expectations.

The water industry, in conjunction with DEECA, has developed a range of quantitative and qualitative measures that align to the specific expectations and GWMWater performance is embedded in this section.

6.1. Climate Change and Energy (LOE1)

GWMWater recognises the extent of climate change in North-West Victoria as the most challenged part of Victoria under all climate scenarios. GWMWater will address these climate issues from both a resource availability and mitigation perspective.

6.1.1. Climate Change – Water Resource Assessments

As outlined in Section 3, GWMWater has been active in planning for climate-related issues since the onset of the millennium drought. Not necessarily identified at the time as an initiative in response to climate change, the Wimmera Mallee Pipeline was an initiative that was aimed at creating new water from water savings from the open channel network. During the millennium drought there was also significant investment in recycled water schemes that recognised the value of recycled water as an integral part of the integrated water cycle management framework. As a result of the initiatives undertaken, GWMWater has much of its recycled water to off-site beneficial reuse schemes.

The millennium drought also challenged the Wimmera Irrigation System (WIS). After a decade of receiving zero water allocation, Wimmera irrigators banded together to form the Wimmera Irrigators Association (WIA) to progress an Irrigator Led Group Proposal (ILGP). The ILGP was supported by the Victorian and Commonwealth Government with the 28 GL of low-reliability water (23 GL on average) being acquired by the Commonwealth. This sale closed the gap on the Murray Darling Basin cap for the Wimmera Avoca system Sustainable Diversion Limits (SDL) as identified in the Murray Darling Basin Plan.

Following GWMWater's work with DEECA through 2017/18, Water Resource Plans for Wimmera-Mallee surface water and groundwater were submitted by DEECA to the Murray Darling Basin Authority (MDBA) for assessment in July 2018. The Water Resource Plans were published on the MDBA website in March 2019 and was accredited by the Australian Government minister as being consistent with the Basin Plan on 24 September 2019.

GWMWater continues to develop and refine models that assess the performance of the headworks and water delivery system in the region under different climate scenarios. The 2022-2027 Urban and Rural Water Supply Strategy identified potential challenges in meeting the supply demand balance in the medium to long term under certain scenarios. The 2023 GWMWater Price Submission set aside $1 million for studies to augment supply in the event that the high demand and extreme climate scenarios materialise. These augmentation opportunities include but are not limitied to

- Subject to understanding the capacity of the aquifer, formally incorporating the Laharum bore field as a water source.
- Reassessing the opportunity to realise water savings from the transfer of water from Rocklands to Taylors Lake.
- Assessing the potential to realise water savings from the piping of the Mount Zero channel.
- Better understanding the capacity of the aquifer in and around the foot of the Grampians as a potential water source.
- Enhancing the connection with the Waranga Channel through the Southwest Loddon pipeline.
- Further development of opportunities under the guise of Integrated Water Cycle Management.

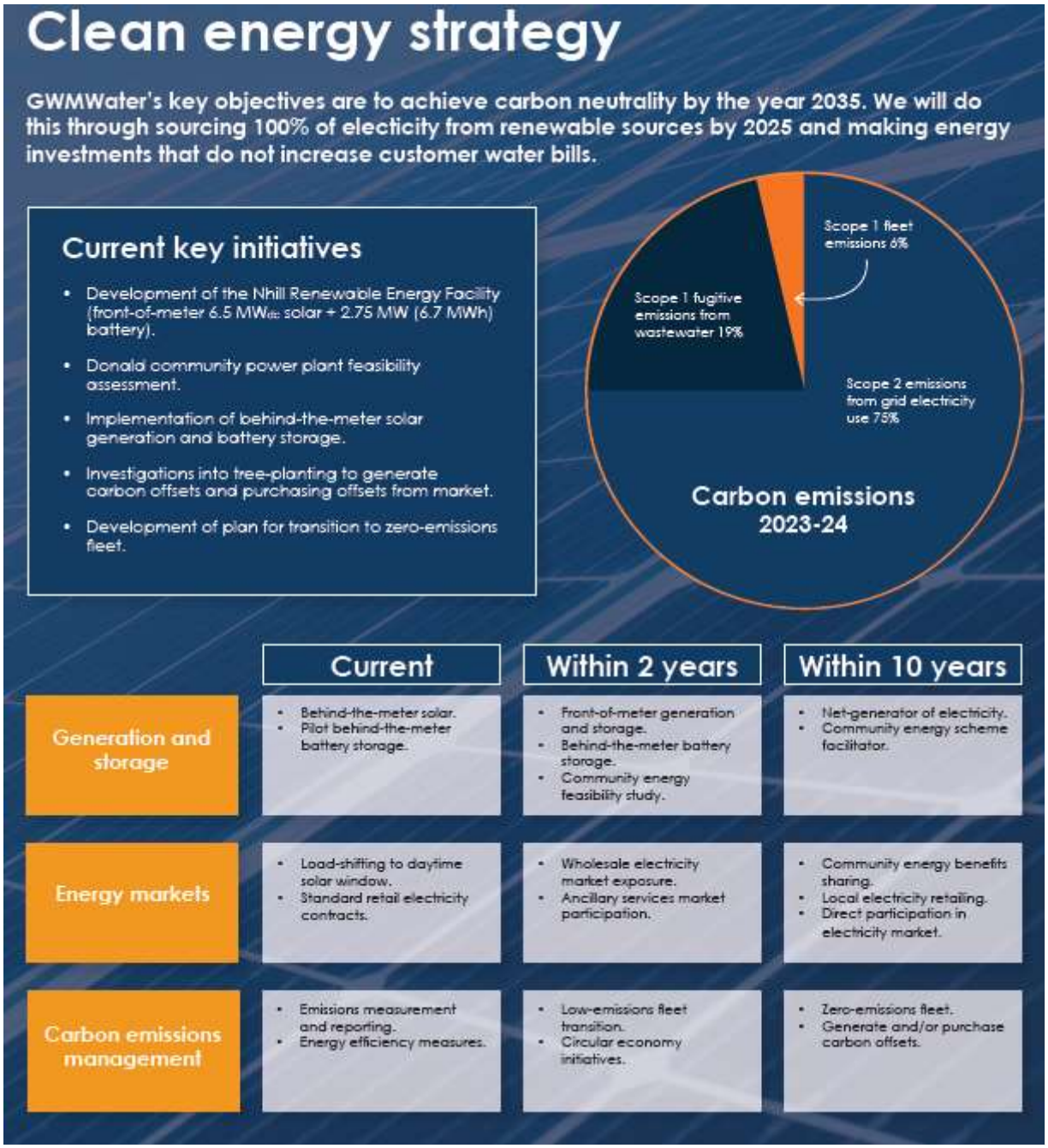
The potential to embrace further Integrated Water Cycle Management opportunities has been acknowledged. Many opportunities have been identified through the Wimmera Mallee integrated water forums. These are outlined in more detail in the Resilient and Liveable Cities and Towns in Section 6.5.

6.1.2. Climate Change – Climate Mitigation Initiatives

The initial pledge to reduce carbon by 19% by 2025 as represented in the 2018 Water Price Review was achieved. The expectation of the sector was reset by the Statement of Obligations (emissions reduction) in 2023. The updated SoO (emission reduction) requires water businesses to have all energy sourced from renewable sources by 2025 and be carbon neutral by 2030. With the completion of the Nhill Solar Farm, GWMWater will have all its energy sourced from renewable sources from 1 July 2025.

The GWMWater Clean Energy Strategy will guide any further investments in renewable energy over time and an overview of the Clean Energy Strategy is provided in Figure 6-1 below.

Figure 6-1 GWMWater Clean Energy Strategy on a Page



The Clean Energy Strategy identifies opportunities to deliver on and better the pledge. The strategy reflects the Board's aspiration of being a net generator of renwable energy and explores other opportunities for GWMWater if/when it has renewable energy generating capability that exceeds its own energy needs.

GWMWater will be building on the techno-economic study undertaken by C4Net and Powercor that explored the potential of 'islanding' the industrial estate in Donald as a microgrid to explore the potential to develop a community energy scheme in Donald. Using the $400,000 funding received from DEECA for a neighborhood battery, we will develop a concept that will be broadened to an ARENA grant application to develop a

microgrid for Donald. This will help inform the opportunity identified by GWMWater to play a more substantial role in facilitating community energy schemes across the region.

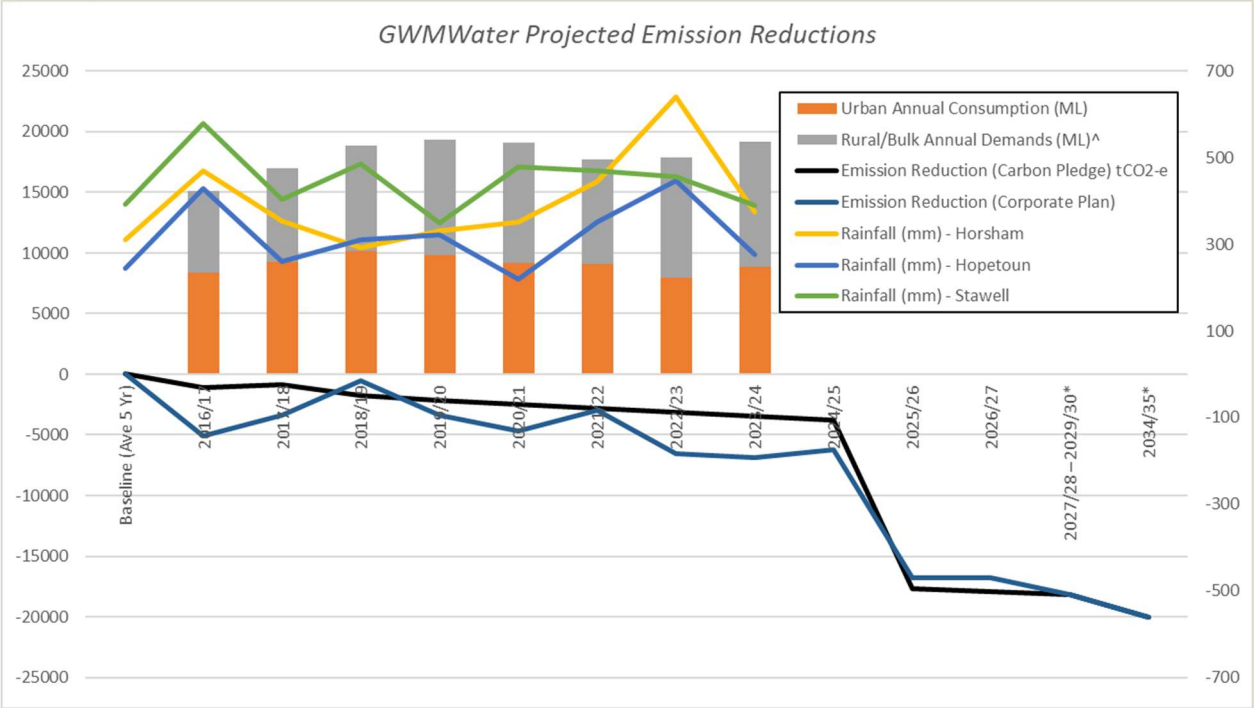
The estimated reduction in emissions for the period to 2025 is summarised in Table 6-1 below.

Table 6-1 GWMWater Estimated Emission Reductions

Year	Baseline (Ave 5 Yr)	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 – 2029/30*	2034/35*
Emission Reduction (Carbon Pledge) tCO2-e	20,017	1,064	881	1,716	2,136	2,468	2,834	3,157	3,459	3,773	17,673	17,907	18,142	20,017
		5%	4%	9%	11%	12%	14%	16%	17%	19%	88%	89%	91%	100%
Emission Reduction (Corporate Plan) tCO2-e		5,072	3,382	492.20	3,382	4,656	2,952	6,508	6,853	6,245	16,807	16,807	18,142	20,017
		25%	17%	2%	17%	23%	15%	33%	34%	31%	84%	84%	91%	100%
		Actual	*Actual*	*Actual*	*Actual*	*Actual*	*Actual*	*Actual*	*Actual*	*Forecast*				
Rainfall (mm)														
Rainfall (mm) - Horsham	311	469.6	354.2	291.6	332.2	351.2	445.4	640	373.4					
Rainfall (mm) - Hopetoun	245.7	430	260.6	311	322.2	220.2	350.8	447.8	277.4					
Rainfall (mm) - Stawell	392.1	578.2	404	485.2	348.6	479.6	469.6	457.4	389.2					
Urban Annual Consumption (ML)		8,359.60	9,296.00	10,138.80	9,806.20	9,211.60	9,091.79	7,968.67	8,876.60					
		Actual	*Actual*	*Actual*	*Actual*	*Actual*	*Actual*	*Actual*	*Actual*					
Rural/Bulk Annual Demands (ML)^		6,777.30	7,693.30	8,729.40	9,552.50	9,879.40	8,656.43	9,879.44	10,287.74					
		Actual	*Actual*	*Actual*	*Actual*	*Actual*	*Actual*	*Actual*	*Actual*					

* Statement of Obligations (Emissions Reduction).
# Source: GWMWater Annual Report 2023/24, page 57 – Average calculated between years 1 July 2018 and 30 June 2023
^ Source: Business Performance Report data TechnologyOne – KPI265 plus KPI266

Figure 6-2 GWMWater Estimated Emission Reductions



At a regional level, GWMWater has been working with DEECA Grampians region to develop climate action plans. We have contributed to the Grampians Roadmap to Zero developed by GNET within the Grampians region of DEECA.

6.2. Customer, Community and Engagement (LOE2)

The GWMWater values, known as COATED, further reinforce our commitment to customers. The 'C' in COATED represents customer and in this context expects staff to behave in a manner consistent with putting the customer at the forefront of our decision-making. In doing so, the values reinforce that '*We will promote a culture that respects the views of our customers and our people with a can-do approach*'.

GWMWater has updated its Communications and Engagement Strategy which was originally developed in 2013, refreshed in 2017 and 2019 and will be reviewed again 2024/25. A key driver in the revised strategy is to redefine its digital interface with stakeholders. The Customer Portal has transformed our relationship with our customers by providing access to 'pseudo' real-time information about their water consumption. The whole philosophy is to better inform customers and stakeholders about our service offer and give customers more choice about how and when they interact with us. The framework for the Communications and Engagement Strategy is outlined in Section 1.6.

For the 2023-2028 Water Price Review, GWMWater formed a Community Panel to help guide the Board on the development of the Price Submission. The Community Panel was made up of customers and had an independent Chair and considered issues that related to service and extensions of service to communities serviced by GWMWater. The Community Panel challenged GWMWater to demonstrate the value of services provided with a strong lens over customer affordability. The Panel strongly supported an uplift in service as it applies to pressure from 10 litres per minute to 20 litres per minute. A

secondary process with industrial customers supported a more targeted program of pressure in industrial estates to mitigate the possibility of requiring the need to install tanks to meet the firefighting requirements of the Building Code. The Community Panel also supported the extension of the Guaranteed Service Level (GSL) Scheme offered in the Water Price Submission. The hybrid engagement model that combined face to face with digital engagement that was used by GWMWater to support the development of the 2023-2028 Water Price Submission was recognised with GWMWater being selected as a finalist for the 2024 OzWater AWA/WSAA Customer Experience Awards.

GWMWater maintained its other consultative and engagement forums that are either ongoing or formed from time to time. The principal forum for engagement is the biannual Customer and Stakeholder Engagement Workshop.

Other engagements include the Wimmera Glenelg Bulk Entitlement Storage Manager Reference Group and the Recreation Water Users Group. We also have special purpose Project Steering Committees and consultative forums for major projects such as the East Grampians Water Supply, West Grampians Rural Water Supply projects, and the Horsham Smart Farm.

Under the ESC PREMO model that underpinned the preparation of the 2023 Water Price Submission, GWMWater assessed itself as leading in Engagement under PR**E**MO. This assessment was supported by the ESC in its Draft and Final Determination of the 2023-2028 GWMWater Water Price Submission.

A more detailed description of the GWMWater engagement model is outlined in Section 1.6.

6.2.1. Customer Satisfaction Urban Customers

The overall level of satisfaction of customers is outlined in Section 1.3.6.

GWMWater actively monitors its performance as reported by the ESC the quarterly community perception survey as well as undertaking its own customer survey biannually. Negative perceptions of GWMWater have a strong correlation to low water levels in headworks storages because of low rainfall and environmental watering commitments on the headworks system. This diminishes the recreational amenity that the community places significant value upon at headworks with Lake Lonsdale featuring prominently in this debate.

GWMWater believes that in periods of higher rainfall community perception will be more focused on its performance in providing water and wastewater services that its broader role in facilitating access to recreation at headworks storages.

6.2.2. Customer Satisfaction Rural Customers

The level of rural customer satisfaction is also reflected in GWMWater's own customer survey according to the service being provided. The ESC does not specifically measure the level of rural satisfaction but as the robosurvey does not attempt to differentiate

urban and rural customers, rural landowners are generally reflected in the survey result.

6.2.3. Bills and Support

In the past twelve months GWMWater has delivered e-billing and associated e-payment options to enhance customer experience.

This enhanced service offer has been welcomed by the community and provides a more seamless customer experience than previous offerings. Support is also provided in offering flexible payment options, hardship relief and access to utility relief grants.

6.2.4. Customer Portal

The GWMWater Customer Portal has been available to rural domestic and stock customers since 2016 and it provides an enabling framework for rural customers to manage their tradable water allowances.

Following the roll out of the urban remote metering project urban customers are now also more empowered to better understand water use. Background tracing of consistent low water use is being used to advise customers of the potential leaks beyond the customer meter.

The portal will also be made available to groundwater customers as remote reading devices are installed on groundwater meters. Where appropriate, this will also be extended to meters that regulate unregulated surface water diversions.

6.2.5. Delivering Value Through Prices

As GWMWater transitioned from the period of Water Plan 4 to Water Plan 5 in 2023, we delivered a price benefit of 7% real to all urban and rural customers of GWMWater. These prices are to be held constant in real terms across the regulatory period and the only increases will be linked to towns that will benefit from water quality service upgrades.

6.2.6. Customer Protection and Prevention of Harm from Family Violence

Our Family Violence Policy provides the framework which informs our decisions and the actions taken in supporting customers and employees experiencing family violence. It also provides information on the assistance that is available to those who are affected.

We remain committed to supporting all customers experiencing hardship and have set targets for ensuring improved performance in all metrics used by the Essential Services Commission as well as committing additional resource to supporting customers experiencing hardship.

Systems have been reviewed to manage communication to customers known to be at risk.

Guided by the framework of the Victorian Protective Data Security Framework (VPDSF) GWMWater preserves the privacy of its information as well as that of customers and stakeholders who entrust us with their data.

6.3. Recognise Aboriginal Values (LOE 3)

By virtue of our significant footprint in Western Victoria, GWMWater interacts with many traditional owner groups.

An integral part of the many projects we are progressing is the objective of restoring the health of waterways. The Northern Mallee and Wimmera Mallee pipelines have restored health to the Wimmera, Glenelg and Richardson Rivers and their tributaries. By virtue of the water savings that have been returned to the environment, there has been significant opportunity to work with Catchment Management Authorities (CMAs) and the Victorian Environmental Water Holder to operate the water system and deliver environmental watering programs also achieving first nations watering objectives of delivering multiple benefits. Both Glenelg Hopkins and Wimmera Catchment Management Authorities are working with traditional owner groups to establish watering programs that are complementary to indigenous watering objectives and GWMWater is working cooperatively to ensure that the system is operated to meet first nations watering objectives.

The South West Loddon and the East Grampians Rural pipelines are expected to improve the environmental health of waterways by avoiding the need for any local harvesting. In the case of the South West Loddon Pipeline, this is expected to improve the natural flows into the Loddon and Avoca rivers, whilst the East Grampians Rural Pipeline is expected to improve the Hopkins River and Fiery Creek.

GWMWater has had a significant record of achievement of first nations engagement and associated employment on the Wimmera Mallee Pipeline. At the start of construction, a trust was established that recognised the role of first nations communities supporting the pipeline with Barengi Gadjin Land Council. During the project, monitors were employed by GWMWater that were assigned to contractor construction gangs with a view of tracking sites identified as culturally significant in accordance with the Cultural Heritage Management Plan.

For the South West Loddon project, GWMWater and Dja Dja Wurrung entered into a Memorandum of Understanding (MOU) that was symbolically signed at a smoking ceremony at the Korong Vale site and witnessed by the Minister for Water. The MOU outlines the mutual commitment of the parties to facilitate where possible, maximum involvement of Dja Dja Wurrung in the delivery of the project and to the extent there was any discovery of first nations occupation, that it was appropriately recorded.

The relationship with Dja Dja Wurrung that had its origins in the MOU signed in September 2016 was formally recognised in October 2018 when GWMWater and Dja Dja Wurrung won the Environmental Justice category of the 2018 Premier's Sustainability Awards. Field monitors have been employed on the project to support the conduct of

cultural surveys. Discovery through these studies have been documented to better inform the history of first nations occupation in the South West Loddon area.

GWMWater funded a first nations watering study as part of the South West Loddon Project. The interim findings of the study were presented to a Project Steering Committee in December 2017. GWMWater has initiated dialogue with Dja Dja Wurrung in relation to the cultural watering opportunities identified during the South West Loddon project. This dialogue with Dja Dja Wurrung extends to the potential of accessing some of the orphaned water associated with the Teddington Reservoir into a water solution for first nations watering.

GWMWater continues to engage with first nations groups as part of its 'business as usual' model but also as part of the delivery of major projects across the region. In addition to this, GWMWater also works closely with Catchment Management Authorities to assist with the development and delivery of environmental watering plans that also meet traditional owner watering objectives. A significant opportunity presently being investigated in conjunction with the Wimmera CMA and Barengi Gadjin Land Council, is the possible as a renewable energy and carbon farm that also achieves some watering outcomes for traditional owners.

Over the past four years, considerable engagement has been undertaken with First People State Relations and the traditional owner groups within the footprint of the East Grampians Project. The three traditional owner groups of Barengi Gadjin Land Council, Eastern Maar Aboriginal Corporation and Wadawurrung Traditional Owners Aboriginal Corporation have been collaborating with the Dunstans Consortia and GWMWater in the development of cultural heritage management plans to guide the construction of the East Grampians pipeline.

GWMWater in conjunction with Wannon Water and Barwon Water has entered a five-year agreement with Eastern Maar to facilitate capacity building. We will be looking to replicate this across all traditional owner groups that GWMWater interface with across our service area.

A traditional owner delegate has been appointed to the GWMWater Board with Ron Marks commencing in July 2024. This is being progressed collaboratively with the Wimmera Catchment Management Authority.

Purchasing policies have been updated to enhance the potential for first nations groups to be engaged for delivery of services and improve social procurement outcomes.

6.4. Recognise Recreational Values (LOE4)

GWMWater has a strong commitment to recreational water objectives with many of the initiatives of GWMWater already featured in Chapter 7 of Water for Victoria.

The value of recreational water from a socio-economic perspective has been the subject of a longitudinal study being undertaken by Wimmera Development Association (WDA) on behalf of the Wimmera CMA, GWMWater and the municipalities of West Wimmera,

Hindmarsh, Horsham, Yarriambiack, Northern Grampians and Buloke. The study is all-encompassing and includes recreation benefits being met through environmental watering programs, access to recreation at GWMWater headworks, the amenity provided from pipeline supplied recreation lakes and from recreation at unregulated water sources.

