







## About our cover

The cover design of this year's report showcases the beautiful Murray River.

The Murray River is one of our regions' eight water supply systems, supplying the townships of Cohuna, Echuca, Gunbower and Leitchville.

As our region grows and climatic events continue to have impact, we need to prepare for this changing future now – particularly around the availability of water sources. One thing that won't change is our commitment to provide safe drinking water and a secure water supply for the regions that we serve.

## Acknowledgement of Country

We respectfully acknowledge Aboriginal and Torres Strait Islander peoples as the Traditional Owners and custodians of the land and water on which all Australians rely.

We pay our respects to Djaara, Taungurung, Yorta Yorta, Barapa Barapa and their elders past, present and emerging as Traditional Owners and custodians of the land and water on which we operate and rely.

We acknowledge and respect the continued cultural, social and spiritual connections of all Aboriginal Victorians and their inherent responsibility to care for and protect them.

In the spirit of reconciliation, we remain committed to working in partnership with Traditional Owners to ensure meaningful, ongoing contributions to the future of land and water management. We commit to empower Aboriginal peoples and come to them first wherever our actions impact their lives.

We will not form a view until we have heard theirs. We will ensure the aspirations of Aboriginal peoples are embedded in our business. We recognise we have much work to do to make this a reality.



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# Message from our Chair and Managing Director



**Bob Cameron**  
Chair

Our 2023-24 Annual Report details a strong year of performance and delivery. Our core business is supplying safe drinking water and providing sewage services while being long-term stewards of the environment.

We are very focussed on water security for our region. We continue to address the key challenges of climate change, population growth and ageing assets. We are delivering on our commitment to customers to build resilient assets, through our Big Water Build. This year we delivered one of the largest capital investment programs since the formation of Coliban Water. We are currently delivering the largest 5-year water services capital program in our region's history with close to \$500m investment planned. These investments will serve to deliver our core public health and environmental responsibilities for the benefit of the communities we serve.

We are supporting our customers more than ever before through our Coliban Assist Program with direct financial support and a range of services for any customers experiencing difficulty with paying their water bill.

We exist to deliver value for our customers today while ensuring readiness to serve future generations. Our ability to serve future communities in our region will be shaped by decisions and actions taken over the next 10 years. This is the decade that matters.

Our Strategy *dhelk gatjin dhelk balak* (healthy water, healthy people) charts our course. Renewed this year, we are centred around three goals:

- Healthy Country and Communities
- A Trusted Utility
- Business Sustainability

While continuing significant asset investment we always pursue operational excellence. We strive for water security, service reliability, environmental performance, efficient operations and being a great digital utility for the benefit of our customers. We are delivering our plan to ensure that we achieve net zero carbon emissions by 2030. We are on track to be a 100% renewable energy consumer by 2025.

We seek to earn the trust of our customers and stakeholders. Trust is built through deeds and a sustained track record of performance. Some of our achievements over the past year include:

- Delivered \$73 million in our capital program. Annual investment in our assets has more than doubled in three years (from \$31.3 million in 2020/21) and will grow towards \$100 million in future years. There are some very large projects ahead.
- Improved drinking water networks and treatment from Echuca in the north to Trentham in the south, including in the growth areas of Epsom, Huntly and Marong.
- Doubling our Coliban Assist program and providing more than \$1 million to reach thousands of customers who needed financial support to make ends meet.
- More than 90% digital meter rollout completed across our region, allowing for quicker leak detection and more seamless bill processing. Almost 1 in 3 customers have now opted for e-billing rather than paper bills.



**Damian Wells**  
Managing Director





- Reinstatement of the Lake Eppalock Pump Station following major damage from the 2022 floods.
- On track to deliver our 100% renewable energy target by 1 July 2025 and design out waste.
- Continued a strong focus on developing our deepening relationships with Traditional Owner Groups. We seek to be an enabler of the goals of Traditional Owners in central and northern Victoria.
- Continued the development of a major business case to contemplate the modernisation of our rural network to deliver water efficiency, environmental, agricultural and Traditional Owner water return objectives.
- Reduced the gender wage gap from 9% to 3%, with the most senior levels of our business achieving gender equity.
- Improved staff engagement and satisfaction for the third year in a row. We are constantly focussed on maintaining a high-performance culture. We are proud of our 2024 People Matter Survey results which demonstrate that Coliban Water is a great place to work.
- Delivered our Corporate Plan within our operational expenditure budgets and slightly above our capital expenditure budget as we push hard to deliver on our commitments.
- Continued our business transformation program Coliban of the Future, to ensure we are organised appropriately to deliver our strategy for our customers benefit.
- Completed an external review of our Board's performance and governance which confirmed that Coliban Water's results were outstanding measured against water industry benchmarks.

The above captures some of our achievements in the first year of the 2023-28 pricing period monitored by the Essential Services Commission. This report further details our performance from 1 July 2023 to 30 June 2024, including progress against our Corporate Plan. It includes key information about our operating environment, business strategy, governance, performance, audited financial statements and statutory disclosures to show how value to customers is delivered.

We recognise that people are critical to our success. We thank our customers, stakeholders, partners and those we work with for helping us grow to deliver the water and sewage services on which we all rely. We're grateful to the Coliban Water Board, staff and delivery partners for their leadership and commitment to serving our customers.



**Bob Cameron**  
Chair



**Damian Wells**  
Managing Director





# About us

We are a water corporation under the *Water Act 1989*.

We are a Victorian Government-owned entity. We proudly provide water and sewage services to 49 towns, across 16,500 square kilometres in North Central Victoria – and our business is 100% funded by the residential, rural and commercial customers we serve.

We are overseen by the Minister for Water (the Hon Harriet Shing MP for the period 1 July 2023 to 30 June 2024) and are responsible to the Department of Energy, Environment and Climate Action (DEECA). We are regulated by the Department of Health (DH), Environment Protection Authority (EPA) and the Essential Services Commission (ESC).

We are governed by the *Safe Drinking Water Act 2003*, the *Environment Protection Amendment Act 2018* and the *Catchment and Land Protection Act 1994*.

## Our purpose

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To provide water and sewage services for public health and the environment so our communities can sustain themselves.

## Our vision

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### 'dhelk gatjin, dhelk balak' (Healthy water, healthy people)

Our vision represents a strategic shift towards greater emphasis on environmental stewardship to underpin value for our customers.

We supply safe water to our customers to support life, wellbeing, and prosperity. We secure water for a growing population in a drying climate to ensure a healthy and prosperous region, now and in the future.

Underpinning healthy people is healthy water. Our vision is to support the health of our water through environmental stewardship, further contributing to the prosperity of our region. Healing Country through healthy catchments and waterways, thriving biodiversity, and sanitation enables healthy water to support healthy people.

## Our core business

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Our core business includes:

- Harvesting, storing, treating and distributing water.
- Collecting (reclaiming) sewage, including trade waste.
- Treating sewage and reusing reclaimed water and biosolids.
- Supplying rural water.
- Supplying recycled water.

We hold bulk entitlements in the Campaspe, Coliban, Goulburn, Loddon, Murray, and Wimmera river systems, and a spring at Trentham. We hold high and low reliability water shares in the Goulburn, Campaspe and Murray regulated water systems and hold licenses to take and use groundwater for urban supply at Trentham and Elmore. We also have water allowance from the East Loddon and the South-West Loddon pipelines.

## Our customer value propositions

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What matters most to our customers drives the value we provide. Our customer value propositions were developed through deep community engagement.

- **Water quality and reliability.** We will supply high quality water you can trust.
- **Enhance the environment.** We will reduce our environmental impact and achieve a socially responsible, sustainable business for the future.
- **Regional prosperity.** Our investments will support the economic prosperity of our region.
- **Fair price.** We support customers in need and fairly balance generational investment and pricing.
- **Be easy to deal with.** We will provide services to meet the needs of customers now and in the future.

Our customer value propositions define our promise for service delivery and form our customer outcomes for our 2023–2028 ESC price period.



# Our region

Our region spans central and northern Victoria and comprises 49 towns. We service approximately 180,000 people and have assets worth more than \$2 billion.

We also provide rural water to agricultural enterprises. We are custodians of water on the lands of Traditional Owners including the Dja Dja Wurrung, Taungurung, Yorta Yorta and Barapa Barapa.

## What we do

- Harvest, store, treat and distribute water
- Collect (reclaim) sewage, including trade waste
- Treat, reuse and dispose of reclaimed water and biosolids
- Supply recycled water

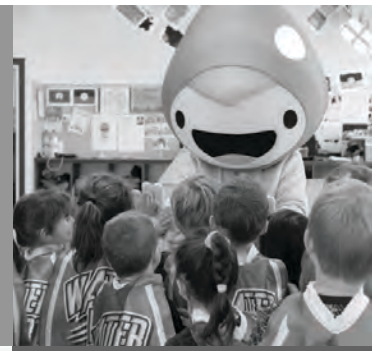




# Snapshot

## Our business in 2023–2024

More than  
**19,932**  
megalitres of drinking  
water supplied



**179,386**  
customers



Approximately  
**350**  
megalitres of recycled  
water supplied



**\$2.2**  
**BILLION**

net book value of  
infrastructure assets,  
property, plant and  
equipment



**13,210**

megalitres of wastewater collected and treated at  
our Water Reclamation Plants

**34**

water reservoirs and  
service basins



**One**

recycled water factory



**1,124**  
recycled water  
connections

**73**  
Water Pump Stations

**77**

kilometres of recycled  
water infrastructure





74,657  
sewerage connections



19  
Water Treatment Plants  
(Including 3 operated by Veolia Water  
(Bendigo, Castlemaine and Kyneton))



147  
kilometres of water distribution pipelines  
and channel system



81,639  
water connections

16  
Water Reclamation Plants  
(Including 2 operated by ETE Coliban Pty Ltd  
Echuca and Rochester)



184  
Sewer Pump Stations

1,342  
rural licenses

3,728  
megalitres of  
collected wastewater  
treated for reuse

2,100  
kilometres of sewer  
mains



383  
kilometres of rural  
supply channels and  
mains



2,379  
kilometres of potable  
and non-potable  
water mains



30%  
of customers have a  
concession card



Average age of our  
customers is 53 years

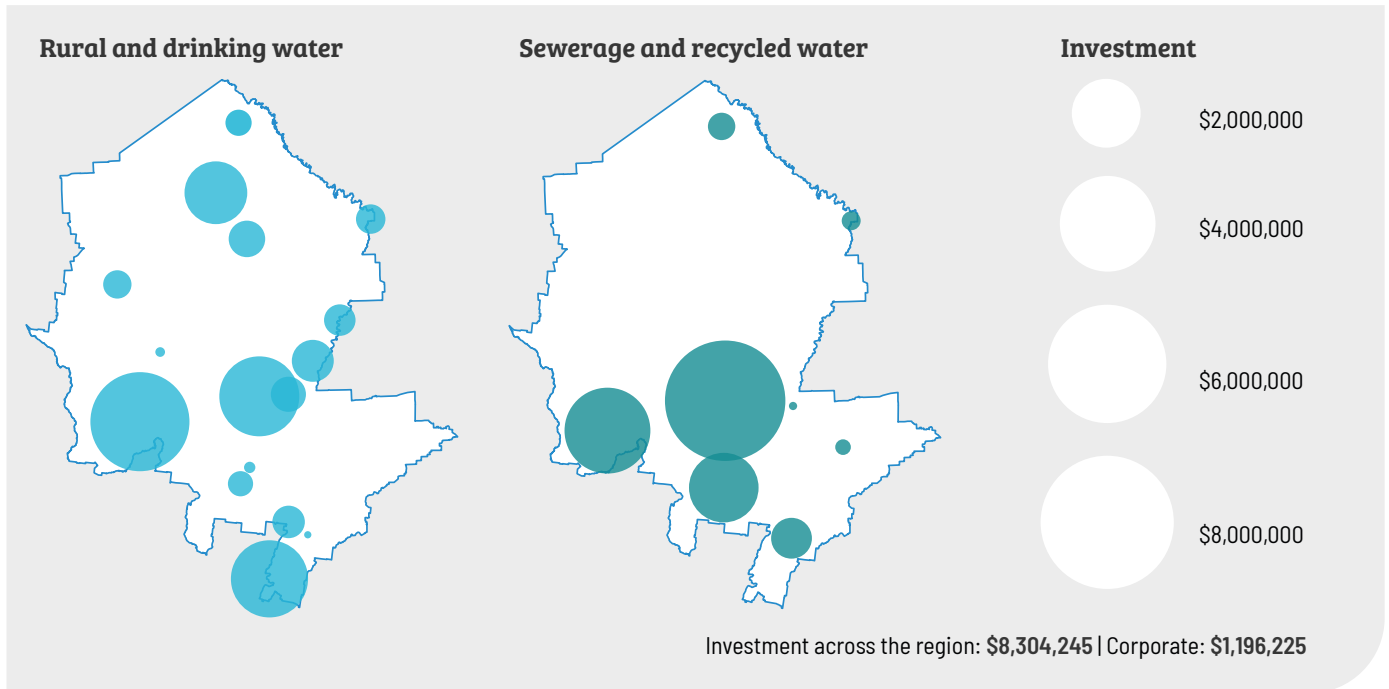
# Our year in review

## We began our first year of a new price submission with some BIG builds

We're in the early stages of a long-term rolling program of time critical, large-scale infrastructure projects which will help secure safe and reliable drinking water, sewage and rural water services for generations to come.

We invested over \$73 million this year to build assets which can withstand the challenges of climate change and cater for regional growth. Investment was spread across the region, as shown in the Investment map below:

### Change projects 2023/2024



We also wrapped up our largest ever program of water and sewer main renewals, with approximately \$8.5 million invested across the region. The work included 16.8 kilometres of water main renewals and 25 kilometres of sewer main renewals at more than 60 sites.

## We set our true north

This year we launched our new strategy *dhelk gatjin dhelk balak* (healthy water, healthy people in Dja Dja Wurrung language).

*dhelk gatjin dhelk balak* sets our 'true north' to navigate the challenges of climate change, population growth and ageing assets. It outlines our approach to strengthen our water and sewage services and increase our environmental stewardship, so we can deliver outstanding value to our customers now and in the future.

We have reignited our strategic direction and purposefully set an ambitious agenda to drive change and build trust. It will enable us to sustainably deliver value to our regional community and environment, strengthen water security and the resilience of our business, and position ourselves for collaborative innovation.

## We continued our customer first approach

This year we doubled the financial support available under our Coliban Assist program and expanded our service options to ensure customers are supported in their time of need. Together with Utility Relief Grants, we provided more than \$1 million in support to thousands of customers impacted by cost of living pressures.

Results from the Water Performance Report from the Essential Services Commission ranked our customer service as second best overall in the state when compared against Victoria's other water corporations.

Mystery shoppers from Customer Service Benchmarking Australia scored their experience with call centre staff, and we topped the success score, which rates the degree to which customers can achieve their goals.

There were also improvements in scores compared to last year in how easy it was for customers to get a resolution and the sentiment customers felt after interacting with staff.

The high customer service ranking is a credit to our customer-facing staff who work hard to ensure each customer is heard and helped with any issue they may have. The report demonstrates the clear focus we have on our customers, and as a customer-funded business, that's critical.

## We championed a more efficient rural system

A detailed business case focussing on ways to improve our rural water distribution was awarded a \$3.7 million investment by the Australian Government, complemented by our own investment of \$2 million.

This detailed business case will help pave the way for us to look at options to modernise the water distribution network, and as a result, increase water supply for the region.

This will include investigating where water loss is occurring, identifying preferred water efficiency solutions, and proposing options for how the water recovered may be used.

It is estimated that an improvement project could save 6 to 7 gegalitres of water a year.

The Dja Dja Wurrung Aboriginal Corporation (Djaara) played an important role in the preliminary business case in ensuring thorough consideration of cultural heritage.



## This is the decade that matters

This year, our Coliban of the Future (CotF) transformation journey continued. CotF is an enterprise-wide portfolio of work, to drive operating model transformation through building organisational adaptability and resilience. CotF is a key enabler of our strategic vision and will enable us to sustainably deliver our core business.

Spanning three time horizons over 12 years, last year saw us transition from Horizon 1 Strong Foundations to Horizon 2 Safe and Smart Infrastructure.

### Horizon 1 – Strong Foundations

CotF Horizon 1, Strong Foundations, is best explained as building the change machine, to enable us to deliver the Big Water Build and implement our target operating model. We've established core transformation capabilities into our baseline workforce including business architecture, business analysis, change management and agile project management. We are also developing our enterprise planning and investment management capabilities to continually adapt our prioritisation and investment decision making in line with Our Strategy, and in response to changing conditions.

Some highlights from Horizon 1 Strong Foundations:

- Transitioning from two main office facilities into one, introducing flexi-desking and actively supporting hybrid ways of working.
- Delivered a new leadership development framework, incorporating the concept of elemental leadership to drive continuous improvement and networked leadership.
- Implemented a project and portfolio management system (OnePlan). We are continuing to develop enterprise planning and investment management capabilities.

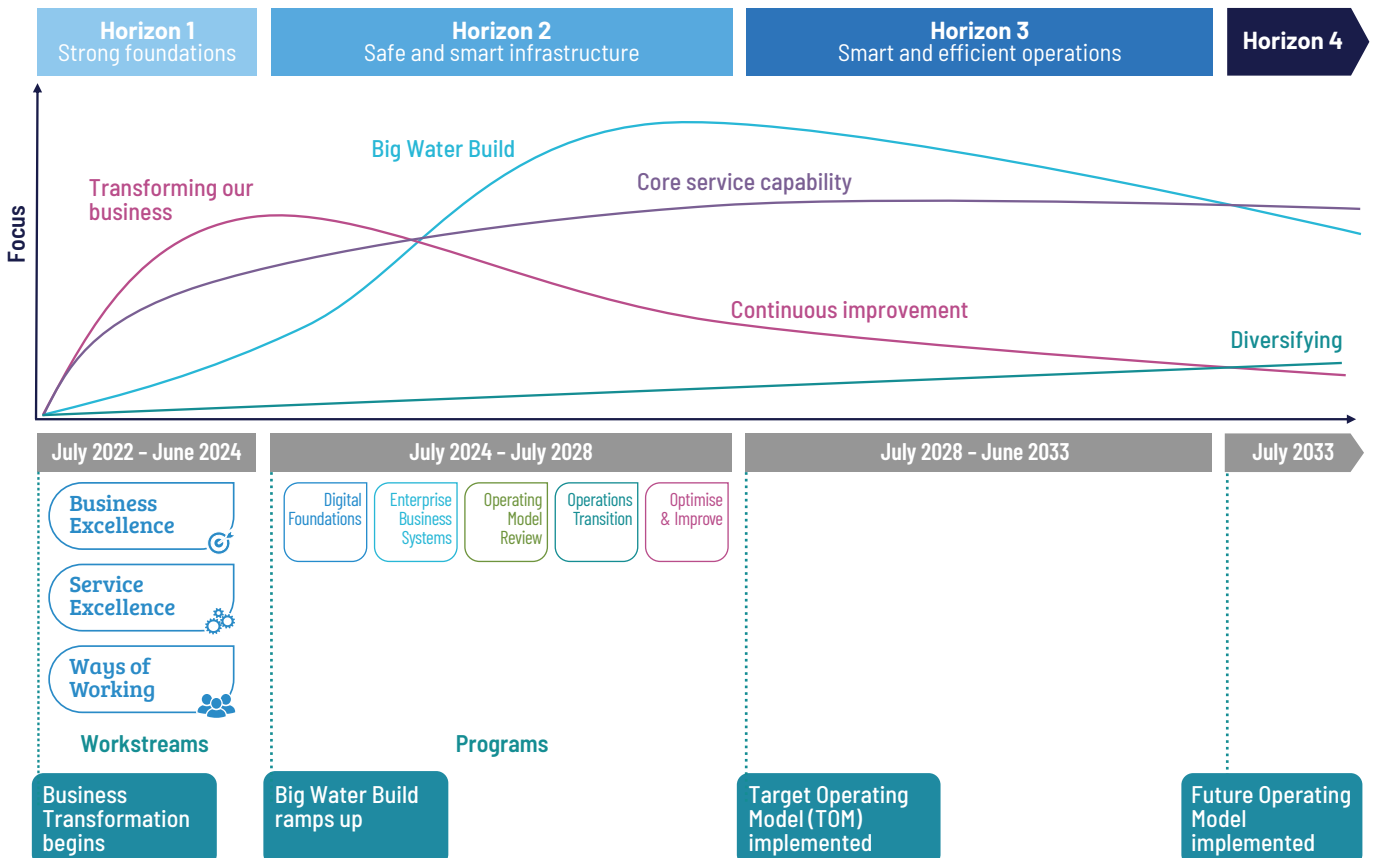
- Implemented a new payroll solution (Aurion).
- Completed the discovery phase and procurement phase for a new finance and commercial management solution.
- Uplifted data and reporting capability, including a new carbon data reporting tool.
- Launched a brand refresh.
- Established capability hub and spoke models for our new transformation capabilities, realising the benefits of business architecture, analysis, agile project management and change management.
- Rollout of a planned maintenance application that will assist field workers to capture asset information while on site.
- Conducted a thorough evaluation of operations and maintenance capability sourcing options to drive the foundation for our target operating model.

