

Gippsland Water

Corporate Plan

2026 – 2031

We acknowledge the Traditional Owners of the Gippsland Water area, 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



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Message from the Chair and Managing Director

We're pleased to present our annual Corporate Plan for 2026-27 on behalf of our Board, Executive Leadership Team and our entire organisation.

This plan reflects our strategic priorities for the year ahead, our response to current and emerging risks, and our commitment to meeting our legislative obligations, while supporting the long-term interests of our customers, community and region.

Over the year ahead, we will focus on:

Supporting major industry and regional transition

As the State's major industrial water supplier, we play a key role in supporting economic transition in the Gippsland region. While some traditional industries wind down, there is significant opportunity to enable new and emerging industries, such as food manufacturing, dairy and data centres, that will support a resilient and dynamic regional economy.

The Latrobe Valley's unique composition of significant water resources and established large scale infrastructure for both water and waste treatment, combined with the region's energy assets and appropriately zoned land, positions it as highly attractive for strategic investment.

We'll continue to work proactively with government and industry to facilitate investment to deliver sustainable growth and diversification of our economic base.

Engaging with our customers and the community to ensure our services remain accessible and aligned with their needs.

This year we will undertake intensive customer and stakeholder engagement to help inform our 2028 Price Submission and 2027 Urban Water Strategy. Customers and the wider community will have multiple opportunities to share what is important to them and ensure our priorities align.

The final stages of the online services upgrade, including the launch of the customer app, is underway to make services more accessible for customers in ways that work for them.

Recognising Aboriginal values and self determination

Our work with the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) to explore alternative flow sharing rules in the Merriman Creek catchment will continue, with the view to provide a permanent allocation to GLaWAC for self-determined purposes.

Traditional Owners will have dedicated and culturally appropriate opportunities to engage with us as part of our 2028 Price Submission and 2027 Urban Water Strategy.

The ongoing work to uplift recreational facilities at the Moondarra Reservoir will continue with an extended path network and landscaping to be designed and delivered by local Aboriginal owned businesses.

Always prioritising safety

Safety is fundamental to everything we do and how we lead our organisation. We are continuously working to create a culture where every person goes home safe, every day, and where safety is actively lead, openly discussed and continuously improved.

Our focus will be on managing our most significant risks through reviewing and improving our critical controls, with a clear focus on preventing serious injuries and harm. We are looking for consistency in application across our diverse workplace, supported by strong leadership and accountability at every level.

Strengthening system resilience for our current and future customers

This year, we'll deliver almost $100 million in major projects that improve reliability and

support growth across our region.

In the Latrobe Valley, we will increase capacity and reliability for customers with a new treated water basin at Clarkes Road in Traralgon and commence construction on the Traralgon Tyers interconnect.

In Baw Baw shire, one of Australia's fastest growing municipalities, we'll upgrade Warragul wastewater treatment plant to cater for growth well in the future.

We'll also deliver the Drouin West water main extension to strengthen capacity and reliability of water supply for the town.

Other major projects include the Saline Waste Outfall Pipeline and the sewer pump station and rising main upgrade at Factory Road in Yarragon.

In summary, this year our focus will be delivering on significant commitments we made in our 2023 Price Submission while strengthening our core business and preparing for our next five-year pricing cycle.





Tom Mollenkopf AO
Board Chair

Sarah Cumming
Managing Director

About this Plan

Our Corporate Plan provides clear direction for how we will deliver essential water and wastewater services to our customers, enhance the resilience of our systems, and maintain strong financial management now and into the future. In line with section 247 of the *Water Act 1989*, this document sets out our priorities for the year ahead and outlines our longer-term goals over the next five years. It also outlines how we will work to achieve the priorities of the Hon. Harriet Shing MP, Minister for Water as outlined in the Letter of Expectations received on 11 April 2024, which include:

- Climate change and energy
- Customer, community and engagement
- Recognise Traditional Owner values
- Recognise recreational values
- Resilient and liveable cities and towns
- Leadership, diversity and culture
- Performance and financial management

Our Corporate Plan also includes the additional areas of Ministerial interest:

- The Victorian Housing Statement
- Protecting customer data and safeguarding vulnerable customers, including those affected by family violence
- Strengthening cyber security to protect our systems and services

Impact of Global Geopolitical Events

Our Corporate Plan was developed prior to the escalation of conflict in the Middle East and therefore does not explicitly incorporate the potential cost pressures and operational risks that may arise from this event. The conflict presents emerging risks to financial performance through global supply chain disruption and commodity price volatility, including increases in fuel and chemical costs, plastic prices affecting maintenance and capital programs, logistics related costs and availability, and fertiliser pricing. Given the uncertainty regarding the duration and severity of these impacts, and whether they will extend into the 2026–27 financial year, these risks have not been directly factored into the Plan's cost assumptions. However, additional cash holdings and borrowing capacity have been included to maintain liquidity and ensure we can meet our obligations should these risks materialise. As impacts become clearer, the business-wide financial implications will be assessed and incorporated through the quarterly forecasting and reporting process.

About us

At the core of our business is the provision of essential water and wastewater services. We exist to support the lives of the communities we serve. Through our investments and infrastructure, local employment, and community support programs, we are an essential part of Gippsland. We are advocates for our region and care for this community and our environment.

Our business objectives

Central Gippsland Region Water Corporation, or Gippsland Water, is a statutory body operating as a Victorian state-owned water business. Our statutory responsibilities are set out in the *Water Act 1989 (Vic)*. We carry out the following functions, having regard for sustainable management principles.

Water supply

- Provide, manage, operate, and protect water supply systems, including the collection, storage, treatment, transfer, and distribution of water.
- Identify community needs relating to water supply and plan for the future needs of our community relating to water supply.
- Develop and implement programs for the conservation and efficient use of water.
- Investigate, promote, and conduct research into any matter related to our functions, powers, and duties in relation to water supply.
- Educate the public about any aspect of water supply.

Wastewater

- Provide, manage, and operate systems for the conveyance, treatment and disposal of sewage and trade waste.
- Identify community needs relating to sewerage services and prepare for the community's future sewerage service needs.
- Develop and implement programs for the recycling and reuse of treated wastewater.
- Investigate, promote, and conduct research into any matter which relates to our functions, powers, and duties in relation to sewerage services.
- Educate the public about any aspect of sewerage.

Organics and Agribusiness

- Receive up to 250,000 tonnes per annum of organic waste and produce AS4454 compliant compost
- Contribute to the state's agricultural industry and organic recycling capacity as a leader in the circular economy.
- Contribute to the State Government's goals for emissions reductions and redirection of organic wastes from landfill

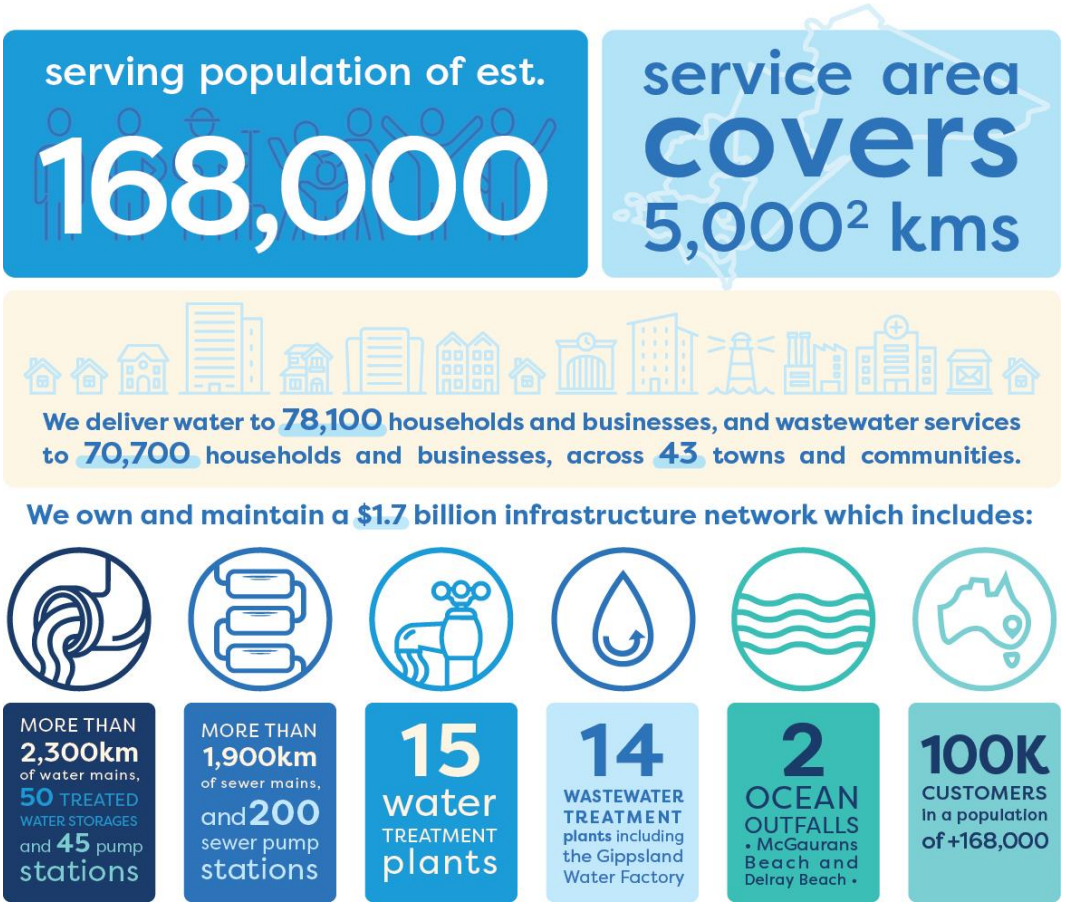
Our region

We support a population of over 168,000 people with essential water and wastewater service. Operating across an area of more than 5,000 km² in central Gippsland, we service 43 towns extending from Drouin in the west to Loch Sport in the east, and from Mirboo North in the south to Rawson and Briagolong in the north.

