GWMWater

Grampians
Wimmera
Mallee

Annual Report
2025/26



Acknowledgement of Country

We recognise and pay respect to all Traditional Owners, Custodians and Elders of the lands and waters we work on, and the continuation of cultural, spiritual and educational practices of First Nations peoples.

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Our vision, purpose and organisational values

Our vision, purpose, strategy and values are an essential part of our culture at GWMWater. We incorporate these into every action we take – whether it's providing assistance over the phone, fixing a service fault, or encouraging regional growth for our local communities.

Vision

Vital services for thriving communities.

Purpose

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

Strategy statement

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

Values

Safe and secure
Respect and prioritise everyone's safety, security and wellbeing.

Together with our communities
Working with, and for, our communities.

Big steps, small footprint
Take action for the benefit of both current and future generations.

Reliable through change
Adapt and innovate to deliver services when and where they are needed.

Responsible body's declaration

In accordance with the Financial Management Act 1994, we are pleased to present Grampians Wimmera Mallee Water's Annual Report for the year ending 30 June 2026.



Caroline Welsh
Chair



Mark Williams
Managing Director

Dated this day 24 September 2026.

Message from the Chair and Managing Director

GWMWater has completed another very successful year in the face of the many, local domestic and international challenges that have persisted over the past 12 months.

The most significant challenge is climate change. CSIRO climate predications produced in the early 2000s predicted a rise in temperatures, reduced rainfall and more volatile weather conditions, and that result continues to materialise.

We experienced another low rainfall, low inflow year, but the significance of the Wimmera Mallee Pipeline has once again come to the fore as we have been able to maintain supply without the prospect of water restrictions. The Grampians headworks system now supplies a greater footprint than the old Wimmera Mallee channel system with much improved water quality and water security.

The more extreme weather conditions gave rise to an extreme weather event on 9 January 2026 which caused three major fires in our region. The most significant being the Grass Flat fire that destroyed several properties in and around Natimuk but fortunately with no loss of life. The Streatham / Skipton fire that started later that day also gave rise to significant property damage. The third fire to start in our region was in the Big Desert, which threatened to escape the National Park but resulted in a significant loss of flora and fauna.

In the lead up to the Christmas break a fire broke out at Yeungroon in the northern part of our service area. The fire quickly spread toward Wedderburn but by virtue of the firefighting infrastructure in the South West Loddon extension of the Wimmera Mallee Pipeline, the fire was quickly contained. The water supply network was managed to give priority for access to water from firefighting service points and this supported about 60 appliances that were deployed to fight the fire. This fire, and the Grass Flat fire, highlighted the value of the pipeline network across Western Victoria that provides access to water for firefighting purposes as well as supporting agricultural productivity. The fires experienced this season bring the number of major fires in the region to 10 over a two-year period.

With the support of the National Water Grid Authority, we are advancing the Clean Water Project. The concept that was proven with the introduction of a treatment process at the front end of the Ouyen section of the Northern Mallee Pipeline which is supplied by the Murray River. The treatment applied improves the clarity of water to customers serviced from water extracted from the Wemen pump station. The funding is being used to assist with the extension of this concept to the Nyah and Piangil offtakes on the Murray River and the Waranga offtake on the South West Loddon extension of the Wimmera Mallee Pipeline. The better water quality improves the operational efficiency as well as providing better value for the four main applications of domestic supply, spraying for cereal and pulse production, livestock and intensive agriculture. The Nyah and South West Loddon components are under contract and are expected to be operational through the 2026-27 summer.

We continue to deliver the East Grampians Rural Pipeline and Mininera projects that will enhance agricultural productivity of the farming community south and east of Ararat. The more challenging landscape of this region relative to other rural pipeline projects GWMWater has delivered is impacting on cost and time in delivery. The East Grampians component is complete, and we thank the Victorian government for its $15 million contribution from the Southwest Victoria Drought Taskforce that has allowed us to commence the Mininera extension. We remain hopeful of receiving support from the National Water Grid Authority for the matching $30.6 million to complete the project.

During the year we extend our reach for the provision of recreation and urban aesthetic water. Working with Gannawarra Shire, we completed the project to deliver water to the Quambatook Weir Pool. The project was conceptualised in 2021 when the Member for Northern Victoria Mark Gepp helped secure $2.050 million from the Regional Jobs and Infrastructure Fund to support the $2.4-million Sustainable Recreation Water for Quambatook Weir Pool project. This funding included the funds to secure the 80 ML of water from the Murray System that

has been permanently vested with GWMWater to maintain supply to the weir pool. The GWMWater Board also allocated consumptive water to the recreation water holding to ensure supply to the recreation lakes in the footprint of the Wimmera Mallee Pipeline. A new bore to supply Nhill Lake was completed in 2025-26 and this will supply supplementary recreation water from the 2026-27 summer.

Our commitment to increasing the number of communities with access to drinking water was further advanced in 2025-26. Following a protracted period cleansing the Kaniva reticulation network, the town was declared a drinking water supply in June 2026. The water is sourced from the Grampians headworks, treated at Dimboola and pumped to Kaniva. The treated water replaces the bore supply that serviced the town since it was settled. The bore water is being retained for irrigation purposes for green spaces in the town. The upgrade in Kaniva coincides with a meter replacement for all customer meters with a digital meter, using a digital meter that provides hourly data on pressure as well as consumption at the meter.

Our commitment to becoming carbon neutral and having all our energy provided by renewable energy sources was advanced with the commissioning of the Nhill Renewable Energy Facility (NREF). The facility has more than 9000 solar panels, producing 6.5 megawatts (MW) of solar energy and is supplemented by a 2.75 MW (6.5 megawatt-hour) battery storage system. NREF was generating energy from July 2025 with significant effort during the commissioning period to achieve the design parameters of fully discharging the battery in a two-hour period. The Nhill facility, along with other renewable energy investments has enabled GWMWater to have all its energy requirements met from renewable sources. Our commitment to going 'off grid' for new developments has been further advanced with the Norval Pump Station in the East Grampians Rural Pipeline system being constructed with a stand-alone solar / battery power station.

We continue to work with emerging industries in the region that require water and wastewater services. We have worked closely with Farm Frites to advance their project at Dooen that will process potatoes into chips for the Australian and international market. We have worked with Australian Plant Proteins in Horsham in the resumption of operation to produce protein from faba beans grown in the region. We have also been working closely with Eatwell and Kookas in Donald to assist in their expansion and the management of their waste. These build on the strong relationships with Luv a Duck in Nhill and the abattoirs in Stawell and Ararat all of which have been seeking to expand their operations.

Our work with the mining industry also continued during the year with the prospect of the substantial mineral sands of the region being mined becoming more likely given the geopolitical influences in the world. The Donald Mineral Sands Project facilitated their connection to the Wimmera Mallee Pipeline system to further advance the development of a mine east of Minyip. The WimResources Avonbank Project advanced its Environmental Effects Statement (EES), receiving conditional approval. Iluka continues to advance its project south of Horsham and progression to an EES process is imminent. Considering the significant water demand that will materialise if all three projects proceed, GWMWater is undertaking an Infrastructure Investment Strategy to identify the best way to augment supply to meet water demands in the region.

During the year we continued to build on our relationship with Traditional Owner groups in our region. This support takes several forms. It includes helping project teams manage cultural sensitivities when working on Country, partnering with Catchment Management Authorities to improve waterway health through environmental watering programs that also achieve cultural watering outcomes, and exploring opportunities to make water available to Traditional Owners in ways that align with the objectives of the Water is Life program.

During the year our leadership in the water sector in all aspects was recognised when we were nominated as a finalist for the Australian Water Association National Water Industry

Safety Excellence Award. The nomination recognised the work of GWMWater in developing a new Safety Strategy and reinvigorating the safety culture at GWMWater, with the effect of improving our performance in all safety metrics in recent years. Whilst not winning at the ceremonial event of Ozwater26, our leadership in the sector was recognised with three platform papers being delivered on the Safety Strategy, Natural Disaster Management and our innovation in the delivery of the renewable energy program.

We recognise the contribution of the Board in their diligent governance oversight of GWMWater. We have a very good blend of Directors from inside and outside the region that help bring perspective to the challenges GWMWater face. Our Directors bring to the Board a diverse skills base and provide balanced oversight to the delivery of our strategy and the management of our risks.

We sign off by recognising that all this would not be achieved without a capable and committed workforce.

The commitment of our staff to serving our community is significant and the strength of this commitment is reflected in the results of our People Matter Survey. The staff have a high level of confidence in the leadership of GWMWater and acknowledge the importance of water in our region. The need to continue to innovate to achieve outcomes that meet community expectations is acknowledged and our staff are willing participants in this innovation journey.



Caroline Welsh
Chair



Mark Williams
Managing Director

About GWMWater

Who we are

Grampians Wimmera Mallee Water Corporation (trading as GWMWater) is a government owned statutory corporation established on 1 July 2004 under the *Water Act 1989.*

The responsible Minister for the period from 1 July 2025 to 14 April 2026 was the Hon Gayle Tierney MP, Minister for Water. From 15 April 2026 to 30 June 2026, the responsible Minister was the Hon Harriet Shing MLC, Minister for Water.

GWMWater has one of the largest geographic footprints of any Victorian water business, covering about 62,000 square kilometres, or 25 percent of Victoria. The operational area is similar in size to Tasmania and includes 13 municipalities; seven with full coverage and a further six in part. We provide services to approximately 72,000 people living either on farms or in one of 71 urban centres across western Victoria. GWMWater also supplies water to neighbouring water corporations, including Wannon Water and Coliban Water.

What we do

GWMWater is a vertically integrated water business directly involved in all aspects of the water cycle.

We operate water and wastewater treatment plants in many of our 71 towns. We aim to recycle 100 percent of the wastewater we produce. We operate pipelines, major storages, dams, weirs, bores and pump stations to service our customers.

We are responsible for performing the Storage Manager functions in respect to the Wimmera and Glenelg Rivers bulk entitlement orders and are also recognised as Storage Manager for the purpose of water quality regulation of wholesale water supply under the regulatory framework of the *Safe Drinking Water Act 2003.*

Under delegation from the Minister for Water GWMWater licences all groundwater and surface water extraction in its area of responsibility. Any licences for use of groundwater or surface water by GWMWater for water supply purpose are referred to the Minister for Water for approval.

Our large operational area presents major challenges in the provision of water and wastewater services. We harvest water in the Grampians, extract water from groundwater bores and pump water from the River Murray. From these points we store, treat, transfer and distribute water.

To deliver these services we manage a significant number of assets including bulk water supply reservoirs, hundreds of smaller storages, tanks, water towers and 16,012 km of pipes.

Water services

Our water services are used in and around homes, in businesses, on farms, for environmental purposes and for schools, recreational and community benefit.

Sewer services

In sewered urban areas, we collect wastewater which is transferred, treated and reused.

Our wastewater services operate mainly in our larger towns and involve extensive recycling for watering sporting fields, parks and gardens, vineyards and agricultural use.

Understanding our business

Organisational strategy

In 2025, our Board adopted a new organisational strategy for 2025-2029. The following themes are integrated throughout our corporate and business planning, so all actions contribute to the achievement of our vision.

Building satisfaction
Understand our stakeholders' changing expectations and proactively work to build satisfaction.

Empower our people
Attract, retain and develop a highly capable team who are empowered with purpose and proud to serve our communities

Sustaining water resources
Meet our communities' current and emerging water demands.

Community energy resilience
Facilitate better energy outcomes for our communities using our excess renewable energy.

Government policy

Our operational framework is strongly influenced by the economic, social and environmental policies of government.

In October 2016, the Minister for Water released 'Water for Victoria' and this substantially reset the policy context for water management in Victoria. From a water supply perspective, this complements the Commonwealth water policy framework of the Murray-Darling Basin Plan and the National Water Initiative. In Victoria, Water for Victoria has been supplemented by Water is Life to expand on Traditional Owner outcomes while the Western Region Sustainable Water Strategy (Western Region SWS) provides an overall framework of water sharing arrangements in western Victoria. GWMWater's Strategy is consistent with the Victorian Government policy framework for water resources as reflected in Water for Victoria.

GWMWater is committed to the Victorian Government climate mitigation objectives as reflected in Victoria's Climate Change Strategy. These objectives have been codified in the Statement of Obligations (emissions reduction) and will be carbon neutral for Scope Two emissions in 2025 and Scope One emissions in 2030.

Our sustainability framework

For GWMWater, sustainability means continuing to provide water and wastewater services which support customers, stakeholders and the region while balancing social, environmental and economic outcomes.

We continue to drive sustainable resource management from our strategic planning through to our operational practice. Sustainability is also synonymous with the liveability of our region, which is a key focus of our 2025-2029 Strategy.

We welcome the initiatives of the Minister for Water to have climate change formally recognised and will continue to develop initiatives that better respond and adapt to climate variability in relation to water resource and carbon efficiency.

Sustainable development goals strategic context

Themes	2023 Price Submission outcomes	Letter of expectations	Sustainable development goals
Building Satisfaction	1. Safe Drinking Water 2. Clean, Non-Drinking Water – Urban 3. Clean, Non-Drinking Water – Rural Pipeline 4. Reliable and Affordable Services 5. Healthy and Liveable Region	• AC1 Supporting Aboriginal self-determination • AC2 Partnerships with Traditional Owners • AC3 Aboriginal Inclusion Plan/ Reconciliation Action Plan • C1 Customer satisfaction • C2 Customer and community engagement • CE2 Demonstration of continuous improvement toward implementation of compliance and enforcement strategies, frameworks, and reporting. • CE3 Customer requirements • L3 Circular economy outcomes • L4 Environmental Statutory Obligations • PF1 Audited statement of performance	
Sustaining Water Resources	4. Reliable and Affordable Services 5. Healthy and Liveable Region	• BE1 Demonstrate bulk entitlements are compliant with individual reporting conditions • CE1 Apply an effective zero-tolerance approach to unauthorised take • L1 Integrated Water Management • L2 Water efficiency (urban) • L2 Water efficiency (urban) • L5 Sustainable Water Use • Rec1 Recreational values	
Empower Our People	4. Reliable and Affordable Services 5. Healthy and Liveable Region	• G1 Diversity and inclusion • G2 Health and Safety	
Community Energy Resilience	4. Reliable and Affordable Services 5. Healthy and Liveable Region	• CC1 Emission reductions • CC2 Electricity Use • CC3 Adaptation to climate change and variability	

Our Board

GWMWater is established as a government business enterprise with its powers and authority defined by the Water Act 1989. Through its Governance Policy the Board has identified matters that it has reserved for itself. The Board establishes the vision, broad strategic direction and culture for the corporation and sets its goals. These goals relate to operational sustainability, financial performance, organisational performance, range and quality of service, compliance and risk management.

In 2025-26 the Board comprised one non-executive Chair, seven non-executive Directors and a Managing Director. The non-executive Chair and non-executive Directors are appointed by the Minister for Water.

Key responsibilities of the Board include:

a) Setting broad strategy, objectives and performance targets for the Corporation.

b) Risk management oversight for all key business and operational risks including public health and safety, occupational health and safety and being informed and aware of residual risk levels.

c) Defining risk appetite to empower management to make more effective risk-based decisions and operate within acceptable and agreed levels of risk.

d) Monitoring GWMWater performance in meeting its compliance obligations.

e) Reviewing GWMWater's progress in achieving its strategic goals and aspirations.

f) Reviewing the internal financial and operational controls for the Corporation to ensure that they are effective and current (including non-compliance, anti-fraud, anti-corruption and critical incident reporting systems).

g) Overseeing the preparation and approval of strategy plans, annual reports, key policies and procedures.

Our Board members

Caroline Welsh
Chair

Appointed Chair, October 2023
Appointed Director, October 2015

Caroline is a partner in the family grain farm in Berriwillock. She is a former Chair and long-term Director of the Birchip Cropping Group and has provided independent Chair services for government contracts and organisations.

Caroline has 30 years' experience working in agriculture communication, industry development, governance and climate variability in the public and not-for-profit sectors.

Caroline holds advisory roles for state and federal governments. Caroline has a Master of Agribusiness (Marketing), a Graduate Diploma of Rural Resource Management and a Bachelor of Agriculture Science. She completed a Churchill Fellowship in 1998 and is a graduate of the Australian Institute of Company Directors

Judith Holt
Deputy Chair

Appointed Deputy Chair, October 2025
Appointed Director, October 2021

Jude and her husband are sheep and grain farmers in Wedderburn. She has held senior management roles in local government and the water sector for 30 years, and is a Board Director at Campaspe Port Enterprises Pty Ltd.

Jude is a member of the Audit and Risk Committee for the Department of Families, Fairness and Housing, and the City of Greater Bendigo and is Independent Chair of Fosterville Gold Mine Environment Review Committee and Marist College Bendigo Finance Committee.

Jude is a Fellow of the Governance Institute of Australia, has a Graduate Diploma in Applied Corporate Governance, Graduate Certificate in Risk Management, a Bachelor of Business (Accounting), and is a Graduate of the Australian Institute of Company Directors.

Andrew Nicolaou
Director

Appointed October 2017

Andrew is a recognised leader in Financial and Risk Management Reform, Governance and Performance in the Public Sector, with significant experience in large government business enterprises including the water sector, rural sector and relevant departments.

Andrew has significant experience with government and private sector boards, and audit and risk committees. He has a strong knowledge of financial management, risk and regulatory frameworks.

Andrew holds a Bachelor of Economics and is a member of the Australian Institute of Company Directors and a Fellow of the Institute of Chartered Accountants.

He is the Chair of audit committees at Department of Education, Department of Transport and Fire Rescue Victoria, and is a Director and member of the Audit Committee of the Victorian Funds Management Corporation.

Michelle Jackson
Director

Appointed October 2023

Michelle has worked in the public sector, local government and the trade union movement.

Prior to retiring from full-time work, Michelle worked for the Australian Services Union (ASU) in senior leadership roles.

Michelle was a member of the executive of the ASU and a member of the Finance Committee and Risk Management Committee.

She has been a member of the executives of the Victorian Trades Hall Council and Bendigo Trades Hall Council.

She has skills in governance, financial management, risk management, strategic planning and industrial relations.

Paul Hardy
Director

Appointed October 2023

Paul has over two decades of board experience with expertise in the infrastructure, engineering, healthcare, sport, education and not-for-profit sectors.

At board level he is passionate about driving growth and performance, having led one of the world's leading engineering, project delivery, advisory and technical services companies and advising start-up companies in the pharmaceutical, health, technology, AI and social investments sectors.

He is currently a Partner at PAN Group, investing in and driving the commercialisation of start-ups and is a director on the board of VicTrack, and is a council member of the La Trobe University Council.

Previously he was the Global CEO of Aurecon, with 80 offices in 22 countries, leading a three-way merger and managing the subsequent strategy, structure and culture alignment along with the five-year strategic roadmap and overseeing multi-billion-dollar projects.

Paul holds a Master of Engineering Science and is a Graduate of the Australian Institute of Company Directors.

He has also been recognised by Engineers Australia as one of Australia's 100 most influential engineers (2009–2013) and was one of Monash University's Distinguished Alumni in 2019

Rodney Jackson Director

Appointed October 2023

Rod Jackson is a proud Palawa and Cherbourg man, with a breadth of senior leadership experience and knowledge that bridges Government and Aboriginal Businesses.

Past roles include General Manager Operations TTLine's MV Spirit of Tasmania, Port of Portland Chief Executive Officer and Chief Executive of four Aboriginal Organisations being Gunditjmara, Victorian Aboriginal Health Service (VAHS), Wathaurong and Ngwala Willumbong.

Rod was a previous member of the Aboriginal Economic Development Board, National Aboriginal Community Controlled Health Organisation (NACCHO), Victorian Aboriginal Community Controlled Health Organisation Inc (VACCHO), Respect Victoria, Foodbank Victoria, AFL SportsReady, President Portland Football Netball Club, YMCA, Mayors Trust Fund and Rail Projects Victoria.

Rod's currently the Chairperson of Federation Enterprises and Barpa Construction and the Reconciliation Action Plan Senior Advisor to Consumer Action Law Centre. He is also a member of Australian Institute of Company Directors (AICD), Advisor and Consultant on Registered Aboriginal Parties (RAP) and holds Board roles with Federation Enterprises, Yuma Yirramboi and Court Services Victoria.

Rod is a Reconciliation Adviser to Tract, Greater Western Water, Consumer Action Law Centre and WorkSafe; and is an Advisory Panel Member of the Deakin University Vice Chancellor's First Nations advisory council and Stolen Generations Reparation Committee.

Rod is a Board Director of the Indigenous Trajectory of the Emotional Wellbeing Institute - Geneva.

Rod is an Elder Respected Person on the County and Magistrates Courts, and volunteers with the Independent Visitor Program.

Stuart Read Director

Appointed October 2025

Stuart lives in Castlemaine in Central Victoria. He is an experienced Non-Executive Director and legal and governance professional with experience across multiple sectors including superannuation, digital technology, renewable energy, and water sector. He is currently Non-Executive Director and Chair of Governance Remuneration and Culture Committee at Prime Super, an independent profit-for-member superannuation fund, and Non-Executive Director and Chair of the Audit and Risk Committee of Dhelkaya Health, a Victorian Government health service located in Central Victoria. He is an Independent Member of the Audit and Risk Committee of East Gippsland Water, and was formerly Non-Executive Director of Hepburn Energy, Australia's first community-owned wind farm.

Stuart has substantial experience leading or supporting transformation and organisational change programmes. In addition to legal qualifications, Stuart has a Graduate Diploma in Organisation Dynamics, a Graduate Diploma in Applied Corporate Governance, and is a member of Australian Institute of Company Directors.

Jess Adler
Director

Appointed October 2025

Jess is a Wimmera local and an experienced governance and finance professional. She has worked across a diverse range of industries and sectors, including economic development, water, local government, resources, community support, and skills and training. Her background provides practical insight and strong financial expertise to complex organisational challenges.

Jess brings extensive governance experience through executive and advisory roles across public and statutory authorities, not for profit organisations, the private sector, and ASX listed entities. An AICD member and CPA, she contributes deep capability in audit and risk oversight, compliance, risk management, internal controls, financial management, and stakeholder engagement. She is committed to sound governance that reflects local values, supports resilient regional communities, and delivers sustainable outcomes for future generations.

Mark Williams
Managing Director

Appointed December 2011

Mark has been with GWMWater and the former Grampians Water since 1996. Mark was Chief Financial Officer until December 2011 when appointed to the position of Managing Director.

In this time Mark has been responsible for overseeing the commercial implementation of water reforms in the region that include the delivery of water quality upgrades, investments that have improved water security and the introduction of independent service and price regulation by the Essential Services Commission.

Mark brings a wealth of experience to the role beyond his water industry experience which includes roles in the power industry, health and public service where he started his career in 1985. Mark served on the Wimmera Health Care Group Board from 2001 to 2016 and held the office of President in the period 2011 to 2016.

During 2017 Mark joined the Wimmera Southern Mallee Regional Partnership, established by the Victorian Government in 2016, to recognise that local communities are in the best position to understand the challenges and opportunities faced by their region.

Mark served as a director on the reconstituted Wimmera Southern Mallee Development Board until November 2024 as it transitioned its older model under the Wimmera Development Association.

Mark is also a Director of the Board of the Horsham Golf Club in the capacity of Treasurer. Mark joined the Golf Club Board in 2017 and has assisted with the return of the club to a sustainable financial position.

Board and committee attendance

1 July 2025 - 30 June 2026

Director	Board meetings		Audit Governance and Risk Committee		Environment and Capital Works Committee		Climate, Country and Sustainability Committee		People and Culture Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Caroline Welsh	8	8	5	4	4	4	4	4	4	4
Jude Holt	8	8	5	5	NA	0	NA	0	4	4
Andrew Nicolaou	8	7	5	5	NA	0	NA	0	4	4
Michelle Jackson	8	7	2	2	NA	0	4	3	3	3
Paul Hardy	8	8	3	4	4	4	1	4	NA	0
Rod Jackson	8	6	2	3	4	4	3	3	NA	0
Stuart Read	6	6	NA	0	3	3	3	3	NA	0
Jess Adler	6	6	3	3	NA	0	3	3	NA	0
David Jochinke*	2	1	NA	1	1	1	1	1	NA	0
Elisa de Wit*	2	2	NA	1	1	1	1	1	NA	0
Mark Williams, Managing Director	8	8	5	5	4	4	4	4	4	4

Notes to this table:
NA Not applicable
* David Jochinke and Elisa de Wit ceased as Board members on 30 September 2025.

Standing committees of the Board

The GWMWater Board has four established committees, each tasked with providing focused oversight and strategic guidance on key areas of the organisation's operations. Each committee has a charter that guides its functions and duties and is reviewed regularly. Committee meetings are held quarterly and at any other time as considered appropriate by the Committee Chair.

Each Board committee operated in accordance with its Charter during the reporting period and fulfilled its delegated responsibilities in support of the Board's governance and oversight functions. Committee performance is reviewed annually to assess effectiveness and alignment with each committee's Charter.

Audit, Governance and Risk Committee

1 July 2025 – 30 September 2025

- Andrew Nicolaou (Chair)
- Jude Holt
- Michelle Jackson
- Rod Jackson
- Caroline Welsh (ex-officio)

1 October 2025 – 30 June 2026

- Andrew Nicolaou (Chair)
- Jude Holt
- Jess Adler
- Paul Hardy
- Caroline Welsh (ex-officio)

The Audit, Governance and Risk Committee assists the Board in fulfilling its oversight responsibilities by monitoring GWMWater's risk management framework, audit and assurance activities, financial performance and financial reporting processes. The Committee provides oversight of the preparation of the annual financial statements, internal controls, compliance with laws and regulations, cyber security risk management and occupational health and safety systems and legislative compliance.

The Committee comprises Board-appointed members, all recognised for their independence of character and judgement in accordance with the Standing Directions 2018 under the Financial Management Act 1994.