### Horizon 2 – Smart and Safe Infrastructure

In Horizon 2 we are focussing our work to enable us to:

- Continue building strong foundations including a digital foundations program and an enterprise business systems program.
- Develop our target operating model and implementation plan based on our operations and maintenance sourcing model review.
- Transition the operations and maintenance of our lagoon-based water reclamation plants to be managed in-house as we move into a period of sunseting contracts and operating model change.
- Establish a program to embed continuous improvement.

## Coliban of the Future



## Standard of asset and operations framework

Last year, we started a review of our asset standard system and process to optimise designs, improve asset reliability and availability, and embed lessons learnt into our future builds.

We are now working on a standard of asset and operations framework to drive asset consistency. New standards for different asset classes use an integrated quality approach to how we design, build, operate, maintain and dispose of assets.

We piloted three new asset standards – potable tanks, decommissioning sewer assets and water reclamation plant safety. The framework includes a model that standards will be formed against in the areas of infrastructure, performance, safety and environment. These expectations are applied across the asset lifecycle from planning to disposal. This model provides descriptive and quantitative measures (standards) and allows for clear instruction to operators, contractors and other users. The standards will be part of a broader ecosystem of related processes, policies and behaviours that support business efficiency and optimise assets.

## Connecting our customer experience

Connected experience is a program of work improving the way we work with our customers, stakeholders and partners. This is through digitising many business processes and transactions into our customer experience platform (CXP).

This year we successfully migrated and improved several workflows into this system. One of these was managing new property connections. This has led to faster application processing times and better tracking of application's status for our staff and service partners.

We're proud of the work we're doing as it contributes to our promise to be easy to deal with.

## We put social procurement in the spotlight

Our commitment was recognised at the Bendigo Business Excellence Awards in August 2023, where we were honoured with the Social Procurement Award. This reflects our successful efforts to integrate social value into our procurement processes and our innovative approach to creating economic and social benefits through strategic partnerships.

The award is a testament to the hard work and dedication of our team in developing and implementing initiatives that drive social impact. It also serves as a motivational milestone, encouraging us to continue exploring new ways to amplify our contributions to the community.



Winners of 2023 Bendigo Excellence Awards – Social Procurement

Image: Be.Bendigo and Business Excellence Awards



## Closing out our flood recovery response

This year we completed projects to fix damage from the October 2022 floods. Works completed includes:

### Eppalock/Heathcote pipeline

Bored a new replacement pipeline at a greater depth to ensure integrity of the pipeline during the next flood event.



### Eppalock/Heathcote Pump Station

A new raised pump station was installed and commissioned in April 2024.



### Rochester Water Treatment Plant suction pump

Pumps repaired and electrical cabinet replaced.

### Eppalock Raw Water Pump Station

New pump installed and switchboard upgraded.

There are still more works required to close out the recovery effort including works for the Malmesbury Reservoir spillways, Echuca Water Reclamation Plant diversion lagoon, Axedale Sewer Pump Station and Tylden Water Pump Station. While the news cycle moves on quickly, emergency management events such as the 2022 floods have a long tail for impacted communities. We stand with our communities before, during and after these events and acknowledge the resilience of the people of Rochester and Echuca.

## Our Big Water Build – infrastructure asset investment

We have completed the first year of the 2023-28 pricing period with the focus being on delivering smart and safe infrastructure across the region through the Big Water Build. Water and sewer infrastructure assets continue to require investment to support growth, jobs and future success.

The capital investment target for 2023/24 was \$70 million. This is a step change in investment, critical to enabling us to manage risks associated with climate change, population growth and ageing infrastructure. The spend of \$73.5 million was slightly higher than our target and achieved by dynamically managing our capital portfolio.

This early success, made possible by reviewing and transforming our delivery approaches, builds confidence that solid foundations are in place to enable the successful delivery of the Big Water Build. The foundations include:

Delivery foundation	Outcome/benefit
Revising internal delivery resourcing	Changes implemented for teams delivering our Big Water Build have allowed key senior leaders and teams to focus on their strengths, creating centralised management and improving delivery outcomes.
Establishing a capital support services panel	We quickly recognised the need for specialist project management and engineering services to deliver our Big Water Build. We have established a panel through an open tender process and used its expertise to boost our resources. This has already contributed significantly to the successful delivery of our 2023/24 program and supports future planning works.
A partnership for constructing major water and sewer network infrastructure	We are looking to engage two delivery partners to provide design and construction services for our sewer and water network program. These long-term partnerships will ensure these projects deliver the best value for money while maintaining a high level of customer satisfaction.
Getting ahead by progressing planning for the next five-year period	To succeed with our Big Water Build we recognised the importance of getting ahead now with planning, design and approvals. We have focused significant effort in this space in 2023/24 to ensure we have a rolling infrastructure portfolio for capital delivery across the next five years and beyond.

## Major projects that have been completed this year (reported in the previous Annual Report)

Dunolly biosolids handling facility	A new \$3.8 million, 10-hectare biosolids base at the Dunolly Water Reclamation Plant was completed in December 2023. This supports and complements our other biosolids base at our Elmore Water Reclamation Plant.
Huntly water growth project (Epsom Huntly pipeline)	A \$6.1 million, five-kilometre trunk water main was completed in December 2023 to connect the growing suburbs Epsom and Huntly. This water main is a key piece of infrastructure and one of the largest water supply pipeline projects installed in our region recently. The main is helping boost water flows and is expected to serve the community for at least the next 25 years, including any new residential estates.
Echuca Water Treatment Plant upgrade	Last November, a significant \$11 million upgrade project was completed at the Echuca Water Treatment Plant. The works included the installation of two glass-fused steel water storage tanks, which can hold 3.3 megalitres of drinking water, along with new pumps, a pump station and an ultraviolet water disinfection system. The Echuca water supply system serves a population of about 14,000, in addition to commercial and industrial users. It's a growing region with expanding needs, and we're working to ensure our infrastructure has the capacity to serve the community. The completion of this project has improved capacity, storage and disinfection at the plant, while ensuring Echuca's security of supply and meeting growth demands.

## Major projects underway

Bendigo Water Reclamation Plant solids handling upgrade	The Bendigo Water Reclamation Plant solids handling infrastructure is approaching end of asset life and requires renewal. In addition, its insufficient capacity has become a significant treatment bottleneck. Works on the \$120 million investment are due to be completed in 2029/30.
West Bendigo sewer growth and compliance	To augment sewer network capacity in the western catchment of Bendigo's sewer network to meet EPA's wet weather containment standards and to cater for future growth. Works on this \$43 million investment are due to be completed in 2027/28.
Bendigo trunk and outfall sewer augmentations	Augmenting the sewer network will help Bendigo cater for a prosperous economy and growing population. It will ensure that our infrastructure handles climate change impacts by better catering to high rainfall events. The health of our community and the environment will be improved. A business case is currently being developed.
Castlemaine Water Reclamation Plant upgrade	The Castlemaine Water Reclamation Plant treats wastewater from the city of Castlemaine and surrounding towns. We are investing in treatment infrastructure to deliver improved treatment standards and cater for growth to 2050. A business case is currently being developed.
Bendigo Water Reclamation Plant upgrade	The Bendigo Water Reclamation Plant treats wastewater from Bendigo and surrounding towns. The project will address issues with wet weather events, asset condition and odour emissions. A business case is currently being developed.
Goornong treated water supply upgrade	This upgrade addresses security of supply and safety risks, while providing a safe and secure drinking water supply to Goornong customers. Growth in Goornong has accelerated, with the potential for future large scale developments. Works on this \$17.7 million investment are due to be completed in 2026/27.
Bendigo Water Reclamation Plant Recycled Water Factory upgrade	Increases the reliability of Class A recycled water production to produce 10ML/day. These works will mitigate compliance risks by reducing the volume of treated water discharged to Bendigo Creek. Maximising recycled water production will also offset the use of drinking water to irrigate public and private open space. Works on this \$14 million investment are due to be completed in 2025/26.
Bendigo Castlemaine and Kyneton Water Treatment Plant health based targets upgrades	Bendigo, Castlemaine and Kyneton plants require an additional treatment barrier to ensure ongoing compliance with Victoria's <i>Safe Drinking Water Act 2003</i> . The outcome is to provide a safe drinking water supply to customers in the Bendigo, Castlemaine and Kyneton supply systems. Works on this \$15.9 million investment are due to be completed in 2025/26.
Cohuna Water Reclamation Plant capacity upgrade	The proposed works will increase the capacity of the plant and address continued leakage from Lagoons 3 and 4, reducing harm to the environment. Works on this \$9.7 million investment are due to be completed in 2027/28.









**Other projects that have contributed great outcomes across the region:**

<p><b>Laanecoorie Water Treatment Plant water supply upgrade</b></p>	<p>Works will be completed in August 2024.</p> <p>This project has invested \$15 million in upgrading the raw water supply which feeds into the plant, as well as building two new concrete tanks and a new pump station. The project will increase the capacity and efficiency of our water network, and provide additional water security in Bealiba, Dunolly, Laanecoorie and Tarnagulla.</p>
<p><b>Trentham clear water storage</b></p>	<p>Works completed in April 2024.</p> <p>We invested \$3.8 million in a new 1.2 megalitre clear water storage for the Trentham Water Treatment Plant. This increased the capacity and efficiency of our water treatment plant, water network and provided additional water security for Trentham. Our work has included the installation of a flow control valve, which will provide greater operational resilience and water security during future emergency events, including water main burst in the water network.</p>
<p><b>Water and sewer main renewals across the region</b></p>	<p>An ongoing program of renewals.</p> <p>We've wrapped up our largest ever program of water and sewer main renewals for the current financial year, with about \$8.5 million spent. And there's lots more to do, with a further \$20 million planned for renewal works between now and 2028.</p> <p>Our crews have renewed water mains at 61 sites across our region, with significant works completed in Bendigo and Bealiba. When renewing water mains, we consider the age of the pipe, whether it's had any leaks and what the pipe is made of. This helps us develop a prioritised replacement schedule.</p>
<p><b>Pyramid Hill Water Treatment Plant steel clarifier and filter refurbishment</b></p>	<p>Works completed in November 2023.</p> <p>We invested \$2M at the Pyramid Hill Water Treatment Plant to refurbish the steel clarifiers and filters. The project was completed within a short timeframe to ensure the treatment plant was fully operational before the peak summer period. A temporary bypass was installed to maintain water quality and supply throughout the planned works.</p>
<p><b>Coliban Main Channel renewals</b></p>	<p>An ongoing program of renewals.</p> <p>We invested \$2.5M in renewals for the Coliban Main Channel over the last financial year and will continue with another \$1.9M in coming years. The investment has targeted areas of the Coliban Main Channel in poor repair to protect and secure raw water supplies. The investment includes a mix of channel repairs and rebuilds, and the use of the innovative repair method of 'concrete canvassing'.</p>
<p><b>Maiden Gully-Marong water growth project</b></p>	<p>\$6.2 million was invested in a pipeline between Specimen Hill and Marong as part of a program of work to secure the water supply and improve water pressure to customers in Maiden Gully and Marong. Work on the overall 12-kilometre pipeline was due for completion in 2024/25, but the project has been delayed to 2025/26.</p>

# Meet our Board

Responsible for our overall strategy and corporate governance, Coliban Water's Board has nine Non-Executive Directors appointed by the Victorian Minister for Water, along with a Managing Director and Independent Aboriginal Delegate appointed by the Board. An independent review of our Board's effectiveness in June 2024 confirmed that Coliban Water's results exceeded every Victorian water industry benchmark.

A Statement of Obligations outlining the service, accountability and reporting obligations of our Board is available at [coliban.com.au](http://coliban.com.au).

 <p><b>Bob Cameron</b> Chair <i>LLB FAICD</i></p>	 <p><b>Lucy Roffey</b> Deputy Chair <i>B COM, Grad Dip Mngt, GAICD, FCA</i></p>	 <p><b>Dr David Cochrane</b></p>
<p>Appointed to the Board 1 October 2015, Bob has been Chair since 1 October 2021.</p>	<p>Appointed to the Board 1 October 2015.</p>	<p>Appointed to the Board 1 October 2023.</p>
<p>A lawyer by profession, Bob was a Minister for 11 years in the Victorian Government. He is the Board Chair of WorkSafe Vic and a Board member of TAC. Bob has chaired local organisations including Bendigo Health, Bendigo Emergency Housing (now Haven) and Central Victoria SkillsShare.</p>	<p>Lucy is a Local Government Executive and a Director of the Homes Victoria Board. With expertise in finance, corporate governance and strategic planning, Lucy has held executive roles in local and state government. She is a member of Chartered Accountants Australia, New Zealand's Public Sector Panel and the Victorian Inclusion and Diversity Group.</p>	<p>A former managing partner in the Economics, Regulation and Policy practice at Ernst &amp; Young, Dr Cochrane has extensive experience in government advising, environmental and public land management and economic and financial policy.</p> <p>He is currently a private economic consultant and a member of a range of boards including Director and Chair of Guide Dogs Victoria and an Independent Member of the Department of Transport and Planning, Audit, Risk and Integrity Committee.</p>
 <p><b>Mario D'Elia</b> <i>B Bus (Accounting), CPA</i></p>	 <p><b>Melanie McCarthy</b> <i>B Eng (Chem), BA, MENGSC, GAICD, FIEAUST</i></p>	 <p><b>Nigel McGuckian</b> <i>B Ag Sci (Hons), Grad Dip Edu, FAICD</i></p>
<p>Appointed to the Board 1 October 2019.</p>	<p>Appointed to the Board 1 October 2019. Chair of the Environment and Sustainability Committee.</p>	<p>Appointed to the Board 1 October 2017. Chair of the Service, Community and Planning Committee.</p>
<p>Mario is an independent financial, commercial and strategic adviser.</p> <p>A former lead partner of PWC's Infrastructure Advisory Team, he has extensive experience advising governments on the development and implementation of major capital projects.</p>	<p>Melanie has spent 20 years in operational and leadership roles in the resources industry. She brings expertise in operational and financial management, risk management, culture, leadership and community engagement.</p> <p>Melanie mentors engineers in leadership and runs a family farm in central Victoria.</p>	<p>Nigel is a Board member of the Ulumbarra Foundation, President of the Bendigo Symphony Orchestra, past Chair of Loddon Campaspe Regional Partnership and co-founder of RM Consulting Group.</p> <p>He brings experience in agriculture, environment, economics and community development.</p>





**Marika McMahon**  
BA LLB

Appointed to the Board 1 October 2015.  
Chair of the People and Safety Committee.

Lawyer and Accredited Specialist in Family law, Marika is a Director of Bendigo law firm, O'Farrell Robertson McMahon.  
Marika has extensive board experience in health, racing and business.



**Lexi Randall L'Estrange**

Appointed to the Board 1 October 2023.

Lexi is an Environmental Engineer whose consulting career is primarily focused on water and climate change adaptation in regional Australia and internationally. She has been a Non-Executive Director since 2014 across various charities and the public sector with background as a Founder and Director in the health, technology, and research sectors.



**Helen Symes**  
B Bus (Accounting), Dip  
Fin Planning, CPA, GAICD

Appointed to the Board 1 October 2017.  
Chair of the Audit, Risk & Finance Committee.

Helen is a Certified Practicing Accountant with experience across a range of industries. She has held senior public and private sector finance roles with Ambulance Service Victoria, Warakirri Pty Ltd and Wimmera Health Care Group and is currently a Director of CVGT Australia and the Victorian Water Industry Association Inc.



**Damian Wells**  
Managing Director  
B Env Mngt (Hons), MBA,  
GAICD

Appointed Managing Director 5 August 2019.

After early-career technical roles, Damian held a leadership role at Goulburn-Murray Water, was CEO of North Central Catchment Management Authority and Executive Director at EPA Victoria.  
He is Chair of Zero Emissions Water, the La Trobe University Bendigo Advisory Board and a former Board member of Anglicare Victoria.



**Trent Nelson**  
Independent Aboriginal  
Delegate

Appointed by the Board 1 April 2024.

A proud Dja Dja Wurrung/Yorta Yorta man, Trent is the former Chair of the Dja Dja Wurrung Clans Aboriginal Corporation and reserved seat representative on the inaugural commencement of the First Peoples Assembly of Victoria.  
He has worked in land management at Parks Victoria and the Department of Energy, Environment and Climate Action, supporting the delivery of Traditional Owners' aspirations back onto Country through a partnership approach to Cultural Fire programs and Cultural Heritage management activities.

## Committees of the Board

With a Charter detailing roles and responsibilities, the following committees provided advice to management and recommendations to the Board from 1 July 2023 to 30 June 2024. Membership aligns with Our Strategy: *dhelk gatjin dhelk balak* and strategic risks. Committees meet at least three times each year and at other times as required.