We deliver water to 78,100 households and businesses, drawing supply from aquifers, rivers, creeks and reservoirs, including our largest storage, Moondarra Reservoir near Erica, as well as Blue Rock Dam and Lake Glenmaggie (managed by Southern Rural Water) and the Tarago Reservoir (managed by Melbourne Water). We supply wastewater services to all major towns and many communities.

Our region includes major industrial customers of state and national significance, including key facilities involved in electricity generation in the Latrobe Valley, alongside major agriculture, manufacturing and food processing industries.

We also operate in a landscape that contains some of Victoria's most important waterways and wetlands, including the river systems and catchments that feed our reservoirs and treatment systems, and the internationally recognised Gippsland Lakes Ramsar site—a high-value system of coastal lagoons and marshes renowned for threatened species, migratory waterbirds and diverse habitats. We work closely with Traditional Owners to protect these and other areas of cultural and ecological significance.




Gippsland Water Service Area
MOUNT BULLER
LICOLA
Thomson River
Aberfeldy River
Thomson Reservoir
Loch River
Tarronga River
MT. BAWBAW
MT. ERICA
NOOJEE
BRIAGALONG
BOISDALE
COONGULLA
GLENMAGGIE
Lake Glenmaggie
Macalister River
Avon River
LAKES ENTRANCE
PAYNESVILLE
RAWSON
ERICA
HEYFIELD
MAFFRA
STRATFORD
Latrobe River
Tarago Reservoir
NEERIM SOUTH
Tanjil River
Tyers River
COWWARR
Thomson River
Avon River
Lake Victoria
LOCH SPORT
Tarago River
ROKEBY
Blue Rock Lake
WILLOW GROVE
Moondarra Reservoir
TOONGABBIE
Lake Wellington
BULN BULN
FULHAM
SALE
WURRUK
DROUIN
YALLOURN NTH
GLENGARRY
Lake Narracan
TYERS
ROSEDALE
Lake Coleman
WARRAGUL
NILMA
MOE
NEWBOROUGH
TRARALGON
DARNUM
TRAFALGAR
YARRAGON
MORWELL
GOLDEN BEACH
DUTSON DOWNS
Merriman's Creek
Flynn's Creek
THORPDALE
HAZELWOOD NTH
CHURCHILL
TRARALGON STH
Morwell River
Traralgon Creek
YINNAR
JUMBUK
HONEYSUCKLES
SEASPRAY
BASS STRAIGHT
MELBOURNE
BOOLARRA
MIRBOO NTH
LEONGATHA
WILSONS PROMONTORY
INVERLOCH
Australia
Victoria
Gippsland

Our strategic framework

Our 2050 Vision

Our 2050 Vision articulates a future where responsible water management is harmoniously integrated to support the wellbeing of our people, Country and economy. It outlines our aspirations for water security, service delivery, environmental stewardship and community prosperity. To arrive at this state, there are many important actions and capabilities we need to focus on now, and so our 2050 Vision aligns closely with our Values, Drivers and Priorities.

Smart service delivery

Digital innovation and smart technology promote consolidation and integration of water and waste networks.

Affordable & secure water

Clever water solutions address ongoing water resource security, affordability and liveability challenges.

Water for a better environment

Water, waste and energy management deliver a cleaner greener environment.

Sustainable & prosperous region

Sustainable water and wastewater solutions are delivered to a growing region while keeping bills affordable.

Our Strategic Drivers

Our vision

We take pride in partnering with the community in providing quality water and waste services so we can enjoy a healthy and sustainable Gippsland for generations to come.

Healthy Country

We will operate responsibly to enable a healthy Country, minimise our impact on the environment, and work in partnership with our Aboriginal community to increase access to Country.

Climate preparedness

We will plan for the long term to ensure our water supply and treatment network is resilient to climate change, rainfall variability and climate events.

Affordable bills

We will ensure our customers pay a fair price for water and waste water services, which reflects the cost to efficiently provide services to the standards our customers expect.

Future solutions

We will transform the way we do business to improve our customer and employee experience through the delivery of innovative ideas and smart technology.

Our Values

Safety and wellbeing

'Go home safe'

The safety and wellbeing of our employees and community is our priority.

Customer focused

'Customer first'

Customers are at the heart of everything we do.

Accountability

'Make it happen'

We each take ownership and deliver on what we say.

Collaboration

'Working together'

We work in partnership with our colleagues, customers, and stakeholders.

Innovation

'Clever solutions'

We challenge our thinking, learn and embrace change.

Integrity and respect

'Treat others as we wish to be treated'

We are transparent, honest and inclusive, and treat people fairly.

Our priorities for 2026-2027

Strategic Priorities

Our Strategic Priorities represent the highest order initiatives that drive and enhance the long-term capability and sustainability of our business. They are informed by the customer values identified through our Price Submission engagement process. These are continually tested and refined through customer surveys and our Customer Reference Group to ensure we understand current customer sentiment.

The Strategic Priorities are built around our four Strategic Drivers and are reviewed annually to ensure alignment with:

- Our obligations to the Victorian Government
- Emerging strategic challenges
- Key organisational risks

Our Corporate Plan translates these Strategic Priorities into practical, year-by-year objectives and actions. Each year, we:

- Refresh departmental business plans and budgets
- Align individual performance goals
- Assess new investment proposals through the Capital Review Committee
- Evaluate additional expenditure requests through the Operational Efficiency Committee, ensuring value for our customers
- Ensure the efficient delivery of Strategic Priorities through linked financial, risk and technology planning.

Our Strategic Priorities



Affordable bills

Affordable bills

We will ensure our customers pay a fair price for water and wastewater services, which reflects the cost to efficiently provide services to the standard our customers expect.

We will pursue ideas to help customers manage and reduce their water bills and find efficiencies that help put downward pressure on customer bills. In addition, we will ensure that big customers cover their costs and developers cover the costs of new connections.

- Deliver our Top 10 projects
- Develop our 2028-2033 Price Submission
- Deliver the 2028-2033 Price Submission Capital Plan
- Transition to quarterly billing
- Deliver a new finance system
- Deliver a new Enterprise Project Management tool
- Reduce over 90-day debt
- Develop and implement an efficiency strategy



Climate preparedness

Climate preparedness

We will plan for the long term to ensure our water supply and treatment network is resilient to climate change, rainfall variability and climate events.

Our investment in emissions reductions will be sustainable and the best possible allocation of our available resources towards the best economic, social and environmental outcomes for now, and our future generations.

- Deliver zero emissions climate change adaptation pledge by 2030
- Deliver climate adaptation actions within our Climate Change Strategy



Healthy Country

Healthy Country

We will operate responsibly to support a Healthy Country, minimise our impact on the environment and work in partnership with the Aboriginal community to increase access to Country.

- Deliver our Healthy Country Plan
- Develop and implement our Urban Water Strategy 2027
- Explore alternative flow sharing arrangements for the Merriman Creek Bulk Entitlement
- Complete a feasibility study on alternate organics treatment technologies



Future solutions

Future solutions

We will transform the way we do business to improve our customer and employee experience through the delivery of innovative ideas and smart technology.

- Deliver a new human resource system
- Implement a Cyber Security- Identity and Access Management Framework
- Enhance our cyber crisis readiness
- Assess our future technological landscape
- Progress our AI enablement road map
- Implement a centralised procurement model
- Embed safety leadership and risk control maturity
- Deliver a new procurement system
- Deliver our Corporate Systems Enterprise Program

The challenges ahead

Current and emerging challenges across our operating environment continue to shape the way we plan, invest, and deliver services for our community. We are well positioned to play a leading role in building regional resilience. This requires continued focus on environmental, social and governance considerations and a willingness to innovate in the face of uncertainty. The following challenges will influence our priorities over the coming years.

Affordable bills

We're committed to ensuring fair and affordable prices for water and wastewater services across Gippsland. Which reflect the true cost of providing these essential services efficiently while meeting customer expectations.

Over the next five years, Gippsland households will continue to face rising everyday living costs and broader economic pressures, making it more challenging for some customers to manage their water bills. Our business is also experiencing increasing operational costs, including higher fuel prices, rising costs of essential infrastructure inputs such as plastic pipe, the impacts of higher interest rates, ageing infrastructure, and the effects of a changing climate. Despite these pressures, we remain focused on affordability and fairness.

To manage these challenges, we're actively pursuing efficiencies across our operations and investing in technology, renewable energy and intelligent network solutions to reduce long-term operating costs.

Climate change and extreme events

A changing climate is placing increasing pressure on our water resources, infrastructure and operations. More frequent and severe extreme events such as floods, storms, bushfires, drought and algal blooms challenge the resilience of our systems. Embedding climate adaptation into long-term planning will require ongoing investment to future-proof our business. Over the next 12 months, we will:

- Maintain strong relationships with state and local emergency agencies to ensure preparedness for extreme events
- Educate and raise awareness around water efficiency and saving measures
- Implement our climate change and asset strategies to respond to impacts
- Plan for new water sources to support long-term resilience

Ageing infrastructure

Our network includes critical assets that require ongoing investment and renewal. We take a risk-based approach to asset management, prioritising works based on the condition and criticality of each asset. This ensures we can continue to deliver reliable and sustainable services. Our infrastructure strategy remains flexible to ensure we can adapt to emerging needs, support population growth and protect service reliability.

Attracting and retaining skilled and qualified people in a competitive labour market

Securing and retaining talent continues to be a challenge across the sector, particularly in regional labour markets.

We're implementing innovative recruitment strategies, strengthening local engagement and investing in long-term workforce development. Our evolving talent strategy includes targeted social media campaigns, partnerships with schools and Federation University Gippsland and a strong focus on early career programs. We're building sustainable pathways through work placements, apprenticeships, internships, traineeships and graduate programs—particularly in STEM fields.

Regional growth and development

Growth is essential for the prosperity of our region. Demand for new residential connections continues to be a major driver of our service delivery. Gippsland is experiencing a period of significant societal transformation, shaped by shifting demographics, changing workforce patterns and evolving expectations about how and where people live.

