

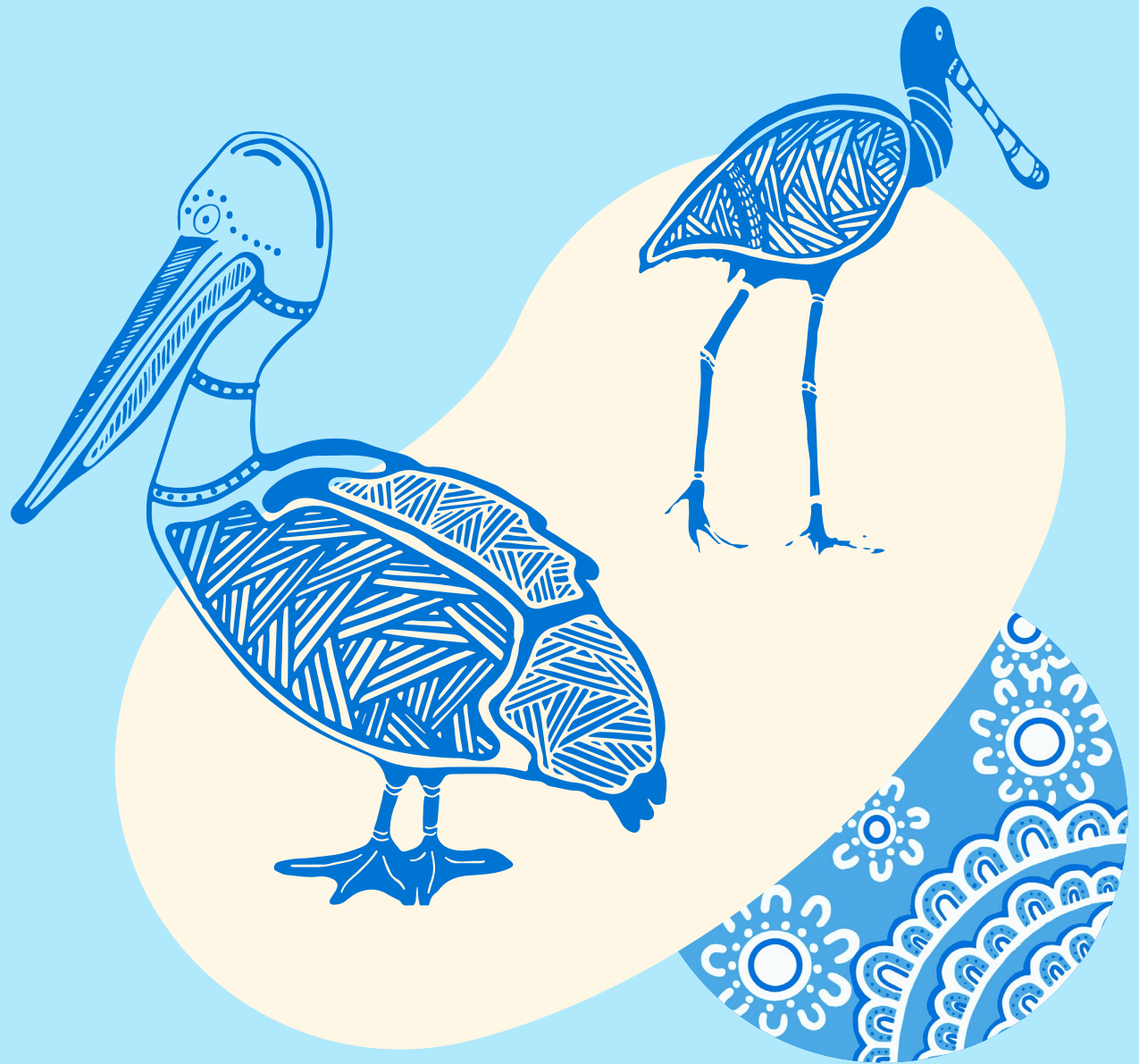


2026 Community Report

Acknowledgement of Country

We acknowledge the Traditional Owners of the land we work on, the Gunaikurnai people and the Bunurong people, and recognise their strong cultural connection to the land and waterways.

We pay our respect to their Elders, past and present.



A message from our Managing Director

It's a great pleasure to present our 2026 Community Report.

The past 12 months we've focused on turning commitments we made in our 2023 Price Submission into action, delivering practical improvements for customers now while investing in the infrastructure and services our growing region will rely on for decades to come.

We progressed several major projects to support growth, including the construction of a new 50ML water storage at Clarkes Road, Traralgon, early works on a new major pipeline between Traralgon and Glengarry and the upgrade of Warragul wastewater treatment plant. These projects will help ensure our communities continue to have reliable water and wastewater services as the region grows, catering for the decades ahead and providing greater resilience in our systems.

