



The challenge ahead

Our customers rely on us to provide safe drinking water, treat wastewater, protect the environment and support the communities and industries that depend on our services.

At the same time, the world around us is changing and the decisions we make today will influence the services we can provide tomorrow.

Many of the decisions we face involve balancing customer outcomes, long-term values and affordability.

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

The challenges we're facing

We're planning for a future that is becoming increasingly complex. The challenges we're facing include:

- Affordability
- Climate change
- Ageing infrastructure
- Regional economic transition
- Digitisation
- Long-term financial sustainability

These challenges influence how we plan for the future, what we prioritise and how we balance affordability with future investment.

Affordability

Our customers expect water and wastewater services to remain affordable and reliable. Across our region, households are experiencing ongoing cost-of-living pressures and more customers are seeking support to pay their bills.

We're facing higher operating costs, including increases in electricity, chemicals and treatment supplies.

We carefully manage our costs and operations so we can continue providing essential services at a fair price.

Climate change

The climate is becoming drier and more variable, creating new challenges for our water and wastewater services.

Extended dry periods can place pressure on water resources, increase demand for water and increase the risk of damage to our infrastructure. While at the same time, we're seeing an increase in extreme weather, including wind, rain and storm events that can affect treatment processes and overwhelm systems[SC1] despite being built to contemporary design standards.

Ensuring our systems are reliable and resilient to a changing climate is a priority.

Case study: Powering through the storm to keep services flowing

In September 2024 our region was hit with wind gusts of 150km per hour. This extreme event brought trees and debris crashing down and damaged properties, blocked roads and cut power to thousands.

At the peak of the storm we lost power to:

- 50+ sewer pump stations, water pump stations and storages
- Seven water treatment plants
- Two wastewater treatment plants

Losing power to our sites can quickly become a public health risk so our teams mobilised quickly and worked with our service partners to deploy 15 portable generators and five eductor trucks.

These were constantly relocated across the region, where they were needed most.

We applied learnings we'd made from a similar event in Mirboo North in 2024.

Our quick and effective response ensured that no town lost access to water.

Ageing infrastructure

Much of our infrastructure has been in operation for many decades.

We must maintain, renew and upgrade ageing assets to continue providing safe and reliable services. We use a risk-based approach to prioritise investment where it's most needed, focusing on assets that are critical to service delivery and community wellbeing.

Our infrastructure must be able to adapt to changing customer needs and support future growth across the region.

Regional economic transition

We are Victoria's major industrial water and wastewater service provider.

For decades we've supported the state's biggest water consumers in critical industries.

Our network was built to support major industry and residential customers. Without these large users, the infrastructure could become under-utilised but still require maintenance and renewals, which comes with a cost.

Historically, major industrial customers have helped funded these costs. As some traditional industries reduce or cease operations, there is a risk that fewer customers will be contributing to the costs of maintaining and renewing this existing infrastructure.

That's why we're exploring opportunities to support new water-reliant industries in the region.

Attracting new customers could help make better use of existing infrastructure, spread costs across a broader customer base, and help reduce pressure on residential customers.

Digitisation

Customers expect to access services and information online.

We're investing in digital technologies and systems that improve customer experiences, strengthen reliability and help us respond to disruptions and emergencies.

Long-term financial sustainability

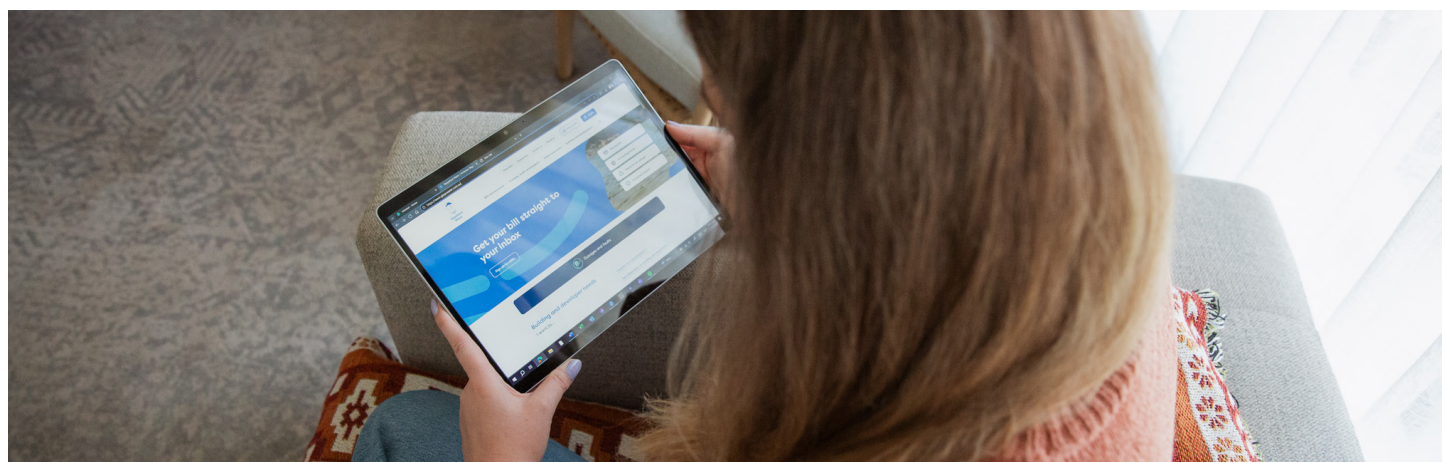
To continue providing the services our communities rely on, we must balance rising costs, ageing infrastructure, climate impacts and changing industry demands.

Our focus is on investing wisely, operating efficiently and understanding what our customers value most.

Understanding what matters to our customers will help guide future decisions about investment, services and affordability.

Data centres

Find out more about how we could support data centres: www.gippswater.com.au/datacentres



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