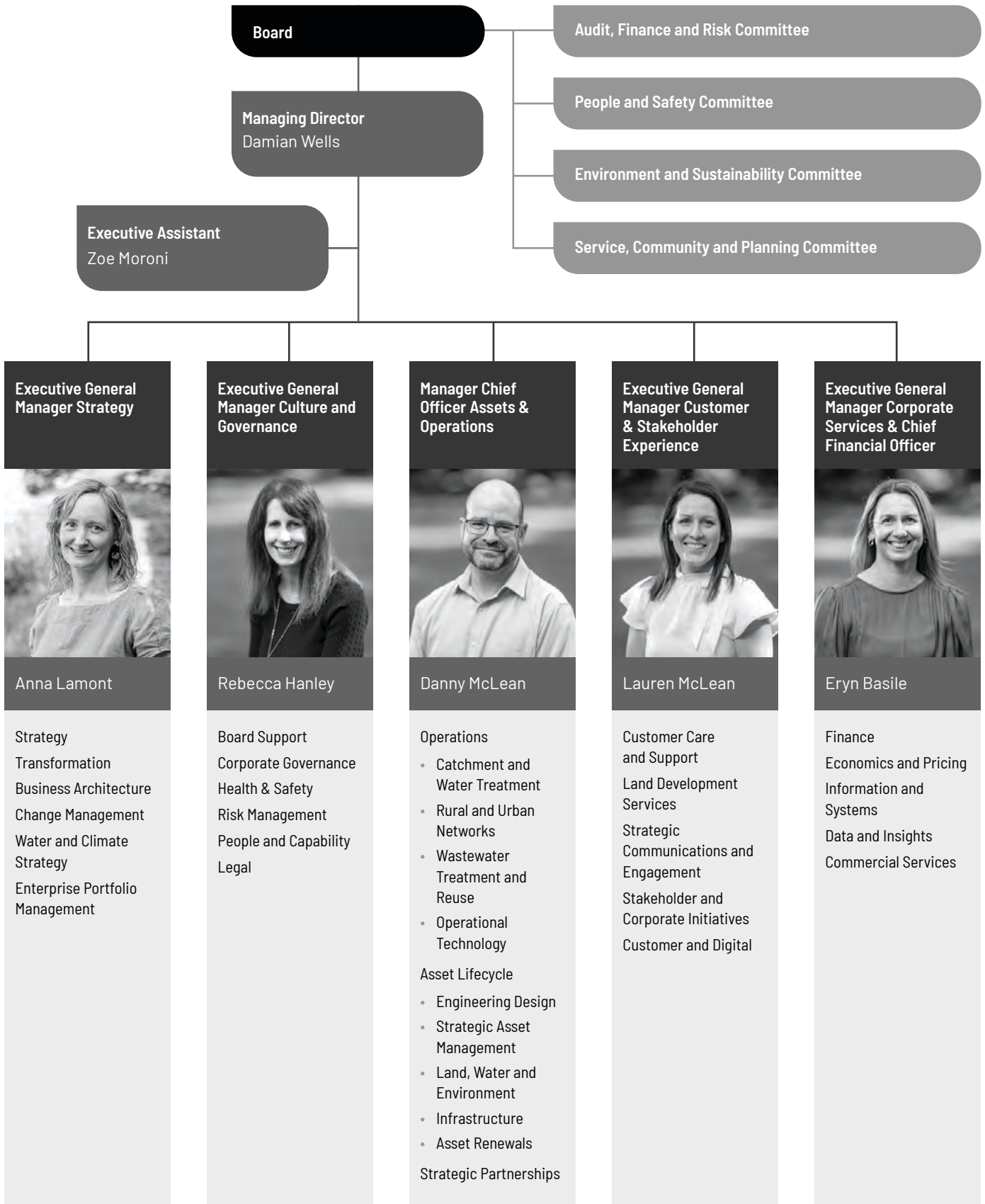
<b>Audit, Finance and Risk</b>	Helen Symes (Chair) Lucy Roffey Mario D'Elia Lexi Randall L'Estrange	<ul style="list-style-type: none"> <li>Annual budgeting and forecasting.</li> <li>Financial accounts and external reporting.</li> <li>Internal and external audit activities.</li> <li>Risk management framework.</li> <li>Information management (including information and cyber security).</li> <li>Key financial policies and systems of internal control.</li> <li>Compliance with relevant laws, regulations, codes of conduct and ethical standards (this is required for all Board Committees in their areas of expertise).</li> </ul>
<b>People and Safety</b>	Marika McMahon (Chair) Lucy Roffey Melanie McCarthy David Cochrane	<ul style="list-style-type: none"> <li>Health, safety and wellbeing.</li> <li>Public safety.</li> <li>Safety culture and leadership.</li> <li>Organisational culture.</li> <li>Executive remuneration and Managing Director performance.</li> </ul>
<b>Environment and Sustainability</b>	Melanie McCarthy (Chair) Nigel McGuckian Helen Symes Bob Cameron Lexi Randall L'Estrange Caitlin Dunolly-Lee (independent external Committee member) Trent Nelson (Independent Aboriginal Delegate)	<ul style="list-style-type: none"> <li>Climate readiness.</li> <li>Protection and improvement of catchment waters, lands and urban green spaces.</li> <li>Collaboration with, and support for, regional organisations sharing responsibility for environmental and climate sustainability.</li> </ul>
<b>Service, Community and Planning</b>	Nigel McGuckian (Chair) Bob Cameron Mario D'Elia Marika McMahon David Cochrane Trent Nelson (Independent Aboriginal Delegate)	<ul style="list-style-type: none"> <li>Service delivery requirements.</li> <li>Asset management.</li> <li>Customer and community expectations.</li> <li>Stakeholder engagement and collaboration.</li> <li>Emerging threats and opportunities.</li> </ul>

## Meeting attendance

	Board of Directors		Audit, Finance and Risk Committee		Service, Community and Planning Committee		People and Safety Committee		Environment and Sustainability Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Bob Cameron	9	9	-	-	3	3	-	-	3	3
Lucy Roffey	9	7	4	4	-	-	3	3	-	-
Nigel McGuckian	9	9	-	-	3	3	-	-	3	3
Marika McMahon	9	7	-	-	3	3	3	3	-	-
Helen Symes	9	9	4	4	-	-	-	-	3	3
Mario D'Elia	9	9	4	4	3	3	-	-	-	-
Melanie McCarthy	9	8	-	-	1	1	3	3	2	2
Gary Jones <sup>1</sup>	2	2	2	2	-	-	-	-	1	1
Lexi Randall L'Estrange <sup>2</sup>	7	7	2	2	-	-	-	-	2	2
David Cochrane <sup>2</sup>	7	7	-	-	2	2	2	2	-	-
Damian Wells	9	8	4	3	3	3	3	3	3	3
Trent Nelson	3	2	-	-	-	-	-	-	-	-
Caitlin Dunolly-Lee	-	-	-	-	-	-	-	-	3	1



# Our Organisational Chart



1 Term completed on 30 September 2023. 2 Term commenced on 1 October 2023.




# Our performance



## Six focus areas represent the way we prioritise, plan and deliver our services.

We recognise that while this annual report covers our financial performance and the controls and assurances we have in place, the following pages also cover the highlights of the year, beyond compliance.

Reviewed together they provide a truer reflection of the contribution we make to the communities we serve.

 Coliban WATER   <b>Water</b>	Pages 22 to 35
 Coliban WATER   <b>Sewer</b>	Pages 36 to 42
 Coliban WATER   <b>Environment</b>	Pages 43 to 52
 Coliban WATER   <b>Community</b>	Pages 53 to 59
 Coliban WATER   <b>Assist</b>	Pages 60 to 63
 Coliban WATER   <b>People</b>	Pages 64 to 69



## Progress against our Corporate Plan key initiatives for the Minister's Priority Areas

Coliban Water committed to delivering against the Minister's Letter of Expectations.

A summary of our progress on key initiatives for the Minister's Key Priority Areas was outlined in our Corporate Plan. As at 30 June 2024, the status of each initiative is outlined below, including links to our 12 strategic outcomes and the United Nations Sustainable Development Goals.

United Nations Sustainable Development Goals								
	<b>1</b> NO POVERTY	No poverty		<b>7</b> AFFORDABLE AND CLEAN ENERGY	Affordable and clean energy		<b>13</b> CLIMATE ACTION	Climate action
	<b>2</b> ZERO HUNGER	Zero hunger		<b>8</b> DECENT WORK AND ECONOMIC GROWTH	Efficient work and economic growth		<b>14</b> LIFE BELOW WATER	Life below water
	<b>3</b> GOOD HEALTH AND WELL-BEING	Good health and wellbeing		<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, innovation and infrastructure		<b>15</b> LIFE ON LAND	Life on land
	<b>4</b> QUALITY EDUCATION	Quality education		<b>10</b> REDUCED INEQUALITIES	Reduced inequalities		<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace, justice and strong institutions
	<b>5</b> GENDER EQUALITY	Gender equality		<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities		<b>17</b> PARTNERSHIPS FOR THE GOALS	Partnerships for the goals
	<b>6</b> CLEAN WATER AND SANITATION	Clean water and sanitation		<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production			

Minister's Letter of Expectations priority areas	Key focus area	Initiative outcome	Progress	Our strategic outcomes	United Nations Sustainable Development Goals
Climate change and energy	Emission Reductions	Contract awarded for the carbon sequestration project delivery services.	Delayed	1.4 Zero carbon and waste	7, 12
	Increasing renewable electricity use	Solar feasibility assessments for five priority sites to be completed.	Complete	1.4 Zero carbon and waste	7
	Adaptation to climate change and variability	Completion of detailed designs of the first tranche of power outage resilience projects.	Ongoing	2.1 Trusted water and services	9, 11, 13
		Installation of a system to accurately measure rural system losses.	Delayed	3.1 Water security	2, 6, 12, 13
Customer and community outcomes	Customer satisfaction	Increase awareness and customer participation in the Coliban Assist program by at least 5%.	Complete	1.2 Equitable and liveable communities	1, 6, 9, 10
	Customer and community engagement	Customer Advisory Groups: all planned activities in the 2023/24 community panel recommendation's will be implemented.	Complete	2.2 Customer trust	6
Deliver water for Aboriginal cultural, spiritual, and economic values, and support economic inclusion in the water sector	Supporting Aboriginal self-determination; and partnerships with Traditional Owners	Establish a formal partnership agreement with at least one Traditional Owner that increases resources to implement decisions about water landscape management.	Ongoing	1.1 Follow Traditional Owners' lead	6, 11, 15
	Aboriginal Inclusion Plan/Reconciliation Action Plan	Complete all Innovate Reconciliation Action Plan 2023/24 actions.	Some delayed	1.1 Follow Traditional Owners' lead	6, 11, 15

Minister's Letter of Expectations priority areas	Key focus area	Initiative outcome	Progress	Our strategic outcomes	United Nations Sustainable Development Goals
Recognise recreational values	Consideration of recreational values in business operations: Victoria 2026 Commonwealth Games	Identify any new water or sewer assets required to meet the needs of the 2026 Commonwealth Games in Bendigo by June 2024.	Cancelled		
Resilient and liveable cities and towns	Integrated water management (urban only)	Local Government priority watering areas: identify potential alternative water sources for priority public open spaces.	Ongoing	1.2 Equitable and liveable communities	6, 9, 11
	Water efficiency (Urban)	Develop automated non-revenue water reporting for all urban systems where digital meters are installed and operational.	Complete	3.1 Water security and 3.3 Smart and safe operations	6, 11, 12
	Circular economy outcomes	A circular economy opportunities implementation plan will be complete.	Complete	1.4 Zero carbon and waste	12, 15
	Environmental Statutory Obligations	Endorsement of a regional catchment strategy implementation plan.	Complete	1.3 Healthy catchments and ecosystems	6, 11, 12, 15
Leadership, diversity and culture	Diversity and Inclusion	Gender Equality Action Plan: recruitment of all new roles across the organisation to achieve 50/50 gender balance, including STEM and professional roles.	Complete	2.4 A preferred employer	4, 5, 8
	Health and Safety	Incorporating health and safety requirements into a suite of Standards: develop an "asset standard" template which incorporates best practice safety standards for water reclamation plants and tanks.	Ongoing	2.4 A preferred employer	3, 8
Performance and financial sustainability		Integrated data management and reporting tool: successfully implemented and quality assured end-to-end integrated data management and reporting tool for the ESC annual report.	Complete	3.3 Smart and safe operations	0
Compliance and enforcement	Apply a zero-tolerance approach to unauthorised take.	Undertake 120 "Out of Sequence" rural meter checks to detect compliance breaches.	Complete	3.1 Water security	2, 6
	Demonstration of continuous improvement toward implementation of compliance and enforcement strategies, frameworks and reporting. Compliance and enforcement communication.	Ensure an additional 20 rural outlets are compliant to MBDA metering plans AS4747.	Complete	3.1 Water security	2, 6, 12

# Our Strategy: dhelk gatjin dhelk balak

We reignited our strategic direction in late 2023 via the launch of Our Strategy: dhelk gatjin dhelk balak, which sets an ambitious agenda to drive change and build trust.

dhelk gatjin dhelk balak translates to good water, good people in Dja Dja Wurrung language. The intended meaning is healthy water, healthy people, which has become our vision. The name has been provided by Djaara's language advisory group, Djali Balak.

Our Strategy: dhelk gatjin dhelk balak is framed by our unique history, location and climate. The growth of central Victorian towns was driven by gold mining rather than abundant water sources, and our climate has low rainfall, hot and dry summers and periodic droughts. Our region is located within the Murray-Darling Basin and associated waterways which are over allocated.

The strategic direction we take is shaped by our current and emerging challenges and opportunities such as climate disruption, economy volatility, technology disruption, regulatory and policy uncertainty, and population growth.

The Water Minister's Letter of Expectations (LoE) and eight priority areas are covered within these strategic outcomes. The following diagram provides an overview of our goals and outcomes within Our Strategy: dhelk gatjin dhelk balak.



## 1. Healthy Country and communities

We contribute to healthy Country and communities through ethical and sustainable practices.

### Strategic Outcomes:

#### 1.1 Follow Traditional Owners' lead

Develop Traditional Owner relationships to grow partnerships and embed participation in water governance, ownership, and management.

#### 1.2 Equitable and liveable communities

Ensure no one is left behind. Support customers in need, drive equity in service delivery and enhance urban spaces for community wellbeing.

#### 1.3 Healthy catchments and ecosystems

Restore the health of our water, land and biodiversity through partnerships, nature-based solutions, and infrastructure, guided by Traditional Owner knowledge.

#### 1.4 Zero carbon and waste

Achieve net zero carbon emissions from our operations by 2030, including 100% renewable energy by 2025. Adopt a circular economy mindset to 'design out waste'.



## 2. A trusted utility

We are a trusted utility in the regional community and are strategically positioned within the water sector to influence innovative outcomes.

### Strategic Outcomes:

#### 2.1 Trusted water and services

Drive excellence in water quality and aesthetics, and deliver reliable, trusted services to homes, businesses, and rural customers.

#### 2.2 Customer Trust

Strengthen our relationship with customers and communities by applying place-based approaches and build trust via transparency, inclusiveness, and deep engagement. Deliver on our promises.

#### 2.3 An influential water leader

Advance our position in our broader network to drive innovative outcomes and influence greater value for our customers, communities, and the environment.

#### 2.4 A preferred employer

Recognise our people as key to our success and invest in the staff experience so we have the right people, for the right work, at the right time.



## 3. Business sustainability

We are an intelligent and resilient business with the necessary resources, assets, and workforce to thrive in an ever-changing future.

### Strategic Outcomes:

#### 3.1 Water security

Make every drop count. Consider 'all options on the table' to overcome a drying climate and a growing region by applying innovation across the water cycle.

#### 3.2 Financial sustainability

Make every dollar count. Leverage debt and revenue to balance inter-generational investment with fair pricing. Drive operational efficiencies and grow financial fitness.

#### 3.3 Smart and safe operations

Invest in our infrastructure, embrace emerging technologies, and use best practice to be adaptable and respond to growth and regulatory change.

#### 3.4 An adaptive and resilient organisation

Invest in our organisation, uplifting our capabilities and driving a culture of adaptability and resilience to navigate future challenges.





Every day we supply an average of 55 megalitres of drinking water to more than 179,000 people in their homes and businesses.

On peak summer days this can be more than 80 megalitres, enough to fill 32 Olympic sized swimming pools! This water comes from our storages on the Coliban River, the Campaspe, Loddon and Murray Rivers, the Waranga Western Channel, the Wimmera Mallee Pipeline and regional groundwater systems.

Many of us don't think about what it takes behind the scenes to turn on a tap – or the strict regulations under which our drinking water is provided.

To provide peace of mind, we rigorously test and monitor the water we source as it makes its way through our storages, water treatment plants and the network of pipes and mains, all the way through to our customers' taps.

## 2023/24 highlights

### Celebrating improved flood resilience at Eppalock Pump Station

The Eppalock Pump Station is one of the region's most crucial pieces of water infrastructure. Nearly two years after being swamped with 2.7 metres of floodwater, it's back online thanks to the tireless work of our team and our partners.

Jointly owned with Central Highlands Water, the pump station is located just beyond Lake Eppalock's dam wall and provides water security to customers in Bendigo and Ballarat.

As part of the Goldfields Superpipe Joint Venture, we worked closely with our partners and our operations and maintenance provider, Veolia, to restore the pump station to ensure it can better withstand the impacts of floods and extreme weather in the future. This improved flood resilience aligns with our broader recovery goal to 'build back better'. The pump station is now also easier to operate and safer for those working in and around the site.

The Eppalock Pump Station provides a back-up water supply to Bendigo and Ballarat. While it was offline for repair, Coliban Water had the ability to supply water from Colbinabbin if required.

### Region's historic water significance in the spotlight

Representatives from Heritage Victoria visited the region as part of a bid to have the Victorian Goldfields added to the World Heritage List.

Across the region there is a wealth of rich cultural, natural, and engineering history. If successful in their bid, this would be recognised on the world stage and become the 21st site in Australia on the list.

While the City of Greater Bendigo and the City of Ballarat are leading the push to have the Goldfields added to the list, our involvement in the visit was focussed on the Coliban Main Channel – a key piece of infrastructure that brought water to the goldfields in the 1860s and is still a source of reliable water for Bendigo today.

Without access to water, the Goldfields and mining communities would not have been able to function or survive.

Work is underway by both councils and the Commonwealth government to progress the bid onto the World Heritage Tentative List, where it can then be assessed by UNESCO in coming years.

### Echuca water works completed

This year, we completed a four-year package of works in Echuca. The completion of this package of works ensures the sustainability of critical water assets to allow Echuca to continue to grow and thrive.

Among the \$10 million works completed at the Echuca Water Treatment Plant was the installation of two steel water storage tanks able to hold 3.3 megalitres of water along with new pumps, a pump station and a new ultraviolet water disinfection system to help improve the level of disinfection at the site.

Two raw water pumps were also installed at the Echuca plant in November 2020, each capable of pumping 300 litres a second, providing a greater ability to withstand an incident. New flood gates were installed and access to the site improved.

In Echuca West, the \$5 million tank project saw the installation of two three megalitre tanks which provide additional security of supply for customers, accommodating continued growth and delivering improved water pressure. The Echuca West works will help reduce strain on Echuca's original water tower, which was built 130 years ago.

### Digital water meters

We're in the final stages of our digital meter roll out, with 38,275 digital meters installed in 2023/24. The program has now installed 73,989 digital meters across the region (91% of customer connections). This technology is allowing faster leak detection, saving customers' money and conserving our precious water resources.

The digital meters provide near real time data that allows leaks to be easily detected. We then notify customers when detectable leaks are recorded. This allows customers and/or us to remedy the leak, with the benefits being realised through reduced water bills and water savings. Since 2020, customers have saved a total of \$2 million in water bills by fixing leaks, with 897 megalitres of water retained. In 2023/24, customers saved \$562,778 from their water bills with 237 megalitres saved. This is a great example of water efficient technology benefiting customers and our water resources.

The data is also providing enhanced monitoring of water loss (non-revenue water) within water supply networks across the region. This is making our water supply service more efficient and sustainable.

### Rural Modernisation – Rural Water Efficiency Project

In October 2023, we commenced a two-year project to develop a detailed business case to modernise the Coliban Water rural network. The project aims to identify the most feasible supply option to service rural customers via a piped water supply. It is anticipated that six to seven gigalitres per year could be saved from water efficiency improvements. Water savings are to be shared among urban water customers for improved water security, environmental flows and Traditional Owners. The project is critical for making the region more sustainable and resilient.

The rural network currently supports 1,342 rural customers which are a mix of lifestyle properties and primary production industries. The network consists of 430 km of main channels and 1,200 km of private channels. However, the network is ageing, inefficient and experiencing urban encroachment. The rural network has an overall delivery efficiency of 33% including private losses.

In 2023/24, the project completed the following activities:

- Mobilised the project and recruited a project delivery team.
- Completed the first round of customer and stakeholder engagement, which informed them of the project and collected information about customers future intentions.
- Developed a vision and principles for rural modernisation.
- Completed a preliminary economic analysis, which identified potential economic incentives for customers to voluntarily sell their licence and future tariffs for a modernised system.

The project will continue in 2024/25 and include assessment of pipe network supply options and detailed technical analysis. A key part of the detailed business case will be the development of a decommissioning strategy for the existing channel network.

The final detailed business case is scheduled for completion in December 2025.

## Recycled Water Strategy

In March 2024, we started developing our Recycled Water Strategy to set the future direction for this important water service. The strategy is aiming to make our region more resilient to climate change and population growth, while improving the service to existing recycled water customers. The following goals have been identified for the draft strategy:

- **Resilient recycled water assets.** Invest in our capability, infrastructure, operations, and maintenance to enable the supply of fit-for-purpose and reliable recycled water products.
- **Maximise the value of recycled water.** Realise the full value of recycled water to the region by optimising beneficial uses and increasing reuse.
- **Grow a recycled water business.** Adopt a commercial mindset and develop a sustainable business model for providing a recycled water service. The strategy will be finalised in late 2024.

