Greater Western Water



Annual Report 2025–26

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 people 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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Report of operations

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 2026.



Matthew Burns
Acting Chair
Greater Western Water

15 October 2026

The year in review

Message from the Chair and Managing Director

2025–26 was a challenging and defining year for Greater Western Water.

As we continued delivering essential water and sewerage services to one of Australia's fastest-growing regions, the impacts of our billing system issues continued to affect customers and our organisation. We acknowledge and deeply regret the disruption, frustration and uncertainty these issues have caused. We understand the impact this has had on our customers and the trust and confidence they place in Greater Western Water.

Throughout the year, our focus remained on supporting customers, addressing system issues and improving service performance. While progress has been made, we know some customers are still experiencing issues, including delays in receiving bills, and there is more to do.

Alongside this work, we continued investing in the infrastructure, partnerships and community initiatives needed to support a growing and sustainable region. We play an important role in helping communities thrive, planning for future growth, strengthening resilience and caring for the environment entrusted to us.

Improving billing and customer experience

Addressing billing system issues and improving customer experience remained a central priority throughout 2025-26. We continued to implement recommendations from independent reviews, strengthen customer support and improve billing performance.

As of 30 June 2026, approximately 88% of residential customers were receiving regular bills. We applied bill credits and waived charges for impacted customers in recognition of the disruption they experienced and as part of our Enforceable Undertaking commitments to the Essential Services Commission. We increased contact centre capacity, extended operating hours and continued to provide face-to-face support through customer care days and our offices.



Lisa Neville
Chair



Cameron FitzGerald
Managing Director

These actions have improved outcomes for many customers. However, some customers continue to experience billing issues and further work is required to resolve them.

The financial impact of the billing issues has also been significant. We recorded a financial loss of $202.5 million in 2025–26, largely driven by lost revenue and the costs of repairing and improving the billing system. Building a financially sustainable organisation while continuing to improve customer outcomes remains a critical focus for the Board and management.

Building for a growing region

During the year, we progressed major projects to support growth, strengthen resilience and deliver reliable services for future generations.

Key projects included the fourth and final stage of a $160 million upgrade to Melbourne's wastewater network and major investments at the Melton and Gisborne recycled water plants to increase capacity and meet future demand.

The Western Irrigation Network (WIN) is a $116 million recycled water irrigation scheme that will strengthen

drought resilience and support agricultural growth in Parwan and Balliang. 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.

Alongside these investments, we strengthened long-term planning for growth and climate resilience through development of our Urban Water Strategy, investment in alternative water sources such as recycled water and stormwater harvesting, and targeted planning to increase the capacity, resilience and reliability of our water and wastewater networks.

Connecting to Country

We were proud to launch our second Innovate Reconciliation Action Plan (RAP). This two-year plan builds on our first Innovate RAP and strengthens the way we work with Traditional Owners and First Nations communities. It focuses on deepening cultural understanding and creating meaningful change across Greater Western Water, including through employment, procurement and partnership opportunities.

Through training, engagement activities and partnerships, including with Kinaway Chamber of Commerce, we continued to strengthen cultural capability across our organisation. This work is helping to embed cultural understanding in our decision-making and build greater opportunities for First Nations people, businesses and communities.

Supporting community

Strong communities are built through local connections, participation and support. Through our Thriving Communities grants and sponsorship program, we invested more than $174,000 in 27 local groups and projects that strengthen community wellbeing, celebrate culture and support environmental outcomes.

We also continued multi-year partnerships that create opportunities for young people and support stronger, more connected communities. This included supporting Western Chances to assist young people experiencing social and economic challenges to access education and employment, and working with the Western Bulldogs Community Foundation to support Aboriginal and Torres Strait Islander youth leadership programs.

We are grateful to the many people who have worked to support the customers and communities we serve through a difficult period. We thank our employees and partners for their commitment, professionalism and resilience.

We also thank our outgoing directors, including Craig Dixon for his contribution as Acting Managing Director, and welcome our new directors. Our Board continues to strengthen oversight of the matters most critical to our future, including customer outcomes, financial sustainability, organisational culture and implementation of improvements identified through independent reviews.

Most importantly, we thank our customers for their patience, feedback and engagement throughout the year.

Our priorities remain to resolve outstanding billing issues, improve customer outcomes and restore financial sustainability, while continuing to invest in the infrastructure, partnerships and initiatives that support our growing region.

We are committed to earning the confidence of the customers and communities we serve through our actions and delivering the reliable services, support and experience they expect and deserve.



Lisa Neville
Chair



Cameron FitzGerald
Managing Director

About GWW

Greater Western Water (GWW) is a Victorian Government water corporation. We provide water and recycled water supply, sewerage and trade waste services to 615,533 residential customers and 54,647 business customers.

Key statistics

$4.4 billion
infrastructure asset base

20
large dams

10
recycled water plants

7
water filtration plants

615,533
residential connections

54,647
non-residential connections

7,787 ML
recycled water and stormwater supplied

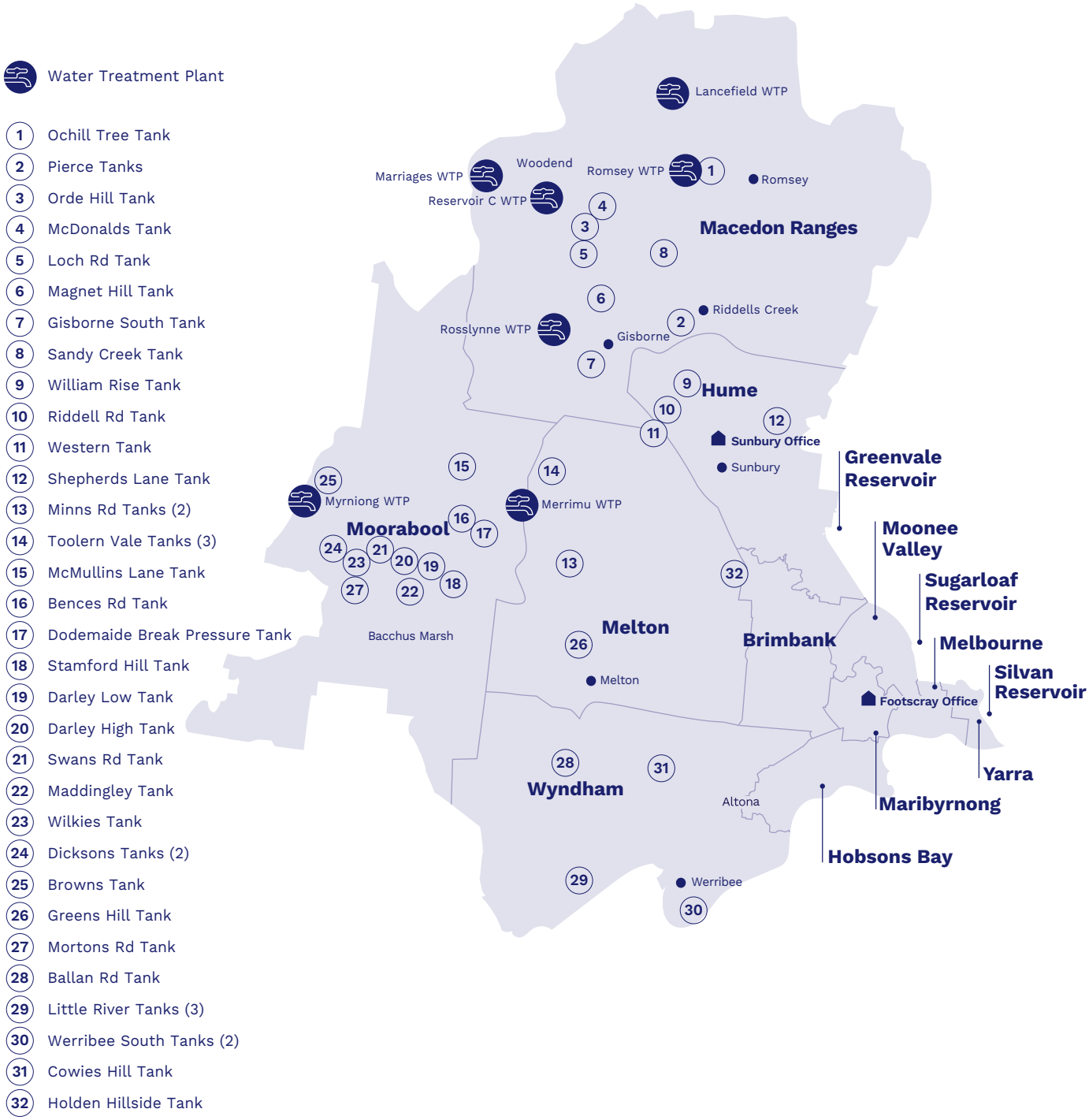
127,429 ML
drinking water supplied

GWW operates across 3,700 square kilometres stretching from Melbourne's central business district (CBD) and inner suburbs to Little River in the south, Myrniong in the west and Lancefield in the north.

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.

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

GWW is a water corporation established under the *Water Act 1989* (Vic).

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 for the performance of our functions and exercise of powers. In this financial year, we were accountable to the Honourable Gayle Tierney (1 July 2025 to 14 April 2026) and the Honourable Harriet Shing (15 April 2026 to 30 June 2026) as Minister for Water.

The Essential Services Commission (ESC) is our independent economic regulator. It approves the prices we charge customers and the standards of service we deliver. In this financial year, we operated under the four-year price submission which came into effect on 1 July 2024.

The Department of Health regulates our drinking water quality under the *Safe Drinking Water Act 2003*. The Environment Protection Authority Victoria regulates the environmental compliance of our operations, including recycled water quality and sewage treatment plants under the *Environment Protection Act 2017*.

Key initiatives and projects

We have worked diligently this year, in light of our financial position, to focus on key pieces of work that create value for customers and the communities we serve, through the upkeep and delivery of infrastructure, helping people and businesses to save water, and working with Traditional Owners to sustainably care for Country.

Delivering value to customers

- Held 80 customer care days across the service region, giving customers face-to-face support on accounts and billing when and where they need it.
- Commenced the final stage of a $160 million project to strengthen and expand Melbourne's wastewater infrastructure.
- Continued the Schools Water Efficiency Program, helping 215 schools save water through leak detection and repairs, and educating students on the value of vital water resources.
- Supported 20 high water use businesses through the WaterSmart program to save water and reduce water-related operating costs.
- Began implementation of an enforceable undertaking agreed with the ESC that requires us to support customers and improve billing practices over the next three years.

Supporting communities to thrive

- Awarded more than $174,000 in grants and sponsorships to 27 local groups, supporting projects that strengthen community connections, celebrate culture, care for the environment and help local communities thrive.
- Updated our community engagement framework to strengthen the way we involve community and stakeholders in decisions about projects, services and day-to-day work.
- Formalised a partnership with the Maribyrnong River and Waterways Association to deliver waterway health and community education projects that give residents a stronger voice in water management.
- 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.
- Supported a Reconciliation Action Plan (RAP) community member to attend the National First Nations Leadership conference and a First Nations staff member to achieve community board accreditation through the Institute of Company Directors.

Healing and caring for Country

- Launched our second Innovate RAP, continuing to expand employment pathways, build a more inclusive workplace and strengthen opportunities for First Nations businesses and communities to thrive.
- Received a Green Gown Awards Australasia award for our innovative Sunbury backfill trial, a collaborative project advancing sustainable construction using recycled materials to backfill trenches.
- Supported the ‘Dear Agnes’ public art program at Altona Treatment Plant, which features 3,700 trees in a land art sculpture and celebrates the connection between art, community and environmental care.
- Installed an ultraviolet disinfection unit in Lancefield to improve protection and remove potentially harmful microorganisms as part of the water disinfection treatment process.
- Collaborated with Wadawurrung Traditional Owners Aboriginal Corporation and Wadawurrung Nursery to plant 1,000 native trees around Eynesbury Dam to create tree canopy cover and deliver lasting environmental benefits.

Financial overview

In 2025–26, GWW recorded a net loss before tax of $202.5 million, compared with a net profit before tax of $85.3 million in 2024–25. The result was predominantly driven by the ongoing remediation of the customer billing and collections system and associated business processes. This included increased employee and finance costs to support remediation activities, higher expected credit loss provisions, and obligations arising from the Enforceable Undertaking with the ESC, including bill credits and other customer remediation measures. These factors reduced revenue expected to be recovered from customer accounts and materially affected the organisation's financial performance.

Financial performance was also impacted by lower developer contribution revenue, increased operating costs and a revaluation decrement of infrastructure assets.

The billing and collections challenges continued to affect working capital and cash flow during the year, with trade receivables increasing by $61 million to $480.3 million. Net cash outflows from operating activities were $205.7 million, compared with $191.7 million in 2024-25.

GWW maintained a strong asset base of $5.2 billion. The organisation remains focused on restoring billing and collection performance, rebuilding customer confidence and delivering long-term financial sustainability while continuing to provide essential services to the communities it serves.

Five-year financial summary

Summary of financial results

	2026 $'m	2025 $'m	2024 $'m	2023 $'m	2022 $'m
Revenue from contracts with customers	1,051.8	1,025.0	991.4	931.4	878.0
Other income	5.3	1.8	2.0	1.7	6.3
Total revenue	**1,057.1**	**1,026.8**	**993.4**	**933.1**	**884.3**
Bulk charges	406.7	392.6	375.5	347.6	346.4
Environmental contribution	35.3	35.3	33.9	33.9	33.9
Employee benefits	176.7	115.1	123.0	98.8	86.9
Depreciation and amortisation	119.1	113.7	102.3	96.6	93.4
Finance expenses	175.3	146.0	109.4	91.3	84.3
Other operating expenses	332.6	279.4	158.7	151.8	123.5
Total expenses	**1,245.7**	**1,082.1**	**902.8**	**820.0**	**768.4**
Profit/(Loss) before revaluation adjustment	**(188.5)**	**(55.3)**	**90.6**	**113.1**	**115.9**
Infrastructure assets revaluation increment / (decrement)	(14.0)	140.6	28.4	(49.1)	(865.4)
Profit/(Loss) before tax	**(202.5)**	**85.3**	**119.0**	**64.0**	**(749.5)**

Summary of financial position

	2026 $'m	2025 $'m	2024 $'m	2023 $'m	2022 $'m
Current assets	514.1	442.5	254.2	181.3	168.6
Non-current assets	4,677.7	4,359.2	3,935.6	3,618.3	3,384.2
Total assets	**5,191.8**	**4,801.7**	**4,189.8**	**3,799.6**	**3,552.8**
Current liabilities	268.1	522.5	349.2	266.3	257.6
Non-current liabilities	3,692.1	3,134.8	2,751.0	2,436.5	2,229.7
Total liabilities	**3,960.2**	**3,657.3**	**3,100.2**	**2,702.8**	**2,487.3**
Net assets	**1,231.6**	**1,144.4**	**1,089.6**	**1,096.8**	**1,065.5**

Summary of cash flow

	2026 $'m	2025 $'m	2024 $'m	2023 $'m	2022 $'m
Net cash flows from operating activities	(205.7)	(191.7)	50.1	50.2	122.2
Net cash flows from investing activities	(275.0)	(323.9)	(308.8)	(249.9)	(241.9)
Net cash flows from financing activities	493.2	517.2	254.9	205.1	118.3

Summary of capital expenditure

	2026 $'m	2025 $'m	2024 $'m	2023 $'m	2022 $'m
Total capital expenditure	265.5	320.7	297.0	275.7	230.6

Capital projects for 2026 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 customers by reducing the risk of asset failure and maintaining water quality standards. The major capital expenditure projects for 2026 were:

- CBD Stage 4 – Siddeley Street sewer augmentation and main structural relining sewer pipe and rehabilitation
- Werribee River Crossing
- Sewer Property Connection Renewal Emergency Housing Connection Branch
- Romsey Water Filtration Plant augmentation
- Installation of new Digital Metering Service
- Bald Hill Tank construction
- Water Pipe Connection Property Service Installations
- Woodend Recycled Water Plant upgrade dewatering

Summary of financial performance

	2026	2025	2024	2023	2022
Cash interest cover (times)	(0.3)	(0.3)	1.8	1.8	2.9
Gearing ratio (%)[1]	70.6	69.0	66.5	63.1	61.7
Internal financing ratio (%)	0.0	0.0	0.0	20.1	47.9
Current ratio (times)[2]	2.6	0.9	0.8	0.8	0.8
Return on assets (%)	(0.6)	5.1	5.7	4.2	(21.2)
Return on equity (%)	(11.9)	5.3	7.6	4.3	(56.3)
EBITDA margin %	8.7	33.6	33.3	27.0	(64.7)

The following notes relate to all above tables

1 Gearing ratio is calculated based on total debts (including leases) over total assets.

2 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

No matter or circumstance, other then the disclosures on page 138 of this annual report, have arisen since 30 June 2026 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 2026.

See also note 9.7, page 138.

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 and non-residential connections

GWW provides different types of water to customers in our service area. The table details water use by residential and business customers in 2025–26.

Residential connections	Number of residential connections (#)		615,533
	Potable[1] water volume consumed by residential connections (ML)		85,169
	Per capita daily residential potable water consumption (ML)		156
	Recycled water volume used by residential connections (ML)		1,777
	Treated stormwater volume used by residential connections		-
Non-residential connections	Number of non-residential connections (#)		54,647
	Potable water volume consumed by non-residential connections (ML)		42,260
	Recycled water volume (end use) used by non-residential connections (ML)	Commercial purposes	496
		Industrial purposes	33
		Agricultural purposes	4,695
		Municipal purposes	689
		Beneficial allocation	-
		Total (ML)[2]	5,913
	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	96
		Beneficial allocation	-
		Total (ML)	96
	Total number of connections[3]		670,180
	Total potable water consumed (ML)[4]		127,429
	Total recycled water and stormwater volume (ML)		7,787
	Total volume of water used by connections (ML)		135,216
	Average annual water consumption[5] (ML)		138,130
Non-revenue water	Leakage (ML)[6]		17,210
	Firefighting (ML)		740
	Other (ML)		2,697
	Total non-revenue water (ML)		20,647
	Total volume of water from all sources (ML)		155,863

Notes

1. Includes 1,281 ML of potable water supplied through residential recycled water connections
2. Includes 264 ML of potable water supplied through non-residential recycled water connections
3. Given as the total number of potable water connections
4. This is calculated as the bulk potable water volume supplied to GWW's service region measured by system boundary flow meters
5. Average of the past 5 years including this year
6. The water attributed to leaks (known as real losses) is calculated as total non-revenue water, less authorised non billed consumption (IWA allowance of 0.5% of water in) less apparent losses (made up of unauthorised losses - IWA allowance of 0.1% of water in and metering losses - IWA allowance 2% of billed water)

Note: Rainwater use: The most recent investigation into rainwater use was the Appliance Stock and Usage Patterns Survey (2021), which found that 22% of GWW residential dwellings have a rainwater tank. Rainwater is mainly used for watering the garden, flushing toilets and cleaning the car or driveway.

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*

Air Liquide Australia Limited
Air Trunk Pty Ltd
Asahi Premium Beverages - Laverton
Asahi Premium Beverages - Tullamarine
Australian Pacific Airports Corporation – Melbourne Airport
Baybrick Landco Pty Ltd
Carlton & United Breweries Ltd
Cleanaway Pty Ltd
Commonwealth Managed Investments & Victoria Square QV Investments Pty Ltd
CSF Proteins Proprietary Limited
CSR Building Products Limited
Department of Health - Victorian Comprehensive Cancer Centre
Department of Justice - Port Phillip Prison
Diamond Valley Pork Pty Ltd
Essendon Airport
GPT Funds Management Limited - Highpoint Shopping Centre
Integro Foods Australia Pty Ltd
Ixom Operations Pty Ltd
Jeskan Nominees Pty Ltd
Maida Investments Pty Ltd
Melbourne Health
Melbourne Water - Yarraville
Mobil Refining Australia Pty Ltd
NEXTDC Limited
Nufarm Australia Limited
Peerless Holdings Pty Ltd
Saizeriya Australia Pty Ltd
The Australian Steel Company (Operations) Pty Ltd
The Royal Children's Hospital
University of Melbourne
Werribee Open Range Zoo
Western Health
Wilmar Sugar Pty Ltd
Woolworths Limited
Zoos Victoria - Melbourne Zoo
3026Plus Pty Ltd
40 Buyscourt Pty Ltd

* Includes recycled water use

This is best available information on 30 June 2026. Due to issues with our billing and collections system, some data may be incomplete or contain inaccuracies. We are addressing these issues through our Path Out program and broader improvement initiatives.

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

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	35
Equal to or greater than 100 ML and less than 200 ML	25
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	2
Greater than 1,000 ML	1
Total number of customers	**72**

Note: this table only includes customers using more than 50ML per year.

Customer bills

We have continued to address the issues caused by the introduction of a new customer billing and payment system in 2024–25 to replace two out-of-date legacy systems.

The new system is up and running, and servicing around 650,000 customers across our service area. While progress has been made, we know some customers are still experiencing issues, including delays in receiving bills, and there is more to do. And challenges remain, most notably underlying system and data issues that we continue to address.

Over the past year, we have been focused on fixing the issues and improving customer experience. We've applied bill credits and waived charges in line with the requirements of an Enforceable Undertaking agreed with the ESC. We have increased capacity across our contact centre and back-office teams, helping customers reach us more easily. We have also maintained extended contact centre hours, including earlier mornings, evenings and weekends, and continued our local customer care days. Customers can also access face-to-face support at our offices during business hours. We remain focused on strengthening our systems and processes and delivering the service our customers expect and deserve.

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

Indicator	2025–26
Residential bill – owner-occupier ($ actual)	
The actual bill for an owner-occupier with typical (average) water use on the year	$1,070.00
Residential bill – tenant ($ actual)	
The actual bill for tenant with typical (average) water use on the year	$547.70
Typical (average) water use (kL) assumed in owner-occupier and tenant bill calculations	150 kL
Non-residential bill – business ($ actual)	
The annual bill for a business using 3 ML per annum in 2025–26	$16,264.80

In 2025–26, we continued to align price paths for central and western (ex-Western Water) regions in line with the ESC's 2024 GWW Determination. This transition will deliver a similar price for a similar service across our service region in the long term.

Our price submission to the ESC included a commitment to customers to keep bills relatively stable. For 2025–26, owner-occupier and tenant bills increased by 3.1% and 3.2% in nominal terms (0.6% and 0.8% in real terms) respectively. We increased funding to our customer support programs to make sure we could assist customers experiencing financial hardship.

