wannonWATER

Annual Water Outlook

2026

DOCUMENT CONTROL

wannonWATER	Annual Water Outlook 2026
Custodian	Water Resources Planner
Approver	Branch Manager Asset Planning
Status	Approved
Version	1
Approved Date	[Date Published]
Review Due Date	31/10/2026

PO Box 1158

Warrnambool 3280

Contents

List of figures

List of tables

1 Introduction

This Annual Water Outlook (AWO) has been prepared in accordance with Part 4.2 of the Statement of Obligations (General) 2015. It is prepared to inform our customers, stakeholders and the community on:

a. The current water resource position.
b. The outlook for our water resources over the coming year under a range of climate scenarios.
c. Our ability to meet agreed levels of service; and
d. Actions to improve system performance, if required, to meet agreed levels of service.

The AWO forms a key part of our water security framework. It assesses short-term (12-month) system performance using the restriction review points, triggers and response measures set out in our Drought Preparedness Plans (DPPs). The AWO also reports progress against the long-term actions identified in the Urban Water Strategy (UWS), ensuring that short-term operational outlooks and long-term planning remain aligned. Together, the UWS, DPPs and AWO provide a consistent and coordinated approach to managing urban water security for our region.

2 Region overview

The regional map (Figure 1) displays all our customer service zones and the services provided to each particular zone. It includes the major centres of Warrnambool, Portland and Hamilton.

Figure 1 - Wannon Water region

2.1 Water security context and current storage

We supply drinking water to an estimated population of 85,104 people, which is divided into 34 drinking water localities and various non-drinking water regions. Our water supply comes from a diverse range of water sources, including surface water catchments, deep geothermal and shallow groundwater aquifers. A summary of water sources for each locality is represented in Table 1.

Table 1 - Water supply systems and towns supplied

Water system	Supply sources	Towns supplied	Likelihood* of restrictions for 2026	Current Storage level (%) As of Nov 2025	Supply (transfer) measures planned for dry scenario (to December 2026)
Otways	• Arkins Creek catchment • Gellibrand River catchment • Supplemented by groundwater and roof water.	• Allansford • Camperdown • Cobden • Derrinallum • Glenormiston • Koroit • Lismore • Mortlake • Noorat • Purnim • Simpson • Terang • Warrnambool	Very rare within the next 12 months	91%	None
Grampians	• Little Tea Tree Creek and Glenelg River tributaries (Grampians National Park) • Rocklands Reservoir	• Balmoral • Cavendish • Dunkeld • Hamilton • Tarrington	Very rare within the next 12 months	80% (not inclusive of Rocklands)	Water to be pumped from Rocklands Reservoir
Glenthompson	• Yuppekiar Creek • Mt William Creek system (GWM water)	• Glenthompson	Unlikely within the next 12 months	47%	Continued collaboration with GWM to maintain transfers through the Willaura system Water Carting
Groundwater systems	• Otway lower aquifers • Bridgewater formation aquifer • Newer volcanic aquifers	• Portland • Port Fairy • Heywood • Dartmoor • Macarthur • Port Campbell • Peterborough • Timboon • Casterton • Coleraine	Very rare within the next 12 months	N/A	None

		• Sandford • Merino • Penshurst • Caramut • Darlington			
Konongwootong	• Den Hills Creek	• None (rural customers only)	N/A	N/A	None

* Likelihood scale (as defined in the AWO 2025 Guidelines):
Very rare <1%; Rare 1–4%; Unlikely 5–19%; Possible 20–49%; Likely 50–79%; Almost certain 80–100%.

2.2 A summary of recent climate conditions in the south west

South West Victoria has experienced very dry climate conditions over the past 12 months, following another exceptionally dry year before that. For some parts of the region, the past 24 months have been the driest on record. These recent conditions continue the long-term trend of reduced cool-season rainfall and declining streamflow efficiency observed across western Victoria, consistent with the ongoing drying and warming pattern identified in the Department of Energy, Environment and Climate Action's (DEECA's) climate assessments.

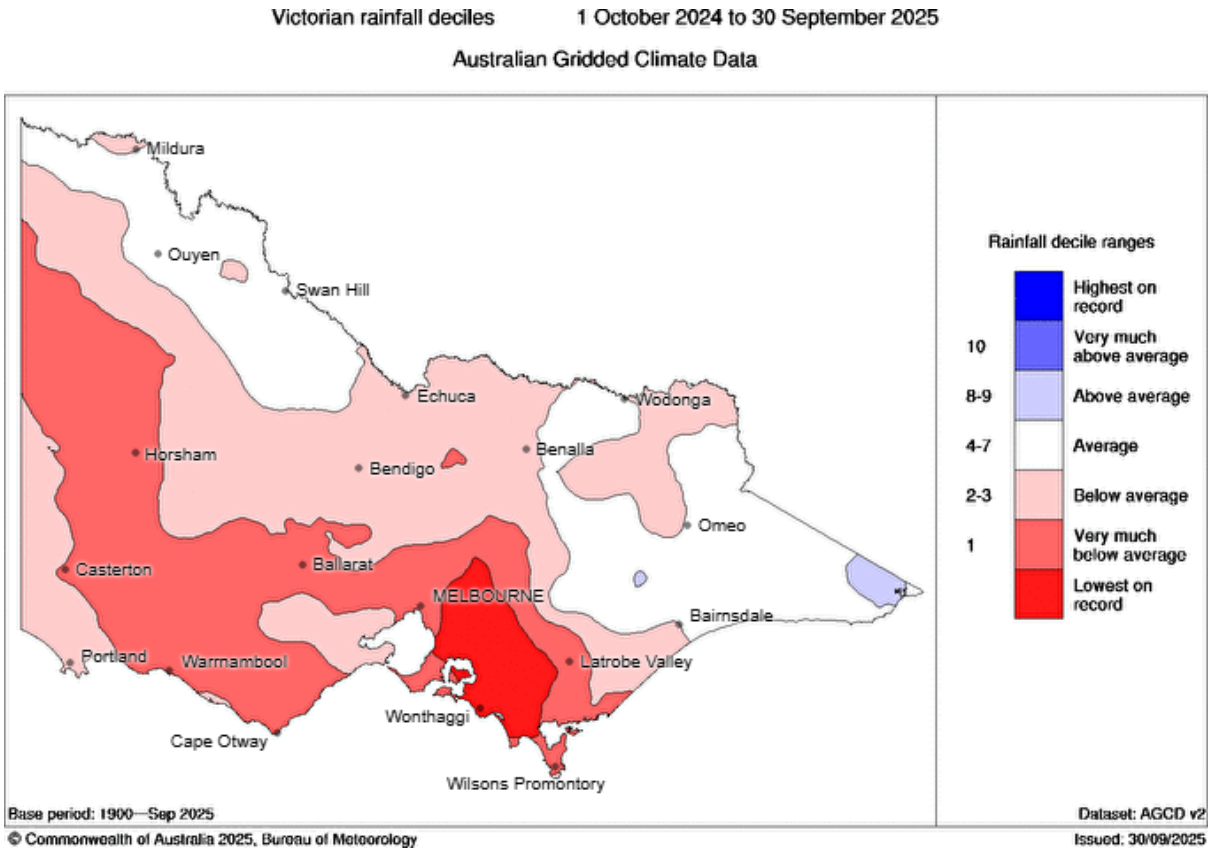

Figure 2 – Twelve-month rainfall deciles for Victoria - October 2024 through to September 2025 - taken from: http://www.bom.gov.au/climate/maps/rainfall/?variable=rainfall&map=decile&period=12month&region=vc&year=2024&month=09&day=30

