



# Annual report 2024–25

## **Acknowledgement of Country**

Greater Western Water respectfully acknowledges the Traditional Owners of the lands and waters upon which we work and operate, the Wurundjeri Woi-wurrung, Wadawurrung, Taungurung, Djaara and Bunurong peoples. We pay our deepest respects to their Elders past and present who continue to forge the way ahead for their emerging leaders.

We acknowledge the continued cultural, social and spiritual connections that First Nations peoples have with the lands and waters. We also recognise and deeply value the care and protection Traditional Owners have brought to Country for thousands of generations.

Our vision is that the way we deliver water services will heal and care for Country, and we are committed to walk alongside and learn from Traditional Owners on this journey.

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### Responsible body declaration

In accordance with the *Financial Management Act 1994*,  
I am pleased to present Greater Western Water's Annual  
Report for the year ending 30 June 2025.



**Lisa Neville**

Chair  
Greater Western Water

27 November 2025

# The year in review

## Message from the Chair and Managing Director

We are pleased to present Greater Western Water's Annual Report for 2024-25.

Greater Western Water (GWW) is proud to service a diverse and growing region. The population in our service area is expected to almost double over the next 30 years, making it the fastest growing of all water corporation service areas.

2024-25 was our first year under one Price Determination. The new prices and charges agreed by the Essential Services Commission came into effect on 1 July 2024. In a time when cost of living pressures are impacting many of our customers, we were pleased to meet our commitment to keep our prices stable. We continued to talk to our customer forum to track our performance against the customer outcomes in our price submission. We report our performance every six months through our customer outcomes reports.

On 29 May 2024, we introduced our new billing and payment system to integrate two out-of-date platforms. The system did not work as it should and has caused widespread problems in billing and payments, customer service and support, developer services, information statement applications, approvals processing, account management and privacy. We know this has caused stress and inconvenience, and we're truly sorry. Our customers deserve better and we take full responsibility for what's happened.

We are working hard every day to reduce delays, improve support, make bills easier to understand, process information statements faster and restore normal operations. External billing and IT specialists are helping to guide system improvements and we are developing a comprehensive return to service plan. We are helping customers by expanding call centre staff and hours, providing face-to-face support through customer care days, and being available in our offices and at community events. We are working with the Essential Services Commission on a clear path



**Lisa Neville**  
Chair



**Craig Dixon**  
Acting Managing Director

forward that addresses the issues and strengthens outcomes for customers in line with agreed standards, while continuing to improve privacy protections to safeguard customer information. Our priority is to deliver customer-first service that meets community and regulatory expectations.

Following a request from the Minister for Water for an independent review, the board engaged Nous Group to examine what went wrong, how GWW responded, and how to prevent it happening again. We accept all 25 recommendations in the report and we welcome the opportunity to identify best practices for us and for the broader water sector.

We have worked with the Essential Services Commission (ESC) to finalise an enforceable undertaking addressing issues with our new billing and payments system. We sincerely apologise for the inconvenience caused and are taking decisive steps to make things right, including waiving approximately \$75 million in unbilled charges from 2024 and providing around \$55 million in customer credits. Eligible customers will see these adjustments applied to their bills in the coming months. The ESC



has also approved temporary billing cycle changes following public consultation. This undertaking marks a significant step in resolving past issues and delivering long-term improvements over the next three years to ensure our customers receive the service they deserve. In February 2025, we identified a one-off payroll overpayment during a transition from monthly to fortnightly pay for some staff. The issue was caused by an incorrect calculation during the transition process. We acknowledge the impact this has had on our people, and we are handling this with care, offering personalised support and a range of repayment options, including instalments from pay over up to 10 months.

While we focused efforts on the billing system and payroll issues, we continued to deliver the water and sewerage services our customers rely on every day. In 2024-25, we completed, or reached major milestones, in several important projects that are future-proofing essential infrastructure and supporting sustainability. We completed the 730 metre sewer in Elizabeth Street, the third stage of a four-stage upgrade to serve the people of Melbourne; constructed a 30 ML water tank in Melton; and replaced a 140-year-old water main in Moonee Ponds, increasing reliability of water supply. We completed a new treatment facility at Gisborne Recycled Water Plant as part of an ongoing upgrade. When the plant is tested and operating, it will treat up to 3.65 million litres of sewage per day to produce recycled water for local agriculture and sporting grounds. We constructed a 2.5 km pipeline to connect Werribee Open Range Zoo to recycled water from the Werribee Recycled Water Plant. The new pipeline provides a reliable, sustainable water supply, reducing reliance on drinking water and supporting the long-term resilience of our waterways. The high-quality recycled water is supplying the new elephant habitat and the hippopotamus pool.

We are proud to be implementing our Net Zero 2030 Strategy and are on track to achieve a major milestone: 100% renewable electricity in 2026.

We aim to deliver our services in a way that supports people to thrive. We continued to support the people and communities in our service area through the Thriving Communities grants and sponsorship program. This past year, we provided funds for 24 activities and programs that create opportunity, sustainability, inclusion and equity.

We entered year two of a three-year partnership with Western Chances to help young people experiencing social and economic challenges to access education and employment. We continued to sponsor Western Bulldogs Community Foundation to work with schools to create a greener west and to fund the Nallei Jerring Koori leadership program to educate young Aboriginal and Torres Strait Islander participants.

In April 2025, we welcomed Lisa Neville to the role of Chair of GWW. Ms Neville understands the water sector and the challenges we currently face at GWW. She is leading us through the next chapter as we improve performance and restore trust with our community.

Ms Neville replaced David Middleton, who resigned in March. Mr Middleton was a member of the GWW board since we formed in 2021. He had previously chaired City West Water from 2015 to 2021. We also farewell Ms Claire Filson, who was a Director of the GWW Board from July 2021 and a Director of Western Water from 2017.

On 10 July 2025, Maree Lang resigned from her role as GWW Managing Director. Ms Lang provided dedicated leadership for four years, during a period of major transformation. We thank her for the significant contribution she made to GWW and the communities we serve. The board appointed Craig Dixon as interim Managing Director. Craig was Executive General Manager, Service and Asset Lifecycle at Melbourne Water and joined GWW on secondment from 21 July 2025.

We understand that 2024-25 has been a challenging year. We thank our customers for their patience and our people for their commitment to helping customers and strengthening our systems. We reinforce our commitment to rebuild trust with our customers, communities and stakeholders.



**Lisa Neville**

Chair



**Craig Dixon**

Acting Managing Director

# About Greater Western Water


Greater Western Water (GWW) is a Victorian Government water corporation. We provide water and recycled water supply, sewerage and trade waste services to more than 598,000 residential customers and more than 55,200 business customers.

GWW operates across 3,700 square kilometres stretching from Melbourne’s central business district and inner suburbs to Little River in the south, Myrning in the west and Lancefield in the north. We provide services to a population close to 1.5 million.

Our service area covers the local government areas (LGAs) of Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley, Wyndham and Yarra, and partially covers the LGAs of Hume, Macedon Ranges, Melbourne and Moorabool.

We operate in Wurundjeri Woi-wurrung, Wadawurrung, Taungurung, Djaara, and Bunurong Country.

## Key statistics

 **\$4 billion**  
infrastructure asset base

 **598,828**  
residential connections

 **20**  
large dams

 **55,267**  
non-residential connections

 **10**  
recycled water plants

 **8,673 ML**  
recycled water and stormwater supplied

 **7**  
water filtration plants

 **129,234 ML**  
drinking water supplied

**Figure 1: GWW service area**





# Our purpose, vision and strategic drivers

## Our purpose

Trusted water services for our communities and future generations.

## Our vision

Thriving people and Country.

## Our strategic drivers

To achieve our vision by 2030, we have identified three strategic drivers:

- **Delivering value for our customers:** providing water and sewerage services that are fairly priced, high quality, and reliable now and in the future.
- **Supporting communities to thrive:** supporting liveability, wellbeing and prosperity in our region through the expansion of green space and tree canopy cover and investment in services, infrastructure and people.
- **Healing and caring for Country:** working in respectful partnership with Traditional Owners and First Nations people to restore environmental health, reach net zero carbon, and take action towards zero waste.

To achieve this ambitious vision, we need a strong organisation, built on our people, partnerships and continuous progress.

## Manner of establishment and relevant Ministers

Greater Western Water was established under the *Water Act 1989* (Vic).

The Honourable Harriet Shing MP was the responsible Minister for Water from 1 July 2024 to 18 December 2024. The Honourable Gayle Tierney became Minister for Water on 19 December 2024.

GWW operates under Statements of Obligations issued by the Minister for Water under s. 4L of the *Water Industry Act 1994*. The statements impose obligations on us regarding the performance of our functions and exercise of powers. We are required to monitor compliance with the obligations set out in the statements, report on non-compliance and take remedial action as required.

The Essential Services Commission (ESC) is our economic regulator. It approves the prices we charge customers and the standards of service we deliver. We delivered GWW's first price submission in 2023. The ESC released its final decision and the new prices and charges came into effect on 1 July 2024.

The Department of Health regulates drinking water quality under the *Safe Drinking Water Act 2003*. The Environment Protection Authority Victoria (EPA) regulates recycled water quality and the operation of sewage treatment plants under the *Environment Protection Act 2017*.

## Key initiatives and projects

### Delivering value to customers

- Essential Services Commission released a final determination on our price submission. It keeps prices amongst the lowest in Victoria and supports investment needed for the west to thrive.
- Installed a new UV disinfection unit at Myrniong Water Filtration Plant, improving drinking water quality.
- Completed the 730 metre sewer in Elizabeth Street, the third stage of a four-stage upgrade to future-proof essential infrastructure to support the people of Melbourne.
- Completed construction of a new 30 ML capacity water tank at Minns Road Melton, securing the region's water supplies for 100 years.
- Replaced a 140-year-old water main in Moonee Ponds, increasing reliability and protection against water loss and leaks for the community.
- Focused on fixing the problems with our new billing system, including making system fixes, restoring billing cycles and payment channels, processing applications and providing customer support.
- Hosted 224 customer consultation events to provide in-person support to help resolve bill queries. These sessions were held at our offices, local libraries and community events. We opened our Sunbury and Footscray offices for customers to get in-person assistance.
- The board commissioned an independent review of the billing system implementation at the request of the Minister for Water. This review was led by Nous Group and supported by consumer and system experts, to understand what went wrong, how we responded, and how to prevent it happening again.

### Supporting communities to thrive

- Supported 24 activities and programs that create opportunity, sustainability, inclusion and equity across our service area, through the Thriving Communities grants and sponsorship program.
- Participated in Trees for Schools, in partnership with Greening the West, providing trees to 52 local schools to increase tree canopy cover and create more green spaces.
- Supported National Water Week, receiving a record 1,240 posters from students across our region. They reflected the theme of 'Water for all, Inspiring Action', highlighting the role water plays in connecting people and communities.

- Continued a three-year partnership with Western Chances to support young people experiencing social and economic challenges to access education and employment.
- Continued to sponsor Western Bulldogs Community Foundation to work with schools to create a greener west and continued to fund the Nallei Jerring Koori leadership program to educate, engage and empower young Aboriginal and Torres Strait Islander participants.
- Trained our teams to better understand family and domestic violence and support a safe and inclusive organisation for all our people and customers.

### Healing and caring for Country

- Supported innovative projects with the potential to deliver sustainable solutions for the water sector, including piloting nanobubble technology to improve Class C recycled water quality.
- Continued to work with local organisations to deliver health and liveability outcomes, including Greening the West, More Trees for a Cooler Greener West, and Chain of Ponds Collaboration.
- Participated in a trial to use recycled materials to backfill trenches on busy roads, helping reduce landfill waste and promote a more sustainable future.
- Constructed a 2.5 km pipeline connecting recycled water from the local Werribee Recycled Water Plant to Werribee Zoo. This reduced the zoo's reliance on drinking water and supported the development of a new elephant habitat.
- Provided funding to support environmental projects, including the Platypus Watch Program on the Werribee River, and frog monitoring at Organ Pipes National Park.

# Financial overview

## 2024-25 highlights

Net profit before tax is \$85.3 million, \$33.7 million lower than 2024 and 41.9% lower than budget. The prior year variance is mainly due to lower revenue from sewerage disposal charges, revenue from developer contributions, higher provision for expected credit loss, finance expenses and other operating costs. This was offset with higher water consumption, lower labour cost, lower IT expenditure and higher revaluation increment of infrastructure assets.

### Five-year financial summary

#### Summary of financial results

	2025 \$'m	2024 \$'m	2023 \$'m	2022 <sup>1</sup> \$'m	2021 \$'m
Revenue from contracts with customers	1,025.0	991.4	931.4	878.0	702.7
Other income	1.8	2.0	1.7	6.3	0.4
<b>Total revenue</b>	<b>1,026.8</b>	<b>993.4</b>	<b>933.1</b>	<b>884.3</b>	<b>703.1</b>
Bulk charges	392.6	375.5	347.6	346.4	352.9
Environmental contribution	35.3	33.9	33.9	33.9	29.8
Employee benefits	115.1	123.0	98.8	86.9	46.6
Depreciation and amortisation	113.7	102.3	96.6	93.4	69.0
Finance expenses	146.0	109.4	91.3	84.3	68.4
Other operating expenses	279.4	158.7	151.8	123.5	79.6
<b>Total expenses</b>	<b>1,082.1</b>	<b>902.8</b>	<b>820.0</b>	<b>768.4</b>	<b>646.3</b>
<b>Profit/(Loss) before revaluation adjustment</b>	<b>(55.3)</b>	<b>90.6</b>	<b>113.1</b>	<b>115.9</b>	<b>56.8</b>
Infrastructure assets revaluation increment / (decrement) <sup>2</sup>	140.6	28.4	(49.1)	(865.4)	-
<b>Profit/(Loss) before tax</b>	<b>85.3</b>	<b>119.0</b>	<b>64.0</b>	<b>(749.5)</b>	<b>56.8</b>

<sup>1</sup> First set of financial statements prepared by GWW which includes the financials of the former Western Water (WW) corporation for the 2022 year. Historical comparatives for 2021 are those of GWW's former legal name, City West Water (CWW).

<sup>2</sup> Prior to 2022, infrastructure asset revaluation adjustments were made against available asset revaluation reserve and accordingly there was no impact to profit before tax. Further disclosures on infrastructure assets revaluation are in note 3.6 to the Financial Report.

#### Summary of financial position

	2025 \$'m	2024 \$'m	2023 \$'m	2022 <sup>1</sup> \$'m	2021 \$'m
Current assets	442.5	254.2	181.3	168.6	143.7
Non-current assets	4,359.2	3,935.6	3,618.3	3,384.2	2,584.5
<b>Total assets</b>	<b>4,801.7</b>	<b>4,189.8</b>	<b>3,799.6</b>	<b>3,552.8</b>	<b>2,728.2</b>
Current liabilities	522.5	349.2	266.3	257.6	164.2
Non-current liabilities	3,134.8	2,751.0	2,436.5	2,229.7	1,763.3
<b>Total liabilities</b>	<b>3,657.3</b>	<b>3,100.2</b>	<b>2,702.8</b>	<b>2,487.3</b>	<b>1,927.5</b>
<b>Net assets</b>	<b>1,144.4</b>	<b>1,089.6</b>	<b>1,096.8</b>	<b>1,065.5</b>	<b>800.7</b>

## Summary of cash flow

	2025 \$'m	2024 \$'m	2023 \$'m	2022 \$'m	2021 \$'m
Net cash flows from operating activities	(191.7)	50.1	50.2	122.2	62.5
Payments for infrastructure, property, plant and equipment	325.2	309.8	250.9	244.6	158.9
Net cash flows from financing activities	517.2	254.9	205.1	118.3	99.0

## Summary of capital expenditure

	2025 \$'m	2024 \$'m	2023 \$'m	2022 <sup>1</sup> \$'m	2021 \$'m
Total capital expenditure	320.7	297.0	275.7	230.6	155.3

Capital projects for 2025 were primarily to renew, augment and upgrade water and sewer infrastructure, driven largely by population growth and the renewal and upgrade to our water and sewerage infrastructure network. This brings a number of long-term benefits to our customers by reducing the risk of asset failure and maintaining water quality standards. The major capital expenditure projects for 2025 were:

- Bald Hill Tank construction
- Gisborne Recycled Water Plant upgrade
- Redstone Hill Sewer Pumping Station
- CBD Stage 4 – Siddeley St Sewer Augmentation
- Alfred Rd Sewer Pumping Station and Rising Main
- Rock Bank Sewer Pumping Station Diversion
- New meters projects
- Minns Rd 20 ML Renewal

## Summary of financial performance

	2025 \$'m	2024 \$'m	2023 \$'m	2022 <sup>1</sup> \$'m	2021 \$'m
Cash interest cover (times)	(0.3)	1.8	1.8	2.9	2.3
Gearing ratio (%) <sup>2</sup>	69.0	66.5	63.1	61.7	59.2
Internal financing ratio (%)	0	0	20.1	47.9	26.4
Current ratio (times) <sup>3</sup>	0.9	0.8	0.8	0.8	1.1
Return on assets (%)	5.1	5.7	4.2	(21.2)	4.7
Return on equity (%)	5.3	7.6	4.3	(56.3)	5.0
EBITDA margin %	33.6	33.3	27.0	(64.7)	27.6

The following notes relate to all above tables

<sup>1</sup> First set of financial statements prepared by GWW which includes the financials of the former Western Water (WW) corporation for the 2022 year.

Historical comparatives for 2021 are those of GWW's former legal name, City West Water (CWW).

<sup>2</sup> Gearing ratio is calculated based on total debts (including leases) over total assets.

<sup>3</sup> Current ratio is calculated based on current assets/current liabilities (excluding long term employee provision and revenue in advance)

Further information on current year financial performance is in the Performance Report section of this report.

## Matters subsequent to end of financial year

Other than the disclosures on page 147 of the annual report, no matter or circumstance has arisen since 30 June 2025 which has significantly affected, or may significantly affect:

- GWW's operations
- the results of those operations, or
- GWW's state of affairs in the financial year subsequent to 30 June 2025.

See also note 9.7, page 147.

# Customers

## Our strategic driver

**Delivering value for our customers: providing water and sewerage services that are fairly priced, high quality, and reliable now and in the future.**

GWW delivers services to a diverse customer base, including residential (homes) and business properties (such as councils, schools and commercial, industrial, agricultural and small businesses).

## Water use

### Water consumption – residential customers

GWW provides different types of water to customers in our service area. The table details water use by residential and business customers in 2024-25.

<b>Residential connections</b>		
Number of residential connections (#)		598,828
Potable <sup>1</sup> water volume consumed by residential connections (ML)		85,308
Per capita daily residential potable water consumption (ML)		159
Recycled water volume used by residential connections (ML)		1,287
Treated stormwater volume used by residential connections		-
<b>Non-residential connections</b>		
Number of non-residential connections (#)		55,267
Potable water volume consumed by non-residential connections (ML)		43,926
Recycled water volume (end use) used by non-residential connections (ML)	Commercial purposes	542
	Industrial purposes	503
	Agricultural purposes	5,656
	Municipal purposes	526
	Beneficial allocation	-
	Total (ML)	7,227
	Within process <sup>2</sup>	44
Treated stormwater volume (end use) or harvested stormwater for beneficial use used by non-residential customers (ML)	Commercial purposes	-
	Industrial purposes	-
	Agricultural purposes	-
	Municipal purposes	159
	Beneficial allocation	-
	Within process	-
	Total (ML)	159
Total number of connections <sup>3</sup>		649,594
Total potable water consumed		129,234
Total recycled water and stormwater volume		8,673
Total volume of water used by connections		137,907
Average annual water consumption <sup>4</sup>		133,031
<b>Non-revenue water<sup>5</sup></b>		
Leakage		17,433
Firefighting		750
Other		2,734
Total non-revenue water		20,917
Total volume of water from all sources		158,824

#### Notes

- Potable water is drinking water
- Non-residential recycled water volume used within process at Werribee Treatment Plant
- Total no. of connections – customers who receive recycled wastewater or stormwater also receive drinking water
- Average of the past 5 years including this year
- Total non-revenue water volume is calculated as the difference between the volume of water received by the water business into its distribution network and the volume of water metered and billed to customers at their connections



## Water consumption – major non-residential water users

The *Water Act 1989* requires water corporations to publish the number and names of customers who are not farming, irrigators or domestic consumers, using 100 ML or more water per year. Farmers, irrigators and domestic users may decline or opt out of having their name published.

### Names of major customers and their participation in water efficiency programs\*

3026PLUS Pty Ltd	Jesken Nominees
Air Liquide Australia Ltd	Melbourne Airport
Asahi Premium Beverages	Melbourne Health
Ausco Cabaret Pty Ltd ATF Samsara Trust No. 2	Melbourne Water
Baybrick Landco Pty Ltd	Melbourne Zoo
Carlton & United Breweries Ltd	Mobil Refining Australia Pty Ltd
Commonwealth Managed Investments & Victoria Square QV Investments Pty Ltd	Nufarm Australia Limited
CSF Proteins Proprietary Limited	Peerless Holdings Pty Ltd
CSR Building Products Limited	Qenos Pty Ltd (Administrators appointed)
Department of Health	Schweppes Australia
Diamond Valley Pork Pty Ltd	The Australian Steel Company (Operations) Pty Ltd
Essendon Airport Pty Ltd	The Royal Childrens Hospital
Glass Sub TC Pty Ltd	The Trust Company (Australia)
GPT Funds Management Limited	Victorian Government
Integro Foods Australia Pty Ltd	Werribee Zoo
Ixom Operations Pty Ltd	Western Health
	Wilmar Sugar Pty Ltd

\* This is best available information on 30 June 2025. Due to issues with our billing and collections system, some data may be incomplete or contain inaccuracies.

GWW partners with the Department of Energy, Environment and Climate Action (DEECA) to deliver the WaterSmart program. It is a voluntary program that helps high water use businesses become more water efficient. GWW has had several customers engaged in Stream 1 - Digital Monitoring. Some high use customers also have their own water efficiency programs in place.

### Customers by volume range

Customers by volume range (ML per year)	Number of customers
Equal to or greater than 50 ML and less than 100 ML	42
Equal to or greater than 100 ML and less than 200 ML	20
Equal to or greater than 200 ML and less than 300 ML	5
Equal to or greater than 300 ML and less than 400 ML	1
Equal to or greater than 400 ML and less than 500 ML	0
Equal to or greater than 500 ML and less than 750 ML	3
Equal to or greater than 750 ML and less than 1,000 ML	3
Greater than 1,000 ML	1
<b>Total number of customers</b>	<b>75</b>

## Customer bills

In May 2024, GWW introduced a new customer billing and payment system to replace two out of date legacy systems. The system has not worked the way it should and has caused stress and inconvenience to customers. Impacts on customers included inaccurate and delayed bills, difficulty getting payment support, delays in providing electronic information statements and processing applications to our property management system. We are working hard to resolve these issues, minimise disruptions and support customers. We are progressively restoring our quarterly billing schedule, have given impacted customers extra time to pay, and waived some charges. We extended call centre hours and provided more ways for customers to talk to us in person. We held more than 2,000 in-person consultations with customers, through customer care days and at our offices, local libraries and community events. We will continue to focus on supporting our customers and restoring trust in our services.

As part of the upgrades to our billing system, some customer details were migrated incorrectly. This has resulted in some bills being sent to outdated or secondary postal or email addresses. We also identified that the long-standing water efficiency rebate for eligible tenants in our western region had not been applied due to a system issue during the transition to our new billing system. We are taking steps to retrospectively apply or refund the rebate to affected customers and are in the process of implementing a permanent fix in the billing system to ensure the commitment continues until its planned phase-out in 2027-28.

### Urban water bills – for GWW central customers (ex-City West Water)

Indicator	2024-25
<b>Residential bill – owner occupier (\$ actual)</b>	
The actual bill for an owner-occupier with typical (average) water use on the year	\$1,038.20
<b>Residential bill – tenant (\$ actual)</b>	
The actual bill for tenant with typical (average) water use on the year	\$530.80
<b>Typical (average) water use (kL) assumed in owner-occupier and tenant bill calculations</b>	150 kL
<b>Non-residential bill – business (\$ actual)</b>	
The annual bill for a business using 3 ML per annum in 2024-25	\$15,744.40

On 1 July 2024, GWW entered the first year of our regulatory period under the Essential Services Commission 2024 GWW Determination: 1 July 2024 – 30 June 2028. This determination superseded the pricing determinations for City West Water (central) and Western Water (western) that applied since 2021.

In 2024-25, we continued to align price paths for central and western regions. This transition will deliver a similar price for a similar service across our service region in the long-term.

Our price submission made a commitment to customers to keep bills relatively stable. For 2024-25, we kept bill increases to a minimum (+3.1% for owner occupier residents, but a decrease in real terms of 0.5%; and +0.8% for tenants, a decrease of 2.5% in real terms).

# Customer support

## Community service obligations

In 2024-25, GWW provided the following community service obligations to customers.

Community service obligations	2023-24 (\$'000)	2023-24 (No of customers assisted)	2024-25* (\$'000)	2024-25* (No of customers assisted)
Provision of water and sewerage concessions <sup>1</sup>	24,253	96,715	26,420	86,485
Rebates paid to not-for-profit organisations under the water and sewerage rebate scheme <sup>2</sup>	650	7,772	637	2,610
Utility relief grant scheme payments <sup>3</sup>	1,077	5,238	1,751	4,544
Water Concession on life support machines <sup>4</sup>	10	32	8	27
Hardship Relief Grants <sup>5</sup>	178	866	81	262

\* This is best available information on 30 June 2025. Due to issues with our billing and collections system, some data may be incomplete or contain inaccuracies.

- Customers who hold a pension concession card, Department of Veterans Affairs Gold Card or health care card are entitled to a 50% concession on water and sewerage charges, up to an annual maximum of \$363.00.
- State Revenue Office defines certain organisations as not-for-profit, such as those that serve the community in education, health, religion, charity, sport or war veterans' organisations. These organisations are entitled to claim a concession on the service charge portion of their bills.
- This scheme assists certain residential customers (experiencing family violence, job loss, high unexpected costs for essential items or cost of shelter more than 30% of household income) who are unable to pay their bill and may be at risk of disconnection. Customers can apply for the grant multiple times within a two-year period, up to a maximum of \$650 per utility.
- Residential customers requiring in-home haemodialysis are entitled to a rebate on water usage and sewage disposal charges in addition to any other pension or concession. The Department of Families, Fairness and Housing (DFFH) determines the rebate based on the average annual water usage of an in-home haemodialysis machine (168 kL). Customers who hold a pension concession card, a Department of Veterans Affairs Gold Card or a health care card are entitled to the rebate.
- GWW offers customers a range of support and payment options to help manage their bills.

## Community programs

In 2024-25, 55 customers were assistedd through the Community Rebate Program. The program incorporates the Community Housing Retrofit Program. The program assists households experiencing hardship by providing a free water audit and fixing minor leaks. It aims to minimise customers' costs due to unnecessary high water use. The program also assists not-for-profit, emergency and community housing organisations to improve the water efficiency of the properties they provide. We plan to prioritise the program in 2025-26 to increase participation.

### Customer bill support and customer responsiveness

Key performance indicator	2023-24 result	2024-25 result	Variance to prior year %	Notes	2025 target	Variance to target	Notes
<b>Water bills – customers on flexible payment plans</b>							
No. of customers with instalment plans	23,603*	28,981	23	1	NA	NA	
<b>Water bills – customers awarded hardship grants</b>							
No. of customers awarded hardship grants	866	262	70	1, 2	NA	NA	
<b>Customer responsiveness – water quality complaints</b>							
Number of complaints per 100 customers	0.28	0.35	25	3	0.25	40	3
<b>Customer responsiveness – number of payment issue complaints</b>							
Number of complaints per 100 customers	0.22	0.68	209	4	0.25	172	4
<b>Customer responsiveness – total complaints</b>							
Number of complaints per 100 customers	0.62	1.06	70	4	0.5	112	4

\* The result for 2023-24 has been amended to reflect the correct number. Last year's report included an estimate due to unavailable billing data. The new amount is for the full financial year.

Notes:

- The variances in payment plans and hardship grants are due to an increase in GWW offering payment support to customers due to billing system issues, the unavailability of full direct debit meaning more people applied for flexible plans, and the impact of cost of living pressures.
- Hardship grants are a contribution that GWW makes toward the water accounts of customers in the Hardship Program. This does not include the \$50 delayed bill concession credit which was offered to residential customers who received a delayed bill and intended to pay the outstanding balance in full.
- The increase in number of water quality complaints is due to factors including unfiltered supply from Melbourne Water, planned mains cleaning, new estates, bursts and leaks. Taste and odour complaints increased due to an incident contributing to 40 extra complaints in April. There was an increase in blocked filter complaints due to an increase in customers adding home filtration systems to their properties. There was also an increase in suspected illness cases, all of which were investigated and found that there was no issue with the water supply.
- Payment complaints and total complaints increased significantly due to technical issues with the new billing system, including direct debit issues, delayed bills, high bills, consolidated bills, concessions and refund issues.

## Water efficiency and recycling

GWW continued to work on projects that deliver water efficiency, recycled water and sustainable and resilient water systems.

### Water Efficiency Plan and Community of Practice

We are collaborating with Melbourne Water, South East Water and Yarra Valley Water to deliver on action 4.1 of the Greater Melbourne Urban Water and System Strategy. This supports the development and delivery of water efficiency programs for Melbourne. It commits us to deliver actions, develop future options and pilot projects. We participate in a community of practice to share knowledge and insights on water efficiency.

### WaterSmart

We partner with DEECA to deliver the WaterSmart program. The program uses monitoring, audits and advice to help businesses be more water efficient. More than 40 sites are in the process of installing or have installed a digital monitoring device to record water use and help identify leaks. One audit was completed and we are planning a larger scale roll out of WaterSmart.

### Planning and research

We contribute to Water Services Association of Australia's Non-Residential Water Efficiency Benchmarking Study to enable like-for-like assessments of non-residential customers' water efficiency performance.

### Western Irrigation Network (WIN)

We invest in WIN, a major recycled water irrigation scheme that is building drought resilience by connecting dryland farmers in Parwan and Balliang to a reliable, year-round supply of Class C recycled water suitable for irrigation. WIN is a \$116 million project jointly funded by the Australian Government, GWW and private agribusiness customers. The scheme will initially supply around 2.4 billion litres of recycled water per year, increasing as irrigators adapt and expand production. By 2050, WIN could deliver up to 18 billion litres of recycled water to farmers each year.

### West Werribee recycled water scheme expansion

We constructed a 2.5 km pipeline connecting recycled water produced at the Werribee Recycled Water Plant (RWP) to the Werribee Open Range Zoo. The new pipeline provides the zoo with a reliable, sustainable water supply, reducing their reliance on drinking water supplies and supporting the long-term resilience of our waterways.

The pipeline will supply the zoo with around 150 million litres of Class A recycled water each year, with the capacity to expand to 400 million litres as the zoo grows. The high-quality recycled water is used to supply the new elephant habitat and the hippopotamus pool, as well as replace the Werribee River water supply for irrigation.

### Gisborne Recycled Water Plant upgrade

The Gisborne RWP treats sewage from Gisborne, New Gisborne, Macedon and Mount Macedon. It produces Class B recycled water which is used locally for agriculture and recreation irrigation. The remainder is released into Jacksons Creek under an EPA licence.

We invested in a new treatment facility at the plant to help meet the needs of the growing community. It will increase the capacity of the plant to treat up to 3.65 million litres of sewage per day. Construction completed in late 2024 and was followed by testing and commissioning of the new plant, which is forecast to be operational in late 2025.

## Education

We promoted efficient use of drinking water at schools, preschools and community groups across all 11 local government areas within our service region. We delivered 655 presentations, with 16,500 students participating. We are procuring an education partner to update the program and extend its reach to meet the growing demand across our service region.

### National Water Week poster competition

National Water Week (21-27 October 2024) promoted the value of water with the theme 'Water for all, Inspiring Action'. It encouraged people, educators, communities and organisations to work together to raise awareness of water-related issues. We received 1,240 posters from 47 early years centres and schools for the poster competition, almost double the previous year.

### Schools Water Efficiency Program

The *Central and Gippsland Region Sustainable Water Strategy* includes a target that by 2030 all schools in our service region will become waterwise by participating in the Schools Water Efficiency Program (SWEP). SWEP helps schools find leaks, save water and promote water education. The program uses water meter data loggers to track water use and detect leaks, which helps save water and money. The program also teaches students about water efficiency at school and home. In 2024-25, the 211 schools in our service region that are part of SWEP saved 34.4 million litres of water and an estimated \$177,000.

### Trees for Schools

In partnership with DEECA, More Trees for a Cooler Green West and Greening the West, we conducted the 2024 Trees for Schools program. Fifty-two schools received up to 50 trees to plant on site. A total of 2,456 trees were distributed, supporting sustainability and environmental education, as well as the health, shading and aesthetic benefits that tree cover provides.



# Communities

## Our strategic driver

**Supporting communities to thrive: supporting liveability, wellbeing and prosperity in our region through the expansion of green space and tree canopy cover and investment in services, infrastructure and people.**

GWW is proud to serve one of the fastest growing regions in Australia. Our region is vibrant and culturally diverse and supports significant economic development and diverse natural resources.

## Engaging with community

Our approach to engagement is to be inclusive, transparent and accountable. We involve customers and communities so they can shape the services and outcomes that matter most to them.

In line with our Community Engagement Framework, engagement is continuous and responsive. Over the past year we engaged in ways that reflect community capacity, preferences and expectations.

- **Capital works and infrastructure engagement:** we support every infrastructure project with a tailored communications and engagement plan. Plans consider the community context and priorities in each location. They are designed with the community to make sure engagement is appropriate, timely and inclusive.
- **Rolling engagement and events program:** we have an ongoing presence across our service region through pop-up events, drop-in sessions and digital options. These provide accessible ways for customers and community to connect with us, raise concerns and give feedback.
- **Engagement Framework Refresh:** we started work to refresh our Community Engagement Framework (2021–25). This included an engagement program to explore and confirm the principles, values and expectations that underpin trusted and meaningful engagement with customers, communities and stakeholders. Insights gathered are helping shape the next framework and will guide internal planning and decision-making.
- **Customer Care days:** we designed and delivered a four-month customer care initiative, reaching more than 2,000 customers. We provided one-on-one support on billing issues, concessions and hardship assistance. The program delivered accessible, needs-based engagement and was well received.
- **Customer Outcomes Forum:** the forum continued to play an important role in connecting with community to make sure we are meeting our price submission commitments. The group meets annually to discuss our performance against agreed customer outcomes.
- **Targeted engagement with interest groups:** we strengthened relationships with community and environmental groups through meetings, information sharing and advocacy.
- **Guiding decisions:** we continued to use the Engagement Framework to guide strategic and operational decisions. We remain focused on strengthening trust, building relationships and delivering services that reflect the voice of our customers, communities and stakeholders.

## Thriving communities grants and sponsorships

GWW provides grants and sponsorships to community organisations through our Thriving Communities grants and sponsorship program. Funds support local projects, events and activities that bring people together, have a positive impact on the community and strengthen our connection with community.