Customer support

Community service obligations

Community service obligations	2024–25 ($'000)	2024–25 (No of customers assisted)	2025–26* ($'000)	2025–26* (No of customers assisted)
Provision of water and sewerage concessions[1]	26,420	86,485	28,781	89,369
Rebates paid to not-for-profit organisations under the water and sewerage rebate scheme[2]	637	2,610	738	2,687
Utility relief grant scheme payments[3]	1,077	5,238	2,762	6,945
Water Concession on life support machines[4]	8	27	7	23
Hardship Relief Grants[5]	178	866	129	399

* This is best available information on 30 June 2026. Due to issues with our billing and collections system, some data may be incomplete or contain inaccuracies. We are addressing these issues through our Path Out program and broader improvement initiatives.

1. 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 $372.10.
2. 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.
3. 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.
4. 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 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.
5. GWW offers customers a range of support and payment options to help manage their bills.

Community programs

In 2025–26, 73 customers were assisted 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 water efficiency of the properties they provide. We plan to prioritise the program in 2026–27 to increase participation.

Customer bill support and customer responsiveness

Key performance indicator	2024-25 result	2025-26 result	% Variance to prior year	Notes	2026 target	Variance to target
Water bills – customers on flexible payment plans						
Number of customers with instalment plans	28,981	35,669	23	1	NA	NA
Water bills – customers awarded hardship grants						
Number of customers awarded hardship grants	262	399	52	2	NA	NA
Customer responsiveness - water quality complaints						
Number of complaints per 100 customers	0.35	0.40	15		0.25	0.15
Customer responsiveness – number of payment issue complaints						
Number of complaints per 100 customers	0.69	1.02	48	3	0.25	(0.77)
Customer responsiveness – total complaints						
Number of complaints per 100 customers	1.06	1.43	35	3	0.5	96

Notes:

1. The number of customers on flexible payment plans increased by 23% (6,688 customers) compared with the previous year. The increase indicates a higher level of customer uptake of payment support arrangements during 2025–26, with more customers accessing flexible payment options to assist in managing their accounts.
2. Hardship grants continue to provide essential financial assistance to customers in their efforts to reduce outstanding water debt and improve their long-term financial stability. The number of customers participating in GWW's hardship program increased from 5,377 in 2024–25 to 7,412 in 2025–26, reflecting ongoing cost-of-living pressures and increased customer need for financial assistance. GWW's proactive community engagement and support initiatives have helped identify and assist customers earlier, ensuring they can access tailored hardship support and payment assistance options. Of customers participating in the hardship program, 1,659 held an instalment plan as at 30 June 2026, with 90% meeting their agreed repayments compared to 67% in 2024-25. GWW expects hardship program participation to continue to increase during 2026–27 as catch-up billing activities progress and proactive customer outreach identifies customers who may benefit from additional support.
3. Payment complaints and total complaints increased due to technical issues with the new billing system, including direct debit issues, delayed bills, high bills, consolidated bills, concessions and refund issues.

Water use and efficiency

GWW continues to deliver programs and initiatives that improve urban water efficiency across residential, education and community sectors. These programs support the objectives of Water for Victoria and sustainable water strategies, including the *Central and Gippsland Region Sustainable Water Strategy*. They contribute to reduced water consumption, improved leak detection, increased community awareness, and long-term behavioural change, supporting a more sustainable urban water future.

Water Efficiency Plan and Community of Practice

We are collaborating with Melbourne Water, South East Water, Yarra Valley Water and Barwon 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.

WaterSmart

GWW is delivering the Victorian Government's WaterSmart program. The program is aimed at helping non-residential customers to monitor and understand their water use through digital water monitoring and water efficiency assessments. More than 100 sites have installed digital water use monitoring that has helped identify water leaks. Four sites have completed water efficiency assessments with a larger rollout of assessments expected in 2026–27.

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. This work has concluded and will be used to provide benchmarks for water efficiency assessments in the WaterSmart program.

Western Irrigation Network (WIN)

We continued to 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.

Schools Water Efficiency Program

The *Central and Gippsland Region Sustainable Water Strategy* sets a target for 80% of government schools in our service region to become waterwise by 2030 by participating in the Schools Water Efficiency Program (SWEP). SWEP helps schools identify leaks, reduce water use and promote water education. Using water meter data loggers, the program monitors water consumption and detects leaks, helping schools save water and money. It also gives students opportunities to learn about water efficiency at school and at home.

In 2025–26, the 215 schools participating in SWEP, representing 54% of government schools in our service region, saved 103.1 million litres of water and an estimated $448,000. To further support the program, GWW's Education team introduced a new incursion, Waterwise @ School, which helps students and teachers use the platform more effectively and build lasting water-saving behaviours.

Targeted engagement was also undertaken with high water-use schools in the Macedon Ranges, supported through the WaterSmart program, including funding for data loggers. A case study with Arnold's Creek Primary School demonstrated the effectiveness of early leak detection in driving significant water savings.

GWW also contributes to the DEECA SWEP Advisory Group, supporting program delivery and sector-wide uptake. From March 2026, free participation was introduced to accelerate adoption across government schools.

Thriving Communities – water efficiency initiatives

In 2025–26, GWW funded five water efficiency projects, including two strategic sponsorship initiatives delivered in partnership with community care groups dedicated to environmental protection. These projects deliver benefits across water conservation, biodiversity and community wellbeing.

Two projects focus on community-led environmental stewardship, combining water efficiency outcomes with ecosystem restoration and education:

- The river system restoration and platypus conservation project aims to strengthen the long-term resilience of the platypus population by improving habitat conditions to connect upstream and downstream populations and contribute to genetic diversity.
- Kororoit Creek catchment health and community stewardship project aims to improve the ecological

health and community care of the Kororoit Creek catchment across Brimbank and Hobsons Bay LGAs. It will do this by restoring and caring for habitat, integrating Indigenous cultural knowledge and delivering freshwater and marine science education programs.

Education programs

GWW delivers education programs that promote efficient water use across schools, early learning centres and community groups. In the past year:

- 619 education sessions were delivered
- 253 schools and centres participated
- 14,776 participants were reached.

These programs build community awareness and support behavioural change to reduce water consumption in residential and non-residential settings.

National Water Week poster competition

GWW supports National Water Week, an initiative promoting the value of water and encouraging responsible water use across the community.

In 2026, under the theme ‘Water Heroes: Saving Every Drop’:

- 3,315 students participated
- 40 schools and centres across 10 LGAs were involved
- Al Iman College (Melton) received a $500 prize to support a school-based sustainability project.

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. It's a vibrant and culturally diverse region that supports significant economic development and diverse natural resources.

Engaging with community

We define engagement as the process of involving the people who benefit from, or are affected by, our projects, programs or services. This helps us make better decisions together.

Our Engagement Framework sets out the principles that guide meaningful engagement. It outlines how we design and deliver engagement to make sure it is consistent with community needs.

- **Engagement Framework 2026–30:** we finalised and began implementing our Engagement Framework 2026–30. The framework was informed by customers, communities and stakeholders. It describes our approach to inclusive, transparent and accountable engagement, and strengthens the way we use community insights across the organisation.
- **Customer care days:** we continued the customer care day program, delivering 80 events this year. We are supporting customers by giving them with an opportunity to speak directly with customer service specialists about billing, payment plans, grants, concessions and other account-related matters.
- **Evaluating engagement:** we strengthened our approach to engagement evaluation in line with our Engagement Framework principles. By measuring engagement outcomes across projects, we can better understand what works, strengthen accountability and drive continuous improvement. We can show the value of engagement in building trust, deepening relationships and supporting informed participation in decision-making.
- **Capital works and infrastructure engagement:** we support all high impact infrastructure projects with a tailored communications and engagement plan. The approach is informed by the context and priorities of each community and designed with input from community and stakeholders to make sure engagement is relevant and inclusive.
- **Rolling engagement and events program:** we maintain an ongoing presence through an engagement and events program that includes pop-up events, drop-in sessions and digital channels. By providing a range of ways to participate, in person and online, we work to remove barriers and ensure all voices can be heard.
- **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 at least annually to discuss our performance against agreed customer outcomes.
- **Targeted engagement with interest groups:** we continue to strengthen relationships with community and environment groups, including culturally and linguistically diverse communities and First Nations peoples, through engagement, information sharing and advocacy.

Thriving communities grants and sponsorships

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

Local Community Sponsorship

Total investment - $106,947 (22 projects)

Organisation	Project	Investment $
Aboriginal Wellness Foundation	Western Region NAIDOC Ball	$5,000
Albion Football Club	Deliver Inclusive Participation	$5,000
Angliss Neighbourhood House	Welcome to the Neighbourhood	$4,998
Christmas at the Lakes	Christmas at the Lakes 2025	$5,000
Community Bike Hub	RE-cycle Volunteer Program	$5,000
Creative Ranges Foundation	MRYIM Spring Youth Festival	$5,000
Eastern Macedon Ranges Business and Tourism Association	Christmas in Romsey Festival 2025	$5,000
Footscray Hockey Club	NAIDOC week, Family day	$5,000
Footscray Yarraville City Band	Carols in the Gardens	$5,000
Gisborne and District Lions Club	Lions Gisborne Festival 2025	$5,000
Grand United Cricket Club	Sunshine Cricket Blast Program	$3,125
INCommunity Care Services	INCommunity Care Services	$5,000
Indian Women in Australia	Empowering Indian Women in Australia	$5,000
Laverton Youth Foundation	Youth Tournament	$5,000
Lions Club of Riddells Creek	Pollinator Garden for the Lions Memorial Park	$4,800
Pinkerton Landcare and Environment Group Inc	Pinkerton Link Wildlife Corridor Weed Control	$5,000
Seaholme Kindergarten	Painting a Colourful History	$4,320
Sunbury Community Festival Inc	SunFest 2026	$5,000
Sunbury Community Garden	Sunbury Childrens Garden Improvements	$4,704
Western Edge Youth Arts	Thrive: Edge Ensembles	$5,000
Western United SC Inc	Multicultural Music, Dance and Food Festival	$5,000
Women of Colour Melbourne Inc	Women of Colour Melbourne Wellness Workshops	$5,000

Community grants

Total investment: $67,106 (5 projects)

Organisation	Project	Investment $
Altona Meadows Community Centre	Green Thumb Girls	$7,840
Bacchus Marsh Platypus Alliance	Clean Site for Platypus	$20,000
Jawbone Marine Sanctuary	From the Creek to the Bay	$11,000
Romsey Neighbourhood House Inc	Romsey Community Support Crisis Trailer	$13,266
West Welcome Wagon	Community Reach Out Days	$15,000

Strategic community sponsorship

Total investment: $50,000

Organisation	Program	Investment $
Western Bulldogs Community Foundations	Nallei Jerring Youth Leadership Program	$25,000
Western Chances	Scholarships and West Connect Event Series	$25,000

Recreational values

GWW does not directly manage regional waterways or environmental advocacy programs. However, we recognise the important role healthy waterways and natural environments play in supporting thriving communities. We work with partners and stakeholders to understand environmental priorities and ensure they are reflected in our planning and decision-making.

We integrate community values and environmental aspirations into our long-term planning processes, particularly in relation to waterway health, environmental sustainability and future water services. Through ongoing engagement and collaboration, we seek to understand a broad range of perspectives and use these insights to help shape our strategic priorities and operational activities.

A key example is GWW's formal partnership with the Maribyrnong Rivers and Waterways Association (MRWA). Through this partnership, we gain a deeper understanding of the environmental challenges and opportunities across our region and how we can adapt our operations to support positive environmental outcomes. The partnership helps ensure our activities consider the health of waterways and the broader environment, while contributing to long-term sustainability goals.

By working with organisations such as MRWA and other community stakeholders, we can create positive outcomes across the communities we serve. These partnerships provide valuable insights into community expectations and aspirations, helping to inform the development of our next price submission and urban water strategy and ensuring our future plans reflect local priorities.

Community education and engagement programs delivered in partnership with environmental organisations also help us identify areas for future focus and investment. As we continue to invest in wastewater treatment plant upgrades and other infrastructure improvements, we consider how partner perspectives and community aspirations can be incorporated to strengthen environmental outcomes and drive continuous improvement across our services.

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 Servicing Advice Application pathway so developers can confirm servicing options and obligations before lodging formal connection applications. In 2025–26, we received 234 Servicing Requirements Advice applications.

Connection capacity

The total number of new residential connections in 2025–26 was 16,772. While GWW does not report against population growth directly (as we connect property 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.

Recognise Aboriginal values

Partnerships with Traditional Owners

Our Traditional Owner Water Program is developing formal partnership and funding agreements with Traditional Owners of Country that GWW operates on. The agreements seek to support self-determined capacity and capability uplift and identify priority projects that drive water planning and management outcomes. This includes investigating opportunities for whole of Country planning, minimising our impact on Country, and delivering cultural water to Traditional Owners. We are working in partnership on several projects and have been discussing opportunities for formal partnership agreements with all Traditional Owners of our service area.

GWW currently has one formal partnership agreement with Taungurung Land and Waters Council to support capacity and capability uplift for water planning and management. The partnership supports Baan Ganalina (Guardians of the Water) Taungurung water knowledge community group, broader water program activities, and resourcing to heal Country through skills development, informed decision-making and ongoing collaboration.

GWW is a member partner of Djaara's Wanggal Group, which oversees implementation of the Gatjin (water) strategy. We have two co-funding agreements that support a water advisory group of Djaara Elders (Kapa Gatjin) and a Djaara-centred engagement approach for Urban Water Strategy and Price Submission on Djandak. Water planning and management projects are driven by a collaborative Urban Water Planning Working Group.

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 developed a strong relationship with Koling Wada-Ngal Aboriginal Corporation (KAC). We worked with KAC to integrate feedback on our 2026–27 RAP and sponsor the 2025 Western NAIDOC Ball. GWW is a corporate partner with Kinaway Chamber of Commerce and is engaging with them to better inform our First Nations procurement decisions.

Creating opportunities for Aboriginal businesses

GWW's Social Procurement Strategy prioritises creating opportunities for Victorian Aboriginal people by embedding Aboriginal inclusion into procurement practices. Key measures include a target of 1% of total spend with Aboriginal-owned businesses and allocating 10% of Natural Resource Management expenditure to Traditional Owners Corporation suppliers where agreements exist.

In 2025–26 we engaged 15 Aboriginal businesses, spending a total of $3.8 million, with 56% of that expenditure supporting maintenance and field services.

The strategy focuses on increasing direct purchasing from Victorian Aboriginal businesses and creating employment opportunities for Aboriginal people. To address barriers, GWW supports supplier capability development, improves access to opportunities, applies flexible procurement approaches, and strengthens engagement with Traditional Owners.

The approach combines clear targets, supportive practices and accountability to drive meaningful Aboriginal participation and long-term economic and community outcomes.

Number of all tender requests GWW received in 2025–26: 104

Number of tender requests received from Aboriginal businesses in 2025–26: 1

Number of tender requests accepted from Aboriginal businesses in 2024–25 and 2025–26: Nil

Integrated water management

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

Integrated water management forums

GWW is an active member of the Werribee, Maribyrnong, Yarra and Coliban IWM forums and working groups. Over 2025–26, we continued to support implementation of the catchment action plans, putting forward two new priority actions: Sunbury Recycled Water for Environment (Maribyrnong catchment) and Djerriwarrh Reservoir Water Returns (Werribee catchment). Both projects secured funding through DEECA's Integrated Water Management Grant Program 2025–28. GWW partnered on five other projects seeking funding, with four grant applications successful at the time of writing.

GWW continues to support partner-led planning by contributing to new precinct and subdivision planning and providing referral input for developer IWM plans.

Stormwater Harvesting Partnership Program

GWW is working closely with councils to keep open spaces green by increasing the use of alternative water sources. This year, we identified and progressed several stormwater harvesting projects that can replace drinking water with treated stormwater for open space irrigation. Two key projects, O'Brien Street Stormwater Harvesting Project in Hume and Cherry Creek Stormwater Harvesting Project in Hobsons Bay, have secured funding from GWW, the relevant council and DEECA. Additional projects are expected to receive funding in the next financial year.

Recycled water

GWW continued to advance initiatives to maximise the value of our recycled water services, focusing on internal uplift, exploring new customer connections for large water users, and collaborating with other water corporations to address underuse of recycled water in residential estates. We also advanced work on a new pilot program to expand or deliver new recycled water infrastructure via recycled water offsets.

Trees for Schools

In partnership with DEECA, the Trees for Schools Program continued to grow in 2025–26. Through this program, 90 schools across the service region each received up to 50 trees to plant on site. The program provides valuable opportunities for sustainability and environmental education, while delivering long-term benefits of improved health and wellbeing, increased shade and enhanced local amenity.

Jacksons Creek Regional Park

We continued to collaborate with Hume City Council, Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation, Parks Victoria, the Victorian Government and Melbourne Water to plan the Jacksons Creek Regional Park (Biik Wurrdha) project. This project will deliver a 1,000-hectare public reserve in Sunbury, supporting cultural recognition, environmental restoration and community connection to Country.

Chain of Ponds

The Chain of Ponds collaboration is transforming Moonee Ponds Creek into a more natural and accessible waterway, improving social, cultural and environmental outcomes. The collaboration brings together representatives from local and state government, community groups, not-for-profits, water authorities and research organisations.

Pinkerton Landcare and Environment Group

GWW partnered with Victoria University and the Pinkerton Landcare and Environment Group to deliver a community tree planting initiative at Pinkerton Link, Mount Cottrell. Key outcomes included:

- planting more than 700 native understorey plants, improving habitat connectivity with Pinkerton Forest
- restoring a degraded site, formerly used as a sewage sludge paddock
- improving biodiversity, soil health and stormwater retention.

The project demonstrates the long-term impact of community-led environmental restoration and integrated land and water management.

Drought preparedness

The *Melbourne Annual Water Outlook* reported drier conditions across Greater Melbourne and in GWW's local storages, but assessed there is a rare likelihood (1–4% chance) of needing water restrictions in 2025–26. GWW did not impose water restrictions during the year. We worked with the metropolitan water corporations to prepare for dry conditions and continued 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.

Environmental statutory obligations

Managing impacts to water quality

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

Drier than average conditions occurred in 2025–26. However, the irrigation season was impacted by higher-than-average rainfall, particularly in the latter end of the typical season. As a result, a larger proportion of treatment plant inflows was discharged to waterways this year. We have been continually optimising our treatment processes to minimise nutrients in the discharges.

Compliance is assessed against water quality and discharge volume limits specified in the licence issued by EPA for each RWP. These limits are either an annual median or maximum amount. During 2025–26, except for Sunbury, all remaining recycled water discharges to surface waters complied with EPA licence limits.

At Sunbury RWP there was an exceedance of volume limit to receiving waterway. EPA was notified. To mitigate future exceedances, upgrades are planned for Sunbury RWP.

Where discharges occurred, the risk to the environment and human health was assessed through water quality 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 RWPs 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 progressing 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
- WIN.

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 the service region when they are developing onsite wastewater management plans (OWMPs). We require applicants to enter into Section 173 Agreements where a new OWMP is proposed.

Moorabool Shire council's OWMP expired in March 2026. Macedon Ranges Shire council's OWMP, endorsed in 2019, has expired and is due for review.

We also did annual soil and groundwater monitoring on land receiving recycled water and implemented corrective actions to eliminate contamination of land.

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 the service 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 WIN project to increase re-use and reduce discharge from Melton RWP
- collaborating with the EPA to investigate emerging contaminants in recycled water
- investigating opportunities to return water to the environment and improve environmental flows
- enhancing biodiversity along the stream frontages within our control
- investigating environmental and cultural water returns in the Werribee and Maribyrnong catchments
- undertaking a pilot project to investigate recycled water to environmental flows in Jacksons Creek.

Net zero carbon, zero waste and circular economy

Circular economy

GWW continues to support and participate in partnership-based research and development (R&D) initiatives that advance circular economy principles and contribute to the targets in *Recycling Victoria: A new economy*.

GWW has 10 active R&D projects supporting a transition to a low or zero carbon future. These projects aim to reduce reliance on virgin natural resources and enhance:

- resource reuse
- recovery and recycling outcomes
- sustainable by-product use.

Key areas of focus include:

- waste-to-resource initiatives (energy recovery, biosolids, nutrients, plastics)
- water reuse and recycling
- giving a value to by-products.

Circular economy initiatives make up our second largest R&D category, following water and wastewater treatment technologies. We deliver these projects through strong collaborative partnerships with:

- research institutions such as Victoria University, RMIT and UTS
- industry bodies including VicWater, Intelligent Water Networks and Water Research Australia.

These partnerships enable innovation, knowledge sharing, and scalable solutions that support the objectives of a circular economy within the water sector.

Net zero carbon and zero waste

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

In 2025–26, 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 developing a solar array preliminary business case on an extra 16 large electricity using sites and procuring 100% renewable electricity from 1 January 2026.
- **Waste to energy project:** exploring ways to optimise energy sources by adding organic waste to an anaerobic digester at Melton RWP to increase renewable energy generation.
- **Repurposing waste from water treatment into 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:** generated 2,807 dry tonnes of biosolids and 2,229 tonnes (79% 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 plantings.
- **Zero Emissions Water (ZEW) Power Purchasing Agreement:** ZEW is a partnership between 12 Victorian water corporations to reduce emissions via a Power Purchasing Agreement with the Kiamal Solar Farm. GWW is the largest shareholder in ZEW with a 30% stake.

Climate change reporting

Emissions reduction

GWW's net emissions, following the retirement of Large-scale Generation Certificates (LGCs), totalled 16,974 tonnes of CO2-e, which is 38% below net emissions from 2024–25. We continued to meet our current Carbon Pledge target of 27,586 tonnes of CO2-e in line with the Statement of Obligations (Emission Reduction). This was achieved by procuring 100% renewable electricity from 1 January 2026 and surrendering 33,373 LGCs.

Scope 1 and 2 emissions

Total scope 1 and 2 emissions

	Greenhouse gas emissions (t CO2-e)				
		25–26 result			
Service delivery category	**24–25 total emissions**	**Scope 1 emissions**	**Scope 2 emissions**	**Total emissions**	**Variance**
Water treatment and supply	11,967	6	13,122	13,129	10%
Sewage collection, treatment and recycling	28,969	12,493	16,120	28,613	-1%
Transport	935	1,398	0	1,398	50%
Other - Office	637	29	838	866	28%
Total emissions (after Renewable Energy Certificates retirement)	**42,508**	**13,926**	**3,048**	**16,974**	**-38%**
Carbon offsets retired (Australian Carbon Credit Units)	14,922	0	-	0	
Net emissions (after offset retirement)	**27,586**	**13,926**	**3,048**	**16,974**	**-38%**

While net emissions reduced, emissions from Transport fuels saw an increase of 50%. This can be attributed to a large increase in diesel consumption by the Field Maintenance Services team, as the Future State Maintenance Delivery Model (FSMDM) was progressively rolled out. Emissions in the Other category increased by 28%. This was primarily due to the addition of electricity consumption at sites associated with FSMDM operations. Emissions from Water treatment and supply increased by 10% due to increased transfers of water from the Melbourne Water system compared to the previous year. Emissions from Sewerage collection, treatment and recycling decreased slightly due to a correction in the number of households connected to the Melton RWP and an increase in the volume of biogas captured for combustion.

