



# Annual Report 2023–24



## Acknowledgement of Country

The Greater Western Water region covers Bunurong, Wurundjeri Woi Wurrung, Wadawurrung, Djaara and Taungurung Country.

We respectfully acknowledge the Kulin Nations as the Traditional Owners of the lands and waters upon which we work, operate and rely. We acknowledge the continued cultural, social and spiritual connections that First Nations people have with Country.

We recognise and value that First Nations people have cared for and protected Country for thousands of generations. Country describes land, water, air, sky, people, animals and spirits to which First Nations people are connected<sup>1</sup>.

We are committed to working in partnership with local Traditional Owners and First Nations people, to harness collective wisdom to inform the future of the water management landscape while maintaining their cultural and spiritual connections to Country.

### Note:

Due to the implementation of a new, unified billing and payments system, customer numbers are estimated, based on actual numbers as at 24 May 2024, extrapolated to 30 June 2024.

<sup>1</sup> Source: Australian Institute of Aboriginal and Torres Strait Islander Studies [website](#)

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# Report of operations

## Responsible body declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present Greater Western Water's Annual Report for the year ending 30 June 2024.



**David Middleton**

Chair

Greater Western Water

27 August 2024

# The year in review

## Message from the Chair and Managing Director

Greater Western Water (GWW) is proud to service a diverse region of Melbourne. The population in our service area is expected to almost double over the next 30 years, making it the fastest growing of all water corporation service areas.

To meet the needs of our customers and service area, we are building an organisation that is focused on delivering high-quality, reliable water and waste services while supporting liveability, wellbeing and prosperity in the west. Given cost of living pressures facing our customers, keeping prices stable is also a priority.

In 2023-24, GWW continued to build on the solid foundations required to deliver on our strategic objectives and lay the groundwork for the future. We met some important milestones and delivered major programs of work.

In September 2023, GWW submitted our first price submission to the Essential Services Commission (ESC). The submission was informed by customers and community who shared their values and preferences, helping shape our priorities and expenditure across the next four years. In June 2024, the ESC released its final decision on the submission, with the new prices and charges to come into effect on 1 July 2024. The price submission represents years of work by our people, supported by our community and stakeholders. We thank everyone involved in helping GWW develop a submission that resonates with customers and reflects our important goals over the coming years.

In May 2024, we launched a new billing and payments system, including a new customer portal (My GWW), a new bill that is easier to read and understand, and multifactor authentication providing additional security of customer information. My GWW is an adaptable and user-friendly service, giving customers more autonomy over their accounts and access to services and information so they can monitor their water use and be more water-efficient.



**David Middleton**  
Chair



**Maree Lang**  
Managing Director

Through the Asset Delivery Organisation Review (ADOR) program, we continued to streamline our project management capabilities, supporting the ability to deliver on our capital plan. We rolled out the new Portfolio and Project Management Framework for major projects, established a Project Management Office and uplifted procurement processes. Supporting tools and processes were developed and training provided to help our people transition to new ways of working. We are already seeing the benefits, with project delays reduced and cost savings delivered in procurement.

In August 2023, we proudly launched our first Reconciliation Action Plan (RAP). The Innovate RAP represents an inclusive and culture-led approach to reconciliation, seeks to foster consultation and collaboration with the First Nations community, and emphasises the role of all GWW people in promoting reconciliation. Developing the RAP took critical self-reflection and constructive feedback from First Nations colleagues and community. As a result, the

RAP recognises where we have come from through the efforts of our previous organisations and what is achievable over the next two years.

Through the Thriving Communities grants and sponsorship program, we continued to invest in local groups and initiatives that support community wellbeing and promote sustainability, inclusion and equity. In 2023, we provided funds to support 26 activities or programs, including an all-abilities netball program, indigenous food gardens, community care packages and projects to enhance biodiversity along waterways. We also commenced a three-year partnership with Western Chances to support young people experiencing social and economic challenges to access education and employment opportunities.

During the year we farewelled some Board members and welcomed new members. We thank retiring members Tania Fryer and Efim Thatcher for their dedication to guiding GWW through the transformation from two entities to one modern organisation. We welcomed Nicola Burgess, Tien Kieu and Aisha Nicolay, who joined the Board in October 2023 and bring experience across economic development, diversity and inclusion, investment, science and technology.

Our work in 2023-24 continued to build on the significant achievements of the last few years and strengthen the foundations required to deliver on our purpose: trusted water services for our communities and future generations. We thank GWW's people for embracing this purpose and continuing to be open to learning, innovation and new ways of working.



**David Middleton**

Chair



**Maree Lang**

Managing Director

## About GWW

Greater Western Water (GWW) is a Victorian Government water corporation. We provide water and recycled water supply, sewerage and trade waste services to more than 583,000 residential customers and more than 48,400 business customers.

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

Our service area covers the local government areas (LGAs) of Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley, Wyndham and Yarra, and partially covers the LGAs of Hume, Macedon Ranges, Melbourne and Moorabool.

We operate in Bunurong, Wurundjeri Woi Wurrung, Wadawurrung, Djaara and Taungurung Country.

### Key statistics



**\$3.7**

billion infrastructure asset base



**More than 1.43**

million in service area population



**10**

recycled water plants



**583,127**

residential connections



**7**

water filtration plants



**48,410**

non-residential connections



**7,500 km**

of water mains



**7,827 ML**

recycled water and stormwater



**6,400 km**

of sewer mains



**123,569 ML**

drinking water supplied

Figure 1: GWW service area





## Our purpose, vision and strategic drivers

### Our purpose

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**Trusted water services for our communities and future generations.**

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### Our vision

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**Thriving people and Country.**

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### Our strategic drivers

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To achieve our vision by 2030, we have identified three strategic drivers:

- **Delivering value for our customers:** providing water and sewerage services that are fairly priced, high quality, and reliable now and in the future.
- **Supporting communities to thrive:** supporting liveability, wellbeing and prosperity in our region through the expansion of green space and tree canopy cover and investment in services, infrastructure and people.
- **Healing and caring for Country:** working in respectful partnership with Traditional Owners and First Nations people to restore environmental health, reach net zero carbon, and take action towards zero waste.

To achieve this ambitious vision, we need a strong organisation, built on our people, partnerships and continuous progress.

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### Manner of establishment and relevant Ministers

Greater Western Water is established under the *Water Act 1989* (Vic).

The Honourable Harriet Shing MP was the responsible Minister for Water for the 2023-24 year. GWW operates under Statements of Obligations issued by the Minister for Water under s. 4l of the *Water Industry Act 1994*. The statements impose obligations on us regarding the performance of our functions and exercise of powers. We are required to monitor compliance with the obligations set out in the statements, report on non-compliance and take remedial action as required.

The Essential Services Commission (ESC) is our economic regulator. It approves the prices we charge customers and the standards of service we deliver. We are required to submit a price submission to the ESC, typically every five years. GWW's first price submission was developed following extensive consultation over two years, including engaging with more than 8,000 customers and community members, as well as our partners and people. In September 2023, we submitted the price submission for ESC review. In June 2024, the ESC released its final decision, with the new prices and charges to come into effect on 1 July 2024.

The Department of Health regulates drinking water quality under the *Safe Drinking Water Act 2003*. The Environment Protection Authority Victoria (EPA) regulates recycled water quality and the operation of sewage treatment plants under the *Environment Protection Act 2017*.

## Sustainable development goals

GWW is proud to renew its support of the United Nations Global Compact, the world’s largest corporate initiative that encourages businesses to adopt sustainable and socially responsible policies. We recognise the positive impact our role as custodians of water resources and infrastructure can have on the health, prosperity and liveability of communities, and proactively contribute to enhancing the environment within our service area.

As a member of the compact, we are also committed to supporting the broader 17 United Nations Sustainable Development Goals (SDGs), which provide a lens to view our business and explore opportunities to deliver services to achieve broader health, prosperity and liveability outcomes.

We have identified eight SDGs that directly align to our purpose of ‘trusted water services for communities and future generations’ (Figure 2). These eight SDGs have been embedded in our business strategy and linked to our vision and strategic outcomes to provide a global context for how our activities contribute to a more sustainable and liveable future. We will also indirectly contribute to the other nine SDGs.

A list of commitments and actions to embed the ten Global Compact principles and 17 SDGs in our work every day is in Appendix 3.

Figure 2: Alignment of SDGs to our corporate vision and strategic outcomes



## Key initiatives and projects

### Delivering value to customers

- Launched a new billing and payments system, including a new online customer portal (My GWW), a new bill that is easier to read and understand, and multifactor authentication providing additional security of customer information.
- Moved to a single online hub for property applications and bookings (Property Plus).
- Submitted our first price submission to the Essential Services Commission and received a final determination that gives us funding and pricing certainty for the next four years.
- Completed asset renewal and development projects to ensure reliable and secure services into the future, including water main upgrades in Victoria Street (North Melbourne to Carlton), Royal Parade (Carlton), Beattys Road (Melton).
- Progressed major works to future-proof water and wastewater services, including upgrades at Gisborne and Romsey recycled water plants to increase capacity to meet growing community needs, and construction of the Western Irrigation Network to provide a secure source of water for agriculture.

### Supporting communities to thrive

- Supported 26 activities and programs that create opportunity, sustainability, inclusion and equity across our service area, through the Thriving Communities grants and sponsorship program.
- Commenced a three-year partnership with Western Chances to support young people experiencing social and economic challenges to access education and employment opportunities.
- Participated in Trees for Schools, in partnership with Greening the West, providing trees to 29 schools to increase tree canopy cover and create more green spaces.

- Supported National Water Week, receiving 800 poster submissions from 35 schools and highlighting the importance of water in bringing individuals and communities together.
- Sponsored Western Bulldogs Community Foundation to work with schools to create a greener west and continued to fund the Nallei Jerring Koori leadership program to educate, engage and empower young Aboriginal and Torres Strait Islander participants.
- Continued to participate in programs to help individuals and communities thrive, including the Victoria University alliance, Tarneit Suburban Revitalisation Board, Committee for Wyndham, Western Metropolitan Partnership and West of Melbourne Economic Alliance (WoMEDA).

### Healing and caring for Country

- Released our first Integrated Water Management Framework, taking a whole of water cycle approach to planning, managing and delivering water services.
- Launched our first Reconciliation Action Plan and worked towards reconciliation through internal awareness raising, developing partnerships with First Nations and Traditional Owner organisations, reviewing processes to remove barriers to First Nations peoples' participation in the workplace.
- Supported innovative projects with the potential to deliver sustainable solutions for the water sector, including using pyrolysis technology at Melton Recycled Water Plant to convert biosolids into biochar and trialling an ultrafiltration package plant to increase the quality of recycled water.
- Continued to work with local organisations to deliver health and liveability outcomes, including Greening the West, More Trees for a Cooler, Greener West, and Chain of Ponds Collaboration.

## Financial overview

### 2023-24 highlights

Net profit before tax is \$119 million, \$55 million higher than 2022-23 and 17% lower than budget. The prior year variance is mainly due to higher water consumption, higher fixed sewerage charges and the revaluation increment of infrastructure assets. This was offset with lower revenue from developer contributions, higher employee benefits, finance expenses and other operating costs.

### Five-year financial summary

#### Summary of financial results

	2024 \$'m	2023 \$'m	2022 <sup>1</sup> \$'m	2021 \$'m	2020 \$'m
Revenue from contracts with customers	991.4	931.4	878.0	702.7	757.0
Other income	2.0	1.7	6.3	0.4	0.6
<b>Total revenue</b>	<b>993.4</b>	<b>933.1</b>	<b>884.3</b>	<b>703.1</b>	<b>757.6</b>
Bulk charges	375.5	347.6	346.4	352.9	364.7
Environmental contribution	33.9	33.9	33.9	29.8	26.5
Employee benefits	123.0	98.8	86.9	46.6	42.4
Depreciation and amortisation	102.3	96.6	93.4	69.0	65.5
Finance expenses	109.4	91.3	84.3	68.4	68.8
Operating expenses	158.7	151.8	123.5	79.6	73.1
<b>Total expenses</b>	<b>902.8</b>	<b>820.0</b>	<b>768.4</b>	<b>646.3</b>	<b>641.0</b>
<b>Profit before revaluation adjustment</b>	<b>90.6</b>	<b>113.1</b>	<b>115.9</b>	<b>56.8</b>	<b>116.6</b>
Infrastructure assets revaluation increment / (decrement) <sup>2</sup>	28.4	(49.1)	(865.4)	-	-
<b>Profit/(Loss) before tax</b>	<b>119.0</b>	<b>64.0</b>	<b>(749.5)</b>	<b>56.8</b>	<b>116.6</b>

#### Summary of financial position

	2024 \$'m	2023 \$'m	2022 <sup>1</sup> \$'m	2021 \$'m	2020 \$'m
Current assets	254.2	181.3	168.6	143.7	116.7
Non-current assets	3,935.6	3,618.3	3,384.2	2,584.5	2,474.2
<b>Total assets</b>	<b>4,189.8</b>	<b>3,799.6</b>	<b>3,552.8</b>	<b>2,728.2</b>	<b>2,590.9</b>
Current liabilities	349.2	266.3	257.6	164.2	164.8
Non-current liabilities	2,751.0	2,436.5	2,229.7	1,763.3	1,641.9
<b>Total liabilities</b>	<b>3,100.2</b>	<b>2,702.8</b>	<b>2,487.3</b>	<b>1,927.5</b>	<b>1,806.7</b>
<b>Net assets</b>	<b>1,089.6</b>	<b>1,096.8</b>	<b>1,065.5</b>	<b>800.7</b>	<b>784.2</b>
Net cash flows from operating activities	50.1	50.2	122.2	62.5	88.5
Payments for infrastructure, property, plant and equipment	309.8	250.9	244.6	158.9	155.0

## Summary of capital expenditure

	2024 \$'m	2023 \$'m	2022 <sup>1</sup> \$'m	2021 \$'m	2020 \$'m
Total capital expenditure	297.0	275.7	230.6	155.3	153.2

Capital projects for 2023-24 were primarily to renew, augment and upgrade water and sewer infrastructure, driven largely by population growth and the renewal and upgrade to our water and sewerage infrastructure network. This brings a number of long-term benefits to our customers by reducing the risk of asset failure and maintaining water quality standards. Capital expenditure also includes investments in our IT infrastructure to optimise our operations and drive efficiencies. The major capital expenditure projects for 2023-24 were:

- Gisborne Recycled Water Plant upgrade
- CBD Sewer Augmentation Stage 3 Elizabeth Street
- Victoria St South CBD water main renewal
- Billing and Collections system
- Minns Road 20 ML Tank renewal
- Bald Hill Tank construction
- Beattys Road Water main

## Summary of financial performance

	2024 \$'m	2023 \$'m	2022 <sup>1</sup> \$'m	2021 \$'m	2020 \$'m
Cash interest cover (times)	1.8	1.8	2.9	2.3	2.6
Gearing ratio (%) <sup>3</sup>	66.5	63.1	61.7	59.2	57.5
Internal financing ratio (%) <sup>4</sup>	0	20.1	47.9	26.4	8.2
Current ratio (times) <sup>5</sup>	0.8	0.8	0.8	1.1	0.8
Return on assets (%)	5.7	4.2	(21.2)	4.7	7.3
Return on equity (%)	7.6	4.3	(56.3)	5.0	10.9
EBITDA margin %	33.3	27.0	(64.7)	27.6	33.1

Notes relate to all tables above:

1. First set of financial statements prepared by GWW which includes the financials of the former Western Water (WW) corporation for the 2022 year. Historical comparatives for 2021 and 2020 are those of GWW's former legal name, City West Water (CWW).
2. Prior to 2022, infrastructure asset revaluation adjustments were made against available asset revaluation reserve and accordingly there was no impact to profit before tax. Further disclosures on infrastructure assets revaluation are in note 3.6 to the Financial Report.
3. Gearing ratio is calculated based on total debts (including leases) over total assets.
4. The internal financing ratio in 2024 is lower than 2023 mainly due to higher dividends paid, and higher net capital expenditure.
5. Current ratio is calculated based on current assets/current liabilities (excluding long term employee provision and revenue in advance)

Further information on current year financial performance is in the Performance Report section of this report.

### Matters subsequent to end of financial year

Other than the disclosures on pages 42-55 of the annual report, see also note 9.7 of the Financial Report for a circumstance that has arisen since 30 June 2024.

Other than the above, no other matter or circumstance has arisen since 30 June 2024 which has significantly affected, or may significantly affect:

- GWW's operations
- the results of those operations, or
- GWW's state of affairs in the financial year subsequent to 30 June 2024.

# Customers

## Our strategic driver

Delivering value for our customers: providing water and sewerage services that are fairly priced, high quality, and reliable now and in the future.

GWW delivers services to a diverse customer base, including residential properties (homes) and business properties (such as councils, schools and commercial, industrial, agricultural and small businesses).

## Delivering value for customers

Delivering value for customers was a focus of our first price submission to the Essential Services Commission (ESC). The submission committed GWW to maintain stable water bills over the next four years; to continue to invest in service growth, improve asset performance and operations and create long-term efficiencies; to increase support services so customers can access help when they need it most; and to invest in liveability, integrated water management and water efficiency outcomes. In June 2024, the ESC released its final decision, with the new prices and charges to come into effect on 1 July 2024.

GWW continued to deliver an improved customer experience. In 2024 we launched My GWW, a new customer portal that enables customers to securely manage their accounts online any time and uses multifactor authentication to protect their information.

We also launched Property Plus, a single hub for property and development applications and bookings. This reflects our ongoing work to refine our developer-led delivery approach to better support delivery of housing and infrastructure in our region and enable the policy objectives set out in *Victoria's Housing Statement – the decade ahead – 2024-2034*.

# Water use

## Water consumption – residential customers

GWW provides different types of water to customers in our service area. The table details water use by residential and business customers in 2023-24.

<b>Residential connections</b>	
Number of residential connections (#)	583,127
Potable <sup>1</sup> water volume consumed by residential connections (ML)	82,289
Per capita daily residential potable water consumption (ML)	154
Recycled water volume used by residential connections (ML)	855
Treated stormwater volume used by residential connections (ML)	0
<b>Non-Residential connections</b>	
Number of non-residential connections (#)	48,410
Potable water volume consumed by non-residential connections (ML)	41,280
Recycled water volume (end use) used by non-residential connections (ML)	
Commercial purposes	676
Industrial purposes	1,236
Agricultural purposes	4,715
Municipal purposes	214
Beneficial allocation	0
Total	6,840
Within process	644 <sup>2</sup>
Treated stormwater volume (end use) or harvested stormwater for beneficial use used by non-residential customers (ML)	
Commercial purposes	5
Industrial purposes	0
Agricultural purposes	0
Municipal purposes	126
Beneficial allocation	0
Total	131
Within process	0
Total number of connections <sup>3</sup> (#)	444,484
Total potable water consumed (ML)	123,569
Total recycled water and stormwater volume (ML)	7,827
Total volume of water used by connections (ML)	131,396
Average annual water consumption (ML)	129,011
<b>Non-revenue water<sup>4</sup></b>	
Leakage (ML)	13,000
Firefighting (ML)	701
Other (ML)	2,932
Total non-revenue water (ML)	16,633
Total volume of water from all sources (ML)	148,029

Notes:

- Potable water is drinking water.
- Non-residential recycled water volume used within process includes recycled water used onsite at treatment plants.
- Total number of connections - customers who receive recycled wastewater or stormwater also receive drinking water.
- Total non-revenue water volume is calculated as the difference between the volume of water received by a water business in its water network and the volume of water metered and billed to customers.

The breakdown of non-revenue water into components is estimated based on assumptions for apparent losses (unauthorised consumption and meter under-reads). Leakage is the major component of non-revenue water (over 75%) and is taken as the balance of non-revenue water remaining after subtracting authorised unbilled consumption and estimated apparent losses from the total non-revenue water volume. Leakage is also known as real losses, which includes bursts, leaks from distribution mains, reticulation mains and service connections, leakage, and overflow at storage tanks, and includes background losses.

The data in the above table is derived from our billing system data, by summing the total volume of water which customers were charged for in their bills across the financial year. Some modelling is done to estimate the volume in accrued invoices, that is customers whose billing cycle means that their Q4 bill is issued after the reporting deadline. Non-revenue water is measured by balancing inflows/outflows in transfer mains at our service area boundaries. GWW does not collect data on rainwater/greywater use.

## Water consumption – major non-residential water users

The *Water Act 1989* requires water corporations to publish the number and names of customers who are not farming, irrigators or domestic consumers, using 100 ML or more water per year. Farmers, irrigators and domestic users may decline or opt out of the requirement to have their name published.

### Names of major customers and their participation in water efficiency programs

AMP Capital Investors	Qenos Pty Ltd (combines 2 sites - recycled water)
Asahi Premium Beverages - Laverton	Seqirus Pty Ltd
Asahi Premium Beverages - Tullamarine	The Australian Steel Company (Operations) Pty Ltd
Ausco Cabaret Pty Ltd ATF Samsara Trust No. 2	The Royal Childrens Hospital
Australian Pacific Airports Corporation – Melbourne Airport	University of Melbourne
Baybrick Landco Pty Ltd	Victoria Racing Club
Campari Australia Pty Ltd	Western Health - Sunshine Hospital
Carlton & United Breweries Ltd	Wilmar Sugar Pty Ltd
Cedar Meats Pty Ltd	Zoos Victoria - Melbourne Zoo
Choldame Nominees	GWW partners with DEECA to deliver the WaterSmart program, which helps high water use businesses become more water efficient. None of the customers listed above participated in WaterSmart in 2023-24.
CSF Proteins Proprietary Limited	
CSR Building Products Limited	
Department of Health - VCCC	
Department of Justice - Port Phillip Prison	
Diamond Valley Pork Pty Ltd	
Essendon Airport Pty Ltd	
GPT Funds Management Limited - Highpoint Shopping Centre	
GPT Funds Management Limited - Melbourne Central Pty Ltd	
Integro Foods Australia Pty Ltd	
Ixom Operations Pty Ltd	
Melbourne Health	
Melbourne Water - Hoppers Crossing Pumping Station	
Merpalm Pty Ltd	
Mobil Refining Australia Pty Ltd	
Nufarm Australia Limited	
Orica Australia Pty Ltd	
Peerless Holdings Pty Ltd	

### Customers by volume range

Volume range (ML per year)	Number of customers
Equal to or greater than 50 ML and less than 100 ML	28
Equal to or greater than 100 ML and less than 200 ML	22
Equal to or greater than 200 ML and less than 300 ML	6
Equal to or greater than 300 ML and less than 400 ML	1
Equal to or greater than 400 ML and less than 500 ML	1
Equal to or greater than 500 ML and less than 750 ML	1
Equal to or greater than 750 ML and less than 1,000 ML	2
Greater than 1,000 ML	3
<b>Total number of customers</b>	<b>64</b>



## Water efficiency and recycling

In 2023-24, GWW continued to focus on projects that deliver water efficiency, recycled water and sustainable and resilient water systems.

### Recycled water

#### Western Irrigation Network (WIN)

We continued to invest in WIN, a major recycled water irrigation scheme that is building drought resilience by connecting dryland farmers to a guaranteed supply of recycled water suitable for irrigation. In 2023-24, construction on the project continued on the 28 km pipeline to connect Parwan and Balliang farmers to a reliable, year-round supply of recycled water.

#### West Werribee recycled water scheme expansion

This project responds to growing demand for recycled water in the Werribee catchment. Stage 1 progressed in 2023-24, with construction of a 2.7 km pipeline to service the Werribee Open Range Zoo. This project will deliver more than 400 ML per year to enable the zoo to expand without increasing demand for drinking water. The supply will reduce the zoo's reliance on water from the Werribee River and improve environmental outcomes. Stage 2 will supply future developments in east Werribee.

#### Maximising use of recycled water

We commenced a project with DEECA, Barwon Water, South East Water, Westernport Water and Yarra Valley Water to address underutilisation of recycled water in residential areas. The project will be completed in two phases. Phase 1 is defining the problem and identifying opportunities to shape the interventions to be implemented through phase 2.

#### Fit for purpose water use

We continued projects to determine the best source of water for use across our service area, including:

- Sewer and Recycled Water Mass Balance, which is assessing the best use of recycled water from all our treatment plants to 2070
- Werribee System Reconfiguration Project (with DEECA, Melbourne Water and Southern Rural Water), which is assessing how to optimise fit for purpose water across the Werribee catchment to deliver improved environmental, Traditional Owner, water security and agricultural outcomes
- investigations into opportunities for alternative water use in open spaces and residential and industrial precincts across our region (see Integrated water management).

## Water efficiency

### Water Efficiency Plan and Community of Practice

GWW collaborated with Melbourne Water, South East Water and Yarra Valley Water to produce a final water efficiency plan to support delivery of action 4.1 of the *Greater Melbourne Urban Water and System Strategy*. This coordinated plan supports the development and delivery of water efficiency programs for Melbourne in response to long-term water security challenges or drought. It commits us to deliver on existing water efficiency actions, to develop future options and to pilot projects to support water efficiency. The water corporations have set up a community of practice to share knowledge and insights on water efficiency.

### WaterSmart

GWW partners with DEECA to deliver the WaterSmart program, which helps businesses become more water efficient. The program offers water use monitoring, audits, water efficiency advice and sporting ground audits. High water use businesses are invited to participate in WaterSmart. Currently three customers are receiving data through a digital monitoring device installed onsite to record water use and help identify leaks. GWW has signed up customers to trial the audit program and we are focusing on a larger scale roll out.

### Showerhead exchange

GWW continued to fund the efficient showerhead exchange program delivered through our council partners. In 2023-24, more than 120 showerheads were exchanged for efficient models.

### Planning and research

We contributed to Water Services Association of Australia's Non-Residential Water Efficiency Benchmarking Study to enable like-for-like assessments of non-residential customers' water efficiency performance.

## Education

In 2023-24, GWW delivered education presentations to promote efficient use of drinking water at schools, preschools and community groups across all 11 local government areas within our service region. A total of 635 presentations were delivered with 16,387 students participating. We are currently procuring an education delivery partner to update the program and extend its reach to meet the growing demand across our service region.

### National Water Week poster competition

National Water Week 16-24 October 2023 promoted the value of water with the theme 'United by Water' inspiring individuals, education providers, communities and organisations to work together to raise community awareness and understanding of water-related issues. We received 800 posters from 35 schools/centres in 2023-24, which was the first year a preschool category was included.

## Schools Water Efficiency Program

The *Central and Gippsland Region Sustainable Water Strategy* includes a target that by 2030 all schools in our service region will become waterwise by participating in the Schools Water Efficiency Program (SWEP). SWEP helps schools find leaks, save water and promote water education. The program uses water meter data loggers to track water use and detect leaks, which is vital to saving water and money. The program also gives students an opportunity to learn about water efficiency at school and home. In 2023-24, the 191 schools in our service region that are part of SWEP saved 78.1 million litres of water and an estimated \$331,400.

# Customer support

## Community service obligations

In 2023-24, GWW provided the following community service obligations to customers.

<b>Community service obligations</b>	<b>Previous AR Year (\$'000)</b>	<b>Previous AR Year (No of customers assisted)</b>	<b>Current AR Year (\$'000)</b>	<b>Current AR Year (No of customers assisted)</b>
Provision of Water and Sewerage Concessions <sup>1</sup>	22,816	80,247	24,253	96,715
Rebates paid to not-for-profit organisations under the water and sewerage rebate scheme <sup>2</sup>	576	8,802	650	7,772
Utility relief grant scheme payments <sup>3</sup>	1,332	4,366	1,077	5,238
Water Concession on life support machines <sup>4</sup>	9	23	10	32
Hardship Relief Grants <sup>5</sup>	220	1,048	178	866

Note: Current AR data is for 1 July 2023 to 24 May 2024. On 29 May 2024, GWW launched a new billing and payment system, which impacted collection of full year data.

1. Customers who hold a pension concession card, Department of Veterans Affairs gold card or health care card are entitled to a 50% concession on water and sewerage charges, up to an annual maximum of \$354.10 (2023-24).
2. State Revenue Office defines certain organisations as not-for-profit, such as those that serve the community in education, health, religion, charity, sport or war veterans' organisations. These organisations are entitled to claim a concession on the service charge portion of their bills.
3. This scheme assists certain residential customers (experiencing family violence, job loss, high unexpected costs for essential items or cost of shelter more than 30% of household income) who are unable to pay their bill and may be at risk of disconnection. Customers can apply for the grant multiple times within a two-year period, up to a maximum of \$650 per utility.
4. Residential customers requiring in-home haemodialysis are entitled to a rebate on water usage and sewage disposal charges in addition to any other pension or concession. The Department of Families, Fairness and Housing determines the rebate based on the average annual water usage of an in-home haemodialysis machine (168kL). Customers who hold a pension concession card, a Department of Veterans Affairs gold card or a health care card are entitled to the rebate.
5. GWW offers customers a range of support and payment options to help manage their bills.

## Community programs

<b>Name of program</b>	<b>Number of customers</b>
Community Rebate Program	114
Community Housing Retrofit Program	0

In 2023-24, 114 GWW customers were assisted through the Community Rebate Program. The program is delivered to eligible customers through the Water Assist Program. This program provides a free water audit by a qualified plumber, who checks for and fixes minor leaks. It minimises customers' costs due to unnecessary high water use and supports water efficiency targets. In 2023-24, GWW did not participate in the Community Housing Retrofit Program.

# Communities

## Our strategic driver

Supporting communities to thrive: supporting liveability, wellbeing and prosperity in our region through the expansion of green space and tree canopy cover and investment in services, infrastructure and people.

GWW is proud to serve one of the fastest growing regions in Australia. Our region is vibrant and culturally diverse and supports significant economic development and diverse natural resources.

## Engaging with community

We value our customers and community and believe their input helps us provide the best possible services.

Our *Community Engagement Framework 2021-24* describes what community engagement means to GWW, who we engage with and how. It establishes principles that guide the design and delivery of our engagement plans and activities.

In 2023-24, we applied the framework principles to planning, delivery and evaluation of community and stakeholder engagement plans and ensured that engagement techniques were inclusive, adaptive and reflective of the community.

We engaged with community on a broad range of projects, including major infrastructure projects (plant upgrades and water and sewer main renewals), local planning (recycled water use) and important service processes (price submission, billing and payment changes).

Each year we conduct a rolling schedule of events and community engagement programs across our service area, which is key to increasing trust, brand awareness and understanding of our services. Examples in 2023-24 included a pop-up at The Long Walk event as part of Reconciliation Week, tree planting events in collaboration with Landcare, and pop-ups at farmers markets and community events such as Eid, Lunar New Year Festival, St Patricks Fun Day and Nesian Rise Festival.

Organisational awareness, understanding and use of our framework increased over 2023-24 through engagement training, a stakeholder maturity assessment survey, updated tools and templates accessible online, and the development of a bank of good engagement case studies.

We expanded and promoted our digital engagement platform, allowing more flexible options to receive information and provide feedback.

As part of the engagement for development of our price submission, we established a customer forum that will meet annually to consider our progress against our customer outcomes.

## Thriving communities grants and sponsorships

GWW provides grants and sponsorships to community organisations through our Thriving Communities grants and sponsorship program. Funds support local projects, events and activities that bring people together, have a positive impact on the community and strengthen our connection with community. Grants and sponsorships awarded in 2023-24 are listed below.

### Local community sponsorships 2023-24

Total investment – \$88,850 (20 projects)

Organisation	Project	Funding \$
Woodend Primary School/Woodend and Five Mile Creek Landcare Group	Woodend Primary School Community Children's Garden Irrigation System	\$3,780
Wyndham Netball Association	All Abilities Netball	\$5,000
Sunbury Agricultural Society	Sunbury Annual Agricultural Grand Show	\$5,000
Kensington Stockyard Food Garden	Indigenous bush food promotion	\$5,000
Kirrip Aboriginal Corporation	Western Suburbs NAIDOC Ball	\$5,000
Western United SC Incorporated	Multicultural Music, Dance and Food Festival	\$5,000
300 Blankets Inc.	Care Package Program	\$5,000
Macedon Ranges Music Festival	2024 Macedon Ranges Music Festival	\$5,000
Wyndham Little Buddies Toy Library Inc	Play and learn at Little Buddies	\$5,000
Melbourne Irish Festival Committee	St Patricks Family Fun Day 2024	\$1,500
Maribyrnong Swifts Football Club Inc	Open Day 2024	\$2,590
Nigerian Society of Victoria	Celebrating Diversity - Welcome to Victoria	\$4,700
U3A Hobsons Bay/Williamstown Inc	Never too old to start	\$2,680
Rotary Club of Keilor Inc	Keilor Christmas Bag Project 2023	\$3,600
Chin-Myanmar Community Care	Sporting Event for Juniors	\$5,000
The Centre: Connecting North and West Melbourne	Queensberry Cup	\$5,000
Wyndham Volunteers Association Inc.	Eid and Harmony Day Celebration 2024	\$5,000
St Mary's House of Welcome	Look Good, Feel Good	\$5,000
Riddells Creek Lions	Riddells Creek War Memorial	\$5,000
Footscray Traders Association	Show Your WEST-SIDE Art Exhibition	\$5,000

### Community grants 2023-24

Total investment - \$85,445 (6 projects)

Organisation	Project	Funding \$
Australian Dental Foundation Incorporated	Healthy Smiles for Greater Western Melbourne	\$20,000
Yarra River Keeper Association Inc.	Wise about Wastewater	\$6,000
Friends of Kororoit Creek	Frog Bogs and Planting for Platypus at The Bug Rug	\$10,000
Riddell District Football Netball League	Inaugural Indigenous Round Celebration	\$19,445
Matchworks	Rainbow Employment Engaging Project	\$20,000
Altona Meadows Community Centre Inc	Food For Thought	\$10,000

### Strategic community sponsorship 2023-24

Total investment - \$50,000

Organisation	Project	Funding \$
Western Bulldogs Community Foundation	Nallei Jerring youth leadership program	\$25,000
Western Chances	Western Chances scholarships and West Connect Event Series	\$25,000

## Community partnerships supporting liveability

GWW continued to support programs that promote liveability outcomes through partnerships with community and collaboration with government agencies, including the following:

- **Trees for Schools** – in partnership with Greening the West and Department of Energy, Environment and Climate Action (DEECA), we launched the Trees for Schools Program. Through this program, 29 schools received up to 50 trees each to plant on site, providing health, shading and aesthetic benefits, as well as an opportunity for sustainability and environmental education.
- **More Trees for a Cooler Greener West** – we partnered again with DEECA's initiative, receiving funds to plant 5,000 trees at Surbiton Park in Melton and West Werribee to help deliver the program's target of planting 500,000 trees across the west of Melbourne.
- **Jacksons Creek Regional (biik wurrdha) Parkland project** – we continued to collaborate with Hume City Council, Wurundjeri Woi-wurrung, Parks Victoria, the Victorian Government and Melbourne Water in planning for this project, which will deliver a 1,000-hectare public reserve in Sunbury.
- **Chain of Ponds** – we continued to participate in this collaboration, which is transforming the Moonee Ponds Creek into an iconic waterway that provides social, cultural and environment benefits. GWW hosts the collaboration, which includes 13 partner organisations from local and state government, community groups, not-for-profits, water authorities and research organisations.

# Country

## Our strategic driver

Healing and caring for Country: working in respectful partnership with Traditional Owners and First Nations people to restore environmental health, reach net zero carbon, and take action towards zero waste.