We also strengthened our ability to support communities during emergencies, including investing \$6.8 million in a fleet of generators to make our systems more resilient to significant storm events, at the same time creating revenue and reducing the demand on the state's energy supply at critical times. Our role in this has helped keep Gippsland's lights on.

Our Community Emergency Support Team was also launched, to provide on-the-ground expertise and support when communities need it most. This initiative reflects our commitment to being visible, accessible and responsive during emergencies, informed by insights from our customers about the support they value most.

We expanded our SMS notifications for service interruptions to include notifications for planned sewer works, provided face-to-face opportunities to engage and continued work to upgrade our customer facing digital services.

We achieved our milestone of being 100 per cent powered by renewable electricity, while improving efficiency and reducing water loss through detection programs. We also continued delivering our Climate Change Strategy through large-scale tree planning and the transition to low and zero emission vehicles.

We spent extra time with our customers to learn what's most important to our community to help inform and support our work for the next Price Submission and Urban Water Strategy.

Our Sounding Board, an opt-in group of customers and community members who have opportunities to engage and share their views with us, grew to over 800 members. This means approximately one

in every 125 customers has a direct opportunity to share their views and help inform our decisions.

Thank you to our customers, community members, Traditional Owners, partners and stakeholders for your ongoing support and feedback. Your input helps shape our services, guides our planning and ensures we continue delivering outcomes that matter most to our region.

Sarah Cumming,
Managing Director



A message from the Chair of our Customer Reference Group

The Customer Reference Group (CRG) plays a key role in keeping the voice of the community at the centre of Gippsland Water's work.

We're there to ensure customer needs and interests are central to decision making and confirm that engagement with the community is genuine, meaningful and transparent.

This year, our group became larger and even more diverse, as Gippsland Water recruited six new members. We represent a broad range of ages and stages of life, from young families through to retirees. We have diverse employment backgrounds, wide-ranging financial situations, and lived experience with disability. We have First Nations members, people who live in large towns and small, and people with specialist skills in water, wastewater and engagement.

The one thing we have in common? We all care about our community and representing you, the customer.

This year, we've been excited to see a strong focus on building the Sounding Board. The Sounding Board is a voluntary way for people to stay informed about opportunities to have a say. Over six months, participation in the Sounding Board grew by 91%, and we're confident this will lead to more people in our community stepping up to help shape decisions.

The timing couldn't be better, with Gippsland Water increasing their engagement efforts ahead of developing Urban Water Strategy 27 and Price Submission 2028. These two plans are critical for setting the direction for the future of water and wastewater in our region, and it's never been more important for customers to share what matters most to them.

The Customer Reference Group has already played a significant role in setting the engagement direction for these important plans. We actively participated in the co-design process, bringing our critical friend lens to challenge ideas and build the engagement strategy.

Throughout the year, we've continued to guide and consider how Gippsland Water is engaging, helping to mould their approach at each milestone of the process.

We also continued to review how the organisation is delivering on the commitments in its Price Submission 2023. They've stayed accountable to the targets they set, and the results are shared with you in this report.

Once again, I would like to thank the Customer Reference Group members who volunteer their time to serve this important role. Your contributions really do make a difference for our community.

And to our customers, if you'd like to have your say, sign up to the Sounding Board. You'll hear about opportunities to take part in future research and help shape decisions. It's your water, and your voice matters.

Diane Wilkinson,
Chair Customer Reference Group



About the Community Report

Our annual Community Report provides a snapshot of our performance over the last 12 months against the key promises and commitments we made in our Price Submission 2023.

Share your thoughts on our
Community Report:



You can find the detailed
performance report on our website:

www.gippswater.com.au/community-reports





Be affordable and fair

We promised to provide affordable and fair water and wastewater services for all our customers, industry and community, and to make more customers aware of the support we offer.

Be affordable and fair

Our performance

69%

of customers believe we provide value for money

74%

of customers are aware of the customer support we offer

100%

of customers notified within five business days of a detection of significantly high water use in a billing period

\$23.47 decrease in the cost to serve each customer

Offering customers support paying bills

We know some of our customers are really feeling the pinch from the rising cost of living. We want them to know we're here to help.

We've taken a proactive approach to supporting our customers experiencing difficulties paying their bills, reaching out to offer assistance and launching an awareness campaign that encourages them to contact us for help.

We helped 1,950 customers apply for assistance through the Department of Families, Fairness and Housing's Utility Relief Grant program. In total, \$668,305 of funding was approved to help customers pay their water bills through this program.

No customers in our Customer Care program had their water restricted.