No Australian Carbon Credit Units were surrendered during 2025–26.

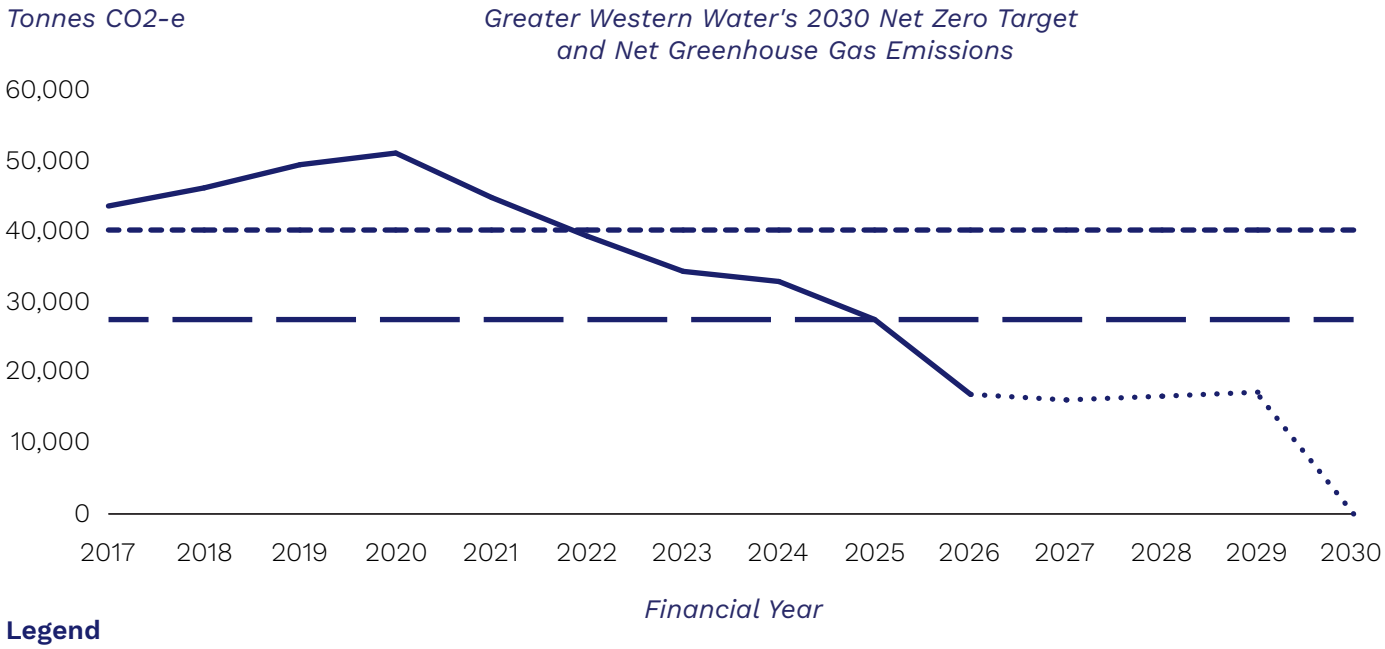
Scope 1 and 2 emissions by greenhouse gas

	Scope 1 and 2 emissions by greenhouse gas (in tonnes and converted to tCO2-e)			
Service delivery category	**Carbon dioxide (CO2) tCO2-e**	**Methane (CH4) tCO2-e**	**Nitrous oxide (N2O) tCO2-e**	**Other tCO2-e**
Water treatment and supply	13,122	0	0	0
Sewage collection, treatment and recycling	16,695	9,133	2,792	0
Transport	1,389	0	9	0
Other (offices, depots, etc.)	866	0	0	0
Total	**32,072**	**9,133**	**2,801**	**0**

The above table shows that in 2025–26 GWW greenhouse gas emissions constituted 32,072 tonnes of carbon dioxide, 9,133 tonnes carbon dioxide equivalent of methane and 2,801 tonnes carbon dioxide equivalent of nitrous oxide.

Progress towards our 2030 Net Zero target

The graph shows GWW's trajectory towards our 2030 Net Zero emissions target.



While our greenhouse gas emissions increased between 2017 and 2020, net emissions decreased between 2020–21 and 2025–26. This reduction has been achieved through a combination of:

- substitution of grid electricity with behind-the-meter renewable energy installations
- generating more biogas at Melton RWP
- introducing energy efficiency opportunities
- procuring 100% renewable electricity for all of our sites from 1 January 2026.

Net emissions are forecast to rise slightly out to 2030 before net zero emissions is achieved.

Scope 3 emissions

Scope 3 emissions source	Scope 3 emissions (in tCO2-e)	Passenger kilometres (km)
Commercial air travel	7.0	48,500
Waste disposal	271.8	NA
Total	**278.8**	**48,500**

The table shows that our total Scope 3 emissions from waste was 271.8 in 2025–26. Total Scope 3 emissions from air travel was 7.0 tCO2-e, resulting from 48,500 kilometres of air travel. Total reportable Scope 3 emissions was 278.8 tCO2-e.

Increasing renewable energy

Total electricity consumption (segmented by service delivery category)

Total electricity use	2024–25 MWh	2025–26 MWh	% change
Water treatment and supply	15,827	16,233	2.6%
Sewage collection, treatment and recycling	21,804	22,175	1.7%
Other (office, workshops, depots, etc.)	828	1,034	22.5%
Total	**38,459**	**39,442**	**2.5%**

A total of 39,442 megawatt hours (MWh) of electricity was used by GWW in 2025–26. This is a 2.5% increase compared to 2024–25. Electricity use by water treatment and supply increased 2.6% while sewage collection, treatment and recycling increased by 1.7%. Other electricity use increased by 23% with the inclusion of the West Melbourne Depot following the progressive roll out of FSMDM.

Total electricity consumption (segmented by source)

Electricity source	2024–25 Total electricity consumption (MWh)	2025–26 Total electricity consumption (MWh)
Purchased directly through electricity retailer	36,108	37,136
Not directly purchased but sourced from outside the organisation	0	0
Corporation led/self-sourced activities and initiatives	2,367	2,306
Total (by source)	**38,475**	**39,441**

The table shows that GWW used more electricity that was purchased through a retailer in 2025–26 than 2024–25. Self-generated electricity decreased marginally. Overall, electricity consumption rose by 2.5% to 39,441 MWh.

Total renewable electricity consumption by source

Renewable energy source	2024–25 Renewable electricity used (MWh)	2025–26 Renewable electricity used (MWh)	2025-26 Renewable electricity consumption (% of total consumption)	Variance between current and previous year
Total renewable electricity consumption from grid-sourced electricity GWW reported because of the Commonwealth Government's LRET				
Total Grid Sourced: Mandatory	6,673	6,421	16.3%	-3.9%
Total renewable electricity consumption from corporation led/self-sourced activities				
1. Solar	1,369	1,312	3%	-4.3%
2. Hydroelectric				
3. Wind				
4. Biogas	998	994	3%	-0.5%
5. Greenpower	267	0	0%	NA
6. Other				
Total corporation led/self-sourced	**2,635**	**2,306**	**6%**	**-14.3%**
Total renewable electricity consumption	**9,307**	**8,726**	**22%**	**-6.7%**

The above table shows that 22% (8,726 MWh) of GWW's electricity consumption was sourced from renewable sources. This included 6,421 MWh of renewable energy embedded in electricity sourced from the grid and 2,306 MWh of self-generated renewable energy. Self-sourced renewable energy decreased by 14.3% compared to 2024–25. Renewable electricity from biogas was down 0.5% compared to last year, while solar array generation was down by 4.3%. The cessation of the purchase of GreenPower for one site for 2025–26 reduced self-sourced renewable electricity by 12%, which accounted for the bulk of the total 14.3% reduction. No other renewable electricity sources were used during 2025–26.

Total onsite renewable electricity generated

		2025–26 Total onsite renewable electricity generated (MWh)					
		Renewable (large-scale) system			Renewable (small-scale) system		
Renewable electricity source	2025–26 Total onsite renewable electricity generation capacity (MW)	Consumed onsite	Exported	Other	Consumed onsite	Exported	Other
Biogas	0.325	994	0	0	994	0.325	994
Hydroelectric	0	0	0	0	0	0	0
Solar	1.195	1,312	615		1,927	1.195	1,312
Wind	0	0	0	0	0	0	0
Other renewable	0	0	0	0	0	0	0
Total (renewable)	**1.520**	**2,306**	**615**	**0**	**2,921**	**1.520**	**2,306**

The above table shows that 2,306 MWh of renewable electricity was generated and consumed at GWW's assets and 615 MWh of renewable electricity was exported to the grid, resulting in a self-consumption rate of 79%. No other renewable electricity sources were used during 2025–26.

GWW does not currently record the electricity generated 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	21,266,412	28,764,045	50,030,457
From electricity	4,723,207	133,690,079	138,413,285
Total	**25,989,619**	**162,454,124**	**188,443,742**

The above table shows that in 2025–26 GWW used 25,989,619 GJ of energy from renewable sources and 162,454,124 GJ of energy from non-renewable sources. Renewable energy sources consisted of 21,266,412 GJ of biogas and 4,723,207 GJ of electricity from solar arrays. Non-renewable energy sources consisted of 28,764,045 GJ from fuels and 133,690,079 from electricity.

Total energy usage per FTE employee

Total energy usage (fuels and electricity) GJ	Total FTE employees	Energy usage (GJ) per FTE employee
188,443,742	1,026	183,668

The above table shows that in 2025–26 GWW used 183,668 GJ of energy per FTE (full time equivalent) employee.

Total stationary fuel use in buildings and machinery

	Total stationary fuel use (buildings and machinery)	
Fuel type	**in GJ**	**In tCO2-e**
Fossil gas	554	29
Biogas	0	0
Diesel	8,222	577
LPG	0	0
Petrol	0	0
Other	0	0
Total	**8,776**	**606**

The above table shows that in 2025–26 GWW used 8,776 GJ of energy in buildings and machinery, which resulted in 606 tonnes of greenhouse gas emissions. Of the total, 554 GJ of fossil gas was used, which resulted in 29 tonnes of greenhouse gas emissions. In addition, 8,222 GJ of diesel was used which resulted in 577 tonnes of greenhouse gas emissions.

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

REC retirement method	RECs retired: 24-25 (1 REC = 1MWh renewable electricity)	Commentary
Voluntarily retired by GWW	3,798	All Large-scale Generation Certificates (LGCs)
Greenpower	0	
Certified carbon neutral electricity purchased	0	
Voluntarily retired on GWW's behalf	29,575	All LGCs
Total voluntarily retired	33,373	All LGCs
Mandatorily retired	0	
Total RECs retired	**33,373**	

The above table shows that a total of 33,373 LGCs were surrendered in 2025–26.

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

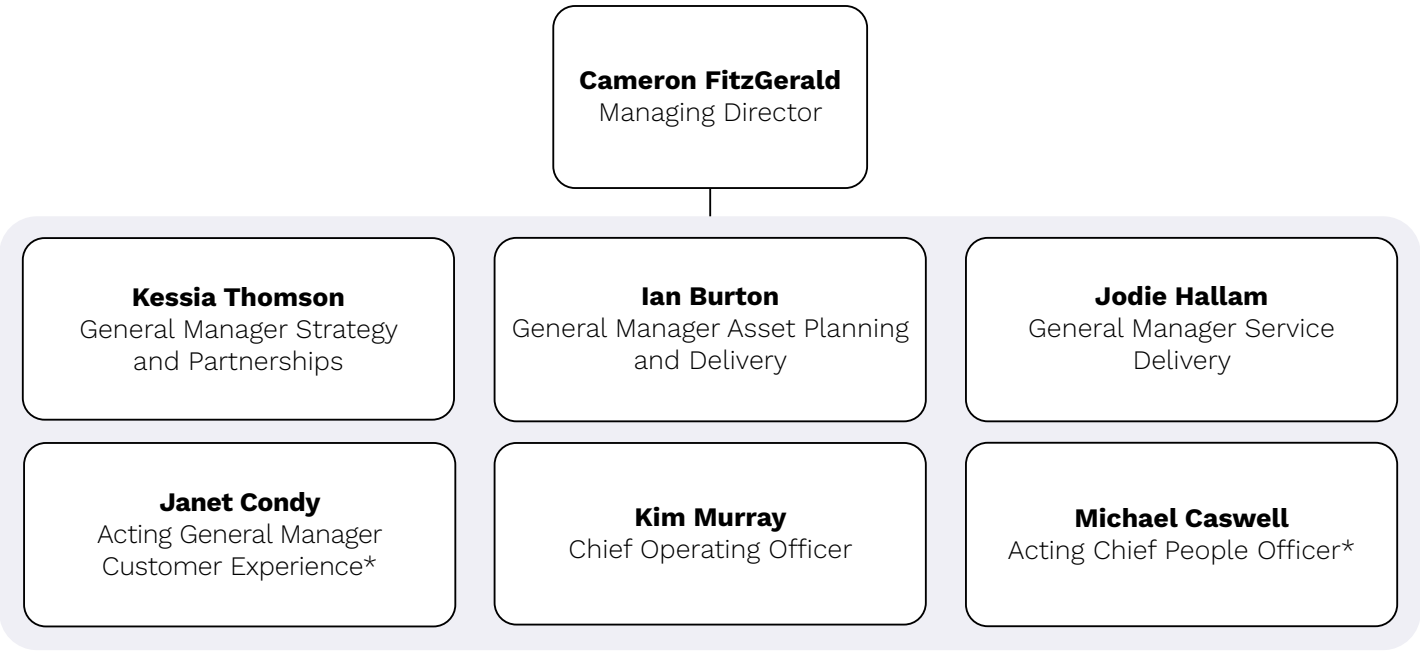
GWW plans and responds to climate change-related risks through corporate and infrastructure planning and delivery and key projects:

- **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.
- **Alternative, climate-resilient water solutions:** we are continuing projects, such as WIN, to support local agriculture, and the Stormwater Harvesting Partnership Program to support open space irrigation.
- **Transforming waterways and creating green spaces:** we contribute to projects such as the Chain of Ponds.
- **Supporting environmental flows and environmental water recovery:** we continue to assess the feasibility of surface water returns and recycled water opportunities and embed them in our planning.
- **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 through the Make Every Drop Count Campaign.
- **Responding to extreme weather:** we are making sure controls are in place to plan for responses to extreme weather events by continuing to build our emergency management capability and business continuity practices.
- **Developing the resilience of critical infrastructure:** we are implementing our Strategic Asset Management Plan and targeted planning for our critical assets.
- **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.
- **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

Executive Leadership Team (at 30 June 2026)



* Substantive roles have been recruited and commenced in August 2026

Strategy and Partnerships

- Partnerships, Engagement and Communication
- Strategy and Sustainable Water Futures
- Enterprise Performance and Regulation

Asset Planning and Delivery

- Asset Management
- Development Services
- Infrastructure Program Delivery
- Infrastructure Project Management Office
- Integrated Asset Planning

Service Delivery

- Field Services and Maintenance
- Service Delivery Planning and Performance
- Wastewater and Reuse Operations
- Water Supply and Operations
- Business Customer Services (trade waste and backflow/recycled water connection compliance)

Customer Experience

- Customer Connect
- Credit and Collections
- Billing
- Commercial and Business Performance

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 Performance
- People Operations and Services

Corporate governance

The Honourable Gayle Tierney was the responsible Minister for Water from 1 July 2025 to 14 April 2026. The Honouable Harriet Shing became Minister for Water on 15 April 2026. 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 of Victoria, appoints the directors of GWW (including the Chair) and sets their terms and conditions. Directors are eligible for reappointment for subsequent terms up to an eight-year limit. The Managing Director is appointed by the Board.

From 1 July 2025 to 30 June 2026, the Board comprised nine non-executive directors and the Managing Director. During this year, the Board also re-appointed an Independent First Nations Board Delegate.

In 2025–26, the Board met 13 times. It is committed to performing its role in accordance with the highest standards of corporate governance.

A review of GWW's Board committees was conducted in October 2025 to strengthen governance in the areas that matter most - financial sustainability, customer trust, organisational culture and implementation of recommendations from external reports relating to billing. This resulted in three committees being dissolved and three new committees being established:

Former Committees

- Risk Management and Audit Committee (1 July to 30 October 2025) - met once
- Resilience and Transformation Committee (1 July to 30 October 2025) - met once
- Culture, Wellbeing and Community Committee (1 July to 30 October 2025) - did not meet

Current Committees

- Audit, Risk and Assurance Committee (31 October 2025 to 30 June 2026) – met four times
- Finance, Performance and Growth Committee (31 October 2025 to 30 June 2026) – met six times
- Culture, Customer and Community Committee (31 October 2025 to 30 June 2026) – met three times

The Board is responsible for setting and overseeing GWW's policies, objectives and strategies, and for

ensuring that risk and operational performance is appropriately managed. The Board approves budgets and significant projects, reviews corporate policies and strategies, oversees progress on key issues affecting the corporation, and ensures GWW fulfils it purpose and complies with relevant legislation, regulations and government guidelines, policies and directions.

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. 4I of the *Water Industry Act 1994*.

Members of the Board

The Hon. Lisa Neville
Chair

BA, B Laws (Hon doc)

The Hon. Ms 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.

Committee membership: Finance, Performance and Growth Committee

Former Committee membership: Culture, Wellbeing and Community Committee; Risk Management and Assurance Committee

Aisha Nicolay
Director

MAICD, BBus (Acc) with Distinction, Major in Law

Ms Nicolay was appointed a Director of the GWW Board in October 2023 and chairs the Culture, Customer and Community Committee. She brings governance, audit and risk, customer and community, infrastructure and strategic growth experience across public-purpose, corporate, not-for-profit and social enterprise sectors, with a focus on inclusion, community wellbeing and sustainable public value. Ms Nicolay is also Chair of the Public Transport Ombudsman and Deputy Chair of the Port of Hastings Corporation.

Committee membership: Audit, Risk and Assurance Committee; Culture, Customer and Community Committee (Chair)

Former committees: Culture, Wellbeing and Community Committee; Risk Management and Audit Committee

Cameron FitzGerald
Managing Director

B. Eng (Chem) Hons, GAICD

Mr FitzGerald was appointed Managing Director of GWW as of 2 February 2026. Mr FitzGerald brings extensive experience in the water sector, including leadership roles at Southern Rural Water, Melbourne Water and City West Water. He led major water security initiatives, including the Target 155 taskforce during the Millennium Drought, embedding water saving behaviours that remain integral to Melbourne's water culture. Mr FitzGerald is committed to strategic planning that supports a sustainable and climate resilient future. His vision includes ensuring cultural knowledge and connection to Country are part of how we deliver water services for generations to come. His approach to leadership enables success through inclusion, collaboration, and the delivery of impactful outcomes.

Committee membership: Culture, Customer and Community Committee; Finance, Performance and Growth Committee. Also attends Audit, Risk and Assurance Committee meetings as a guest.

Cathy Whelan
Director

MAppSc (OrgDyn), Grad Dip Business, ADip. Welfare Studies

Ms Whelan was appointed a Director of the GWW Board from October 2025. Ms Whelan was born and raised in Melbourne's west on Wurundjeri Woi-Wurrung Country and has lived there for most of her life. She has held executive roles in local government and has been a member and chair of boards across the public and community sectors. Ms Whelan works as an organisational consultant to governments, public entities, peak bodies, NGOs and the community sector. She is interested in good service delivery, accountable governance and ever improving outcomes for the people, businesses, communities and natural environments that make up GWW's catchment.

Committee membership: Culture, Customer and Community Committee

Deirdre Blythe
Director

BSc (Hons) FCA FAICD

Ms Blythe was appointed a Director of the GWW Board from October 2025. Ms Blythe is an experienced non-executive director and audit and risk committee chair and currently serves on the boards of Innovation Victoria and Queen Victoria Market, where she is also Chair of their Audit and Risk Committees, and biotech Cell Therapies. She is also Chair of the Audit and Risk Committee at the Department of Premier and Cabinet. As an Executive, Ms Blythe worked as CEO, COO and CFO across health, financial services and the arts in the public, private, and not for profit sectors in Australia and overseas.

Committee membership: Audit, Risk and Assurance Committee (Chair); Culture, Customer and Community Committee

Matthew Burns
Director, Deputy Chair

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, he has deep knowledge of the water sector through his associations with catchment management authorities and other water corporation boards. Mr Burns is currently a director on the Board of the Victorian Aboriginal Child & Community Agency, Maanamak Murrup and Director and Co-Chair of the Self-Determination Fund.

Committee membership: Culture, Customer and Community Committee

Former committee: Culture, Wellbeing and Community Committee

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: Finance, Performance and Growth Committee

Former committee: Resilience and Transformation Committee

Paul Younis
Director

B. Eng (Civil). Grad Dip Bus. Grad Dip Law

Mr Younis was appointed a Director of the GWW Board from October 2025. Mr Younis brings extensive senior leadership experience across state and local government. As CEO in regional and large metropolitan councils and most recently the Secretary of the Department of Transport and Planning in Victoria, he has been committed to delivering outcomes for stakeholders and the community. Mr Younis has led major governance transformations in a range of public sector bodies from the transport sector, building and planning as well as managing large infrastructure projects as part of Victoria's Infrastructure program. He also brings board experience, most recently as a director for Infrastructure Victoria.

Committee membership: Finance, Performance and Growth Committee

Tien Kieu
Director

BSc (Hons) PhD GAICD FAIP

Professor Kieu joined the GWW Board in October 2023. He brings extensive experience in governance, public policy, research and innovation, with expertise spanning financial investment, data analytics, artificial intelligence and quantum computing. Professor Kieu served as a Member of the Victorian Legislative Council from 2018 to 2022, where he chaired and served on several parliamentary committees. He also served as a non-executive director of the Transport Accident Commission. Professor Kieu is a member of the Swinburne University of Technology Council and is actively involved in supporting Victoria's multicultural communities.

Committee membership: Audit, Risk and Assurance Committee

Former committees: Risk Management and Audit Committee

Tony Peake OAM
Director

B.Bus, FCA, FAICD

Mr Peake was appointed a Director of the GWW Board from October 2025. He has more than 30 years of board-level experience spanning public, private and not-for-profit sectors. A former Senior Partner at PwC, Mr Peake held key leadership roles including Audit and Consulting Partner, Chief Operating Officer and Executive Director. At various times at PwC he was the Global, National and Victorian Leader of the Government and Public Sector practice. He is a Fellow of Chartered Accountants ANZ (FCA), and a Graduate and Fellow of the Australian Institute of Company Directors (FAICD). Mr Peake currently serves as a non-executive director of Domino's Pizza Enterprises (ASX:DMP), SIS Australia Holdings, PeopleIN (ASX: PPE), Bakers Delight, The Australian Ballet, Swimming Australia, Scanlon Capital, Brencorp Properties and is Chair of Museum of Australian Photography.