Population growth across Gippsland is uneven, with some areas experiencing rapid expansion while others remain stable. Growth corridors - particularly around Warragul, Drouin, Traralgon and pockets of Wellington Shire - are placing heightened demand on water and wastewater services. This requires careful planning to ensure infrastructure keeps pace with development. We closely monitor these trends and work in partnership with councils, developers and government to support coordinated, sustainable growth across the region.

Major customer and industry transition

Gippsland is undergoing significant industry transition with traditional sectors such as pulp and paper, coal, oil and gas reducing activity or facing closure. These industries have long been some of our largest employers and major water and wastewater customers. As operations scale back or cease, we face the potential for substantial reductions in demand and revenue, along with the challenge of managing large, customer specific infrastructure that may become underutilised or stranded.

New industries are also emerging. The region is seeing increased interest from high demand water users such as data centres, alongside growing demand for water to support agriculture, food production and other developing sectors. Mine rehabilitation activities—particularly those requiring approval for future water use—also have the potential to reshape long term regional water demand patterns.

We're planning for these shifts and continue to look for commercial opportunities that are sustainable, responsible and beneficial to our customers.

Dealing with uncertainty

We operate in a fast-changing environment where uncertainty across economic, operational and political settings is increasing. Disruptions—from supply chain delays and technological change to regional crisis events—can impact our operations and require us to respond quickly.

To navigate this uncertainty, we'll focus on strengthening system resilience, diversifying supply chains, building digital capability and maintaining disciplined financial and risk management.

An evolving regulatory and policy environment

We operate within a regulatory and policy landscape that is becoming increasingly complex and subject to rapid change. Updates to laws, public health and environmental regulations and pricing frameworks can require swift operational adjustments and may introduce additional compliance costs. Progressive environmental policy - including strengthened requirements for emissions reduction, climate adaptation and waterway health - continues to shape how we plan, invest and deliver services.

Broader government reform agendas, including Treaty processes with Traditional Owners, are also influencing policy direction and the way public sector organisations engage and make decisions.

We remain focused on maintaining strong governance, actively monitoring regulatory developments, and building the agility required to respond to changes quickly and effectively.

Our approach to risk management

Our Risk Management Framework is a key part of our strategic and corporate planning processes. It empowers our people to identify and control uncertainties that could influence our ability to achieve our vision and strategic priorities and impact our financial performance.

Our approach is consistent with the Australian/New Zealand Risk Management Standard (AS/NZS 4360:2004), Standards Australia HB167:2006 Security Risk Management and the requirements of the Victorian Government Risk Management Framework.

Our risk profile is reviewed annually by our Board and executive. Our Board and Board sub-committees provide oversight to ensure we're complying with our legislative and regulatory obligations. In late 2025, our Board approved the annual review of our nine strategic risks and the addition of a tenth, focusing on the opportunity risk associated with artificial intelligence.

Strategic risks and opportunities

Strategic risks (threats)

- Serious harm of an employee, contractor or member of the public
- Harm to public health
- Environmental damage
- Reputational damage
- Bill affordability
- Cyber breach
- Climate change
- Major customer revenue loss

Strategic risks (opportunities)

- Circular economy
- Artificial intelligence

Operational and Emerging risks

We proactively identify and manage risks associated with our core business activities, in addition to emerging risks arising from changes in our operating environment.

Through regular monitoring and review, we assess new and evolving risks and take appropriate action to minimise their impact. This approach supports informed decision making, organisational resilience and delivery of outcomes that meet community expectations.



Safety and wellbeing

The safety and wellbeing of our employees and community is our priority. In 2026–27, the focus will be on further strengthening our proactive safety culture by aligning our Occupational Health and Safety Management System (OHSMS) with industry best practice and Australian Standards, including the principles of ISO 45001. Our focus is on reducing exposure to critical risks, improving engagement and ensuring safety leadership at every level.

Safety and wellbeing goals for 2026–27

- Deliver our safety related Strategic Priorities (page 13), including:
  - Safety leadership and risk control maturity.
  - Assessing our future technological landscape for safety management.
- Achieve strong alignment of our OHSMS with ISO 45001 principles.
- Reduce serious injury potential through improved critical risk management.
- Enhance workforce and contractor engagement in safety processes.
- Foster a risk-aware, high-performing safety culture across the organisation.

Outcome	2026-27 actions
OHMS revitalisation A modern, robust OHSMS with clear oversight, measurable controls and reduced exposure to critical risks.	• Renew the OHS Policy to set a clear safety direction and accountability from leadership to frontline. • Integrate findings from the 2025 Critical Safety Risk Assessment to strengthen internal structure for safety procedures. • Align the OHSMS progressively with ISO 45001, focusing on risk-based planning, leadership engagement, centralised procedures and continuous improvement.
Workforce engagement Higher awareness, stronger compliance and improved safety culture.	• Strengthen safety engagement before, during and after work. • Ensure hazards are proactively identified, mitigated and reviewed across all teams. • Foster a culture of open reporting, learning and continuous improvement.
Contractor safety governance Contractor activities meet organisational safety standards, reducing risk and building shared accountability.	• Enhance contractor prequalification and review of safety systems prior to contract award. • Participate in planning and verification of all high-risk contractor work. • Monitor and enforce compliance with contractual safety obligations.
Leadership and accountability Leadership drives a proactive, risk-aware culture that prioritises safety.	• Embed safety responsibilities across all leadership levels. • Ensure regular reporting to executive and Board on safety performance and critical risks. • Strengthen visible leadership and decision-making in critical risk management.

Asset management and our major infrastructure projects

We manage our infrastructure to deliver safe, reliable water and wastewater services while keeping bills affordable and maintaining service continuity. This is achieved through careful planning, maintenance and renewal of our assets and by actively managing risks across our networks.

Asset management

Our recently updated Asset Management Strategy strengthens how we plan, maintain and renew infrastructure over its full lifecycle. This helps to ensure assets continue to perform efficiently and reliably now and into the future. Improvements in how we manage maintenance through our Maintenance Management System are also optimising investment while keeping infrastructure in good condition.

We're strengthening the quality of information used to support decision making through targeted investment in our GIS platform and planning for the future evolution of asset management information systems. Reliable information on asset condition, performance and risk underpins consistent, evidence-based decisions about when and where to invest, how assets are maintained, and how renewals and upgrades are planned. This improved understanding of asset performance also helps us prepare for future challenges, including climate change. By reviewing how assets are likely to be affected by more extreme conditions, we can prioritise investment in areas most at risk and build resilience.

Our capital renewal program focuses on reducing the risk of service disruptions, avoiding unexpected asset failures and smoothing investment over time. This helps protect customers from outages and sudden cost increases associated with ageing infrastructure, supporting reliable services and long-term affordability.

The evolution of our approach is supported through regular Asset Management Accountability Framework health checks and a three yearly attestation process overseen by the Department of Treasury and Finance. These reviews provide confidence that our asset management practices are sound and continuously improving.

Major projects

As our customer base grows, one of our highest priorities is renewing ageing assets and creating more capacity in our systems to meet the changing and growing demands of a future Gippsland.

Our long-term capital planning is focused on meeting the current and future needs in the delivery of water and wastewater services for our service area.

We continue to deliver our major projects, or Top 10 projects, as outlined in our 2023-28 Price Submission. Two projects are complete with the remaining projects progressing well and on target to be completed by the end of the current Price Submission (30 June 2028).

Our Top 10 Projects

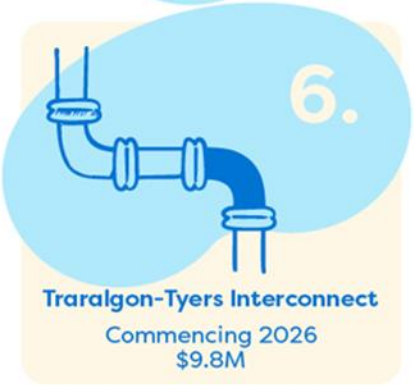






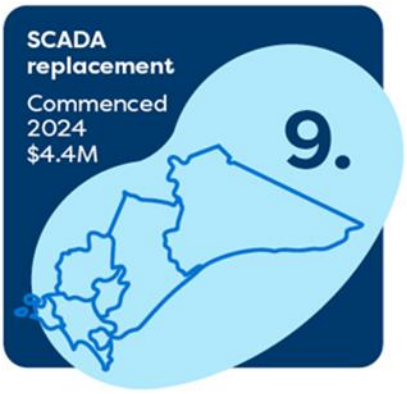














Climate change and energy

Our Climate Change Strategy sets a clear direction for how we will respond to a changing climate and transition to a low emission, climate resilient future. This strategy brings together rapid decarbonisation, infrastructure adaptation, environmental stewardship and collaborative regional planning. In 2025, we achieved an important milestone by transitioning to 100% renewable electricity across our operations. We remain firmly on track to achieve net zero emissions by 2030.

For 2026–27, we expect to report less than 12,600 tCO_2-e in Scope 1 and Scope 2 emissions—representing a reduction of approximately 70% from our baseline of 42,080 tCO_2-e.
Our baseline incorporates:

- Scope 1 emissions – Direct emissions from fuel use in our fleet and on-site machinery and fugitive emissions from wastewater treatment processes.
- Scope 2 emissions – Emissions associated with purchased electricity.

Projected total net emissions- Scope 1 and Scope 2

Reporting year	Total Net Scope 1 and Scope 2 emissions (tonnes CO_2-e)
2025-26	12,669
2026-27	12,533
2027-28	12,784
2028-29	13,000
2029-30	0

Scope 1 Emissions

We've commenced a program to identify and plan emissions reduction projects within our wastewater treatment plants, which represent more than two-thirds of our Scope 1 emissions. Delivery of this program in 2026-27 will reduce reliance on offsets to meet our emissions targets and sustain net zero emissions in the long-term.

In addition to natural gains already made in the electrification of our vehicle fleet, we are also developing a Fleet Transition Plan which will outline the timing of a staged transition to a fully electrified vehicle fleet. The plan will include detail around the infrastructure, systems, renewable energy requirements and available technologies to reduce our fleet emissions to zero over the transition period.

Scope 2 Emissions

Our Scope 2 emissions, from the generation of purchased energy, are now zero. Our 100% Renewable Electricity Strategy has enabled us to leverage our existing retail electricity contracts and achieve this outcome with significant savings.