Environment and Capital Works Committee

1 July 2025 – 30 September 2025

- David Jochinke (Chair)
- Elisa de Wit
- Paul Hardy
- Rod Jackson
- Caroline Welsh (ex-officio)

1 October 2025 – 30 June 2026

- Paul Hardy (Chair)
- Rod Jackson
- Stuart Read
- Caroline Welsh (ex-officio)

The Environment and Capital Works Committee provides oversight of GWMWater's technical risks and regulatory obligations associated with water, wastewater, environmental management, dam safety standards and renewable energy generation. The Committee has oversight of the Strategic Asset Management Plan, annual capital works and research programs, and monitors operating and service delivery performance to support achievement of Board strategic objectives, customer service obligations and technical regulatory requirements.

The Committee also oversees infrastructure, maintenance and related assurance activities that support reliable service delivery and the mitigation of technical and compliance risks across water and wastewater operations.

People and Culture Committee

1 July 2025 – 30 September 2025

- Caroline Welsh (Chair)
- Andrew Nicolaou
- Jude Holt

1 October 2025 – 30 June 2026

- Caroline Welsh (Chair)
- Andrew Nicolaou
- Jude Holt
- Michelle Jackson

The People and Culture Committee supports the Board's oversight of executive and staff remuneration, succession planning, and organisational culture. It oversees the appointment and performance framework of the Managing Director, and reviews executive remuneration to maintain alignment with Victorian Government policies, including those established by the Victorian Independent Remuneration Tribunal and the Victorian Public Sector Commission.

The Committee also oversees staff remuneration practices, enterprise bargaining objectives, and compliance with the Victorian Public Sector Wages Policy. It monitors organisational cultural alignment with GWMWater's values and receives employee satisfaction survey results to inform workforce planning and policy development. It also oversees gender equity, diversity and inclusion initiatives, and recruitment and retention strategies.

Climate, Country and Sustainability Committee

1 July 2025 – 30 September 2025

- Elisa de Wit (Chair)
- David Jochinke
- Michelle Jackson
- Paul Hardy
- Caroline Welsh (ex-officio)

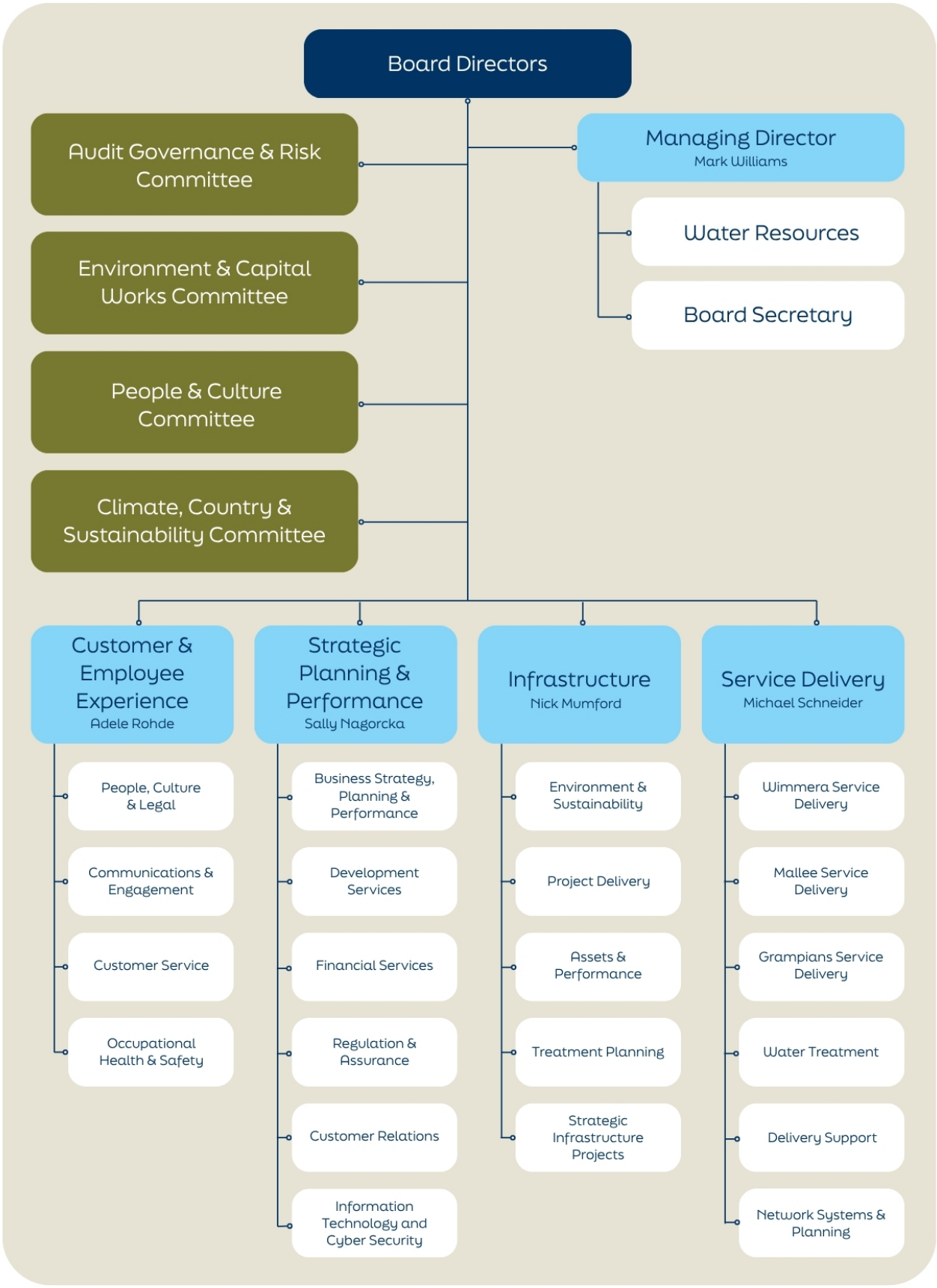
1 October 2025 – 30 June 2026

- Rod Jackson (Chair)
- Michelle Jackson
- Stuart Read
- Jess Adler
- Caroline Welsh (ex-officio)

The Climate, Country and Sustainability Committee provides oversight of GWMWater's response to climate-related risks and opportunities with a focus on emissions reduction, renewable energy, water resource security, native vegetation and natural resource management. The Committee oversees related strategies, investment programs, targets, performance measures and reporting obligations, including the Statement of Obligations (Emissions Reduction), water supply demand strategies, annual water resource plans and, where required, drought management plans.

The Committee's scope also includes oversight of Traditional Owner outcomes, including GWMWater's Reconciliation Action Plan, Water is Life initiatives and natural resource management commitments under Traditional Owner Settlement Agreements.

Organisational structure



How we operate

Freedom of information

The *Freedom of Information Act 1982 (the Act)* provides the public with the right to access documents. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act, including GWMWater.

An applicant has the right to apply for access to documents held by GWMWater. This comprises documents both created by GWMWater or supplied to GWMWater by an external organisation or individual, and may also include maps, films, photographs, computer printouts, computer discs, tape recordings and videotapes, held either physically or electronically. Information about the type of material produced by GWMWater is available on GWMWater's website.

GWMWater may refuse access, either fully or partially, to certain documents or information in accordance with the Act.

Examples of documents that may be exempted under the Act include internal working documents, law enforcement documents, documents covered by legal professional privilege (such as legal advice), personal information about other people, and information provided to GWMWater in confidence.

We are required to process these requests within 30 days. However, when external consultation is required the processing time may be extended by GWMWater by an additional 15 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant, and this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by GWMWater, they have the right under section 49A of the Act to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

When making a Freedom of Information (FOI) request, applicants should ensure requests are in writing and clearly identify what types of material or documents are being sought. FOI requests must also be accompanied by the application fee of $34.50 to be a valid request. Access charges may also be payable if the document pool is large and the search for material time-consuming.

Requests for documents in the possession of GWMWater should be addressed via email to:

foi@gwmwater.org.au or via post to:

GWMWater
Att: Freedom of Information Officer
PO Box 481
Horsham Victoria 3402

Freedom of information statistics and timelines

During 2025-26, GWMWater received five valid FOI applications.

The requests were made by members of the public and a law firm. Of the five requests, access was granted for two applications, one was still being processed and two were declined. One request was subject to an internal review by OVIC.

For finalised requests, decisions were made on average five days ahead of the statutory deadline, including any permitted extensions.

The average time taken to finalise requests in 2025-26 was 38.8 days.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and at ovic.vic.gov.au/freedom-of-information

Statement of availability of other information

Additional information available on request

In compliance with the requirements of the Standing Directions under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by GWMWater and are available on request, either partially or fully, subject to the provisions of the *Freedom of Information Act 1982:*

a) Details of publications produced by GWMWater about itself, and how these can be obtained.

b) Details of any major external reviews carried out on GWMWater.

c) Details of major research and development activities undertaken by GWMWater.

d) Details of major promotional, public relations and marketing activities undertaken by GWMWater to develop community awareness of GWMWater and its services.

e) A general statement on industrial relations within GWMWater and details of time lost through industrial accidents and disputes.

f) Details of changes in prices, fees, charges, rates and levies charged.

g) A statement that declarations of pecuniary interests have been duly completed by all relevant officers.

h) Details of all consultancies and contractors including:

- Consultants/contractors engaged and services provided.
- Expenditure committed to for each engagement.

The information is available on request from:

foi@gwmwater.org.au or via post to:

GWMWater
Att: Freedom of Information Officer
PO Box 481
Horsham Victoria 3402

Additional information included in Annual Report

Details in respect of the following items have been included in this annual report, on the pages indicated below:

a) Assessments and measures undertaken to improve the occupational health and safety of employees (page 28).

b) A list of GWMWater's major committees, the purpose of each committee, the extent to which the purposes have been achieved, and their membership (page 15).

Information that is not applicable to GWMWater

The following information is not relevant to GWMWater for the reasons set-out below:

a) A declaration of shares in GWMWater held by senior officers. No shares have ever been issued in GWMWater as the Victorian Government is the shareholder.

b) Details of overseas visits undertaken. No Board Directors or senior executives took overseas work-related trips.

Compliance with the *Public Interest Disclosure Act 2012*

The *Public Interest Disclosure Act 2012* (PID Act) enables people to make disclosures about corrupt or improper conduct by a public officer or a public body. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

GWMWater is a public body for the purposes of the PID Act.

What is a public interest disclosure?

A public interest disclosure is a report or complaint of corrupt or improper conduct or detrimental action by a public officer or a public body.

'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.

'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

How do I make a public interest disclosure?

You can make a public interest disclosure about GWMWater or its Board Directors, officers or employees by contacting the Independent Broad-based Anti-corruption Commission (IBAC) on the contact details provided below.

GWMWater is not authorized to receive public interest disclosures.

GWMWater has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about GWMWater, its Board Directors, officers or employees. You can access GWMWater's procedures on our website at: gwmwater.org.au

Independent Board-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000

Mail: GPO Box 24234, Melbourne Victoria 3001

Website: ibac.vic.gov.au

Phone: 1300 735 135

Email: A secure email disclosure process is available on IBAC's website, which also allows for anonymous disclosure.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure that, where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is accounted for 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 removing resource allocation distortions.

GWMWater continues to comply with the requirements of the Competitive Neutrality Policy.

Compliance with the *Building Act 1993*

Buildings owned or controlled by GWMWater comply with building and maintenance provisions of the *Building Act 1993.*

GWMWater requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by GWMWater and that their work and services comply with current building standards. All such consultants and contractors are required 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, GWMWater conducts mandatory testing of emergency and exit lighting, lift equipment, routine inspection and maintenance of mechanical services, and annual fire service audits. These inspections inform the annual works program, which is delivered through existing maintenance contracts.

In 2025-26:

Number of major building projects undertaken by GWMWater (greater than $50,000)	5
Number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by the entity	13
Number of emergency orders and building orders issued in relation to buildings	0
Number of buildings that have been brought into conformity with building standards during the reporting period	0

Our employees

Employment and conduct principles

GWMWater has embedded merit and equity principles in the appointment of staff. The selection process ensures that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria, role requirements and other relevant capabilities without discrimination.

Diversity in the workforce

GWMWater is committed to a fair, accessible, flexible and inclusive workplace where equal opportunity and diversity are valued. We continue to implement objectives in our Diversity and Inclusion (D&I) Strategy and Gender Equality Action Plan (GEAP) to ensure we value and respect the diversity of our employees and that of the communities in which we operate.

Target	Target	2024/25	2025/26
Gender balance in senior leadership positions	50%	33%	28%
Percentage of employees who identify as a person with a disability	10%	4%	5%
Percentage of employees who speak a language other than English with family/community	20%	9%	6%
Percentage of employees who identify as Aboriginal and/or Torres Strait Islander	2.5%	2%	1%
Percentage of employees who identify as having caring responsibilities (for children, elderly family, or a person with a disability)	35%	61%	63%
Percentage of employees who identify as belonging to the LGBTQIA+ (Lesbian, Gay, Bisexual, Transgender and Intersex, Asexual and other identities) communities	7%	4%	9%

It should be noted that:

a) Flexible work arrangements are available to all employees, subject to specific operational constraints.

b) Approximately 63 percent of employees work flexibly (through informal and formal flexible working arrangements).

c) In line with our commitments under the *Gender Equality Act 2020,* we continue to encourage employees to voluntarily disclose gender and other demographic data through safe and confidential reporting avenues.

These figures have been sourced from the People Matter Survey 2026 and current workforce data.

Our Diversity and Inclusion Strategy outlines that:

a) We value and respect the diversity of our employees and that of the communities in which we operate.

b) We strive for a workplace that is fair, accessible, flexible, inclusive and in which unlawful discrimination, bullying, harassment or victimisation are not tolerated.

Our objectives are to:

a) Be an employer of choice for people from diverse backgrounds and improve our ability to attract, develop and retain staff who reflect the diversity of the communities we work in.

b) Make diversity and inclusion a central part of how our organisation and employees work.

c) Support and empower our employees to be able to do their best and bring their whole selves to the workplace.

In this report, diversity refers to all the characteristics that make individuals different from each other. It includes characteristics such as age, caring responsibilities, cultural diversity, disability, gender, indigeneity, sexual orientation and religion.

Diversity is about our commitment to equality, inclusion and treating all individuals – our employees, customers and the communities in which we operate – with fairness and respect.

The GWMWater Board consisted of nine members (including our Managing Director), four of whom are women (equating to 44 percent). Women are employed in 28 percent of senior management positions which includes Executive and Divisional Manager roles.

GWMWater provides diversity, inclusion and cultural safety training opportunities for staff. GWMWater has submitted its second Gender Equality Action Plan (2026-2030) to the Commission for Gender Equality in the Public Sector (CGEPS). A progress report in relation to GWMWater's 2021-2025 GEAP was submitted to CGEPS in May 2026 as required under the *Gender Equality Act 2020*. The GEAP and progress reports will be published on our website once approved by CGEPS.

Compliance with the *Disability Act 2006*

The *Disability Act 2006* reaffirms and strengthens the rights of people with disability and recognises that this requires support across the government sector and within the community.

The Inclusive Victoria: State Disability Plan 2022–2026 is Victoria's plan for making things fairer for people with disability. The plan is a key instrument for the Victorian Government to be accountable for making all aspects of the community inclusive and accessible for everyone.

GWMWater has incorporated disability action goals into its Diversity and Inclusion Strategy to increase participation, accessibility and inclusion. The strategy sets a target of 10 percent disability representation, and GWMWater is currently at five percent.

GWMWater's 2024/25 Recruitment and Retention Strategy includes actions to review recruitment and onboarding processes to facilitate best-practice accessibility and the implementation of reasonable adjustments.

Furthermore, GWMWater has placed significant focus on communicating psychological safety for employees, with progress noted in the 2025 People Matter Survey results.

Reducing barriers to accessing goods, services and facilities

GWMWater buildings meet current Australian Building Standards relating to physical barriers. Policies relating to discrimination, Equal Employment Opportunity (EEO) and reasonable adjustments have been developed and implemented.

Reducing barriers to persons with a disability obtaining and maintaining employment

Policies relating to discrimination, Equal Employment Opportunity (EEO) and reasonable adjustments have been developed and implemented. GWMWater has representation on both VicWater's Diversity and Inclusion Practitioners Network and Executive Steering Committee.

Promoting inclusion and participation in the community of people with a disability

GWMWater has an alliance with the Community of Respect and Equality (CoRE), an initiative of Women's Health Grampians (WHG), and engages regularly with WHG representatives to discuss inclusive initiatives and training opportunities.

Achieving tangible changes in attitudes and practices that discriminate against people with a disability

Discrimination policies and EEO guidelines are regularly presented to staff, and a training module is completed by staff through e-learning.

Workforce data 2025-26

Ongoing employees (excludes casual and fixed term)					Fixed term and casual employees
	Employee (headcount)	Full time (headcount)	Part time (headcount)	FTE	FTE
June 2026	205	169	36	193	16
June 2025	199	172	27	187	17

	June 2026		Fixed term and casual employees	June 2025		Fixed term and casual employees
	Employee (headcount) (excludes casual & fixed term)	FTE (excludes casual & fixed term)	FTE	Employee (headcount) (excludes casual & fixed term)	FTE (excludes casual & fixed term)	FTE
Gender						
Man	130	129	13	130	128	11
Woman	75	64	3	70	60	5
Self-described	0	0	0	0	0	0
Age						
Under 25	9	9	1	8	8	2
25-34	62	59	3	61	57	4
35-44	57	52	7	53	49	6
45-54	41	39	3	41	39	2
55-64	34	33	2	33	31	2
Over 64	2	2	0	4	4	0
Classification						
BTWA	48	46	5	49	47	5
BTWB	62	58	3	60	56	2
BTWC	21	19	0	21	19	0
BTWD	13	13	0	13	13	1
PROFB	14	14	1	14	14	1
PROFC	10	9	0	10	9	0
PROFD	12	10	0	9	7	0
SENIOR OFFICER	25	24	2	24	23	2
Executives						
Peers	0	0	5	0	0	5
Total employees	**205**	**193**	**16**	**199**	**187**	**17**

Notes to this table:

1. Due to rounding, some totals may not correspond with the sum of the separate figures.
2. All figures reflect employment levels during the last full pay period in June of each year.
3. 'FTE' means full-time equivalent.
4. Of the 25 Senior Officers, three work part-time, with a total FTE of 2.30.
5. There are currently no employees who identify as self-described within our payroll system. However, through the People Matter Survey 2026, we understand that approximately one percent of our workforce identify as non-binary, trans or gender diverse.
6. Banded, fixed term, casual employees and Senior Officers' remuneration is covered by GWMWater's Enterprise Agreement 2023.
7. Of the five executives, four are classified as Senior Executive Services 1 (PESES-1) and one is classified as Senior Executive Services 2 (PESES-2).

Occupational health and safety

GWMWater is committed to providing a safe workplace and achieving its aspiration of Zero Harm. This commitment is supported by our Safety Strategy, policies and performance measures, and by maintaining a certified Occupational Health and Safety Management System that meets the requirements of ISO 45001:2018.

In 2025-26, the total number of incidents (59) declined by 32 percent compared with 2024-25. This has been supported by proactive hazard reporting and mitigation, which has contributed to fewer incidents. Claim costs decreased due to the implementation of an injury management program focused on early reporting of work-related injuries. The lower claim costs were associated with one claim with 15 lost days for the period. Total lost days reduced significantly compared with previous years. Compared with 2023-24, lost days reduced by 218 days, representing a 94 percent reduction.

In 2025-26, hazard reports and actions remained comparable with the previous year, with an eight percent reduction, or 20 fewer hazard reports completed. The continued high level of hazard reporting reflects GWMWater's ongoing focus on hazard reporting systems and management support for staff to report hazards and commitment for hazard mitigation actions.

The GWMWater OHS Strategy 2023 - 2028 outlines our aspiration for Zero Harm, with key focus areas of safety leadership, wellbeing, technology and risk management. It also maintains our strong focus on continuous improvement of the Occupational Health and Safety Management System.

In 2025-26 there were 621 audits (OHS policy and procedure reviews) and 218 OHS Inspections completed for the year. These actions support the ongoing continuous improvement of the OHS management system for GWMWater Operators and Contractors.

Occupational Health and Safety performance indicators

Measure	KPI	2021/22	2022/23	2023/24	2024/25	2025/26
Incidents	Number of incidents	60	97	101	88	59
	Rate per 100 FTE	36.7	54.6	55.5	40.55	26.57
Claims	Number of lost time claims	5	3	2	2	1
	Rate per 100 FTE	3.06	1.69	1.09	0.92	0.45
Claim costs	Average cost per standard claim	$42,529	$16,546	$57,292	$5,852	$2,019
First aid treatment	Number of first aid treatment injuries	7	9	13	5	4
Medical treatment injuries	Number of medical treatment injuries	1	1	0	3	5
Lost time injuries	Number of lost time injuries	4	7	4	2	1
Hazards	Number of hazard reports completed	174	74	278	255	235
	Rate per 100 FTE	106.45	41.69	152.75	117.51	105.85
TRIFR	Total recordable injury frequency rate	22.98	31.57	14.02	16.90	18.94

TRIFR: Safety performance determined by how many events (Medical and Lost Time injuries) have occurred for hours worked.

Water consumption

Water consumption report 1 July 2025 to 30 June 2026

	Industrial and Concessional		Non-Residential and Municipal		Residential		Total		Average annual consumption*
	ML	No	ML	No	ML	No	ML	No	ML
Antwerp	-	1	0.0	2	2.2	9	2.2	12	4.0
Apsley	0.1	6	1.3	19	9.0	98	10.4	123	17.3
Ararat	165.5	41	272.0	439	665.1	4,017	1,102.7	4,497	1,140.0
Berriwillock	2.3	8	2.0	11	18.4	71	22.6	90	23.6
Beulah	4.7	11	5.4	30	22.7	137	32.8	178	39.1
Birchip	1.8	13	22.3	79	69.6	376	93.6	468	111.0
Brim	1.8	6	0.2	4	5.7	47	7.6	57	10.3
Buangor	0.3	3	0.9	2	9.4	40	10.5	45	10.1
Charlton	7.1	16	44.2	121	116.7	573	168.0	710	208.0
Chillingollah	-	-	0.0	2	1.2	5	1.2	7	0.9
Chinkapook	-	1	-	2	3.5	14	3.5	17	3.5
Cowangie	0.0	2	-	2	1.5	9	1.5	13	2.9
Culgoa	0.1	2	2.6	17	10.6	58	13.3	77	15.1
Dimboola	3.4	21	38.1	95	148.7	782	190.2	898	228.7
Donald	4.1	13	86.1	173	139.9	719	230.1	905	230.5
Dooen	-	-	0.3	3	2.9	16	3.2	19	3.6
Edenhope	3.9	16	21.5	81	39.2	454	64.6	551	84.3
Elmhurst	0.2	8	1.6	14	12.7	107	14.5	129	16
Glenorchy	0	2	0	3	7.4	59	7.5	64	8.1
Goroke	3.6	10	2.5	31	21.8	140	27.9	181	30.5
Great Western	10.7	7	21.9	17	26.6	135	59.1	159	58
Halls Gap	8	7	108.6	95	50.6	557	167.1	659	155.7
Harrow	4.5	8	1.3	17	15.3	71	21	96	28.1
Hopetoun	12.5	18	29	64	65	312	106.4	394	112.4
Horsham	156.8	56	427.3	1,052	1,747	8,344	2,331.1	9,452	2,291.1
Jeparit	1.3	12	8	41	34.9	252	44.2	305	47.4
Jung	0	1	0.3	2	5.3	40	5.6	43	8.3
Kaniva	2.7	17	31	106	108.8	414	142.6	537	145.8
Kiata	-	-	0.8	3	2.2	20	3	23	2.8
Lake Bolac	16.5	13	16.3	34	36	137	68.7	184	60.5
Lalbert	0.1	3	1.7	11	4.2	43	6.1	57	9.6
Lascelles	-	-	2.6	7	3.4	25	6	32	7.1
Lillimur	-	-	0	1	3.4	18	3.5	19	4.6
Manangatang	2.4	8	25.1	28	26.1	131	53.7	167	54.6
Marnoo	0.1	5	1.4	15	10.6	51	12.1	71	13.9
Minyip	0.9	13	11.3	33	35.9	250	48.1	296	56.1
Miram	-	-	0	1	0.6	7	0.6	8	0.8
Moyston	4.2	2	1.4	7	24.3	90	29.9	99	29.5
Murrayville	4.3	6	39.1	32	41.1	158	84.5	196	97.7
Murtoa	1.4	18	26	60	79.7	422	107	500	111.5

	Industrial and Concessional		Non-Residential and Municipal		Residential		Total		Average annual consumption*
	ML	No	ML	No	ML	No	ML	No	ML
Nandaly	1	7	1.3	5	3.1	21	5.4	33	5.2
Natimuk	7.9	14	10.6	28	37.4	235	56	277	66.6
Nhill	108.6	25	103.4	155	215	1,004	427	1,184	414.3
Nullawil	2.4	3	2.8	15	4.4	31	9.6	49	11.4
Ouyen	12.5	10	85.9	109	168.4	577	266.7	696	275.8
Patchewollock	0.6	4	0.9	12	9.7	38	11.1	54	10.3
Pimpinio	0.1	2	0.4	3	6.6	33	7.1	38	7.3
Pomonal	2.2	2	5.3	8	25.6	138	33.1	148	35.4
Quambatook	7.3	12	9.7	23	19	132	36.1	167	40.4
Rainbow	1.5	19	22.9	52	50.9	306	75.3	377	89.8
Rupanyup	2.3	9	9.8	44	31.2	196	43.3	249	49.9
Sea Lake	4.4	9	34.7	72	89.9	373	129.1	454	137.1
Serviceton	0.3	2	-	2	3.8	26	4.1	30	3.1
Speed	0	3	0.2	7	6	30	6.3	40	7
St Arnaud	1.6	26	100	209	222.9	1,226	324.5	1,461	334.5
Stawell	372.9	35	192.3	380	576.4	3,054	1,096.6	3,469	1,100.6
Streatham	-	4	0.4	5	1.6	41	1.9	50	3.2
Tarranyurk	-	-	0.9	4	0.8	3	1.7	7	2.1
Tempy	0.1	5	4.3	6	7.2	19	11.6	30	9.8
Ultima	1.1	6	7.4	13	30.2	89	38.8	108	35.4
Underbool	1.4	7	21.6	19	31.6	108	54.5	134	54.7
Waitchie	-	-	0.1	3	-	3	0.1	6	0
Walpeup	2.9	4	7.7	14	17.2	59	27.8	77	26.6
Warracknabeal	7.6	24	71	184	262.5	1,260	341.2	1,468	354.2
Watchem	1	3	4.2	11	10.4	76	15.7	90	19.1
Westmere	-	-	3	7	3	10	5.9	17	5.4
Wickliffe	0.1	1	6.1	9	12.2	35	18.4	45	15.7
Willaura	1.8	12	61.3	50	112.2	201	175.3	263	134.5
Woomelang	6.6	11	2.9	24	19.4	114	28.8	149	30
Wycheproof	2.9	14	35.7	69	65	356	103.6	439	128
Yaapeet	-	-	0.1	5	5.6	29	5.7	34	7.6
Total	**931.3**	**647**	**2,060.9**	**4,303**	**5,678.3**	**29,031**	**8,670.5**	**33,981**	**8,898.4**

Notes to this table:

1. Due to rounding, some totals may not correspond with the sum of the separate figures.
2. Average calculated for the period 1 July 2021 and 30 June 2026.
3. ML = Megalitre (1,000,000 litres).
   0.0 = minimal usage less than 0.05 ML (50,000 litres)
   - = nil usage or customers during the year.