Committee membership: Finance, Performance and Growth Committee (Chair); Audit, Risk and Assurance Committee

Former directors

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.

Mr Cohen's term as a GWW Board Director expired on 30 September 2025.

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

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 qualifications in communication and negotiation, and has completed the Australian Institute of Company Directors course.

Ms McDonald's term as a GWW Board Director expired on 30 September 2025.

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

Ms Prain's term as a GWW Board Director expired on 30 September 2025.

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

Craig Dixon
Acting Managing Director

B.Eng (Hons)

Mr Dixon served as Acting Managing Director of GWW from 28 July 2025 to 1 February 2026. Mr Dixon joined GWW from Melbourne Water and brought extensive executive-level experience across the utilities, industrials and fast-moving consumer goods sectors. Mr Dixon has led major transformations, complex projects and operational improvement initiatives across public and private sectors. Mr Dixon is highly focused on customer outcomes, with significant expertise in managing complex stakeholder environments. He is also known for building high-performing teams and driving positive change through a culture of continuous improvement.

Former Committee membership: Resilience and Transformation Committee; Finance, Performance and Growth Committee. Also attended Risk Management and Audit Committee; Audit, Risk and Assurance Committee and Culture, Customer and Community Committee meetings as a guest.

Maree Lang
Managing Director

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

Ms Lang served as GWW's inaugural Managing Director from July 2021, having previously been Managing Director of City West Water. She held a range of senior executive roles across the water sector, with responsibility for customer services, infrastructure delivery, organisational transformation and services supporting Melbourne's growing western region.

Ms Lang resigned from her role as Managing Director from 27 July 2025.

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

Board committees

Audit, Risk and Assurance Committee (31 October 2025 to 30 June 2026)

Risk Management and Audit Committee (1 July to 30 October 2025)

The Audit, Risk and Assurance Committee assists the Board 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 committee are independent with respect to the requirements of the Standing Directions of the Minister for Finance.

Finance, Performance and Growth Committee (31 October 2025 to 30 June 2026)

The Finance, Performance and Growth Committee assists the Board by reviewing, monitoring and, where appropriate, making recommendations in relation to financial strategy and performance; capital planning and investment; growth and capacity planning; asset lifecycle management; procurement; technology; and transformation and innovation.

Culture, Customer and Community Committee (31 October 2025 to 30 June 2026)

The Culture, Wellbeing and Community Committee assists the Board by reviewing, monitoring and, where appropriate, making recommendations in relation to customer experience; customer and stakeholder engagement; people, workplace culture and remuneration; Traditional Owners and First Nations; drinking water quality, climate change and environment.

Resilience and Transformation Committee (1 July to 30 October 2025)

The Resilience and Transformation Committee assisted 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 (1 July to 30 October 2025)

The Culture, Wellbeing and Community Committee assisted 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		Risk Management and Audit Committee 1 July – 30 October 2025		Resilience and Transformation Committee 1 July – 30 October 2025		Audit, Risk and Assurance Committee 31 October 2025 – 30 June 2026		Culture, Customer and Community Committee 31 October 2025 – 30 June 2026		Finance, Performance and Growth Committee 31 October 2025 – 30 June 2026	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Lisa Neville	13	13	1	1	1	1	-	-	-	-	6	6
Deirdre Blythe	8	8	-	-	-	-	4	4	3	3	-	-
Nicola Burgess	13	11	-	-	1	1	-	-	-	-	6	5
Matthew Burns	13	13	-	-	-	-	-	-	3	2	-	-
Cameron FitzGerald	5	5	-	-	-	-	3[1]	3[1]	3[1]	3[1]	5	5
Tien Kieu	13	12	1	1	-	-	4	4	-	-	-	-
Aisha Nicolay	13	12	1	1	-	-	4	4	3	3	-	1[2]
Tony Peake	8	8	-	-	-	-	4	4	-	-	6	6
Cathy Whelan	8	8	-	-	-	-	-	-	3	3	-	1[2]
Paul Younis	8	7	-	-	-	-	-	-	-	-	6	6
Former directors												
Bruce Cohen	5	5	1	1	1	1	-	-	-	-	-	-
Craig Dixon	7	7	1	1	1	1	1[1]	1[1]	1[1]	1[1]	1	1
Maree Lang	1	1	-	-	-	-	-	-	-	-	-	-
Liza McDonald	5	4	-	-	1	1	-	-	-	-	-	-
Llewellyn Prain	5	5	1	1	-	-	-	-	-	-	-	-
Non-director attendees												
Joshua Smith[3]	13	10	-	-	-	-	-	-	-	-	-	-
Danielle Walker[4]	-	-	1	1	-	-	-	-	-	-	-	-

1 Attended as a guest

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

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

4 Danielle Walker was an independent member of the Risk Management and Audit Committee but was not a Board Director. Ms Walker's term concluded in November 2025.

Our people

Public sector values and employment principles

GWW 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 policies and procedures to ensure employees are selected and promoted based on ability, knowledge and skills in fair and open competition with 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 have a range of support options and avenues for review if they encounter behaviours not in accordance with GWW culture.

GWW has a comprehensive Code of Conduct for all Board directors, employees and contractors in respect to behaviours and conduct in the workplace. The code articulates responsibilities in 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

	June 2025[1]							June 2026[2]						
	All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data														
Gender														
Women	443	419.4	327	85	388.8	31	30.6	481	456.6	350	83	409	48	47.6
Men	476	474	433	17	448.6	26	25.4	564	559.4	506	18	520.2	40	39.2
Self-described	12	10.9	8	4	10.9	0	0	11	10	7	4	10	0	0
Age														
15–24	22	22.4	13	0	13.4	9	9.0	24	24	16	0	16	8	8
25–34	185	180.9	152	16	164.1	17	16.8	206	202.3	172	11	179.7	23	22.6
35–44	283	275.4	238	33	263.6	12	11.8	326	315.5	268	40	297.5	18	18
45–54	251	243.8	211	29	233.2	11	10.6	280	272.1	230	28	250.5	22	21.6
55–64	158	152.6	130	21	145.6	7	7.0	183	177.1	146	21	161.5	16	15.6
65+	32	29.2	24	7	28.4	1	0.8	37	35	31	5	34	1	1.0
Prefer not to respond	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Classification data														
Classification														
Executive[3]	8	8.0	6	0	6.0	2	2.0	5	5	2	0	2.0	3	3.0
Senior Managers	70	69.1	62	6	67.1	2	2.0	85	83.8	72	3	73.8	10	10
Team Leaders	161	159.2	145	9	152.2	7	7.0	167	164.6	145	10	153.0	12	11.6
Individual Contributors	692	667.9	555	91	622.9	46	45.0	799	772.4	644	92	710.4	63	62.2
Total employees	**931**	**904.3**	**768**	**106**	**848.3**	**57**	**56**	**1,056**	**1,026**	**863**	**105**	**939.2**	**88**	**86.8**

1. June 2025 represents the workforce data for the last full pay period in June 2024-25.
2. June 2026 represents workforce data for the last full pay period in June 2025-26.
3. Of our 5 nominated executives, 60% are female. The nominated executives are classified as Public Entity Executive Classification one at level 3 and four at level 2. The data is as at 23 June (last full pay period in June).

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		3
$160,000 - $179,999		35
$180,000 - $199,999		14
$200,000 - $219,999		17
$220,000 - $239,999		9
$240,000 - $259,999	1	4
$260,000 - $279,999	1	1
$280,000 - $299,999		1
$300,000 - $319,999	1	
$320,000 - $339,999	1	
$340,000 - $359,999	2	
$360,000 - $379,999		
$380,000 - $399,999		
$400,000 - $419,999		
$420,000 - $439,999		
$440,000 - $459,999		
$460,000 - $479,999		
>$480,000	1	
Total	**7**	**84**

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 Framework aligns with our 2030 Strategy and sets the outcomes we are working to achieve by 2030. These outcomes are to:

- ensure our workforce reflects the communities we serve at all levels of the organisation, and we benefit from diversity and inclusion
- create pathways for equitable access to employment in the water sector
- demonstrate leadership in delivering equitable access to services and for respecting and celebrating diversity
- alongside delivery partners, create jobs in our region for young and underrepresented groups
- work collaboratively with delivery partners and suppliers and support them to achieve our shared environmental and diversity and inclusion goals.

Progress towards these outcomes is supported through an annual implementation plan, with targeted actions and measurable deliverables.

2025–26 performance highlights

During 2025–26, GWW progressed key initiatives to strengthen a diverse, equitable and inclusive workplace:

- **Safe and respectful workplace:** we delivered initiatives to strengthen a safe and respectful culture. This included anti-racism discussions led by internal leaders, a program of cultural awareness engagement aligned with nationally recognised days of significance, and a workplace donation toy drive in support of West Welcome Wagon (a not-for-profit organisation dedicated to welcoming and supporting asylum seekers and refugees). These initiatives supported increased awareness, inclusion and employee engagement.
- **Family and domestic violence (FDV) awareness and support:** we continued to build workforce capability and awareness of FDV through targeted education and partnerships. Key initiatives included:
  - launch of an updated mandatory FDV awareness eLearning module, developed in partnership with Safe and Equal
  - participation in the Walk Against Family Violence in collaboration with Victoria University
  - a workplace donation drive supporting McAuley Community Services to provide critical support to women and children who have experienced FDV.

We reinforced these initiatives through internal communications to sustain awareness and promote available support services.

- **Equity and inclusion capability building:** we collaborated with water sector peers to deliver coordinated initiatives that strengthened sector-wide capability in equity and inclusion. Key activities included:
  - co-delivery of International Women's Day events, including financial literacy sessions for women, in partnership with Good Shepherd and Equip Super
  - participation in the Midsumma Pride March and delivery of IDAHOBIT awareness initiatives in partnership with Minus18, supporting allyship capability
  - recognition of International Day of People with Disability through awareness and engagement activities.

These initiatives contributed to improved awareness and capability across the workforce.

- **Education on First Nations:** we continued to build knowledge and capability through cultural safety and Acknowledgement of Country training. Employees participated in National Reconciliation Week and NAIDOC week activities, strengthening understanding of First Nations cultures, histories and perspectives.
- **Diverse employment:** we progressed targeted initiatives to attract diverse talent and improve representation, including participating in employment events such as the Be Deadly Jobs Expo and the Women in STEM Careers event. These activities supported increased visibility of GWW as an inclusive employer.
- **Workforce diversity outcomes:** we continued to monitor and report on key diversity indicators. In 2025–26:
  - 46% of our workforce are women and we have 45% representation of women in leadership roles, reflecting strong progress towards gender equity
  - 1% of our workforce are First Nations
  - 25% of employees identify as culturally and linguistically diverse (born overseas) and 28% speak a language other than English
  - 10% of employees identify as a person with disability
  - 8% of employees identify as LGBTQIA+.

These outcomes show progress towards a more representative workforce, to realise our ambition to be as diverse as the communities we serve.

- **Accessibility:** we progressed initiatives to improve workplace accessibility and inclusion, supporting equitable participation. Key improvements included upgrades to accessible employee car parking at the Footscray office and introducing wellbeing rooms across operational depots. These changes support employee wellbeing and access to inclusive workplace facilities.

Gender Equality Action Plan

In accordance with obligations under the *Gender Equality Act 2020* (Vic), we finalised implementation of our Gender equality action plan (GEAP) 2021–25.

At the conclusion of the reporting period:

- 92% of actions (44 of 48) were completed
- remaining actions have been incorporated into the Gender equality action plan 2026–30.

We submitted the new GEAP to the Commission for Gender Equality in the Public Sector on 1 May 2026. It is informed by workforce gender equality data and reflects measurable progress in advancing gender equality across the organisation, supported by sustained and intentional action.

GEAP 2026–30 key outcomes

The GEAP 2026–30 includes 29 actions aligned to three priority outcomes:

- **increase women's representation** in underrepresented areas (with less than 40% women), with a focus on Service Delivery, Asset Planning and Delivery, and STEM-related roles
- **achieve year-on-year reduction in the gender pay gap** through enhanced systems, transparent reporting and targeted remediation strategies
- **strengthen a safe, inclusive and respectful workplace** through improved prevention, response and accountability mechanisms.

We have maintained gender representation with women making up 46% of our workforce and 45% of leadership positions. We have achieved our targets for gender balance at all levels of the organisation of 40-40 (minimum 40% women, minimum 40% men – 20% across any or other genders). Our board gender representation is 50% women.

Workforce targets

Key performance indicator	2025-26 target	2025-26 result[1]
People Matter Survey participation rate % of our people who completed the Victorian Public Sector Commission's People Matter survey	65%	86% participation rate (1,008 people)
People leaders gender equality % of people leaders who identify as women	40%	45% of leaders are women
First Nations employment at GWW Aboriginal people employed (%)	2%	1%
Cross-cultural training at GWW Number of our people who have undertaken a cross-cultural training course facilitated by accredited personnel	400	42 people attended First Nations Allyship in the Workplace Sessions 1 and 2 43 people attended Wan-Yaari Acknowledgement Workshop 51 people attended Reconciliation Week film for Footscray and Sunbury sessions 24 people attended the Cultural Heritage on the Ground Awareness training 23 people attended Yan Gadbaha Cultural Safety training 1,415 people completed online First Nations Cultural Awareness training module
Actions taken to improve participation by Traditional Owners and Aboriginal Victorians in Board committees and/or other organisational committees		Joshua Smith continues in his role as Independent First Nations board delegate to the board and we have retained current First Nations board member Matthew Burns

1 Data as at May 2026

Health, safety and wellbeing

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

In 2025–26, we continued to strengthen our Health, Safety, Environment and Quality (HSEQ) capability and performance by:

- maturing the HSEQ business partnering model, providing targeted support to operational and corporate functions to improve HSEQ outcomes and accountability
- enhancing and simplifying HSEQ management system processes, tools and governance arrangements to improve usability, compliance and operational effectiveness
- maintaining certification of our integrated HSEQ Management System and strengthening assurance activities to monitor performance and identify improvement opportunities
- reviewing and updating health and safety risk registers with psychosocial risks to ensure risks are effectively controlled across our operations
- expanding HSEQ reporting and analytics capability through interactive dashboards, improving visibility of lead and lag indicators, trend analysis and data-driven decision-making
- increasing workforce engagement in HSEQ through observations, reporting, learning and improvement initiatives that reinforce positive safety culture.

Key outcomes included improved visibility of HSEQ performance, stronger governance and assurance processes, increased organisational capability to manage risk, and greater consistency in the application of HSEQ systems and practices across the business.

Measure	2022–23	2023–24	2024–25	2025–26
Number of reported hazards per 100 FTE	20.8	23.8	20.4	38.3
Number of incidents per 100 FTE	36.4	38.9	48.4	46.3
Number of ‘lost time’ standard claims per 100 FTE	0.97	1.08	1.76	0.69
Average cost per workers compensation claim	$14,630	$14,536	$3,417	$13,970
Total Recordable Injury Frequency Rate (TRIFR)	7.9	9.1	11.5	6.3

Compared with the previous year, hazard reporting increased, incident reporting remained stable and lost time injuries reduced. This reflects increased workforce participation in reporting hazards and incidents, strengthening risk management practices, and a greater focus on early intervention and injury management to prevent harm and reduce injury severity. The increase in average cost per workers compensation claim is due to 2024-25 reporting a summary of paid costs rather than an average cost per worker.

Environmental data reporting

Transportation

Number of vehicles

	Transportation vehicle engine/Fuel type						
Transportation vehicle category	**Petrol**	**Diesel**	**LPG**	**Petrol Hybrid**	**Diesel Hybrid**	**Battery Electric**	**Other**
Passenger vehicles	10	1		63		5	
Goods vehicles	1	166		0		0	
Total	**11**	**167**	**0**	**63**	**0**	**5**	**0**

This table shows our fleet broken up from a total of 246 vehicles. Commercial vehicles are listed as goods vehicles (including light commercial utes, which were previously listed as passenger vehicles).

Vehicle emissions and energy use

	Transportation vehicle engine/Fuel type							Fuel type totals	
Transportation vehicle category	Petrol	Diesel	Bio-diesel	Renew-able diesel	LPG	Electricity	Other	Total energy use (GJ)	Total emissions (t Co2e)
Passenger vehicles	132,931	3,466						136,397	350
Goods vehicles	16,275	391,992						408,267	1,048
Total energy use (GJ)	149,206	395,458	0	0	0	0	0		
Total emissions (t CO2e)	190	1,208							

This table breaks down the goods and passenger vehicles GJ of energy use and their total emissions, fuel type and asset class.

Sustainable buildings and infrastructure

GWW does not own office buildings and in 2025–26 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 Avenue Footscray, where GWW is a tenant, as of 2025–26 Q3 the building was tracking at 5.9 star NABERS energy, with a formal rating of 5.5 stars. This exceeds the lease commitment of 4.5 stars. (This is data provided by A G Coombs Advisory Quarterly Building Performance Review, 20 May 2026). 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	2025–26
Water consumed kL	1,445	2,049	1,435
Litres per m^2 office space	657	931	652

Footscray office	2023–24	2024–25	2025–26
Water consumed kL 1	3,187	2,583	2,235
Litres per m^2 office space	518	420	363

The decreased water use in the Sunbury office is due to the identification of an external leak in the garden which was rectified early in 2025–26.

Waste and recycling

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

Type of waste	2025–26 m3	2025–26 %	Tonnes CO2 emissions
General waste	3,338	81	232.55
Co-mingled recycling	136	3	7.18
Paper and cardboard	531	13	6.45
Organics	2	0	0
Asbestos	48	1	0.06
Scrap metal	75	2	25.36
Total	**4,130**		**271.8**

* 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: 4.02m3. This data is from Veolia (waste service provider). It includes waste from recycled water plants and water filtration plants including grit and rags.

Recycling rate (percentage of total waste by weight): 16%

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 2025–26, GWW commenced four Local Jobs First Standard projects totalling $32.03 million. All four projects were in metropolitan Melbourne, with an average commitment of 93.88% local content. No statewide projects were commenced. MPSG did not apply to any 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 93.88% of local content commitment was made
- 275 annualised employee equivalent (AEE) jobs were committed, including 94 new jobs created and 181 existing jobs retained
- no positions for apprentices, trainees and cadets were committed
- 2 small to medium-sized businesses were engaged through the supply chain on commenced Standard Projects.

Projects completed – Local Jobs First Standard

During 2025–26, GWW completed six Local Jobs First Standard projects, totalling $28.47 million. All six projects were in regional Victoria, with an average commitment of 93.04% local content. The MSPG did not apply to any 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 93.04% of local content commitment was achieved
- 65 jobs (AEE) were supported, including six new jobs created and 59 existing jobs retained
- eight existing positions were committed to be retained for apprentices, trainees and cadets
- MPSG did not apply to any of these projects
- 146 small to medium-sized businesses were engaged through the supply chain on completed Standard Projects.

Projects commenced – Local Jobs First Strategic

During 2025–26, GWW commenced one Local Jobs First Strategic Project, valued at $107 million. The project was based in metropolitan Melbourne with 99.73% of estimated local content. The MPSG did not apply to this project. The commitments made as part of the Local Jobs First policy for these projects are:

- an average of 89.83% of local content
- 365 positions (AEE) positions, including six new jobs created and 359 existing jobs retained
- five retained positions were for apprentices
- 30 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 2025–26.

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, and 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 2025–26

- 37 social benefit suppliers were engaged (direct spend)
- $3.4 million was spent with social benefit suppliers (direct spend) ($ GST exclusive)
- six mainstream suppliers (not social benefit suppliers) engaged that have made social procurement commitments in their contracts with the Victorian Government
- six contracts that include social procurement commitments.

Achievements

GWW is committed to pursuing opportunities to advance social and sustainable outcomes for Victorians.

Social and sustainable procurement highlights for the year include:

- 34% increase in direct spend with social benefit suppliers from last financial year
- partnered with Amazon Web Services to supply recycled water from Melton RWP to a new Melbourne data centre, making it the first Victorian data centre to use treated recycled water and helping reduce pressure on drinking water supplies
- continued to build relationships by celebrating National Reconciliation Week with staff activities designed to build cultural understanding, connection to Country and practical action
- continued to support more than 20 high water-use businesses with water monitoring and efficiency audits, helping reduce drinking water demand and improve water efficiency (delivered through Victorian Government-funded WaterSmart program)
- launched a second Innovate Reconciliation Action Plan reflecting our ongoing commitment to strengthening relationships with Traditional Owners and First Nations communities
- hosted a breakfast event with delivery partners to celebrate the strength of collaboration and partnership in achieving shared goals and delivering outcomes for customers and communities
- renewed our corporate partnership with Kinaway Chamber of Commerce (Vic) Ltd
- continued to develop a First Nations procurement strategy as part of the new RAP Innovate+.

Emergency procurement

In 2025–26, there were no emergency procurements activated.

Procurement complaints

GWW received one procurement complaint in 2025–26.

Review and study expenses

During 2025–26 we conducted 5 studies and reviews. Details are outlined below.

Name of the review	Reasons for review/study	Terms of reference/ scope	Anticipated outcomes	Estimated cost for FY25 (ex. GST)	Final cost if completed	Actual/ forecast completion	Publicly available (Y/N)
Western Sustainable Water Hub	Identification of Class A recycled water servicing options for a future industrial precinct	Options assessment and concept development	Report outlining outcomes of the assessment	$9,954	$9,954	June 2026	N – commercial in confidence
Stormwater Harvesting Opportunities Investigation	Identification of stormwater harvesting opportunities for public open spaces	Identification and assessment of opportunities	Report outlining outcomes of the assessment	$41,395	$41,395	June 2026	N – commercial in confidence
Woodend Recycled Water Plant Aboriginal Waterway Assessments (Djaara)	Aboriginal Waterway Assessments to inform the Woodend plant upgrade	Aboriginal Waterway Assessments of Five Mile Creek and Campaspe Reservoir	Aboriginal Waterway Assessment reports	$39,500	$39,500	April 2026	N – commercial in confidence
Electric vehicle transition roadmap	Identification of pathways to transition GWW's fleet to electric vehicles to support GWW's net zero target	Pathway identification and recommendations	Report outlining outcomes of the assessment	$53,278	$53,278	April 2026	N – commercial in confidence
Biosolids management options assessment	Investigation of options for biosolids management across Melton, Sunbury, Gisborne and Woodend recycled water plants	Options analysis and concept development	Report outlining outcomes of the assessment	$92,284	N/A	December 2027	N – in progress, commercial in confidence

Government advertising expenditure

2025-26 advertising campaigns with a media spend of more than $100,000

Name of campaign	Campaign summary	Start/end date	Advertising (media) expenditure (ex GST) $000s	Concept development expenditure (ex GST) $000s	Campaign production expenditure (ex GST) $000s	Total $000s
Make Every Drop Count (MEDC)	The MEDC campaign aims to reduce water use by the community while raising awareness about water security challenges and solutions. Spearheaded by five urban water bodies (Barwon Water, GWW, Melbourne Water, South East Water and Yarra Valley Water) the campaign seeks to: • raise awareness of the water security challenges facing Victoria • educate the community on potential solutions • encourage practical water-saving behaviours • support the Victorian Government's Target 150 objective by reinforcing the importance of water efficiency and permanent water-saving rules • build social licence for potential water restrictions and investments in water infrastructure.	In market: 30/01/2026 - 30/04/2026	Planned: $371,777.13 Actual: $309,959.85	Planned: $14,810.35 Actual: $12,343.97	Planned: $127,004 Actual: $105,920.83	Planned: $550,000 Actual: $458,541

Notes:

- MEDC was a joint campaign. Figures in the table represent GWW's contribution.
- Advertising media expenditure is the amount approved for the campaign by the Advertising Approval Group (AAG).