At GWW, we take a holistic and collaborative approach across Country, water, land, energy and resources, partnering with Traditional Owners and First Nations people, with customers and diverse communities, government and the water sector, and with organisations and businesses that contribute to the life and prosperity of our service area.

## Recognise Aboriginal values

### Partnerships with Traditional Owners

GWW does not currently have any formal partnership agreements with Traditional Owners for water planning and management. However, we are working in partnership on several projects and are seeking to progress discussions on formal partnership agreements with all Traditional Owners of our service area in 2024-25. GWW received Essential Services Commission endorsement for an uplift in budget dedicated to building meaningful, trusted engagement with Traditional Owners, including scoping and developing formal partnership agreements across the price period.

In lieu of a formal partnership agreement, GWW is a member partner of Djaara's Wanggal Group, which oversees implementation of the Gatjin (water) strategy. Through this, we have co-funded and supported the development of a Djaara Recycled Water Summary of Advice with other agencies (Coliban Water and Central Highlands Water). GWW developed background papers and presentations that were scoped and guided by Djaara and we participated in on Country focus group workshops. The advice will help us continue to work in partnership to develop place-based solutions for recycled water.

GWW has been investigating opportunities to return surface water entitlements to Traditional Owners and the environment as part of the *Central and Gippsland Region Sustainable Water Strategy* (CGRSWS) Action 4.2, *Water is Life* and *Greater Melbourne Urban Water and System Strategy* actions. We started a feasibility assessment to investigate returning surface water entitlements in the Maribyrnong and Werribee catchments to Traditional Owners and the environment. We are identifying other potential opportunities for Traditional Owners to access water entitlements or allocation within their Country and seeking to confirm how Traditional Owners would like to engage in this work and the resources they need.

## Supporting Aboriginal self-determination

GWW does not currently have any formal partnership agreements with Aboriginal Community Controlled Organisations for water planning and management. We have been developing strong working relationships with Kolling Wada-Ngal, Kirrip Aboriginal Corporation and Sunbury Aboriginal Corporation. GWW consulted these organisations regarding our price submission, the development of the Innovate RAP and accessing the facilities and programs they provided.

GWW is a corporate partner with Kinaway Chamber of Commerce and is engaging with them to better inform our First Nations procurement decisions.

In 2023-24, GWW received 46 tender requests; none from Aboriginal enterprises. No Aboriginal enterprises submitted proposals for GWW tenders. GWW is committed to advancing social and sustainable objectives through procurement in accordance with the Victorian Government's social procurement framework. GWW has prioritised 'Opportunities for Victorian Aboriginal people' as a social procurement objective and all applicable tenders include social procurement objectives. Organisations that demonstrate commitment to the employment of Victorian Aboriginal people or purchasing from Victorian Aboriginal businesses attract a weighting of up to 10% of the total evaluation score.

## Integrated water management

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

In 2023-24, GWW released its first IWM framework, which sets out our ambition for IWM and describes how we will work with partners to drive outcomes for customers, communities and Country.

We continued to participate in the Werribee, Maribyrnong, Yarra and Coliban IWM forums and working groups. The metropolitan forums reached a significant milestone with the finalisation of the Catchment Scale IWM Action Plans. GWW is leading more than 20 projects identified in the action plans and is a partner on others across the Werribee, Maribyrnong and Yarra forums. We also contributed to finalisation of the Monitoring, Evaluation, Reporting and Improvement Plan to track our progress.

In 2023-24, we undertook several studies and investigations:

- We continued to explore the opportunity to supply Class A and B recycled water to public open space in the western growth corridor in the City of Melton.
- We worked with local councils to complete a study that investigated more than 300 opportunities to provide alternative water

supplies (recycled water, stormwater, rainwater) to irrigate priority open spaces within our service area. The project established a shortlist of high priority opportunities and concept designs and a documented methodology that can be applied in other areas in the future. The project addresses a Western Metropolitan Partnership priority around liveability, urban heat mitigation and the provision of green open spaces.

- We explored the benefits of a centralised approach to rainwater harvesting, which provides the opportunity to capture large volumes of high-quality water for re-use at a suitable location, such as an adjacent open space. A centralised approach provides an alternative water source and reduces stormwater runoff with little or no treatment required for many re-use applications.
- We continued to work with our partners to develop place-based IWM plans for Braybrook, Macedon Ranges North, Lollypop Creek Catchment and Melton East. We also collaborated with state and local government partners to progress the public realm and water infrastructure designs for the Arden Precinct.

GWW is also delivering IWM outcomes through projects such as the Western Irrigation Network, Werribee Recycled Water Expansion, Arden Stormwater Harvesting Scheme, and the Werribee System Reconfiguration. We continued to administer



the Stormwater Harvesting Partnership Fund and shared lessons with the Australian water industry at Ozwater'24. We participated in industry working groups to advance stormwater policy and resources, such as the Stormwater Licensing Review, Stormwater Guidance Working Group, and Stormwater Compliance Tool Advisory Group.

## Sustainable water strategies

### Regional strategies

The *Central and Gippsland Regional Sustainable Water Strategy* (CGRSWS), released in September 2022, is a long-term plan to secure a sustainable supply of water in Victoria's Central and Gippsland region.

The *Greater Melbourne Urban Water and System Strategy: Water for Life* is a joint strategy produced by GWW, Melbourne Water, South East Water and Yarra Valley Water to ensure a safe and secure water supply for greater Melbourne over the next 50 years. It was released in April 2023.

We are in the implementation phase for these major water use strategies. This includes coordination of actions through the Managing Directors (MD) Accord, which brings together leaders from GWW, Melbourne Water, South East Water, Yarra Valley Water and Barwon Water to plan for future water security challenges.

CGRSWS Action 4.2 commits us to consider how river entitlements can be reduced via water efficiency, IWM and substitution with manufactured water sources. GWW has identified four options that could result in water returns to the Traditional Owners and environment and we are undertaking a feasibility assessment to further investigate and refine options.

### Annual Water Outlook

Each year, Melbourne's metropolitan water corporations collaborate to publish the Greater Melbourne Annual Water Outlook. The Outlook provides a summary of water availability and demand and what this means for Melbourne, including actions the water industry is taking to secure water supplies over the next 12 months and longer term.

The *Annual Water Outlook 2024*, released in December 2023, confirmed we would not need water restrictions in 2023-24. Each year the government can give the desalination plant a water order, based on technical advice from Melbourne Water and metropolitan water businesses. No desalination water was ordered in 2023-24.

## Drought response

GWW has prepared a Drought Preparedness Plan (incorporating a Drought Response Plan). In 2023-24 there was no requirement to enact measures under the Plan.

We continue to work on readiness with Yarra Valley Water, South East Water and Melbourne Water and implementation and continuous improvement of processes for permanent water saving rules, including creation of a new streamlined application process for Exemptions and Water Use Plans.

## Environmental statutory obligations

Melbourne Water's *Healthy Waterways Strategy 2018-28* outlines goals to protect and improve waterways across our region and improve community liveability. GWW acts to mitigate and minimise our impact on waterway health, through works that include:

- commencing construction of an upgrade to Gisborne Recycled Water Plant (RWP) for further reduction of nutrients into the Maribyrnong River catchment
- construction of a pipeline as part of the Western Irrigation Network project to increase re-use and reduce discharge from Melton RWP
- collaborating with the Environment Protection Authority (EPA) in the investigation of emerging contaminants in recycled water
- enhancing biodiversity along the stream frontages within the control of GWW.

GWW owns and operates eight RWPs, seven of which are located inland and connected with the Werribee River and Maribyrnong River catchments. In managing recycled water generated from the RWPs, our highest priority is to find beneficial use for recycled water with a view to protecting water quality within the receiving waterway catchment.

Consistent wetter conditions over the last three years have resulted in reduced demand for recycled water for agriculture purposes and, as a result, a larger volume of recycled water has been discharged to waterways. GWW has been continuously optimising its treatment processes to minimise nutrients in its discharges. For example, Sunbury RWP discharged

lesser nutrients to Jackson Creek compared to the previous financial year due to improved water quality discharged.

The upgrade of Gisborne RWP is at the final stage of construction. When the upgrade is completed in 2025, the nutrients in the discharge will substantially reduce and there will be a reduction in the mixing zone currently allowed under EPA licence.

The EPA licences, which allow discharges to waterways from RWPs, specify compliance with various volume limits and water quality parameters. Compliance is assessed against licence limits specified as either an annual median or maximum amount. During 2023-24, except for Sunbury RWP and Gisborne RWP, all remaining recycled water discharges to surface waters complied with EPA licence limits. The exceedances at the Sunbury RWP and Gisborne RWP related to an exceedance of the volume limits. The risk to the environment and human health was managed through detailed risk assessment and monitoring programs, with the resultant risk being assessed as low.

In regard to water quality in special water supply catchment areas or catchments, GWW is a referral authority and continues to be active in orderly development within the catchment. GWW commented on several applications for establishment of dwellings within special water supply catchments to ensure water quality is protected. GWW appeared at the Victorian Civil and Administrative Tribunal on occasions where the conditions to protect water quality could not be agreed upon.

In managing any works on assets located within special water supply catchment areas, GWW has conducted necessary risk assessment to ensure there is no adverse environmental impact.

GWW is one of approximately 120 partners responsible for delivering the Port Phillip and Western Port Regional Catchment Strategy. We are a key partner organisation for water supply and use and climate change themes. We are currently

leading several projects to support water returns to the environment, Traditional Owners and water for agriculture, including:

- Werribee Reconfiguration Project
- West Werribee Recycled Water Scheme Expansion
- Improving Flows in the Werribee River
- Western Irrigation Network.

## Recreational values

GWW does not manage water storages or deliver site-based projects that impact on recreational enjoyment of water. However, we do consider and support recreational values where relevant when we engage with communities and collaborate with stakeholders. For example, in 2023-24, GWW:

- provided advance notice to, and collaborated with, Werribee River Association and other environment groups about a planned EPA licence extension to Werribee River discharge from Melton RWP, which may impact recreational users of Cobbledick's Reserve

- used letterbox drops to inform residents and community along waterways about water releases
- explored potential testing or financial support for research into waterway health to support platypus numbers
- continued to support the Macedon Think Tank, which brings together environment groups across the region to discuss important priorities, including recreation
- continued to provide information via our website and online engagement webpage about projects and their potential impacts on waterways.

## Net zero carbon, zero waste and circular economy

GWW is on a path to achieving net zero carbon and taking action towards zero waste. Our aim is to explore and adopt innovative solutions that will create social, economic and environmental value by helping reduce energy use and emissions and support a circular economy approach.

In 2023-24, we continued work on projects that will contribute to reaching our goals, including:

- **Net Zero Emissions Strategy** – we commenced a review of our Net Zero Emissions Strategy to guide us in meeting and maintaining the commitments in the Statement of Obligations (Emission Reduction) and our *2030 Strategy*.
- **Energy Management Strategy** – we started to develop an Energy Management Strategy

and Action Plan to help identify and progress opportunities to reduce energy consumption and associated costs. This will support GWW's capacity in energy monitoring, demand response and grid support, energy efficiency, renewable energy integration, reporting and performance tracking.

- **Waste to energy project** – we continued to explore ways to optimise energy sources through a project that is adding organic waste that would otherwise be sent to landfill to an anaerobic digester at the Melton RWP to increase renewable energy generation.
- **Biosolids to biochar project** – this collaboration at Melton RWP uses an innovative energy-neutral technology to convert biosolids into a carbon-rich biochar, which works as a high-quality, slow-release

fertiliser. This project has the potential to reduce reliance on non-renewable energy sources and help us on our path to carbon neutrality. GWW hosted trials for PYROCO Mark 2, which included various improvements to emissions treatment and automation compared to the Mark 1 version. We are preparing for biochar field trials for end use markets, which will inform the development of a commercial scale solution.

- **Reuse of biosolids** – GWW generated 2,839 dry tonnes of biosolids and 2,870 tonnes (101% - including stored volume) were beneficially re-used.
- **VicWater Carbon Offsets Project** – VicWater is investigating the value of setting up a structure that can support an industry-wide initiative through

which Victorian water corporations can collectively self-generate Australian Carbon Credit Units, such as investing in large-scale environmental planting. The project has commenced the 'proof of concept' phase to design and test the recommended approach.

- **Zero Emissions Water Power Purchasing Agreement** – GWW maintained its 30% share in a contract for difference with Total Energies at the Kiamal Solar Farm to generate large-scale generation certificates.

## Climate change and energy

### Emissions reduction

Gross greenhouse gas emissions for 2023-24 totalled 37,629 tonnes of CO<sub>2</sub>-e, which is 14% higher than our 2023-24 Corporate Plan target of 33,000 tonnes of CO<sub>2</sub>-e.

#### Total scope 1 and 2 emissions

Service delivery category	Greenhouse gas emissions (tCO <sub>2</sub> -e)				Variance
	22-23 Total emissions	23-24 Result		Total emissions	
		Scope 1 emissions	Scope 2 emissions		
Water treatment and supply	10,613		9,888	9,888	-7%
Sewage collection, treatment and recycling	27,018	11,199	14,813	26,012	-4%
Transport	964	1,031		1,031	7%
Other - Office	755	34	664	698	-8%
<b>Total emissions</b>	<b>39,350</b>	<b>12,264</b>	<b>25,365</b>	<b>37,629</b>	<b>-4%</b>
Carbon offsets (self-generated) retired	4,910		4,629	4,629	-6%
<b>Net emissions</b>	<b>34,440</b>			<b>33,000</b>	

GWW's gross greenhouse gas emissions reduced in 2023-24 by 4% compared to 2022-23. Net emissions following the retirement of Large-scale Generation Certificates totalled 33,000 tonnes of CO<sub>2</sub>-e, which is 4% below net emissions from 2022-23. Gross emissions reduced from a combination of:

- a 6% reduction in the emission intensity of electricity consumed from the Victorian electricity grid
- reduced volumes of water transferred from the Melbourne Water system, which is partially reflected in the 7% reduction in emissions from Water treatment and supply
- an increase in self-generated renewable energy from additional solar array installations.

## Scope 1 and 2 emissions by greenhouse gas

### Scope 1 and 2 emissions by greenhouse gas (in tonnes and converted to tCO<sub>2</sub>-e)

Service delivery category	Carbon dioxide (CO <sub>2</sub> )		Methane (CH <sub>4</sub> )		Nitrous oxide (N <sub>2</sub> O)		Other	
	Tonnes	tCO <sub>2</sub> -e	Tonnes	tCO <sub>2</sub> -e	Tonnes	tCO <sub>2</sub> -e	Tonnes	tCO <sub>2</sub> -e
Water treatment and supply	9,888	9,888	0	0	0	0	0	0
Sewage collection, treatment and recycling	15,296	15,296	270	7,551	12	3,165	0	0
Transport	1,025	1,025	0.01	0.2	0.02	7	0	0
Other (e.g. offices, depots, etc.)	697	697	0.002	0.07	0.0001	0.02	0	0

## Scope 3 emissions

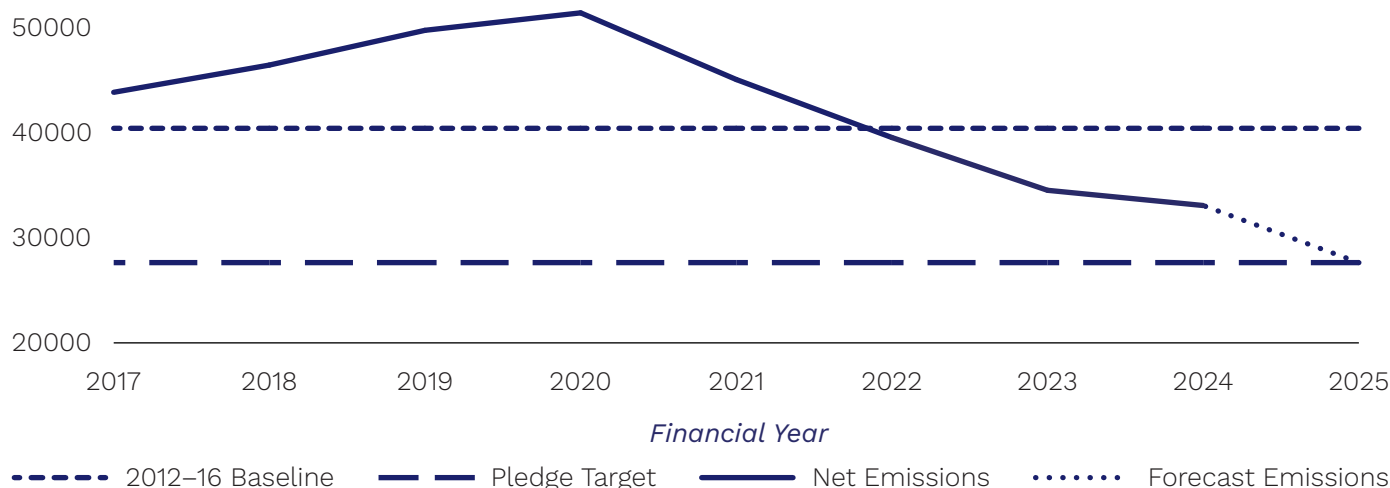
Scope 3 emissions source	Scope 3 emissions (in tCO <sub>2</sub> -e)	Commentary (including calculation methodology and inclusions)
Commercial air travel	8.4	Third party methodology
Waste disposal	1,145	NGERS methodology
<b>Total</b>	<b>1,153.4</b>	

The following graph shows GWW's greenhouse gas emissions trajectory to achieve our Pledge Target of 27,596 tonnes of CO<sub>2</sub>-e in 2025.

## Progress towards 2025 Carbon Pledge

Tonnes CO<sub>2</sub>-e

*Greater Western Water's Baseline, Pledge Target, Net and Forecast Greenhouse Gas Emissions*



The graph shows that while GWW's greenhouse gas emissions increased between 2017 and 2020, net emissions decreased between 2020-21 and 2023-24. Net greenhouse gas emissions are forecast to continue to reduce until the Pledge target is achieved in 2024-25. This reduction will be achieved through a combination of:

- substitution of grid electricity with behind-the-meter renewable energy installations
- generating more biogas at Melton Recycled Water Plant
- introducing energy efficiency opportunities
- offsetting emissions with Large-scale Generation Certificates when required.

GWW does not currently record the electricity generation from non-renewable electricity sources, such as backup diesel generation. Measurement of this data set will be investigated for future reporting purposes.

## Electricity consumption

### Total electricity consumption by service delivery category

Total electricity use	2022-23 MWh	2023-24 MWh	% Change
Water treatment and supply	12,486	13,073	4.7%
Sewage collection, treatment and recycling	21,885	20,811	-4.9%
Other (office, workshops, depots, etc)	849	840	-1.0%
<b>Total</b>	<b>35,220</b>	<b>34,725</b>	<b>-1.4%</b>

A total of 34,725 megawatt hours (MWh) of electricity was used by GWW in 2023-24. This is a 1.4% decrease on electricity consumption compared to 2022-23. Electricity use by sewage collection, treatment and recycling decreased by 4.9%, while water treatment and supply increased 4.7%. These changes are partly due to electricity used for managing recycled water being allocated this year to water treatment and supply instead of sewage collection, treatment and recycling. Electricity used by GWW main offices decreased by 1%.

### Total electricity consumption by source

Electricity source	22-23 Total electricity consumption (MWh)	23-24 Total electricity consumption (MWh)
Purchased directly through an electricity retailer	33,146	32,378
Not directly purchased but sourced from outside the organisation	0	0
Corporation led/self-sourced activities and initiatives	2,074	2,347
<b>Total (by source)</b>	<b>35,220</b>	<b>34,725</b>

The table shows that GWW used less electricity that was purchased through a retailer in 2023-24 than in 2022-23. Self-generated electricity increased by 13% due to the full year operation of four new solar arrays.

### Total renewable electricity consumption

Renewable energy source	2022-23 Renewable electricity used (MWh)	2023-24 Renewable electricity used (MWh)	2023-24 Renewable electricity consumption (% of total consumption)	Variance between current and previous year
<b>Total renewable electricity consumption from grid-sourced electricity GWW reported because of the Commonwealth Government's LRET</b>				
Total grid sourced: Mandatory	6,493	6,061	17%	-7.2%
<b>Total renewable electricity consumption from corporation led/self-sourced activities</b>				
Solar	1,061	1,455	4%	27%
Hydroelectric				
Wind				
Biogas	1,013	892	3%	-13.6%
Greenpower	204	281	1%	27.2%
Other				
<b>Total corporation led/self-sourced</b>	<b>2,279</b>	<b>2,627</b>	<b>8%</b>	<b>13.3%</b>
<b>Total renewable electricity consumption</b>	<b>8,768</b>	<b>8,689</b>	<b>25%</b>	<b>-1.0%</b>

The above table shows that 25% (8,689 MWh) of GWW's electricity consumption was sourced from renewable sources. This included 6,061 MWh of renewable energy embedded in electricity sourced from the grid and 2,627 MWh of self-generated renewable energy and Greenpower purchases. Self-sourced renewable energy increased by 13.3% compared to 2022-23 primarily due to a full year's operation of four additional solar arrays. Renewable electricity from biogas was down 13.6% compared to last year due to reduced cogeneration turbine availability.

### Total on-site renewable electricity generation

Renewable electricity source	23-24 Total on-site renewable electricity generation capacity (MW)	23-24 Total on-site renewable electricity generated (MWh)					
		Renewable (large-scale) system			Renewable (small-scale) system		
		Consumed on-site	Exported	Other	Consumed on-site	Exported	Other
Biogas	0.195	892					
Hydroelectric							
Solar	1.195	1,169	478		285	485	
Wind							
Other renewable							
<b>Total (renewable)</b>	<b>1.39</b>	<b>2,061</b>	<b>478</b>		<b>285</b>	<b>485</b>	

The above table shows that 2,347 MWh of renewable electricity was generated and consumed at GWW's assets, and 963 MWh of renewable electricity was exported to the grid, resulting in a self-consumption rate of 71%.

### Total energy usage from fuels and electricity by energy source

Total energy usage	Renewable (MJ)	Non-renewable (MJ)	Total (MJ)
From fuels	21,697,106	22,251,530	43,948,636
From electricity	6,247,718	115,586,760	121,834,477
<b>Total</b>	<b>27,944,823</b>	<b>137,838,290</b>	<b>165,783,114</b>

### Total energy usage per corporation full time equivalent (FTE) employee

Total energy usage (fuels and electricity) MJ	Total FTE employees	Energy usage (MJ) per FTE employee
165,783,114	836	198,305

### Total stationary fuel use in buildings and machinery

Fuel type	Total stationary fuel use (buildings and machinery)	
	in MJ	In tCO <sub>2</sub> -e
Fossil gas	652,045	34
Biogas		
Diesel	6,910,867	485
LPG		
Petrol		
Other		
<b>Total</b>	<b>7,562,911</b>	<b>519</b>

### Total Renewable Energy Certificate (REC) retirement

REC retirement method	RECs retired: 23-24 (1 REC = 1MWh renewable electricity)	Commentary
Voluntarily retired by GWW	5,859	All Large-scale Generation Certificates
Greenpower	281	One site with GreenPower
Certified carbon neutral electricity purchased		
Voluntarily retired on GWW's behalf		
Total voluntarily retired		
Mandatorily retired		
<b>Total RECs retired</b>	<b>6,140</b>	

## Adapting to climate change

Climate change poses significant risks to the supply of water and services to customers. Climate considerations are embedded into our decision-making processes and long-term planning.

### 2030 Strategy

GWW's *2030 Strategy* recognises climate change as a key driver that will impact the service region over the next ten years. The strategy identifies actions that support adaptability and climate resilience and aim to deliver water supplies that are secure, sustainable and resilient. The strategy supports the Victorian Government's *Water Cycle Climate Change Adaptation Action Plan 2022-26* (DELWP 2022).

### Planning and responding to risk

GWW plans and responds to climate change-related risks through the corporate planning process and key projects, such as:

- *Greater Melbourne Urban Water and System Strategy: Water for Life*, which provides a 50-year strategy for Melbourne's water supply system that is adaptive and considers various climate scenarios and solutions
- investing in alternative, climate-resilient water solutions for a variety of uses, such as the Western Irrigation Network and projects funded through the Stormwater Partnership Fund
- projects and investigations that – integrated into the core treatment plant growth, asset management and compliance projects – deliver climate change benefits, such as the transition to Membrane Aerated Biofilm Reactor (MABR) to lower scope 2 emissions, carbon sequestration in biochar and new technologies to mitigate the impact of manganese during high rainfall events
- leading and contributing to projects that are transforming waterways and creating green spaces, such as the Chain of Ponds, Greening the Pipeline and Greening the West

- partnering with the other metropolitan retailers to improve water efficiency, through projects such as the Water Conservation Marketing Plan
- ensuring that controls are in place to plan for responses to extreme weather events through emergency management and business continuity policies
- continuing to develop the resilience of critical infrastructure through our Strategic Asset Management Plan.

### Climate Change Resilience Plan

Our Climate Change Resilience Plan will embed climate change adaptation resilience within the business and ensure we are taking a proactive risk management approach to planning for climate change impacts.

We are finalising the plan and working internally to ensure that ownership sits in the best area within the organisation to support implementation and accountability. The Climate Change Resilience Plan will explore opportunities to:

- reduce reliance on climate-dependent resources for drinking water
- provide alternative water to reduce drinking water for non-drinking uses
- increase resilience and capacity or redundancy in sewer and water networks
- update infrastructure standards to be more resilient to the effects of climate change
- increase incident response capability and capacity, for example, with regards to bushfires and planning for a changing climate.

The plan has been guided by a cross-organisational working group and a climate change risk assessment.



## Assessing risk

The climate change risk assessment, which was based on the Water Services Association of Australia's *Climate Change Adaptation Guidelines* (2016) and undertaken in alignment with GWW risk management procedures, identified 79 risks across service delivery (36 risks), public health (8 risks), financial (7 risks) and legal and regulatory compliance (6 risks).

Twenty priority risks were identified and will be addressed in our Climate Change Resilience Plan. These risks can be broadly summarised to relate to:

- water supply
- sewage treatment and recycled water operations
- assets and supporting infrastructure
- the health, safety and wellbeing of GWW employees
- biodiversity and the environment.

The *Guidelines for the Adaptive Management of Wastewater* and the *Guidelines for Assessing Impact of Climate Change on Water Availability* informed the work to understand different types of risks and to consider potential risks in the climate change risk assessment workshops.

## Tracking progress

GWW will continue to track how we are diversifying sources of water supply, reducing emissions, minimising impact on the environment, and enhancing the environment. We will also track performance and resilience of our assets through contingency plans, and our capability and capacity to respond to emergencies. Analysis of the priority actions in the Climate Change Resilience Plan will enable us to develop metrics to assist monitoring, evaluation and reporting of the implementation of the plan.

# Organisation and governance

## Organisational structure



### Strategy and Partnerships

- Partnerships, Engagement and Communication
- Strategy and Policy
- Price Submission and Regulation
- Infrastructure and Resource Planning

### Growth and Infrastructure

- Asset Knowledge and Technology
- Growth and Development
- Major Infrastructure Projects
- Infrastructure Investment and Partnerships
- Reliability
- Asset Integration
- Asset Delivery Transformation

## Operations and Delivery Solutions

- Maintenance and Network Services
- Operational Customer and Delivery Improvement
- Wastewater and Reuse Operations
- Water Supply and Operations

## Customer Experience

- Customer Connect
- Customer Assist
- Billing and Customer Platforms (Project Platypus)
- Business Customer Services
- Commercial and Business Performance
- Billing and Customer Information

## Business Services

- Finance
- Risk and Resilience
- Technology, Security and Property
- Procurement
- General Counsel and Corporate Secretary

## Enterprise Transformation

- Enterprise Opportunities and Improvement
- Digital Utility
- Enterprise Value Office
- Data and Analytics
- Enterprise Transformation Office

## People, Culture and Safety

- Employee Experience
- Health, Safety, Environment and Quality (HSEQ)
- Organisational Capability
- People Services
- Strategic Business Partnering
- Organisational Change
- Diversity and Inclusion

## Corporate governance

The Honourable Harriet Shing MP was the responsible Minister for Water from 1 July 2023 to 30 June 2024. The Minister for Water is responsible for urban water, irrigation water, groundwater, water corporations and governance, allocation and trading, permanent water use rules and water restrictions.

The Minister for Water, in consultation with the Treasurer, appoints the directors of GWW (including the Chair) and sets their terms and conditions. Directors are eligible for reappointment for subsequent terms. The Managing Director is appointed by the board.

From 1 July 2023 to 30 September 2023 the board comprised eight non-executive directors and the Managing Director. From 1 October 2023 to 30 June 2024 the board comprised nine non-executive directors and the Managing Director.

In 2023-24, the board met eight times. It is committed to performing its role in accordance with the highest standards of corporate governance.

There were three committees of the board. The Risk Management and Audit Committee met five times; the Resilience and Transformation Committee met four times; and the Culture, Wellbeing and Community Committee met three times.

The board is responsible for setting and overseeing GWW's policies, objectives and strategies, and for ensuring that risk is appropriately managed. The board approves budgets and significant projects, reviews corporate policies and strategies, and oversees progress on key issues affecting the corporation.

The board seeks independent review of its performance on an annual basis and reports to the Minister for Water and the Treasurer of Victoria on the outcomes of these reviews. GWW operates under the *Water Act 1989*. Our activities are governed by the *Water Act 1989* and the Statement of Obligations issued by the Minister for Water under s. 4I of the *Water Industry Act 1994*.

## Members of the board

### David Middleton

Chair

BEng, MEng, MBA, GAICD

Mr Middleton was appointed the inaugural GWW Board Chair as of 1 July 2021. Mr Middleton was City West Water Board Chair from October 2015 to June 2021 and Director and Deputy Chair at Yarra Valley Water from October 2011 to September 2015. Mr Middleton has more than 30 years of water industry operational and executive experience. He is Chair of the VicWater Board and a director on the board of Hydro Tasmania. Mr Middleton holds Bachelor and Masters degrees in engineering, an MBA from Deakin University and is a Graduate Member of the Australian Institute of Company Directors (AICD). Mr Middleton has held previous board roles as Managing Director of the CH2M Hill group of companies in Australia and Chair of CH2M Beca in New Zealand.

#### *Committee membership*

Resilience and Transformation Committee; Culture, Wellbeing and Community Committee

### Nicola Burgess

Director

B.Bldg (Property), B.Planning & Design, Post Grad Dip. Property, MBA, GAICD

Ms Burgess was appointed a Director of the GWW Board from October 2023. Ms Burgess is an experienced non-executive Director, Chair, CEO, and member of board risk and audit committees. As an executive, Ms Burgess has worked across many sectors with mid-cap, large public, government, listed and private companies in Australia and internationally. Ms Burgess has diverse experience leading commercial innovation, digital transformation, M&A post-merger integration, and growth ventures at companies including Deloitte, British Telecom and Australia Post.

#### *Committee membership*

Resilience and Transformation Committee

### Matthew Burns

Director

AdvDip (FinServices)

Mr Burns was appointed a Director of the GWW Board from July 2021. As a Taungurung Traditional Owner and current Chief Executive Officer of Taungurung Land and Waters Council (TLaWC), he has deep knowledge of the water sector through his associations with catchment management

authorities and other water corporation boards. Mr Burns is currently an Elected Member of the First Peoples' Assembly of Victoria and director on the board of the Victorian Aboriginal Child Care Agency.

#### *Committee membership*

Culture, Wellbeing and Community Committee; Resilience and Transformation Committee

### Bruce Cohen

Director

BComm, LLB (Hons), MComm, PhD (Pub. Pol.)

Dr Cohen was appointed a Director of the GWW Board from July 2021 and was previously a Director of City West Water from October 2015 to June 2021. Dr Cohen has previously practised as a barrister and currently is a board member of Austin Health and principal at BKE Consulting, which provides high-level economic and public policy advice. Dr Cohen has substantial public sector governance experience, having previously served on the boards of VicTrack, Melbourne Water, Snowy Hydro and VENCORP, as well as with the Victorian Competition and Efficiency Commission and the Victorian Commission for Gambling and Liquor Regulation.

#### *Committee membership*

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

### Claire Filson

Director

MBA, LLB, GradDip (Applied Corporate Governance)

Ms Filson was appointed a Director of the GWW Board from July 2021 and was previously a Director of Western Water from October 2017 to June 2021 and South East Water from 2000 to 2006. Ms Filson is an experienced non-executive director with an extensive background in financial services, superannuation, insurance, funds management, infrastructure and property including ports, roads, rail and utilities (water). Ms Filson is the Deputy Chair of the Portable Long Service Benefits Authority and the Indigenous Land and Sea Corporation. She is also Chair of the City of Kingston Audit and Risk Committee and is an independent member on the board of Redundancy Payment Central Fund Limited (trading as Incolink).

#### *Committee membership*

Risk Management and Audit Committee (Chair); Culture, Wellbeing and Community Committee

### **Tien Kieu**

Director  
BSc (Hons) PhD GAICD FAIP

Professor Kieu was appointed a Director of the GWW Board in October 2023. Prof. Kieu has held various positions at Edinburgh University, Oxford University, Melbourne University and CSIRO. He also has extensive experience in industry and financial investment sectors, data analytics and artificial intelligence. His current interests include quantum computation and algorithms. Prof. Kieu served as a Member of the Legislative Council of the Victorian Parliament from 2018 to 2022. During his tenure, he performed various roles including the inaugural Victorian Government STEM Education Ambassador and as Chair, Deputy Chair and member of several Legislative Council committees. He has also been a non-executive director on the Board of the Traffic Accident Commission (TAC). Prof. Kieu is currently a member of In2Science Advisory Board, Fellow of St Hilda's College (Melbourne University) and Adjunct Professor at Swinburne University of Technology. He is also a member of the Council of Swinburne University of Technology.

Prof. Kieu was a refugee from Vietnam and is actively involved with multicultural communities in Victoria.

#### ***Committee membership***

Risk Management and Audit Committee

### **Maree Lang**

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

Ms Lang was appointed the inaugural Managing Director of GWW as of 1 July 2021. Ms Lang was previously Managing Director of City West Water from April 2020 to June 2021, following being appointed Acting Managing Director in November 2019. Prior to this Ms Lang was an executive with City West Water, leading the delivery of water services to more than one million Melburnians across the CBD, inner suburbs and the growing western region, as well as the delivery of major new assets vital for growth, urban renewal and government infrastructure. Ms Lang brings a passion to lead culture, safety and business transformation to deliver trusted water services for the customers and communities we serve, and for future generations. Ms Lang combines her water sector experience with a diverse and commercial driven background. Her leadership was recognised by her inclusion as Institute of Public Administration Australia Top 50 Public Sector Women (Victoria) 2018.

#### ***Committee membership***

Resilience and Transformation Committee; Culture, Wellbeing and Community Committee. Attends all committee meetings.

### **Liza McDonald**

Director  
GAICD

Ms McDonald was appointed a Director of the GWW Board from July 2021 and was previously a Director of Western Water from October 2019 to June 2021. As Managing Director of a consultancy company, Ms McDonald provides comprehensive strategic, business and community engagement strategies to top-tier Australian and international businesses. Ms McDonald has many years of executive experience in the coordination of high-level communications and performance evaluation within the Victorian Government. Ms McDonald was a member of the Lower Murray Water Board from 2015–19, holds various qualifications in communication and negotiation, and has completed the Australian Institute of Company Directors course.