### Local community sponsorships 2024-25

Total investment – \$86,426 (18 projects)

Organisation	Project	Investment
Albion Football Club Sports Club Inc	Growing girls' participation in AFL	\$5,000
Australian Skateboarding Federation	Shred Tarneit and Wyndham	\$5,000
Christmas at the Lakes	Christmas at the Lakes	\$5,000
Eastern Macedon Ranges Business and Tourism Association Inc	Christmas In Romsey Festival 2024	\$5,000
Essendon Canoe Club	Essendon Canoe Club Come and Try	\$5,000
Flemington Chamber Commerce	Flemington Multicultural Festival 2024	\$5,000
HomeGrown Promotions Inc. (aka Sunbury StreetLife)	StreetLife Community Festival	\$5,000
Ian McLean trading as Bakehouse Studios	Bakehouse Studios - Celebrating Accessibility	\$5,000
Macedon Ranges Music Festival Inc	2025 Macedon Ranges Music Festival	\$5,000
Maribyrnong Swifts Football Club	Maribyrnong Swifts Open Day	\$4,800
Meadow Rangers Football Club Incorporated	Footscray Rangers Junior All-Abilities Expansion Program	\$4,626
Melbourne Irish Festival Committee	St Patrick's Family Fun Day	\$2,000
Multicultural Association of Community Empowerment	MACE Dandiya Raas 2024	\$5,000
Parkville Gardens Residents Association	Neighbours Day Festival	\$5,000
The Centre: Connecting North and West Melbourne	Queensberry Cup	\$5,000
The Silent Witness Network	Multicultural Family Day Out at Pipemakers Park	\$5,000
The Trustee for the Western Health Foundation	WalkWest 2025	\$5,000
Victorian Aboriginal Child Care Agency	Western Region NAIDOC Ball	\$5,000

### Community grants 2024-25

Total investment - \$93,759 (6 projects)

Organisation name	Project title	Investment
Altona Meadows Community Centre Inc	Food Security-Go Green in the Kitchen	\$12,000
Empowered Womens in Trades	Career Pipeline – Just add water	\$20,000
Friends of the Organ Pipes	Growling Grass Frog Monitoring at the Organ Pipes National Park	\$2,600
Kismet Park Primary School	Water Sustainability Project	\$20,000
North Melbourne Language and Learning	Pantry @ 3051	\$19,846
Werribee River Association	Platypus Watch - Putting Perridak Back on Track Citizen Science Project	\$19,313

### Strategic community sponsorships 2024-25

Total investment - \$50,000

Organisation	Project	Funding \$
Western Bulldogs Community Foundations	Nallei Jerring youth leadership program	\$25,000
Western Chances	Western Chances scholarships and West Connect Event Series	\$25,000

## Recreational values

GWW does not manage water storages or deliver site-based projects that impact on recreational enjoyment of water. We do not have Recreational Management Plans. However, we do consider and support recreational values where relevant when we engage with communities and collaborate with stakeholders.

We embed community values and local priorities into our planning processes — particularly around waterway health, environmental land and long-term water management. Over the past year, we engaged communities through tailored communications and engagement, ensuring we hear a wide range of perspectives and reflect these in our decision-making.

Examples include the plant upgrades in Gisborne and Romsey. Community feedback helped align decisions with environmental and recreational priorities, such as open space amenity, ecological health and sustainable water reuse. Similarly, the 2023 Macedon Ranges engagement program provided insights into community values, which are now guiding the next phase of infrastructure and service planning.

We are working with landowners and local stakeholders through the Western Irrigation Network, supporting productive partnerships while balancing environmental objectives and long-term sustainability.

We have strengthened our relationship with key community environment advocacy groups to ensure our decisions and policies reflect community expectations and environmental ambitions.

## Housing Statement

GWW continues to support the delivery of housing through targeted engagement with developers and councils, proactive servicing advice, and timely connection of residential lots. This year, we supported residential development in greenfield precincts and to increase density in established areas.

### Developer and council engagement

We support early engagement with developers and councils to identify and mitigate servicing constraints and align development timing with infrastructure delivery. Through meetings, Precinct Structure Plan (PSP) processes and our Servicing Requirements Advice process, we identify infrastructure needs arising from proposed developments. These touchpoints allow developers to better understand potential upgrades needed, including for fire-fighting supply in higher-density proposals such as apartment developments.

In growth areas, we participate early in the PSP process to ensure water, sewer and non-potable water infrastructure is adequately planned. We publish Network Servicing Plans on our website to support developers and councils. We identify servicing challenges upfront to inform PSP design where they translate into permit conditions.

In established areas, large developments may not need statutory referrals to GWW (such as build-to-rent, student accommodation, hotels). In these cases, our engagement is typically through the connection process under the *Water Act 1989*.

We provide a free Servicing Advice Application pathway so developers can confirm servicing options and obligations before lodging formal connection applications. In 2024-25, we received 186 Servicing Requirements Advice applications.

### Connection capacity

The total number of new residential connections in 2024-25 was 15,701. While GWW does not report against population growth directly (as we connect lots, not people), trends in new connections remain broadly consistent with long-term averages. Year-on-year variation is informed by land development activity, off-the-plan sales, connection applications and developer engagement.

# Country

## Our strategic driver

**Healing and caring for Country: working in respectful partnership with Traditional Owners and First Nations people to restore environmental health, reach net zero carbon, and take action towards zero waste.**

We take a holistic and collaborative approach across Country, water, land, energy and resources, partnering with Traditional Owners and First Nations people, with customers and communities, government and the water sector, and with organisations and businesses that contribute to the life and prosperity of our service area.

## Recognising Aboriginal values

### Partnerships with Traditional Owners

GWW does not currently have formal partnership agreements with Traditional Owners for water planning and management. We are working in partnership on several projects and seeking to progress discussions on formal partnership agreements with all Traditional Owners of our service area.

GWW is a member partner of Djaara's Wanggal Group, which oversees implementation of the Gatjin (water) strategy. We co-fund a water advisory group of Djaara Elders (Kapa Gatjin) and water planning and management projects driven by a collaborative Urban Water Planning Working Group.

We are working with Traditional Owners through our Traditional Owner Water Program to identify priority projects. This includes investigating opportunities for whole of Country planning, minimising our impact on Country, and delivering cultural water to Traditional Owners. We have been investigating opportunities to return surface water entitlements to Traditional Owners and the environment as part of the Central and Gippsland Region Sustainable Water Strategy Action 4.2, Water is Life, and Greater Melbourne Urban Water and System Strategy. We started a feasibility assessment to investigate returning

surface water entitlements in the Maribyrnong and Werribee catchments to Traditional Owners and the environment. We are identifying other opportunities for Traditional Owners to access water entitlements or allocation within their Country and seeking to confirm how Traditional Owners would like to engage in this work and the resources they need.

GWW does not currently have formal partnership agreements with Aboriginal Community Controlled Organisations for water planning and management. We have been developing strong working relationships with Kolling Wada-Ngal, Kirrip Aboriginal Corporation and Sunbury Aboriginal Corporation. GWW is a corporate partner with Kinaway Chamber of Commerce and is engaging with them to better inform our First Nations procurement decisions.

We have prioritised 'Opportunities for Victorian Aboriginal people' as a social procurement objective in line with the Social Procurement Framework. The outcomes sought include 'increased purchasing from Victorian Aboriginal businesses' and 'increasing the employment of Victorian Aboriginal people by GWW suppliers'.

These outcomes are achieved directly when we purchase goods, services or construction from a social benefit supplier and indirectly when we purchase goods, services or construction from a mainstream supplier (that is, any supplier that is not a social benefit supplier).

In 2024-25, we received 35 tender requests, none from Aboriginal-owned businesses.

# Integrated water management

Integrated water management (IWM) is a collaborative process that brings together all stakeholders involved in planning and managing water across the water cycle. IWM seeks to maximise liveability, resilience and sustainability outcomes across our cities and regions.

In 2024-25, we continued to advance the ambition in our IWM framework through several strategic initiatives:

- **Recycled Water Servicing Strategy:** we drafted our first strategy to maximise the value of our recycled water services. The strategy gives direction to make sure we meet our obligations, deliver customer value, advance our long-term adaptive management pathways and work towards a circular economy.
- **Stormwater Harvesting Partnership Program:** we established a new capital infrastructure program to improve sustainable water management. Through partnerships with open space managers, the program seeks to deliver stormwater harvesting projects that:
  - reduce potable water demand
  - provide alternative water to irrigate public green spaces
  - improve waterway health
  - deliver environmental, social and economic benefits for the wellbeing and liveability of our diverse communities.

We have been engaging with our council partners to identify suitable projects for co-funding under this program.

- **Underuse of recycled water:** we partnered with DEECA, South East Water, Yarra Valley Water, Barwon Water and Westernport Water to address underuse of recycled water in residential estates. We are defining barriers to use, identifying opportunities for intervention, and designing and implementing solutions to support increased use.
- **Feasibility assessment for a recycled water offsets scheme:** we started a feasibility assessment for a scheme initially targeting high value commercial and industrial customers. The aim is to explore a model that is commercially viable and operationally implementable—supporting increased recycled water use, investment readiness, and alignment with our corporate objectives.

- **Place-based IWM plans (PSPs):** we continued to work with our partners to develop the Albion Quarter, Macedon Ranges North, Ballan and Merrimu PSPs. We also progressed work with partners on recycled water opportunities in Melton East, and the public realm and water infrastructure designs for the Arden Precinct.
- **Future customers:** we identified potential future customers for recycled water from Altona Treatment Plant and investigated the viability of connection.
- **Integrated Water Management (IWM) Forums:** we continued to participate in the Werribee, Maribyrnong, Yarra and Coliban IWM Forums and working groups. We advanced action plans, finalising the Monitoring, Evaluation, Reporting and Improvement (MERI) Plan and contributing to the 2025 progress report. We participated in two IWM Forum project groups:
  - MERI Advisory Committee, overseeing implementation of the MERI Plan and development of the 2025 progress report
  - IWM Precincts and Activity Centres (IWM-PAC) Project Group, developing a work program to embed IWM into land use planning processes across 15 priority precincts and 50 activity centres in metropolitan Melbourne.
- **IWM outcomes:** we continue to progress outcomes through projects such as the Western Irrigation Network, Werribee Recycled Water Expansion, Arden Stormwater Harvesting Scheme, and the Werribee System Reconfiguration. We shared insights on our legacy Stormwater Harvesting Partnership Fund at the Stormwater Victoria 2025 conference. We participated in industry working groups to advance stormwater policy, such as the Stormwater Licensing Review, Stormwater Guidance Working Group, and Stormwater Compliance Tool Advisory Group.



## Drought response

GWW did not implement any actions in its Drought Preparedness Plan or impose any restrictions within the Water Restriction By-law in 2024-25. The Melbourne Annual Water Outlook assessed there being a rare likelihood (less than 1% chance) of water restrictions; there were no restrictions in 2024-25 in

Melbourne. We continue to talk to community and customers to increase their knowledge about water, the Permanent Water Saving Rules, using water efficiently and making every drop count, and planning to make sure we have enough water in the future.

## Environmental statutory obligations

### Managing impacts to water quality

GWW owns and operates eight Recycled Water Plants (RWP), seven of which are located inland and connected with the Werribee River and Maribyrnong River catchments. In managing recycled water generated from the RWPs, our highest priority is to find beneficial use for recycled water to protect water quality in the receiving waterway catchment.

Drier than average conditions in 2024-25 caused a significant increase in recycled water demand compared with the wetter-than-average conditions experienced between 2020 and 2024. As a result, a smaller proportion of treatment plant inflows was discharged to waterways this year. We have been optimising our treatment processes to minimise nutrients in the discharges.

Recycled water plant compliance is routinely assessed against water quality and discharge volume limits specified in the licence issued by the EPA for each RWP. These licence limits are either an annual median or maximum amount, and any exceedances must be promptly reported to the regulator. During 2024-25, minor limit breaches were reported for Sunbury and Gisborne, along with a non-compliant discharge for Riddells Creek RWP. Overall, compliance was high, with no breaches at Altona, Melton, Bacchus Marsh, Romsey or Woodend RWPs, where discharges to surface waters fully complied with EPA licence limits. In the three cases of non-compliance, GWW initiated early and ongoing engagement with the EPA to ensure they were kept informed and engaged.

- Sunbury RWP – minor discharge volume exceedance to receiving waterway. To mitigate future exceedances, upgrades are planned for Sunbury RWP.
- Gisborne RWP – exceedance on daily volumes and minor water quality exceedances. To mitigate future exceedances, a new treatment facility has been commissioned, transitioning to a new licence.

- Riddells Creek RWP – exceedance of water quality. To mitigate future exceedances, a taskforce was established to implement a corrective action plan to upgrade the treatment facility and apply HACCP-based controls.

Where discharges occurred, the risk to the environment and human health was managed through detailed risk assessment and monitoring programs, with the resultant risk assessed as low.

In managing works on assets within special water supply catchment areas, GWW conducted risk assessments to ensure there is no adverse environmental impact. None of our recycled water plants discharge into special water supply catchments.

GWW is one of around 120 partners responsible for delivering the Port Phillip and Western Port Regional Catchment Strategy. We are a key partner organisation for water supply and use and climate change. We are leading several projects to support water returns to the environment, Traditional Owners and for agriculture, including:

- Werribee Reconfiguration Project
- West Werribee Recycled Water Scheme Expansion
- Improving Flows in the Werribee River
- Western Irrigation Network.

To manage drinking water quality in special water supply catchment areas or catchments, we are a referral authority and support orderly development within the catchment. We commented on several applications for the establishment of dwellings within special water supply catchments to ensure water quality is protected. We appeared at the Victorian Civil and Administrative Tribunal on occasions where the conditions to protect water quality could not be agreed.



## Performance against the Obligations for Managers of Land or Infrastructure (Water)

We continued to work with the 11 councils in our region when they are developing onsite wastewater management plans (OWMPs).

In 2024-25, we responded to 250 planning permit applications referred under the Environment Significance Overlay related to Special Water Supply catchment areas. We also require applicants to enter into Section 173 Agreements where a new OWMP is proposed.

Moorabool Shire council's current OWMP expires in March 2026. We participate in the OWMP progress meetings and have provided feedback on Moorabool's sampling program.

Macedon Ranges Shire council's OWMP, endorsed in 2019, has expired and is due for review. We attended stakeholder meetings organised by council's Environment Unit to introduce Macedon Ranges' new OWMP.

We reviewed Brimbank City council's draft Integrated Water Management Strategy. We gave feedback about opportunities to advance shared objectives, such as stormwater harvesting project partnerships to increase alternative water use and support urban greening.

## Environmental obligations

GWW has been involved in developing and delivering key actions and priorities in these plans and strategies:

- Victorian Waterway Management Strategy
- North Central Regional Catchment Strategy
- Port Phillip and Westernport Regional Catchment Strategy
- Melbourne Water's Healthy Waterways Strategy
- Port Phillip Bay Environmental Water Management Plan.

Melbourne Water's *Healthy Waterways Strategy 2018-28* outlines goals to protect and improve waterways across our region and improve community liveability. We mitigate and minimise our impact on waterway health through works that include:

- upgrading Gisborne RWP to further reduce nutrients into the Maribyrnong River catchment
- constructing a pipeline as part of the Western Irrigation Network project to increase re-use and reduce discharge from Melton RWP
- collaborating with the EPA in the investigation of emerging contaminants in recycled water
- investigating opportunities to return water to the environment and improve environmental flows
- enhancing biodiversity along the stream frontages within GWW control.

## Net zero carbon, zero waste and circular economy

GWW is on a path to achieving net zero carbon and zero waste. We continue to explore and adopt solutions that help reduce energy use and emissions and support a circular economy.

In 2024-25, we continued work on these projects:

- **Net Zero Emissions Strategy:** implementing our Net Zero Emissions Strategy to meet the Statement of Obligations (Emission Reduction) and our 2030 net zero emissions target. Actions included solar feasibility assessments on an extra ten large electricity-using sites and beginning to embed a carbon price into organisational decision making.
- **Energy Management Strategy:** developing strategy and action plans to identify and progress opportunities to reduce energy use and costs. This will support our capacity in energy monitoring, demand response and grid support, energy efficiency, renewable energy integration, reporting and performance tracking.
- **Waste to energy project:** exploring ways to optimise energy sources by adding organic waste to an anaerobic digester at the Melton RWP to increase renewable energy generation.
- **Biosolids to biochar project:** collaborating with South East Water, RMIT University, Intelligent Water Networks and Barwon Water at Melton RWP on an innovative energy-neutral technology trial. The technology converts biosolids into a carbon-rich biochar, which is a high-quality, slow-release fertiliser. This project could reduce reliance on non-renewable energy and contribute to carbon neutrality. GWW hosted trials for PYROCO Mark 2, with feeds from across Australian water corporations trialled and proven for this technology.
- **Water treatment waste to construction materials:** collaborating with Victoria University to investigate the use of alum sludge from water filtration plants as an additive to concrete and asphalt manufacture.

- **Biosolids drying expansion:** expanding biosolids drying and stockpiling areas at Melton RWP for additional stabilisation and drying of our biosolids. This will allow us to generate a higher value feedstock for composting and continue returning macro and micro-nutrients such as phosphorus to the food chain.
- **Reuse of biosolids:** GWW generated 2,742 dry tonnes of biosolids and 2,808 tonnes (102% including stored volume) were beneficially re-used.
- **Sunbury backfill trial:** participating in a trial with Victoria University to use recycled materials to backfill trenches for pipelines. This research addresses the unsustainable depletion of natural crushed rock aggregates by replacing them with

abundant and locally generated waste and recycled materials. Environmental benefits include reducing landfill waste, conserving natural aggregates, and cutting carbon emissions associated with quarrying and transportation.

- **VicWater Carbon Offsets Project:** investigating an initiative for water corporations to collectively self-generate Australian Carbon Credit Units, such as investing in large-scale environmental planting.
- **Zero Emissions Water Power Purchasing Agreement:** keeping our 30% share in a contract for difference with Total Energies at Kiamal Solar Farm to generate large-scale generation certificates.

## Climate change reporting

### Emissions reduction

GWW met its 2024-25 Carbon Pledge target of 27,586 tonnes of CO<sub>2</sub>-e, which is contained with the Statement of Obligations (Emission Reduction). This was achieved via the surrender of 19,696 Large-scale Generation Certificates.

#### Total scope 1 and 2 emissions

Service delivery category	Greenhouse gas emissions (t CO2-e)				Variance
	23-24 total emissions	24-25 result			
		Scope 1 emissions	Scope 2 emissions	Total emissions	
Water treatment and supply	9,888	0	11,967	11,967	21%
Sewage collection, treatment and recycling	26,012	13,831	15,138	28,969	11%
Transport	1,031	935	0	935	-9%
Other - Office	698	0	637	637	-9%
<b>Total emissions</b>	<b>37,629</b>	<b>14,766</b>	<b>27,742</b>	<b>42,508</b>	<b>13%</b>
Carbon offsets (self-generated) retired	4,629		14,922	14,922	222%
<b>Net emissions</b>	<b>33,000</b>	<b>14,766</b>	<b>12,820</b>	<b>27,586</b>	

GWW's gross greenhouse gas emissions increased in 2024-25 by 13% compared to 2023-24. Net emissions following the retirement of Large-scale Generation Certificates totalled 27,586 tonnes of CO<sub>2</sub>-e, which is 16% below net emissions from 2023-24. Gross emissions increased from a combination of:

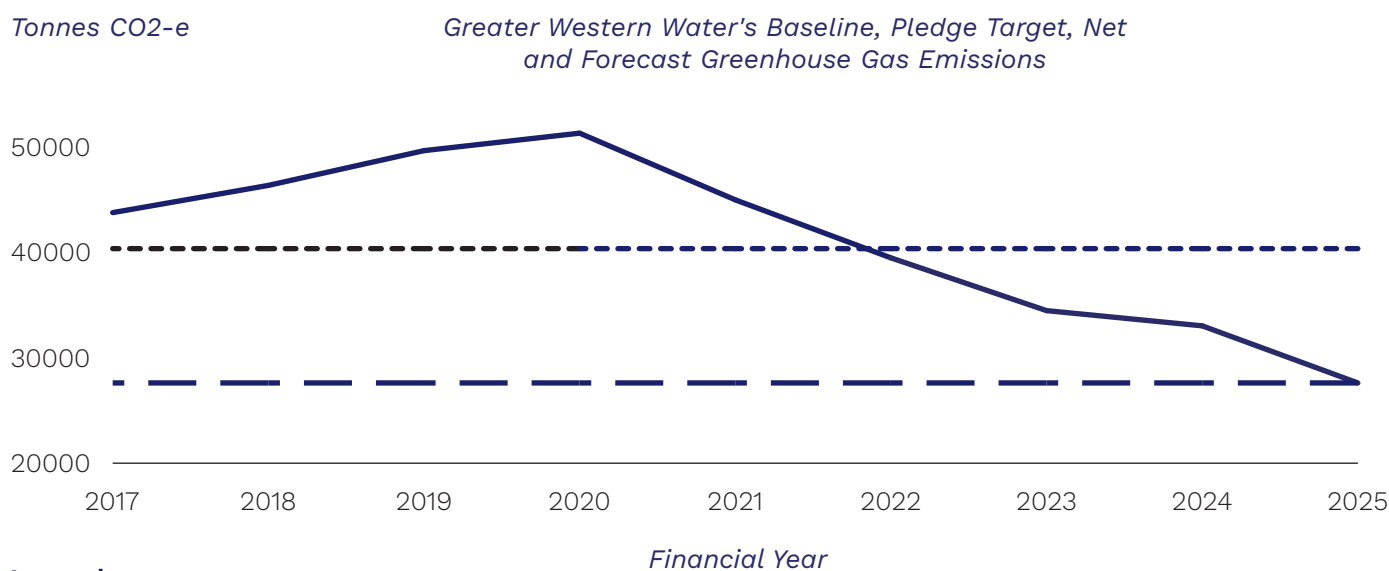
- an 11% increase in electricity consumption from the grid. This was primarily associated with an increase in the volume of water transferred from the Melbourne Water system due to decreased local catchment yields around Romsey and Lancefield
- an increase in methane emissions from the Melton RWP because of increased volatile suspended solids concentration in sludge digested.

## Scope 1 and 2 emissions by greenhouse gas

Service delivery category	Scope 1 and 2 emissions by greenhouse gas (in tonnes and converted to tCO2-e)							
	Carbon dioxide (CO2)		Methane (CH4)		Nitrous Oxide (N2O)		Other	
	Tonnes	tCO2-e	Tonnes	tCO2-e	Tonnes	tCO2-e	Tonnes	tCO2-e
Water treatment and supply	11,967	11,967	0	0	0	0		
Sewage collection, treatment and recycling	15,952	15,952	352	9,850	12	3,167		
Transport	931	931	0.01	0.2	0.02	5		
Other (e.g. offices, depots, etc.)	637	637	0.000	0.00	0.0000	0.00		

## Progress towards 2025 Carbon Pledge

The following graph shows GWW's greenhouse gas emissions trajectory to achieve our Pledge Target of 27,596 tonnes of CO2-e in 2025.



### Legend

----- 2012-16 Baseline    - - - - Pledge Target    — Net Emissions    ..... Forecast Emissions

The graph shows that while GWW's greenhouse gas emissions increased between 2017 and 2020, net emissions decreased between 2020-21 and 2024-25. This reduction has been achieved through a combination of:

- substitution of grid electricity with behind-the-meter renewable energy installations
- generating more biogas at the Melton RWP
- introducing energy efficiency opportunities
- offsetting emissions with Large-scale Generation Certificates when required.

## Scope 3 emissions

Scope 3 emissions source	Scope 3 emissions (in tCO2-e)	Commentary (including calculation methodology and inclusions)
Commercial air travel	4.2	Third party methodology
Waste disposal	1,145	NGERS methodology
<b>Total</b>	<b>1,149.2</b>	

## Increasing renewable energy

### Total electricity consumption (segmented by service delivery category)

	2023-24 MWh	2024-25 MWh	% change
<b>Total electricity use</b>			
Water treatment and supply	13,073	15,827	21.1%
Sewage collection, treatment and recycling	20,811	21,804	4.8%
Other (office, workshops, depots, etc)	840	828	-1.5%
<b>Total</b>	<b>34,724</b>	<b>38,459</b>	<b>10.8%</b>

A total of 38,459 megawatt hours (MWh) of electricity was used by GWW in 2024-25. This is a 10.8% increase compared to 2023-24. Electricity use by water treatment and supply increased 21.1% while sewage collection, treatment and recycling increased by 4.8%. These increases reflect increased electricity used in the treatment of sewage and pumping of water from the Melbourne Water system. Electricity used by GWW main offices decreased by 1%.

### Total electricity consumption (segmented by source)

	23-24 Total electricity consumption (MWh)	24-25 Total electricity consumption (MWh)
<b>Electricity source</b>		
Purchased directly through electricity retailer	32,378	36,092
Not directly purchased but sourced from outside the organisation		
Corporation led/self-sourced activities and initiatives	2,347	2,367
<b>Total (by source)</b>	<b>34,725</b>	<b>38,459</b>

The above table shows that GWW used more electricity that was purchased through a retailer in 2024-25 than 2023-24. Self-generated electricity increased marginally.

### Total renewable electricity consumption by source

	2023-24 Renewable electricity used (MWh)	2024-25 Renewable electricity used (MWh)	2024-25 Renewable electricity consumption (% of total consumption)	Variance between current and previous year
<b>Renewable Energy Source</b>				
<b>Total renewable electricity consumption from grid-sourced electricity GWW reported because of the Commonwealth Government's LRET</b>				
Total Grid Sourced: Mandatory	6,061	6,670	17%	9.1%
<b>Total renewable electricity consumption from corporation led/self-sourced activities</b>				
1. Solar	1,455	1,369	4%	-6.3%
2. Hydroelectric				
3. Wind				
4. Biogas	892	998	3%	10.7%
5. Greenpower	281	267	1%	-5.1%
6. Other				
<b>Total corporation led/self-sourced</b>	<b>2,628</b>	<b>2,635</b>	<b>7%</b>	<b>0.3%</b>
<b>Total renewable electricity consumption</b>	<b>8,689</b>	<b>9,304</b>	<b>24%</b>	<b>6.6%</b>

The above table shows that 24% (9,304 MWh) of GWW's electricity consumption was sourced from renewable sources. This included 6,607 MWh of renewable energy embedded in electricity sourced from the grid and 2,635 MWh of self-generated renewable energy and Greenpower purchases. Self-sourced renewable energy increased by 0.3% compared to 2023-24. Renewable electricity from biogas was up 11% compared to last year due to increased cogeneration turbine availability.

### Total onsite renewable electricity generated

Renewable electricity source	24-25 Total onsite renewable electricity generated (MWh)						
	24-25 Total onsite renewable electricity generation capacity (MW)	Renewable (large-scale) system			Renewable (small-scale) system		
		Consumed onsite	Exported	Other	Consumed onsite	Exported	Other
Biogas	0.325	998					
Hydroelectric							
Solar	1.195	1,146	505		223	267	
Wind							
Other renewable							
<b>Total (renewable)</b>	<b>1.520</b>	<b>2,144</b>	<b>505</b>		<b>223</b>	<b>267</b>	

The above table shows that 2,367 MWh of renewable electricity was generated and consumed at GWW's assets; and 772 MWh of renewable electricity was exported to the grid, resulting in a self-consumption rate of 75%.

GWW does not currently record the electricity generation from non-renewable electricity sources, such as backup diesel generation. Measurement of this data set will be investigated for future reporting purposes.

### Total energy usage from fuels and electricity (segregated by energy source)

Total energy usage	Renewable (GJ)	Non-renewable (GJ)	Total (GJ)
From fuels	19,889.547	24,959.130	44,848.678
From electricity	5,890.909	129,704.287	135,595.196
<b>Total</b>	<b>25,780.456</b>	<b>154,663.417</b>	<b>180,443.873</b>

### Total energy usage per FTE employee

Total energy usage (fuels and electricity) GJ	Total FTE employees	Energy usage (GJ) per FTE employee
180,443.873	0.904	199.606

### Total stationary fuel use in buildings and machinery

Fuel type	Total stationary fuel use (buildings and machinery)	
	in GJ	In tCO2-e
Fossil gas	492,008	25
Biogas		
Diesel	11,643,510	817
LPG		
Petrol		
Other		
<b>Total</b>	<b>12,135,518</b>	<b>842</b>

## Total Renewable Energy Certificate (REC) retirement reporting to reduce scope 2 emissions

RECs retired: 24-25 (1 REC = 1MWh renewable electricity)			Commentary
REC retirement method			
Voluntarily retired by GWW	19,429	All Large-scale Generation Certificates	
Greenpower	267	One site with GreenPower	
Certified carbon neutral electricity purchased			
Voluntarily retired on GWW's behalf			
Total voluntarily retired			
Mandatorily retired			
<b>Total RECs retired</b>	<b>19,696</b>		

## Adapting to climate change

Climate change poses significant risks to the supply of water and services to customers. Climate considerations are embedded into our decision-making processes and long-term planning.

### 2030 Strategy

Our 2030 Strategy recognises climate change as a key driver that will impact the service region into the future. The strategy identifies actions to support adaptability and climate resilience and deliver water supplies that are secure, sustainable and resilient. The strategy supports the Victorian Government's *Water Cycle Climate Change Adaptation Action Plan 2022-26* (DELWP 2022).

### Planning and responding to risk and building resilience

GWW plans and responds to climate change-related risks through corporate and infrastructure planning, infrastructure delivery and key projects.

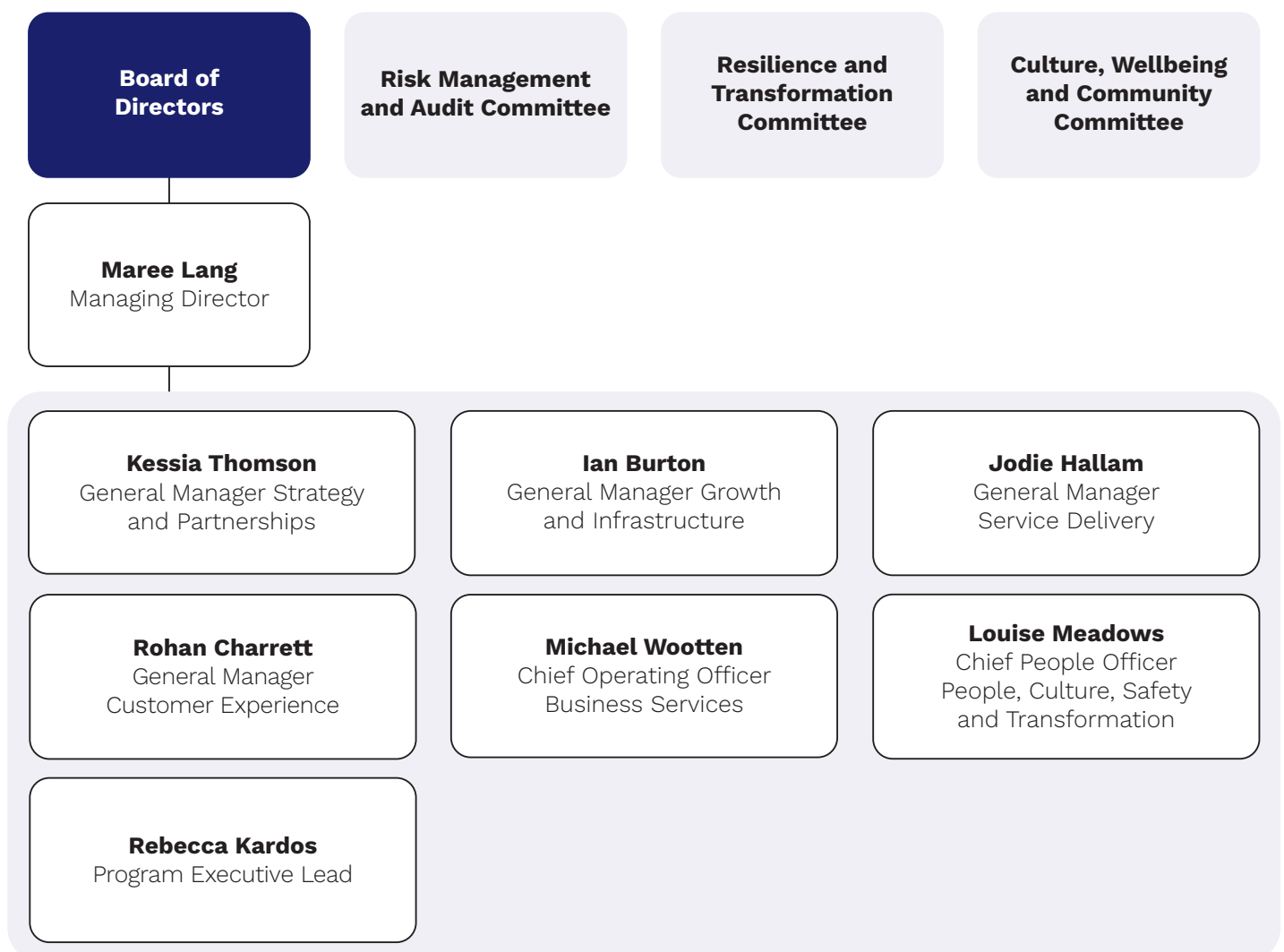
- **Urban Water Strategy:** we are developing the strategy to make sure we consider climate change when we plan for the next 50 years to provide resilient water and sewerage services across our region.
- **Alternative, climate-resilient water solutions:** we are continuing projects, such as the Western Irrigation Network, to support local agriculture, the Werribee Recycled Water Expansion which connected the Werribee Open Range Zoo to high-quality recycled water, and the establishment of our new Stormwater Harvesting Partnership Program.
- **Transforming waterways and creating green spaces:** we contribute to projects such as the Chain of Ponds and Greening the Pipeline.

- **Supporting environmental flows and environmental water recovery:** we are doing a feasibility assessment of surface water returns and recycled water opportunities.
- **Evidence-based planning:** we are doing water and wastewater mass balance assessments to support evidence-based planning, considering climate variability, population growth, water usage trends and evolving policy settings.
- **Improving water efficiency:** we are partnering with the other metropolitan water corporations to improve water efficiency, including increasing our messaging to community and through the Schools Water Efficiency Program.
- **Responding to extreme weather:** we are making sure that controls are in place to plan for responses to extreme weather events by continuing to build our emergency management capability and business continuity policies.
- **Developing the resilience of critical infrastructure:** we are doing this through implementation of our Strategic Asset Management Plan.
- **Reducing reliance on climate-dependent resources:** we are working with other metropolitan water corporations to reduce reliance on climate-dependent resources for drinking water and increase the uptake of recycled water in residential estates.
- **Increasing capacity in our networks:** we are investigating opportunities to increase resilience and capacity or redundancy in sewer and water networks.



# Organisation and governance

## Organisational structure



## Strategy and Partnerships

- Partnerships, Engagement and Communication
- Strategy and Policy
- Price Submission
- Infrastructure and Resource Planning

## Growth and Infrastructure

- Major Infrastructure Program Delivery
- Growth and Development
- Data and Analytics
- Asset Improvement
- Asset Programs and Integration
- Infrastructure Investment and Partnerships
- Reliability
- Next Generation Infrastructure Program

## Service Delivery

- Field Services and Maintenance
- Service Delivery Planning and Performance
- Wastewater and Reuse Operations
- Water Supply and Operations

## Corporate governance

The Honourable Harriet Shing MP was the responsible Minister for Water from 1 July 2024 to 18 December 2024. The Honourable Gayle Tierney became Minister for Water on 19 December 2024. The Minister for Water is responsible for urban water, irrigation water, groundwater, water corporations and governance, allocation and trading, permanent water use rules and water restrictions.

The Minister for Water, in consultation with the Treasurer, appoints the directors of GWW (including the Chair) and sets their terms and conditions. Directors are eligible for reappointment for subsequent terms. The Managing Director is appointed by the board.