This year, we delivered a decrease in the cost to serve our customers. The cost to serve each customer was \$0.55 below our Price Submission 2023 target. We've worked hard to achieve cost savings by finding efficiencies and controlling our operating expenditure. We also saw our connections grow, falling back in line with our projections. Delivering a decrease in this measure is a great result. It shows we found efficiencies despite facing increased costs for many of our essentials, including maintenance, chemicals, and waste transportation and disposal.

Be affordable and fair - Price Submission 2023 progress

Our promises

- ✓ **Review and update our Customer Charter**
- ✓ **Implement annual customer support awareness campaign**
- ✓ **Introduce New Customer Contribution charge to developers**
- 🔄 **Implement proactive training for staff with external facing roles to manage interactions with customers in hardship, domestic violence and distress**
- 🔄 **Develop and operate online financial support application**
- 🔄 **Implement a customer app for water usage and billing control**
- 🔄 **Renegotiate expiring customer contracts to fully cover the cost of serving them**

Quarterly billing

We're getting ready to make the switch to quarterly billing from 1 July 2027.

Right now, we bill customers every four months, or three times a year.

Customers have told us bill affordability is a top priority. From 1 July 2027, we'll bill customers every three months, spreading the annual cost over four bills instead of three. This change can help customers manage budgets and cash flow, making bills more manageable.

Bill payment will still be due within 28 days, and payment options won't change.



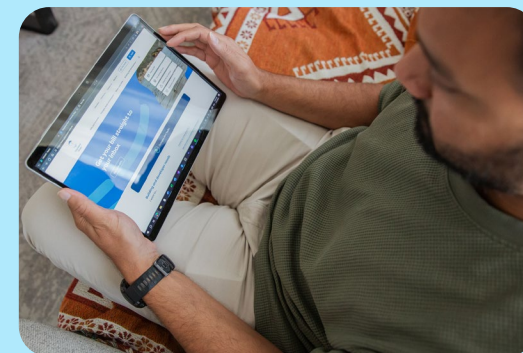
App for water usage and bill control

We've been busy behind the scenes working on a big upgrade to our online services that includes launching a mobile app.

This will help you take control of your bill. You'll be able to set up payment plans, check how much water you've used and get bill estimates.

Our new services will help you deal with us when and where you want. They'll also be more secure with the addition of two factor authentication.

The online services upgrade and customer app is on track for delivery before the end of the Price submission period.





Do your job well

We promised to provide safe, reliable water and wastewater services and keep customers informed when their services were affected.

Do your job well

Our performance

97%

of planned
interruptions
restored within
advised times

72%

of customers
believe we
keep them
informed when
their services
are interrupted

74mins

average time
to rectify a
sewer blockage

100%

sewer spills
inside a house
contained within
one hour

0

drinking water
samples not
compliant with
E.coli standards

Water and sewer main upgrades

We're constantly planning for the future and upgrading your water and wastewater services. Through our planned renewal program, we replace ageing water mains and upgrade sewer mains across our service area.

We replace water mains by installing a new water main in a similar alignment to the existing main. We then connect customers to the new main. We assess future demand to determine if larger pipes are needed to support town growth — avoiding unnecessary costs where possible. This year, we replaced 3.87km of water main.

We also clean and reline sewer mains to strengthen existing pipes, extend their lifespan, and improve service performance well into the future. This year, we relined 6.2km of sewer mains.



Backup power boost

We've invested \$6.8 million in a fleet of new generators to reduce interruptions to services during times of emergencies.

Extreme weather events in recent years highlighted the demand to invest in generators.

We will deploy 25 new generators to critical sites across the service area.

The sites have been selected based on the vulnerability of the surrounding electricity network and the number of customers connected, including a particular focus on sites in bushfire prone areas.



Do your job well - Price Submission 2023 progress

Our promises



Implement all recommendations from biannual safe water drinking audit



Wastewater treated for reuse or safely returned to the environment



Campaigns to raise awareness of SMS notification capability



Work with our sewer maintenance contractor to improve our response time to sewer spills and incidents