Our investments in resilience technologies have again provided great financial returns as our dispatchable power capacity nears 10MW. The ability to use our diesel generators to support the wider electricity network continues to be highly valued by the electricity market. Our most recent installations are providing returns near double the usual market rates. The reliability of our backup generation assets has also improved the resilience and reliability of our systems, benefiting our customers through

continued service supply during widespread electricity outages. These initiatives included in our strategic approach to energy management make us unique within the Victorian water sector. We continue to leverage our assets and relationships to provide the greatest possible value to our customers through savings and revenue opportunities.

Climate risk and adaptation

Our Climate Change Strategy will continue to drive our adaptation response. We're embedding the identification and assessment of climate risk into our capital planning process for all new projects with updates to planning tools and templates. The assessment of specific climate risks from bushfire, flood, sea level rise, etc. is now being completed for key at-risk assets. This will assist in identifying priority works for inclusion in the upcoming price submission.

Governance and oversight

Progress against all Climate Change Strategy actions is overseen by the Climate Change Steering Committee through quarterly progress reporting and annually by the Board Safety, Health and Environment Committee. This governance framework ensures strong oversight, transparency and alignment with our long-term climate change mitigation and adaptation commitments.



Customer, community and engagement

Customer insights are at the heart of our planning and decision-making. Our engagement framework provides the mechanism to ensure that customer and community expectations are integrated into our day-to-day planning activities and longer-term planning.

Customer and community engagement

Our Communications and Engagement Framework, available on our website, outlines the role of our two community representative groups we use for engagement – our Sounding Board and Customer Reference Group.

Our Customer Reference Group will again play a key role in overseeing our approach to community engagement on issues that affect our customers. They meet at least four times a year to provide insight and ensure customer priorities and expectations are understood and reflected in the decisions we make.

Our customers shaped our 2023-28 Price Submission, and through our Customer Reference Group, they influence our engagement approach towards the commitments made and assess our performance in delivering them. The group has a critical role in shaping and endorsing our plans for our 2028 Price Submission and 2027 Urban Water Strategy.

Our Sounding Board keeps us informed of evolving community views and sentiment. With over 460 customers from across our service area, this group receives regular opportunities to share their views and provide input to influence our services and the way we contribute to our community.

We'll continue to engage with our customers and community to ensure we understand what's working well, what could be better, and what's most important to our customers. We'll use their feedback to guide the decisions we make.

We'll maintain our focus on community education and deliver engaging annual campaigns on the topics our customers told us they value most. These include environmental sustainability, water efficiency, the benefits of tap water and encouraging customers to reach out if they're having difficulty with their bills.

Our sponsorship program will support local initiatives and causes that demonstrate our commitment to being an active, engaged and valued member of the communities we serve. We'll focus our efforts on initiatives that improve outcomes for community members experiencing vulnerability and promote our community education campaigns.

Our portable drinking fountains and a 2,000-litre water trailer will continue to support community events across the region, including festivals and sporting activities, helping people stay hydrated and improving access to drinking water. The water trailer can also be deployed during emergencies such as extreme weather events or prolonged power outages, providing communities with timely access to safe drinking water while regular services are restored.

We'll work closely with local councils and communities to install more water fountains in high-traffic public areas to improve access to tap water.



Customer satisfaction

We'll provide opportunities for our community to reflect on the six customer outcomes that underpin our Price Submission (see Appendix 1) and share their priorities, ideas and feedback with us.

Through three key research activities, we'll measure customers' perception of our performance. These are the annual Customer Satisfaction Survey, the Essential Services Commission's Customer Perceptions Surveys (quarterly robocalls) and a biennial Customer Perceptions Study conducted by the Water Services Association Australia (WSAA). All three studies track customer perceptions of us across - trust, reputation, value for money and overall satisfaction. Our overall customer satisfaction target in 2026-27 is 6.

We aim to achieve this target and maintain strong customer satisfaction through delivering our cyclical engagement model, customer experience strategy and our community investment program – which includes our community education campaigns, sponsorship and water fountain program and initiatives to assist customers experiencing vulnerability.

As always, we'll respond to emerging issues and customer feedback. An example of this is our recently established Community Emergency Support Team, which provides on-the-ground assistance to our communities during emergencies such as bushfires, floods and extended power outages.

We'll gain further insights from other industry research commissioned by WSAA and DEECA on behalf of the sector. These insights will be shared across the organisation and ensure we remain customer focused on all aspects of business planning and service delivery.



Bills and support

Our Customer Care team provides tailored support to customers based on their individual circumstances. This includes providing flexible payment options, referrals to no-cost independent financial counsellors and government assistance programs. We're at the midpoint of our Customer Experience Strategy and Roadmap 2024–27, with many key initiatives already delivered. We'll continue to build on the strong foundation established so far, enhance our processes and further align the organisation and our people to become even more customer-centric.

The final stages of our online services upgrade are underway. Our customers have told us they expect to be able to communicate with us and find information when it suits them online. As part of this upgrade, we're introducing more online functionality and automated reminders for bills and direct debits, making our services easier to use. These improvements will be complemented by the launch of a new app, which will make it even simpler for customers to do business with us on their mobile devices.



Customer responsiveness

We'll continue to closely monitor performance across key customer responsiveness indicators, including water quality complaints, billing and payment issue complaints, and total complaints. These KPIs guide continuous improvement in how we respond to customer needs and ensure that our services remain fair, transparent and customer focused.

Key Performance Indicators – Customer Responsiveness

Performance Indicator	2026-27 Target
Water quality Complaints (No.) Number of complaints per 100 customers	0.24
Billing/payment issues complaints (No.) Number of complaints per 100 customers	0.25
Total complaints (No.) Number of complaints per 100 customers	1

Major customers

We play a critical role in supporting some of Victoria's most significant industrial water users and wastewater producers, including customers of state and national importance.

We're proactively planning for change as the region undergoes a period of industrial and economic transition, with some long-established industries expected to reduce operations or close. We'll continue to work closely with industry, as well as local and state government partners, to manage the impacts of these changes and to unlock new opportunities for investment in the region. Our long-term strategies are informed by known and anticipated shifts in industry across our service area, and we've already strengthened our capability to help plan for and offset forecast revenue fluctuations. This includes proactively establishing new services with existing major customers and attracting new customers.

Managing large infrastructure that is specific to major customers through their transitions will continue to be a challenge. These large infrastructure arrangements were often established for peak service usage and as services reduce the operation of assets and planning for the future present difficulties.

The uncertainty around decommissioning of Esso Longford's oil and gas producing assets, the reduction of Opal's operational activities and the closure of coal fired power stations in the Latrobe Valley will significantly impact us.

These changes will create opportunities for new industry investment in our region and strengthen our ability to deliver water and wastewater services to support them. We'll continue to explore opportunities with emerging industries and businesses looking to establish themselves in the region.

While major customers are critically important to our region and our business, it's important that fees and charges are attributed fairly. When negotiating expiring contracts, we'll ensure they reflect the commercial cost of the service we deliver.

We've invested in business development resources to support the transition of the wider Gippsland region away from industries that have historically supported the local community and economy and towards industries of the future.



Recognise Traditional Owner values

We work in genuine partnership with Traditional Owners to ensure Aboriginal cultural values are recognised, respected and embedded in the way we manage land and water. We support this through collaborative planning, meaningful participation in decision making and dedicated pathways for Aboriginal employment and leadership.

We're continuing to explore alternative flow sharing rules in the Merriman Creek catchment with the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC). In the coming year we will finalise ecological and hydrological studies in partnership with the West Gippsland Catchment Management Authority and Southern Rural Water. Completion of this work will create the opportunity to review our Merriman Creek Bulk Entitlement with a view to provide a permanent allocation to GLaWAC for self-determined purposes. Increased access, decision-making and rights to water holdings has been identified by GLaWAC in the *Water is Life Part B Nation Statement* and remain priorities of ours to investigate and pursue.

Career pathways have been established for First Peoples across our organisation through opportunities for full-time employment, school-based traineeships, work experience and placements. Our first school-based trainee studying Conservation and Ecosystems Management continues to work within our Environment and Healthy Country Team to gain valuable work experience and apply knowledge gained while completing their studies.

We provide pathways for Aboriginal people to explore employment with us through our website and continue to offer our Indigenous Scholarship with Federation University and other pathways from education to careers through local secondary schools.

Traditional Owner partners play an important role in reviewing and providing meaningful input to our Annual Reports. We support this process by ensuring the time and expertise required to perform these reviews and provide feedback is financially compensated.

As we prepare for our 2028 Price Submission, we are engaging meaningfully with our Traditional Owner partners, guided by the priorities they have shared with us through public documents and personal engagement. Through this work, we are developing new and innovative approaches to embed First Peoples land and water priorities into our business and across our region.



Recognise recreational values

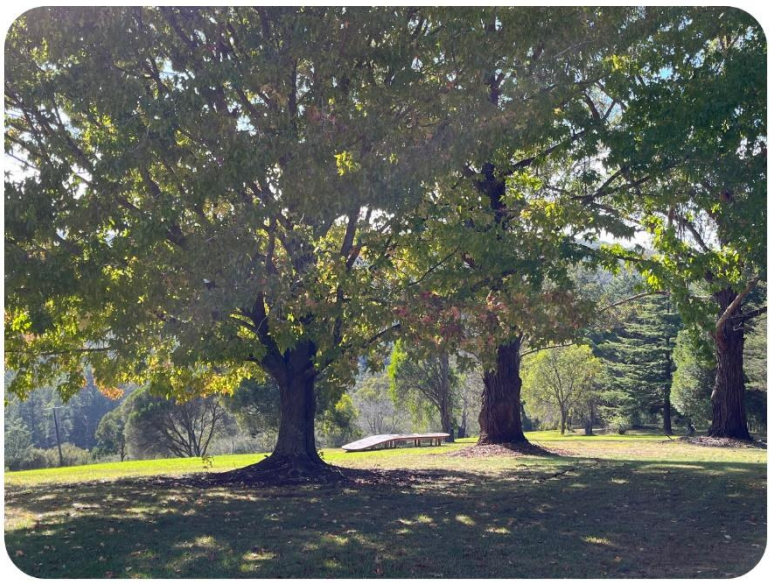
We continue to invest in enhancing recreational opportunities across the land and water assets we manage. This supports community wellbeing, connection to place and appreciation of the natural environment.