From 1 July 2024 to 30 June 2025, the board comprised nine non-executive directors and the Managing Director. During this year, the board also appointed an Independent First Nations Board

## Customer Experience

- Customer Connect
- Customer Assist
- Billing and Customer Platforms
- Business Customer Services
- Commercial and Business Performance
- Business Partnerships

## Business Services

- Chief Financial Officer: Finance
- Chief Information Officer: Information Technology and Digital
- Risk and Resilience
- Procurement and Property
- Legal and Governance

## People, Culture, Safety and Transformation

- Health, Safety, Environment and Quality (HSEQ)
- Organisational Development and People Experience
- Strategic Business Partnering
- Transformation Office
- Diversity, Equity and Inclusion

## Program Executive Lead

- Billing and Customer Pathout Program

Delegate and an independent member of the Risk Management and Audit Committee.

In 2024-25, the board met 17 times. It is committed to performing its role in accordance with the highest standards of corporate governance.

There were three committees of the board:

- Risk Management and Audit Committee met 4 times
- Resilience and Transformation Committee met 3 times
- Culture, Wellbeing and Community Committee met 7 times

The board is responsible for setting and overseeing GWW's policies, objectives and strategies, and for ensuring that risk is appropriately managed. The board approves budgets and significant projects,

reviews corporate policies and strategies, and oversees progress on key issues affecting the corporation.

The board seeks independent review of its performance on an annual basis and reports to the Minister for Water and the Treasurer of Victoria on the outcomes of these reviews. GWW operates under the *Water Act 1989*. Our activities are governed by the *Water Act 1989* and the Statement of Obligations issued by the Minister for Water under s. 41 of the *Water Industry Act 1994*.

## Members of the board

### **The Hon. Lisa Neville**

Chair

The Hon. Lisa Neville was appointed Chair of the GWW Board on 24 April 2025. Ms Neville brings decades of experience in the water sector and government to this role. She is currently the Chair of Barwon Health's board, Chair of the Community Advisory Committee for Port of Geelong and is Non-Executive Director of organisations including The Torch and Employers Mutual Limited. She also served as Minister for Water from 2014 to 2022 and held other senior positions during her 20 years in the Victorian Parliament.

### **Nicola Burgess**

Director

B.Bldg (Property), B.Planning & Design, Post Grad Dip. Property, MBA, GAICD

Ms Burgess was appointed a Director of the GWW Board from October 2023. Ms Burgess is an experienced non-executive Director, Chair, CEO, and member of board risk and audit committees. As an executive, Ms Burgess has worked across many sectors with mid-cap, large public, government, listed and private companies in Australia and internationally. Ms Burgess has diverse experience leading commercial innovation, digital transformation, M&A post-merger integration, and growth ventures at companies including Deloitte, British Telecom and Australia Post.

Committee membership: Resilience and Transformation Committee

### **Matthew Burns**

Director

AdvDip (FinServices)

Mr Burns was appointed a Director of the GWW Board from July 2021. As a Taungurung Traditional Owner and current Chief Executive Officer of Taungurung Land and Waters Council (TLWC), he has deep knowledge of the water sector through

his associations with catchment management authorities and other water corporation boards. Mr Burns is also a Director/Treasurer of the Victorian Aboriginal Child & Community Agency (VACCAA).

Committee membership: Culture, Wellbeing and Community Committee

### **Bruce Cohen**

Director

BComm, LLB (Hons), MComm, PhD (Pub. Pol.)

Dr Cohen was appointed a Director of the GWW Board from July 2021 and made Deputy Chair from March 2025. He was previously a Director of City West Water from October 2015 to June 2021. Dr Cohen has previously practised as a barrister and currently is a board member of Austin Health and principal at BKE Consulting, which provides high-level economic and public policy advice. Dr Cohen has substantial public sector governance experience, having previously served on the boards of VicTrack, Melbourne Water, Snowy Hydro and VENCORP, as well as with the Victorian Competition and Efficiency Commission and the Victorian Commission for Gambling and Liquor Regulation.

Committee membership: Risk Management and Audit Committee; Resilience and Transformation Committee (Chair)

### **Tien Kieu**

Director

BSc (Hons) PhD GAICD FAIP

Professor Kieu was appointed a Director of the GWW Board in October 2023. Prof. Kieu has held various academic positions at Edinburgh University, Oxford University, Melbourne University, CSIRO and Swinburne University. He also has extensive experience in industry and financial investment sectors, data analytics and artificial intelligence, quantum computation and algorithms.

Prof. Kieu served as a Member of the Legislative Council of the Victorian Parliament from 2018 to 2022. During his tenure, he performed various roles including the inaugural Victorian Government STEM Education Ambassador and as Chair, Deputy Chair and member of several Legislative Council Committees. He has also been a non-executive director on the board of the Traffic Accident Commission (TAC). He is also a member of the Council of Swinburne University of Technology.

Prof. Kieu was a refugee from Vietnam and is actively involved with multicultural communities in Victoria.

Committee membership: Risk Management and Audit Committee

### **Maree Lang**

Managing Director  
MBA (Prof), B.Eng (Hons) (Chem), B.Comm, MAICD

Ms Lang was appointed the inaugural Managing Director of GWW as of 1 July 2021. Ms Lang was previously Managing Director of City West Water from April 2020 to June 2021, following being appointed Acting Managing Director in November 2019. Prior to this Ms Lang was an executive with City West Water, leading the delivery of water services to more than one million Melburnians across the CBD, inner suburbs and the growing western region, as well as the delivery of major new assets vital for growth, urban renewal and government infrastructure. Ms Lang brings a passion to lead culture, safety and business transformation to deliver trusted water services for the customers and communities we serve, and for future generations. Ms Lang combines her water sector experience with a diverse and commercial driven background. Her leadership was recognised by her inclusion as Institute of Public Administration Australia Top 50 Public Sector Women (Victoria) 2018.

Committee membership: Resilience and Transformation Committee; Culture, Wellbeing and Community Committee. Attends all committee meetings.

### **Liza McDonald**

Director  
GAICD

Ms McDonald was appointed a Director of the GWW Board from July 2021 and was previously a Director of Western Water from October 2019 to June 2021. As Managing Director of a consultancy company, Ms McDonald provides comprehensive strategic, business and community engagement strategies to top-tier Australian and international businesses. Ms McDonald has many years of executive experience in the coordination of high-level communications and performance evaluation within the Victorian Government. Ms McDonald was a member of the Lower Murray Water Board from 2015 to 2019, holds various qualifications in communication and negotiation, and has completed the Australian Institute of Company Directors course.

Committee membership: Resilience and Transformation Committee; Culture, Wellbeing and Community Committee (Chair)

### **Aisha Nicolay**

Director  
BBus (Acc), MAICD

Ms Nicolay was appointed a Director of the GWW Board from October 2023. As a non-executive director, she is experienced in customer-centric culture transformation, strategic growth, and organisational risk management. She brings expertise in evidence-led economic development and is focused on inclusion, diversity, equity and community wellbeing. Ms Nicolay is currently Chair of the Public Transport Ombudsman where she is also Chair Performance and Remuneration Committee and a director at the Western Bulldogs Community Foundation where she is also a member of the Finance Audit and Risk Management Committee and Fundraising and Marketing Committee.

Committee membership: Culture, Wellbeing and Community Committee

### **Llewellyn Prain**

Director, Deputy Chair  
BA (Hons), LLB (Hons), FAICD

Ms Prain was appointed a Director and made Deputy Chair of the GWW Board from July 2021 to March 2025. Ms Prain was previously a Director of Western Water from October 2015 to June 2021. She is an experienced company director with a background in law and public policy. Her directorships have spanned the health, disability and alternative dispute resolution industries. In 2017 she completed the Williamson Community Leadership program. She is Founder of WaterAble, a network for people with disability in the water industry.

Committee membership: Risk Management and Audit Committee; Culture, Wellbeing and Community Committee

### **David Middleton**

Chair

BEng, MEng, MBA, GAICD

Mr Middleton was appointed the inaugural GWW Board Chair as of 1 July 2021. Mr Middleton was City West Water Board Chair from October 2015 to June 2021 and Director and Deputy Chair at Yarra Valley Water from October 2011 to September 2015. Mr Middleton has more than 30 years of water industry operational and executive experience. He is Chair of the VicWater Board and a director on the board of Hydro Tasmania. Mr Middleton holds Bachelor and Masters degrees in engineering, an MBA from Deakin University and is a Graduate Member of the Australian Institute of Company Directors (AICD). Mr Middleton has held previous board roles as Managing Director of the CH2M Hill group of companies in Australia and Chair of CH2M Beca in New Zealand.

Committee membership: Resilience and Transformation Committee; Culture, Wellbeing and Community Committee

### **Claire Filson**

Director

MBA, LLB, GradDip (Applied Corporate Governance)

Ms Filson was appointed a Director of the GWW Board from July 2021 and was previously a Director of Western Water from October 2017 to June 2021 and South East Water from 2000 to 2006. Ms Filson is an experienced non-executive director with an extensive background in financial services, superannuation, insurance, funds management, infrastructure and property including ports, roads, rail and utilities (water). Ms Filson is the Deputy Chair of the Portable Long Service Benefits Authority and the Indigenous Land and Sea Corporation.

Committee membership: Risk Management and Audit Committee (Chair); Culture, Wellbeing and Community Committee

### **Board members who left during 2024–25**

#### **David Middleton**

(24 April 2025)

#### **Claire Filson**

(30 June 2025)

## **Board committees**

### **Risk Management and Audit Committee**

The Risk Management and Audit Committee (RMAC) assists the Board of Directors to fulfil its governance and risk oversight responsibilities. This includes reviewing and monitoring annual financial management and reporting; risk management; internal audit; compliance with laws, regulations and policies; external audit; and internal controls and policies and processes. All members of the RMAC are independent with respect to the requirements of the Standing Directions of the Minister for Finance.

### **Resilience and Transformation Committee**

The Resilience and Transformation Committee assists the board to oversee planning for the long-term resilience and sustainability of GWW's services and, in doing so, consider any necessary transformations to how GWW provides its services.

### **Culture, Wellbeing and Community Committee**

The Culture, Wellbeing and Community Committee assists the board by reviewing, monitoring and, where appropriate, making recommendations in relation to people and remuneration; health, safety and wellbeing; and community and engagement.

## Attendance at Board and Committee meetings

Board Directors	Board <sup>1</sup>		Risk Management and Audit Committee		Resilience and Transformation Committee		Culture, Wellbeing and Community Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
David Middleton <sup>2</sup>	14	11	-	1*	2	1	4	2
Lisa Neville <sup>3</sup>	3	3	-	1*	-	1*	1	1*
Nicola Burgess	17	16	-	-	3	3	-	-
Matthew Burns	17	14	-	1*	-	-	2	6*
Bruce Cohen	17	17	4	4	3	3	-	-
Claire Filson <sup>4</sup>	17	13	4	4	-	1*	6	4
Tien Kieu	17	15	4	4	-	-	-	-
Aisha Nicolay	17	17	-	2*	-	1*	7	7
Liza McDonald	17	14	-	-	-	-	7	6
Llewellyn Prain	17	17	4	4	-	-	7	7
Maree Lang	17	17	-	4*	3	3	7	7
<b>Non-director attendees</b>								
Joshua Smith <sup>5</sup>	16	8	-	-	-	-	-	-
Danielle Walker <sup>6</sup>	-	-	1	1	-	-	-	-

1. During 2024-25, the Board also held briefings additional to scheduled or special Board meetings on 8 and 22 October 2024.

2. David Middleton finished on 24 April 2025

3. Lisa Neville commenced on 24 April 2025

4. Claire Filson finished on 30 June 2025

5. Joshua Smith commenced as an Independent First Nations Board Delegate in late August 2024 but is not a Board Director.

6. Danielle Walker commenced as an independent member of the Risk Management and Audit Committee but is not a Board Director.

\* Includes meetings attended by Board Directors under the standing invitation to attend any committee meetings (rather than as a committee member).

## Our people

### Public sector values and employment principles

GWV applies key employment practices and policies to ensure we meet the requirements of the Victorian Public Sector Values, and the employment principles of the *Public Administration Act 2004*.

In relation to recruitment and selection activities, we have a robust system and associated policies and procedures to ensure employees are selected and promoted based on ability, knowledge and skills in fair and open competition that ensures equal opportunity. Employees receive fair and equitable treatment without regard to race, colour, sexual preference, age, physical or mental disability, pregnancy, religion, political opinion, national extraction or social origin.

We work to meet our obligations under the *Disability Act 2006*, the *Disability Discrimination Act 1992*, the *Equal Opportunity Act 1995*, and the *Charter of Human Rights and Responsibilities Act 2006*, with the aim of eliminating barriers for people with a disability from accessing goods, services, facilities

and employment. We also strive to achieve gender equality and meet our legislative obligations under the *Gender Equality Act 2020*.

Our Safe, Inclusive and Respectful Workplace Policy supports our people to work in an environment free from harassment, bullying and discrimination. We continue to align policies for the prevention of harassment, discrimination and bullying, and education programs for employees, contractors and visitors around their rights and obligations. Any behaviour to the contrary will result in disciplinary action up to, and including, dismissal. Employees also have a range of support options and avenues for review if they encounter behaviours not in accordance with GWV culture.

GWV has a comprehensive Code of Conduct relating to all board directors, employees and contractors in respect to behaviours and conduct in the workplace. The code articulates responsibilities regarding a range of matters and requirements, including gifts, benefits and hospitality policies; workplace behaviours; use of resources; corrupt conduct and public interest disclosures; and drugs and alcohol in the workplace.



## Workforce data

	Jun-24¹						Jun-25²							
	All employees			Fixed term and casual			All employees			Fixed term and casual				
	Ongoing			Ongoing			Ongoing			Ongoing				
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	Part-time (headcount)	FTE	Number (headcount)	Part-time (headcount)	FTE	Number (headcount)
Demographic data														
Gender														
Women	410	385.2	296	90	362.2	24	23	443	419.4	327	85	388.8	31	30.6
Men	445	438.9	396	19	410.5	30	28.4	476	474	433	17	448.6	26	25.4
Self-described	13	11.8	9	<5	11.8	0	0	12	10.9	8	<5	10.9	0	0
Age														
15-24	20	20	10	0	10	10	10	22	22.4	13	0	13.4	9	9.0
25-34	175	168.7	138	18	150.3	19	18.4	185	180.9	152	16	164.1	17	16.8
35-44	264	254	213	37	241.2	14	12.8	283	275.4	238	33	263.6	12	11.8
45-54	242	234.2	203	31	226.6	8	7.6	251	243.8	211	29	233.2	11	10.6
55-64	137	131.8	116	20	130.8	1	1	158	152.6	130	21	145.6	7	7.0
65+	30	27.3	21	7	25.7	2	1.6	32	29.2	24	7	28.4	1	0.8
Prefer not to respond	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Classification														
Executive³	7	7	6	0	6	<5	<5	8	8.0	6	0	6.0	<5	<5
Senior Managers	63	62.3	57	5	61.3	<5	<5	70	69.1	62	6	67.1	<5	<5
Team Leaders	147	144.7	129	9	136.3	9	8.4	161	159.2	145	9	152.2	7	7.0
Individual Contributors	651	622	509	99	580.9	43	41	692	667.9	555	91	622.9	46	45.0
Total employees	868	836	701	113	784.5	54	51.4	931	904.3	768	106	848.3	57	56



### Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

Income Band (salary)	Executives	Senior Non-Executive staff
<160,000		8
\$160,000 - \$179,999		23
\$180,000 - \$199,999		17
\$200,000 - \$219,999		12
\$220,000 - \$239,999		9
\$240,000 - \$259,999		1
\$260,000 - \$279,999	1	
\$280,000 - \$299,999		
\$300,000 - \$319,999	3	
\$320,000 - \$339,999	2	
\$340,000 - \$359,999	1	
\$360,000 - \$379,999		
\$380,000 - \$399,999		
\$400,000 - \$419,999		
\$420,000 - \$439,999		
\$440,000 - \$459,999	1	
\$460,000 - \$479,999		
\$480,000 - \$499,999		
<b>Total</b>	<b>8</b>	<b>70</b>

Note:

The salaries reported above are for the full financial year, at a 1-FTE rate, and exclude superannuation

## Diversity, equity and inclusion

GWW's Diversity, Equity and Inclusion (DEI) Framework aligns to our 2030 Strategy and our culture ambition. It sets out what we are working to achieve by 2030:

- Our workforce reflects the communities we serve at all levels of the organisation, and we benefit from our diversity and inclusion.
- We have pathways for equitable access to employment in our sector.
- We are a leader in providing equitable access to services and for respecting and celebrating diversity.
- Alongside our delivery partners, we have created jobs in our region for young and underrepresented groups.
- We have attracted aligned delivery partners and suppliers and supported them to achieve our shared environmental and diversity and inclusion goals.

We develop an annual plan year on year to deliver on our ambition and framework.

Some of our highlights for 2024-25 to build a diverse, equitable and inclusive workplace:

- **Safe, Inclusive and Respectful workplace:** we held engagement activities including an anti-racism workshop for leaders, shared stories from people with lived experience, and celebrated Harmony Week, which included a food drive for North Melbourne Language & Learning Centre and Sunbury Neighbourhood Kitchen.
- **Awareness of family and domestic violence:** we updated our policies and developed new employee resources. We collaborated with Uniting Social Impact Consulting (USIC) to undertake additional specialist domestic and family violence training for all our customer-facing employees and leaders, including Senior Leaders and the Executive Leadership Team.
- **Knowledge of equity and inclusion:** we worked with our water sector peers to build awareness and knowledge of equity and inclusion. We co-delivered events, including International Women's Day, Midsumma, Wear it Purple and International Day for People with a Disability.
- **Education on First Nations:** we held Cultural Safety training and Acknowledgement of Country training and participated in National Reconciliation Week and NAIDOC.
- **First Nations cultural safety audit:** we completed an audit to understand the experience of our First Nations employees, First Nations stakeholders and Traditional Owners. The audit data has helped inform our next Reconciliation Action Plan.
- **Track our diversity:** we achieved gender equity with women in leadership roles at 47%, and ongoing great representation of our culturally and linguistically diverse people (25% born overseas), people with a disability (8%) and LGBTQIA+ (9%).
- **Accessibility inclusion:** we implemented our Accessibility Inclusion Action Plan to support an equitable and productive workplace. This was informed by an independent review by the Australian Disability Network which gathered data from GWW employees with lived experience.
- **Employee Reference Group for Accessibility:** we set up a new accessibility reference group to bring a lived experience voice to progress accessibility inclusion at GWW.
- **Women in Science, Technology, Engineering and Mathematics (STEM):** we continued to promote women in STEM by participating in events including the Amazon Girls in STEM Day, hosted by Wyndham Technical School (Victoria University) and the Australian STEM Women Graduate Careers event. We increased gender diversity in operational roles by improving the attraction and recruitment process for new operations roles, which removed bias.

## Gender Equality Action Plan

As part of our legislative obligations under the *Gender Equality Act 2020*, GWW continued to implement our Gender Equality Action Plan 2021-2025, meeting all reporting obligations. We have started to develop our new Gender Equality Action Plan through to 2030.

We are proud of the strong progress we have made in gender equality. We have maintained gender representation with women making up 48% of our workforce and 47% of leadership positions. We have achieved our targets for gender balance at all levels of our organisation of 45-55%. Our board gender representation has slightly increased, with 67% women and 33% men.

### Equity impact assessments

We continue to build our capability to conduct equity impact assessments (EIAs) under the *Gender Equality*

*Act 2020*, to ensure our policies, programs and services benefit all Victorians.

In the water sector, our goal is to do more than deliver essential services; we are committed to promoting equity and inclusion throughout our operations. We recognise the diverse needs of customers and community and want everyone to have fair access to our resources and services.

This year, we collaborated across the sector to share how we are progressing to implement EIAs. We established a task force to streamline the EIA process. The goal was to simplify the procedure, while promoting consistency and effectiveness in implementation. This collaboration has led to a more efficient process to complete EIAs. The sector has also co-delivered workshops to build knowledge and improve the way we deliver equitable services for our customers and community.

### Workforce targets

Key performance indicator	2024-25 target	2024-25 result <sup>1</sup>
<b>People Matter Survey Participation Rate</b> % of our people who completed the Victorian Public Sector Commission's People Matter survey	65%	68% participation rate (767 out of 1129) <sup>2</sup>
<b>People leaders gender equality</b> % of people leaders who identify as female	45-55%	47% of leaders are women
<b>First Nations employment at GWW</b> Number of Aboriginal people employed	1.5%	1%
<b>Cross-cultural training at GWW</b> Number of our people who have undertaken a cross-cultural training course facilitated by accredited personnel	350	457
Actions taken to improve participation by Traditional Owners and Aboriginal Victorians in board committees and/or other organisational committees		62 people attended Yan Gadbaha Cultural Safety Training 43 people attended Wadawurrung Cultural Immersion Training 63 people attended Wan-Yaari Acknowledgement Workshop 289 people completed online First Nations Cultural Awareness training module GWW appointed Joshua Smith, an Independent First Nations board delegate, to our board and retained our current First Nations board member Matthew Burns

<sup>1</sup> Data as at May 2025

<sup>2</sup> The survey is open to both permanent and contingent staff.

## Health, safety and wellbeing

Health, safety and wellbeing are important priorities for GWW. Our 2030 Strategy expresses goals for a positive safety culture that supports the health and safety of our people, partners and community.

In 2024-25, we continued to mature our approach to Health, Safety, Environment and Quality (HSEQ) by:

- delivering the first HSEQ vision and strategy co-designed with the business and aligned to HSEQ cultural maturity
- embedding the HSEQ team structure and service delivery model to support business functions
- building out management system processes
- unifying and certifying HSEQ management systems into an integrated management system
- revising health and safety risk registers and environmental aspect and impact registers for each facility to better understand and manage risks
- developing HSEQ dashboards to support accurate reporting and trending of events, actions and observations.

Measure	2022-23	2023-24	2024-25
Number of reported hazards per 100 FTE	20.8	23.8	20.4
Number of incidents per 100 FTE	36.4	38.9	48.4
Number of ‘lost time’ standard claims per 100 FTE	0.97	1.08	1.76
Average cost per workers compensation claim	\$14,630	\$14,536	\$3,417.40
Total Recordable Injury Frequency Rate (TRIFR)	7.9	9.1	11.5

Organisational issues in 2024-25 saw significant intensified pressure on our people, resulting in an increase in the number of recordable physical and psychological injuries. Although the metrics for incident and injuries have all increased, the severity of these incidents generally remained low with workers able to return to work quickly and without permanent disability as indicated by our average cost claims. To proactively support staff wellbeing, a range of programs were implemented. These addressed key areas including fatigue management, lone and remote worker safety, psychosocial hazards and exposure to hazardous energies and chemicals.

## Environmental data reporting

### Transportation

#### Number of vehicles

Transportation vehicle category	Transportation vehicle engine/Fuel type						Other
	Petrol	Diesel	LPG	Petrol hybrid	Diesel hybrid	Battery electric	
Passenger vehicles	31	152		73		3	
Goods vehicles		9					

## Vehicle emissions and energy use

Transportation vehicle category	Transportation vehicle engine/Fuel type							Fuel type totals	
	Petrol	Diesel	Bio-diesel	Renew-able diesel	LPG	electricity	Other	Total energy use (GJ)	Total emissions (t Co2e)
Passenger vehicles	2,592	9,499						12,091	849
Goods vehicles		1,225						1,225	86
Total energy use (GJ)	2,592	10,723							
Total emissions (t Co2e)	181	754							

## Sustainable buildings and infrastructure

GWW does not own office buildings and in 2024-25 did not enter into any new building leases.

The data available on NABERS (National Australian Built Environment Rating System) energy ratings show that for the office building at 1 McNab Footscray, where GWW is a tenant, as of 2024-25 Q1 the building was tracking at 5.7 Star NABERS energy, with a formal rating of 5.5 stars as of December 2023. This far exceeds the lease commitment of 4.5 Stars.

The office building in Macedon Street Sunbury is owned by the City of Hume. NABERS ratings are not available for this building due to its age.

## Water consumption

Sunbury office	2023-24	2024-25
Water consumed kL	1,507	2,418
Litres per m <sup>2</sup> office space	685	1,099
Footscray office	2023-24	2024-25
Water consumed kL	990	810
Litres per m <sup>2</sup> office space	161	131

The increased water use in the Sunbury office is due to increased in-office attendance with the scale up of customer teams responding to billing issues. In addition, the drier climate led to higher water use in the gardens.

## Waste and recycling

### Total units of waste disposed of by disposal method and waste stream (m3 and %)\*

Type of waste	2024-25 m <sup>3</sup>	2024-25 %	Tonnes CO2 emissions
General waste	1,186	82	1,145
Co-mingled recycling	90	6	
Paper and cardboard	174	12	
Organics	2	0	
<b>Total</b>	<b>1,452</b>		<b>1,145</b>

\* Volumes are for all GWW sites except the Sunbury office. The office at 36 Macedon St Sunbury is serviced by a shared council waste refuge area. Currently waste volumes are not recorded.

Dedicated collection services provided in offices: 100%. Footscray and Sunbury offices have collection services for e-waste, printer cartridges and batteries.

Total units of waste disposed normalised by FTE: 1.6m<sup>3</sup>

Recycling rate (percentage of total waste by weight): 18%

## Disclosures

### Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP-applicable projects respectively where contracts have been entered prior to 15 August 2018.

#### Projects commenced – Local Jobs First Standard

During 2024-25, GWW commenced six Local Jobs First Standard projects totalling \$25.27 million. One project was in regional Victoria, with an average commitment of 88% of local content, and five were in metropolitan Melbourne, with an average commitment of 91% local content. No statewide projects were commenced. MPSG applied to four of the projects.

The outcomes expected from the implementation of the Local Jobs First policy to these projects, where information was provided, are:

- an average of 91.2% of local content commitment was made
- 22 annualised employee equivalent (AEE) jobs were committed, including four new jobs created and 18 existing jobs retained
- two positions for apprentices, trainees and cadets were committed, including one position created and one existing position retained
- 159 small to medium-sized businesses were engaged through the supply chain on commenced Standard Projects.

#### Projects completed – Local Jobs First Standard

During 2024-25, GWW completed 11 Local Jobs First Standard projects, totalling \$80.5 million. Of those projects, five were in regional Victoria, with an average commitment of 90.81% local content, and six in metropolitan Melbourne, with an average commitment of 96% local content. The MPSG applied to five of these projects.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided, were as follows:

- an average of 69.79% of local content commitment was achieved
- 140 jobs (AEE) were supported, including two new jobs created and 138 existing jobs retained
- 86 positions were committed for apprentices, trainees and cadets, including 14 created and 72 existing positions retained
- MPSG applicable projects provided a total of 4,775 hours to apprentices, trainees, cadets and engaged two apprentices, trainees and cadets
- 93 small to medium-sized businesses were engaged through the supply chain on completed Standard Projects.

#### Projects commenced – Local Jobs First Strategic

During 2024-25, GWW commenced one Local Jobs First Strategic Project, valued at \$68 million. The project was based in metropolitan Melbourne with 99.73% estimated local content. The MPSG applied to this project. The commitments made as part of the Local Jobs First policy for these projects are:

- an average of 99.73% of local content
- 53 positions (AEE) were committed, including 14 new jobs created and 39 existing jobs retained
- MPSG committed to a total of 25,742 hours to apprentices, trainees and cadets and engaged 14 apprentices, trainees and cadets
- 38 small to medium-sized businesses were engaged through the supply chain on commenced Strategic Projects.

#### Projects completed – Local Jobs First Strategic

No Local Jobs First Strategic Project was completed during 2024-25.

## Social Procurement Framework

GWW is committed to advancing social and sustainable objectives through procurement in accordance with the Victorian Government Social Procurement Framework.

GWW's priority social procurement objectives align with the Social Procurement Framework and have been chosen based on their high degree of alignment with GWW's strategic direction and values, as well as being best positioned to advance identified social procurement opportunities:

Social procurement objective	Outcome sought
Opportunities for Victorian Aboriginal people	Purchasing from Victorian Aboriginal businesses Employment of Victorian Aboriginal people by suppliers to the Victorian Government
Opportunities for Victorians with disability	Purchasing from Victorian social enterprises and Australian Disability Enterprises Employment of people with disability by suppliers to the Victorian Government
Women's equality and safety	Adoption of family violence leave by Victorian Government suppliers Gender equality within Victorian Government suppliers

Sustainable procurement objective	Outcome sought
Environmentally sustainable business practices	Adoption of sustainable business practices by suppliers to the Victorian Government

### Social procurement activities 2024-25

- 25 social benefit suppliers were engaged (direct spend) during the reporting period.
- \$2.25 million was spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive).
- 11 mainstream suppliers (not social benefit suppliers) engaged that have made social procurement commitments in their contracts with the Victorian Government.
- 11 contracts that include social procurement commitments.

### Achievements

While four prioritised Social Procurement Framework objectives guide our procurement delivery, GWW is committed to pursuing opportunities to advance social and sustainable outcomes for Victorians.

Social procurement highlights for the year include:

- 5% increase in direct spend with social benefit suppliers from last financial year
- continued to build relationships through celebrating National Reconciliation Week
- renewed corporate partnership with Kinaway Chamber of Commerce (Vic) Ltd
- introduced a Cultural Heritage Onground program at our Training Academy in collaboration with cultural knowledge leaders and operational specialists. The program supports our operational teams to make sure cultural heritage is fully considered
- visited our delivery partner, Aqua Metro, to experience their First Nations space. It was created as a symbol of their commitment to delivering social procurement value to communities and ongoing learning for their people
- working to develop a First Nations procurement strategy as part of the new RAP
- ongoing partnership with Wadawurrung Traditional Owner Corporation in the development of a native bush tucker garden.

Emergency procurement

In 2024–25, GWW activated emergency procurement on one occasion in accordance with the requirements of government policy and accompanying guidelines. Two new contracts, each valued at or more than \$100,000 (GST inclusive), were awarded in connection with the emergency. Details of the emergency procurements are shown below.

Nature of emergency	Date of activation	Summary of procured under new contracts	Total spend on goods and services	No. of new contracts awarded valued at \$100,000 (incl. of GST) or more
Customer Information Incident & Information Statement Incident	25/07/2024	Engagement of two separate labour hire agencies to rapidly source back-of-house staff for the manual processing of Information Statements, Change of Tenancy and Change of Ownership transactions.	\$1,409,722.63	2

Procurement complaints

GWW did not receive procurement complaints in 2024-25.



## Review and study expenses

<b>Name of the review</b>	<b>Reasons for review/study</b>	<b>Terms of reference/scope</b>	<b>Anticipated outcomes</b>	<b>Estimated cost for FY25 (ex. GST)</b>	<b>Final cost if completed</b>	<b>Publicly available (Y/N)</b>
CGRSWS Action 4.2 - Water Returns Feasibility Assessment	To understand feasibility and water security impacts and risks to return surface water entitlements to the environment and Traditional Owners to inform CGRSWS Action 4.2.	A feasibility assessment of four proposed options in Maribyrnong and Werribee to better understand the potential operational risks, financial implications, water security risks and infrastructure costs.	Assessment of four water return options to inform GWW decision making. Including: <ul style="list-style-type: none"> <li>water security and operational risk and opportunity assessment</li> <li>infrastructure works required</li> <li>estimated costings</li> <li>QBL and MCA assessment of options</li> </ul>	\$68,000		N
Altona Treatment Plant Cultural Values Assessment (Bunurong)	Identification of opportunities to incorporate cultural values into treatment plant masterplan	Supply of Cultural Values Statement about Altona Treatment Plant to inform the Altona Treatment Plant Masterplan	Formal Cultural Values Statement and assessment report for the Altona Treatment Plant	\$9,995	\$9,108	N
'Weighing up the Options' Biosolids Management Assessment	Support development of GWW's biosolids management strategy	Detailed evaluation of biosolids management approaches	Biosolids Management Assessment report	\$22,500	\$22,500	N
Pyrolysis Feasibility Assessment for the Altona Treatment Plant	Inform business case to support funding opportunity for thermal biosolids treatment technology	Options analysis and feasibility study for utilisation of technology at Altona Treatment Plant	Report outlining outcomes of assessment	\$83,041	\$25,000	N

Name of the review	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for FY25 (ex. GST)		Publicly available (Y/N)
					Final cost if completed	
Energy Management Strategy	To help GWW lower its energy use and costs	Develop an Energy Management Strategy and Action Plan for the business	More informed decision-making to guide investments in energy projects	\$46,200	\$115,080	N
Sewer augmentation optimisation pilot	Pilot of optimisation software to identify lower cost compliance solutions	Review the growth and flows in the catchment. Given a set of constraints and opportunities, optimise the infrastructure solution.	A project(s) to ensure that the catchment is compliant to our GED obligations	\$40,000	\$40,000	N

## Government advertising expenditure

In 2024–25, no government advertising campaigns with a media spend of \$100,000 or greater were conducted.

## Consultancy expenditure

During 2025, GWW engaged 20 consultants on various engagements where the total fees payable to the consultants was less than \$10,000 (GST exclusive).

During 2025, GWW engaged 47 consultants on various consultancies where the total fees payable to the consultant was \$10,000 or greater (GST exclusive). The total expenditure during 2025 in relation to these consultancies was \$7,659,684 (GST exclusive). Details of individual consultancies can be viewed at [gww.com.au](http://gww.com.au)

These consultancies include arrangements where an individual or organisation is engaged to provide expert analysis to facilitate decision making and perform a specific one-off task that involves skills or perspective that would not normally be expected to reside within GWW.

Consulting engagements throughout 2025 included various operation and transformation advice, strategy reviews, asset management assistance, sustainable efficiency, and specialised technical advice and guidance.

GWW engages several individuals and organisations to provide works or services on behalf of GWW. These contract services are not considered to be consultants and are not included in the above numbers.

## ICT expenditure

During the 2025 reporting period, GWW had a total Information and Communication Technology (ICT) expenditure of **\$76.4 million**, with details shown below.

Year	Business as usual (BAU) ICT expenditure \$'m	ICT expenditure related to projects to create or enhance ICT capabilities		
		Non BAU ICT expenditure (operating and capital) \$'m	Operational expenditure \$'m	Capital expenditure \$'m
2025	32.4	44.0	25.6	18.4
2024	34.6	76.7	51.6	25.1
2023	24.6	65.7	36.0	29.7
2022	22.5	39.8	19.51	20.3
2021	17.7	32.6	0.1	32.5

1 Recognised as operational expenditure in compliance with IFRIC's First and Second Agenda Decisions regarding Software as-a Service (SaaS) arrangements

ICT expenditure comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non BAU) ICT expenditure.

Non BAU ICT expenditure relates to extending or enhancing GWW's ICT capabilities, for example:

- supporting IT integration
- billing and collections system
- growth
- licensing
- desktop
- data and analytics
- end user computing.

BAU ICT expenditure relates to ongoing activities to operate and maintain current ICT capability, for example:

- licence fees
- external support
- maintenance
- help desk services.

Investment in ICT is focused on developing technologies that give GWW capabilities to improve and digitise processes, and to access data and analytics that deliver customer and asset insights. This supports evidence-based decisions and efficient, relevant and timely services to customers, community, partners, and our people.

## Major contracts (\$10 million +)

GWW has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during the financial year ended 30 June 2025. Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at: [www.tenders.vic.gov.au](http://www.tenders.vic.gov.au).

## Capital projects

During the year, GWW completed three capital projects with a total estimated investment [TEI] of \$10 million or greater.