The preservation and enhancement of recreational opportunities was a key expectation of the community when it committed to the pipelining projects of the Wimmera Mallee system. This expectation of recreation water arose from the loss of open water from rural landowners that were part of the Wimmera Mallee Channel System. The Wimmera Mallee community maintains that the reliability of recreation water provided from pipelining falls short of the 'social contract' entered into when the region committed to the objectives of the interim business case.

GWMWater has supported the development of a recreation lake in the northern Mallee and was successful in gaining support for the conversion of the abandoned urban storages to a recreation lake in Ouyen in lieu of the loss of Lake Walpeup when the Northern Mallee pipeline was completed. GWMWater has completed the construction of Ouyen Lake. An initial fill for a deeper section that was part of the old storage was undertaken in the lead up to summer. The deep section was incorporated into the design to provide an aquatic refuge in the event of dry times. The filling of Ouyen Lake was completed in September 2018 and there was a celebratory event held in October 2018. In February 2021, the Mildura City Council was successful with its nomination of the Ouyen Lake project for the Victorian LGPro awards.

GWMWater delivered a project for the Sea Lake community/Buloke Shire to address the permeability issues of Green Lake and improve its water holding capability. The project was completed in September 2018 and a community celebration with the Minister for Water in attendance was held in October 2018.

Lake Lascelles in Hopetoun has also been improved with the recent completion of a fish hatchery in an adjacent old urban water storage, now called Willow Lake, adjacent to Lake Lascelles which was funded by the Victorian Fishing Authority at Hopetoun.

GWMWater worked with the communities of Yaapeet and Rainbow to develop recreation water opportunities at the old urban storages that were part of the Wimmera Mallee channel system. Funding was received from Victorian Fishing Authority to reform the old storages into recreation lakes that will provide passive recreational amenity to the local communities. The Yaapeet Rainbow Lake have been completed in recent times as an opportunity for passive recreation on our most western flank. We have been working with Gannawarra Shire to develop the supply to the Quambatook Weir Pool that was funded in 2021/22.

Donald and Jeparit weir pools are projects that may not necessarily be considered recreation projects but projects that also promote resilient and liveable cities and towns. The Jeparit Weir Pool project is as much aimed at sustaining the environmental values at the end reaches of the Wimmera River. The Wimmera River has cultural significance that

was formally recognised in 2005 when it was granted a native title claim. The Wimmera River between Polkemmet (10km north-west of Horsham) and Wirrengren Plain has been proclaimed a Victorian Heritage River due to its significant environmental and social values (Heritage Rivers Act 1992). The Donald Weir Pool has been promoted primarily for the aesthetic amenity it provides to the town.

Management Plans have been developed for most GWMWater headworks storages. These management plans are developed in a manner consistent with the recreational objectives of the community, with local government also being a key stakeholder in the development of these plans.

GWMWater is liaising with the Victorian Environmental Water Holder to have the environmental value of weir pools recognised from an environmental watering perspective in the context of the shared benefits policy objective of Water for Victoria. Other weir pools in the region include the Jeparit Weir Pool. The possibility of a weir pool at Harrow has also been identified in the context of the West Grampians Rural Pipeline Study.

GWMWater has continued to work on the development of a Management Plan for Rocklands Reservoir. At the start of the 2017/18 summer, a lease to reopen the Rocklands Caravan Park was issued. GWMWater has also been working with Fisheries Victoria to enhance Rocklands status as a fishery with a stocking program to match.

GWMWater has continued to explore options to enhance the role of Toolondo as a water storage and in doing so, provide greater certainty to its ongoing future as a premier trout fishery. The Rockland Taylors Lake Study identified a number of technical options but these require further evaluation and investigation.

To support the new recreation by-law, GWMWater has also extended the role of the Ranger to better regulate recreational activities at the more popular lakes. The level of oversight of recreation and camping at Lake Fyans, Lonsdale and Taylors have all been increased to ensure the interest of all users of these facilities are enhanced.

The most significant issue consistently raised by the Regional Recreation Water User Group relates to the low reliability of the recreation water product. In planning for the Wimmera Mallee Pipeline, representation was made by the Victorian government that recreation water created from pipeline savings would have the same reliability as other water products. This has been registered many times and is one of the most significant issues raised by the community. Whilst GWMWater has excess water holdings, the GWMWater Board has committed to underwriting the security of the recreation water entitlement and provided temporary transfers of between 2,000 ML and 2,700 ML to the recreation water account in 2016/17 and in each year between 2018/19 and 2020/21.

In March 2025, Gannawarra Shire received landowner consent from DEECA to commence its project to have supplementary water delivered to the Avoca River Weir Pool in Quambatook. GWMWater will be working with the Gannawarra Shire to deliver the infrastructure to support the provision of supplementary water for recreation and

environmental amenity.

GWMWater pricing policies have been the subject of considerable consultation with the community. The current policies specific to recreation water were one of the central themes of the 2013 Water Price Review. Since handing down its determination for the 2013 Water Price Review, the ESC has consistently cited the development of recreation water policies by GWMWater as a good model for community engagement on water pricing issues.

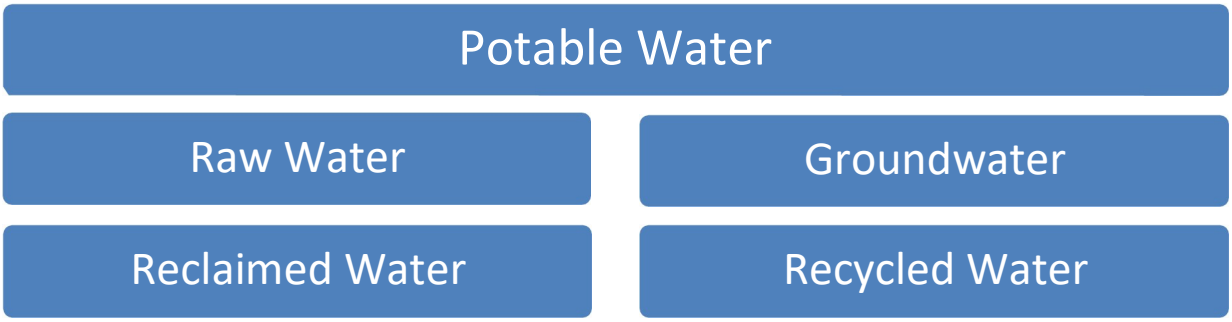
6.5. Resilient and Liveable Cities and Towns (LOE5)

By virtue of the Wimmera Mallee water system being capped prior to the commencement of piping the channel network, many investments were made that fit under the umbrella of Integrated Water Cycle Management (IWCM).

GWMWater has 100 percent of wastewater committed to recycled water schemes and the majority of this is to 'off-site' beneficial reuse schemes. These schemes are either committed to viticulture or the irrigation of sporting facilities such as racecourses, golf courses and sporting fields.

The advent of the pipeline has been able to enhance the application of integrated water cycle management into a hierarchy of water products.

Table 6-2 Hierarchy of water products



This has been progressed under the guise of 'fit for purpose' with a complementary pricing structure.

A significant driver for communities since the completion of the Wimmera Mallee Pipeline has been the provision of aesthetic water or water that can be provided for passive recreation. Projects such as the Donald Weir Pool significantly fit within the criteria of resilient liveable cities and towns. The aesthetic appeal of water in an area that has a harsh, dry climate provides significant refuge for communities as a place to congregate. This extends to the watering of 'green' communal areas that also serve as meeting places.

In the case of the Wimmera Mallee, IWCM is a bit broader and is fundamentally about a resilient and liveable region. This liveability has been enhanced by the:

- 'portfolio' of recreation lakes across the region,
- improved natural environment of the rivers, and
- enhanced amenity of recreation facilities at GWMWater headworks.

When this is considered in the context of the improved quality and security, the liveability of the region has been significantly enhanced.

GWMWater continues to explore options that are 'fit for purpose' in accordance with the hierarchy of water products. This is the centerpiece of GWMWater's Integrated Water Cycle Management Strategy. Wherever possible, potable water supplied to green areas and precincts are identified to receive substitute water products that are more 'fit for purpose'.

In June 2018, GWMWater dedicated its biannual Customer and Stakeholder Forum to engage with the region on opportunities for Integrated Water Cycle Management. Local government and the Catchment Management Authorities were well represented as key stakeholders at the Customer and Stakeholder Forum. The output from the forum was a reaffirmation of what Integrated Water Cycle Management meant in the Wimmera Mallee region including the identification of a number of projects that could be advanced.

GWMWater and the CMAs are working with DEECA to apply a more structured framework for Integrated Water Cycle Management in the Grampians Wimmera Mallee region. In the context of the Integrated Water Cycle Management model, a number of projects have been identified that will deliver outcomes that will further enhance liveability.

The Horsham Smart Farm project was secured as a joint initiative involving Agriculture Victoria, Horsham Rural City Council, Wimmera CMA and GWMWater. The project will secure water that meets the quality requirements for agricultural research and enhance the quality for applications in watering green spaces in and around Horsham.

GWMWater's ability to better identify customers potentially experience hardship has been enhanced. This starts at the front end with improved ability to monitor and manage water use by implementation of the customer portal as part of the Urban Remote Metering Project. The Urban Remote Metering Project has also provided an opportunity to review processes associated with monitoring customer payment delinquency and initiate proactive measures for at-risk customers to be supported.

6.5.1. Housing Statement

GWMWater is one of three water businesses working with DEECA to develop a framework to assist in monitoring water sector performance in activities it performs that are associated with planning for and delivering new housing developments.

GWMWater has already initiated measures to improve the level of understanding of water business requirements for new developments. This is being supported by an

engagement program with the local government and other stakeholders associated with housing development in our region.

6.6. Leadership, Diversity and Culture (LOE6)

GWMWater recognises the benefits of a gender and culturally diverse workforce and is committed to the attainment of even greater diversity in its workforce.

GWMWater has had a long history of involvement in the Victorian Public Sector Commission (VPSC) People Matters Survey and is strongly committed to public sector and water industry benchmarking. We remain committed to participating in all relevant surveys that will provide good insight into our performance relative to our peers.

GWMWater is committed to undertaking a review of Board Performance annually and considers this to be best practice. The scope and breadth is to be determined annually relative to the maturity of the Board in its evolution. For the past three years, the Board has used a questionnaire-based assessment tool that has been externally facilitated. Significant improvement has been achieved over the past two years.

The Board is committed to the health and safety of its people and has adopted a zero risk tolerance position that is reflected in a zero harm objective. Occupational health and safety policies and procedures reflect the attainment of this objective.

Diversity beyond the executive continues to be challenging although there has been a general shift in diversity according to the latest VPSC workforce statistics report.

Table 6-3 Gender Diversity at GWMWater (FTE)

	2014	2016	2018	2020	2021	2022	2023	2024
Male	135	129	141	128	120	133	131	136
Female	49	47	55	53	56	56	58	65
% Female	26.8%	26.7%	28.0%	29.2%	31.8%	26.8%	30.7%	32.3%

GWMWater finalised the Gender Equality Action Plan in 2021/22 and is moving forward with initiatives to improve female participation and remuneration outcomes. In 2021, GWMWater had two participants in the Compass Visionary Leadership for Women Program. In 2022/23, we had a participant in the Insight Executive Leadership for Women in Water program.

In February 2023, GWMWater hosted a visit from Nikki Vincent, Gender Equity Commissioner as part of a visit to the Wimmera. Commissioner Vincent addressed approximately 40 staff members at a morning tea outlining her role in progressing the interests of women in the workforce.

We have started to breakthrough in what has been the toughest area to attract females in Service Delivery. We now have six members in the Service Delivery outdoor workforce who are female and we are looking to build on this level of representation.

GWMWater is adopting a model of engaging with traditional owner groups to access first nations officers on a range of functions that would be employed at GWMWater. This will enable activities to be coordinated in a way that is tailored to the nuances of the respective Registered Aboriginal Parties that GWMWater interact with.

Our diversity is also expanding from a multicultural perspective with an increasing number of employees being from non anglo saxon backgrounds.

6.7. Performance and Financial Management (LOE7)

GWMWater is strongly committed to the objective of improved financial sustainability.

The appropriate benchmarks for financial sustainability were the subject of detailed negotiation and agreement when the funding models for the Wimmera Mallee Pipeline were put in place in 2008. The Wimmera Mallee Pipeline Business Case was pervasive in its impact across the business. The impact of the project as well as other significant projects such as water quality and wastewater upgrades were assessed in the context of GWMWater's capacity to fund, relative to government funding contributions and price increases to be passed through to customers. This was part of an affordability study that became the basis of the 2008-2013 Water Price Submission.

The Affordability Study acknowledged that, in the immediate period following the construction of the Wimmera Mallee Pipeline, it would be operating with increased financial vulnerability. Financial sustainability has progressively improved as the benefits of the project have been progressively realised. Since completion of the Wimmera Mallee Pipeline, GWMWater's credit rating has improved from BBB- in the 2017/18 financial year to A- with projected interest cover ratios being above five-times for the foreseeable future from 2024/25.

The GWMWater Board has 'mothballed' the Growth Water Marketing Strategy that has underpinned the release of growth water. The sale of Growth Water was a key part of the funding strategy for the Wimmera Mallee Pipeline Project, with many of the opportunities now materialising after 10 years of operation. Most notably however, has been the desire among farming communities that are not serviced by the pipeline to be connected.

The 2023 Water Price Review has 'priced' a productivity target of 1.4% percent on average per annum. This was predicated on holding wage increases to 1.5 percent in line with government wages policy and delivering further efficiencies from initiatives such as the Clean Energy Strategy, Urban Remote Metering, SCADA and electronic works management.

6.8. Compliance and Enforcement (LOE8)

GWMWater is strongly committed to ensuring that clear title and allocation exists before any landowner accesses water under a water right.

The only activities that apply to GWMWater in enforcing these principles relate to

groundwater and unregulated surface water licensing. There are no unbundled water shares in the GWMWater water holding under the Wimmera Glenelg Bulk Entitlement order.

An active program of monitoring usage relative to ownership and allocation is supported by the roll out of digital meter reading to record and monitor water extraction and/or use. The information is shared with customers via a customer portal that is accessible using computers and mobile devices. Similar principles apply in the management of stock and domestic tradable water allowances.

To the extent there has been any shortcomings identified in the management framework to support a zero tolerance approach arising for the Compliance and Enforcement Review, GWMWater is committed to implementing initiatives to overcome these shortcomings to the extent they can be accommodated in the existing budgetary framework.

6.8.1. Groundwater Management Reform

In 2009/2010 GWMWater undertook deep engagement processes with the groundwater communities of the West Wimmera and Murrayville regions.

These groundwater regions are on the South Australian border where good quality groundwater is available. The aquifers are the subject of water sharing arrangements in what is known as the Victoria / South Australia groundwater protection zone. The management plans that were developed for West Wimmera and Murrayville in 2009/10 have regulated groundwater extraction on the Victorian side and this has been supplemented by improved metering and more recently, greater vigilance on compliance and enforcement on extraction relative to licensed take.

GWMWater will work with DEECA and other Victorian water businesses vested with responsibility for issuing groundwater licenses to improve the harmony of groundwater activities in an overall statewide context. More importantly, GWMWater will continue to actively engage in the South Australia Victoria Groundwater Protection Zone Committee with a view to improving metering, compliance and enforcement of groundwater activity on the South Australian side of the border.

6.9. Cyber Security

GWMWater has adopted the Essential Eight as the cyber security framework for GWMWater with a lens to the requirements of the National Institute of Standards and Technology (NIST) as the standard for cyber security risk assessment and management.

The last formal risk assessment of maturity against the Essential Eight was conducted in April 2023 and GWMWater was rated at a maturity level of 2 in all elements except for backups that was assessed at a maturity level of 3. Since this time, GWMWater has implemented the Security Operation Centre (SOC) by engaging the Department of Premier and Cabinet preferred service provider. Dual Factor Authentication has also

been implemented using DUOS to prove the identity of a user in GWMWater systems. A formal assessment is yet to be made of GWMWater's security posture with these two measures in place.

GWMWater will continue to use a system of self-assessment and independent assurance using internal audit to assess its maturity against the Essential Eight and aspires to be a 3 in all eight elements. This is supported by a program of assurance activities that test the resilience of the systems, social engineering and business recovery in the event of disruption.

BUSINESS PLAN

7. Business Plan

7.1. Planning Framework

This 2025/26 Corporate Plan is reflective of the program established in the 2023 Water Price Reviewand the objectives of the revised Strategy. The most significant initiative compared to the program in the 2023 Water Price Review is the overlay of investments in renewable energy.

The plan has been prepared on the assumption that there will be sufficient water resources in the Grampians System for the period of the Corporate Plan. It is anticipated that opening carryover and annual allocations on the Wimmera/Glenelg and northern river systems will be sufficient to meet future demand in the short to medium term under low inflow scenarios.

The revenue and expenditure program that stems from this supply capability is reflected in this Corporate Plan.

7.2. 2024/25 Corporate Plan in Review

The 2024/25 Corporate Plan was reflective of the program established by the 2023 Water Price Review and strategic initiatives. The main difference arises from the timing of delivery of some projects in the capital program and renewable energy projects.

A forecast of the 2024/25 capital program has resulted in a decrease of $18.9M, when compared to budget including carry over. The expected delivery of the capital plan for 2024/25 is $78.6 million. Material forecast variations reflected include:

Deferred Projects $9.8M (Decrease)

- Renewable Projects $4.7M unfavourable due to delays in feasibility and funding arrangements for community power plant project at Donald.
- Kalkee Road Depot Relocation $1.5M unfavourable to budget due to delays in securing land.

Behind Schedule Projects $17.5M (Decrease)

- Moyston $3.3M unfavourable due to delays in Planning works.
- East Grampians $9.1M unfavourable due to delays in approvals and contract finalisation.
- Behind the Meter Project $1.0M unfavourable due to delays in contract finalisation.

Increased Scope $6.3M (F)

- Developer Works $1.4M increase due to Green Hill Lake Estate not part of budget.
- Rural Meter Replacement $1.0M increase due to meters nearing the end of expected life. Some spend brought forward from next year to FY25.
- Front Of Meter Projects $2.1M favourable due to increased scope of solar panels and batteries installed in line with estimates provided with the recommendation to award contract in March 2024.

The review of financial performance and projections based on the half yearly result revises the operating deficit for 2024/25 from $24.0 to $25.1 million before income tax. The forecast increase in the deficit is mainly due reclassification of decommissioning expenditure from the capital program (difference in statutory versus regulatory treatment) and $1.1 million increase in finance costs reflecting higher borrowings arising from delay in meeting . The forecast does not include any movements arising from changes in the deferred tax position and consolidation of Lake Fyans Committee of Management (LFCoM). The movements in the deferred tax position and LFCoM will be included at the end of financial year.

Total borrowings excluding BOOT are forecast to reach $253.3 million at the end of June 2026, compared to $170.8 million as at 30 June 2025.

7.3. 2025/26 Year Overview

The 2025/26 Corporate Plan is prepared in the context of the planning assumptions of the 2023 Water Price Review and strategic initiatives.

7.3.1. Supply Capability

The supply capability upon which the 2025/26 Corporate Plan is based assumes there will be sufficient water available in the Grampians system to meet consumptive and state environmental water requirements. In the event of low inflow, this will be substantially met through carryover.

Table 7-1 Schedule 2 Wimmera Glenelg Bulk Entitlement Order

WATER AVAILABLE (ML)	**A** **126,050**	**B** **98,050**	**C** **75,971**	**D** **53,459**	**E** **45,253**	**F** **0**
Grampians Wimmera Mallee Water						
System operating water:						
Pipeline and balancing storage losses	2,960	2,960	2,960	2,960	2,960	0
Commonwealth Environmental Water Holder	28,000	0	0	0	0	0
Glenelg compensation flow	3,300	3,300	825	50	50	0
Recreation	3,090	3,090	648	0	0	0
Wimmera-Mallee Pipeline Product	44,720	44,720	36,352	25,725	21,540	0
Coliban Water						
Wimmera-Mallee Pipeline Product	300	300	244	173	145	0
Wannon Water						
Wimmera-Mallee Pipeline Product	2,120	2,120	1,723	1,220	1,021	0
Environment						
Wetlands	1,000	1,000	250	0	0	0
Wimmera-Mallee Pipeline Product	40,560	40,560	32,970	23,332	19,537	0

7.3.2. Demand Assumptions

This 2025/26 Corporate Plan is based on an assumption of unrestricted water allocation. As a result, the demand scenarios are assumed to be unaffected by any water supply

constraints.

The demand projections of this Corporate Plan have been developed in the context of the 2023 GWMWater Price Submission, revised capital project timing where relevant, and latest information from rural pipeline expansion projects including East Grampians Water Supply Project.

Urban Demand

The level of restriction that is assumed to be in place in 2025/26 is summarised below.