Residential water connections and lots created

Lots available as at end of 2024-25[1]	Lots created 2025-26[1]	New connections 2025-26[2]	Lots available as at the end of 2025-26[1]
630	137	126	605

Notes to this table:
1. Lots available at end of financial year and created based on vacant land service availability charges applicable in growth towns (Horsham, Stawell, Ararat, Pomonal, Great Western and Halls Gap). New connections include any new connections across all urban towns.
2. New connections include all new residential connections across GWMWater service area inclusive of non-growth towns.

Total urban bills

Urban bills	2024-25	2025-26
Residential bill – owner-occupier[1] The actual bill for an owner-occupier with typical (average) water use in real 2025-26 dollars	$1,481.65	$1,485.75
Percentage change from prior year		0.3%
Residential bill – tenant The actual bill for a tenant with typical (average) water use in real 2025-26 dollars	$445.18	$445.08
Percentage change from prior year		0.0%
Typical (average) water use (kL) assumed in owner-occupier and tenant bill calculations	240	240
Non-residential bill – business[2] The annual bill for a business using 3 ML per annum in real 2025-26 dollars	$8,921.39	$8,945.72
Percentage change from prior year		0.3%

Notes to this table:
1. Based on a potable town with sewerage service.
2. Based on a 50 mm meter connection in a potable town with sewerage service.
3. Typical (average) water use reflects the estimated consumption assumptions used in the 2023 Water Price Review, based on historical residential usage patterns.

Total rural bills

Rural bills	Area/ District / Region	2024-25	2025-26
Typical average total rural bill domestic and stock pipeline supply ($ real 2025/26) (1,430 kL domestic and stock customer)	Rural pipeline all areas	$2,470.27	$2,468.46
Percentage change from prior year			(0.1%)
Water use (kL) assumed in domestic and stock pipeline bill calculations		1,001	1,001
Total rural bill groundwater supply ($ real 2025-26) (200 ML customer)	All areas	$1,566.95	$1,566.28
Percentage change from prior year			0.0%
Total rural bill unregulated diversions ($ real 2025-26) (20 ML customer)	All areas	$211.56	$211.40
Percentage change from prior year			(0.1%)

Reporting water consumption for residential and non-residential connections

Water consumption report - 2025-26		
Residential connections	(1) Number of residential connections	29,031
	(2) Total volume of potable water consumed by residential connections	5,283.3 ML
	Per capita daily residential potable water consumption	240 L
	(2.1) Total volume of non-potable water consumed by residential connections	395 ML
	(3) Total volume of recycled water used by residential connections	NA
	(4) Total volume of stormwater used by residential connections (supplied by water corporation)	NA

Non-residential connections	(5) Total number of non-residential connections		4,950
	(6) Total volume of potable water consumed by non-residential connections		2,840.2 ML
	(7) Total volume of non-potable water consumed by non-residential connections		152 ML
	(8) Total volume of recycled water used by non-residential connections for:	Commercial purposes	483.6 ML
		Industrial purposes	0 kL
		Agricultural purposes	2,276.7 ML
		Municipal purposes	94.8 ML
		Beneficial allocation	0
		Within process	4.9 ML
		Total	2,860 ML
	(9) Total volume of stormwater used by non-residential connections (supplied by GWMWater) for:	Commercial purposes	NA
		Industrial purposes	NA
		Agricultural purposes	NA
		Municipal purposes	NA
		Beneficial allocation	NA
		Within process	NA
		Total	NA
	(10) Total number of connections		33,981
	(11) Total volume of potable water consumed by connections		8,123.5 ML
	(12) Total volume of recycled water and stormwater used by connections		2,860 ML
	(13) Total volume of water used by connections (excluding recycled)		8,670.5 ML
	Average annual water consumption (excluding recycled)		8,898.4 ML
Non-revenue water	(14) Volume of non-revenue water attributed to leakages		1,390.8 ML
	(15) Volume of non-revenue water attributed to firefighting		51.6 ML
	(16) Volume of non-revenue water attributed to other reasons		206.4 ML
	(17) Total volume of non-revenue water		1,648.8 ML
	Total volume of water from all sources (excluding rural connections)		**13,179.3 ML**

Notes to this table:
1. Item (14): Unaccounted for water comprises leakages from pipes, mains flushing, fire-fighting, unmetered connections, metering errors and illegal connections.
2. Item (17): Total volume of non-revenue water equates to 16.5 percent for the urban system.

Household drinking water consumption 2025-26

We provided drinking water to a population of about 60,432. The total consumption of water was 5,283 ML across this population of our region, which averages 240 litres per person, per day.

Total residential bill with typical water use 2025-26

The total residential bill for a drinking water customer in a town with sewerage services was $1,402 based on average consumption of 195 kL, or $1,412 based on consumption of 200 kL.

Supply and distribution

Inflows into the Grampians reservoir system totaled 83,628 ML for the 2025-26 water year, equivalent to approximately 42.2 percent of the historic average.

The volume stored in the Grampians reservoir system peaked in early December 2025 at 255,010 ML (45.5 percent) and decreased over the year as water was released to meet entitlement holder demands and lost to evaporation. The volume in storage reached a low of 185,190 ML (33.1 percent) by mid-May 2026.

Towns serviced by groundwater and local surface water supply were routinely monitored, with good water availability throughout the year.

The Murray system reached 100 percent seasonal determination (for high reliability water shares) during the 2025-26 water year, with the Goulburn system reaching 81 percent by 1 April 2026. This allocation was sufficient to comfortably meet Permanent Water Saving Rules level of demand for GWMWater supplied towns and pipeline users serviced from the River Murray and provide a carryover reserve for the 2026/27 water year.

GWMWater's urban customers were required to observe Permanent Water Saving Rules during the 2025-26 water year, with no water restrictions implemented in any town serviced by GWMWater.

Bulk and Environmental Entitlements

Bulk Entitlements and Environmental Entitlements grant entitlement holders the right to use and supply water. GWMWater holds bulk entitlements in the Wimmera-Glenelg, Murray, Goulburn, East Grampians and Pyrenees which are used to supply towns, and rural and commercial customers.

GWMWater is the Storage Manager for the Wimmera-Glenelg and East Grampians headworks systems. As Storage Manager, GWMWater is responsible for the management of the water resource on behalf of all entitlement holders by application of the Storage Management Rules. These provide guidance on the operation of the storages and the process for making seasonal allocations based on available water. The governance and independence of GWMWater's Storage Manager activities are enhanced through the Climate Carbon and Resources Committee, which is a sub-committee of the Board.

Reporting for the Bulk Entitlement (Wimmera and Glenelg Rivers – GWMWater) Order 2010

The matters below relate to GWMWater's reporting requirements in accordance with Section 18.1 of this Bulk Entitlement (BE):

BE Clause	Item		Report	Notes
	Offtake Points	**Supply to**		
	Dad and Dave Weir	Mt Zero Channel	2,859 ML	
	Brimpaen Storages	Wimmera Mallee Pipeline Supply System 6	591 ML	
	Taylors Lake Outlet	Wimmera Mallee Pipeline Supply Systems 1, 2, 3, 4, 6 and 7 Supply By Agreement customers	5,002 ML	See Note 1
	Licenced Diversion Offtakes	Domestic & stock diverters from Rocklands - Toolondo Channel	0 ML	See Note 2
	Rocklands Offtake	Supply By Agreement customers direct from headworks	0 ML	
	Rocklands Offtake	Glenelg River Compensation Flow	385 ML	
18.1 (b)	Lake Fyans Outlet	Urban systems & Supply By Agreement customers	3,301 ML	
	Lake Bellfield	Urban systems & Wimmera-Mallee Pipeline, Systems 1,2,3,4,6 & 7.	12,251 ML	
	Lake Lonsdale Outlet	Commonwealth Environmental Water Holder	0 ML	
	Stawell Diversion Weir	Stawell urban system	0 ML	
	Mt Cole Reservoir	Ararat urban system & Supply By Agreement Customers	614 ML	
	Langi Ghiran Reservoir	Urban systems & Supply By Agreement customers	35 ML	See Note 3
	Panrock Reservoir	Urban systems & Supply By Agreement customers	0 ML	See Note 3
	Green Lake Inlet Channel	Green Lake (Horsham)	0 ML	See Note 4
	Total Offtake		**25,039 ML**	

BE Clause	Item		Report	Notes
	Offtake Points	**Supply to**		
	Water supplied to primary entitlements (Schedule 2, Table 1)			
18.1 (c)	GWMWater	Pipeline and balancing storage losses	2,188 ML	
		Commonwealth Environmental Water Holder	4,984 ML	
		Glenelg River compensation flow	385 ML	
		Recreation	2,424 ML	
		Wimmera Mallee Pipeline product	15,058 ML	
	Coliban Water	Wimmera Mallee Pipeline product	294 ML	
	Victorian Environmental Water Holder	Wetlands	157 ML	
		Wimmera Mallee Pipeline product	15,049 ML	
	Wannon Water	Wimmera Mallee Pipeline product	217 ML	
	Total supplied to Primary Entitlements		**40,757 ML**	
	Final water allocation to GWMWater			
18.1 (d)	Pipeline and balancing storage losses		84% (2,486 ML)	
	Commonwealth Environmental Water Holder		0% (0 ML)	
	Glenelg compensation flow		1% (33 ML)	
	Recreation		0% (0 ML)	
	Wimmera Mallee Pipeline product		40% (17,888 ML)	
18.1 (e)	Metering Program		Pending	See Note 5
18.1 (f)	Transfers of an entitlement or part of this BE		None	
18.1 (g)	BE, licence or water right, entitlement or assignment transferred to GWMWater supply systems		None	
18.1 (h)	Amendments to this Order		None	
18.1 (i)	New BE granted to GWMWater under this Order		None	
18.1 (j)	BE compliance failures		None	
18.1 (k)	BE compliance difficulties and actions		None	

Notes to this table:
1. Volume supplied from Commonwealth Environmental Water Holdings & by agreement from Horsham Weir Pool.
2. No regulated diversion licences are held.
3. Storage was not used for water supply purposes during 2025/26.
4. GWMWater previously applied to the Minister for Water seeking agreement to supply Green Lake Horsham under Clause 11.1 (b).
5. A metering program for this bulk entitlement was submitted to the Minister for Water in September 2023 and subsequently approved.

Reporting for the Bulk Entitlement (Willaura, Elmhurst and Buangor Systems - GWMWater) Order 2012

The matters below relate to GWMWater's reporting requirements in accordance with Section 11.1 of this Bulk Entitlement (BE):

BE Clause	Item	Report	Notes
11.1 (b)	Annual amount of water taken	249 ML	
11.1 (c)	Metering program approved under sub-clause 10.4	Pending	See Note 1
11.1 (d)	Any temporary or permanent transfer of this bulk entitlement (BE)	None	
11.1 (e)	Any BE, licence or water right in respect of the waterway transferred to GWMWater	None	
11.1 (f)	Any amendment to this BE	None	
11.1 (g)	New BE granted to GWMWater with respect to the waterway	None	
11.1 (h)	BE compliance failures	None	
11.1 (i)	BE compliance difficulties and actions	None	

Note to this table:
1. A metering program for this bulk entitlement was submitted to the Minister for Water in September 2023 and subsequently approved.

Reporting for the Bulk Entitlement (River Murray – Grampians Wimmera Mallee Water) Order 1999

The matters below relate to GWMWater's reporting requirements in accordance with Section 21.1 of this Bulk Entitlement (BE):

BE Clause	Item		Report	Notes
	Offtake Points	**Supply to**		
	Nyah Pump Station	Northern Mallee Pipeline (Nyah and Eureka system)	335 ML	
	Piangil Pump Station	Northern Mallee Pipeline (Piangil and Manangatang system)	424 ML	
	Swan Hill Pump Station	Wimmera Mallee Pipeline (Supply System 5 - Swan Hill and Sea Lake)	1,266 ML	
21.1 (b)	Liparoo Pump Station	Northern Mallee Pipeline (Ouyen system)	1,940 ML	
	Annuello Pump Station	Private pipeline scheme	81 ML	
	Hayesdale Pump Station	Private pipeline scheme	32 ML	
	Koolonong Pump Station	Private pipeline scheme	46 ML	
	Total Offtake		**4,125 ML**	
21.1 (c)	Any new offtake points		None	
21.1 (d)	Amount of water returned under sub-clause 16.2		None	
	Annual amount supplied to primary entitlement holders			
21.1 (e)	GWMWater	Urban supply systems	930 ML	
		Rural properties	1,644 ML	
		Supply By Agreement customers	0 ML	
		Community requirements	585 ML	
		Pipeline operating requirements	807 ML	
		Private pipeline schemes	159 ML	
	Total Supplied to Primary Entitlements		**4,125 ML**	
21.1 (f)	Metering program approved under sub-clause 20.2		Pending	See Note 1
21.1 (g)	Any temporary or permanent transfer of this BE		None	
21.1 (h)	Transfer of BE or assignment of water allocation under the Act		None	
21.1 (i)	Amendments to this BE		None	
21.1 (j)	New BE granted to GWMWater with respect to the River Murray		None	
21.1 (k)	BE compliance failures		None	
21.1 (l)	BE compliance difficulties and actions		None	

Note to this table:
1. A metering program for this bulk entitlement was submitted to the Minister for Water in September 2023 and subsequently approved.

Reporting for the Bulk Entitlement (Quambatook – Grampians Wimmera Mallee Water) Order 2006

The matters below relate to GWMWater's reporting requirements in accordance with Section 12.1 of this Bulk Entitlement (BE):

BE Clause	Item	Report	Notes
12.1 (b)	Annual amount of water taken	88 ML	
12.1 (c)	Metering program approved under sub-clause 11.2	Pending	See Note 1
12.1 (d)	Any temporary or permanent transfer of this BE	None	
12.1 (e)	Any period of restriction imposed on this entitlement	None	
12.1 (f)	Any amendment to this BE	None	
12.1 (g)	New BE granted to GWMWater with respect to this entitlement	None	
12.1 (h)	BE compliance failures	None	
12.1 (i)	BE compliance difficulties and actions	None	

Note to this table:
1. A metering program for this bulk entitlement was submitted to the Minister for Water in September 2023 and subsequently approved.

Recreation water

During the past year, recreation water pricing volumetric discounts were applied to recreational, sporting clubs and schools with more than 417 organisations benefiting from the discounts.

The availability of affordable water for our recreational lakes and weirs provides significant benefits to the liveability of the region; from health and wellbeing, to local businesses and the environment.

Recreational facilities and sporting clubs make an extremely important contribution to the social fabric of the region's towns, provide a critical outlet for physical and mental relaxation, enhance the amenity of towns and rural areas, and improve the health of residents and visitors to the region.

Recreation water discounts are made possible through a recreation contribution charge of $21.16 per customer; $10.58 for concession card holders. The contribution is collected from customer accounts through the service availability charge for urban customers and primary meter charge for rural customers. The following table provides a summary of the value of contributions collected and discounts provided in 2025-26:

	Note	Number / Volume delivered	2025-26 $
Revenue			
Rural Recreation Contributions		5,079	90,654
Urban Recreation Contributions		29,031	539,030
Recreation Lake Water Revenue	1		73,353
Public Recreation Facilities - Capital grant funding			604,859
Total Revenue			**1,307,896**
Expenditure			
Recreational and Sporting Club			
Rural Volumetric Discounts (93 entities)		166.3 ML	151,342
Urban Volumetric Discounts (245 entities)		280.4 ML	191,270
Schools Volumetric Discounts (91 entities)		285.5 ML	182,214
Distribution Costs			248,948
Public Recreation Facilities			-237,648
Recreation Water Planning and Administration			130,953
Total Expenditure			**667,078**
Net result for the year			**640,817**

Note to this table:
1. Includes revenue from supply to Nhill Lake from a groundwater bore.

Statement of obligations

On 20 December 2015, the then Minister for Environment, Climate Change and Water revised the Statement of Obligations (SoO). The main objective of the review was to reintegrate planning for climate change adaptation as an integral part of the water business planning framework.

The obligations specific to emissions reductions were outlined in a separate instrument on 14 March 2018.

The GWMWater Board supports the amendments to the SoO with climate variability presenting some significant challenges to water resource management in our region. GWMWater is committed to taking a lead role in ensuring a sustainable environment for our region by investing in renewable energy to reduce our carbon footprint. Over time, GWMWater aims to be self-sufficient in its energy needs and become a net generator of energy.

Reservoir recreational area works and upgrades

Recreational works undertaken at reservoirs and recreational lakes during 2025-26 included:

a) Construction of new groundwater bore and associated delivery infrastructure to supply Nhill Recreational Lake. Project funded by GWMWater and Victorian Fisheries Authority with contributions also from Hindmarsh Shire Council and Wimmera Catchment Management Authority.

b) Connection of Quambatook Weir Pool to Murray supplied pipeline, to provide a supplementary supply and create recreational amenity and improve environmental values. Project undertaken in partnership with Gannawarra Shire Council.

c) Upgrades to Lake Fyans access tracks and roads.

d) Upgrades to Taylors Lake Westside Camping Area access track and repairs to Eastern Boat Ramp pontoons

e) Extension of Mountain Dam Boat ramp at Rocklands Reservoir and beaching adjacent to Toolondo Southwest Boat Ramp trailer parking area to reduce erosion.

Recreational area management plans

Drafts of the 10 Recreational Area Management Plans are scheduled for finalisation in December 2026.

Dam safety

GWMWater has implemented a comprehensive program of assessment, inspection, monitoring, maintenance and upgrade works across its portfolio of 185 dams, storages and weirs. This program confirmed that there were no dam safety incidents or emergencies.

We are a member of Australian National Committee on Large Dams (ANCOLD) and the Victorian Dams Working Group and provide an annual report on dam safety to the State dam safety regulator, the Department of Energy, Environment and Climate Action which includes sharing our Dam Safety Emergency Plans and available flood inundation mapping for use in coordinated emergency responses.

Our dam safety management program during 2025-26 included:

a) Testing of the Lake Bellfield outlet tower anchors, which confirmed performance remains within design parameters, reducing risk of structural failure.

b) Geotechnical investigations of the spillway rock steps and conduit tunnel at Lake Bellfield to improve understanding of associated risk profiles and inform future management decisions.

c) Review and update of internal Operations and Maintenance Manuals and Dam Safety Emergency Plans.

We have continued our program of ongoing visual inspection reporting, monitoring of embankments and safety inspections by specialist consultants at major dams.

We have continued to maintain Lake Lonsdale below or at its maximum operating level. In addition, Taylors Lake and four other minor storages continue to be operated at reduced levels to increase flood storage capacity and minimise seepage losses.

Economic sustainability

Financial summary 2021-22 to 2025-26 ($ Million)

	2021-22	2022-23	2023-24	2024-25	2025-26
Operating revenue	65.05	64.78	67.77	73.60	73.16
Contribution revenue	2.97	4.35	3.62	2.06	2.63
Other revenue	1.43	1.96	2.37	2.41	2.76
Total Revenue	**69.45**	**71.09**	**73.76**	**78.07**	**78.55**
Operating expenditure	35.02	37.99	41.52	45.96	45.37
Decommissioning & Desludging Expenditure	0.17	0.18	0.11	2.29	0.42
Environmental Levy	2.60	2.60	2.60	2.48	2.48
Depreciation	39.84	41.16	45.48	46.14	47.56
Loss on disposal of assets	1.19	0.56	0.53	0.09	1.20
Net fair loss/(gain) on revaluation of investment properties	(0.19)	(0.10)	-	-	(0.12)
Borrowing costs	6.06	6.00	7.06	8.18	9.91
Grants and other transfers	2.50	1.94	-	0.50	0
Total Expenditure	**87.19**	**90.33**	**97.30**	**105.64**	**106.82**
Net result before tax	**(17.74)**	**(19.24)**	**(23.54)**	**(27.57)**	**(28.27)**
Current assets	23.42	38.94	29.52	24.07	27.78
Non-current assets	2,083.19	2,309.03	2,303.11	2,343.35	2,936.61
Total Assets	**2,106.61**	**2,347.97**	**2,332.63**	**2,367.42**	**2,964.39**
Current liabilities	28.91	30.62	36.07	50.34	42.95
Non-current liabilities	297.70	381.96	371.74	395.47	601.25
Total Liabilities	**326.61**	**412.58**	**407.81**	**445.80**	**644.20**
Net Cash From Operations	20.15	21.82	17.24	18.46	19.80
Payments for property, plant and equipment (including infrastructure)	24.26	25.57	39.63	76.40	87.25

Performance indicator	2021-22	2022-23	2023-24	2024-25	2025-26
Cash Interest Cover Cash flow from operations before net interest and tax payments ÷ net interest payments (times)	4.4	5.0	3.8	3.3	3.1
Gearing Ratio Total debt (including finance leases) ÷ total assets	5.4%	5.5%	5.8%	7.2%	7.2%
Internal Financing Ratio Net operating cash flow ÷ capital expenditure	82.7%	78.5%	43.5%	24.2%	22.7%
Current Ratio Current assets ÷ current liabilities (excluding long-term employee provisions and revenue in advance)	1.1	1.6	1.0	0.6	0.8
Return on Assets Earnings before net interest and tax ÷ average total assets	(0.6%)	(0.6%)	(0.7%)	(0.8%)	(0.7%)
EBITDA Margin Earnings before interest, tax, depreciation and amortisation ÷ total revenue	40.4%	38.4%	38.1%	33.6%	37.0%

GWMWater recorded a net operating deficit before tax of $28.27 million in 2025-26. This result was significantly influenced by depreciation expense of $47.56 million, which reflects the impact of asset revaluation increments recognised over time.

Revenue increased compared with 2024-25, representing a favourable year-on-year movement. The increase was primarily attributable to higher other revenue, developer contributions and government grants. This was partially offset by lower usage revenue resulting from reduced water consumption during wetter seasonal conditions.

Operating expenditure was $0.59 million lower than the prior year. The reduction was mainly driven by lower contractor costs and reduced expenditure on asset maintenance and risk assessment projects. These savings were partially offset by increased information and communication technology costs. Expenditure on desludging activities and the decommissioning of redundant assets was also significantly lower than in 2024-25.

The operating result was further impacted by increased depreciation expense, higher borrowing costs and losses on the disposal of assets.

Total assets increased by $596.97 million compared with 2024-25, primarily as a result of the compulsory five-year asset revaluation undertaken by the Valuer-General Victoria (VGV). The increase was largely driven by higher infrastructure asset values, reflecting increased construction costs and the application of updated valuation requirements under AASB 13. The cash interest cover ratio of 3.1 times continues to demonstrate the underlying strength of GWMWater's financial performance and capacity to service its debt obligations.

Net cash inflows from operating activities increased to $19.80 million in 2025-26. The improvement was primarily attributable to higher customer receipts and lower payments to suppliers and employees.

Despite reporting an operating deficit, GWMWater continued to generate positive operating cash flows, supporting liquidity and the ongoing delivery of essential water and wastewater services.

Subsequent events

There were no events occurring after the balance date which may significantly affect GWMWater's operations in subsequent reporting periods.

Local Jobs First – Victorian Industry Participation Policy

The L*ocal 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.

GWMWater is required to apply the Local Jobs First Policy in all regional projects valued at $1 million or more. MPSG applies to all construction projects valued at $20 million or more. Projects of value greater than $50 million are classified as strategic projects and they are subject to minimum local content requirements.

Projects commenced – Local Jobs First Standard

The following 12 Local Jobs First Standard projects, with combined expected value $48.7 million, commenced or were in progress during 2025-26:

a) TechnologyOne eServices CiA Live SaaS Flip IntraMaps.

b) Rural Meter & RTU Replacements.

c) Nhill Renewable Energy Facility.

d) Sewer Main Renewals 2026-28.

e) Waranga Channel Cleanwater, Dissolved Air Flotation Plant.

f) Nyah Cleanwater, Dissolved Air Flotation Plant.

g) Behind the Meter Batteries – Stage 1.

h) Edenhope Water Treatment Plant Upgrade.

i) Sewer Pump Station Refurbishments 2025/2026.

j) Moyston Water Quality Upgrade.

k) Norval Water Pump Station Stand Alone Power System.

l) Mt Zero Clearwater Storage Project.

The MPSG did not apply to these projects. The outcomes expected from the implementation of the Local Jobs First Policy to these projects where information was provided, were as follows:

a) An average of 75 percent of local content commitment was made.

b) A total of 67 jobs (annualised employee equivalent (AEE)) were committed, including the creation of 12 new jobs and retention of 55 existing jobs AEE.

c) A total of three apprentices, trainee or cadet positions are committed to being created.