#### ***Committee membership***

Resilience and Transformation Committee; Culture, Wellbeing and Community Committee

### **Aisha Nicolay**

Director  
BBus (Acc), MAICD

Ms Nicolay was appointed a Director of the GWW Board from October 2023. As a non-executive director, she is experienced in customer-centric culture transformation and strategic growth in corporate, not-for-profit and social enterprise sectors and organisational risk management. She brings expertise in evidence-led economic development and is focused on inclusion, diversity, equity and community wellbeing. Ms Nicolay is currently a director at the Western Bulldogs Community Foundation where she is also chair of the Strategic Advisory Committee and executive director of the West of Melbourne Economic Development Alliance Incorporated.

#### ***Committee membership***

Culture, Wellbeing and Community Committee

### **Llewellyn Prain**

Director, Deputy Chair  
BA (Hons), LLB (Hons), FAICD

Ms Prain was appointed a Director and made Deputy Chair of the GWW Board from July 2021. Ms Prain was previously a Director of Western Water from October 2015 to June 2021. She is an experienced company

director with a background in law and public policy. Her directorships have spanned the health, disability and alternative dispute resolution industries. In 2017 she completed the Williamson Community Leadership program. She is Founder and National Coordinator, WaterAble, a network for people with disability in the water industry.

#### *Committee membership*

Risk Management and Audit Committee; Culture, Wellbeing and Community Committee (Chair)

#### **Board members who concluded their term during 2023-24**

##### **Tania Fryer**

Director

LLB (Hons), BA, MCommrclLaw, GAICD

Ms Fryer was appointed a Director of the GWW Board from July 2021 and was previously a Director of City West Water from October 2017 to June 2021. An experienced company director and accomplished executive, Ms Fryer brings a value-adding blend of multi-sector skills across technology, law and corporate governance. Tania values making a difference for people+planet, enabled by innovative people+tech+data and good governance. Currently also a director of Future Leadership Pty Ltd, Ms Fryer's prior director roles include .au Domain Administration Ltd, Potential(x) Holdings Pty Ltd and Grey Innovation Group Pty Ltd. Ms Fryer has held a diversity of executive, management and legal roles including at AustralianSuper (current), Telstra and what is now Allens.

#### *Committee membership*

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

##### **Efim Thatcher**

Director

BCom, MBA (Exec), CA, GAICD

Mr Thatcher was appointed a Director of the GWW Board from July 2021. He is an experienced senior executive and non-executive director spanning unlisted and listed multinational businesses in financial services, funds management, private equity, property and infrastructure.

#### *Committee membership*

Risk Management and Audit Committee

## **Board committees**

### **Risk Management and Audit Committee**

The Risk Management and Audit Committee (RMAC) assists the Board of Directors to fulfil its governance and risk oversight responsibilities. This includes reviewing and monitoring annual financial management and reporting; risk management; internal audit; compliance with laws, regulations and policies; external audit; and internal controls and policies and processes. All members of the RMAC are independent with respect to the requirements of the Standing Directions of the Minister for Finance.

### **Resilience and Transformation Committee**

The Resilience and Transformation Committee assists the board to oversee planning for the long-term resilience and sustainability of GWW's services and, in doing so, consider any necessary transformations to how GWW provides its services.

### **Culture, Wellbeing and Community Committee**

The Culture, Wellbeing and Community Committee assists the board by reviewing, monitoring and, where appropriate, making recommendations in relation to people and remuneration; health, safety and wellbeing; and community and engagement.

## Attendance at Board and Committee meetings

Member	Risk Management and Audit				Resilience and Transformation		Culture, Wellbeing and Community	
	Board meeting		Committee meeting		Committee meeting		Committee meeting	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
David Middleton	8	7	NA		4	4	3	3
Llewellyn Prain	8	8	5	4	NA	1	3	3
Matthew Burns	8	5	NA		3	0	2	0
Bruce Cohen	8	7	5	5	4	4	NA	
Tania Fryer	3	3	1	1	1	1	NA	
Liza McDonald	8	7	NA		4	2	3	2
Maree Lang	8	8	NA	5	4	4	3	3
Claire Filson	8	7	5	5	NA		3	2
Efim Thatcher	3	2	1	1	NA		NA	
Nicola Burgess	5	5	NA	2	3	3	NA	1
Tien Kieu	5	4	4	4	NA	1	NA	1
Aisha Nicolay	5	5	NA	2	NA	2	3	3

### Notes:

Matthew Burns and Liza McDonald took approved leave

Tania Fryer and Efim Thatcher concluded their terms on 30 September 2023

Aisha Nicolay, Nicola Burgess and Tien Kieu commenced their terms on 1 October 2023

## Our people

### Public sector values and employment principles

GWW applies key employment practices and policies to ensure we meet the requirements of the Victorian Public Sector Values, and the employment principles of the *Public Administration Act 2004*.

In relation to recruitment and selection activities, we have a robust system and associated policies and procedures to ensure employees are selected and promoted based on ability, knowledge and skills in fair and open competition that ensures equal opportunity. Employees receive fair and equitable treatment without regard to race, colour, sexual preference, age, physical or mental disability, pregnancy, religion, political opinion, national extraction or social origin.

We work to meet our obligations under the *Disability Act 2006*, the *Disability Discrimination Act 1992*, the *Equal Opportunity Act 1995*, and the *Charter of Human Rights and Responsibilities Act 2006*, with the aim of eliminating barriers for people with a disability from accessing goods, services, facilities and employment. We also strive to achieve gender equality and meet our legislative obligations under the *Gender Equality Act 2020*.

Our Safe, Inclusive and Respectful Workplace Policy supports our people to work in an environment free from harassment, bullying and discrimination. We continue to align policies for the prevention of harassment, discrimination and bullying, and education programs for employees, contractors and visitors around their rights and obligations. Any behaviour to the contrary will result in disciplinary action up to, and including, dismissal. Employees also have a range of support options and avenues for review if they encounter behaviours not in accordance with GWW culture.

GWW has a comprehensive Code of Conduct relating to all board directors, employees, visitors and contractors in respect to behaviours and conduct in the workplace. The code articulates responsibilities regarding a range of matters and requirements, including gifts, benefits and hospitality; workplace behaviours; use of resources and information technology; corrupt conduct and public interest disclosures; and drugs and alcohol in the workplace.

## Workforce data

	June 2023 <sup>1</sup>						June 2024 <sup>2</sup>							
	All employees <sup>3</sup>			Fixed term and casual			All employees			Fixed term and casual				
	Number (headcount)	FTE	Ongoing (headcount)	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Ongoing (headcount)	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	
<b>Gender</b>														
Women	388	362.8	285	76	339.4	27	23.4	410	385.2	296	90	362.2	24	23
Men	432	426.3	384	20	399	28	27.3	445	438.9	396	19	410.5	30	28.4
Self-described	5	<5	<5	<5	<5	<5	<5	13	11.8	9	<5	11.8	0	0
<b>Age</b>														
15-24	25	23.3	11	<5	12.8	11	10.5	20	20	10	0	10	10	10
25-34	164	158.4	131	12	138.9	21	19.5	175	168.7	138	18	150.3	19	18.4
35-44	252	242.3	209	36	236.4	7	5.9	264	254	213	37	241.2	14	12.8
45-54	233	225.7	198	24	215.5	11	10.2	242	234.2	203	31	226.6	8	7.6
55-64	122	117.5	102	14	111.9	6	5.6	137	131.8	116	20	130.8	1	1
65+	29	26.5	21	8	26.5	0	0	30	27.3	21	7	25.7	2	1.6
Prefer not to respond	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Classification</b>														
Executive <sup>4</sup>	8	8	8	0	8	0	0	7	7	7	0	7	0	0
Senior Managers	63	62.3	55	<5	57.3	5	5	63	62.3	57	5	61.3	<5	<5
Team Leaders	138	135	123	11	131.4	4	<5	147	144.7	129	9	136.3	9	8.4
Individual Contributors	616	588.4	486	83	545.3	47	43.1	651	622	509	99	580.9	43	41
<b>Total employees</b>	<b>825</b>	<b>793.7</b>	<b>672</b>	<b>97</b>	<b>742</b>	<b>56</b>	<b>51.7</b>	<b>868</b>	<b>836</b>	<b>702</b>	<b>113</b>	<b>785.5</b>	<b>54</b>	<b>51.4</b>

1 GWW workforce data at 30 June 2023.

2 GWW workforce data at 30 June 2024.

3 GWW employees have been correctly classified in this workforce data.

4 Of our 7 nominated executives, 57% are women. The nominated executives are classified as Public Entity Executive Classification: one at Level 3 and six at Level 2.



## Diversity, equity and inclusion

### Our framework and annual plans

GWW's Diversity, Equity and Inclusion (DEI) Framework aligns to the *2030 Strategy* and our culture ambition, and sets out our vision for 2030:

- Our workforce reflects the communities we serve at all levels of the organisation and we benefit from diversity and inclusion.
- We have pathways for equitable access to employment in the water sector.
- We are a leader in providing equitable access to services and for respecting and celebrating diversity.
- Alongside our delivery partners, we have created jobs in our region for young and underrepresented groups.
- We have attracted aligned delivery partners and suppliers and supported them to achieve our shared environmental and diversity and inclusion goals.

We develop an annual plan to deliver on our ambition and framework. We have made significant progress towards building a diverse, equitable and inclusive workplace that delivers great outcomes for the organisation, customers and community. For example, in 2023-24 we:

- continued to build a safe, inclusive and respectful workplace through engagement activities, including an anti-racism workshop for leaders, sharing stories from people with lived experience, and celebrating Harmony Week with a food drive for Foodbank and Sunbury Neighbourhood Kitchen
- built awareness and knowledge of family and domestic violence through updated policies, new employee resources, ongoing messaging and an all-employee event that heard from people with lived experience
- built awareness and knowledge of gender equity and inclusion through events and experiences, including celebrating International Women's Day by providing superannuation workshops targeted to women to improve their economic security
- strengthened collaboration with water sector peers and took a sector approach to building equity and inclusion by co-delivering events, including IDAHOBIT, Midsumma, Wear it Purple and International Day for People with a Disability
- continued to partner with Deafblind Victoria to host workshops to raise awareness of barriers faced by people with disabilities and showcased our progress in accessibility inclusion at OzWater 2024

- delivered education for all our people on First Nations, with Cultural Safety and Acknowledgement of Country training, and participated in National Reconciliation Week and NAIDOC Week
- improved data collection to track progress on diversity and inclusion
- achieved our best results for gender equity with women in leadership roles at 47% and ongoing great representation of culturally and linguistically diverse people (39% born overseas), people with a disability (10%) and LGBTQIA+ people (7%)
- enhanced the recruitment process to build in equitable measures to remove barriers to people who may experience bias, for example ensuring hiring managers consider part-time options.

Our diversity, equity and inclusion annual plan is not published on the GWW website; however it is published internally.

### Gender Equality Action Plan

As part of the legislative obligations under the *Gender Equality Act 2020*, GWW developed a *Gender Equality Action Plan 2021-2025*.

In 2023-24, we submitted the first progress report to the Commission for Gender Equality in the Public Sector for review. The report tracks our progress towards gender equality across seven workplace gender equality indicators.

We are proud of the strong progress we have made in completing committed strategies and measures to date:

- Gender representation continues to be very positive, with women making up 48% of the total workforce and an outstanding result with increased representation of women in leadership at 47%. We are achieving GWW targets to have gender balance at all levels of the organisation of 45-55%.
- Progress towards gender equality is evident in flexible working arrangement results. Flexible working enables sharing the care, promotes positive stereotypes and contributes to advancing gender equality. Results for 2023-24 include:
  - 21% of part-time roles are held by men, which is a 4% increase from 2021
  - part-time roles at Senior Leader level increased from zero in 2021 to three in 2023 (one man and two women)
  - the duration of parental leave taken by men increased from six weeks in 2021 to 8.9 weeks in 2023. We will continue to promote the Parental+ Leave Policy and support men across the organisation to take up this leave provision.

- The board continues to be balanced in relation to gender with 60% women and 40% men.
- We have made some progress towards a more balanced gender distribution in the workforce across work types, particularly in managerial and technical roles. However, we still have disparities in the traditionally male-dominated field roles and will continue to take action to progress this.

**Gender impact assessments**

GWW must complete gender impact assessments under the *Gender Equality Act 2020* to ensure our new and renewed policies, programs and services benefit all Victorians.

We have renamed gender impact assessments to equity impact assessments to ensure we take an intersectional approach. Intersectional inequality is where inequality may be compounded due to aspects of a person’s identity, including

socioeconomic status, Aboriginality, age, ethnicity, gender, gender identity, race, religion and sexual orientation.

Equity impact assessments frame our thinking in delivering policy, programs and services. The process helps GWW meet the unique needs of customers and communities. We are integrating equity impact assessments into the business through a phased approach.

Equity impact assessments help us drive practical action to:

- progress gender equality and equity for groups of people who experience disadvantage
- provide equitable access to services and resources and create better and fairer outcomes
- provide excellent customer experience and support communities to thrive.

**Workforce targets**

<b>Goal</b>	<b>GWW targets to 2025</b>	<b>GWW results 2023-24<sup>1</sup></b>
Gender equity	45-55% workforce are women	48% of workforce are women
	45-55% leaders are women	47% of leaders are women
	45-55% women in STEM	39% women in STEM <sup>2</sup>
Women in leadership	Maintain a balance of 45-55%	47% of leaders are women
		MD: woman
		L1: 57% women (4 executives out of 7 are women) L2: 63% women
Pipeline (L3 roles are team leaders or specialists)	40% of L3 roles are women	44% L3 roles are women
Employees identify as First Nations	2%	1.3%
	And decrease in ‘prefer not to say’ – an indicator of cultural safety	5.7% ‘Prefer not to say’

<sup>1</sup> Data from June 2024

<sup>2</sup> Data from June 2023 - 66% survey participation/637 responses

To improve participation by Traditional Owners and Aboriginal Victorians in board and other committees in 2023-24, we:

- delivered cultural safety training for board members
- continued to have First Nations representation at board level
- commenced recruitment for a First Nations independent board delegate
- ensured First Nations representation on organisational committees including RAP Steerco, RAP Working Group, DEI Working Group.

In 2023-23, 74 employees completed cultural safety training and 91 attended Acknowledgement of Country training.

## Health, safety and wellbeing

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

In 2023-24, we continued to mature our approach to Health, Safety, Environment and Quality (HSEQ) by:

- preparing for the first HSEQ vision and strategy co-designed with the business and aligned to HSEQ cultural maturity
- launching the new HSEQ team structure and service delivery model to support business functions

- building out management system processes to support the evolution of the Program and Project Management Framework (PPMF)
- unifying and certifying HSEQ management systems into an integrated management system
- revising health and safety risk registers and environmental aspect and impact registers for each facility to better understand and manage risks
- developing HSEQ dashboards to support accurate reporting and trending of events, actions and observations
- launching a critical risk management program to support identification and control of top health and safety risks.

Measure	2021-22	2022-23	2023-24
Number of reported hazards per 100 FTE	17.8	20.8	23.8
Number of incidents per 100 FTE	18.7	36.4	38.9
Number of 'lost time' standard claims per 100 FTE	0.1	0.97	1.08
Average cost per workers compensation claim	\$4,696	\$14,630	\$14,536
<b>Total Recordable Injury Frequency Rate (TRIFR)</b>	<b>7.5</b>	<b>7.9</b>	<b>9.1</b>

## Environmental data reporting

### Transportation

The following reports on the GWW registered vehicle fleet, including pool, staff and novated lease passenger vehicles.

T1: Total energy used in transportation by fuel type (MJ)	Unleaded:	2,710,481	
	Diesel:	12,043,912	
T2: Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type (Number and %)	Petrol:	64	34.4%
	Diesel:	121	66.1%
	Electric:	1	0.5%
T3: Greenhouse gas emissions from vehicle fleet segmented by fuel type (Tonnes CO <sub>2</sub> -e)	Petrol:	183	
	Diesel:	848	
T4: Total distance travelled by commercial air travel (km)		84,778	

## Sustainable buildings and infrastructure

GWW does not own office buildings and in 2023-24 did not enter into any new building leases.

The data available on NABERS (National Australian Built Environment Rating System) energy ratings show that for the office building at 1 McNab Avenue Footscray, where GWW is a tenant, as of 2023-24 Q1 the building was tracking at 5.76 Star NABERS energy, with a formal rating of 5.5 stars as of December 2023. This far exceeds the lease commitment of 4.5 stars. [This is data provided by AG Coombs Advisory Quarterly Building Performance Review, 8 December 2023].

The office building in Macedon Street Sunbury is owned by the City of Hume. NABERS ratings are not available for this building due to its age.

## Water consumption

### Sunbury office

	2022-23	2023-24
Water consumed kL	1,513	1,507
Litres per m2 office space	688	685

### Footscray office

	2022-23	2023-24
Water consumed kL <sup>1</sup>	857	990
Litres per m2 office space	139	161

<sup>1</sup> Total usage is estimated as the Footscray office is in a building with other tenants and reflects higher attendance rate compared to 2022-23

## Waste and recycling

GWW is a tenant at 1 McNab Avenue Footscray, which is serviced by a waste contractor, and 36 Macedon St Sunbury, which is serviced by a shared council waste refuge area. Currently only waste volumes at Footscray site are recorded.

### Total units of waste disposed of by disposal method and waste stream (kg and %)

#### 1 McNab Ave Footscray GWW tenancy

Type of waste	2023-24 kg	2023-24 %	TCO2 emissions
General waste	4,417	73.5	7.07
Co-mingled recycling	878.1	14.6	0
Paper and cardboard	590.5	9.8	0
Organics	125.4	2.1	0
<b>Total</b>	<b>5,217</b>	<b>86.8</b>	<b>7.07</b>

E-waste and printer cartridges are recycled from GWW offices and plants. While current arrangements do not require service providers to collect data, this will be required in the future.

### Recycling rate

Footscray office: 26.5%

Total units of waste disposed of normalised by floor area for Footscray office: 0.85 kg per m2 (based on 6,166m2 area)

# Disclosures

## Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP-applicable projects respectively where contracts have been entered prior to 15 August 2018.

## Projects commenced – Local Jobs First Standard

During 2023-24, GWW commenced five Local Jobs First Standard projects totalling \$50.31 million. Of those projects, three are located in regional Victoria, with an average commitment of 91% of local content, and two in metropolitan Melbourne, with an average commitment of 96% local content. MPSG applied to one of the projects. No projects were commenced that occurred statewide.

The outcomes expected from the implementation of the Local Jobs First policy to these projects, where information was provided, are as follows:

- an average of 73.7% of local content commitment was made
- a total of 61 jobs (annualised employee equivalent - AEE) were committed, including the creation of 11 new jobs and the retention of 50 existing jobs (AEE)

- three positions for apprentices were committed, including creation of one new apprenticeship and retention of two existing apprenticeships and cadetships
- 306 small to medium-sized businesses were engaged through the supply chain on commenced Standard Projects.

### Projects completed – Local Jobs First Standard

During 2023-24, GWW completed ten Local Jobs First Standard projects, totalling \$108.9 million. Of those projects, two were located in regional Victoria, with an average commitment of 98% local content, and eight in metropolitan Melbourne, with an average commitment of 97% local content. The MSPG applied to two of these projects.

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

- an average of 97% of local content commitment was made
- a total of 81 jobs (AEE) were supported, including the creation of 45 new jobs and the retention of 36 existing jobs (AEE)
- a total of 86 positions for apprentices, trainees and cadets were committed, including the creation of 14 new apprenticeships, traineeships and cadetships and the retention of the remaining 72 existing apprenticeships, traineeships and cadetships
- MSPG applicable projects provided a total of 4,775 hours to apprentices, trainees, cadets and engaged two apprentices, trainees and cadets
- 93 small to medium-sized businesses were engaged through the supply chain on completed Standard projects.

### Projects commenced – Local Jobs First Strategic

No Local Jobs First Strategic project was commenced during 2023-24.

### Projects completed – Local Jobs First Strategic

No Local Jobs First Strategic project was completed during 2023-24.

## Social Procurement Framework

GWW is committed to advancing social and sustainable objectives through procurement, in accordance with Victorian Government Social Procurement Framework.

GWW’s priority social procurement objectives align with the Social Procurement Framework and have been chosen based on their high degree of alignment with GWW’s strategic direction and values as well as being best positioned to advance identified social procurement opportunities.

Social procurement objective	Outcome sought
	Purchasing from Victorian Aboriginal businesses
Opportunities for Victorian Aboriginal people	Employment of Victorian Aboriginal people by suppliers to the Victorian Government
	Purchasing from Victorian social enterprises and Australian Disability Enterprises
Opportunities for Victorians with disability	Employment of people with disability by suppliers to the Victorian Government
	Adoption of family violence leave by Victorian Government suppliers
Women’s equality and safety	Gender equality within Victorian Government suppliers

### Social procurement activities 2023-24

- 25 social benefit suppliers were engaged (direct spend) during the reporting period.
- \$1,231,831 was spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive).
- Seven mainstream suppliers engaged have made social procurement commitments in their contracts with the Victorian Government.
- Seven contracts include social procurement commitments.

### Achievements

While three prioritised Social Procurement Framework objectives guide procurement delivery, GWW is committed to pursuing opportunities to advance social and sustainable outcomes for Victorians.

Social procurement highlights for the year include the following:

- 77% increase in direct spend with social benefit suppliers from last Financial Year.
- Launched GWW's first Reconciliation Action Plan in August 2023 with the support of First Nations and Traditional Owner partners at the Wunggurrwil Dhurrung Centre on Wadawurrung Country.
- Engaged Yambuk Labour Solutions and Skillinvest Ltd for the provision of temporary staff.
- Engaged Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation and Dja Dja Wurrung Enterprise Pty Ltd for the provision of cultural and heritage services.
- Improved First Nations education and capability by engaging Wan-Yaari to conduct Acknowledgement of Country workshops to raise employee awareness and increase engagement and respect to help achieve meaningful and sustainable outcomes through their involvement with Aboriginal peoples and communities.
- In partnership with Assembled Threads, successfully trialled a pilot to help create employment opportunities for diverse communities while also recycling old uniforms. Uniform recycling bins are now located at GWW's Footscray and

Sunbury offices to encourage employees to drop off their old uniforms for Assembled Threads to recycle or repurpose.

- Partnered with Wadawurrung Traditional Owner Corporation in the development of a Native Bush Tucker garden.
- Engaged NJAC to undertake a Cultural Safety Audit on the business as part of our RAP commitments.
- Engaged Australian Disability Network to consult and support our policies and procedures.
- Liaised with Deaf Blind Victoria to hold two employee awareness sessions.
- Engaged Australian Spatial Analytics to work on one of our projects with Tim Holmes.
- Engaged Safe and Equal, experts across family violence, to review the GWW Family and Domestic Violence Policy.

#### Emergency procurement

GWW did not activate the emergency procurement policy in 2023-24.

#### Procurement complaints

GWW did not receive procurement complaints in 2023-24.

Review and study expenses

<b>Name of the review</b>	<b>Reasons for review/study</b>	<b>Terms of reference/scope</b>	<b>Anticipated outcomes</b>	<b>Estimated cost 2023-24 (ex. GST)</b>	<b>Final cost if completed</b>	<b>Publicly available (Y/N)</b>
Net Zero Emissions Pathway	To clarify GWW's greenhouse gas mitigation strategy to 2030	Develop a pathway and decision-making framework to reach and maintain net zero emissions by 2030	More informed decision-making to guide investments in net zero projects	\$65,476	N/A	N
Energy Management Strategy	To help GWW lower energy use and costs	Develop an Energy Management Strategy and Action Plan for the business	More informed decision-making to guide investments in energy projects	\$68,880	N/A	N
Identifying opportunities to irrigate open spaces with alternative water sources	To help reduce demand for potable water	Identify and prioritise opportunities to increase the use of fit-for-purpose alternatives to potable water for open space irrigation	More informed decision-making to guide investment in alternative water projects	\$34,350	\$109,100	N
Incorporating First Nations cultural values in infrastructure projects	To understand cultural values across GWW's service region	Develop a spatial database and process to embed Traditional Owner cultural values into GWW's Portfolio and Project Management Framework	Improved planning processes that incorporate cultural values	\$39,370	\$39,370	N
Altona Treatment Plant (ATP) Groundwater Contamination Investigation and Risk Assessment	To better understand extent of groundwater contamination and possible remediation options for ATP	Groundwater contamination studies and options assessment of remedial solutions	More informed decision-making to guide site remediation and contamination prevention projects	\$122,000	N/A	N

Name of the review	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost 2023-24 (ex. GST)	Final cost if completed	Publicly available (Y/N)
Recycled Water Pricing Model	Expected revenue for recycled water schemes needs to better inform business cases for recycled water schemes	Development of proposed GWW Recycled Water Pricing Model	More informed decision-making to guide recycled water scheme/project business cases	\$9,000	\$9,000	N
Sunbury Recycled Water Plant (RWP) discharge Ecological Risk Assessment	Better understand ecological risk to Jacksons Creek as a result of Sunbury RWP operations	Evaluation of broad potential risks posed to Jacksons Creek by contaminants in Sunbury RWP effluent	More informed decision-making to guide plant upgrades required for removal of contaminations through the RWP process	\$7,625	\$7,625	N
Melton RWP discharge Ecological Risk Assessment	Better understand ecological risk to Werribee River as a result of Melton RWP operations	Evaluation of broad potential risks posed to Werribee River by contaminants in Melton RWP effluent	More informed decision-making to guide plant upgrades required for removal of contaminations through the RWP process	\$6,782	\$6,782	N
Sunbury RWP Options Assessment	As a result of changed context and business need, studies are required to amend outcomes of current treatment plant master plan	Review and update of options assessment for required treatment plant upgrades	More accurate and current decision-making to guide business cases for plant upgrades	\$20,000	\$180,000	N
Eflows Assessment	Understand GWW RWP opportunities to increase recycled water to surface water or alternatives allowing compliance	Assess treatment and reuse options for Sunbury, Riddells Creek, Woodend, Bacchus Marsh, Melton, Gisborne, Romsey RWPs	More accurate and current decision-making to guide business cases for plant upgrades	\$55,000	\$55,000	N



<b>Name of the review</b>	<b>Reasons for review/study</b>	<b>Terms of reference/scope</b>	<b>Anticipated outcomes</b>	<b>Estimated cost 2023-24 (ex. GST)</b>	<b>Final cost if completed</b>	<b>Publicly available (Y/N)</b>
Compliance Roadmap Review	Independent Review of Compliance Roadmap as requested by GWW board	Independent review to understand strengths and weaknesses for WRP Compliance roadmap, provide confidence to board in planning for compliance, governance and resourcing	Identify and address gaps in compliance roadmap and provide confidence to senior management and board	\$40,000	\$40,000	N
Water Balance Assessments	All RWP assessment of water balance from agricultural and EPA compliance to enable options for compliance	Assess irrigation and winter storage reuse options for Sunbury, Riddells Creek, Woodend, Bacchus Marsh, Melton, Gisborne, Romsey RWPs	Understand agricultural opportunities to enable compliance	\$35,000	\$35,000	N
Irrigation opportunities and market sounding Woodend and Riddells Creek	Determine suitable irrigation options to enable compliance	Details assessment and discussion with customers for expansion of irrigation at Woodend and Riddells Creek RWPs	Compliance solution for business case development	\$20,000	\$20,000	N
Bacchus Marsh RWP Activated Sludge Options Assessment	Assess options to achieve quality requirements at Bacchus Marsh	Assessment of Bacchus Marsh RWP to convert aerated lagoon to activated sludge	More accurate and current decision-making to guide business cases for plant upgrades	\$28,000	\$28,000	N
Woodend RWP Treatment Options Assessment	Assess alternatives to Membrane Aerated Biofilm Reactor for treatment upgrades, includes short- and long-term solutions	Review and update of options assessment for required treatment plant upgrades	More accurate and current decision-making to guide business cases for plant upgrades	\$140,000	\$140,000	N

Name of the review	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost 2023-24 (ex. GST)	Final cost if completed	Publicly available (Y/N)
Membrane Aerated Biofilm Reactor (MABR) Assessment Romsey	Assess MABR to enable river discharge quality for Deep Creek	Assess MABR to enable river discharge quality, dovetail with ultrafiltration project	Provide pathway to achieve river quality for nutrients into Deep Creek	\$15,000	\$15,000	N
Non-Residential Water Efficiency Benchmarking Study	Use data to provide best practice benchmarks across selected business sectors	Develop a tool to allow benchmarking and track water use over time for business sectors.	Benefit business customers, water industry and government agencies in assessing water demand management trends across a range of large water users	\$30,998	N/A	N
Community Engagement Framework Review (current Framework expires in 2024)	Review GWW's current Community Engagement Framework and peer review against other engagement frameworks within and external to the water industry using previous benchmarking and progress against uplift	Strategic advice on emerging and best practice engagement examples (case studies) Provide recommendations as part of the inputs into Framework 2.0 (2025-2028)	A best practice/ industry leading engagement framework that reflects emerging trends and recent policy settings	\$20,000		N

## Government advertising expenditure

In 2023-24, no government advertising campaigns with a media spend of \$100,000 or greater were conducted.

## Consultancy expenditure

During 2023-24, GWW engaged 28 consultants on various engagements where the total fees payable to the consultants was less than \$10,000 (GST exclusive).

During 2023-24, GWW engaged 44 consultants on various consultancies where the total fees payable to the consultant were \$10,000 or greater (GST exclusive). The total expenditure during 2023-24 in relation to these consultancies was \$6,601,425 (GST exclusive). Details of individual consultancies can be viewed at [gww.com.au](http://gww.com.au)

These consultancies include arrangements where an individual or organisation is engaged to provide expert analysis to facilitate decision making and perform a specific one-off task that involves skills or perspective that would not normally be expected to reside within GWW.

Consulting engagements throughout 2023-24 included various integration-related advice, strategy reviews, asset management assistance and specialised technical advice and guidance.

GWW engages several individuals and organisations to provide works or services on behalf of GWW. These contract services are not considered to be consultants and are not included in the consultancy expenditure numbers.

## ICT expenditure

During the 2023-24 reporting period, GWW had a total Information and Communication Technology (ICT) expenditure of \$111.3 million, with details shown below.

Year	All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
	Business as usual (BAU) ICT expenditure \$'m	Non BAU ICT expenditure (operating and capital) \$'m	Operational expenditure \$'m	Capital expenditure \$'m
2024	34.6	76.7	51.6	25.1
2023	24.6	65.7	36.0	29.7
2022	22.5	39.8	19.5 <sup>1</sup>	20.3
2021	17.7	32.6	0.1	32.5
2020	13.7	17.9	0.0	17.9

<sup>1</sup> Recognised as operational expenditure in compliance with IFRIC's First and Second Agenda Decisions regarding Software as-a Service (SaaS) arrangements

ICT expenditure comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non BAU) ICT expenditure.

Non BAU ICT expenditure relates to extending or enhancing GWW's ICT capabilities, for example:

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

BAU ICT expenditure relates to ongoing activities to operate and maintain current ICT capability, for example:

- licence fees
- external support
- maintenance
- help desk services.

Investment in ICT is focused on developing technologies that give GWW capabilities to improve and digitise processes and to access data and analytics that deliver customer and asset insights. This supports evidence-based decisions and efficient, relevant and timely services to customers, community, partners, and our people.

## Major contracts (\$10 million +)

With the exception of the contract referred to below, GWW has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during the financial year ended 30 June 2024. Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at: [www.tenders.vic.gov.au](http://www.tenders.vic.gov.au)

The contractual details with Aqua Metro for Design and Construction of New Bald Hill Tanks have not been disclosed as at 30 June 2024 but will be posted on the Victorian Government Contracts Publishing System by 31 July 2024.

GWW applies an objectives-based assessment when undertaking sourcing decisions relating to material operating and maintenance services. This includes objectives such as diversity and equity, providing opportunities for Traditional Owners and people with a disability, and for local people and businesses, and providing value for money.

## Capital projects

During the year, GWW completed two capital projects with a total estimated investment [TEI] of \$10 million or greater.

Capital projects reaching practical completion during the financial year ended 30 June 2024

Project name	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost and latest approved TEI budget	Reason for variance from latest approved TEI budget
W1023 Plumpton – Beattys Road water main	May 2023	Feb 2024	Jan 2024	Program dates adjusted to enable collaboration with Traditional Owners to achieve beneficial outcomes	12.2	12.2	11.9	-0.3	The variance relates to the successful mitigation of project risks resulting in decreased costs
Victoria St – South – CBD Distribution Water Main Renewal	June 2023	March 2024	June 2024	Program revised to allow for coordination with key stakeholders and completion of identified additional value-for-money scope at critical road intersection	16.05	16.05	15.7	-0.35	The variance relates to the successful mitigation of project risks resulting in decreased costs

## Freedom of Information

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

GWW is subject to the *Freedom of Information Act 1982*. An applicant has a right to apply for access to documents held by GWW. The documents sought by an applicant may be created by GWW or supplied to GWW by an external organisation or individual, and could include diagrams, films, emails, photographs, computer printouts and closed-circuit television (CCTV). Information about the type of material produced by GWW is available under its Part II Statement at [gww.com.au](http://gww.com.au)

The Act allows GWW to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include internal working documents, law enforcement documents, documents covered by legal professional privilege (such as legal advice), personal information about other people, and information provided to GWW in confidence.

The Act stipulates that agencies such as GWW have 30 days to process Freedom of Information (FOI) requests. However, when external consultation is required under ss. 29, 29A, 31, 31A, 33, 34 or 35, the processing time reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied with a decision made by GWW, under s. 61A of the Act they have the right to complain to the Office of the Victorian Information Commissioner (OVIC) within 60 days of receiving a decision letter.

During 2023-24, GWW received 93 requests for access to documents under the Act. Most requests were acceded to.

Of these 93 requests:

- 15 were from law firms
- 10 were from insurance companies
- 68 were from the general public.

Request	Number
Access in full	34
Access in part	20
Access denied	0
Other – invalid	9
Other – transferred	0
Other – withdrawn	1
Other – outside the Act	3
Other – no documents	1
Not finalised	20
Not proceeded with	5
<b>Total</b>	<b>93</b>

GWW made 60 FOI decisions during the 12 months ended 30 June 2024:

- 30 decisions were made within the statutory 30-day time period
- 19 decisions within an extended statutory 30-to-45-day time period
- 11 decisions within 46 to 90 days.

The average time taken to finalise requests in 2023-24 was 45.24 days.

During 2023-24, one request was subject to a complaint lodged with OVIC. This complaint was dismissed by OVIC and did not progress to the Victorian Civil and Administrative Tribunal.

FOI requests can be lodged online via the GWW website at: [gww.com.au/FOI](http://gww.com.au/FOI). An application fee of \$32.70 applies. Access charges may also be payable if the document pool is large and the search for material time consuming. Access to documents can also be obtained through a written request to GWW's FOI Officer, as detailed in s. 17 of the Act.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of materials and/or documents are being sought. Requests for documents in the possession of GWW should be addressed to:

Freedom of Information Officer  
Greater Western Water  
Locked Bag 350  
Sunshine Vic 3020

OVIC announced that the Victorian Parliamentary Integrity and Oversight Committee will review Victoria's Freedom of Information Act. A report is due to be finalised by the end of September 2024.