Table 7-2 Urban Restriction Levels 2024/25

Permanent Water Savings Rules (71)			
Antwerp	Glenorchy	Miram	St Arnaud
Apsley	Goroke	Moyston	Stawell
Ararat	Great Western	Murrayville	Streatham
Berriwillock	Halls Gap	Murtoa	Tarranyurk
Beulah	Harrow	Nandaly	Tempy
Birchip	Hopetoun	Natimuk	Ultima
Brim	Horsham	Nhill	Underbool
Buangor	Jeparit	Nullawil	Waitchie
Charlton	Jung	Ouyen	Walpeup
Chillingollah	Kaniva	Patchewollock	Warracknabeal
Chinkapook	Kiata	Pimpinio	Watchem
Cowangie	Lake Bolac	Pomonal	Westmere
Culgoa	Lalbert	Quambatook	Wickliffe
Dimboola	Lascelles	Rainbow	Willaura
Donald	Lillimur	Rupanyup	Woomelang
Dooen	Manangatang	Sea Lake	Wycheproof
Elmhurst	Marnoo	Serviceton	Yaapeet
Edenhope	Minyip	Speed	

Urban Assessments

Table 7-3 Urban Assessments

	Assessments									
	Water					Wastewater				
Town	Residential	Non Residential	Vacant Land	Fire Service	Total	Residential	Non Residential	Vacant Land	Trade Waste	Total
Antwerp	9	3	-	-	12	-	-	-	-	-
Apsley	98	25	-	1	124	-	-	-	-	-
Ararat	3,959	468	53	97	4,577	3,517	359	192	53	4,121
Berriwillock	71	19	-	1	91	-	-	-	-	-
Beulah	137	41	-	1	179	-	-	-	-	-
Birchip	374	92	-	9	475	358	72	-	12	442
Brim	47	10	-	1	58	-	-	-	-	-
Buangor	39	5	-	-	44	-	-	-	-	-
Charlton	573	137	-	7	717	538	95	-	19	652
Chillingollah	5	1	-	-	6	-	-	-	-	-
Chinkapook	14	3	-	-	17	-	-	-	-	-
Cowangie	9	4	-	-	13	-	-	-	-	-
Culgoa	59	19	-	-	78	-	-	-	-	-
Dimboola	777	119	-	12	908	683	91	-	11	785
Donald	719	184	-	13	916	684	131	2	19	836
Dooen	16	3	-	-	19	-	-	-	-	-
Edenhope	451	98	-	8	557	433	75	-	10	518
Elmhurst	104	21	-	-	125	-	-	-	-	-
Glenorchy	59	5	-	-	64	-	-	-	-	-
Goroke	141	42	-	7	190	75	16	-	-	91
Great Western	128	24	3	4	159	87	12	7	-	106
Halls Gap	483	100	67	31	681	413	72	90	23	598
Harrow	71	25	-	-	96	-	-	-	-	-
Hopetoun	310	84	-	12	406	299	77	-	10	386
Horsham	8,289	1,070	93	268	9,720	7,700	817	346	124	8,987
Jeparit	251	53	-	4	308	236	36	-	5	277
Jung	40	3	-	-	43	-	-	-	-	-
Kaniva	414	121	-	11	546	384	83	-	9	476
Kiata	19	3	-	-	22	-	-	-	-	-
Lake Bolac	135	46	-	5	186	92	31	-	-	123
Lalbert	42	15	-	1	58	-	-	-	-	-
Lascelles	24	7	-	1	32	-	-	-	-	-
Lillimur	18	1	-	-	19	-	-	-	-	-
Manangatang	132	36	-	1	169	-	-	-	-	-
Marnoo	51	20	-	-	71	-	-	-	-	-
Minyip	241	46	-	2	289	226	42	-	4	272
Miram	7	1	-	-	8	-	-	-	-	-
Moyston	90	9	-	-	99	-	-	-	-	-
Murrayville	158	39	-	-	197	-	-	-	-	-
Murtoa	416	78	-	4	498	392	50	-	5	447
Nandaly	21	12	-	-	33	-	-	-	-	-
Natimuk	235	42	-	1	278	217	28	-	3	248
Nhill	990	179	-	26	1,195	942	154	-	27	1,123
Nullawil	31	18	-	1	50	-	-	-	-	-
Ouyen	576	119	-	11	706	558	88	-	22	668
Patchewollock	38	16	-	-	54	-	-	-	-	-
Pimpinio	33	5	-	-	38	-	-	-	-	-
Pomonal	124	10	5	2	141	-	-	-	-	-
Quambatook	132	35	-	1	168	-	-	-	-	-
Rainbow	308	72	-	2	382	287	59	-	11	357
Rupanyup	197	52	-	5	254	185	31	-	-	216
Sea Lake	366	80	-	3	449	342	69	-	11	422
Serviceton	26	4	-	-	30	21	3	-	-	24
Speed	29	10	-	1	40	-	-	-	-	-
St Arnaud	1,220	231	-	39	1,490	1,123	175	-	31	1,329
Stawell	3,042	405	37	116	3,600	2,727	334	104	48	3,213
Streatham	41	9	-	-	50	-	-	-	-	-
Tarranyurk	4	4	-	-	8	-	-	-	-	-
Tempy	19	11	-	-	30	-	-	-	-	-
Ultima	88	19	-	1	108	-	-	-	-	-
Underbool	108	26	-	-	134	-	-	-	-	-
Waitchie	3	3	-	-	6	-	-	-	-	-
Walpeup	58	18	-	-	76	-	-	-	-	-
Warracknabeal	1,255	206	-	36	1,497	1,162	170	-	25	1,357
Watchem	73	14	-	1	88	-	-	-	-	-
Westmere	10	7	-	-	17	-	-	-	-	-
Wickliffe	35	10	-	-	45	-	-	-	-	-
Willaura	201	62	-	3	266	164	33	1	2	200
Woomelang	113	36	-	1	150	-	-	-	-	-
Wycheproof	355	83	-	8	446	326	56	-	10	392
Yaapeet	29	5	-	1	35	-	-	-	-	-
Total	**28,740**	**4,883**	**258**	**760**	**34,641**	**24,171**	**3,259**	**742**	**494**	**28,666**

Rural Demand

The land use representation for rural customers includes consumption or livestock, water requirements for chemical sprays, household allowance of 730 kL and known intensive agricultural water consumption at the time of preparing the budget.

Table 7-4 Rural Assessments

Line of Business	Tafiff Description	Water Type Description	Services	HA	KL	ML
Walpeup Bores	Walpeup West Bores	Area Charge - Division 2		33,661		
	Walpeup West Bores	Area Charge - Division 3		13,069		
	Walpeup West Bores	Minimum Area Charge	104			
Murray Pipeline Dist	All	Capacity charge			2,793,100	
	All	Excess			14,075	
	Primary	Meter	789			
	Standard	Meter	3,193			
	All	Minimum Charge	103			
	Off Season	Off peak commercial capacity charge			8,500	
	All	Usage charge			1,807,800	
	Off Season	Usage charge			797	
Grampians Pipeline Dist	All	Capacity charge			5,843,900	
	New Growth Water - Standard	Capacity charge			38,218	
	All	Excess			27,904	
	Primary	Meter	3,993			
	Standard	Meter	6,623			
	All	Minimum Charge	1,725			
	Off Season	Off peak commercial capacity charge			1,652,000	
	All	Usage charge			3,431,983	
	New Growth Water - Off season	Usage charge			-	
	New Growth Water - Standard	Usage charge			48,338	
	Off Season	Usage charge			426,125	
Diversions	Storages/weirs - 12 Month licence	Additional unit	7			
	Storages/weirs - 12 Month licence	Guest houses, motels etc	9			
	Storages/weirs - 12 Month licence	Single unit, farm use	205			
	Wimmera	Usage charge				153
	Wimmera	Unregulated waterways - on stream storages				3,563
	Wimmera	Unregulated waterways - on stream storages minimum charge	31			
	Wimmera	Wimmera River weir pool & commercial				153
Groundwater	Wimmera	Licence Fee	230			
	Murrayville WSPA	Volumetric				7,194
	Neuarper WSPA	Volumetric				23,861
	Wimmera Non WSPA	Volumetric				37,938
Headworks	Environment (High)	Allocation Charge				40,560
	Environment (Low)	Allocation Charge				28,000
	All	Capacity charge			18,720,000	
	All	Usage charge			71,000	
	Environment (High)	Usage charge				32,448
	Environment (Low)	Usage charge				3,500
Recreation Lakes	All	Usage charge			165,000	

Rural Demand - Domestic and Stock

In the case of rural pipeline supplies, water consumption estimates are based on average consumption.

Rural Demand – Environment

For planning purposes, it is assumed that there will be allocation and usage against entitlements across the planning period.

Growth Water Demand

To the extent that growth water is sold it is assumed that water consumption in the rural pipeline network will reflect recent demands and landowner commitments to the East Grampians Water Supply project.

7.4. Prices and Revenue 2025/26

The pricing policies to apply in 2025/26 are based on the 2023 Water Price Review.

The recreation water pricing policy established in 2013 and extended to schools in 2018, will continue to apply in 2025/26.

7.4.1. Operating Revenue

The level of real price movement and nominal tariffs in 2025/26 is outlined in the following tables. The nominal tariffs have been calculated based on the real price movement, adjustments for timing of delivery of the capital program and March 2025 quarter consumer price index estimate of 2.5 per cent.

Table 7-5 Summary of Overall Price Movements - % Real increase/ -decrease

Service	**2025/26**	**2026/27**	**2027/28**
Urban water – potable	0.8	0.8	1.0
Urban water – non potable	0	0	0
Urban wastewater	0	0	0
Rural domestic and stock	0	0	0.7
Rural domestic and stock – Off Season Usage	0	0	0
Groundwater	0	0	0
Unregulated licences – surface water	0	0	0
Environment	0	0	0
Bulk water	0	0	0
Recreation Lakes Water	0	0	0
Minor trade waste	0	0	0

Table 7-6 Summary of Urban Water Tariffs

	Service Avail Charge			**Volumetric***	
	Residential^		**Non Res**		
	2024/25	**2025/26**	**2025/26**	**2024/25**	**2025/26**
Drinking Water Supply (Full Treatment)	$455.96	$471.23	$450.07	$1.8092	$1.8544
Regulated Supply - Pipeline	$409.40	$419.64	$398.64	$1.6467	$1.6879
Regulated Supply - Groundwater	$407.32	$417.50	$396.51	$1.0133	$1.0386
Regulated Supply - Eastern Grampians	$409.40	$419.64	$398.64	$1.3331	$1.3664
Development Rate (Growth Towns)&	$214.76	$220.13		Na	Na
Concessional (All Supplies) #	$297.84	$305.29		Variable	Variable
Fire Service (All Supplies)	$550.48	$564.24		Na	Na

& Growth Towns include Horsham, Stawell, Ararat, Halls Gap, Great Western

Concessional approved sporting clubs also have access to a 15 per cent night watering discount.

^ Includes annual recreation contribution charge of $20.96 or $10.48 for concession card holders

* Volumetric discounts apply to eligible recreational, sporting clubs and schools (<5ML 40%; 5-10ML 25%; >10ML full rate)

Table 7-7 Summary of Urban Wastewater Prices

Customer Group	Charge		Minor Trade Waste	
	2024/25	2025/26	2024/25	2025/26
Residential	$556.20	$570.11	Na	Na
Non Residential	$556.20	$570.11	$298.72	$306.19
Development Rate (Growth Towns)	$247.95	$254.15	Na	Na
Concessional (All Supplies)	$321.52	$329.56	$298.72	$306.19

Table 7-8 Summary of Rural Pipeline Charges

Charge Element	Service Charge	
	2024/25	2025/26
Primary Meter Charge	$353.28	$362.11
Standard Meter Charge	$176.48	$180.89
Capacity Charge Peak Season (kL)	$0.9864	$1.0111
Capacity Charge Off Peak Season (kL)	$0.3020	$0.3096
Volumetric Rate Peak Season (kL)	$1.1909	$1.2207
Volumetric Rate Off Peak Season (kL)	$0.9669	$0.9911
Excess Charge	$4.3136	$4.4214
Recreation Lake Water	$28.22	$28.93

Table 7-9 Summary of Domestic and Stock Bore Supply Charges

Charge Element	Service Charge	
	2024/25	2025/26
Area Charge - Division 2	$3.09	$3.17
Area Charge - Division 2 Special	$0.84	$0.86
Area Charge - Division 3	$1.49	$1.53
Area Charge - Division 3 Special	$0.37	$0.38
Minimum Area Charge	$593.96	$608.81

Table 7-10 Surface Water (Diversions)

Charge Element	Service Charge	
	2024/25	2025/26
Unregulated Diversions (per ML)	$10.33	$10.59
- Minimum Charge (15 ML)	$154.92	$158.79
Unregulated Waterways – Off-stream storages (per ML)	$5.1	$5.23
- Minimum Charge (15 ML)	$76.50	$78.41

Table 7-11 Summary of Bulk Water Charges

Charge Element	Service Charge	
	2024/25	2025/26
Environmental Water (ex headworks)		
Fixed Charge	$9.24	$9.47
Variable Charge	$18.71	$19.18
Bulk Water Direct from headworks		
Fixed Charge	$126.12	$129.27
Variable Charge	$126.12	$129.27

Table 7-12 Summary of Groundwater Charges

Charge Element	Service Charge	
	2024/25	2025/26
Licence volume all areas (ML)	$6.80	$6.97
All (licence fee)	$170.20	$174.46

The impact analysis of these tariffs for rural customers is outlined in Figure 7-1 and Figure 7-2.

Figure 7-1 $ Price Impact of typical Customers – Domestic and Stock ($, 2025/26)

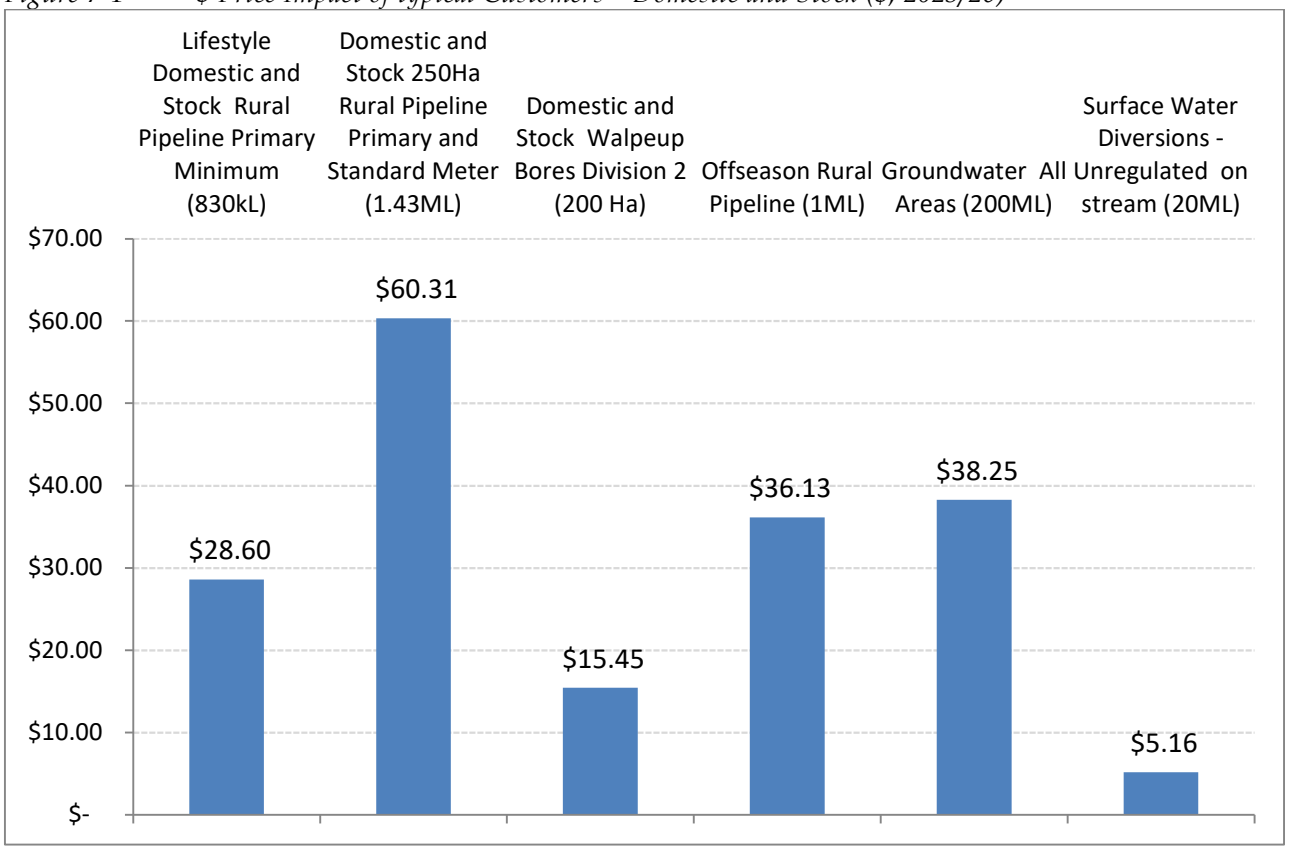
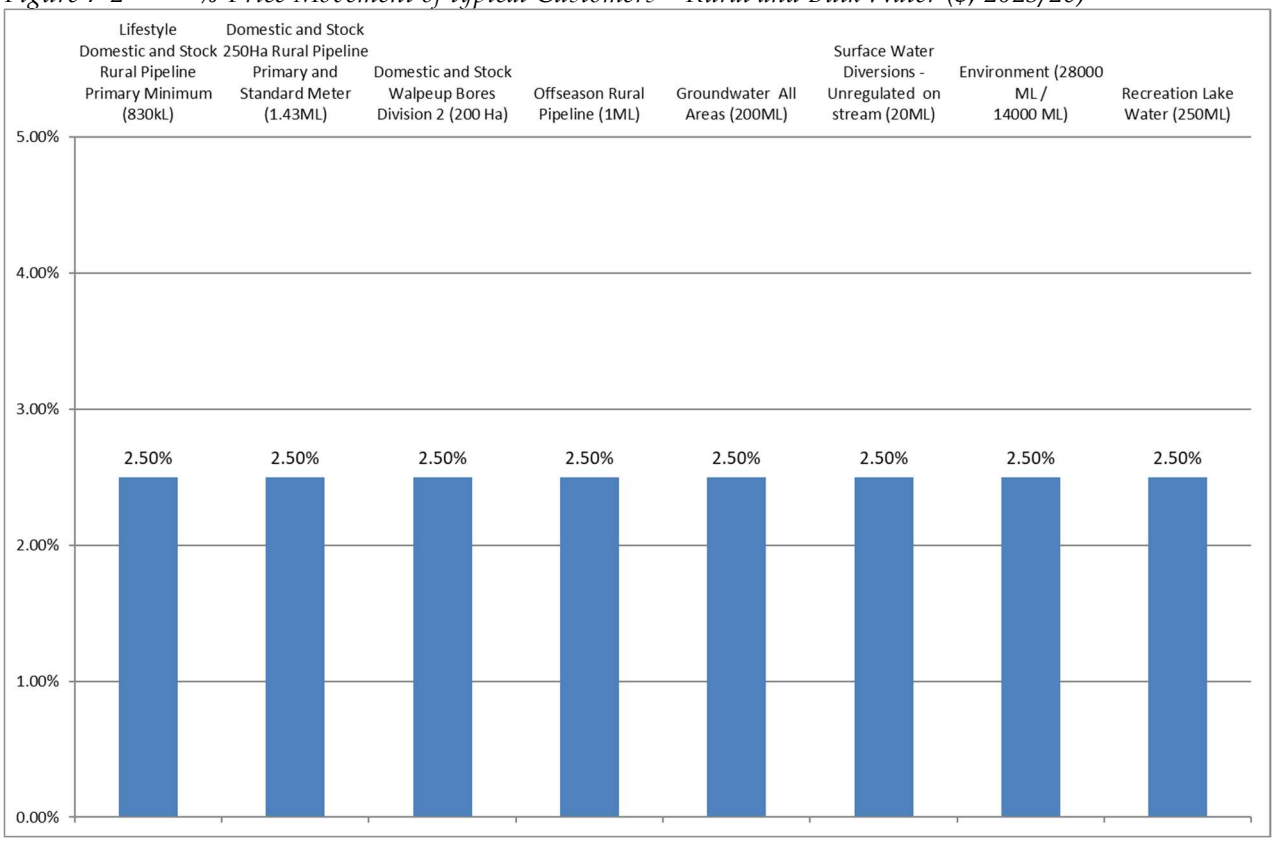


Figure 7-2 % Price Movement of typical Customers – Rural and Bulk Water ($, 2025/26)

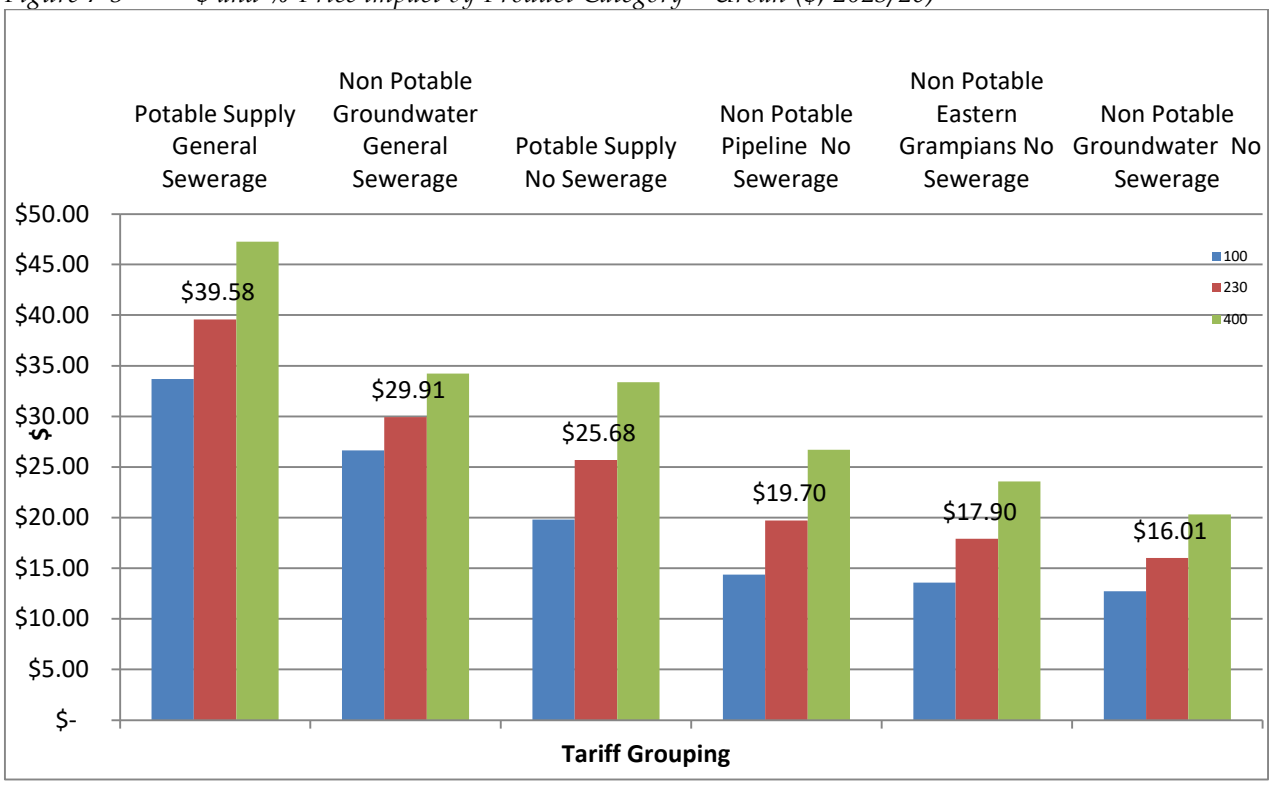


The impact analysis for urban customers is grouped by urban water products and by town. The tariff impacts on these customers are outlined in Figure 7-3 and Figure 7-4.

The varying outcome on a town-by-town basis reflects the different levels of service provided and water products supplied.

The 2023 Water Price Review real price increase in potable water tariffs in 2025/26 has been spread across the next two years to reflect the delay in the delivery of drinking water upgrade projects.