Annual air scouring program

Water main cleaning program

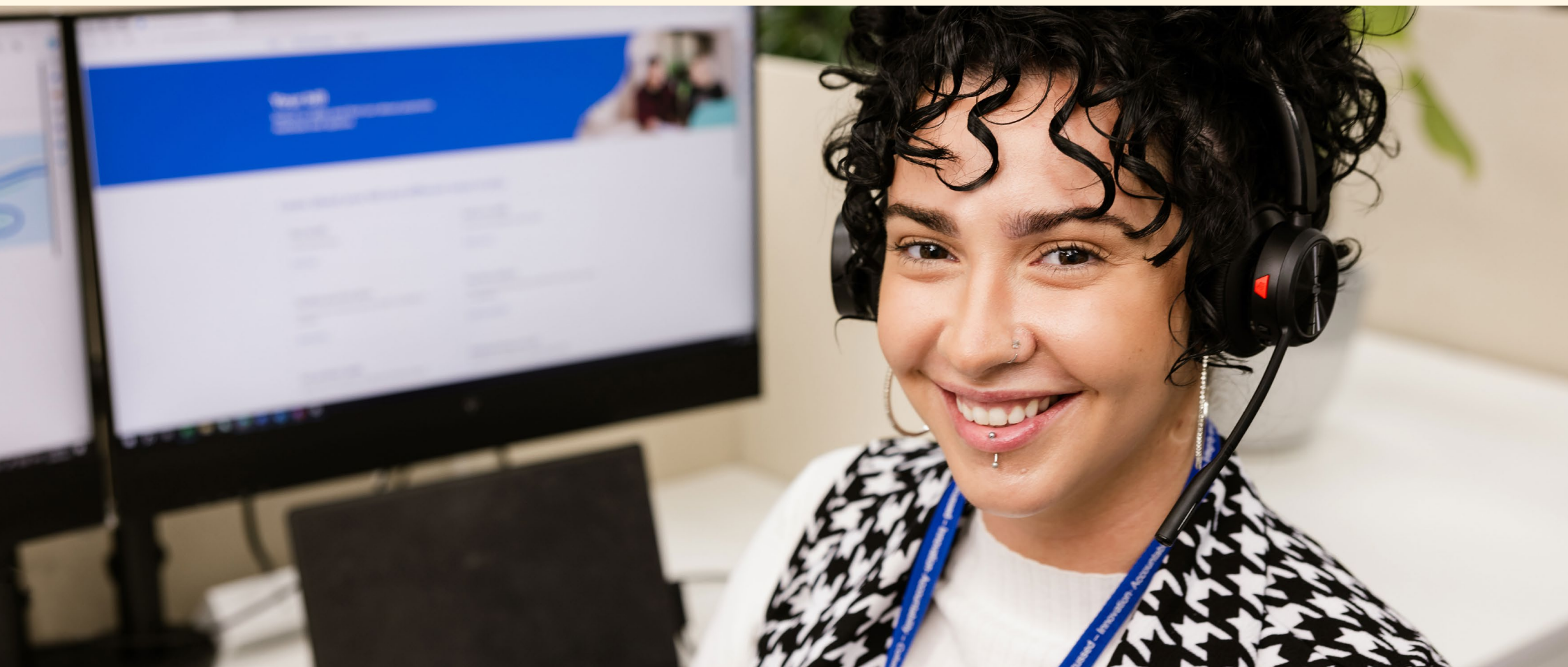
Since 2023, we've delivered an annual water main cleaning program to make sure the water that gets to your tap is clean and fresh.

Already, we've cleaned 95 km of water mains in Seaspray, Neerim South, Erica, Rawson, Heyfield, Mirboo North, and we're assessing a further 200 km of water mains for cleaning over the next two years.

We use a combination of techniques to clean the water mains that carry reticulated water to homes and businesses in the region including air scouring, swabbing and ice pigging.

Cleaning the water mains removes built up sediment and helps improve the taste and odour, maintaining the high-quality water produced from our water treatment plants.





Be easy to deal with

We promised to provide great customer service that resolves customers' issues and keeps them informed. We also promised to do more community education we provide on things that matter, like water conservation and environmental sustainability.

Be easy to deal with

Our performance

98%

customers received five days notice prior to a planned interruption taking place

98%

customers with their mobile number registered notified by SMS of an unplanned interruption

98%

customers who had contact with us in the past 12 months said we were easy to deal with

91.9%

account enquiries resolved at first point of contact

Face-to-face support

We gave customers more opportunities to connect with us in person through local pop-ups across our service area.

Our Customer Care team was on hand to answer questions about bills and offer support to those facing cost-of-living pressures. We helped with flexible payment plans, concessions, government assistance, and referrals to financial counsellors.

This is another way we're making it simpler to connect with us by offering face-to-face support when it's needed most.



New text notifications

We've listened to what our customers told us through our Price Submission 2023 and we're committed to keeping our community better informed about service disruptions.

Our customers now receive SMS notifications for planned sewer works that may impact their area, helping them stay informed and plan ahead.

These messages provide information about when the works are scheduled to take place and what to expect.