Consultancy expenditure

During 2026, GWW engaged 16 consultants on various engagements where the total fees payable to the consultants was less than $10,000 (GST exclusive). Total expenditure incurred during the reporting period in relation to these consultants was $68,921 (GST exclusive).

During 2026, GWW engaged 51 consultants on various consultancies where the total fees payable to the consultant was $10,000 or greater (GST exclusive). The total expenditure during 2026 in relation to these consultancies was $8,848,521 (GST exclusive) including independent oversight of $2,323,617 associated with billing remediation. Details of individual consultancies can be viewed at 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 2026 included various operational and transformation activities, strategy reviews, asset management assistance, business process analysis, risk assessment program implementation, compliance requirement, 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 2026 reporting period, GWW had a total Information and Communication Technology (ICT) expenditure of $109.5 million, with details below.

	All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Year	Business as usual (BAU) ICT expenditure $'m	Non BAU ICT expenditure (operating and capital) $'m	Operational expenditure $'m	Capital expenditure $'m
2026	33.2	76.3	70.2	6.1
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	19.5	20.3

ICT expenditure comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non BAU) ICT expenditure. This includes expenditure for:

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

Investment in ICT is focused on developing technologies that give GWW a stable foundation and support evidence-based decision-making as well as relevant and timely services to customers, community, partners, and our people. Initiatives included:

- Path Out program
- spatial consolidation
- cybersecurity uplift
- asset works and field services uplift
- growth and development uplift
- network and technology platform enhancements
- technology hardware and computing uplift.

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 2026. Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at: www.tenders.vic.gov.au.

Capital projects

During the year, GWW completed one capital project with a total estimated investment (TEI) of $10 million or greater.

Capital projects reaching practical completion during the financial year ended 30 June 2026

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
Bald Hill Tanks	June 2024	April 2026	April 2026	Program revised following procurement to allow coordination with key stakeholders on final design of steel tank to meet desired design life	$36.2	$36.2	$34.0	-$2.2	The variance relates to the successful mitigation of project risks resulting in decreased costs

Freedom of Information (FOI)

GWW is subject to the *Freedom of Information Act 1982*, which 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 general right of the community to access information held by Victorian public sector agencies, unless an exemption applies.

In 2025–26, GWW:

- received 194 requests to access documents
- granted access to documents in full for 43 requests
- received 68 requests that were dealt with outside the Act
- received two requests that yielded no documents
- received 25 requests that were incomplete or invalid
- finalised 64 requests within the statutory timeframe
- is yet to finalise 28 requests.

Seven requests were subject to an Office of the Victorian Information Commissioner (OVIC) complaint or review. Two requests were subject to an application to VCAT and both were withdrawn.

FOI requests can be lodged online via the Victorian Government's Freedom of Information Portal at: http://www.online.foi.vic.gov.au/

An application fee of $34.50 applies unless the applicant is impecunious and can produce a copy of a current Health Care card. Under the Freedom of Information (Access Charges) Regulations 2025, access charges may apply.

When making an FOI request, applicants should make requests in writing and clearly identify the types of materials or documents they are seeking.

For more information about FOI, refer to:

- *Freedom of Information Act 1982* (Vic)
- OVIC website: https://ovic.vic.gov.au/freedom-of-information

Compliance with the *Building Act 1993*

In 2025–26, we complied with the building and maintenance provisions of the *Building Act 1993*, with the exception of temporary buildings recently constructed at Woodend and Melton treatment plants.

GWW owns or controls:

- two buildings at Sunbury Depot, 120 Harker Street, Sunbury
- one building at Sunbury RWP, 120 Harker Street, Sunbury
- four buildings at Altona Treatment Plant, 293 Queen St, Altona Meadows
- five buildings at Melton Depot and Melton RWP, 77-207 Butlers Road, Mount Cottrell
- one building at Rosslynne Treatment Plant, 224 Bacchus Marsh Road, Gisborne
- two buildings at Woodend Treatment Plant, 89 Montgomery's Lane, Woodend
- one building at Gisborne Treatment Plant, 14 Haywood Drive, Gisborne (currently managed by Service Stream utilities until 2027)
- 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* for these buildings, in 2025–26 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 was responsible for the same works at the buildings at Sunbury RWP until 3 April 2026 as they ran the day-to-day operations at this site until then.

The testing and inspections at these sites inform the works program which is delivered annually through existing maintenance contracts.

In 2025–26:

- Number of major building works projects undertaken by GWW (greater than $50,000): 3
- Number of building permits, occupancy permits, or certificate 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 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* enables people to make disclosures about improper conduct (including corrupt conduct) or detrimental action by a public officer or a public body. The Act protects people who make disclosures under the Act from reprisals and establishes a system for the matters disclosed to be investigated. The Act aims to make the public sector more open and accountable by supporting public interest disclosures.

GWW's Public Interest Disclosures Procedure sets out the procedures to support GWW employees, officers and contractors understand their rights and obligations under the Act, how disclosures can be made and the procedures to protect people from detrimental action or reprisal. The procedure is available on our website.

GWW is not able to receive disclosures under s. 13 of the *Public Interest Disclosures Act 2012*. Disclosures may be made directly to the Independent Broad-based Anti-Corruption Commission.

Independent Broad-based Anti-Corruption Commission Victoria
Phone: 1300 735 135

www.ibac.vic.gov.au

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, Victorian public sector agencies must maintain information about their financial management, performance and sustainability. Information maintained by GWW in compliance with the Standing Directions are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

Financial Management Compliance Attestation

I, Matthew Burns, 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.



Matthew Burns
Acting Chair

15 October 2026

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	2025 Result	2026 Result	% Variance to prior year	Notes	2026 Target	% Variance to target	Notes
Cash interest cover							
Net operating cash flows before net interest and tax/net interest payments	(0.30)	(0.30)	-		0.85	(135.3%)	1
Gearing ratio							
Total debt (including finance leases)/ total assets	69.0%	70.6%	2.3%		71.7%	(1.5%)	
Internal financing ratio							
Net operating cash flow less dividends/net capital expenditure	0%	0%	-		23.6%	100%	2
Current ratio							
Current assets/current liabilities (excluding long term employee provisions and revenue in advance)	0.9	2.6	188.9%	3	2.5	4.0%	
Return on assets							
Earnings before net interest and tax/average assets	5.1%	(0.6%)	(111.8%)	4	5.1%	(111.8%)	4
Return on equity							
Net profit after tax/average total equity	5.3%	(11.9%)	(324.5%)	5	4.6%	(358.7%)	5
EBITDA margin							
Earnings before interest, tax, depreciation and amortisation/total revenue	33.6%	8.7%	(74.1%)	6	34.5%	(74.8%)	6

Note: Only variances of more than 10% are explained

1. Cash interest cover for 2026 is lower than 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, employees and the environmental contribution.
2. The internal financing ratio was lower in 2026 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 and higher interest payments in addition to higher payments to suppliers, employees and environmental contribution.
3. The current ratio was higher in 2026 compared to prior year mainly due to higher receivables at 30 June 2026 which have been impacted by catch up billing and significantly lower current short-term borrowings.
4. The lower return on assets for 2026 compared to 2025 and target has been driven mainly by the reported loss for the year. The Pathout Program, supporting the remediation of the customer billing system and processes to resolve significant billing delays, has resulted in higher costs of $61.4 million and a higher expected credit loss allowance of $162.3 million. In addition, higher finance expenses of $29.3 million, revaluation resulting in a decrement of infrastructure assets by $14.0 million contributed to the results.
5. The lower return on equity for 2026 compared to both 2025 and target was primarily driven by the net loss recorded for the year. This result was significantly impacted by remediation activities undertaken to address major billing delays, resulting in additional operating costs of $61.4 million and an increase in the expected credit loss allowance of $162.3 million. The outcome was further affected by higher finance expenses of $29.3 million and a $14.0 million decrement of infrastructure assets.
6. The EBITDA margin for 2026 was below both the 2025 result and target, primarily driven by the loss recorded for the year. Performance was significantly impacted by remediation activities undertaken to address significant billing delays, resulting in additional operating costs of $61.4 million and a higher increase in the expected credit loss allowance of $162.3 million.

Water and sewerage network reliability performance indicators

Key performance indicator	2025 Result	2026 Result	% Variance to prior year	Notes	2026 Target	% Variance to target	Notes
Water Service – minutes off supply (planned and unplanned) How many minutes on average a customer was without water supply during a year	21.90	23.72	8.3%	1	240.00	(90.1%)	1
Unplanned water supply interruptions Percentage of customers with more than 4 unplanned interruptions in the year	0.06%	0.04%	(33.3%)	2	0.01%	300.0%	2
Sewerage Service – sewer blockages Number of sewer blockages reported per 100 kilometres of sewer main	18.46	21.51	16.5%	3	19.00	13.2%	3
Sewerage Service – sewer spills Number of sewer spills reported per 100 kilometres of sewer main	3.92	4.93	25.8%	4	5.00	(1.4%)	
Sewerage Service – containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours	85.0%	82.0%	(3.5%)		100.0%	(18.0%)	5

Note: Only variances of more than 5% are explained

1. Performance remained significantly better than the target. The marginal increase in average customer minutes off supply compared with the prior year was primarily driven by an increase in planned water main isolation activities and third-party damage events, which typically require longer restoration times.
2. The percentage of customers experiencing more than 4 unplanned water supply interruptions improved by 33% compared to the previous year. Despite this improvement, the result remains above target. The ongoing exceedance is largely attributable to recurring failures on sections of the water network that are susceptible to bursts and leaks. While targeted maintenance and renewal activities have contributed to improved performance compared with the previous year, some customers continue to be disproportionately affected by repeat interruptions.
3. The increase in sewer blockages per 100 km is primarily driven by worsening dry conditions and higher than average summer temperatures. These conditions have contributed to excess ground movement leading to root intrusion into reticulation and branch sewers.
4. The change in this KPI reflects the intensified environmental conditions in FY26 compared with FY25, similarly to the impacts on the sewer blockages per 100 km in note 3.
5. The decrease in the percentage of sewer spills contained within five hours was primarily due to a substantial increase in sewer blockages over the 12-month period, resulting in a higher number of spills requiring containment and longer response and restoration activities.

Environmental performance indicator

Key performance indicator	2025 Result	2026 Result	% Variance to prior year	Notes	2026 Target	% Variance to target	Notes
Recycled water – effluent treatment and reuse Proportion of water recycled as a percentage of the volume of effluent produced	47.4%	39.5%	(16.7%)	6	40.0%	(1.3%)	6

6. Variance compared with prior year is mainly due to high rainfalls in November and March, which truncated the irrigation season, reducing demand for agricultural users. In addition, the continuing effect of loss of a major customer which reduced consumption; and population growth and stormwater flows driving higher influent volumes, which result in lower % reuse, even where volumetric use remains consistent.

Certification of Performance Report

We certify that the accompanying Performance Report of Greater Western Water in respect of the 2025-26 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 2026 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.



Matthew Burns
Acting Chair



Cameron FitzGerald
Managing Director



Linda Watts
Chief Financial Officer

Melbourne
15 October 2026

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Greater Western Water Corporation

Opinion	I have audited the performance report of Greater Western Water Corporation (the corporation) for the year ended 30 June 2026 which comprises the: • key performance indicators • water and sewerage network reliability performance indicators • environmental performance indicator • notes to the performance report • certification of the performance report. In my opinion, the performance report of the corporation for the year ended 30 June 2026 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the *Financial Management Act 1994*.
Basis for opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's responsibilities for the audit of the performance report* section of my report. My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants (including Independence Standards)* (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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the performance report	The Board is responsible for the preparation and fair presentation of the performance report in accordance with the performance reporting requirements of 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 performance report that is free from material misstatement, whether due to fraud or error.
Auditor's responsibilities for the audit of the performance report	As required by the *Audit Act 1994*, 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.

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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
16 October 2026

Timothy Maxfield
as delegate for the Auditor-General of Victoria

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Comprehensive Operating Statement
For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Income			
Revenue from customers	2.1	1,051,788	1,025,036
Other income		5,343	1,840
Total income		**1,057,131**	**1,026,876**
Expenses			
Bulk charges	3.2	(406,734)	(392,613)
Environmental contribution	4.4.1	(35,325)	(35,325)
Employee benefits	3.3.1	(176,678)	(115,090)
Depreciation and amortisation	5.2	(119,100)	(113,673)
Finance expenses	7.1.2	(175,308)	(146,000)
Operating expenses	3.5	(332,544)	(279,425)
Revaluation adjustment of infrastructure assets	3.6, 5.1	(13,974)	140,592
Total expenses		**(1,259,663)**	**(941,534)**
(Loss)/Profit before income tax expense		**(202,532)**	**85,342**
Income tax expense	4.1	60,760	(26,471)
(Loss)/Profit after income tax expense		**(141,772)**	**58,871**
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Increase in physical asset revaluation surplus due to revaluation of assets		83,116	2,738
Actuarial gain on defined benefit superannuation plan		1,707	279
Deferred income tax relating to components of other comprehensive income	4.1	(25,448)	(1,115)
Other comprehensive income after tax		**59,375**	**1,902**
Total comprehensive (loss)/income after tax		**(82,397)**	**60,773**

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

Balance Sheet
As at 30 June 2026

	Note	2026 $'000	2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7.2	20,774	8,306
Receivables	6.1	480,255	419,276
Inventory		3,705	2,310
Other non-financial assets		9,408	12,603
Total current assets		**514,142**	**442,495**
Non-current assets			
Infrastructure, property, plant and equipment	5.1	4,385,652	4,046,547
Intangible assets	5.5	204,840	223,415
Right-of-use assets	5.9	72,616	78,191
Defined benefit superannuation asset		12,714	10,931
Other financial assets	6.1	1,823	105
Total non-current assets		**4,677,645**	**4,359,189**
TOTAL ASSETS		**5,191,787**	**4,801,684**
LIABILITIES			
Current liabilities			
Payables	6.2	157,291	176,887
Advances and deposits	6.3	23,708	25,954
Borrowings	7.1	3,654	245,686
Provision for employee benefits	3.3.2	30,316	24,088
Contract liabilities	6.4	53,110	37,312
Other provisions		-	4,174
Other financial liability		-	2,362
Dividend payable	4.3	-	6,062
Total current liabilities		**268,079**	**522,525**
Non-current liabilities			
Borrowings	7.1	3,659,691	3,067,039
Deferred tax liabilities	4.2.2	27,408	62,722
Provision for employee benefits	3.3.2	5,014	4,988
Total non-current liabilities		**3,692,113**	**3,134,749**
TOTAL LIABILITIES		**3,960,192**	**3,657,274**
NET ASSETS		**1,231,595**	**1,144,410**
EQUITY			
Contributed equity	9.3.1	1,141,348	977,828
Physical asset revaluation surplus	9.3.2	120,396	62,216
Retained earnings	9.3.3	(30,149)	104,366
TOTAL EQUITY		**1,231,595**	**1,144,410**

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

Statement of Changes in Equity
For the year ended 30 June 2026

	Note	Contributed equity $'000	Physical asset revaluation surplus $'000	Retained profits $'000	Total equity $'000
Opening balance at 1 July 2024		**967,869**	**60,509**	**61,165**	**1,089,543**
Comprehensive income for the year					
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
Total comprehensive income after tax		**-**	**1,707**	**59,066**	**60,773**
Transactions with the State in its capacity as owner					
Dividends paid/payable	4.3	-	-	(15,863)	(15,863)
Asset received as contributed equity	9.3.1	2,359	-	-	2,359
Capital contribution[1]	9.3.1	7,600	-	-	7,600
Total transactions with the State in its capacity as owner		**9,959**	**-**	**(15,863)**	**(5,904)**
Closing balance at 30 June 2025		**977,828**	**62,216**	**104,366**	**1,144,410**
Opening balance at 1 July 2025		**977,828**	**62,216**	**104,366**	**1,144,410**
Comprehensive income for the year					
Loss after income tax expense	9.3.3	-	-	(141,772)	(141,772)
Other comprehensive income after tax	9.3.2, 9.3.3	-	58,180	1,195	59,375
Total comprehensive income after tax		**-**	**58,180**	**(140,577)**	**(82,397)**
Transactions with the State in its capacity as owner					
Dividend waived	4.3	-	-	6,062	6,062
Asset received as contributed equity	9.3.1	28,520	-	-	28,520
Capital contribution	9.3.1	135,000	-	-	135,000
Total transactions with the State in its capacity as owner		**163,520**	**-**	**6,062**	**169,582**
Closing balance at 30 June 2026		**1,141,348**	**120,396**	**(30,149)**	**1,231,595**

1. Amount recognised as receivable from DEECA which GWW received in FY26.

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 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts			
Receipts from customers, developers and others		765,630	674,653
Goods and Services Tax refunded by the Australian Taxation Office[1]		47,452	45,315
Interest received		445	327
Payments			
Payments to suppliers and employees[2]		(814,139)	(721,898)
Interest and other finance costs paid		(166,609)	(137,784)
Income tax refund/(paid)		6,309	(16,575)
Environmental Contribution paid		(44,156)	(34,972)
Government Water Rebate paid		(640)	(785)
Net cash outflow from operating activities	7.2.1	**(205,708)**	**(191,719)**
Cash flows from investing activities			
Payments for infrastructure, property, plant, equipment and intangibles		(275,634)	(325,187)
Proceeds from sale of infrastructure, property, plant, equipment and intangibles		589	1,293
Net cash outflow from investing activities		**(275,045)**	**(323,894)**
Cash flows from financing activities			
Proceeds from borrowings (new and refinanced)		1,065,331	1,361,773
Repayment of borrowings (paid down and refinanced)		(710,831)	(830,873)
Principal element of lease liability		(3,879)	(3,873)
Capital contribution	9.3.1	142,600	-
Dividends paid		-	(9,801)
Net cash inflow from financing activities		**493,221**	**517,226**
Net increase in cash and cash equivalents		12,468	1,613
Cash and cash equivalents at the beginning of the financial year		8,306	6,693
Cash and cash equivalents at the end of the financial year	7.2	**20,774**	**8,306**

1. Goods and services tax refunded from the Australian Taxation Office is presented on a net basis.
2. Includes payment of $246,109 (2025: $351,709) in respect of variable lease payments, $4,123 (2025: $7,559) for short-term leases and $48,356 (2025: $43,788) 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 2026

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 2026 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 has 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 may materially impact the financial statements include:

- fair valuation of infrastructure, property, plant and equipment
- impairment of assets
- impairment calculation of expected credit loss
- provisions
- accrued revenue (unbilled charges)
- the timing of satisfaction of performance obligations
- 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.

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 2026

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 2.6 as at 30 June 2026 (2025: 0.9). During the year, GWW reported net operating cash outflows of $205.7 million (2025: $191.7 million).

The negative operating cash flow outcome was primarily attributable to delays in customer revenue collection following the implementation of a new billing system on 29 May 2024. Ongoing system issues have impacted GWW's ability to bill certain customers, resulting in a significant backlog of unbilled charges. During the year, GWW also entered into an Enforceable Undertaking (EU) with the Essential Services Commission (ESC), which requires the write-off of certain unbilled customer charges and the application of customer account credits to eligible customers affected by billing delays. Together, these matters have adversely affected cash collections during the year. Management expects the revenue collection delays to continue until the system issues are fully resolved.

The forecast assumptions within the Corporate Plan have been updated to reflect reduced collection rates, operating efficiency initiatives, and the corresponding funding requirements. The Corporate Plan also incorporates available funding facilities to support forecast operating and capital expenditure requirements. Management continues to review budgets, forecasts, cash flow requirements and customer payment trends.

Based on the entity's liquidity position, available funding resources and forecast cash flows, management has concluded that GWW will be able to meet its obligations as and when they fall due and that the going concern basis of preparation remains appropriate. Accordingly, these financial statements have 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 entity were unable to continue as a going concern.

In addition, the Victorian Government has approved up to $250 million of equity funding support for GWW in 2026-27. Access to this funding is contingent on demonstrated need and GWW's financial and operational performance, including its ability to operate as an efficient and effective essential service provider. Management considers the approved funding arrangements to provide additional flexibility in responding to future operating and funding requirements, if required.

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 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 15 October 2026.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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 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 Timing of recognition of revenue from customers

2.1 Summary of revenue from customers

	Note	2026 $'000	2025 $'000
Sales of goods and services	2.2	897,161	861,969
Developer contributions	2.3	124,243	136,038
Other revenue	2.4	30,384	27,029
Total revenue from customers		**1,051,788**	**1,025,036**

2.2 Sales of goods and services

	2026 $'000	2025 $'000
Service charges - water	148,681	143,226
Usage charges - water	444,604	431,445
Service charges - sewerage	219,666	205,385
Disposal charges - sewerage	35,127	38,324
Trade waste charges	32,493	34,707
Recycled water charges	8,612	7,058
Water trading revenue	7,978	1,824
Total sales of goods and services revenue	**897,161**	**861,969**

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.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

2. Funding delivery of services (continued)

2.2 Sales of goods and services (continued)

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.

2.3 Developer contributions

	2026 $'000	2025 $'000
Developer contributed assets	75,092	79,283
Developer cash contributions	49,151	56,755
Total developer contributions	**124,243**	**136,038**

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 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.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

2. Funding delivery of services (continued)

2.3 Developer contributions (continued)

The point in time when GWW satisfies its performance obligation will vary depending on the type of application submitted by the customer. Amounts paid by developers include a financing charge contribution for assets developed earlier than planned at the request of the developer. The total charge in FY26 was $29,100 (2025: $2,167,500).