Figure 7-3 $ and % Price impact by Product Category – Urban ($, 2025/26)



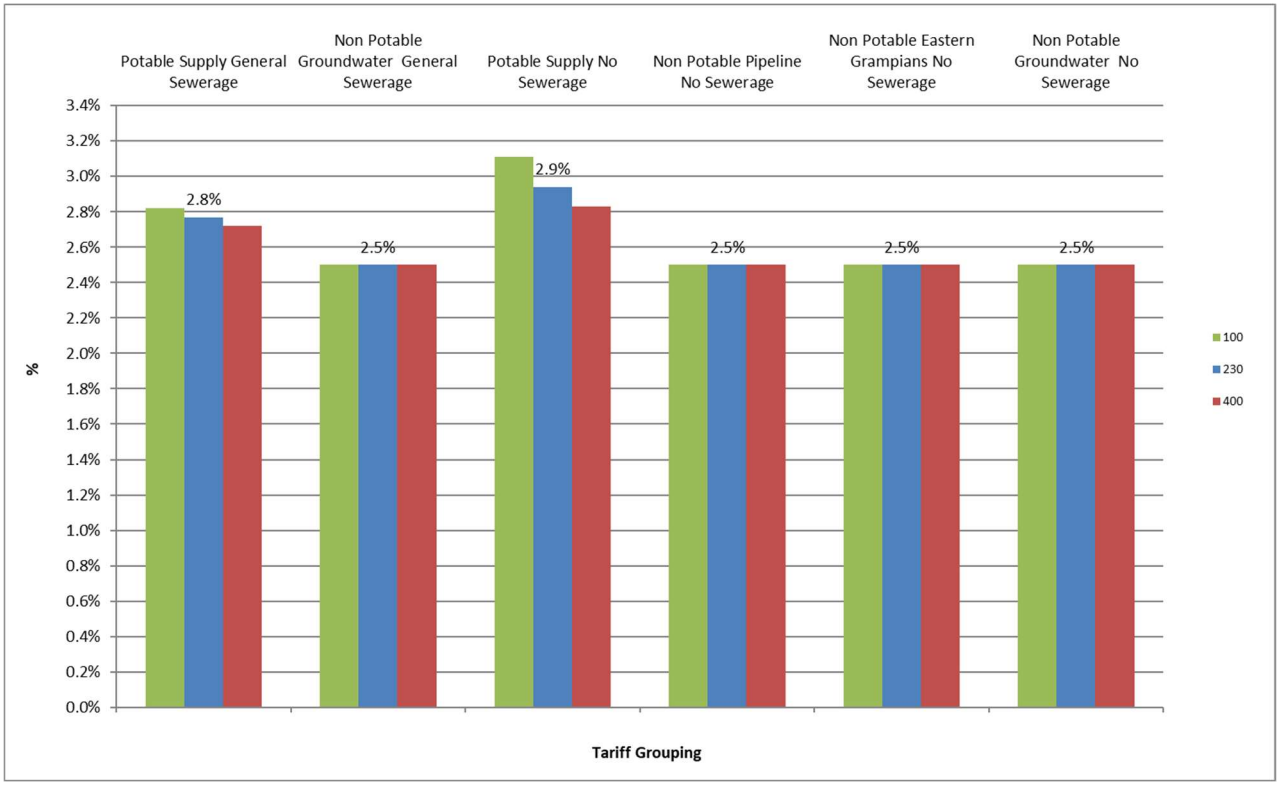
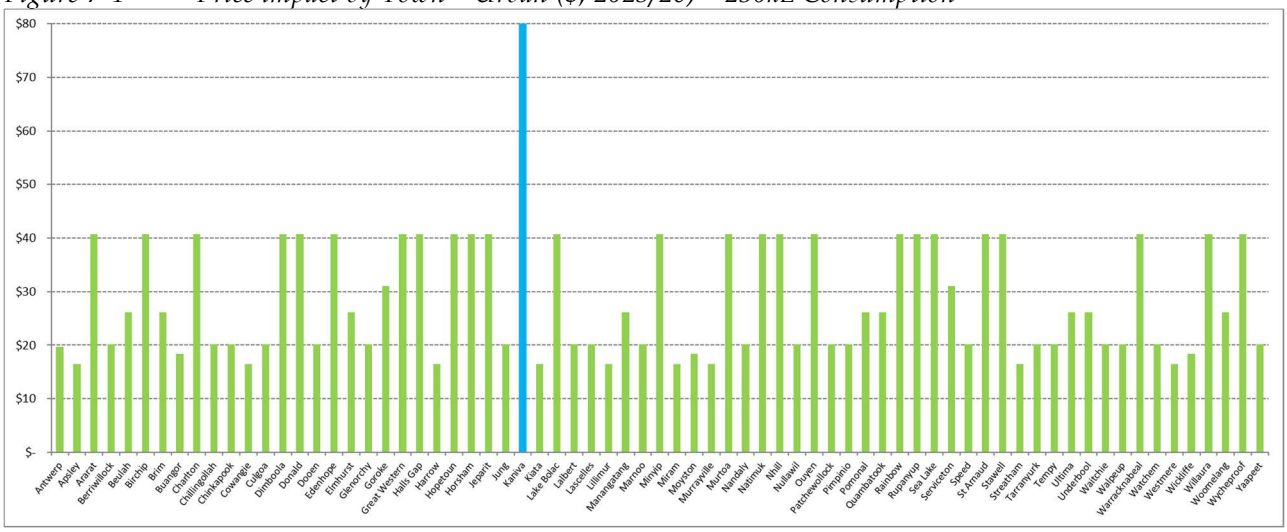


Figure 7-4 Price impact by Town – Urban ($, 2025/26) – 230kL Consumption



^Kaniva Drinking Water Supply

7.4.2. Non-Operating Revenue

The main item of non-operating revenue relates to the sale of growth water and new customer contributions. The growth water sales program was an integral part of the funding strategy for the WMP Project.

Projections include growth water from the East Grampians Water Supply project from 2025/26 and other modest growth. New customer contributions from the East Grampians Water Supply project are expected to be raised in 2026/27 on completion of the project.

The assumptions included in the 2025/26 Corporate Plan are summarised below.

Figure 7-5 Growth Water Sales Projections (ML)

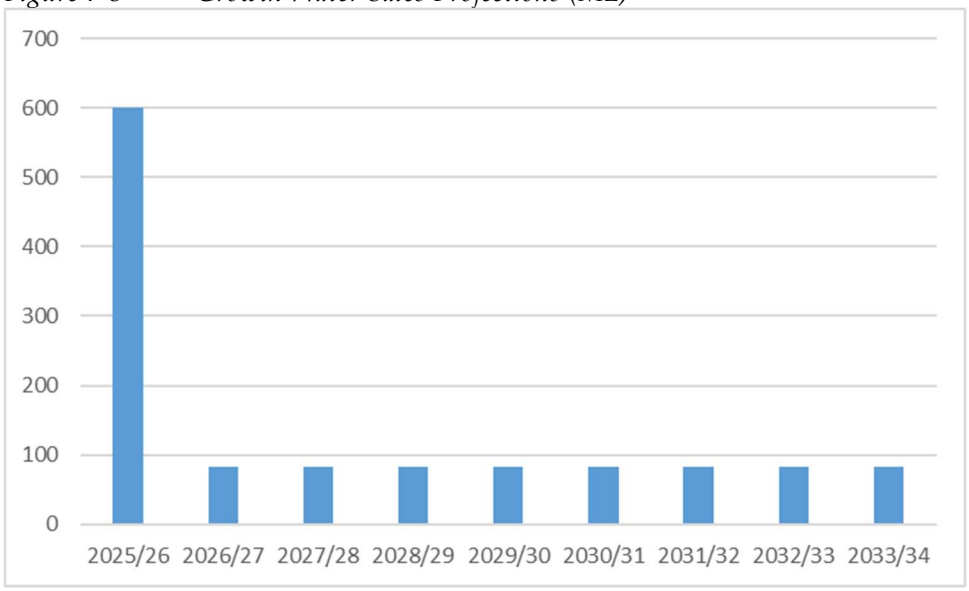
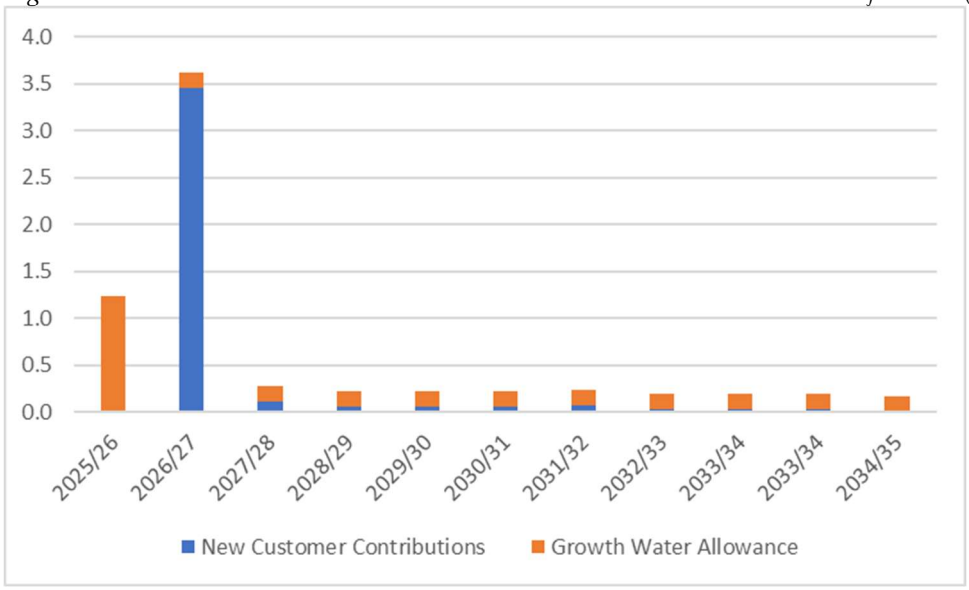


Figure 7-6 New Customer Contributions and Growth Water Sales Projections ($m)



7.4.3. Miscellaneous Revenue

The main items of miscellaneous revenue include income derived from the processing of information statements, standpipe water sales and water trading. It is anticipated that the revenue from this activity will be maintained at current levels in 2025/26.

7.4.4. Net Energy Generation Revenue

The Nhill Renewable Energy Facility is expected to be in operation in June 2025. This Corporate Plan reflects the following net energy generation revenue assumptions.

Table 7-13 Net Energy Generation Revenue

Income Streams	**2025/26**
Revenue from 4.95MW solar farm	
Revenue from 4.95MW solar farm and the BESS	$822k
Revenue from 1.9MW solar PV systems	$22k
Revenue from 0.4MW solar PV systems	$6k
FCAS revenue (Battery + Load shifting)	$309k
Total Revenue Generation^	**$1,159k**
Less Operating Costs	$309k
Net Revenue	**$850k**

^ *Source: Northmore Gordon Financial Model (GWMWater_DER_CA_Nhill Solar Farm and BESS Assessment_v2_updated with Shell's indicative pricing) 2023*

7.5. Recurrent Expenditure

The recurrent expenditure program is free of any major influences of restricted supply based on average customer demands.

Significant effort continues to be undertaken each year to improve the utility of the asset management system to derive the development of the maintenance budget in relation to planned maintenance.

7.5.1. Productivity and Efficiency

The 2025/26 Corporate Plan assumes productivity savings in the base line will offset incremental operating expenditure impacts arising from the capital program, East Grampians Water Supply Project and water quality improvement projects. These productivities and efficiencies will ensure that GWMWater continues to deliver value to its customers.

The key productivity and efficiency initiatives included:

- Rural pipeline extension projects including East Grampians Water Supply Project;
- Energy efficiency investments (energy storage) and delivery of the Clean Energy Strategy;
- Rationalisation of redundant infrastructure including removal of high risk assets; and
- Continuously improving and innovating to maximise the utilisation and performance of our assets and infrastructure through the analysis of actual performance data captured via electronic work orders.
- Net Energy Generation Revenue from Nhill Facility included in budget for 2025/26 is $850k (after payment of service provider charges)
- Technology One upgrade to CIA is expected to deliver increased functionality and improved efficiencies throughout the business.

The total operations, maintenance and administration budget for 2025/26 is $43.1 million.

7.5.2. Temporary trade of excess water allocation – Murray and/or Goulburn systems

Historically, revenue realised from the temporary trade of excess water allocation held on the Murray and/or Goulburn systems has been accounted for as a productivity saving. The trade of excess water allocations that might otherwise have been lost through a water accounting 'spill' has provided an opportunity to realise value from these water holdings, balancing the risk between water security and operating water supply costs.

In this Corporate Plan, revenue realised from the temporary trade of excess water allocation held on the Murray and/or Goulburn systems will be used to secure low reliability shares where the purchase represents value in line with the Drought Preparedness Plan adopted by the Board at the December 2018 meeting. The cover paper to the December 2017 and November 2018 Water Resources Committee notes:

…..to achieve a secure holding of reserve allocation could be through the purchase of low-reliability water shares in the Murray and Goulburn systems. Allocation carried over against these entitlements is immediately available and not subject to spill, except in the infrequent years where low-reliability entitlements receive allocation. For such a strategy, a volume of new entitlement may need to be purchased to achieve the secure holding of the proposed Stage 4 equivalent reserve.'

and

'The proposed full reserve for Murray and Goulburn supplied systems is a volume equivalent to Stage 4 restricted demand (approx. 3,400 ML). Financial modelling has recently been progressed to assess the viability of acquiring low-reliability water shares to securely hold this reserve.

It is considered that carrying over less than 1,000 ML presents a supply risk in the event that early season allocations are low, and dry conditions result in low water allocations. GWMWater is reliant on year-round supply, and so maintaining some level of carryover reserve is essential.'

7.5.3. Reconciliation to 2023 Water Price Review – Controllable Opex

The nominal five-year total controllable operating expenditure amount provided for across the regulatory period is $200.3 million compared to the adjusted Corporate Plan comparator of $201.4 million, 1% variance. The price review benchmark has been adjusted to remove impact of renewable initiatives and electricity savings required to fund capital investment in renewable energy assets.

This Corporate Plan has been developed to align with expenditure estimates reflected in the 2023 Water Price Review and is developed based on a detailed review of activities required to meet service outcomes and deliver on productivity.

Table 7-18 2023 Water Price Review Reconciliation – Controllable Opex (Prescribed)

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
2023 Water Price Review						
Prescribed Opex	37.9	38.0	38.1	37.7	37.2	188.9
Less: Non controllable Opex	(2.8)	(2.8)	(2.7)	(2.6)	(2.6)	(13.5)
Total Opex ($m, 1/1/23) ESC Determination	**35.0**	**35.3**	**35.4**	**35.0**	**34.7**	**175.4**
Renewable Energy (savings to fund capital)			(1.0)	(1.0)	(1.0)	(3.0)
CPI	*7.02%*	*3.60%*	*3.50%*	*3.50%*	*3.50%*	
Total Opex ESC Determination ($m, nominal)	**37.5**	**39.1**	**39.5**	**41.6**	**42.6**	**200.3**
2025/26 Corporate Plan						
Annual Regulatory Accounts (Prescribed + State Environmental Water)	42.6					222.1
Corporate Plan		44.7	43.5	45.1	46.3	
Less: Non controllable Opex	(2.9)	(2.6)	(2.5)	(2.5)	(2.5)	(13.0)
Nhill Energy Income	-	-	(0.9)	(0.9)	(0.9)	(2.6)
Non prescribed Environmental Water (State)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(3.3)
Temporary water sales	-	-	-	-	-	-
Recurrent Grants (Income)	(0.1)	-	-	-	-	(0.1)
2025/26 Corporate Plan – Controllable OMA	**39.1**	**41.4**	**39.5**	**41.0**	**42.2**	**203.2**
Variances:						
Decommissioning	-	(0.8)	-	-	-	(0.8)
Desludging Expenditure	-	(1.0)	-	-	-	(1.0)
Adjusted 2025/26 Corporate Plan	**39.1**	**39.6**	**39.5**	**41.0**	**42.2**	**201.4**
Variance to ESC Determination	1.6	0.5	0.0	-0.6	-0.4	1.1
% Var to ESC	4%	1%	0%	-1%	-1%	1%

7.6. Capital Expenditure

The capital expenditure program of 2025/26 is based on commitments in the 2023 Water Price Review and direct investments in renewable energy generation. Appendix 2 includes a comparison on a line of business basis to the 2023 Water Price Review.

The detail of the capital program is outlined in more detail in Appendix 1. The 2025/26 Capital Works Program is $113.4 M. The major projects include:

Major Renewals
- $4.8 M – Urban Water Mains Renewals
- $3.9 M – Rural Meter Replacements
- $1.8 M – Sewer Mains Renewals
- $1.4 M – Headworks Structures Renewals

Major Upgrades
- $4.8 M – Moyston Water Quality Upgrade
- $3.7 M – Dimboola Wastewater Treatment Facility Upgrade
- $3.6 M – Edenhope Water Treatment Plant Upgrades
- $2.9 M – Berriwillock and Culgoa Water Quality Upgrade
- $2.5 M – Mt Zero WTP Upgrades
- $1.6 M – Reuse System Upgrades

Planning for all of the above renewals are well progressed with the exception of the Dimboola WWTP. This work will require geotechnical investigation as the current concept design includes lagoons and the soils are sandy in this part of GWMWater's operating region.

Major Projects and New Initiatives
- $51.3 M – East Grampians Rural Water Supply Project
- $6.0 M – Renewable Energy Projects. Projects are funded through offsetting reductions in net recurrent electricity expenditure.
- $2.6 M – Cleanwater Stage 2 (Piangil, Nyah and Waranga Western Channel)
- $2.0 M – Kalkee Road Depot Relocation
- $1.6 M – Industrial Fire Flows Horsham

7.7. Scenarios and Risk

The core set of assumptions that underpin the preparation of the 2025/26 Corporate Plan have been compared to potential upside and downside risks of the business outlook to ensure that the implications are appropriately quantified. The current key risks and opportunities to the financial projections identified and scenarios proposed include growth risk and opportunities associated with mining and food processing developments.

The assumptions and comparison on borrowing levels, interest cover (cash) and internal financing ratios, relative to the Corporate Plan for the following scenarios, is presented in the charts below.

- Scenario 1 – Donald Mineral Sands Rural Pipeline Supply by Agreement

	2027/28 + $m
Rates and Charges	4.5
Incremental Opex	0.2
Reduced Borrowings	(4.0)
Reduced Interest Costs	(0.1)

- Scenario 2 – Farm Frites Development

	2026/27 $m	**2027/28 + $m**
Rates and Charges	1.0	2.6
Incremental Opex	0.5	1.3
Borrowings Movement	16.3	(0.5)
Depreciation Expense	-	0.7
Increased Interest Costs	0.8	0.8

The financial position over the planning period remains sound and demonstrates effective management of growth and improved capacity to deliver greater customer value in future. The scenarios do not incorporate any changes to future prices arising from incremental improvements in productivity and efficiency.

Figure 7-7 Cumulative Borrowings over the 10-year planning period horizon

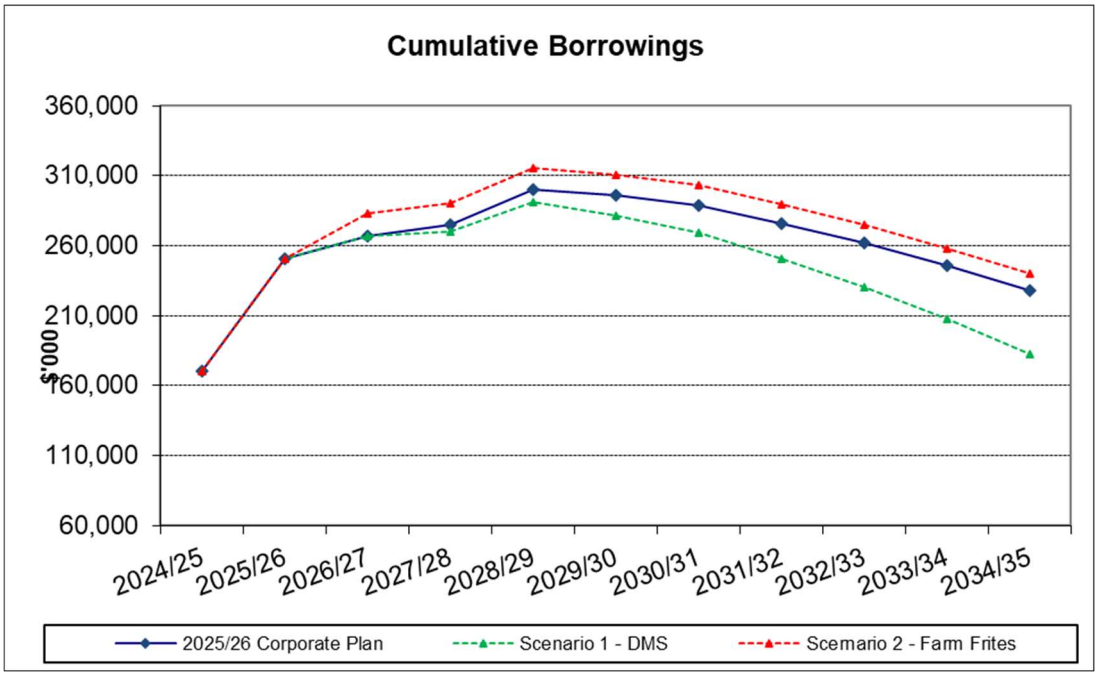


Figure 7-8 Interest Cover (cash) over the 10-year planning period

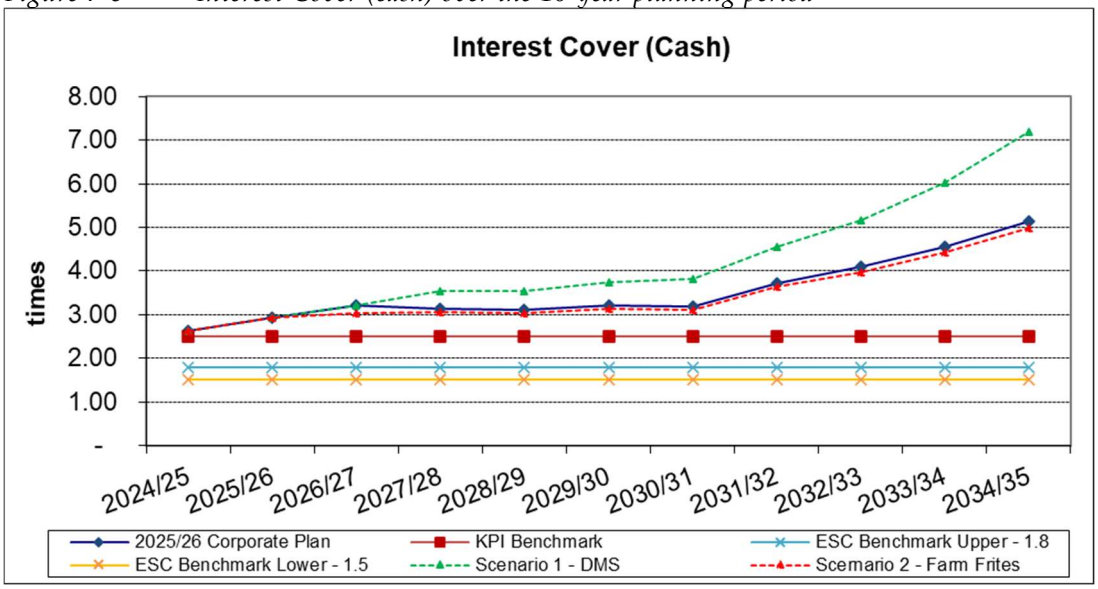
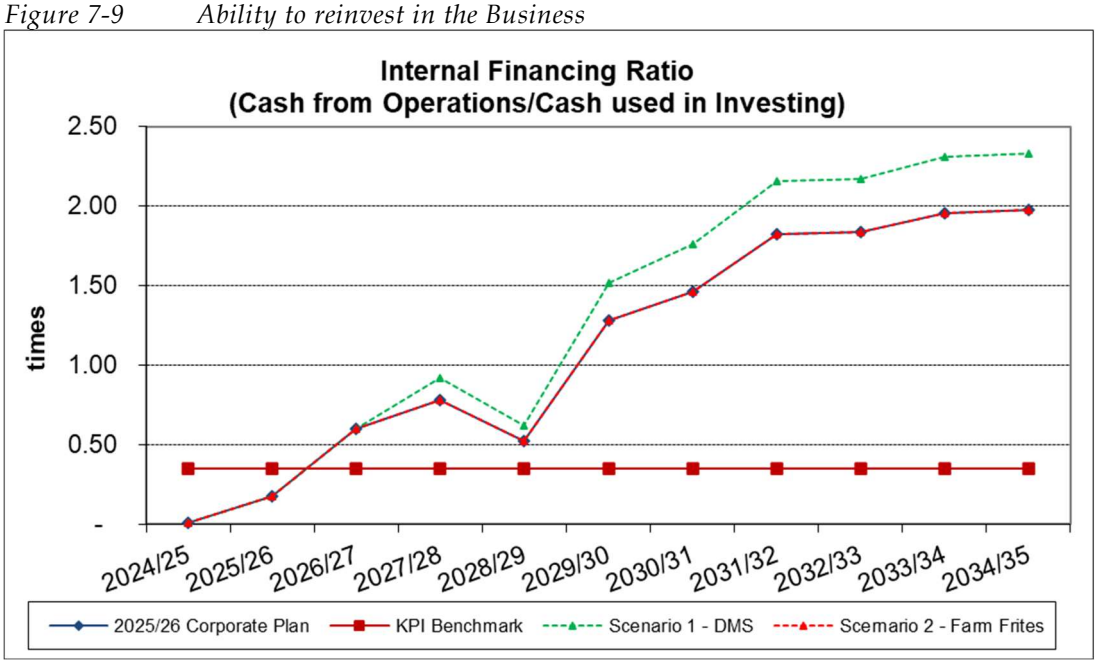


Figure 7-9 Ability to reinvest in the Business



The comparison is presented in more detail in Appendix 4.

FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS

8. Financial Statements and Performance Indicators

The Financial Statements have been prepared across a 10-year period and generally reflect the financial assumptions of the 2023 Water Price Review.

In preparing the Corporate Plan the following assumptions have been made in relation accounting policies.

7.8. Accounting Policies

The financial projections inherent in the Corporate Plan are based on the adoption of Australian Accounting Standards and the relevant directions arising from the *Financial Management Act* 1994.

7.8.1. Asset Valuation

Under FRD103 GWMWater is required to assess asset values in accordance with a determination of Fair Value.

The last scheduled valuation of GWMWater's infrastructure assets was performed by the Valuer-General Victoria (using PwC) with an effective date of 30 June 2021. The valuation was performed based on the depreciated replacement cost of the assets.

The last managerial revaluation under FRD 103 was undertaken for specialised land for the 2021/22 year and specialised buildings and infrastructure assets for the 2022/23 year. On the basis of these reviews, land increased by 18.2% at 30 June 2022 (revaluation increment of $8.2 million), infrastructure assets increased by 12.44% for pipelines, dams/reservoirs, channels and 15.22% for all other infrastructure assets at 30 June 2023 (revaluation increment of $236 million) and buildings increased by 11.39% at 30 June 2023 (revaluation increment of $0.5 million). The last managerial review assessment at 30 June 2024 indicated that no revaluation was required as the total value increase for all asset classes was less than 10%.

Projections do not include any estimates to predict the outcome of future valuation assessments. The indexation factors for land, building and infrastructure assets are reviewed annually in accordance with FRD103.

7.8.2. Impairment of Assets

The value of assets has been reviewed to consider whether there are any material impairments to be included in the plan. There has not been any impairment identified.

7.8.3. Government Contributions

Government Contributions for significant infrastructure projects are considered to be capital contributions in accordance with the requirements of FRD119 of the *Financial Management Act* 1994.

7.8.4. Private Public Partnerships

GWMWater has a contract with Trility to provide water treatment services to Stawell, Ararat, Halls Gap, Great Western and Pomonal.

The agreement was entered into in 1999 for a 25-year operating term. The operating term commenced in 2001. As the ownership of the assets is transferred to GWMWater at the end of the term, the Corporation accounts for the assets as a finance lease.

Forward projections assume the return of the operation of the four water treatment plants to GWMWater at the conclusion of the agreement in 2026 and a 10% reduction in operating expenditure benchmarked to GWMWater's existing plants.

7.8.5. Cost Allocation

The principles of cost allocation have been applied within the allocation module in the finance system.

Wherever practicable, GWMWater will continue to direct cost. The basis of cost allocation will be progressively realigned to the cost drivers.

The significance of these issues relates to the pricing policies.

Internal bulk water pricing is based on the Bulk Water Pricing Review undertaken by Marsden Jacobs and Associates for the 2023 GWMWater Price Submission.

7.8.6. Dividends and Tax Equivalents Expense

The revaluation of assets to fair value in 2011 resulted in the value of Deferred Tax Liabilities exceeding the value of Deferred Tax Assets (initial recognition). As a consequence of this position, the Corporation is required to reflect the movements in the tax position within the accounts. It is assumed that future fair value increments will be offset by ongoing tax losses with no tax adjustments over the planning period.

The accounting losses that are projected in moving forward also assume that there will be no dividends paid over the course of the planning period.

7.8.7. Capital Repatriations

The Corporate plan assumes an annual efficiency payment will be made via a capital repatriation commencing from 1 percent of (prior year) controllable expenses in 2023-24; 2 percent of (prior year) controllable expenses in 2024-25; and 3 percent of (prior year) controllable expenses in 2025-26 onwards until 30 June 2032.

7.8.8. Environmental Contribution Levy

The levy is estimated based on 5% of urban water revenue and 2% of rural water revenue using 2022/23 revenue as the base year. The gazettal of the levy for the period commencing 1 July 2024 was published in the Victorian Government Gazette No. G26 on

27 June 2024.

7.8.9. Interest and Financial Accommodation Levy

Overall finance charges including Financial Accommodation Levy (FAL) is assumed to be 4.7-6.7 percent.

The FAL rate is set by the DTF based on the credit rating of the business. The Corporate Plan assumes a desktop credit rating in 2025/26 of BBB-.

It has been assumed that any unfavourable movements in the FAL will be offset by an improvement in interest rates on new borrowings.

7.8.10. Price Escalation

All costs are anticipated to escalate with CPI which has been assumed to be 3.5 percent per annum.

7.8.11. Financial Risk Management Objectives and Policies

The financial statements are prepared on a going concern basis. Management is continuously reviewing budgets and forecasts manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities. GWMWater obtains annual approval from the Treasurer of Victoria for new borrowings, borrowings to refinance maturing and non-maturing loans and temporary purpose borrowing facilities.

The outlook is such that GWMWater will be a net borrower for the foreseeable future and, as a result, will be holding minimal cash in line with the Victorian Governments Centralised Treasury and Investment Policy.

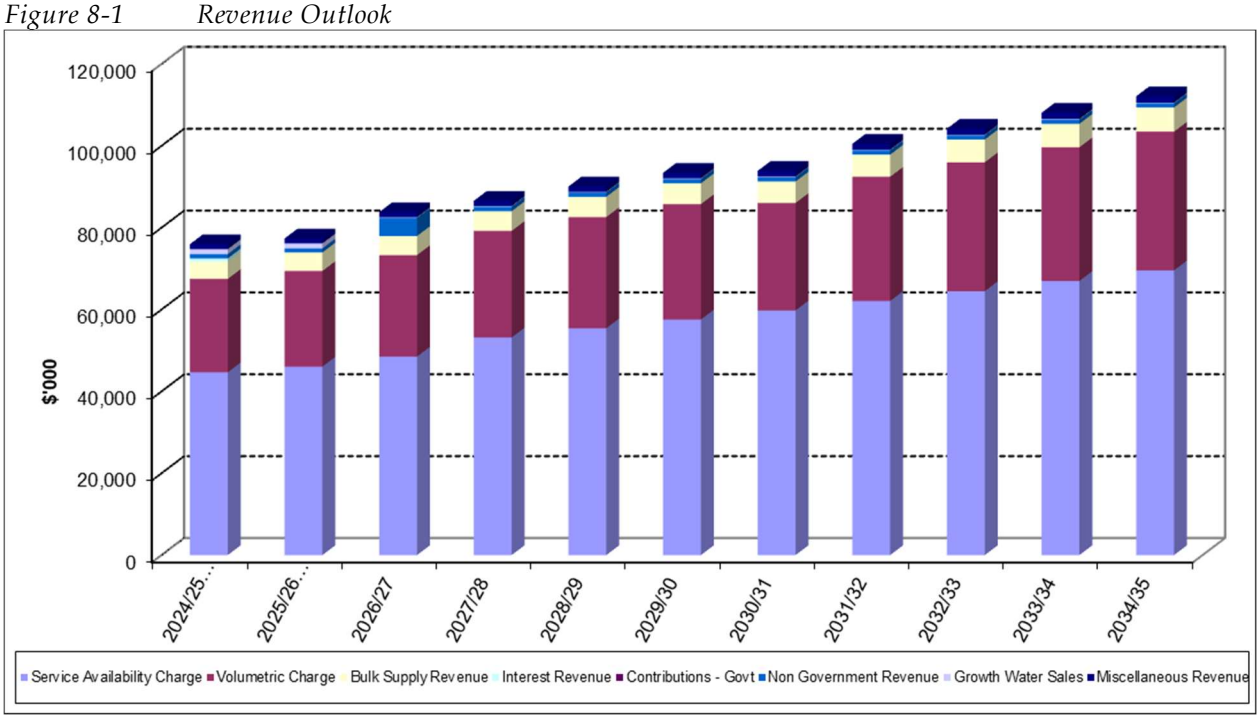
7.9. Financial Outlook

The overall financial outlook for 2025/26 and beyond has been analysed in terms of the key elements of the budget.

7.9.1. Revenue

The Revenue outlook based on the current planning projections is summarised below:

Figure 8-1 Revenue Outlook



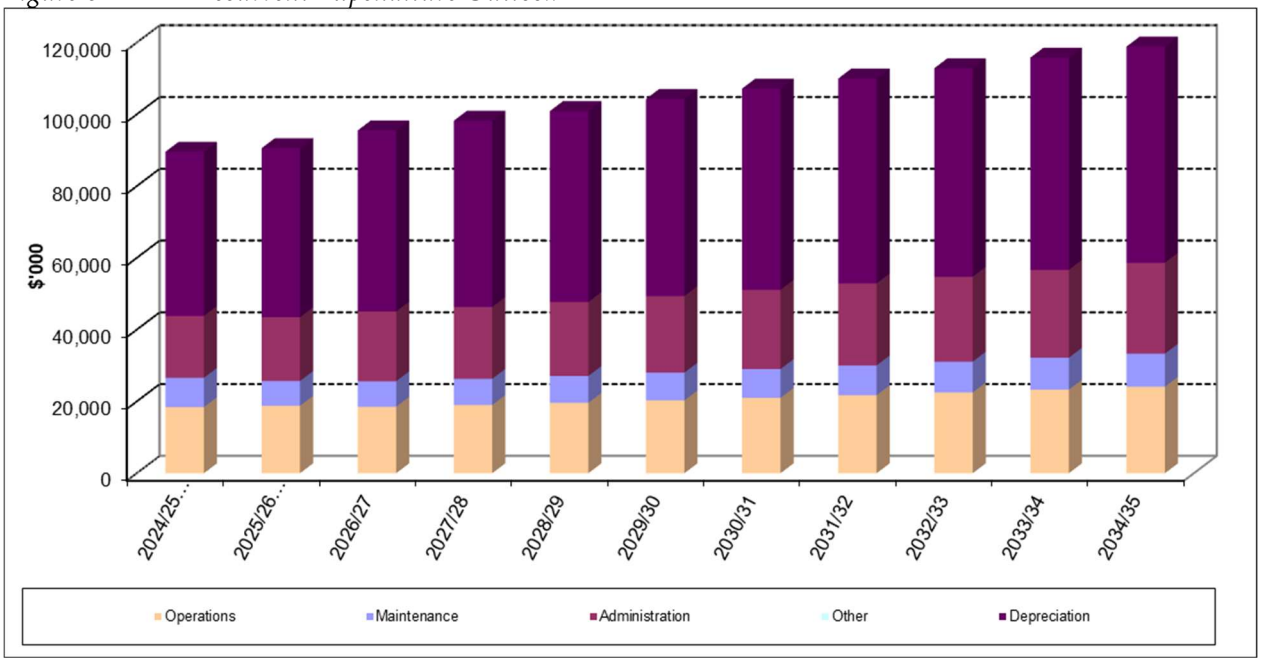
Rates and charges revenue is budgeted to increase in future years due to price increases, service upgrades, modest growth and growth associated with the East Grampians Rural Water Supply Project.

Non government revenue includes gifted assets from developers across the planning period and new customer contributions from the East Grampians Rural Water Supply project in 2026/27.

7.9.2. Recurrent Expenditure

The recurrent expenditure outlook based on current planning projections is summarised below:

Figure 8-2 Recurrent Expenditure Outlook



In addition to price escalation, the forward estimates have been adjusted to include:

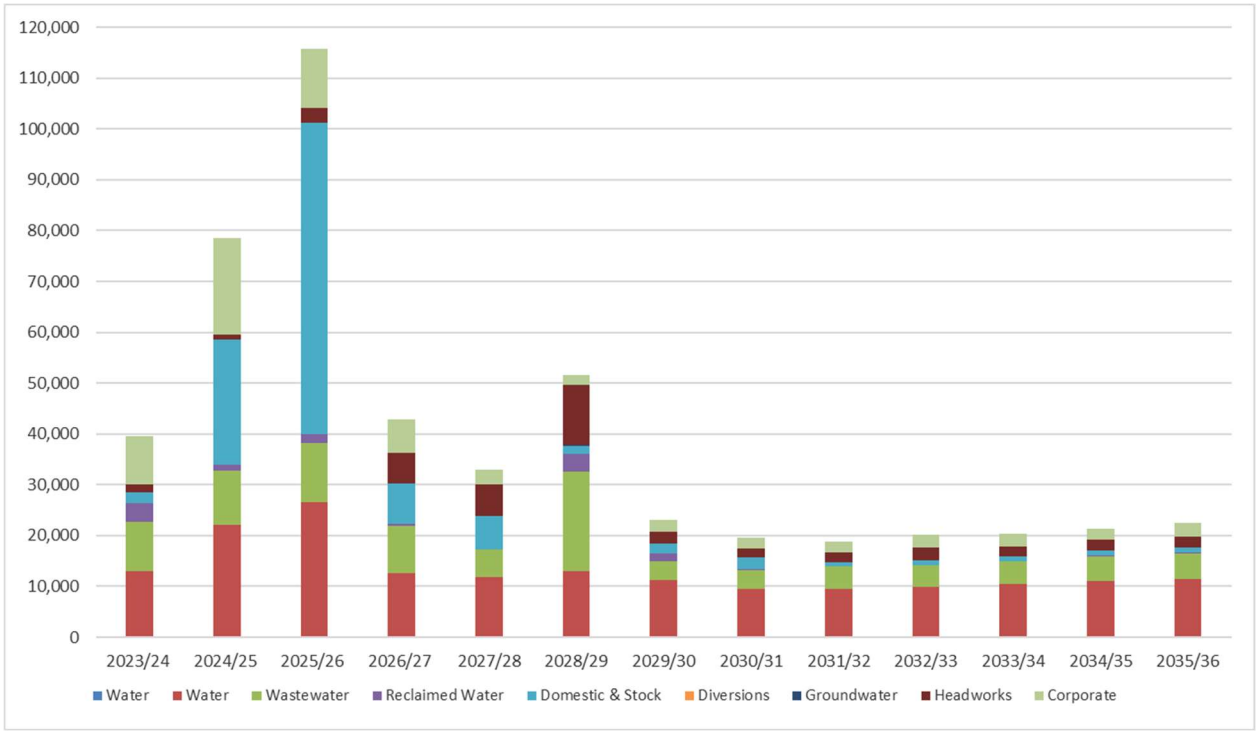
- productivity savings,
- additional operations and maintenance costs associated with new facilities reflected in the Capital Program. Any additional recurrent expenditure to operate and maintain these facilities has been included in the year following the completion of the project. See also Appendix 3.
- return of the operation of the four water treatment plants to GWMWater at the conclusion of the BOOT (PPP) agreement in 2026 and a 10% reduction in operating expenditure benchmarked to GWMWater's existing plants.

The purchase of Green Energy included in the 2023 Water Price Review and East Grampians Rural Water Supply Project Business Case has been removed from forward projections reflecting direct investments in renewable energy.

Expenditure for 2025/26 includes $140k for Valuer General Victoria directed 5 yearly Asset Revaluation costs for GWMWater assets not included in outer years.

7.9.3. Capital Expenditure

Figure 8-3 Capital Expenditure Forecast



7.10. Financial Statements

7.10.1. Operating Statement

Table 8-1 Operating Statement

	Price Submission 5					Price Submission 6						
Description	2023/24 Actual ($'000)	2024/25 Annual Forecast ($'000)	2025/26 Corporate Plan Budget ($'000)	2026/27 ($'000)	2027/28 ($'000)	2028/29 ($'000)	2029/30 ($'000)	2030/31 ($'000)	2031/32 ($'000)	2032/33 ($'000)	2033/34 ($'000)	2034/35 ($'000)
Revenue												
Service Availability Charge	42,633	44,671	46,059	48,499	53,166	55,417	57,560	59,786	62,095	64,490	66,978	69,568
Volumetric Charge	20,996	22,822	23,355	24,801	26,050	27,179	28,197	26,248	30,352	31,490	32,672	33,900
Bulk Supply Revenue	4,141	4,193	4,510	4,642	4,778	4,920	5,066	5,218	5,374	5,537	5,704	5,878
Total Rates and Charges	**67,769**	**71,686**	**73,923**	**77,942**	**83,995**	**87,515**	**90,823**	**91,251**	**97,822**	**101,517**	**105,355**	**109,346**
Other Revenue												
Interest Revenue	866	815	32	32	32	32	32	32	32	32	32	32
Contributions - Govt	1,334	0	0	0	0	0	0	0	0	0	0	0
Non Government Revenue	2,237	1,045	979	4,426	1,098	1,041	1,043	1,045	1,047	1,007	1,008	1,009
Growth Water Sales	44	1,212	1,230	164	164	164	164	164	164	164	164	164
Miscellaneous Revenue	1,505	1,210	1,193	1,229	1,265	1,303	1,343	1,383	1,424	1,467	1,511	1,556
Net Energy Generation Rev	0	185	850	880	911	942	975	1,010	1,045	1,081	1,119	1,158
Total Other Revenue	**5,986**	**4,468**	**4,284**	**6,730**	**3,470**	**3,482**	**3,556**	**3,633**	**3,712**	**3,752**	**3,834**	**3,920**
Total Revenue	**73,756**	**76,153**	**78,207**	**84,672**	**87,464**	**90,997**	**94,380**	**94,884**	**101,534**	**105,269**	**109,190**	**113,266**
Expenses												
OM&A Expenses												
Operations	18,297	18,421	18,809	18,549	19,025	19,616	20,302	21,013	21,748	22,509	23,297	24,113
Maintenance	6,973	8,167	6,899	7,091	7,288	7,490	7,752	8,024	8,304	8,595	8,896	9,207
Administration	16,250	17,270	17,764	19,429	20,012	20,614	21,335	22,082	22,855	23,655	24,483	25,339
Decommissioning Expenditur	110	800	0	0	0	0	0	0	0	0	0	0
Total OM&A Expenses	**41,630**	**44,658**	**43,472**	**45,069**	**46,325**	**47,719**	**49,389**	**51,118**	**52,907**	**54,759**	**56,675**	**58,659**
Non OM&A Expenses												
Other	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Levy	2,601	2,601	2,478	2,478	2,478	2,478	2,478	2,478	2,478	2,478	2,478	2,478
Finance	7,056	8,209	11,394	11,292	11,643	12,548	12,495	12,210	11,696	11,096	10,390	9,597
Asset Disposal-(Gain)/Loss	528	0	0	0	0	(0)	0	(0)	(0)	0	(0)	0
Total Non OM&A	**10,186**	**10,810**	**13,873**	**13,770**	**14,121**	**15,026**	**14,973**	**14,688**	**14,174**	**13,574**	**12,868**	**12,075**
Expenses Before Depreciation	**51,815**	**55,469**	**57,345**	**58,839**	**60,446**	**62,745**	**64,363**	**65,806**	**67,081**	**68,333**	**69,543**	**70,734**
Earnings Before Dep and Tax	**21,940**	**20,685**	**20,862**	**25,834**	**27,019**	**28,252**	**30,017**	**29,078**	**34,454**	**36,935**	**39,647**	**42,532**
Depreciation	**45,481**	**45,747**	**47,118**	**50,476**	**51,916**	**53,212**	**54,914**	**56,075**	**57,087**	**58,109**	**59,158**	**60,247**
Income Tax Benefit	**6,968**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Operating Surplus / (Deficit)	**(16,572)**	**(25,062)**	**(26,256)**	**(24,642)**	**(24,898)**	**(24,960)**	**(24,898)**	**(26,997)**	**(22,633)**	**(21,174)**	**(19,511)**	**(17,716)**

7.10.2. Balance Sheet

Table 8-2 Balance Sheet

	Price Submission 5					Price Submission 6						
Description	**2023/24 Actual ($'000)**	**2024/25 Annual Forecast ($'000)**	**2025/26 Corporate Plan Budget ($'000)**	**2026/27 ($'000)**	**2027/28 ($'000)**	**2028/29 ($'000)**	**2029/30 ($'000)**	**2030/31 ($'000)**	**2031/32 ($'000)**	**2032/33 ($'000)**	**2033/34 ($'000)**	**2034/35 ($'000)**
Assets												
Current Assets												
Cash and Investments	2,181	4,131	3,885	3,950	3,991	3,914	3,841	3,796	3,753	3,782	3,788	3,826
Debtors	19,657	13,237	14,338	15,507	16,767	18,079	19,442	20,810	22,278	23,801	25,381	27,021
Accrued Income	4,426	5,514	5,103	5,103	5,103	5,103	5,103	5,103	5,103	5,103	5,103	5,103
Prepayments	554	301	767	767	767	767	767	767	767	767	767	767
Inventory	2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,703
Total Current Assets	**29,521**	**25,887**	**26,795**	**28,029**	**29,330**	**30,566**	**31,855**	**33,179**	**34,604**	**36,155**	**37,741**	**39,420**
Non Current Assets												
Debtors	579	579	579	579	579	579	579	579	579	579	579	579
Fixed Assets	2,302,535	2,335,033	2,403,637	2,395,642	2,376,531	2,374,648	2,342,290	2,305,413	2,266,743	2,228,231	2,188,874	2,149,641
Total Non Current Assets	**2,303,114**	**2,335,612**	**2,404,217**	**2,396,222**	**2,377,110**	**2,375,227**	**2,342,869**	**2,305,992**	**2,267,322**	**2,228,811**	**2,189,453**	**2,150,221**
Total Assets	**2,332,635**	**2,361,499**	**2,431,012**	**2,424,250**	**2,406,440**	**2,405,793**	**2,374,725**	**2,339,171**	**2,301,926**	**2,264,966**	**2,227,195**	**2,189,641**
Liabilities												
Current Liabilities												
Creditors & Accruals	10,193	10,921	12,031	13,209	13,327	13,700	13,626	13,513	13,307	13,078	12,805	12,501
Unearned Revenue (prepaid)	348	348	348	348	348	348	348	348	348	348	348	348
Employee Entitlements	6,617	6,617	6,617	6,617	6,617	6,617	6,617	6,617	6,617	6,617	6,617	6,617
Borrowings	17,532	5,285	14,785	14,785	14,785	14,785	14,785	14,785	14,785	14,785	14,785	14,785
Right Of Use (ROU) Liabilities - Current	44	44	44	44	44	44	44	44	44	44	44	44
Total Current Liabilities	**34,735**	**23,216**	**33,826**	**35,004**	**35,121**	**35,495**	**35,421**	**35,308**	**35,102**	**34,872**	**34,599**	**34,295**
Non Current Liabilities												
Employee Entitlements	601	601	601	601	601	601	601	601	601	601	601	601
Creditors	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings	113,900	165,483	238,491	255,063	262,956	288,396	283,852	277,015	264,271	250,436	234,229	216,538
BOOT Borrowings	2,816	1,479	0	0	0	0	0	0	0	0	0	0
Right Of Use (ROU) Liabilities - Non-Current	694	694	694	694	694	694	694	694	694	694	694	694
Deferred Tax Liabilities	255,070	255,070	255,070	255,070	255,070	255,070	255,070	255,070	255,070	255,070	255,070	255,070
Total Non Current Liabilities	**373,082**	**423,327**	**494,856**	**511,428**	**519,322**	**544,762**	**540,217**	**533,380**	**520,636**	**506,801**	**490,594**	**472,903**
Total Liabilities	**407,816**	**446,543**	**528,682**	**546,432**	**554,443**	**580,257**	**575,638**	**568,688**	**555,739**	**541,673**	**525,194**	**507,199**
Net Assets	**1,924,818**	**1,914,956**	**1,902,330**	**1,877,818**	**1,851,997**	**1,825,536**	**1,799,087**	**1,770,483**	**1,746,187**	**1,723,293**	**1,702,001**	**1,682,442**
Equity, Capital and Reserves												
Contributed Capital	1,276,571	1,291,771	1,305,401	1,305,532	1,304,608	1,303,107	1,301,556	1,299,949	1,298,287	1,296,566	1,294,786	1,292,942
Reserves	847,431	847,431	847,431	847,431	847,431	847,431	847,431	847,431	847,431	847,431	847,431	847,431
Accumulated Surplus	-199,184	-224,246	-250,502	-275,144	-300,042	-325,002	-349,900	-376,897	-399,531	-420,704	-440,215	-457,931
Total Equity, Capital and Reserves	**1,924,818**	**1,914,956**	**1,902,330**	**1,877,818**	**1,851,997**	**1,825,536**	**1,799,087**	**1,770,483**	**1,746,187**	**1,723,293**	**1,702,001**	**1,682,442**