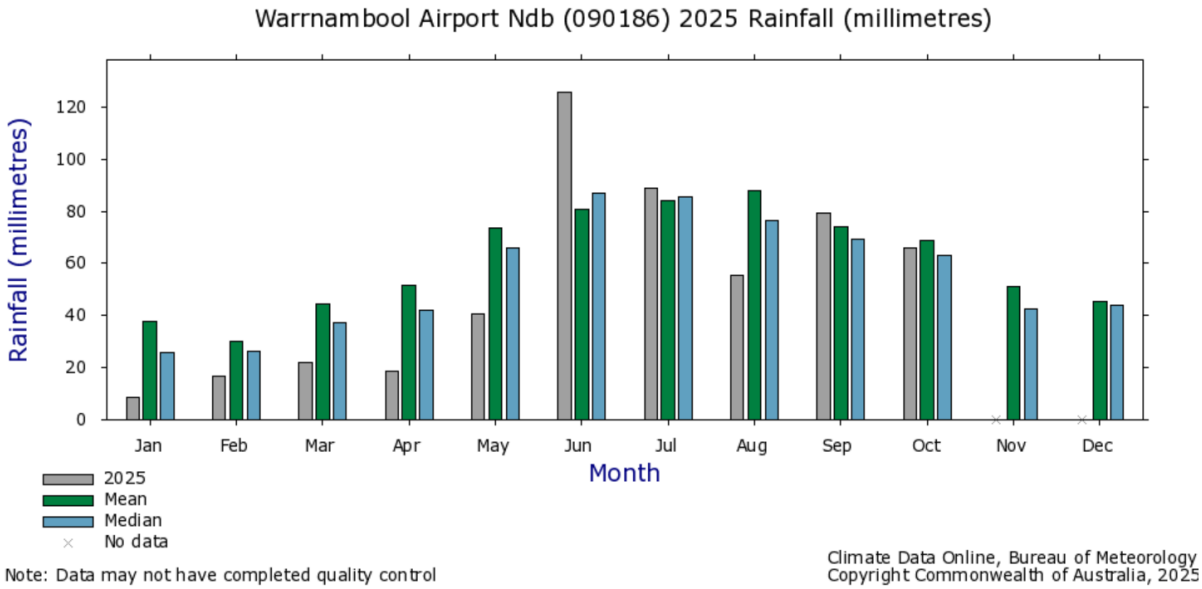

Figure 3 - Warrnambool monthly rainfall – 2025 vs long-term average

Figure 3 shows monthly rainfall recorded at Warrnambool Airport (090186) during 2025, compared with the station's long-term mean and median. This representation provides a clear indication of how recent rainfall conditions compare to typical patterns observed within the region.

2.3 Water consumption trends

Our potable customer water usage for the 2024/25 period was 11,184 megalitres, which is broken down by percentage into demand type in Figure 4. Residential customers made up 52 per cent of the water consumed between July 2024 and June 2025.

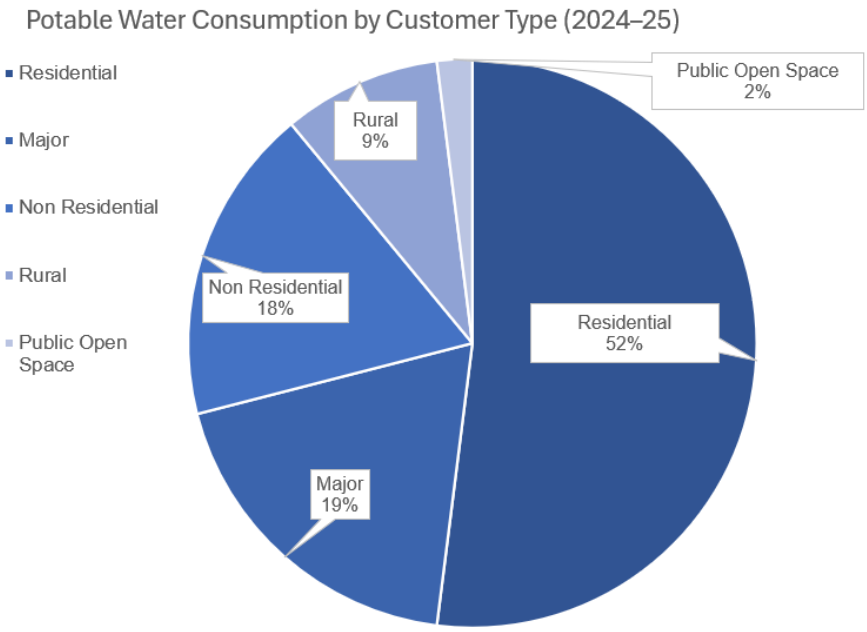

Figure 4 – Potable water consumption by customer type (2024/25)

Figure 5 shows the average residential water use across our service region over the past six years. Usage varies from year to year, largely reflecting climatic conditions and seasonal demand patterns. Recent dry years have contributed to higher consumption, with residential use increasing from 164.5 litres/person/day in 2022/23 to 183 litres/person/day in 2024/25.

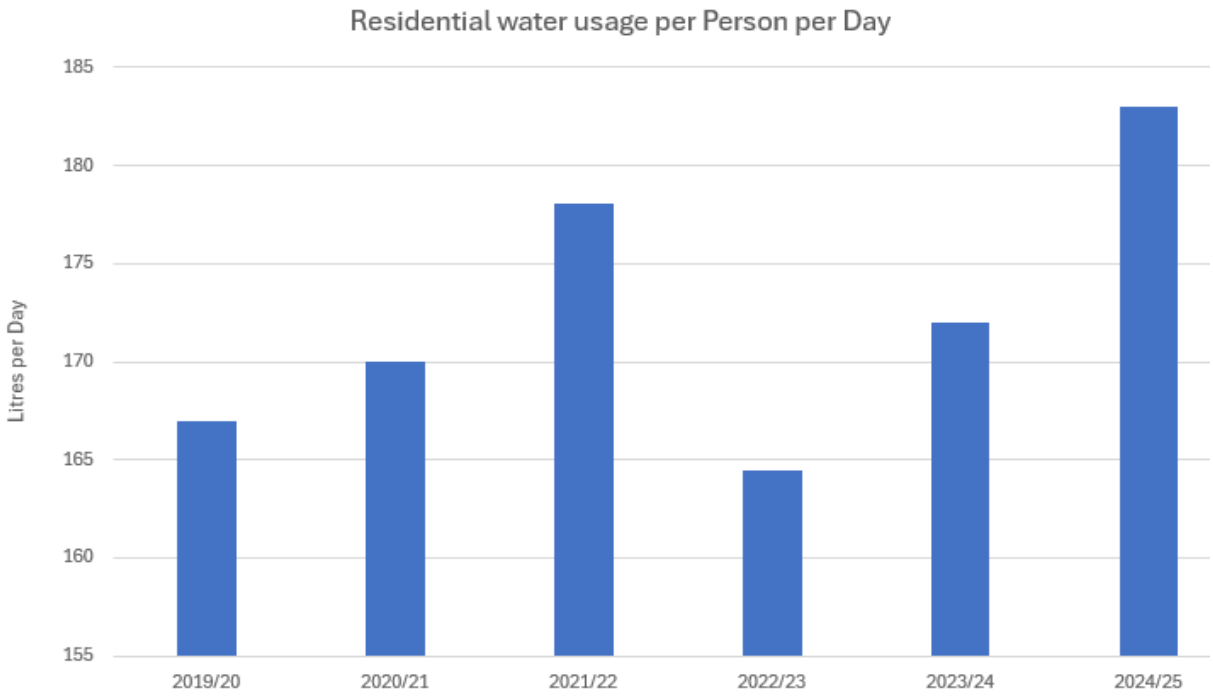

Figure 5 - Residential water usage per person per day

Figure 6 shows our region's total customer consumption over recent years as well as non-revenue water. Non-revenue water is the difference between the volume of water we produce at our Water Treatment Plants (WTPs) and the volume of water we bill to our customers. The main contributors to non-revenue water are real losses (leaks and bursts in our network), apparent losses (customer meter under-registration and theft) and unbilled authorised consumption (legitimate but unbilled uses such as firefighting, mains flushing and other authorised operational uses).

Water consumption is the total volume of water passing through customer meters. When added together, we get the total amount of water supplied from our Water WTPs. In 2025, we've seen another increase in customer consumption, which largely appears driven by continued very dry conditions rather than any structural changes.