## Capital projects reaching practical completion during the financial year ended 30 June 2025

Project name	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between	
								actual cost and latest approved TEI budget	Reason for variance from latest approved TEI Budget
Pascoe Vale Rd - Distribution Mains and upgrade	January 2023	April 2024	Feb 2025	The project was delayed due to unforeseen site conditions, unknown services, and changes in stakeholder requirements requiring additional coordination.	\$14.3m	\$14.3m	\$13.4m	-\$0.9m	The variance relates to the successful mitigation of project risks resulting in decreased costs
CBD Stage 3 - Elizabeth St	March 2023	Sep 2024	Nov 2024	The project was delayed due to unforeseen site conditions, unknown services, and changes in stakeholder requirements requiring additional coordination.	\$25.7m	\$33.5m	\$31.3m	-\$2.2m	The variance relates to the successful mitigation of project risks resulting in decreased costs
Minns Rd Tank 20 ML Renewal	July 2024	April 2025	April 2025	Program revised to allow coordination with key stakeholders on final design of steel tank to meet desired design life	\$23.8m	\$23.8m	\$23.8m	nil	nil

## Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by GWW. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, councils, Ministers and other bodies subject to the Act.

GWW is subject to the *Freedom of Information Act 1982*. An applicant has a right to apply for access to documents held by GWW. The documents sought by an applicant may be created by GWW or supplied to GWW by an external organisation or individual, and could include diagrams, films, emails, photographs, computer printouts and closed-circuit television (CCTV). Information about the type of material produced by GWW is available under its Part II Statement at [gww.com.au](http://gww.com.au)

The Act allows GWW to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include internal working documents, law enforcement documents, documents covered by legal professional privilege (such as legal advice), personal information about other people, and information provided to GWW in confidence.

The Act stipulates that agencies such as GWW have 30 days to process Freedom of Information (FOI) requests. However, when external consultation is required under ss. 29, 29A, 31, 31A, 33, 34 or 35, the processing time reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied with a decision made by GWW, under s. 61A of the Act they have the right to complain to the Office of the Victorian Information Commissioner (OVIC) within 60 days of receiving a decision letter.

During 2024-25, GWW received 95 requests for access to documents under the Act. Most requests were acceded to.

Of these 95 requests:

- 13 were from law firms
- 7 were from insurance companies
- 75 were from the general public.

Request	Number
Access in full	21
Access in part	16
Access denied	0
Other – invalid	1
Other – transferred	1
Other – withdrawn	3
Other – outside the Act	41
Other – no documents	0
Not finalised	12
Not proceeded with	0
<b>Total</b>	<b>95</b>

- GWW made 37 FOI decisions during the 12 months ending 30 June 2025:
- Six decisions were made within the statutory 30-day time period
  - Four decisions within an extended statutory 30-to-45-day time period
  - 27 decisions over 46 days.

The average time taken to finalise requests in 2024-25 was 93.1 days.

During 2024-25, five requests were subject to an OVIC complaint or review. The complaints were finalised by OVIC and did not progress to the Victorian Civil and Administrative Tribunal. The fourth complaint is being managed by OVIC as a review. At the time of writing GWW is awaiting the outcome.

FOI requests can be lodged online via the GWW website at: [gww.com.au/FOI](http://gww.com.au/FOI). An application fee of \$33.60 applies. Access charges may also be payable if the document pool is large and the search for material time consuming. Access to documents can also be obtained through a written request to GWW's FOI Officer, as detailed in s. 17 of the Act.

When making an FOI request, applicants should ensure requests are in writing and clearly identify what types of materials or documents are being sought.

Requests for documents in the possession of GWW can be made:

through the Victorian Government's Freedom of Information Portal at [www.online.foi.vic.gov.au](http://www.online.foi.vic.gov.au)

or

addressed to:

Freedom of Information Officer  
Greater Western Water  
Locked Bag 350  
Sunshine Vic 3020

For further information about FOI, refer to the *Freedom of Information Act 1982* and regulations or go to the Victorian Government website at: [ovic.vic.gov.au](http://ovic.vic.gov.au)

## Compliance with the *Building Act 1993*

In 2024-25, we complied with the building and maintenance provisions of the *Building Act 1993*.

GWW owns or controls:

- two buildings at Sunbury Depot, 120 Harker Street, Sunbury
- four buildings at Altona Treatment Plant, 293 Queen St, Altona Meadows
- three buildings at Melton Depot and Melton Recycled Water Plant, 77-207 Butlers Road, Mount Cottrell
- one building at Rosslynne Treatment Plant, 224 Bacchus Marsh Road, Gisborne
- one building at Woodend Treatment Plant, 89 Montgomery's Lane, Woodend
- one building at Gisborne Treatment Plant, 14 Haywood Drive, Gisborne
- one building at Werribee Treatment Plant, 1 William Thwaites Drive, West Werribee
- one building at Brooklyn Depot, 73 Old Geelong Road, Brooklyn
- one building at West Melbourne Depot, 218 Kensington Road, West Melbourne
- two buildings at Merrimu Water Filtration Plant, 2389-2485 Diggers Rest-Coimadai Road, Toolern Vale, Victoria.

To ensure compliance with the building and maintenance provisions of the *Building Act 1993* in relation to these buildings, in 2024-25, assets were maintained under the required standards and codes.

GWW requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by GWW and that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*, Building Regulations 2018 and the National Construction Code.

In relation to existing buildings, GWW facilities management is responsible for:

- mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards

- routine inspections and preventive maintenance
- routine mechanical services and monthly and annual fire service audits
- routine electrical inspections on switchboards and regular test and tagging services.

Downer is responsible for the same works at the buildings at Sunbury RWP as they run the day-to-day operations at this site. The testing and inspections at these sites inform the works program which is delivered annually through existing maintenance contracts.

In 2024-25:

- Number of major works projects undertaken by GWW (greater than \$50,000): 0
- Number of building permits, occupancy permits, or certificates of final inspection issued in relation to buildings owned by GWW: 0
- Number of emergency orders and building orders issued in relation to buildings: 0
- Number of buildings brought into conformity with building standards: 0

## Competitive Neutrality Policy Victoria

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete, with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation.

This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

GWW has an independent Board of Directors with independent and objective performance monitoring. GWW pays income tax equivalent and dividends to the Victorian Government and pays a Financial Accommodation Levy to the Victorian Government for its borrowings through Treasury Corporation of Victoria.

We operate in an environment where the Essential Services Commission (ESC) regulates pricing and service standards. The ESC made a four-year determination on our prices on 12 June 2024. These prices took effect from 1 July 2024.



Our processes are consistent with the requirements of the Competitive Neutrality Policy Victoria statement.

## **Compliance with the *Public Interest Disclosures Act 2012***

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of corrupt or improper conduct or detrimental action by a public officer or a public body. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectification action to be taken.

GWW does not tolerate improper conduct by its employees or officers, nor the taking of reprisals against those who come forward to disclose such conduct.

GWW recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

GWW will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. We will also afford natural justice to the person who is the subject of the disclosure. Our Public Interest Disclosures Procedure is available on our website.

GWW is not able to receive disclosures under s. 13 of the *Public Interest Disclosures Act 2012*. Disclosure of improper conduct or detrimental action by GWW or any of its employees and/or officers may be made directly to the Independent Broad-based Anti-Corruption Commission:

Independent Broad-based Anti-Corruption Commission (IBAC) Victoria

Level 1, North Tower  
459 Collins Street  
Melbourne VIC 3000  
Phone: 1300 735 135

Mail: IBAC, GPO Box 24234,  
Melbourne Victoria 3001

Internet: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

Email: See [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au) for the secure email disclosure process, which also provides for anonymous disclosures.

## **Additional information available on request**

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by GWW and are available in full on request, subject to the provisions of the *Freedom of Information Act 1982*:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by GWW about itself and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by GWW
- details of any major external reviews carried out on GWW
- details of major research and development activities undertaken by GWW
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by GWW to develop community awareness of GWW and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within GWW and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by GWW, the purpose of each committee, and the extent to which that purpose has been achieved
- details of all consultancies and contractors including:
  - consultants and contractors engaged
  - services provided
  - expenditure committed to for each engagement.

Requests for documents in the possession of GWW can be made:

through the Victorian Government's Freedom of Information Portal at [www.online.foi.vic.gov.au](http://www.online.foi.vic.gov.au)

or

addressed to:

Freedom of Information Officer  
Greater Western Water  
Locked Bag 350  
Sunshine Vic 3020

or via email: [foi@gww.com.au](mailto:foi@gww.com.au)

## Financial Management Compliance Attestation

I, Lisa Neville, on behalf of Greater Western Water Corporation, certify that the Greater Western Water Corporation has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



**Lisa Neville**  
Chair

27 November 2025

# Performance Report

As part of their annual reporting obligations, metropolitan water corporations are required to include a consolidated performance report comprising both financial and non-financial performance indicators. The objective of the report is to provide a consistent view of the current and ongoing performance of GWW.

## Key Performance Indicator

Key performance indicator	2024 Result	2025 Result	% Variance to prior year	Notes	2025 Target	% Variance to target	Notes
<b>Cash interest cover</b>							
Net operating cash flows before net interest and tax/net interest payments	1.8	(0.3)	(116.7%)	1	2.12	(114.2%)	1
<b>Gearing ratio</b>							
Total debt (including finance leases)/total assets	66.5%	69.0%	3.8%		67.0%	2.9%	
<b>Internal financing ratio</b>							
Net operating cash flow less dividends/net capital expenditure	(0%)	(0%)	-		14.4%	>100%	2
<b>Current ratio</b>							
Current assets/current liabilities (excluding long term employee provisions and revenue in advance)	0.8	0.9	12.5%	3	0.9	-	
<b>Return on assets</b>							
Earnings before net interest and tax/average assets	5.7%	5.1%	(10.5%)	4	6.5%	(21.5%)	4
<b>Return on equity</b>							
Net profit after tax/average total equity	7.6%	5.3%	(30.3%)	5	9.1%	(41.8%)	5
<b>EBITDA Margin</b>							
Earnings before interest, tax, depreciation and amortisation/total revenue	33.3%	33.6%	0.9%		36.4%	(7.7%)	

Note: Only variances of more than 10% are explained

- 1 Cash interest cover for 2025 is lower than prior year and **target**. Billing and collection delays from the new customer billing system have resulted in lower cash receipts from customers and higher interest payments. Also contributing are higher payments to suppliers and employees.
- 2 The internal financing ratio was lower in 2025 compared to **target** mainly driven by unfavourable net cash used in operations impacted by the billing and collection delays from the new customer billing system in 2025 and higher net capital expenditure.
- 3 The current ratio was higher than the 2025 **target** mainly due to higher receivables at 30 June 2025 which have been impacted by the delays in billing and collections from the new customer billing system.
- 4 The lower return on assets for 2025 compared to 2024 and **target** has been driven by profit results for the year. Billing and collection delays from the new customer billing system have resulted in a higher expected credit loss allowance of \$117.8 million and higher finance expenses of \$36.7 million, mostly offset by the revaluation increment of infrastructure assets of \$140.6 million.
- 5 The lower return on equity for 2025 compared to 2024 and **target** is mainly driven by lower profits. Billing and collection delays from the new customer billing system have resulted in a higher expected credit loss allowance of \$117.8 million and higher finance expenses of \$36.7 million, mostly offset by the revaluation increment of infrastructure assets of \$140.6 million.

## Water and sewerage network reliability performance indicators

Key performance indicator	2024 Result	2025 Result	% Variance to prior year	Notes	2025 Target	% Variance to target	Notes
<b>Water Service – minutes off supply (planned and unplanned)</b>							
How many minutes on average a customer was without water supply during a year	22.89	21.90	(4.3%)		240.00	(90.9)	1
<b>Unplanned water supply interruptions</b>							
percentage of customers more than 4 unplanned interruptions in the year	0.04%	0.06%	50.0%	2	0.04%	50.0%	2
<b>Sewerage Service – sewer blockages</b>							
Number of sewer blockages reported per 100 kilometres of sewer main	17.36	18.46	6.3%	3	19.00	(2.8%)	
<b>Sewerage Service – sewer spills</b>							
Number of sewer spills reported per 100 kilometres of sewer main	4.23	3.92	(7.3%)	4	5.00	(21.6%)	4
<b>Sewerage Service – containment of sewer spills</b>							
Sewer spills from reticulation and branch sewers contained within 5 hours	99%	85%	(14.1%)	5	100%	(15.0%)	5

Note: Only variances of more than 5% are explained

- The actual for 2025 average time a customer was without water supply is favourable compared to target mainly due to improvement in the total customer minutes to restore water supply mainly for western region areas.
- The percentage of customers experiencing more than 4 unplanned water supply interruptions was 50% above target and also 50% higher than the 2024 result. The increase is mainly attributed to the hotter summer, resulting in drier ground conditions, leading to ground movement, placing additional stress on the water network. Reactive clay soils, common in the western region, are prone to shrinkage during hot, dry periods and this has contributed to a rise in bursts and leaks across the network.
- The slight increase in the number of sewer blockages is mainly due to drier conditions, hotter summer and combination of factors to the increase in both blockages and spills between main/ house connection branch and from reticulation and branch sewers.
- The number of sewer spills in 2025 decreased due to increased preventative maintenance work on the system compared to 2024 and target.
- The decrease in the percentage of sewer spills from reticulation and branch sewers contained within 5 hours was attributed to an increase in blockages over the 12 month period.

## Environmental performance indicator

Key performance indicator	2024 Result	2025 Result	% Variance to prior year	Notes	2025 Target	% Variance to target	Notes
<b>Recycled water – effluent treatment and reuse</b>							
Proportion of water recycled as a percentage of the volume of effluent produced	41.6%	47.4%	13.9%	6	40.0%	18.5%	6

- Variance compared with prior year and target is mainly due to higher agricultural recycled water consumption resulting from the drier than usual season in 2025.

## Certification of Performance Report

We certify that the accompanying Performance Report of Greater Western Water in respect of the 2024-25 financial year is presented fairly and in accordance with the *Financial Management Act 1994*.

The Performance Report outlines the relevant performance indicators for the financial year as determined by the Minister for Water and as set out in GWW's 2025 Corporate Plan. The actual and comparative results achieved for the financial year are measured against predetermined performance targets. Performance against these targets and subsequent explanation of any significant variance between the current year and prior year has been fairly presented.

As at the date of signing, we are not aware of any circumstances which would render any particulars of the Performance Report to be misleading or inaccurate.



**Lisa Neville**

Chair

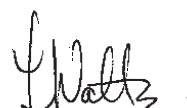
Melbourne

27 November 2025



**Craig Dixon**

Acting Managing Director



**Linda Watts**

Chief Financial Officer



# Independent Auditor’s Report

## To the Board of Greater Western Water Corporation

Opinion	<p>I have audited the performance report of Greater Western Water Corporation (the corporation) for the year ended 30 June 2025 which comprises the:</p> <ul style="list-style-type: none"><li>• key performance indicators</li><li>• water and sewerage network reliability performance indicators</li><li>• environmental performance indicator</li><li>• notes to the performance report</li><li>• certification of the performance report.</li></ul> <p>In my opinion, the performance report of the corporation for the year ended 30 June 2025 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the <i>Financial Management Act 1994</i>.</p>
Basis for opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s responsibilities for the audit of the performance report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the performance report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance report	<p>The Board is responsible for the preparation and fair presentation of the performance report in accordance with the performance reporting requirements of the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a performance report that is free from material misstatement, whether due to fraud or error.</p>
Auditor’s responsibilities for the audit of the performance report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.</p>



**Auditor's  
responsibilities  
for the audit of  
the performance  
report  
(continued)**

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
- evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
28 November 2025



Timothy Maxfield  
*as delegate for the Auditor-General of Victoria*

# Financial report

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# Comprehensive Operating Statement

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>Income</b>			
Revenue from customers	2.1	1,025,036	991,445
Other income	2.6	1,840	1,988
<b>Total income</b>		<b>1,026,876</b>	<b>993,433</b>
<b>Expenses</b>			
Bulk charges	3.2	(392,613)	(375,495)
Environmental contribution	4.4.1	(35,325)	(33,912)
Employee benefits	3.3.1	(115,090)	(122,991)
Depreciation and amortisation	5.1, 5.5, 5.9	(113,673)	(102,321)
Finance expenses	7.1.2	(146,000)	(109,371)
Operating expenses	3.5	(279,425)	(158,725)
Revaluation adjustment of infrastructure assets	3.6, 5.1	140,592	28,366
<b>Total expenses</b>		<b>(941,534)</b>	<b>(874,449)</b>
<b>Profit before income tax expense</b>		<b>85,342</b>	<b>118,984</b>
Income tax expense	4.1	(26,471)	(35,750)
<b>Profit after income tax expense</b>		<b>58,871</b>	<b>83,234</b>
<b>Other comprehensive income/(expense)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Increase in physical asset revaluation surplus due to revaluation of assets		2,738	-
Actuarial gain on defined benefit superannuation plan	3.3.3	279	986
Deferred income tax relating to components of other comprehensive income	4.1	(1,115)	(296)
<b>Other comprehensive income after tax</b>		<b>1,902</b>	<b>690</b>
<b>Total comprehensive income after tax</b>		<b>60,773</b>	<b>83,924</b>

The Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

# Balance Sheet

## As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7.2	8,306	6,693
Receivables	6.1	419,276	239,489
Inventory	6.5	2,310	2,487
Other non-financial assets	6.6	12,603	5,531
<b>Total current assets</b>		<b>442,495</b>	<b>254,200</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	5.1	4,046,547	3,622,796
Intangible assets	5.5	223,415	218,592
Right-of-use assets	5.9	78,191	83,507
Defined benefit superannuation asset	3.3.3	10,931	10,606
Other financial assets	6.1	105	50
<b>Total non-current assets</b>		<b>4,359,189</b>	<b>3,935,551</b>
<b>TOTAL ASSETS</b>		<b>4,801,684</b>	<b>4,189,751</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	6.2	176,887	176,548
Advances and deposits	6.3	25,954	25,102
Borrowings	7.1	245,686	83,947
Provision for employee benefits	3.3.2	24,088	26,368
Contract liabilities	6.4	37,312	28,816
Other provisions	6.7	4,174	5,312
Other financial liability	6.8	2,362	3,070
Dividend payable	4.3	6,062	-
<b>Total current liabilities</b>		<b>522,525</b>	<b>349,163</b>
<b>Non-current liabilities</b>			
Borrowings	7.1	3,067,039	2,701,100
Deferred tax liabilities	4.2.2	62,722	46,142
Provision for employee benefits	3.3.2	4,988	3,803
<b>Total non-current liabilities</b>		<b>3,134,749</b>	<b>2,751,045</b>
<b>TOTAL LIABILITIES</b>		<b>3,657,274</b>	<b>3,100,208</b>
<b>NET ASSETS</b>		<b>1,144,410</b>	<b>1,089,543</b>
<b>EQUITY</b>			
Contributed equity	9.3.1	977,828	967,869
Physical asset revaluation surplus	9.3.2	62,216	60,509
Retained profits	9.3.3	104,366	61,165
<b>TOTAL EQUITY</b>		<b>1,144,410</b>	<b>1,089,543</b>

The Balance Sheet should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

For the year ended 30 June 2025

	Note	Contributed equity \$'000	Physical asset revaluation surplus \$'000	Retained profits \$'000	Total equity \$'000
<b>Opening balance at 1 July 2023</b>		<b>1,017,371</b>	<b>60,509</b>	<b>18,882</b>	<b>1,096,762</b>
<b>Comprehensive income for the year</b>					
Profit after income tax expense	9.3.3	-	-	83,234	83,234
Other comprehensive income after tax	9.3.2, 9.3.3	-	-	690	690
<b>Total comprehensive income after tax</b>		<b>-</b>	<b>-</b>	<b>83,924</b>	<b>83,924</b>
<b>Transactions with the State in its capacity as owner</b>					
Dividends payable	4.3	-	-	(41,641)	(41,641)
Asset received as contributed equity	9.3.1	15,873	-	-	15,873
Return of capital to owners	9.3.1	(71,760)	-	-	(71,760)
Capital contribution	9.3.1	6,385	-	-	6,385
<b>Total transactions with the State in its capacity as owner</b>		<b>(49,502)</b>	<b>-</b>	<b>(41,641)</b>	<b>(91,143)</b>
<b>Closing balance at 30 June 2024</b>		<b>967,869</b>	<b>60,509</b>	<b>61,165</b>	<b>1,089,543</b>
<b>Opening balance at 1 July 2024</b>		<b>967,869</b>	<b>60,509</b>	<b>61,165</b>	<b>1,089,543</b>
<b>Comprehensive income for the year</b>					
Profit after income tax expense	9.3.3	-	-	58,871	58,871
Other comprehensive income after tax	9.3.2, 9.3.3	-	1,707	195	1,902
<b>Total comprehensive income after tax</b>		<b>-</b>	<b>1,707</b>	<b>59,066</b>	<b>60,773</b>
<b>Transactions with the State in its capacity as owner</b>					
Dividends paid / payable	4.3	-	-	(15,863)	(15,863)
Asset received as contributed equity	9.3.1	2,359	-	-	2,359
Return of capital to owners	9.3.1	-	-	-	-
Capital contribution	9.3.1	7,600	-	-	7,600
<b>Total transactions with the State in its capacity as owner</b>		<b>9,959</b>	<b>-</b>	<b>(15,863)</b>	<b>(5,904)</b>
<b>Closing balance at 30 June 2025</b>		<b>977,828</b>	<b>62,216</b>	<b>104,366</b>	<b>1,144,410</b>

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

## Statement of Cash Flows

### For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from customers, developers and others		674,653	824,024
Goods and Services Tax refunded by the Australian Taxation Office <sup>1</sup>		45,315	45,905
Interest received	2.6	327	595
<b>Payments</b>			
Payments to suppliers and employees <sup>2</sup>		(721,898)	(657,956)
Interest and other finance costs paid		(137,784)	(104,628)
Income tax paid		(16,575)	(31,409)
Environmental Contribution paid		(34,972)	(25,434)
Government Water Rebate (paid)/received		(785)	(968)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>7.2.1</b>	<b>(191,719)</b>	<b>50,129</b>
<b>Cash flows from investing activities</b>			
Payments for infrastructure, property, plant, equipment, and intangibles		(325,187)	(309,843)
Proceeds from sale of infrastructure, property, plant, equipment and intangibles		1,293	1,032
<b>Net cash outflow from investing activities</b>		<b>(323,894)</b>	<b>(308,811)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings (new and refinanced)		1,361,773	737,400
Repayment of borrowings (paid down and refinanced)		(830,873)	(347,800)
Principal element of lease liability		(3,873)	(2,716)
Return of capital to owners		-	(71,760)
Capital contribution	9.3.1	-	6,385
Dividends paid		(9,801)	(66,630)
<b>Net cash inflow from financing activities</b>		<b>517,226</b>	<b>254,879</b>
Net increase/(decrease) in cash and cash equivalents		1,613	(3,804)
Cash and cash equivalents at the beginning of the financial year		6,693	10,497
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7.2</b>	<b>8,306</b>	<b>6,693</b>

<sup>1</sup> Goods and services tax refunded from the Australian Taxation Office is presented on a net basis.

<sup>2</sup> Includes payment of \$351,709 (2024: \$355,447) in respect of variable lease payments, \$7,559 (2024: \$1,374) for short-term leases and \$43,788 (2024: \$15,201) for low-value leases.

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

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 1. About this report

Greater Western Water (GWW) is a statutory water authority incorporated under the Water Act 1989.

The principal address of GWW as at 30 June 2025 is 36 Macedon Street, Sunbury 3429.

#### 1.1 Basis of preparation

These financial statements are presented in Australian dollars. The historical cost convention is used unless a different measurement basis is specifically disclosed for the relevant item. All amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated. GWW is classified as a for-profit entity for the purposes of reporting.

The accrual basis of accounting and going concern have been applied in preparing these financial statements. Assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements and estimates require assumptions to be made about highly uncertain external factors such as discount rates, probability factors, the effects of inflation, changing technology, political and social trends and climate change. The significant judgements made in the preparation of these financial statements are disclosed in the relevant notes of this report. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable in the circumstances. Actual results may differ from these estimates. Areas involving a high degree of estimates and assumptions that can materially impact the financial statements include:

- fair valuation of infrastructure, property, plant and equipment
- actuarial assumptions used to determine the assets and liabilities of GWW's defined benefit superannuation fund
- estimated useful lives of assets
- impairment of assets
- impairment calculation of expected credit loss
- provisions
- income tax
- contract liabilities
- accrued revenue (unbilled charges)
- deferred tax recognition
- the timing of satisfaction of performance obligations
- determining transaction price and amounts allocated to performance obligation
- estimated fair value of derivative financial instruments
- determining whether a lease arrangement is in substance a short-term arrangement and estimating discount rate when not implicit in lease arrangement
- recognition and measurement of Software as-a Service (SaaS) arrangement.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

These financial statements cover GWW as an individual reporting entity.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 1. About this report (continued)

#### 1.1 Basis of preparation (Continued)

##### Going Concern

GWW's net current assets/current liabilities (excluding long term employee provisions and revenue in advance) position was a ratio of 0.9 as at 30 June 2025 (2024: 0.8). During the year, GWW reported net operating cash outflows of \$191.7 million (2024: \$50.1 million net operating cash inflows).

The unfavourable net operating cashflow was primarily impacted by issues arising from the implementation of a new billings system, which caused delays in billing and collections. These delays have also resulted in a higher expected credit loss allowance of \$117.8 million. Management expects these delays to continue until the system issues are fully resolved.

Management continues to review budgets and forecasts while monitoring cashflow requirements and customer payment trends. Management is also assessing opportunities to eliminate, reduce, or defer costs where possible, however, cash flow forecasting indicates that additional financial support will be required in 2025-26 to fund operations.

To support GWW in preparing its 2024-25 financial statements on a going concern basis, the Treasurer of Victoria has provided a letter of financial support confirming the Victorian Government will continue to support GWW financially through to November 2026.

Based on available resources, ongoing monitoring by management, and the confirmed financial support from the Treasurer of Victoria, management concludes that the going concern assumption remains appropriate. These financial statements have therefore been prepared on a going concern basis and do not include any adjustments to the carrying amounts or classification of assets, liabilities, and reported expenses that would otherwise be required if the going concern basis was not appropriate.

#### 1.2 Accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

#### 1.3 Changes and alignment in accounting policies

There are no new changes in the accounting policies adopted by GWW during the year.

#### 1.4 Compliance information

These General Purpose Financial Statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, which include Interpretations issued by the Australian Accounting Standards Board.

In particular, they are presented in a manner consistent with the requirements of AABS 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049) and AASB 1049 *Application of Tiers of Australia Accounting Standards* (AASB 1053) Tier 1 presentation requirements. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the Board of Directors of GWW on 25 November 2025.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 2. Funding delivery of services

GWW's core business is the supply of water, sewerage, trade waste and, where available, recycled water services to customers in accordance with GWW's Customer Charter. GWW collects revenue from residential and business customers, developers and others in order to fulfil its purpose to deliver 'trusted water services for our communities and future generations'.

Revenue is measured as the fair value of consideration received or receivable. GWW recognises revenue when the amount can be reliably measured, it is probable that the future economic benefits will flow to GWW, and specific performance criteria have been met for each of GWW's activities.

#### Structure

2.1 Summary of revenue from customers

2.2 Sales of goods and services

2.3 Developer contributions

2.4 Other revenue

2.5 Timing of recognition of revenue from customers

2.6 Other income

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 2. Funding delivery of services (continued)

#### 2.1 Summary of revenue from customers

	Note	2025 \$'000	2024 \$'000
Sales of goods and services	2.2	861,969	811,545
Developer contributions	2.3	136,038	151,585
Other revenue	2.4	27,029	28,315
<b>Total revenue from customers</b>		<b>1,025,036</b>	<b>991,445</b>

#### 2.2 Sales of goods and services

	2025 \$'000	2024 \$'000
Service charges – water	143,226	131,763
Usage charges – water	431,445	362,240
Service charges – sewerage	205,385	196,814
Disposal charges – sewage	38,324	77,367
Trade waste charges	34,707	33,008
Recycled water charges	7,058	8,529
Water trading revenue	1,824	1,824
<b>Total sales of goods and services revenue</b>	<b>861,969</b>	<b>811,545</b>

Sales of goods and services are transactions that GWW has determined to be in accordance with AASB 15 Revenue from contracts with customers.

GWW has an ongoing obligation to provide water and sewerage services to customers in its area. GWW is obligated to provide a continuous supply of services across its network, so customers simultaneously receive and consume benefits in line with GWW performing its obligation. Therefore, revenue is recognised over time.

GWW recognises revenue for water and sewerage services at the amount which it has a right to receive, as this amount is considered by management to correspond directly with the value to the customer of GWW's performance to date.

Service charges represent charges for access to water and sewerage services provided to customers. This performance obligation is satisfied over time. At balance date, any portion of service charges that are billed in advance and the performance obligation is not satisfied, is recognised as contract liabilities (refer Note 6.4).

Water usage charges, sewage disposal charges, trade waste charges and recycled water charges are all recognised as revenue over time as the performance obligation is satisfied. GWW measures these charges based on the regulated prices and the volume of water consumed by customers, and sewage and trade waste disposed by customers. At balance date, the charges for fully satisfied performance obligations that are unbilled are estimated and contract assets are recognised (refer Note 6.1).

Water trading revenue is recognised at a point in time when the trade occurs. This is when the performance obligation is satisfied.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 2. Funding delivery of services (continued)

#### 2.3 Developer contributions

	2025 \$'000	2024 \$'000
Developer contributed assets	79,283	81,504
Developer cash contributions	56,755	70,081
<b>Total developer contributions</b>	<b>136,038</b>	<b>151,585</b>

Developer contributed assets arise when developers pay for the cost of construction of new assets and subsequently 'gift' these assets to GWW, which maintains them in perpetuity with ongoing maintenance costs recognised by GWW in operating expenditure. In accordance with the requirements of AASB 15 - Revenue from Contracts with Customers, the developer contributed assets are recognised as revenue at the point in time when GWW has satisfied its performance obligation either:

- when a Statement of Compliance is issued to the customer; or
- when the customer is connected to GWW's network for the provision of water and sewerage services.

Developer contributed assets are recognised at their fair value when GWW obtains control over them. Fair value is determined as cost. Where actual cost is not available, GWW deems cost by assessing the value of works using a schedule of rates determined by GWW.

The 'gifted' assets by their nature are non-cash but GWW is required to pay both tax and dividends on these items as they form part of GWW's accounting profit. These assets however, do not form part of GWW's regulatory asset base so GWW cannot earn customer revenue in respect of them.

Developer cash contributions represent charges levied on developers to recover the costs of augmenting or constructing infrastructure assets to meet the future demands of urban growth. Developers are required to make a fair and reasonable contribution towards the cost of developing GWW's water supply distribution systems and sewage disposal systems. In accordance with the requirements of AASB 15 - Revenue from Contracts with Customers, revenue is recognised at the point in time when GWW has satisfied its performance obligation either:

- when a Statement of Compliance is issued to the customer;
- when the customer is connected to GWW's network for the provision of water and sewerage services; or
- when the customer receives consent from GWW to connect to GWW's network.

The point in time when GWW satisfies its performance obligation will vary depending on the type of application submitted by the customer. Fees paid by developers include a financing charge contribution for assets developed earlier than planned at the request of the developer of \$2,167,500 (2024: \$1,112,600).

Rates applicable to developer cash contributions are regulated by the Essential Services Commission.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 2. Funding delivery of services (continued)

#### 2.4 Other revenue

	2025 \$'000	2024 \$'000
Fees and charges	17,573	18,680
Works and services provided to third parties	7,912	7,768
Grant income	836	221
Other	708	1,646
<b>Total other revenue</b>	<b>27,029</b>	<b>28,315</b>

Fees and charges are recognised as revenue at a point in time when GWW has completed its performance obligations. Fees and charges represent a variety of services provided by GWW such as processing of application fees and making new connections or alterations to GWW's network. GWW uses pricing principles to calculate the price of individual services rather than direct regulation by the Essential Services Commission.

Revenue from works and services provided to third parties is recognised as revenue over time when GWW has completed its contractual obligations. Revenue represents charges for services to third parties such as the collection of drainage and parks rates on behalf of Melbourne Water and the Department of Energy Environment and Climate Action (DEECA) respectively.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers (AASB 15). This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

Other items are recognised as revenue at a point in time on completion of GWW's contractual obligations. Other items consist mainly of administration fees and one-off charges for services provided.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 2. Funding delivery of services (continued)

#### 2.5 Timing of recognition of revenue from customers

GWW derives revenue from the transfer of goods and services over time and at a point in time for the following charges.

	At a point in time \$'000	Over time \$'000	Total \$'000
<b>2024</b>			
Service charges – water	-	131,763	131,763
Usage charges – water	-	362,240	362,240
Service charges – sewerage	-	196,814	196,814
Disposal charges – sewerage	-	77,367	77,367
Trade waste charges	-	33,008	33,008
Recycled water charges	-	8,529	8,529
Water trading revenue	1,824	-	1,824
Developer contributions	151,585	-	151,585
Other revenue	20,547	7,768	28,315
<b>Total revenue from customers</b>	<b>173,956</b>	<b>817,489</b>	<b>991,445</b>

	At a point in time \$'000	Over time \$'000	Total \$'000
<b>2025</b>			
Service charges – water	-	143,226	143,226
Usage charges – water	-	431,445	431,445
Service charges – sewerage	-	205,385	205,385
Disposal charges – sewerage	-	38,324	38,324
Trade waste charges	-	34,707	34,707
Recycled water charges	-	7,058	7,058
Water trading revenue	1,824	-	1,824
Developer contributions	136,038	-	136,038
Other revenue	19,117	7,912	27,029
<b>Total revenue from customers</b>	<b>156,979</b>	<b>868,057</b>	<b>1,025,036</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 2. Funding delivery of services (continued)

#### 2.6 Other income

	2025 \$'000	2024 \$'000
Interest income	327	595
Rental income	530	533
Net gain on sale of non-current physical assets	983	860
<b>Total other income</b>	<b>1,840</b>	<b>1,988</b>

Interest income represents bank interest and is recognised when earned.

Rental income is billed in advance and recognised over the period to which the income relates.

A gain on sale of non-current physical assets is recognised on disposal of an asset. It is measured as income from the sale of an asset less the asset's book value and costs of disposal.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 3. Cost of delivering services

This section provides an account of the expenses incurred by GWW in delivering services and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

#### Structure

3.1 Summary of cost of delivering services

3.2 Bulk charges

3.3 Employee benefits

3.4 Remuneration of auditor

3.5 Operating expenses

3.6 Revaluation adjustment of infrastructure assets

#### 3.1 Summary of cost of delivering services

	Note	2025 \$'000	2024 \$'000
Bulk charges	3.2	392,613	375,495
Employee benefits in the Comprehensive Operating Statement	3.3.1	115,090	122,991
Operating expenses	3.5	279,425	158,725
<b>Total cost of delivering services</b>		<b>787,128</b>	<b>657,211</b>

#### 3.2 Bulk charges

	2025 \$'000	2024 \$'000
Bulk water and sewerage charges	389,329	373,575
Water purchases	3,284	1,920
<b>Total bulk charges</b>	<b>392,613</b>	<b>375,495</b>

Bulk water and sewerage charges are levied by Melbourne Water Corporation for the cost of water GWW purchases and for sewage treated at Melbourne Water's Western Treatment Plant. Variable charges are levied in arrears and are payable on a weekly basis. Fixed charges are levied once a month and are payable on the 15th of the month to which they refer. Any variable charges that remain outstanding at period end are accrued.