## Drought response

The Bureau of Meteorology predicted an El Niño in 2023/24. El Niño is normally associated with lower than average winter/spring rainfall over much of eastern Australia.

In accordance with our Drought Preparedness Plan we monitored and reported on our water resource position, promoted Permanent Water Saving Rules, encouraged water conservation and promoted water saving initiatives. We carried over unused allocation and implemented operating systems and procedures to ensure effective and efficient delivery of water services.

We prepared our Annual Water Outlook which assessed the need for restrictions under a range of climate scenarios, identified actions to improve system performance and progressed actions identified in our Urban Water Strategy 2022. This included:

- Purchase of water shares in the Goulburn and Murray systems.
- Groundwater investigations at Kyneton.
- Installation of treated water storage tank at Trentham.

We also developed Water Use Plan templates to assist customers seeking an exemption from restrictions.

Due to preceding wet years our water resource position was strong at the start of the water year. We received good inflows to our storages in July 2023 and experienced wet conditions in December 2023 and January 2024.

No restrictions were required in 2023/24. Permanent Water Saving Rules were applied to encourage the efficient use of water. Our rural customers received 100% of their licence volume (Target: 100%, 2022/23: 100%).

## Integrated Water Management

Integrated Water Management (IWM) is an inclusive process of engaging stakeholders to work across the traditional boundaries of the water sector to drive innovation.

In collaboration with our partners we are taking steps forward to drive a more resilient and liveable region through IWM processes. Our progress with IWM is underpinned by the actions and projects within our Corporate Plan, Urban Water Strategy (2022) and the Strategic Directions Statement for the Coliban Integrated Water Management Forum.

In 2023/24, we continued to champion the Coliban IWM Forum, in partnership with the Department of Energy, Environment and Climate Action (DEECA). This forum engaged local governments, Traditional Owners, water authorities and the North Central Catchment Management Authority. During the year, senior leaders of partner organisations were interviewed to identify regional priorities for the Coliban IWM forum. These priorities were identified:

- Green and blue space – partnerships and alternative water for more liveable cities and towns.
- Planning and growth – working together to drive better development outcomes.
- Traditional Owner engagement – supporting Traditional Owners' leadership and self-determination in water management and governance.

We have entered into a funding agreement with DEECA and the City of Greater Bendigo to employ an IWM Officer. This officer is to be hosted by us and work for regional IWM outcomes. We have also built its capacity and capability in IWM by recruiting a Manager of Integrated Water Strategy who will lead Coliban Water's strategic direction for IWM.

Other notable IWM outcomes include:

- Trentham stormwater risk assessment project management, as funded by A Healthy Coliban Catchment program, which assessed stormwater impacts to the water quality entering our upper reservoirs.
- Castlemaine Botanical Gardens Alternative Water Supply Feasibility Study, as funded by IWM forum and led by Mount Alexander Shire, which assessed alternative water options for botanic gardens and nearby public space.
- Recycled water for a greener Echuca, as funded by IWM forum and led by Campaspe Shire Council, which investigated options to use recycled water for greening key growth areas in Echuca west.
- Secured funding from DEECA to develop a business case to evaluate the feasibility of managed aquifer recharge.

These projects and others set strong foundations for continued progress for a more liveable and resilient region guided by IWM processes and projects.



## Sustainable water use

Our Urban Water Strategy 2022 identifies the best mix of actions to provide water and sewerage services in our towns now and into the future.

In addition, we have taken the following actions to augment water supply:

- Continued to undertake groundwater investigations in the Upper Coliban catchment to secure supply for Trentham and provide an alternative water source for Kyneton.
- Commenced planning to expand the water grid by linking Castlemaine to Bendigo and Echuca to the Goulburn System.

Actions we have taken to manage water demand include:

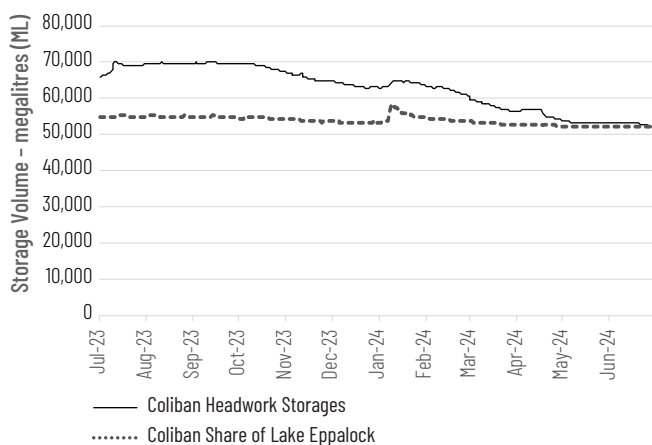
- Continued leak detection and renewal programs.
- Commenced detailed measurement of losses in the rural water delivery system and development of a detailed business case to improve water efficiency in our rural systems.

- Commenced development of a Recycled Water Strategy to better inform decisions on the use of recycled water in a circular economy.
- Continued to collaborate with our partners through the Coliban Integrated Water Management Forum to identify opportunities to save water and support green and active communities for health and wellbeing e.g., alternative water supply for Castlemaine Botanical Gardens.
- Implemented various water efficiency initiatives, actions and programs aligned with target your water use e.g. drip saving tips and Smart Gardens for a Dry Climate booklet.
- Developed automated non-revenue water reporting for all urban systems where digital meters are operational to assist with identifying water leaks.

## Storage volumes

	Full supply (ML)	At 30 June 2023 (ML)	At 30 June 2024 (ML)	% full at 30 June 2024
<b>Coliban System Northern</b>				
Sandhurst Reservoir	2,590	2,019	2,222	86
Caledonia Reservoir	214	207	180	84
Lake Eppalock (Coliban Water share)	54,837	54,837	52,205	95
Spring Gully Reservoir (recycled water – rural)	1,680	1,212	1,277	76
<b>Coliban System Southern</b>				
Upper Coliban Reservoir	37,770	38,010	30,798	82
Lauriston Reservoir	19,790	18,910	17,290	87
Malmsbury Reservoir	11,800	8,881	4,006	34
McCay Reservoir	1,360	1,232	1,211	89
Barkers Creek Reservoir (rural)	1,690	1,330	724	43
Trentham Reservoirs	91	91	70	77
<b>Total</b>	<b>131,822</b>	<b>126,729</b>	<b>109,983</b>	<b>83</b>

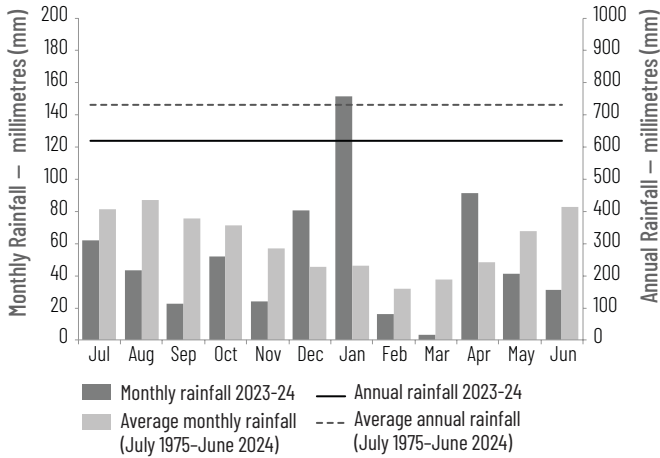
### Coliban Storage contents > Upper Coliban, Lauriston and Malmsbury reservoirs



Despite below average rainfall and inflows, the Coliban Headwork Storages (Upper Coliban, Lauriston and Malmsbury Reservoirs on the Coliban River) filled in July 2023 and remained full until October 2023 before being drawn down. Our 18% share of the storage capacity in Lake Eppalock (54,837 ML) remained near full during 2023/24.

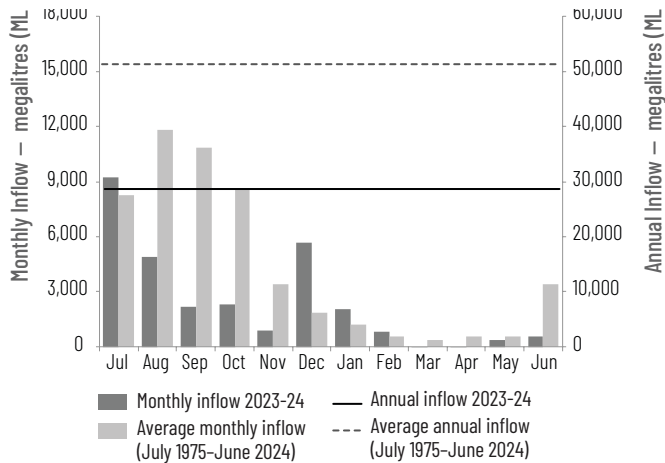
### Rainfall and inflows

Malmsbury Reservoir > Monthly Rainfall 2023/24



We received 619 millimetres of rainfall at Malmsbury Reservoir in 2023/24, less than the post-1975 average annual rainfall of 731 millimetres. Monthly rainfall was above average in December 2023, January and April 2024.

Coliban Headworks Storages > Monthly Inflow 2023/24



Total calculated inflows to our headwork storages in 2023/24 were 28,640 megalitres, well below the post-1975 average of 51,383 megalitres. Monthly inflows were above average in July 2023 and December to February 2024.

### Water allocation

We received full allocations from our bulk water suppliers for all our entitlements, except Lower Campaspe Valley (groundwater allocation at Elmore) and Wimmera Mallee Pipeline.

System	High reliability water shares	Low reliability water shares
Campaspe	100	100
Central Victorian Mineral Springs	100	NA
Loddon	100	77
Lower Campaspe Valley	75	NA
Goulburn	100	77
Goulburn Bulk Entitlement	100	NA
Murray	100	100
Wimmera	87	NA

### Water entitlement purchases

In 2023/24 we purchased 263 megalitres of high reliability water shares in the Goulburn System and 400 megalitres of high reliability in the Murray System for future water security.

### Passing flows

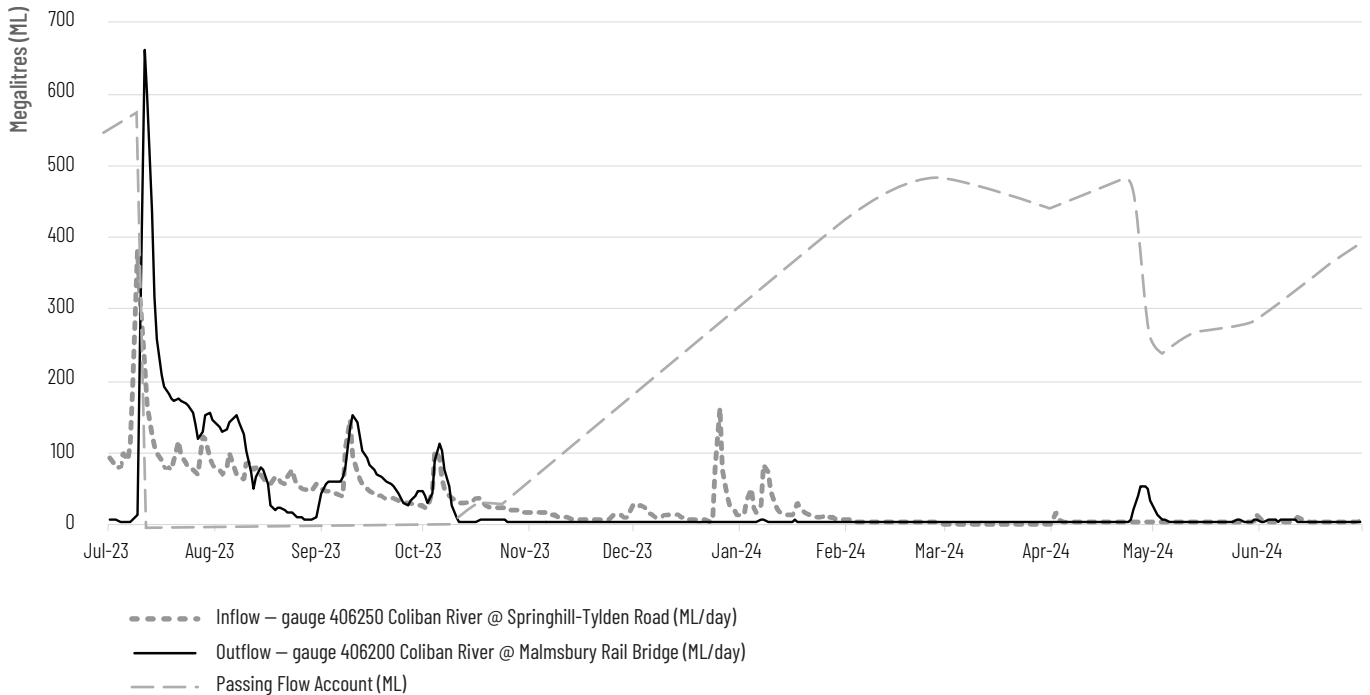
We release water from Malsbury Reservoir to meet passing flow requirements in the Coliban River. At the request of the North Central Catchment Management Authority the passing flow was limited to approximately 4 megalitres per day to bank water in the passing flow account.

On 1 July 2023 there were 548 megalitres held in the passing flow account. Malsbury Reservoir spilt from July 2023 to October 2023, reducing the passing flow account to zero before banking water again.

At the request of the North Central Catchment Management Authority, we delivered an autumn fresh flow of 50 ML/d plus managed rate of rise and fall between 24 April and 3 May 2024.

The volume held in the passing flow account on 30 June 2024 was 391 megalitres.

The plot below shows Coliban River inflows to our headwork storages and flows downstream of Malsbury Reservoir as well as the volume held in the passing flow account during 2023/24.



### Bulk water entitlements

A bulk entitlement is a legal right to water granted by the Minister for Water under the *Water Act 1989*. It specifies rules for the take of water and the share of storage capacity and flows. It also includes obligations to pass flows for environmental uses, supply primary entitlements as well as metering and reporting requirements.

A bulk entitlement includes requirements to report on flows, storage levels, water taken, spills, credits, temporary or permanent transfers, restrictions, amendments and any failure or difficulties complying with the bulk entitlement.

We have seven bulk entitlements that allow water to be taken from the Coliban, Campaspe, Goulburn, Loddon and Murray Rivers as well as the Waranga Western Channel and spring fed reservoirs at Trentham.

In addition, we hold water shares, licenses to take and use groundwater and water allowances to secure supply and ensure levels of service are satisfied.

We were compliant with all entitlement conditions in 2023/24.

For our bulk entitlements, we can report that:

- No credits were granted.
- We have implemented our revised bulk entitlement metering plan.
- There were no periods of restriction.
- There were no amendments to the bulk entitlements or new bulk entitlement granted.
- There were no failures or difficulties complying with bulk entitlements.

The annual amount of water taken for each of our water systems is presented below.



**Bulk entitlements**

Water supply system	Source of supply	Entitlement ML	Allocation ML	Carryover ML	Water taken ML	Balance ML	Bulk entitlement clause/comments
<b>Campaspe</b>							
Bulk entitlement (Axedale, Goornong and part Rochester) conversion order 1999							
Axedale	Campaspe River	215	215	3	71	0	12.1 (b) Annual amount of water taken - 106 ML 12.1 (c) Any credits granted - Nil 12.1 (d) Metering program - implemented
Rochester	Campaspe River	134	134	0	35	0	12.1 (e) Temporary or permanent transfer - Allocation trade out 244 ML; spill 3 ML 12.1 (f) Period of restriction - Nil 12.1 (g) Any amendment to bulk entitlement - Nil
<b>Total</b>		<b>349</b>	<b>349</b>	<b>3</b>	<b>106</b>	<b>0</b>	12.1 (h) Any new bulk entitlement granted - Nil 12.1 (i) Any failure to comply with bulk entitlement - Nil 12.1 (j) Difficulties in complying - Nil
<b>Coliban</b>							
Bulk entitlement (Campaspe System - Coliban Water) conversion order 1999							
Castlemaine, Bendigo and rural systems	Malmsbury Reservoir via channel				20,197		18.1 (e) Annual inflows into the headwork storages - 28,640 ML 18.1 (f) Annual amounts of water taken - 28,534 ML 18.1 (g) Annual evaporation loss - 7,175 ML from headwork storages; 5,639 ML from Lake Eppalock
Kyneton, Tylden, Malmsbury	Lauriston Reservoir		N/A	N/A	1,211	28,534	18.1 (h) Annual internal spills of water from our share in Lake Eppalock - 14,672 ML 18.1 (i) Passing flows - 2,696 ML from Malmsbury Reservoir; 5,175 ML from Lake Eppalock 18.1 (j) Credits granted - Nil
Bendigo and north rural system	Lake Eppalock via Superpipe				14		18.1 (k) Temporary or permanent transfer of bulk entitlement - Nil 18.1 (l) Bulk entitlement or licence transferred to Coliban Water - Nil 18.1 (m) Period of restriction - Nil
Heathcote, Tooborac	Lake Eppalock and Caledonia Reservoir				304		18.1 (n) Alteration to primary entitlements - Nil 18.1 (o) Transfer of primary entitlements - Nil 18.1 (p) Annual volume supplied to primary entitlements - rural 2,491 ML; urban 17,285 ML
<b>Total</b>		<b>50,260</b>	<b>N/A</b>	<b>N/A</b>	<b>21,726</b>	<b>28,534</b>	18.1 (q) Any amendment to bulk entitlement - Nil 18.1 (r) Any new bulk entitlement - Nil 18.1 (s) Implementation of environmental and metering programs - Implemented 18.1 (t) Any failure to comply with bulk entitlement - Nil 18.1 (u) Any difficulties complying with bulk entitlement - Nil 18.1 (v) Passing flows less than specified - Nil
Goulburn water shares	High Reliability	23,235	24,996	18,044	21	12,900	Allocation trade in 11,606 ML; Allocation trade out 28,782 ML; Spill 12,944 ML
	Low Reliability	2,861					442 ML of high reliability purchased
Campaspe water shares	High Reliability	2,591	3,237	784	0	646	Allocation trade in 433 ML; Allocation trade out 3,181 ML; Spill 627 ML
	Low Reliability	646					
<b>Elmore</b>							
Elmore	Groundwater	284	284	71	131	224	Take and use licence
<b>Goulburn</b>							
Bulk entitlement (Goulburn Channel System - Coliban Water) order 2012							
Lockington	Waranga Western Channel	130			72		15.1 (b) Annual amount of water taken - 881 ML
Rochester		1,335			433		15.1 (c) Volume from other locations - Nil
Dingee		50			11		15.1 (d) Any credit granted - Nil
Macorna		40	1,980	1,430	6	345	15.1 (e) Metering program - Implemented
Pyramid Hill		300			109		15.1 (f) Assignment of allocation or transfer of bulk entitlement - Allocation trade out 1,300 ML; spill - 1,353 ML
Jarklin		5			0		15.1 (g) Assignment of allocation or bulk entitlement or shares transferred to Coliban Water - Nil
Mitiamo		60			22		15.1 (h) Any amendment to bulk entitlement - Nil
Serpentine		60			60		15.1 (i) New with bulk entitlement - Nil
Boort		425	440	248	168	220	15.1 (j) Any failure to comply with bulk entitlement - Nil
Mysia		15			1		15.1 (k) Difficulties in complying with bulk entitlement - Nil
<b>Total</b>			<b>2,420</b>	<b>2,420</b>	<b>1,678</b>	<b>881</b>	<b>565</b>
Jarklin	East Loddon Pipeline	10	10	N/A	2	8	Water allowance
Serpentine		50	50	N/A	0	50	