Projects completed – Local Jobs First Standard

During 2025-26, GWMWater completed four Local Jobs First Standard Projects with a combined value of $10 million:

a) Aquaclear Tank Renewals.

b) Berriwillock and Culgoa Drinking Water Supply Upgrade.

c) Construction of Lake Fyans Pump Station.

d) Design & Construction of the Donald Wastewater Treatment Plant.

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

a) An average of 92 percent local content.

b) A total of 9 jobs AEE were supported, including the creation of one new job and retention of 8 existing jobs AEE.

c) One apprentice, trainee or cadet position was created.

Projects commenced - Local Jobs First Strategic Projects

One Local Jobs First Strategic Project, the East Grampians Rural Pipeline Project, including the Mininera stage (total expected value $115.8 million) was in progress during 2025-26. This project is in regional Victoria with a local content requirement of 89 percent. The MPSG also applies to this project. The outcomes expected from the implementation of the Local Jobs First Policy to this project are as follows:

a) An average of 94 percent of local content commitment was made.

b) A total of 58 jobs (AEE) were committed, including the creation of 34 new jobs and retention of 24 existing jobs AEE.

c) A total of six apprentice, trainee or cadet positions is committed to being created or retained

Projects completed - Local Jobs First Strategic Projects

During 2025-26, GWMWater did not complete any Local Jobs First Strategic Projects.

Reporting requirements - All projects

During 2025-26, seven contractors were appointed with a Local Industry Development Plan and were not required to prepare an MPSG Plan.

Reporting requirements – Grants

No grants were provided during 2025-26.

Reporting of operations

Consultancies and major contracts

In 2025-26, there were 24 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2025-26 in relation to these consultancies was $746,888 (excluding GST). Details of individual consultancies can be viewed on GWMWater's website at gwmwater.org.au.

In2025-26, GWMWater engaged 39 consultancies where the total fees payable to the consultants were less than $10,000, with a total expenditure of $188,085 (excluding GST).

A 'major contract' is a contract entered during the reporting period valued at $10 million or more, GWMWater did not enter into any major contract during 2025-26.

No changes were made to sourcing operating or maintenance services during the reporting period. The balancing of geographical constraints, regional economic context, and service expectations remains a key consideration in GWMWater's sourcing decisions.

Reviews and studies expenditure

No reviews and studies of expenditure were undertaken during 2025-26.

Government advertising expenditure

GWMWater's expenditure in the 2025-26 reporting period on government campaign expenditure did not exceed $100,000.

ICT expenditure

For the 2025-26 reporting period GWMWater had a total ICT expenditure of $7,400,336.62 with the details shown below:

All operational ICT expenditure	ICT expenditure relating to projects to create or enhance ICT capabilities		
Business as usual (BAU) ICT expenditure	Non-business as usual (Non-BAU) ICT expenditure (Total - Operational and capital expenditure)	(Non-BAU) Operational expenditure	(Non-BAU) Capital expenditure
$ 7,400,336.62	$-	$-	$-

Notes to this table:

1. ICT expenditure refers to GWMWater's costs in providing business enabling ICT services within the current reporting period. It comprises business as usual (BAU) ICT expenditure and non-business as usual (Non- BAU) ICT expenditure.
2. Non-BAU expenditure relates to extending or enhancing GWMWater's current ICT capabilities.
3. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Social sustainability

Urban water restriction levels/ Permanent Water Saving Rules

Under the Water Restrictions By-Law No.107 there were no water restrictions in place at 30 June 2026 or at any time during the year in any of the towns GWMWater services. State-wide Permanent Water Saving Rules applied in all 71 urban towns.

Rural pipeline water restriction levels

No rural pipeline customers were subjected to water restrictions under the Water Restrictions By-Law No.107 as at 30 June 2026 or at any time during the year. Rural pipeline customers are encouraged to comply with the state-wide Permanent Water Saving Rules.

Exemptions

No exemption applications were received in relation to Permanent Water Saving Rules during 2025-26.

Enforcing water restrictions and investigations of breaches of the *Water Act 1989*

GWMWater's investigation staff made 22 property visits. These required numerous follow-up telephone calls to investigate reports submitted by the public and GWMWater staff in relation to possible breaches of the *Water Act 1989* (the Act) or GWMWater By-Laws. Twenty (20) letters were issued to customers for Permanent Water Saving Rules breaches.

There were 17 investigations into possible breaches or non-compliance issues under the Act.

There were 29 claims for compensation received by GWMWater. Twenty-five (25) were approved, one declined and three are pending.

Major non-residential water users

Under Section 122ZJ of the *Water Act 1989*, GWMWater must include information on any non-residential customer who consumes greater than 50 ML from an urban water supply system.

GWMWater's non-residential customers in the 2025-26 reporting period did not exceed water consumption over 50 ML.

Customer support

Community service obligations	2024-25 Total actual dollar amount of concessions provided in year	2024-25 Total number of customers provided concessions in year	2025-26 Total actual dollar amount of concessions provided in year	2025-26 Total number of customers provided concessions in year
Provision of water and sewerage concessions	$2,722,179	9,062	$2,815,637	8,751
Rates paid to not-for-profit organisations under the Water and Sewerage Rebate Scheme	$370,630	1,444	$376,155	1,470
Utility Relief Grant Scheme payments	$112,065	277	$186,411	401
Water concession on life support machines	$0	0	$0	0
Hardship Relief Grant Scheme (Water and Sewerage Connection Scheme)	$0	0	$0	0

Environmental sustainability

Water resource strategy

Sustainable water strategy

The Western Region Sustainable Water Strategy (Western Region SWS) was released by the Victorian Government in November 2011 to provide a framework for protecting the needs of water users, rivers and aquifers. GWMWater has worked closely with other agencies in implementing key policy directions from the strategy.

The Department of Energy, Environment and Climate Action (DEECA) has commenced a process to develop a new Western Region SWS, which GWMWater looks forward to being involved in.

Urban and Rural Water Strategy

GWMWater has commenced development of our Urban and Rural Water Strategy (URWS) 2027-2032.

The previous URWS identified a greater decline in rainfall and runoff across the Grampians catchments, including a significant 60 percent reduction in average annual inflows to the Grampians reservoirs. This trend has continued over the period, with the adoption of the new post 1997 climate scenario for the next strategy.

To secure our water systems to meet current and future projected demands in the context of climate and the possibility of all proposed mineral sands developments emerging, the 2027 Urban and Rural Water Strategy will confirm anticipated demands, supply capability and fully costed augmentation options. This will be a significant input for the 2028-2033 Water Price Review.

Our Drought Preparedness Plan focuses on contingencies and strategies to manage future short-term water security and water quality issues for each of GWMWater's supply areas. This Plan forms a supplementary document to the Urban and Rural Water Strategy and will be updated alongside the development of our 2027-2032 Urban and Rural Water Strategy.

Water recycling

A total of 2511.7 ML, or 88.7 percent, of recycled water was reused during 2025-26. This was similar to 2024-25, with strong demand from viticulture, sports grounds, golf courses and racecourses. Variable rainfall across the region provided challenges with dry conditions leading into the irrigation season, then large, isolated summer rainfall events generating excess inflow and wet conditions towards the end of the season at some locations.

Biodiversity

GWMWater continues to consider environmental matters including biodiversity in our ongoing operational and capital works projects. We aim to minimise impacts from our projects and achieve no net loss of native vegetation and habitat. All project footprints are assessed for potential impacts and we follow the avoid, minimise, offset hierarchy.

We implement accepted practice to seek approvals for unavoidable impacts. Where unintended impacts occur, we work with regulators to determine appropriate mitigations.

To aid in meeting our obligations under State and Commonwealth regulations, we maintain three parcels of land purely for their native vegetation and habitat values. These sites provide native vegetation credits that can be used to offset vegetation impacts associated with projects. They are actively managed to maintain and enhance biodiversity values, including ongoing weed control.

GWMWater is exploring energy efficiency opportunities and options to secure Australian Carbon Credit Units (ACCUs) through high integrity environmental plantings or forestry plantations in Victoria.

Water resource licensing and compliance

Groundwater and unregulated surface water

Under section 306 of the *Water Act 1989* (the Act) the Minister for Water delegated GWMWater "the authority" to exercise certain powers and duties under the Act in relation to licensing the take and use of surface water and groundwater water resources across GWMWater's jurisdictional area. These duties include monitoring compliance with licence conditions and authorisations to take water, and where necessary, undertaking enforcement activities. All compliance and enforcement activities are undertaken in accordance with the requirements of the Act, GWMWater's Compliance and Enforcement Strategy and related policies and procedures.

GWMWater undertakes a range of activities to monitor and promote compliance, including review of both local and remote meter readings, onsite inspections, issuing of water usage information statements, and communication with licence holders and water users.

Compliance exceptions and enforcement activities are reported to the Carbon, Climate and Resource Committee of the GWMWater Board, and summary reporting occurs directly to the Board.

Compliance priorities for the 2025-26 year included:

a) Meter reading, site inspection and water use data validation activities.

b) Continuing to educate water users regarding their obligations and reinforcing 'zero tolerance' messaging through communication material and direct interaction with water users.

c) Detection and follow-up of instances of alleged unauthorised take and other non-compliances.

d) Progressing planned metering upgrades, including installation of telemetry, consistent with GWMWater's Non-Urban Metering Action Plan.

e) Continued participation in the Department of Energy, Environment and Climate Action Compliance and Enforcement Community of Practice, Water Compliance Communications Working Group, and Authorised Water Officer Network.

Total breaches (Rural)

	2021-22	2022-23	2023-24	2024-25	2025-26
Potential breaches detected or reported - Total	12	7	14	19	6

Compliance action (Rural) on water resource licensing and compliance

	2021-22	2022-23	2023-24	2024-25	2025-26
Dismissed following investigation (insufficient evidence)	1	0	0	0	0
No further action required	2	1	0	0	0
Verbal warning	4	3	0	0	0
Advisory letter	0	1	0	21	4
Formal warning	1	1	11	1	2
Penalty Infringement Notices issued	0	0	0	0	0
s. 151 Notice of Contravention	0	0	0	0	0
s. 133 Notice of Entry	0	0	0	0	0
s. 141 Lockdown	0	0	0	0	0
Prosecution commenced	0	0	0	0	0
Finalised prosecution	1	0	0	0	0

Other compliance and enforcement related activities undertaken during the year included:

a) Desktop audit of water use volume per licence at mid-season and end of season.

b) Desktop review of telemetered meters reporting ‘zero’ water use, and risk-based prioritisation for on-ground inspection.

c) Validation of telemetry data for a large proportion of meters against on-site meter readings.

d) Site inspections to identify any non-compliances with infrastructure works or metering installation.

e) Issue of notification letter to licence holders with water use exceeding 80 percent of available volume at the time of mid-season water use audit.

f) Direct contact with licence holders to promote forward planning of water use requirements and proactive water management.

Compliance monitoring statistics

	2025-26	Notes*
Number of meter readings manually reviewed (remote and local)	644	
Percent of meters read on-site at least once	64	1
Number of site visits / site inspections (incl. meter inspection)	406	
Number of water usage information statements issued	340	2

Notes* to this table:
1. Number includes on-site meter reading of both telemetered and non-telemetered meters as a percentage of all 325 meters (excluding urban bore meters).
2. Licence holders are generally issued with two water usage information statements per water year. Licence holders with multiple meters receive this information on a single statement.

Unauthorised take performance

Unauthorised take typically occurs when water users draw beyond what they have in their account – even if they have the intention of acquiring additional water to meet the shortfall. Within GWMWater's jurisdiction, unauthorised take performance is reported in respect to groundwater and surface water licence holders only.

Unauthorised take performance is reported against state-wide key performance indicators (KPIs) being:

a) No more than one percent of volume of total water take is taken without authorisation at any time.

b) No more than three percent of accounts (ABAs) are in negative at any time.

One instance of unauthorised take was observed during 2025-26.This matter resulted in a formal warning being issued to the licence holder, follow up compliance and enforcement actions are still underway.

To further enhance compliance monitoring, GWMWater is progressing the installation of telemetry for non-telemetered groundwater and surface water diversion meters, consistent with its Non-Urban Metering Action Plan.

Reporting an unauthorised take

	Volume			ABAs (or licences)			
Year	Volume of water taken under	Volume (ML) of	Volume %	Number of ABAs	Number of negative ABAs	% of negative ABAs	% of negative ABAs (excl <1 ML)
2021-22	30,853	15.0	0.05%	325	2	0.6%	0.6%
2022-23	18,619	0.0	0.00%	326	0	0.0%	0.0%
2023-24	26,004	639.5	0.02%	340	0	0.0%	0.0%
2024-25	30,851	1,429.6	0.04%	336	4	1.6%	1.6%
2025-26	25,464	12.28	0.04%	540	1	0.1%	0.1%

Note to this table:
1. Number of ABAs for 2025-26 include all surface water licences and groundwater licences held by GWMWater.

Reporting on compliance actions for unauthorised take performance

Compliance actions – Rural water corporations				
Category	2022-23	2023-24	2024-25	2025-26
Total no. of breaches	0	14	0	6
No further action required	1	0	0	0
Dismissed (insufficient evidence)	3	0	0	0
Advisory letter	1	0	11	4
Formal warning	1	11	1	2
Penalty infringement notices	0	0	0	0
Notice of Contravention	0	0	0	0
Notice of Entry	0	0	0	0
Lockdown	0	0	0	0
Prosecutions commenced	0	0	0	0
Prosecutions finalised	0	0	0	0

Water conservation

Community Rebate Program

The Community Rebate Program is a joint initiative of GWMWater and the Victorian Government.

The program aims at reducing water bills through a free water audit and the repair or replacement of inefficient water fittings for eligible hardship customers. There were two GWMWater customers approved to receive a rebate during 2025-26.

Name of program	No. of customers
Community Rebate Program	2
Community Housing Retrofit Program	NA

Water tariff reduction

A 15 percent tariff reduction is available to not-for-profit organisations that conserve water by watering at night via dedicated timed sprinkler systems. There are currently 18 organisations benefiting from this initiative.

Sustainable and resilient water services systems

GWMWater is committed to working collaboratively to deliver the objectives of the Victorian Water Efficiency Strategy.

We are members of The Water Conservancy and leverage Smart Water Advice content to inform and educate our customers about water conservation.

We also work to ensure Permanent Water Saving Rules remain front-of-mind and incorporate Target Your Water Use messaging when appropriate in all of our customer touchpoints.

Our rural pipeline network across the Wimmera, Mallee and South West Loddon regions continues to provide security for customers and long-term sustainability through a reduction in seepage and evaporation.

Customer and community engagement

GWMWater's Communications and Engagement Strategy 2026–2031 provides direction for how we will engage and communicate with customers, communities and stakeholders to support the organisation's vision. The strategy recognises that customer and stakeholder expectations continue to evolve, with people wanting different ways to receive information and have their say on issues that matter to them. The Communications and Engagement Strategy 2026–2031, underpinned by the IAP2 Model of Engagement, was adopted in 2026 and is available on our website.

GWMWater has continued to provide Customer and Stakeholder Workshops in an in-person/online hybrid format during 2025-26 to meet changing customer engagement expectations. The workshops attracted attendees from councils, government departments and agencies, businesses, agricultural enterprises, community and recreational groups and members of the public (urban and rural) from across the region.

Customer satisfaction survey

GWMWater conducts a biennial Customer Survey which most recently ran across May-June 2025. The survey monitors customers' overall satisfaction and perceptions of GWMWater's services, and the value for money it provides. The next Customer Survey will be conducted in 2027.

Customer survey results are used to identify opportunities for improvement which are then tested with customers as part of a broader engagement program. GWMWater has incorporated several initiatives in its Price Submission for the 2023-2028 period which reflect opportunities to improve customer sentiment. These initiatives include renewals programs, capital projects to improve water quality for both rural and urban customers and water pressure improvements across the network.

Customer and stakeholder committees

a) East Grampians Rural Water Supply Project Steering Group.

b) Storage Manager Reference Group.

c) Lake Fyans Committee of Management.

d) Regional Recreation Water Users Group.

e) Wimmera-Glenelg Bulk and Environmental Entitlement Storage Manager Reference Group.

f) Dunmunkle Creek Asset Decommissioning Project Steering Committee (in recess).

g) Irrigation Diverters Committee (in recess).

h) Wimmera-Glenelg Headworks Operations Review Project Steering Committee (in recess).

i) West Grampians Rural Water Supply Project Steering Committee (in recess).

j) Wimmera Glenelg Bulk Entitlement Executive and Council Forum (in recess).

Our Customer Relations and Stakeholder Committees or Working Groups policies appear on our website.

Community events and sponsorship

GWMWater continued to support local communities through sponsorship, in-kind contributions, merchandise, drinking water trailers and portable water stations. These partnerships help strengthen community wellbeing, support regional events and maintain connections with customers across our service area.

During 2025-26, GWMWater:

a) Sponsored 62 community events, groups and organisations across western Victoria.

b) Participated in a regional careers expo, a Rotary science and engineering challenge and agricultural field days.

c) Supported local students through education grants and book vouchers.

d) Provided temporary drinking water trailers and fountains for community events throughout the region.

e) Introduced an updated sponsorship framework to strengthen community outcomes and ensure a consistent approach to sponsorship requests.

Victorian Water Efficiency Strategy

GWMWater undertakes a wide variety of operational and promotional activities in line with Victorian water efficiency strategies. Along with the promotion of Permanent Water Saving Rules, GWMWater supported the following program:

Integrated Water Management

GWMWater is an active partner in the Wimmera Integrated Water Management forum. GWMWater has participated alongside local government, Traditional Owners and the Wimmera Catchment Management Authority in revising the Strategic Direction Statement for integrated water management across the region; identifying priority projects to enable climate resilience, environmental, economic and community benefits.

'Choose Tap' program

GWMWater provides reusable water bottles, temporary water stations and drinking water trailers to schools, sports teams and community events to promote health, hydration and encourage the consumption of tap water.

GWMWater actively promotes the Choose Tap Program through a range of customer touchpoints including our website, social media platforms and through our quarterly customer newsletter 'Tapping In'.

‘Target Your Water Use’

The ‘Target Your Water Use’ program focuses on taking a longer-term view of our water use habits, while providing our customers with easy access to the information they need to make informed decisions about the amount of water they use. Giveaways, including trigger nozzles, shower timers, plugs and buckets, are provided at events sponsored or attended by GWMWater.

Digital meters continue to support identification of water leaks beyond customers’ water meters with information being available for customer access via our Customer Portal. Our Customer Service team are exploring more opportunities to proactively notify and engage customers about suspected leaks or high-water use.

We leverage Smart Water Advice content to inform and educate our customers and schools about water conservation.

GWMWater Customer Portal

The Customer Portal allows residential, commercial and rural customers to see all of their water accounts under one login, monitor water use, set alerts for high usage, identify leaks and track spending or, where allocations apply, the volume used year to date.

On various devices, they can view their historical water use and any water use patterns, reduce unnecessary water use/expense, and set up automatic SMS message alerts to notify them of high usage or potential leaks.

Potential leaks are identified if water is continuously running over a 48-hour period. Typically, customers do not use water all day every day, the Customer Portal expects the flow to stop going through the meter at some point during each 48-hour period. If it doesn’t, and the flow is continuous, an alert may be triggered.

The customer sets their own threshold for what they consider high usage to trigger an email or text message alert. GWMWater encourages customers to look at their average daily and weekly consumption to determine their threshold, which can be set in either volume (litres or kilolitres) or cost ($).

The thresholds can be amended at any time if they are triggering notifications too often or not enough.

Education and school visitation programs

GWMWater runs or supports a wide variety of educational activities in support of the Victorian Water Efficiency Strategy, including:

a) National Water Week poster competition.

b) GWMWater student high achiever awards.

c) GWMWater school education program, including visits by GWMWater’s mascot ‘Phil the Bucket’ and tours of GWMWater facilities.

d) Teacher resources and fun educational activities for children on GWMWater’s website.

e) Water Champion Packs for kindergartens.

f) Support for the Schools Water Efficiency Program.

Management strategies

Regional catchment strategies

GWMWater is a partner with other agencies in the delivery of regional catchment strategies across the Wimmera, Glenelg-Hopkins, Mallee and North Central catchment areas. This includes managing potential impacts of capital works and operational activities on biodiversity and cultural heritage values as well as the management of invasive plants and animals on GWMWater land.

The Victorian Waterway Management Strategy is delivered through regional planning processes led by catchment management authorities.

The Wimmera Catchment Management Authority has identified four drought refuge pools in the lower Wimmera River to help safeguard biodiversity during dry periods. GWMWater is currently working towards connecting these pools to the Wimmera Mallee Pipeline so fresh water can be supplied when needed. This project will create a positive outcome for the environment.

GWMWater plans to connect and deliver environmental water from the East Grampians Rural Pipeline Project to a refuge site on the Mt Cole Creek near Warrack. The supply will support waterway health during low-flow conditions and maintain pools critical for the survival of vulnerable and isolated fauna populations.

GWMWater is a key partner in the development, implementation and review of regional waterway management strategies. GWMWater directly contributes to waterway improvement actions through the delivery of targeted water releases to streams and wetlands.

GWMWater is committed to fulfilling its General Environmental Duty (GED) by incorporating environmental improvements into its capital works program and promoting beneficial reuse of reclaimed water. GWMWater is partnered with numerous customers across the region, supplying recycled water that supports productive water use while promoting sustainable resource management.

GWMWater manages its wastewater treatment facilities to avoid adverse environmental impacts, including impacts on groundwater. GWMWater is also a partner in regional programs for surface and groundwater resource monitoring.

Environmental watering

GWMWater engages with the Commonwealth Environmental Water Holder, catchment management authorities and the Victorian Environmental Water Holder (VEWH) to deliver environmental water in accordance with bulk and environmental entitlements and the relevant environmental watering plans. Seasonal Watering Plans are the overarching planning documents developed by the VEWH which set priorities for the use of water for the environment across Victoria each year. Seasonal Watering Plans are prepared using Seasonal Watering Proposals submitted by waterway managers, such as catchment management authorities. Seasonal Watering Proposals include priority watering actions to primarily maintain and enhance environmental values, but also consider aspects such as environmental, cultural and social outcomes from the use of water for the environment.

In the Wimmera catchment, environmental water releases commenced in September 2025 with the opportunity to release water to lower Burnt and Bungalally Creek using a planned headworks transfer from Rocklands Reservoir. Releases to the Glenelg River commenced in December 2025 with releases from both Rocklands Reservoir and Moora Moora Reservoir. During the 2025-26 water year, a total of 9,536 ML (including passing flows) was released from reservoirs to waterways in the Wimmera catchment, including the MacKenzie River, Burnt Creek, Mt William Creek and Wimmera River. A total of 11,761 ML (including passing flows) was released to the Glenelg River upstream and downstream of Rocklands Reservoir.

A volume of 157 ML was distributed to multiple wetlands connected to the Wimmera Mallee Pipeline.

	VEWH authorised volume (ML)	VEWH volume delivered (ML)	CEWO volume delivered (ML)
Summary - Regulated releases			
Lake Lonsdale		0	0
Taylors Lake		2,492	4,984
MacKenzie River and Burnt Creek		1,824	0
Upper Mt William Creek		235	0
Total Wimmera Catchment	12,542	4,551	4,984
Total Glenelg Catchment	12,010	10,498	0
Wimmera Mallee Pipeline Supplied Wetlands	319	157	N/A
Summary - Passing flow obligations			**Volume passed (ML)**
Wimmera Catchment - Lake Lonsdale			0
Wimmera Catchment - Huddlestons Weir			155
Glenelg Catchment - Rocklands Reservoir			1,263
Glenelg River Compensation Flow			385

Notes to this table:
VEWH - Victorian Environmental Water Holder
CEWO - Commonwealth Environmental Water Office

Water for Aboriginal cultural, spiritual and economic values

GWMWater continues to build collaborative relationships with registered Aboriginal parties and Traditional Owners, through engagement, knowledge sharing and supporting involvement in water supply and renewable energy projects.

GWMWater is developing a Reconciliation Strategy that recognises the values and priorities of the Traditional Owners of Country across our region. The 'Water is Life' framework will enable further progress to be made toward self-determination for Traditional Owners for water management.

Cultural water opportunities are being identified to enable future projects to deliver water to enhance cultural values and provide benefits to Traditional Owners.

GWMWater is uniquely placed to support opportunities through the expansion of the water grid in Western Victoria.

Energy

Climate change

GWMWater launched its Climate Action and Sustainability Strategy in June 2025 which sets out a whole-of-business approach towards building GWMWater's adaptive capacity and reducing exposure to climate impacts. Through its Clean Energy Strategy, GWMWater has defined renewable energy investments and initiatives aimed at eliminating our carbon footprint, sourcing all energy requirements from renewable sources, and becoming a net generator of renewable energy.

GWMWater has completed Stage 3 of its Behind-the-Meter (BTM) Solar Program and now operates 2.3 MW of solar generation capacity across 59 sites throughout the service area. System sizes range from 10 kW to 250 kW, with further expansion planned. On-site renewable energy facilities currently supply more than 12 percent of GWMWater's total electricity demand at these sites.

In partnership with Vibe Energy, GWMWater has also developed a 6.5 MW solar farm and a 2.75 MW / 6.5 MWh battery energy storage system at Nhill. This project is a key component of GWMWater's strategy to eliminate Scope 2 emissions through active participation in the energy market and is expected to supply approximately 70 percent of the electricity consumed across our 330 sites.

GWMWater has further expanded its renewable energy portfolio and now operates four Solar and Battery Power Stations (SAPS), providing both renewable energy generation and energy storage capacity across the region. In addition, four Behind-the-Meter Battery Energy Storage Systems (BTM BESS) have been installed at several of our larger solar sites. These batteries maximise on-site solar use, reduce energy imports from the grid, and minimise excess solar exports, improving energy efficiency.

GWMWater has agreed to ambitious carbon targets over the next decade. These include:

a) Reducing Scope 2 emissions by 100 percent from the 2015/16 baseline by 2025-26.

b) Reducing Scope 1 emissions by 10 percent from the 2015/16 baseline by 2029/30.

c) Reaching Net Zero by 2035/36.