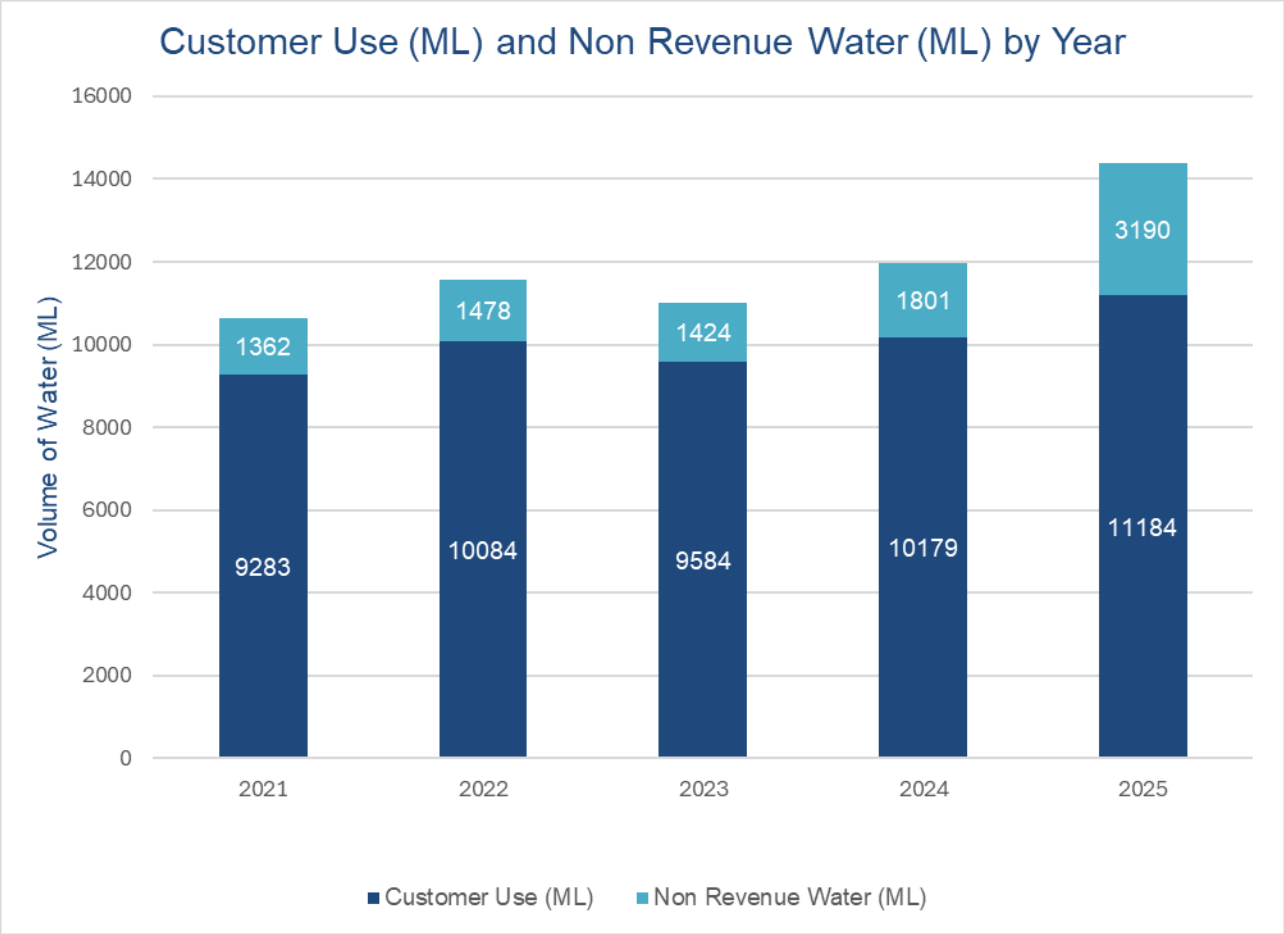

Figure 6 - Water customer consumption and non-revenue water breakdown (ML)

2.4 Why has non-revenue water increased this year?

Non-revenue water increased significantly over the past year, well beyond normal year-to-year variation. The rise reflects a combination of climatic, operational and measurement factors rather than a single cause, and investigations are underway to confirm their relative contribution.

Climatic conditions have been a major driver of this increase. The 2023/24 period was the driest on record across much of South West Victoria, followed by another very dry year in 2024/25, punctuated by sporadic heavy rains. Rapid shifts between saturated and extremely dry soil conditions caused ground movement and pipe stress across the region, particularly in areas with reactive clays. This led to a marked rise in bursts and leaks, with maintenance crews managing the highest repair workload in more than a decade.

The sustained increase in reactive maintenance reduced capacity for proactive leak detection and pressure-management activities. Some planned programs were deferred or scaled back while crews focused on urgent repairs. Preliminary analysis indicates that some variations in source metering and data reconciliation may have

inflated reported system input volumes, contributing to the apparent rise in non-revenue water.

In response, we've initiated a targeted non-revenue water recovery program focused on the highest-loss towns within the Otway and Hamilton zones. Additional acoustic leak detection and night-flow monitoring are being deployed to identify hidden leaks, supported by field pressure testing and condition assessment. We have also restarted our regular customer meter renewal program, which had been paused during the pandemic, replacing more than 5,000 of very old meters in 2024/25. This will help improve meter accuracy and reduce apparent losses in future reporting years.

A comprehensive review of flow meters at treatment plants and key network locations also began this year and will guide future metering upgrades and calibration practices. Together with an independent audit of water balance and loss reporting undertaken with specialist consultants, these initiatives will inform our ongoing network-efficiency program and future UWS actions.

Remember - Permanent Water Saving Rules remain in effect

- Always water your garden using a leak-free hose with a trigger nozzle.
- Only use sprinklers and drippers before 10am and after 6pm.
- Don't hose down concrete, paths or driveways – use a broom instead.
- Fountains and water features must recirculate water.

To find out more about how you can save water visit wannonwater.com.au/pwsr.

3 Regional climate outlook

3.1 Seasonal outlook – summer 25/26

The latest BoM rainfall outlook (issued on 16 October 2025) indicates that rainfall in our region is expected to have around a 50 per cent chance of exceeding median rainfall between December 2025 and February 2026. This means we will likely experience average rainfall conditions across our region for summer.

Figure 7 - Bureau of Meteorology rainfall outlook, December 2025 – February 2026

3.2 Seasonal temperature outlook – summer 25/26

The temperature outlook issued in October 2025 by the BoM indicates that there is a greater than 80 per cent chance of exceeding median maximum temperatures for our region from December to February. This means we are expecting a warmer than average summer.

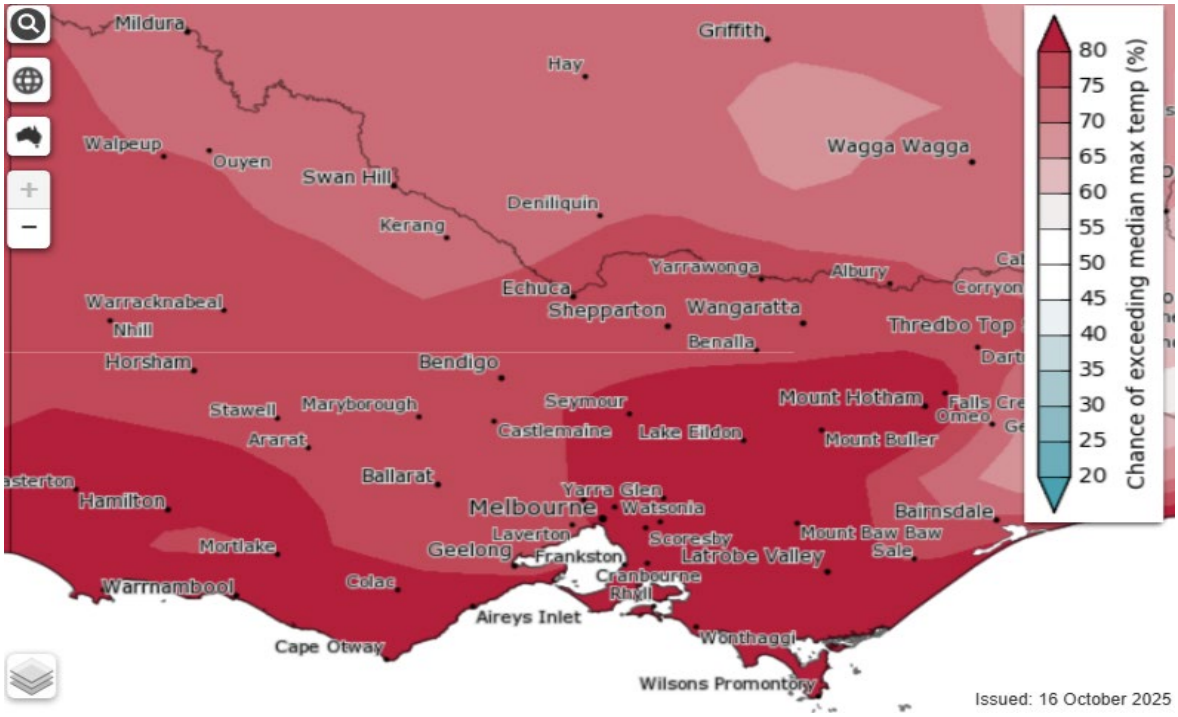

Figure 8 - Bureau of Meteorology temperature outlook, December 2025 – February 2026

Additional modelling by the BoM indicates a 50–60 per cent chance that the period from November 2025 to January 2026 will rank within the highest 20 per cent of historical maximum temperatures. This means the average maximum temperature across the next three months is expected to be well above the long-term average, with an increased likelihood of frequent hot days and prolonged heatwaves.