7.10.3. Cash Flow Statement

Table 8-3 Cash Flow Statement

	Price Submission 5					Price Submission 6						
Description	2023/24 Actual ($'000)	2024/25 Annual Forecast ($'000)	2025/26 Corporate Plan Budget ($'000)	2026/27 ($'000)	2027/28 ($'000)	2028/29 ($'000)	2029/30 ($'000)	2030/31 ($'000)	2031/32 ($'000)	2032/33 ($'000)	2033/34 ($'000)	2034/35 ($'000)
CASH FLOW FROM OPERATING ACTIVITIES												
Payments												
Suppliers and Employees	(43,609)	(47,006)	(46,416)	(47,547)	(48,803)	(50,197)	(51,868)	(53,596)	(55,385)	(57,237)	(59,154)	(61,137)
Interest and Other Costs of Finance	(6,934)	(7,481)	(10,284)	(10,114)	(11,526)	(12,174)	(12,569)	(12,323)	(11,902)	(11,326)	(10,662)	(9,901)
Total Payments	**(50,543)**	**(54,487)**	**(56,700)**	**(57,661)**	**(60,328)**	**(62,371)**	**(64,437)**	**(65,919)**	**(67,287)**	**(68,563)**	**(69,816)**	**(71,038)**
Receipts												
Rates and Charges	67,018	73,041	74,459	78,033	84,032	87,537	90,835	91,297	97,811	101,493	105,318	109,294
Contributions	1,122	1,212	1,230	3,611	283	225	228	230	232	192	193	194
Net Energy Generation Income	0	185	850	880	911	942	975	1,010	1,045	1,081	1,119	1,158
Interest	846	0	0	0	0	0	0	0	0	0	0	0
Total Receipts	**68,986**	**74,439**	**76,539**	**82,524**	**85,225**	**88,705**	**92,038**	**92,536**	**99,088**	**102,767**	**106,630**	**110,646**
Net Cash Provided by Operating Activities	**18,443**	**19,952**	**19,838**	**24,863**	**24,897**	**26,334**	**27,601**	**26,617**	**31,801**	**34,204**	**36,814**	**39,608**
CASH FLOWS FROM INVESTING ACTIVITIES												
Contributions	866	0	0	0	0	0	0	0	0	0	0	0
Payments for Capital Works and Equipment	(43,455)	(78,171)	(115,732)	(42,862)	(32,885)	(51,610)	(23,069)	(19,612)	(18,801)	(20,189)	(20,287)	(21,315)
Proceeds from Disposal of Assets	1,105	971	989	1,361	1,059	1,261	1,492	1,393	1,363	1,570	1,466	1,280
Net Cash Used in Investing Activities	**(41,484)**	**(77,200)**	**(114,743)**	**(41,501)**	**(31,826)**	**(50,350)**	**(21,577)**	**(18,219)**	**(17,438)**	**(18,619)**	**(18,821)**	**(20,035)**
CASH FLOWS FROM FINANCING ACTIVITIES												
(Repayment) / Raising of Debt	4,953	37,999	81,029	16,572	7,894	25,440	(4,545)	(6,837)	(12,744)	(13,835)	(16,207)	(17,691)
Contributed Capital / (Repatriation)	0	21,200	13,630	130	(923)	(1,501)	(1,552)	(1,606)	(1,662)	(1,721)	(1,781)	(1,843)
Net Cash Used in Financing Activities	4,953	59,199	94,659	16,702	6,970	23,939	(6,096)	(8,443)	(14,406)	(15,556)	(17,988)	(19,534)
Net Increase / (Decrease) in Cash Held	**(18,089)**	**1,950**	**(246)**	**64**	**41**	**(76)**	**(73)**	**(45)**	**(43)**	**29**	**5**	**39**
Cash on hand at beginning of year	20,270	2,181	4,132	3,886	3,950	3,991	3,914	3,842	3,797	3,754	3,783	3,788
Cash on hand at end of year	**2,181**	**4,132**	**3,886**	**3,950**	**3,991**	**3,914**	**3,842**	**3,797**	**3,754**	**3,783**	**3,788**	**3,827**

7.11. Financial Performance Indicators

Table 8-4 Financial Performance Indicators

CP Ref #	Description	2024/25 Annual Forecast	2025/26 Corporate Plan Budget	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	Operating Surplus/(Deficit)	(25,062)	(26,256)	(24,642)	(24,898)	(24,960)	(24,898)	(26,997)	(22,633)	(21,174)	(19,511)	(17,716)
	Net Interest	(7,394)	(11,363)	(11,260)	(11,611)	(12,516)	(12,463)	(12,178)	(11,664)	(11,065)	(10,358)	(9,565)
	EBIT	(16,853)	(14,862)	(13,350)	(13,255)	(12,413)	(12,402)	(14,787)	(10,938)	(10,078)	(9,121)	(8,119)
	EBIT (Net Interest)	(17,668)	(14,893)	(13,382)	(13,286)	(12,444)	(12,434)	(14,819)	(10,969)	(10,109)	(9,153)	(8,151)
	EBITDA	28,878	32,225	37,094	38,630	40,768	42,480	41,256	46,117	48,000	50,004	52,097
	Average total equity	1,786,526	1,908,643	1,890,074	1,864,907	1,838,766	1,812,311	1,784,785	1,758,335	1,734,740	1,712,647	1,692,222
	Average total assets (current cost)	2,160,620	2,396,256	2,427,631	2,415,345	2,406,117	2,390,259	2,356,948	2,320,549	2,283,446	2,246,080	2,208,418
	Total Borrowings - excluding BOOT	170,768	253,276	269,848	277,742	303,182	298,637	291,800	279,056	265,221	249,014	231,323
F1	Interest Cover (Cash)	2.62	2.93	3.21	3.14	3.10	3.21	3.19	3.73	4.09	4.55	5.14
	Interest Cover (Cash) Target (times)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
F2	Gearing Ratio (debt to assets)	7.73%	10.51%	11.62%	12.03%	13.09%	13.07%	12.98%	12.64%	12.23%	11.71%	11.10%
	Gearing Ratio (debt to assets) Benchmark	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
F3	Internal Financing Ratio (Cash from Operations/Cash used in Investing)	0.01	0.17	0.60	0.78	0.52	1.28	1.46	1.82	1.84	1.96	1.98
	Internal Financing Ratio Benchmark (Cash from Operations/Cash used in Inv	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
F4	Current Ratio	0.97	0.78	0.79	0.82	0.85	0.89	0.93	0.97	1.02	1.08	1.14
	Current Ratio Benchmark	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F5	Return on Assets (based on statutory asset values)	-0.78%	-0.62%	-0.55%	-0.55%	-0.52%	-0.52%	-0.63%	-0.47%	-0.44%	-0.41%	-0.37%
	Return on Assets Benchmark (based on statutory asset values)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
F6	Return on Equity	-1.40%	-1.38%	-1.30%	-1.34%	-1.36%	-1.37%	-1.51%	-1.29%	-1.22%	-1.14%	-1.05%
	Return on Equity Benchmark	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
F7	EBITDA Margin	37.92%	41.20%	43.81%	44.17%	44.80%	45.01%	43.48%	45.42%	45.60%	45.80%	46.00%
	EBITDA Marging Benchmark	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CAPITAL EXPENDITURE

8. Capital Works

Table 8-1 Capital Works Program by Summary Line of business

	Price Submission 5					Price Submission 6							
Description	***2023/24 ($'000)***	***2024/25 ($'000)***	***2025/26 ($'000)***	***2026/27 ($'000)***	***2027/28 ($'000)***	***2028/29 ($'000)***	***2029/30 ($'000)***	***2030/31 ($'000)***	***2031/32 ($'000)***	***2032/33 ($'000)***	***2033/34 ($'000)***	***2034/35 ($'000)***	***2035/36 ($'000)***
Water	13,029	22,202	26,640	12,518	11,836	12,964	11,156	9,588	9,546	9,859	10,384	11,124	11,513
Wastewater	9,620	10,565	11,569	9,395	5,364	19,579	3,795	3,670	4,349	4,211	4,511	4,832	5,001
Reclaimed Water	3,651	1,215	1,707	382	64	3,471	1,531	78	84	90	97	104	107
Domestic & Stock	2,302	24,504	61,209	7,884	6,587	1,598	1,975	2,353	777	904	891	955	988
Diversions	0	0	8	9	10	11	12	13	14	15	16	17	18
Groundwater	(0)	90	17	19	22	167	28	29	31	34	36	38	40
Headworks	1,521	957	2,892	6,038	6,199	11,791	2,230	1,669	1,789	2,571	1,994	2,136	2,211
Corporate	9,448	19,044	11,690	6,617	2,804	2,029	2,342	2,211	2,210	2,505	2,357	2,108	2,627
Total Capital Expenditure	**39,571**	**78,576**	**115,732**	**42,862**	**32,885**	**51,610**	**23,069**	**19,612**	**18,801**	**20,189**	**20,287**	**21,315**	**22,505**

2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**

SERVICE STANDARDS

10. Service Standards

10.1 Urban Services

The basis of urban water supply has been confirmed through the development of the Urban Customer Charter and 2023 GWMWater Price Submission.

The following outlines a selection of service standards adopted by GWMWater in its customer charter and additional measures required under corporate planning guidelines.

Table 10-1 Water Supply Service Standards

Water	**2025/26**
Minimum water pressure or flow rate a customer should receive (L/min)	20
Maximum number of unplanned water supply interruptions a customer should experience in any 12-month period	5
Average time taken to attend bursts and leaks (priority 1) (minutes)	30
Average time taken to attend bursts and leaks (priority 2) (minutes)	40
Average time taken to attend bursts and leaks (priority 3) (minutes)	40
Average duration of unplanned water supply interruptions (minutes)	100
Average duration of planned water supply interruptions (minutes)	200
Unplanned water supply interruptions: number of customers receiving (more than 5) unplanned interruptions in the year	90

Table 10-2 Wastewater Service Standards

Sewerage	**2025/26**
Maximum number of sewer blockages a customer should experience in any 12-month period	3
Average time to attend sewer spills and blockages (min)	22
Average time to rectify a sewer blockage (min)	113
Maximum time taken to contain a sewer spill (minutes)	300
Sewerage Service – sewer blockages: number of sewer blockages reported per 100 kilometres of sewer main (KPI080)	48
Sewerage Service – sewer spills: number of sewer spills reported per 100 kilometres of sewer main	17
Sewerage Service - containment of sewer spills: Sewer spills from reticulation and branch sewers contained within 5 hours	100

Table 10-3 Drinking Water Quality Standards

Parameter	Quality Standard	Units	Quality Standard Description
Microbiological organisms			
Escherichia coli	0	org/100mL	At least 98% of all samples of drinking water collected in any 12 month period contain no Escherichia coli per 100 millilitres of drinking water
Other parameters			
Turbidity	5	NTU	95% upper confidence limit of the mean of samples of drinking water collected in any 12 month period must be less than or equal to 5.0 Nephelometric Turbidity Units.
Chlorine based chemicals			
Chloroacetic acid	0.15	mg/L	0.15 milligrams per litre of drinking water
Dichloroacetic acid	0.1	mg/L	0.1 milligrams per litre of drinking water
Trichloroacetic acid	0.1	mg/L	0.1 milligrams per litre of drinking water
Trihalomethanes	0.25	mg/L	0.25 milligrams per litre of drinking water
Chemicals derived from treatment with ozone			
Formaldehyde	0.5	mg/L	0.5 milligrams per litre of drinking water
Bromate	0.02	mg/L	0.02 milligrams per litre of drinking water
Aluminium based chemicals			
Aluminium	0.2	mg/L	0.2 milligrams per litre of drinking water (acid-soluble)
Customer complaints indicators			
Water quality complaints per 1000 customers (Potable)	4	No.	

Table 10-4 Wastewater Treatment Standards

Wastewater Treatment	**2025/26**
Recycled Water Recycled water – effluent treatment and reuse proportion of water recycled as a percentage of the volume of effluent produced	80

10.2 Rural Service Standards

The basis of rural water supply has been confirmed through the development of the Rural Customer Charter.

The following outlines a selection of service standards adopted by GWMWater.

Table 10-5 Pumped Supply Standards

Pumped Supply (by district/supply system	**2025/26**
Maximum number of days of unavailability of D&S Supply Systems for continuous periods (days)	3

Table 10-6 Licensing/administration Standards

Licensing/administration	**2025/26**
Number of days to process temporary transfer of water allowance volumes (days)	15
Number of days to process new applications or permanent transfer of groundwater licences, supply-by-agreement licences, water allowance volumes (days)	60
Number of days to process applications for renewal of groundwater licenses (days)	40
Number of days to process new applications for surface diversion licenses	22
Number of days to process applications for renewal of surface diversion and supply-by-agreement volumes (days)	60

GLOSSARY

ADWG	Australian Drinking Water Guidelines
ANCOLD	Australian National Committee on Large Dams
BGA	Blue Green Algae
BMP	Biosolids Management Plan
BOOT	Build, Own, Operate and Transfer
BE	Bulk Entitlement
CMA	Catchment Management Authority
CSO	Community Service Obligation
D&C	Design and Construct
D&S	Domestic and Stock
DEECA	Department of Energy, Environment and Climate Change
DH	Department of Health
DRAP	Dams Risk Assessment Program
DTF	Department of Treasury and Finance
EC	Electrical Conductivity
EIP	Environmental Improvement Plan
EPA	Environment Protection Authority
EMP	Emergency Management Plan
EMS	Environmental Management System
ESC	Essential Services Commission
EWOV	Energy and Water Ombudsman of Victoria
FAL	Financial Accommodation Levy
FRD	Financial Reporting Direction
GMP	Groundwater Management Plan
G-MW	Goulburn-Murray Water
HAA	Haloacetic Acids / Halogenated Acetic Acids
IPART	Independent Pricing and Regulatory Tribunal
KPI	Key Performance Indicators
KRA	Key Result Areas
MOU	Memorandum of Understanding
NMP	Northern Mallee Pipeline
RAB	Regulatory Asset Base
RIS	Regulatory Impact Statement
RMP	Risk Management Plan
ROA	Return on Assets
ROE	Return on Equity
SBA	Supply by Agreement
SCADA	Supervisory Control and Data Acquisition
SDWA	Safe Drinking Water Act
SEPP	State Environment Protection Policy
SFMP	Streamflow Management Plan
SMP	Salinity Management Plan

SoO	Statement of Obligations
TCV	Treasury Corporation Victoria
TDS	Total Dissolved Solids
TER	Tax Equivalent Regime
THM	Trihalomethane
TWA	Trade Waste Agreement
VWIA	Victorian Water Industry Association
WACC	Weighted Average Cost of Capital
WHO	World Health Organisation
WIRO	Water Industry Regulatory Order
WTP	Water Treatment Plant
WSA	Water Services Agreement
WWMP	Wastewater Management Plan
WMPP	Wimmera Mallee Pipeline Project
WMW	Wimmera Mallee Water
WSPA	Water Supply Protection Area
WQMP	Water Quality Management Plan
WWTP	Wastewater Treatment Plant

APPENDIX 1 – CAPITAL WORKS PROGRAM

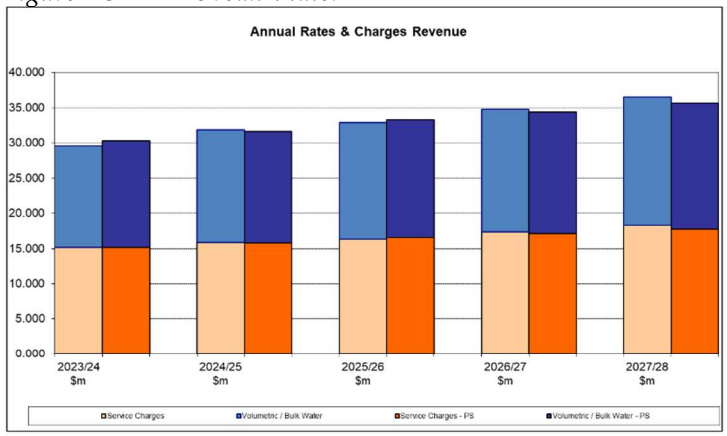
Appendix Table 1-1 Capital Works Program (excluding revenue and contributions)

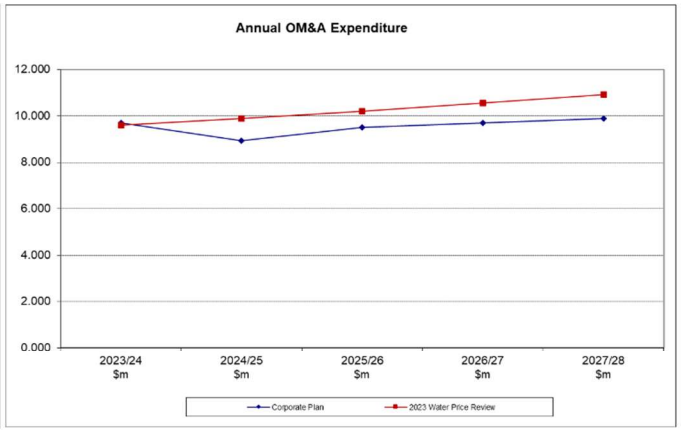
		2025/26 CORPORATE PLAN				
Description		**2023/24 ($'000)**	**2024/25 ($'000)**	**2025/26 ($'000)**	**2026/27 ($'000)**	**2026/27 ($'000)**
Water						
Renewal	Water Main Renewals	3,738	3,932	5,991	6,868	4,422
	Water Treatment Plant Major Infr Asset Renewals	1,343	1,157	1,289	665	722
	Domestic Water Meter Replacements	206	108	336	71	76
	Bulk Water Meter Replacements	17	167	50	24	25
	Water Bore Renewals	124	265	75	78	488
	Water Pump Station Asset Renewals	260	332	847	95	102
	Water Storage Tank Renewals	808	1,561	316	148	113
	Urban Water Storages Renewals	20	0	273	178	635
	Plant & Equipment	49	23	67	72	77
Compliance	Water Infrastructure Cathodic Protection Upgrades	89	265	0	0	0
	Urban Water Storage Desludging	0	0	1,099	0	0
	Water Major OH&S Upgrades	7	30	31	33	36
Improvement	Mt Zero WTP Upgrades	78	445	2,500	0	643
	WTP Upgrades and Modernisation	13	496	219	294	486
	Edenhope WTP Upgrades	15	262	3,558	0	0
	Aust Drinking Water Guidelines Compliance	93	18	337	593	635
	Water Quality Upgrade - Kaniva	4,279	7,038	0	0	0
	Water Quality Upgrade - Elmhurst	1,294	117	0	0	0
	Water Quality Upgrade - Ultima	2	0	0	0	0
	Water Quality Upgrade - Moyston	92	269	4,817	0	0
	Water Quality Upgrade - Berriwillock & Culgoa	203	3,600	2,908	0	0
	Water Supply System Upgrades	230	646	277	617	912
	Pipeline - Lake Fyans PS to Stawell Supply Main	3	0	0	0	0
	Water Supply System Upgrade - Industrial Fire Flow	32	500	1,574	2,700	2,375
Growth	Horsham Morson PS Works for High Pressure Spine	9	0	0	0	0
	Water Developer Works Planning & Supervision	(18)	20	51	54	58
	Water Cont to Developer Works	43	950	26	28	30
Wastewater						
Renewal	Sewer Main Renewals	657	3,485	2,302	3,317	1,843
	Waste Water Treatment Plant Major Infr Asset Renewals	432	749	1,313	949	777
	Sewer Pump Station Asset Renewals	1,382	706	731	783	559
	Wastewater Major OH&S Upgrades	0	20	21	22	24
Compliance	Wastewater System Upgrades	50	142	2,201	237	1,017
	WWTP Desludging	136	864	0	0	0
	Upgrade WWTP & Reuse System - Dimboola	83	144	3,707	3,416	0
	Upgrade WWTP & Reuse System - Donald	2,171	3,056	0	0	0
	WWTP Instrument - Testing Equipment	4	20	146	22	24
Improvement	Sewer System Upgrades	210	388	332	0	254
	Horsham WWTP Upgrades	2	222	579	395	594
Growth	Sewerage Scheme - Goroke	1,738	31	0	0	0
	WWater Developer Works Planning & Supervision	2,729	200	207	222	238
	WWater Cont to Developer Works	25	537	31	33	36
Reclaimed Water						
Renewal	Waste Water Treatment Plant Major Infr Asset Renewals	35	596	111	59	64
	Reuse Schemes	11	100	1,596	323	0
Improvement	New Reuse Schemes	647	490	0	0	0
	Horsham IWS Connections	692	0	0	0	0
Growth	Horsham Smartwater Integrated Water Management	2,266	30	0	0	0
Domestic & Stock						
Renewal	Domestic and Stock Water Main Renewals	22	99	55	36	38
	D&S Meter Replacements	45	1,067	3,910	44	48
	Domestic and Stock Water Pump Stations Renewals	328	194	422	268	102
	Plant & Equipment	133	1,117	579	629	159
Improvement	Domestic and Stock Supply System Upgrades	41	82	31	33	36
	Northern Mallee Pipeline Clean Water Stage 2	48	74	2,574	6,334	6,181
	Domestic and Stock Water Pump Stations Upgrades	7	0	21	22	24
	Rural Inside/Outside District Connections	5	2	0	0	0
	Drought relief pipeline connections	15	353	0	0	0
Growth	South West Loddon Rural Water Supply	15	0	0	0	0
	Lannecoorie ICV for Coliban Water TP	4	9	0	0	0
	East Grampians Rural P/Line Extension	1,475	21,000	51,318	0	0
	North East Pyrenees Pipeline Feasibility Study	165	9	0	0	0
	Norval Rural WPS - Renewables Based Stand Alone	0	500	2,300	518	0