Scope 3 emissions remain an area of interest within the water industry and GWMWater will take its lead from proposed industry guidance once available.

Progress towards emissions pledge

GWMWater has continued to reduce greenhouse gas emissions in 2025-26 and is now operating 45% below its baseline emissions level. As part of our commitment to achieving net zero emissions by 2035, GWMWater is targeting a further reduction to 1,875 tonnes of CO2-e by 2030.

Greenhouse gas emissions

Source of emissions	2023-24 t CO_2e	2024-25 t CO_2e	2025-26 t CO_2e
Scope 1 emissions			
Wastewater emissions[1]	2,331.4	1,651.3	5,068.0
Vehicle fleet	800.7	885.8	852.4
Stationary fuels[2]	78.3	95.2	50.8
Scope 2 emissions			
Water treatment, urban and rural supply	8,835.6	10,885.5	3,870.9
Wastewater treatment	1,564.8	1,638.9	775.0
Other (offices and depots)	357.6	381.2	233.5
Total Scope 1 and 2 emissions (a)[3]	**13,164.1**	**14,869.2**	**10,850.4**
Carbon offsets retired (b)	-	-	-
Net emissions (a-b)	**13,164.1**	**14,869.2**	**10,850.4**
Scope 3 emissions			
Air travel	6.1	1	12.4
Waste management	38.7	35.5	38.4
Total emissions (Scope 1, 2 and 3)	**12,345.9**	**14,905.7**	**10,901.2**

Notes to this table:

1. Wastewater emissions are calculated according to the requirements of the National Greenhouse and Energy Reporting System (NGERS) Measurement Technical Guideline.
2. Stationary fuels include liquid fuels and natural gas.
3. GWMWater's carbon reduction pledge is based on Scope 1 and 2 emissions. This total is used for comparison to the pledge on page 58. The scope 2 emissions are represented after REC retirement. RECs have been retired from the start of January – June 2026 to meet our scope 2 emission targets.
4. Due to rounding, some totals may not correspond with the sum of the separate figures.

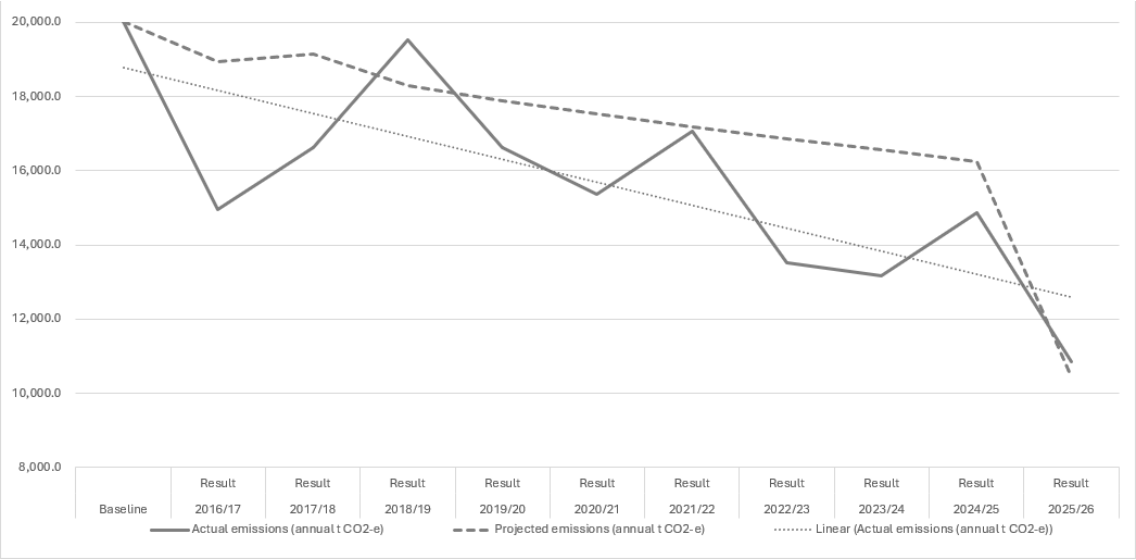
The table below compares our actual results to our projected pledge targets to reduce carbon emissions. This year, we were close to our 2025-26 projected target of 10,460.0 tonnes CO2-e.

GWMWater still saw a significant decline in actual emissions with scope 2 emissions for electricity being indirectly offset through retiring LGCs generated from our solar farm.

We are working on initiatives to specifically address our scope 1 emissions. GWMWater has set targets for reducing scope 1 emissions by 2030 and reaching zero emissions by 2035.

Year	Annual emissions			
	Projected tonnes CO_2-e	Actual tonnes CO_2-e	Variance to projection	Variance to baseline
Baseline	20,017.0			
2016-17	18,953.0	14,945.4	(21.1)%	(25.3)%
2017-18	19,137.0	16,635.3	(13.1)%	(16.9)%
2018-19	18,302.0	19,524.8	6.7%	(2.5)%
2019-20	17,881.0	16,634.7	(7.0)%	(16.9)%
2020-21	17,549.0	15,361.0	(12.5)%	(23.3)%
2021-22	17,183.0	17,064.9	(0.7)%	(14.7)%
2022-23	16,861.0	13,509.4	(19.9%)	(32.5%)
2023-24	16,558.0	13,164.1	(20.5%)	(34.2%)
2024-25	16,244.0	14,869.2	(8.5%)	(25.7%)
2025-26	10,460.0	10,850.4	3.7%	(45.8%)

Annual emissions



Scope 1 emissions

Service delivery category	Scope 1 Emissions by greenhouse gas (source greenhouse gas reported in t CO_2-e[1,2])			
	Carbon dioxide (t CO_2)	Methane (t CO_2-e)	Nitrous oxide (t CO_2-e)	Other[2] (t CO_2-e)
Water treatment and supply	0	0	0	0
Sewage collection, treatment, and recycling	0	4,455.6	612.4	0
Transport	852.4	0	0	0
Other (e.g. offices, depots, etc.)	50.8	0	0	0
Total	**903.2**	**4,455.6**	**612.4**	**0**

Total electricity consumption (MWh)

Compared with 2024/25, GWMWater recorded higher electricity consumption in offices and depots during 2025-26, while consumption decreased across water treatment, urban supply, and rural supply operations. Solar energy use behind the meter, also fell during the reporting period. There was a significant increase in the solar generated at GWMWater sites in 2025-26, with 7,910.65 MWh exported to the grid.

Indicator	2023-24	2024-25	2025-26
Total electricity consumption (MWh)			
Water treatment, urban and rural supply	12,687.9	15,845.8	15,134.8
Sewage treatment	2,202.1	2,411.8	2,332.4
Offices and depots	553.0	533.5	606.0
Total	**15,443.1**	**18,791.1**	**18,073.2**
Total electricity consumption by source (MWh)			
Purchased directly through an electricity retailer (Grid)	13,617.6	16,760.5	16,229.9
Not directly purchased but sourced from outside the organisation (BOOT Sites)	743.2	801.6	746.4
Water corporation led/self-sourced activities and initiatives (Solar)	1,825.4	2,079.7	1,842.8
Total	**16,186.2**	**19,641.8**	**18,819.1**
Total on-site renewable electricity generation (MWh)			
Consumed on-site	1,825.4	2,079.70	1,842.8
Solar exported to grid	1,018.0	868.4	7,910.7
Total renewable generation	**2,843.4**	**2,948.1**	**9,753.4**

Note to this table:
1. Four BOOT (Build, Own, Operate, Transfer) Water Treatment Plants operate within the GWMWater service area.

On-site installed generation capacity

Indicator	2023-24		2024-25		2025-26	
	No. Sites	Capacity	No. Sites	Capacity	No. Sites	Capacity
Solar PV						
Solar PV behind-the-meter	59	2.302 MW	59	2.302 MW	59	2.302 MW
Solar PV front-of-meter	-	-	-	-	1	6.512 MW
Solar PV stand alone power system	-	-	2	0.187 MW	4	0.24 MW
Battery Energy Storage System (BESS)						
BESS behind-the-meter (MWh)	-	-	1	0.018 MWh	5	1.416 MWh
BESS front-of-meter	-	-	-	-	1	6.516 MWh
BESS stand alone power system	-	-	2	0.277 MWh	4	0.381 MWh
Generators						
Diesel backup generators[1]	33 units	9.5 kVA to 350 kVA	36 units	6.8kVA to 350 kVA	36 Units	6.8 kVA to 350 kVA

Note to this table:

1. Electricity generated by diesel backup is not currently monitored. This is expected to be a very small number (perhaps 1-2 MWh at most). These are stationary generators located at facility sites for emergency backup.

Total Renewable Energy Certificate (REC) retirement

Renewable Energy Certificates (REC) indirectly offset Scope 2 emissions associated with GWMWater's electricity usage. From the start of 2026, 100 percent of GWMWater's electricity was sourced from renewable energy. The retired RECs have been allocated to cover grid electricity usage during the third and fourth quarters of 2025-26.

Total Renewable Energy Certificate (REC) retirement (MWh)

REC retirement method	2023-24	2024-25	2025-26
Voluntarily retired by GWMWater	-	-	8,574
GreenPower	-	-	-
Certified carbon neutral electricity purchased	-	-	-
Voluntarily retired on GWMWater's behalf	-	-	-
Mandatorily retired	-	-	-
Total RECs retired	**0**	**0**	**8,574**

Total renewable electricity consumption reporting

The total renewable consumption has increased from 2025-26. Solar consumed on site 1,842.8 and 8,574 LGCs were retired.

Renewable electricity consumption categories	2024-25 renewable electricity consumption (MWh)	2025-26 renewable electricity consumption (MWh)	2025-26 electricity consumption (% of total consumption)	Variance (%) between 2024-25 and 2025-26
Total renewable electricity consumption from grid-sourced electricity GWMWater reported because of the Commonwealth Government's LRET				
Total grid-sourced: Mandatory	3,049.6	2,806.2	15.5%	(7.98)%
Total renewable electricity consumption from Corporation led/self-sourced activities and initiatives				
Biogas	-	-	-	-
Hydroelectric	-	-	-	-
Solar[2]	2,079.7	1,842.8	10.2%	(11.39%)
Wind	-	-	-	-
Other renewable[3]	-	8,574	47.4%	100.00%
Total renewable electricity consumption	**5,129.3**	**13,223.0**	**73.2%**	**157.79%**

Notes to this table:
1. Due to rounding, some totals may not correspond with the sum of the separate figures.
2. This includes solar consumed on site
3. Retired LGCs

Stationary fuel use in buildings and machinery

GWMWater uses fuels in stationary locations for a variety of reasons. Primarily fuel is used for unregistered machinery and petrol-powered tools such as generators, portable pumps and chainsaws. From 2024-25, LPG usage was reported separately, whereas in previous years it was included within the natural gas total. Stationary fuel use declined in 2025-26.

Indicator (MJ)	2023-24	2024-25	2025-26
Buildings			
Fossil gas	7,759.5	3,902.9	1,565.9
Machinery			
Diesel	1,116,325.3	1,358,563.3	717,282.1
LPG	-	2,940.0	15,435.0
Total	**1,124,084.9**	**1,365,406.2**	**734,283**
Greenhouse gas emissions from stationary fuel consumption (t CO_2-e)	**78.3**	**95.2**	**50.8**

Note to this table:
1. Due to rounding, some totals may not correspond with the sum of the separate figures.

Total stationary fuel use

Fuel type	Buildings		Machinery		Combined	
	in GJ[1]	in t CO_2-e[1]	in GJ[1]	in t CO_2-e[1]	in GJ[1]	in t CO_2-e[1]
Fossil gas	1.5	0.1	-	-	1.5	0.1
Biogas	-	-	-	-	-	-
Diesel	-	-	717.3	49.9	717.3	49.9
LPG	-	-	15.4	0.8	15.4	0.8
Petrol	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**1.5**	**0.1**	**732.7**	**50.7**	**734.2**	**50.8**

Transportation

GWMWater maintains a fleet of vehicles to support our delivery of services. Operational vehicles are the larger portion of the fleet. Hybrid vehicles have been introduced to the vehicle fleet in recent years and we expect the numbers to grow in the future.

Number and proportion of vehicles

Transportation Vehicle Category and Fuel Type	2023-24	%	2024-25	%	2025-26	%
Fleet and passenger vehicles						
Diesel	14	12%	17	14%	13	11%
Petrol	9	8%	9	8%	6	5%
Hybrid (unleaded)	3	3%	2	2%	3	3%
Total	**26**	**22%**	**28**	**24%**	**22**	**19%**
Service delivery (goods vehicles)						
Diesel	75	64%	74	62%	78	66%
Petrol	1	1%	0	0%	0	0%
Total	**76**	**64%**	**74**	**62%**	**78**	**66%**
Service delivery (heavy/ goods vehicles)						
Diesel	16	14%	17	14%	18	15%
Total	16	14%	17	14%	18	15%
Vehicles total[1]	**118**	**100%**	**119**	**100%**	**118**	**100%**

Notes to this table:
1. Vehicle count as of 30 June each year.
2. Due to rounding, some totals may not correspond with the sum of the separate figures.

Total energy use of transportation vehicles segmented by engine/fuel type

Transportation vehicle category	Transportation total energy use by fuel type (GJ)							Fuel type totals	
	Petrol	Diesel	Biodiesel	Renewable Diesel	LPG	Electricity	Other	Total energy use (GJ)	Total emissions (t CO2-e)
Passenger vehicles	617.5	1,874.2	-	-	-	-	-	2,491.7	173.7
Goods vehicles	-	9,638.8	-	-	-	-	-	9,638.8	678.6
Total energy use (GJ)	617.5	11,513.0	-	-	-	-	-		
Total emissions (t CO_2-e)	**41.8**	**810.6**	**-**	**-**	**-**	**-**	**-**		

Note to this table:
1. Due to rounding, some totals may not correspond with the sum of the separate figures.

Total number of transportation vehicles segmented by engine/fuel type

Transportation vehicle category	Transportation vehicle engine/fuel type							
	Petrol	Diesel	LPG	Petrol Hybrid	Diesel Hybrid	Battery Electric	Other	Vehicles Total
Passenger vehicles	6	13	0	3	0	0	0	22
Goods vehicles	0	96	0	0	0	0	0	96
Category Total	**6**	**101**	**0**	**3**	**0**	**0**	**0**	**118**

Total energy used in transportation (MJ)

Indicator	Total energy used in transportation (MJ)		
	2023-24	2024-25	2025-26
Fleet and passenger vehicles			
Diesel	1,427,395.2	1,564,184.0	1,874,215.9
Petrol	394,892.7	654,721.7	477,070.4
Hybrid (unleaded)	190,329.8	144,941.3	140,467.8
Electric	-	-	-
Total	**2,012,617.7**	**2,363,847.0**	**2,491,754.1**
Service delivery (goods vehicles)			
Diesel	8,069,828.4	8,753,884.3	8,321,541.7
Unleaded	186,829.1	85,223.0	-
Total	**8,256,657.5**	**8,839,107.3**	**8,321,541.7**
Service delivery (heavy/goods vehicles)			
Diesel	1,133,684.9	1,412,797.0	1,317,236.2
Total	**1,133,684.9**	**1,412,797.0**	**1,317,236.2**
Final Total	**11,402,960.1**	**12,615,751.3**	**12,130,532.1**

Greenhouse gas emissions from transportation (t COE-e)

Indicator	2023-24	2024-25	2025-26
Fleet and passenger vehicles			
Diesel	100.5	110.1	132.0
Petrol	26.7	44.3	32.3
Hybrid (unleaded)	12.9	9.8	9.5
Electric	-	-	-
Total	**140.1**	**164.2**	**173.7**
Service delivery (goods vehicles)			
Diesel	568.2	616.4	585.9
Unleaded	12.6	5.8	-
Total	**580.8**	**622.1**	**585.9**
Service delivery (heavy/goods vehicles)			
Diesel	79.8	99.4	92.7
Total	**79.8**	**99.4**	**92.7**
Final Total	**800.7**	**885.8**	**852.35**

Note to this table:
1. Due to rounding, some totals may not correspond with the sum of the separate figures.

Commercial air travel

Commercial air travel increased significantly in 2025-26, primarily due to staff attending conferences that required air travel.

Indicator	2023-24	2024-25	2025-26
Total distance travelled by commercial air travel (passenger km)	19,158	3,250	39,296
Greenhouse gas emissions (t CO_2-e)	6.1	1.0	12.4

Total energy use (GJ)

Between 2024-25 and 2025-26, GWMWater's total energy use decreased across all indicators.

Indicator	2023-24	2024-25	2025-26
Fuels			
Transportation	11,403.0	12,615.8	12,130.5
Stationary	1,116.3	1,357.9	717.3
Total	**12,519.3**	**13,973.6**	**12,847.8**
Electricity			
Grid electricity	49,023.6	60,337.8	58,427.7
Solar electricity	6,571.4	7,487.0	6,634.0
Total	**55,595.0**	**67,824.8**	**65,061.7**
Renewables			
Renewable[1]	6,571.4	7,487.0	47,123.9
Non-renewable	61,542.9	74,311.5	30,785.6
Total energy used	68,118.3	81,798.4	77,909.5

Notes to this table:
1. Total renewable electricity consumption from grid-sourced electricity, LGCs retired and solar consumed included figure.
2. Due to rounding, some totals may not correspond with the sum of the separate figures.

Total energy usage per Full Time Equivalent (FTE) employee

Total energy usage (fuels and electricity) in GJ	Total FTE employees	Energy usage (GJ) per FTE employee
77,909.50	205.61	378.92

Energy intensity

Energy plays a critical role in the production of potable water and the distribution of water throughout GWMWater's network. As demand increases and services expand to reach new customers, particularly those located at the outer edges of the system, additional energy is required, contributing to a rise in energy intensity. In recent years, GWMWater has observed a steady increase in energy intensity associated with water services. This upward trend reflects growing operational demands and evolving service requirements. Energy intensity within sewage services has decreased this year, indicating a shift in energy consumption patterns. Further efficiencies are expected in the future with operational and infrastructure improvements.

Source[1]	Result 2023-24	Result 2024-25	Result 2025-26
Water MJ/ML	2,504.1	2,644.3	2,698.4
Sewage MJ/ML	2,065.4	2,799.4	2,169.1
Water kWh/ML	695.6	734.5	749.6
Sewage kWh/ML	574.7	777.6	602.5

Note to this table:

1. The energy component of each energy intensity measure includes both energy consumed from the grid by GWMWater and third-party sites (BOOT), and solar energy produced onsite. Solar energy exported to the grid is excluded.

Office-based environmental data

All staff contribute to sustainable practice and are encouraged to continually improve performance. The environmental footprint of workplaces is measured in terms of greenhouse gas emissions and use of energy, water, waste and paper.

Energy use offices and depots

Indicator	Result 2023-24	Result 2024-25	Result 2025-26
Energy use, all offices and depots			
Grid (MWh)	452.6	495.0	564.0
Solar (MWh)	45.8	38.5	42.1
Total energy use (electricity) (MWh)	**498.4**	**533.5**	**606.1**
Energy use per FTE (MJ per FTE)	9,549.8	9,696.1	10,610.7
Energy per square metre of office space (MJ per m^2)[2]	429.5	450.9	494.1
Renewable energy generation installed (kW)	72.7	72.7	72.7

Notes to this table:
1. Data from all offices and depots.
2. Data is for the Corporate Office only (1,835 m2).
3. Due to rounding, some totals may not correspond with the sum of the separate figures.

Waste consumption

Efforts to raise staff awareness around waste management have supported ongoing improvements in our monitoring and reporting practices. In 2025-26, waste generation showed a small decline compared to the previous year. The recycling rate has remained consistent over the past few years.

Activity	2023-24	2024-25	2025-26
Total units of waste disposed (kg and %)[1]	26,923 kg	27,692 kg	24,066 kg
Landfill (disposal)	16,126 kg	14,816 kg	13,611 kg
Recycling/recovery (disposal)	10,726 kg	12,876 kg	10,455
Percentage of office sites which are covered by dedicated collection services for:			
Printer cartridges	100%	100%	100%
Batteries	100%	100%	100%
E-waste	100%	100%	100%
Soft plastics	0%	0%	0%
Total units of waste disposed of normalised by FTE (kg/FTE)	143 kg	139 kg	117 kg
Recycling rate (%)	97%	97%	96%
Greenhouse gas emissions associated with waste disposal (Tonnes CO_2-e)	35.3	35.5	38.5

Note to this table:
1. GWMWater's waste and recycling assessment method changed during 2023/24 leading to higher-than- expected results.

Water

Water use at GWMWater facilities has increased between 2024-25 and 2025-26.

Activity	2023-24	2024-25	2025-26
Total water consumption by an Entity (kilolitres)	1,720	1,686	1,932
Potable water consumption	1,720	1,686	1,932
Metered reused water consumption	0.0	0.0	0.0
Units of metered water consumed normalised by FTE	9.2	8.5	9.4

Procurement

Procurement

GWMWater procurement activities are underpinned by the following principles:

a) Value for money.

b) Probity, transparency and fair competition.

c) Compliance, accountability and risk management.

d) Safety and environmental sustainability.

e) Social value.

Proper consideration of the impact of proposed purchases is undertaken where it is deemed appropriate and practicable to satisfy the underlying principles.

Suppliers that demonstrate responsibility through accredited quality, safety and environmental systems and policies are highly regarded. Consideration is also given to products which minimise environmental impacts through efficient use of raw materials, energy and water, and minimisation of waste and greenhouse gas emissions.

Disclosure of Emergency Procurement

Nil emergency procurement undertaken during 2025-26.

Social procurement

GWMWater leverages its buying power to deliver social, economic and environmental outcomes benefiting our region, the Victorian community, the economy and the environment - above and beyond the goods, services and construction works procured.

We are guided by the Victorian Government's Social Procurement Framework (SPF), released in April 2018. The SPF applies to the procurement of all goods, services and construction undertaken by, or on behalf of, GWMWater and it is defined by 10 objectives:

1) Opportunities for Victorian Aboriginal people.

2) Opportunities for Victorians with disability.

3) Women's equality and safety.

4) Opportunities for disadvantaged Victorians.

5) Supporting safe and fair workplaces.

6) Sustainable Victorian social enterprise and Aboriginal business sectors.

7) Sustainable Victorian regions. Environmentally sustainable outputs.

8) Environmentally sustainable outputs.

9) Environmentally sustainable business practices.

10) Implementation of the Climate Change Policy objectives.

During 2025-26, social value outcomes were achieved across a variety of procurement activities, including the procurement of goods, services and construction works. GWMWater is guided by its Procurement Strategy to build capability of staff and suppliers on social procurement.

Social procurement achievements

During 2025-26, GWMWater:

a) Engaged 11 Social Enterprises.

b) Spent a total of $427,675 with Social Enterprises, Aboriginal businesses and Traditional Owner corporations, disability enterprises, and social outcome companies.

Aboriginal business engagement

During 2025-26, GWMWater:

a) Engaged 7 Aboriginal businesses and Traditional Owner corporations.

b) Spent a total of $246,737 with Aboriginal businesses and Traditional Owner corporations compared to $627,035 in 2024-25.

c) Achieved 0.2 percent of direct supplier engagement of Aboriginal businesses below the whole-of-Victorian government commitment that one percent of all contracts will be from Aboriginal businesses.

While engagement increased marginally, overall procurement expenditure rose significantly from $99.5 million in 2024-25 to $103.0 million in 2025-26, largely driven by major capital works associated with the East Grampians and Mininera Rural Pipeline Project.

Spend with Aboriginal businesses has decreased mainly driven by their availability. GWMWater has taken multiple initiatives through the year including but not limited to:

a) Give first right to refusal to works before other suppliers were approached.

b) Encouraged and supported them to register on Pegasus.

Procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), GWMWater must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

GWMWater had no complaints for year ending 2025-26.

Financial management compliance attestation

I, Caroline Welsh, on behalf of the Responsible Body, certify that GWMWater has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Caroline Welsh
Chair

Dated this day 24 September 2026.

Performance statements

Financial performance indicators

Key Performance Indicator	2024-25 Result	2025-26 Result	Variance to Prior Year %	2025-26 Target	Variance to Target %
Cash Interest Cover					
Net operating cash flows before net interest and tax payments / net interest payments (times)	3.3	3.1	(6.1%)	2.9	5.8%
Gearing Ratio					
Total debt (including finance leases) / total assets (%)	7.2%	7.2%	0.0%	10.5%	(31.5%)[1a]
Internal Financing Ratio					
Net operating cash flow / net capital expenditure (%)	24.2%	22.7%	(6.2%)	17.0%	33.5%[2a]
Current Ratio					
Current assets / current liabilities (excluding long-term employee provisions and revenue in advance) (times)	0.6	0.8	38.3%[3a]	0.8	6.4%
Return on Assets					
Earnings before net interest and tax / average total assets (%)	(0.8%)	(0.7%)	(12.5%)[4a]	(0.6%)	12.9%[4b]
Return on Equity					
Net profit after tax / average total equity (%)	(1.0%)	(0.9%)	(10.0%)[5a]	(1.4%)	(34.8%)[5b]
EBITDA Margin					
Earnings before interest, tax, depreciation and amortisation / total revenue (%)	33.6%	37.0%	10.0%[6a]	41.2%	(10.3%)[6b]

Notes to this table:

1a. The favourable Gearing Ratio result compared to the 2025/26 target reflects lower borrowing requirements due to the timing of major capital project delivery, together with the $559.2 million revaluation increment recognised following the comprehensive revaluation of assets at 30 June 2026, which significantly increased the value of total assets.

2a. The Internal Financing Ratio exceeded the target due to lower-than-budget capital expenditure resulting from delays in the Moyston Water Quality Upgrade and Dimboola Wastewater Treatment Plant Upgrade.

3a. The Current Ratio measures GWMWater's ability to meet short-term liabilities using its short-term assets. The result was favourable compared to the previous year, reflecting a higher cash balance at year end, together with $5 million lower payables and a $2 million lower short-term loan balance. The increase in cash was primarily due to funding retained to meet accrued capital and operating expenditure commitments.