We have progressed a multiyear project to improve visitor facilities and experiences at the Moondarra Reservoir Recreation Reserve. Completed works include a gathering place, viewing platform, and interpretive signage that shares Traditional Owner cultural knowledge alongside the history of the reservoir's establishment. An extended path network and landscaping - designed and delivered by local Aboriginal owned businesses - will be completed during 2026, with further aesthetic and functional upgrades to toilet and BBQ facilities planned for the following year.

We'll continue to provide access to parts of the land we manage for outdoor recreation. This includes a joint project with Baw Baw Shire Council to transform a former sewer pump station site in Warragul into an extension of the nearby Hazel Creek Park. Landscape design for this project is also being delivered by a local Aboriginal owned business.

We continue to make financial contributions to the management and upkeep of recreational facilities owned by Southern Rural Water at Blue Rock Reservoir, Cowwarr Weir and Lake Glenmaggie. In addition, we're working closely with Melbourne Water on the Tarago Reservoir Recreational Management Plan to enable new recreational boating and fishing opportunities.

The provision of opportunities for educational tours, bird watching enthusiasts and naturalists at our treatment plants and environmental assets will continue to be pursued where practicable.



Resilient and liveable cities and towns

Resilient and liveable cities and towns rely on integrated, forward looking water management. Through coordinated planning, water efficiency programs and targeted investment, we are strengthening community resilience, supporting growth and protecting the environmental values that underpin liveability across Gippsland.

Integrated Water Management

The Gippsland Integrated Water Management (IWM) Forum is one of ten regional forums across Victoria. It brings together water corporations, local government, catchment management authorities and Traditional Owner partners to achieve better community and environmental outcomes through integrated water and land-use planning.

IWM in Victoria has continued to mature since the forums commenced in 2017-18, with a recent milestone being the Victorian Government's release of the *Integrated Water Management Planning Guidelines*. These guidelines are designed to help IWM Forum organisations work together to ensure that optimal water management is considered as part of land use planning and development.

Our IWM Forum resolved in September 2025 to broaden the remit, marking a shift towards a more strategic approach. This includes pursuing water and land use planning in a more integrated manner. The Gippsland IWM Forum is currently applying the new guidelines to a structure plan development at Stratford.

The Victorian Government is also continuing to support IWM with grant funds. We're planning to progress initiatives such as rainwater harvesting at Seaspray, stormwater management at Willow Grove within the Blue Rock Reservoir drinking water catchment, and expert assistance with the IWM planning for the Stratford structure plan development, subject to successful applications.

Water use efficiency

We continue to support the Victorian Government's Target Your Water Use program through a range of community education and engagement initiatives. Our dedicated water conservation campaign, 'Reduce Your Use', is delivered across multiple platforms and channels throughout the year. We maintain strong engagement with local schools to promote water efficiency with 27 schools across our region currently participating in the Schools Water Efficiency Program.

We have also actively and widely promoted the Victorian Government's Water Smart program for commercial customers and have enrolled 53 sites. Most of the participating sites are local and state government premises, including facilities operated by Country Fire Authority and Ambulance Victoria.

Urban water consumption

Reducing water losses across our supply networks remains a priority. We've installed digital water meters at customer premises throughout Briagolong as a trial program to assess the benefits of real time monitoring of water usage. Benefits include faster identification of network and customer side leaks. The findings from the trial will support the building of a business case for the potential use of digital meters across our networks. The business case will be a key engagement topic as part of our Price Submission 2028 development.

We've established a service contract for acoustic leak detection, with surveys completed across Warragul and Drouin and some parts of Mirboo North and Sale. This service has identified over 130 leaks across 450km of water mains. The service is available to respond to suspected and difficult to locate leaks, improving network efficiency.

Sustainable water management

In 2026, we will focus on delivering Action 13 of our Urban Water Strategy, which involves exploring alternative flow-sharing arrangements for the Merriman Creek Bulk Entitlement.

The current flow-sharing rules place tighter restrictions on water use during winter, while allowing greater access in summer. This doesn't optimally support urban water supply reliability or environmental outcomes. We are working with stakeholders to identify alternative arrangements that better reflect community values, support environmental health and improve overall water management outcomes.

We will also continue our collaborative work with DEECA and regional partners to progress strategic planning for the Latrobe Basin, delivering Action 4-15 of the Central and Gippsland Region Sustainable Water Strategy This work is focused on developing a shared long-term vision and plan for the water future of the Latrobe Valley and is progressing across two key priorities.

The first is collaboratively identifying shared objectives that could benefit from future funding streams associated with water extraction for mine rehabilitation. This includes the potential to collectively advocate for investment that delivers lasting regional benefits.

The second priority is progressing a technical review of the Latrobe Valley water infrastructure system. This review responds to findings in the Sustainable Water Strategy that the current system has limited flexibility to support emerging policy objectives without compromising urban and industrial water supply reliability.

Together, this work will help identify operational opportunities in the shorter term, while also guiding longer-term infrastructure planning and investment.

Environmental statutory obligations

We have continued to work collaboratively with local councils to review and endorse updated Onsite Wastewater Management Plans. Collaborative development, adoption and implementation of these revised plans will allow us to support further development in our Special Water Supply Catchment Areas while having confidence that risks to water quality are being actively managed.

We are actively contributing to the redevelopment of the West Gippsland Regional Waterway Strategy with the West Gippsland Catchment Management Authority (WGCMA). Over the next three years we will partner on a project to reduce nutrient and sediment loads in rivers in the western Gippsland Lakes catchment. This project is being delivered by the WGCMA and funded by the Gippsland Lakes Coordinating Committee.



Leadership, diversity, and culture

We are building a diverse, inclusive and culturally safe workplace that reflects the communities we serve and supports effective leadership, capability and service delivery. Our approach focuses on clear strategies, measurable targets and accountable delivery to strengthen cultural diversity, gender equity and organisational culture across the workforce.

Our People Strategy provides the framework for workforce planning, leadership capability and employee experience. Delivery of the next iteration of the People Strategy will commence during the Corporate Plan period. This will be informed by future workforce planning to ensure organisational design, capability and resourcing remain fit for purpose and aligned to future service and regulatory requirements.

Implementation of the Human Resources Information System will strengthen workforce data, reporting and assurance, supporting improved employee experience and governance. The system will enable more consistent workforce insights, improved reporting capability and stronger controls to support effective decision making and accountability.

Our Belonging Plan 2024–26 guides our approach to diversity and inclusion and is aligned with the Aboriginal Inclusion Plan – Managing Country Together and the Gender Equality Action Plan. Together, these plans provide an integrated approach to improving representation, participation and inclusion across the organisation and establish clear accountability for delivery.

Gender equity remains a priority. Through implementation of the Gender Equality Action Plan, we will continue to strengthen recruitment, development and succession practices to support equitable career progression and improved gender balance across the organisation.

We are focused on increasing cultural diversity and strengthening participation by Aboriginal Victorians and Traditional Owners. Actions include continued engagement with Traditional Owner groups and increasing opportunities for participation in Board committees and other organisational committees. Aboriginal employment pathways will continue to be supported through targeted recruitment, culturally safe practices and development opportunities. Progress will be measured against a Corporate Plan target for the number of Aboriginal staff employed.

Capability building supports inclusive leadership and workforce sustainability. We'll continue to deliver cross cultural training, including participation in water industry cultural awareness and capacity building initiative for all staff. Leadership and talent programs will support internal mobility, succession readiness and capability uplift, contributing to workforce stability and reduced critical role risk.

Employee engagement and organisational culture will be monitored through actioning initiatives arising from the People Matter Survey and our participation in the Organisational Culture Inventory. Insights from these surveys will inform leadership development, inclusion initiatives and culture improvement actions and support sustained constructive behaviours and leadership effectiveness.

Through disciplined delivery, ongoing monitoring and transparent reporting, we will continue to build an equitable, inclusive and culturally safe workplace.

Customer protection, including protection from harm of family violence

We prioritise customer safety, privacy, and wellbeing, particularly for customers experiencing family violence or other forms of vulnerability.

Our Customer Care Team places the safety of family violence victim survivors at the centre of every decision. The team follows dedicated policies and procedures and receives ongoing specialised training to support customers facing family violence, financial hardship and other challenges. We have strong processes to protect customer safety, privacy, confidentiality and we continue to equip our staff with the training and support they need to respond with care, sensitivity and confidence.

Our Customer Charter, Customer Support Policy and Family Violence Policy meet the requirements of the Water Industry Standards and reinforce our commitment to protecting customers.

We are dedicated to safeguarding customer information and ensuring it is protected from misuse, unauthorised access or harm. Our Cyber Security Framework guides how we secure data through robust controls, secure by design practices and ongoing enhancements to how we manage and protect customer information. Over the coming year, we will continue to strengthen these protections by embedding the principles of the Victorian Protective Data Security Framework and uplifting key security measures. This includes exploring options such as multifactor authentication for the customer portal to further reduce risk.

We are also enhancing our readiness to respond quickly and effectively to cyber and privacy incidents. Our cyber incident response processes will be fully integrated into the broader Emergency Management Plan to ensure that, in the event of a data breach or security issue, we can act decisively, communicate clearly and minimise any customer impact. Protecting customer information and maintaining trust remain central to how we deliver our services.

Cyber security

The cyber threat landscape continues to evolve and our cyber security program remains anchored in a plan–do–check–act approach. This ensures we stay focused on implementing effective controls that strengthen organisational resilience and allow us to respond to emerging risks.

Our program of work is centred on the continuous improvement of our cyber posture. Over the coming year, we will progress our uplift of identity and access management (IDAM) capabilities to enhance authentication, authorisation and user lifecycle management across the organisation. We're also refreshing our cyber security strategy to ensure our priorities align with our strategic cyber risk profile, technology direction and service commitments. The updated strategy will guide enhancements to our governance practices, detection capability and incident response processes and support the extension of cyber controls across new and emerging technologies. We will also continue strengthening our security operations to improve our ability to monitor, detect and respond to cyber incidents in a timely and effective manner.