Water purchase costs includes variable water transfer and fixed water availability charges for the Greater Yarra System - Thomson River and variable cost recovery storage charges for the Southern Rural Water reservoirs. Water purchase costs are recognised as an expense in the reporting period in which they are incurred in the Comprehensive Operating Statement.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 3. Cost of delivering services (continued)

#### 3.3 Employee benefits

##### 3.3.1 Employee benefits in the Comprehensive Operating Statement

	2025 \$'000	2024 \$'000
Salaries and wages, annual leave, and long service leave	102,867	111,943
Accumulation fund superannuation expense	12,051	10,571
Defined benefit superannuation expense	46	40
Termination benefits	126	437
<b>Total employee benefits in the comprehensive operating statement</b>	<b>115,090</b>	<b>122,991</b>

Employee benefits refers to all payments made to employees during the year. It includes payments to all GWW staff as well as contract and agency staff. Payments are made for ordinary time, overtime, allowances, on-costs, Fringe Benefits Tax, redundancy costs and Workcover. Any employee benefits outstanding at year end are accrued. A portion of employee benefits directly attributable to capital projects is capitalised and depreciated so as to apportion the cost of a capital project over the life of the asset created by the project. In addition, included in the salaries and wages is an amount of \$10,444,000 (2024: \$29,338,000) relating to Software as a Service (SaaS) salaries and wages, predominantly related to the current stabilisation of the new Billing and Collections system.

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employer contributions for members of both defined benefit and accumulation superannuation plans that are paid or payable during the reporting period. Contributions to accumulation superannuation funds are made in accordance with the *Superannuation Guarantee (Administration) Act 1992*.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when GWW is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 3. Cost of delivering services (continued)

#### 3.3.2 Employee benefits in the Balance Sheet

	2025 \$'000	2024 \$'000
<b>Provision for employee benefits</b>		
<b>Current</b>		
Annual leave unconditional and expected to be paid within 12 months	3,505	5,955
Annual leave unconditional and expected to be paid after 12 months	5,804	2,059
Long service leave unconditional and expected to be paid within 12 months	1,617	1,733
Long service leave unconditional and expected to be paid after 12 months	10,090	9,275
On costs unconditional and expected to be paid within 12 months	304	323
On costs unconditional and expected to be paid after 12 months	1,949	1,726
Other employee benefits <sup>1</sup>	819	5,298
<b>Provision for employee benefits – current</b>	<b>24,088</b>	<b>26,369</b>
<b>Non-current</b>		
Long service leave conditional	4,180	3,206
On costs conditional	808	597
<b>Provision for employee benefits – non-current</b>	<b>4,988</b>	<b>3,803</b>
<b>Total provision for employee benefits</b>	<b>29,076</b>	<b>30,172</b>

1 In prior year, other employee benefits includes provision for lump sum payment upon finalisation of the Enterprise Agreement on 17 June 2024 and paid in July 2024.

#### Reconciliation of movement in provision for employee benefits

	2025 \$'000	2024 \$'000
Opening balance	30,172	23,199
Additional provisions recognised	15,006	16,467
Movements due to transfers in/(out)	(66)	(85)
Reductions arising from payments/other sacrifices of economic benefits	(16,036)	(9,409)
<b>Closing balance</b>	<b>29,076</b>	<b>30,172</b>

## Notes to and forming part of the Financial Statements

### For the year ended 30 June 2025

#### 3. Cost of delivering services (continued)

Provision is made for benefits accruing to employees in respect of annual leave, long service leave (LSL), on-costs, termination benefits, and special allowances for services rendered to reporting date.

Liabilities for wages and salaries, including non-monetary benefits and annual leave, are recognised in the provision for employee benefits as current liabilities as GWW does not have an unconditional right to defer settlement of these liabilities.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Depending on the expectation of the timing of settlement, liabilities for wages, salaries, and annual leave are measured at:

- nominal value - component that GWW expects to settle wholly within 12 months; and
- present value - component that GWW does not expect to settle wholly within 12 months.

Unconditional LSL is disclosed as a current liability even when GWW does not expect to wholly settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. Discount rates, wage and salary growth assumptions are provided by the Department of Treasury and Finance (DTF) as part of the long service leave model.

Conditional LSL is disclosed as a non-current liability. In this case there is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is recognised at present value. Any gain or loss following revaluation of the present value of the non-current LSL liability is recognised as income or an expense.

On costs, such as payroll tax, superannuation and workers' compensation insurance, are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred. A liability is recognised and is measured as the aggregate of the amounts accrued under the terms of the contracts to balance date.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 3. Cost of delivering services (continued)

#### 3.3.3 Superannuation

All GWW employees are members of either the Equipsuper or Vision Super defined benefit fund or an approved accumulation fund of their choice.

The majority of employees of GWW, who are with accumulation funds, are members of either the Equipsuper fund or the Vision Super fund. All new GWW employees must join an accumulation fund.

#### *Defined benefit fund – Equipsuper*

Defined benefit fund members receive a lump sum benefit on retirement, death, disablement or withdrawal from the fund. Benefits are calculated on a multiple of an employee's final salary. The multiple is dependent on an employee's length of service and their contribution rate. The fund ceased including new members from September 1994.

A liability or asset in respect of defined benefits superannuation is recognised and measured as the difference between the present value of employees' accrued benefits at reporting date and the net market value of the superannuation plan's assets at that date.

GWW is not the trustee of the defined benefit fund.

The plan's trustee (Togethr Trustees Pty Ltd) is responsible for the governance of the plan. The trustee has a legal obligation to act solely in the best interests of plan beneficiaries. The trustee has the following roles:

- administration of the plan and payment to beneficiaries from plan assets when required in accordance with the plan rules;
- management and investment of the plan assets; and
- compliance with superannuation law and other applicable regulations.

There are a number of risks to which the plan exposes GWW. The more significant risks relating to the defined benefits are investment risk, salary growth risk, legislative risk and pension risk.

GWW's plan assets are invested by the trustee in a pool of assets with assets from other employers' plans. The assets have a benchmark weighting to equities of 50% and therefore the plan has a significant concentration of equity market risk. However, within the equity investments the allocation both globally and across sectors is diversified.

The Equipsuper Contribution and Funding Policy provides for a review of the financial position of the plan every six months as at 30 June and 31 December, with the contribution rate comprising a long-term contribution rate and an adjustment to meet the financing objective of a target funding ratio of 105%. GWW's current funding ratio is 140.7%. As such, GWW is not currently required to contribute to the defined benefit superannuation plan.

There were no plan amendments affecting the defined benefits payable, curtailments or settlements during the year.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 3. Cost of delivering services (continued)

	Fair value of plan assets \$'000	Defined benefit obligation \$'000	Net defined benefit (liability)/ asset \$'000
<b>Opening balance at 1 July 2023</b>	<b>24,770</b>	<b>15,190</b>	<b>9,580</b>
Current service cost	-	394	(394)
Interest income	1,196	-	1,196
Interest expense	-	762	(762)
Actuarial return on plan assets less interest income	797	-	797
Contributions by plan participants	163	163	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	-	100	(100)
Actuarial (gains)/losses arising from liability experience	-	(289)	289
Taxes, premiums and expenses paid	(238)	(238)	-
<b>Closing balance at 30 June 2024</b>	<b>26,688</b>	<b>16,082</b>	<b>10,606</b>
<b>Opening balance at 1 July 2024</b>	<b>26,688</b>	<b>16,082</b>	<b>10,606</b>
Current service cost	-	424	(424)
Interest income	1,267	-	1,267
Interest expense	-	797	(797)
Actuarial return on plan assets less interest income	875	-	875
Contributions by plan participants	158	158	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(16)	16
Actuarial (gains)/losses arising from changes in financial assumptions	-	622	(622)
Actuarial (gains)/losses arising from liability experience	-	(10)	10
Taxes, premiums and expenses paid	(3,588)	(3,588)	-
<b>Closing balance at 30 June 2025</b>	<b>25,400</b>	<b>14,469</b>	<b>10,931</b>

#### Fair value of plan assets

	Total \$'000	Level 2' \$'000
<b>As at 30 June 2025</b>		
Investment funds	25,400	25,400
<b>Total</b>	<b>25,400</b>	<b>25,400</b>

1 Inputs based on observable market data (either directly using prices or indirectly derived from prices).

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 3. Cost of delivering services (continued)

#### Significant actuarial assumptions at reporting date

	2025	2024
<b>Assumptions to determine defined benefit cost</b>		
Discount rate	5.2% p.a.	5.3% p.a.
Expected salary increase rate	3.0% p.a.	3.0% p.a.
<b>Assumptions to determine defined benefit obligation</b>		
Discount rate	4.5% p.a.	5.2% p.a.
Expected salary increase rate	3.0% p.a.	3.0% p.a.

The assumptions used to determine the defined benefit cost are based on the assumptions used to calculate the defined benefit obligation for the prior year. The assumptions used to calculate the defined benefit obligation are determined as follows:

- discount rate - based on the yield on high yield corporate bonds of the same duration as the liabilities that make up the defined benefit obligation; and
- expected salary increase rate - determined by reference to GWW's expected salary increases under its enterprise agreement.

In 2025, the discount rate has decreased in comparison to prior year as a result of a number of market variables that have been impacted by macro-economic issues.

#### Sensitivity analysis

The defined benefit obligation as at 30 June 2025 under several scenarios is presented below.

Scenarios A and B relate to discount rate sensitivity. Scenarios C and D relate to salary increase rate sensitivity.

	Base case	Scenario A	Scenario B	Scenario C	Scenario D
		-0.5% p.a. discount rate	+0.5% p.a. discount rate	-0.5% p.a. salary increase rate	+0.5% p.a. salary increase rate
Discount rate	4.5% p.a.	4.0% p.a.	5.0% p.a.	4.5% p.a.	4.5% p.a.
Salary increase rate	3.0% p.a.	3.0% p.a.	3.0% p.a.	2.5% p.a.	3.5% p.a.
Defined benefit obligation <sup>1</sup> (\$'000)	14,469	14,940	14,021	14,088	14,862

<sup>1</sup> includes contributions tax provision.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above while retaining all other assumptions.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 3. Cost of delivering services (continued)

#### *Expected contributions*

GWW does not expect to make any employer contributions for the year ending 30 June 2026.

#### *Maturity profile of defined benefit obligation*

The weighted average duration of the defined benefit obligation as at 30 June 2025 is five years (30 June 2024, five years).

Expected benefit payments for each of the financial years ending on:

	(\$'000)
30 June 2026	1,975
30 June 2027	1,895
30 June 2028	2,017
30 June 2029	2,178
30 June 2030	2,038
Following five years	7,929

#### *Defined benefit plan - Vision Super*

GWW does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category Vision Super is a pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of GWW in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

#### *The 2025 Interim actuarial investigation*

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2025 as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the VBI at 30 June 2025 was 110.5%. GWW was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024).

The financial assumptions used to calculate this VBI were:

- Net investment returns 5.7% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.6% pa.

It is anticipated that this actuarial investigation will be completed by 31 October 2025.

#### *The 2024 interim actuarial investigation surplus amounts*

An actuarial investigation is conducted annually for the Defined Benefit category of which GWW is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2024 while a full investigation was conducted as at 30 June 2023.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 3. Cost of delivering services (continued)

The Fund's actuarial investigation identified the following for the Defined Benefit category of which GWW is a contributing employer:

	2024 (Interim) \$'m	2023 (Triennial) \$'m
VBI surplus	108.4	85.7
Total service liability surplus	141.4	123.6
Discounted accrued benefits surplus	156.7	141.9

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2024. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2024. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2024.

#### Funding calls

If the defined benefit category is in an unsatisfactory financial position at the effective date of the actuarial investigation, or when the defined benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the defined benefit category has a shortfall for the purposes of Superannuation Prudential Standard 160 Defined Benefit Matters and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated. The defined benefit fund was closed to new members on 31 December 1993. Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

#### 3.4 Remuneration of auditor

	2025 \$'000	2024 \$'000
Amounts received, or due and receivable by the auditor of GWW for the audit of the financial report:		
Victorian Auditor-General's Office	348	322
Under provision in prior year	15	-
<b>Total auditor's remuneration</b>	<b>363</b>	<b>322</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 3. Cost of delivering services (continued)

#### 3.5 Operating expenses

Operating expenses are recognised as incurred if they can be reliably measured. Costs are measured at nominal value.

	2025 \$'000	2024 \$'000
Expected credit loss allowance - refer Note 6	117,787	5,672
Operating contracts	63,413	62,237
Information technology	36,032	38,936
Other expenses	10,537	7,906
Consulting	9,559	8,254
Billing and collection	8,311	7,161
Energy	7,878	6,095
Asset write-offs	7,653	5,020
Facilities maintenance	5,791	5,308
Insurance	3,755	3,159
Chemicals	3,210	3,470
Subscriptions	1,753	1,480
Legal expenses	1,459	636
Licence fees	1,415	1,144
Other lease expense <sup>1</sup>	403	372
Grants and water conservation initiatives	361	241
Zero Emissions Water <sup>2</sup>	108	1,634
<b>Total other operating expenses</b>	<b>279,425</b>	<b>158,725</b>

1 Expenses in respect of contracts assessed as leases but which did not qualify for recognition as right-of-use assets are \$351,709 (2024: \$355,447) in respect of variable lease payments, \$7,559 (2024: \$1,374) for short-term leases, and \$43,788 (2024: \$15,201) for low-value leases.

2 GWW pays or receives the difference between the floating electricity price and the fixed price set under the agreement for the units of energy supplied into the National Electricity Market by Kiamal solar farm. The future settlements of Contract for Difference (CfD) are classified as derivative financial instruments.

Operating expenses generally represent the day to day running costs incurred in normal operations. It also includes impaired receivables expense. Operating expenses are recognised on an accrual basis in the reporting period in which they are incurred.

Operating contracts are expenses related to GWW's maintenance contractor and the field work performed by it.

Information technology expenditure relates to all operating expenses, maintenance contracts, licence fees and other costs associated with operating the information technology environment of GWW. The amount also includes \$15,198,000 (2024: \$22,254,000) relating to accounting for Software as a Service (SaaS). The 2025 spend predominantly relates to the stabilisation of the new Billing and Collections system.

Billing and collection costs are all costs relating to the issuing of bills and the collection of debt.

Routine maintenance, repair costs and minor asset renewal costs are expensed as incurred. Where the expenditure relates to the replacement of a component or the enhancement of an asset and the cost satisfies the requirements of an asset, the cost is capitalised and depreciated.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 3. Cost of delivering services (continued)

#### 3.6 Revaluation adjustment of infrastructure assets

	2025 \$'000	2024 \$'000
Annual revaluation increment for the year	140,592	28,366
<b>Total revaluation adjustment</b>	<b>140,592</b>	<b>28,366</b>

Annual revaluation for the year is in respect of the valuation of infrastructure assets determined in accordance with an independent valuation based on the income approach (discounted cash flow method). Refer to Note 8.3.2.

The annual increment in revaluation is recognised in the income statement rather than in Other Comprehensive Income as the increment reverses a revaluation decrease of the same infrastructure assets previously recognised in the income statement.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 4. Statutory obligations

This section provides an account of the statutory obligations of GWW.

#### Structure

4.1 Income tax expense

4.2 Deferred tax assets and deferred tax liabilities

4.3 Dividends

4.4 Environmental Contribution

#### 4.1 Income tax expense

	2025 \$'000	2024 \$'000
<b>Income tax expense</b>		
Current tax	9,995	28,205
Deferred tax relating to temporary differences	15,666	7,545
Under provision in prior year	810	-
<b>Total income tax expense</b>	<b>26,471</b>	<b>35,750</b>
Income tax expense is attributable to:		
Profit from continuing operations	26,471	35,750
<b>Total income tax expense</b>	<b>26,471</b>	<b>35,750</b>
Deferred income tax expense/(benefit) included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	14,108	2,222
Increase/(decrease) in deferred tax liabilities	1,558	5,323
<b>Total deferred income tax expense/(benefit)</b>	<b>15,666</b>	<b>7,545</b>
<b>Reconciliation of income tax expense to prima facie tax payable</b>		
Profit before income tax expense	85,342	118,984
Tax at the Australian tax rate of 30% (2024 30%)	25,603	35,695
<b>Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:</b>		
Non-deductible expenses	58	54
Non-deductible depreciation	886	887
Additional deductible expenses/non-assessable income	(886)	(886)
Underprovision in prior year	810	-
<b>Total income tax expense</b>	<b>26,471</b>	<b>35,750</b>
<b>Deferred income tax recognised in other comprehensive income</b>		
Gain on revaluation of land and buildings	830	-
Actuarial gain on defined benefit superannuation plan	84	296
Other deferred tax liability	201	-
<b>Total deferred income tax recognised in other comprehensive income</b>	<b>1,115</b>	<b>296</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 4. Statutory obligations (continued)

GWW is subject to the National Tax Equivalent Regime (NTER) pursuant to section 88(1) of the State Owned Enterprises Act 1992. Under this regime GWW is required to pay the Victorian Government an amount equal to the tax liability applicable if GWW was a private company. The tax equivalent rules are based on the Income Tax Assessment Act 1997 (as amended).

Income tax expense or revenue for the period is the tax payable or receivable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and deferred tax liabilities attributable to temporary differences.

#### 4.2 Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted at balance date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose as the result of a transaction that at the time of the transaction did not affect either accounting profit or loss or taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

##### 4.2.1 Deferred tax assets

	2025 \$'000	2024 \$'000
The balance of deferred tax assets comprises temporary differences attributable to:		
<b>Amounts recognised in the Comprehensive Operating Statement</b>		
Accrued expenses	2,835	3,352
Provisions	43,823	14,057
Amortisation of intellectual property	1	1
Business related costs	16	17
Lease liabilities	28,072	29,039
Fair Value Adjustment - ZEW	709	921
Fixed Assets – Infrastructure (Revaluation)	97,167	139,344
<b>Total deferred tax assets</b>	<b>172,623</b>	<b>186,731</b>
Movements:		
Opening balance at the start of financial year	186,731	188,953
Credited/(charged) to the Comprehensive Operating Statement	(14,108)	(2,222)
<b>Closing balance at the end of financial year</b>	<b>172,623</b>	<b>186,731</b>
Deferred tax assets expected to be recovered within 12 months	31,634	33,330
Deferred tax assets expected to be recovered after more than 12 months	140,989	153,401
<b>Total deferred tax assets</b>	<b>172,623</b>	<b>186,731</b>
Set off of deferred tax assets pursuant to set off provisions	(172,623)	(186,731)
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>

## Notes to and forming part of the Financial Statements

### For the year ended 30 June 2025

#### 4. Statutory obligations (continued)

##### 4.2.2 Deferred tax liabilities

	2025 \$'000	2024 \$'000
The balance of deferred tax liabilities comprises temporary differences attributable to:		
<b>Amounts recognised in the Comprehensive Operating Statement</b>		
Fixed assets – depreciation	149,875	146,196
Developer contributed assets	53,514	54,400
Right-of-use assets	23,457	25,052
Developer Revenue not assessable	18	18
<b>Amounts recognised in equity</b>		
Defined benefits actuarial gain	3,625	3,181
Land and buildings revaluation	4,856	4,026
<b>Total deferred tax liabilities</b>	<b>235,345</b>	<b>232,873</b>
Movements:		
Opening balance at the start of the financial year	232,873	227,254
Charged to the Comprehensive Operating Statement	1,558	5,323
Charged to equity	914	296
<b>Closing balance at the end of financial year</b>	<b>235,345</b>	<b>232,873</b>
Deferred tax liabilities expected to be settled after more than 12 months	235,345	232,873
<b>Total deferred tax liabilities</b>	<b>235,345</b>	<b>232,873</b>
Set off of deferred tax assets pursuant to set off provisions	(172,623)	(186,731)
<b>Net deferred tax liabilities</b>	<b>62,722</b>	<b>46,142</b>



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 4. Statutory obligations (continued)

#### 4.3 Dividends

	2025 \$'000	2024 \$'000
Final dividend paid during 2025 in respect of 2024	9,801	-
Final dividend paid during 2024 in respect of 2023	-	20,894
Interim dividend paid in respect of 2024	-	18,857
Efficiency dividend paid - 2024	-	1,890
Interim dividend payable in respect of 2025	6,062	-
<b>Total dividends paid/declared</b>	<b>15,863</b>	<b>41,641</b>

As GWW is a Public Non-Financial Corporation, it is required to pay a dividend in accordance with a determination by the Treasurer of Victoria under the Water Act 1989. An obligation to pay a dividend only arises after a formal determination is made by the Treasurer following consultation between the Board, the relevant portfolio Minister, and the Treasurer.

In previous financial year, in addition to the interim and final dividends, the Treasurer determined that GWW pay a dividend for efficiency savings as part of the government's COVID Debt Repayment Plan.

As the 2025 final and efficiency dividends have not been determined by the Treasurer, they have not been provided for at reporting date.

#### 4.4 Environmental Contribution

Section 193 of the Water Industry (Environmental Contributions) Act 2004 (the Act) establishes an obligation for water corporations to pay into the consolidated fund Environmental Contributions in accordance with an Order issued by the Minister for Water. The Ministerial Order, which was published in the Victorian Government Gazette No. G23 on 11 June 2020, prescribed that the Environmental Contributions Tranche 5 period is 1 July 2020 until 30 June 2024. Subsequently, the new Tranche 6 of the amounts payable for reporting periods 1 July 2024 to 30 June 2028 has been provided and will be reported in subsequent years.

The purpose of the Environmental Contribution is set out in the Act. Funds may be used for the purpose of funding various water related initiatives that seek to promote the sustainable management of water or are likely to address adverse water related environmental impacts.

Consistent with Section 193 of the Water Industry Act 1994, GWW pays an Environmental Contribution to the Department of Energy, Environment and Climate Action (DEECA). These contributions are recognised as expenses when they occur.

##### 4.4.1 Environmental Contribution expense

	2025 \$'000	2024 \$'000
Environmental Contribution expense	35,325	33,912
<b>Total Environmental Contribution expense</b>	<b>35,325</b>	<b>33,912</b>

Notes to and forming part of the Financial Statements

For the year ended 30 June 2025

4. Statutory obligations (continued)

4.4.2 Environmental Contribution commitment

Consistent with the requirements of Section 193 of the *Water Industry Act 1994*, GWW has committed to pay to DEECA an Environmental Contribution of \$35.3 million each financial year, ending 30 June 2028.

	2025 \$'000	2024 \$'000
Not later than one year	35,325	35,325
Later than one year but not later than five years	70,650	105,975
<b>Total Environmental Contribution commitment</b>	<b>105,975</b>	<b>141,300</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 5. Assets available to support the provision of services

GWW controls infrastructure and other assets that are utilised in fulfilling its objectives and conducting its activities. These assets represent the resources that are owned by GWW for use in the delivery of services. Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8 of this report regarding how fair value is determined.

#### Structure

- 5.1 Infrastructure, property, plant and equipment
- 5.2 Depreciation of infrastructure, property, plant and equipment
- 5.3 Impairment of infrastructure, property, plant and equipment
- 5.4 Commitments for capital expenditure on infrastructure, property, plant and equipment
- 5.5 Intangible assets
- 5.6 Amortisation of intangible assets
- 5.7 Impairment of intangible assets
- 5.8 Commitments for capital expenditure on intangible assets
- 5.9 Right-of-use assets

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 5. Assets available to support the provision of services (continued)

#### 5.1 Infrastructure, property, plant and equipment

	Specialised Land \$'000	Non- specialised land \$'000	Non- specialised buildings \$'000	Infra- structure assets \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Leasehold improve- ments \$'000	Works in progress \$'000	Total \$'000
<b>2024</b>									
Fair value at 1 July 2023	<b>110,068</b>	<b>3,054</b>	<b>26,336</b>	<b>2,646,678</b>	<b>58,612</b>	<b>9,434</b>	<b>9,042</b>	<b>505,612</b>	<b>3,368,836</b>
Accumulated depreciation at 1 July 2023	-	-	(2,823)	-	(34,929)	(5,573)	(5,668)	-	(48,993)
Carrying amount	110,068	3,054	23,513	2,646,678	23,683	3,861	3,374	505,612	3,319,843
Transfers <sup>1</sup>	-	-	-	-	-	-	-	-	-
Carrying amount at 1 July 2023	110,068	3,054	23,513	2,646,678	23,683	3,861	3,374	505,612	3,319,843
Additions	-	-	-	-	-	-	-	366,339	366,339
Developer contributed assets	-	-	-	81,504	-	-	-	(81,504)	-
Transfer of assets from Department of Transport and Planning	-	-	-	15,873	-	-	-	(15,873)	-
Transfers (net) <sup>1</sup>	-	-	182	316,516	4,173	3,306	-	(324,177)	-
Revaluation increment recognised in profit or loss (note 3.6)	-	-	-	28,366	-	-	-	-	28,366
Utilisation of capital grant <sup>2</sup>	-	-	-	-	-	-	(500)	-	(500)
Reclassification <sup>3</sup>	-	-	-	-	-	-	-	(9,818)	(9,818)
Written off	-	-	-	-	-	-	-	(3,456)	(3,456)
Disposals (net)	-	-	-	-	24	(146)	-	-	(122)
Depreciation expense	-	-	(602)	(69,160)	(5,528)	(2,176)	(390)	-	(77,856)
<b>Gross carrying amount at 30 June 2024</b>	<b>110,068</b>	<b>3,054</b>	<b>26,518</b>	<b>3,019,777</b>	<b>61,543</b>	<b>11,008</b>	<b>8,542</b>	<b>437,123</b>	<b>3,677,633</b>
<b>Accumulated depreciation at 30 June 2024</b>	<b>-</b>	<b>-</b>	<b>(3,425)</b>	<b>-</b>	<b>(39,191)</b>	<b>(6,163)</b>	<b>(6,058)</b>	<b>-</b>	<b>(54,837)</b>
<b>Carrying amount/fair value at 30 June 2024</b>	<b>110,068</b>	<b>3,054</b>	<b>23,093</b>	<b>3,019,777</b>	<b>22,352</b>	<b>4,845</b>	<b>2,484</b>	<b>437,123</b>	<b>3,622,796</b>

<sup>1</sup> Transfers are in respect of capitalisation of assets when they are ready for use and in service.

<sup>2</sup> Capital grant relating to assets that meet the conditions attached are recorded against cost of the asset.

<sup>3</sup> Reclassifications are in respect of transfer from property, plant and equipment to intangibles. Further information on fair value of non-financial assets is disclosed in Note 8.3.2.

# Notes to and forming part of the Financial Statements

For the year ended 30 June 2025

## 5. Assets available to support the provision of services (continued)

2025	Specialised Land \$'000	Non- specialised land \$'000	Non- specialised buildings \$'000	Infra- structure assets \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Leasehold improve- ments \$'000	Works in progress \$'000	Total \$'000
Fair value at 1 July 2024	110,068	3,054	26,518	3,019,777	61,543	11,008	8,542	437,123	3,677,633
Accumulated depreciation at 1 July 2024	-	-	(3,425)	-	(39,191)	(6,163)	(6,058)	-	(54,837)
Carrying amount at 1 July 2024	110,068	3,054	23,093	3,019,777	22,352	4,845	2,484	437,123	3,622,796
Additions	-	-	-	-	-	-	-	375,672	375,672
Developer contributed assets	-	-	-	79,283	-	-	-	(79,283)	-
Transfer of assets from Department of Transport and Planning	-	-	-	2,359	-	-	-	-	2,359
Transfers (net) <sup>1</sup>	-	10	736	317,618	7,431	3,650	-	(329,445)	-
Revaluation increment recognised in profit or loss (note 3.6)	-	-	-	140,592	-	-	-	-	140,592
Revaluation increment recognised in other comprehensive income	-	-	2,768	-	-	-	-	-	2,768
Utilisation of capital grant <sup>2</sup>	-	-	-	(2,250)	-	-	-	-	(2,250)
Reclassification of capital grant	-	-	-	(500)	-	-	500	-	-
Reclassification from property, plant and equipment to intangibles	-	-	-	-	-	-	-	(2,923)	(2,923)
Reclassification <sup>3</sup>	-	-	-	(9,093)	-	-	-	9,093	-
Written off	-	-	-	(526)	-	-	-	(7,098)	(7,624)
Adjustments (net)	-	(100)	276	(911)	1,016	-	-	681	962
Disposals (net)	-	(230)	-	-	-	(310)	-	-	(540)
Depreciation expense	-	-	(626)	(73,754)	(8,311)	(2,183)	(391)	-	(85,265)
<b>Gross carrying amount at 30 June 2025</b>	<b>110,068</b>	<b>2,734</b>	<b>26,247</b>	<b>3,472,595</b>	<b>69,914</b>	<b>12,643</b>	<b>9,042</b>	<b>403,820</b>	<b>4,107,063</b>
<b>Accumulated depreciation at 30 June 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(47,426)</b>	<b>(6,641)</b>	<b>(6,449)</b>	<b>-</b>	<b>(60,516)</b>
<b>Carrying amount/fair value at 30 June 2025</b>	<b>110,068</b>	<b>2,734</b>	<b>26,247</b>	<b>3,472,595</b>	<b>22,488</b>	<b>6,002</b>	<b>2,593</b>	<b>403,820</b>	<b>4,046,547</b>

1 Transfers are in respect of capitalisation of assets when they are ready for use and in service.

2 Capital grant relating to assets that meet the conditions attached are recorded against cost of the asset.

3 Reclassification of classes of assets

Further information on fair value of non- financial assets is disclosed in Note 8.3.2.

## Notes to and forming part of the Financial Statements

### For the year ended 30 June 2025

#### 5. Assets available to support the provision of services (continued)

##### Initial recognition

All assets are measured at cost on initial recognition. Cost is determined as cash paid or the fair value of other consideration given up at the date of acquisition plus any costs directly attributable to acquisition. Fair value at acquisition is equal to cost.

The cost of non-current assets constructed by GWW includes all costs directly attributable to their construction. GWW has a policy of capitalising labour costs which are directly attributable to capital projects. In the case of developer contributed assets, where actual cost is not available, cost is calculated using a schedule of rates determined by GWW based on historical cost information.

An asset is capitalised when it is probable that future economic benefits associated with the item will flow to GWW and the item can be measured reliably.

GWW has a capitalisation threshold of greater than or equal to \$1,000 inclusive of GST (2024 \$1,000).

##### Subsequent measurement

Infrastructure, property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment losses (if applicable). Fair value is determined with regard to an asset's highest and best use considering legal or physical restrictions imposed on the asset, public announcements, or commitments made in relation to the intended use of the asset. Fair value determination of non-current physical assets is discussed further in Note 8 - Risks contingencies and valuation judgements.

The carrying amount of a replaced or abandoned asset is written off in the Comprehensive Operating Statement as an expense. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases are credited directly to equity in the physical asset revaluation surplus unless the increase reverses a previous decrease that was recognised in profit or loss. In this case, it is recognised in profit or loss.

Net revaluation decreases are recognised immediately as expenses in profit or loss unless there is an asset revaluation surplus. In this case the decrease is recognised against the physical asset revaluation surplus.

There were no changes in valuation techniques throughout the year to 30 June 2025.

##### Land and buildings

An independent valuation of land and buildings is required every five years. Interim management valuations may occur in between independent valuations if fair value assessments indicate material changes in values. The last independent valuation was undertaken by a Certified Practicing Valuer, Peter Molloy AAPI of Property Dynamics Pty Ltd, on behalf of the Valuer-General Victoria (VGV) as at 30 June 2021. The VGV valuation resulted in a gross asset value increment of \$19.5 million.

For financial years ended 30 June 2025, 2024, 2023 and 2022, management valuation of land was performed using VGV indices. For 2022 the management valuation led to an increment of \$16.3 million. As the difference in the fair value for 2023, 2024 and 2025 was less than 10% of cumulative movement in the relevant fair value indicators, no adjustment was made to the fair value. For financial year ended 30 June 2025 the management valuation led to an increment of \$2.8 million with movement in cumulative indicator being greater than 10%.

The carrying amount (cost less accumulated depreciation) of land and buildings exclusive of revaluations was \$45.8 million (2024 \$45.8 million) and \$23.5 million (2024 \$23.0 million) respectively.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 5. Assets available to support the provision of services (continued)

#### Infrastructure

The valuation of infrastructure assets has been determined in accordance with an independent valuation. KPMG was engaged by GWW as experts for this purpose. The valuation is at fair value based on the income approach (discounted cash flow method). For the purpose of the fair value estimate provided, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 8.3.2.

Had the infrastructure assets been accounted for on an historical cost basis, the carrying amount (cost less accumulated depreciation) of infrastructure assets, excluding revaluation would be \$4,202.4 million (2024 \$3,858.7 million).

#### Plant and equipment, motor vehicles and leasehold improvements

Plant and equipment, motor vehicles and leasehold improvements are measured at carrying value (current replacement cost) which is fair value. Unless there is market evidence that carrying value is significantly different to market value no adjustment will be made to the existing carrying value.

#### 5.2 Depreciation of infrastructure, property, plant and equipment

All infrastructure assets, buildings, plant and equipment and other non-current physical assets (excluding items under operating leases and assets held for sale) that have a limited useful life are depreciated.

Depreciation is calculated on a straight-line basis at rates that allocate an asset's value less any estimated residual value over its estimated useful life. The useful life and residual value of each group of assets is reviewed annually.

Depreciation of a new infrastructure asset begins in the month following the practical completion of works. Depreciation of other new assets begins in the month following acquisition.

#### Useful lives

The estimated useful lives of infrastructure, property plant and equipment are listed below.

Asset type	Range
Buildings	5 – 90 years
Infrastructure assets	3 – 350 years
Plant and equipment	2 – 50 years
Motor vehicles	2 – 8 years
Leasehold improvements	7 – 20 years
Right-of-use assets (note 5.9)	3-47 years

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 5. Assets available to support the provision of services (continued)

#### 5.3 Impairment of infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are assessed annually for indicators of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the Comprehensive Operating Statement, unless the write-down can be offset against an asset revaluation surplus amount applicable to that class of asset.

Recoverable amounts for assets held primarily to generate net cash inflows are measured at the higher of the net present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

A reversal of an impairment loss on a revalued asset is credited directly to equity unless an impairment loss on the same class of asset was previously recognised in the Comprehensive Operating Statement. In this case the reversal of that impairment loss is recognised in the Comprehensive Operating Statement.