Rates applicable to developer cash contributions are regulated by the ESC.

2.4 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
2025			
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
Total revenue from customers	**156,979**	**868,057**	**1,025,036**

	At a point in time $'000	Over time $'000	Total $'000
2026			
Service charges - water	-	148,681	148,681
Usage charges - water	-	444,604	444,604
Service charges - sewerage	-	219,666	219,666
Disposal charges - sewerage	-	35,127	35,127
Trade waste charges	-	32,493	32,493
Recycled water charges	-	8,612	8,612
Water trading revenue	7,978	-	7,978
Developer contributions	124,243	-	124,243
Other revenue	22,349	8,035	30,384
Total revenue from customers	**154,570**	**897,218**	**1,051,788**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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	2026 $'000	2025 $'000
Bulk charges	3.2	406,734	392,613
Employee benefits in the Comprehensive Operating Statement	3.3.1	176,678	115,090
Operating expenses	3.5	332,544	279,425
Total cost of delivering services		**915,956**	**787,128**

Transformation and remediation expenses of $61.4 million were incurred during the year in relation to a major program established to address significant billing delays and data quality issues impacting customers. The program forms part of broader customer restoration and service improvement initiatives. These costs primarily comprised employee-related expenses, information technology costs and other operating expenditure.

3.2 Bulk charges

	2026 $'000	2025 $'000
Bulk water and sewerage charges	404,081	389,329
Water purchases	2,653	3,284
Total bulk charges	**406,734**	**392,613**

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 2026

3. Cost of delivering services (continued)

3.3 Employee benefits

3.3.1 Employee benefits in the Comprehensive Operating Statement

	2026 $'000	2025 $'000
Salaries and wages, annual leave, and long service leave	160,613	102,867
Accumulation fund superannuation expense	14,656	12,051
Termination benefits	1,333	126
Defined benefit superannuation expense	76	46
Total employee benefits in the Comprehensive Operating Statement	**176,678**	**115,090**

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.

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 2026

3. Cost of delivering services (continued)

3.3 Employee benefits (continued)

3.3.2 Employee benefits in the Balance Sheet

	2026 $'000	2025 $'000
Provision for employee benefits		
Current		
Annual leave unconditional and expected to be paid within 12 months	8,210	3,505
Annual leave unconditional and expected to be paid after 12 months	2,748	5,804
Long service leave unconditional and expected to be paid within 12 months	1,701	1,617
Long service leave unconditional and expected to be paid after 12 months	10,639	10,090
On costs unconditional and expected to be paid within 12 months	331	304
On costs unconditional and expected to be paid after 12 months	2,155	1,949
Other employee benefits	4,532	819
Provision for employee benefits – current	**30,316**	**24,088**
Non-current		
Long service leave conditional	4,169	4,180
On costs conditional	845	808
Provision for employee benefits - non-current	**5,014**	**4,988**
Total provision for employee benefits	**35,330**	**29,076**

Reconciliation of movement in provision for employee benefits

	2026 $'000	2025 $'000
Opening balance	29,076	30,172
Additional provisions recognised	19,697	15,006
Movements due to transfers out	(11)	(66)
Reductions arising from payments/other sacrifices of economic benefits	(13,432)	(16,036)
Closing balance	**35,330**	**29,076**

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.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

3. Cost of delivering services (continued)

3.3 Employee benefits (continued)

3.3.2 Employee benefits in the Balance Sheet (continued)

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 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.

Depending on the expectation of the timing of settlement of LSL, 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.

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.

3.4 Remuneration of auditor

	2026 $'000	2025 $'000
Amounts received, or due and receivable by the auditor of GWW for the audit of the financial report:		
Victorian Auditor-General's Office	400	348
Additional fee in prior year	110	15
Total auditor's remuneration	**510**	**363**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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.

	2026 $'000	2025 $'000
Expected credit loss allowance - refer Note 6	162,284	117,787
Operating contracts	69,309	63,413
Information technology	30,063	36,032
Consulting and contractor cost	12,150	9,559
Other expenses	10,494	10,537
Billing and collection	9,178	8,311
Energy	7,797	7,878
Facilities maintenance	7,697	5,791
Asset write-offs	6,412	7,653
Regulatory compliance costs	4,873	1,415
Chemicals	2,926	3,210
Insurance	2,706	3,755
Impairment property, plant and equipment	2,411	-
Subscriptions	1,955	1,753
Legal expenses	1,072	1,459
Grants and water conservation initiatives	599	361
Zero Emissions Water[2]	319	108
Other lease expense[1]	299	403
Total other operating expenses	**332,544**	**279,425**

1. Expenses in respect of contracts assessed as leases but which did not qualify for recognition as right-of-use assets are $246,109 (2025: $351,709) in respect of variable lease payments, $4,123 (2025: $7,559) for short-term leases, and $48,356 (2025: $43,788) 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 contractors and the field work performed by them.

Information technology expenditure relates to all operating expenses, maintenance contracts, licence fees and other costs associated with operating the information technology environment of GWW.

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 2026

3. Cost of delivering services (continued)

3.6 Revaluation adjustment of infrastructure assets

	2026 $'000	2025 $'000
Annual revaluation (decrement)/increment for the year	(13,974)	140,592
Total revaluation adjustment	**(13,974)**	**140,592**

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 – DCF – method). Refer to Note 8.3.2.

The revaluation decrement recognised during the year has been recognised in the income statement, as no revaluation surplus remained in respect of the relevant class of infrastructure assets. The revaluation increment recognised in the prior year was recognised in the income statement, rather than in Other Comprehensive Income, to the extent that it reversed a previous revaluation decrement recognised in profit or loss for the same infrastructure assets.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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

	2026 $'000	2025 $'000
Income tax expense		
Current tax	-	9,995
Deferred tax relating to temporary differences	(60,760)	15,666
Under provision in prior year	-	810
Total income tax expense	**(60,760)**	**26,471**
Income tax expense is attributable to:		
(Loss)/Profit from continuing operations	(60,760)	26,471
Total income tax expense	**(60,760)**	**26,471**
Deferred income tax expense/(benefit) included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	(81,691)	14,108
(Decrease)/increase in deferred tax liabilities	20,931	1,558
Total deferred income tax expense/(benefit)	**(60,760)**	**15,666**
Reconciliation of income tax expense to prima facie tax payable		
(Loss)/Profit before income tax expense	(202,532)	85,342
Tax at the Australian tax rate of 30% (2025 30%)	(60,760)	25,603
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	55	58
Non-deductible depreciation	885	886
Additional deductible expenses/non-assessable income	(940)	(886)
Under provision in prior year	-	810
Total income tax expense	**(60,760)**	**26,471**
Deferred income tax recognised in other comprehensive income		
Gain on revaluation of land and buildings	24,984	830
Actuarial gain on defined benefit superannuation plan	512	84
Other deferred tax liability	(48)	201
Total deferred income tax recognised in other comprehensive income	**25,448**	**1,115**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

4. Statutory obligations (continued)

4.1 Income tax expense (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.

Significant judgement

During the year, GWW applied the Australian Taxation Office's Tailored Compliance Engagement framework in relation to the income tax treatment of Developer Contributed Assets. Under this framework, eligible Developer Contributed Assets are not treated as assessable income for income tax purposes and are not eligible for capital allowance deductions.

As a result, the tax base of these assets is nil, while the carrying amount recognised for accounting purposes reflects the fair value of the assets received. This gives rise to taxable temporary differences and the recognition of deferred tax balances in accordance with AASB 112 Income Taxes. The resulting tax impacts are reflected in the deferred tax asset and deferred tax liability balances.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

4. Statutory obligations (continued)

4.2 Deferred tax assets and deferred tax liabilities (continued)

4.2.1 Deferred tax assets

	2026 $'000	2025 $'000
The balance of deferred tax assets comprises temporary differences attributable to:		
Amounts recognised in the Comprehensive Operating Statement		
Fixed assets – Infrastructure (Revaluation)	101,358	97,167
Provisions	59,865	43,823
Tax losses carried forward	64,357	-
Lease liabilities	26,909	28,072
Accrued expenses	1,813	2,835
Business related costs	11	16
Amortisation of intellectual property	1	1
Fair Value Adjustment - ZEW	-	709
Total deferred tax assets	**254,314**	**172,623**
Movements:		
Opening balance at the start of financial year	172,623	186,731
Credited/(charged) to the Comprehensive Operating Statement	81,691	(14,108)
Closing balance at the end of financial year	**254,314**	**172,623**
Deferred tax assets expected to be recovered within 12 months	28,733	31,634
Deferred tax assets expected to be recovered after more than 12 months	225,581	140,989
Total deferred tax assets	**254,314**	**172,623**
Set off of deferred tax assets pursuant to set off provisions	(254,314)	(172,623)
Net deferred tax assets	**-**	**-**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

4. Statutory obligations (continued)

4.2 Deferred tax assets and deferred tax liabilities (continued)

4.2.2 Deferred tax liabilities

	2026 $'000	2025 $'000
The balance of deferred tax liabilities comprises temporary differences attributable to:		
Amounts recognised in the Comprehensive Operating Statement		
Fixed assets - depreciation	150,734	149,875
Developer contributed assets	52,628	53,514
Right-of-use assets	21,785	23,457
Fair value adjustment - ZEW	515	-
Developer revenue not assessable	22,444	18
Amounts recognised in equity		
Defined benefits actuarial gain	3,777	3,625
Land and buildings revaluation	29,839	4,856
Total deferred tax liabilities	**281,722**	**235,345**
Movements:		
Opening balance at the start of the financial year	235,345	232,873
Credited/(charged) to the Comprehensive Operating Statement	20,931	1,558
Charged to equity	25,446	914
Closing balance at the end of financial year	**281,722**	**235,345**
Deferred tax liabilities expected to be settled after more than 12 months	281,722	235,345
Total deferred tax liabilities	**281,722**	**235,345**
Set off of deferred tax assets pursuant to set off provisions	(254,314)	(172,623)
Net deferred tax liabilities	**27,408**	**62,722**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

4. Statutory obligations (continued)

4.3 Dividends

	2026 $'000	2025 $'000
Final dividend paid during 2025 in respect of 2024	-	9,801
Interim dividend payable in respect of 2025	-	6,062
Total dividends paid/payable in FY25	-	15,863
Dividend waiver in respect of 2025	(6,062)	-
Total dividends	**(6,062)**	**15,863**

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.

During the year, GWW received confirmation from the Treasurer that the interim dividend payable in respect of the 2025 financial year would be waived. Accordingly, the dividend liability recognised at 30 June 2025 has been reversed in the current year.

No dividend has been declared or provided for in respect of the year ended 30 June 2026, reflecting the accounting loss reported for the year.

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. G26 on 27 June 2024, prescribed that the Environmental Contributions Tranche 6 period is 1 July 2024 until 30 June 2028.

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

	2026 $'000	2025 $'000
Environmental Contribution expense	35,325	35,325
Total Environmental Contribution expense	**35,325**	**35,325**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

4. Statutory obligations (continued)

4.4 Environmental Contribution (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.

	2026 $'000	2025 $'000
Not later than one year	35,325	35,325
Later than one year but not later than five years	35,325	70,650
Total Environmental Contribution commitment	**70,650**	**105,975**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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 and amortisation

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

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
2025									
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)[1]	-	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[2]	-	-	-	(2,250)	-	-	-	-	(2,250)
Reclassification of capital grant	-	-	-	(500)	-	-	500	-	-
Reclassification from property, plant and equipment to intangibles	-	-	-	-	-	-	-	(2,923)	(2,923)
Reclassification[3]	-	-	-	(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)
Gross carrying amount at 30 June 2025	**110,068**	**2,734**	**26,247**	**3,472,595**	**69,914**	**12,643**	**9,042**	**403,820**	**4,107,063**
Accumulated depreciation at 30 June 2025	**-**	**-**	**-**	**-**	**(47,426)**	**(6,641)**	**(6,449)**	**-**	**(60,516)**
Carrying amount/fair value at 30 June 2025	**110,068**	**2,734**	**26,247**	**3,472,595**	**22,488**	**6,002**	**2,593**	**403,820**	**4,046,547**

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.

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

5.1 Infrastructure, property, plant and equipment (continued)

	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
2026									
Fair value at 1 July 2025	110,068	2,734	26,247	3,472,595	69,914	12,643	9,042	403,820	4,107,063
Accumulated depreciation at 1 July 2025	-	-	-	-	(47,426)	(6,641)	(6,449)	-	(60,516)
Carrying amount at 1 July 2025	110,068	2,734	26,247	3,472,595	22,488	6,002	2,593	403,820	4,046,547
Additions	-	-	-	-	-	-	-	337,902	337,902
Developer contributed assets	-	-	-	75,092	-	-	-	(75,092)	-
Transfer of assets from Department of Transport and Planning	-	-	-	28,520	-	-	-	-	28,520
Transfers (net)[1]	1,987	-	535	234,141	3,041	4,674	6	(244,384)	-
Revaluation decrement recognised in profit or loss (note 3.6)	-	-	-	(13,974)	-	-	-	-	(13,974)
Revaluation increment/ (decrement) recognised in other comprehensive income	52,739	30,537	(160)	-	-	-	-	-	83,116
Reclassification[2]	(33,361)	33,361	(10,836)	9,649	-	-	1,187	-	-
Other reclassifications	-	-	8	(193)	450	-	-	-	265
Written off	-	-	-	-	-	-	-	(5,088)	(5,088)
Adjustments (net)	-	-	(285)	(14,592)	(833)	59	-	15,651	-
Disposals (net)	-	-	-	-	(81)	(70)	-	-	(151)
Impairment (net)	-	-	-	-	-	-	-	(2,411)	(2,411)
Depreciation expense	-	-	(678)	(79,631)	(6,035)	(2,433)	(297)	-	(89,074)
Gross carrying amount at 30 June 2026	**131,433**	**66,632**	**14,831**	**3,711,607**	**71,778**	**16,336**	**10,331**	**430,398**	**4,453,346**
Accumulated depreciation at 30 June 2026	**-**	**-**	**-**	**-**	**(52,748)**	**(8,104)**	**(6,842)**	**-**	**(67,694)**
Carrying amount/fair value at 30 June 2026	**131,433**	**66,632**	**14,831**	**3,711,607**	**19,030**	**8,232**	**3,489**	**430,398**	**4,385,652**

1. Transfers are in respect of capitalisation of assets when they are ready for use and in service.
2. 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 2026

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

5.1 Infrastructure, property, plant and equipment (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 (2025 $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 would be 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 would be recognised against the physical asset revaluation surplus.

There were no changes in valuation techniques throughout the year to 30 June 2026.

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. An independent valuation was undertaken by a Certified Practicing Valuer, Matheson Stephen Valuations, on behalf of the Valuer-General Victoria (VGV) as at 30 June 2026. The VGV valuation resulted in a gross asset value increment of $83.1 million and $58.2 million was recognised in the asset revaluation surplus.

For financial years ended 30 June 2022 to 2025, management valuation of land was performed using VGV indices. The last interim valuation in 2025 led to an increment of $2.8 million for building with movement in cumulative indicator being greater than 10%.

The carrying amount (cost less accumulated depreciation) of land and buildings exclusive of revaluations was $47.8 million (2025: $45.8 million) and $15.0 million (2025: $23.5 million) respectively.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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

5.1 Infrastructure, property, plant and equipment (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 (DCF 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 $4,445.1 million (2025: $4,202.4 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 and amortisation

	Note	2026 $'000	2025 $'000
Infrastructure, property, plant and equipment	5.1	89,074	85,265
Intangibles	5.5	24,451	22,537
Right-of-use assets	5.9	5,575	5,871
Total depreciation and amortisation		**119,100**	**113,673**

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 2026

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

5.2 Depreciation and amortisation (continued)

Useful lives (continued)

Infrastructure assets are further disaggregated as:

	Carrying amount $'000	Average useful life (Years)	Average remaining useful life (Years)
Sewer reticulation mains	1,563,750	80	54
Water reticulation and distribution mains	1,337,858	90	60
Treatment plants	207,528	48	25
Pumping stations	156,701	22	11
Water reservoirs and tanks	143,529	95	60
Others	302,241	54	44
	3,711,607		

GWW's infrastructure assets are disaggregated into asset classes that reflect differences in function, useful life and exposure to climate-related risks. This disaggregation supports both financial reporting requirements and the expected climate-related disclosures to be prepared in accordance with AASB S1 and AASB S2. Climate-related physical risks vary across asset classes.

These would be exposed to different climate change risks. For example:

- pipelines (under sewer and water reticulation distribution mains) – soil movement, subsidence, bushfire damage
- treatment plants – flooding, heat stress, power disruption
- pumping stations – flood exposure and energy price volatility
- recycled water assets (under pumping stations and water reservoirs and tanks) - combination of above.

These risks may affect asset useful lives, maintenance costs and future capital expenditure. Climate-related assumptions have been incorporated into asset valuation and impairment assessments. See note 8.1.3 for further climate change information.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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 would be recognised in the Comprehensive Operating Statement.

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

	2026 $'000	2025 $'000
Not later than one year	60,495	18,608
Later than one year but not later than five years	111,606	93,348
Total capital commitments	**172,101**	**111,956**

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 2026

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

5.5 Intangible assets

	Software $'000	Water entitlements $'000	Other intangible assets $'000	Works in progress $'000	Total $'000
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	-	-	-	24,545	24,545
Reclassification (net)[1]	-	-	-	2,923	2,923
Transfers[2]	28,285	-	9,170	(37,455)	-
Adjustments – cost	-	-	203	-	203
Adjustments – accumulated amortisation	(378)	-	95	-	(283)
Disposals/write off – cost	-	-	-	(29)	(29)
Disposals/write off – accumulated amortisation	-	-	-	-	-
Amortisation expense	(17,179)	-	(5,358)	-	(22,537)
Cost at 30 June 2025	**220,559**	**103,023**	**36,826**	**33,122**	**393,530**
Accumulated amortisation at 30 June 2025	**(156,019)**	**-**	**(14,096)**	**-**	**(170,115)**
Carrying amount at 30 June 2025	**64,540**	**103,023**	**22,730**	**33,122**	**223,415**
2026					
Cost at 1 July 2025	220,559	103,023	36,826	33,122	393,530
Accumulated amortisation at 1 July 2025	(156,019)	-	(14,096)	-	(170,115)
Carrying amount at 1 July 2025	64,540	103,023	22,730	33,122	223,415
Reclassification	-	(1,701)	1,701	-	-
Carrying amount at 1 July 2025, restated	64,540	101,322	24,431	33,122	223,415
Additions	-	-	-	7,466	7,466
Reclassification (net)[1]	(378)	-	113	-	(265)
Transfers[2]	5	-	26,059	(26,064)	-
Disposals/write off – cost	-	(3,026)	-	-	(3,026)
Disposals/write off – accumulated amortisation	-	1,701	-	-	1,701
Amortisation expense	(16,309)	-	(8,142)	-	(24,451)
Cost at 30 June 2026	**220,564**	**99,997**	**62,885**	**14,524**	**397,970**
Accumulated amortisation at 30 June 2026	**(172,706)**	**-**	**(20,424)**	**-**	**(193,130)**
Carrying amount at 30 June 2026	**47,858**	**99,997**	**42,461**	**14,524**	**204,840**

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

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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

5.5 Intangible assets (continued)

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 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 $3,823,000 (2025: $11,570,000) as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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

5.5 Intangible assets (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 $300 million to the $1 billion Stage 1 investment, which was completed in 2013. GWW contributed $100 million 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 (19.3 GL) and low reliability (11.2 GL) 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.

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 $1,073,095 (2025: $841,116) 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 LGCs 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 2026

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
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.

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.

Reversals of impairment losses are recognised in the Comprehensive Operating Statement to the extent that the original impairment loss was recognised in the Comprehensive Operating Statement.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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

5.8 Commitments for capital expenditure on intangible assets

	2026 $'000	2025 $'000
Not later than one year	893	1,214
Later than one year but not later than five years	999	644
Total capital commitments	**1,892**	**1,858**

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.

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
2025				
As at 1 July 2024	**81,246**	**1,496**	**765**	**83,507**
Re-measurement	-	-	555	555
Depreciation	(5,006)	(56)	(808)	(5,871)
As at 30 June 2025	**76,239**	**1,440**	**512**	**78,191**
Cost	104,740	1,776	4,376	110,892
Accumulated depreciation	(28,501)	(336)	(3,864)	(32,701)
Carrying amount at 30 June 2025	**76,239**	**1,440**	**512**	**78,191**
2026				
As at 1 July 2025	**76,239**	**1,440**	**512**	**78,191**
Depreciation	(5,006)	(57)	(512)	(5,575)
As at 30 June 2026	**71,233**	**1,383**	**-**	**72,616**
Cost	104,740	1,776	4,376	110,892
Accumulated depreciation	(33,507)	(393)	(4,376)	(38,276)
Carrying amount at 30 June 2026	**71,233**	**1,383**	**-**	**72,616**

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 2026

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

5.9 Right-of-use assets (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
- 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 the 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 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
- 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.

As disclosed in note 9.5, during the year GWW changed from the revaluation model to historical cost model and has applied a modified retrospective approach. The approach takes the right-of-use asset's carrying amounts recorded under the revaluation model as at 30 June 2025 as the right-of-use asset's opening balances on application of the cost model.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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

5.9 Right-of-use assets (continued)

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

Right-of-use assets (continued)

There were no material changes upon adopting the cost model at 30 June 2026.

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.

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
- 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 2026

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

6.1 Receivables

	2026 $'000	2025 $'000
Trade receivables		
Trade receivables	382,636	266,353
Less: Expected credit loss allowance	(33,638)	(17,853)
Total trade receivables	**348,998**	**248,500**
Contract assets		
Contract assets	187,188	251,231
Less: Expected credit loss allowance	(60,918)	(94,972)
Total contract assets	**126,270**	**156,259**
Other receivables		
Statutory trade receivables	4,831	5,722
Non-trade receivables	246	8,885
Other financial receivables	1,733	15
Total other receivables	**6,810**	**14,622**
Total Receivables	**482,078**	**419,381**
Represented by		
Current receivables	480,255	419,276
Non-current receivables	1,823	105
	482,078	**419,381**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

6. Other assets and liabilities (continued)

6.1.1 Nature of Receivables

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.

Contract assets

Contract assets (accruals) are recognised for water and sewage usage as well as other works and services where performance obligations have been satisfied but not yet invoiced. 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 ESC.

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-trade receivables comprise contractual 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.