Cyber security is a shared responsibility. We will continue to build a strong security culture by ensuring all staff and contractors understand their role in protecting our information and systems. This will be supported by an enhanced cyber security training and awareness program designed to equip our people with the knowledge and confidence to recognise, prevent and respond to cyber events.

Housing

We play an important role in supporting regional growth and development through our involvement in the delivery of new housing. Our work enables and facilitates the design and installation of essential infrastructure, ensuring the efficient connection of new dwellings and buildings to water and sewer services.

Our role in this important area goes well beyond statutory planning responses. We actively build ahead to enable growth, ensuring infrastructure planning and internal processes are aligned with forecast development demand for new services. We have strengthened our ability to respond efficiently and consistently, with internal timeframes that align to business and development expectations. Through strong, ongoing collaboration with local councils, applicants and developers we ensure our planning conditions are both practical and clearly understood. This long-term focus positions us to support regional growth and deliver strong community outcomes.

Our investment in a Developer Portal has streamlined residential connection applications by providing an online process that validates application details and includes a convenient self-service payment option. These efficiencies allow our team to focus on assessment activities, helping accelerate connection timeframes. Over the past year, we refined portal operations, resolved minor issues and renewed our focus on encouraging owners, builders, and plumbers to make full use of the system.

This year, we have also explored opportunities to assist in the acquisition of easements that support future land development at the most efficient cost. We have sought approval to intervene, where appropriate, in situations where landowner disputes create barriers to development. While we anticipate only limited intervention, we recognise that unresolved roadblocks can lead to higher costs or significant delays in delivering land—and therefore housing—to the market. Our aim is to deliver balanced, community focused outcomes when such challenges arise.

Our commercial businesses

Our Gippsland Regional Organics and Gippsland Regional Agribusiness operations are important contributors to the state's agricultural industry and organic recycling capacity and place us as a leader of circular economy.

Gippsland Regional Organics

Gippsland Regional Organics is our organics recycling business, transforming organic waste into valuable, nutrient rich Australian Standard certified compost. Following a recent significant expansion, the site can now operate at the full capacity of its 250,000-tonne annual licence. It plays a critical role in meeting the growing demand for organics disposal while delivering strong environmental outcomes through landfill diversion and emissions reduction.

The business employs 25 local people and generates revenue through gate fees charged to councils and commercial customers for the acceptance and processing of organic waste, complemented by income from the sale of compost products to agricultural, landscaping and land-rehabilitation markets. Gippsland Regional Organics also delivers direct financial benefits by managing biosolids created during wastewater treatment, avoiding external disposal and saving customers approximately $2.5 million each year.

As one of the biggest organic waste recycling facilities in the state, we play a critical role in meeting the growing demand for organics disposal. Our continued growth reaffirms our position as a state leader in the circular economy by increasing organic processing at the site and introducing the opportunity for waste to energy generation capabilities. It's also helping to enable new and expanded revenue streams, which will ultimately benefit our customers.

Gippsland Regional Agribusiness

Gippsland Regional Agribusiness manages 12 farming sites across our service area and employs nine people. It produces a combination of beef, crops, and plantation timber with our largest farm at Dutson Downs spanning approximately 8,500 hectares.

The business supports our wastewater services by enabling treated wastewater to be responsibly discharged through irrigation of farming crops and pastures and providing nutrient management and removal.

It also provides a cost-effective and efficient way of managing large tracts of land by using livestock, forestry and cropping practices. Income generated from the sale of livestock, crops and timber help to offset the costs of managing the land.

Gippsland Regional Agribusiness supports a range of Gippsland Water's Strategic Objectives. Including support for outcomes relating to public health, environmental assets through its effective management and maintenance of the landholdings. The landholdings provide a buffer for a range of communities and offer unique environmental values, including supporting biodiversity and carbon/vegetation offsets.

Each year, the business irrigates approximately 1.5 gigalitres of treated wastewater to grow grain and fodder crops. The business saves our customers approximately $2 million a year by safely reusing treated wastewater that would otherwise be treated by mechanical facilities and discharged to waterways.

Our agribusiness operations enable valuable resources to be reused and land to be managed in a cost effective and efficient way, helping to put downward pressure on customer bills.

Performance and financial management

We'll focus on realising operating efficiencies and ensuring we are only spending money where it's needed most. We've committed to reducing the cost to serve for the five years spanning the 2023-28 Price Submission. We have an ongoing commitment to ensure that all potential operating efficiency and revenue opportunities are identified and monitored throughout the regulatory period.

This includes renegotiating any expiring major customer contracts so that they better reflect the cost of the service we deliver.

This approach contributes to our ability to deliver a fair degree of stability and predictability in customer tariffs into the future and ensure our long-term financial sustainability.

Our plan embeds actions and innovations to create further efficiencies to meet customer expectations and legislative obligations while fulfilling our Ministerial obligations.

Our plan ensures:

- The efficient use of capital through the timely maintenance, replacement and upgrade of assets to maintain expected levels of service to the community.
- Investment in environmental opportunities like carbon reduction and renewable energy generation to provide positive financial investment returns to our customers.
- Further pursuit of investment opportunities to take advantage of the use of compost in land rehabilitation works and broader applications in the agricultural and horticultural markets.
- The support of growth and infrastructure development across our region.
- Inclusion of capital repatriations to the Department of Treasury and Finance, to support the sustainability of State Government debt levels.
- A consistent delivery of services.
- Current and future customer charges have a fair degree of stability and predictability.

1. Financial projections

Financial projections overview

The financial projections factored into this plan reflect continued delivery of the efficiencies embedded in our 2023-28 Price Submission. Inflation, interest rates payable on our borrowings and Enterprise Agreement salary increases remain largely unchanged from our previous Corporate Plan. Residential growth rates in our service area increased marginally in 2025-26.

Revenue

Before our 2023-28 Price Submission, we completed a major review of our tariff structure to introduce a user-pays approach. New Customer Contributions began in 2024–25 and will continue in this plan. Overall growth in our service area has been lower than we previously expected, despite increases in non-residential connections. Residential connections are currently 1,150 below our Price Submission estimates. In 2025-26 our annual residential connection growth was 18% higher than the Corporate Plan, returning to levels consistent with our Price Submission. We've updated our main revenue streams—service and usage charges—to reflect this.

From the third year of this plan, tariffs are increasing due to construction costs rising faster than inflation and a higher cost of debt. Our asset base is also growing as we continue to invest in infrastructure to support growth and upgrade our pipelines and treatment plants. These investments help keep our infrastructure fit for purpose.

Costs

We maintain a disciplined approach to cost management, spending money only where it is necessary. We identify new or more efficient ways to operate so we can contain price pressures or redirect funds to priority areas. We've participated in the Water Services Association of Australia benchmarking and will continue to leverage measures to identify improvements. We've embedded reductions within this plan, such as reduced energy consumption initiatives and savings in bulk water purchases, as a result of the South Central Reforms.

Cost pressures in this plan include rising maintenance expenses due to ageing infrastructure, the impact of changing climate conditions and increases in the cost of materials.

This Corporate Plan sets out our digital transformation program, including a shift to cloud-based software that reduces the need for major capital investment and lowers operating costs. These technologies improve automation, support the use of artificial intelligence, strengthen system reliability and provide the scalability required as our business evolves.

Efficiency savings and annual capital repatriations have been incorporated into the full five years of this plan, in accordance with Victorian State Government expectations.

Capital Investment Program

We're focused on continued efficient use of our capital across the remaining two years of our 2023-28 Price Submission. While in the short term our capital plan continues to be impacted by increasing construction and materials costs, we're mitigating this by continuing to develop cost saving strategies. This includes closely managing project design and scope and refining the timing of our overall capital program.

We've worked with government on funding and support for projects including a $4.29 million contribution, through the National Water Grid Fund towards the Traralgon Tyers Interconnect project. Over the five-year program we've added additional capital for mitigation of risks and a reconfiguration of the Yallourn North water system due to the energy transition away from coal-fired generation.

Financing

Our borrowings are expected to grow by $177.0 million over the 2026-31 plan period, growing to $554.5 million by 30 June 2031. The increase in our borrowings is principally driven by planned capital expenditure of circa $517.4 million for the same period. Borrowings due to mature within the period will be refinanced as required.

Debtors

Customer bill affordability remains a focus as we expect inflation and interest rates to continue to drive cost of living pressures throughout 2026-27. This has the potential to further impact our customers and lead to increases in overdue customer receivables. We're encouraging customers experiencing difficulties to reach out early and to work with them to provide tailored support, including access to government utilities support payments. This empathetic and supportive approach for those doing it tough helps our more vulnerable customers manage their essential day-to-day living costs.

All the financial information in our plan is presented in nominal dollars.

Chart 1 shows the net profit before tax over the 2026-31 period, demonstrating a return to net profit result from 2026-27.