#### 5.4 Commitments for capital expenditure on infrastructure, property, plant and equipment

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	18,608	7,402
Later than one year but not later than five years	93,348	7,472
<b>Total capital commitments</b>	<b>111,956</b>	<b>14,874</b>

Commitments for future expenditure include capital commitments arising from contracts. These commitments are not recognised in the Balance Sheet. They are disclosed at nominal value inclusive of GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the Balance Sheet.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 5. Assets available to support the provision of services (continued)

#### 5.5 Intangible assets

	Software \$'000	Water entitle- ments \$'000	Other intangible assets \$'000	Works in progress \$'000	Total \$'000
<b>2024</b>					
Cost at 1 July 2023	187,023	103,023	14,093	32,914	337,053
Accumulated amortisation at 1 July 2023	(132,842)	-	(4,765)	-	(137,607)
Carrying amount at 1 July 2023	54,181	103,023	9,328	32,914	199,446
Additions	14,778	-	13,433	27,994	56,205
Reclassification (net) <sup>1</sup>	-	-	-	9,718	9,718
Transfers <sup>2</sup>	-	-	-	(27,488)	(27,488)
Disposals/write off – cost <sup>3</sup>	(9,527)	-	-	-	(9,527)
Disposals/write off – accumulated amortisation <sup>3</sup>	7,840	-	-	-	7,840
Amortisation expense	(13,460)	-	(4,142)	-	(17,602)
<b>Cost at 30 June 2024</b>	<b>192,274</b>	<b>103,023</b>	<b>27,453</b>	<b>43,138</b>	<b>365,888</b>
<b>Accumulated amortisation at 30 June 2024</b>	<b>(138,462)</b>	<b>-</b>	<b>(8,834)</b>	<b>-</b>	<b>(147,296)</b>
<b>Carrying amount at 30 June 2024</b>	<b>53,812</b>	<b>103,023</b>	<b>18,619</b>	<b>43,138</b>	<b>218,592</b>

#### 2025

Cost at 1 July 2024	192,274	103,023	27,453	43,138	365,888
Accumulated amortisation at 1 July 2024	(138,462)	-	(8,834)	-	(147,296)
Carrying amount at 1 July 2024	53,812	103,023	18,619	43,138	218,592
Additions	28,285	-	9,170	24,545	62,000
Reclassification (net) <sup>1</sup>	-	-	-	2,923	2,923
Transfers <sup>2</sup>	-	-	-	(37,455)	(37,455)
Adjustments – cost	-	-	203	-	203
Adjustments – accumulated amortisation	(378)	-	95	-	(283)
Disposals/write off – cost <sup>3</sup>	-	-	-	(29)	(29)
Disposals/write off – accumulated amortisation <sup>3</sup>	-	-	-	-	-
Amortisation expense	(17,179)	-	(5,358)	-	(22,537)
<b>Cost at 30 June 2025</b>	<b>220,559</b>	<b>103,023</b>	<b>36,826</b>	<b>33,122</b>	<b>393,531</b>
<b>Accumulated amortisation at 30 June 2025</b>	<b>(156,019)</b>	<b>-</b>	<b>(14,097)</b>	<b>-</b>	<b>(170,116)</b>
<b>Carrying amount at 30 June 2025</b>	<b>64,540</b>	<b>103,023</b>	<b>22,730</b>	<b>33,122</b>	<b>223,415</b>

1 Reclassification of assets from property, plant and equipment to intangibles.

2 Transfers are in respect of capitalisation of assets when they are ready for use and in service

3 Assets write off included \$1.5m relating to the old billing system in prior year.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and impairment losses (if applicable). Intangible assets consist of software, water entitlement rights and other intangible assets.

#### Software

Software assets are initially recognised at cost and subsequently recognised at cost less accumulated amortisation and impairment losses (if applicable).

## Notes to and forming part of the Financial Statements

### For the year ended 30 June 2025

#### 5. Assets available to support the provision of services (continued)

##### Software as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing GWW with the right to access the cloud provider's application software over the contract period. As such GWW does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

- Recognise as an other expense over the term of the service contract – Fee for use of application software and customisation costs
- Recognise as an other expense as the service is received – Configuration costs, Data conversion and migration costs, Testing costs and Training costs.

**GWW made the following key judgements that may have the most significant effect on the amounts recognised in the financial statements:**

##### Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud providers' application software are recognised as operating expenses received as the costs do not meet the recognition criteria under AASB 138 Intangible Assets. Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (that is, upfront). Non-distinct configuration and customisation costs recognised as prepayments then expensed over the SaaS contract term.

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

##### Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, GWW has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meet the definition of and recognition criteria for an intangible asset in accordance with AASB 138 Intangible Assets. During the year, GWW recognised \$11,570,000 (2024: \$6,202,000) as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements. The amount of customisation and configuration cost relating to the new billing system during the year was \$5,058,000.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 5. Assets available to support the provision of services (continued)

#### Water entitlements

Water entitlements have an indefinite useful life as they are held in perpetuity. As such they are not amortised. Instead, they are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. Water entitlements represent GWW's bulk water entitlements held in Northern Victoria as a result of its investment in Stage 1 of the Goulburn-Murray Water Connections Project. The project was originally established in 2007 as the Northern Victoria Irrigation Renewal Project (NVIRP). On 1 July 2012 NVIRP was merged with Goulburn-Murray Water to form the Goulburn-Murray Water Connections Project. The metropolitan water retailers contributed \$300m to the \$1 billion Stage 1 investment, which was completed in 2013. GWW contributed \$100m to the Connections Project to fund 25GL in long-term average annual water savings. Water entitlements accrue to GWW as long-term savings are made under the project. The project was completed in 2020.

In February 2022 the Minister for Water announced that all water committed through the Connections Project for irrigators, the environment and Melbourne retail water corporations – could now be delivered with Traditional Owners also to benefit. The Minister issued water entitlements in the form of new bulk entitlements and was published in the Victorian Government Gazette G25 dated 23 June 2022 and came into effect on 1 July 2022. From the 2023 financial year, the new bulk entitlement sets out GWW's share is 30.5 GL, made up of a mix of high reliability (19.3GL) and low reliability (11.2GL) entitlements from trading zones 1A Goulburn, 1B Goulburn, 6 Murray and 7 Murray. GWW intends to hold these water shares for water supply security purposes.

Amendment orders had included a sunset date for the existing bulk entitlements of 20 June 2023. The new bulk entitlements were issued as a result of the agreement for participating in the Connections Project and as such the existing entitlements were revoked, and the value (cost paid to participate in Connections Project less any disposals) were transferred to the new bulk entitlements.

The new bulk entitlements will continue to be recognised as an intangible asset and measured at cost. The bulk entitlements have an indefinite useful life and will be tested for impairment annually.

#### Assigned Water Allocation

In 2016-17 under Section 46(1) of the Water Act 1989, Barwon Water assigned 5,000ML of their carry over water in the Melbourne supply system to GWW at a cost of \$1,600,000. During 2019-20 Barwon Water assigned another 5,000ML of their carry over water in the Melbourne supply system to GWW at a cost of \$1,425,000. The right to the allocated water is a finite life intangible asset initially recognised at cost and after initial recognition GWW carries the asset at its cost less any accumulated amortisation and any accumulated impairment losses. Impairment testing is undertaken at least annually.

As a finite life intangible asset, the water allocated will be amortised on a systematic basis over its useful life. This is based on the expected usage of the right. Assuming a normal climate and demand scenario, usage of the remaining assigned water allocation of 2,516ML (2024: 4,683ML) is expected to occur over 2025-26.

#### Other intangible assets

Other intangible assets have an indefinite useful life as they are held in perpetuity. As such they are not amortised. Instead, they are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Other intangible assets also include Large-Scale Generation Certificates (LGCs) of \$841,116 (2024: \$650,096) which are measured at cost as per GWW's policy choice as opposed to held for sale or surrender (in accordance with AASB 138 Intangible Assets), and will not be subject to amortisation, as the LGCs have an indefinite life. The LGC's will be retired when they are used for offsetting emissions.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 5. Assets available to support the provision of services (continued)

#### 5.6 Amortisation of intangible assets

All intangible assets with a useful life are amortised.

Amortisation is generally calculated on a straight-line basis at rates that allocate an asset's value less any estimated residual value over its estimated useful life. The useful life and residual value of each group of assets is reviewed annually.

Amortisation of new software and other intangible assets begins in the month following commissioning.

#### Useful lives

The estimated useful lives of intangible assets are listed below.

Asset type	Range
Software	3 – 10 years
Water entitlements	Indefinite
Master Plans	5 years
Assigned water allocations	1-9 years
Other intangible assets	Indefinite

#### 5.7 Impairment of intangible assets

Intangible assets with indefinite useful lives are tested annually for indicators of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount the difference is written off by a charge to the Comprehensive Operating Statement, unless the write-down can be offset against an asset revaluation surplus amount applicable to that class of asset.

The recoverable amount for most intangible assets is measured as the higher of current replacement cost and fair value less costs to sell. Recoverable amounts for assets held primarily to generate net cash inflows are measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

A reversal of an impairment loss on a revalued Intangible asset is credited directly to equity unless an impairment loss on the same class of asset was previously recognised in the Comprehensive Operating Statement. In this case a reversal of that impairment loss is also recognised in the Comprehensive Operating Statement.

#### 5.8 Commitments for capital expenditure on intangible assets

	2025 \$'000	2024 \$'000
Not later than one year	1,214	-
Later than one year but not later than five years	644	344
<b>Total capital commitments</b>	<b>1,858</b>	<b>344</b>

Commitments for future capital expenditure on intangible assets include capital commitments arising from contracts. These commitments are not recognised in the Balance Sheet. They are disclosed at nominal value inclusive of GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the Balance Sheet.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 5. Assets available to support the provision of services (continued)

#### 5.9 Right-of-use assets

This note provides information for leases where GWW is a lessee.

	Buildings \$'000	Land \$'000	Equipment \$'000	Total \$'000
<b>2024</b>				
<b>As at 1 July 2023</b>	<b>86,253</b>	<b>1,552</b>	<b>729</b>	<b>88,534</b>
Re-measurement	-	-	1,836	1,836
Depreciation	(5,007)	(56)	(1,800)	(6,863)
<b>As at 30 June 2024</b>	<b>81,246</b>	<b>1,496</b>	<b>765</b>	<b>83,507</b>
Cost	104,740	1,776	3,821	110,337
Accumulated depreciation	(23,494)	(280)	(3,056)	(26,830)
<b>Carrying amount at 30 June 2024</b>	<b>81,246</b>	<b>1,496</b>	<b>765</b>	<b>83,507</b>

#### 2025

<b>As at 1 July 2024</b>	<b>81,246</b>	<b>1,496</b>	<b>765</b>	<b>83,507</b>
Re-measurement	-	-	555	555
Depreciation	(5,006)	(56)	(808)	(5,871)
<b>As at 30 June 2025</b>	<b>76,239</b>	<b>1,440</b>	<b>512</b>	<b>78,191</b>
Cost	104,740	1,776	4,376	110,892
Accumulated depreciation	(28,501)	(336)	(3,864)	(32,701)
<b>Carrying amount at 30 June 2025</b>	<b>76,239</b>	<b>1,440</b>	<b>512</b>	<b>78,191</b>

The right-of-use assets are in respect of GWW's offices in Footscray and Sunbury, two maintenance depots in Brooklyn and West Melbourne, two land leases and three IT leases.

Re-measurement of the right-of-use asset is in respect of the variation and lease extension of the existing IT equipment.

Other leases of properties with contract term of less than a year are either short-term and/or leases of low-value items. GWW has elected not to recognise right-of-use assets and lease liabilities for these leases.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 5. Assets available to support the provision of services (continued)

#### (i) GWW's leasing activities and how these are accounted for

GWW leases various properties and equipment. Rental contracts are typically made for fixed periods of 3 to 47 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. GWW allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Since 1 July 2019 leases have been recognised as a right-of-use asset and a corresponding liability (borrowings) at the date at which the leased asset is available for use by GWW.

Assets and liabilities arising from a lease are initially measured on a present value basis.

#### **Lease liabilities**

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to comprehensive operating statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease or GWW's incremental borrowing rate. Treasury Corporation of Victoria (TCV)/Department of Treasury's (DTF) calculator is used to determine the incremental borrowing rate. Information on the incremental borrowing rate is disclosed in Note 7.1.

#### **Right-of-use assets**

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs; and
- restoration costs.

If GWW is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Subsequently, the right-of-use assets are measured under a fair value model. The revaluation model is applied to all of the right-of-use assets that relate to that class of property, plant and equipment. Under this valuation method, the right-of-use assets were assessed against market rental indicators and other relevant observations (such as size and location), where comparable, to determine any material movements in fair value. There were no material movements in fair value at 30 June 2025.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 5. Assets available to support the provision of services (continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and photocopiers with individual values less than \$10,000 when new.

GWW is exposed to future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising from:

- variable lease payments
- extension options and termination options
- residual value guarantees; and
- leases not yet commenced to which the lessee is committed.

#### *Variable lease payments*

Some property leases contain variable payment terms. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established corporations. Variable lease payments that depend on a specific variable metric are recognised in the comprehensive operating statement in which the condition that triggers those payments occurs.

#### **(ii) Extension and termination options**

Extension and termination options are included in a number of property and equipment leases across GWW. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by GWW and not by the respective lessor.

#### *Residual value guarantee*

To optimise lease costs during the contract period, GWW sometimes provides residual value guarantees in relation to equipment leases.

#### *Critical judgements in determining the lease term*

In determining the lease term, GWW considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 6. Other assets and liabilities

This section sets out the assets and liabilities that arose from GWW's operations.

#### Structure

6.1 Receivables

6.2 Payables

6.3 Advances and deposits

6.4 Contract liabilities

6.5 Inventory

6.6 Other non-financial assets

6.7 Other provisions

6.8 Other financial liability

#### 6.1 Receivables

	2025 \$'000	2024 \$'000
<b>Contractual</b>		
Contract assets	251,231	112,109
Less: Expected credit loss allowance	(94,972)	-
<b>Total contractual receivables</b>	<b>156,259</b>	<b>112,109</b>
<b>Trade receivables</b>		
Trade receivables	266,353	133,886
Less: Expected credit loss allowance	(17,853)	(11,373)
<b>Total trade receivables</b>	<b>248,500</b>	<b>122,513</b>
<b>Other receivables</b>		
Statutory trade receivables	5,722	4,902
Non-trade receivables	8,885	-
Other financial receivables	15	15
<b>Total other receivables</b>	<b>14,622</b>	<b>4,917</b>
<b>Total Receivables</b>	<b>419,381</b>	<b>239,539</b>
<b>Represented by</b>		
Current receivables	419,276	239,489
Non- current receivables	105	50
	<b>419,381</b>	<b>239,539</b>

#### Trade receivables

Trade receivables are classified as financial instruments. They are initially recognised at their transaction price in accordance with AASB 15 and subsequently at gross carrying amount less expected credit loss (ECL). Trade receivables are normally due for settlement no later than between 21 to 28 days from the date of recognition. Customers are normally sent bills at least once every three months, unless a different billing frequency has been specifically approved. Trade receivables consist of receivables for the provision of water, sewerage and trade waste services to residential and business customers as well as billing and collection fees associated with these receivables.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 6. Other assets and liabilities (Continued)

On 29 May 2024, GWW transitioned to a new billing system. The implementation introduced operational issues that delayed the billing process, resulting in several impacts on customers:

- Customers did not receive bills within the required billing frequency, breaching the timeliness requirements under the Essential Services Commission (ESC) Water Industry Standard - Urban Customer Service (WIS).
- In early 2024-25, GWW commenced customer communications via email, post, and awareness campaigns to advise of expected delays in the issuance of quarterly bills due to the system transition.
- In late October 2024, GWW undertook a bulk billing run to reduce the backlog, issuing consolidated invoices to many customers and extending payment terms to four months. However, not all customers were included in this billing run.
- Subsequent quarterly bills continued to defer payment due dates for both existing and new charges. This approach altered the ageing profile of billed receivables year-on-year, as the latest due dates were applied to all outstanding amounts, including those previously overdue.

This modification to payment terms, and the resulting change in the timing of contractual cash flows, did not materially affect the gross carrying amount of trade receivables. Amounts billed continued to reflect water and sewerage services consumed by customers. However, the resetting of payment due dates has led to a higher proportion of receivables being classified within the 'current' ageing category.

The modification was considered as part of estimating the ECL provision relating to trade receivables. Further information is provided below.

#### Contract assets (accrued revenue):

Unbilled receivables are recognised for water and sewage usage as well as other works and services where performance obligations have been satisfied but not yet invoiced. An accrual is raised to account for water and sewage usage and other works and services not billed at the end of the period. The accrual of water usage charges and sewage disposal charges is determined by using the volume of water GWW purchases from Melbourne Water less an estimate of non-revenue water and water billed to customers. The accrued revenue is then calculated by taking the difference between what has been billed during the year and the volume of water available for consumption multiplied by the price approved by the Essential Services Commission (ESC).

In addition to the impact on trade receivables noted above, a number of customers were not billed for extended periods following the transition to the new billing system. The resulting delays in billing have led to higher than normal contract asset accruals. A specific ECL provision has been recognised against these accrued customer balances. Further information is provided below.

#### Other receivables:

Statutory receivables are not classified as financial instruments as they do not arise from contracts. Statutory receivables are recognised and measured similarly to contractual receivables, except for impairment. Statutory trade receivables are GST receivables.

Non-current receivables comprise contractual trade receivables under the Sewerage Private Schemes, payable on terms up to 20 years.

Other financial receivables comprise a loan provided to Zero Emissions Water (ZEW) Ltd. Further disclosure is in Note 9.2.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 6. Other assets and liabilities (Continued)

#### 6.1.1 Movements in the expected credit loss allowance

	Trade Receivables \$'000	Contract assets \$'000	Total Receivables \$'000
<b>30 June 2024</b>			
Opening balance at the start of the year	(7,157)	-	(7,157)
Provision for expected credit loss recognised during the year	(5,672)	-	(5,672)
Contractual assets written off during the year as uncollectible	1,456	-	1,456
<b>Closing balance at the end of the year</b>	<b>(11,373)</b>	<b>-</b>	<b>(11,373)</b>
<b>30 June 2025</b>			
Opening balance at the start of the year	(11,373)	-	(11,373)
Provision for expected credit loss recognised during the year	(22,815)	(94,972)	(117,787)
Contractual assets written off during the year as uncollectible	16,335	-	16,335
<b>Closing balance at the end of the year</b>	<b>(17,853)</b>	<b>(94,972)</b>	<b>(112,825)</b>

Trade receivables that were written off during the period that were subject to compliance collection activities was \$16,335,000 (2024: nil).

#### *Expected credit loss approach for trade receivables*

GWW applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for trade receivables.

In line with prior years, to measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due. The expected loss rates are based on the payment profiles of sales over a period of three years prior to 30 June. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the ability of customers to settle receivables. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators of non-recovery include, amongst others, the failure of a debtor to engage in a repayment plan and failure to make contractual payments for a period of greater than 90 days past due.

GWW updated its expected credit loss model in the current year to reflect new customer payment trends, based on differences in payment before and after the transition to the new billing system. As a result:

- Expected loss rates were revised, including for current receivables, due to increased credit risk from consolidated billing and extended due dates.
- While a forward-looking macroeconomic overlay was considered, it was not applied, as trade receivables are short-term and showed little historical correlation with factors like unemployment or inflation.

#### *Expected credit loss approach for contract assets (accrued revenue)*

In the prior year, GWW did not recognise a provision for contract assets. In the current year it has recognised a specific and general provision.

Clause 6.7 of the WIS only allows a water corporation to recover underpayments in the 4 months prior to the water corporation notifying the customer that undercharging has occurred. GWW did not notify all customers within 4 months of their respective billing date that their bill was delayed. Whilst it remains subject to differing interpretation as to whether delayed bills constitute undercharging for the purposes of clause 6.7 of the WIS, management has applied ESC's interpretation for the purposes of estimating the ECL provision and has recognised \$92.3 million relating to customers that had not been notified of delayed bills within four months of the end of the quarter.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 6. Other assets and liabilities (Continued)

GWW's methodology on the expected credit loss is based on the management's best estimate as at 30 June 2025 and any impact to changes to the methodology subsequent to 30 June 2025 is not adjusted as disclosed in note 9.7.

The specific provision was estimated based on amounts management believed would not be billed, using reasonable and supportable information available at balance date. On 23 September 2025, GWW's board approved the *Draft approved exceptions to billing cycles and Enforceable Undertaking (EU)*, which may affect the types of customers and amounts that will ultimately be billed. Management has concluded that this constitutes a non-adjusting event under AASB 110 *Events after the Reporting Period*. The financial impact of the draft EU, however, is not materially different from the specific provisions recognised at 30 June 2025. Refer to note 9.7 for additional details.

Due to the billing system change and associated billing delays, there was a higher proportion of contract assets at 30 June 2025 compared to 30 June 2024. As a result, GWW has also calculated a general expected credit loss on contract assets for the current year.

Similar to trade receivables, for contract assets GWW applies the simplified approach in AASB 9 Financial Instruments to measure expected credit losses, which uses a lifetime expected loss allowance. For customers that were notified in a timely manner of delayed billing, the ECL was calculated using loss rates derived for trade receivables and considered the expected timing and aging profile of future billing.

#### *Estimation uncertainty:*

The ECL provision is subject to significant estimation uncertainty due to the unique circumstances arising from the billing system issues. The delayed and irregular billing of customers has resulted in higher levels of trade receivables and contract assets (accrued revenue), and increased complexity in assessing the recoverability of these balances. As a result, the assumptions applied in determining the ECL, such as the timing of future billings, customer payment behaviour, and future loss rates, are subject to considerable judgement. Given these uncertainties, the actual credit losses ultimately incurred may differ from the amounts reported at balance date.

#### 6.1.2 Expected credit loss allowance for contractual trade receivables

The table below shows the ECL rates applied both in the prior year and the current year. The changes in the loss allowance and gross carrying amount were predominantly caused by the reasons mentioned above, i.e. the billing system changes and the associated impact on the change in the payment due dates.

	Current \$'000	30-59 days \$'000	60-89 days \$'000	Greater than 90 days \$'000	Not impaired \$'000	Total \$'000
<b>30 June 2024</b>						
Expected loss rate	0.0%	0.1%	0.5%	18.2%		
Gross carrying amount	50,083	12,422	6,366	62,171	2,844	133,886
Loss allowance <sup>1</sup>	(22)	(16)	(29)	(11,306)	-	(11,373)
<b>Net carrying amount</b>	<b>50,061</b>	<b>12,406</b>	<b>6,337</b>	<b>50,865</b>	<b>2,844</b>	<b>122,513</b>
<b>30 June 2025</b>						
Expected loss rate	3.3%	0.2%	0.8%	32.3%		
Gross carrying amount	190,676	26,266	11,231	35,390	2,790	266,353
Loss allowance <sup>1</sup>	(6,263)	(59)	(90)	(11,441)	-	(17,853)
<b>Net carrying amount</b>	<b>184,413</b>	<b>26,207</b>	<b>11,141</b>	<b>23,949</b>	<b>2,790</b>	<b>248,500</b>

<sup>1</sup> Includes specific provision of \$7.7m (2024: \$5.2m) which is greater than 90days.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 6. Other assets and liabilities (Continued)

#### 6.1.3 Expected credit loss allowance for unbilled receivables

	30 June 2025	30 June 2024
	\$'000	\$'000
Expected credit loss rate	37.8%	-
Gross carrying amount	251,231	112,109
Expected credit loss allowance	(94,972)	-
<b>Net carrying amount</b>	<b>156,259</b>	<b>112,109</b>

The expected credit loss allowance includes specific provisions of \$92 million (2024: nil).

#### 6.2 Payables

	2025	2024
	\$'000	\$'000
<b>Contractual</b>		
Trade payables	135,613	143,557
Other payables	25,897	19,690
Deferred developer reimbursements	871	871
Sundry liabilities	1,332	896
<b>Total contractual payables</b>	<b>163,713</b>	<b>165,014</b>
<b>Statutory</b>		
Trade payables	2,957	3,328
Other payables	10,216	8,206
<b>Total statutory payables</b>	<b>13,174</b>	<b>11,534</b>
<b>Total payables</b>	<b>176,887</b>	<b>176,548</b>
<b>Represented by</b>		
Current payables	176,887	176,548

Contractual payables are classified as financial instruments. They are measured at amortised cost and recognised on an accrual basis in the period in which they are incurred. Trade payables represent liabilities for goods and services provided to GWW prior to the end of the financial year that are unpaid at the end of the financial year. Other payables represent accrued loan interest.

Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and are not included in the category of financial liabilities as they do not arise from contracts.

Deferred developer reimbursements represent a liability to reimburse developers for their costs incurred in constructing water, sewerage and/or recycled water assets on behalf of GWW.

It is GWW's policy to pay its trade accounts payable liabilities within 10 business days, in line with the Victorian Government Fair Payments policy, or in the event of a dispute within 30 days from the date of resolution.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 6. Other assets and liabilities (continued)

#### 6.2.1 Maturity analysis of contractual payables

	Carrying amount \$'000	Nominal Amount \$'000	1 Year or less \$'000	Over 1 Year \$'000	Total \$'000
<b>2024</b>					
Payables	165,014	165,014	165,014	-	165,014
<b>Total contractual payables</b>	<b>165,014</b>	<b>165,014</b>	<b>165,014</b>	<b>-</b>	<b>165,014</b>
	Carrying amount \$'000	Nominal Amount \$'000	1 Year or less \$'000	Over 1 Year \$'000	Total \$'000
<b>2025</b>					
Payables	163,713	163,713	163,713	-	163,713
<b>Total contractual payables</b>	<b>163,713</b>	<b>163,713</b>	<b>163,713</b>	<b>-</b>	<b>163,713</b>

#### 6.3 Advances and deposits

	2025 \$'000	2024 \$'000
Advances and deposits	25,954	25,102
<b>Total advances and deposits</b>	<b>25,954</b>	<b>25,102</b>

Advances and deposits represent deposits received as security for capital works.

#### 6.4 Contract liabilities

	2025 \$'000	2024 \$'000
Contract liabilities	37,312	28,816
<b>Total contract liabilities</b>	<b>37,312</b>	<b>28,816</b>

Movement in contract liabilities

	2025 \$'000	2024 \$'000
Carrying amounts as at 1 July	28,816	32,789
Add: Developers contribution received for performance obligations yet to be completed during the year	65,067	64,520
Less: Revenue recognised for the completion of performance obligation	(56,755)	(70,081)
Other income deferred during the year	184	1,589
<b>Carrying amounts as at 30 June</b>	<b>37,312</b>	<b>28,816</b>

Contract liabilities represent income received in advance of GWW performing obligations required to recognise the income in the Comprehensive Operating Statement. GWW has performance obligations related to developer contributions and other revenue which are recognised either at a point in time or over time. Any portion of developer contributions or other revenue that is billed in advance is recognised as a contract liability until the related performance obligation is satisfied. Refer to Note 2.3 for details of these performance obligations.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 6. Other assets and liabilities (continued)

#### 6.5 Inventory

	2025 \$'000	2024 \$'000
Inventory (at cost)	2,310	2,487
<b>Total inventory</b>	<b>2,310</b>	<b>2,487</b>

Inventory represents stock on hand at the end of the reporting period. Inventory is primarily used for the repair and maintenance of existing assets. Inventory is measured at the lower of cost and net realisable value.

#### 6.6 Other non-financial assets

	2025 \$'000	2024 \$'000
Prepayments	6,174	4,871
Income tax refundable	6,429	660
<b>Total other non-financial assets</b>	<b>12,603</b>	<b>5,531</b>

Prepayments represent payments made in advance of the receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period. Amounts are recognised as an asset upon payment and subsequently expensed over the period the payment covers.

#### 6.7 Other provisions

	2025 \$'000	2024 \$'000
Current		
Other sundry provisions	4,174	5,312
<b>Total other provisions – current</b>	<b>4,174</b>	<b>5,312</b>

	VCAT Refunds \$'000	Others \$'000	Total \$'000
<b>Carrying amount as at 1 July 2024</b>	<b>2,473</b>	<b>2,839</b>	<b>5,312</b>
Payments/other sacrifices of economic benefit	-	-	-
Write back of provisions	-	(1,138)	(1,138)
<b>Carrying amount as at 30 June 2025</b>	<b>2,473</b>	<b>1,701</b>	<b>4,174</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 6. Other assets and liabilities (continued)

#### 6.7 Other provisions (Continued)

Other provisions are recognised when GWW has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and the risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, a receivable is recognised if it is virtually certain that the economic benefits will be received and their amount can be measured reliably. Victorian Civil and Administrative Tribunal (VCAT) refunds are the outcomes of recognition of refunds payable for network charges following the administrative decision.

#### 6.8 Other financial liability

	2025 \$'000	2024 \$'000
<b>Current</b>		
Zero Emissions Water (ZEW) (Note 8.3.1)	2,362	3,070
<b>Total other financial liability</b>	<b>2,362</b>	<b>3,070</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 7. Financing our operations

This section provides information on the sources of finance used by GWW during its operations as well as interest expense (the cost of borrowings) and other information relating to the financing activities of GWW.

#### Structure

7.1 Borrowings

7.2 Cash flow information and balances

#### 7.1 Borrowings

	2025 \$'000	2024 \$'000
<b>Current</b>		
Treasury Corporation of Victoria	241,500	80,600
Lease liabilities	4,186	3,347
<b>Total current borrowings</b>	<b>245,686</b>	<b>83,947</b>
<b>Non- current</b>		
Treasury Corporation of Victoria	2,977,650	2,607,650
Lease liabilities	89,389	93,450
<b>Total non-current borrowings</b>	<b>3,067,039</b>	<b>2,701,100</b>
<b>Total borrowings</b>	<b>3,312,725</b>	<b>2,785,047</b>

Borrowings refers to interest bearing liabilities raised from public borrowings through the Treasury Corporation of Victoria and lease liabilities.

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost. Borrowings include overnight (11am) borrowings, floating rate notes, fixed rate loans and flexi loans. Borrowings are used primarily to meet working capital requirements and fund capital expenditure.

The accounting policy for lease liabilities is presented in note 5.9.

Any difference between the initial amount recognised (net of transaction costs) and the redemption amount is recognised in the Comprehensive Operating Statement over the period of the interest-bearing liabilities using the effective interest method.

Borrowings are classified as current liabilities unless GWW has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

GWW has classified borrowings which mature within 12 months as non-current liabilities on the basis that GWW has discretion to and will refinance or roll over these loans with the Treasury Corporation of Victoria pursuant to section 8 of the Borrowings and Investment Powers Act 1987. 11am borrowings are classified as current borrowings.

No security has been provided in respect of any existing liability.

During the current and prior years there were no defaults or breaches of any loan.

GWW's credit rating is BBB (2024 BBB).



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 7. Financing our operations (Continued)

#### 7.1.1 Maturity analysis of borrowings

	Weighted average interest rate	Carrying Amount \$'000	Nominal amount		
			1 year or less \$'000	Over 1 year \$'000	Total \$'000
<b>2024</b>					
Borrowings – fixed <sup>1</sup>	3.25%	2,607,650	260,000	2,347,650	2,607,650
Borrowings – floating <sup>1</sup>	4.52%	80,600	80,600	-	80,600
Borrowings – lease liabilities <sup>2</sup>	2.42%	96,797	6,394	121,349	127,743
<b>Total borrowings</b>		<b>2,785,047</b>	<b>346,994</b>	<b>2,468,999</b>	<b>2,815,993</b>
	Weighted average interest rate	Carrying Amount \$'000	1 year or less \$'000	Over 1 year \$'000	Total \$'000
<b>2025</b>					
Borrowings – fixed <sup>1</sup>	3.53%	2,977,650	295,000	2,682,650	2,977,650
Borrowings – floating <sup>1</sup>	4.02%	241,500	241,500	-	241,500
Borrowings – lease liabilities <sup>2</sup>	2.43%	93,575	5,985	115,453	121,438
<b>Total borrowings</b>		<b>3,312,725</b>	<b>542,485</b>	<b>2,798,103</b>	<b>3,340,588</b>

1 Weighted average interest rate is exclusive of financial accommodation levy.

2 Based on TCV yield rate plus financial accommodation levy.

#### 7.1.2 Finance expenses

	2025 \$'000	2024 \$'000
<b>Finance expenses</b>		
Interest on lease liabilities	2,641	2,731
Interest on TCV borrowings	104,258	76,260
Financial accommodation levy <sup>1</sup>	39,079	30,356
Bank charges	22	30
Less: Provision for interest not required	-	(6)
<b>Total finance expenses</b>	<b>146,000</b>	<b>109,371</b>

1 Financial accommodation levy is a levy applied to GWW to remove the market advantage that government entities may experience in borrowings as a result of being guaranteed by the State of Victoria. The financial accommodation levy is a commercial rate charged for new borrowings based on GWW's underlying credit rating and is paid into the State's Consolidated Fund in accordance with section 40N of the Financial Management Act 1994 in respect of financial accommodation provided to GWW by the State Government of Victoria.

Finance expenses include costs incurred in connection with the borrowing of funds. Finance expenses include interest on short term and long-term borrowings, and the interest component of lease payments. Finance expense is recognised in the period in which it is incurred and measured at fair value.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 7. Financing our operations (Continued)

#### 7.2 Cash flow information and balances

	2025 \$'000	2024 \$'000
Cash and cash equivalents		
Cash at bank	8,306	6,693
<b>Total cash and cash equivalents</b>	<b>8,306</b>	<b>6,693</b>

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less. They are held for the purpose of meeting short term cash commitments, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

#### 7.2.1 Reconciliation of profit after income tax to net cash inflow from operating activities

	2025 \$'000	2024 \$'000
<b>Profit after income tax expense</b>	<b>58,871</b>	<b>83,234</b>
Non-cash movements:		
Depreciation and amortisation of assets	113,673	102,321
Impaired receivables	117,781	5,672
Defined benefit superannuation fund expense	46	40
Asset impairments	7,963	5,192
Asset revaluation (increment)/decrement	(140,592)	(28,366)
Net gain on disposal of non-current physical assets	(1,293)	(860)
Developer contributed assets	(79,283)	(81,504)
Movements in assets and liabilities:		
(Increase)/decrease in receivables	(234,322)	(89,688)
Decrease/(increase) in prepayments and other assets	(1,777)	3,360
Decrease/(increase) in inventories	181	(959)
Increase/(decrease) in payables	(58,561)	35,885
Increase/(decrease) in advances and deposits	1,927	2,797
Increase/(decrease) in contract liabilities	8,496	(3,972)
Increase/(decrease) in current tax liability	(5,769)	(3,205)
Increase/(decrease) in provision for employee benefits	(1,096)	6,972
Increase/(decrease) in other provisions	6,371	5,664
Increase/(decrease) in deferred tax liabilities	15,665	7,546
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(191,719)</b>	<b>50,129</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements

GWW is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

#### Structure

8.1 Financial instruments specific disclosures

8.2 Contingent assets and contingent liabilities

8.3 Fair value determination

#### 8.1 Financial instruments specific disclosures

##### Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of GWW's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, dividends and the Environmental Contribution). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 - Financial Instruments: Presentation.

##### Categories of financial instruments

Financial assets are measured at amortised cost if both of the following criteria are met, and the assets are not designated as fair value through net result:

- the assets are held by GWW to collect the contractual cash flows; and
- the asset's contractual terms give rise to cash flows that are solely payments of principal and interest.

Receivables, investment in ZEW and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost less provision for impairment, using the effective interest method.

Financial liabilities are initially recognised on the date of origin. They are initially measured at fair value plus any attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost, with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability using the effective interest rate method. Derivative financial instruments are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which all contractual obligations under Conditions Precedent are met and on subsequent measurement. GWW recognises the following liabilities in this category:

- payables (excluding statutory payables)
- financial derivatives; and
- borrowings.

Financial instrument assets and liabilities are offset, and the net amount is presented in the balance sheet when GWW has a right to offset the amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

A financial asset is derecognised when the rights to receive cash flows from the asset have expired.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

At the end of each reporting period, GWW assesses whether there is objective evidence that a financial asset or group of assets is impaired. All financial instrument assets are subject to annual review for impairment. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other methods in accordance with AASB 136– *Impairment of Assets*.

#### 8.1.1 Categorisation of financial instruments

		At amortised cost		At fair value	
		Contractual		Contractual	
		financial		financial	
		assets -	Contractual	assets -	Contractual
	Note	loans and	financial	loans and	financial
		receivables	liabilities	receivables	liabilities
		\$'000	\$'000	\$'000	\$'000
<b>2024</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7.2	6,693	-	-	-
Receivables <sup>1</sup>	6.1	234,622	-	-	-
Investment in Zero Emissions Water <sup>2</sup>	6.1	15	-	-	-
<b>Total financial assets</b>		<b>241,330</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Payables <sup>1</sup>	6.2	-	165,014	-	-
Liability in Zero Emissions Water <sup>2</sup>	6.8	-	3,070	-	-
Borrowings – fixed	7.1.1	-	2,607,650	-	-
Borrowings – floating	7.1.1	-	80,600	-	-
Borrowings– lease liabilities	7.1.1	-	96,797	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>2,953,131</b>	<b>-</b>	<b>-</b>
<b>2025</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7.2	8,306	-	-	-
Receivables <sup>1</sup>	6.1	413,644	-	-	-
Investment in Zero Emissions Water <sup>2</sup>	6.1	15	-	-	-
<b>Total financial assets</b>		<b>421,965</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Payables <sup>1</sup>	6.2	-	163,713	-	-
Liability in Zero Emissions Water <sup>2</sup>	6.8	-	2,362	-	-
Borrowings – fixed	7.1.1	-	2,977,650	-	-
Borrowings – floating	7.1.1	-	241,500	-	-
Borrowings– lease liabilities	7.1.1	-	93,575	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>3,478,800</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Does not include statutory receivables or payables.