For further information about FOI, refer to the *Freedom of Information Act 1982* and regulations or go to the Victorian Government website at: [ovic.vic.gov.au](http://ovic.vic.gov.au)

## Compliance with the Building Act 1993

In 2023-24, GWW complied with the building and maintenance provisions of the *Building Act 1993*.

GWW owns or controls:

- two buildings at Sunbury Depot, 120 Harker Street, Sunbury
- four buildings at Altona Treatment Plant, 293 Queen St, Altona Meadows
- three buildings at Melton Depot and Melton Recycled Water Plant, 77-207 Butlers Road, Mount Cottrell
- one building at Rosslynne Treatment Plant, 224 Bacchus Marsh Road, Gisborne
- one building at Woodend Treatment Plant, 89 Montgomery's Lane, Woodend
- one building at Gisborne Treatment Plant, 14 Haywood Drive, Gisborne
- one building at Werribee Treatment Plant, 1 William Thwaites Drive, West Werribee
- one building at Brooklyn Depot, 73 Old Geelong Road, Brooklyn
- one building at West Melbourne Depot, 218 Kensington Road, West Melbourne
- two buildings at Merrimu Water Filtration Plant, 2389-2485 Diggers Rest-Coimadai Road, Toolern Vale, Victoria.

To ensure compliance with the building and maintenance provisions of the *Building Act 1993* in relation to these buildings, in 2023-24:

- assets were maintained under the required standards and codes
- an asset management system was used to maintain the assets.

GWW requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by GWW and that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*, Building Regulations 2018 and the National Construction Code.

In relation to existing buildings, GWW facilities management is responsible for:

- mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards
- routine inspections and preventive maintenance
- routine mechanical services and monthly and annual fire service audits
- routine electrical inspections on switchboards and regular test and tagging services.

Downer is responsible for the same works at the buildings at Sunbury Recycled Water Plant as they run the day-to-day operations at this site. The testing and inspections at these sites inform the works program which is delivered annually through existing maintenance contracts.

In 2023-24:

- Number of major works projects undertaken by GWW (greater than \$50,000): 0
- Number of building permits, occupancy permits, or certificate of final inspection issued in relation to buildings owned by GWW: 0
- Number of emergency orders and building orders issued in relation to buildings: 0
- Number of buildings brought into conformity with building standards: 0

## Competitive Neutrality Policy Victoria

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete, with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation.

This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

GWW has an independent Board of Directors with independent and objective performance monitoring. GWW pays income tax equivalent and dividends to the Victorian Government and pays a Financial Accommodation Levy to the Victorian Government for its borrowings through Treasury Corporation of Victoria.

GWW operates in an environment where the Essential Services Commission (ESC) regulates pricing and service standards. GWW submitted its price submission in September 2023. The ESC made a final determination on our prices in June 2024. These prices take effect from 1 July 2024.

GWW's processes are consistent with the requirements of the Competitive Neutrality Policy Victoria statement.

## Compliance with the Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of corrupt or improper conduct or detrimental action by a public officer or a public body. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectification action to be taken.

GWW does not tolerate improper conduct by its employees or officers, nor the taking of reprisals against those who come forward to disclose such conduct.

GWW recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

GWW will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. We will also afford natural justice to the person who is the subject of the disclosure. Our Public Interest Disclosures Procedure is available on our website.

GWW is not able to receive disclosures under s. 13 of the *Public Interest Disclosures Act 2012*. Disclosure of improper conduct or detrimental action by GWW or any of its employees and/or officers may be made directly to the Independent Broad-based Anti-Corruption Commission.

Independent Broad-based Anti-Corruption Commission (IBAC) Victoria  
Level 1, North Tower 459 Collins Street  
Melbourne VIC 3000  
Phone: 1300 735 135

Mail: IBAC, GPO Box 24234,  
Melbourne Victoria 3001

Internet: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

Email: See [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au) for the secure email disclosure process, which also provides for anonymous disclosures.

## Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by GWW and are available in full on request, subject to the provisions of the *Freedom of Information Act 1982*:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by GWW about itself and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by GWW
- details of any major external reviews carried out on GWW
- details of major research and development activities undertaken by GWW
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by GWW to develop community awareness of GWW and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within GWW and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by GWW, the purpose of each committee, and the extent to which that purpose has been achieved
- details of all consultancies and contractors including:
  - consultants and contractors engaged
  - services provided
  - expenditure committed to for each engagement.

Requests for documents in the possession of GWW should be addressed to:

Freedom of Information Officer Greater Western Water  
Locked Bag 350  
Sunshine VIC 3020

or via email: [foi@gww.com.au](mailto:foi@gww.com.au)



## Asset Management Accountability Framework (AMAF) attestation

GWW attests as being ‘compliant’ with 15 of the 41 mandatory requirements. Of the non-compliant items, none are considered material.

### AMAF maturity assessment

The following sections summarise GWW’s assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements are on the DTF website: [Asset management accountability framework | Department of Treasury and Finance Victoria \(dtf.vic.gov.au\)](https://www.dtf.vic.gov.au/asset-management-accountability-framework)

GWW’s target maturity rating is ‘competence’, meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirements, including continuous improvement processes to expand system performance above AMAF minimum requirements. GWW has a multi-year plan in place to address compliance issues.

GWW has an enterprise priority of stabilising and uplifting asset performance and operations which includes improving our asset management maturity.

### Leadership and accountability (requirements 1-19)

GWW has not met our target maturity for 10 of the requirements within this category. A plan is in place to improve the organisation’s maturity rating of non-compliant areas.

### Planning (requirement 20-23)

GWW has not met our target maturity for 3 of the requirements within this category. A plan is in place to improve the organisation’s maturity rating of non-compliant areas.

### Acquisition (requirements 24 and 25)

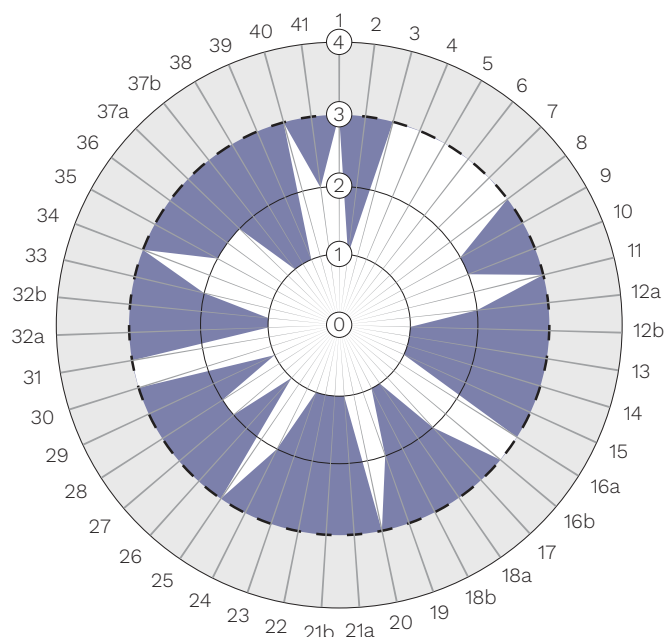
GWW has not met our target maturity for 1 of the requirements within this category. A plan is in place to improve the organisation’s maturity rating of non-compliant areas.

### Operation (requirements 26-40)

GWW has not met our target maturity for 11 of the requirements within this category. A plan is in place to improve the organisation’s maturity rating of non-compliant areas.

### Disposal (requirement 41)

GWW has not met our target maturity for the requirement within this category. A plan is in place to improve the organisation’s maturity rating of non-compliant areas.



Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

### Legend

- Target
- Overall

## Financial Management Compliance Attestation

I, David Middleton, on behalf of Greater Western Water Corporation, certify that the Greater Western Water Corporation has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



**David Middleton**

Chair

27 August 2024

# 2023-24 Performance report

As part of their annual reporting obligations, metropolitan water corporations are required to include a consolidated performance report comprising both financial and non-financial performance indicators. The objective of the report is to provide a consistent view of the current and ongoing performance of GWW.

## Key performance indicator

Key performance indicator	2023 Result	2024 Result	% Variance to prior year	Notes	2024 Target	% Variance to target	Notes
<b>Cash interest cover</b>							
Net operating cash flows before net interest and tax/net interest payments	1.8	1.8	0.0%		2.2	(18.2%)	1
<b>Gearing ratio</b>							
Total debt (including finance leases)/total assets	63.1%	66.5%	5.4%		65.4%	1.7%	
<b>Internal financing ratio</b>							
Net operating cash flow less dividends/net capital expenditure	20.1%	(0%)	100%	2	14.2%	100%	3
<b>Current ratio</b>							
Current assets/current liabilities (excluding long term employee provisions and revenue in advance)	0.8	0.8	0%		0.6	34.8%	4
<b>Return on assets</b>							
Earnings before net interest and tax/average assets	4.2%	5.7%	35.7%	5	6.2%	(8.1%)	
<b>Return on equity</b>							
Net profit after tax/average total equity	4.3%	7.6%	76.7%	6	8.9%	(14.5%)	7
<b>EBITDA Margin</b>							
Earnings before interest, tax, depreciation and amortisation/total revenue	27.0%	33.3%	23.3%	8	33.9%	(1.9%)	9

Note: Only variances of more than 10% are explained

- Cash interest cover for 2024 is lower than **target** mainly due to lower cashflow from operations resulting from lower cash receipts from customers and higher payments to employees and creditors compared with target.
- The internal financing ratio was lower in 2024 compared to 2023 mainly driven by dividends paid in 2024 and higher net capital expenditure. There were no dividends paid in 2023.
- The internal financing ratio in 2024 is lower than **target** mainly due to lower cash from operating activities, higher dividends paid, and higher net capital expenditure.
- The current ratio was higher than the 2024 **target** mainly due to higher receivables.
- The higher return on assets for 2024 compared to 2023 has been driven by profit for the year after revaluation increment of infrastructure assets of \$28.4 million compared with the results in 2023 which included revaluation decrement of infrastructure assets of \$49.1 million. Refer to note 3.6 in the financial report.
- The higher return on equity for 2024 compared to 2023 has been driven by higher profit for the year compared to 2023.
- The lower return on equity for 2024 compared with **target** is mainly due to higher dividends and return of capital to owners in 2024.
- The higher EBITDA Margin for 2024 compared to 2023 has mainly been driven by profit for the year after the revaluation increment of infrastructure assets of \$28.4 million compared with the 2023 which included the revaluation decrement of infrastructure assets of \$49.1 million. Refer to note 3.6 in the financial report.
- The lower EBITDA Margin for 2024 compared with **target** is mainly due to lower developer contributions and higher operating expenses netted off against the revaluation increment of infrastructure assets of \$28.4 million.

## Water and sewerage network reliability performance indicators

Key performance indicator	2023 Result	2024 Result	% Variance to prior year	Notes	2024 Target	% Variance to target	Notes
<b>Water Service – minutes off supply (planned and unplanned)</b> How many minutes on average a customer was without water supply during a year	17.74	22.89	29.0%	1	134.00	(82.90%)	1
<b>Unplanned water supply interruptions</b> percentage of customers more than 5 unplanned interruptions in the year	0.0%	0.0%	0.0%		0.0%	0.0%	
<b>Sewerage Service – sewer blockages</b> Number of sewer blockages reported per 100 kilometres of sewer main	15.61	17.36	11.2%	2	19.00	(8.6%)	2
<b>Sewerage Service – sewer spills</b> Number of sewer spills reported per 100 kilometres of sewer main	5.15	4.23	(17.9%)	3	5.00	(15.4%)	3
<b>Sewerage Service – containment of sewer spills</b> Sewer spills from reticulation and branch sewers contained within 5 hours	100%	99%	(1.0%)		100%	(1.0%)	

Note: Only variances of more than 5% are explained

1 The increase in average time a customer was without water supply during the year is due to:

- more planned and unplanned water main outages than in the previous year
- several large, complex burst water mains that resulted in extended water outages and affected a large number of customers
- an increase in the number of instances where developers scheduled multiple gas and water connections at the same time, leading to extended outages. However, the actual for 2023-24 average time a customer was without water supply is favourable compared to target mainly due to improvement in the total customer minutes to restore water supply mainly for western region areas.

2 The slight increase in the number of sewer blockages is mainly due to drier conditions causing tree roots to enter the sewerage system in search of water. A reduction in renewal works has also contributed to this variance. However, the actual for 2023-24 sewer blockages is still favourable compared to the higher target set for 2023-24 mainly attributed to preventive maintenance work.

3 The number of sewer spills in 2024 decreased due to increased preventative maintenance work on the system compared to 2023 and target.

## Customer responsiveness performance indicators

Key performance indicator	2023 Result	2024 Result	% Variance to prior year	Notes	2024 Target	% Variance to target	Notes
<b>Water bills – customers on flexible payment plans<sup>a</sup></b>							
No. of customers with instalment plans	26,407	25,436	(3.7%)		n/a	n/a	
<b>Water bills – customers awarded hardship grants<sup>a</sup></b>							
No. of customers awarded hardship grants	1,046	866	(17.2%)	1	n/a	n/a	
<b>Customer responsiveness - water quality complaints</b>							
Number of complaints per 100 customers	0.20	0.28	40.0%	2	0.19	47.3%	2
<b>Customer responsiveness – number of payment issue complaints</b>							
Number of complaints per 100 customers	0.17	0.22	29.4%	3	0.13	69.2%	3
<b>Customer responsiveness – total complaints</b>							
Number of complaints per 100 customers	0.51	0.62	21.6%	4	0.40	55.0%	4

Note for Customer responsiveness performance indicators

<sup>a</sup> An increase in customers on flexible payment plans and hardship grants in these indicators has been interpreted to be a favourable variance, as this indicator is based on customer focus rather than financial factors and reflects the position that customers consistently support greater help for vulnerable customers, including those in hardship. This is also consistent with government policy.

- The decline in the number of customers awarded hardship grants can be attributed to various reasons, in particular that a hardship grant was not the most appropriate support option in a growing number of cases. This was countered by the significant increase (20%) in the number of Utility Relief Grant approvals. This grant continues to be the most popular support option requested by customers and financial counsellors organisations.
- The number of water quality complaints per 100 customers was above the 2023 result and the 2024 target. This is attributed to two major water main bursts which resulted in a significant number of calls from customers and reflects an ongoing increased trend in water complaints across all water corporations.
- The number of payment issue complaints per 100 customers for 2024 were significantly above the 2023 results and 2024 target. Payment issue complaints in 2023-24 related to customers experiencing difficulties using our website and customer portals to make payments, and changes to credit card payments. Customers are no longer able to make direct debit payments via credit card and GWW ceased credit card payments via phone to ensure that all financial transactions are safe, secure and meet PCI Data Security Standards. Customers who previously paid their bills over the phone have been provided with support and can continue to pay via post office payments and BPay Phone.
- The number of total complaints for 2024 increased in comparison to 2023 and target and this was mainly due to the increase in complaints relating to water and sewerage, payment issues and other complaints.

## Environmental performance indicator

Key performance indicator	2023 Result	2024 Result	% Variance to prior year	Notes	2024 Target	% Variance to target	Notes
<b>Recycled water – effluent treatment and reuse</b>							
Proportion of water recycled as a percentage of the volume of effluent produced	31.4%	41.6%	32.5%	5	40.0%	4.0	

5 Variance to the KPI compared with prior year is mainly due to higher recycled water consumption in agricultural resulting from the drier than usual season in 2023-24.

## Certification of Performance Report

We certify that the accompanying Performance Report of Greater Western Water in respect of the 2023-24 financial year is presented fairly and in accordance with the *Financial Management Act 1994*.

The Performance Report outlines the relevant performance indicators for the financial year as determined by the Minister for Water and as set out in the corporation's 2023-24 Corporate Plan. The actual and comparative results achieved for the financial year are measured against predetermined performance targets. Performance against these targets and subsequent explanation of any significant variance between the current year and prior year has been fairly presented.

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



**David Middleton**

Chair



**Maree Lang**

Managing Director



**Linda Watts**

Chief Financial Officer

Melbourne  
27 August 2024

# Independent Auditor's Report

## To the Board of the Greater Western Water Corporation

**Opinion** I have audited the performance report of the Greater Western Water Corporation (the corporation) for the year ended 30 June 2024, which comprises the:

- financial performance indicators
- water and sewerage network reliability performance indicators
- customer responsiveness performance indicators
- environmental performance indicator
- certification of performance report.

In my opinion, the performance report of the Greater Western Water Corporation for the year ended 30 June 2024 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the *Financial Management Act 1994*.

**Basis for Opinion** I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance report in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Board's responsibilities for the performance report** The Board is responsible for the preparation and fair presentation of the performance report in accordance with the performance reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.

**Auditor's responsibilities for the audit of the performance report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
- evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
2 September 2024



Paul Martin  
*as delegate for the Auditor-General of Victoria*



# Financial report

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# Comprehensive Operating Statement

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Income</b>			
Revenue from customers	2.1	991,445	931,415
Other income	2.6	1,988	1,697
<b>Total income</b>		<b>993,433</b>	<b>933,112</b>
<b>Expenses</b>			
Bulk charges	3.2	(375,495)	(347,624)
Environmental contribution	4.5.1	(33,912)	(33,912)
Employee benefits	3.3.1	(122,991)	(98,840)
Depreciation and amortisation	5.1, 5.5, 5.9	(102,321)	(96,598)
Finance expenses	7.1.2	(109,371)	(91,263)
Operating expenses	3.5	(158,725)	(151,766)
Revaluation adjustment of infrastructure assets	3.6, 5.1	28,366	(49,110)
<b>Total expenses</b>		<b>(874,449)</b>	<b>(869,113)</b>
<b>Profit before income tax expense</b>		<b>118,984</b>	<b>63,999</b>
Income tax expense	4.1	(35,750)	(17,905)
<b>Profit after income tax expense</b>		<b>83,234</b>	<b>46,094</b>
<b>Other comprehensive income/(expense)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain on defined benefit superannuation plan	3.3.3	986	641
Deferred income tax relating to components of other comprehensive income	4.1	(296)	(192)
<b>Other comprehensive income after tax</b>		<b>690</b>	<b>449</b>
<b>Total comprehensive income after tax</b>		<b>83,924</b>	<b>46,543</b>

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

# Balance Sheet

## As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7.2	6,693	10,497
Receivables	6.1	239,489	159,829
Inventory	6.5	2,487	1,531
Other non-financial assets	6.6	5,531	9,486
<b>Total current assets</b>		<b>254,200</b>	<b>181,343</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	5.1	3,622,796	3,319,843
Intangible assets	5.5	218,592	199,446
Right-of-use assets	5.9	83,507	88,534
Defined benefit superannuation asset	3.3.3	10,606	9,580
Other financial assets	6.1	50	60
Other non-financial assets	6.6	-	808
<b>Total non-current assets</b>		<b>3,935,551</b>	<b>3,618,271</b>
<b>TOTAL ASSETS</b>		<b>4,189,751</b>	<b>3,799,614</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	6.2	176,548	153,148
Advances and deposits	6.3	25,102	22,025
Borrowings	7.1	83,947	3,370
Current tax liability	4.3	-	2,546
Provision for employee benefits	3.3.2	26,368	20,021
Contract liabilities	6.4	28,816	32,789
Other provisions	6.7	5,312	5,742
Other financial liability	6.8	3,070	1,719
Dividend payable	4.4	-	24,989
<b>Total current liabilities</b>		<b>349,163</b>	<b>266,349</b>
<b>Non-current liabilities</b>			
Borrowings	7.1	2,701,100	2,395,024
Deferred tax liabilities	4.2.2	46,142	38,301
Provision for employee benefits	3.3.2	3,803	3,178
<b>Total non-current liabilities</b>		<b>2,751,045</b>	<b>2,436,503</b>
<b>TOTAL LIABILITIES</b>		<b>3,100,208</b>	<b>2,702,852</b>
<b>NET ASSETS</b>		<b>1,089,543</b>	<b>1,096,762</b>
<b>EQUITY</b>			
Contributed equity	9.3.1	967,869	1,017,371
Physical asset revaluation surplus	9.3.2	60,509	60,509
Retained profits	9.3.3	61,165	18,882
<b>TOTAL EQUITY</b>		<b>1,089,543</b>	<b>1,096,762</b>

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

# Statement of Changes in Equity

## For the year ended 30 June 2024

	Note	Contributed equity \$'000	Physical asset revaluation surplus \$'000	Retained profits \$'000	Total equity \$'000
<b>Opening balance at 1 July 2022</b>		<b>1,007,640</b>	<b>60,509</b>	<b>(2,672)</b>	<b>1,065,477</b>
<b>Comprehensive income for the year</b>					
Profit after income tax expense	9.3.3	-	-	46,094	46,094
Other comprehensive income after tax	9.3.2, 9.3.3	-	-	449	449
<b>Total comprehensive income after tax</b>		<b>-</b>	<b>-</b>	<b>46,543</b>	<b>46,543</b>
<b>Transactions with the State in its capacity as owner</b>					
Dividends payable	4.4	-	-	(24,989)	(24,989)
Asset received as contributed equity	9.3.1	4,431	-	-	4,431
Capital contribution	9.3.1	5,300	-	-	5,300
<b>Total transactions with the State in its capacity as owner</b>		<b>9,731</b>	<b>-</b>	<b>(24,989)</b>	<b>(15,258)</b>
<b>Closing balance at 30 June 2023</b>		<b>1,017,371</b>	<b>60,509</b>	<b>18,882</b>	<b>1,096,762</b>
<b>Opening balance at 1 July 2023</b>		<b>1,017,371</b>	<b>60,509</b>	<b>18,882</b>	<b>1,096,762</b>
<b>Comprehensive income for the year</b>					
Profit after income tax expense	9.3.3	-	-	83,234	83,234
Other comprehensive income after tax	9.3.2, 9.3.3	-	-	690	690
<b>Total comprehensive income after tax</b>		<b>-</b>	<b>-</b>	<b>83,924</b>	<b>83,924</b>
<b>Transactions with the State in its capacity as owner</b>					
Dividends paid	4.4	-	-	(41,641)	(41,641)
Asset received as contributed equity	9.3.1	15,873	-	-	15,873
Return of capital to owners	9.3.1	(71,760)	-	-	(71,760)
Capital contribution	9.3.1	6,385	-	-	6,385
<b>Total transactions with the State in its capacity as owner</b>		<b>(49,502)</b>	<b>-</b>	<b>(41,641)</b>	<b>(91,143)</b>
<b>Closing balance at 30 June 2024</b>		<b>967,869</b>	<b>60,509</b>	<b>61,165</b>	<b>1,089,543</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

## For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from customers, developers and others		824,024	815,294
Goods and Services Tax refunded by the Australian Taxation Office <sup>1</sup>		45,905	39,564
Interest received	2.6	595	580
<b>Payments</b>			
Payments to suppliers and employees <sup>2</sup>		(657,956)	(650,589)
Interest and other finance costs paid		(104,628)	(90,004)
Income tax paid		(31,409)	(22,091)
Environmental Contribution paid		(25,434)	(42,390)
Government Water Rebate (paid)/received		(968)	6
Flood rebates		-	(175)
<b>Net cash inflow from operating activities</b>	7.2.1	<b>50,129</b>	<b>50,195</b>
<b>Cash flows from investing activities</b>			
Payments for infrastructure, property, plant, equipment, and intangibles		(309,843)	(250,903)
Proceeds from sale of infrastructure, property, plant, equipment and intangibles		1,032	955
<b>Net cash outflow from investing activities</b>		<b>(308,811)</b>	<b>(249,948)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings (new and refinanced)		737,400	499,263
Repayment of borrowings (paid down and refinanced)		(347,800)	(296,513)
Principal element of lease liability		(2,716)	(2,996)
Return of capital to owners		(71,760)	-
Capital contribution	9.3.1	6,385	5,300
Dividends paid		(66,630)	-
<b>Net cash inflow from financing activities</b>		<b>254,879</b>	<b>205,054</b>
Net (decrease)/increase in cash and cash equivalents		(3,804)	5,301
Cash and cash equivalents at the beginning of the financial year		10,497	5,196
<b>Cash and cash equivalents at the end of the financial year</b>	7.2	<b>6,693</b>	<b>10,497</b>

1 Goods and services tax refunded from the Australian Taxation Office is presented on a net basis.

2 Includes payment of \$355,447 (2023: \$279,348) in respect of variable lease payments, \$1,374 (2023: \$304,837) for short-term leases and \$15,201 (2023: \$31,781) for low-value leases.

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 1. About this report

Greater Western Water (GWW) is a statutory water authority incorporated under the *Water Act 1989*.

The principal address of GWW as at 30 June 2024 is 36 Macedon Street, Sunbury 3429.

#### 1.1 Basis of preparation

These financial statements are presented in Australian dollars. The historical cost convention is used unless a different measurement basis is specifically disclosed for the relevant item. All amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated. GWW is classified as a for-profit entity for the purposes of reporting.

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

Judgements and estimates require assumptions to be made about highly uncertain external factors such as discount rates, probability factors, the effects of inflation, changing technology, political and social trends and climate change. The significant judgements made in the preparation of these financial statements are disclosed in note 8 of this report. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable in the circumstances. Actual results may differ from these estimates. Areas involving a high degree of estimates and assumptions that can materially impact the financial statements include:

- fair valuation of infrastructure, property, plant and equipment
- actuarial assumptions used to determine the assets and liabilities of GWW's defined benefit superannuation fund
- estimated useful lives of assets
- impairment of assets
- impairment calculation of expected credit loss
- provisions
- income tax
- contract liabilities
- accrued revenue (unbilled charges)
- deferred tax recognition
- the timing of satisfaction of performance obligations
- determining transaction price and amounts allocated to performance obligation
- estimated fair value of derivative financial instruments
- determining whether the arrangement is in substance a short-term arrangement and estimating discount rate when not implicit in lease arrangement
- recognition and measurement of Software as-a Service (SaaS) arrangement.

#### Going Concern

GWW's net current assets/current liabilities (excluding long term employee provisions and revenue in advance) position was a ratio of 0.8 as at 30 June 2024 (2023: 0.680). GWW has \$98.5 million of resources comprising cash and cash equivalents, other highly liquid assets and unused credit lines available at the date of authorisation of these financial statements.

Management is continuously reviewing budgets and forecasts while monitoring cashflow requirements and customer payment trends and conclude that the going concern assumption still remains appropriate.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 1. About this report (continued)

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

These financial statements cover GWW as an individual reporting entity.

#### 1.2 Accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

#### 1.3 Changes and alignment in accounting policies

There are no new changes in the accounting policies adopted by GWW during the year.

#### 1.4 Compliance information

These General Purpose Financial Statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, which include Interpretations issued by the Australian Accounting Standards Board.

Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. In addition, GWW adopted Disclosure of Accounting Policies (Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates) from 1 July 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments did not result in any changes to the accounting policies themselves, or the accounting policy information disclosed throughout.

These annual financial statements were authorised for issue by the Board of Directors of GWW on 27 August 2024.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 2. Funding delivery of services

GWW's core business is the supply of water, sewerage, trade waste and, where available, recycled water services to customers in accordance with GWW's Customer Charter. GWW collects revenue from residential and business customers, developers and others in order to fulfil its purpose to deliver 'trusted water services for our communities and future generations'.

Revenue is measured as the fair value of consideration received or receivable. GWW recognises revenue when the amount can be reliably measured, it is probable that the future economic benefits will flow to GWW, and specific criteria have been met for each of GWW's activities.

#### Structure

- 2.1 Summary of revenue from customers
- 2.2 Sales of goods and services
- 2.3 Developer contributions
- 2.4 Other revenue
- 2.5 Timing of recognition of revenue from customers
- 2.6 Other income

#### 2.1 Summary of revenue from customers

	Note	2024 \$'000	2023 \$'000
Sales of goods and services	2.2	811,545	722,448
Developer contributions	2.3	151,585	178,971
Other revenue	2.4	28,315	29,996
<b>Total revenue from customers</b>		<b>991,445</b>	<b>931,415</b>

#### 2.2 Sales of goods and services

	2024 \$'000	2023 \$'000
Service charges – water	131,763	128,651
Usage charges – water	362,240	315,417
Service charges - sewerage	196,814	170,942
Disposal charges – sewage	77,367	68,541
Trade waste charges	33,008	30,968
Recycled water charges	8,529	7,520
Water trading revenue	1,824	409
<b>Total sales of goods and services revenue</b>	<b>811,545</b>	<b>722,448</b>



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 2. Funding delivery of services (continued)

Sales of goods and services are transactions that GWW has determined to be in accordance with *AASB 15 Revenue from contracts with customers*.

GWW has an ongoing obligation to provide water and sewerage services to customers in its area. GWW is obligated to provide a continuous supply of services across its network, so customers simultaneously receive and consume benefits in line with GWW performing its obligation. Therefore, revenue is recognised over time.

GWW recognises revenue for water and sewerage services in the amount which it has a right to receive, as this amount is considered by management to correspond directly with the value to the customer of GWW's performance to date.

Service charges represent charges for access to water and sewerage services provided to customers. This performance obligation is satisfied over time. At balance date, any portion of service charges that are billed in advance and the performance obligation is not satisfied, is recognised as contract liabilities (refer note 6.4).

Water usage charges, sewage disposal charges, trade waste charges and recycled water charges are all recognised as revenue over time as the performance obligation is satisfied. GWW measures these charges based on the regulated prices and the volume of water consumed by customers, and sewage and trade waste disposed by customers. At balance date, the charges for fully satisfied performance obligations that are unbilled are estimated and contract assets are recognised (refer note 6.1).

Water trading revenue is recognised at a point in time when the trade occurs. This is when the performance obligation is satisfied.

#### 2.3 Developer contributions

	2024 \$'000	2023 \$'000
Developer contributed assets	81,504	94,721
Developer cash contributions	70,081	84,250
<b>Total developer contributions</b>	<b>151,585</b>	<b>178,971</b>

Developer contributed assets arise when developers pay for the cost of construction of new assets and subsequently 'gift' these assets to GWW, which maintains them in perpetuity with ongoing maintenance costs recognised by GWW in operating expenditure. In accordance with the requirements of *AASB 15 - Revenue from Contracts with Customers*, the developer contributed assets are recognised as revenue at a point in time when GWW has satisfied its performance obligation either:

- when a Statement of Compliance is issued to the customer; or
- when the customer is connected to GWW's network for the provision of water and sewerage services.

Developer contributed assets are recognised at their fair value when GWW obtains control over them. Fair value is determined as cost. Where actual cost is not available, GWW deems cost by assessing the value of works using a schedule of rates determined by GWW.

The 'gifted' assets by their nature are non-cash but GWW is required to pay both tax and dividends on these items as they form part of GWW's accounting profit. These assets however, do not form part of GWW's regulatory asset base so GWW cannot earn customer revenue in respect of them.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 2. Funding delivery of services (continued)

Developer cash contributions represent charges levied on developers to recover the costs of augmenting or constructing infrastructure assets to meet the future demands of urban growth. Developers are required to make a fair and reasonable contribution towards the cost of developing GWW's water supply distribution systems and sewage disposal systems. In accordance with the requirements of *AASB 15 - Revenue from Contracts with Customers*, revenue is recognised at a point in time when GWW has satisfied its performance obligation either:

- when a Statement of Compliance is issued to the customer;
- when the customer is connected to GWW's network for the provision of water and sewerage services; or
- when the customer receives consent from GWW to connect to GWW's network.

The point in time when GWW satisfies its performance obligation will vary depending on the type of application submitted by the customer. Fees paid by developers include a financing charge contribution for assets developed earlier than planned at the request of the developer of \$1,112,600 (2023: \$1,191,900).

Rates applicable to developer cash contributions are regulated by the Essential Services Commission.

#### 2.4 Other revenue

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Fees and charges	18,680	19,773
Works and services provided to third parties	7,768	8,315
Grant income	221	100
Other	1,646	1,808
<b>Total other revenue</b>	<b>28,315</b>	<b>29,996</b>

Fees and charges are recognised as revenue at a point in time when GWW has completed its performance obligations. Fees and charges represent a variety of services provided by GWW such as processing of application fees and making new connections or alterations to GWW's network. GWW uses pricing principles to calculate the price of individual services rather than direct regulation by the Essential Services Commission.

Revenue from works and services provided to third parties is recognised as revenue over time when GWW has completed its contractual obligations. Revenue represents charges for services to third parties such as the collection of drainage and parks rates on behalf of Melbourne Water and the Department of Energy Environment and Climate Action (DEECA) respectively.

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

Other items are recognised as revenue at a point in time on completion of GWW's contractual obligations. Other items consist mainly of administration fees and one-off charges for services provided.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 2. Funding delivery of services (continued)

#### 2.5 Timing of recognition of revenue from customers

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

	At a point in time \$'000	Over time \$'000	Total \$'000
<b>2023</b>			
Service charges – water	-	128,651	128,651
Usage charges – water	-	315,417	315,417
Service charges – sewerage	-	170,942	170,942
Disposal charges – sewerage	-	68,541	68,541
Trade waste charges	-	30,968	30,968
Recycled water charges	-	7,520	7,520
Water trading revenue	409	-	409
Developer contributions	178,971	-	178,971
Other revenue	21,681	8,315	29,996
<b>Total revenue from customers</b>	<b>201,061</b>	<b>730,354</b>	<b>931,415</b>

	At a point in time \$'000	Over time \$'000	Total \$'000
<b>2024</b>			
Service charges – water	-	131,763	131,763
Usage charges – water	-	362,240	362,240
Service charges – sewerage	-	196,814	196,814
Disposal charges – sewerage	-	77,367	77,367
Trade waste charges	-	33,008	33,008
Recycled water charges	-	8,529	8,529
Water trading revenue	1,824	-	1,824
Developer contributions	151,585	-	151,585
Other revenue	20,547	7,768	28,315
<b>Total revenue from customers</b>	<b>173,956</b>	<b>817,489</b>	<b>991,445</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 2. Funding delivery of services (continued)

#### 2.6 Other income

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income	595	580
Rental income	533	247
Net gain on sale of non-current physical assets	860	778
Compensation from ZEW	-	92
<b>Total other income</b>	<b>1,988</b>	<b>1,697</b>

Interest income represents bank interest and is recognised when earned.

Rental income is billed in advance and recognised over the period to which the income relates.

A gain on sale of non-current physical assets is recognised on disposal of an asset. It is measured as income from the sale of an asset less the asset's book value and costs of disposal.

Zero Emissions Water (ZEW) settlement and derivative income relate to GWW's investment in ZEW. GWW recognised compensation settlements received during the reporting period if minimum generation requirements under the Power Purchase Agreement (PPA) are not met for the year. Refer note 8 for details of fair value measurement of financial derivatives and note 9.2 for further details on the arrangement between GWW and ZEW.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services

This section provides an account of the expenses incurred by GWW in delivering services and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

#### Structure

- 3.1 Summary of cost of delivering services
- 3.2 Bulk charges
- 3.3 Employee benefits
- 3.4 Remuneration of auditor
- 3.5 Operating expenses
- 3.6 Revaluation adjustment of infrastructure assets

#### 3.1 Summary of cost of delivering services

	Note	2024 \$'000	2023 \$'000
Bulk charges	3.2	375,495	347,624
Employee benefits in the Comprehensive Operating Statement	3.3.1	122,991	98,840
Operating expenses	3.5	158,725	151,766
<b>Total cost of delivering services</b>		<b>657,211</b>	<b>598,230</b>

#### 3.2 Bulk charges

	2024 \$'000	2023 \$'000
Bulk water and sewerage charges	373,575	340,963
Water purchases	1,920	6,661
<b>Total bulk charges</b>	<b>375,495</b>	<b>347,624</b>

Bulk water and sewerage charges are levied by Melbourne Water Corporation for the cost of water GWW purchases and for sewage treated at Melbourne Water's Western Treatment Plant. Variable charges are levied in arrears and are payable on a weekly basis. Fixed charges are levied once a month and are payable on the 15th of the month to which they refer. Any variable charges that remain outstanding at period end are accrued.