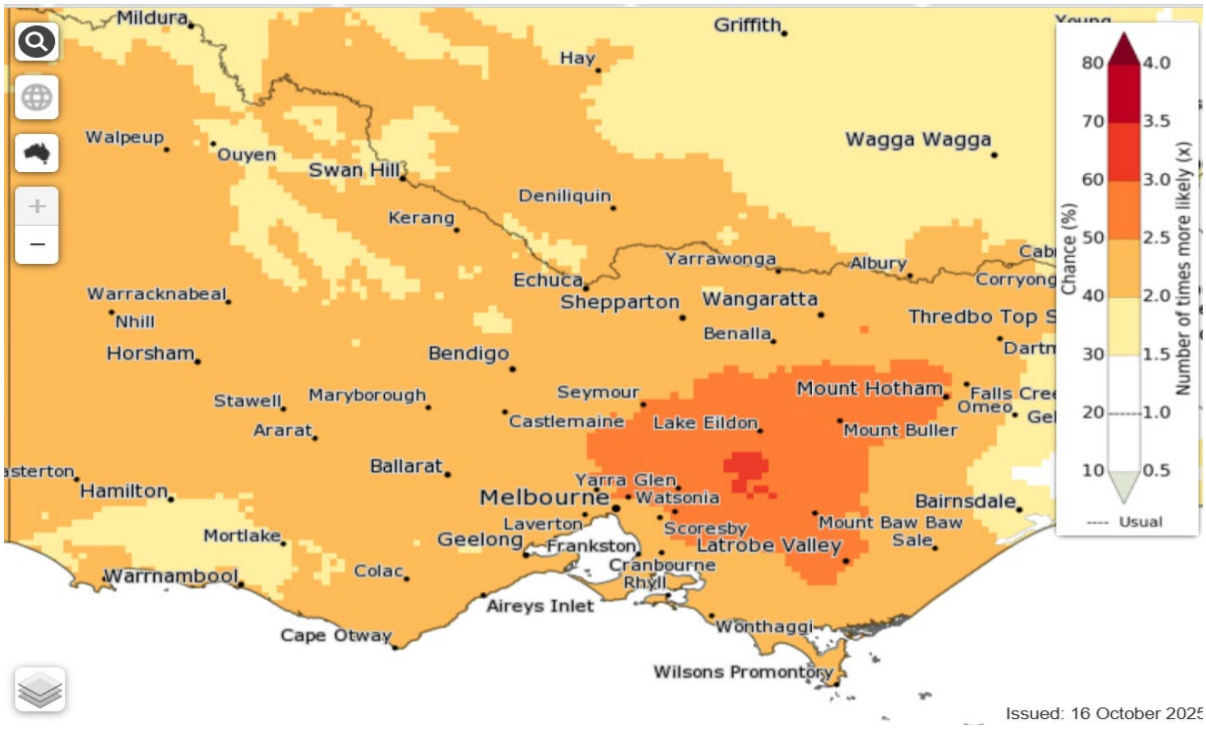

Figure 9 - Maximum temperature – chance of being in the highest 20 per cent of the historical range for November-January

3.3 Victoria's climate and streamflow in the longer-term context

Victoria's climate and streamflow is highly variable, but within this variability we have experienced a warming and drying trend over recent decades.

Over recent decades we have experienced trends towards:

- Higher temperatures and more hot days.
- Reductions in rainfall during the cooler months.
- In some locations, increases in extreme, short-duration rainfall events.
- In some catchments, particularly in Western Victoria, a shift in the streamflow response to rainfall with typically less streamflow generated for a given amount of rain.

Some of the rainfall declines in the cooler months can be attributed to increases in greenhouse gas concentrations in the atmosphere. During the cooler months, we have been getting less rainfall from low-pressure and frontal systems.

Over future decades we can expect:

- The rainfall reductions during the cooler months to persist.
- Increases in extreme rainfall events.
- Increases in potential evapotranspiration due to higher temperature and lower relative humidity.
- Reductions in streamflow because of less rainfall and higher potential evapotranspiration.
- The streamflow response to rainfall to no longer remain the same, and generally decline.

Victoria's climate will continue to be variable with wet years and dry years, against a background drying trend. With a warmer future and projections of declining water availability, we can expect more frequent and severe droughts in coming decades and increases in extreme rainfall events.

The State Government is investing in further research to better understand how Victoria's climate is changing and the water resource implications through the Victorian Water and Climate Initiative. More information on the observed changes and longer-term future climate and water projections can be found at: water.vic.gov.au/water-and-climate.

4 Water supply system outlooks

4.1 Otway system

4.1.1 System summary

The Otway System is the largest water supply system within our service area, supplying water to just over 26,000 connections. The system sources water from:

- Two locations on the Gellibrand River in the Otway Ranges.
- Three tributaries in Arkins Creek catchment within the Great Otway National Park.
- Two groundwater bores at Carlisle River.
- Two groundwater bores to supplement Mortlake's supply.
- Three groundwater bores to supplement Warrnambool's supply.
- A bore located near Curdievale which is being converted from an emergency back-up to a permanent source of supply and due for delivery in 2026.
- Warrnambool's roof water harvesting system which collects rainwater from new housing developments. This accounts for up to 1 per cent of Warrnambool's water supply, reducing dependency on surface water and delivering a low carbon source of supply for the city.

Figure 10 – Otway Water System Supply schematic

Figure 11 - Otway Water System Supply summary

4.1.2 Managing supply and demand for a sustainable future

Every five years, we review climate, population and demand data for each of our systems. This information feeds into the UWS which sets out the actions required to maintain agreed levels of service for our customers and community.

Figure 12 shows how raw-water extractions for the Otway system are tracking against the 2022 UWS demand projections. In 2025, customer demand increased slightly, and when combined with elevated non-revenue water, resulted in total extractions aligning with the upper-range (high-demand) forecast. This pattern highlights the influence of recent dry conditions and network losses on system demand and underscores the importance of our ongoing leak reduction and metering programs.

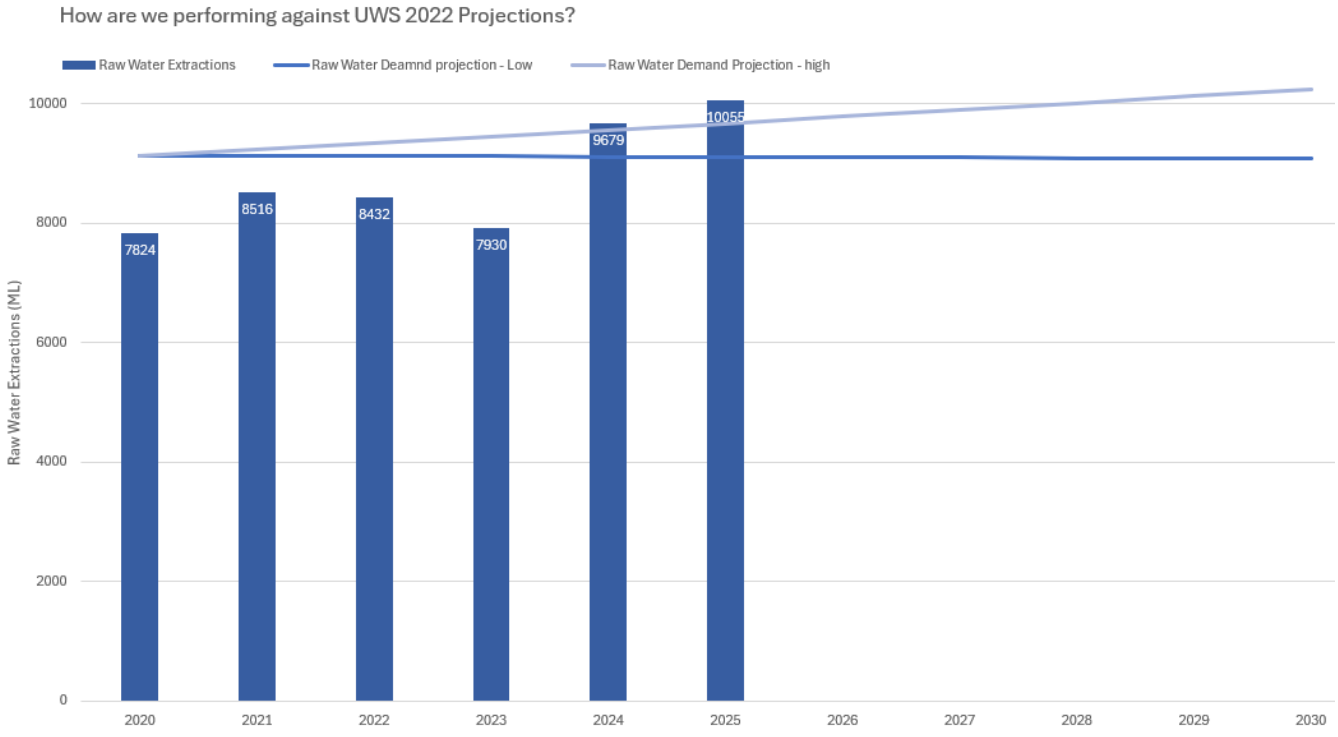

Figure 12 - Otway system bulk water usage verses 2022 UWS demand projections

4.1.3 Storage levels and 2026 outlook

The Otway system has reliably met customer demand for more than 40 years and continues to perform with a stable streamflow pattern. The storage forecast shown in Figure 13 incorporates the effects of recent climatic conditions, current customer demand and operational factors that influence storage behaviour.