Water supply system	Source of supply	Entitlement ML	Allocation ML	Carryover ML	Water taken ML	Balance ML	Bulk entitlement clause/comments
<b>Loddon Wimmera</b>							
<b>Bulk entitlement (Loddon System – Coliban Water) conversion order 2005</b>							
Bridgewater & Inglewood	Loddon River				0		13.1(b) Annual amount of water taken - 153 ML 13.1(c) Any credits granted - Nil
Laanecoorie, Dunolly, Bealiba & Tarnagulla		820	816	4	153	4	13.1(d) Metering Program - Implemented 13.1(e) Allocation trade out 663 ML 13.1(f) Period of restriction - Nil
Jarklin					0		13.1(g) Any amendment to with bulk entitlement - Nil 13.1(h) New bulk entitlement granted - Nil
Serpentine					0		13.1(i) Any failure to comply with bulk entitlement - Nil
<b>Total</b>			<b>820</b>	<b>816</b>	<b>4</b>	<b>153</b>	<b>4</b>
<b>Bulk Entitlement (Wimmera and Glenelg Rivers – Coliban Water) order 2010</b>							
Korong Vale & Wedderburn	Wimmera Mallee Pipeline				165		13.1(b) Annual amount of water taken - 431 ML 13.1(c) Amount taken at other location - Nil 13.1(d) Final allocation for year - 87%
Borong		300	261	340	3	431	13.1(e) Metering Program - Implemented 13.1(f) Transfer or assignment of bulk entitlement - Nil
Wychitella					2		13.1(g) Entitlement or assignment to Coliban Water - Nil 13.1(h) Any amendment to bulk entitlement - Nil 13.1(i) New bulk entitlement granted - Nil
<b>Total</b>			<b>300</b>	<b>261</b>	<b>340</b>	<b>170</b>	<b>431</b>
Bridgewater	South-West	110	110	N/A	67	43	Off-Season Water Allowance
Bridgewater & Korong Vale	Loddon Pipeline	0	0	N/A	268	0	Peak Water Allowance - 268 ML transferred in as per Supply by Agreement
<b>Murray</b>							
<b>Bulk entitlement (River Murray – Coliban Water) conversion order 1999</b>							
Echuca	Murray River	5,055	5,055	1,013	3,212	1,520	20.1(b) Annual amount of water taken - 1,520 ML 20.1(c) New off-take points - Nil
Cohuna	Gunbower Creek				744		20.1(d) Water returned - Nil 20.1(e) Metering Program - Implemented
Gunbower	Taylors Creek	1,230	1,230	7	76	0	20.1(f) Allocation trade out 622 ML; spill 841 ML 20.1(g) Any transfer of entitlement or assignment of allocation to Coliban Water - Nil
Leitchville	Cohuna Channel & Gunbower Creek				289		20.1(h) Any amendment to BE - Nil 20.1(i) Any new bulk entitlement granted - Nil
<b>Total</b>		<b>6,285</b>	<b>6,285</b>	<b>1,020</b>	<b>4,321</b>	<b>1,520</b>	20.1(j) Any failure to comply with bulk entitlement - Nil 20.1(k) Difficulties in complying with bulk entitlement - Nil
Murray Water Shares	High Reliability	1,089	1,815	1,107	0	1,290	Allocation trade in 1,236 ML; allocation trade out 2,800 ML Spill 68 ML
	Low Reliability	1,340					
<b>Trentham</b>							
<b>Bulk entitlement (Trentham) conversion order 2012</b>							
Trentham	Spring-fed Reservoir	120	120	N/A	100	20	12.1(b) Annual amount of water taken - 100 ML 12.1(c) Average annual amount of water taken over a three-year period - 110 ML/yr 12.1(d) Annual volume taken under licence - Nil 12.1(e) Metering program - Implemented 12.1(f) Any permanent transfer or assignment of allocation - Nil 12.1(g) any amendments of transfers with respect to this Order - Nil 12.1(h) Any failure to comply with Order - Nil 12.1(i) Any difficulties complying with Order - Nil
	Groundwater	103	103	N/A	52	51	Take and use licence

## Our rural supply network

Originally built to service the former mining industry, our rural supply network today supports lifestyle, agricultural and primary industries through 12 rural supply systems, comprising 360 kilometres of channels and 140 kilometres of pipelines.

Channels in this ageing and leaking system are largely unlined and operate at only 60% efficiency, losing approximately two gigalitres of water per year. We expect similar levels of water loss from neighbouring private supply channels.

As mentioned earlier in this report, we are investigating rural modernisation as a potential major project.

Further information on the rural modernisation approach, including an opportunity to participate, can be found on our website.

## Rural water bills

### Rural bills

	Systems	2022/23	2023/24	change %
<b>Total rural bill gravity irrigation.</b> Actual bill for a pipeline customer with average water use and 6.75 ML licence volume	Unmodernised systems	\$2,601.15	\$2,553.88	-1.8%
<b>Water usage.</b> Average water use (ML) assumed in rural bill calculations	Unmodernised systems	1.61	1.55	-3.8%
<b>Total rural bill pumped irrigation.</b> Actual bill for a pipeline customer with average water use and 12.0 ML licence volume	Harcourt modernised system	\$4,208.52	\$4,630.76	10.0%
<b>Water usage.</b> Average water use (ML) assumed in rural bill calculations	Harcourt modernised system	2.07	3.76	81.4%
<b>Rural bill regulated and unregulated diversions</b>	n/a	0	0	0%

## Rural prices

Rural prices fell -1.2% (excluding inflation) in 2023/24. Prices will again fall -1.2% below inflation next year, and will then change by inflation only through to 2027/28. Rural prices have increased by less than inflation every year for the past six years.

Rural customers in the Harcourt modernised system saw a 10% increase in average bills in 2023/24 due to a more than 80% increase in water usage. Unmodernised rural customers (i.e. all systems other than Harcourt) saw an average 1.8% fall in their rural bill due to the declining real price path and a slight fall in water demand.

We meet with a rural Customer Advisory Group quarterly to discuss rural services including pricing and service levels. Feedback from this group led to us adopting this price path for the current regulatory period on the basis that no major investment has been proposed for rural services in the next five years.

## Financial support

Many of the financial support options offered to urban customers are also available to rural customers. Please refer to the Coliban Assist section on page 62 for further information.

## Rural system trading by our customers

Permanent trade		Temporary trade		Trade as part of land transfers	
Number of trades	Volume ML	Number of trades sales	Volume ML sales	Number of trades	Volume ML
14	70.9	9	47.6	42	883.4

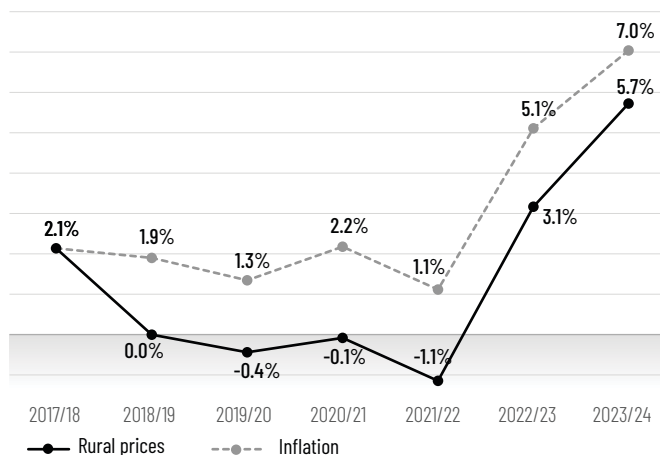
## Rural water

Our team assisted with more than 817 rural channel orders this season (up from 781 in 2022/23), delivering approximately 2,490.6 megalitres to our rural customer base. We also helped facilitate temporary and permanent transfers of 118.5 megalitres between licence holders and welcomed six new rural customers. We saw a reduction in our overall rural customer base due to urban encroachment in the Strathfieldsaye area. Licence numbers at the end of the year were 1,342 (down from 1,351 the previous year).

Our rural customers received 100% allocation for the 2023/24 season.

	Number of customers supplied	Supplied volume (ML)
<b>Raw</b>	627	2,059
<b>Recycled</b>	45	431

Note: Recycled water customers can be supplied with recycled water, raw water or potable water depending on total demand and supply availability.





Southern System	Channel	Number of licences	Total licence Volume ML	Total usage ML	Licences supplied
Coliban Headworks Storages	Lauriston Reservoir	5	10.0	4.0	3
	Malmsbury Reservoir	2	4.0	2.0	1
	Upper Coliban Reservoir	1	1.0	0	0
	<b>System total</b>	<b>8</b>	<b>15.0</b>	<b>6.0</b>	<b>4</b>
Coliban Main	Coliban Main - 1	38	6,043.7	116.6	21
	Coliban Main - 4/1	17	164.0	21.7	10
	Coliban Main - 4/3	100	485.4	84.4	41
	<b>System total</b>	<b>155</b>	<b>6,693.1</b>	<b>222.7</b>	<b>72</b>
Emu Valley South	Abbotts	106	413.2	113.9	63
	Emu Valley No 1	83	370.6	39.9	21
	Emu Valley No 2	65	363.0	40.7	25
	Mannes	19	82.2	12.8	6
	<b>System total</b>	<b>273</b>	<b>1,229.0</b>	<b>207.2</b>	<b>115</b>
Harcourt	Harcourt Modernised Pipeline	184	2,201.9	691.9	143
	<b>System total</b>	<b>184</b>	<b>2,201.9</b>	<b>691.9</b>	<b>143</b>
Spring Gully	Diamond Hill	13	64.3	13.3	5
	Spring Gully	33	146.8	26.9	9
	<b>System total</b>	<b>46</b>	<b>211.1</b>	<b>40.2</b>	<b>14</b>
<b>Total</b>		<b>666</b>	<b>10,350.1</b>	<b>1,167.9</b>	<b>348</b>

Northern System	Channel	Number of licences	Total licence Volume ML	Total usage ML	Licences supplied
Ascot	Ascot	31	696.6	229.2	15
	Ellesmere	44	166.3	0.0	0
	Goornong	17	345.3	72.5	8
	Huntly	2	18.6	1.3	1
	White Hills	6	227.8	102.2	3
	<b>System total</b>	<b>100</b>	<b>1,454.6</b>	<b>405.3</b>	<b>27</b>
Axe Creek	Axe Creek	59	260.0	37.7	20
	<b>System total</b>	<b>59</b>	<b>260.0</b>	<b>37.7</b>	<b>20</b>
Cockatoo Hill	Cockatoo Hill	28	109.6	15.0	8
	Neilborough	14	36.5	4.2	2
	Raywood	62	305.5	4.3	5
	Sebastian	7	61.2	2.4	3
	<b>System total</b>	<b>111</b>	<b>512.8</b>	<b>25.9</b>	<b>18</b>
Emu Valley North	Emu No 1 (Eppalock)	14	69.3	28.9	7
	Emu No 2 (Eppalock)	2	11.7	0.4	1
	Strathfieldsaye	2	5.0	0.9	1
	<b>System total</b>	<b>18</b>	<b>86.0</b>	<b>30.2</b>	<b>9</b>
Eppalock Pipeline	Eppalock Pipeline	85	895.1	271.8	83
	<b>System total</b>	<b>85</b>	<b>895.1</b>	<b>271.8</b>	<b>83</b>
Lockwood	Lockwood	112	563.7	80.3	50
	Marong	29	258.8	101.0	17
	South Lockwood Pipeline	46	397.3	142.7	44
	Wilson's Hill	29	224.0	48.6	15
	<b>System total</b>	<b>216</b>	<b>1,443.8</b>	<b>372.6</b>	<b>126</b>
Specimen Hill	Maiden Gully	42	358.7	127.1	17
	Myers Flat	16	105.2	32.5	10
	Specimen Hill	29	275.5	19.8	14
	<b>System total</b>	<b>87</b>	<b>739.4</b>	<b>179.4</b>	<b>41</b>
<b>Total</b>		<b>676</b>	<b>5,391.7</b>	<b>1,322.8</b>	<b>324</b>

## Residential bills

Indicator	2022/23	2023/24	change %
<b>Residential bill – owner occupier</b> The actual bill for an owner-occupier with average water use	\$1,419.11	\$1,454.54	2.5%
<b>Residential bill – tenant</b> The actual bill for a tenant with average water use	\$425.73	\$452.26	6.2%
<b>Water usage – residential</b> Average water use (kL) assumed in owner-occupier & tenant bill calculations	173.9	183.1	5.3%
<b>Non-residential bill – business</b> The annual bill for a business using 3 ML per annum	\$8,477.28	\$8,553.06	0.9%

### Efforts to manage pricing impacts for urban water services

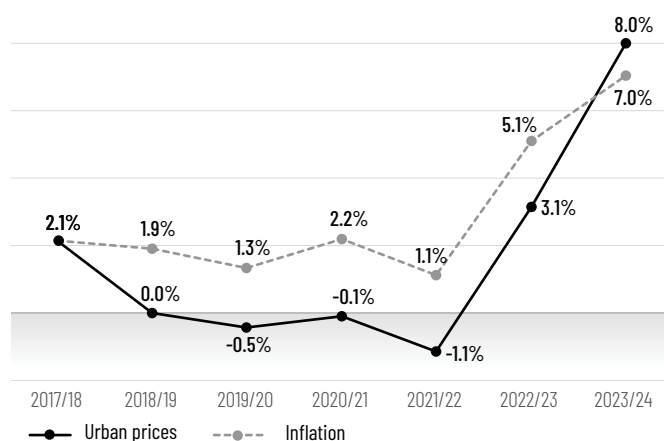
We are smoothing price increases across the five years of the current regulatory period to avoid price shock for customers. To recognise high inflation in 2023/24, we reduced its real price increase for the first year, deferring this to the remaining four years of the period.

### Inflationary environment impacting prices

We are currently in a high inflation environment, with inflation rates for 2022/23 (+5.1%) and 2023/24 (+7.0%) well above the long-term 2.5% target. This followed a five year period of very low average inflation (+1.7%), making the contrast sharper.

The Victorian Essential Services Commission (ESC) is the economic regulator for Victorian water businesses. Annual price changes are linked to inflation and an adjustment factor may apply. In line with the ESC's 2023 price determination:

- Our urban prices increased by 0.9% in 2023/24 plus inflation (+8.0% overall).
- Household owner-occupiers saw a (real) bill increase of 2.5% from a combination of higher prices and higher average consumption.
- Tenants saw an increase of 6.2% as their bills are more sensitive to water usage (tenants only pay for water used).
- Average household consumption increased from 173.9kL to 183.1 kL (+5.3%) this year.
- A non-residential customer using 3 ML of water saw a +0.9% real bill increase in 2023/24.



### Financial support

Financial support options for urban customers are set out in the Coliban Assist section on page 62.

### Pricing impact of the Big Water Build

The Big Water Build will see us more than double investment in built assets in the 2023-28 period compared to the previous five years to address risks from ageing assets, climate change and population growth. We intend to invest more than \$500 million into our assets, or about \$100 million each year. This investment is the key to us delivering on our customer expectations and achieving agreed customer outcomes.

Capital investment is largely funded through additional borrowings. The ESC allows us to meet investment costs via a regulated return on our accumulated capital portfolio and a calculated cost of debt.

This means that customers don't pay the full cost of investment each year (\$100 million would mean an additional \$1,250 per customer if recouped in a single year) but instead the business recoups its investment over the life of the assets, typically 25 to 50 years.

To help pay for the Big Water Build, the ESC approved small real price changes for our urban services each year over the 2023-28 period. To address concerns about affordability in 2023/24 with high underlying inflation, a smaller price change was adopted this year.

Annual price change (excluding inflation)	2023/24	2024/25	2025/26	2026/27	2027/28
Proposed by Coliban Water	1.9%	1.9%	2.5%	2.5%	2.5%
Adopted by the ESC	0.9%	2.5%	2.5%	2.5%	2.5%

## A zero-tolerance approach to unauthorised water take

We apply a zero-tolerance approach to unauthorised take and adopt a consistent risk-based approach to manage compliance and enforcement with improved oversight.

We have a compliance management system in place to meet our legal obligations for water resource management, including bulk entitlements and licences to take and use water. We are also responsible for compliance and enforcement of rules and legislative requirements surrounding the take and use of water and construction of works in our rural systems. Our Non-Urban Compliance and Enforcement Strategy, available on our website, includes a compliance and enforcement system built on five main principles – risk-based, responsive, transparent, accountable and consistent. When responding to contraventions of the *Water Act 1989* (Vic), we consider the level of risk presented. Those with higher risks are met with stricter penalties, allocation of greater resources and more rapid response.

We continued to enforce the Non-Urban Water Services – Compliance and Enforcement Procedure with ongoing provision of agency infringement and enforcement services.

We actively participate in industry community of practice meetings and workshops across the year to ensure a consistent approach across the Victorian Water Industry.

We continued implementation of our metering action plan with all 36 designated sites now compliant with Victoria's Non-Urban Metering Policy (up from the 24 in the previous year). We maintained a physical presence in the field through additional meter reads and spot checks to detect unauthorised activities as well as ongoing communications and engagement activities through the rural season.

Our focus on education and awareness continued, reinforced and supported by quarterly reviews on usage and water orders against customer allocations. Where customers exceeded 80% of allocation, proactive customer contact to ensure awareness and affirmative action was taken to resolve any threat of overuse with trade. High rainfall events and lower than normal demand mitigated risks with customers able to utilise on site storage in the first instance to avoid overuse.

### Compliance Actions<sup>1</sup> – Rural water corporations

Category	2020/21	2021/22	2022/23	2023/24
<b>Total number of breaches</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>0</b>
No further action required	0	0	1	0
Dismissed (insufficient evidence)	0	0	0	0
Advisory Letter	0	2	0	0
Formal Warning	3	2	1	0
Penalty Infringement Notices	n/a	0	0	0
Notice of Contravention	0	0	0	0
Notice of Entry	0	0	0	0
Lockdown	0	0	0	0
Prosecutions commenced	0	0	0	0
Prosecutions finalised	0	0	0	0

1. These actions apply to offences under various sections of the *Water Act 1989*.

### Unauthorised take (key performance indicators)

Year	Volume				Allocation bank accounts or licences			
	Volume (ML of water taken under corporation issued shares/licences)	Volume (ML) of unauthorised take	Volume %	Volume % (Excluding previous FY)	Number of ABAs	Number of negative ABAs	% of negative ABAs	% of negative ABAs (Excluding <1 ML)
2020/21	3,081	1	<0.1	<0.1	1,362	54	3.96	0.14
2021/22	3,111	<1	<0.1	<0.1	1,365	54	3.96	0.44
2022/23	2,266	<0.1	<0.1	<0.1	1,351	25	1.8	0
2023/24	2,491	<0.1	<0.1	<0.1	1,342	26	1.94	0.22



### Non-revenue water

The term non-revenue water is the difference between the volume of water that leaves our treatment plants (treated water supplied) and the volume of water for which we bill customers (treated water usage). It has also been known as unaccounted for water.

We cannot accurately quantify the breakdown for unbilled authorised consumption (such as firefighting) or unauthorised consumption (such as illegal use) as it is not metered. Non-revenue water for 2023/24 was calculated at 3,023 megalitres (12.8%).

Water supply system	Treated water ML		Non-revenue water ML
	Supplied	Usage	
Campaspe	57	44	13
Coliban Northern	13,788	12,553	1,235
Coliban Southern	3,737	3,128	609
Goulburn	776	614	162
Elmore	119	100	19
Trentham	134	102	32
Loddon	372	246	126
Murray	4,244	3,580	664
Wimmera	272	109	163
<b>Total</b>	<b>23,499</b>	<b>20,476</b>	<b>3,023</b>

### Major non-residential water users

- Hazeldenes Chicken Farm Pty Ltd
- N&C Enterprise Pty Ltd
- Hardwicks Meatworks Pty Ltd
- Kagome Foods Australia Pty Ltd
- Lactalis Australia Pty Ltd – Bendigo and Echuca
- Simplot Australia (Properties) Pty Ltd
- Bendigo Health Care Group (buildings and infrastructure)

We've been actively working with our top-50 non-residential customers to identify leaks, prevent water loss and improve efficiency. Major customers have water management plans however Coliban Water does not hold these details. Digital meters enable us to identify leaks in close to real time so we can respond quickly and advise customers.