Water purchase costs includes variable water transfer and fixed water availability charges for the Greater Yarra System - Thomson River and variable cost recovery storage charges for the Southern Rural Water reservoirs. Water purchase costs are recognised as an expense in the reporting period in which they are incurred in the Comprehensive Operating Statement.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services (continued)

#### 3.3 Employee benefits

##### 3.3.1 Employee benefits in the Comprehensive Operating Statement

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages, annual leave, and long service leave	111,943	88,966
Accumulation fund superannuation expense	10,571	8,967
Defined benefit superannuation expense	40	132
Termination benefits	437	775
<b>Total employee benefits in the comprehensive operating statement</b>	<b>122,991</b>	<b>98,840</b>

Employee benefits refers to all payments made to employees during the year. It includes payments to all GWW staff as well as contract and agency staff. Payments are made for ordinary time, overtime, allowances, on-costs, Fringe Benefits Tax, redundancy costs and Workcover. Any employee benefits outstanding at year end are accrued. A portion of employee benefits directly attributable to capital projects is capitalised and depreciated so as to apportion the cost of a capital project over the life of the asset created by the project. In addition, included in the salaries and wages is an amount of \$29,338,000 (2023: \$19,884,770) relating to Software as a Service (SaaS) salaries and wages, predominantly related to the current implementation of the new Billing and Collections system.

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employer contributions for members of both defined benefit and accumulation superannuation plans that are paid or payable during the reporting period. Contributions to accumulation superannuation funds are made in accordance with the *Superannuation Guarantee (Administration) Act 1992*.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when GWW is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services (continued)

#### 3.3.2 Employee benefits in the Balance Sheet

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Provision for employee benefits</b>		
<b>Current</b>		
Annual leave unconditional and expected to be paid within 12 months	5,955	5,440
Annual leave unconditional and expected to be paid after 12 months	2,059	1,908
Long service leave unconditional and expected to be paid within 12 months	1,733	1,899
Long service leave unconditional and expected to be paid after 12 months	9,275	8,232
On costs unconditional and expected to be paid within 12 months	323	318
On costs unconditional and expected to be paid after 12 months	1,726	1,377
Other employee benefits <sup>1</sup>	5,298	847
<b>Provision for employee benefits – current</b>	<b>26,369</b>	<b>20,021</b>
<b>Non-current</b>		
Long service leave conditional	3,206	2,722
On costs conditional	597	456
<b>Provision for employee benefits - non-current</b>	<b>3,803</b>	<b>3,178</b>
<b>Total provision for employee benefits</b>	<b>30,172</b>	<b>23,199</b>

<sup>1</sup> Other employee benefits includes provision for lump sum payment upon finalisation of the Enterprise Agreement on 17 June 2024 and paid in July 2024.

#### Reconciliation of movement in provision for employee benefits

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance</b>	<b>23,199</b>	<b>23,420</b>
Additional provisions recognised	16,467	10,381
Movements due to transfers in/(out)	(85)	(46)
Reductions arising from payments/other sacrifices of economic benefits	(9,409)	(10,556)
<b>Closing balance</b>	<b>30,172</b>	<b>23,199</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services (continued)

Provision is made for benefits accruing to employees in respect of annual leave, long service leave (LSL), on-costs, termination benefits, and special allowances for services rendered to reporting date.

Liabilities for wages and salaries, including non-monetary benefits and annual leave, are recognised in the provision for employee benefits as current liabilities as GWW does not have an unconditional right to defer settlement of these liabilities.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Depending on the expectation of the timing of settlement, liabilities for wages, salaries, and annual leave are measured at:

- nominal value - component that GWW expects to settle wholly within 12 months; and
- present value - component that GWW does not expect to settle wholly within 12 months.

Unconditional LSL is disclosed as a current liability even when GWW does not expect to wholly settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. Probability factors, discount rates and wage and salary growth assumptions are provided by the Department of Treasury and Finance (DTF) as part of its long service leave model for the Victorian public sector agencies to assist with calculations.

The components of LSL liability are measured at:

- nominal value - component that GWW expects to settle wholly within 12 months; and
- present value - component that GWW does not expect to settle wholly within 12 months.

Conditional LSL is disclosed as a non-current liability. In this case there is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is recognised at present value. Any gain or loss following revaluation of the present value of the non-current LSL liability is recognised as income or an expense.

On costs, such as payroll tax, superannuation and workers' compensation insurance, are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred. A liability is recognised and is measured as the aggregate of the amounts accrued under the terms of the contracts to balance date.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services (continued)

#### 3.3.3 Superannuation

All GWW employees are members of either the Equipsuper or Vision Super defined benefit fund or an approved accumulation fund of their choice.

The majority of employees of GWW, who are with accumulation funds, are members of either the Equipsuper fund or the Vision Super fund. All new GWW employees must join an accumulation fund.

#### *Defined benefit fund – Equipsuper*

Defined benefit fund members receive a lump sum benefit on retirement, death, disablement or withdrawal from the fund. Benefits are calculated on a multiple of an employee's final salary. The multiple is dependent on an employee's length of service and their contribution rate. The fund ceased including new members from September 1994.

A liability or asset in respect of defined benefits superannuation is recognised and measured as the difference between the present value of employees' accrued benefits at reporting date and the net market value of the superannuation plan's assets at that date.

GWW is not the trustee of the defined benefit fund.

The plan's trustee (Togethr Trustees Pty Ltd) is responsible for the governance of the plan. The trustee has a legal obligation to act solely in the best interests of plan beneficiaries. The trustee has the following roles:

- administration of the plan and payment to beneficiaries from plan assets when required in accordance with the plan rules;
- management and investment of the plan assets; and
- compliance with superannuation law and other applicable regulations.

There are a number of risks to which the plan exposes GWW. The more significant risks relating to the defined benefits are investment risk, salary growth risk, legislative risk and pension risk.

GWW's plan assets are invested by the trustee in a pool of assets with assets from other employers' plans. The assets have a benchmark weighting to equities of 50% and therefore the plan has a significant concentration of equity market risk. However, within the equity investments the allocation both globally and across sectors is diversified.

The Equipsuper Contribution and Funding Policy provides for a review of the financial position of the plan every six months as at 30 June and 31 December, with the contribution rate comprising a long-term contribution rate and an adjustment to meet the financing objective of a target funding ratio of 105%. GWW's current funding ratio is 138.1%. As such, GWW is not currently required to contribute to the defined benefit superannuation plan.

There were no plan amendments affecting the defined benefits payable, curtailments or settlements during the year.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services (continued)

	Fair value of plan assets \$'000	Defined benefit obligation \$'000	Net defined benefit (liability)/ asset \$'000
<b>Opening balance at 1 July 2022</b>	<b>25,696</b>	<b>16,625</b>	<b>9,071</b>
Current service cost	-	472	(472)
Interest income	1,052	-	1,052
Interest expense	-	712	(712)
Actuarial return on plan assets less interest income	885	-	885
Contributions by plan participants	173	173	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	33	(33)
Actuarial (gains)/losses arising from changes in financial assumptions	-	(928)	928
Actuarial (gains)/losses arising from liability experience	-	1,139	(1,139)
Benefits paid	(2,907)	(2,907)	-
Taxes, premiums and expenses paid	(129)	(129)	-
<b>Closing balance at 30 June 2023</b>	<b>24,770</b>	<b>15,190</b>	<b>9,580</b>
<b>Opening balance at 1 July 2023</b>	<b>24,770</b>	<b>15,190</b>	<b>9,580</b>
Current service cost	-	394	(394)
Interest income	1,196	-	1,196
Interest expense	-	762	(762)
Actuarial return on plan assets less interest income	797	-	797
Contributions by plan participants	163	163	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	-	100	(100)
Actuarial (gains)/losses arising from liability experience	-	(289)	289
Taxes, premiums and expenses paid	(238)	(238)	-
<b>Closing balance at 30 June 2024</b>	<b>26,688</b>	<b>16,082</b>	<b>10,606</b>

#### Fair value of plan assets

	Total \$'000	Level 2 <sup>1</sup> \$'000
<b>As at 30 June 2024</b>		
Investment funds	26,688	26,688
<b>Total</b>	<b>26,688</b>	<b>26,688</b>

<sup>1</sup> Inputs based on observable market data (either directly using prices or indirectly derived from prices).

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services (continued)

#### Significant actuarial assumptions at reporting date

	2024	2023
<b>Assumptions to determine defined benefit cost</b>		
Discount rate	5.3% p.a.	4.4% p.a.
Expected salary increase rate	3.0% p.a.	3.0% p.a.
<b>Assumptions to determine defined benefit obligation</b>		
Discount rate	5.2% p.a.	5.3% p.a.
Expected salary increase rate	3.0% p.a.	3.0% p.a.

The assumptions used to determine the defined benefit cost are based on the assumptions used to calculate the defined benefit obligation for the prior year. The assumptions used to calculate the defined benefit obligation are determined as follows:

- discount rate - based on the yield on high yield corporate bonds of the same duration as the liabilities that make up the defined benefit obligation; and
- expected salary increase rate - determined by reference to GWW's expected salary increases under its enterprise agreement.

In 2024, the discount rate has increased in comparison to prior year as a result of a number of market variables that have been impacted by macro-economic issues. Market variables include changes to government policies, higher interest rates, high inflation, changes in business productivity, and drops in business and consumer confidence.

#### Sensitivity analysis

The defined benefit obligation as at 30 June 2024 under several scenarios is presented below.

Scenarios A and B relate to discount rate sensitivity. Scenarios C and D relate to salary increase rate sensitivity.

	Base case	Scenario A	Scenario B	Scenario C	Scenario D
		-0.5% p.a. discount rate	+0.5% p.a. discount rate	-0.5% p.a. salary increase rate	+0.5% p.a. salary increase rate
Discount rate	5.2% p.a.	4.7% p.a.	5.7% p.a.	5.2% p.a.	5.2% p.a.
Salary increase rate	3.0% p.a.	3.0% p.a.	3.0% p.a.	2.5% p.a.	3.5% p.a.
Defined benefit obligation <sup>1</sup> (\$'000)	16,082	16,596	15,593	15,652	16,527

<sup>1</sup> Includes contributions tax provision.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above while retaining all other assumptions.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services (continued)

#### Expected contributions

GWW does not expect to make any employer contributions for the year ending 30 June 2024.

#### Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation as at 30 June 2024 is five years (30 June 2023, five years).

Expected benefit payments for each of the financial year ending on:

	(\$'000)
30 June 2025	2,340
30 June 2026	2,369
30 June 2027	1,994
30 June 2028	2,111
30 June 2029	2,263
Following five years	9,388

#### Defined benefit plan - Vision Super

GWW does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of GWW in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

The obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating Statement or directly charged to capital expenditure projects when they are incurred or due.

#### The 2024 interim actuarial investigation

As at 30 June 2024, a triennial actuarial investigation was held as the Fund provides lifetime pensions in the defined benefit category. The vested benefit index (VBI) of the defined benefit category of which GWW is a contributing employer was 105.4% (2023: 104.1%). The VBI is used as the primary funding indicator. As the VBI was above 100%, the 2024 triennial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

To determine the VBI, the Fund Actuary used the following long-term assumptions:

	<b>2024 interim actuarial investigation</b>	<b>2023 triennial investigation</b>
Net investment return	5.6% p.a.	5.7% p.a.
Salary inflation	3.5% p.a.	3.5% p.a.
Price inflation	2.7% p.a.	2.8% p.a.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services (continued)

#### The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which GWW is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which GWW is a contributing employer:

- a VBI surplus of \$84.7 million;
- a total service liability surplus of \$123.6 million; and
- a discounted accrued benefits surplus of \$141.9 million.

The VBI surplus means that the market value of the Fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023. The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2023. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

#### Funding calls

If the defined benefit category is in an unsatisfactory financial position at the effective date of the actuarial investigation, or when the defined benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the defined benefit category has a shortfall for the purposes of Superannuation Prudential Standard 160 *Defined Benefit Matters* and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated. The defined benefit fund was closed to new members on 31 December 1993. Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

#### 3.4 Remuneration of auditor

	2024 \$'000	2023 \$'000
Amounts received, or due and receivable by the auditor of GWW for the audit of the financial report:		
Victorian Auditor-General's Office	322	310
<b>Total auditor's remuneration</b>	<b>322</b>	<b>310</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services (continued)

#### 3.5 Operating expenses

Operating expenses are recognised as incurred if they can be reliably measured. Costs are measured at nominal value.

	2024 \$'000	2023 \$'000
Operating contracts	62,237	56,640
Information technology	38,936	31,681
Consulting	8,254	11,210
Billing and collection	7,161	6,693
Energy	6,095	5,873
Impaired receivables - refer note 6	5,672	4,723
Facilities maintenance	5,308	5,291
Asset write-offs	5,020	2,285
Chemicals	3,470	3,489
Insurance	3,159	3,481
Zero Emissions Water <sup>1</sup>	1,634	3,271
Subscriptions	1,480	1,496
Licence fees	1,144	891
Other lease expense <sup>2</sup>	372	616
Legal expenses	636	5,895
Grants and water conservation initiatives	241	188
Other expenses	7,906	8,043
<b>Total operating expenses</b>	<b>158,725</b>	<b>151,766</b>

<sup>1</sup> Includes fair value adjustment of \$1.35 million and unfavourable CfD derivative of \$283,000 (2023: Favourable \$327,000) (Note 8.3.1).

<sup>2</sup> Expenses in respect of contracts assessed as leases but which did not qualify for recognition as right-of-use assets are \$355,447 (2023: \$279,348) in respect of variable lease payments, \$1,374 (2023: \$304,837) for short-term leases, and \$15,201 (2023: \$31,781) for low-value leases.

Operating expenses generally represent the day to day running costs incurred in normal operations. It also includes impaired receivables expense. Operating expenses are recognised on an accrual basis in the reporting period in which they are incurred.

Operating contracts are expenses related to GWW's maintenance contractor and the field work performed by it.

Information technology expenditure relates to all operating expenses, maintenance contracts, licence fees and other costs associated with operating the information technology environment of GWW. The amount also includes \$22,254,000 (2023: \$16,146,000) relating to accounting for Software as a Service (SaaS), predominantly related to the implementation of the new Billing and Collections system.

Billing and collection costs are all costs relating to the issuing of bills and the collection of debt.

Routine maintenance, repair costs and minor asset renewal costs are expensed as incurred. Where the expenditure relates to the replacement of a component or the enhancement of an asset and the cost satisfies the requirements of an asset, the cost is capitalised and depreciated.

GWW pays or receives the difference between the floating electricity price and the fixed price set under the agreement for the units of energy supplied into the National Electricity Market by Kiamal solar farm. The future settlements of Contract for Difference (CfD) are classified as derivative financial instruments.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 3. Cost of delivering services (continued)

#### 3.6 Revaluation adjustment of infrastructure assets

	2024 \$'000	2023 \$'000
Annual revaluation increment/(decrement) for the year	28,366	(49,110)
<b>Total revaluation adjustment</b>	<b>28,366</b>	<b>(49,110)</b>

Annual revaluation for the year is in respect of the valuation of infrastructure assets determined in accordance with an independent valuation based on the income approach (discounted cash flow method). Refer to note 8.3.2.

The annual increment in revaluation is recognised in the income statement rather than in Other Comprehensive Income as the increment reverses a revaluation decrease of the same infrastructure assets previously recognised in the income statement.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 4. Statutory obligations

This section provides an account of the statutory obligations of GWW.

#### Structure

- 4.1 Income tax expense
- 4.2 Deferred tax assets and deferred tax liabilities
- 4.3 Current tax liability
- 4.4 Dividends
- 4.5 Environmental Contribution

#### 4.1 Income tax expense

	2024 \$'000	2023 \$'000
<b>Income tax expense</b>		
Current tax	28,205	27,638
Deferred tax relating to temporary differences	7,545	(8,354)
Overprovision in prior year	-	(1,379)
<b>Total income tax expense</b>	<b>35,750</b>	<b>17,905</b>
Income tax expense is attributable to:		
Profit from continuing operations	35,750	17,905
<b>Total income tax expense</b>	<b>35,750</b>	<b>17,905</b>
Deferred income tax expense/(benefit) included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	2,222	(14,289)
Increase/(decrease) in deferred tax liabilities	5,323	5,935
<b>Total deferred income tax expense/(benefit)</b>	<b>7,545</b>	<b>(8,354)</b>
<b>Reconciliation of income tax expense to prima facie tax payable</b>		
Profit before income tax expense	118,984	63,999
Tax at the Australian tax rate of 30% (2023 30%)	35,695	19,200
<b>Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:</b>		
Non-deductible expenses	54	83
Non-deductible depreciation	887	887
Additional deductible expenses/non-assessable income	(886)	(886)
Overprovision in prior year	-	(1,379)
<b>Total income tax expense</b>	<b>35,750</b>	<b>17,905</b>
<b>Deferred income tax recognised in other comprehensive income</b>		
Actuarial gain/(loss) on defined benefit superannuation plan	296	192
<b>Total deferred income tax recognised in other comprehensive income</b>	<b>296</b>	<b>192</b>



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 4. Statutory obligations (continued)

GWW is subject to the National Tax Equivalent Regime (NTER) pursuant to s 88(1) of the *State Owned Enterprises Act 1992*. Under this regime GWW is required to pay the Victorian Government an amount equal to the tax liability applicable if GWW was a private company. The tax equivalent rules are based on the *Income Tax Assessment Act 1997* (as amended).

Income tax expense or revenue for the period is the tax payable or receivable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and deferred tax liabilities attributable to temporary differences.

#### 4.2 Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted at balance date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose as the result of a transaction that at the time of the transaction did not affect either accounting profit or loss or taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

##### 4.2.1 Deferred tax assets

	2024 \$'000	2023 \$'000
The balance of deferred tax assets comprises temporary differences attributable to:		
<b>Amounts recognised in the Comprehensive Operating Statement</b>		
Accrued expenses	3,352	254
Provisions	14,057	10,314
Amortisation of intellectual property	1	1
Business related costs	17	91
Lease liabilities	29,039	29,923
Fair Value Adjustment - ZEW	921	516
Fixed Assets – Infrastructure (Revaluation)	139,344	147,854
<b>Total deferred tax assets</b>	<b>186,731</b>	<b>188,953</b>
Movements:		
Opening balance at the start of financial year	188,953	174,664
Credited/(charged) to the Comprehensive Operating Statement	(2,222)	14,289
<b>Closing balance at the end of financial year</b>	<b>186,731</b>	<b>188,953</b>
Deferred tax assets expected to be recovered within 12 months	33,330	30,785
Deferred tax assets expected to be recovered after more than 12 months	153,401	158,168
<b>Total deferred tax assets</b>	<b>186,731</b>	<b>188,953</b>
Set off of deferred tax assets pursuant to set off provisions	(186,731)	(188,953)
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 4. Statutory obligations (continued)

#### 4.2.2 Deferred tax liabilities

	2024 \$'000	2023 \$'000
The balance of deferred tax liabilities comprises temporary differences attributable to:		
<b>Amounts recognised in the Comprehensive Operating Statement</b>		
Fixed assets – depreciation	146,196	137,818
Developer contributed assets	54,400	55,285
Right-of-use assets	25,052	26,560
Developer Revenue not assessable	18	18
<b>Amounts recognised in equity</b>		
Defined benefits actuarial gain	3,181	3,547
Land and buildings revaluation	4,026	4,026
<b>Total deferred tax liabilities</b>	<b>232,873</b>	<b>227,254</b>
Movements:		
Opening balance at the start of the financial year	227,254	221,127
Charged to the Comprehensive Operating Statement	5,323	5,935
Charged to equity	296	192
<b>Closing balance at the end of financial year</b>	<b>232,873</b>	<b>227,254</b>
Deferred tax liabilities expected to be settled after more than 12 months	232,873	227,254
<b>Total deferred tax liabilities</b>	<b>232,873</b>	<b>227,254</b>
Set off of deferred tax assets pursuant to set off provisions	(186,731)	(188,953)
<b>Net deferred tax liabilities</b>	<b>46,142</b>	<b>38,301</b>

#### 4.3 Current tax liability

	2024 \$'000	2023 \$'000
Current tax liability	-	2,546
<b>Total current tax liability</b>	<b>-</b>	<b>2,546</b>

In prior year, GWW's current tax liability was tax payable based on the prior financial year's taxable income less any instalments paid. GWW is in a tax recoverable position of \$660,000 in current financial year (Refer note 6.6).

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 4. Statutory obligations (continued)

#### 4.4 Dividends

	2024 \$'000	2023 \$'000
Final dividend paid during 2024 in respect of 2023	20,894	-
Interim dividend paid in respect of 2024	18,857	-
Efficiency dividend paid - 2024	1,890	-
Interim dividend payable in respect of 2023	-	24,989
<b>Total dividends paid/declared</b>	<b>41,641</b>	<b>24,989</b>

As GWW is a Public Non-Financial Corporation, it is required to pay a dividend in accordance with a determination by the Treasurer of Victoria under the *Water Act 1989*. An obligation to pay a dividend only arises after a formal determination is made by the Treasurer following consultation between the Board, the relevant portfolio Minister, and the Treasurer.

In addition to the interim and final dividends, the Treasurer determined that GWW pay a dividend for efficiency savings as part of the government's COVID Debt Repayment Plan.

In the previous financial year, the interim dividend for 2023 was recognised as a payable at 30 June 2023 and was paid on 31 July 2023. As the 2024 final dividend has not been determined by the Treasurer, it has not been provided for at reporting date.

#### 4.5 Environmental Contribution

Section 193 of the *Water Industry (Environmental Contributions) Act 2004* (the Act) establishes an obligation for water corporations to pay into the consolidated fund Environmental Contributions in accordance with an Order issued by the Minister for Water. The Ministerial Order, which was published in the Victorian Government Gazette No. G23 on 11 June 2020, prescribed that the Environmental Contributions Tranche 5 period is 1 July 2020 until 30 June 2024. Subsequently, the new Tranche 6 of the amounts payable for reporting periods 1 July 2024 to 30 June 2028 has been provided and will be reported in subsequent years.

The purpose of the Environmental Contribution is set out in the Act. Funds may be used for the purpose of funding various water related initiatives that seek to promote the sustainable management of water or are likely to address adverse water related environmental impacts.

Consistent with s 193 of the *Water Industry Act 1994*, GWW pays an Environmental Contribution to the Department of Energy, Environment and Climate Action (DEECA). These contributions are recognised as expenses when they occur.

##### 4.5.1 Environmental Contribution expense

	2024 \$'000	2023 \$'000
Environmental Contribution expense	33,912	33,912
<b>Total Environmental Contribution expense</b>	<b>33,912</b>	<b>33,912</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 4. Statutory obligations (continued)

#### 4.5.2 Environmental Contribution commitment

Consistent with the requirements of s 193 of the *Water Industry Act 1994*, GWW has committed to pay to DEECA an Environmental Contribution of \$35.3 million each financial year, ending 30 June 2028.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	35,325	33,912
Later than one year but not later than five years	105,975	-
<b>Total Environmental Contribution commitment</b>	<b>141,300</b>	<b>33,912</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 5. Assets available to support the provision of services

GWW controls infrastructure and other assets that are utilised in fulfilling its objectives and conducting its activities. These assets represent the resources that are owned by GWW for use in the delivery of services. Where the assets included in this section are carried at fair value, additional information is disclosed in note 8 of this report regarding how fair value is determined.

#### Structure

- 5.1 Infrastructure, property, plant and equipment
- 5.2 Depreciation of infrastructure, property, plant and equipment
- 5.3 Impairment of infrastructure, property, plant and equipment
- 5.4 Commitments for capital expenditure on infrastructure, property, plant and equipment
- 5.5 Intangible assets
- 5.6 Amortisation of intangible assets
- 5.7 Impairment of intangible assets
- 5.8 Commitments for capital expenditure on intangible assets
- 5.9 Right-of-use assets

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

#### 5.1 Infrastructure, property, plant and equipment

	Specialised Land \$'000	Specialised land \$'000	Non-specialised buildings \$'000	Non-structure assets \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Works in progress \$'000	Total \$'000
<b>2023</b>									
Fair value at 1 July 2022	108,950	3,054	23,912	2,504,517	56,055	8,753	9,042	427,352	3,141,635
Accumulated depreciation at 1 July 2022	-	-	(2,210)	-	(28,331)	(5,350)	(5,256)	-	(41,147)
Carrying amount	108,950	3,054	21,702	2,504,517	27,724	3,403	3,786	427,352	3,100,488
Transfers <sup>1</sup>	-	-	-	92,421	-	-	-	(92,421)	-
Carrying amount at 1 July 2022	108,950	3,054	21,702	2,596,938	27,724	3,403	3,786	334,931	3,100,488
Additions	-	-	-	-	-	-	-	342,257	342,257
Developer contributed assets	-	-	-	94,721	-	-	-	(94,721)	-
Transfer of assets from Department of Transport and Planning	-	-	-	4,364	-	-	-	(4,364)	-
Transfers (net) <sup>2</sup>	1,118	-	2,424	63,239	2,557	1,960	-	(71,298)	-
Revaluation decrement recognised in profit or loss (note 3.6)	-	-	-	(49,110)	-	-	-	-	(49,110)
Disposals (net)	-	-	-	(41)	-	(176)	-	-	(217)
Impairment (net)	-	-	-	-	-	-	-	(1,193)	(1,193)
Depreciation expense	-	-	(613)	(63,433)	(6,598)	(1,326)	(434)	-	(72,404)
Adjustment	-	-	-	-	-	-	22	-	22
<b>Gross carrying amount at 30 June 2023</b>	<b>110,068</b>	<b>3,054</b>	<b>26,336</b>	<b>2,646,678</b>	<b>58,612</b>	<b>9,434</b>	<b>9,042</b>	<b>505,612</b>	<b>3,368,836</b>
<b>Accumulated depreciation at 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>(2,823)</b>	<b>-</b>	<b>(34,929)</b>	<b>(5,573)</b>	<b>(5,668)</b>	<b>-</b>	<b>(48,993)</b>
<b>Carrying amount/fair value at 30 June 2023</b>	<b>110,068</b>	<b>3,054</b>	<b>23,513</b>	<b>2,646,678</b>	<b>23,683</b>	<b>3,861</b>	<b>3,374</b>	<b>505,612</b>	<b>3,319,843</b>

1 Transfer of infrastructure assets are assets in service prior to 1 July 2022 which were transferred during the year.

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

Further information on fair value of non-financial assets is disclosed in note 8.3.2.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

	Specialised Land \$'000	Non- specialised land \$'000	Non- specialised buildings \$'000	Infra- structure assets \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Leasehold improve- ments \$,000	Works in progress \$'000	Total \$'000
<b>2024</b>									
Fair value at 1 July 2023	110,068	3,054	26,336	2,646,678	58,612	9,434	9,042	505,612	3,368,836
Accumulated depreciation at 1 July 2023	-	-	(2,823)	-	(34,929)	(5,573)	(5,668)	-	(48,993)
Carrying amount	110,068	3,054	23,513	2,646,678	23,683	3,861	3,374	505,612	3,319,843
Transfers <sup>1</sup>	-	-	-	-	-	-	-	-	-
Carrying amount at 1 July 2023	110,068	3,054	23,513	2,646,678	23,683	3,861	3,374	505,612	3,319,843
Additions	-	-	-	-	-	-	-	366,339	366,339
Developer contributed assets	-	-	-	81,504	-	-	-	(81,504)	-
Transfer of assets from Department of Transport and Planning	-	-	-	15,873	-	-	-	(15,873)	-
Transfers (net) <sup>1</sup>	-	-	182	316,516	4,173	3,306	-	(324,177)	-
Revaluation increment recognised in profit or loss (note 3.6)	-	-	-	28,366	-	-	-	-	28,366
Utilisation of capital grant <sup>2</sup>	-	-	-	-	-	-	(500)	-	(500)
Reclassification <sup>3</sup>	-	-	-	-	-	-	-	(9,818)	(9,818)
Written off	-	-	-	-	-	-	-	(3,456)	(3,456)
Disposals (net)	-	-	-	-	24	(146)	-	-	(122)
Depreciation expense	-	-	(602)	(69,160)	(5,528)	(2,176)	(390)	-	(77,856)
<b>Gross carrying amount at 30 June 2024</b>	<b>110,068</b>	<b>3,054</b>	<b>26,518</b>	<b>3,019,777</b>	<b>61,543</b>	<b>11,008</b>	<b>8,542</b>	<b>437,123</b>	<b>3,677,633</b>
<b>Accumulated depreciation at 30 June 2024</b>	<b>-</b>	<b>-</b>	<b>(3,425)</b>	<b>-</b>	<b>(39,191)</b>	<b>(6,163)</b>	<b>(6,058)</b>	<b>-</b>	<b>(54,837)</b>
<b>Carrying amount/fair value at 30 June 2024</b>	<b>110,068</b>	<b>3,054</b>	<b>23,093</b>	<b>3,019,777</b>	<b>22,352</b>	<b>4,845</b>	<b>2,484</b>	<b>437,123</b>	<b>3,622,796</b>

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

2 Capital grant relating to assets that meet the conditions attached are recorded against cost of the asset.

3 Reclassification are in respect of transfer from property, plant and equipment to intangibles.

Further information on fair value of non- financial assets is disclosed in note 8.3.2.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

#### Initial recognition

All assets are measured at cost on initial recognition. Cost is determined as cash paid or the fair value of other consideration given up at the date of acquisition plus any costs directly attributable to acquisition. Fair value at acquisition is equal to cost.

The cost of non-current assets constructed by GWW includes all costs directly attributable to their construction. GWW has a policy of capitalising labour costs which are directly attributable to capital projects. In the case of developer contributed assets, where actual cost is not available, cost is calculated using a schedule of rates determined by GWW based on historical cost information.

An asset is capitalised when it is probable that future economic benefits associated with the item will flow to GWW and the item can be measured reliably.

GWW has a capitalisation threshold of greater than or equal to \$1,000 inclusive of GST (2023 \$1,000).

#### Subsequent measurement

Infrastructure, property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment losses (if applicable). Fair value is determined with regard to an asset's highest and best use considering legal or physical restrictions imposed on the asset, public announcements, or commitments made in relation to the intended use of the asset. Fair value determination of non-current physical assets is discussed further in note 8 Risks contingencies and valuation judgements.

The carrying amount of a replaced or abandoned asset is written off in the Comprehensive Operating Statement as an expense. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Net revaluation increases are credited directly to equity in the physical asset revaluation surplus unless the increase reverses a previous decrease that was recognised in profit or loss. In this case, the increase is recognised in profit or loss.

Net revaluation decreases are recognised immediately as expenses in profit or loss unless there is an asset revaluation surplus. In this case the decrease is recognised against the physical asset revaluation surplus.

There were no changes in valuation techniques throughout the year to 30 June 2024.

#### Land and buildings

An independent valuation of land and buildings is required every five years. Interim management valuations may occur in between independent valuations if fair value assessments indicate material changes in values. The last independent valuation was undertaken by a Certified Practising Valuer, Peter Molloy AAPI of Property Dynamics Pty Ltd, on behalf of the Valuer-General Victoria (VGV) as at 30 June 2021. The VGV valuation resulted in a gross asset value increment of \$19.5 million.

For financial years ended 30 June 2023 and 2022, management valuation of land was performed using VGV indices. For 2022 the management valuation led to an increment of \$16.3 million. As the difference in the fair value for 2023 and 2024 is less than 10% of cumulative movement in the relevant fair value indicators, no adjustment is made to the fair value.

The carrying amount (cost less accumulated depreciation) of land and buildings exclusive of revaluations was \$45.8 million (2023 \$45.8 million) and \$23.0 million (2023 \$21.6 million) respectively.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

#### Infrastructure

The valuation of infrastructure assets has been determined in accordance with an independent valuation. KPMG was engaged by GWW as experts for this purpose. The valuation is at fair value based on the income approach (discounted cash flow method). For the purpose of the fair value estimate provided, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 8.3.2.

Had the infrastructure assets been accounted for on an historical cost basis, the carrying amount (cost less accumulated depreciation) of infrastructure assets, excluding revaluation would be \$3,858.7 million (2023 \$3,570.6 million).

#### Plant and equipment, motor vehicles and leasehold improvements

Plant and equipment, motor vehicles and leasehold improvements are measured at carrying value (current replacement cost) which is fair value. Unless there is market evidence that carrying value is significantly different to market value no adjustment will be made to the existing carrying value.

#### 5.2 Depreciation of infrastructure, property, plant and equipment

All infrastructure assets, buildings, plant and equipment and other non-current physical assets (excluding items under operating leases and assets held for sale) that have a limited useful life are depreciated.

Depreciation is calculated on a straight-line basis at rates that allocate an asset's value less any estimated residual value over its estimated useful life. The useful life and residual value of each group of assets is reviewed annually.

Depreciation of a new infrastructure asset begins in the month following the practical completion of works. Depreciation of other new assets begins in the month following acquisition.

#### Useful lives

The estimated useful lives of infrastructure, property plant and equipment are listed below.

<b>Asset type</b>	<b>Range</b>
Buildings	5 – 90 years
Infrastructure assets	3 – 350 years
Plant and equipment	2 – 50 years
Motor vehicles	2 – 8 years
Leasehold improvements	7 – 20 years
Right-of-use assets (note 5.9)	3-47 years

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 5.3 Impairment of infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are assessed annually for indicators of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount the difference is written off by a charge to the Comprehensive Operating Statement, unless the write-down can be offset against an asset revaluation surplus amount applicable to that class of asset.

Recoverable amounts for assets held primarily to generate net cash inflows are measured at the higher of the net present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

A reversal of an impairment loss on a revalued asset is credited directly to equity unless an impairment loss on the same class of asset was previously recognised in the Comprehensive Operating Statement. In this case the reversal of that impairment loss is recognised in the Comprehensive Operating Statement.