The Otways is a near-unregulated, run-of-river system supported by several small balancing storages that collectively provide approximately 74 days of peak demand storage. This storage is operational buffer only - it does not provide seasonal regulation and cannot shift water from winter to summer. As acknowledged in DEECA's Guidelines for Assessing the Impact of Climate Change on Water Availability in Victoria (2020), systems of this type do not exhibit a stable storage inflow relationship and applying percentile-based inflow traces is not prudent and does not produce reliable or informative results.

The guidelines indicate that run-of-river and near-unregulated systems with limited operational storage should be assessed using long-term hydrological behaviour, vulnerability characteristics, and demonstrated operational performance - not storage-based scenario traces.

The Otway System has shown more than 40 years of stable supply performance without nearing any DPP review points, confirming that percentile storage traces would not provide meaningful or representative insight. Therefore, consistent with the guidelines, storage trace modelling has not been used, as it would not yield prudent, accurate, or useful information for this system.

As at October 2025, storages remain within the general monitoring zone and continue to recover following winter inflows. Current trends indicate the system is on track to reach the target storage level ahead of the summer peak in November–December. Based on current modelling and operational arrangements, the likelihood of water restrictions over the next 12 months is assessed as very rare (less than 1 per cent).

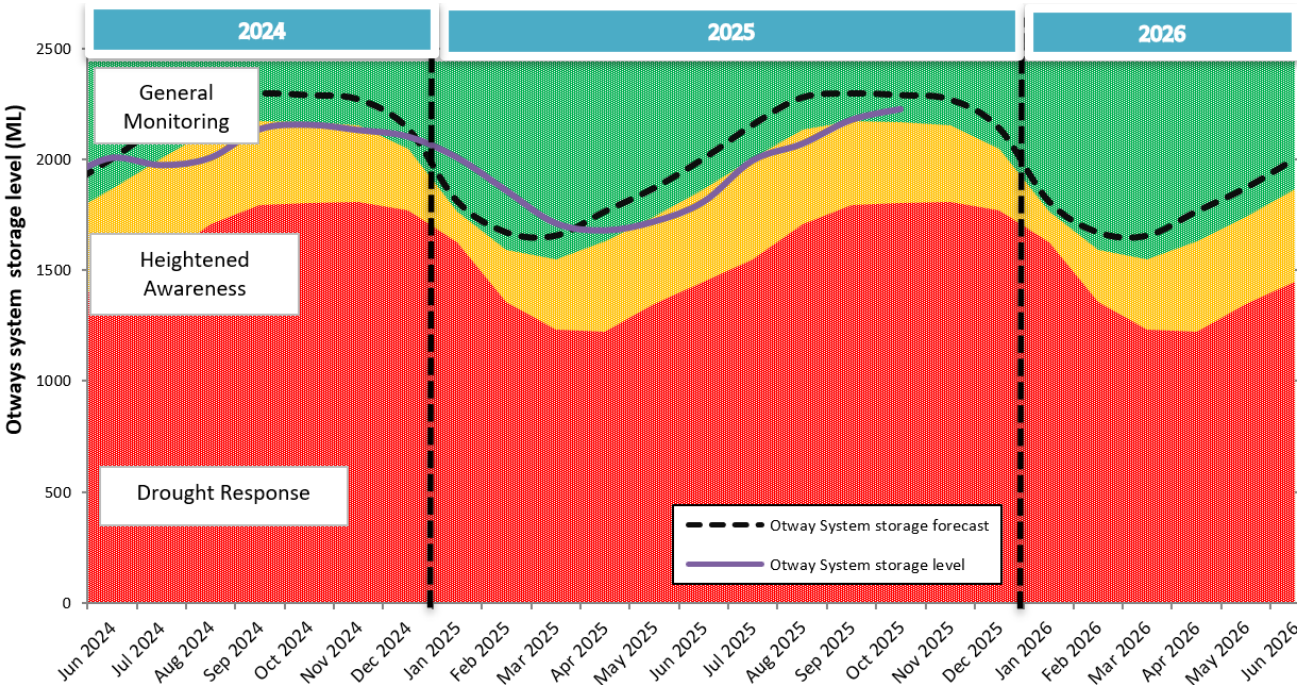

Figure 13 - Otway system storage level outlook

4.2 Grampians system

4.2.1 System summary

The Grampians system sources water from several streams and groundwater bores within the Grampians National Park. Water is transferred and stored in three main reservoirs north of Hamilton - Hayes, Cruckoor and Harwich - before treatment at the Hamilton WTP. Following treatment, water is supplied to Hamilton and neighbouring townships, including Tarrington (nine kilometres) and Dunkeld (30 kilometres).

Upstream of the Hamilton WTP, part of the flow is diverted to the Cavendish supply system, where it's disinfected prior to distribution. The system also includes a pump station that accesses Rocklands Reservoir, which provides supply to Balmoral and serves as an important supplementary source for Hamilton, Tarrington and Dunkeld during dry years.

Figure 14 - Grampians system supply schematic

Figure 15 - Grampians system summary

4.2.2 Supply and demand

Figure 16 shows how raw water extractions for the Grampians system are tracking against the 2022 UWS demand projections. As anticipated in the 2025 AWO, we accessed our Rocklands Reservoir entitlement over summer and autumn (approximately 767 megalitres) to ease pressure on local Grampians streams while maintaining system storages within the general monitoring zone.

Metered extractions from the streams remained elevated during this period and are being reviewed to confirm potential meter inaccuracies or minor pipeline losses. The pattern observed in 2024/25 remains consistent with the high-demand scenario but reflects planned operational use of supplementary supply rather than increased customer demand.

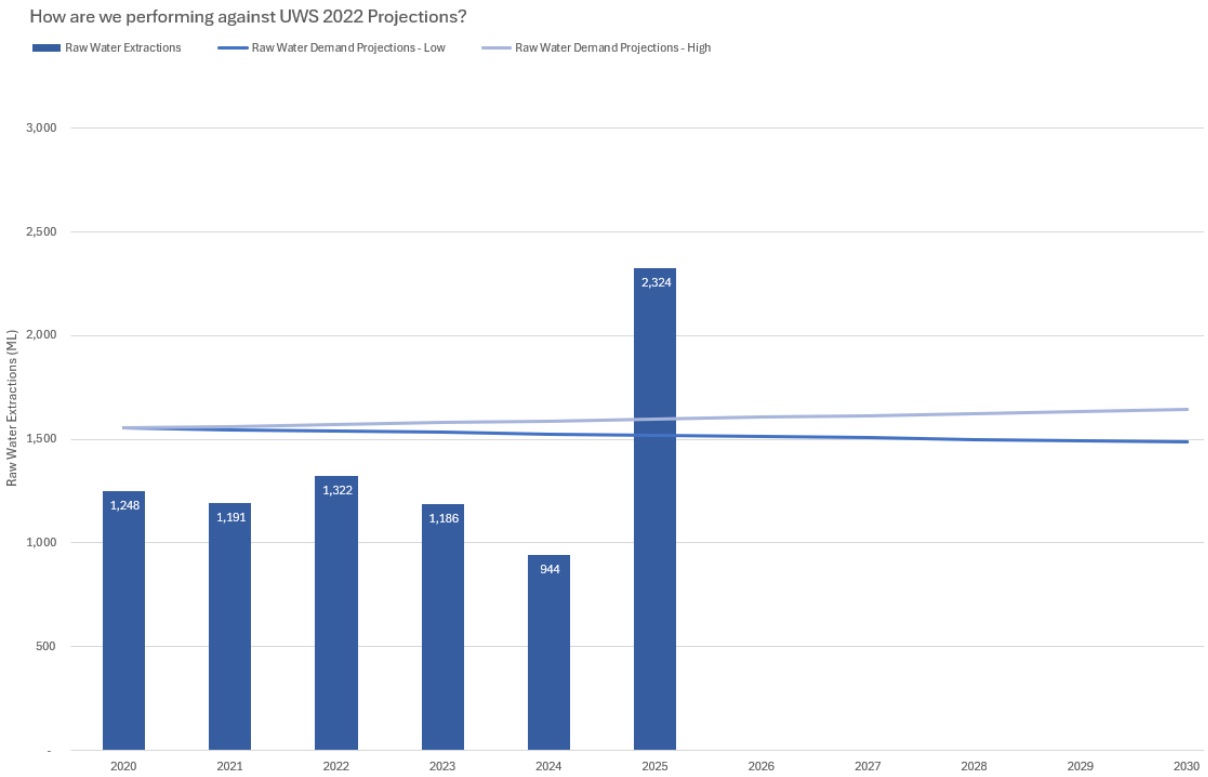

Figure 16 - Grampians system raw water usage vs 2022 UWS projected demands (Note: Demand in this figure reflects total system extractions, including operational transfers, and is not limited to end-user consumption)

4.2.3 Storage levels and 2026 outlook

The Grampians system provides a high level of supply security through its combination of local surface-water sources, groundwater bores, and access to the Rocklands Reservoir entitlement. Despite another very dry summer and below-average rainfall during winter 2025, combined storage levels remain strong at around 77 per cent heading into November.