Chart 1. Net profit/(loss) before tax

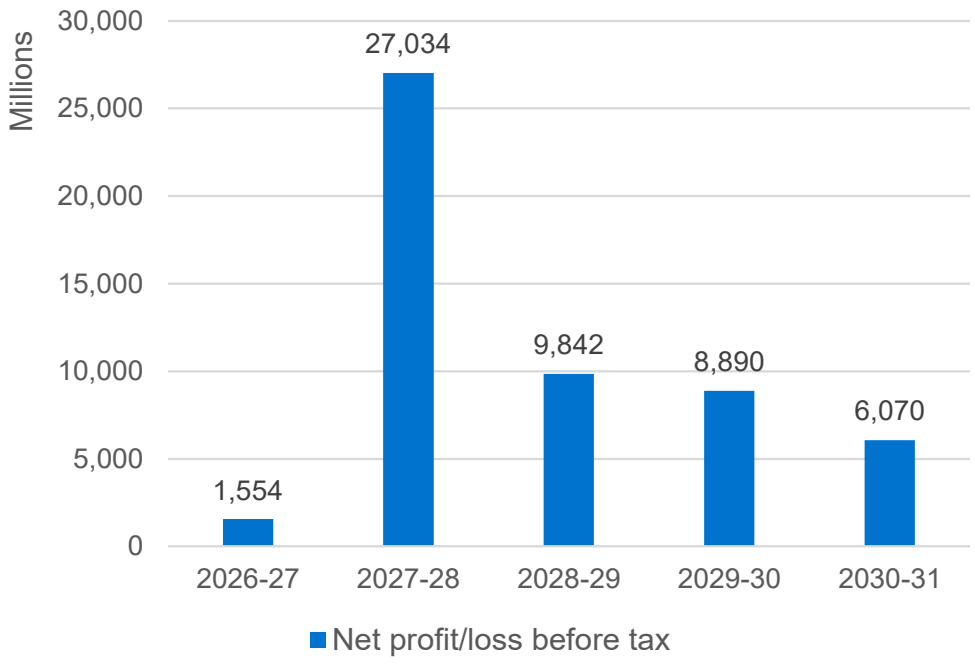


Table 1: Financial sustainability results using Victorian Auditor-General's Office indicators

Financial Sustainability	2026-27	2027-28	2028-29	2029-30	2030-31	Red	Amber	Green
Net Result	2.2%	13.0%	4.9%	4.5%	3.5%	< (10%)	0% - (10%)	> 0%
Liquidity	1.17	1.21	1.21	1.15	1.13	< 0.75	0.75 - 1	> 1
Internal Financing	61.6%	85.4%	72.3%	59.2%	61.8%	< 10%	10% - 35%	> 35%
Capital Replacement	1.38	1.22	1.32	1.66	1.53	< 1	1 - 1.5	> 1.5
Interest Cover	4.2	4.2	3.8	3.6	3.5	< 1	1 - 2	> 2
Debt Service Cover	4.9	5.3	4.3	4.0	3.9	< 0.9	0.9 - 1	> 1
Debt to Assets	0.2	0.2	0.2	0.3	0.3	> 1	0.5 - 1	< 0.5

Table 1 contains financial indicators used to assess our financial sustainability risks. Amber indicators across three of the five years for capital replacement risk indicate capital assets are being effectively managed through the replacement of ageing infrastructure. Contributing to this is an increase in depreciation due to a significant uplift in asset values from the 2022-23 revaluation of assets.

2. Financial statements

a. Statement of Financial Performance

Our Statement of Financial Performance for the five-year period to 30 June 2031 is detailed in Table 2 below.

Table 2: Statement of Financial Performance 2026-27 – 2030-31

Statement of Financial Performance Nominal $'s	2026-27 ($000's)	2027-28 ($000's)	2028-29 ($000's)	2029-30 ($000's)	2030-31 ($000's)
Revenue					
Bulk Charges	0	0	0	0	0
Service Charges					
- Residential	76,509	80,561	88,048	91,802	95,694
- Non Residential (including Major Customers)	33,466	34,742	35,204	36,170	37,161
Usage Charges (Volumetric)					
- Residential	30,868	32,447	35,425	36,896	38,442
- Non Residential (including Major Customers)	22,895	24,608	25,439	25,114	25,805
Investment Revenue	205	216	216	216	216
Other Revenue	6,528	6,275	6,430	6,528	7,109
Non Regulated Revenue					
- Organics	13,504	13,753	14,001	14,330	14,667
- Agribusiness	4,511	5,104	4,996	4,993	5,358
Total Revenue	**188,487**	**197,706**	**209,759**	**216,047**	**224,453**
Expenses					
Cost of Supply					
- Staff Costs	31,138	32,667	33,980	35,246	36,558
- Maintenance Costs	18,748	19,575	20,168	20,690	21,135
- Other Operating Costs	22,930	23,720	25,071	26,155	26,888
- Overhead Costs	3,723	3,792	3,570	3,862	4,054
- Fleet Costs	1,272	1,320	1,356	1,392	1,430
Total Cost of Supply	**77,811**	**81,074**	**84,144**	**87,345**	**90,065**
Administrative Expenses					
- Staff Costs	19,171	19,599	20,071	20,792	21,539
- Maintenance Costs	2,075	2,155	2,213	2,272	2,334
- Other Operating Costs	4,223	4,421	4,588	4,598	4,740
- Overhead Costs	11,743	6,356	6,413	6,390	6,481
- Fleet Costs	154	159	164	168	173
Total Administrative Expenses	**37,366**	**32,690**	**33,448**	**34,221**	**35,266**
Environmental Contribution	6,957	6,957	6,957	6,957	6,957
Total Cost of Supply & Admin	**122,133**	**120,721**	**124,549**	**128,522**	**132,288**
Operating Result before Depn & Borrowings	**66,354**	**76,985**	**85,210**	**87,524**	**92,165**
Depreciation & Amortisation	71,694	70,560	70,068	71,463	78,019
Borrowing Costs Expense	19,264	22,617	24,139	26,774	29,904
Other Expenses	0	0	0	0	0
Total Depn & Borrowings	**90,958**	**93,177**	**94,207**	**98,236**	**107,923**
Business Operating Result	**(24,604)**	**(16,192)**	**(8,997)**	**(10,712)**	**(15,758)**
Income for Capital Purposes					
Government Contributions	0	2,786	0	0	0
Non-Govt Contributions (Assets)	10,409	22,690	11,096	11,396	11,704
Non-Govt Contributions (Cash)	15,749	17,750	7,743	8,206	10,124
Total Income for Capital Purposes	**26,158**	**43,226**	**18,839**	**19,602**	**21,828**
Net Profit/(Loss) Before Income Tax	**1,554**	**27,034**	**9,842**	**8,890**	**6,070**
Income Tax Expense (Revenue)	(2,654)	1,306	(373)	(749)	(1,687)
Net Profit/(Loss)	**4,207**	**25,727**	**10,215**	**9,638**	**7,756**

b. Statement of Financial Position

Our Statement of Financial Position for the five-year period to 30 June 2031 is detailed in Table 3 below. The Statement of Financial Position includes the recognition of tax-effect accounting.

Table 3: Statement of Financial Position 2026-27 – 2030-31

Statement of Financial Position Nominal $'s	2026-27 ($000's)	2027-28 ($000's)	2028-29 ($000's)	2029-30 ($000's)	2030-31 ($000's)
Current Assets					
Cash	6,928	6,240	5,531	4,027	2,753
Short Term Investments	0	0	0	0	0
Interest Receivable	0	0	0	0	0
Debtors (Receivables)	18,344	19,505	20,886	22,072	23,128
Other current assets	16,575	16,441	16,441	16,423	16,383
Tax Assets	0	0	0	0	0
Total Current Assets	**41,847**	**42,186**	**42,858**	**42,522**	**42,264**
Non Current Assets					
Long Term Investments	1,000	1,000	1,000	1,000	1,000
Infrastructure	1,565,736	1,600,979	1,614,390	1,650,521	1,717,683
Land, Buildings, Structures & Facilities	90,205	94,578	107,340	122,198	130,735
Plant, Equipment & Vehicles	51,213	47,620	62,601	87,080	78,897
Capital Works in Progress	58,290	58,391	49,657	32,111	15,426
Intangible Assets	2,243	1,582	1,206	1,093	988
Other non-current assets	16,356	16,266	16,176	16,086	15,996
Deferred Tax Assets	219	0	0	0	0
Total Non Current Assets	**1,785,262**	**1,820,417**	**1,852,370**	**1,910,089**	**1,960,726**
Total Assets	**1,827,110**	**1,862,603**	**1,895,228**	**1,952,611**	**2,002,990**
Current Liabilities					
Trade Creditors (incl. Purchase Accruals)	1,932	1,864	1,910	1,945	1,975
Accruals	10,339	10,368	10,402	10,436	10,471
Provisions	8,887	8,973	9,089	9,230	9,396
Retentions	5,028	4,266	4,635	5,989	5,954
Short Term Borrowings	7,500	7,500	7,500	7,500	7,500
Other current liabilities	9,456	9,456	9,456	9,456	9,456
Total Current Liabilities	**43,143**	**42,427**	**42,992**	**44,555**	**44,752**
Non Current Liabilities					
Borrowings	411,000	425,000	452,000	501,000	547,000
Provisions	8,769	6,840	4,734	5,340	6,128
Deferred Tax Liabilities - Booked (Asset Reval)	27,038	27,038	27,038	27,038	27,038
Deferred Tax Liabilities	215,377	216,464	216,091	215,343	213,656
Total Non Current Liabilities	**662,183**	**675,342**	**699,863**	**748,720**	**793,822**
Total Liabilities	**705,326**	**717,769**	**742,854**	**793,276**	**838,574**
Net Assets	**1,121,783**	**1,144,834**	**1,152,373**	**1,159,336**	**1,164,417**
Equity					
Contributed Capital	248,442	245,766	243,090	240,414	237,739
Fixed Assets Revaluation Reserve	554,548	554,548	554,548	554,548	554,548
Retained Earnings - Opening Balance	314,585	318,793	344,520	354,735	364,373
Retained Earnings - Current Year	4,207	25,727	10,215	9,638	7,756
Total Equity	**1,121,783**	**1,144,834**	**1,152,373**	**1,159,336**	**1,164,417**

c. Statement of Cash Flows

Our Statement of Cash Flows for the five-year period to 30 June 2031 is detailed in Table 4 below.