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

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	7,402	23,774
Later than one year but not later than five years	7,472	33,242
<b>Total capital commitments</b>	<b>14,874</b>	<b>57,016</b>

Commitments for future expenditure include capital commitments arising from contracts. These commitments are not recognised in the Balance Sheet. They are disclosed at nominal value inclusive of GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the Balance Sheet.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

#### 5.5 Intangible assets

	Software \$'000	Water entitle- ments \$'000	Other intangible assets \$'000	Works in progress \$'000	Total \$'000
<b>2023</b>					
Cost at 1 July 2022	167,193	103,023	10,529	24,862	305,607
Accumulated amortisation at 1 July 2022	(116,235)	-	(2,587)	-	(118,822)
Carrying amount at 1 July 2022 CWW	50,958	103,023	7,942	24,862	186,785
Additions	19,830	-	3,564	8,983	32,377
Impairment (net)	-	-	-	(931)	(931)
Amortisation expense	(16,607)	-	(2,178)	-	(18,785)
<b>Cost at 30 June 2023</b>	<b>187,023</b>	<b>103,023</b>	<b>14,093</b>	<b>32,914</b>	<b>337,053</b>
<b>Accumulated amortisation at 30 June 2023</b>	<b>(132,842)</b>	<b>-</b>	<b>(4,765)</b>	<b>-</b>	<b>(137,607)</b>
<b>Carrying amount at 30 June 2023</b>	<b>54,181</b>	<b>103,023</b>	<b>9,328</b>	<b>32,914</b>	<b>199,446</b>
<b>2024</b>					
Cost at 1 July 2023	187,023	103,023	14,093	32,914	337,053
Accumulated amortisation at 1 July 2023	(132,842)	-	(4,765)	-	(137,607)
Carrying amount at 1 July 2023 CWW	54,181	103,023	9,328	32,914	199,446
Additions	14,778	-	13,433	27,994	56,205
Reclassification (net) <sup>1</sup>	-	-	-	9,718	9,718
Transfers <sup>2</sup>	-	-	-	(27,488)	(27,488)
Disposals/write off – cost <sup>3</sup>	(9,527)	-	-	-	(9,527)
Disposals/write off – accumulated amortisation <sup>3</sup>	7,840	-	-	-	7,840
Amortisation expense	(13,460)	-	(4,142)	-	(17,602)
<b>Cost at 30 June 2024</b>	<b>192,274</b>	<b>103,023</b>	<b>27,453</b>	<b>43,138</b>	<b>365,888</b>
<b>Accumulated amortisation at 30 June 2024</b>	<b>(138,462)</b>	<b>-</b>	<b>(8,834)</b>	<b>-</b>	<b>(147,296)</b>
<b>Carrying amount at 30 June 2024</b>	<b>53,812</b>	<b>103,023</b>	<b>18,619</b>	<b>43,138</b>	<b>218,592</b>

1 Reclassification of assets from property, plant and equipment to intangibles.

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

3 Assets write off include \$1.5m relating to the old billing system.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and impairment losses (if applicable). Intangible assets consist of software, water entitlement rights and other intangible assets.

#### Software

Software assets are initially recognised at cost and subsequently recognised at cost less accumulated amortisation and impairment losses (if applicable).

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

#### Software as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing GWW with the right to access the cloud provider's application software over the contract period. As such GWW does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

- Recognise as an other expense over the term of the service contract – Fee for use of application software and customisation costs
- Recognise as an other expense as the service is received – Configuration costs, data conversion and migration costs, testing costs and training costs.

**GWW made the following key judgements that may have the most significant effect on the amounts recognised in the financial statements – Determination whether configuration and customisation services are distinct from the SaaS access.**

Implementation costs including costs to configure or customise the cloud providers' application software are recognised as operating expenses received as the costs do not meet the recognition criteria under AASB 138 Intangible Assets. Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (that is, upfront). Non-distinct configuration and customisation costs recognised as prepayments then expensed over the SaaS contract term.

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

#### Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, GWW has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meet the definition of and recognition criteria for an intangible asset in accordance with AASB 138 Intangible Assets. During the year, GWW recognised \$6,202,000 (2023: \$753,000) as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

#### Water entitlements

Water entitlements have an indefinite useful life as they are held in perpetuity. As such they are not amortised. Instead, they are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. Water entitlements represent GWW's bulk water entitlements held in northern Victoria as a result of its investment in Stage 1 of the Goulburn-Murray Water Connections Project. The project was originally established in 2007 as the Northern Victoria Irrigation Renewal Project (NVIRP). On 1 July 2012 NVIRP was merged with Goulburn-Murray Water to form the Goulburn-Murray Water Connections Project. The metropolitan water retailers contributed \$300m to the \$1 billion Stage 1 investment, which was completed in 2013. GWW contributed \$100m to the Connections Project to fund 25GL in long-term average annual water savings. Water entitlements accrue to GWW as long-term savings are made under the project. The project was completed in 2020. Water entitlements accrue to GWW following the annual audits into the long-term savings made under the project.

In February 2022, the Minister for Water announced that all water committed through the Connections Project for irrigators, the environment and Melbourne retail water corporations – could now be delivered, – with Traditional Owners also to benefit. The Minister issued water entitlements in the form of new bulk entitlements and was published in the Victorian Government Gazette G25 dated 23 June 2022 and came into effect on 1 July 2022. From the 2023 financial year, the new bulk entitlement sets out GWW's share is 30.5 GL, made up of a mix of high reliability (19.3GL) and low reliability (11.2GL) entitlements from trading zones 1A Goulburn, 1B Goulburn, 6 Murray and 7 Murray. GWW intends to hold these water shares for water supply security purposes.

Amendment orders have been made to include a sunset date for the existing bulk entitlements of 20 June 2023. The new bulk entitlements are issued as a result of the agreement for participating in the Connections Project and as such the existing entitlements were revoked, and the value (cost paid to participate in Connections Project less any disposals) will be transferred to the new bulk entitlements.

The new bulk entitlements will continue to be recognised as an intangible asset and measured at cost. The bulk entitlements have an indefinite useful life and will be tested for impairment annually.

#### Assigned Water Allocation

In 2016-17, under s 46(1) of the *Water Act 1989*, Barwon Water assigned 5,000ML of their carry over water in the Melbourne supply system to GWW at a cost of \$1,600,000. During 2019-20 Barwon Water assigned another 5,000ML of their carry over water in the Melbourne supply system to GWW at a cost of \$1,425,000. The right to the allocated water is a finite life intangible asset initially recognised at cost and after initial recognition GWW carries the asset at its cost less any accumulated amortisation and any accumulated impairment losses. Impairment testing is undertaken at least annually.

As a finite life intangible asset, the water allocated will be amortised on a systematic basis over its useful life. This is based on the expected usage of the right. Assuming a normal climate and demand scenario, usage of the remaining assigned water allocation of 4,683ML (2023: 6,490ML) is expected to occur over the period 2023-24 to 2025-26.

#### Other intangible assets

Other intangible assets have an indefinite useful life as they are held in perpetuity. As such they are not amortised. Instead, they are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Other intangible assets also include Large-Scale Generation Certificates (LGCs) of \$650,096 (2023: \$452,255) which are measured at cost as per GWW's policy choice as opposed to held for sale or surrender (in accordance with AASB 138 Intangible Assets), and will not be subject to amortisation, as the LGCs have an indefinite life. The LGCs will be retired when they are used for offsetting emissions.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

#### 5.6 Amortisation of intangible assets

All intangible assets with a useful life are amortised.

Amortisation is generally calculated on a straight-line basis at rates that allocate an asset's value less any estimated residual value over its estimated useful life. The useful life and residual value of each group of assets is reviewed annually.

Amortisation of new software and other intangible assets begins in the month following commissioning.

#### Useful lives

The estimated useful lives of intangible assets are listed below.

Asset type	Range
Software	3 – 10 years
Water entitlements	Indefinite
Master Plans	5 years
Assigned water allocations	1-9 years
Other intangible assets	Indefinite

#### 5.7 Impairment of intangible assets

Intangible assets with indefinite useful lives are tested annually for indicators of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount the difference is written off by a charge to the Comprehensive Operating Statement, unless the write-down can be offset against an asset revaluation surplus amount applicable to that class of asset.

The recoverable amount for most intangible assets is measured as the higher of current replacement cost and fair value less costs to sell. Recoverable amounts for assets held primarily to generate net cash inflows are measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

A reversal of an impairment loss on a revalued Intangible asset is credited directly to equity unless an impairment loss on the same class of asset was previously recognised in the Comprehensive Operating Statement. In this case a reversal of that impairment loss is also recognised in the Comprehensive Operating Statement.

#### 5.8 Commitments for capital expenditure on intangible assets

	2024 \$'000	2023 \$'000
Not later than one year	-	18
Later than one year but not later than five years	344	565
<b>Total capital commitments</b>	<b>344</b>	<b>583</b>

Commitments for future capital expenditure on intangible assets include capital commitments arising from contracts. These commitments are not recognised in the Balance Sheet. They are disclosed at nominal value inclusive of GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the Balance Sheet.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

#### 5.9 Right-of-use assets

This note provides information for leases where GWW is a lessee.

	Buildings \$'000	Land \$'000	Equipment \$'000	Total \$'000
<b>2023</b>				
<b>As at 1 July 2022</b>	<b>85,207</b>	<b>1,608</b>	<b>995</b>	<b>87,810</b>
Additions	5,693	-	458	6,151
Re-measurement	-	-	(18)	(18)
Depreciation	(4,647)	(56)	(706)	(5,409)
<b>As at 30 June 2023</b>	<b>86,253</b>	<b>1,552</b>	<b>729</b>	<b>88,534</b>
Cost	104,740	1,776	3,500	110,016
Accumulated depreciation	(18,487)	(224)	(2,771)	(21,482)
<b>Carrying amount at 30 June 2023</b>	<b>86,253</b>	<b>1,552</b>	<b>729</b>	<b>88,534</b>
<b>2024</b>				
<b>As at 1 July 2023</b>	<b>86,253</b>	<b>1,552</b>	<b>729</b>	<b>88,534</b>
Additions	-	-	-	-
Re-measurement	-	-	1,836	1,836
Depreciation	(5,007)	(56)	(1,800)	(6,863)
<b>As at 30 June 2024</b>	<b>81,246</b>	<b>1,496</b>	<b>765</b>	<b>83,507</b>
Cost	104,740	1,776	3,821	110,337
Accumulated depreciation	(23,494)	(280)	(3,056)	(26,830)
<b>Carrying amount at 30 June 2024</b>	<b>81,246</b>	<b>1,496</b>	<b>765</b>	<b>83,507</b>

The right-of-use assets are in respect of GWW's offices in Footscray and Sunbury, two maintenance depots in Brooklyn and West Melbourne, two land leases and three IT leases.

Re-measurement of the right-of-use asset is in respect of the variation of the existing IT lease. The addition for building in prior year is relating to the new lease agreement for the Sunbury office.

Other leases of properties with contract term of less than a year are either short-term and/or leases of low-value items. GWW has elected not to recognise right-of-use assets and lease liabilities for these leases.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

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

GWW leases various properties and equipment. Rental contracts are typically made for fixed periods of 3 to 47 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. GWW allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Since 1 July 2019 leases have been recognised as a right-of-use asset and a corresponding liability (borrowings) at the date at which the leased asset is available for use by GWW.

Assets and liabilities arising from a lease are initially measured on a present value basis.

#### *Lease liabilities*

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to comprehensive operating statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease or GWW's incremental borrowing rate. Treasury Corporation of Victoria (TCV)/Department of Treasury's (DTF) calculator is used to determine the incremental borrowing rate. Information on the incremental borrowing rate is disclosed in note 7.1.

#### *Right-of-use assets*

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs; and
- restoration costs.

If GWW is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Subsequently, the right-of-use assets are measured under a fair value model. The revaluation model is applied to all of the right-of-use assets that relate to that class of property, plant and equipment. Under this valuation method, the right-of-use assets were assessed against market rental indicators and other relevant observations (such as size and location), where comparable, to determine any material movements in fair value. There were no material movements in fair value at 30 June 2024.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and photocopiers with individual values less than \$10,000 when new.

GWW is exposed to future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising from:

- variable lease payments
- extension options and termination options
- residual value guarantees; and
- leases not yet commenced to which the lessee is committed.

#### *Variable lease payments*

Some property leases contain variable payment terms. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established corporations. Variable lease payments that depend on a specific variable metric are recognised in the comprehensive operating statement in which the condition that triggers those payments occurs.

#### **(ii) Extension and termination options**

Extension and termination options are included in a number of property and equipment leases across GWW. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by GWW and not by the respective lessor.

#### *Residual value guarantee*

To optimise lease costs during the contract period, GWW sometimes provides residual value guarantees in relation to equipment leases.

#### *Critical judgements in determining the lease term*

In determining the lease term, GWW considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 6. Other assets and liabilities

This section sets out the assets and liabilities that arose from GWW's operations.

#### Structure

- 6.1 Receivables
- 6.2 Payables
- 6.3 Advances and deposits
- 6.4 Contract liabilities
- 6.5 Inventory
- 6.6 Other non-financial assets
- 6.7 Other provisions
- 6.8 Other financial liability

#### 6.1 Receivables

	2024 \$'000	2023 \$'000
<b>Contractual</b>		
Contract assets	112,109	58,725
Trade receivables	133,886	103,641
Less: Expected credit loss allowance	(11,373)	(7,157)
<b>Total contractual receivables</b>	<b>234,622</b>	<b>155,209</b>
<b>Statutory</b>		
Trade receivables	4,902	4,665
<b>Total statutory receivables</b>	<b>4,902</b>	<b>4,665</b>
<b>Other financial receivables</b>	<b>15</b>	<b>15</b>
	<b>239,539</b>	<b>159,889</b>
<b>Represented by</b>		
Current receivables	239,489	159,829
Non- current receivables	50	60
	<b>239,539</b>	<b>159,889</b>

Contractual receivables are classified as financial instruments. They are initially recognised at fair value and subsequently at amortised cost less expected credit loss.

Contract assets are recognised for water and sewage usage as well as other works and services where performance obligations have been satisfied but not yet invoiced. An accrual is done to account for water and sewage usage and other works and services not billed at the end of the period. The accrual of water usage charges and sewage disposal charges is made by using the volume of water GWW purchases from Melbourne Water less estimate of non-revenue water and water billed to customers. The accrued revenue is then calculated by taking the difference between what has been billed during the year and the volume of water available for consumption multiplied by the price approved by the Essential Services Commission (ESC). Significant accruals as at 30 June 2024 is mainly due to the GWW transition to the new billing system effective 29 May 2024 which delayed the billings.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 6. Other assets and liabilities (continued)

Trade receivables are due for settlement no later than between 21 to 28 days from the date of recognition. Trade receivables consist of receivables for the provision of water, sewerage and trade waste services to residential and business customers as well as billing and collection fees associated with these receivables.

Statutory receivables are not classified as financial instruments as they do not arise from contracts. Statutory receivables are recognised and measured similarly to contractual receivables, except for impairment. Statutory trade receivables are GST receivables.

Non-current receivables comprise contractual trade receivables under the Sewerage Private Schemes, payable on terms up to 20 years.

Other financial receivables comprise a loan provided to Zero Emissions Water (ZEW) Ltd. Further disclosure is in note 9.2.

#### 6.1.1 Movements in the expected credit loss allowance

	2024 \$'000	2023 \$'000
Opening balance at the start of the year	(7,157)	(5,649)
Provision for expected credit loss recognised during the year	(5,672)	(4,723)
Contractual receivables written off during the year as uncollectible	1,456	3,215
<b>Closing balance at the end of the year</b>	<b>(11,373)</b>	<b>(7,157)</b>

GWW applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for contractual receivables.

To measure expected credit losses, contract receivables have been grouped based on shared credit risk characteristics and days past due. The expected loss rates are based on the payment profiles of sales over a period of three years prior to 30 June 2024. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the ability of customers to settle receivables. Receivables are written off when there is no reasonable expectation of recovery. Indicators of non-recovery include, amongst others, the failure of a debtor to engage in a repayment plan and failure to make contractual payments for a period of greater than 90 days past due.

Due to the current macro-economic environment, it is expected that an increase in unemployment rates, interest rates and inflation will exceed the relevant thresholds. GWW has also considered impacts from specific management actions, the transition to the new billing system effective 29 May 2024, observable customer behaviours, and how the macro-economic environment may impact the industry in particular.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 6. Other assets and liabilities (continued)

#### 6.1.2 Loss allowance for contractual trade receivables

	Current \$'000	30-59 days \$'000	60-89 days \$'000	Greater than 90 days \$'000	Not impaired \$'000	Total \$'000
<b>30 June 2023</b>						
Expected loss rate	0.1%	0.3%	0.9%	20.5%		
Gross carrying amount	50,001	11,791	4,769	34,282	2,798	103,641
Loss allowance	(31)	(33)	(43)	(7,050)	-	(7,157)
<b>Net carrying amount</b>	<b>49,970</b>	<b>11,758</b>	<b>4,726</b>	<b>27,232</b>	<b>2,798</b>	<b>96,484</b>

#### 30 June 2024

Expected loss rate	0.0%	0.1%	0.5%	18.2%		
Gross carrying amount	50,083	12,422	6,366	62,171	2,844	133,886
Loss allowance	(22)	(16)	(29)	(11,306)	-	(11,373)
<b>Net carrying amount</b>	<b>50,061</b>	<b>12,406</b>	<b>6,337</b>	<b>50,865</b>	<b>2,844</b>	<b>122,513</b>

### 6.2 Payables

	2024 \$'000	2023 \$'000
<b>Contractual</b>		
Trade payables	143,557	124,022
Other payables	19,690	16,302
Deferred developer reimbursements	871	871
Sundry liabilities	896	1,970
<b>Total contractual payables</b>	<b>165,014</b>	<b>143,165</b>
<b>Statutory</b>		
Trade payables	3,328	3,131
Other payables	8,206	6,852
<b>Total statutory payables</b>	<b>11,534</b>	<b>9,983</b>
<b>Total payables</b>	<b>176,548</b>	<b>153,148</b>
<b>Represented by</b>		
Current payables	176,548	153,148

Contractual payables are classified as financial instruments. They are measured at amortised cost and recognised on an accrual basis in the period in which they are incurred. Trade payables represent liabilities for goods and services provided to GWW prior to the end of the financial year that are unpaid at the end of the financial year. Other payables represent accrued loan interest.

Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and are not included in the category of financial liabilities as they do not arise from contracts.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 6. Other assets and liabilities (continued)

Deferred developer reimbursements represent a liability to reimburse developers for their costs incurred in constructing water, sewerage and/or recycled water assets on behalf of GWW.

It is GWW's standard process to pay its trade accounts payable liabilities within 10 business days, in line with the Victorian Government Fair Payments policy settle all payables or within 30 days of receipt of invoice.

#### 6.2.1 Maturity analysis of contractual payables

<b>2023</b>	<b>Carrying amount \$'000</b>	<b>Nominal Amount \$'000</b>	<b>1 Year or less \$'000</b>	<b>Over 1 Year \$'000</b>	<b>Total \$'000</b>
Payables	143,165	143,165	143,165	-	143,165
<b>Total contractual payables</b>	<b>143,165</b>	<b>143,165</b>	<b>143,165</b>	<b>-</b>	<b>143,165</b>

<b>2024</b>	<b>Carrying amount \$'000</b>	<b>Nominal Amount \$'000</b>	<b>1 Year or less \$'000</b>	<b>Over 1 Year \$'000</b>	<b>Total \$'000</b>
Payables	165,014	165,014	165,014	-	165,014
<b>Total contractual payables</b>	<b>165,014</b>	<b>165,014</b>	<b>165,014</b>	<b>-</b>	<b>165,014</b>

#### 6.3 Advances and deposits

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Advances and deposits	25,102	22,025
<b>Total advances and deposits</b>	<b>25,102</b>	<b>22,025</b>

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

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 6. Other assets and liabilities (continued)

#### 6.4 Contract liabilities

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract liabilities	28,816	32,789
<b>Total contract liabilities</b>	<b>28,816</b>	<b>32,789</b>
Movement in contract liabilities		
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amounts as at 1 July	32,789	33,392
Add: Developers contribution received for performance obligations yet to be completed during the year	64,520	84,243
Less: Revenue recognised for the completion of performance obligation	(70,081)	(84,250)
Other income deferred during the year	1,589	(596)
<b>Carrying amounts as at 30 June</b>	<b>28,816</b>	<b>32,789</b>

Contract liabilities represent income received in advance of GWW performing obligations required to recognise the income in the Comprehensive Operating Statement. GWW has performance obligations relating to developer revenue with customers that are recognised either at a point in time or over time and any portion of services charges that are billed in advance and the performance obligation is not satisfied. Refer to note 2.3 for details of these performance obligations.

#### 6.5 Inventory

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Inventory (at cost)	2,487	1,531
<b>Total inventory</b>	<b>2,487</b>	<b>1,531</b>

Inventory represents stock on hand at the end of the reporting period. Inventory is primarily used for the repair and maintenance of existing assets. Inventory is measured at the lower of cost and net realisable value.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 6. Other assets and liabilities (continued)

#### 6.6 Other non-financial assets

	2024 \$'000	2023 \$'000
Prepayments	4,871	8,723
Income tax refundable	660	-
Amounts in Trust	-	763
Other non-financial assets	-	808
<b>Total other non-financial assets</b>	<b>5,531</b>	<b>10,294</b>
<b>Represented by</b>		
Current	5,531	9,486
Non-current	-	808
	<b>5,531</b>	<b>10,294</b>

Prepayments represent payments made in advance of the receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period. Amounts are recognised as an asset upon payment and subsequently expensed over the period the payment covers.

Amounts in Trust were held in escrow with the solicitors and relate to properties and environmental offsets that were pending regulatory approvals. The amount was subsequently utilized in the current financial year.

#### 6.7 Other provisions

	2024 \$'000	2023 \$'000
<b>Current</b>		
Other sundry provisions	5,312	5,742
<b>Total other provisions – current</b>	<b>5,312</b>	<b>5,742</b>

	VCAT Refunds \$'000	Magflow Refunds \$'000	Others \$'000	Total \$'000
<b>Carrying amount as at 1 July 2023</b>	<b>2,524</b>	<b>396</b>	<b>2,822</b>	<b>5,742</b>
Payments/other sacrifices of economic benefit	(51)	-	(15)	(66)
Write back of provisions	-	(364)	-	(364)
<b>Carrying amount as at 30 June 2024</b>	<b>2,473</b>	<b>32</b>	<b>2,807</b>	<b>5,312</b>

Other provisions are recognised when GWW has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and the risks specific to the provision.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 6. Other assets and liabilities (continued)

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, a receivable is recognised if it is virtually certain that the economic benefits will be received and their amount can be measured reliably.

Victorian Civil and Administrative Tribunal (VCAT) refunds are the outcomes of recognition of refunds payable for network charges following the administrative decision. The Magflow refunds relate to a technical issue discovered on a portion of the Magflow water meter fleet.

#### 6.8 Other financial liability

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Zero Emissions Water (ZEW) (note 8.3.1)	3,070	1,719
<b>Total other financial liability</b>	<b>3,070</b>	<b>1,719</b>



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 7. Financing our operations

This section provides information on the sources of finance used by GWW during its operations as well as interest expense (the cost of borrowings) and other information relating to the financing activities of GWW.

#### Structure

7.1 Borrowings

7.2 Cash flow information and balances

#### 7.1 Borrowings

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Treasury Corporation of Victoria	80,600	-
Lease liabilities	3,347	3,370
<b>Total current borrowings</b>	<b>83,947</b>	<b>3,370</b>
<b>Non-current</b>		
Treasury Corporation of Victoria	2,607,650	2,298,650
Lease liabilities	93,450	96,374
<b>Total non-current borrowings</b>	<b>2,701,100</b>	<b>2,395,024</b>
<b>Total borrowings</b>	<b>2,785,047</b>	<b>2,398,394</b>

Borrowings refers to interest bearing liabilities raised from public borrowings through the Treasury Corporation of Victoria and lease liabilities.

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost. Borrowings include overnight (11am) borrowings, floating rate notes, fixed rate loans and flexi loans. Borrowings are used primarily to meet working capital requirements and fund capital expenditure.

The accounting policy for lease liabilities is presented in note 5.9.

Any difference between the initial amount recognised (net of transaction costs) and the redemption amount is recognised in the Comprehensive Operating Statement over the period of the interest-bearing liabilities using the effective interest method.

Borrowings are classified as current liabilities unless GWW has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

GWW has classified borrowings which mature within 12 months as non-current liabilities on the basis that GWW has discretion to and will refinance or roll over these loans with the Treasury Corporation of Victoria pursuant to s 8 of the *Borrowings and Investment Powers Act 1987*. 11am borrowings are classified as current borrowings.

No security has been provided in respect of any existing liability.

During the current and prior years there were no defaults or breaches of any loan.

GWW's credit rating is BBB (2023 BBB).

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 7. Financing our operations (continued)

#### 7.1.1 Maturity analysis of borrowings

	Weighted average interest rate	Carrying Amount \$'000	Nominal amount		
			1 year or less \$'000	Over 1 year \$'000	Total \$'000
<b>2023</b>					
Borrowings – fixed <sup>1</sup>	2.91%	2,298,650	201,000	2,097,650	2,298,650
Borrowings – floating <sup>1</sup>	0.00%	-	-	-	-
Borrowings – lease liabilities <sup>2</sup>	2.42%	99,744	6,078	127,320	133,398
<b>Total borrowings</b>		<b>2,398,394</b>	<b>207,078</b>	<b>2,224,970</b>	<b>2,432,048</b>
<b>2024</b>					
Borrowings – fixed <sup>1</sup>	3.25%	2,607,650	260,000	2,347,650	2,607,650
Borrowings – floating <sup>1</sup>	4.52%	80,600	80,600	-	80,600
Borrowings – lease liabilities <sup>2</sup>	2.42%	96,797	6,394	121,349	127,743
<b>Total borrowings</b>		<b>2,785,047</b>	<b>346,994</b>	<b>2,468,999</b>	<b>2,815,993</b>

1 Weighted average interest rate is exclusive of financial accommodation levy.

2 Based on TCV yield rate plus financial accommodation levy.

#### 7.1.2 Finance expenses

	2024 \$'000	2023 \$'000
<b>Finance expenses</b>		
Interest on leases liabilities	2,731	2,679
Interest on TCV borrowings	76,260	61,911
Financial accommodation levy <sup>1</sup>	30,356	27,218
Bank charges	30	22
Less: Provision for interest not required	(6)	(567)
<b>Total finance expenses</b>	<b>109,371</b>	<b>91,263</b>

1 Financial accommodation levy is a levy applied to GWW to remove the market advantage that government entities may experience in borrowings as a result of being guaranteed by the State of Victoria. The financial accommodation levy is a commercial rate charged for new borrowings based on GWW's underlying credit rating and is paid into the State's Consolidated Fund in accordance with s 40N of the *Financial Management Act 1994* in respect of financial accommodation provided to GWW by the State Government of Victoria.

Finance expenses include costs incurred in connection with the borrowing of funds. Finance expenses include interest on bank overdrafts, short term and long-term borrowings, and the interest component of lease payments. Finance expense is recognised in the period in which it is incurred and measured at fair value.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 7. Financing our operations (continued)

#### 7.2 Cash flow information and balances

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash and cash equivalents</b>		
Cash at bank	6,693	10,497
<b>Total cash and cash equivalents</b>	<b>6,693</b>	<b>10,497</b>

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

For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings on the Balance Sheet.

#### 7.2.1 Reconciliation of profit after income tax to net cash inflow from operating activities

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit/(Loss) after income tax expense</b>	<b>83,234</b>	<b>46,094</b>
Non-cash movements:		
Depreciation and amortisation of assets	102,321	96,598
Impaired receivables	5,672	4,723
Defined benefit superannuation fund expense	40	132
Asset impairments	5,192	2,462
Asset revaluation increment/decrement	(28,366)	49,110
Net gain on disposal of non-current physical assets	(860)	(955)
Developer contributed assets	(81,504)	(94,721)
Movements in assets and liabilities:		
(Increase)/decrease in receivables	(89,688)	20,803
Decrease/(increase) in prepayments and other assets	3,360	1,990
Decrease/(increase) in inventories	(959)	(122)
Increase/(decrease) in payables	35,885	(65,447)
Increase/(decrease) in advances and deposits	2,797	154
Increase/(decrease) in contract liabilities	(3,972)	(2,821)
Increase/(decrease) in current tax liability	(3,205)	4,167
Increase/(decrease) in provision for employee benefits	6,972	(221)
Increase/(decrease) in other provisions	5,664	(3,396)
Increase/(decrease) in deferred tax liabilities	7,546	(8,355)
<b>Net cash inflow from operating activities</b>	<b>50,129</b>	<b>50,195</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements

GWW is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

#### Structure

- 8.1 Financial instruments specific disclosures
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination

#### 8.1 Financial instruments specific disclosures

##### Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of GWW's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, dividends and the Environmental Contribution). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 - *Financial Instruments: Presentation*.

##### Categories of financial instruments

Financial assets are measured at amortised cost if both of the following criteria are met, and the assets are not designated as fair value through net result:

- the assets are held by GWW to collect the contractual cash flows; and
- the asset's contractual terms give rise to cash flows that are solely payments of principal and interest.

Receivables, investment in ZEW and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost less provision for impairment, using the effective interest method.

Financial liabilities are initially recognised on the date of origin. They are initially measured at fair value plus any attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost, with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability using the effective interest rate method. Derivative financial instruments are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which all contractual obligations under Conditions Precedent are met and on subsequent measurement. GWW recognises the following liabilities in this category:

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

Financial instrument assets and liabilities are offset, and the net amount is presented in the balance sheet when GWW has a right to offset the amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

A financial asset is derecognised when the rights to receive cash flows from the asset have expired.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

At the end of each reporting period, GWW assesses whether there is objective evidence that a financial asset or group of assets is impaired. All financial instrument assets are subject to annual review for impairment. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other methods in accordance with AASB 136 *Impairment of Assets*.

#### 8.1.1 Categorisation of financial instruments

	Note	At amortised cost		At fair value	
		Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities \$'000	Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities \$'000
<b>2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7.2	10,497	-	-	-
Receivables <sup>1</sup>	6.1	155,269	-	-	-
Investment in Zero Emissions Water <sup>2</sup>	6.1	15	-	-	-
<b>Total financial assets</b>		<b>165,781</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Payables <sup>1</sup>	6.2	-	143,165	-	-
Liability in Zero Emissions Water <sup>2</sup>	6.8	-	1,719	-	-
Borrowings – fixed	7.1.1	-	2,298,650	-	-
Borrowings – floating	7.1.1	-	-	-	-
Borrowings – lease liabilities	7.1.1	-	99,744	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>2,543,278</b>	<b>-</b>	<b>-</b>
<b>2024</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7.2	6,693	-	-	-
Receivables <sup>1</sup>	6.1	234,622	-	-	-
Investment in Zero Emissions Water <sup>2</sup>	6.1	15	-	-	-
<b>Total financial assets</b>		<b>241,380</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Payables <sup>1</sup>	6.2	-	165,014	-	-
Liability in Zero Emissions Water <sup>2</sup>	6.8	-	3,070	-	-
Borrowings – fixed	7.1.1	-	2,607,650	-	-
Borrowings – floating	7.1.1	-	80,600	-	-
Borrowings – lease liabilities	7.1.1	-	96,797	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>2,953,131</b>	<b>-</b>	<b>-</b>

1 Does not include statutory receivables or payables.

2 This represents the concessional loan made to ZEW and has been treated as an investment in ZEW that is measured at amortised cost.

3 The financial derivative asset is represented at fair value as at 30 June 2024.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.1.2 Financial risk management objectives and policies

GWW's activities expose it to a variety of financial risks, principally market risk, credit risk and liquidity risk. The Board of Directors has overall responsibility for the establishment and oversight of GWW's risk management framework. GWW's principal financial instruments comprise:

- cash assets
- receivables (excluding statutory receivables)
- payables (excluding statutory payables); and
- borrowings.

GWW's principal financial instruments are loans sourced from the Treasury Corporation of Victoria. These loans include overnight (11am) borrowings, floating rate notes and fixed rate loans. They are primarily used to meet working capital requirements and fund capital expenditure. GWW has other financial assets and liabilities such as receivables and payables which arise directly from its operating activities. GWW's overall financial risk management strategy is to manage its financial risks within a range that is in accordance with the risk criteria established by the Board of Directors. The Chief Financial Officer evaluates and implements risk mitigation strategies in consultation with GWW's relevant departments. The main purpose in holding financial instruments is to prudently manage GWW's financial risks within Government policy parameters.

GWW uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk. All interest income earned by GWW is generated by cash deposits with the Department of Treasury and Finance's Central Banking System or 11am (short term) deposit with the Treasury Corporation of Victoria.

GWW's capital management includes gearing in order to provide the State with adequate returns (dividends and capital repatriations) and to ensure GWW can fund its operations as a going concern.

GWW aims to maintain its gearing ratio below the Essential Services Commission's benchmark ratio of 60%. GWW's gearing ratio (debt which includes lease liabilities/total assets) for the year was 66.5% compared to 63.1% in 2023.

GWW's debt (net of cash and excluding lease liabilities) to regulatory asset base (RAB) target is 77.8% or below. The debt to RAB for 2024 was 78.0%.

GWW has an interest coverage target (measured as net cash flow from operations less net interest and tax/net interest payments) of 2.2 times. This interest coverage for 2024 was 1.8 times.

The only externally imposed capital requirements applying to GWW are:

- that the financial accommodation does not exceed the approval limits set by the Treasurer of Victoria pursuant to the *Borrowing and Investment Powers Act 1987*; and
- that GWW, with the exception of a trading account, is required to borrow exclusively with the Treasury Corporation of Victoria pursuant to the *Borrowing and Investment Powers Act 1987*.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.1.2.1 Financial instruments - credit risk

Credit risk is the risk of financial loss to GWW as the result of a customer or counterparty to a financial instrument failing to meet a contractual obligation. Credit risk arises principally in connection with GWW's receivables.

GWW's exposure to credit risk is influenced by the individual characteristics of each customer. GWW's receivables balance consists of amounts due from a large number of residential customers as well as business customers spread across a diverse range of industries. Receivables balances are monitored on an ongoing basis. Where applicable, collection action is taken to ensure that exposure to bad debt is minimised. GWW has in place a policy and a procedure for the collection of overdue receivables.

GWW's maximum exposure to credit risk is the carrying amount of receivables.

GWW is continuously monitoring and assessing its credit risk profile due to the current economic impacts affecting customers. The credit risk profile was also assessed taking into account the higher accounts receivable balance at 30 June 2024 as a result of the transition to the new billing system effective 29 May 2024. The expected credit allowance after assessing the credit risk profile is disclosed in note 6.1.2.

GWW's other credit risk arises from in-the-money receipts due from the ZEW Purchase Price Accounting (PPA) Contracts for Difference derivative. GWW determines its maximum exposure to credit risk relating to the derivative financial instrument at reporting date as the sum of the nominal values of all forecasted net cash receipts where the floating price due by the proponent exceeds the fixed price payable by GWW over the remaining PPA term.

At 30 June 2024, other than receivables, GWW has no other significant credit risk. There has been no material change to GWW's credit risk profile in 2024.

#### 8.1.2.2 Financial instruments - liquidity risk

Liquidity risk is the risk that GWW will no longer meet its financial obligations as they fall due. GWW's policy is to pay its trade accounts payable liabilities within 10 business days, in line with the Victorian Government Fair Payments policy or in the event of a dispute, within 30 days from the date of resolution.

GWW manages liquidity risk by maintaining daily cashflows and Treasury Corporation of Victoria (TCV) borrowing facilities, continuous monitoring of forecast inflows and outflows and matching the maturity profile of financial assets and financial liabilities where appropriate. GWW obtains annual approval from the Treasurer of Victoria for new borrowings, borrowings to refinance maturing and non-maturing loans, and temporary purpose borrowing facilities.

GWW's borrowings are sourced from TCV while surplus funds are invested in the Central Banking System.