While the annual Rocklands allocation for 2025/26 is 12 per cent of the full 2,120 megalitre entitlement, we retain substantial carryover from previous years - totalling approximately 5,987 megalitres - which provides ample buffer against short-term inflow variability.

The 2026 storage outlook (Figure 17) indicates that, under dry conditions, further use of Rocklands water may again be required to supplement local sources. However, modelling across all climate scenarios shows that system storage remains well above restriction trigger levels throughout the forecast period. Accordingly, the likelihood of water restrictions being required for the Grampians system over the next 12 months is assessed as very rare (less than 1 per cent).

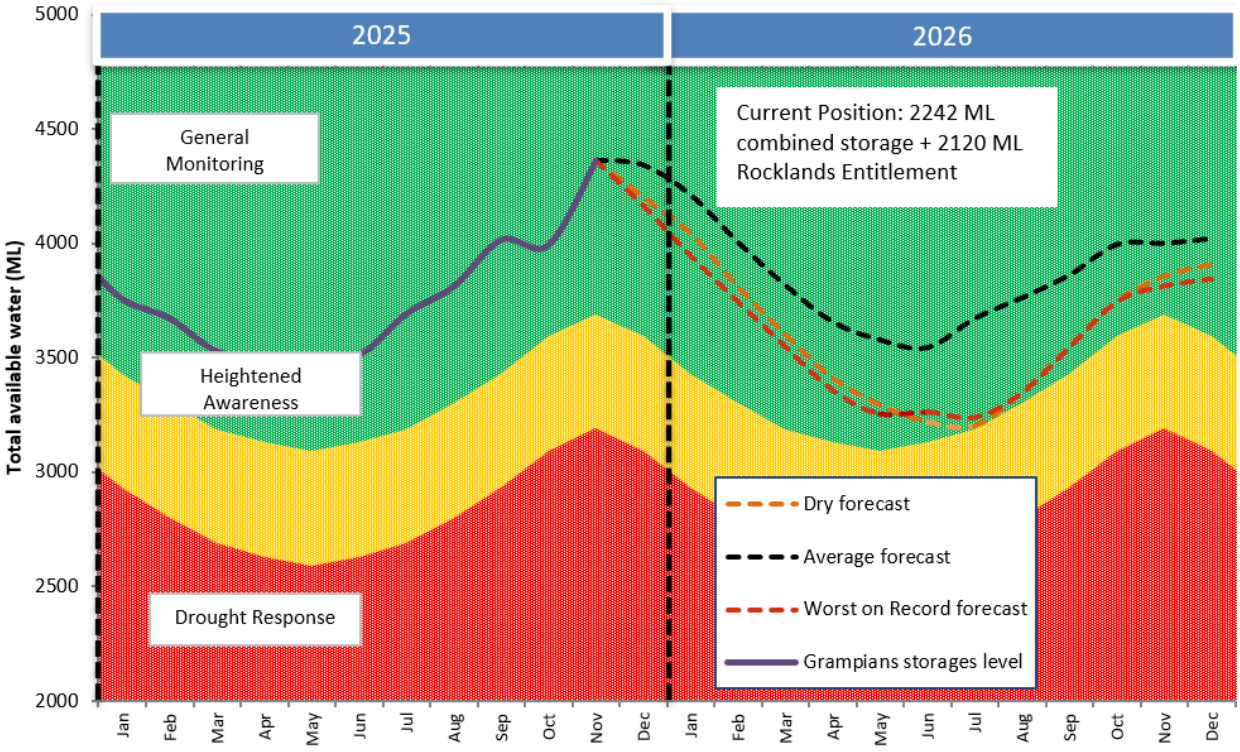

Figure 17 - Grampians system storage level outlook

4.3 Glenthompson system

4.3.1 System summary

The Glenthompson system sources water from two small farmland catchments south of the township, with flows stored in the Glenthompson Reservoir on Yuppeckiar Creek. The creek is characterised by low and variable inflows, making the system highly rainfall dependent.

We also hold a Bulk Entitlement to transfer water from the Willaura Water Supply System, providing an important supplementary source during dry conditions. However, this transfer capacity is limited and subject to seasonal constraints.

The commissioning of our connection to Grampians Wimmera Mallee (GWM) Water's East Grampians Pipeline (supplied from Lake Fyans) has substantially improved the reliability and quality of supply to the Glenthompson–Willaura system. This interconnection represents a key resilience measure for managing extended dry conditions in the years ahead.

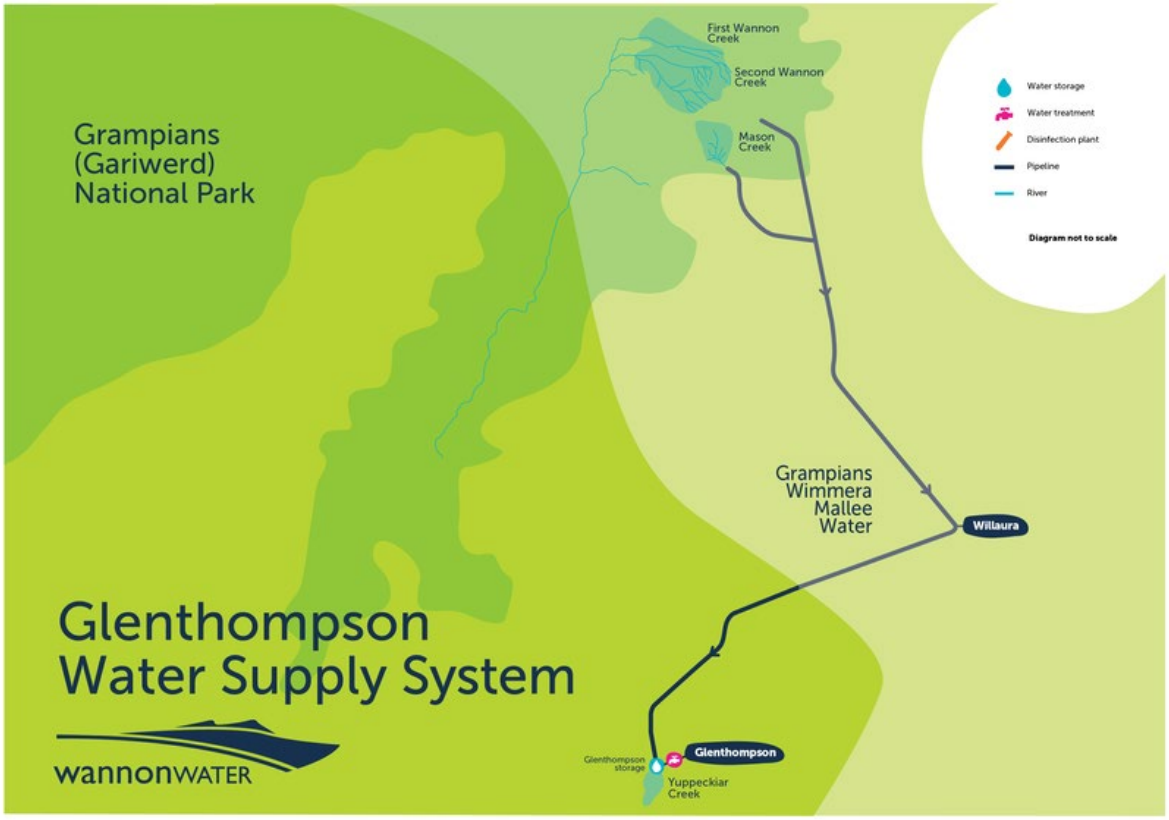

Figure 18 - Glenthompson system schematic

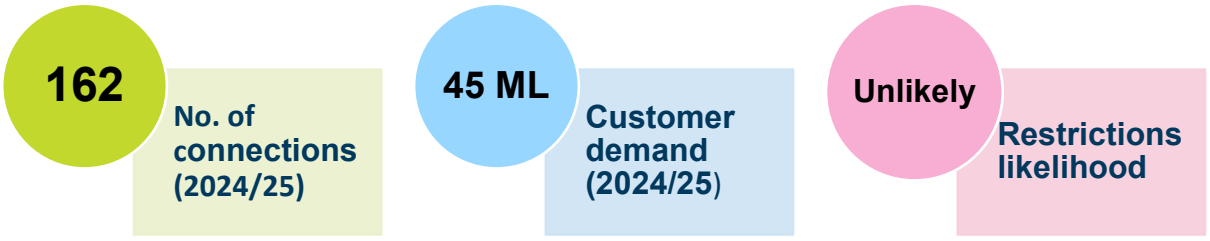

Figure 19 - Glenthompson system summary

4.3.2 Supply and demand

Figure 20 shows how raw water extractions for the Glenthompson system are tracking against the 2022 UWS demand projections. Demand in 2024/25 was influenced by another very dry summer and a near doubling of supply to rural customers connected via the Willaura pipeline. With local inflows to the Glenthompson Reservoir remaining well below average, additional transfers were required to maintain supply security, resulting in total extractions aligning with the upper-range demand projection.