6.1.2 Expected Credit Loss Assessment

GWW applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses (ECL), which uses a lifetime expected credit loss allowance for trade receivables and contract assets. The allowances are measured using historical collection experience, current conditions and relevant forward-looking information. They reflect management's estimate of the cash flows expected to be recovered from customer balances, including the impact of customer remediation measures arising from the Enforceable Undertaking (EU) with the Essential Services Commission (ESC) where those measures are expected to reduce amounts recoverable from customers.

Trade receivables are assessed based on shared credit risk characteristics, including customer type, ageing, payment behaviour and specific customer circumstances, with loss allowances generally calculated using a provision matrix based on days past due. A specific allowance is recognised where information indicates that an individual balance may not be fully recoverable.

Contract assets affected by the EU are assessed separately using customer and billing cohorts. Management considers the relevant EU conditions, forecast billing and collection outcomes, and the amount and timing of mandatory customer credits expected to be applied against future invoices.

At 30 June 2026, the total expected credit loss allowance was $94.6 million (2025: $112.8 million), comprising $33.6 million relating to trade receivables and $60.9 million relating to contract assets. Of the contract asset expected credit loss allowance, approximately $35.9 million relates to amounts management does not expect to become billable because relevant EU conditions are not expected to be satisfied, and approximately $25.0 million relates to mandatory customer credits expected to be applied against future invoices. Further information is provided below.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

6. Other assets and liabilities (continued)

Significant estimate relating to delayed billing and customer remediation

On 29 May 2024, GWW implemented a new customer billing platform. Following implementation, operational challenges affected the timely issue of customer bills and the administration of customer accounts. As a result, a number of customers experienced significant billing delays, catch-up billing and payment terms being extended to four months.

During FY2026, GWW entered into an EU with the ESC in response to matters arising from those billing delays. The EU requires GWW to provide a range of customer remediation measures, including waived charges, customer account credits and other customer relief arrangements for eligible customers.

Amounts were removed from the gross carrying amount of contract assets where the relevant EU billing requirements had definitively not been satisfied by 30 June 2026 and there was no reasonable expectation that the amounts could be billed or recovered. Contract assets for which billing remained conditional at reporting date continued to be recognised gross, with a loss allowance reflecting management's estimate of amounts not expected to be recovered.

For eligible customers, mandatory remediation credits will be applied against future invoices. The credits do not reduce invoices already issued or trade receivables recognised at 30 June 2026, which management expects to be settled at their carrying amount. Management has therefore included the estimated credits within the contract asset expected loss allowance. The customer credit amount recognised at 30 June 2026 represents management's estimate of the remaining obligation to provide credits to eligible customers under the EU after taking into account credits already applied to customer accounts. This estimate includes eligible customers whose credits had not yet been processed at year end. As part of a review of the application of the EU, GWW has identified customer accounts that have not received appropriate redress credits. GWW has committed to the ESC to make good on all customer accounts entitled to redress credits, in line with the terms of the EU. In any case where a waiver should have been applied, GWW will also make good on customer accounts.

Management applied significant judgement in accounting for the impacts of the Enforceable Undertaking, including both the estimated customer credits and other remediation obligations. After considering the requirements of AASB 15 *Revenue from Contracts with Customers*, AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and AASB 9 *Financial Instruments*, management concluded that recognising the estimated customer credits within the contract asset loss allowance most appropriately reflects the reduction in future cash flows expected to be recovered from the contract asset balances. Accordingly, these amounts have been recognised under AASB 9 rather than as a reduction of revenue under AASB 15 or as a separate provision under AASB 137.

Estimation uncertainty

The measurement of the contract asset expected credit loss allowance relating to delayed billing populations and customer remediation involves significant estimation uncertainty.

Key assumptions considered by management include:

- identification of customer populations eligible for remediation under the EU;
- future customer payment behaviour;
- historical collection patterns for delayed bills;
- customer disputes and hardship trends;
- the impact of regulatory constraints on recovery activities;
- expected remediation outcomes under the EU;
- the timing or resolution of the billing issues; and
- the timing and application of customer remediation credits.

The actual amount ultimately recovered from affected customer balances may differ from management's estimates.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

6. Other assets and liabilities (continued)

6.1 Receivables (continued)

6.1.2 Expected Credit Loss Assessment (continued)

Expected Credit Loss for Trade Receivables

Trade receivables are grouped based on shared credit risk characteristics and days past due when measuring expected credit losses.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators of non-recovery include 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.

During FY2026, GWW updated its expected credit loss model 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 catch-up 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.

The table below summarises the ageing profile of trade receivables and the corresponding expected credit loss rates applied by management.

	Current $'000	30-59 days $'000	60-89 days $'000	Greater than 90 days $'000	Not impaired $'000	Total $'000
30 June 2025						
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[1]	(6,263)	(59)	(90)	(11,441)	-	(17,853)
Net carrying amount	**184,413**	**26,207**	**11,141**	**23,949**	**2,790**	**248,500**
30 June 2026						
Expected loss rate	4.2%	0.4%	0.8%	49.4%		
Gross carrying amount	283,571	49,915	2,761	43,621	2,768	382,636
Loss allowance[1]	(11,855)	(203)	(23)	(21,557)	-	(33,638)
Net carrying amount	**271,716**	**49,712**	**2,738**	**22,064**	**2,768**	**348,998**

1. Includes specific provision of $18.1m (2025: $7.7m) which is greater than 90 days.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

6. Other assets and liabilities (continued)

6.1 Receivables (continued)

6.1.2 Expected Credit Loss Assessment (continued)

Expected credit loss for contract assets

During FY2026, management reassessed the recoverability of contract asset balances associated with customer populations affected by delayed billing. The assessment considered customer and billing cohorts, the relevant EU conditions, forecast billing outcomes, historical collection experience, expected future cash collections and mandatory customer remediation credits.

The allowance includes specific provisions of $60.4 million (2025: $92.0 million) relating to customer cohorts significantly impacted by delayed billing and associated remediation arrangements.

	2026 $'000	2025 $'000
Expected credit loss rate	32.5%	37.8%
Gross carrying amount	187,188	251,231
Loss allowance	(60,918)	(94,972)
Net carrying amount	**126,270**	**156,259**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

6. Other assets and liabilities (continued)

6.1 Receivables (continued)

6.1.3 Movement in the expected credit loss allowance

FY2026 Allowance movement

Movements in the expected credit loss allowance during FY2026 reflected:

- new loss allowances recognised for customer billing delays, uncertainty regarding recovery of delayed customer balances and customer remediation obligations under the EU;
- transfer of the associated loss allowance from contract assets to trade receivables when underlying customer balances were billed; and
- write-off of trade receivables and contract assets where there was no reasonable expectation of recovery.

A significant component of the loss allowance recognised at 30 June 2026 relates to customer accounts subject to remediation arrangements established under the EU.

	Trade Receivables ECL $'000	Contract Assets ECL $'000	Total Receivables ECL $'000
30 June 2025			
Opening balance at the start of the year	(11,373)	-	(11,373)
Provision for loss allowance recognised during the year	(22,815)	(94,972)	(117,787)
Written off during the year as uncollectible	16,335	-	16,335
Closing balance at the end of the year	**(17,853)**	**(94,972)**	**(112,825)**
30 June 2026			
Opening balance at the start of the year	(17,853)	(94,972)	(112,825)
Provision for loss allowance recognised during the year	(16,148)	(146,136)	(162,284)
Transfer of provision[1]	(110,521)	110,521	-
Written off during the year as uncollectible	110,884	69,669	180,553
Closing balance at the end of the year	**(33,638)**	**(60,918)**	**(94,556)**

1. Upon issuance of bills

Trade receivables and contract assets that were written off during the period that were subject to compliance collection activities was $180,553,000 (2025: $16,335,000).

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

6. Other assets and liabilities (continued)

6.2 Payables

	2026 $'000	2025 $'000
Contractual		
Trade payables	109,967	135,613
Other payables	32,928	25,897
Deferred developer reimbursements	871	871
Sundry liabilities	-	1,332
Total contractual payables	**143,766**	**163,713**
Statutory		
Trade payables	2,565	2,957
Other payables	10,960	10,216
Total statutory payables	**13,525**	**13,174**
Total current payables	**157,291**	**176,887**

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.

All payables are classified as current liabilities as at 30 June 2026 and 30 June 2025 and are expected to be settled within 12 months of the reporting date. Contractual payables have no contractual maturities greater than one year.

It is GWW's policy to pay its trade accounts payable liablilities 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 2026

6. Other assets and liabilities (continued)

6.2 Payables (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
2025					
Payables	163,713	163,713	163,713	-	163,713
Total contractual payables	**163,713**	**163,713**	**163,713**	**-**	**163,713**
2026					
Payables	143,766	143,766	143,766	-	143,766
Total contractual payables	**143,766**	**143,766**	**143,766**	**-**	**143,766**

6.3 Advances and deposits

	2026 $'000	2025 $'000
Advances and deposits	23,708	25,954
Total advances and deposits	**23,708**	**25,954**

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

6.4 Contract liabilities

	2026 $'000	2025 $'000
Contract liabilities	53,110	37,312
Total current contract liabilities	**53,110**	**37,312**

Movement in contract liabilities	2026 $'000	2025 $'000
Carrying amounts as at 1 July	37,312	28,816
Add: Developer contributions received for performance obligations yet to be completed during the year	64,935	65,067
Less: Revenue recognised for the completion of performance obligation	(49,151)	(56,755)
Other income deferred during the year	14	184
Carrying amounts as at 30 June	**53,110**	**37,312**

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 2026

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

	2026 $000	2025 $'000
Current		
Treasury Corporation of Victoria	-	241,500
Lease liabilities	3,654	4,186
Total current borrowings	**3,654**	**245,686**
Non- current		
Treasury Corporation of Victoria	3,573,650	2,977,650
Lease liabilities	86,041	89,389
Total non-current borrowings	**3,659,691**	**3,067,039**
Total borrowings	**3,663,345**	**3,312,725**

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 and fixed rate 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- (2025 BBB).

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

7. Financing our operations (continued)

7.1 Borrowings

7.1.1 Maturity analysis of borrowings

	Weighted average interest rate	Carrying Amount $'000	Nominal amount: 1 year or less $'000	Nominal amount: Over 1 year $'000	Nominal amount: Total $'000
2025					
Borrowings – fixed[1]	3.53%	2,977,650	295,000	2,682,650	2,977,650
Borrowings – floating[1]	4.02%	241,500	241,500	-	241,500
Borrowings – lease liabilities[2]	2.43%	93,575	5,985	115,453	121,438
Total borrowings		**3,312,725**	**542,485**	**2,798,103**	**3,340,588**
2026					
Borrowings – fixed[1]	3.96%	3,573,650	404,500	3,169,150	3,573,650
Borrowings – floating[1]	0.00%	-	-	-	-
Borrowings – lease liabilities[2]	2.42%	89,695	6,108	109,345	115,453
Total borrowings		**3,663,345**	**410,608**	**3,278,495**	**3,689,103**

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

Finance expenses	2026 $'000	2025 $'000
Interest on lease liabilities	2,557	2,641
Interest on TCV borrowings	129,783	104,258
Financial accommodation levy[1]	43,058	39,079
Bank charges	36	22
Less: Reversal of accrued interest	(126)	-
Total finance expenses	**175,308**	**146,000**

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 expenses are recognised in the period in which they are incurred and measured at fair value.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

7. Financing our operations (continued)

7.2 Cash flow information and balances

	2026 $'000	2025 $'000
Cash and cash equivalents		
Cash at bank	20,774	8,306
Total cash and cash equivalents	**20,774**	**8,306**

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank. 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

	2026 $'000	2025 $'000
(Loss)/Profit after income tax expense	**(141,772)**	**58,871**
Non-cash movements:		
Depreciation and amortisation of assets	119,100	113,673
Impaired receivables	162,284	117,781
Defined benefit superannuation fund expense	76	46
Asset impairment and write offs	8,974	7,963
Asset revaluation decrement/(increment)	13,974	(140,592)
Net gain on disposal of non-current physical assets	(741)	(1,293)
Developer contributed assets	(75,092)	(79,283)
Movements in assets and liabilities:		
(Increase)/decrease in receivables	(272,237)	(234,322)
Decrease/(increase) in prepayments and other assets	(3,384)	(1,777)
Decrease/(increase) in inventories	1,920	181
Increase/(decrease) in payables	14,472	(58,561)
Increase/(decrease) in advances and deposits	(3,041)	1,927
Increase/(decrease) in contract liabilities	15,798	8,496
Increase/(decrease) in current tax liability	6,309	(5,769)
Increase/(decrease) in provision for employee benefits	6,254	(1,096)
Increase/(decrease) in other provisions	(6,541)	6,371
Increase/(decrease) in accrued interest	8,699	-
Increase/(decrease) in deferred tax liabilities	(60,760)	15,665
Net cash outflow from operating activities	**(205,708)**	**(191,719)**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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 (liability examples includes taxes 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. GWW recognises the following liabilities in this category:

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

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.

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 2026

8. Risks, contingencies and valuation judgements (continued)

8.1 Financial instruments specific disclosures (continued)

8.1.2 Financial risk management objectives and policies

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*.

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 borrowings 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 ESC's benchmark ratio of 60%. GWW's gearing ratio (debt which includes lease liabilities/total assets) for the year was 70.6% compared to 69.0% in 2025.

GWW's debt (net of cash and excluding lease liabilities) to regulatory asset base (RAB) target is 93.3% or below. The debt to RAB for 2026 was 92.0%.

GWW has an interest coverage target (measured as net cash flow from operations less net interest and tax/ net interest payments) of 0.85 times. This interest coverage for 2026 was negative 0.2 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 2026

8. Risks, contingencies and valuation judgements (continued)

8.1 Financial instruments specific disclosures (continued)

8.1.2 Financial risk management objectives and policies (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 6.1.1.

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 2026, other than receivables and contract assets, GWW has no other significant credit risk. With the exception of the specific ECL provision relating to contract assets and trade receivables, there has been no material change to GWW's credit risk profile in 2026.

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 liablilities within 10 or 20 business days for small or large business suppliers respectively, in accordance with the Victorian Government Fair Payments Policy or, in the event of a dispute, within 30 days of the dispute being resolved.

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.

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 2026

8. Risks, contingencies and valuation judgements (continued)

8.1 Financial instruments specific disclosures (continued)

8.1.2 Financial risk management objectives and policies (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 maintain a diversified debt maturity profile by limiting debt maturing within one year, including floating rate debt, to a maximum of 20% of total debt and debt maturing beyond one year to a maximum of 15% of total debt in any individual maturity period. 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 declining stream flows and 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 continue to reduce the availability of local water sources, and the dependence on manufactured water supplies will grow.

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.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

8. Risks, contingencies and valuation judgements (continued)

8.1 Financial instruments specific disclosures (continued)

8.1.3 Other risk - climate related risk (continued)

We are working on the following areas:

1. reducing our reliance on climate-dependent resources for drinking water
2. increasing the use of alternative water sources for non-drinking purposes, productive agriculture, and environmental outcomes where available
3. updating drought preparedness and response plans 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 2030 Strategy
8. participating in pilots to explore waste to energy and biochar opportunities.

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, key priorities include:

- GWW is consolidating our approach into a Climate Resilience Plan in a holistic way with integrated, long-term actions that build resilience across operations, infrastructure, and governance
- 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
- Considering risks to our long-term water security through the development of our 2027 Urban Water Strategy
- 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 Traditional Owners to guide inclusive and sustainable water stewardship

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

8. Risks, contingencies and valuation judgements (continued)

8.1 Financial instruments specific disclosures (continued)

8.1.3 Other risk - climate related risk (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
2025						
Financial assets						
Cash and cash equivalents	7.2	5.68%	8,306	-	-	8,306
Receivables[1]	6.1		-	105	413,539	413,644
Investment in ZEW			-	-	15	15
Total financial assets			**8,306**	**105**	**413,554**	**421,965**
Financial liabilities						
Payables[1]	6.2		-	-	163,713	163,713
Liability in ZEW			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	-	93,575
Total financial liabilities			**248,048**	**3,067,039**	**163,713**	**3,478,800**
2026						
Financial assets						
Cash and cash equivalents	7.2	4.47%	20,774	-	-	20,774
Receivables[1]	6.1			1,823	473,691	475,514
Investment in ZEW			-	-	1,733	1,733
Total financial assets			**20,774**	**1,823**	**475,424**	**498,021**
Financial liabilities						
Payables[1]	6.2		-	-	143,766	143,766
Borrowings – fixed	7.1.1	3.96%	-	3,573,650	-	3,573,650
Borrowings – lease liabilities	7.1.1	2.42%	3,654	86,041	-	89,695
To reconcileTotal financial liabilities			**3,654**	**3,659,691**	**143,766**	**3,807,111**

1. Does not include statutory receivables or payables.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

8. Risks, contingencies and valuation judgements (continued)

8.1 Financial instruments specific disclosures (continued)

8.1.3 Other risk - climate related risk (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
2025						
Financial assets						
Cash and cash equivalents[1]	7.2	8,306	(21)	(21)	21	21
Receivables[2]	6.1	413,644	-	-	-	-
Investment in ZEW	6.8	15	-	-	-	-
Total financial assets		**421,965**	**(21)**	**(21)**	**21**	**21**
Financial liabilities						
Payables[2]	6.2	163,713	-	-	-	-
Liability in ZEW		2,362	-	-	-	-
Borrowings – TCV[3]	7.1	3,219,150	16,096	16,096	(16,096)	(16,096)
Borrowings – lease liabilities4	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)**
2026						
Financial assets						
Cash and cash equivalents[1]	7.2	20,774	(36)	(36)	36	36
Receivables[2]	6.1	475,514	-	-	-	-
Investment in ZEW		1,733	-	-	-	-
Total financial assets		**498,021**	**(36)**	**(36)**	**36**	**36**
Financial liabilities						
Payables[2]	6.2	143,766	-	-	-	-
Borrowings – TCV[3]	7.1	3,573,650	17,868	17,868	(17,868)	(17,868)
Borrowings – lease liabilities[4]	7.1	89,695	314	314	(314)	(314)
Total financial liabilities		**3,807,111**	**18,182**	**18,182**	**(18,182)**	**(18,182)**
Total increase/(decrease)			**18,146**	**18,146**	**(18,146)**	**(18,146)**

1. Calculation is based on average cash holdings of $6.75 million (2025 $3.25 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 2026

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.

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).

	2026 $'000	2025 $'000
Quantifiable contingent assets		
Water supply assets under construction	42,271	28,948
Sewerage assets under construction	65,865	59,338
Water supply assets committed to	34,826	40,683
Sewerage assets committed to	32,625	40,521
Total quantifiable contingent assets	**175,587**	**169,490**

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

8. Risks, contingencies and valuation judgements (continued)

8.2 Contingent assets and contingent liabilities (continued)

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 ESC's final determination for water and sewerage prices in June 2025 (for the 2026 reporting period).

	2026 $'000	2025 $'000
Quantifiable contingent liabilities		
Reimbursement for water supply assets	41,833	39,870
Reimbursement for sewerage assets	21,171	30,929
Total quantifiable contingent liabilities	**63,004**	**70,799**

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 2026

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;
- investment in ZEW; 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 assets and 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 2026

8. Risks, contingencies and valuation judgements (continued)

8.3 Fair value determination (continued)

8.3.1 Fair value determination of financial assets and liabilities (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[3] $'000	Level 3[4] $'000
2025						
Financial assets						
Cash and cash equivalents	7.2	8,306	8,306	-	-	-
Receivables[1]	6.1	413,644	413,644	-	-	-
Investment in ZEW	6.1	15	15	-	-	15
Total financial assets		**421,965**	**421,965**	**-**	**-**	**15**
Financial liabilities						
Payables[1]	6.2	163,713	163,713	-	-	-
Borrowings - TCV[2]	7.1	3,219,150	3,187,019	-	-	-
Borrowings - lease liabilities	7.1	93,574	93,574	-	-	-
ZEW		2,362	2,362	-	-	2,362
Total financial liabilities		**3,478,799**	**3,446,668**	**-**	**-**	**2,362**
2026						
Financial assets						
Cash and cash equivalents	7.2	20,774	20,774	-	-	-
Receivables[1]	6.1	475,514	475,514	-	-	-
Investment in ZEW	6.1	1,733	1,733	-	-	1,733
Total financial assets		**498,021**	**498,021**	**-**	**-**	**1,733**
Financial liabilities						
Payables[1]	6.2	143,766	143,766	-	-	-
Borrowings - TCV[2]	7.1	3,573,650	3,466,252	-	-	-
Borrowings - lease liabilities	7.1	89,695	89,695	-	-	-
Total financial liabilities		**3,807,111**	**3,699,713**	**-**	**-**	

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 2026

8. Risks, contingencies and valuation judgements (continued)

8.3 Fair value determination (continued)

8.3.1 Fair value determination of financial assets and liabilities (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.

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.

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.