Be easy to deal with - Price Submission 2023 progress

Our promises

- ✓ **Implement community education and awareness campaigns that focus on water conservation, sustainability, wellbeing and hardship support**
- ✓ **Roll out SMS notification technology to notify customers of service interruptions**
- ✓ **We'll look to expand SMS notifications to include planned wastewater outages**
- ✓ **Implement live online outage tracker functionality for real time updates**
- ✓ **Introduce artificial intelligence translation service**

Help in your language

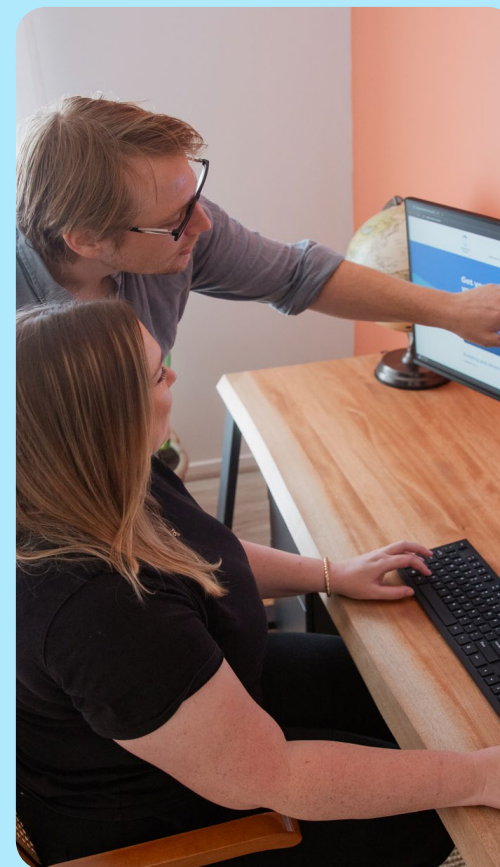
We're making it easier for customers from non-English speaking backgrounds to access the information they need in their language.

There's a dedicated section of our website where customers can get financial support and family violence information in the top five languages in our service area. Customers can also use the free telephone interpreter service.

We had planned to introduce an AI translation service on our website as part of our Price Submission 2023. Since then, browser-based tools have introduced standard translation services, enabling our customers to access information in their preferred language. This provided better value to our customers and at no additional cost.

Customers can already access website translation through standard browser-based tools, which provide a practical and widely available means of accessing information in their preferred language.

We'll also be further improving our web content to make it even easier for customers to get help in their language.





Be involved in the community

We promised to be a present, visible community partner and support our community in times of need.

Be involved in the community

>\$100,000

invested in programs that support the wellbeing of our communities including education campaigns, drinking fountains and sponsorship.

80%

of customers agree we make a positive contribution to our community.

68% of customers see us a valued member of the community.

We donated more than 2,300 rolls of toilet paper to Morwell Neighbourhood House Foodbank to support community members in need.



Encouraging healthy habits

As part of our Drink Gippy Tap campaign, we supplied active prize packs to help local kids stay hydrated and build healthy habits.

Each pack included a reusable stainless steel drink bottle, sticker sheet, and drawstring backpack.

We partnered with junior sports clubs to reward young athletes for personal bests, teamwork, or standout performances. The aim was to make hydration fun while promoting tap water.

They were a huge hit! 955 packs were given out to 100 sporting clubs.



Neighbourhood House support

A focus for our sponsorship efforts is helping people experiencing vulnerability.

We donated more than 2,300 rolls of toilet paper to the Morwell Neighbourhood House Foodbank.

We also donated \$500 to go towards personal care items. Our team also volunteered in their Foodbank and People's Kitchen helping get food and other essentials to those doing it tough in our community.

Our support of the Morwell Neighbourhood House ensure our community has access to life's basic essentials.



Be involved in the community

Sounding Board membership boosted

Our Sounding Board gives community members the opportunity to share what matters most to them.

Launched in 2023, the Sounding Board has played a key role in giving customer input into our website, water taste in Sale and quarterly performance feedback.

To boost numbers in our Sounding Board ahead of Price Submission 2028 engagement, we ran a competition to win \$1,000. Anyone who signed up or was already a member of the group before 30 June went into the draw.

The Sounding Board grew from 428 to 818 members.

Sounding Board members will now be given the opportunity to provide input on a range of projects, including the development of our Price Submission 2028 and Urban Water Strategy 2027.

And they'll continue to play a role in contributing customer feedback into other initiatives and projects into the future.



Be involved in the community - Price Submission 2023 progress

Our promises

- ✓ Establish a Community Investment Program to deliver education and awareness campaigns that focus on water conservation, sustainability, wellbeing and customer support; community sponsorship and public drinking fountains
- ✓ Develop an annual graduate program
- ✓ Develop an annual trainee program
- ✓ Deliver water and sustainability school education programs linked with curriculum
- ✓ Embed our Customer Reference Group into our planning processes on an ongoing basis
- ✓ Set up an Aboriginal employment pathways & retention program

Our promises

- ✓ Establish Community Sounding Board to inform and involve our planning and decision-making
- ✓ Work with Traditional Owners to deliver reticulated water infrastructure and fountains to the Knob Reserve
- ✓ Establish a Community Emergency Support Program to provide potable drinking water to emergency relief centres for our communities, when they need it