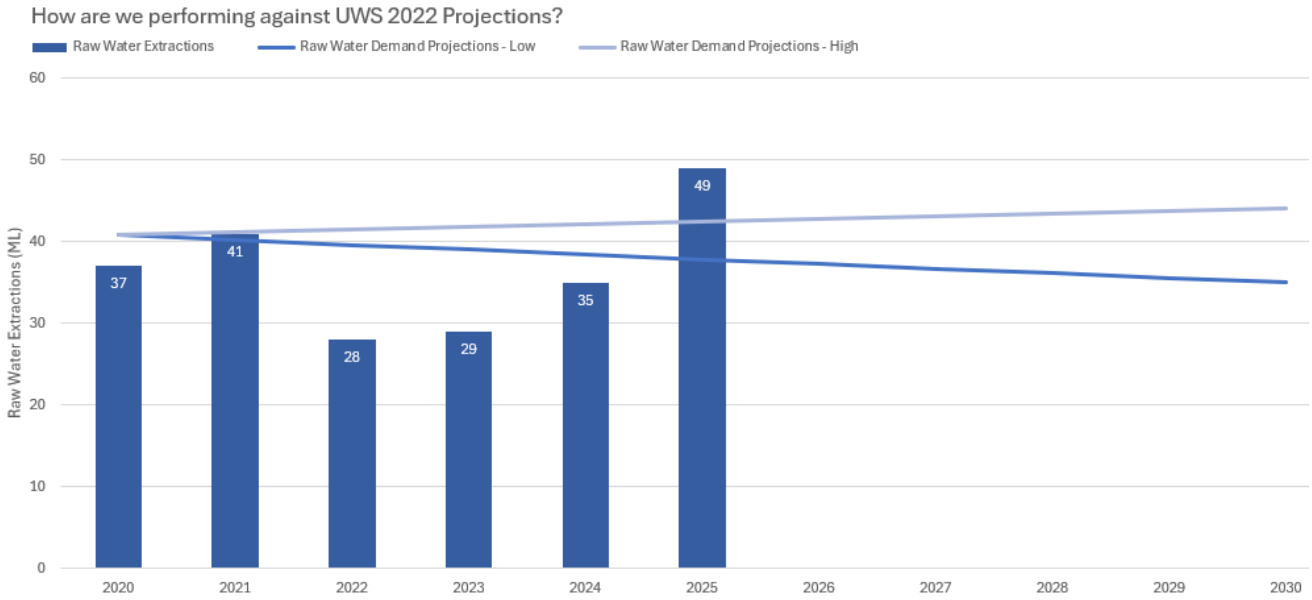

Figure 20 - Glenthompson system demand vs 2022 UWS forecasted demands (Note: 'Demand' includes water supplied via the Willaura pipeline, as this represents system-level extractions rather than end-user demand alone)

4.3.3 Storage levels and 2026 outlook

The Glenthompson system is highly rainfall dependent and has recorded another reduction in storage levels over the past 12 months. Storage and outlook data have been closely monitored on a monthly basis, with proactive water resource planning

undertaken throughout the year. In previous years, we've been able to complete temporary transfers from a nearby VicTrack-managed reservoir, however current storage levels at that source make such transfers impractical this season.

We've worked closely with GWM to secure supplementary flows from the Willaura system. Despite its own challenging resource position, GWM transferred water in September 2025, leading to a modest improvement in storage levels.

The commissioning of our connection to the East Grampians Pipeline in October has provided an additional supply option from Lake Fyans, further improving system flexibility and resilience. While Glenthompson remains within the drought response zone and is expected to stay there under a dry scenario, the new connection significantly enhances confidence in meeting demand through the 2025/26 summer period.

Initial performance testing confirms the system is operating as intended and is expected to stabilise storage levels, avoiding the need for water restrictions despite ongoing dry conditions. Given the small customer base at Glenthompson, water carting remains a viable short-term contingency if supply from the Willaura/East Grampians becomes unavailable. Based on current modelling and operational arrangements, the likelihood of water restrictions over the next 12 months is assessed as *unlikely (5–19 per cent)*.

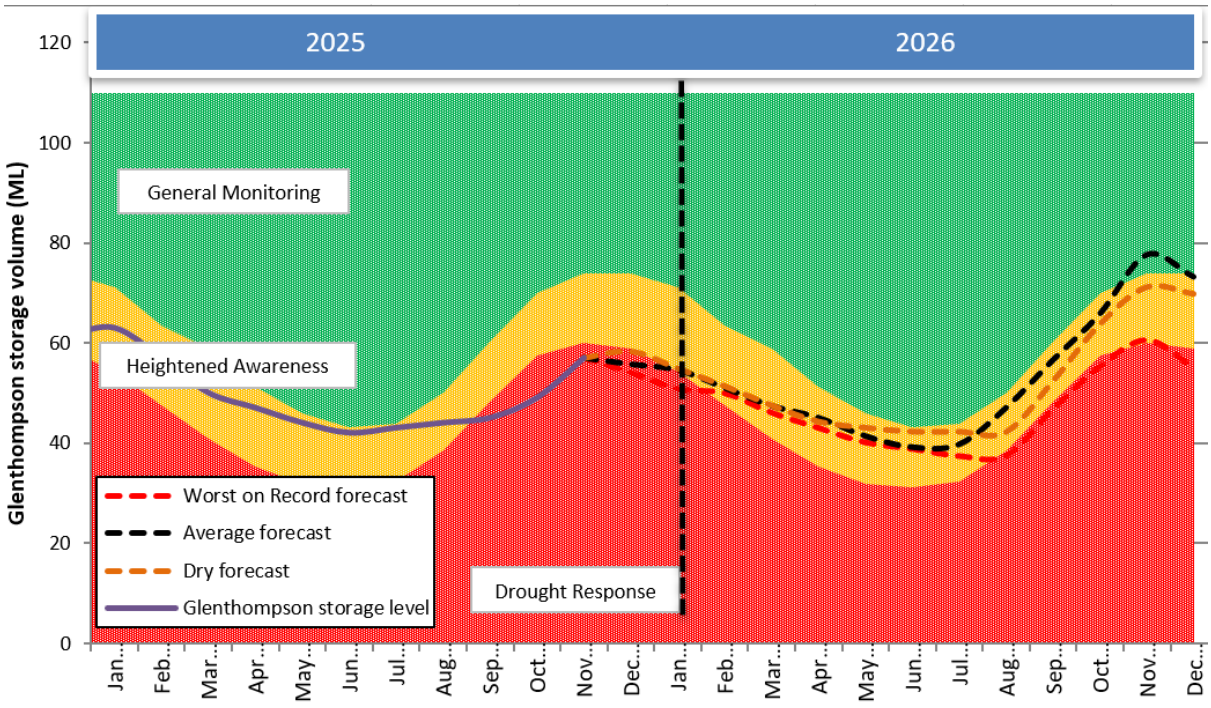

Figure 21 - Glenthompson storage levels and outlook

4.4 Groundwater systems

4.4.1 System summary

We operate 10 groundwater supply systems that proved secure through the Millennium Drought and are expected to remain reliable under a range of future climate scenarios. These systems draw from a mix of confined and unconfined aquifers, including the Dilwyn, Bridgewater and Newer Volcanics formations, providing diverse and geographically dispersed sources of supply.

Water restrictions are not normally part of the management of these systems, as available licence volumes comfortably meet current and forecast demands. Based on long-term performance and ongoing monitoring, the likelihood of water restrictions being required across our groundwater systems is assessed as very rare (less than 1 per cent).

Figure 22 - Groundwater systems likelihood of restrictions

4.4.2 Security of groundwater supply

Each of Wannon Water's groundwater systems operates under a licence that specifies the annual extraction volume permitted from its source aquifer. Figure 23 shows the volume extracted during 2024/25 compared with the total licensed capacity for each system. The dark-blue bars represent actual extractions from the past year, while the light-blue sections indicate the remaining available licence volume.

The results demonstrate that all systems operated well within their licenced entitlements, with substantial capacity remaining across every groundwater source. This provides confidence that groundwater availability will continue to meet customer

and operational needs heading into 2026 and beyond.