Volume range (ML per year)	Number of customers
Equal to or greater than 50ML and less than 100ML	5
Equal to or greater than 100ML and less than 200ML	3
Equal to or greater than 200ML and less than 300ML	1
Equal to or greater than 300ML and less than 400ML	2
Equal to or greater than 400ML and less than 500ML	1
Equal to or greater than 500ML and less than 750ML	1
Equal to or greater than 750ML and less than 1000ML	0
Greater than 1000ML	0
<b>Total number customers</b>	<b>13</b>

## Reporting water consumption for residential and non-residential connections

### Water consumption report

		ML per year	
Residential connections	(1) Number of residential connections.	74,497	
	(2) Potable water volume consumed by residential connections.	13,644	
	Per capita daily residential potable water consumption.	208	
	(3) Recycled water volume used by residential connections.	65	
	(4) Treated stormwater volume used by residential connections.	0	
Non-residential connections	(5) Number of non-residential connections.	7,142	
	(6) Potable water volume consumed by non-residential connections.	6,313	
	(7) Recycled water volume (end use) used by non-residential connections.	Commercial purposes	2
		Industrial purposes	0
		Agricultural purposes	0
		Municipal purposes	283
		Beneficial allocation	0
		Within process	0
		<b>Total</b>	<b>285</b>
	(8) Treated stormwater volume (end use) or harvested stormwater for beneficial use used by non-residential connections.	Commercial purposes	0
		Industrial purposes	0
		Agricultural purposes	0
		Municipal purposes	0
		Beneficial Allocation	0
		Within Process	0
<b>Total</b>		<b>0</b>	
(9) Total number of connections	81,639		
(10) Total potable water consumed	19,957		
(11) Total recycled water and stormwater volume	350		
(12) Total volume of water used by connections	20,307		
<b>Average annual water consumption</b>	<b>19,833</b>		
Non-revenue water	(13) Leakage	3,537	
	(14) Firefighting	0	
	(15) Other	5	
	(16) Total non-revenue water	3,542	
<b>Total volume of water from all sources</b>		<b>20,312</b>	

Residential and non-residential connections have an installed meter which measures the total usage across the financial year. The average annual water consumption is an annual volume based on the last five years of usage within the service region.

# Sewerage, reuse and recycling

While sewerage infrastructure is generally hidden from view, the towns in this region that have centralised sewer systems can lead a healthier life because of the pipes and pumps that safely transfer sewage from homes and businesses to our water reclamation plants for processing. This unsung infrastructure is not only vital for the health of the community, but also the environment that we rely on to sustain us. We are the envy of the many countries who do not have such a world class sanitation service available to them.

And like any service we value, we need to both invest in it and respect the contribution it makes to the viability of our community. The used water collected from houses and businesses across our region contains nutrients, organic matter, bacteria, cleaning products, and trade waste from commercial and industrial customers. Left untreated, it can harm our health, the environment and the animals that live in it.

To protect the environment, we treat sewage to a specified quality for either reuse or release consistent with the operating licences set by the EPA. We continually monitor our environmental performance, measure the water after it's treated, and evaluate its impact on local waterways.

So, sewage and sanitation may not be front of your mind, but it is front of ours. We take the job of managing your wastewater seriously, because without it, life as we know it would grind to a halt.





## 2023/24 highlights

### Biosolids Base opens in Dunolly

We want to be at the forefront of the circular economy: embedding circular design into new infrastructure and finding innovative ways to add value to 'waste' streams. Our newly completed Biosolids Base in Dunolly will increase the processing of biosolids for long-term sustainable reuse.

Biosolids consist of organic material left-over after sewage treatment and can be used to improve soil quality and crop yield.

There has been an increase in the generation of biosolids in our region as the population grows, and the completion of the facility is a win-win for local farmers and the broader community who will benefit from biosolids.

The 10-hectare Dunolly facility is equipped to accept biosolids from any of our water reclamation plants, which will be unloaded at a dedicated tipping point, and then windrowed to accelerate drying. At the end of the drying season, windrowed biosolids are tested to ensure they meet the right quality standards and, if they do, they are stockpiled until allocated for beneficial reuse.

Farmers who already use our biosolids have reported increased yields and improved soil health. They are also cheaper and more sustainable than other types of fertiliser.

### An outcome reached for the Kyneton Water Reclamation Plant

In April an outcome was reached with the EPA regarding the revised operating licence for the Kyneton Water Reclamation Plant.

The amended operating licence contains environmental performance standards that will protect the environment and human health and are consistent with our Environment and Sustainability Policy Statement.

Over the past four years our \$20 million investment at the plant has delivered a dramatic step-change in environmental performance including:

- A 95% reduction in phosphorus in river releases of highly treated water.
- A trebling of treated water storage.
- Construction of a 14 kilometre pipeline to supply recycled water for agricultural use.
- A new Class C to Class B recycled water facility.
- Major new agricultural recycled water customers connected and operating, with an additional 350 megalitres of recycled water provided for agricultural use each year.
- Continued supply of recycled water to the Kyneton Racecourse, the Kyneton Botanic Gardens and local sports fields.

The conditions are protective of the Campaspe River and surrounding environment, as well as our customers and the broader community.

### Stop the block

A dedicated long-term campaign to improve the health of our region's sewer network is proving successful, with a record low number of blockages recorded.

Increasing investment to more than \$1 million each year has improved sewer performance and reduced service interruptions, which is a win-win for our environment and the sewer network.

The additional funding has allowed for more network cleaning and camera monitoring of our sewers, resulting in fewer sewer overflows, and less impact to our customers, communities, and the environment, which includes waterways.

### Bendigo and Castlemaine Water Reclamation Plants

The Bendigo and Castlemaine Water Reclamation Plants have been treating the wastewater from sinks, toilets and drains from the community for around 100 years.

Funded by the customers they serve, they are both critical pieces of community infrastructure that protect the community's health and support the region's continued growth and success.

But climate change, ageing infrastructure and a growing population mean we are acting now to ensure our sewerage infrastructure can meet community needs for the next 30-50 years.

A huge program of works has begun at both plants to increase capacity, decrease the incidence of odour emissions and reduce our carbon footprint as we target net zero emissions by 2030.

### Our biosolids reuse

100% of biosolids mass produced was reused in 2023/24. All biosolids produced at Coliban Water Water Reclamation Plants are beneficially used for agriculture.

## Sewer network operations

### Key statistics:

- 248 sewer main blockages in 1,817 km of gravity sewer mains (13.65 blockages per 100km of gravity sewer main). This is a 26% reduction compared to last year, and a 42% reduction compared to the previous year.
- Roughly 7,000 sewer maintenance hole inspections completed this year.
- Over 10,000 sewer main maintenance tasks completed (including 5,800 cleaning tasks and 4,300 CCTV inspections), covering 325km of sewer mains.
- Almost \$7 million in investment to renew more than 21km of sewer mains.
- All sewer pump stations in Rochester returned to service within 24-hours after the flood event in January 2024.
- 45,409 individual gravity sewer pipes within the total of 1,817 km of sewer mains.
- 74,657 wastewater connections total (68,609 domestic/6,048 non-residential).

Two main factors affect the performance of the sewer network – asset condition and asset performance.

We have sustained our investment in cleaning and inspection programs in our gravity sewer network, and we have adjusted the way we work to increase efficiency. One example is the expansion of the sewer maintenance hole inspection program. We noticed there was an opportunity to reduce the number of blockages in sewer maintenance holes by simply inspecting more of them and then targeting any maintenance cleans, which is more cost-effective than just cleaning mains, some of which may have no issues. This keeps the sewers as clean as possible in areas where we know there may be problems with asset performance.

We also significantly increased investment to almost \$7 million to assess and renew sewer mains known to be in poor condition. More than 21km of sewer mains, including 2.9km of our largest mains, have been renewed this year alone. This enhances the overall performance of the sewer network by improving the asset condition of our sewer mains.

By strategically investing in these two target areas, we have reduced the number of sewer blockages this year by 26% compared to last year, and by 42% compared to the year before that. This continues a decade-long trend of sewer network performance improvement.

With the effects of climate change impacting the reliability of energy sources such as electricity, we continue to adapt to increase the resilience of our sewer network against power outages.

This year we have installed three permanent back-up generators at critical sewer pump stations in Eaglehawk, Trentham and Tylden to keep them operational through power outages. We purchased a new trailer-mounted mobile generator and performed maintenance on our existing one to greatly decrease response times to attend other sewer network sites affected by power outages. These projects will help to prevent sewage overflows which can damage property or the environment.

We also continue to optimise energy efficiency in operations, with projects in Axedale, Cohuna and Castlemaine to replace pumps in sewer pumping stations with more energy-efficient pumps.

### Performance against service standards

	Service standard	What we delivered in 2023/24
Sewer blockages per 100 kilometres	39.96	13.65
Average time to attend spill or blockage	30	28.88
Average time to rectify a sewer blockage	80	79.96
Spills contained within five hours	99%	99.7%
Customers receiving >3 sewer blockages in the year	2	0

### Other projects:

- Renewed approximately 2.9 km of our critical trunk sewer mains between Rosalind Park and Howard St, Epsom, which are between 450mm and 750mm in diameter.
- Replaced approximately 250 sewer maintenance hole lids for the safety of the community.

### Odour:

- Carbon filter media for odour treatment units replaced in Castlemaine and Eaglehawk.
- 400+ sewer maintenance hole cleans to reduce fat build-ups which cause odour in the network.
- Servicing biofilter odour treatment units in Echuca.

**Sewer blockage chart**

Figure 1. Blockage rate chart (blockages per 100 kilometres)

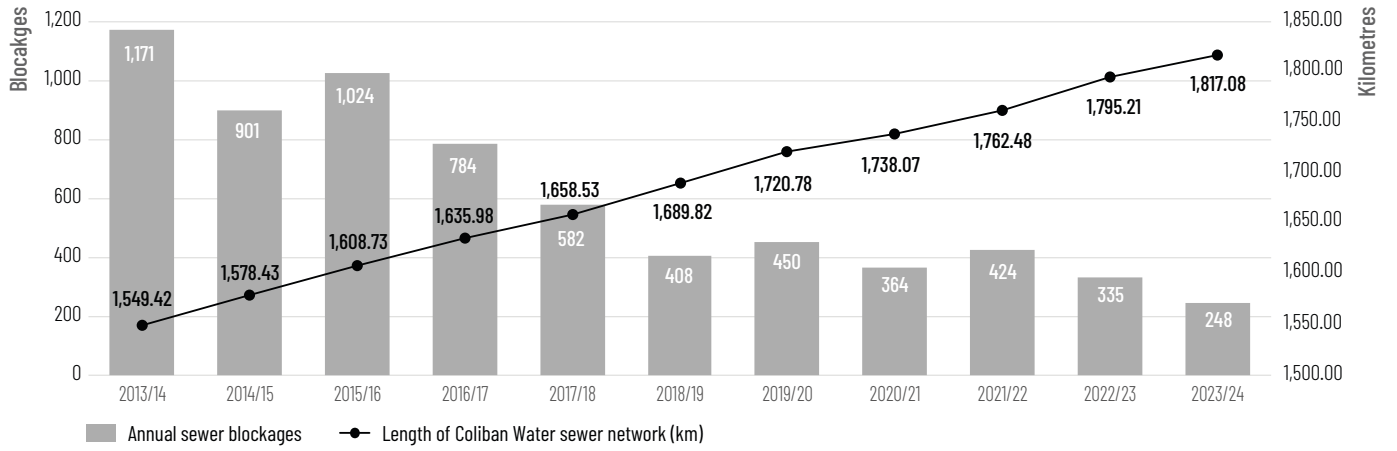


Figure 2. Renewing a crucial 750mm trunk sewer main in Bendigo

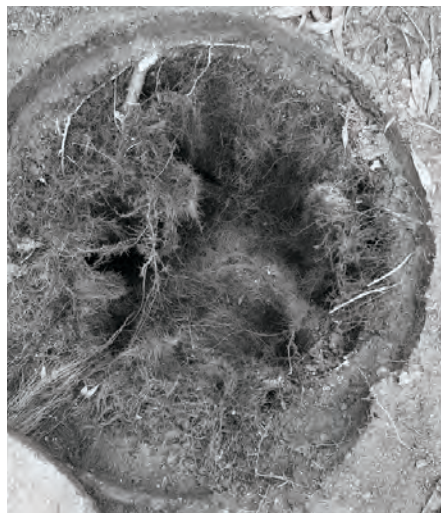


Figure 4. Before (left) and after (right) a sewer maintenance hole clean in Bendigo



Figure 3. New back-up generator for a sewer pump station in Tylden

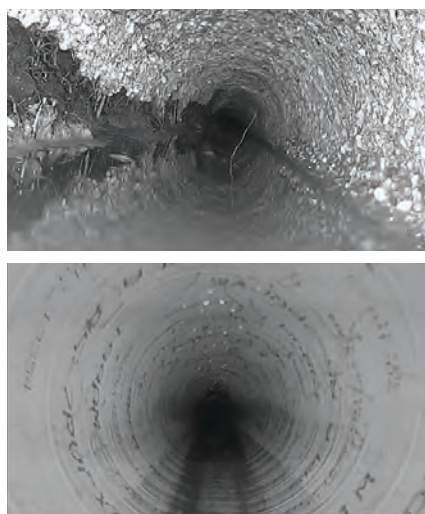


Figure 5. Before (top) and after (bottom) a sewer main renewal in Echuca

## Volume of sewage treated, reused or released

Town	Sewage influent (ML)	Total effluent discharged (ML)	Effluent discharged to waterways (ML)	Effluent discharged for reuse (ML)
Axedale	20.387	15.0		15.0
Bendigo	8,190.555	7,154.6	5,545.1	1,609.5
Bridgewater	33.655	0.0		0.0
Boort	75.011	47.1		47.1
Castlemaine	1,247.871	1,389.2	1,339.0	50.2
Cohuna	286.818	0.0		0.0
Dunolly	35.711	25.8		25.8
Echuca	1,664.302	1,159.6		1,159.6
Elmore	48.639	0.0		0.0
Gunbower	96.337	33.9		33.9
Heathcote	146.220	85.7		85.7
Kyneton	1,096.524	1,052.2	383.3	668.9
Lockington	26.239	0.0		0.0
Pyramid Hill	71.895	5.0		5.0
Rochester	129.097	0.0		0.0
Wedderburn	40.262	27.7		27.7
<b>Total</b>	<b>13,209.5</b>	<b>10,995.8</b>	<b>7,267.4</b>	<b>3,728.4</b>

In 2023/24, high quality treated water produced at the Bendigo Water Reclamation Plant was released into the Bendigo Creek, which is permitted under our EPA licence.

However, there were two occasions when treated water was released to Bendigo Creek outside the conditions of our EPA licence:

- During June and July 2023, additional releases to the Bendigo Creek occurred due to high inflows into the plant.
- During January 2024, additional releases to the Bendigo Creek occurred due to high inflows into the plant.

Both of these non-compliant events were communicated to the EPA.

In 2023/24, all treated water produced at the New Moon Groundwater Treatment Plant under a separate EPA licence (and as part of the interim Bendigo Groundwater Solutions Project) was released to the Woodvale Evaporation Pond Complex.

In 2023/24 Heathcote Water Reclamation Plant was required to release treated wastewater to Mclvor Creek due to high inflows into the plant as the result of January 2024 rainfall events, which is permitted under our operating licence for this site.

The Kyneton Water Reclamation Plant consists of two treatment systems. Domestic sewage is treated at the Biological Nutrient Removal (BNR) plant to a quality equivalent to Class B recycled water. Wastewater from trade waste customers is treated via a lagoons system to Class C recycled water quality. Under our EPA licence for this site, we are permitted to release treated water of a specified quality from the Kyneton Water Reclamation Plant to the Campaspe River, provided that the flow in the river is adequate to achieve the required dilution ratio with river flows. Treated water from the Kyneton Water Reclamation Plant was released into the Campaspe River when the river flow was sufficient to meet the dilution requirement in the licence. For the financial year, the treated water released to the Campaspe River was compliant with all water quality parameters specified in the licence.

The Castlemaine Water Reclamation plant consists of a BNR plant, which produces treated water equivalent to Class C recycled water quality. Under our EPA licence for this site, we are permitted to release treated water from the Plant to Campbells Creek. The treated water released to Campbells Creek was compliant with all the water quality limits specified in the licence.

This year, some of the major improvement works at our Water Reclamation Plants included:

- Renewal of aerator paddles at Bendigo Water Reclamation Plant to improve aeration within the BNR.
- Renewal and installation of groundwater monitoring bores at Bendigo Water Reclamation Plant and Heathcote Water Reclamation Plant.
- Refurbishment of the Bendigo Water Reclamation Plant centrifuge bowl and rotating assembly.
- Replacement of the Return Activated Sludge pumps at Bendigo Water Reclamation Plant.
- Refurbishment of odour filter media at Castlemaine Water Reclamation Plant.
- Renewal of aerators at Heathcote Water Reclamation Plant.
- Installation of inlet screens at Wedderburn and Dunolly Water Reclamation Plants.
- Instrument renewals at multiple sites to ensure accurate measurements.



## Odour management

### 81 odour complaints were received in 2023/24

10%	Non-Coliban Water assets (eg private plumbing and stormwater).
52%	Reticulation.
37%	Water Reclamation Plants.
1%	Sewer pump stations.

### Mitigation works 2023/24

#### In our sewer network

- Carbon filter media for odour treatment units replaced in Castlemaine and Eaglehawk.
- Servicing biofilter odour treatment units in Echuca.
- 400+ sewer maintenance hole cleans to reduce fat build-up which causes odour in the network.

#### At our Water Reclamation Plants

- Renewal of aerators at Heathcote.
- Odour mitigation spray installation at our biosolids handling facility in Elmore.
- Installation of new carbon odour filter and biofilter refurbishment media, as well as recommissioning of an old biofilter and installation of new pipework to create operational flexibility in the system at Castlemaine.
- Installation of a temporary misting system, refurbishment of inlet works and centrifuge biofilter and minor repairs on ventilation pipework at Bendigo.

## Trade waste

In 2023/24 we facilitated business growth in our region by reaching agreement with two new major trade waste customers and granting trade waste consent to 123 new minor trade waste customers.

As part of our program to maintain control of potential impacts from trade waste customers, we actively monitored wastewater flows and quality of all major trade waste customers.

We continued to engage with our major trade waste customers to improve release water quality, reducing risk to downstream assets and improving customer outcomes.

## Recycled water management, production and usage

You'll see recycled water from our 16 water reclamation plants at work in local green spaces, at neighbouring farms, and in local industry.

High quality recycled water is also released to local waterways in accordance with EPA operating licences.

Customers using recycled water must comply with management requirements contained in the Site Management Plan or Environment Improvement Plan for each site. All major customers were audited in 2023/24 to ensure the use of recycled water was sustainable and in accordance with EPA guidelines. Monitoring was also undertaken at our own and customer sites to ensure environmental management requirements were met.

### 65 megalitres of recycled water was supplied to residential customers (via 1,124 connections).

Some residential customers in Bendigo can receive recycled water via a third-pipe scheme.

### 285 megalitres was supplied to non-residential customers (via 33 connections).

These customers included public open spaces, golf clubs, schools, farms and businesses.