4a. Return on Assets ratio was favourable compared to the previous year, primarily due to a lower operating deficit before net interest and tax, with a lower operating deficit reflecting a combination of higher revenue and lower operating expenditure. Reduced direct operating costs, lower decommissioning and desludging expenditure, and increased developer contributions and other revenue more than offset higher depreciation expenses associated with the growing asset base. The result was also influenced by the annual fair value assessment and resulting revaluation of assets, which increased the value of fixed assets by $559.2 million as at 30 June 2026.

4b. Return on Assets is unfavourable to target due to operating costs being higher than budget assumptions, primarily driven by the omission of fixed electricity network charges from the budget and higher-than-budgeted energy consumption, which reduced operating returns relative to the asset base.

5a. Return on Equity indicates how much profit GWMWater has generated from every dollar of equity (ownership). The lower ratio compared with the prior year primarily reflects the significant increase in equity arising from the $559 million asset revaluation, which increased the equity base. GWMWater recorded a net loss after tax in both years, with the loss in 2026 higher than in 2025.

5b. Return on Equity result was favourable compared to the 2025/26 target, primarily due to the $559.2 million revaluation increment recognised following the comprehensive revaluation of assets at 30 June 2026, which increased the asset revaluation reserve and total equity.

6a. EBITDA Margin measures how much earnings GWMWater has generated before interest, tax, depreciation and amortisation. The 2025/26 result is favourable compared to last year as a result of lower desludging and decommissioning costs.

6b. EBITDA Margin was below target due to higher-than-budgeted electricity costs, primarily driven by electricity network charges and increased energy usage. The result was further impacted by desludging and decommissioning costs that were budgeted as capital expenditure but expensed at year end.

Water and sewerage network reliability indicators

Key Performance Indicator	2024-25 Result	2025-26 Result	Variance to Prior Year %	2025-26 Target	Variance to Target %
Unplanned water supply interruptions					
Percentage of customers receiving more than five (5) unplanned interruptions in the year.	0.10%	0.13%	30.0%[7a]	0.27%	(51.9%)[7b]
Water Service - minutes off supply (planned and unplanned)					
How many minutes, on average, a customer was without water supply during a year.	112.79	128.80	14.2%[8a]	116.49	10.6%[8b]
Sewerage Service - sewer blockages					
Number of sewer blockages reported per 100 kilometres of sewer main.	48.39	43.80	(9.5%)[9a]	54.00	(18.9%)[9b]
Sewerage Service - sewer spills					
Number of sewer spills reported per 100 kilometres of sewer main.	17.99	15.99	(11.1%)[10a]	N/A	N/A
Sewerage Service - containment of sewer spills					
Percentage of sewer spills from reticulation and branch sewers contained within five (5) hours.	100%	100%	0.0%	100%	0.0%

Notes to this table:

7a. The percentage of customers experiencing more than five unplanned interruptions increased slightly in 2025/26, largely due to repeated interruptions affecting 44 customers in Warracknabeal. In response, upgrade works were prioritised and completed to address the repeat interruptions.

7b. The percentage of customers experiencing more than five unplanned interruptions increased slightly in 2025/26; however, the result remained favourable to target, with 44 customers affected compared to a target of 90. This outcome reflects the effectiveness of our targeted water mains renewal and maintenance programs, which continue to focus on priority areas to reduce repeat interruptions.

8a. GWMWater's ongoing water mains renewals and maintenance programs are targeted to focus on priority areas to reduce interruptions and minutes off supply. The 2025/26 result was impacted by planned maintenance and upgrade works undertaken across the Ararat water network in March 2026 to improve water pressure and long-term reliability for customers. While the outage occurred as planned and within the notified timeframe, it affected 3,434 customers for 2.58 hours, significantly increasing the average minutes off supply result. The works were deliberately scheduled overnight to minimise disruption to customers.

8b. Water service (average minutes without supply) was above target in 2025/26, primarily due to planned maintenance and upgrade works undertaken across the Ararat water network in March 2026 to improve water pressure and long-term reliability. While the outage occurred within the planned and notified timeframe, it affected 3,434 customers and materially increased the average minutes off supply result.

9a. There has been a decrease in the number of sewer blockages reported per 100 km of sewer main in 2025/26. Analysis indicates that the majority of these blockages are attributable to tree root intrusion, the accumulation of fats and oils, and the inappropriate disposal of wet wipes.

9b. There has been a decrease in the number of sewer blockages reported per 100 km of sewer main in 2025/26 against target. Targeted community education and proactive maintenance strategies have resulted in a favourable variance to target.

10a. Number of sewer spills per 100 kms of sewer mains has improved in comparison to last year due to increased focus on asset renewal and maintenance.

Water reuse indicators

Key Performance Indicator	2024-25 Result	2025-26 Result	Variance to Prior Year %	2025-26 Target	Variance to Target %
Recycled water - effluent treatment and reuse					
Proportion of water recycled as a percentage of the volume of effluent produced.	87.2%	88.7%	1.7%	80%	10.9%[11a]

Notes to this table:

11a. Effluent volumes increased in 2025/26 compared to the previous year. Reuse was slightly higher, driven by stronger customer demand during dry and warm conditions, which also led to reduced inflows and greater evaporation. Demand was met using healthy storage volumes carried over from 2024/25.

Water service indicators - Rural water supply deliveries

Key Performance Indicator	2024-25 Result	2025-26 Result	Variance to Prior Year %	2025-26 Target	Variance to Target %
Unavailability of Domestic and Stock (D&S) supply					
Number of customers experiencing more than three (3) days of unavailability of D&S supply systems for continuous periods.	46	12	(73.9%)[12a]	0	(100.0%)[12b]
Groundwater supply					
Percentage of transfers processed within target period.	100%	100%	0.0%	100%	0.0%

Notes to this table:

12a. The prior year result has been corrected from 0 to 46 following a review of the underlying data. The revised result reflects 34 rural customers who experienced water outages exceeding 72 hours due to the catastrophic bushfire in the Grampians National Park area and further 12 customers affected by other extended outages associated with planned works. In all cases where outages exceeded the service standard, GWMWater offered water carting to affected households in accordance with its Customer Charter.

12b. In March 2026, four customers on the Mount Cole pipeline were interrupted for 168 hours and, in April 2026, eight customers at Rhymney Road, Norval were interrupted for 78.5 hours. These interruptions occurred as part of works associated with the East Grampians Rural Pipeline Project, which will deliver improved long-term service reliability and resilience to the region. GWMWater worked closely with affected customers throughout the interruptions, providing advance notice of the planned works, maintaining regular communication on progress, and alternative water supply arrangements where required, to minimise the impact of the works.

Performance reporting

Certification of Performance Report for 2025-26

We certify that the accompanying Performance Report of Grampians Wimmera Mallee Water Corporation (trading as GWMWater) in respect of the 2025-26 financial year is presented fairly in accordance with the *Financial Management Act 1994.*

The Performance Report outlines the relevant performance indicators for the financial year as determined by the responsible Minister and as set out in the 2025-26 Corporate Plan, the actual and comparitative results achieved for the financial year against predetermined performance targets and these indicators, and an explanation of any significant variance between the actual results and performance targets and/or between the actual results in the current year and the previous year.

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



Caroline Welsh
Chair



Mark Williams
Managing Director
(Accountable Officer)



Sally Nagorcka
Executive Manager Strategic Planning and Performance
(Chief Financial Officer)

Dated this day 24 September 2026.

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Grampians Wimmera Mallee Water Corporation

Opinion	I have audited the accompanying performance report of Grampians Wimmera Mallee Water Corporation (the corporation) which comprises the: • financial performance indicators • operational performance indicators • water service indicators • 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 Part 7 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 the performance report that is free from material misstatement, whether due to fraud or error.

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

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 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. As part of an audit in accordance with 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
29 September 2026

Timothy Maxfield
as delegate for the Auditor-General of Victoria

Financial reporting

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Grampians Wimmera Mallee Water Corporation

Consolidated comprehensive operating statement
For the year ended 30 June 2026

	Notes	2025/26 $'000	2024/25 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1.1	73,156	73,602
Developer contributions	2.1.2	1,658	1,276
Government grants and contributions	2.2	973	780
Other revenue	2.1.3	2,490	1,869
Total revenue and income from transactions		**78,277**	**77,527**
Expenses from transactions			
Employee benefits	3.1.1	(21,004)	(21,104)
Depreciation and amortisation	4.2	(47,557)	(46,142)
Direct operating expenses	3.2	(24,365)	(24,858)
Desludging expenditure	3.2	(266)	(1,095)
Decommissioning expenditure relating to redundant assets	3.2	(159)	(1,195)
Environmental contributions		(2,478)	(2,478)
Grants and transfers	3.3	-	(500)
Total expenses from transactions		**(95,829)**	**(97,372)**
Interest income		272	544
Interest expense	6.1.1	(9,911)	(8,184)
Net finance costs		**(9,639)**	**(7,640)**
Net result from transactions (net operating balance)		**(27,191)**	**(27,485)**
Other economic flows included in net result			
Net (loss) on disposal of non-current assets		(1,200)	(91)
Net gain on revaluation of investment properties		120	-
Total other economic flows included in net result		**(1,080)**	**(91)**
Net result before income tax		**(28,271)**	**(27,576)**
Income tax benefit	8.1.1	8,481	8,273
Net result		**(19,790)**	**(19,303)**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.1.2	559,166	-
Deferred income tax relating to these items	8.1.1	(167,750)	-
Comprehensive result		**371,626**	**(19,303)**

The above Consolidated comprehensive operating statement should be read in conjunction with the accompanying notes.

Grampians Wimmera Mallee Water Corporation

Consolidated statement of financial position
As at 30 June 2026

	Notes	2025/26 $'000	2024/25 $'000
ASSETS			
Current assets			
Cash and deposits	6.4	5,944	2,018
Receivables	5.1	17,995	18,194
Prepayments		789	920
Inventories		3,056	2,941
Total current assets		**27,784**	**24,073**
Non-current assets			
Receivables	5.1	799	931
Infrastructure, property, plant and equipment	4.1.1	2,926,674	2,333,462
Right-of-use assets	6.2.1	768	734
Intangible assets	4.3	7,287	7,258
Investment properties		1,084	964
Total non-current assets		**2,936,612**	**2,343,349**
TOTAL ASSETS		**2,964,396**	**2,367,422**
LIABILITIES			
Current liabilities			
Payables	5.2	15,485	20,864
Employee benefits provision	3.1.2	6,903	6,910
Interest bearing liabilities	6.1	20,500	22,514
Lease liabilities		64	50
Total current liabilities		**42,952**	**50,338**
Non-Current Liabilities			
Employee benefits provision	3.1.2	657	566
Interest bearing liabilities	6.1	193,900	147,400
Lease liabilities		626	703
Deferred tax liabilities	8.1.2	406,066	246,797
Total non-current liabilities		**601,249**	**395,466**
TOTAL LIABILITIES		**644,201**	**445,804**
NET ASSETS		**2,320,195**	**1,921,618**
EQUITY			
Contributed capital	9.1.1	1,319,624	1,292,673
Asset revaluation reserve	9.1.2	1,238,849	847,433
Accumulated (deficit)	9.1.3	(238,278)	(218,488)
TOTAL EQUITY		**2,320,195**	**1,921,618**

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

Grampians Wimmera Mallee Water Corporation

Consolidated cash flow statement
For the year ended 30 June 2026

	Notes	2025/26 $'000	2024/25 $'000
Cash Flows from Operating Activities			
Receipts			
Receipts from customers		77,194	76,689
Receipts from government		753	975
Interest received		272	544
Goods and Services Tax received from the ATO		1,511	2,858
		79,730	**81,066**
Payments			
Payments to suppliers and employees		(48,463)	(50,191)
Payments for specific projects	3.3	-	(500)
Goods and Services Tax paid to the ATO		(1,593)	(3,357)
Interest and other costs of finance paid		(9,772)	(8,419)
Payments for short term leases		(42)	(69)
Payments for low value leases		(58)	(73)
		(59,928)	**(62,609)**
Net cash inflow from Operating Activities		**19,802**	**18,457**
Cash Flows from Investing Activities			
Payments for infrastructure, property, plant and equipment		(88,060)	(77,201)
Payments for intangible assets		(28)	-
Proceeds from sale of infrastructure, property, plant & equipment		838	801
Net cash outflow from Investing Activities		**(87,250)**	**(76,400)**
Cash Flows from Financing Activities			
Proceeds from borrowings		185,158	52,531
Repayment from borrowings		(139,193)	(15,529)
Net proceeds from contributed capital by State Government	9.1.1	26,951	22,100
Principal element of lease liability		(63)	(15)
Repayment of service concession liability		(1,479)	(1,307)
Net cash inflow from Financing Activities		**71,374**	**57,780**
Net increase/(decrease) in cash and cash equivalents		**3,926**	**(163)**
Cash and cash equivalents at beginning of the financial year		2,018	2,181
Cash and cash equivalents at the end of the financial year	6.4	**5,944**	**2,018**

The above Consolidated cash flow statement should be read in conjunction with the accompanying notes.

Grampians Wimmera Mallee Water Corporation

Consolidated statement of changes in equity
For the year ended 30 June 2026

	Notes	Contributed Capital $'000	Asset Revaluation Reserves $'000	Accumulated Funds Surplus/(Deficit) $'000	Total $'000
Balance at 1 July 2024		**1,276,573**	**847,433**	**(199,185)**	**1,924,821**
Net result after tax	9.1	-	-	(19,303)	(19,303)
Total comprehensive income		**-**	**-**	**(19,303)**	**(19,303)**
Transactions with the State in its capacity as owner:					
Capital transactions from Department of Environment, Energy and Climate Action (DEECA)	9.1	16,100	-	-	16,100
Balance at 30 June 2025		**1,292,673**	**847,433**	**(218,488)**	**1,921,618**
Balance at 1 July 2025		**1,292,673**	**847,433**	**(218,488)**	**1,921,618**
Net result after tax	9.1	-	-	(19,790)	(19,790)
Other comprehensive income	9.1	-	391,416	-	391,416
Total comprehensive income		**-**	**391,416**	**(19,790)**	**371,626**
Transactions with the State in its capacity as owner:					
Capital transactions from Department of Environment, Energy and Climate Action (DEECA)	9.1	26,951	-	-	26,951
Balance at 30 June 2026		**1,319,624**	**1,238,849**	**(238,278)**	**2,320,195**

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
30 June 2026

1 NOTES TO THE ACCOUNTS

Introduction

Grampians Wimmera Mallee Water Corporation (trading as GWMWater) is a government-owned statutory Corporation established on 1 July 2004 under the Water Act 1989.

GWMWater has one of the largest geographic footprints of all Victorian water businesses, covering some 62,000 square kilometers or 25 percent of Victoria. We provide services to approximately 72,000 people either living on farms or in one of the 71 urban centres across Western Victoria.

GWMWater is a vertically integrated water business directly involved in all aspects of the water cycle. We operate wastewater treatment plants in many of our 71 towns and we aim to recycle 100 percent of the wastewater we produce. We use desalination technology, operate pipelines, major storages, dams, weirs and pump stations to service our customers. To deliver these services we manage a significant number of assets including bulk water supply reservoirs, hundreds of smaller storages, tanks, water towers and approximately 16,000 km of pipes.

1.1 Basis of preparation

These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 (*General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*) (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of GWMWater.

Capital grants which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of distributions to or contributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: ‘Significant judgement or estimates’.

These financial statements cover GWMWater as an individual reporting entity and include all the controlled activities of GWMWater.

All amounts in the financial statements have been rounded to the nearest $1,000 unless otherwise stated.

Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA**)** and applicable *Australian Accounting Standards* (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. 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 are reported.

Net current asset deficiency

For the year ended 30 June 2026, GWMWater recognised a net deficit after tax of $19.790 million and a comprehensive result of $371.626 million, primarily reflecting the asset revaluation movement. GWMWater's net current liabilities as at 30 June 2026 were $15.168 million (2025: net current liabilities $26.265 million) and net assets totaling $2,320 million (2025: $1,921 million). GWMWater has $5.944 million of cash and cash equivalents and deposits available as at year end 2025-26 (2025: $2.018 million).

The financial statements were prepared on a going concern basis. Management continuously reviews budgets and forecasts and monitors cash flow requirements and customer payment trends during this period of uncertainty. Management has concluded that the going concern assumption remains appropriate. Budgets prepared for the year ending 30 June 2027 indicate that the entity is expected to achieve an operating deficit of $26.9 million for 2026-27.

Despite this, GWMWater is forecasting to maintain positive cash flows from operations of $19.4 million for 2026-27 compared to $19.8 million in the current financial year. GWMWater is also monitoring key financial sustainability cash and borrowing related indicators as part of its corporate performance scorecard. On this basis the Board believes the going concern basis is appropriate for preparation of the financial statements.

These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

2 FUNDING DELIVERY OF SERVICES

Introduction

This section provides additional information about how GWMWater is funded and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

2.1 Revenue from contracts with customers

	Notes	2025/26 $'000	2024/25 $'000
Revenue from service, usage and trade waste charges	2.1.1	73,156	73,602
Developer contributions	2.1.2	1,658	1,276
Other revenue	2.1.3	2,490	1,869
Total revenue from contracts with customers		**77,304**	**76,747**

Revenue and income that fund delivery of GWMWater's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.1.1 Revenue from service and usage and trade waste charges

	2025/26 $'000	2024/25 $'000
Service charges		
Urban water service charges	16,368	15,720
Wastewater service charges	15,659	15,184
Rural water service charges	13,892	13,483
Bulk water service charge	3,095	3,019
	49,014	**47,406**
Usage charges		
Urban water usage charges	14,354	15,835
Rural water usage charges	8,716	8,901
Bulk water usage charges	411	573
Recycled water usage charges	114	424
	23,595	**25,733**
Trade waste charges		
Trade waste usage charges	547	463
Total revenue from service usage and trade waste charges	**73,156**	**73,602**

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Service charges (urban water, rural water, wastewater and bulk water)	Service charges are recognised as revenue when the services have been provided or service charge has been made. Service charges are billed in advance and recognised evenly throughout the financial year to reflect continuous service being provided to customers. Service charges are based on fixed fee for access to water, recycled water and sewerage disposal. The charges are payable within 28 days.	Revenue is recognised over time as service is provided.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Usage charges	Water usage charges are recognised as revenue when water is consumed by customers. Meter reading is undertaken progressively during the year and is billed quarterly in arrears. An estimation of usage is made at the end of each accounting period for connections where meters were not read at balance date. This is calculated by determining the level of billable service provided multiplied by the cost of each service. The charges are payable within 28 days.	Revenue is recognised over time as service is provided.
Trade waste charges	Revenue related to trade waste disposal is based on the volume of waste disposed by customers.	Revenue is recognised over time as service is provided.
Recycled water charges	Recycled water charges are recognised as revenue over time as the performance obligation is satisfied. GWMWater measures these charges based on the regulated prices and the volume of water consumed by customers, and sewage and trade waste disposed by customers. The charges are payable within 28 days.	Revenue is recognised over time as service is provided

Revenue from service, usage and trade waste charges is determined in accordance with AASB15 *Revenue from Contracts with Customers*.

At balance date, any portion of service charges that is billed in advance and the performance obligation is not satisfied, is recognised as contract liabilities. The charges for fully satisfied performance obligations that are unbilled at year end that are estimated and recognised as contract assets.

2.1.2 Developer contributions

	2025/26 $'000	2024/25 $'000
Developer contributed assets	537	513
New customer contributions	157	202
Rural growth water sales	964	561
Total developer contributions	**1,658**	**1,276**

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Developer contributed assets	Developer contributed assets arise when developers pay for the cost of construction of new infrastructure assets and subsequently gift these assets to GWMWater to maintain in perpetuity. Depending on the type of developer application, this can result in the performance obligation being satisfied: • when the Statement of Compliance is issued to the customer, or • when the customer is connected to GWMWater's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued. Revenue is recognised at the fair value of the gifted assets by assessing the value of the works using schedule of rates.	Revenue is recognised at a point in time.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
New customer contributions	New customer contributions represent non-refundable upfront charges applicable when customers request to connect to the GWMWater's water supply or sewerage infrastructure network. The charges contribute towards the cost of augmenting the GWMWater's water supply distribution systems and sewerage disposal systems. Depending on the type of new customer contribution application, this can result in the performance obligation being satisfied at the point in time when GWMWater satisfies its performance obligation. This will vary depending on the type of application submitted by the customer. As a result, a performance obligation can be satisfied when: • the Statement of Compliance is issued to the customer; or • the customer is connected to GWMWater's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued; or • the customer receives consent from GWMWater to proceed with their application; or • the customer receives notice from GWMWater of conditions being met as agreed. The framework applied to calculate the new customer contributions is regulated by the Essential Services Commission.	Revenue is recognised at a point in time.
Rural growth water sales	Sale of unallocated rural water allowances held by GWMWater traded in the Victorian Water Register.	Revenue is recognised at a point in time when the trade occurs and the performance obligation is satisfied.

2.1.3 Other revenue

	2025/26 $'000	2024/25 $'000
Water hydrants/standpipe sales	508	443
Information statements	209	193
Tapping/inspection fees	415	341
Lake Fyans Recreational Area Committee of Management revenue	429	403
Energy generation revenue	232	-
Other revenue	697	489
Total other revenue	**2,490**	**1,869**

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Other Revenue	Performance obligation relating to various tapping and inspection fees, water hydrant and standpipe sales, information statement income, connection and supervision charges are satisfied when GWMWater renders the specified service requested by the customer. GWMWater uses pricing principles to calculate the price of individual services rather than direct regulation by the Essential Services Commission. The charges are payable within 28 days.	Revenue is typically recognised when the service is performed at a point in time; for services provided on a continuous basis, revenue is recognized as services are provided to the customer, over time.

Notes to the Financial Statements
30 June 2026

2.1.4 Timing of recognition of revenue from customers

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

	Service charges - water $'000	Usage charges - water $'000	Service charges - wastewater $'000	Tradewaste charges - $'000	Recycled water charges $'000	Developer contributions $'000	New customer contributions $'000	Other revenue $'000	Total revenue with customers $'000
2025									
At a point in time	-	-	-	-	-	513	202	561	**1,276**
Over time	32,222	25,309	15,184	463	424	-	-	1,869	**75,471**
Total	**32,222**	**25,309**	**15,184**	**463**	**424**	**513**	**202**	**2,430**	**76,747**
2026									
At a point in time	-	-	-	-	-	537	157	964	**1,658**
Over time	33,355	23,481	15,659	547	114	-	-	2,490	**75,646**
Total	**33,355**	**23,481**	**15,659**	**547**	**114**	**537**	**157**	**3,454**	**77,304**

2.2 Government grants and contributions

	Notes	2025/26 $'000	2024/25 $'000
Income recognised as income for not for profit entities			
Government grants and contributions		973	780
Total government grants and contributions		**973**	**780**

GWMWater has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

Grants recognised under AASB 1058
Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised under AASB 1058 when GWMWater has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, GWMWater recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004 *Contributions*;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15 *Revenue from Contracts with Customers*;
- a lease liability in accordance with AASB 16 *Leases;*
- a financial instrument, in accordance with AASB 9 *Financial Instruments*; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

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

2.3 Non-cancellable operating lease receivables

Operating leases relate to the investment property owned by GWMWater with lease terms between 1 and 20 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that GWMWater retains in underlying assets are not considered to be significant, GWMWater employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate GWMWater when a property has been subject to excess wear and tear during the lease term.

	2025/26 $'000	2024/25 $'000
Non-cancellable operating lease receivables (not recognised on the Consolidated statement of financial position)		
Not later than 1 year	95	63
Longer than 1 year and not longer than 5 years	180	165
Longer than 5 years	107	104
Total operating lease receivables	**382**	**332**

3 THE COST OF DELIVERING SERVICES

Introduction

This section provides additional information about how GWMWater's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

3.1 Expenses incurred in the delivery of services

3.1.1 Employee benefits

	2025/26	2024/25
	$'000	$'000
Salaries and wages	16,261	16,288
Annual leave	1,469	1,472
Long service leave	477	477
Employer superannuation contributions	1,957	1,886
Other	840	981
Total employee benefit costs	**21,004**	**21,104**

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. They are expensed in the period in which they are incurred.

The amount recognised in the Consolidated comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The defined benefit plan provides benefits based on years of service and final average salary. The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans. GWMWater does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, GWMWater accounts for contributions to these plans as if they were defined contribution plans under AASB 119 *Employee Benefits*. The Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

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 GWMWater 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.

3.1.2 Employee benefits provision in the statement of financial position

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2025/26	2024/25
	$'000	$'000
Current provisions		
Annual leave		
- Unconditional and expected to settle within 12 months	1,209	1,202
- Unconditional and are expected to settle after 12 months	845	863

RDO accrual		
- Unconditional and expected to settle within 12 months	309	317
Long service leave		
- Unconditional and expected to settle within 12 months	432	414
- Unconditional and are expected to settle after 12 months	3,166	3,159
Provision for on-costs		
- Provisions for on-costs - Unconditional and expected to settle within 12 months	305	307
- Provisions for on-costs - Unconditional and are expected to settle after 12 months	637	648
Total current provisions for employee benefits	**6,903**	**6,910**

Non-current provisions		
Long service leave		
- Long service leave	567	487
- Long service leave on-costs	90	79
Total non-current provisions for employee benefits	**657**	**566**
Total provisions for employee benefits	**7,560**	**7,476**

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because GWMWater does not have an unconditional right to defer settlements of these liabilities.

The components of this current LSL liability are measured at either:

- Undiscounted value – the component GWMWater expects to wholly settle within 12 months; or
- Present value – the component GWMWater does not expect to wholly settle within 12 months.

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 Consolidated comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation 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.

Unconditional LSL is disclosed as a current liability, even where GWMWater does not expect to 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.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction in the net result.