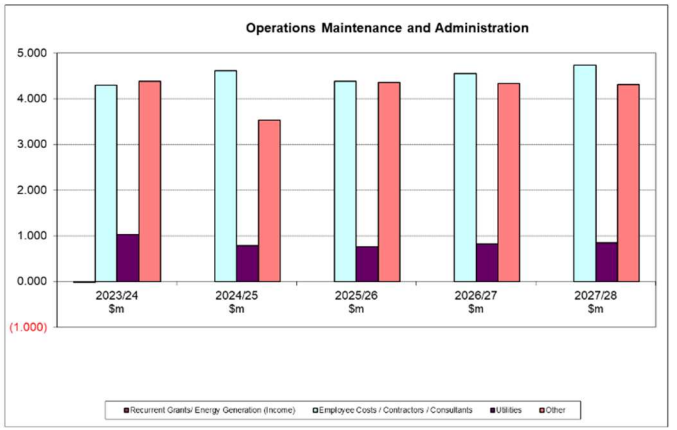
		2025/26 CORPORATE PLAN				
Description		**2023/24 ($'000)**	**2024/25 ($'000)**	**2025/26 ($'000)**	**2026/27 ($'000)**	**2026/27 ($'000)**
Diversions						
Compliance	Surface Water Diversion Metering	0	0	8	9	10
Groundwater						
Compliance	Groundwater Meter Replace Program	(0)	90	17	19	22
Headworks						
Renewal	Dam Safety Reviews	91	6	488	203	282
	Dam Safety Works	61	0	0	0	0
	Headworks Structure Renewals	396	355	1,569	4,532	4,739
	Waterway Structures	0	0	66	76	153
	Recreation Facilities_CP Work Extension	58	0	0	0	0
Compliance	Dam Safety Works	11	75	358	676	635
	Lake Fyans Embankment Rehabilitation Design	676	3	0	0	0
	Waterway Structures Upgrades	0	0	254	218	34
Improvement	Water Supply Security Augmentation	32	154	157	333	356
	Boating Safety - Recreational Works	40	22	0	0	0
	Rainbow & Yaapeet Rec Fishing Lakes	2	4	0	0	0
	Recreational Facility Upgrades	19	17	0	0	0
	Improving Access at Lakes Fyans & Lonsdale	1	0	0	0	0
	Lake Fyans Marina Boat Ramp Upgrade	8	0	0	0	0
	Nhill Lake - Installation of new bore	11	207	0	0	0
	Recreation Management Plans	9	12	0	0	0
	Lonsdale Track Works	49	0	0	0	0
Growth	Flood Recovery - Green & Dock Lakes	55	101	0	0	0
Corporate						
Renewal	Computer Software	128	280	150	0	0
	Computer Hardware	551	385	283	0	0
	Motor Vehicle Purchases	2,470	1,252	1,380	1,882	1,465
	Plant & Equipment	962	926	885	0	0
	Office Fit-out & Redevelopment	130	690	340	0	0
	Communications Equipment	0	299	100	0	0
	Salaries Capital Overhead	0	162	0	0	0
Compliance	Capital Works Insurance	(0)	(0)	0	0	0
	Assets RoU Leases	14	(0)	0	0	0
Improvement	SCADA Development ICT	48	714	441	440	107
	Kalkee Road Depot Relocation	33	1,512	2,000	3,105	0
	Energy Efficiency Projects	15	20	230	155	161
	Front of Meter Projects	4,532	11,975	100	0	0
	Renewable Energy Projects	57	100	2,155	0	0
	Donald Community Power Plant Project	86	98	2,727	0	0
	Pipeline Energy Optimisation Project	20	131	20	0	0
Growth	Behind the Meter Projects	401	500	880	1,035	1,071
Total Capital Expenditure		**39,571**	**78,576**	**115,732**	**42,862**	**32,885**

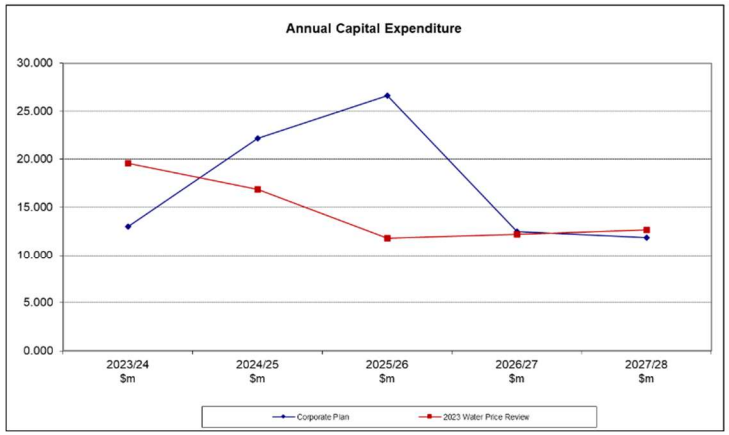
APPENDIX 2
DETAILED 2023 WATER PRICE REVIEW RECONCILATION BY BUSINESS SEGMENT

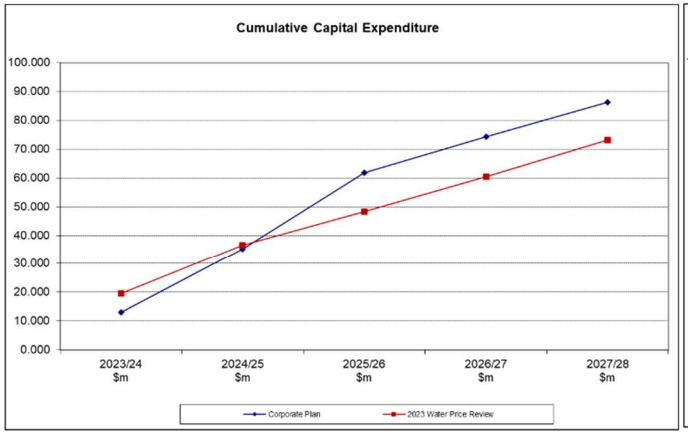
Figure A3 1 Urban Water











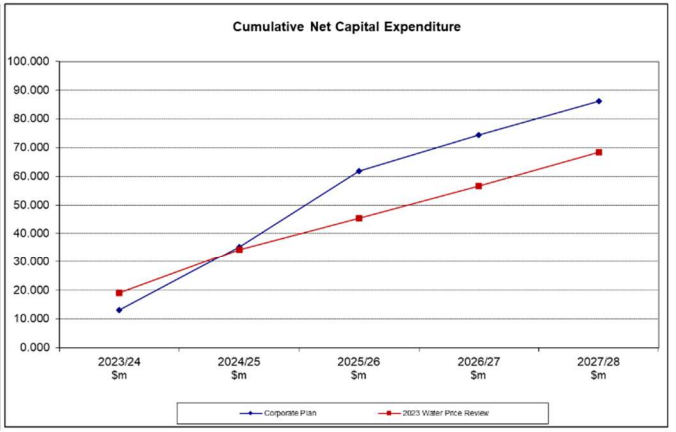


Figure A3 2 Urban Wastewater

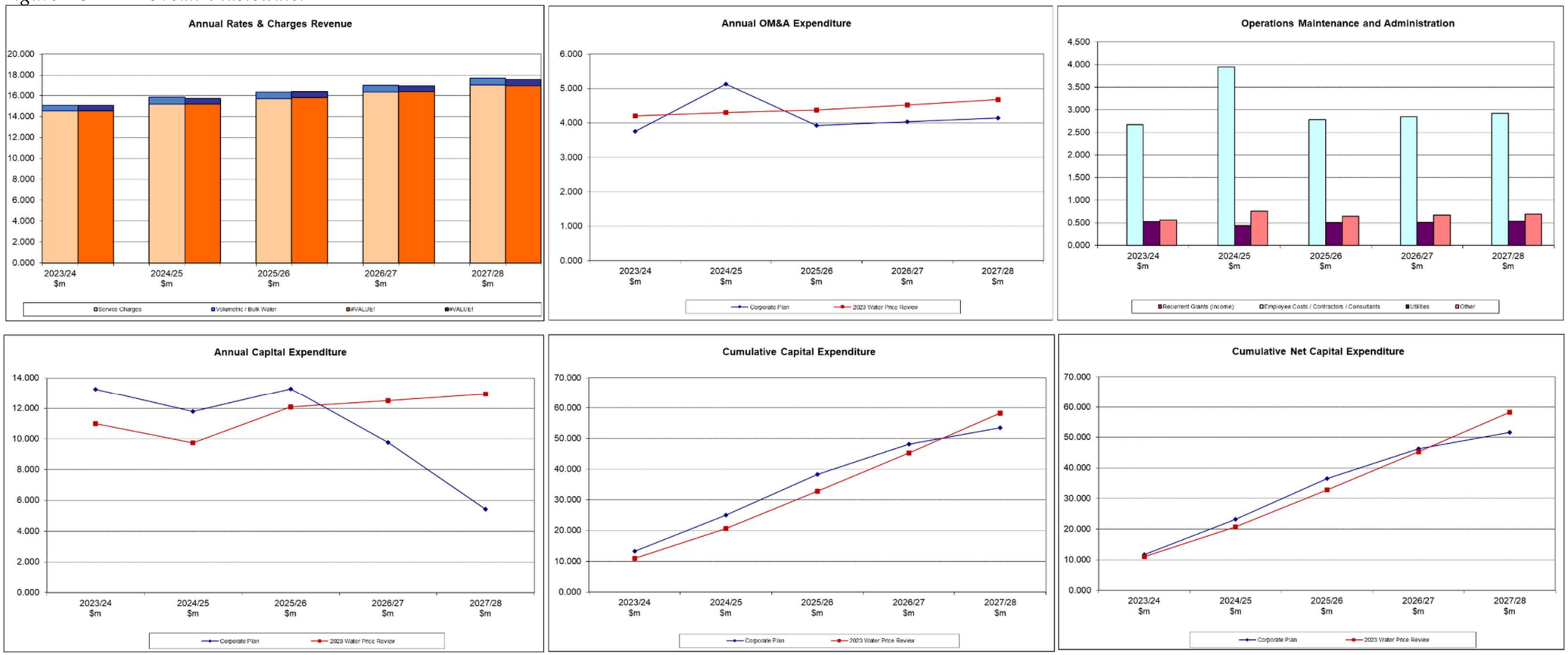
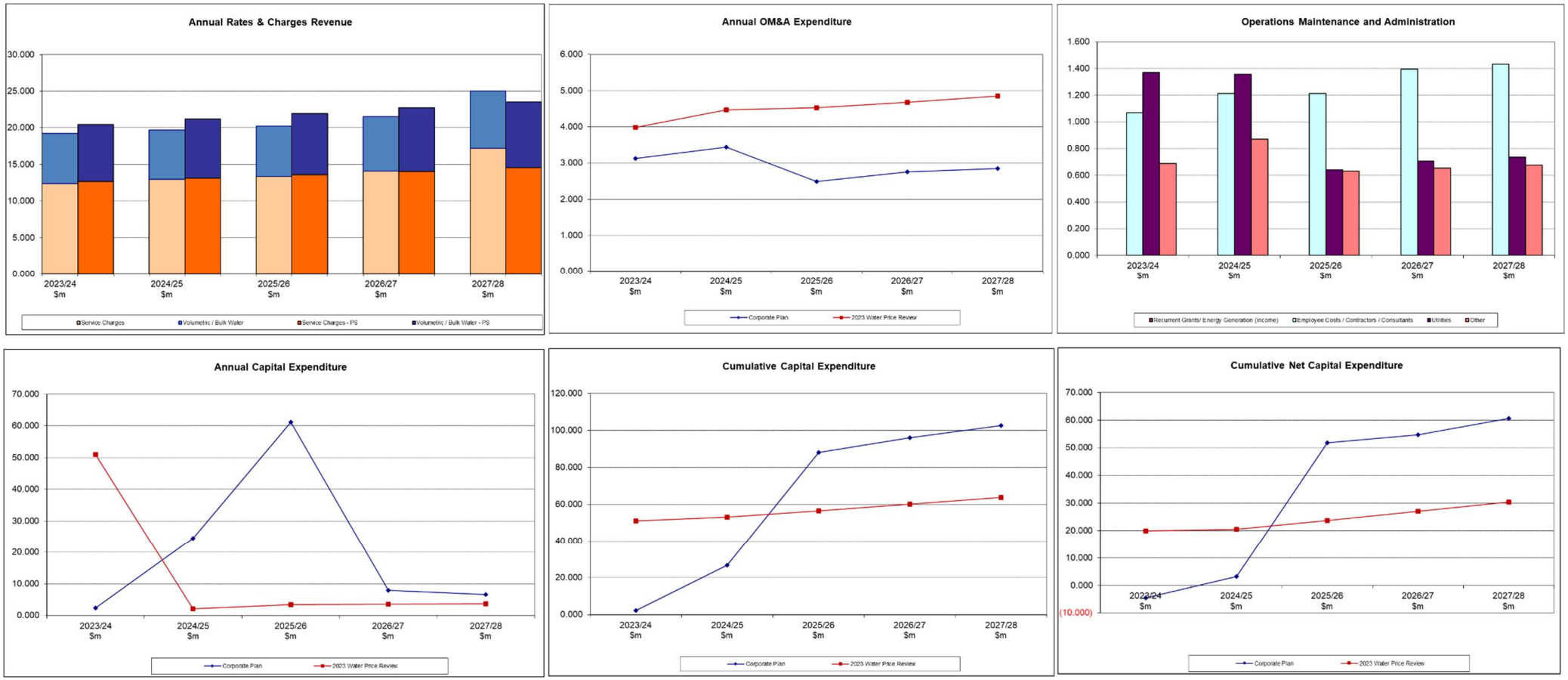


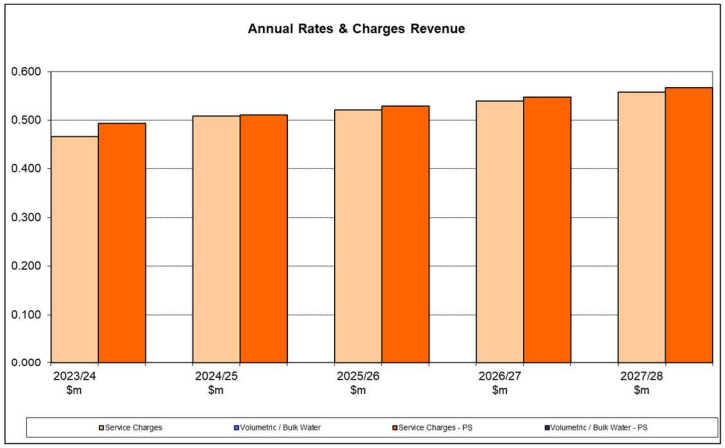
Figure A3 3 Rural Domestic and Stock

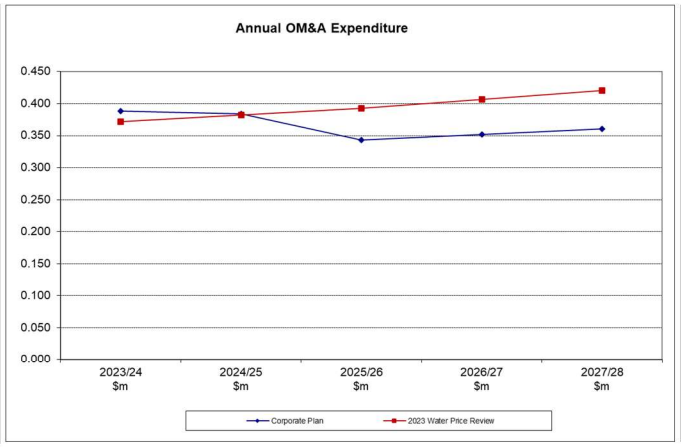


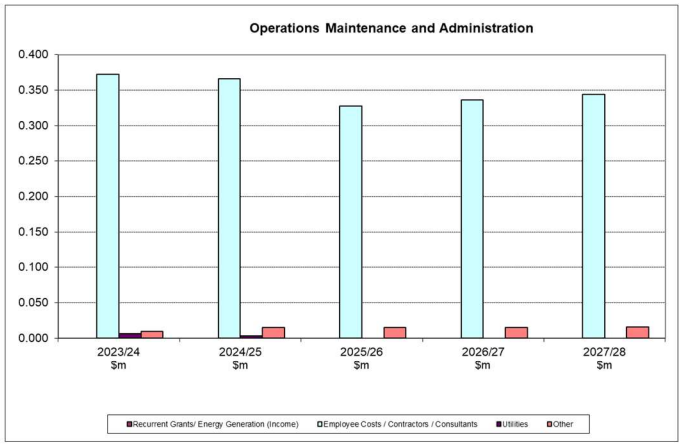
Notes:

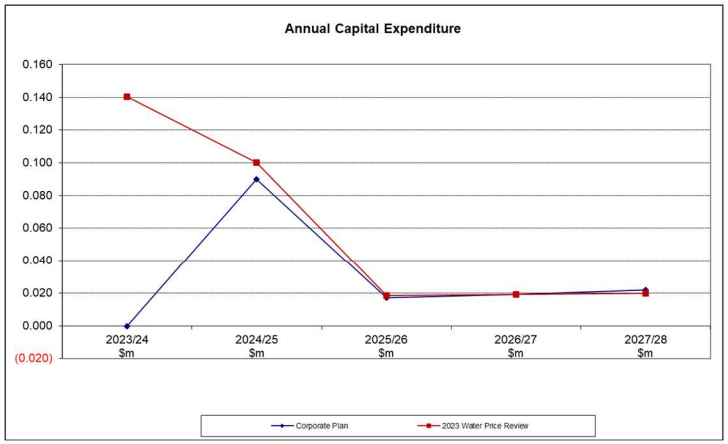
1. Capital expenditure includes carry over for East Grampians Rural Water Supply project from 2024/25 compared to the 2023 GWMWater Price Submission. Note, total estimated investment remains consistent with the Business Case.