<sup>2</sup> This represents the concessional loan made to ZEW and has been treated as an investment in ZEW that is measured at amortised cost

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.1.2 Financial risk management objectives and policies

GWW's activities expose it to a variety of financial risks, principally market risk, credit risk and liquidity risk. The Board of Directors has overall responsibility for the establishment and oversight of GWW's risk management framework. GWW's principal financial instruments comprise:

- cash assets
- receivables (excluding statutory receivables)
- payables (excluding statutory payables); and
- borrowings

GWW's principal financial instruments are loans sourced from the Treasury Corporation of Victoria (TCV). These loans include overnight (11am) borrowings, floating rate notes and fixed rate loans. They are primarily used to meet working capital requirements and fund capital expenditure. GWW has other financial assets and liabilities such as receivables and payables which arise directly from its operating activities. GWW's overall financial risk management strategy is to manage its financial risks within a range that is in accordance with the risk criteria established by the Board of Directors. The Chief Financial Officer evaluates and implements risk mitigation strategies in consultation with GWW's relevant departments. The main purpose in holding financial instruments is to prudently manage GWW's financial risks within Government policy parameters.

GWW uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk. All interest income earned by GWW is generated by cash deposits with the Department of Treasury and Finance's Central Banking System or 11am (short term) deposit with the TCV.

GWW's capital management includes gearing in order to provide the State with adequate returns (dividends and capital repatriations) and to ensure GWW can fund its operations as a going concern.

GWW aims to maintain its gearing ratio below the Essential Services Commission's benchmark ratio of 60%. GWW's gearing ratio (debt which includes lease liabilities/total assets) for the year was 69.0% compared to 66.5% in 2024.

GWW's debt (net of cash and excluding lease liabilities) to regulatory asset base (RAB) target is 78.5% or below. The debt to RAB for 2025 was 88.9%.

GWW has an interest coverage target (measured as net cash flow from operations less net interest and tax/net interest payments) of 2.1 times. This interest coverage for 2025 was negative 0.3 times.

The only externally imposed capital requirements applying to GWW are:

- that the financial accommodation does not exceed the approval limits set by the Treasurer of Victoria pursuant to the *Borrowing and Investment Powers Act 1987*; and
- that GWW, with the exception of a trading account, is required to borrow exclusively with the TCV pursuant to the *Borrowing and Investment Powers Act 1987*.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.1.2.1 Financial instruments - credit risk

Credit risk is the risk of financial loss to GWW as the result of a customer or counterparty to a financial instrument failing to meet a contractual obligation. Credit risk arises principally in connection with GWW's receivables and contract assets.

GWW's maximum exposure to credit risk is the carrying amount of receivables and contract assets.

GWW's exposure to credit risk is influenced by the individual characteristics of each customer. GWW's receivables and contract asset balances consist of amounts due from a large number of residential customers as well as business customers spread across a diverse range of industries. GWW is continuously monitoring and assessing its credit risk profile due to the current economic impacts affecting customers. Expected credit loss allowances is further disclosed in note 6.1.2.

GWW's other credit risk arises from in-the-money receipts due from the ZEW Purchase Price Accounting (PPA) Contracts for Difference derivative. GWW determines its maximum exposure to credit risk relating to the derivative financial instrument at reporting date as the sum of the nominal values of all forecasted net cash receipts where the floating price due by the proponent exceeds the fixed price payable by GWW over the remaining PPA term.

At 30 June 2025, other than receivables and contract assets, GWW has no other significant credit risk. With the exception of specific ECL provision relating to contract assets, there has been no material change to GWW's credit risk profile in 2025.

#### 8.1.2.2 Financial instruments - liquidity risk

Liquidity risk is the risk that GWW will no longer meet its financial obligations as they fall due. GWW's policy is to pay its trade accounts payable liabilities within 10 business days, in line with the Victorian Government Fair Payments policy or in the event of a dispute, within 30 days from the date of resolution.

GWW manages liquidity risk by maintaining daily cashflows and TCV borrowing facilities, continuous monitoring of forecast inflows and outflows and matching the maturity profile of financial assets and financial liabilities where appropriate. GWW obtains annual approval from the Treasurer of Victoria for new borrowings, borrowings to refinance maturing and non-maturing loans, and temporary purpose borrowing facilities. To support GWW in preparing its 2024-25 financial statements on a going concern basis, the Treasurer of Victoria has provided a letter of financial support confirming the Victorian Government will continue to support GWW financially through to November 2026.

GWW's borrowings are sourced from TCV while surplus funds are invested in the Central Banking System.

The carrying amounts of contractual financial liabilities represent GWW's maximum exposure to liquidity risk. GWW is exposed to liquidity risk mainly through the financial liabilities as disclosed in the statement of financial position and the amounts related to financial guarantees.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

The carrying values less any impairment provisions of trade receivables and payables are assumed to approximate their fair value due to their short term nature. The fair values of financial liabilities for disclosure purposes are estimated by discounting future contractual cash flows at the current market interest rate that is available to GWW for similar financial instruments.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.1.2.3 Financial instruments – market risk

Market risk is the risk that changes in market prices will affect the fair value of future cash flows of GWW's financial instruments. Market risk is comprised of interest rate risk, foreign exchange risk and other price risk. GWW's exposure to market risk is purely through interest rates.

GWW's exposure to market interest rates relates to its floating rate debt, roll over of fixed rate debt and new borrowings. GWW's borrowings are sourced from the Treasury Corporation of Victoria and are managed within the range of Board and Treasurer approved limits. Interest rates and borrowing requirements are monitored regularly. GWW manages its exposure to interest rate changes by holding a mixture of fixed and floating rate debt. GWW's Treasury Risk Management Policy requires GWW to limit the proportion of debt maturing within a year, including floating rate debt to a maximum of 20% of total debt. GWW has minimal exposure to interest rate risk through cash holdings and manages its interest rate exposure on cash by investing its surplus funds with the Central Banking System.

#### 8.1.2.4 Financial instruments – price risk

GWW uses the Contract for Difference derivative financial instrument to manage energy related commodities purchased in the normal course of business and therefore entered into the ZEW PPA to minimise a portion of the price risk to GWW. GWW's sensitivity to price risk is set out below in the fair value determination for derivative financial liabilities.

#### 8.1.3 Other risk – climate related risk

Climate change poses significant risks to the supply of water and wastewater services to our customers. Climate considerations are embedded into our decision-making processes through long term planning and subsequent business cases. At present, GWW is primarily exposed to climate change risk through extreme weather events such as bushfires, storms and drought, which can affect our capability to supply water to our customers and in some cases impact on our infrastructure. In the longer term, climate change will impact the availability of local water sources, and a stronger dependence on manufactured water supplies will emerge.

GWW has been actively planning and responding to climate change related risks through GWW business and corporate planning processes. GWW's Risk Management Framework recognises Climate Change and Environment as one of six strategic risks. GWW will ensure we are taking a proactive risk management approach to planning for climate change impacts.

We are working on the following areas:

1. reducing our reliance on climate-dependent resources for drinking water
2. providing alternative water to reduce drinking water for non-drinking uses and enable productive agriculture where available
3. undertaking drought preparedness planning for GWW and the broader Melbourne system
4. increasing resilience and redundancy in our water and wastewater systems
5. increasing incident response capability and capacity and planning for a changing climate
6. taking an integrated water management approach to planning, allowing for whole of water cycle outcomes plus entering partnerships to deliver stormwater harvesting projects
7. implementing an Energy Management Plan and Net Zero Strategy
8. participating in pilots to explore waste to energy and biochar opportunities

## Notes to and forming part of the Financial Statements

### For the year ended 30 June 2025

#### 8. Risks, contingencies and valuation judgements (continued)

GWW has started preparing for increased climate related governance and regulatory activity by undertaking a gap and opportunity assessment and is working through building systems and capability to meet anticipated future requirements.

To effectively mitigate strategic climate change risks, GWW is responding in a holistic way with integrated, long-term actions that build resilience across operations, infrastructure, and governance. Key priorities include:

- **Diversify and future-proof water sources** by planning across the metropolitan water corporations for future augmentations to our manufactured water supplies, that are not reliant on rainfall
- **Strengthen infrastructure and asset planning** to withstand extreme weather, reduce emissions, and avoid impacts of climate change on customers and the environment by embedding a climate focus in our planning processes
- **Embed climate risk into governance and decision-making**, including aligned reporting, scenario planning, and collaboration across the water sector, with partners, communities and First Nations to guide inclusive and sustainable water stewardship.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### Interest rate exposure and maturity analysis of financial instruments

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and GWW's sensitivity to interest rate risk is set out in the table below.

	Note	Weighted Average interest rate	1 Year or less \$'000	Over 1 year \$'000	Non- Interest bearing \$'000	Total \$'000
<b>2024</b>						
<b>Financial assets</b>						
Cash and cash equivalents	7.2	4.90%	6,693	-	-	6,693
Receivables <sup>1</sup>	6.1		-	50	234,622	234,672
Investment in Zero Emissions Water			-	-	15	15
<b>Total financial assets</b>			<b>6,693</b>	<b>50</b>	<b>234,637</b>	<b>241,380</b>
<b>Financial liabilities</b>						
Payables <sup>1</sup>	6.2		-	-	165,014	165,014
Liability in Zero Emissions Water	6.8		3,070	-	-	3,070
Borrowings – fixed	7.1.1	3.25%	-	2,607,650	-	2,607,650
Borrowings – floating	7.1.1	4.52%	80,600	-	-	80,600
Borrowings– lease liabilities	7.1.1	2.42%	3,347	93,450	-	96,797
<b>Total financial liabilities</b>			<b>87,017</b>	<b>2,701,100</b>	<b>165,014</b>	<b>2,953,131</b>
<b>2025</b>						
<b>Financial assets</b>						
Cash and cash equivalents	7.2	5.68%	8,306	-	-	8,306
Receivables <sup>1</sup>	6.1		-	105	413,539	413,644
Investment in Zero Emissions Water			-	-	15	15
<b>Total financial assets</b>			<b>8,306</b>	<b>105</b>	<b>413,553</b>	<b>421,964</b>
<b>Financial liabilities</b>						
Payables <sup>1</sup>	6.2		-	-	163,713	163,713
Liability in Zero Emissions Water	6.8		2,362	-	-	2,362
Borrowings – fixed	7.1.1	3.53%	-	2,977,650	-	2,977,650
Borrowings – floating	7.1.1	4.02%	241,500	-	-	241,500
Borrowings– lease liabilities	7.1.1	2.43%	4,186	89,389	-	93,574
<b>Total financial liabilities</b>			<b>248,048</b>	<b>3,067,039</b>	<b>163,713</b>	<b>3,478,799</b>

<sup>1</sup> Does not include statutory receivables or payables.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### Interest rate risk sensitivity

The table below represents the sensitivity of GWW's financial assets and financial liabilities to interest rate risk.

		Interest rate risk				
				-0.5%		+0.5%
	Note	Total \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2024						
Financial assets						
Cash and cash equivalents <sup>1</sup>	7.2	6,693	(24)	(24)	24	24
Receivables <sup>2</sup>	6.1	234,672	-	-	-	-
Investment in Zero Emissions Water	6.8	15	-	-	-	-
Total financial assets		241,380	(24)	(24)	24	24
Financial liabilities						
Payables <sup>2</sup>	6.2	165,014	-	-	-	-
Liability in Zero Emissions Water	6.8	3,070	-	-	-	-
Borrowings– TCV <sup>3</sup>	7.1	2,688,250	13,441	13,441	(13,441)	(13,441)
Borrowings– lease liabilities <sup>4</sup>	7.1	96,797	339	339	(339)	(339)
Total financial liabilities		2,953,131	13,780	13,780	(13,780)	(13,780)
Total increase/(decrease)			13,756	13,756	(13,756)	(13,756)
2025						
Financial assets						
Cash and cash equivalents <sup>1</sup>	7.2	8,306	(21)	(21)	21	21
Receivables <sup>2</sup>	6.1	413,644	-	-	-	-
Investment in Zero Emissions Water	6.8	15	-	-	-	-
Total financial assets		421,965	(21)	(21)	21	21
Financial liabilities						
Payables <sup>2</sup>	6.2	163,713	-	-	-	-
Liability in Zero Emissions Water	6.8	2,362	-	-	-	-
Borrowings– TCV <sup>3</sup>	7.1	3,219,150	16,096	16,096	(16,096)	(16,096)
Borrowings– lease liabilities <sup>4</sup>	7.1	93,574	328	328	(328)	(328)
Total financial liabilities		3,478,799	16,424	16,424	(16,424)	(16,424)
Total increase/(decrease)			16,403	16,403	(16,403)	(16,403)

1 Calculation is based on average cash holdings of \$3.25 million (2024 \$7.03 million).

2 Does not include statutory receivables and payables.

3 Calculation is based on new borrowings, loans refinanced, forward rate agreements struck during the year and average 11am balance during the year.

4 Calculation is based on outstanding lease and current incremental borrowing rate.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.2 Contingent assets and contingent liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively where applicable.

Contingent assets are assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) that are not within the control of GWW. These are classified as either quantifiable where the potential economic benefit is known or non-quantifiable.

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) that are not within the control of GWW; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  - the amount of the obligations cannot be measured with sufficient reliability.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### Quantifiable contingent assets

In the ordinary course of business, a developer will often provide a commitment to GWW to construct water supply and sewerage assets as part of a development project. These assets are constructed within an agreed timeframe and upon completion, ownership is transferred to GWW. Assets that service a particular development are paid for by the developer. Assets that are required to be upsized to service adjoining developments are paid for by GWW. Upon completion of these assets, they will be transferred to GWW, which will maintain them in perpetuity. These assets will be recognised as developer contributions upon completion (refer Note 2.3).

	2025 \$'000	2024 \$'000
<b>Quantifiable contingent assets</b>		
Water supply assets under construction	28,948	24,678
Sewerage assets under construction	59,338	82,278
Water supply assets committed to	40,683	35,677
Sewerage assets committed to	40,521	44,975
<b>Total quantifiable contingent assets</b>	<b>169,490</b>	<b>187,608</b>

#### Bulk water entitlements - Carry-over water

GWW holds bulk water entitlements that allow for a carry-over of water not utilised under the annual allocation. There will be future economic benefits associated with the carried over water through its utilisation by selling to GWW's customers and/or trade to an approved buyer post obtaining approval of the Minister. The quantum of bulk water entitlements allocation carried over and held by GWW as at 30 June 2025 was 225,105ML (2024: 295,827ML).

#### Quantifiable contingent liabilities

Contingent upon the completion of the above assets GWW has a liability to reimburse developers for additional works constructed at GWW's request. These reimbursements will occur either immediately on completion of the assets or be deferred for an agreed period in accordance with the conditions of the agreement between GWW and the developer.

These reimbursements will be recovered through a combination of new customer contributions plus service and usage charges from all customers. This is consistent with the Essential Services Commission's final determination for water and sewerage prices in June 2024 (for the 2026 reporting period).

	2025 \$'000	2024 \$'000
<b>Quantifiable contingent liabilities</b>		
Reimbursement for water supply assets	39,870	28,508
Reimbursement for sewerage assets	30,929	61,555
<b>Total quantifiable contingent liabilities</b>	<b>70,799</b>	<b>90,063</b>

#### Non-quantifiable contingent assets and liabilities

GWW has legal claims pending arising out of a small number of disputes associated with its capital program and delivery of services. Due to the uncertainty inherent in litigation, an accurate assessment of any outcome is not possible. GWW is of the view that further disclosure of these disputes may prejudice GWW's legal position.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.3 Fair value determination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- land, buildings, infrastructure, property plant and equipment; and
- defined benefit superannuation liability/(asset).

In addition, the fair values of other assets and liabilities which are carried at amortised cost need to be determined for disclosure purposes.

#### Fair value hierarchy

In determining fair value a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. These levels are as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

GWW determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### 8.3.1 Fair value determination of financial assets and liabilities

The fair values of financial liabilities are determined as follows:

- Level 1 - fair value of a financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

Fair value of financial instruments measured at amortised cost and fair value hierarchy measurements

			Fair value measurement using			
	Note	Carrying amount \$'000	Fair Value \$'000	Level 1 \$'000	Level 2 <sup>3</sup> \$'000	Level 3 <sup>4</sup> \$'000
<b>2024</b>						
<b>Financial assets</b>						
Cash and cash equivalents	7.2	6,693	6,693	-	-	-
Receivables <sup>1</sup>	6.1	234,671	234,671	-	-	-
Investment in Zero Emissions Water	6.1	15	15	-	-	-
<b>Total financial assets</b>		<b>241,379</b>	<b>241,379</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables <sup>1</sup>	6.2	165,014	165,014	-	-	-
Borrowings - TCV <sup>2</sup>	7.1	2,688,250	2,549,559	-	-	-
Borrowings - lease liabilities	7.1	96,797	96,797	-	-	-
Zero Emissions Water	6.8	3,070	3,070	-	-	3,070
<b>Total financial liabilities</b>		<b>2,953,131</b>	<b>2,814,440</b>	<b>-</b>	<b>-</b>	<b>3,070</b>
<b>2025</b>						
<b>Financial assets</b>						
Cash and cash equivalents	7.2	8,306	8,306	-	-	-
Receivables <sup>1</sup>	6.1	413,644	413,644	-	-	-
Investment in Zero Emissions Water	6.1	15	15	-	-	-
<b>Total financial assets</b>		<b>421,965</b>	<b>421,965</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables <sup>1</sup>	6.2	163,713	163,713	-	-	-
Borrowings - TCV <sup>2</sup>	7.1	3,219,150	3,187,019	-	-	-
Borrowings - lease liabilities	7.1	93,574	93,574	-	-	-
Zero Emissions Water	6.8	2,362	2,362	-	-	2,362
<b>Total financial liabilities</b>		<b>3,478,799</b>	<b>3,446,668</b>	<b>-</b>	<b>-</b>	<b>2,362</b>

1 Does not include statutory receivables or payables.

2 Fair value of borrowings is calculated by discounting expected future cash flows at the yield offered by the Treasury Corporation of Victoria as at 30 June each year.

3 Inputs based on observable market data (either directly using prices or indirectly derived from prices).

4 Inputs not based on observable market data.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

Net fair value of financial instruments is determined on the following bases:

- cash, receivables, accounts payable and deposits are valued at their carrying amounts as this is considered to be fair value;
- borrowings are valued by discounting the expected future cash flows at the yield offered by the Treasury Corporation of Victoria as at 30 June each year; and
- lease liabilities are valued by discounting the expected lease payments at the incremental borrowing rate at the date of inception.

There were no transfers between levels during the reporting period.

#### Fair value determination – Zero Emissions Water

The fair value of Zero Emissions Water is based on the discounted cash flow technique. The selection of variables requires significant judgement and assumptions in estimating the fair value of derivatives. In the absence of an active market, the fair value of GWW's Contract for Difference (CfD) derivative is valued using unobservable inputs such as future wholesale electricity prices provided by DEECA and comparable risk-free rates of zero coupon government bonds obtained from the Reserve Bank of Australia. The assumptions underpinning the estimate of future wholesale electricity prices included factors influencing supply and demand fluctuations. In addition, assumptions are applied to forecast the renewable energy generation volumes over the life of the derivative instrument. The CfD recognised during the year as unfavourable was \$108,000 (2024: Unfavourable \$283,000).

To the extent that the significant inputs are unobservable, GWW categorises these derivatives as Level 3 within the fair value hierarchy.

#### Reconciliation of Level 3 fair value

	Financial liability at fair value through profit or loss	
	2025 \$'000	2024 \$'000
Opening balance	(3,070)	(1,719)
Net profit/ (losses) recognised in profit or loss	708	(1,351)
<b>Closing balance</b>	<b>(2,362)</b>	<b>(3,070)</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### Description of significant unobservable inputs to Level 3 valuations for 2024

	Valuation technique	Significant unobservable inputs	2024 range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
<b>Zero Emissions Water</b>	Income approach (discounted cash flow)	Wholesale electricity price forecasts	\$13.16/MWh to \$60.09/MWh (\$29.69/MWh)	An increase/(decrease) in the wholesale electricity price forecasts of 10% would result in an increase/ (decrease) fair value by \$351,715/ (\$351,715).
		Discount rate – risk free rates of zero coupon government bonds	3.952% to 4.3678% (4.0534%)	An increase/(decrease) in the discount rate of 1% would result in an increase/(decrease) fair value by \$87,452/(\$91,419).
		Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M	223.58	An increase/(decrease) in the credit value adjustment of 1% would result in an increase/ (decrease) fair value by \$87,452/(\$91,419).

#### Description of significant unobservable inputs to Level 3 valuations for 2025

	Valuation technique	Significant unobservable inputs	2025 range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
<b>Zero Emissions Water</b>	Income approach (discounted cash flow)	Wholesale electricity price forecasts	\$13.16/MWh to \$60.09/MWh (\$29.69/MWh)	An increase/(decrease) in the wholesale electricity price forecasts of 10% would result in an increase/ (decrease) fair value by \$351,715/ (\$351,715).
		Discount rate – risk free rates of zero coupon government bonds	3.952% to 4.3678% (4.0534%)	An increase/(decrease) in the discount rate of 1% would result in an increase/(decrease) fair value by \$87,452/(\$91,419).
		Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M	223.58	An increase/(decrease) in the credit value adjustment of 1% would result in an increase/ (decrease) fair value by \$87,452/(\$91,419).

#### 8.3.2 Fair value determination of non-financial physical assets

Subsequent valuation of infrastructure, property, plant and equipment is at fair value. An asset's fair value is determined with regard to the assets' highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements, or commitments made in relation to the intended use of the asset. When an event or change in circumstances causes a transfer between input levels, GWW deems the transfer to occur at the end of the reporting period in which the event takes place.

Non-specialised land is valued using the market based direct comparison method. Under this valuation method, assets are compared to comparable sales of comparable assets. As non-specialised land does not contain significant unobservable inputs these assets are classified as Level 2 fair value assets.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

Specialised land is also valued using the direct comparison method, although it is adjusted for community service obligations (CSOs) to reflect the specialised nature of the land being valued. The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach uses the highest and best use consideration and takes into account the use of the asset that is physically possible, legally permissible and financially viable. As adjustments for CSOs are significant unobservable inputs, specialised land is classified as a Level 3 fair value asset.

All buildings held by GWW are non-specialised in nature and classified as Level 2 fair value assets under the market based direct comparison approach.

Infrastructure assets are measured using the income approach (discounted cash flow method). This method calculates fair value by discounting estimated future cash flows and terminal value of the business to their present value and arriving at an enterprise value range. Net debt is deducted from the enterprise value range to obtain an equity value. The valuation of infrastructure assets is derived from the equity value after deducting all other assets and liabilities and grossing up for deferred tax of 30%. In order to assess the reasonableness of the enterprise valuation, cross checks are performed by comparing the earnings before interest, tax and depreciation and the regulated asset value multiples under the income approach against multiples implied by share prices for comparable trading organisations and recent transactions in comparable assets. Any goodwill generated by this approach is negligible and has no bearing on the valuation of infrastructure assets. Such an approach is often referred to as a market approach or a relative value approach. Judgement is applied in selecting the appropriate valuation within the enterprise value range.

The discounted cash flow methodology is consistent with prior year and the sensitivity of the model to small changes in inputs, whilst adopting market-based evidence such as a Regulated Asset Base (RAB) multiple methodology for determining a terminal value for regulated assets, consistent with market-participant practice. The assumptions adopted in calculating fair value in this manner are considered to be significant unobservable inputs. As such, infrastructure is classified as a Level 3 fair value asset.

A full valuation of GWW's infrastructure assets was performed by KPMG as at 30 June 2025. The valuation process derived a range of values. The valuation adopted by GWW represents the mid-point of this range.

The rate used to discount free cash flows to their present value is based on assumptions that market participants would reasonably be expected to use in determining the fair value of GWW after taking into account the market cost of debt and equity. Recent US trade policies have increased market uncertainty and the risk of inflation and trade destabilisation. With market evidence indicating that bond yields and the market risk premium are inversely correlated, the assessment of the risk-free rate is made with respect to the position adopted in deriving the market risk premium. The current yield of the 10-year Australian Government bonds is used as well as the longer term expected yield to calculate a long-term blended risk-free rate consistent with the approach adopted in deriving the market risk premium.

The 2025 valuation resulted in an increment of \$140.6 million compared to a decrement of \$28.4 million in 2024 (Refer to note 3.6). The valuation was based on the income approach using the discounted cash flow (DCF) methodology that applied a discount rate of 5.4% and a Terminal Exit RAB multiple of 1.15x to 1.25x. Refer to Section 5 for further information on non-financial physical assets.

## Notes to and forming part of the Financial Statements

### For the year ended 30 June 2025

#### 8. Risks, contingencies and valuation judgements (continued)

##### Fair value of non-financial physical assets

	Carrying Amount \$'000	Fair value measurement using:		
		Level 1 <sup>1</sup> \$'000	Level 2 <sup>2</sup> \$'000	Level 3 <sup>3</sup> \$'000
<b>2024</b>				
Freehold land at fair value	113,122	-	-	-
Specialised land	110,068	-	-	110,068
Non-specialised land	3,054	-	3,054	-
Non-specialised buildings at fair value	23,094	-	23,094	-
Infrastructure assets at fair value	3,019,777	-	-	3,019,777
Plant and equipment at fair value	22,352	-	-	22,352
Motor vehicle at fair value	4,845	-	-	4,845
Leasehold improvements at fair value	2,484	-	-	2,484
<b>Total infrastructure, property, plant and equipment</b>	<b>3,185,674</b>	<b>-</b>	<b>26,148</b>	<b>3,159,526</b>
<b>2025</b>				
Freehold land at fair value	112,802	-	-	-
Specialised land	110,068	-	-	110,068
Non-specialised land	2,734	-	2,734	-
Non-specialised buildings at fair value	26,247	-	26,247	-
Infrastructure assets at fair value	3,472,595	-	-	3,472,595
Plant and equipment at fair value	22,488	-	-	22,488
Motor vehicle at fair value	6,002	-	-	6,002
Leasehold improvements at fair value	2,593	-	-	2,593
<b>Total infrastructure, property, plant and equipment</b>	<b>3,755,529</b>	<b>-</b>	<b>28,981</b>	<b>3,613,746</b>

<sup>1</sup> Quoted prices (unadjusted) in active markets for identical assets.

<sup>2</sup> Inputs based on observable market data (either directly using prices or indirectly derived from prices).

<sup>3</sup> Inputs not based on observable market data.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### Reconciliation of Level 3 fair value movements

	Specialised land \$'000	Infrastructure assets \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000
<b>2024</b>					
<b>Opening balance at 1 July 2023</b>	<b>110,068</b>	<b>2,646,678</b>	<b>23,683</b>	<b>3,861</b>	<b>3,374</b>
Purchases (sales)	-	-	24	(146)	-
Developer contributed assets	-	81,504	-	-	-
Utilisation of capital grant	-	-	-	-	(500)
Transfer of assets from Department of Transport and Planning	-	15,873	-	-	-
Transfers from work in progress	-	316,516	4,173	3,306	-
Depreciation	-	(69,160)	(5,528)	(2,176)	(390)
Revaluation increment (Note 3.6)	-	28,366	-	-	-
<b>Closing balance at 30 June 2024</b>	<b>110,068</b>	<b>3,019,777</b>	<b>22,352</b>	<b>4,845</b>	<b>2,484</b>
<b>2025</b>					
<b>Opening balance at 1 July 2024</b>	<b>110,068</b>	<b>3,019,777</b>	<b>22,352</b>	<b>4,845</b>	<b>2,484</b>
Purchases (sales)	-	-	-	(310)	-
Developer contributed assets	-	79,283	-	-	-
Utilisation of capital grant	-	(2,750)	-	-	500
Transfer of assets from Department of Transport and Planning	-	2,359	-	-	-
Transfers from work in progress	-	317,618	7,431	3,650	-
Adjustment	-	(10,530)	1,016	-	-
Depreciation	-	(73,754)	(8,311)	(2,183)	(391)
Revaluation increment (Note 3.6)	-	140,592	-	-	-
<b>Closing balance at 30 June 2025</b>	<b>110,068</b>	<b>3,472,595</b>	<b>22,488</b>	<b>6,002</b>	<b>2,593</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

#### Description of significant unobservable inputs to Level 3 valuations

2024

Asset	Valuation technique	Significant unobservable input	Range (Weighted Average)	Sensitivity of the input to fair value
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	9% - 40% (27%)	A significant increase or decrease in a CSO adjustment would result in a significantly lower or higher fair value.
Infrastructure assets	Income approach (discounted cash flow method)	Discount rate (WACC)	5.0% - 5.4% (5.2%)	An increase or decrease of 0.25% in the estimated discount rate would result in a decrease of \$117.8m or an increase of \$80.5m to the valuation.
		Terminal value exit RAB multiple	1.15x to 1.25x (1.20x)	An increase or decrease in the estimated terminal value exit RAB multiple of 0.05x would result in an increase of \$196.1m or a decrease of \$196.2m to the valuation.
		Inflation rate	2.5% (2.5%)	A significant increase or decrease in the inflation rate would result in a significantly higher or lower fair value.
		Terminal value exit RAB capital expenditure	\$347.577m to \$478.197m (\$415.451m)	A significant increase or decrease in the terminal value exit RAB capital expenditure would result in a significantly higher or lower fair value.
		Useful life	3 - 138 years (78 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Plant and equipment	Current replacement cost	Cost per unit	\$1,000 - \$469,000 (\$16,816)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	3 - 50 years (20 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Motor vehicles	Current replacement cost	Cost per unit	\$22,047 - \$58,163 (\$44,206)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	5 years (5 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Leasehold improvements	Current replacement cost	Cost per unit	\$1,426 - \$724,000 (\$161,467)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	10 - 20 years (15 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

2025

Asset	Valuation technique	Significant unobservable input	Range (Weighted Average)	Sensitivity of the input to fair value
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	9% - 40% (27%)	A significant increase or decrease in a CSO adjustment would result in a significantly lower or higher fair value.
Infrastructure assets	Income approach (discounted cash flow method)	Discount rate (WACC)	5.2% - 5.6% (5.4%)	An increase or decrease of 0.25% in the estimated discount rate would result in a decrease of \$91.5m or an increase of \$140.8m to the valuation.
		Terminal value exit RAB multiple	1.15x to 1.25x (1.20x)	An increase or decrease in the estimated terminal value exit RAB multiple of 0.05x would result in an increase of \$224.3m or a decrease of \$224.3m to the valuation.
		Inflation rate	2.5% (2.5%)	A significant increase or decrease in the inflation rate would result in a significantly higher or lower fair value.
		Terminal value exit RAB capital expenditure	\$385.098m to \$537.462m (\$443.093m)	A significant increase or decrease in the terminal value exit RAB capital expenditure would result in a significantly higher or lower fair value.
		Useful life	3 - 351 years (68 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Plant and equipment	Current replacement cost	Cost per unit	\$1,000 - \$469,000 (\$11,972)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	3 - 50 years (20 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Motor vehicles	Current replacement cost	Cost per unit	\$24,788 - \$58,504 (\$46,086)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	5 years (5 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Leasehold improvements	Current replacement cost	Cost per unit	\$1,426 - \$1,555,773 (\$170,607)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	10 - 20 years (15 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 8. Risks, contingencies and valuation judgements (continued)

A significant movement is considered to be a movement of sufficient magnitude as to have a material impact on the financial statements. A material impact is defined by AASB 101 Presentation of Financial Statements as a movement that could individually, or collectively with other movements, influence the economic decisions that users make on the basis of the financial statements.

The sensitivity of the fair value of infrastructure assets to a change in key assumptions at year end is detailed in the table below.

Assumption	2024	
Exit RAB +/- 0.10x	-13.0%	13.0%
Exit RAB +/- 0.05x	-6.5%	6.5%
Discount rate +/- 0.50%	-6.4%	6.8%
Discount rate +/- 0.25%	-3.9%	2.7%

Assumption	2025	
Exit RAB +/- 0.10x	-12.9%	12.9%
Exit RAB +/- 0.05x	-6.5%	6.5%
Discount rate +/- 0.50%	-6.5%	6.8%
Discount rate +/- 0.25%	-2.6%	4.1%

Terminal year growth rate sensitivity impacts steady state cash flows, representing those expected to be received in perpetuity.

Discount rate sensitivity impacts the present value of free cash flows to GWW.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise for the understanding of this financial report.

#### Structure

- 9.1 Responsible persons and executives
- 9.2 Related parties
- 9.3 Equity
- 9.4 Ex gratia expenses
- 9.5 Changes in accounting policies
- 9.6 Accounting Standards issued that are not yet effective
- 9.7 Subsequent events

#### 9.1 Responsible persons and executives

The relevant Minister and directors of GWW are deemed to be responsible persons by Ministerial Direction issued by the Minister for Finance under the Financial Management Act 1994.

##### 9.1.1 Responsible persons

Persons who held the position of responsible person at any time during the 2024 financial year were as follows:

The Hon. Harriet Shing MP	Minister for Water	1 July 2023 - 30 June 2024
Mr David Middleton	Chair	1 July 2023 - 30 June 2024
Ms Maree Lang	Managing Director	1 July 2023 - 30 June 2024
Mr Matthew Burns	Director	1 July 2023 - 30 June 2024
Dr Bruce Cohen	Director	1 July 2023 - 30 June 2024
Ms Claire Filson	Director	1 July 2023 - 30 June 2024
Ms Liza McDonald	Director	1 July 2023 - 30 June 2024
Ms Llewellyn Prain	Director	1 July 2023 - 30 June 2024
Ms Tania Fryer	Director	1 July 2023 - 30 September 2023
Mr Efim Thatcher	Director	1 July 2023 - 30 September 2023
Ms Nicola Burgess	Director	1 October 2023 - 30 June 2024
Mr Tien Kieu	Director	1 October 2023 - 30 June 2024
Ms Aisha Nicolay	Director	1 October 2023 - 30 June 2024

Persons who held the position of responsible person at any time during the 2025 financial year were as follows:

The Hon. Gayle Tierney MP	Minister for Water	19 December 2024 – 30 June 2025
The Hon. Harriet Shing MP	Minister for Water	1 July 2024 – 18 December 2024
Ms Lisa Neville	Chair	25 April 2025 – 30 June 2025
Mr David Middleton	Chair	1 July 2024 – 24 April 2025
Ms Maree Lang	Managing Director	1 July 2024 - 30 June 2025
Ms Nicola Burgess	Director	1 July 2024 - 30 June 2025
Mr Matthew Burns	Director	1 July 2024 - 30 June 2025
Dr Bruce Cohen	Director	1 July 2024 - 30 June 2025
Ms Claire Filson	Director	1 July 2024 - 30 June 2025
Mr Tien Kieu	Director	1 July 2024 - 30 June 2025
Ms Liza McDonald	Director	1 July 2024 - 30 June 2025
Ms Aisha Nicolay	Director	1 July 2024 - 30 June 2025
Ms Llewellyn Prain	Director	1 July 2024 - 30 June 2025

The Minister's remuneration and allowances are set by the Parliamentary Salaries and *Superannuation Act* 1968 and are reported in the State's Annual Financial Report.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

Remuneration received or receivable by responsible persons in connection with the management of GWW during the current and previous reporting periods is reported in the table below.