The carrying amounts of contractual financial liabilities represent GWW's maximum exposure to liquidity risk. GWW is exposed to liquidity risk mainly through the financial liabilities as disclosed in the statement of financial position and the amounts related to financial guarantees.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

The carrying values less any impairment provisions of trade receivables and payables are assumed to approximate their fair value due to their short term nature. The fair values of financial liabilities for disclosure purposes are estimated by discounting future contractual cash flows at the current market interest rate that is available to GWW for similar financial instruments.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.1.2.3 Financial instruments - market risk

Market risk is the risk that changes in market prices will affect the fair value of future cash flows of GWW's financial instruments. Market risk is comprised of interest rate risk, foreign exchange risk and other price risk. GWW's exposure to market risk is purely through interest rates.

GWW's exposure to market interest rates relates to its floating rate debt, roll over of fixed rate debt and new borrowings. GWW's borrowings are sourced from the Treasury Corporation of Victoria and are managed within the range of Board and Treasurer approved limits. Interest rates and borrowing requirements are monitored regularly. GWW manages its exposure to interest rate changes by holding a mixture of fixed and floating rate debt. GWW's Treasury Risk Management Policy requires GWW to limit the proportion of floating rate debt to a maximum of 30% of total debt. GWW has minimal exposure to interest rate risk through cash holdings and manages its interest rate exposure on cash by investing its surplus funds with the Central Banking System.

#### 8.1.2.4 Financial instruments - price risk

GWW uses the Contract for Difference derivative financial instrument to manage energy related commodities purchased in the normal course of business, and therefore entered into the ZEW PPA to minimise a portion of the price risk to GWW. GWW's sensitivity to price risk is set out below in the fair value determination for derivative financial liabilities.

#### 8.1.3 Other risk - climate related risk

Climate change poses significant risks to the supply of water and services to our customers. Climate considerations are embedded into our decision-making processes and long-term planning. At present, GWW is primarily exposed to climate change risk through extreme weather events such as bushfires, storms and drought which can affect our capability to supply water to our customers.

GWW has been actively planning and responding to climate change related risks through GWW business and corporate planning processes. GWW's Risk Management Framework recognises Climate Change and Environment as one of six strategic risks. GWW has finalised its draft Climate Change Resilience Plan and will focus on embedding climate change adaptation resilience within our business and ensure we are taking a proactive risk management approach to planning for climate change impacts.

The Climate Change Resilience Plan has identified the following five opportunities to explore:

1. reduce our reliance on climate-dependent resources for drinking water
2. provide alternative water to reduce drinking water for non-drinking uses
3. increase resilience and capacity or redundancy in sewer and water networks
4. update infrastructure standards so they are more resilient to the effects of climate change
5. increase incident response capability and capacity, for example, with regards to bushfires and planning for a changing climate.

GWW is working internally to ensure that ownership of the plan sits in the best area within the organisation to support implementation and accountability of the 79 risks that were identified through last year's risk assessments. This will ensure alignment with other cross organisational programs such as the Integrated Water Management Framework.

Other risks also include offsets pricing to the extent that GWW cannot eradicate fugitive emissions, such that it must buy offsets. These offsets may escalate in price as/when demand increases towards net zero commitment dates, and if water demand volatility and exposure to floods is experienced.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

#### Interest rate exposure and maturity analysis of financial instruments

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and GWW's sensitivity to interest rate risk is set out in the table below.

	Note	Weighted Average interest rate	1 Year or less \$'000	Over 1 year \$'000	Non- Interest bearing \$'000	Total \$'000
<b>2023</b>						
Financial assets						
Cash and cash equivalents	7.2	4.27%	10,497	-	-	10,497
Receivables <sup>1</sup>	6.1		-	60	155,209	155,269
Investment in Zero Emissions Water			-	-	15	15
<b>Total financial assets</b>			<b>10,497</b>	<b>60</b>	<b>155,224</b>	<b>165,781</b>
<b>Financial liabilities</b>						
Payables <sup>1</sup>	6.2		-	-	143,165	143,165
Borrowings – fixed	7.1.1	2.91%	-	2,298,650	-	2,298,650
Borrowings – floating	7.1.1	0.00%	-	-	-	-
Borrowings – lease liabilities	7.1.1	2.42%	3,370	96,374	-	99,744
Liability in Zero Emissions Water	6.8		1,719	-	-	1,719
<b>Total financial liabilities</b>			<b>5,089</b>	<b>2,395,024</b>	<b>143,165</b>	<b>2,543,278</b>

<sup>1</sup> Does not include statutory receivables or payables.

<b>2024</b>						
<b>Financial assets</b>						
Cash and cash equivalents	7.2	4.90%	6,693	-	-	6,693
Receivables <sup>1</sup>	6.1		-	50	234,622	234,672
Investment in Zero Emissions Water			-	-	15	15
<b>Total financial assets</b>			<b>6,693</b>	<b>50</b>	<b>234,637</b>	<b>241,380</b>
<b>Financial liabilities</b>						
Payables <sup>1</sup>	6.2		-	-	165,014	165,014
Borrowings – fixed	7.1.1	3.25%	-	2,607,650	-	2,607,650
Borrowings – floating	7.1.1	4.52%	80,600	-	-	80,600
Borrowings – lease liabilities	7.1.1	2.42%	3,347	93,450	-	96,797
Liability in Zero Emissions Water	6.8		3,070	-	-	3,070
<b>Total financial liabilities</b>			<b>87,017</b>	<b>2,701,100</b>	<b>165,014</b>	<b>2,953,131</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

#### Interest rate risk sensitivity

The table below represents the sensitivity of GWW's financial assets and financial liabilities to interest rate risk.

	Note	Total \$'000	Interest rate risk			
			-0.5% Profit \$'000	+0.5% Equity \$'000	Profit \$'000	Equity \$'000
<b>2023</b>						
<b>Financial assets</b>						
Cash and cash equivalents <sup>1</sup>	7.2	10,497	(64)	(64)	64	64
Receivables <sup>2</sup>	6.1	155,269	-	-	-	-
Investment in Zero Emissions Water <sup>5</sup>	6.8	15	-	-	-	-
<b>Total financial assets</b>		<b>165,781</b>	<b>(64)</b>	<b>(64)</b>	<b>64</b>	<b>64</b>
<b>Financial liabilities</b>						
Payables <sup>2</sup>	6.2	143,165	-	-	-	-
Zero Emissions Water	6.8	1,719	-	-	-	-
Borrowings – TCV <sup>3</sup>	7.1	2,298,650	11,493	11,493	(11,493)	(11,493)
Borrowings – lease liabilities <sup>4</sup>	7.1	99,744	499	499	(499)	(499)
<b>Total financial liabilities</b>		<b>2,543,278</b>	<b>11,992</b>	<b>11,992</b>	<b>(11,992)</b>	<b>(11,992)</b>
<b>Total increase/(decrease)</b>			<b>11,928</b>	<b>11,928</b>	<b>(11,928)</b>	<b>(11,928)</b>
<b>2024</b>						
<b>Financial assets</b>						
Cash and cash equivalents <sup>1</sup>	7.2	6,693	(24)	(24)	24	24
Receivables <sup>2</sup>	6.1	234,672	-	-	-	-
Investment in Zero Emissions Water <sup>5</sup>	6.8	15	-	-	-	-
<b>Total financial assets</b>		<b>241,380</b>	<b>(24)</b>	<b>(24)</b>	<b>24</b>	<b>24</b>
<b>Financial liabilities</b>						
Payables <sup>2</sup>	6.2	165,014	-	-	-	-
Zero Emissions Water	6.8	3,070	-	-	-	-
Borrowings – TCV <sup>3</sup>	7.1	2,688,250	13,441	13,441	(13,441)	(13,441)
Borrowings – lease liabilities <sup>4</sup>	7.1	96,797	339	339	(339)	(339)
<b>Total financial liabilities</b>		<b>2,953,131</b>	<b>13,780</b>	<b>13,780</b>	<b>(13,780)</b>	<b>(13,780)</b>
<b>Total increase/(decrease)</b>			<b>13,756</b>	<b>13,756</b>	<b>(13,756)</b>	<b>(13,756)</b>

1. Calculation is based on average cash holdings of \$7.03 million (2023 \$12.76 million).

2. Does not include statutory receivables and payables.

3. Calculation is based on new borrowings, loans refinanced, forward rate agreements struck during the year and average 11am balance during the year.

4. Calculation is based on outstanding lease and current incremental borrowing rate

5. Carrying amount fully impaired in prior year

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.2 Contingent assets and contingent liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively where applicable.

Contingent assets are assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) that are not within the control of GWW. These are classified as either quantifiable where the potential economic benefit is known or non-quantifiable.

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) that are not within the control of GWW; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  - the amount of the obligations cannot be measured with sufficient reliability.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

#### Quantifiable contingent assets

In the ordinary course of business, a developer will often provide a commitment to GWW to construct water supply and sewerage assets as part of a development project. These assets are constructed within an agreed timeframe and upon completion, ownership is transferred to GWW. Assets that service a particular development are paid for by the developer. Assets that are required to be upsized to service adjoining developments are paid for by GWW. Upon completion of these assets, they will be transferred to GWW, which will maintain them in perpetuity. These assets will be recognised as developer contributions upon completion (refer note 2.3).

	2024 \$'000	2023 \$'000
<b>Quantifiable contingent assets</b>		
Water supply assets under construction	24,678	27,178
Sewerage assets under construction	82,278	66,017
Water supply assets committed to	35,677	34,232
Sewerage assets committed to	44,975	50,522
<b>Total quantifiable contingent assets</b>	<b>187,608</b>	<b>177,949</b>

#### Bulk water entitlements - Carry-over water

GWW holds bulk water entitlements that allow for a carry-over of water not utilised under the annual allocation. There will be future economic benefits associated with the carried over water through its utilisation by selling to GWW's customers and/or trade to an approved buyer post obtaining approval of the Minister. The quantum of bulk water entitlements allocation carried over and held by GWW as at 30 June 2024 was 295,827ML (2023: 318,465ML).

#### Quantifiable contingent liabilities

Contingent upon the completion of the above assets GWW has a liability to reimburse developers for additional works constructed at GWW's request. These reimbursements will occur either immediately on completion of the assets or be deferred for an agreed period in accordance with the conditions of the agreement between GWW and the developer.

These reimbursements will be recovered through a combination of new customer contributions plus service and usage charges from all customers. This is consistent with the Essential Services Commission's final determination for water and sewerage prices in June 2024 (for the 2025 reporting period).

	2024 \$'000	2023 \$'000
<b>Quantifiable contingent liabilities</b>		
Reimbursement for water supply assets	28,508	30,299
Reimbursement for sewerage assets	61,555	48,074
<b>Total quantifiable contingent liabilities</b>	<b>90,063</b>	<b>78,373</b>

#### Non-quantifiable contingent assets and liabilities

GWW has legal claims pending arising out of a small number of disputes associated with its capital program and delivery of services. Due to the uncertainty inherent in litigation, an accurate assessment of any outcome is not possible. GWW is of the view that further disclosure of these disputes may prejudice GWW's legal position.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.3 Fair value determination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- land, buildings, infrastructure, property plant and equipment; and
- defined benefit superannuation liability/(asset).

In addition, the fair values of other assets and liabilities which are carried at amortised cost need to be determined for disclosure purposes.

#### Fair value hierarchy

In determining fair value a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. These levels are as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

GWW determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### 8.3.1 Fair value determination of financial assets and liabilities

The fair values of financial liabilities are determined as follows:

- Level 1 - fair value of a financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

Fair value of financial instruments measured at amortised cost and fair value hierarchy measurements

	Note	Carrying amount \$'000	Fair value \$'000	Fair value measurement using		
				Level 1 \$'000	Level 2 <sup>4</sup> \$'000	Level 3 <sup>5</sup> \$'000
<b>2023</b>						
<b>Financial assets</b>						
Cash and cash equivalents	7.2	10,497	10,497	-	-	-
Receivables <sup>1</sup>	6.1	155,269	155,269	-	-	-
Investment in Zero Emissions Water	6.1	15	15	-	-	-
<b>Total financial assets</b>		<b>165,781</b>	<b>165,781</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables <sup>1</sup>	6.2	143,165	143,165	-	-	-
Borrowings - TCV <sup>2</sup>	7.1	2,298,650	2,139,761	-	-	-
Borrowings - lease liabilities	7.1	99,744	99,744	-	-	-
Zero Emissions Water	6.8	1,719	1,719	-	-	1,719
<b>Total financial liabilities</b>		<b>2,543,278</b>	<b>2,384,389</b>	<b>-</b>	<b>-</b>	<b>1,719</b>
<b>2024</b>						
<b>Financial assets</b>						
Cash and cash equivalents	7.2	6,693	6,693	-	-	-
Receivables <sup>1</sup>	6.1	234,671	234,671	-	-	-
Investment in Zero Emissions Water	6.1	15	15	-	-	-
<b>Total financial assets</b>		<b>241,379</b>	<b>241,379</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables <sup>1</sup>	6.2	165,014	165,014	-	-	-
Borrowings - TCV <sup>2</sup>	7.1	2,688,250	2,549,559	-	-	-
Borrowings - lease liabilities	7.1	96,797	96,797	-	-	-
Zero Emissions Water	6.8	3,070	3,070	-	-	3,070
<b>Total financial liabilities</b>		<b>2,953,131</b>	<b>2,814,440</b>	<b>-</b>	<b>-</b>	<b>3,070</b>

1 Does not include statutory receivables or payables.

2 Fair value of borrowings is calculated by discounting expected future cash flows at the yield offered by the Treasury Corporation of Victoria as at 30 June each year.

3 Quoted prices (unadjusted) in active markets for identical assets.

4 Inputs based on observable market data (either directly using prices or indirectly derived from prices).

5 Inputs not based on observable market data.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

Net fair value of financial instruments is determined on the following bases:

- cash, receivables, accounts payable and deposits are valued at their carrying amounts as this is considered to be fair value;
- borrowings are valued by discounting the expected future cash flows at the yield offered by the Treasury Corporation of Victoria as at 30 June each year; and
- lease liabilities are valued by discounting the expected lease payments at the incremental borrowing rate at the date of inception.

There were no transfers between levels during the reporting period.

#### Fair value determination – Zero Emissions Water

The fair value of Zero Emissions Water is based on the discounted cash flow technique. The selection of variables requires significant judgement and assumptions in estimating the fair value of derivatives. In the absence of an active market, the fair value of GWW's Contract for Difference (CfD) derivative is valued using unobservable inputs such as future wholesale electricity prices provided by DEECA's independent advisor and comparable risk-free rates of zero coupon government bonds obtained from the Reserve Bank of Australia. The assumptions underpinning the estimate of future wholesale electricity prices included factors influencing supply and demand fluctuations, and the economic impact of coronavirus (COVID-19). In addition, assumptions are applied to forecast the renewable energy generation volumes over the life of the derivative instrument. The CfD recognised during the year as unfavourable was \$283,000 (2023: Favourable \$327,000).

To the extent that the significant inputs are unobservable, GWW categorises these derivatives as Level 3 within the fair value hierarchy.

#### Reconciliation of Level 3 fair value

	Financial asset/ (liability) at fair value through profit or loss	
	2024 \$'000	2023 \$'000
Opening balance	(1,719)	1,879
Net losses recognised in profit or loss	(1,351)	(3,598)
<b>Closing balance</b>	<b>(3,070)</b>	<b>(1,719)</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

Description of significant unobservable inputs to Level 3 valuations for 2023

	Valuation technique	Significant unobservable inputs	2023 range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
<b>Zero Emissions Water</b>	Income approach (discounted cash flow)	Wholesale electricity price forecasts	\$13.16/MWh to \$60.09/MWh (\$29.69/MWh)	An increase/(decrease) in the wholesale electricity price forecasts of 10% would result in an increase/(decrease) fair value by \$351,715/(\$351,715).
		Discount rate – risk free rates of zero coupon government bonds	3.952% to 4.3678% (4.0534%)	An increase/(decrease) in the discount rate of 1% would result in an increase/(decrease) fair value by \$87,452/(\$91,419).
		Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M	223.58	An increase/(decrease) in the credit value adjustment of 1% would result in an increase/(decrease) fair value by \$87,452/(\$91,419).

Description of significant unobservable inputs to Level 3 valuations for 2024

	Valuation technique	Significant unobservable inputs	2024 range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
<b>Zero Emissions Water</b>	Income approach (discounted cash flow)	Wholesale electricity price forecasts	\$13.16/MWh to \$60.09/MWh (\$29.69/MWh)	An increase/(decrease) in the wholesale electricity price forecasts of 10% would result in an increase/(decrease) fair value by \$351,715/(\$351,715).
		Discount rate – risk free rates of zero coupon government bonds	3.952% to 4.3678% (4.0534%)	An increase/(decrease) in the discount rate of 1% would result in an increase/(decrease) fair value by \$87,452/(\$91,419).
		Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M	223.58	An increase/(decrease) in the credit value adjustment of 1% would result in an increase/(decrease) fair value by \$87,452/(\$91,419).



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

#### 8.3.2 Fair value determination of non-financial physical assets

Subsequent valuation of infrastructure, property, plant and equipment is at fair value. An asset's fair value is determined with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements, or commitments made in relation to the intended use of the asset. When an event or change in circumstances causes a transfer between input levels, GWW deems the transfer to occur at the end of the reporting period in which the event takes place.

Non-specialised land is valued using the market based direct comparison method. Under this valuation method, assets are compared to comparable sales of comparable assets. As non-specialised land does not contain significant unobservable inputs these assets are classified as Level 2 fair value assets.

Specialised land is also valued using the direct comparison method, although it is adjusted for community service obligations (CSOs) to reflect the specialised nature of the land being valued. The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach uses the highest and best use consideration and takes into account the use of the asset that is physically possible, legally permissible and financially viable. As adjustments for CSOs are significant unobservable inputs, specialised land is classified as a Level 3 fair value asset.

All buildings held by GWW are non-specialised in nature and classified as Level 2 fair value assets under the market based direct comparison approach.

Infrastructure assets are measured using the income approach (discounted cash flow method). This method calculates fair value by discounting estimated future cash flows and terminal value of the business to their present value and arriving at an enterprise value range. Net debt is deducted from the enterprise value range to obtain an equity value. The valuation of infrastructure assets is derived from the equity value after deducting all other assets and liabilities and grossing up for deferred tax of 30%. In order to assess the reasonableness of the enterprise valuation, cross checks are performed by comparing the earnings before interest, tax and depreciation and the regulated asset value multiples under the income approach against multiples implied by share prices for comparable trading organisations and recent transactions in comparable assets. Any goodwill generated by this approach is negligible and has no bearing on the valuation of infrastructure assets. Such an approach is often referred to as a market approach or a relative value approach. Judgement is applied in selecting the appropriate valuation within the enterprise value range.

The discounted cash flow methodology is consistent with prior year and the sensitivity of the model to small changes in inputs, whilst adopting market-based evidence such as a RAB multiple methodology for determining a terminal value for regulated assets, consistent with market-participant practice. The assumptions adopted in calculating fair value in this manner are considered to be significant unobservable inputs. As such, infrastructure is classified as a Level 3 fair value asset.

A full valuation of GWW's infrastructure assets was performed by KPMG as at 30 June 2024. The valuation process derived a range of values. The valuation adopted by GWW represents the mid-point of this range.

The rate used to discount free cash flows to their present value is based on assumptions that market participants would reasonably be expected to use in determining the fair value of GWW after taking into account the market cost of debt and equity. The sustained downward trend in government bond yield reached a low point in 2020 and 2021 as the global economy was impacted by the effects of the COVID-19 pandemic. Subsequently, inflationary pressures, combined with increasing geopolitical tensions, have fuelled an upward trend in government bond yields, which has recently stabilised and is expected to peak over the short to medium term. In addition, the valuation in 2024 was also affected by increases in the risk-free rate, cost of equity and cost of debt.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

The 2024 valuation resulted in an increment of \$28.4 million compared to a decrement of \$49.1 million in 2023 (refer to note 3.6). The valuation was based on the income approach using the discounted cash flow (DCF) methodology that applied a discount rate of 5.2% and a Terminal Exit RAB multiple of 1.15x to 1.25x. Refer to section 5 for further information on non-financial physical assets.

#### Fair value of non-financial physical assets

	Carrying Amount \$'000	Fair value measurement using:		
		Level 1 <sup>1</sup> \$'000	Level 2 <sup>2</sup> \$'000	Level 3 <sup>3</sup> \$'000
<b>2023</b>				
Freehold land at fair value	113,122	-	-	-
Specialised land	110,068	-	-	110,068
Non-specialised land	3,054	-	3,054	-
Non-specialised buildings at fair value	23,513	-	23,513	-
Infrastructure assets at fair value	2,646,678	-	-	2,646,678
Plant and equipment at fair value	23,683	-	-	23,683
Motor vehicle at fair value	3,861	-	-	3,861
Leasehold improvements at fair value	3,374	-	-	3,374
<b>Total infrastructure, property, plant and equipment</b>	<b>2,814,231</b>	<b>-</b>	<b>26,567</b>	<b>2,787,664</b>
<b>2024</b>				
Freehold land at fair value	113,122	-	-	-
Specialised land	110,068	-	-	110,068
Non-specialised land	3,054	-	3,054	-
Non-specialised buildings at fair value	23,094	-	23,094	-
Infrastructure assets at fair value	3,019,777	-	-	3,019,777
Plant and equipment at fair value	22,352	-	-	22,352
Motor vehicle at fair value	4,845	-	-	4,845
Leasehold improvements at fair value	2,484	-	-	2,484
<b>Total infrastructure, property, plant and equipment</b>	<b>3,185,674</b>	<b>-</b>	<b>26,148</b>	<b>3,159,526</b>

1 Quoted prices (unadjusted) in active markets for identical assets.

2 Inputs based on observable market data (either directly using prices or indirectly derived from prices).

3 Inputs not based on observable market data.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

Reconciliation of Level 3 fair value movements

	Specialised land \$'000	Infra- structure assets \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improve- ments \$'000
<b>2023</b>					
<b>Opening balance at 1 July 2022</b>	<b>108,950</b>	<b>2,504,517</b>	<b>27,724</b>	<b>3,403</b>	<b>3,786</b>
Purchases (sales)	-	(41)	-	(177)	-
Developer contributed assets	-	94,721	-	-	-
Transfer of assets from Department of Transport and Planning	-	4,364	-	-	-
Transfers from work in progress	1,118	155,660	2,557	1,960	-
Adjustment	-	-	-	-	22
Depreciation	-	(63,433)	(6,598)	(1,326)	(434)
Impairment	-	-	-	-	-
Revaluation increment/(decrement) (note 3.6)	-	(49,110)	-	-	-
<b>Closing balance at 30 June 2023</b>	<b>110,068</b>	<b>2,646,678</b>	<b>23,683</b>	<b>3,861</b>	<b>3,374</b>
<b>2024</b>					
<b>Opening balance at 1 July 2023</b>	<b>110,068</b>	<b>2,646,678</b>	<b>23,683</b>	<b>3,861</b>	<b>3,374</b>
Purchases (sales)	-	-	24	(146)	-
Developer contributed assets	-	81,504	-	-	-
Utilisation of capital grant	-	-	-	-	(500)
Transfer of assets from Department of Transport and Planning	-	15,873	-	-	-
Transfers from work in progress	-	316,516	4,173	3,306	-
Adjustment	-	-	-	-	-
Depreciation	-	(69,160)	(5,528)	(2,176)	(390)
Impairment	-	-	-	-	-
Revaluation increment/(decrement) (note 3.6)	-	28,366	-	-	-
<b>Closing balance at 30 June 2024</b>	<b>110,068</b>	<b>3,019,777</b>	<b>22,352</b>	<b>4,845</b>	<b>2,484</b>

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

Description of significant unobservable inputs to Level 3 valuations

2023

Asset	Valuation technique	Significant unobservable input	Range (Weighted Average)	Sensitivity of the input to fair value
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	9% - 40% (27%)	A significant increase or decrease in a CSO adjustment would result in a significantly lower or higher fair value.
		Discount rate (WACC)	4.9% - 5.3 % (5.1%)	An increase or decrease of 0.25% in the estimated discount rate would result in a decrease of \$70.7m or an increase of \$109m to the valuation.
Infrastructure assets	Income approach (discounted cash flow method)	Terminal value exit RAB multiple	1.15x to 1.25x (1.20x)	An increase or decrease in the estimated terminal value exit RAB multiple of 0.05x would result in an increase of \$173m or a decrease of \$174m to the valuation.
		Inflation rate	2.5% (2.5%)	A significant increase or decrease in the inflation rate would result in a significantly higher or lower fair value.
		Terminal value exit RAB capital expenditure	\$330.037m to \$427.439m (\$378.738m)	A significant increase or decrease in the terminal value exit RAB capital expenditure would result in a significantly higher or lower fair value.
		Useful life	3 - 350 years (83 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Plant and equipment	Current replacement cost	Cost per unit	\$1,000 - \$469,000 (\$14,360)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	3 - 50 years (20 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Motor vehicles	Current replacement cost	Cost per unit	\$22,047 - \$58,163 (\$40,431)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	5 years (5 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Leasehold improvements	Current replacement cost	Cost per unit	\$1,426 - \$724,000 (\$170,607)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	10 - 20 years (15 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

2024

Asset	Valuation technique	Significant unobservable input	Range (Weighted Average)	Sensitivity of the input to fair value
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	9% - 40% (27%)	A significant increase or decrease in a CSO adjustment would result in a significantly lower or higher fair value.
Infrastructure assets	Income approach (discounted cash flow method)	Discount rate (WACC)	5.0% - 5.4% (5.2%)	An increase or decrease of 0.25% in the estimated discount rate would result in a decrease of \$117.8m or an increase of \$80.5m to the valuation.
		Terminal value exit RAB multiple	1.15x to 1.25x (1.20x)	An increase or decrease in the estimated terminal value exit RAB multiple of 0.05x would result in an increase of \$196.1m or a decrease of \$196.2m to the valuation.
		Inflation rate	2.5% (2.5%)	A significant increase or decrease in the inflation rate would result in a significantly higher or lower fair value.
		Terminal value exit RAB capital expenditure	\$347.577m to \$478.197m (\$412.887m)	A significant increase or decrease in the terminal value exit RAB capital expenditure would result in a significantly higher or lower fair value.
		Useful life	3 - 138 years (78 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Plant and equipment	Current replacement cost	Cost per unit	\$1,000 - \$469,000 (\$16,816)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	3 - 50 years (20 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Motor vehicles	Current replacement cost	Cost per unit	\$22,047 - \$58,163 (\$44,206)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	5 years (5 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.
Leasehold improvements	Current replacement cost	Cost per unit	\$1,426 - \$724,000 (\$161,467)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	10 - 20 years (15 years)	A significant increase or decrease in the estimated useful life of an asset would result in a significantly higher or lower fair value.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 8. Risks, contingencies and valuation judgements (continued)

A significant movement is considered to be a movement of sufficient magnitude as to have a material impact on the financial statements. A material impact is defined by AASB 101 Presentation of Financial Statements as a movement that could individually or collectively with other movements influence the economic decisions that users make on the basis of the financial statements.

The sensitivity of the fair value of infrastructure assets to a change in key assumptions at year end is detailed in the table below.

<b>Assumption</b>	<b>2023</b>	
Exit RAB +/- 0.10x	-13.1%	13.1%
Exit RAB +/- 0.05x	-6.6%	6.6%
Discount rate +/- 0.50%	-6.6%	6.9%
Discount rate +/- 0.25%	-2.7%	4.1%

<b>Assumption</b>	<b>2024</b>	
Exit RAB +/- 0.10x	-13.0%	13.0%
Exit RAB +/- 0.05x	-6.5%	6.5%
Discount rate +/- 0.50%	-6.4%	6.8%
Discount rate +/- 0.25%	-3.9%	2.7%

Terminal year growth rate sensitivity impacts steady state cash flows, representing those expected to be received in perpetuity. The discounted cash flow methodology has been amended in the prior year to reduce the sensitivity of the model to small changes in inputs, whilst adopting market-based evidence such as a RAB multiple methodology for determining a terminal value for regulated assets, consistent with market-participant practice.

Discount rate sensitivity impacts the present value of free cash flows to GWW.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures

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

#### Structure

- 9.1 Responsible persons and executives
- 9.2 Related parties
- 9.3 Equity
- 9.4 Ex gratia expenses
- 9.5 Changes in accounting policies
- 9.6 Accounting Standards issued that are not yet effective
- 9.7 Subsequent events

#### 9.1 Responsible persons and executives

The relevant Minister and directors of GWW are deemed to be responsible persons by Ministerial Direction pursuant to the provisions of the *Financial Management Act 1994*.

##### 9.1.1 Responsible persons

Persons who held the position of responsible person at any time during the 2023 financial year were as follows:

The Hon. Harriet Shing MP	Minister for Water	1 July 2022 - 30 June 2023
Mr David Middleton	Chair	1 July 2022 - 30 June 2023
Ms Maree Lang	Managing Director	1 July 2022 - 30 June 2023
Mr Matthew Burns	Director	1 July 2022 - 30 June 2023
Dr Bruce Cohen	Director	1 July 2022 - 30 June 2023
Ms Claire Filson	Director	1 July 2022 - 30 June 2023
Ms Tania Fryer	Director	1 July 2022 - 30 June 2023
Ms Liza McDonald	Director	1 July 2022 - 30 June 2023
Ms Llewellyn Prain	Director	1 July 2022 - 30 June 2023
Mr Efim Thatcher	Director	1 July 2022 - 30 June 2023

Persons who held the position of responsible person at any time during the 2024 financial year were as follows:

The Hon. Harriet Shing MP	Minister for Water	1 July 2023 - 30 June 2024
Mr David Middleton	Chair	1 July 2023 - 30 June 2024
Ms Maree Lang	Managing Director	1 July 2023 - 30 June 2024
Mr Matthew Burns	Director	1 July 2023 - 30 June 2024
Dr Bruce Cohen	Director	1 July 2023 - 30 June 2024
Ms Claire Filson	Director	1 July 2023 - 30 June 2024
Ms Liza McDonald	Director	1 July 2023 - 30 June 2024
Ms Llewellyn Prain	Director	1 July 2023 - 30 June 2024
Ms Tania Fryer	Director	1 July 2023 - 30 September 2023
Mr Efim Thatcher	Director	1 July 2023 - 30 September 2023
Ms Nicola Burgess	Director	1 October 2023 - 30 June 2024
Mr Tien Kieu	Director	1 October 2023 - 30 June 2024
Ms Aisha Nicolay	Director	1 October 2023 - 30 June 2024

The Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported in the State's Annual Financial Report.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

Remuneration received or receivable by responsible persons in connection with the management of GWW during the current and previous reporting periods is reported in the table below.

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
	<b>\$</b>	<b>\$</b>
10,000 - 19,999	2	-
40,000 - 49,999	3	-
50,000 - 59,999	5	7
90,000 - 99,999	-	-
100,000 - 109,999	-	1
110,000 - 119,999	1	-
210,000 - 219,999	-	-
470,000 - 479,999	-	1
480,000 - 489,999	1	-
<b>Total</b>	<b>12</b>	<b>9</b>

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total amount</b>	<b>1,059</b>	<b>991</b>

#### 9.1.2 Executives

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Short term employment benefits	1,769	2,163
Post-employment benefits	164	197
Other long-term benefits	44	54
<b>Total</b>	<b>1,977</b>	<b>2,414</b>
<b>Total employees (no.)<sup>1</sup></b>	<b>8</b>	<b>8</b>
<b>Annualised employee equivalent<sup>2</sup></b>	<b>5.9</b>	<b>7.8</b>

1 Include 2 resignations and 1 new executive during the financial year.

2 Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

The number of executive officers other than the Minister or responsible persons and their total remuneration during the reporting period is shown in the table overleaf.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided for by GWW, or on behalf of GWW, in exchange for services rendered, and is disclosed in the following categories:

- Short-term employee benefits - includes amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services;
- Post-employment benefits - includes superannuation benefits paid or payable on a discrete basis when employment has ceased;
- Other long-term benefits - includes long service leave, other long service benefits and deferred compensation; and
- Termination benefits - includes termination of employment payments, such as severance package.

#### 9.2 Related parties

##### Relevant Minister

The Honourable Harriet Shing MP was the responsible Minister for Water during the financial year.

##### Transactions with the relevant Minister and relevant Minister related entities

Outside of normal citizen type transactions, there were no material transactions with the relevant Minister, their close family members or business interests during the reporting period.

##### Key Management Personnel

Key management personnel (as defined in AASB 124 *Related Party Disclosures*) include the Managing Director and the Board of Directors, who have the authority and responsibility for planning, directing and controlling the activities of GWW either directly or indirectly during the year.

The names of persons who were key management personnel of GWW at any time during the current financial year are as follows: D. Middleton, M. Lang, M. Burns, B. Cohen, C. Filson, L. McDonald, L. Prain, T. Fryer, E. Thatcher, N. Burgess, T. Kieu, A. Nicolay.

##### Transactions with key management personnel and key management personnel related entities

David Middleton was a Global Director, Strategy and Growth for Water for AECOM until 15 December 2023. He also operated as a sole trader registered as Middleton Advisory for the period January 2024 to June 2024 providing engineering and strategic advisory services to Sequana Partners Pty Limited, and Aqua Metro Services and Southern Rural Water. During this period, GWW paid the following:

Company	Nature of payment	Amount (\$'000)
AECOM	ADOR Program	81
Sequana Partners Pty Limited	Capital Projects	1,077
Aqua Metro Pty Ltd	Capital Projects	19,622
Southern Rural Water	Bulk entitlement	1,986

David Middleton's services to these companies were unrelated to the services provided by these companies to GWW.

Ms Maree Lang's partner is a key management personnel of City of Maribyrnong. During the year, GWW paid \$513 to City of Maribyrnong

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

Dr Bruce Cohen's partner is a director at South East Water Corporation. Related party transactions with South East Water Corporation are disclosed in the notes below.

Outside of normal citizen type transactions, there were no further material transactions either with key management personnel, their close family members or business interests during the reporting period other than remuneration for employment.

Key management personnel with related party interests are not involved in any decision-making processes relevant to the related party.

#### Payments to Key Management Personnel

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Short term employment benefits	965	906
Post-employment benefits	83	74
Other long-term benefits <sup>1</sup>	11	11
<b>Total</b>	<b>1,059</b>	<b>991</b>
<b>Total employees (no.)</b>	<b>12</b>	<b>9</b>

<sup>1</sup> Other long-term benefits represent long service leave.

#### Other related parties

All Victorian cabinet ministers and their close family members, as well as all departments and public sector entities that are controlled and consolidated into the whole of government consolidated financial statements, are considered to be related parties of GWW.

#### Transactions with cabinet members and related entities

Outside of normal citizen type transactions, there were no material related party transactions with cabinet members, their close family members or their personal business interests during the current or prior financial years.

#### Power Purchase Agreement specific disclosure

GWW is one of 12 water corporation Members of Zero Emissions Water (ZEW) Limited, a public company limited by guarantee. ZEW's substantial objective is to acquire electricity, contracts for difference and other derivative products in relation to electricity, and/or green products from an energy and emissions reduction facility(ies) in Victoria and in turn supply these products to its members. This vehicle provides the opportunity for water corporation members to collaboratively promote energy and emissions reduction initiatives in Victoria and to reduce emissions.