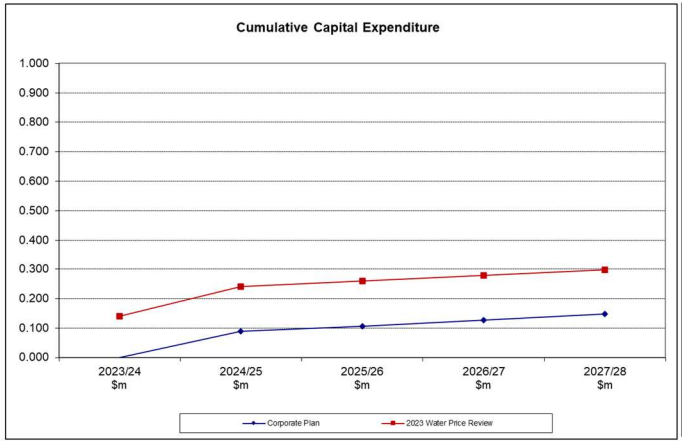
Figure A3 4 Rural Groundwater











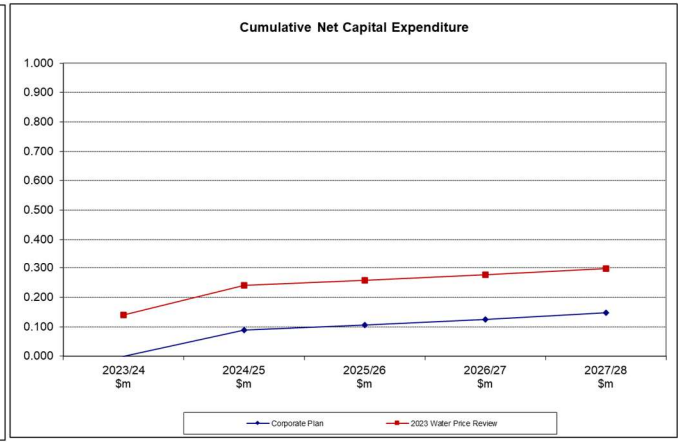


Figure A3 5 Rural Diversions

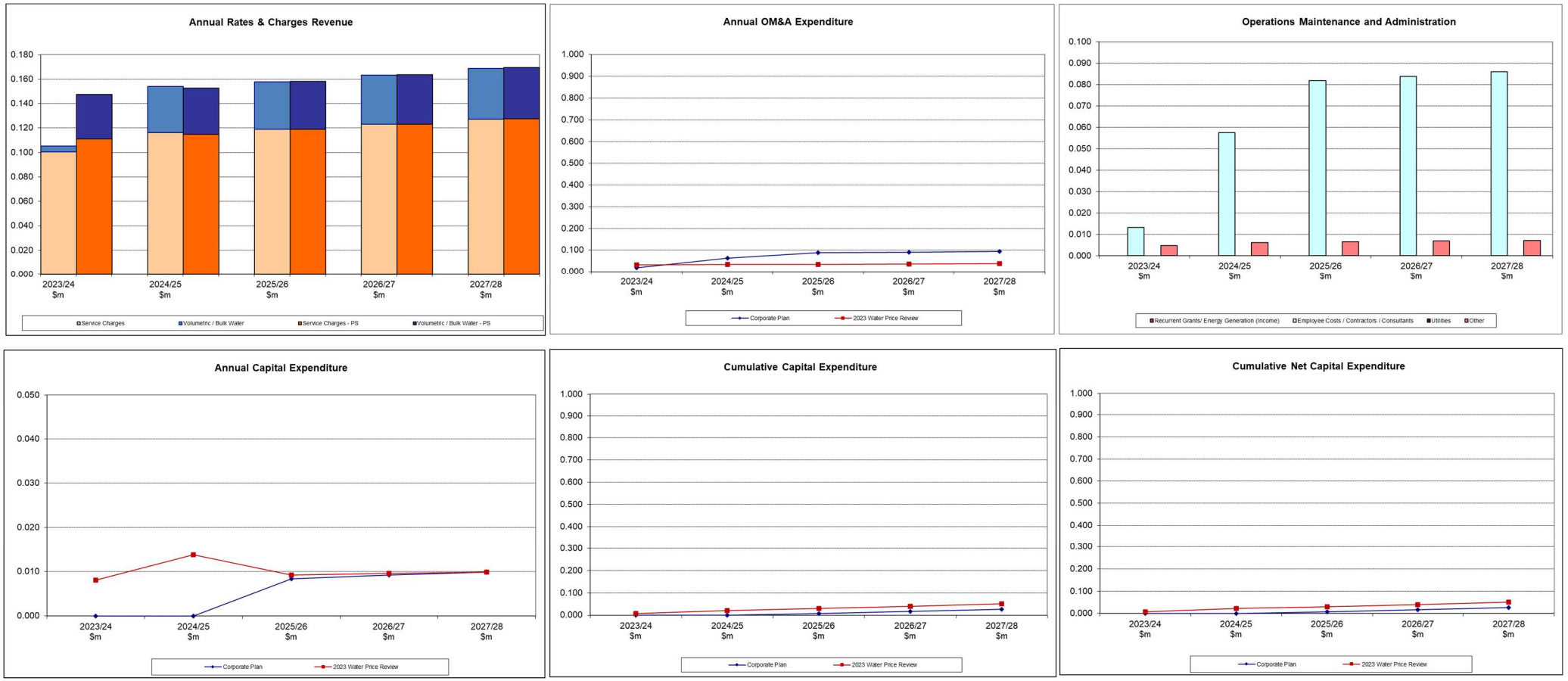
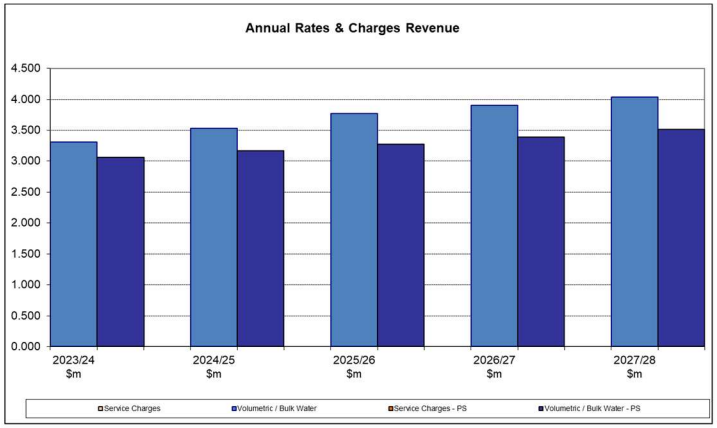
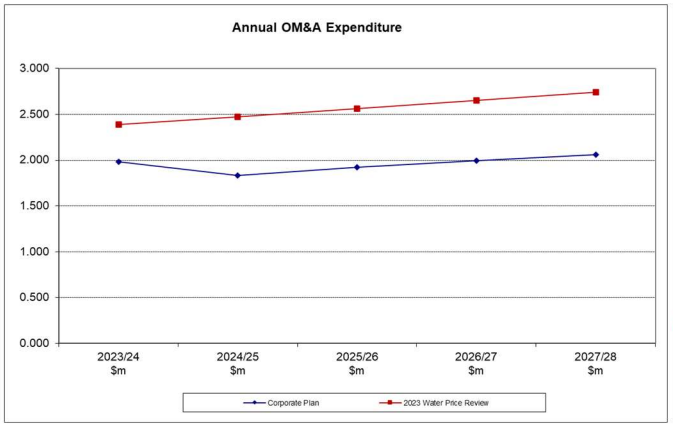
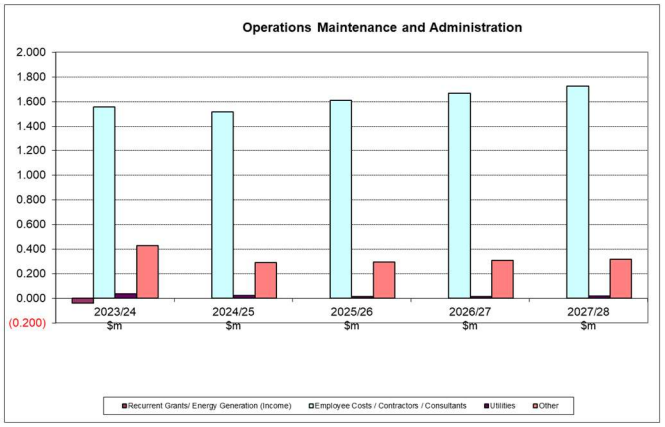
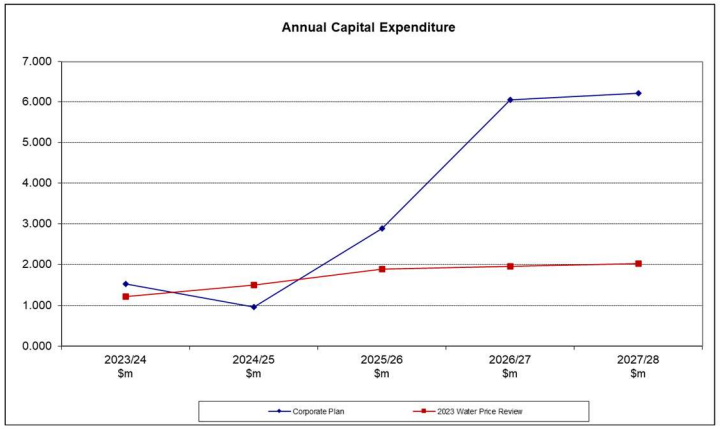


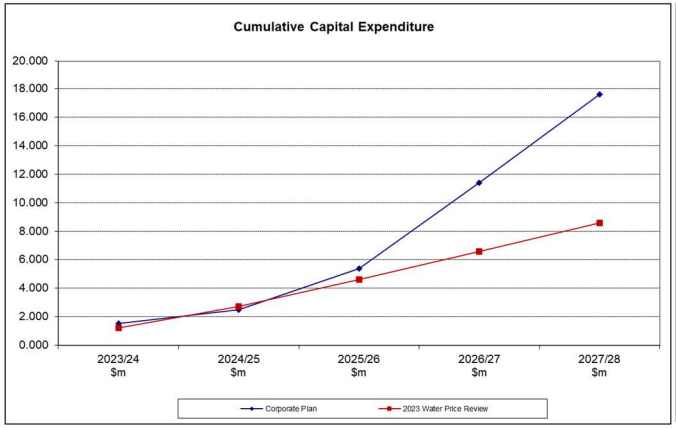
Figure A3 6 Headworks











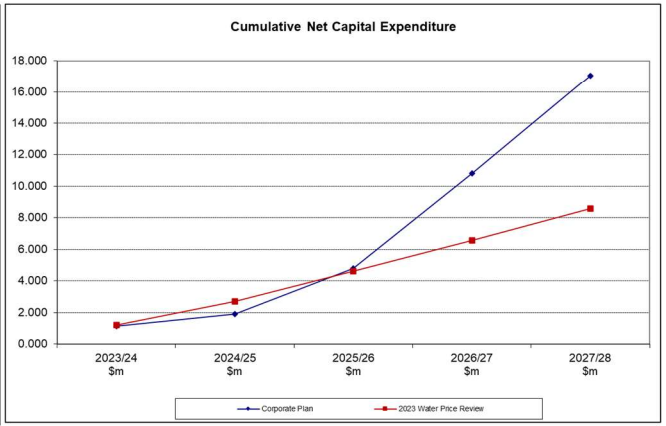


Figure A3 7 Billing and Customer Service

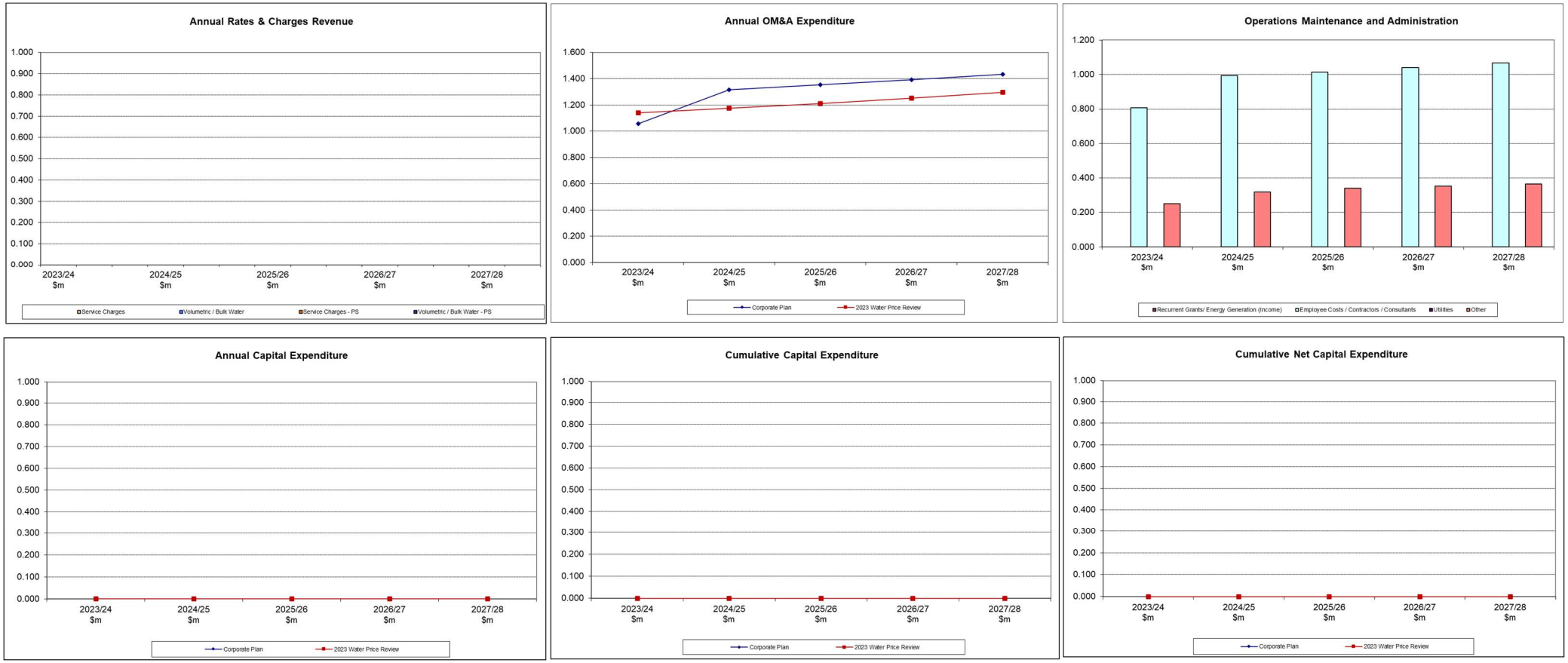
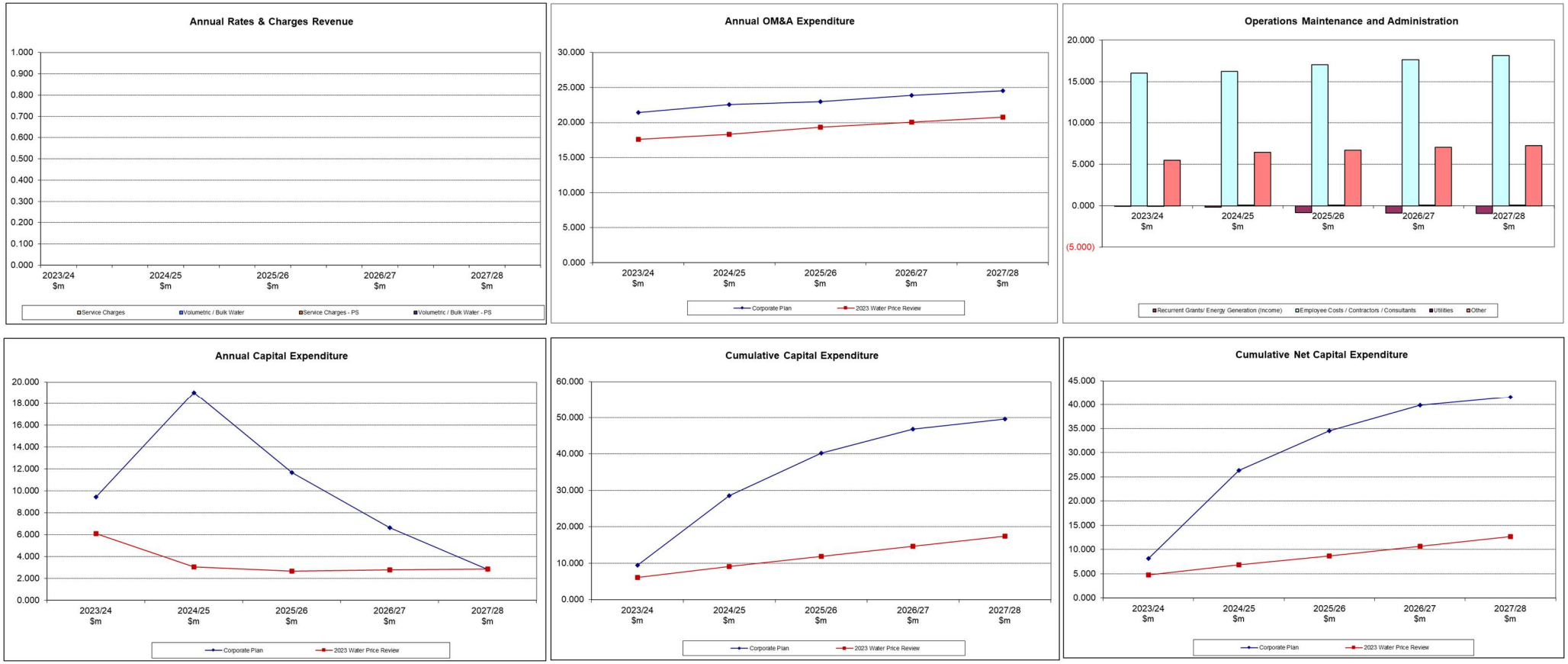


Figure A3 8 Corporate



Notes:

1. Capital program includes investments in renewable energy projects. 2025/26 includes budget provision for the Kalkee Road Depot relocation should a suitable site be found and land transfer with Horsham Rural City Council be agreed.

APPENDIX 3
KEY PLANNING ASSUMPTIONS

The following is a summary of the key assumptions included in the Corporate Plan financial outlook.

Rates and Charges revenue

1. 2024/25 base urban assessments and rural capacity charges adjusted based on current actuals.
2. 2025/26 demand movements consistent with the 2023 Water Price submission projections and current commitments on the East Grampians Water Supply project.
3. Delay in real price increases for potable water associated with drinking water upgrade projects.

Capital Contributions (Equity)

4. Commonwealth Government funding for East Grampians Water Supply Project:
   - $6 million 2024/25
   - $16 million 2024/25
   - $10 million 2025/26

Growth Water strategy

5. $1.2 million growth water sales revenue target for 2025/26 based on 600 ML. Forward projections include East Grampians Rural Water Supply project, trailing growth from rural pipeline projects and modest other sales of 80 ML per annum.
6. Excludes any mining developments.

Operating expenditure

7. Total operations, maintenance and administration budget $43.1 million.
8. Forward projections include incremental operating expenditure arising from East Grampians Water Supply Project and Drinking Water projects (Moyston, Kaniva, Berriwillock and Culgoa).
9. Productivity target of 1.4 percent up to 2028/29 included in expenditure outlook.

Capital expenditure program

10. Total proposed capital program for 2025/26 $115.7 million.
11. Five-year capital program reconciled to 2023 Water Price Review with additional capital expenditure on renewable energy projects funded from avoided green energy costs.

Borrowings

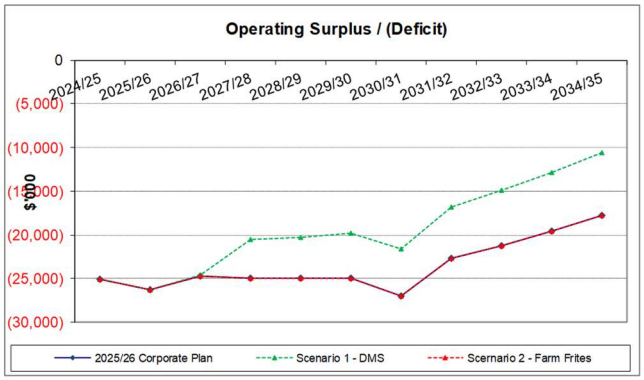
12. $82.5 million in new borrowings in 2025/26 and forecast TCV borrowings at the end of 2024/25 of $170.8 million. Total borrowings excluding BOOT are forecast to reach $253.3 million at the end of June 2026.

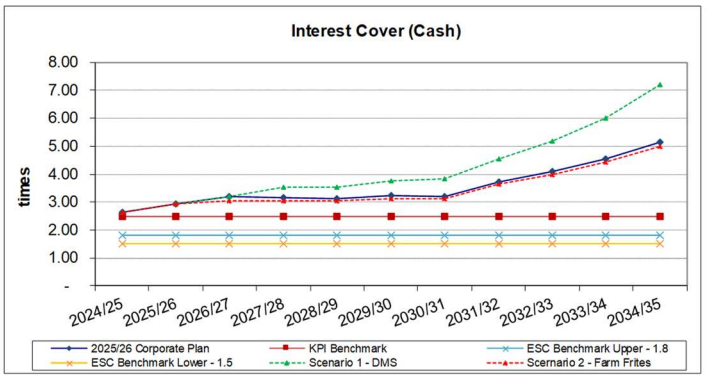
Rate assumptions

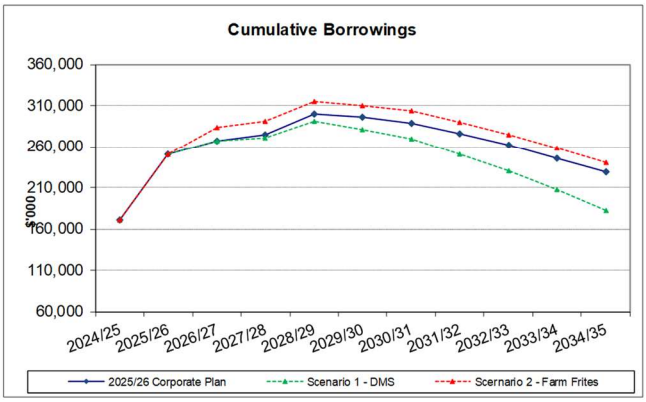
13. CPI 3.5 percent per annum for Expenses and 2.5% for Revenue.
14. Interest 4.9-6.9 percent per annum.

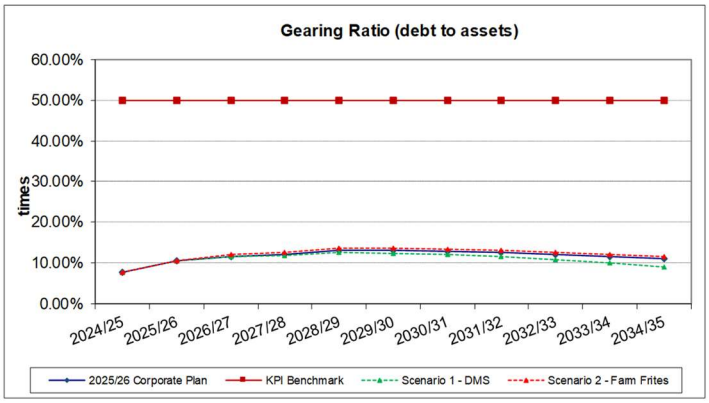
APPENDIX 4
SCENARIO ANALYSIS

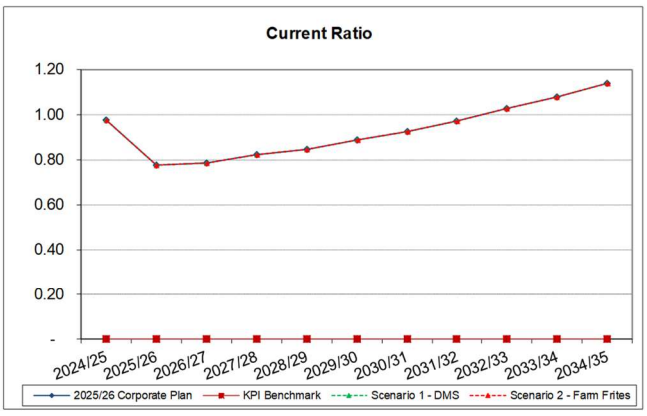
The following graphs present the 2025/26 Corporate Plan compared to the scenarios.

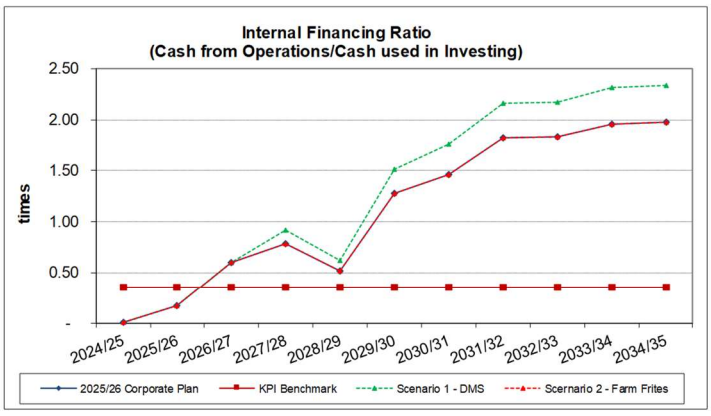


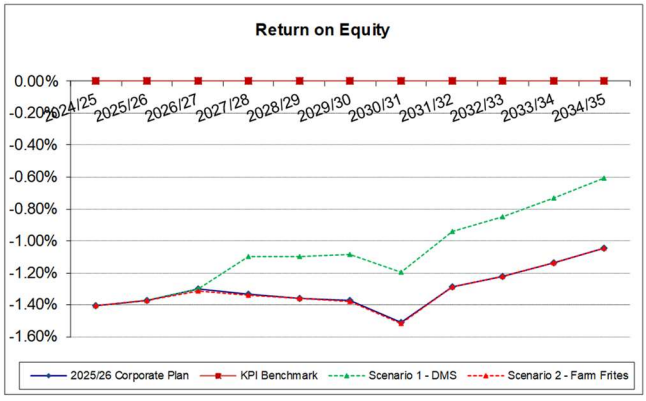


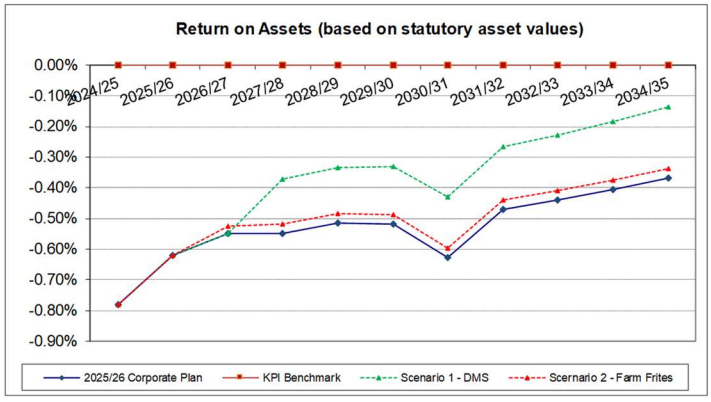












APPENDIX 5
KEY PERFORMANCE INDICATOR DEFINITIONS

PFM_CP_ASP1

Reporting on financial performance

Delete any blue explanatory text and replace with actual content where applicable.

Financial Performance	
Key Performance Indicator	**CP Year Target**
Cash Interest Cover Net operating cash flows before net interest and tax/net interest payments	*7.1.2.001*
Gearing Ratio Total Debt (including finance leases)/total assets	*7.1.2.006*
Internal Financing Ratio Net operating cash flow less dividends/net capital expenditure	*7.1.2.011*
Current Ratio Current assets/current liabilities (excluding long-term employee provisions and revenue in advance)	*7.1.2.016*
Return on Assets Earnings before net interest and tax/average assets	*7.1.2.021*
Return on Equity Net profit after tax/average total equity	*7.1.2.026*
EBITDA Margin Earnings Before Interest, Tax, Depreciation and Amortisation/total revenue	*7.1.2.031*

Numbers in the table are indicator codes for which more information is provided in the Handbook.

Periods referred to in the table e.g. "CP Year Target" should be replaced with the relevant year/s

Source: DEECA Victorian Water Industry Corporate Planning and Reporting Guidelines

List of Tables

List of Figures