**Water Reclamation Plant**

Town		Recycled water usage volume		
		2023/24 (ML)	2022/23 (ML)	
Axedale	Recycled water (equivalent to Class B) is supplied to Axedale Golf Club for irrigation.	15.0	5.0	
Bendigo	Class C quality recycled water is used for onsite irrigation.			
	Class B or Class C recycled water is supplied to offsite users including Fosterville Gold Mine, the Bendigo Livestock Exchange and three neighbouring farmers.			
	Excess recycled water is released to Bendigo Creek in accordance with our EPA operating licence.	Class A <sup>1</sup>	1,048.5	109.7
	The Bendigo Recycled Water Scheme uses Class A recycled water produced at the Bendigo Recycled Water Factory or water supplied to the scheme from our southern storages or Lake Eppalock, and which is stored in Spring Gully Reservoir, under a water quality framework approved by the Department of Health and EPA. It is used by sporting facilities, parks, gardens, primary schools, rural customers, car washes and for dust suppression.	Class B and C	561.0	348.4
Boort	Recycled water (equivalent to Class C recycled water) is used to irrigate an off-site farm and is usually blended with raw water from the Waranga Channel.	47.1	70.8	
Bridgewater	Class C recycled water is used for on-site irrigation	0.0	0.0	
Castlemaine	Class C recycled water is supplied via pipeline to the Castlemaine Golf Course and to an earthworks company for dust suppressions and construction. Excess recycled water is released to Campbells Creek when required in accordance with our EPA operating licence.	50.2	1.0	
Cohuna	Does not have a reuse application. Treated water is stored in on-site lagoons and disposed of via evaporation.	0.0	0.0	
Dunolly	Class C recycled water is used for on-site irrigation.	25.8	46.0	
Echuca <sup>2</sup>	Class B recycled water is pumped to a storage tank located between Echuca and Rochester before it is used by local irrigators.	1,159.6	798.4	
Elmore	Class C recycled water is used for on-site irrigation.	0.0	0.0	
Gunbower	Class C recycled water is used for on-site irrigation	33.9	15.6	
Heathcote	Class C recycled water is supplied to the Heathcote Golf Course for irrigation.	85.7	73.0	
Kyneton	Class C recycled water is used for on-site irrigation and is also supplied to Crofton Park for off-site irrigation. Class B recycled water is supplied to irrigation land managed by Hardwicks' Meats, as well as the Kyneton Racecourse and Macedon Ranges Shire Council for irrigation at local sporting grounds and Kyneton Botanic Gardens. When not irrigating, excess recycled water is released to the Campaspe River in accordance with EPA operating licence or stored in on-site lagoons.	668.9	386.4	
Lockington	Class C recycled water is used for on-site irrigation.	0.0	0.0	
Pyramid Hill	Class C recycled water is used for on-site irrigation.	5.0	22.2	
Rochester	Volume accounted is Echuca figures.			
Wedderburn	Class C recycled water is used for on-site irrigation.	27.7	42.3	
<b>Total</b>		<b>3,728.4</b>	<b>1,918.8</b>	

1. Class A recycled water usage volume only includes the recycled water produced at the Bendigo Recycled Water Factory, whereas the reuse customers are supplemented with water stored in the Spring Gully Reservoir, which is a mixture of recycled water and raw water received from our southern storages or Lake Eppalock.

2. Treated Class B recycled water produced from Rochester and Echuca Water Reclamation Plants are stored in a same storage lagoon and supplied to local irrigators.

While we successfully deliver our water and sewage services against a strict compliance framework, we're committed to further reducing our impact on waterways and the broader landscape by working in harmony with environmental processes.

We continue to explore alternative servicing solutions that will help us enhance the health of local waterways, deliver a more secure long-term water supply, improve the energy efficiency of our operations, and contribute to liveable communities more resilient to the effects of our changing climate.

Our Net Zero Carbon and Circular Economy Pathway was finalised in 2023/24. This document sets our direction for reaching our carbon reduction targets and how we participate in the circular economy. In addition, we also finalised a Circular Economy Opportunities Roadmap identifying 15 actions relevant to our operations and prioritising five of those actions for delivery over the next two years.

A highlight of 2023/24 was the completion of a data improvement project that resulted in the development of an energy and carbon dashboard. This innovative dashboard specifically designed for water industry operations has been instrumental in transforming how we account for, and manage, our energy consumption and carbon emissions, positioning us at the forefront of sustainability and operational excellence. It is supporting our strategic journey to be 100% renewable by July 2025 and net zero by 2030.



## Supporting biodiversity on the land we manage

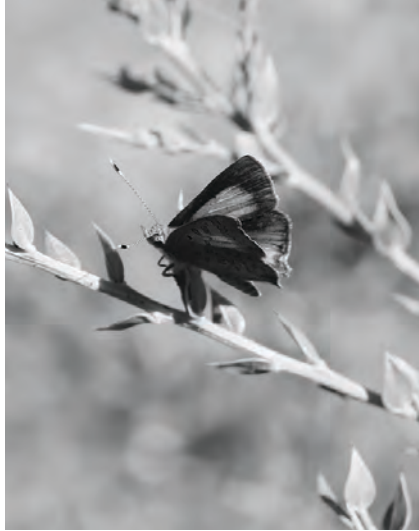
Many sites, across the 4,800 hectares of land we manage, support threatened native plant and animal species and ecological communities.

In line with Victoria's Protecting Victoria's Environment – Biodiversity 2037 Strategy, we take care in our interactions with all plants, animals, microbes and fungi. We seek first to prevent harm and work hard to positively enhance biodiversity outcomes.



### Growling Grass Frogs

Winton Wetlands are discussing with us the next phase of their project to reintroduce Growling Grass Frogs (GGF) to the wetlands being restored in the area that was previously Lake Mokoan (a former irrigation storage). 30 GGFs were taken from Bendigo Water Reclamation Plant in Epsom to Winton in March 2023. These frogs are still in captivity at Winton Wetlands following an initial quarantine period. Although all are reportedly in good health, they are yet to produce any offspring. The next "batch" of translocated frogs will potentially be released into the wild at Winton, following quarantine. The main purpose of quarantine is to ensure that any frogs released from captivity are free from chytrid fungus, which could otherwise hamper their chance of surviving in the new location.



### In flight at Spring Gully Reservoir

Discovered at Spring Gully Reservoir, the nationally-threatened Eltham Copper Butterfly continues to thrive in this protected environment.

Active from late November to early April each year, this butterfly relies on the presence of Sweet Bursaria and Notoncus Ants to complete their lifecycle.

We continue to monitor the population and are planning to make habitat improvements by planting more Sweet Bursaria in adjacent areas over the next two years.



### The Swift Parrot is indeed 'swift' by nature

In June 2024 we were very fortunate to spot a Swift Parrot among remnant vegetation at one of our small reservoirs.

Swift Parrots travel from Tasmania to Victoria and Southern NSW each autumn to spend the winter in a slightly warmer climate, before returning to breed each spring.

Some estimates say fewer than 2,000 of these rare, feathered friends remain in the wild, while experts suggest this number could be as low as 300 – and declining.

So if you're out and about change to bird watching at our reservoirs, keep a keen eye out for the Swift Parrot – we're fortunate they call our region home.

## Real progress toward ambitious targets

### 100% renewable by 2025

We recognise the process of delivering water and sewage services to our region is energy intensive and that we have a responsibility to our planet, and current and future customers, to ensure our activities are as energy efficient as possible.

It's why we're increasing our investment in renewable energy sources. As well as reducing emissions, it also makes good business sense by reducing our operating costs over time. As a customer-funded organisation, we know that's important.

### Carbon net zero by 2030

Thanks to a combination of carbon reduction offset projects that will maximise our land and assets for carbon sequestration, investment in renewable energy, the purchase of renewable energy, and one-percenters like transitioning our fleet to electric vehicles, we're on track to reach net zero carbon emissions by 2030.



## 2023/24 highlights

### Partnering in our journey to net zero

#### Harnessing the sun

In partnership with 12 other water corporations, we have invested in the Zero Emissions Water initiative through a Power Purchase Agreement.

The renewable component is measured by Large-Scale Generation Certificates (LGCs). Each certificate represents one megawatt hour of renewable electricity that we can use to reduce our grid-based emissions. In 2023/24, we voluntarily surrendered 5,594 LGCs, which contributed to a 20% reduction in our carbon emissions.

We expect the project to continue to cover 15-20% of our electricity emissions over the contract's life.

In early 2023, we also finalised the installation of solar arrays on treatment plants across our region adding an additional 167kW of generation potential. In 2023/24, we installed a further 100kW. During daylight hours, these arrays will fulfil a significant percentage of our energy demand.

New solar arrays were installed on our assets at:

- Bridgewater Water Treatment Plant – 39kW
- Bridgewater Water Reclamation Plant – 39kW
- Leitchville Water Treatment Plant – 39kW
- Pyramid Hill Water Treatment Plant – 25kW
- Wedderburn Water Treatment Plant – 15kW
- Kyneton Water Reclamation Plant – 100kW

### Our environmental performance

Sustainability of our operations is underpinned by our Environment and Sustainability Policy. We seek to improve our environmental performance through our certified Environmental Management System. In 2023/24, we continued to reduce our emissions by 14.6% compared to 2022/23. This result followed a 22.7% reduction from the previous year, demonstrating our commitment to reach our net zero carbon target by 2030.

Our environmental performance is a strategic risk. There are controls and actions in place to reduce or eliminate the risk, however our EPA compliance has required close management whilst our capital program is being delivered to mitigate known issues. During 2023/24, we received four Improvement Notices for an odour issue at Elmore Water Reclamation Plant biosolids handling facility. The notices were closed in June 2024. Increased education of environmental incidents has facilitated improved reporting and communication across the business.

### Adapting to climate change

Our climate change risk assessment has been updated following the recent flooding history for the region. Site-specific climate risk assessments were completed for both Castlemaine and Bendigo Water Reclamation Plants and this information will be included in the design considerations for future upgrades at both sites.

The Energy Resilience Assessment and Implementation Plan was developed and delivery has commenced. The initiatives will improve energy security and levels of service in times of climate-related events such as increased storm events. The majority of water treatment plants and critical sewer pump stations will be captured under the program. This project has been supported partially from a Risk and Resilience Grant from Emergency Management Victoria.

### A focus on a circular economy

Our Net Zero Carbon and Circular Economy Pathway was developed and approved in 2023/24. It sets out circular economy strategic objectives and goals focusing on designing out waste and optimising resource use.

A key initiative of the pathway and the 2023/24 Corporate Plan was to develop an implementation plan for circular economy opportunities. This resulted in development of a Circular Economy Opportunities Roadmap. We identified that we had a strong strategic basis for delivering circular economy initiatives and had a long track record of recycled water and biosolids for agricultural reuse. The areas of opportunity included strengthening procurement provisions to enable an uplift in circular economy through construction, designing out waste and carbon in the development of water and wastewater treatment plants, enhancing biodiversity on our cleared farming sites, and considering end-of life for solar and storage assets.

In addition to the roadmap, we commenced the revision of our biosolids strategy to explore technological advances, regulatory changes and consider higher value uses of the treated product.

## Energy and carbon management

### Statement of Obligations: Emissions Reduction

The Carbon Emissions Dashboard was delivered in the reporting year providing improvements in data quality and reporting of carbon emissions. The initiative provides near-time reporting, a self-service option for data sharing and visibility of our pathway to net zero carbon.

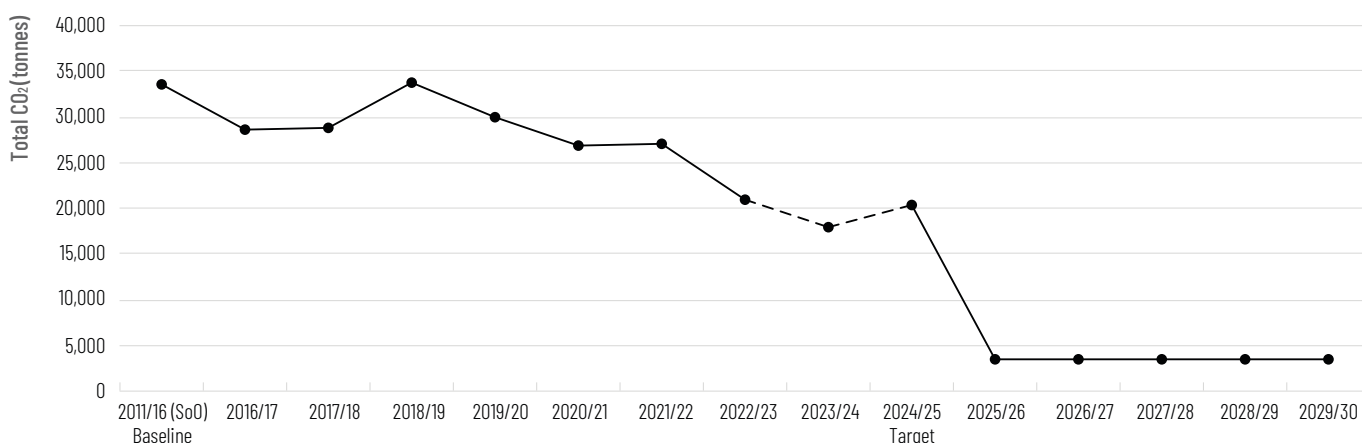
We have progressed initiatives to address Scope 1 emissions through carbon sequestration projects. We have approved a business case to establish a 300Ha environmental plantings project in Echuca to address approximately 2,700 tonneCO<sub>2</sub>e of our Scope 1 emissions from sewage treatment and our fuel emissions. We are also collaborating with other water corporations (through VicWater) to establish a partnership model which addresses Scope 1 emissions through broadscale carbon sequestration.

### Organisational boundary for the purpose of environmental reporting

In addition to the emissions data provider for our operations, the emissions associated with the Build Own Operate Transfer (BOOT) contracts for Bendigo, Castlemaine and Kyneton Water Treatment Plants are captured as Scope 3 emissions. The energy usage at these sites is 5,054MWh, however the electricity for these sites is covered by 100% greenpower.

### Progress toward our 2030 emissions reduction target

#### Net greenhouse gas emissions



#### Greenhouse gas emissions (t CO<sub>2</sub>-e)

Performance indicator	2022/23			2023/24			Variance %	Commentary (Interim targets are related to the baseline)
	Scope 1 emissions	Scope 2 emissions	Total emissions	Scope 1 emissions	Scope 2 emissions	Total emissions		
Water treatment and supply	3,929	0	3,749	3,749	0	3,749	-4.6	Wet conditions in Summer reduced demand and the Goldfields Superpipe did not operate in 2023/24.
Sewage collection, treatment, and recycling	15,609	1,531	11,212	12,743	1,531	11,212	-18.4	Includes reduction attributed to LGC surrender.
Transport	931	956	0	956	0	956	2.7	Increase in distance travelled due to the significant increase in capital delivery.
Other - buildings leasehold, telemetry	435	0	398	398	0	398	-8.5	Head Office was consolidated into one building.
<b>Total emissions</b>	<b>20,904</b>	<b>2,487</b>	<b>15,359</b>	<b>17,846</b>	<b>2,487</b>	<b>15,359</b>	<b>-14.6</b>	

#### Name and type of project/s implemented to generate retired carbon offset units/supported by carbon offset retirement

Name and type of project/s implemented to generate retired carbon offset units/supported by carbon offset retirement	Climate active eligible offset unit	Offset quantity	Retirement date	Offset unit vintage year	Public registry
N/A	0	0	0	0	0

Scope 1 and 2 emissions by GHG (in tonnes and converted to t CO<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	Commentary
	Tonnes	t CO <sub>2</sub> -e	Tonnes	t CO <sub>2</sub> -e	Tonnes	t CO <sub>2</sub> -e	t CO <sub>2</sub> -e	
Water treatment and supply	-	3,749	-	-	-	-	-	Electricity consumption only.
Sewage collection, treatment and recycling	-	11,212	17	465	4.0	1,065	-	CO <sub>2</sub> emissions includes reduction attributed to LGC Surrender.
Transport	-	956	-	-	-	-	-	Fuel consumption.
Other: buildings leasehold, telemetry	-	398	-	0	-	-	-	Electricity consumption only.
<b>Total emissions</b>	<b>-</b>	<b>16,315</b>	<b>17</b>	<b>465</b>	<b>4</b>	<b>1,065</b>	<b>0</b>	

## Total electricity use and sources

Total electricity use	2022/23 (MWh)	2023/24 (MWh)	Commentary
Water treatment and supply	4,622	4,926	This includes behind meter consumption of solar generated electricity.
Sewage collection, treatment, and recycling	19,093	19,846	Increase due to bringing recycled water factory back online. This also includes behind meter consumption of solar generated electricity.
Other (office, workshops, depots etc)	513	504	Head office was consolidated into one building.
<b>Total</b>	<b>24,228</b>	<b>25,276</b>	

Electricity source	2022/23 (total consumption MWh)	2023/24 (total consumption MWh)	Commentary
Purchased directly through an electricity retailer	24,151	25,036	Increase due to bringing recycled water factory back online.
Not directly purchased but sourced from outside the organisation	0	0	N/A
Corporation led/self-sourced activities and initiatives (self generated)	77	240	5 new solar arrays installed in 23/24.
<b>Total (by source)</b>	<b>24,228</b>	<b>25,276</b>	

## Energy generated or exported

### Increasing renewable energy

2023/24 saw a significant increase in renewable energy, increasing from 70kW to 354kW with a further 430kW expected to be installed in the next 12 months.

We delivered increases to our renewable energy portfolio in 2023/24 for projects at Kyneton Water Reclamation Plant (100kW), Bridgewater

Water Treatment Plant (39kW), Bridgewater Water Reclamation Plant (39kW), Wedderburn Water Reclamation Plant, (15kW), Pyramid Hill Water Treatment Plant (39kW) and Leitchville Water Treatment Plant (39kW). The map below depicts our completed renewable energy portfolio and projects that have commenced the planning phase.





Renewable electricity consumption categories	2022/23 (MWh)	2023/24 (MWh)	2023/24 (% of total consumption)	Variance between current and previous year	Commentary
<b>Total renewable electricity consumption from grid-sourced electricity (reported because of the Commonwealth Government's LRET)</b>					
Total grid-sourced: mandatory	4,555	4,687	19%	0%	
<b>Renewable electricity consumption resulting from corporation-led/self-sourced activities and initiatives</b>					
Solar	77.6	239.9	0.95%	2%	5 new solar arrays installed in 2023/24
Biogas	-	-	-	-	N/A
Hydroelectric	-	-	-	-	N/A
Wind	-	-	-	-	N/A
Other renewable	-	5,594	22%	-	Zero Emissions Water LGCs retired during FY
Total corporation led/self-sourced	-	-	-	-	N/A
<b>Total</b>	<b>77.6</b>	<b>5,833.9</b>	<b>23%</b>	<b>2%</b>	

Total 2023/24 grid-sourced electricity consumption	2023 RPP	2024 RPP	Renewables from LRET (mandatory) estimations calculation	Renewables from LRET (mandatory) (MWh)
25,036	18.96	18.48	$((18.96+18.48)/2)/100*25,036$	4,687

2023/24 total on-site renewable electricity generation capacity (MWh)

Renewable electricity source	2023/24 total on-site renewable electricity generation capacity (MW)	Renewable (small-scale system)			2023/24 total by source	Commentary
		Consumed on-site	Exported	Other		
Biogas	0	0	0	0	0	N/A
Hydroelectric	0	0	0	0	0	N/A
Solar	0.354	239.9	128.83	0	368.73	5 new sites in 2023/24
Wind	0	0	0	0	0	N/A
Other renewables	0	0	0	0	0	N/A
<b>Total (renewable)</b>	<b>0.354</b>	<b>239.9</b>	<b>128.83</b>	<b>-</b>	<b>368.73</b>	

2023/24 total on-site non-renewable electricity generation capacity (MWh)

Non-renewable electricity source	2023/24 total on-site non-renewable electricity generation capacity (MW)	Renewable (small-scale system)			2023/24 total generated by source	Commentary
		Consumed on-site	Exported	Other purposes		
Non-renewable sources	0	0	0	0	0	Nil
<b>Total (non-renewable)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Nil</b>

Energy storage system	2023/24 total energy storage system power capacity (MW)	2023/24 total energy storage system storage capacity (MWh)	Commentary
Total: energy storage systems – nil	0	0	Nil

**Greenhouse gas emissions (tonnes CO<sub>2</sub>-e)**

REC retirement method	RECs retired 2023/24 (1REC = 1 MWh renewable electricity)		Commentary
Voluntarily retired by corporation	5,594	LGCs (large generation certificates)	
GreenPower	-		N/A
Certified carbon neutral electricity purchased	-		N/A
Voluntarily retired on corporations behalf	-		N/A
Total voluntarily retired	5,594		Total LGCs retired
Mandatorily retired	-		
<b>Total RECs retired</b>	<b>5,594</b>		

**Additional reporting**

Stationary fuels	Total stationary fuel use (buildings and machinery)		Commentary
	In MJ	In t CO <sub>2</sub> -e	
Fossil gas	0	0	N/A
Biogas	0	0	N/A
Diesel	0	0	N/A
LPG	0	0	N/A
Petrol	135	9.32	ULP used in generators
Other	0	0	N/A
<b>Total</b>	<b>135</b>	<b>9.32</b>	<b>Refer to above</b>

	Measure	Fuel type	MJ	t CO <sub>2</sub> -e
F1	Total fuels used in buildings and machinery segmented by fuel type	Unleaded petrol	135	-
F2	Greenhouse gas emissions from fuels used in buildings and machinery	Unleaded petrol	-	9.32

Transport fuels T1-T3	Number of vehicles	Fuel type	MJ	t CO <sub>2</sub> -e	Vehicle category
	90	Diesel	12,716.13	909.5	82 passenger road vehicle 7 goods road vehicle 1 non-road vehicle – other
	11	Unleaded petrol	542.03	37.5	Passenger road vehicle
	2	Ulp hybrid/battery			Passenger road vehicle

**Energy use**

Total energy usage	Renewable (MJ)	Non-renewable (MJ)	Total (MJ)	Commentary
From fuels	0	13,393.17	13,393.17	Fuels from fleet vehicles
From electricity	863,640	90,130,903.89	90,994,543.89	Purchased electricity plus solar generated consumed on-site
<b>Total</b>	<b>863,640</b>	<b>90,144,297.06</b>	<b>91,007,937.06</b>	

Total energy usage (fuels and electricity) (MJ)	Total FTE employees	Energy usage (MJ) per FTE employee	Commentary
91,007,937.06	271.41	335,315.34	First time reporting this metric. No comparison.