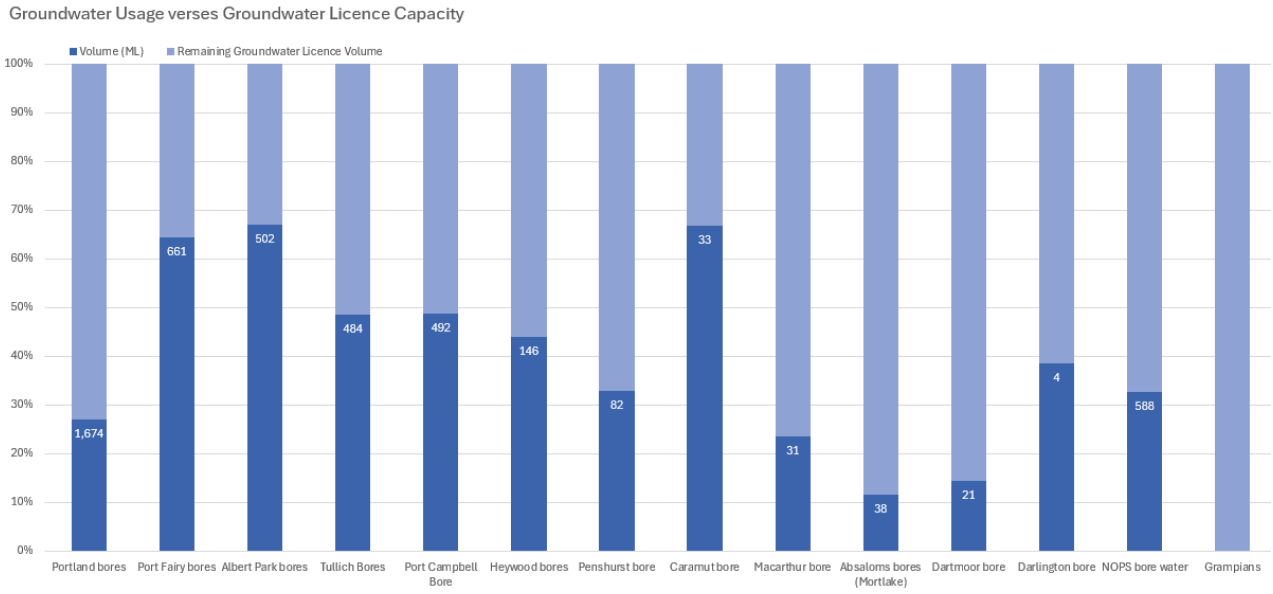

Figure 23 - Groundwater usage vs capacity (2024/25)

Note:

- *Tullich supplies to Casterton, Coleraine, Sandford and Merino townships*
- *Carlisle, Curdievale, Mortlake and Albert Park bores are a part of the Otway system.*
- *Port Campbell supplies to Port Campbell, Timboon and Peterborough*

5 Actions to address urban water security

This 2026 AWO highlights our progress in delivering the UWS commitments across efficiency, reliability and community engagement. Ongoing investment in metering accuracy, digital systems and customer programs continues to strengthen regional water security and operational resilience.

We continue to play a leading role in the Great South Coast Integrated Water Management (IWM) Forum, collaborating with councils, catchment management authorities and other regional partners to deliver shared outcomes for resilient water systems, healthy waterways and liveable communities.

Major collaborative initiatives advanced during 2025, including the Gellibrand River FLOWS Study with Barwon Water, DEECA and Corangamite CMA, the Quality Water for Wannon Program, and the Koroit Water Smart Town initiative, reflect this integrated approach, combining supply security, water quality, environmental stewardship and community participation.

Table 2 – Actions to address urban water security

Theme/focus area	Action (UWS 2022 reference)	Timing/status	Comments/progress summary
Non-revenue water and network efficiency	Implement targeted leak detection, pressure management and network-condition assessments in high-loss zones.	Ongoing 2023–27	Expanded acoustic leak detection in Otway and Hamilton zones; independent audit underway; findings to inform 2026/27 program.
	Validate bulk-flow meters and improve data reconciliation.	2025/26	Flow meter review started; calibration plan in development.
Customer and bulk metering	Restart customer meter renewal program.	2024–27	Program reinstated post-pandemic; more than 5,000 meters replaced in 2024/25.
Supply reliability and augmentation	Commission East Grampians Pipeline connection (Lake Fyans source).	Commissioned October 2025	Connection operational; improves reliability for Glenthompson–Willaura system.
	Maintain operational readiness of Rocklands Reservoir entitlement to	Ongoing	767 ML accessed in 2024/25 to maintain storages in general monitoring zone.

	supplement the Grampians system.		
	Participate in Gellibrand River FLOWS Study with Barwon Water and partners.	2024–/26	Joint study with Barwon Water and Corangamite CMA reviewing environmental flow requirements in the Gellibrand catchment; supports UWS objectives to balance urban supply and ecological health.
	Deliver Gellibrand River Restoration and Supply Resilience Project.	2024–27	Includes conversion of Curdievale bore to production use and construction of secondary emergency bore to reduce summer extraction pressure and strengthen Otway system resilience.
	Complete options and timing analysis for the Otway system augmentation plan.	2025/26	Technical and financial assessment underway to identify preferred augmentation option and delivery timing; findings to inform the 2027 Urban Water Strategy and long-term investment planning.
	Deliver the Quality Water for Wannon program to improve regional water quality and supply reliability.	2024–28	Multi-year capital program delivering water quality and reliability upgrades across smaller towns and rural systems; integrates with IWM priorities to support liveable, resilient communities.
	Deliver the Warrnambool Sewage Treatment Plant (STP) upgrade.	2022–2025 (commissioning late 2025)	$85 million project to expand capacity by ~50 per cent, with new treatment tanks, inlet pump station, odour control and UV disinfection; supports growth and environmental protection for the Warrnambool – Allansford – Koroit region.
Groundwater management	Monitor extraction vs licence limits and aquifer performance.	Ongoing	All systems operating well within entitlements; strong capacity maintained.

Demand management and WaterSmart programs	Deliver WaterSmart Phase 2 (non-residential) and Phase 3 (storm-field) audits.	2024–27	Pilot batch of commercial audits identified; contractor mobilisation underway.
	Continue WaterSmart Phase 1 logger roll-out and data integration.	Extended to EOFY 2027	99 loggers installed; funding window confirmed to 2027.
	Launch Koroit Water Smart Town community-wide water efficiency program.	2024–26	Koroit selected as first Water Smart Town; campaign began November 2024 in partnership with Replenish Our Planet to shift residential and business behaviour and reduce demand on the Otway system.
Integrated Water Management (IWM)	Continue active participation in Great South Coast IWM Forum and support priority projects.	Ongoing	Collaboration with regional partners to identify shared projects for liveable communities and resilient water systems; includes stormwater reuse scoping and urban-greening initiatives.
	Contribute technical input and modelling support to regional IWM planning activities.	2024–26	Providing data and planning input for catchment-scale assessments and climate-adaptation strategies.
Customer and community engagement	Promote efficient water use through education campaigns and online tools.	Ongoing	Strong engagement from schools and community groups.
	Support transparent performance reporting and engagement through the Annual Water Outlook and regional updates.	Annual	2026 AWO prepared in accordance with DEECA 2025 guidelines; no restrictions forecast.

Recent achievements

- Commissioned the East Grampians Pipeline connection, improving supply reliability for Glenthompson – Willaura.
- Commenced independent non-revenue-water audit.
- Reinstated the customer-meter renewal program and expanded leak-detection coverage.
- Advanced WaterSmart Phases 2 and 3, with funding confirmed to 2027.
- Launched the Koroit Water Smart Town initiative in partnership with Replenish Our Planet.
- Commenced detailed options and timing analysis for the Otway system augmentation plan, aligning with UWS 2022.
- Continued delivery of the Quality Water for Wannon program, upgrading treatment and transfer assets in smaller towns.
- Advanced the $85 million Warrnambool Sewage Treatment Plant upgrade, with major construction complete and commissioning underway.
- Continued active participation in the Great South Coast IWM Forum, supporting integrated planning and climate-resilience initiatives.
- Maintained no restrictions across all systems despite consecutive very dry years.

Emerging challenges

- Persistent dry climate trend and declining streamflow efficiency across Western Victoria.
- Managing non-revenue water recovery post-audit while balancing operational priorities.
- Maintaining partnership alignment and delivery capacity across multiple regional IWM initiatives.
- Sustaining community engagement momentum as programs expand to other towns.

Next steps

- Implement recommendations from the non-revenue water audit through 2026/27.

- Deliver the full WaterSmart Phase 2 and 3 audits.
- Continue to partner on the Gellibrand River FLOWS Study and deliver the Otway Augmentation Plan into the 2027 Urban Water Strategy.
- Continue collaborative planning through the Great South Coast IWM Forum to identify future joint projects and shared investment opportunities.
- Complete community engagement in early 2026 and continue development of the 2027 Urban Water Strategy, including updates to Drought Preparedness Plans.