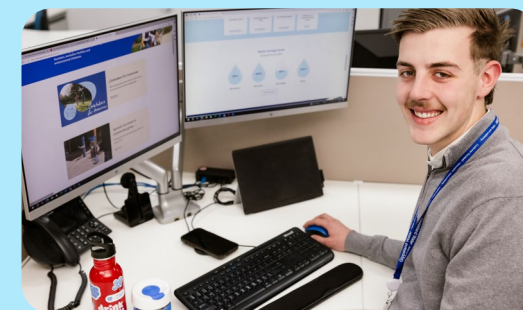


Investing in future talent

Our graduate program attracts, develops and supports emerging talent in engineering, corporate business and environmental science.

The structured two-year program provides graduates with hands on experience across a range of business areas, giving them the opportunity to contribute to meaningful projects while developing practical skills and gaining industry knowledge.

The program has welcomed 10 graduates since July 2023, with the majority transitioning into permanent positions with us upon completion. Reflecting our commitment to developing future talent and creating long-term career opportunities within our organisation.



Be involved in the community - Price Submission 2023 progress

Emergency support team launched

We've launched our new Community Emergency Support Team to provide on-the-ground assistance during emergencies such as bushfires, floods, storms and extended power outages.

The team will help communities access safe drinking water and receive timely advice and updates during emergency events.

This initiative was developed in response to customer feedback during the development of our Price Submission 2023.

The additional capacity means we can have people on the ground supporting communities in times of emergency, while key operational staff remain focused on getting taps running and toilets flushing as quickly as possible.



Customer Reference Group grows

We welcomed six new members to our Customer Reference Group.

The new members increase diversity of the group including representation of customers experiencing vulnerability, First Nations communities, a broad range of ages and locations, financial situations, and lived experiences.

The Customer Reference Group is involved in activities including designing engagement strategies and making sure we're fair in reporting performance.

The diversity of the new members will strengthen the group's ability to ensure that customer priorities, concerns and expectations are understood in decisions, pricing and plans for the future.