Table 4: Statement of Cash Flows 2026-27 – 2030-31

Statement of Cash Flows Nominal $'s	2026-27 ($000's)	2027-28 ($000's)	2028-29 ($000's)	2029-30 ($000's)	2030-31 ($000's)
Operating Cash Flow					
Cash Inflows					
Cash Receipts from Debtors	191,244	200,858	212,747	219,462	227,725
Investment Income (Interest)	205	216	216	216	216
Developer Income	15,839	20,626	7,833	8,296	10,214
Other Receipts	0	0	0	0	0
Cash Outflows					
Cash Payments to Creditors (-ve)	(68,204)	(64,569)	(66,949)	(68,885)	(70,588)
Cash Payments Wages & Salaries (-ve)	(49,330)	(51,285)	(53,064)	(55,051)	(57,107)
Interest and other finance costs (-ve)	(19,264)	(22,617)	(24,139)	(26,774)	(29,904)
Environmental Contribution (-ve)	(6,957)	(6,957)	(6,957)	(6,957)	(6,957)
Bioremediation Pond Rehab (-ve)	(2,644)	(2,794)	(2,944)	(205)	0
Net Cash from Operating Activities	**60,889**	**73,478**	**66,744**	**70,101**	**73,598**
Investing Cash Flow					
Payment for Non Current Assets (-ve)	(98,875)	(86,073)	(92,329)	(118,420)	(119,106)
Proceeds: Disposal of Assets	711	582	552	491	909
Net Cash from Investing Activities	**(98,164)**	**(85,491)**	**(91,777)**	**(117,929)**	**(118,197)**
Financing Cashflow					
Proceeds: Borrowings	41,000	14,000	27,000	49,000	46,000
Payment Govt Capital Repatriation	(2,676)	(2,676)	(2,676)	(2,676)	(2,676)
Repayment Borrowings & Overdraft (-ve)	0	0	0	0	0
Payment Govt Dividend (-ve)	0	0	0	0	0
Net Cash from Financing Activities	**38,324**	**11,324**	**24,324**	**46,324**	**43,324**
Net Increase/(Decrease) in Cash	**1,049**	**(689)**	**(709)**	**(1,504)**	**(1,275)**
Cash held at the beginning of the year	5,879	6,928	6,240	5,531	4,027
Cash held at the end of the year	6,928	6,240	5,531	4,027	2,753
Cash per Balance Sheet	**6,928**	**6,240**	**5,531**	**4,027**	**2,753**
Difference	0	0	0	0	0

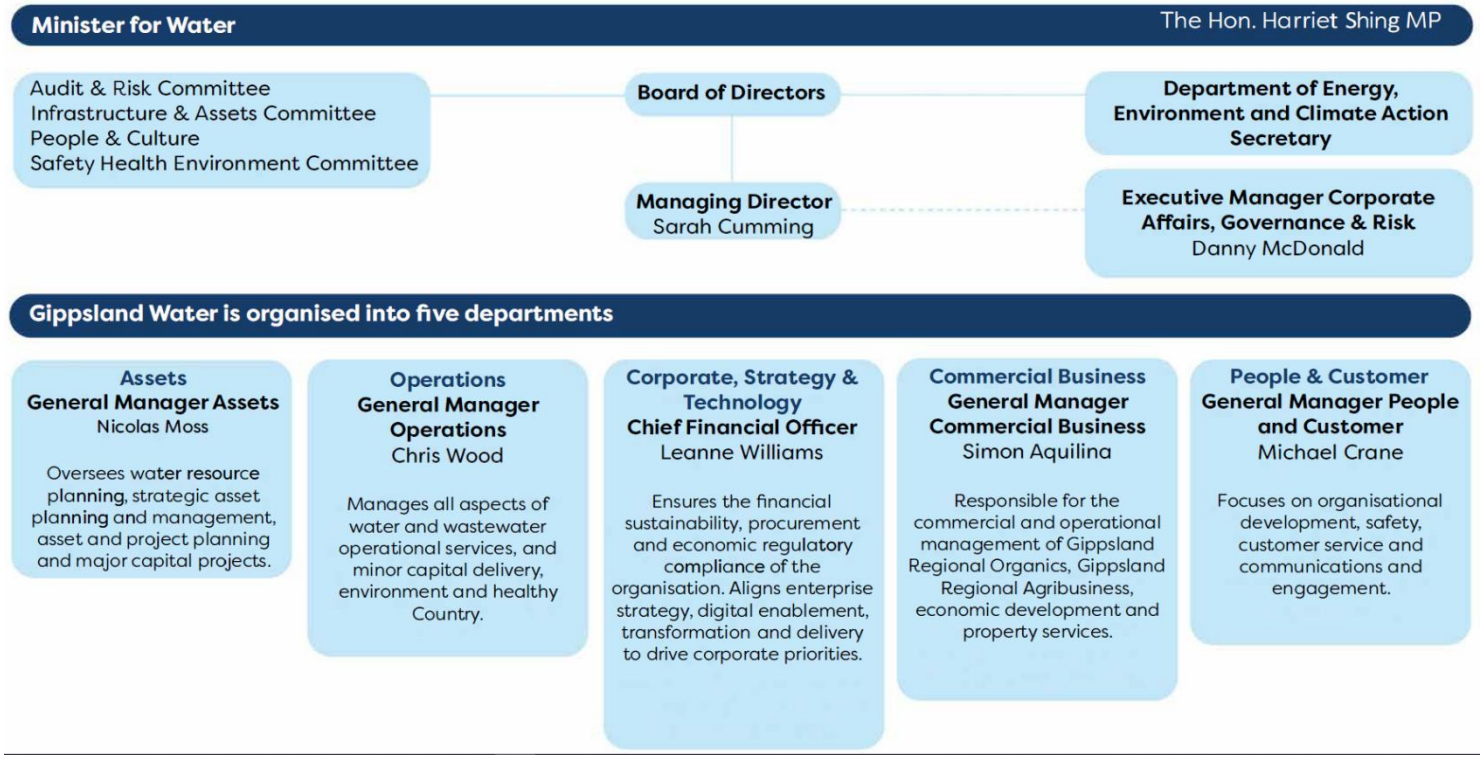
Appendix 1: Our 2023-2028 Price Submission customer outcomes

Outcome	What our customers said	What this means for our customers
Be affordable and fair Affordable and fair water and wastewater services for all our customers, industry and community.	• Keep prices for water and other services fair. • Fees and charges should be attributed to those who use them. • Help me to manage my water bill. • Support those who struggle to pay their bills.	• Our customers pay a fair price for water and wastewater services, which reflects the cost to efficiently provide services to the standards that our customers expect. • Our prices are predictable, and when we do have to change our prices, our customers understand why, when and by how much. We support all customers to keep their water use and therefore bills low. • Big customers will cover their costs and developers will cover the cost of new customer connections in our network. • When our customers face financial difficulties or vulnerability, they will still have access to water and sewage services. Our customers in hardship are treated fairly and sensitively and can conveniently access support options that suit their needs.
Do your job well Provide safe, reliable water and wastewater services and keep me informed when my services are affected.	• Provide water that is safe to drink, at a reasonable price. • Restore interrupted services in a timely manner. • Keep me up to date on interruptions to my services so I can manage the impacts to my household or business.	• Our customers can rely on us to provide water that is safe and fit for purpose. • Wastewater is removed efficiently and reliably and treated for reuse or safely returned to the environment. • Our water supply and wastewater infrastructure is well-maintained and there are minimal unplanned service disruptions. • Where service disruption can't be avoided, we will keep our customers informed to minimise inconvenience.
Be easy to deal with	• Keep me informed in ways that suit me. • Let me know promptly and clearly when there's a planned or unplanned disruption to my services, including how long the disruption is expected to last.	• Our customers receive a timely and efficient response to their enquiries or complaints. They are informed and can access information about their account, service disruptions and improvements in a way that's convenient for them, including self-service options or notification preferences. • Our customers are educated about our business and aware of the support we provide for people experiencing hardship and disadvantage,

Outcome	What our customers said	What this means for our customers
Great customer service that resolves my issues and keeps me informed. Improved community education on things that matter like water conservation and environmental responsibility.	• Resolve my account issues or questions quickly or make it easy for me to resolve it myself. • Educate us on the value of water and things that matter to us.	as well as ways they can conserve water and minimise their environmental footprint. • We will proactively engage with our customers and embrace new technologies that help enhance the customer experience. We use everyday language and provide interpreter and translation services for our most common language groups and other needs.
Be environmentally responsible We provide our services to the community with minimal environmental impact and where possible, make our natural assets available for the community to enjoy.	• Act as stewards of the environment to protect scarce resources for future generations. • Be aware of the impact of climate change. • Don't harm our local environment. • Find opportunities to support or enhance the environment. • We are willing to invest locally in environmental offsets. • We care about the environment, but we are more concerned about bill affordability than exceeding sustainability targets.	• Our water supply and treatment network is resilient to climate change, rainfall variability and extreme events. • Our business operations will have minimal negative impact on the local environment, including our creeks, rivers, lakes and parks. Where appropriate, we will contribute positively to the environment. • We will operate as responsibly as possible including innovative approaches to reducing our carbon footprint and using renewable sources of energy.
Be involved in the community Be a present, visible community partner and support us in times of need	• Be engaged and visible in our community. • Support our community in times of emergency. • Educate us on how to save water and the environmental impact of my water use. • Involve me in decisions that affect me. • Support Aboriginal community	• Our customers are involved in decisions we make that impact them and kept informed about what we're up to. • They see us present in the community, at events and in schools. We're working in partnership with local councils to see more permanent drinking fountains installed across the region to enhance liveability and wellbeing. • We are working to generate greater awareness of water conservation, environmental sustainability and the hardship support we provide, and we are there in times of emergency, providing potable drinking water to

Outcome	What our customers said	What this means for our customers
	members with access to Country and career opportunities.	relief centers when they need it. • Our Aboriginal community is keen to work in partnership with us to gain increased access to Country and waters for cultural use and to support younger Aboriginal people with meaningful career opportunities.
Plan for the future A secure and reliable water supply. Resilient water and wastewater services for the future.	• We trust you to run the business and make the right decisions. • We value long-term thinking and planning. Involve and inform us in the things that impact us. • Invest in resilience in a changing climate. Invest in water security.	• Having access to enough clean and safe water now and in the future. • Our water supply and treatment network has the capacity to accommodate a growing population, and is resilient to climate change, rainfall variability and extreme weather. • Water availability won't be a constraint to new business or industries getting established in our region. • We plan for the long-term and we keep customers informed early and openly about this work. • The future is uncertain, and we can't control rainfall. But we can work with our customers to reduce their water needs, secure and diversify our water resources, and increase safe recycling and reuse across our waste streams.

Appendix 2: Our organisational structure





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