Infrastructure assets are valued using a discounted cash flow methodology consistent with the prior year. As the valuation is highly sensitive to changes in key assumptions, market-based evidence is also incorporated through the application of a Regulated Asset Base (RAB) multiple to determine terminal value, consistent with market participant practice. As the valuation relies on significant unobservable inputs, infrastructure assets are classified as Level 3 fair value measurements.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

8. Risks, contingencies and valuation judgements (continued)

8.3 Fair value determination (continued)

8.3.2 Fair value determination of non-financial physical assets (continued)

A full valuation of GWW's infrastructure assets was performed by KPMG as at 30 June 2026. 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. Uncertainty associated with global trade policies and geopolitical tensions 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 2026 valuation resulted in an decrement of $14.0 million compared to an increment of $140.6 million in 2025 (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 5.5% 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 2026

8. Risks, contingencies and valuation judgements (continued)

8.3 Fair value determination (continued)

Description of significant unobservable inputs to Level 3 valuations

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	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 2026

8. Risks, contingencies and valuation judgements (continued)

8.3 Fair value determination (continued)

Description of significant unobservable inputs to Level 3 valuations (continued)

2026

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	8% - 71% (20%)	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)	5.3% - 5.7% (5.5%)	An increase or decrease of 0.25% in the estimated discount rate would result in a decrease of $156.0m or an increase of $106.7m 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 $257.2m or a decrease of $257.2m 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	$406,794m to $687,245m ($515,287m)	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 (74 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	$0 - $469,000 ($12,011)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	3 - 50 years (19 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	$25,500 - $690,000 ($58,579)	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 ($173,967)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	7 – 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 2026

8. Risks, contingencies and valuation judgements (continued)

8.3 Fair value determination (continued)

Description of significant unobservable inputs to Level 3 valuations (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	2026		2025	
Exit RAB +/- 0.10x	-13.9%	13.9%	-12.9%	12.9%
Exit RAB +/- 0.05x	-6.9%	6.9%	-6.5%	6.5%
Discount rate +/- 0.50%	-6.9%	7.3%	-6.5%	6.8%
Discount rate +/- 0.25%	-4.2%	2.9%	-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 2026

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 Australian Accounting Standards issued that are not 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 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

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

9. Other disclosures (continued)

9.1 Responsible persons and executives (continued)

9.1.1 Responsible persons (continued)

Persons who held the position of responsible person at any time during the 2026 financial year were as follows:

The Hon. Harriet Shing MP	Minister for Water	15 April 2026 - 30 June 2026
The Hon. Gayle Tierney MP	Minister for Water	1 July 2025 - 14 April 2026
Ms Lisa Neville	Chair	1 July 2025 - 30 June 2026
Mr Cameron FitzGerald	Managing Director	2 February 2026 - 30 June 2026
Mr Craig Dixon	Acting Managing Director	28 July 2025 - 1 February 2026
Ms Maree Lang	Managing Director	1 July 2025 - 27 July 2025
Ms Nicola Burgess	Director	1 July 2025 - 30 June 2026
Mr Matthew Burns	Director	1 July 2025 - 30 June 2026
Mr Tien Kieu	Director	1 July 2025 - 30 June 2026
Ms Aisha Nicolay	Director	1 July 2025 - 30 June 2026
Ms Cathy Whelan	Director	1 October 2025 - 30 June 2026
Ms Deirdre Blythe	Director	1 October 2025 - 30 June 2026
Mr Paul Younis	Director	1 October 2025 - 30 June 2026
Mr Tony Peake	Director	1 October 2025 - 30 June 2026
Dr Bruce Cohen	Director	1 July 2025 - 30 September 2025
Ms Liza McDonald	Director	1 July 2025 - 30 September 2025
Ms Llewellyn Prain	Director	1 July 2025 - 30 September 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 2026

9. Other disclosures (continued)

9.1 Responsible persons and executives (continued)

9.1.1 Responsible persons (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.

$	$	2026 No.	2025 No.
10,000 -	19,999	3	1
40,000 -	49,999	4	-
50,000 -	59,999	3	8
60,000 -	69,999	1	-
90,000 -	99,999	-	1
100,000 -	109,999	1	-
110,000 -	119,999	-	-
200,000 -	209,999	1	-
220,000 -	229,999	1	-
240,000 -	249,999	1	
480,000 -	489,999	-	1
Total		**15**	**11**

	2026 $'000	2025 $'000
Total amount	**1,238**	**1,076**

9.1.2 Executives

	2026 $'000	2025 $'000
Short-term employment benefits	2,098	1,912
Post-employment benefits	176	180
Other long-term benefits	46	47
Termination benefits	102	-
Total	**2,422**	**2,139**
Total employees (no.)	**8**	**6**
Annualised employee equivalent[1]	**5.6**	**6.0**

1. 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.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

9. Other disclosures (continued)

9.1 Responsible persons and executives (continued)

9.1.2 Executives (continued)

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.

9.2 Related parties

Relevant Minister

The Honourable Gayle Tierney MP was the responsible Minister for Water from 1 July 2025 – 14 April 2026. The Honourable Harriet Shing 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, C.FitzGerald, N. Burgess, M. Burns, T. Kieu, A. Nicolay, C.Whelan, D.Blythe, P.Younis, T. Peake, C. Dixon, M. Lang, B Cohen, L. McDonald and L. Prain.

Transactions with key management personnel and key management personnel related entities

Ms Nicola Burgess was an interim executive director in RMIT. During the year, GWW paid RMIT $332,300 (including GST) for approved project related activities.

Mr Matthew Burns is the Chief Executive Officer in Taungurung Land and Waters Council. During the year, GWW paid Taungurung Land and Waters Council $27,500 (including GST) in respect of Cultural Water Partnership agreement.

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 2026

9. Other disclosures (continued)

9.2 Related parties (continued)

Payments to key management personnel

	2026 $'000	2025 $'000
Short-term employment benefits	905	976
Post-employment benefits	82	89
Other long-term benefits[1]	6	11
Services provided under secondment arrangement	245	-
Total	**1,238**	**1,076**
Total employees (no.)	**15**	**11**

1. 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.

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.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

9. Other disclosures (continued)

9.2 Related parties (continued)

Related parties with significant transactions

Department of Energy, Environment and Climate Action (DEECA)

GWW bills and collects parks charges on behalf of 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.

	2026 $'000	2025 $'000
Payments		
Parks Charge collected on behalf of DEECA	58,720	43,003
Environmental Contribution	44,156	34,972
Other	258	387
Receipts		
Billings and collection fee	2,250	2,235
Western Irrigation Network – Capital contribution	7,600	-
Capital Contribution	135,000	-
Others	763	839
Payables		
Environmental Contribution	-	8,706
Parks Charge collected on behalf of DEECA	671	1,296
Receivables		
Capital Contribution	-	7,600
Other	165	-

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

9. Other disclosures (continued)

9.2 Related parties (continued)

Related parties with significant transactions (continued)

Department of Treasury and Finance

The Department of Treasury and Finance monitors the implementation of GWW's Corporate Plan in consultation with DEECA.

	2026 $'000	2025 $'000
Payments		
Income tax equivalent	119	16,575
Dividends	-	9,801
Financial Accommodation Levy	42,315	37,070
Payables		
Financial Accommodation Levy	10,960	10,216
Dividend[1]	-	6,062
Receivables		
Income tax equivalent	119	-
Receipts		
Interest on deposit with financial institution	432	314
Income tax refunded	6,428	-

1. Dividend payable in 2025 was subsequently waived by the Treasurer during the financial year.

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.

	2026 $'000	2025 $'000
Payments		
Finance costs	120,278	94,349
Administration fees	1,158	3,702
Receipts		
Net borrowings during the year	354,500	530,900
Interest received	445	327
Payables		
Total borrowings	3,573,650	3,219,650
Finance costs	33,770	25,897

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

9. Other disclosures (continued)

9.2 Related parties (continued)

Related parties with significant transactions (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.

	2026 $'000	2025 $'000
Payments		
Bulk water and sewage charges	403,119	387,706
Drainage charge collected on behalf of Melbourne Water	78,329	56,123
Property information statements	319	125
Other	317	823
Receipts		
Billings and collection fee	4,200	4,373
Other	510	142
Payables		
Bulk water and sewage charges	4,606	4,465
Property information statements	441	16
Other	4	-
Receivables		
Billing and collection fees	254	-

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

9. Other disclosures (continued)

9.2 Related parties (continued)

Related parties with significant transactions (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.

	2026 $'000	2025 $'000
Payments		
Payroll tax	6,969	6,305
Other	1,774	1,501
Payables		
Payroll tax	563	477
Receivables		
Pension rebate	1,335	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.

	2026 $'000	2025 $'000
Payments		
Safe Drinking Water Levy	193	-
Receipts		
Utility relief grant	2,694	1,631
Receivables		
Pension, health, dialysis rebates	57,883	28,821
Administration fee on rebates	420	-
Utility relief grant	67	-

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

9. Other disclosures (continued)

9.2 Related parties (continued)

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.

9.3 Equity

	2026 $'000	2025 $'000
Contributed equity	1,141,348	977,828
Physical asset revaluation surplus1	120,396	62,216
Retained profits	(30,149)	104,366
Total equity	**1,231,595**	**1,144,410**

1. Physical asset revaluation surplus is the asset revaluation reserve relating to land and buildings.

9.3.1 Contributed equity

	2026 $'000	2025 $'000
Contributed equity at the beginning of the financial year	977,828	967,869
Asset received as contributed equity	28,520	2,359
Capital contribution	135,000	7,600
Contributed equity at the end of the financial year	**1,141,348**	**977,828**

In line with the requirements of the *Financial Management Act 1994*, additions to net assets which have been designated as contributed equity by the Minister for Finance 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.

The capital contribution received during the year relates to government funding support. Capital contribution in prior year was 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.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

9. Other disclosures (continued)

9.3 Equity (continued)

9.3.2 Physical asset revaluation surplus

	2026 $'000	2025 $'000
Physical asset revaluation surplus at the beginning of the financial year	62,216	60,509
Revaluation increment on land and buildings, net of tax	58,180	1,937
Land disposal	-	(230)
Physical asset revaluation surplus at the end of the financial year	**120,396**	**62,216**

Physical asset revaluation surplus is used to record revaluation increments and decrements in the value of non-current physical assets.

9.3.3 Retained earnings

	2026 $'000	2025 $'000
Retained earnings at the beginning of the financial year	104,366	61,165
(Loss)/Profit after income tax expense	(141,772)	58,871
Final dividend paid during 2025 in respect of 2024	-	(9,801)
Interim dividend reversal/(payable) in respect of 2025	6,062	(6,062)
Actuarial gain on defined benefit superannuation plan (net of tax)	1,195	195
Retained earnings at the end of the financial year	**(30,149)**	**104,366**

Retained profits represent accumulated retained profits/(losses) over the lifetime of GWW.

9.4 Ex gratia expenses

	2026 $'000	2025 $'000
Forgiveness or waiver of debt	1,194	951
Total ex gratia expenses	**1,194**	**951**

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).

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

9. Other disclosures (continued)

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 2025 (unless otherwise stated). The impact has been disclosed in the table below.

Standard	Effective date	Key changes	Impact
AASB 2023-5 *Amendments to Australia Accounting Standards – Lack of Exchangeability*	1 January 2025	The amendments require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.	GWW concluded that the changes to this accounting standard is not relevant.
AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*	1 July 2025	The Standard amends AASB 136 and AASB 137 to add additional illustrative examples to their accompanying guidance.	GWW concluded that there is no impact on the financial statements.

Right-of-use assets

GWW has made a change in accounting policy to change the measurement basis from the revaluation model to the cost model for the subsequent measurement of right-of-use assets arising from market leases, in accordance with the updated requirements under FRD 104 Leases.

Previously, GWW had measured all right-of-use assets arising from market leases using the revaluation model under AASB 13. Following the change in accounting policy, GWW will measure all right-of-use assets using the cost model. Right-of-use assets measured using the cost model are held at cost less accumulated depreciation and impairment and any adjustments for remeasurement of lease liability. Periodic revaluations are not required; however, the cost model requires annual impairment assessments in accordance with AASB 136.

Upon the adoption of the cost model, GWW has applied a modified retrospective approach. The approach takes the right-of-use asset's carrying amounts recorded under the revaluation model as at 30 June 2025 as the right-of-use asset's opening balances on application of the cost model.

Accordingly, the comparative information presented is not restated and is reported at the previously determined fair value.

Impacts on financial statements

On transition to the cost model, there was no impact on the GWW's financial statements. No impairment was identified by GWW for the right-of-use asset held as at 30 June 2026.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2026

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 2026 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
AASB 2024-2	1 January 2026	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments
AASB2022-8	1 July 2026	Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
AASB2022-9	1 July 2026	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector
AASB 18	1 January 2027	Presentation and Disclosure in Financial Statements
AASB2024-4	1 January 2028	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128

GWW is in the process of analysing the impacts of all the new AAS. However, it is not anticipated to have a material impact.

9.7 Subsequent events

No matter or circumstance has arisen since 30 June 2026 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 2026.

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 for 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 present fairly the financial transactions during the year ended 30 June 2026 and the financial position of GWW at 30 June 2026.

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 15 October 2026.



Matthew Burns
Acting Chair



Cameron FitzGerald
Managing Director



Linda Watts
Chief Financial Officer

Melbourne
15 October 2026

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Greater Western Water Corporation

Opinion	I have audited the financial report of Greater Western Water Corporation (the corporation) which comprises the: • balance sheet as at 30 June 2026 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including material accounting policy information • statutory certification. In my opinion, the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's responsibilities for the audit of the financial report* section of my report. My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants (including Independence Standards)* (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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Key audit matters	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. The following 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.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Key audit matter	How I addressed the matter
Revenue recognition, measurement of trade receivables and contract assets, and the estimation of expected credit losses Refer to Note 2.2 *Sale of goods and services* and Note 6.1 *Receivables*	

Revenue from service and usage charges: $897.2 million
Gross trade receivables: $382.6 million
Less expected credit loss allowance: $33.6 million
Net trade receivables: $349.0 million
Gross contract assets: $187.2 million
Less expected credit loss allowance: $60.9 million
Net contract assets: $126.3 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.
As a result of these billing system issues, during the year the corporation entered into an enforceable undertaking (EU) with the Essential Services Commission after failing to comply with multiple provisions of the Water Industry Standard on certain occasions. The EU requires the corporation to provide customer credits to eligible customers, write off certain unbilled charges and undertake additional remediation activities.
I considered this to be a key audit matter because:
• revenue from service and usage charges, and associated trade receivables and contract assets, are financially significant
• the corporation's customer billing system and information technology (IT) business rules are complex, with inputs derived from multiple sources
• the corporation continues to remediate billing system issues, including issuing delayed bills and restoring normal billing processes
• I was unable to place reliance on the general IT control environment supporting the new customer billing system, and key application controls within the system, due to identified control deficiencies
• the EU has material financial implications and requires management to exercise judgement when determining the amounts recognised and disclosed in the financial report
• determining the appropriate accounting treatment for the financial reporting impacts arising from the EU required consideration of multiple Australian Accounting Standards and significant management judgement
• the methodology and models used by management to estimate contract assets and the expected credit loss (ECL) allowances are complex and include multiple assumptions and management judgement
	My key procedures included:
	• assessing the impact of the underlying billing system issues, including the matters that gave rise to the EU, on the corporation's control environment and financial reporting processes, and the resulting implications for audit risk and the nature, timing and extent of audit procedures
	• evaluating management's progress in remediating billing system issues and implementing obligations arising from the EU
	• reviewing and assessing management's accounting considerations against the requirements of applicable Australian Accounting Standards
	• performing substantive analytical procedures over service and usage charges and contract assets by developing my own expectations and comparing these expectations to reported amounts
	• performing substantive procedures over:
	  ○ receipts from customers during the year
	  ○ receivables, with a focus on the integrity and accuracy of information contained in customer bills, and compliance with requirements in the EU
	• obtaining management's ECL allowance models and engaging an appropriately qualified independent subject matter expert to assess the work of management by:
	  ○ assessing the appropriateness of management's methodology and models used to estimate the ECL allowances, including consideration of the financial impacts of the EU
	  ○ challenging the reasonableness and consistency of management's assumptions and key inputs used within the models
	  ○ assessing the mathematical accuracy and integrity of the models
	  ○ assessing the reasonableness of the reported ECL allowances
	• assessing whether the financial impacts arising from the billings system issues and EU gave rise to any indicators of material uncertainty related to the corporation's ability to continue as a going concern
	• reviewing the corporation's complaints register for the period to assess whether any themes or issues indicated a risk of material misstatement

Key audit matter	How I addressed the matter
• the ECL allowances are subject to significant estimation uncertainty due to the unique circumstances arising from the customer billing system issues • extensive disclosures are required by Australian Accounting Standards, and these are critical to users' understanding of the financial implications of the EU, and the methodology, key judgements and significant estimation uncertainty associated with the ECL allowances.	• assessing the adequacy of relevant financial report disclosures against the requirements of applicable Australian Accounting Standards.
Fair value estimate of infrastructure assets Refer to Note 5.1 *Infrastructure, property, plant and equipment*	

Fair value of infrastructure assets: $3.7 billion
 	
Infrastructure assets are measured at fair value using an income-based discounted cash flow (DCF) approach.
 	
I considered this to be a key audit matter because:
 	
• infrastructure assets are financially significant
• the DCF modelling is highly complex and involves 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* (AASB 13) 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 assets
	• assessing the competence, objectivity and capability of management's expert engaged to assist with the valuation process
	• engaging an appropriately qualified independent valuation specialist to review management's expert's valuation report and underlying DCF model, including:
	  ○ assessing the appropriateness of using an income-based valuation approach
	  ○ testing the reasonableness of all inputs used in the DCF model, with specific reference to underlying data and supporting documentation
	  ○ challenging the reasonableness of any changes to the DCF model and/or assumptions
	  ○ assessing the reasonableness and consistency of key inputs, assumptions and judgements used in the DCF model
	  ○ assessing the mathematical accuracy and integrity of the DCF model
	• 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.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, 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.

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:

- 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
- 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- 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.
- 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.

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.

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.



MELBOURNE
16 October 2026

Timothy Maxfield
as delegate for the Auditor-General of Victoria

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Disclosure Index

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Appendix 3
Bulk Water Entitlements

Central (ex-City West Water region) bulk entitlements

	Greater Yarra System - Thomson River Pool[1–6]	Victorian Desalination Project[7–13]	Goulburn System[14,15]	River Murray System[16,17]
Amount of water taken	142,934	0	0	0
Opening carryover as at 1 July 2025	210,507	0	5,528	9,041
Annual water allocation made available during 2025–26	86,359	16,267	5,384	12,653
Closing carryover as at 1 July 2026	0	0	5,034	2,028
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	Yes	Yes
Approval, amendment and implementation of the metering program	N/A	N/A	N/A	N/A
Amendment to bulk entitlement	None	None	None	None
Any new bulk entitlement of water granted	Yes	Yes	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 1,338 ML carryover held on behalf of Southern Rural Water.
4. The Storage Manager - Melbourne Water makes seasonal allocations monthly and maintains our water account and carryover accounting.
5. With the commencement of South-Central Pool Entitlements from 1 July 2026, the Greater Yarra System – Thomson River Pool Entitlements were revoked on 30 June 2026. Any remaining carryover held by SRW under their Trade Sub-Account with GWW was forfeited when this agreement ended on 30 June 2026.
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).

Victorian Desalination Project

7. GWW holds Bulk Entitlement (Desalinated Water - Greater Western Water) Order 2014. Compliance Requirements are set out in clauses 13.1(a)-(g).
8. 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.
9. The Storage Manager - Melbourne Water makes seasonal allocations monthly and maintains our water account and carryover accounting.
10. The Victorian Government announced an order of 50GL of water from the desalination plant for the 2025–26 supply year. We received our total share of 13,198 ML during the 2025–26 year.
11. In addition to the 2025-26 order, 11,626 ML of the 2026-27 order was delivered early in June 2026, of which our share was approximately 3,098 ML.
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. With the commencement of South-Central Pool Entitlements from 1 July 2026, the Bulk Entitlement (Desalinated Water – Greater Western Water) Order 2014 was revoked on 30 June 2026.

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.

River Murray System

16. 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).
17. 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.

Western (ex-Western Water region) bulk entitlements

	Gisborne Barringo[18]	Lancefield[19,20]	Macedon[21,22]	Maribyrnong[23–26]	Myrniong[27,28]	Riddells Creek[29–31]	Romsey[32–34]	Woodend[35–39]	Werribee[40,41]
Amount of water taken	0	65 from Garden Hut	0	2,500	55	21	261	116	1,699 from Merrimu
		0 from Monument Creek							0 from Djerriwarrh
Any temporary or permanent transfer of all or part of the bulk entitlement	No	No	No	No	No	No	No	No	No
Approval, amendment and implementation of programs and proposals	Relevant plans in place. No action taken in 2025-26.	Relevant plans in place. No action taken in 2025-26.	Relevant plans in place. No action taken in 2025-26.	Relevant plans in place. No action taken in 2025-26.	Relevant plans in place. No action taken in 2025-26.	Relevant plans in place. No action taken in 2025-26.	Relevant plans in place. No action taken in 2025-26.	Relevant plans in place. No action taken in 2025-26.	Relevant plans in place. No action taken in 2025-26.
Amendment to bulk entitlement	No	No	No	No	No	No	No	No	No
Any new bulk entitlement of water granted	No	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	Yes (see note 33)	No	No
Any difficulties experienced or anticipated in complying with this bulk entitlement and any remedial action taken or proposed	No	No	No	No	No	No	No	No	Yes (see note 38)

Notes on Western Bulk Entitlements

Barringo System

18. We hold Bulk Entitlement (Gisborne-Barringo Creek) Order 2004. Compliance requirements are set out in clauses 11.1(d)-(k).

Lancefield System

19. We hold Bulk Entitlement (Lancefield) Order 2001. Compliance requirements are set out in clauses 14.1(d)-(l).

20. GWW's closing storage volume as of 30 June 2026 in Garden Hut was 46 ML.

Macedon System

21. We hold Bulk Entitlement (Macedon and Mount Macedon) Order 2004. Compliance requirements are set out in clauses 14.1(e)-(l).

22. All passing flow requirements were met during 2025–26.

Maribyrnong System

23. We hold Bulk Entitlement (Maribyrnong - Greater Western Water) Order 2000. Compliance requirements are set out in clauses 19.1(a)-(h).

24. The volume of GWW's share of storage capacity is 10,761 ML as of 30 June 2026.

25. The annual volume of inflows attributed to GWW for 2025–26 was 2,204 ML.

26. The annual volume of losses attributed to GWW in 2025–26 is to be provided by Southern Rural Water.

Myrniong System

27. We hold Bulk Entitlement (Myrniong) Order 2004. Compliance requirements are set out in clauses 12.1(b)-(l).

28. The volume of allocation for Myrniong that was unused in 2025–26 is 3 ML. This amount does not carryover to the next financial year.

Riddells Creek System

29. We hold Bulk Entitlement (Riddells Creek) Order 2001. Compliance requirements are set out in clauses 13.1(b)-(k).

30. Clause 11.1(c) requires the daily amount of water taken under this bulk entitlement to be recorded. This is available on request.

31. The annual volume of passing flows for 2025–26 was 219 ML.

Romsey System

32. We hold Bulk Entitlement (Romsey) Order 2001. Compliance requirements are set out in clauses 12.1(b)-(l).

33. Maximum flow was breached on several days throughout 2025–26, however across the year there was an additional 71 ML of passing flows in total.

34. GWW may establish a drought reserve of up to 280 ML, as per clause 8. As of 30 June 2026, this reserve is currently full at 280 ML.

Werribee System

35. We hold Bulk Entitlement (Werribee System - Greater Western Water) Order 2004. Compliance requirements are set out in clauses 13.1(a)-(k).

36. GWW has a share of 80% of storage at Merrimu Reservoir. As of 30 June 2026, this share is equal to 15,069 ML.

37. The total inflows into Merrimu Reservoir attributed to GWW in 2025–26 was 3,514 ML.

38. The total inflows to Djerriwarrh Reservoir in 2025–26 was not reliably measured, a review of stream flow monitoring is ongoing and solution planned for implementation in 2026–27.

39. The total volume of losses at Merrimu Reservoir attributed to GWW for 2025–26 is to be provided by Southern Rural Water.

Woodend System

40. We hold Bulk Entitlement (Woodend) Order 2004. Compliance requirements are set out in clauses 14.1(e)-(l).

41. The volume taken from Campaspe Reservoir in 2025–26 was 116 ML. No water was taken from, Falls Creek, Smokers Creek, Barbours Spring and Kavanaghs Spring.

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ISS: 2203-9929 (online)

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