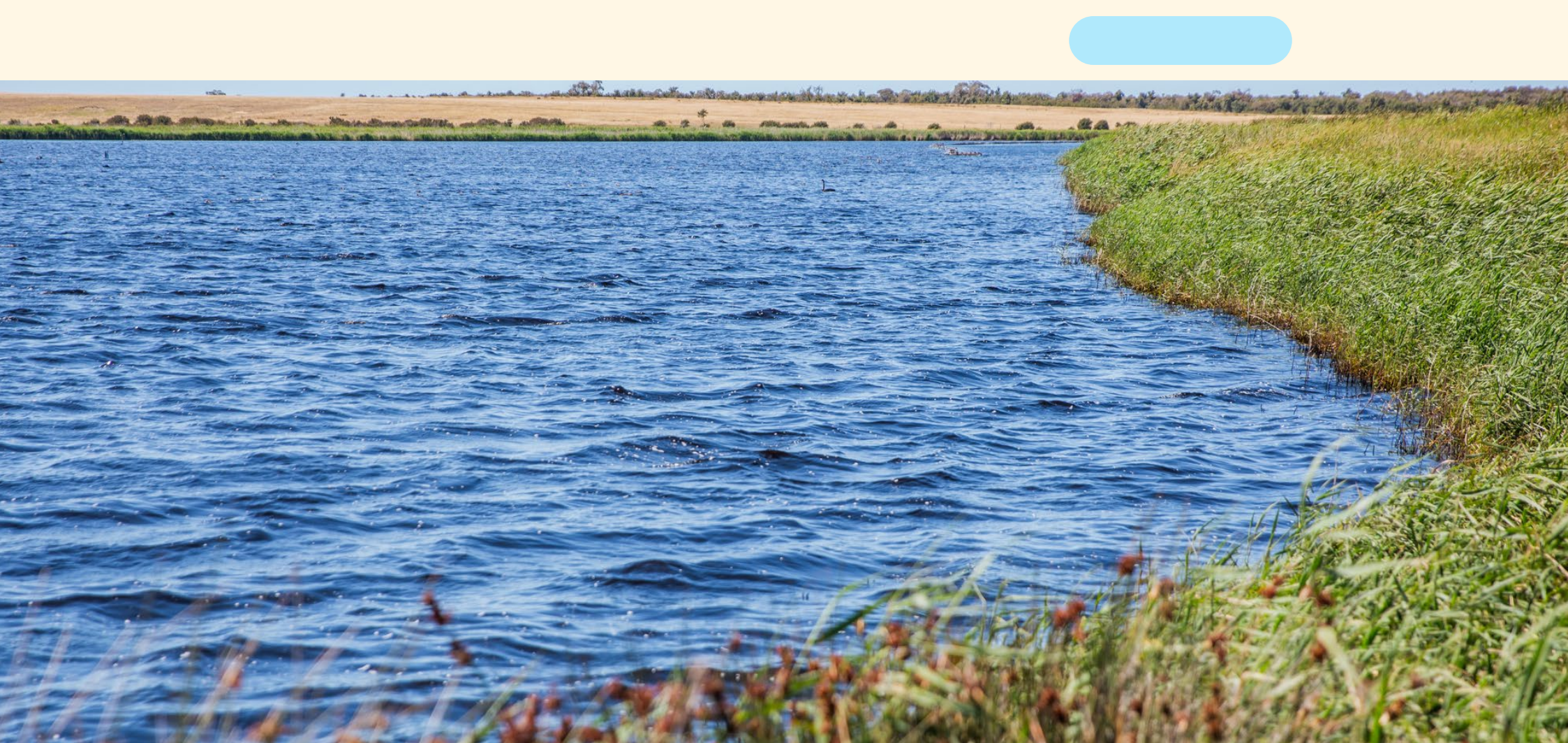
Aboriginal pathways to employment

Our Aboriginal employment pathways creates opportunities for local Aboriginal people to build meaningful long-term careers in Gippsland.

Xavier began his career in our Environment and Healthy Country team as our first participant of the school-based apprenticeship and traineeship (SBAT) program. Through the program, he is gaining valuable hands on industry experience while completing a nationally recognised qualification in Certificate III in Conservation and Ecosystem Management, alongside his Vocational Major studies at Kurnai College.

Through his experience with us, Xavier has developed greater independence and valuable life skills, including balancing competing priorities and managing his time effectively.





Be environmentally responsible

We promised to provide our services to the community with minimal environmental impact and where possible, make our natural assets available for the community to enjoy.

Be environmentally responsible

Our performance

100% biosolids reused

80% emissions reduction compared to baseline of 42,021 tonnes CO₂ emissions

100% total electricity from renewable sources

We're working towards net zero carbon emissions



Schools save water and reduce costs

We're encouraging local schools to take advantage of a water monitoring program that can help reduce water loss and cut costs.

The Schools Water Efficiency Program is a Victorian State Government initiative that support schools to track water use and detect issues through digital metering technology.

Real time data helps schools spot problems early and avoid unnecessary water costs.

The program is free to join and delivered by the Department of Energy, Environment and Climate Action (DEECA) in partnership with the Department of Education.



100% renewable electricity

We've achieved the target of being powered by 100 per cent renewable electricity by 2025.

The goal was met with a mix of solar, hydroelectric and biogas energy generation, as well as purchased green power.

The transition to renewable energy was a critical step for us on the way to achieving net zero emissions by 2030.

We have continued to develop renewable energy infrastructure, planted hundreds of hectares of native trees to remove carbon from the atmosphere and begun to replace fleet with low and zero emission vehicles.



Be environmentally responsible - Price Submission 2023 progress

Our promises



15% of renewable energy generated by our infrastructure



Take a long-term planning view of climate change, climate resilience and environmental sustainability



Update and deliver our Climate Change Strategy



Implement our Water Leakage and Loss Program



Achieve our non-revenue water loss reduction targets



60,000T carbon captured through offset tree planting



Produce at least 30k tonnes of Australian Standard certified compost per year

Looking for leaks in Warragul and Drouin

We completed a major water leak monitoring program where we inspected 425km of water main across Warragul and Drouin.

We found and repaired 99 network leaks.

We also found 29 customer leaks that we notified them about.

What we've learnt from this program will help us better manage leaks across our entire service area into the future.

Water is precious. With drier conditions predicted, it's important we do everything we can to not waste a drop.



Self generated renewable energy

We've reduced our energy consumption and made substantial savings in energy costs.

We had set a goal to achieve 30% of renewable energy generated by our infrastructure in our Price Submission 2023 based on estimations that this would reduce our energy consumption by 2.5GWh and save \$297,000 each year.

Due to changing market conditions, these forecasts were not accurate. This year, we almost doubled the projected energy savings to 4-5GWh and saved \$1 million with 17% renewable energy generated by our infrastructure.

We're now aiming for 15% of renewable energy generated by our infrastructure because this delivers the best value for our customers.

Changing this target also results in further capital investment savings of \$1.9 million. We'll only invest in renewable projects that will result in overall cost savings.



Be environmentally responsible - Price Submission 2023 progress

Delivering our Climate Change Strategy

Our Climate Change Strategy outlines how we'll achieve ambitious net zero targets and manage the impacts of climate change. It focuses on renewable energy investment, environmental stewardship and infrastructure upgrades to increase resilience.