3.2 Direct operating expenses

	2025/26	2024/25
	$'000	$'000
Bulk charges	219	219
Operating contracts	1,733	2,011
Contractor costs	4,340	5,449
Information and communication technology	4,465	3,486
Energy	3,578	3,866
License fees	102	105
Billing and collection	216	215
Bad debts from transactions	457	87
Chemicals and materials	1,932	2,192
Analysis and sampling	757	518
Audit fees	388	317
Insurance	617	1,083
Asset maintenance and risk assessment projects	286	793
Plant & motor vehicle expenses	940	515
Other operating expenses	4,201	3,870
Victorian water register fees	134	132
Total direct operating expenses	**24,365**	**24,858**
Desludging expenditure	266	1,095
Decommissioning expenditure relating to redundant assets	159	1,195

Direct operating expenses generally represent the day-to-day running costs incurred in normal operations.

Expense	Description	Recognition policy
Bulk charges	Fees from the Northern Victorian Resource Manager based on total Water Share volume, covering the costs of maintaining and operating headworks and river regulation.	As incurred. Recognised in the Consolidated comprehensive operating statement.
Operating contracts	Operating expense component of outsourced operations water treatment services provided under the WTSA (refer Note 6.3); and water sample testing laboratory services.	Accrual basis. Recognised in the Consolidated comprehensive operating statement. Principal lease component recognised in the Consolidated statement of financial position; Interest lease component recognised in finance costs in the Consolidated comprehensive operating statement.
Contractor costs (scheduled, planned and unplanned works)	All contractor expenses incurred in relation to scheduled, planned and unplanned operation and maintenance activities. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold.	Accrual basis. Recognised in the Consolidated comprehensive operating statement. Where applicable, replacement cost is capitalised on the Consolidated statement of financial position and depreciated.

Expense	Description	Recognition policy
Information and communication technology expenditure	All operating expenses, maintenance contracts, licence fees and other costs associated with operating the information and communication technology environment of GWMWater.	Accruals basis. Recognised in the Consolidated comprehensive operating statement.
Energy	Utility expenses incurred in relation to electricity and gas consumption.	
Billing and collection costs	Costs relating to the issuing of bills and the collection of debt.	
Chemicals and materials	Chemicals and materials consumed in water and wastewater operations and maintenance.	
Analysis and sampling	Samples are sent to a National Association of Testing Authorities (NATA) accredited laboratory for analysis against drinking water regulations and for other operational purposes.	
Other operating expenses	Generally represent the day to day running costs incurred in normal operations.	
Decommissioning expenditure	Expenditure associated with the decommissioning and removal of redundant infrastructure.	
Desludging Expenditure	Expenditure associated with major scheduled long-cycle desludging activities to remove accumulated sludge from wastewater treatment lagoons or urban water storages.	

3.3 Grants and transfers

Grant expenses are contributions of the GWMWater's resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value.

Other transfers to third parties (other than contribution to owners) are recognized as an expense in the reporting period in which they are paid or payable.

	2025/26	2024/25
Horsham SmartWater Agriculture and Integrated Water Management project	**$'000**	**$'000**
- GWMWater funds paid	-	500
Total grants and transfers	**-**	**500**

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

GWMWater controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to GWMWater to be utilised for delivery of those outputs.

Notes to the Financial Statements

30 June 2026

4.1 Infrastructure, property, plant and equipment: carrying amount

4.1.1 Reconciliation of movements in carrying values of infrastructure, property, plant and equipment

	Land Specialised	Buildings Specialised	Fixtures and Fittings	Infrastructure Urban Water	Infrastructure Waste Water	Infrastructure Headworks	Infrastructure Rural Distribution	Service concession assets	Energy assets	Plant, Equipment and Vehicles	Capital Work in Progress	Total
30 June 2026	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Fair Value	25,497	11,692	2,563	653,155	278,750	735,758	979,610	31,652	20,952	18,412	181,923	**2,939,964**
Accumulated depreciation	-	(1)	(2,117)	(263)	(39)	(15)	(239)	-	(30)	(10,586)	-	**(13,290)**
Carrying amount 2025/26	**25,497**	**11,691**	**446**	**652,892**	**278,711**	**735,743**	**979,371**	**31,652**	**20,922**	**7,826**	**181,923**	**2,926,674**
Opening net book value	56,757	6,134	416	449,788	175,278	666,297	813,308	15,897	21,273	7,495	120,819	**2,333,462**
Additions	-	-	-	169	210	-	158	-	-	-	83,140	**83,677**
Disposals	-	(149)	-	(253)	(213)	(283)	(190)	-	-	(945)	-	**(2,033)**
Transfer between asset classes	-	11	(2)	-	-	-	(11)	-	-	2	-	-
Revaluation	(31,428)	5,764	-	208,219	101,499	75,310	182,953	16,785	64	-	-	**559,166**
Depreciation	-	(312)	(77)	(13,784)	(6,135)	(5,854)	(17,524)	(1,030)	(1,097)	(1,475)	-	**(47,288)**
WIP movement	168	243	109	8,753	8,072	273	677	-	682	2,749	(22,036)	**(310)**
Closing carrying amount	**25,497**	**11,691**	**446**	**652,892**	**278,711**	**735,743**	**979,371**	**31,652**	**20,922**	**7,826**	**181,923**	**2,926,674**

30 June 2025	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Fair value	56,757	7,136	2,519	475,794	187,302	678,065	848,228	17,957	21,758	17,448	120,819	**2,433,783**
Accumulated depreciation	-	(1,002)	(2,103)	(26,006)	(12,024)	(11,768)	(34,920)	(2,060)	(485)	(9,953)	-	**(100,321)**
Carrying amount 2024/25	**56,757**	**6,134**	**416**	**449,788**	**175,278**	**666,297**	**813,308**	**15,897**	**21,273**	**7,495**	**120,819**	**2,333,462**
Opening net book value	55,333	6,291	414	449,137	170,448	668,667	830,422	16,927	5,129	7,733	82,776	**2,293,277**
Additions	-	45	-	189	176	-	149	-	-	-	86,261	**86,820**
Disposals	(31)	-	-	(99)	(162)	-	(16)	-	-	(583)	-	**(891)**
Transfer between asset classes	-	-	-	36	-	-	(36)	-	-	-	-	**-**
Revaluation	-	-	-	-	-	-	-	-	-	-	-	**-**
Depreciation	-	(389)	(60)	(13,143)	(6,146)	(5,822)	(17,364)	(1,030)	(317)	(1,609)	-	**(45,880)**
WIP movement	1,455	187	62	13,668	10,962	3,452	153	-	16,461	1,954	(48,218)	**136**
Closing carrying amount	**56,757**	**6,134**	**416**	**449,788**	**175,278**	**666,297**	**813,308**	**15,897**	**21,273**	**7,495**	**120,819**	**2,333,462**

Right of use assets not included in above table, see note 6.2.1

4.1.2 Initial recognition and subsequent measurement

Infrastructure, property, plant and equipment represent non-current assets and are grouped into the following classes comprising of; land, buildings, fixtures and fittings, urban water infrastructure, wastewater infrastructure, rural distribution infrastructure, headworks infrastructure, service concession assets, energy assets and plant, equipment and vehicles used by GWMWater in its operations. Intangible assets and investment properties are disclosed separately. Items with a useful life of more than one year and cost or fair value in excess of the values identified in the table below note 4.2, are recognised as an asset. All other assets acquired are expensed.

Revaluation of infrastructure, property, plant and equipment

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in Financial Reporting Direction 103 *Non-Financial Physical Assets* (FRD 103).

The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by GWMWater to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors under the direction of the VGV.

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 103. GWMWater in conjunction with VGV, monitors changes in the fair value of each asset class through relevant data sources, in order to determine whether a revaluation is required.

GWMWater's land, buildings, infrastructure and service concession assets were independently valued as at 30 June 2026 by the Valuer-General Victoria (VGV), with land and building valuations undertaken by Preston Rowe Paterson Horsham & Wimmera Pty Ltd and infrastructure valuations undertaken by Kroll Australia Pty Ltd under the direction of VGV. The valuation was performed in accordance with applicable financial reporting and valuation requirements to determine the fair value of the assets at 30 June 2026. As a result of the revaluation, the carrying value of property, infrastructure and service concession assets increased by $559.166 million during the year, contributing significantly to the increase in total assets and comprehensive income reported for 2025/26.

Refer to Note 7.3.1 Fair value determination for further information on the revaluation methods used for the asset classes.

4.1.3 Accounting for revaluation movements

Infrastructure, property, plant and equipment

Fair value is determined with regard to the 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).

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

Revaluation increases and decreases relating to individual assets in a class of PPE, are offset against other assets in that class but are not offset against assets in different classes. An asset revaluation surplus is not transferred to accumulated funds on the de-recognition of the related asset.

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, in which case the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as an expense, except to the extent that a credit balance exists in the asset revaluation reserve applicable to the same class of assets, in which case the decrement is debited directly to the asset revaluation reserve.

4.2 Depreciation and impairment

Depreciation and amortisation expenses

	2025/26	2024/25
	$'000	$'000
Buildings	312	389
Fixtures and fittings	77	60
Urban water infrastructure	13,784	13,143
Wastewater infrastructure	6,135	6,146
Headworks infrastructure	5,854	5,822
Rural distribution infrastructure	17,525	17,364
Service concession assets	1,030	1,030
Energy assets	1,097	317
Plant, equipment and vehicles	1,475	1,609
Intangibles	156	238
Right-of-use assets	112	24
Total depreciation, amortisation and impairment expenses	**47,557**	**46,142**

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life, commencing from the time the asset is held ready for use.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset Class	Useful Life Years
Land	Indefinite
Buildings	10 - 50
Fixtures and fittings	5 - 40
Urban water infrastructure	10 - 350
Wastewater infrastructure	10 - 350
Headworks infrastructure	15-350 & Indefinite
Embankment excavation	15-350 & Indefinite
Earthern embankment	15-350 & Indefinite
Tunnel excavation	15-350 & Indefinite
Rural distribution infrastructure	10 - 350
Service concession assets	10 - 80
Energy assets	10 - 50
Plant, equipment and vehicles	3 - 50
Intangible assets - other than water entitlements	2 - 25
Intangible assets - water entitlements	Indefinite
Investment properties	N/A
Right-of-use assets	3 - 50

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. The impacts of the current economic climate and climate-related emerging risks were considered when estimating the useful life of these assets.

Impairment

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs to sell. The impact of climate risk is not a key assumption in the current replacement cost and fair value less costs to sell. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

At each reporting date, and whenever there is an indication that the asset may be impaired, GWMWater reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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, except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

4.3 Intangible assets

	Opening Value	Additions	Disposals	Transfer	Amortisation	Closing Balance
2025/26	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Intangible assets						
Water entitlements	6,706	-	-	-	-	6,706
Software	214	168	-	-	(90)	292
Native Vegetation Offsets	141	17	-	-	-	158
Other – technical assessments	197	-	-	-	(66)	131
Total intangible assets	**7,258**	**185**	**-**	**-**	**(156)**	**7,287**
2024/25						
Intangible assets						
Water entitlements	6,706	-	-	-	-	6,706
Software	385	-	-	-	(177)	214
Native Vegetation Offsets	141	-	-	-	-	141
Other – technical assessments	264	-	-	-	(67)	197
Total intangible assets	**7,496**	**-**	**-**	**-**	**(238)**	**7,258**

Recognition and measurement

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.
Depreciation and amortisation begin when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally-generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated, including:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Water Share Entitlements are issued by the Minister for Water and registered in the Victorian Water Register, are recognised at cost and are considered to have an indefinite useful life in accordance with FRD 109 – *Intangible Assets* (FRD 109).

Software Costs are costs incurred for the development of software code that enhance, modify, or create additional capability to, existing on-premises systems.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is recognised as expenditure when incurred.

Amortisation

Intangible assets with finite useful lives are amortised as an expense on a systematic basis (typically straightline), commencing from the time the asset is available for use (when it is in the location and condition necessary for it to be capable of operating in the manner intended by management). The amortisation periods are reviewed and adjusted if appropriate at each balance date. Intangible assets with indefinite useful lives are not amortised.

A summary of useful lives and amortisation method applied to the GWMWater's intangible assets is as follows:

	Water Share Entitlements	***Software Costs***	***Other***
Useful lives	Indefinite	2-25 years	2-25 years
Amortisation method used	Not amortised	Straight line	Straight line

Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired.

5 OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that arose from GWMWater's operations and the delivery of services.

5.1 Receivables

	2025/26 $'000	2024/25 $'000
Receivables - current		
Contractual receivables		
Service and usage charges debtors	11,452	10,960
Pensioner debtors	4	30
Sewerage schemes	16	105
Other debtors	1,384	1,489
Contract assets	4,786	5,195
Allowance for expected credit losses	(744)	(601)
Statutory receivables		
GST receivable	1,097	1,016
Total receivables - current	**17,995**	**18,194**
Receivables - non-current		
Contractual receivables		
Sewerage schemes	799	931
Total receivables - non-current	**799**	**931**
Total receivables	**18,794**	**19,125**

Contractual receivables are classified as financial assets at amortised cost. They are initially recognised at fair value plus any directly attributable transaction cost. GWMWater holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measures them at amortised cost using the effective interest method, less any impairment.

Statutory receivables are not classified as financial instruments as they do not arise from contracts. They are recognised and measured similar to contractual receivables.

The contract assets primarily relate to the GWMWater's rights to consideration for work completed but not billed at the reporting date. Contract assets represent an estimation of unbilled service and usage charges, calculated by multiplying the number of days since the last reading by each customer's average service usage. This estimation is made at the end of each accounting period in respect of meters which have not been read at balance date and will be billed in the following accounting period. Usage charges are all recognised as revenue when the service or other goods have been provided. The contract assets are transferred to contractual receivables when the rights become unconditional. This usually occurs when the GWMWater issues a bill to the customer.

5.1.1 Impairment losses

Impairment losses on financial assets and contract assets were recognised in the Consolidated comprehensive operating statement.

The loss allowances for trade receivables and contract assets are based on assumptions about risk of default and expected loss rates. The expected loss rates applied as at 30 June 2026 vary from 0.11% for receivables 1-3 months past due to 10.18% for receivables that are greater than 1 year past due (2025: 0.10% - 10.72%).

Contractual receivables at amortised cost

GWMWater applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. GWMWater has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the GWMWater's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Statutory receivables at amortised cost

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance has been recognised.

5.2 Payables

	2025/26 $'000	2024/25 $'000
Contractual payables		
General creditors	2	-
Accrued expenditure	11,412	16,486
Other payables	1,090	1,222
Contract liability	2,981	3,156
Total payables - current	**15,485**	**20,864**

Contractual payables are classified as financial instruments and measured at amortised cost and represent liabilities for goods and services provided to GWMWater prior to the end of the financial year that are unpaid.

The contract liabilities primarily relate to service charges, developer contributions and grants received in advance of the GWMWater performing its contract obligations and will be recognised as revenue when the services are performed. Refer to Note 2.1 for further details of the performance obligation.

6 HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance used by GWMWater during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of GWMWater.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 provides additional, specific financial instrument disclosures.

6.1 Interest bearing liabilities

	2025/26 $'000	2024/25 $'000
Current interest bearing liabilities		
Borrowings - current (i)	20,500	21,035
Financial liabilities – Service concession arrangements	-	1,479
Total current interest bearing liabilities	**20,500**	**22,514**
Non-current interest bearing liabilities		
Borrowings - non-current (i)	193,900	147,400
Finance liabilities – Service concession arrangements	-	-
Total non-current interest bearing liabilities	**193,900**	**147,400**
Total interest bearing liabilities	**214,400**	**169,914**

(i) Borrowings from Treasury Corporation Victoria (TCV) for the year ended 30 June 2026 is $214,400,000 (30 June 2025 $168,434,904). These borrowings are secured by the Victorian Government.

Loans are sourced from the Treasury Corporation of Victoria (TCV) and secured by the Treasurer in the form of a government guarantee. They are classified as a financial instrument and are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Financial liabilities – service concession arrangements are measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between GWMWater and the operator. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the initial amount recognised (net of transaction costs) and the redemption amount is recognised in the Consolidated comprehensive operating statement over the period of the interest-bearing liabilities, using the effective interest method.

GWMWater has classified borrowings which mature within 12 months as non-current liabilities on the basis that GWMWater will and has discretion to refinance or rollover these loans with the Treasury Corporation of Victoria, pursuant to section 8 of the *Borrowings and Investment Powers Act 1987*.

Lease liabilities are determined in accordance with AASB 16 (refer to Note 6.2).

Service concession arrangements are determined in accordance with AASB 1059 (refer to Note 6.3).

Maturity of borrowings

	Carrying amount	Nominal amount	Maturity Date			
			Less than 1 Month	1-3 Months	3 months - 1 year	1 - 20 years
2025/26	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Borrowings – TCV	214,400	214,400	-	4,500	16,000	193,900
Financial liabilities - Service concession arrangements	-	-	-	-	-	-
	214,400	**214,400**	**-**	**4,500**	**16,000**	**193,900**
2024/25						
Borrowings – TCV	168,435	168,435	-	13,535	7,500	147,400
Financial liabilities – Service concession arrangements	1,479	1,479	118	238	1,123	-
	169,914	**169,914**	**118**	**13,773**	**8,623**	**147,400**

6.1.1 Interest expenses

	2025/26	2024/25
	$'000	**$'000**
Interest paid/payable	7,973	6,318
Financial accommodation levy	1,818	1,627
Interest on financial liabilities – service concession arrangements/leases	120	239
Total interest expenses	**9,911**	**8,184**

Interest expense includes costs incurred in connection with the borrowing of funds. Interest costs include interest on bank overdrafts, short term and long-term borrowings, financial liabilities recognised for service concession arrangements, amortisation of discounts or premiums relating to borrowings and lease charges.

Financial accommodation levy is a levy applied to GWMWater 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 the GWMWater '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 GWMWater by the State Government of Victoria.

Interest expense is recognised in the period in which it is incurred and measured at fair value.

6.2 Leases

GWMWater leases various properties and ICT equipment. The leases typically run for a period of 1 to 10 years, but may have extension options. Lease terms are negotiated regularly to reflect market rentals and contain a wide range of different terms and conditions.

At inception of a contract, GWMWater assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, GWMWater allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

GWMWater recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on

which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method generally from the commencement date to the shorter of the asset's useful life (which is determined on the same basis as those of property, plant and equipment) or lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or GWMWater's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- payments arising from purchase and termination options reasonably certain to be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if GWMWater changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Consolidated comprehensive operating statement if the carrying amount of the right-of-use asset has been reduced to zero.

GWMWater 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.

Previously, GWMWater had measured all right-of-use assets arising from market leases using the revaluation model under AASB 13. Following the change in accounting policy, GWMWater 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 adoption of the cost model, GWMWater 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.

Right-of-use assets arising from significantly below-market leases

GWMWater is not required to make any adjustments to right-of-use assets arising from significantly below-market leases, including peppercorn leases, as GWMWater already measures these right-of-use assets using the cost model in accordance with AASB 16 and FRD 104, and are thus not impacted as a result of this accounting policy change.

Impacts on financial statements

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

6.2.1 Right-of-use assets

	2025/26 $'000	2024/25 $'000
Carrying amount as at 1 July at cost	734	797
Additions to right-of-use assets	-	-
Modification adjustments	146	(39)
Depreciation expense	(112)	(24)
Carrying amount at end of year	**768**	**734**
Total as at 30 June represented by:		
Cost	1,242	1,096
Less: Accumulated depreciation	(474)	(362)
Carrying amount at end of year	**768**	**734**

6.2.2 Amounts recognised in the consolidated comprehensive operating statement

	2025/26 $'000	2024/25 $'000
Expenses relating to short-term leases	58	73
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	112	24
Total	**170**	**97**

6.2.3 Future lease payments

The total of future lease payment commitments (including those lease payments that are not included in the measurement of the lease liability e.g. for short-term leases and leases of low-value items) are disclosed for each of the following periods.

	2025/26 $'000	2024/25 $'000
Less than one year	132	154
One to five years	311	377
More than five years	844	869
Total lease liabilities	**1,287**	**1,400**

6.3 Service concession arrangements

GWMWater sometimes enters into arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as public private partnerships (PPPs).

In 1999 GWMWater entered into a Water Treatment Services Agreement (WTSA) with Aquatower Pty Ltd to provide water treatment services to Ararat, Stawell, Halls Gap, Great Western and Pomonal.

The WTSA relates to the construction of four water treatment plants on a Build Own Operate/Transfer (BOOT) basis. The contract term for the WTSA is 25 years. Under the contract, the GWMWater will pay a volumetric charge for water treated as metered at the point of delivery to GWMWater's reticulation system. At the end of the 25 year period, ownership of the water treatment plants reverts to the GWMWater for one dollar.

Under the WTSA the assets are accounted as Service Concession Arrangement as the ownership of the assets will transfer to GWMWater at the end of the contract and GWMWater has control of the public services provided by Aquatower. Toll payments under the agreement are based solely on the volume of water treated and toll reductions apply for excursions from agreed water quality parameters. The risks assumed by the contractor under the agreement include raw water supply risk, demand risk, raw water quality risk and risk of technical obsolescence.

Beijing Enterprises Water Group International Pte Ltd, a Singaporean wholly owned subsidiary of Beijing Enterprises Water Group Limited, purchased all of the issued shares of Aquatower Pty Ltd on 5 September 2017. This transaction was not finalised until early 2018 as all the entities that held a contract with Aquatower were required to consent. GWMWater forwarded its consent on 18 January 2018.

GWMWater has adopted AASB 1059 *Service Concession Arrangements: Grantors* to account for PPP arrangements that meet the definition of a service concession arrangements (SCAs) in accordance with AASB 1059. Where a PPP is not considered a SCA, GWMWater determines whether the arrangement is a lease (and accounted for under AASB 16) or a construction contract (and accounted for under AASB 116 and AASB 9) and accounts for them under those relevant standards.

GWMWater uses the 'financial liability' model and pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset, and the components related to the ongoing operation and maintenance of the asset.

GWMWater in a service concession arrangement recognises a service concession liability (SCL) at the same amount as the SCA asset, adjusted by the amount of any other consideration from the grantor to the operator, or from the operator to the grantor. Therefore, any State contributions made prior to the recognition of the liability would reduce this amount (see note 4.1.1 for SCA assets).

However, when GWMWater reclassifies an existing asset as a SCA, no liability is recognised unless additional consideration is provided by the operator. Instead, GWMWater will recognise a SCA asset and a corresponding SCL for the amounts spent on upgrade/expansion work.

After initial recognition, GWMWater will determine if the liability represents a financial liability. Where GWMWater has a contractual obligation to pay to the operator as compensation for providing the SCA, it is measured as a liability in accordance with AASB 9 *Financial Instruments*. Interest is charged on the liability of some SCAs, refer to Note 6.1.1 Interest expense. The liability will be increased by interest charges, based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, prevailing market rate of interest for a similar instrument with similar credit ratings should be used. Refer to Note 6.1 Interest bearing liabilities for the amounts disclosed as financial liability.

Subsequently, the liability will also be reduced by any payments made by the State to the operator if required by the contract.

6.4 Cash flow information and balances

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

	2025/26 $'000	2024/25 $'000
Cash at bank	4,657	782
Short-term deposits	1,287	1,236
Cash and deposits	**5,944**	**2,018**

6.5 Total commitments payable

GWMWater is committed to incurring capital expenditure of $37,552 thousand (2025: $51,445 thousand) for delivery of the GWMWater capital program between financial year 2026/27 to financial year 2030/31.

2025/26	Less than 1 year	Between 1and 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
Capital commitments	37,191	361	-	**37,552**
Other commitments	455	7,848	-	**8,303**

2024/25	Less than 1 year	Between 1and 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
Capital commitments	50,395	1,050	-	**51,445**
Other commitments	4,254	3,878	-	**8,132**

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

GWMWater 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. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for GWMWater related mainly to fair value determination.

7.1 Financial instruments

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 short-term nature of the financial assets and liabilities held by GWMWater, their carrying value is assumed to approximate their fair value.

Categories of financial instruments

Financial instrument	Initial measurement	Subsequent measurement
Financial assets at amortised cost		
Financial assets include: • receivables • cash and deposits	Fair value plus or minus any directly attributable transaction costs	Amortised cost only using the effective interest rate method less impairment if both of the following criteria are met: • the asset is held within a business model whose objective is to collect the contractual cash flows, and • the contractual terms give rise to cash flows that are solely payments of principal and interest Gains or losses are recognised in the Consolidated comprehensive operating statement as either: • interest income calculated using the effective interest rate; • impairment losses under the expected credit loss model; or • gain or loss on derecognition
Financial liabilities at amortised cost		
Financial liabilities include: • Payables (excluding statutory payables) • Service Concession arrangements and; • Borrowings (including lease liabilities)	Fair value, plus or minus any directly attributable transaction costs subsequent to initial recognition.	Amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Consolidated comprehensive operating statement, over the period of the interest-bearing liability using the effective interest rate method. Gains or losses are recognised in the Consolidated comprehensive operating statement as either: • interest expense calculated using the effective interest rate; • impairment losses under the expected credit loss model; or • gain or loss on derecognition.

Financial assets at amortised cost
Financial assets are measured at amortised costs 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 GWMWater to collect the contractual cash flows
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment. GWMWater recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Financial liabilities at amortised cost
Financial liabilities measured at amortised costs are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments 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. GWMWater recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including lease liabilities)

Derecognition of financial assets and liabilities
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- GWMWater retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- GWMWater has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where GWMWater has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of GWMWater's continuing involvement in the asset.
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the Consolidated comprehensive operating statement.