On 30 October 2018, a Members' Agreement was entered into between the water corporations and ZEW in order to regulate their rights and obligations as members of ZEW and as participants in the project. The Members' Agreement establishes the operating activities of ZEW and the decision-making responsibilities of the ZEW Directors.

Under the Members' Agreement GWW's liability as a member is limited to \$10 in the event of a winding up. As required by Australian accounting standards, GWW has assessed the nature of its relationship with ZEW, and has concluded that it does not have control, joint control or significant influence over ZEW. GWW will account for its investment in ZEW as a financial instrument within the scope of AASB 9 Financial Instruments. ZEW is a related party of GWW.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

#### Power Purchase Agreement specific disclosure (continued)

On 30 October 2018, ZEW entered into an 11-year Power Purchasing Agreement (PPA) with a solar farm energy generator, Kiamal solar farm. In relation to the PPA, ZEW will act as a central intermediary between the energy generator and the water corporations. The PPA contains a contract for difference (CFD) payment mechanism in respect of electricity generated by the facility and the sale and supply of large-scale generation certificates (LGCs) from the facility.

GWW now has an obligation to purchase its percentage of energy allocation under the Members' Agreement. The financial impact of the Members' Agreement with ZEW has resulted in increased revenue and expenses, and the recognition of a derivative financial instrument and LGCs as other intangible assets.

#### Victorian Government

GWW is subject to the provisions of the *Water Act 1989* and the *Water Industry Act 1994*. GWW operates under specific legislation and is subject to independent economic regulation. GWW operates under a Board of Directors appointed by the Victorian Government and makes income tax equivalent and dividend payments to the Victorian Government.

#### Transactions with government-controlled entities

The below table details GWW's dealings with government-controlled entities, which are considered to be related parties of GWW. The following four pages contain more detailed information regarding related parties with significant transactions with GWW.

	Paid \$'000	Payable \$'000	Received \$'000	Receivable \$'000
<b>2023</b>				
Yarra Valley Water	100	-	68	15
Goulburn Murray Water	292	-	27	-
South East Water	176	-	121	-
Development Victoria	-	-	275	-
Victorian Auditor-General's Office	198	-	-	-
Rail Projects Victoria	-	-	790	110
Environment Protection Authority	375	-	-	-
Energy and Water Ombudsman Victoria	117	-	-	-
Public Transport Victoria <sup>1</sup>	-	-	-	-
Zero Emissions Water Limited	173	-	386	-
<b>2024</b>				
Yarra Valley Water	229	-	34	-
Goulburn Murray Water	473	-	-	-
South East Water	276	-	60	-
Development Victoria	-	-	-	-
Victorian Auditor-General's Office	341	-	-	-
Rail Projects Victoria	-	-	700	-
Environment Protection Authority	194	-	-	-
Energy and Water Ombudsman Victoria	227	-	-	-
Public Transport Victoria <sup>1</sup>	-	-	-	-
Zero Emissions Water Limited	481	-	-	-

<sup>1</sup> Transfer of infrastructure assets from Department of Transport and Planning during the year was \$15,872,820 (2023 \$4,430,860).

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

Related parties with significant transactions

#### *Department of Energy, Environment and Climate Action (DEECA)*

GWW bills and collects parks charges on behalf of the Department of Energy, Environment and Climate Action (DEECA). Due to the nature of the agent/principal relationship between GWW and DEECA, GWW does not recognise these amounts in its accounts. GWW recognises an administration fee collected from DEECA relating to the billing and collection of parks charges as revenue.

GWW makes various other payments to and receives other payments from DEECA which are recognised as revenue and expenses.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Payments</b>		
Parks Charge collected on behalf of DEECA	59,578	59,701
Environmental Contribution	25,434	42,390
Other	866	378
<b>Receipts</b>		
Billings and collection fee	2,391	2,208
Western Irrigation Network – Capital contribution	6,000	5,300
Sunbury Recycled Water Interconnector Stage 1- Capital Contribution	385	-
Water Smart Program	995	-
Recovery, relief and early recovery repair critical water infrastructure	596	-
Others	608	907
<b>Payables</b>		
Environmental Contribution	8,478	-

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

#### *Department of Treasury and Finance*

The Department of Treasury and Finance monitors the implementation of GWW's Corporate Plan in consultation with the Department of Energy, Environment and Climate Action.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Payments</b>		
Income tax equivalent	31,409	22,091
Dividends	66,630	-
Financial Accommodation Levy	37,208	26,858
Return to capital owner	71,760	-
<b>Payables</b>		
Financial Accommodation Levy	8,207	6,852
Income tax equivalent	-	2,546
Dividend	-	24,989
<b>Receivables</b>		
Income tax equivalent	660	-
<b>Receipts</b>		
Interest on CBS deposit	463	450
Other	-	4

#### *Treasury Corporation of Victoria*

As required by the State Government pursuant to the *Borrowing and Investment Powers Act 1987*, other than lease liabilities, GWW 's borrowings are sourced solely from the Treasury Corporation of Victoria.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Payments</b>		
Finance costs	69,807	59,151
Administration fees	3,091	2,673
<b>Receipts</b>		
Net borrowings during the year	389,600	202,750
Interest received	595	580
<b>Payables</b>		
Total borrowings	2,688,250	2,298,650
Finance costs	19,690	16,302

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

#### *Melbourne Water Corporation*

GWW sources a large proportion of its drinking water from Melbourne Water Corporation and the majority of its sewage is treated by Melbourne Water Corporation at the Western Treatment Plant.

GWW bills and collects drainage charges as an agent for Melbourne Water. Due to the nature of the agent/principal relationship between GWW and Melbourne Water, GWW does not recognise these amounts in its accounts. GWW recognises an administration fee collected from Melbourne Water relating to the billing and collection of drainage charges as revenue.

GWW makes various other payments to and receives other payments from Melbourne Water which are recognised as revenue and expenses.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Payments</b>		
Bulk water and sewage charges	371,534	339,481
Drainage Charge collected on behalf of Melbourne Water	71,810	68,589
Property information statements	259	137
Other	964	1,113
<b>Receipts</b>		
Billings and collection fee	5,398	4,669
Other	3	28
<b>Payables</b>		
Bulk water and sewage charges	4,023	2,531
Property information statements	125	122
<b>Receivables</b>		
Billings and collection fee	-	346

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

#### State Revenue Office

The State Revenue Office is the Victorian Government's tax collection agency. The State Revenue Office administers Victoria's tax legislation and collects a range of taxes, duties and levies.

	2024 \$'000	2023 \$'000
<b>Payments</b>		
Payroll tax	5,140	4,955
Unclaimed monies	932	844
Other	991	473
<b>Receipts</b>		
Pension rebate	516	851
<b>Payables</b>		
Payroll tax	447	448
Unclaimed monies	-	11

#### Department of Families, Fairness and Housing

GWW provides a number of services to the community including the administration of the Pension Rebate and Health Care Card schemes on behalf of the Department of Families, Fairness and Housing.

	2024 \$'000	2023 \$'000
<b>Payments</b>		
Safe Drinking Water Levy	193	177
<b>Receipts</b>		
Pension rebate	19,468	20,427
Administration fee on pension rebate	207	195
Utility relief grant	1,078	1,320
Other	3,854	5,262
<b>Receivables</b>		
Pension rebate	-	2,246
Administration fee on pension rebate	-	12
Water and wastewater service and consumption rebate	4,153	5,280

#### Other Victorian Government controlled entities

Water and sewerage services were provided to other government-controlled entities for properties within GWW's service area under normal commercial terms and conditions.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

#### 9.3 Equity

	2024 \$'000	2023 \$'000
Contributed equity	967,869	1,017,371
Physical asset revaluation surplus <sup>1</sup>	60,509	60,509
Retained profits	61,165	18,882
<b>Total equity</b>	<b>1,089,543</b>	<b>1,096,762</b>

<sup>1</sup> Physical asset revaluation surplus is the asset revaluation reserve relating to land and buildings.

#### 9.3.1 Contributed equity

	2024 \$'000	2023 \$'000
Contributed equity at the beginning of the financial year	1,017,371	1,007,640
Asset received as contributed equity	15,873	4,431
Capital contribution	6,385	5,300
Return of capital to owners	(71,760)	-
<b>Contributed equity at the end of the financial year</b>	<b>967,869</b>	<b>1,017,371</b>

In line with the requirements of the *Financial Management Act 1994*, additions to net assets which have been designated as contributed equity by the Assistant Treasurer are recognised as contributed equity. Other transfers that are in the nature of contributions or distributions have also been designated as distributions to or contributions from owners.

Capital contribution comprise \$6.0m (2023 \$5.3m) from the National Water Infrastructure Development Fund as per the National Partnership Agreement between the State and the Commonwealth governments towards investing on the Western Irrigation Network capital project and \$385,000 relating to Sunbury Recycled Water Interconnector Stage 1.

In the prior financial year, the Minister determined a capital repatriation of \$35.9 million on 29 June 2023. Under FRD 119 *Transfers through contributed capital*, para 4.2 (d) this transfer was deemed to occur on the effective date, which means it should be recognised on 31 July 2023 when the capital repatriation is due and payable. Therefore, it was recognised in FY24 and no accrual was required in the balance sheet as at 30 June 2023.

The capital repatriation for FY24 was also \$35.9m and was paid on 28 June 2024.



# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

#### 9.3.2 Physical asset revaluation surplus

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Physical asset revaluation surplus at the beginning of the financial year	60,509	60,509
<b>Physical asset revaluation surplus at the end of the financial year</b>	<b>60,509</b>	<b>60,509</b>

Physical asset revaluation surplus is used to record revaluation increments and decrements in the value of non-current physical assets. There is no adjustment to the land revaluation as the cumulative movement in the fair value indicator of land since the last revaluation in financial year 2022 is less than 10%.

#### 9.3.3 Retained profits

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Retained profits/(loss) at the beginning of the financial year	18,882	(2,672)
Profit after income tax expense	83,234	46,094
Final dividend paid during 2024 in respect of 2023	(20,894)	-
Interim dividend paid in respect of 2024	(18,857)	-
Efficiency dividend paid - 2024	(1,890)	-
Interim dividend in respect of 2023	-	(24,989)
Actuarial gain/(loss) on defined benefit superannuation plan (net of tax)	690	449
<b>Retained profits at the end of the financial year</b>	<b>61,165</b>	<b>18,882</b>

Retained profits represent accumulated retained profits over the lifetime of GWW.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

#### 9.4 Ex-gratia expenses

	2024 \$'000	2023 \$'000
Forgiveness or waiver of debt	299	394
<b>Total ex gratia expenses</b>	<b>299</b>	<b>394</b>

Ex gratia expense items greater than or equal to \$5,000 individually or in total are disclosed.

In exceptional circumstances GWW may waive part of a customer's debt. This will occur at the discretion of GWW when there has been a significant undetected leak on a customer's property, unexplained high usage on a customer's account, or in cases of financial hardship.

Ex gratia expenses are recognised as part of other expenses (refer section 3).

#### 9.5 Changes in accounting policies

GWW applied for the first-time certain standards and/or amendments, which are effective for annual periods beginning on or after 1 July 2023 (unless otherwise stated). The impact has been disclosed in the table below.

Standard	Effective date	Key changes	Impact
AASB2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 July 2023	AASB2021-2 amends: AASB7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; AASB101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; AASB108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates.	GWW has analysed the impacts of this Standard and concluded that relevant disclosures are appropriately presented in the financial statements.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

<b>Standard</b>	<b>Effective date</b>	<b>Key changes</b>	<b>Impact</b>
AASB2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 July 2023	The standard amends AASB112 Income Taxes to introduce a further exception from the initial recognition exemption relating to deferred tax assets and liabilities. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The Standard also amends AASB1 to require deferred tax related to leases and decommissioning, restoration and similar obligations to be recognised by first-time adopters at the date of transition to Australian Accounting Standards, despite the exemption set out in AASB112.	GWW has analysed the impacts of this Standard and concluded that relevant disclosures are appropriately presented in the financial statements.
AASB2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 July 2023	AASB2021-6 amends: AASB1049 Whole of Government and General Government Sector Financial Reporting, to require entities to disclose their material accounting policy information rather than their significant accounting policies, AASB1054 Australian Additional Disclosures, to reflect the updated terminology used in AASB101	GWW concluded that the changes to this accounting standard is not relevant.

# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

### 9. Other disclosures (continued)

#### 9.6 Australian Accounting Standards issued that are not effective

The following Australian Accounting Standards (AAS) become effective for reporting period commencing after the operative dates stated:

Certain new AAS have been published that are not mandatory for the 30 June 2024 reporting period. DTF assesses the impact of all these new standards and advises GWW of their applicability and early application where applicable.

Topic	Effective date	Key requirement
AASB2014-10	1 January 2025	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128
AASB2022-9	1 January 2026	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector
AASB2020-1	1 January 2024	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Amendments to AASB101
AASB2022-5	1 January 2024	Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback – Amendments to AASB16
AASB2022-10	1 January 2024	Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities
AASB2022-6	1 January 2024	Non-current Liabilities with Covenants

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

#### 9.7 Subsequent events

GWW implemented a new billing and collection system on the 29 May 2024. Due to the transition to the new system, there have been delays in the billing process at 30 June 2024.

GWW is actively addressing the backlog in billing with the intention that this will be fully resolved during the first half of the 2025 financial year.

Other than the above, no other matter or circumstance has arisen since 30 June 2024 which has significantly affected, or may significantly affect:

- GWW's operations;
- the results of those operations; and/or
- GWW's state of affairs in the financial year subsequent to 30 June 2024.

## Statutory Certification

The attached financial statements of Greater Western Water have been prepared in accordance with Direction 5.2 of the Standing Directions 2018 under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

We state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes presents fairly the financial transactions during the year ended 30 June 2024 and the financial position of GWW at 30 June 2024.

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

This financial report was authorised for release by the Board of Directors on 27 August 2024.

**David Middleton**

Chair

Melbourne

27 August 2024

**Maree Lang**

Managing Director

**Linda Watts**

Chief Financial Officer



Victorian Auditor-General's Office

# Independent Auditor's Report

## *To the Board of Greater Western Water Corporation*

### Opinion

I have audited the financial report of Greater Western Water Corporation (the corporation) which comprises the:

- balance sheet as at 30 June 2024
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flow for the year then ended
- notes to the financial statements, including significant accounting policies
- statutory certification.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

### Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the Auditor's Responsibilities for the Audit of the Financial Report section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How I addressed the matter
<p><b>Revenues from service and usage charges</b></p> <p><i>Note 2.2 – Sale of Goods and Services</i></p> <hr/> <p><b>Revenues from service and usage charges: \$812 million</b></p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>revenue is financially significant</li> <li>the corporation's IT billing systems and business rules are complex, and inputs to the systems are derived from multiple sources</li> <li>external service providers conduct meter readings of customer water consumption data</li> <li>there is a high degree of estimation uncertainty in the revenue accrual for unbilled water and sewerage services at year end</li> <li>the applicable accounting standard AASB 15 <i>Revenue from Contracts with Customers</i> requires detailed and complex financial report disclosures.</li> </ul>	<p>My key procedures included:</p> <ul style="list-style-type: none"> <li>testing the operating effectiveness of key controls in the billing system and billing process</li> <li>assessing management's model, key assumptions, and inputs for estimating accrued revenue at 30 June 2024</li> <li>performing substantive analytical procedures by developing an expectation of usage and service charges revenue for the period based on water volumes, number of serviced properties and approved prices, compared against the revenue recorded by the corporation</li> <li>inspecting the migration reconciliations between the legacy systems and the new system</li> <li>performing detailed testing for a sample of invoices</li> <li>assessing the adequacy of revenue recognition and measurement policies</li> <li>assessing the adequacy of financial statement disclosures against AASB 15 <i>Revenue from Contracts with Customers</i>.</li> </ul>
<p><b>The fair value estimate of infrastructure assets</b></p> <p><i>Note 5.1 – Infrastructure, property, plant and equipment</i></p> <hr/> <p><b>Fair value estimate of infrastructure assets: \$3.020 billion</b></p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>infrastructure assets are financially significant</li> <li>the fair value estimate is derived from an income-based valuation approach that uses a discounted cashflow (DCF) model</li> <li>management engage an external valuation expert to prepare the fair value estimate</li> <li>the DCF model is highly complex and involves significant judgements and assumptions</li> <li>small changes in key assumptions used in the DCF model can materially affect the fair value</li> <li>the DCF model's forecast period is long, and includes a terminal value, which increases the difficulty in accurately estimating the fair value</li> <li>the applicable accounting standard AASB 13 <i>Fair Value Measurement</i> (AASB 13) requires extensive financial report disclosures.</li> </ul>	<p>My key procedures included:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of the approach to estimating the fair value of infrastructure</li> <li>assessing the competence, objectivity and capability of management's expert engaged to assist with the valuation process</li> <li>engaging a subject matter expert to assist us in obtaining sufficient appropriate audit evidence, including: <ul style="list-style-type: none"> <li>the appropriateness of using an income-based valuation approach</li> <li>the identification and assessment of the reasonableness of any changes to the DCF model and/or assumptions</li> <li>the reasonableness and consistency of all the assumptions used in the DCF model</li> <li>the reasonableness of all inputs used in the DCF model, with specific reference to underlying data and supporting documentation</li> <li>the DCF model's computational accuracy</li> </ul> </li> <li>evaluating our subject matter expert's work and concluding the work was adequate for the purposes of our audit</li> <li>assessing the completeness and adequacy of the financial report disclosures against the requirements of AASB 13, including the significant observable and unobservable inputs utilised in the model and the sensitivity analysis.</li> </ul>

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**Board's responsibilities for the financial report**

The Board of the corporation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
  - conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
  - evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
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**Auditor’s responsibilities for the audit of the financial report (continued)**

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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MELBOURNE  
2 September 2024



Paul Martin  
*as delegate for the Auditor-General of Victoria*

## Appendices

1. Disclosure Index
2. Minister's Letter of Expectations
3. UN Global Compact reporting
4. Bulk water entitlement reporting

# Appendix 1

## Disclosure Index

### Report of operations

Legislation	Requirement	Page No.
<b>Charter and purpose</b>		
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FRD 22	Purpose, functions, powers and duties	7
FRD 22	Key initiatives and projects	9
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<b>Management and structure</b>		
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FRD 10	Disclosure index	153
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FRD 22, 29	Workforce data	38
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FRD 22	Summary of the financial results for the year	10
FRD22	5-year financial summary	10
FRD 22	Significant changes in financial position during the year	10
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FRD 22	Details of consultancies over \$10 000 (consultancy expenditure)	49
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FRD 22	Government advertising expenditure	49
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FRD 22	Review and study expenses	45
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# Notes to and forming part of the Financial Statements

## For the year ended 30 June 2024

<b>Minister's Letter of Expectation (LoE) Priority Policy Areas</b>		<b>Appendix 2</b>
LoE 1	Climate Change and Energy	
LoE 2	Customer, Community and Engagement	
LoE 3	Recognise Aboriginal Values	
LoE 4	Recognise Recreational Values	
LoE 5	Resilient and Liveable Cities and Towns	
LoE 6	Leadership, Diversity and Culture	
LoE 7	Performance and Financial Management	
LoE 8	Compliance and Enforcement	
<b>Compliance attestation and declaration</b>		
SD 5.1.4	Attestation for Financial Management Compliance or Attestation for Compliance with Ministerial Standing Directions	56
SD 5.2.3	Responsible Body Declaration in report of operations or Declaration in report of operations	2
<b>Legislation</b>		
	<i>Building Act 1993</i>	53
	<i>Financial Management Act 1994</i>	56
	<i>Freedom of Information Act 1982</i>	52
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	<i>Public Interest Disclosures Act 2012</i>	54
	<i>Water Act 1989</i>	7

## Appendix 2


### Minister's Letter of Expectations (LoE) Key Performance Indicators


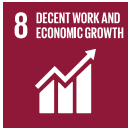

Priority area	Key performance indicators	Page
<b>LoE 1: Climate Change and Energy</b>	Emission reductions	26
	Increasing renewable energy	28
	Adapting to climate change	30
<b>LoE 2: Customer, Community and Engagement</b>	Customer and community engagement	18
	Customer support	17
<b>LoE 3: Recognise Aboriginal values</b>	Partnerships with Traditional Owners	21
	Supporting Aboriginal self-determination	22
<b>LoE 4: Recognise Recreational Values</b>	Consideration of recreational values in business operations	25
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	Improvements to information sources	20
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	Circular economy outcomes	25
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<b>LoE 6: Leadership, Diversity and Culture</b>	Diversity and inclusion	29
	<b>LoE 7: Performance and Financial Management</b>	Audited statement of performance
<b>LoE 8: Compliance and Enforcement</b>	Bulk entitlements	160

# Appendix 3

## United Nations Global Compact Communication on Progress

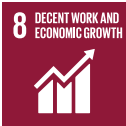


As a signatory to the United Nations Global Compact, we outline below where our policies, actions and programs highlighted in this annual report align with the 10 principles of the Compact, and 17 United Nations Sustainable Development Goals (SDGs).

Goals	Global Compact 10 Principles	How our values guide our actions	Page
<p><b>Human Rights</b></p> 	<p>1. Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>2. Make sure that they are not complicit in human rights abuses</p>	<p>GWW is committed to providing safe, reliable and affordable drinking water and sanitation services, while supporting a harmonious and safe work environment for all.</p> <p>Our Diversity and Inclusion Policy and <i>2030 Strategy</i> help ensure we provide a healthy and safe workplace for all employees, contractors, customers and community, where the wellbeing of individuals is supported and diversity is encouraged and championed.</p> <p>The following policies and programs reflect this commitment:</p> <ul style="list-style-type: none"> <li>• Diversity and Inclusion Policy, with six areas of focus: Accessibility, Cultural and Linguistic Diversity, Gender Equity, LGBTIQ+, First Nations and Life Stage</li> <li>• Walking alongside Traditional Owners and First Nations Communities Policy supports the implementation of self-determination strategics and land/water justice objectives across the business</li> <li>• Procurement policy, principles for social and sustainable procurement and Ethics and Probity guidelines</li> <li>• Community engagement framework</li> <li>• Employee Assistance Program</li> <li>• Policies relating to equal employment opportunity, health, safety and wellbeing, including GWW Family and Domestic Violence Policy for our customers experiencing hardship</li> <li>• Supporting WaterAid Australia</li> </ul>	<p>32-56</p>

Goals	Global Compact 10		Page
Labour	Principles	How our values guide our actions	
  	<p>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>4. The elimination of all forms of forced and compulsory labour.</p> <p>5. The effective abolition of child labour; and</p> <p>6. The elimination of discrimination in respect of employment and occupation</p>	<p>GWG supports employee rights for freedom of association and collective bargaining. To avoid worker exploitation, employees have access to unions and professional associations, with local delegates engaging in regular meetings with the GWG executive with their working conditions protected by a regularly reviewed Enterprise Agreement.</p> <p>In accordance with the <i>Modern Slavery Act 2018</i> (Cth), we are committed to addressing risks of modern slavery within our operations and supply chains, and report annually on actions taken to address those risks and the effectiveness of their response.</p> <p>GWG is committed to a diverse and inclusive workplace culture, free of discrimination. Our efforts can be seen in the targets set in our:</p> <ul style="list-style-type: none"> <li>• Gender Equality Action Plan</li> <li>• Accessibility Inclusion Action Plan</li> <li>• Reconciliation Action Plan</li> <li>• Diversity and Inclusion Policy</li> </ul>	37-41

Goals	Global Compact 10 Principles	How our values guide our actions	Page
<b>Environment</b>	<p>7. Businesses should support a precautionary approach to environmental challenges;</p> <p>8. Undertake initiatives to promote greater environmental responsibility; and</p> <p>9. Encourage the development and diffusion of environmentally-friendly technologies</p>	<p>GWW understands the intrinsic link between water, environment and human health and wellbeing and is dedicated to supporting a healthy environment, benefiting customers and communities. We pursue environmental outcomes aligned with our strategic objective of Healing and caring for Country, including commitments to reduce waste and achieve net zero carbon by 2030. The actions and strategies highlighted in this annual report, reflect this commitment:</p> <ul style="list-style-type: none"> <li>• Reducing energy use and emissions, including onsite solar installations</li> <li>• VicWater Carbon Offsets Working Group</li> <li>• Investigate feasibility of creating green hydrogen from recycled water using solar energy</li> <li>• Australian-first pilot trial of biosolids pyrolysis technology at the Melton Recycled Water Plant</li> <li>• Sustainable water use, including supporting communities through our Thriving Communities grants program</li> <li>• Collaboration on environmental projects that are transforming waterways and creating green spaces, such as Chain of Ponds, Greening the Pipeline and Greening the West, with a commitment to plant more than 10,000 trees per year</li> <li>• Progressing work on a consolidated Climate Change Resilience Plan</li> <li>• Supporting a circular economy approach – reuse of biosolids</li> <li>• Greater Melbourne Urban Water and System Strategy: Water for Life</li> <li>• Central and Gippsland Regional Sustainable Water Strategy</li> <li>• Producing an Integrated Water Management Framework - embedding the practice of integrated water management in the way we do business</li> </ul>	22-31



Goals	Global Compact 10 Principles	How our values guide our actions	Page
<b>Anti-Corruption</b>	10. Businesses should work against corruption in all its forms, including extortion and bribery	<p>GWW is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources or substantial risk to public health and safety or the environment. We comply with:</p> <ul style="list-style-type: none"> <li>• Statement of Obligations under s. 41 of the <i>Water Industry Act 1994</i></li> <li>• <i>Public Interest Disclosures Act 2012</i></li> <li>• <i>Freedom of Information Act 1982</i></li> <li>• <i>Privacy and Data Protection Act 2014</i></li> <li>• Enterprise Risk Management Policy and Framework</li> <li>• GWW Conflict of Interest Policy - maintaining public trust and integrity</li> <li>• Oversight of financial reports and information by the Risk Management and Audit Committee</li> <li>• Reporting on related party transactions as part of our Financial Statements.</li> </ul>	42-54
			
			

## Appendix 4

### Bulk Water Entitlements

	Greater Yarra System – Thomson River Pool <sup>1-8</sup>	Victorian Desalination Project <sup>9-14</sup>	Goulburn System <sup>15-19</sup>	River Murray System <sup>20-23</sup>
<b>Reporting requirements</b>				
Amount of water taken	132,822ML	OML	OML	OML
Opening carryover as at 1 July 2023	294,008ML	OML	9,081ML	15,939ML
Annual water allocation made available during 2023-24	151,337ML	OML	9,967ML	19,530ML
Closing carryover as at 30 June 2024	284,801ML	OML	4,462ML	6,564ML
Compliance with entitlement volume	Yes	Yes	n/a	n/a
Any temporary or permanent transfer of all or part of the bulk entitlement	No	No	No	No
Approval, amendment and implementation of the metering program	Continued implementation	Continued implementation	Continued implementation	Continued implementation
Amendment to bulk entitlement	Yes	None	Yes	None
Any new bulk entitlement of water granted	None	None	No	No
Any failure to comply with any provision of this bulk entitlement	None	None	None	None
Any difficulties experienced or anticipated in complying with this bulk entitlement and any remedial action taken or proposed	None	None	None	None

<b>Reporting requirements</b>	<b>Barringo<sup>24-25</sup></b>	<b>Lancefield<sup>26-28</sup></b>	<b>Macedon<sup>29-30</sup></b>	<b>Maribyrnong<sup>31-35</sup></b>	<b>Myrning<sup>36-38</sup></b>
Amount of water taken	OML	72ML from Garden Hut OML from Monument Creek	248ML	2,875ML	44ML
Any temporary or permanent transfer of all or part of the bulk entitlement	No	No	No	No	No
Approval, amendment and implementation of programs and proposals	Continued implementation	Continued implementation	Continued implementation	Continued implementation	Continued implementation
Amendment to bulk entitlement	No	No	No	No	No
Any new bulk entitlement of water granted	No	No	No	No	No
Any failure to comply with any provision of this bulk entitlement	No	No	No	No	No
Any difficulties experienced or anticipated in complying with this bulk entitlement and any remedial action taken or proposed	No	No	No	No	No
<b>Reporting requirements</b>	<b>Riddells Creek<sup>39-42</sup></b>	<b>Romsey<sup>43-46</sup></b>	<b>Werribee<sup>47-52</sup></b>	<b>Woodend<sup>53-55</sup></b>	
Amount of water taken	7ML	111ML	Merrimu: 2,523ML Djerriwarrah: 1ML	182ML	
Any temporary or permanent transfer of all or part of the bulk entitlement	No	No	No	No	No
Approval, amendment and implementation of programs and proposals	Continued implementation	Continued implementation	Continued implementation	Continued implementation	
Amendment to bulk entitlement	No	No	No	No	
Any new bulk entitlement of water granted	No	No	No	No	
Any failure to comply with any provision of this bulk entitlement	No	No	No	No	
Any difficulties experienced or anticipated in complying with this bulk entitlement and any remedial action taken or proposed	No	Yes (see note 44)	No	No	

## Notes for compliance with bulk entitlements

### Greater Yarra System – Thomson River Pool

1. GWW holds Bulk Entitlement (Greater Yarra System - Thomson River Pool - Greater Western Water) Order 2014. Compliance requirements are set out in clauses 16.1(a)-(i).
2. We are a primary entitlement holder with an annual entitlement share of 171,047 ML.
3. Opening carryover is inclusive of 1,522 ML carryover held on behalf of Southern Rural Water.
4. The Resource Manager - Melbourne Water makes seasonal allocations monthly and maintains our water account and carryover accounting. Carryover on 30 June 2024 accounts for estimated spills of 27,578 ML (inclusive of spills against water held on behalf of Southern Rural Water). The metropolitan retailers make water available in Tarago Reservoir to Gippsland Water under a Bulk Water Supply Agreement. This is used by Gippsland Water to supplement their Tarago Bulk Entitlement during periods of high demand.
5. Closing carryover is inclusive of 1,378 ML carryover held on behalf of Southern Rural Water.
6. Compliance with the entitlement volume is measured by compliance with the overall cap within the source entitlements for the Thomson and Yarra Systems (held by Melbourne Water).
7. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.
8. The Bulk Entitlement was amended on 21 September 2023 to update references to reflect the permanent transfer of part of Yarra Valley Water's Greater Yarra System – Thomson River Pool bulk entitlement to Gippsland Water and make a minor wording correction.

### Victorian Desalination Project

9. GWW holds Bulk Entitlement (Desalinated Water - Greater Western Water) Order 2014. Compliance requirements are set out in clauses 13.1(a)-(g).
10. We do not take water directly from the Victorian Desalination project infrastructure. We may take an average annual volume of up to 39,595 ML of desalinated water over any period of five consecutive years that is delivered to a delivery point to the Melbourne headworks system.
11. The Resource Manager - Melbourne Water makes seasonal allocations monthly and maintains our water account and carryover accounting.
12. The Victorian Government announced an order of OGL of water from the desalination plant for the 2023-24 supply year.
13. Compliance with the entitlement volumes is measured with respect to whether the annual volume taken exceeds the entitlement. This did not occur this year.
14. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.

### Goulburn System

15. GWW holds Bulk Entitlement (Goulburn System - Greater Western Water) order 2022. The order grants GWW a bulk entitlement to 6,647.3 ML of high-reliability entitlement and 4,311.7 ML of low-reliability entitlement which equals one third of Melbourne's share of water recovered from the Goulburn component by the Connections Project Stage 1. Compliance requirements are set out in clauses 13.1(a)-(h).
16. We have water management action plans in place to manage water allocations in excess of our use. These strategies include the transfer of allocations between bulk entitlement allocation accounts and selling water allocation.
17. The Resource Manager - the Northern Victorian Resource Manager, made allocations equal to one-ninth of the total Phase 4 water savings achieved in the Goulburn component of the Goulburn Murray irrigation District (GMID) from Goulburn Murray Water Connections Project Stage 1, as verified in the latest audit.

18. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.
19. The Bulk Entitlement was amended on 11 March 2024 to make a minor variation arising from the appointment of Melbourne Water as storage manager for the Melbourne headworks system including the North-South Pipeline.

### **River Murray System**

20. GWW holds Bulk Entitlement (Murray System - Greater Western Water) order 2022. The order grants GWW a bulk entitlement to 12,653.3 ML of high-reliability entitlement and 6,876.6 ML of low-reliability entitlement which equals one third of Melbourne's share of water recovered from the Murray component by the Connections Project Stage 1. Compliance requirements are set out in clauses 10.1(a)-(f).
21. We have water management action plans in place to manage water allocations in excess of our use. These strategies include the transfer of allocations between bulk entitlement allocation accounts and selling water allocation.
22. The Resource Manager - the Northern Victorian Resource Manager, made allocations equal to one-ninth of the total Phase 4 water savings achieved in the River Murray component of the Goulburn Murray irrigation District (GMID) from Goulburn Murray Water Connections Project Stage 1, as verified in the latest audit.
23. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.

### **Barringo**

24. We hold Bulk Entitlement (Gisborne-Barringo Creek) Order 2004. Compliance requirements are set out in clauses 11.1(d)-(k).
25. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.

### **Lancefield**

26. We hold Bulk Entitlement (Lancefield) Order 2001. Compliance requirements are set out in clauses 14.1(d)-(l).
27. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.
28. GWW holds 32 ML in Garden Hut as of June 30, 2024.

### **Macedon**

29. We hold Bulk Entitlement (Macedon and Mount Macedon) Order 2004. Compliance requirements are set out in clauses 14.1(e)-(l).
30. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.

### **Maribyrnong**

31. We hold Bulk Entitlement (Maribyrnong - Greater Western Water) Order 2000. Compliance requirements are set out in clauses 19.1(a)-(h).
32. The volume of GWW's share of storage capacity is 18,125 ML.
33. The annual volume of inflows attributed to GWW for 2023-24 was 2,393 ML
34. The annual volume of losses attributed to GWW in 2023-24 is to be provided by Southern Rural Water.
35. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.

### **Myrniong**

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

37. 14 ML of allocation for Myrniong was unused in 2023-24. This amount does not carryover to the next financial year.

38. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.

### Riddells Creek

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

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

41. The annual volume of passing flows for 2023-24 was 430 ML.

42. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.

### Romsey

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

44. GWW experienced difficulties with one of the monitoring sites and worked with DEECA to review the monitoring program. A solution for the issue is currently being implemented.

45. GWW may establish a drought reserve of up to 280 ML, as per clause 8. As of June 30, 2024, this reserve is currently full at 280 ML.

46. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.

### Werribee

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

48. GWW has a share of 80% of storage at Merrimu Reservoir. As of June 30, 2024 this share is equal to 19,736 ML.

49. The total inflows into Merrimu Reservoir attributed to GWW in 2023-24 was 4,722 ML.

50. The total inflows to Djerriwarrh Reservoir in 2023-24 was 225 ML.

51. The total volume of losses at Merrimu Reservoir attributed to GWW for 2023-24 is to be provided by Southern Rural Water.

52. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.

### Woodend

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

54. 182ML was taken from Campaspe Reservoir during 2023-24. No water was taken from, Falls Creek, Smokers Creek, Barbour's Spring and Kavanagh's Spring.

55. An updated metering program will be completed during 2024-25, covering all of GWW's bulk entitlements.





**Greater Western Water**

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