		2025 No.	2024 No.
\$	\$		
10,000	- 19,999	1	2
40,000	- 49,999	-	3
50,000	- 59,999	8	5
90,000	- 99,999	1	-
100,000	- 109,999	-	-
110,000	- 119,999	-	1
210,000	- 219,999	-	-
470,000	- 479,999	-	-
480,000	- 489,999	1	1
<b>Total</b>		<b>11</b>	<b>12</b>

	2025 \$'000	2024 \$'000
<b>Total amount</b>	<b>1,076</b>	<b>1,059</b>

#### 9.1.2 Executives

	2025 \$'000	2024 \$'000
Short term employment benefits	1,912	1,769
Post-employment benefits	180	164
Other long-term benefits	47	44
<b>Total</b>	<b>2,139</b>	<b>1,977</b>

<b>Total employees (no.)</b>	<b>6</b>	<b>8</b>
<b>Annualised employee equivalent<sup>1</sup></b>	<b>6</b>	<b>5.9</b>

<sup>1</sup> Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

The number of executive officers other than the Minister or responsible persons and their total remuneration during the reporting period is shown in the table above.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided for by GWW, or on behalf of GWW, in exchange for services rendered, and is disclosed in the following categories:

- Short term employee benefits - includes amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services;
- Post-employment benefits - includes superannuation benefits paid or payable on a discrete basis when employment has ceased;
- Other long-term benefits - includes long service leave, other long service benefits and deferred compensation; and
- Termination benefits - includes termination of employment payments, such as severance packages.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### 9.2 Related parties

##### Relevant Minister

The Honourable Harriet Shing MP was the responsible Minister for Water from 1 July – 18 December 2024. The Honourable Gayle Tierney MP was the responsible Minister for Water for the balance of the year.

##### Transactions with the relevant Minister and relevant Minister related entities

Outside of normal citizen type transactions, there were no material transactions with the relevant Ministers, their close family members or business interests during the reporting period.

##### Key Management Personnel

Key management personnel (as defined in AASB 124 Related Party Disclosures) include the Managing Director and the Board of Directors, who have the authority and responsibility for planning, directing and controlling the activities of GWW either directly or indirectly during the year.

The names of persons who were key management personnel of GWW at any time during the current financial year are as follows: L. Neville, D. Middleton, M. Lang, N. Burgess, M. Burns, B. Cohen, C. Filson, T. Kieu, L. McDonald, A. Nicolay, L. Prain.

##### Transactions with key management personnel and key management personnel related entities

David Middleton operated as a sole trader registered as Middleton Advisory providing engineering and strategic advisory services to Sequana Partners Pty Limited and Aqua Metro Services. During this period, GWW paid the following:

Company	Nature of payment	Amount (\$'000)
Sequana Partners Pty Limited	Project Governance and Project Management support for Capital Projects	2,265
Aqua Metro Pty Ltd	Major Works and Capital Projects	33,488

David Middleton's services to these companies were unrelated to the services provided by these companies to GWW.

Ms Maree Lang's partner is a key management personnel of City of Maribyrnong. During the year, GWW paid \$534 to City of Maribyrnong.

Dr Bruce Cohen's partner is a director at South East Water Corporation. Related party transactions with South East Water Corporation are disclosed in the notes below.

Outside of normal citizen type transactions, there were no further material transactions either with key management personnel, their close family members or business interests during the reporting period other than remuneration for employment.

Key management personnel with related party interests are not involved in any decision-making processes relevant to the related party.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### Payments to Key Management Personnel

	2025 \$'000	2024 \$'000
Short term employment benefits	976	965
Post-employment benefits	89	83
Other long-term benefits <sup>1</sup>	11	11
<b>Total</b>	<b>1,076</b>	<b>1,059</b>
<b>Total employees (no.)</b>	<b>11</b>	<b>12</b>

<sup>1</sup> Other long-term benefits represent long service leave.

#### Other related parties

All Victorian cabinet ministers and their close family members, as well as all departments and public sector entities that are controlled and consolidated into the whole of government consolidated financial statements, are considered to be related parties of GWW.

#### Transactions with cabinet members and related entities

Outside of normal citizen type transactions, there were no material related party transactions with cabinet members, their close family members or their personal business interests during the current or prior financial years.

#### Power Purchase Agreement specific disclosure

GWW is one of 12 water corporation Members of Zero Emissions Water (ZEW) Limited, a public company limited by guarantee. ZEW's substantial objective is to acquire electricity, contracts for difference and other derivative products in relation to electricity, and/or green products from an energy and emissions reduction facility(ies) in Victoria and in turn supply these products to its members. This vehicle provides the opportunity for water corporation members to collaboratively promote energy and emissions reduction initiatives in Victoria and to reduce emissions.

On 30 October 2018, a Members' Agreement was entered into between the water corporations and ZEW in order to regulate their rights and obligations as members of ZEW and as participants in the project. The Members' Agreement establishes the operating activities of ZEW and the decision-making responsibilities of the ZEW Directors.

Under the Members' Agreement GWW's liability as a member is limited to \$10 in the event of a winding up. As required by Australian accounting standards, GWW has assessed the nature of its relationship with ZEW, and has concluded that it does not have control, joint control or significant influence over ZEW. GWW will account for its investment in ZEW as a financial instrument within the scope of AASB 9 Financial Instruments. ZEW is a related party of GWW.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### Power Purchase Agreement specific disclosure (Continued)

On 30 October 2018, ZEW entered into an 11-year Power Purchasing Agreement (PPA) with a solar farm energy generator, Kiamal solar farm. In relation to the PPA, ZEW will act as a central intermediary between the energy generator and the water corporations. The PPA contains a contract for difference (CFD) payment mechanism in respect of electricity generated by the facility and the sale and supply of large-scale generation certificates (LGCs) from the facility.

GWW now has an obligation to purchase its percentage of energy allocation under the Members' Agreement. The financial impact of the Members' Agreement with ZEW has resulted in increased revenue and expenses, and the recognition of a derivative financial instrument and LGCs as other intangible assets.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### Victorian Government

GWW is subject to the provisions of the Water Act 1989 and the Water Industry Act 1994. GWW operates under specific legislation and is subject to independent economic regulation. GWW operates under a Board of Directors appointed by the Victorian Government and makes income tax equivalent and dividend payments to the Victorian Government.

#### Transactions with government-controlled entities

The below table details GWW's dealings with government-controlled entities, which are considered to be related parties of GWW. The following five pages contain more detailed information regarding related parties with significant transactions with GWW.

	<b>Paid \$'000</b>	<b>Payable \$'000</b>	<b>Received \$'000</b>	<b>Receivable \$'000</b>
<b>2024</b>				
Yarra Valley Water	229	-	34	-
Goulburn Murray Water	473	-	-	-
South East Water	276	-	60	-
Development Victoria	-	-	-	-
Victorian Auditor-General's Office	341	-	-	-
Rail Projects Victoria	-	-	700	-
Environment Protection Authority	194	-	-	-
Energy and Water Ombudsman Victoria	227	-	-	-
Public Transport Victoria <sup>1</sup>	-	-	-	-
Zero Emissions Water Limited	481	-	-	-
<b>2025</b>				
Yarra Valley Water	228	-	43	-
Goulburn Murray Water	326	-	-	-
South East Water	206	-	43	-
Development Victoria	618	-	86	-
Victorian Auditor-General's Office	586	-	-	-
Rail Projects Victoria	-	-	450	-
Environment Protection Authority	188	-	-	-
Energy and Water Ombudsman Victoria	505	-	-	-
Public Transport Victoria <sup>1</sup>	-	-	-	-
Zero Emissions Water Limited	203	-	-	-

<sup>1</sup> Transfer of infrastructure assets from Department of Transport and Planning during the year was \$2,359,000 (2024 \$15,872,820).

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### Related parties with significant transactions

##### *Department of Energy, Environment and Climate Action (DEECA)*

GWW bills and collects parks charges on behalf of the Department of Energy, Environment and Climate Action (DEECA). Due to the nature of the agent/principal relationship between GWW and DEECA, GWW does not recognise these amounts in its accounts. GWW recognises an administration fee collected from DEECA relating to the billing and collection of parks charges as revenue.

GWW makes various other payments to and receives other payments from DEECA which are recognised as revenue and expenses.

	2025 \$'000	2024 \$'000
<b>Payments</b>		
Parks Charge collected on behalf of DEECA	43,003	59,578
Environmental Contribution	34,972	25,434
Other	387	866
<b>Receipts</b>		
Billings and collection fee	2,235	2,391
Western Irrigation Network – Capital contribution	-	6,000
Sunbury Recycled Water Interconnector Stage 1- Capital Contribution	-	385
Water Smart Program	-	995
Recovery, relief and early recovery repair critical water infrastructure	-	596
Others	839	608
<b>Payables</b>		
Environmental Contribution	8,706	8,478
Parks Charge collected on behalf of DEECA	1,296	-
<b>Receivables</b>		
Capital Contribution	7,600	-

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### *Department of Treasury and Finance*

The Department of Treasury and Finance monitors the implementation of GWW's Corporate Plan in consultation with the Department of Energy, Environment and Climate Action.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Payments</b>		
Income tax equivalent	16,575	31,409
Dividends	9,801	66,630
Financial Accommodation Levy	37,070	37,208
Return of capital to owner	-	71,760
<b>Payables</b>		
Financial Accommodation Levy	10,216	8,207
Income tax equivalent	-	-
Dividend	6,062	-
<b>Receivables</b>		
Income tax equivalent	-	660
<b>Receipts</b>		
Interest on CBS deposit	314	463

#### *Treasury Corporation of Victoria*

As required by the State Government pursuant to the Borrowing and Investment Powers Act 1987, other than lease liabilities, GWW's borrowings are sourced solely from the Treasury Corporation of Victoria.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Payments</b>		
Finance costs	94,349	69,807
Administration fees	3,702	3,091
<b>Receipts</b>		
Net borrowings during the year	530,900	389,600
Interest received	327	595
<b>Payables</b>		
Total borrowings	3,219,650	2,688,250
Finance costs	25,897	19,690

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### Melbourne Water Corporation

GWW sources a large proportion of its drinking water from Melbourne Water Corporation and the majority of its sewage is treated by Melbourne Water Corporation at the Western Treatment Plant.

GWW bills and collects drainage charges as an agent for Melbourne Water. Due to the nature of the agent/principal relationship between GWW and Melbourne Water, GWW does not recognise these amounts in its accounts. GWW recognises an administration fee collected from Melbourne Water relating to the billing and collection of drainage charges as revenue.

GWW makes various other payments to and receives other payments from Melbourne Water which are recognised as revenue and expenses.

	2025 \$'000	2024 \$'000
<b>Payments</b>		
Bulk water and sewage charges	387,706	371,534
Drainage Charge collected on behalf of Melbourne Water	56,123	71,810
Property information statements	125	259
Other	823	964
<b>Receipts</b>		
Billings and collection fee	4,373	5,398
Other	142	3
<b>Payables</b>		
Bulk water and sewage charges	4,465	4,023
Property information statements	16	125

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### State Revenue Office

The State Revenue Office is the Victorian Government's tax collection agency. The State Revenue Office administers Victoria's tax legislation and collects a range of taxes, duties and levies.

	2025 \$'000	2024 \$'000
<b>Payments</b>		
Payroll tax	6,305	5,140
Unclaimed monies	-	932
Other	1,501	991
<b>Receipts</b>		
Pension rebate <sup>1</sup>	-	516
<b>Payables</b>		
Payroll tax	477	447
<b>Receivables</b>		
Pension rebate	633	-

#### Department of Families, Fairness and Housing

GWW provides a number of services to the community including the administration of the Pension Rebate and Health Care Card schemes on behalf of the Department of Families, Fairness and Housing.

	2025 \$'000	2024 \$'000
<b>Payments</b>		
Safe Drinking Water Levy	-	193
<b>Receipts</b>		
Pension rebate	-	19,468
Administration fee on pension rebate	-	207
Utility relief grant	1,631	1,078
Other	-	3,854
<b>Receivables</b>		
Pension rebate	28,821	-
Administration fee on pension rebate	-	-
Water and wastewater service and consumption rebate	-	4,153

#### Other Victorian Government controlled entities

Water and sewerage services were provided to other government-controlled entities for properties within GWW's service area under normal commercial terms and conditions.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### 9.3 Equity

	2025 \$'000	2024 \$'000
Contributed equity	977,828	967,869
Physical asset revaluation surplus <sup>1</sup>	62,216	60,509
Retained profits	104,366	61,165
<b>Total equity</b>	<b>1,144,410</b>	<b>1,089,543</b>

<sup>1</sup> Physical asset revaluation surplus is the asset revaluation reserve relating to land and buildings.

#### 9.3.1 Contributed equity

	2025 \$'000	2024 \$'000
Contributed equity at the beginning of the financial year	967,869	1,017,371
Asset received as contributed equity	2,359	15,873
Capital contribution	7,600	6,385
Return of capital to owners	-	(71,760)
<b>Contributed equity at the end of the financial year</b>	<b>977,828</b>	<b>967,869</b>

In line with the requirements of the Financial Management Act 1994, additions to net assets which have been designated as contributed equity by the Assistant Treasurer are recognised as contributed equity. Other transfers that are in the nature of contributions or distributions have also been designated as distributions to or contributions from owners.

Capital contribution is in respect of the National Water Infrastructure Development Fund as per the National Partnership Agreement between the State and the Commonwealth governments towards investing on the Western Irrigation Network capital project.

Return of capital to owners in previous financial year was in respect of capital repatriation.

## Notes to and forming part of the Financial Statements

### For the year ended 30 June 2025

#### 9. Other disclosures (Continued)

##### 9.3.2 Physical asset revaluation surplus

	2025 \$'000	2024 \$'000
Physical asset revaluation surplus at the beginning of the financial year	60,509	60,509
Revaluation increment on buildings, net of tax	1,937	-
Land disposal	(230)	-
<b>Physical asset revaluation surplus at the end of the financial year</b>	<b>62,216</b>	<b>60,509</b>

Physical asset revaluation surplus is used to record revaluation increments and decrements in the value of non-current physical assets.

##### 9.3.3 Retained profits

	2025 \$'000	2024 \$'000
Retained profits at the beginning of the financial year	61,165	18,882
Profit after income tax expense	58,871	83,234
Final dividend paid during 2025 in respect of 2024	(9,801)	-
Final dividend paid during 2024 in respect of 2023	-	(20,894)
Interim dividend paid in respect of 2024	-	(18,857)
Efficiency dividend paid - 2024	-	(1,890)
Interim dividend payable in respect of 2025	(6,062)	-
Actuarial gain/(loss) on defined benefit superannuation plan (net of tax)	195	690
<b>Retained profits at the end of the financial year</b>	<b>104,366</b>	<b>61,165</b>

Retained profits represent accumulated retained profits over the lifetime of GWW.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### 9.4 Ex-gratia expenses

	2025 \$'000	2024 \$'000
Forgiveness or waiver of debt	951	299
<b>Total ex gratia expenses</b>	<b>951</b>	<b>299</b>

Ex gratia expense items greater than or equal to \$5,000 individually or in total are disclosed.

In exceptional circumstances GWW may waive part of a customer's debt. This will occur at the discretion of GWW when there has been a significant undetected leak on a customer's property, unexplained high usage on a customer's account, or in cases of financial hardship.

Ex gratia expenses are recognised as part of other expenses (refer Section 3).

#### 9.5 Changes in accounting policies

GWW applied for the first-time certain standards and/or amendments, which are effective for annual periods beginning on or after 1 July 2024 (unless otherwise stated). The impact has been disclosed in the table below.

Standard	Effective date	Key changes	Impact
AASB 2022-10 Fair Value Measurement of Non-Financial Assets of Not for-Profit Public Sector Entities.	1 January 2024	Amends fair value measurements of non-financial assets of not-for-profit public sector entities, not held primarily for their ability to generate net cash inflows.	GWW concluded that the changes to this accounting standard is not relevant.
AASB2022-6 Non-current Liabilities with Covenants.	1 January 2024	Requires improvement on the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement	GWW concluded that there are no non-current liabilities with covenants during the financial year.
AASB2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback – Amendments to AASB16	1 January 2024	Requires additional subsequent requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale.	GWW concluded that the changes to this accounting standard is not relevant.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### 9.6 Australian Accounting Standards issued that are not effective

The following Australian Accounting Standards (AAS) become effective for reporting period commencing after the operative dates stated:

Certain new AAS have been published that are not mandatory for the 30 June 2025 reporting period. DTF assesses the impact of all these new standards and advises GWW of their applicability and early application where applicable.

Topic	Effective date	Key requirement
AASB2014-10	1 January 2025	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128
AASB2022-8	1 January 2027	Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
AASB2022-9	1 January 2027	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector.
AASB 2023-5	1 January 2025	Amendments to Australia Accounting Standards – Lack of Exchangeability
AASB 2024-2	1 January 2026	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments
AASB 18	1 January 2027	Presentation and Disclosure in Financial Statements

GWW is in the process of analysing the impacts of all the new AAS Standards. However, it is not anticipated to have a material impact.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2025

### 9. Other disclosures (Continued)

#### 9.7 Subsequent events

On 1 July 2025, GWW transitioned its maintenance delivery services from an outsourced provider to an internal maintenance team. This strategic change is expected to improve service responsiveness and reduce long-term costs. The implementation occurred after the reporting date and does not affect the amounts recognised in these financial statements.

On 10 July 2025, GWW announced the appointment of Mr Craig Dixon as Acting Managing Director, effective 21 July 2025. The appointment follows the resignation of Ms Maree Lang, who served as Managing Director until 1 August 2025. This leadership change occurred after the reporting date and does not affect the amounts recognised in these financial statements.

On 30 September 2025, Bruce Cohen, Llewellyn Prain and Liza McDonald completed their term as Board members.

GWW also announced the appointment of four new Board members namely, Cathy Whelan, Deirdre Blythe, Paul Younis and Tony Peake effective 1 October 2025.

As at 30 June 2025, Greater Western Water (GWW) recognised a specific loss allowance provision of \$92.3 million relating to its contract assets, based on reasonable and supportable information available at balance date. Refer to note 6.1 for additional details.

On the 23 September 2025, GWW's board approved the exceptions to billing cycles and Enforceable Undertaking (EU), reached in principle with the ESC, in relation to billing delays and alleged breaches of the Water Industry Standard. The EU was subsequently approved by the ESC following public consultation and will introduce new obligations on GWW. These include restrictions on billing certain charges and the provision of customer credits. It also changes the approach for assessing the collectability of contract assets. As these obligations did not exist at 30 June 2025, no adjustment has been made to the financial statements for the year then ended. The estimated financial effect of the EU is approximately \$130 million, comprising:

- \$90.5 million relating to charges pertaining to the year ended 30 June 2025, and
- \$39.5 million relating to periods after 30 June 2025.

Although \$90.5 million of this impact relates to charges for year ended 30 June 2025, these obligations only arose as a result of the Board approval of the EU and approved by ESC following public consultation after balance date. At 30th June 2025, GWW's recognised provision of \$92.3 million reflected management's assessment of probable obligations at that date. Accordingly, management have concluded that the EU represents a non-adjusting event under AASB 110 Events after the Reporting Period, and no changes have been made to the 30 June 2025 financial statements. The impact of the EU for 30 June 2025 is, however, materially consistent with the loss allowance already recognised.

Other than the above, no other matter or circumstance has arisen since 30 June 2025 which has significantly affected, or may significantly affect:

- GWW's operations;
- the results of those operations; and/or
- GWW's state of affairs in the financial year subsequent to 30 June 2025.

## Statutory Certification

The attached financial statements of Greater Western Water have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister of Finance under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

We state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes presents fairly the financial transactions during the year ended 30 June 2025 and the financial position of GWW at 30 June 2025.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

This financial report was authorised for release by the Board of Directors on 25 November 2025.



**Lisa Neville**

Chair

Melbourne

27 November 2025



**Craig Dixon**

Acting Managing Director



**Linda Watts**

Chief Financial Officer

# Independent Auditor's Report

## To the Board of Greater Western Water Corporation

<b>Opinion</b>	<p>I have audited the financial report of Greater Western Water Corporation (the corporation) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2025</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including material accounting policy information</li> <li>• statutory certification.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's responsibilities for the audit of the financial report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Key audit matters</b>	<p>Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.</p>

Key audit matter	How I addressed the matter
<p><b>Revenue from service and usage charges and associated receivables</b></p> <p><i>Note 2.2 – Sale of goods and services</i></p> <p><i>Note 6.1 – Receivables</i></p> <hr/> <p><b>Revenue from service and usage charges: \$862.0 million</b></p> <p><b>Trade receivables: \$248.5 million</b></p> <p>The corporation transitioned to a new customer billing system in May 2024. The transition introduced technical and operational issues that had several impacts on customers. The Essential Services Commission (ESC) subsequently investigated the corporation’s compliance with the <i>Water Industry Standard – Urban Customer Service</i> (Water Industry Standard) due to these issues.</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>• revenue from service and usage charges, and associated receivables, are financially significant</li> <li>• the corporation’s customer billing system and information technology (IT) business rules are complex, with inputs derived from multiple sources</li> <li>• I was unable to place reliance on the general IT control environment supporting the new customer billing system due to identified control deficiencies</li> <li>• key application controls I intended to rely on were not operating effectively throughout the year</li> <li>• data migration issues between the old and new systems affected the integrity of some customer bills</li> <li>• billing system issues resulted in some customers receiving delayed bills, including some covering multiple quarters</li> <li>• the corporation failed to comply with multiple provisions of the Water Industry Standard on certain occasions</li> <li>• an external service provider conducts meter readings, creating additional dependencies affecting data accuracy</li> <li>• the application of accounting standard AASB 15 <i>Revenue from Contracts with Customers</i> is complex and requires significant management judgement.</li> </ul>	
	<p>My key procedures included:</p> <ul style="list-style-type: none"> <li>• performing substantive analytical procedures over service charges and usage revenue by developing my own expectation and comparing this expectation to reported amounts</li> <li>• performing substantive testing of receipts from customers during the year</li> <li>• substantively testing receivables, with a focus on the integrity and accuracy of information contained in customer bills</li> <li>• reviewing the complaints register to assess whether any themes or issues indicated a risk of material misstatement</li> <li>• assessing whether instances of non-compliance with the Water Industry Standard had financial reporting implications</li> <li>• assessing the reasonableness of significant judgements and assumptions made by management</li> <li>• assessing the appropriateness of reported amounts against the requirements of AASB 15.</li> </ul>



## Key audit matter

## How I addressed the matter

### Contract asset measurement and the estimation of expected credit losses

*Note 6.1 – Receivables*

**Gross contract assets: \$251.2 million**

**Less expected credit loss allowance: \$95.0 million**

**Net contract assets: \$156.3 million**

The corporation transitioned to a new customer billing system in May 2024. The transition introduced technical and operational issues that had several impacts on customers. ESC subsequently investigated the corporation's compliance with the Water Industry Standard due to these issues.

I considered this to be a key audit matter because:

- contract assets are financially significant
- billing system issues resulted in some customers not being billed for extended periods. These delays led to higher contract asset accruals, and an expected credit loss (ECL) allowance being recognised against these accrued customer balances for the first time this year
- the methodology and models used by management to estimate contract assets and the ECL allowance are complex and include multiple assumptions
- management was required to exercise significant judgement in assessing their ability to bill customers and in determining the collectability of these amounts
- the accounting treatment of the reported ECL allowance required consideration of multiple Australian Accounting Standards and involved significant judgement
- management's judgements were informed by professional accounting advice
- the corporation failed to comply with multiple provisions of the Water Industry Standard on certain occasions
- the ECL allowance is subject to significant estimation uncertainty due to the unique circumstances arising from the customer billing system issues
- subsequent to 30 June 2025, management entered into an enforceable undertaking with ESC which will impact amounts that can be billed
- extensive disclosures are required by Australian Accounting Standards, and these are critical to users' understanding of the methodology, key judgements and estimation uncertainty associated with the ECL allowance.

My key procedures included:

- performing substantive analytical procedures over gross contract assets by developing my own expectation and comparing this to reported amounts
- reviewing and assessing management's accounting considerations and the professional accounting advice they obtained
- assessing the reasonableness of the methodology used by management to estimate the ECL allowance and testing key data inputs into the model
- assessing the reasonableness of significant judgements and assumptions made by management in estimating the ECL allowance
- evaluating the accounting treatment of the ECL allowance against the requirements of applicable Australian Accounting Standards
- assessing whether instances of non-compliance with the Water Industry Standard had financial reporting implications
- assessing the enforceable undertaking entered into after 30 June 2025 against the requirements of AASB 110 *Events after the Reporting Period*
- assessing the adequacy of relevant financial statement disclosures against applicable Australian Accounting Standards.

Key audit matter	How I addressed the matter
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**The fair value estimate of infrastructure assets**

*Note 5.1 – Infrastructure, property, plant and equipment*

**Fair value of infrastructure assets: \$3.5 billion**

I considered this to be a key audit matter because:

- infrastructure assets are financially significant
- the fair value estimate is derived from a complex income-based valuation approach that uses a discounted cashflow (DCF) model involving significant judgements and assumptions
- management engage an external valuation expert to prepare the fair value estimate
- small changes in key assumptions used in the DCF model can materially affect the fair value
- the DCF model's forecast period is long, and includes a terminal value, which increases the difficulty in accurately estimating the fair value
- the applicable accounting standard AASB 13 *Fair Value Measurement* requires extensive financial report disclosures.

My key procedures included:

- obtaining an understanding of the method, assumptions and data used to estimate the fair value of infrastructure
- assessing the competence, objectivity and capability of management's expert engaged to assist with the valuation process
- engaging a subject matter expert to assist us in obtaining sufficient appropriate audit evidence, including:
  - the appropriateness of using an income-based valuation approach
  - the identification and assessment of the reasonableness of any changes to the DCF model and/or assumptions
  - the reasonableness and consistency of all the assumptions used in the DCF model
  - the reasonableness of all inputs used in the DCF model, with specific reference to underlying data and supporting documentation
  - the DCF model's computational accuracy
- assessing the completeness and adequacy of the financial report disclosures against the requirements of AASB 13, including the significant observable and unobservable inputs utilised in the model and the sensitivity analysis.

**Board's responsibilities for the financial report**

The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> <li>• identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control</li> <li>• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control</li> <li>• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board</li> <li>• conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.</li> <li>• evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.</li> </ul> <p>I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p> <p>From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.</p>
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MELBOURNE  
28 November 2025

  
 Timothy Maxfield  
*as delegate for the Auditor-General of Victoria*

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### Minister's Letter of Expectations (LoE) Key Performance Indicators

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## Appendix 3

### Bulk Water Entitlements

#### Central (ex-City West Water region) bulk entitlements

	<b>Greater Yarra System - Thomson River Pool</b>	<b>Victorian Desalination Project</b>	<b>Goulburn System</b>	<b>River Murray System</b>
Amount of water taken	144,170	0	0	0
Opening carryover as at 1 July 2024	284,801	0	4,462	6,564
Annual water allocation made available during 2024-25	78,075	0	6,647	12,653
Closing carryover as at 30 June 2025	210,536	0	5,528	9,041
Compliance with entitlement volume	Yes	Yes	N/A	N/A
Any temporary or permanent transfer of all or part of the bulk entitlement	No	No	No	No
Approval, amendment and implementation of the metering program	New metering program implemented and approved	New metering program implemented and approved	New metering program implemented and approved	New metering program implemented and approved
Amendment to bulk entitlement	None	None	None	None
Any new bulk entitlement of water granted	None	None	None	None
Any failure to comply with any provision of this bulk entitlement	None	None	None	None
Any difficulties experienced or anticipated in complying with this bulk entitlement and any remedial action taken or proposed	None	None	None	None

#### Notes on Central Bulk Entitlements

##### Greater Yarra System

1. GWW holds Bulk Entitlement (Greater Yarra System - Thomson River Pool - Greater Western Water) Order 2014. Compliance requirements are set out in clauses 16.1(a)-(i).
2. We are a primary entitlement holder with an annual entitlement share of 171,047 ML.
3. Opening carryover is inclusive of 1,378 ML carryover held on behalf of Southern Rural Water.
4. The Resource Manager - Melbourne Water makes seasonal allocations monthly and maintains our water account and carryover accounting. Carryover on 30 June 2025 accounts for estimated spills of 8,131 ML (inclusive of spills against water held on behalf of Southern Rural Water). The metropolitan retailers make water available in Tarago Reservoir to Gippsland Water under a Bulk Water Supply Agreement. This is used by Gippsland Water to supplement their Tarago Bulk Entitlement during periods of high demand.
5. Closing carryover is inclusive of 1,339 ML carryover held on behalf of Southern Rural Water.
6. Compliance with the entitlement volume is measured by compliance with the overall cap within the source entitlements for the Thomson and Yarra Systems (held by Melbourne Water).
7. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.



### **Victorian Desalination Project**

8. GWW holds Bulk Entitlement (Desalinated Water - Greater Western Water) Order 2014. Compliance Requirements are set out in clauses 13.1(a)-(g).
9. We do not take water directly from the Victorian Desalination project infrastructure. We may take an average annual volume of up to 39,595 ML of desalinated water over any period of five consecutive years that is delivered to a delivery point to the Melbourne headworks system.
10. The Resource Manager - Melbourne Water makes seasonal allocations monthly and maintains our water account and carryover accounting.
11. The Victorian Government announced an order of OGL of water from the desalination plant for the 2024-25 supply year.
12. Compliance with the entitlement volumes is measured with respect to whether the annual volume taken exceeds the entitlement. This did not occur this year.
13. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.

### **Goulburn System**

14. GWW holds Bulk Entitlement (Goulburn System - Greater Western Water) order 2022. The order grants GWW a bulk entitlement to 6,647.3 ML of high-reliability entitlement and 4,311.7 ML of low-reliability entitlement which equals one third of Melbourne's share of water recovered from the Goulburn component by the Connections Project Stage 1. Compliance requirements are set out in clauses 13.1(a)-(h).
15. We have water management action plans in place to manage water allocations in excess of our use. These strategies include the transfer of allocations between bulk entitlement allocation accounts and selling water allocation.
16. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.

### **River Murray System**

17. GWW holds Bulk Entitlement (Murray System - Greater Western Water) order 2022. The order grants GWW a bulk entitlement to 12,653.3 ML of high-reliability entitlement and 6,876.6 ML of low-reliability entitlement which equals one third of Melbourne's share of water recovered from the Murray component by the Connections Project Stage 1. Compliance requirements are set out in clauses 10.1(a)-(f).
18. We have water management action plans in place to manage water allocations in excess of our use. These strategies include the transfer of allocations between bulk entitlement allocation accounts and selling water allocation.
19. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.

## Western (ex-Western Water region) bulk entitlements

Gisborne		Riddells Creek						
Barringo	Lancefield	Macedon	Maribyrnong	Myrniong	Romsey	Woodend	Werribee	
Amount of water taken	0	75 from Garden Hut	OML	3,196	56	27	115	248
		Andersons						
		McDonald's						
		8.7ML						
	0 from Monument Creek	Orde Hill						
		161.3ML						
		Willingmigon-gon OML						
Any temporary or permanent transfer of all or part of the bulk entitlement	No	No	No	No	No	No	No	No
Approval, amendment and implementation of programs and proposals	New metering program implemented and approved	New metering program implemented and approved	New metering program implemented and approved	New metering program implemented and approved	New metering program implemented and approved	New metering program implemented and approved	New metering program implemented and approved	New metering program implemented and approved
Amendment to bulk entitlement	No	No	No	No	No	No	No	No
Any new bulk entitlement of water granted	No	No	No	No	No	No	No	No
Any failure to comply with any provision of this bulk entitlement	No	No	No	No	No	No	No	No
Any difficulties experienced or anticipated in complying with this bulk entitlement and any remedial action taken or proposed	No	No	Yes (see note 27)	No	No	No	No	Yes (see note 47)

## **Notes on Western Bulk Entitlements**

### **Barringo System**

20. We hold Bulk Entitlement (Gisborne-Barringo Creek) Order 2004. Compliance requirements are set out in clauses 11.1(d)-(k).
21. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.

### **Lancefield System**

22. We hold Bulk Entitlement (Lancefield) Order 2001. Compliance requirements are set out in clauses 14.1(d)-(l).
23. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.
24. GWW's closing storage volume as of 30 June 2025 in Garden Hut was 10 ML.

### **Macedon System**

25. We hold Bulk Entitlement (Macedon and Mount Macedon) Order 2004. Compliance requirements are set out in clauses 14.1(e)-(l).
26. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.
27. Passing flow requirement was not met on several days of the year adding up to 5.9 ML in 2024-25, however across the year there was an extra 128 ML of passing flows in total.

### **Maribyrnong System**

28. We hold Bulk Entitlement (Maribyrnong - Greater Western Water) Order 2000. Compliance requirements are set out in clauses 19.1(a)-(h).
29. The volume of GWW's share of storage capacity is 14,038 ML as of 30 June 2025.
30. The annual volume of inflows attributed to GWW for 2024-25 was 1,290 ML.
31. The annual volume of losses attributed to GWW in 2024-25 is to be provided by Southern Rural Water.
32. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.

### **Myrniong System**

33. We hold Bulk Entitlement (Myrniong) Order 2004. Compliance requirements are set out in clauses 12.1(b)-(l).
34. The volume of allocation for Myrniong that was unused in 2024-25 is 2 ML. This amount does not carryover to the next financial year.
35. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.

### **Riddells Creek System**

36. We hold Bulk Entitlement (Riddells Creek) Order 2001. Compliance requirements are set out in clauses 13.1(b)-(k).
37. Clause 11.1(c) requires the daily amount of water taken under this bulk entitlement to be recorded. This is available on request.
38. The annual volume of passing flows for 2024-25 was 193 ML.
39. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.

### **Romsey System**

40. We hold Bulk Entitlement (Romsey) Order 2001. Compliance requirements are set out in clauses 12.1(b)-(l).
41. In the previous year, GWW experienced difficulties with one of the monitoring sites and worked with DEECA to review the monitoring program. A solution for the issue has since been implemented.
42. GWW may establish a drought reserve of up to 280 ML, as per clause 8. As of 30 June 2025, this reserve is currently full at 280 ML.
43. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.

### **Werribee System**

44. We hold Bulk Entitlement (Werribee System - Greater Western Water) Order 2004. Compliance requirements are set out in clauses 13.1(a)-(k).
45. GWW has a share of 80% of storage at Merrimu Reservoir. As of 30 June 2025, this share is equal to 17,342 ML.
46. The total inflows into Merrimu Reservoir attributed to GWW in 2024-25 was 768 ML.
47. The total inflows to Djerriwarrh Reservoir in 2024-25 was not reliably measured, a review of stream flow monitoring is underway and solution planned for implementation in 2025-26.
48. The total volume of losses at Merrimu Reservoir attributed to GWW for 2024-25 is to be provided by Southern Rural Water.
49. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk entitlements.

### **Woodend System**

50. We hold Bulk Entitlement (Woodend) Order 2004. Compliance requirements are set out in clauses 14.1(e)-(l).
51. The volume taken from Campaspe Reservoir in 2024-25 was 248 ML. No water was taken from Falls Creek, Smokers Creek, Barbours Spring and Kavanaghs Spring.
52. An updated metering program was completed and approved by the Minister in 2024-25 covering all of GWW's bulk Test.





**Greater Western Water**

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ISS: 2203-9929 (online)

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