Notes to the Financial Statements
30 June 2026

7.1.1 Financial instruments: Categorisation

All financial assets and financial liabilities of GWMWater are measured at amortised cost in line with AASB 9 *Financial Instruments.*

7.1.1.1 Interest rate risk and exposure of contractual financial assets

	Carrying amount $'000	Weighted average effective interest rate	Interest rate risk				Interest rate exposure		
			-1%		+1%		Fixed interest rate $'000	Variable interest rate $'000	Non-interest bearing $'000
2025/26			Result $'000	Equity $'000	Result $'000	Equity $'000			
Financial assets									
Cash and cash equivalents ^	5,944	4.4%	(59)	(59)	59	59	-	5,944	-
Rates and charges debtors *	10,708	0.0%	-	-	-	-	-	-	10,708
Pensioner rebate debtors	5	0.0%	-	-	-	-	-	-	5
Sewerage scheme	16	5.1%	-	-	-	-	16	-	-
Other debtors	1,384	0.0%	-	-	-	-	-	-	1,384
Sewerage scheme non-current	799	5.1%	-	-	-	-	799	-	-
Accrued income	4,786	0.0%	-	-	-	-	-	-	4,786
	23,642						**815**	**5,944**	**16,883**
2024/25									
Cash and cash equivalents ^	2,018	3.3%	(20)	(20)	20	20	-	2,018	-
Rates and charges debtors *	10,359	0.0%	-	-	-	-	-	-	10,359
Pensioner rebate debtors	30	0.0%	-	-	-	-	-	-	30
Sewerage scheme	105	5.1%	-	-	-	-	105	-	-
Other debtors	1,489	0.0%	-	-	-	-	-	-	1,489
Sewerage scheme non-current	931	5.1%	-	-	-	-	931	-	-
Accrued income	5,195	0.0%	-	-	-	-	-	-	5,195
	20,127						**1,036**	**2,018**	**17,073**

** Rates and charges debtors are net of provisions.*

^ All Cash and cash equivalents are held in financial institutions with an AAA credit quality rating.

7.1.1.2 Interest rate risk and exposure of contractual financial liabilities

2025/26	Carrying amount $'000	Weighted average effective interest rate	Interest rate risk				Interest rate exposure		
			-1%		+1%		Fixed interest rate $'000	Variable interest rate $'000	Non-interest bearing $'000
			Result $'000	Equity $'000	Result $'000	Equity $'000			
Financial liability									
General creditors	2	0.0%	-	-	-	-	-	-	2
Borrowings – TCV	214,400	4.2%	-	-	-	-	214,400	-	-
Finance liabilities – Service concession arrangement	-	7.5%	-	-	-	-	-	-	-
Accrued expenditure	11,413	0.0%	-	-	-	-	-	-	11,413
Other payables	1,090	0.0%	-	-	-	-	-	-	1,090
Contract liability	2,981	0.0%	-	-	-	-	-	-	2,981
	229,886		**-**	**-**	**-**	**-**	**214,400**	**-**	**15,486**
2024/25									
General creditors	-	0.0%	-	-	-	-	-	-	-
Borrowings – TCV	168,435	3.9%	60	60	(60)	(60)	162,400	6,035	-
Finance liabilities –Service concession arrangement	1,479	7.5%	-	-	-	-	1,479	-	-
Accrued expenditure	16,486	0.0%	-	-	-	-	-	-	16,486
Other payables	1,222	0.0%	-	-	-	-	-	-	1,222
Contract liability	3,156	0.0%	-	-	-	-	-	-	3,156
	190,778		**60**	**60**	**(60)**	**(60)**	**163,879**	**6,035**	**20,864**

Details regarding the recognition of gains or losses on financial instruments are provided in Section 7.1.

7.2 Contingent assets and contingent liabilities

Contingent assets and liabilities are not recognised in the Consolidated statement of financial position but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

As at 30 June 2026 there are no known contingent assets (2025: nil).

7.2.2 Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; 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.

As at 30 June 2026 there are no known contingent liabilities (2025: nil).

7.3 Fair value determination

This section sets out information on how GWMWater determined fair value for financial reporting purposes. 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.

Fair value hierarchy

In determining fair values, 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. The levels are as follows:

- Level 1 — quoted (unadjusted) market prices 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
- Level 3 — valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

GWMWater 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.

The Valuer General Victoria (VGV) is GWMWater's independent valuation agency. In conjunction with VGV, GWMWater monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

7.3.1 Fair value determination

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 *Fair Value Measurement* by adding Appendix F *Australian implementation guidance for not-for-profit public sector entities*. Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable for annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

For all assets measured at fair value, GWMWater considers the current use is the highest and best use.

The following table shows the valuation techniques used in measuring fair values for financial instruments and non-financial physical assets in the Consolidated statement of financial position, as well as the significant unobservable inputs used.

Although it is intended that asset valuations will be based on a five-year cycle, FRD 103 *Non-financial physical assets* (FRD103) requires entities to perform annual fair value assessments for each class of non-financial physical assets to determine whether additional revaluations need to be undertaken between revaluation cycles valuations.

Valuer General Victoria conducted a five-year valuation this year as at June 2026. This fair value assessment covers all asset classes held by GWMWater including Infrastructure and Land and Buildings.

The step-up in Fair Value from the Net Book Value of the Tangible Assets is influenced by several key factors including:

• The impact of inflation and increases in construction costs has resulted in a material increase in the Replacement Cost New (RCN) of the Tangible Assets since the previous revaluation in 2021.

• A further contributing factor is the adoption of updated requirements under AASB 13, effective from 1 January 2024. These amendments require consideration of additional cost elements within the cost approach, including costs to restore third party assets, disruption costs and site preparation costs. The inclusion of these elements, which may not have been separately identified in prior valuations, has increased the RCNs and has consequently contributed to the step-up in Fair Value.

Type	Valuation technique	Significant unobservable inputs
Non-financial physical assets		
Land (specialised)	Market approach: assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value, adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.	Community service obligation (CSO) adjustment, 20-40 per cent
Infrastructure	Cost approach: the cost approach is based on the principle that a prudent investor would typically not pay more for an asset than the cost to reproduce or replace it new. Under this approach, the Replacement Cost New or Reproduction Cost New (RCN) is adjusted for all forms of depreciation and obsolescence, which serves as an indication of Fair Value when these adjustments are fully considered.	$39-$255K/unit Useful life of assets: 10-350 years

Plant and equipment	Depreciated cost (deemed fair value). Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated cost will be materially different from the existing carrying value.	Replacement cost $9k-$10k per unit Useful life of assets: 3-50 years
Buildings	Depreciated replacement cost. Valuation is based on the replacement of buildings to a 'modern equivalent' standard after applying an appropriate depreciation rate, useful life and adjusting for condition.	Cost per square meter: $380-$4,430/Sqm Useful life: 6-60 years

8 STATUTORY OBLIGATIONS

Introduction

This section included disclosures in relation to the GWMWater's statutory obligations.

8.1 Tax

GWMWater is subject to the National Tax Equivalent Regime (NTER), pursuant to section 88(1) of the *State Owned Enterprises Act 1992*, which is administered by the Australian Taxation Office (ATO).

The income tax expense or benefit for the period is the expected tax payable or receivable on the current period's taxable income based on the national corporate income tax rate of 30%, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. GWMWater's deferred tax liabilities exceed the level of deferred tax assets and therefore a net deferred tax liability has been disclosed in the Consolidated statement of financial position. Current and deferred tax is recognised in the Consolidated comprehensive operating statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

8.1.1 Income tax

The income tax for the financial year differs from the amount calculated on the net result. The differences are reconciled as follows:

Components of tax benefit	2025/26 $'000	2024/25 $'000
Income tax on loss before tax	8,481	8,273
Income tax benefit disclosed in Income Statement	**8,481**	**8,273**
Deferred income tax included in income tax comprises:		
(Decrease)/increase in deferred income tax liabilities	(8,481)	(8,273)
	(8,481)	**(8,273)**
Reconciliation of income tax to prima facie tax payable		
Net result before income tax	(28,271)	(27,576)
Tax at the Australian tax rate of 30% (2024/25: 30%)	8,481	8,273
Income tax benefit on loss before tax	**8,481**	**8,273**
Tax benefit (relating to items of other comprehensive income)		
Changes in physical asset revaluation surplus	167,750	-

8.1.2 Deferred tax assets and 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 substantially 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.

GWMWater's deferred tax liabilities exceed the level of deferred tax assets and therefore a net deferred tax liability has been disclosed in the Consolidated statement of financial position.

Current and deferred tax is recognised in the Consolidated comprehensive operating statement, except to the extent that it relates to items recognised in other Comprehensive Income or directly in Equity.

	2025/26 $'000	2024/25 $'000
The balance comprises (tax effect) of temporary differences in tax book attributable to:		
Amounts recognised in the Consolidated comprehensive operating statement		
Cumulative tax losses	(147,403)	(145,355)
Depreciation	24,989	31,475
Provisions	(2,505)	(2,424)
Other net deferred tax liabilities/(assets)	24	(110)
	(124,895)	**(116,414)**
Amounts recognised directly in equity		
Revaluation of property, plant, equipment and infrastructure	530,961	363,211
Net deferred tax liabilities	**406,066**	**246,797**
Movements:		
Opening balance at 1 July	246,797	255,070
(Credited)/debited to the Consolidated comprehensive operating statement	(8,481)	(8,273)
(Credited)/debited to other comprehensive income	167,750	-
Closing balance at 30 June	**406,066**	**246,797**
Deferred tax liabilities to be recovered within 12 months	**-**	**6,953**
Deferred tax liabilities to be recovered after more than 12 months	**406,066**	**239,844**

9 OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

9.1 Equity

Consistent with the requirements of AASB 1004 *Contributions* and FRD 119A *Contributions by Owners* (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of GWMWater.

9.1.1 Contributed capital

	2025/26 $'000	2024/25 $'000
Balance at 1 July	1,292,673	1,276,573
East Grampians Rural Water Supply Project - DEECA	9,900	16,000
Clean Water for North-West Rural Communities - DEECA	2,600	500
Mininera Rural Pipeline – DEECA	15,000	-
Horsham Agriculture SmartWater – DEECA	251	-
Capital repatriation - State efficiency savings	(800)	(400)
Balance at 30 June	**1,319,624**	**1,292,673**

Additions to net assets which have been designated as contributions by owners are recognised as contributed equity. Other transfers that are in the nature of contributions or distributions (capital repatriation) have been recognised in contributed equity.

9.1.2 Asset revaluation reserves

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

	2025/26 $'000	2024/25 $'000
Balance at 1 July	847,433	847,433
Gain on revaluation of property, plant, equipment and infrastructure	559,166	-
Tax effect on revaluation increment revenue/(expense)	(167,750)	-
Balance at 30 June	**1,238,849**	**847,433**

Representing asset revaluation reserves:	2025/26 $'000	2024/25 $'000
Land	11,256	33,256
Buildings	5,746	1,711
Urban water infrastructure	359,845	202,341
Wastewater infrastructure	121,273	50,226
Headworks infrastructure	330,533	277,815
Rural distribution infrastructure	409,876	281,809
Renewable energy	320	275
Balance at 30 June	**1,238,849**	**847,433**

9.1.3 Accumulated deficit

	2025/26 $'000	2024/25 $'000
Balance at 1 July	(218,488)	(199,185)
Net result for the period after income tax	(19,790)	(19,303)
Balance at 30 June	**(238,278)**	**(218,488)**

9.2 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period, as required by *AASB 124 Related Party Disclosures.* The names of persons who held the positions of Ministers and Accountable Officers in GWMWater are as follows:

Name	***Title***	***Period of appointment***
The Hon. Gayle Tierney MP	Minister for Water	19 December 2024 – 15 April 2026
The Hon. Harriet Shing MP	Minister for Water	15 April 2026 – 30 June 2026
Ms. Caroline Welsh	Chairperson of the Board	01 July 2025 - 30 June 2026
Mr. David Jochinke	Board of Directors	01 July 2025 – 29 September 2025
Ms. Elisa De Wit	Board of Directors	01 July 2025 – 29 September 2025
Mr. Andrew Nicolaou	Board of Directors	01 July 2025 - 30 June 2026
Ms. Judith Holt	Board of Directors	01 July 2025 - 30 June 2026
Mr. Paul Hardy	Board of Directors	01 July 2025 - 30 June 2026
Ms. Michelle Jackson	Board of Directors	01 July 2025 - 30 June 2026
Mr. Rod Jackson	Board of Directors	01 July 2025 - 30 June 2026
Mr. Stuart Read	Board of Directors	01 October 2025 - 30 June 2026
Ms. Jessica Adler	Board of Directors	01 October 2025 - 30 June 2026
Mr. Uncle Ron Marks	Board of Directors	01 July 2025 – 04 July 2025
Mr. Mark Williams	Managing Director/Accountable Officer	01 July 2025 - 30 June 2026

All responsible persons listed above are also considered as key management personnel and are included with in Note 9.4 Related parties.

9.2.1 Remuneration of responsible persons

The numbers of responsible persons are shown below in their relevant income bands (excluding the Responsible Minister).

$		$	2025/26 No.	2024/25 No.
0	-	9,999	3	0
10,000	-	19,999	0	0
20,000	-	29,999	0	0
30,000	-	39,999	2	4
40,000	-	49,999	5	4
70,000	-	79,999	0	0
80,000	-	89,999	0	1
90,000	-	99,999	1	0
370,000	-	379,999	0	0
400,000	-	409,999	1	1
Total			12	10

Total remuneration received or due and receivable to responsible persons from the reporting entity amounted to $809,017 (2024/25 $812,404). The Minister's remuneration is disclosed in the financial statements of the State's Annual financial report.

9.3 Remuneration of executives

The number of executive officers, other than Responsible Persons, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.
Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include 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 include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of executive officers	**2025/26**	**2024/25**
	$'000	**$'000**
Short-term employee benefits	999	946
Post-employment benefits	111	117
Long-term benefits	28	27
Termination benefits	-	-
Total remuneration	**1,138**	**1,090**
Total number of executives	4	6
Total annualised employee equivalents	4	4

9.4 Related parties

GWMWater is a wholly owned and controlled entity of the State of Victoria. Related parties of GWMWater include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of GWMWater, directly or indirectly. Key management personnel (as defined in AASB 124 *Related Party Disclosures*) includes the Portfolio Minister and all Directors listed under responsible persons in Note 9.2 and members of the executive leadership team who have the authority and responsibility for planning, directing and controlling the activities of GWMWater directly or indirectly, during the financial year.

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

	2025/26	2024/25
Key management personnel	**$'000**	**$'000**
Short-term benefits	1,725	1,678
Post-employment benefits	179	187
Other long-term benefits	43	38
Total remuneration	**1,947**	**1,903**
Total number of key management personnel	16	16
Total FTE of key management personnel	13	13.8

9.5 Significant transactions with government-related entities

GWMWater received the following funding:

	2025/26 $'000	2024/25 $'000
Funding received from government authorities		
DEECA - contributed capital		
East Grampians Rural Water Supply Project	9,900	16,000
Clean Water for North-West Rural Communities	2,600	500
Mininera Rural Pipeline	15,000	-
Horsham Agriculture SmartWater	251	-

GWMWater also had significant transactions with the following corporations

- Treasury Corporation of Victoria (TCV) as outlined in Note 6.1 - Interest bearing liabilities
- Department of Families, Fairness and Housing (DFFH) pension concession rebates provided on behalf of customers
- State Revenue Office (SRO) for payments of payroll tax
- Victorian Auditor-General's Office (VAGO) for external audit fees as outlined in Note 9.6

Transactions with key management personnel and other related parties

Given the breadth and depth of GWMWater activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with GWMWater, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

9.6 Remuneration of Victorian Auditor-General

	2025/26 $'000	2024/25 $'000
Audit of the financial statements and performance statement	113	108

9.7 Controlled entities

The consolidated financial statements at 30 June 2026 include the following controlled entity. The financial year of the controlled entity is the same as that of the parent entity.

Controlled Entity	Place of incorporation
Lake Fyans Committee of Management Incorporated	Australia

The Lake Fyans Reserve is Crown Land, managed and operated by GWMWater as a water supply reservoir. The Lake Fyans Recreational Area Committee of Management Incorporated (LFRACoM) was constituted in 1978 through regulation pursuant to powers conferred by section 20A of the *Water Act* 1958, to oversee and manage the areas “above the water” of the Lake Reserve.

LFRACoM incorporated as an association, trading as Lake Fyans Committee of Management Inc, on 18 March 2011 under the *Associations Incorporation Reform Act 2012*. In March 2017, the Board of Directors resolved to appoint three officers of GWMWater as the Committee of Management of the Lake Fyans Recreational Area, under Section 122C (1)(b) of the *Water Act* 1989. This was for an interim period (applicable as at 30 June 2025), and that this Interim Management Committee be delegated the full functions and responsibilities of the LFRACoM.

Financial Information relating to Lake Fyans Recreational Area Committee of Management Incorporated

9.7.1 Balance sheet

	2025/26 $'000	2024/25 $'000
Current assets	2,077	1,923
Non-current assets	2,007	1,832
Total Assets	**4,084**	**3,755**
Current liabilities	83	51
Total Liabilities	**83**	**51**
Accumulated surplus/(deficit)	4,001	3,704
Total Equity	**4,001**	**3,704**

9.7.2 Operating statement

	2025/26 $'000	2024/25 $'000
Revenue		
Revenue from operating activities	429	569
Total Revenue	**429**	**569**
Expenses		
Expenses (net of bad debt recovery) from operating activities	(307)	(161)
Total Expenses	**(307)**	**(161)**
Total Profit (Loss)	**122**	**408**
Other Comprehensive Income	**175**	**-**
Total Comprehensive Result	**297**	**408**

9.8 Parent entity information – Grampians Wimmera Mallee Water Corporation

	2025/26 $'000	2024/25 $'000
Current assets	25,707	22,150
Non-current assets	2,934,605	2,341,517
Total assets	**2,960,312**	**2,363,667**
Current liabilities	42,869	50,287
Non-current liabilities	601,249	395,466
Total Liabilities	**644,118**	**445,753**
Contributed capital	1,319,624	1,292,673
Reserves	1,238,410	847,433
Accumulated surplus/(deficit)	(241,840)	(222,192)
Total Equity	**2,316,194**	**1,917,914**
Net result of the parent entity	**(19,912)**	**(19,711)**
Total comprehensive result of the parent	**371,329**	**(19,711)**

9.9 Australian Accounting Standards issued that are not yet effective

A number of new and amended Australian Accounting Standards and Interpretations have been issued by the Australian Accounting Standards Board ("AASB") but are not yet effective for the financial year ended 30 June 2026.

These Standards and Interpretations are required to be applied in future reporting periods and have not been early adopted by GWMWater.

AASB 18 Presentation and Disclosure in Financial Statements
AASB 18 replaces AASB 101 *Presentation of Financial Statements* to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

The key presentation and disclosure requirements established by AASB 18 is the presentation of newly defined subtotals in the statement of profit or loss.

AASB 18 requires an entity to:

- classify income and expenses into operating, investing, financing, income taxes and discontinued operations categories in the statement of profit or loss; and
- present two newly defined subtotals – operating profit and profit before financing and income taxes.

AASB 18 applies to annual reporting periods beginning on or after 1 January 2027 for for-profit entities and applies to annual reporting periods beginning on or after 1 January 2028 for not-for-profit entities. The one-year deferral allows the AASB to consult with stakeholders and consider potential modifications for not-for-profit public sector entities.

Based on information currently available, GWMWater is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of GWMWater's financial statements.

In addition to the new standards above, the AASB has issued a number of other amending standards that are not effective for the 2025-26 reporting period. These standards are not expected to have any significant impact on GWMWater and thus have not been included.

Financial statutory certificate for 2025-26

The attached financial statements for Grampians Wimmera Mallee Water Corporation (trading as GWMWater) have been prepared in accordance with section 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 further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Statement of Financial Position, Cash Flow Statement, Statement of Changes in Equity, and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and financial position of the Corporation at 30 June 2026.

As at the date of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 24 September 2026.



Caroline Welsh
Chair



Mark Williams
Managing Director
(Accountable Officer)



Sally Nagorcka
Executive Manager Strategic Planning and Performance
(Chief Financial Officer)

Dated this day 24 September 2026.

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Grampians Wimmera Mallee Water Corporation

Opinion

I have audited the consolidated financial report of Grampians Wimmera Mallee Water Corporation (the corporation) and its controlled entity (together the consolidated entity), which comprises the:

- consolidated statement of financial position as at 30 June 2026
- consolidated comprehensive operating statement for the year then ended
- consolidated cashflow statement for the year then ended
- consolidated statement of changes in equity for the year then ended
- notes to the financial statements, including material accounting policy information
- financial statutory certificate.

In my opinion, the consolidated financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the corporation as at 30 June 2026 and their 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 - Simplified Disclosures.

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 and the consolidated entity 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.

Board's responsibilities for the financial report

The Board is responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standards - Simplified Disclosures 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 the consolidated financial report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the Board is responsible for assessing the corporation and the consolidated entity'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.

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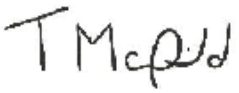
Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the consolidated financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial report.

As part of an audit in accordance with 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 consolidated 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 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 and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial report, including the disclosures, and whether the consolidated financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express and opinion on the consolidated financial report.

Auditor's responsibilities for the audit of the financial report (continued)	I remain responsible for the direction, supervision and performance of the audit of the corporation and the consolidated entity. I remain solely responsible for my audit opinion. 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
29 September 2026

Timothy Maxfield
as delegate for the Auditor-General of Victoria

Appendix

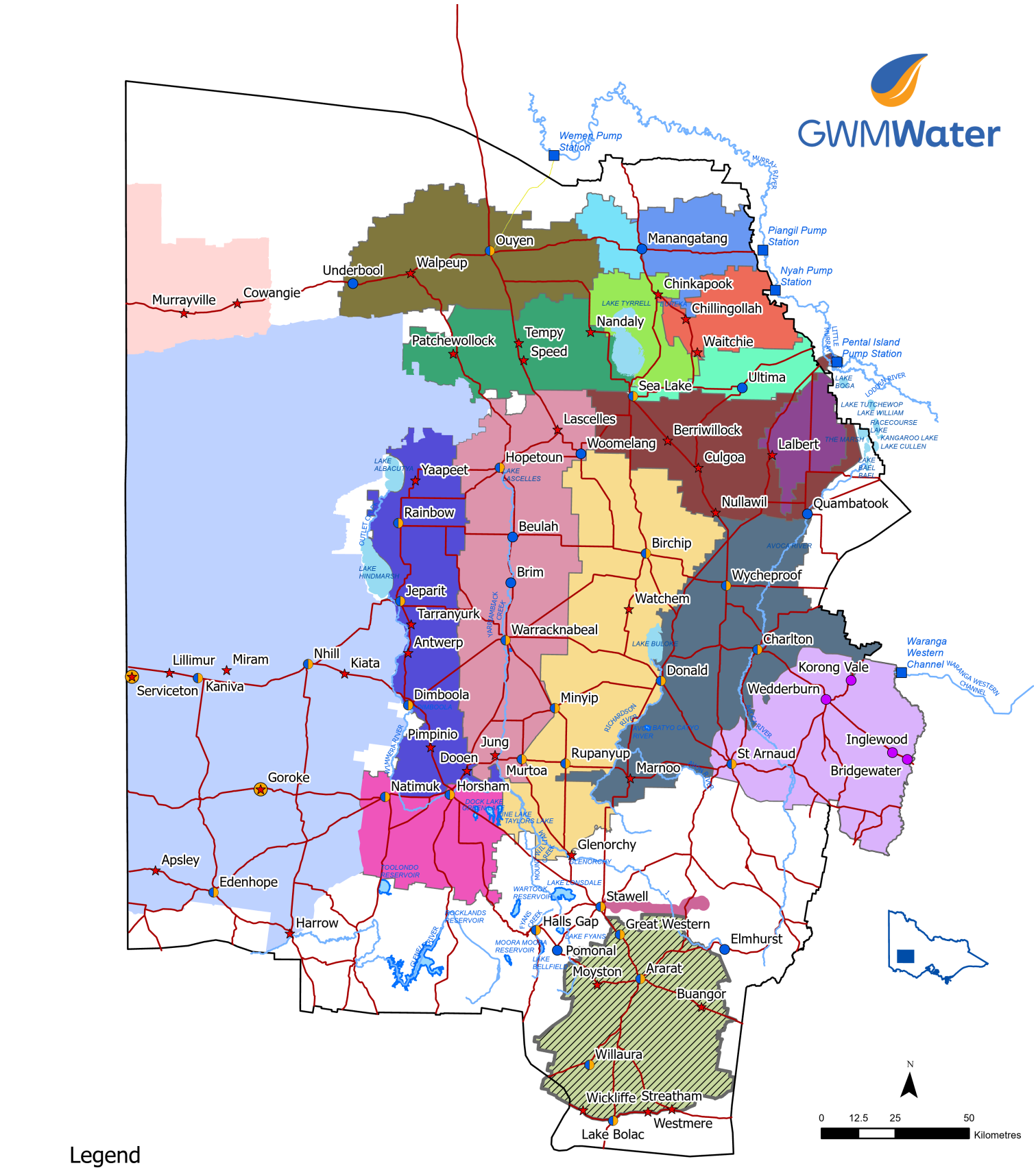
Disclosure index

The Annual Report of GWMWater has been prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Corporation's compliance with statutory disclosure requirements.

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Legend

- Drinking water services
- Drinking water with sewer services
- Non-drinking water services
- Non-drinking water with sewer services
- Extraction points/pump stations
- Cannie Ridge
- Eureka
- Manangatang North West
- Nyah
- Ouyen
- Piangil-Manangatang
- Speed-Patchewollock
- Supply System 1
- Supply System 2
- Supply System 3
- Supply System 4
- Supply System 5
- Supply System 6
- Swan Hill-Sea Lake
- Wemen (Liparoo)
- South West Loddon
- Landsborough pipeline
- East Grampians Pipeline Project/ Mininera Extension (subject to funding)
- Murrayville Groundwater Management Area (GMA)
- West Wimmera Groundwater Management Area (GMA)
- Towns supplied by Coliban Water
- GWMWater reserviors (Headworks)
- Major lakes
- Waterways
- Major roads

Front cover image:
Wooroonook Lakes by Julia Pearse, winner of GWMWater's 2026 Community Photo Competition.

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ISO 9001 Quality Management Systems CERTIFIED FS 763712
ISO 14001 Environmental Management CERTIFIED EMS 763716
ISO 45001 Occupational Health and Safety Management CERTIFIED OHS 763714

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