We continued delivering actions to reduce emissions, strengthen climate resilience and protect the natural environment. Climate change considerations were further embedded into our major capital project planning through updated assessment tools and new climate risk processes, helping ensure infrastructure is designed to withstand future conditions.

We progressed our net zero emissions commitment through the transition to 100% renewable electricity and work to secure high-integrity Victorian carbon credits for residual emissions.

Environmental resilience initiatives were also advanced across the region, including catchment planning, revegetation around Blue Rock Lake and threatened species restoration at Dutson Downs.





Plan for the future

We promised to provide a secure and reliable water supply today, and resilient water and wastewater services for the future.

Plan for the future

Our performance

39%

customers believe
we plan for
the future

Briagolong digital meter trial

We're trialling digital meters with our customers in Briagolong. A commitment in our Price Submission 2023, the trial will help us understand how the technology can improve services for our customers and support a more efficient water network.

Digital meters provide regular water use readings, giving us greater visibility of what's happening across the network. This enables us identify leaks early, minimise larger breaks and reduce service interruptions.

The trial will help us make informed decisions on using digital metering more broadly throughout our service area in the future.

Preparing our Price Submission 2028

We've been engaging with our customers, stakeholders and Rights Holders as we develop two of our most important plans for the future - our Price Submission 2028 and Urban Water Strategy 2027.

This year, we've been busy getting out and about to hear from the wider community, checking in on what matters most about our services, pricing and priorities.

Later this year, we'll be diving deeper with customers in our People's Panel.

Our core challenge: How can we balance the services our community needs, now and into the future, while keeping bills fair?

We'll be understanding options, testing trade-offs and working through the choices together. The insights and recommendations from the panel will shape our direction for the next five years.



Urban Water Strategy 2027

We're in the middle of preparing our Urban Water Strategy 2027.

The Urban Water Strategy is our long-term plan to secure water and sewer system capacity for the next 50 years. It outlines how we'll respond to challenges like population growth, climate change and droughts.

The strategy gives an overview of the capacity of our water supply and wastewater systems now, and into the future, compared with our expected demand for these services. This allows us to take action to ensure the ongoing reliability of our water and wastewater services.

The Urban Water Strategy takes a long term view with a flexible approach, so it can be adapted to ensure we manage risks to service delivery and take action at the right time.



Plan for the future - Price Submission 2023 progress

Our promises



Purchase bulk water entitlement in Yarra-Thomson pool



Secure strategic land for future upgrades and Gippsland Water infrastructure



Develop and implement our Urban Water Strategy 2027



Progress the Morwell/Traralgon water system master plan projects for Price Submission 2023, including staging projects for 2028 and beyond



Implement our Urban Water Strategy



Deliver the Energy Management Strategy

Our promises



Update promotional materials to support business and residential growth in Gippsland annually



Develop and deliver a staged upgrade plan for the Warragul wastewater treatment plant to provide for future growth



Managing our energy needs

Our Energy Management Strategy combines a mix of energy generation assets to reduce electricity costs and emissions while maintaining a reliable and affordable service to our customers.

We continue to deliver a range of initiatives that form part of a holistic and integrated approach to influencing the drivers of energy costs in our business.

Next year, we'll invest in new solar systems at Morwell Wastewater Treatment Plant and Gippsland Regional Organics, as well as upgrade the Pine Gully hydro generator. These projects will increase the amount of renewable energy we generate and create opportunities to store excess renewable energy for future use.



Plan for the future - Price Submission 2023 progress

Major projects we're tackling over the next two years

We're strengthening our network for the future with a series of upgrades, renewals and new asset infrastructure projects.

In Latrobe, we've been busy future-proofing the water supply networks and facilities for Morwell, Traralgon and surrounding towns with three big projects. We've:

- Finished building a new 50ML water storage basin at Clarkes Road, Traralgon.
- Started works on a new major water pipeline between Traralgon and Glengarry.
- Started works on a new major water pipeline on the western side of Traralgon as stage one of a future connection between the Traralgon and Morwell water networks.

In Baw Baw, we've:

- Started upgrades to the Warragul wastewater treatment plant to cater for the growing town's needs and increased volumes of wastewater.

- Replaced a section of the sewer main in the north-east of Warragul to allow for growth.
- Planned and progressed building a new major water main in the north-west of Drouin to make sure there's ample water supply well into the future.

In Wellington, we've:

- Progressed an 18.4km replacement of the 54km Saline Wastewater Outfall Pipeline (SWOP) – essential infrastructure for the Victorian power industry.

And we've:

- Nearly completed replacing our Supervisory Control and Data Acquisition (SCADA) system – our key interface between our physical assets and team members.





Gippsland Water

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