**Energy and GHG emissions from vehicle fleet**

	Energy consumption measure	MJ
E1	Total energy usage from fuels	13,393.17
E2	Total energy usage from electricity	90,994,543.90
E3	Total energy usage from renewable sources	863,640
E3	Total energy usage from non-renewable sources (including fuels)	90,144,297.06
E4	Units of energy used nominalised by connection	335,315.34

**Head office water consumption  
30 Bridge Street, 37-45 Bridge Street**

	2023/24	2022/23	2021/22
Total water consumption	981 KL	963 KL	483 KL
Volume per full-time equivalent staff member	3.6 KL	4.8 KL	2.4 KL

We do not currently collect any information on rainwater or greywater use. As part of permanent water saving rules and government policies, we support the use of rainwater tanks and grey water use where applicable to reduce demand on the drinking water network.

## Environmental Statutory Obligations

### Land management around catchments

We provide statutory and strategic land use planning engagement with municipalities where sewerage isn't connected and we are a determining referral authority under section 55 of the *Planning and Environment Act 1987*. Part of our role in special water supply catchments (declared under the *Catchment and Land Protection Act 1994*) is to provide responses to planning permit applications referred to us by local government under clause 66.02-5 – Special Water Supply Catchment of the Victorian Planning Provisions and relevant municipal planning schemes.

Our responses provide support to local government by recommending conditions to applications for the use and development of privately-owned land in open water supply catchments, to ensure minimal impacts on the quality and quantity of water available to the environment and for use in water supply to the townships that we service. On occasions we have objected to the issuing of a planning permit where we consider there is potential for adverse impacts.

### North Central regional catchment strategy

We have been actively partnering with the North Central Catchment Management Authority on the implementation of the North Central Regional Catchment Strategy since its Ministerial approval. In 2024 we renewed a Memorandum of Understanding with the North Central Catchment Management Authority between the organisations that included a three-year action plan. Senior leadership of both organisations agreed to the action plan which provides linkages to both the RCS and Our Strategy: *dhelk gatjin dhelk balak*. Implementation is scheduled to commence in the 2024/25 financial year.

We are an active member of the North Central Catchment Partners Forum and our support has been driven by the joint Memorandum of Understanding.

### Victorian waterway management strategy

We have provided feedback to the Victorian Waterway Management Strategy via the Engage Vic website and remain committed to actively participate in the Victorian Waterway Management Strategy (VWMS) renewal.

### Healthy Coliban Catchment program

A Healthy Coliban Catchment Program, the Upper Coliban Integrated Catchment Plan, responds to various threats to the Upper Coliban catchment and sets out an analysis of the benefits and costs of protecting and enhancing the Upper Coliban catchment.

Traditional Owner groups, landholders, Landcare groups, local and Victorian Government agencies, Goulburn-Murray Water and other stakeholders participated in the development and delivery of the plan, which incorporates the principles of catchment to tap for the production and delivery of safe drinking water, enhanced river biodiversity and better catchment health over a 20-year horizon.

Totals achieved in the six years so far:

- 51.37 kilometres of fencing.
- 84 off-stream watering troughs or tanks.
- 134 hectares of revegetation.
- 412 hectares of weed control.
- Community engagement events (including platypus walk and talk and the Healthy Landscapes Program with Macedon Ranges Shire Council).

### Regional water strategy

In partnership with the North Central Catchment Management Authority, we have been part of a steering group charged with revising the regional waterway strategy.





Providing quality water and sewage services is key to the health and wellbeing of our communities, the social and economic value of which is indisputable. Yet we are also committed to exploring opportunities and solutions beyond our core services to further contribute to the prosperity of our region.

We continue to engage with our customers to ensure we better meet their needs and expectations – and assist our people to understand and connect with the customers and communities they serve.

Our customers and the communities in which we operate are at the centre of everything we do. Our Coliban of the Future transformation is further embedding a customer-centric mindset within our business, helping us turn customer insights into actions and deliver a more effortless customer experience.

Our customers continue to tell us they also value our role in providing education and awareness programs on topics including the natural water cycle and where their water comes from, sustainable water use and conservation, smart gardening in a drying climate, Choose Tap, and our Water Heroes and 3Ps (pee, poo and toilet paper) programs.

## 2023/24 highlights

### Bendigo Community Health Services

It is estimated Central Victoria has welcomed 3,500 – 4,000 Karen (a persecuted, stateless ethnic group from the Myanmar–Thailand border), 300 Afghan, and a growing number of South Sudanese people of refugee background. The Karen, Afghan, and South Sudanese communities are mostly first-generation former refugees. They have experienced lives of deprivation and may have experienced or witnessed torture, trauma, and displacement. With these groups expected to grow in number, we are responsible for understanding their needs as customers and members of our community.

Recently we have been collaborating with Bendigo Community Health Services (BCHS) to increase our engagement and understanding of these groups. This began with increasing our own literacy of the refugee experience. Staff from BCHS presented seminars that focused on sharing the refugee journey with our team.

BCHS has translated information about our services into relevant languages with the aim of increasing our support for those going through the settlement process in our region.

### National Water Week celebrations

Drawing on the National Water Week theme, United by Water, we encouraged our customers to reflect on personal water stories and celebrate the important role that water plays in connecting us all.

Customers wrote in stories about catching their first Murray cod, long summers spent by Lake Eppalock with friends, and running through the backyard sprinkler.

There were additional celebrations with storytime in Bendigo, Kyneton and Echuca, and the annual poster competition held in conjunction with other Victorian water corporations.

### Respect and protect

In a first among Victoria's water corporations, we signed up to the Respect and Protect initiative to further enhance the safeguards provided to customers and team members experiencing family violence. This initiative was undertaken in June 2024, with formal signing occurring shortly after 1 July.

We are committed to supporting the elimination of financial abuse as a form of violence in Australia. In signing up to Respect and Protect, we have updated our terms and conditions to make it clear the provision of water and sewerage, an essential service for everyone, is no place for financial abuse.

In addition to updating our terms and conditions, we are ensuring our team is skilled and ready to help, and we are discouraging perpetrators from using us and our services to continue the cycle of abuse.

The Respect and Protect initiative was a natural next step after we signed up to Thriving Communities Australia, the not-for-profit organisation facilitating improved cross-sector collaboration to support customers experiencing vulnerability.

Information about Respect and Protect is available from [www.respectandprotect.au](http://www.respectandprotect.au)

## How we engage

The important work we do has the ability to impact a wide range of customers, communities and stakeholders. Equally, external activities such as policy changes and planning decisions can influence our activities and the way we work. We engage with our customers and stakeholders through a range of forums to help us prioritise, plan and better meet their needs.

We engage with our customers and communities regularly on topics including our services and available assistance, our prices, environmental impact, community support and education, capital works and infrastructure programs, and our performance against their expectations.

Our Customer Support Team is the day-to-day face of our customers interactions and monitors customer feedback and sentiment in real time. Our customer and community advisory groups, digital platforms, direct communication streams, social media activity, presence at local events and customer surveys allows us to hear directly from customers wherever they are.

We share insights into our strategic directions with key stakeholders and major customers including opportunities and challenges, performance, financial and environmental management, technical standards, policies, advocacy for customers, forward visibility of work and infrastructure delivery.

We work with stakeholders through a program of steering committees, working group memberships, operational committees, regional planning groups, industry connections and forums, site and facility tours, workshops, meetings and partnerships to create two-way dialogues and boost engagement and understanding.

We will measure success of our engagement through feedback after each session, through industry benchmarking independent research activities, and we will measure our success against our performance outcomes with our Customer Advisory Group and make the results available on our website.

coliban.com.au	Connect Coliban	Social media	In the community
<p>Our core online presence coliban.com.au is a hub for information about planned and unplanned works, latest news, rural information, payment and billing information, and much more. We regularly review the customer experience as they visit our site, to make information clear and easily accessible.</p>	<p>Our online engagement platform Connect Coliban provides a digital platform for two-way engagement with our customers and stakeholders. The platform is home to project information, news, surveys, timelines, maps and users can follow important projects as they wish.</p>	<p>We use Facebook, LinkedIn and X to deliver a range of trusted information to our communities. In unforeseen circumstances, such as the Christmas Day Elmore do not drink advisory, our social media channels are a vital way we disseminate information to our customers in a timely way, in conjunction with our website updates.</p>	<p>To ensure we hear from our customers about what matters most to them, we have increased our program of community events and pop-ups. These face-to-face opportunities allow us to raise awareness of the natural water cycle and promote the work we do to deliver trusted water and sewage services.</p> <p><b>Events for the financial year</b> 64 events attended. Reaching 3,797 people face to face.</p>
Accessible communication	Adaptable online presence	A representative voice	<p><b>Highlights:</b></p> <ul style="list-style-type: none"> <li>National Water Week celebration at the Bendigo Library.</li> <li>Bendigo Sustainability Festival.</li> <li>The Elmore Field Days.</li> <li>Echuca Discovery Day.</li> </ul> <p><b>Education sessions for the financial year:</b></p> <ul style="list-style-type: none"> <li>144 sessions at 89 Schools and Kinders.</li> <li>38 schools in the Schools Water Efficiency Program (SWEP).</li> </ul>
<p>Telephone interpreter and text telephone services are offered to assist non-English speaking customers and those with a speech or hearing impairment.</p>	<p>Our website and engagement platform Connect Coliban features accessible functionality including read-aloud, translation, magnification and noise reduction.</p>	<p>With a broad cross-section of members our Rural Customer Advisory Group and two Customer Advisory Groups are providing a direct voice from the customer into our project planning and performance evaluation.</p>	
Our engagement commitment			
<p>On our Connect Coliban page we have a clear statement which outlines our commitment to talking with our communities and stakeholders about our work in the region.</p> <p>It promises that we will encourage broad discussions with our community about their needs and what they value, provide information about our services, current priorities and the challenges we face, and encourage our community to make informed recommendations about community priorities over the next five years. We use the information collected from the engagement to inform our decision making and close the loop by showing the community how their feedback influenced our decision making.</p>			

## Customer Advisory Groups

### Customer Advisory Groups

Our Customer Advisory Groups provides a customer voice to our planning and operational activities and hold us accountable to our customer outcomes.

Our Northern Customer Advisory Group met on 19 September 2023 and 16 April 2024, and our Southern Customer Advisory Group met on 20 September 2023 and 17 April 2024. We also held two combined events on 2 December 2023 (reflection and planning session) and 15 June 2024 (Annual Customer Forum).

### Rural Customer Advisory Group

Our long-standing Rural Customer Advisory Group continues to advocate for rural pricing and services. They remain heavily involved in the development of the detailed business case for rural water efficiency program and have assisted in shaping our engagement for the first stage of consultation with rural customers. We will continue to consult our advisory group as we move through the remaining stages.

The Rural Customer Advisory Group met on 3 and 19 October 2023, 15 February and 28 May 2024.

### Annual Customer Forum

Each year an Annual Customer Forum helps us report on our performance against our five customer outcomes.

On 15 June 2024, we brought together our Customer and Rural Advisory Groups to check our performance and complete a scorecard on behalf of all customers. The results are available on our website and have been reported to the Essential Services Commission.



## Community engagement

### Bird watching tours

We hosted three bird-watching tours in the last year, two for Birdlife Castlemaine on 7 October 2023 and 6 April 2024 at our Bendigo Water Reclamation Plant, and one for the Bendigo Field Naturalists who completed their bi-annual bird count on 15 March 2024.

### Echuca Water Treatment Plant

On 28 November 2023 we held a project completion event at our Echuca Water Treatment Plant, to mark our \$17 million water and wastewater upgrade project. We met with community members, stakeholders and media to showcase the works and held a tour of the plant.

### Castlemaine Water Reclamation Plant upgrade

We met with community groups, stakeholders and residents who live near the plant on 24 and 27 July 2024. The purpose of the event was to listen to the community, build stronger stakeholder relationships and involve the community as our plant upgrades take place across the next five years.

### Bendigo Water Reclamation Plant security upgrades

On 17 April, 3 May and 8 July 2024 we contacted stakeholders, plant users and nearby neighbours of our plant to update them about our front gate upgrades.

### Pyramid Hill Water Treatment Plant

In December 2023 we identified a number of tanks that were no longer needed on site, after the completion of our recent clarifier works at the plant. These tanks were in near-new condition and they were subsequently gifted to Pyramid Hill CFA.

## Recognising recreational values

During the year we delivered or advanced seven projects to improve recreational enjoyment at our water storages resulting in improved access, better car parking facilities and increased public safety. Projects include:

- Upgrades to the track and car park facilities with improved drainage at Premier Mine Road, Upper Coliban Reservoir.
- At Barkers Creek Reservoir there is ongoing investigation for the construction of a circuit track, including preferred location, construction style and consideration of cultural heritage and ecological values.
- Safer access around the storage with new stairs on the embankment of Barkers Creek Reservoir and improved stair access at Upper Coliban Reservoir.
- Dismantling and removal of the Malmsbury Outlet Tower walkway access ready for heritage restoration prior to reinstatement.
- Improved access track at Shepards Hill Recreation Area, Lauriston Reservoir.
- Partnered with the Goldfields Track Inc. and DJANDAK to implement part of the Goldfields Track Visitor Ready Interpretation and Engagement Project. This involved installing a shelter along the Coliban Main Channel to create the Bryden Road Visitor Hub and improve visitor experience.



Shelter built along the Coliban Main Channel

We commenced a review of our Recreational Area Management Plan which covers our water storages at Barkers Creek, Malmsbury, Lauriston and Upper Coliban Reservoir. We undertook community engagement through our social media channels, website and Coliban Connect. No additional facilities were constructed or made accessible this year.



## Social procurement framework

The Victorian State Government released its Social Procurement Framework in 2018 to address social disadvantage. The framework uses the united buying power of Victorian Government departments and agencies to generate social value above and beyond the value of the goods, services or construction being procured, providing environmental, social and economic benefits to all Victorians.

Our *Social Procurement Strategy* is now part of our day-to-day policies, procedures and activities. Social Benefit Suppliers are recognised as 'pre-qualified'. Social procurement forms part of our onboarding procedures and staff members complete regular refresher training.

Our Board continue to encourage social procurement considerations in all aspects of procurement. At the direction of our Board, we implemented weighted social procurement evaluation criteria for all procurement above \$50,000 which is lower than the Government's mandated threshold of \$1 million.

### Our priority social and sustainable objectives

This year, we identified three priority social and sustainable objectives to focus on this financial year:

- Opportunities for Victorian Aboriginal People.
- Opportunities for disadvantaged Victorians.
- Sustainable Victorian Social Enterprises and Aboriginal business sectors.

### Social procurement activities to support our strategy

- Ten social benefit suppliers were engaged during the reporting period with expenditure totalling \$130,933 (direct spend).
- Development of fact sheets on 'reasonable adjustments' (adjustments for employees with a disability to be able to work or to be able to participate equally in some aspect of working life) to raise awareness.
- Creation of tailored information page to increase staff awareness of Social Procurement (awareness).
- 100% of job advertisements encouraging people with a disability to apply was achieved (awareness).
- 100% of tenders above \$1 million included social procurement with an evaluation weighting (indirect spend).
- Catering and room hire expenditure target of 5% exceeded (direct spend).

## Achievements

### Diversity, Equity and Inclusion Action Plan

Our focus on diversity, equity, and inclusion (DEI) has been a cornerstone of our organisational culture this year. We have delivered projects and initiatives aimed at fostering a more inclusive and supportive work environment. Some achievements in our DEI efforts are:

- Introduction of the Quiet Room.
- Screensavers showcasing DEI programs and initiatives.
- Development of people and capability guides.
- Workplace adjustments and inclusive interviews.
- Enhanced DEI resources for all staff.

### Successful grant application for social procurement maturity assessment

Another standout achievement this year was the successful application for a grant to conduct a comprehensive maturity assessment of our social procurement practices. This assessment provided valuable insights into our current strategies and identified opportunities for improvement. The grant funding helped us evaluate our social procurement framework, benchmark our practices against industry standards and develop a roadmap for future advancements.

This initiative aligns with our goal to not only meet but exceed best practices in social procurement, ensuring that our operations generate positive social outcomes for our community. Insights gained from this assessment will be key to enhancing our approach to support local businesses, foster community engagement, and drive inclusive economic growth.

### Improving social procurement commitment proposals for greater impact

Our procurement team, in partnership with the Department of Government Services, has customised our tenderers response templates for capturing social procurement commitments. This has enabled the capture of measurable, realistic and achievable social procurement commitments, comprehensive reporting and greater visibility of the social impacts created from our expenditure.

## Engaging with Traditional Owners

We recognise that the region we serve has been home to Aboriginal peoples for thousands of generations. We acknowledge and appreciate that Dja Dja Wurrung, Taungurung, Yorta Yorta and Barapa Barapa peoples have deep and unique cultural and spiritual connections to land and water.

While we have no formal partnership agreements currently in place, in 2023/24, we began developing a partnership agreement with Djaara and the respective organisational leaders have agreed to the vision of leading the way in the shared custodianship of gatjin (water). This vision is underpinned by the principles of:

1. A respectful and genuine partnership.
2. Commitment to finding a pathway through.
3. Enabling each other to succeed. The partnership further recognises Djaara as a rights holder and endeavours to enable Djaara’s self-determination for managing water on their Country as expressed in Dhehkunyanu Gatjin Strategy. The partnership agreement is to be finalised in 2024/25.

Our Strategy: dhehk gatjin dhehk balak outlines the strategic outcome – Follow Traditional Owners’ lead. This includes a pathway to continually advocate for the return of water to Traditional Owner groups for their self-determined use, including transferring water entitlements for cultural use.

We are committed to strengthening relationships with Taungurung, Yorta Yorta and Barapa Barapa to establish participation in our decision making. Partnership agreements will be developed in the coming years with these Traditional Owner groups.

### Traditional Owner opportunities

During the development of a detailed business case for modernising the rural network, we engaged Djaara and Taungurung about returning water for their self-determined use. The projected water savings from piping the leaky rural channels are to be shared between the environment, Traditional Owners and urban water customers. The amount of water returned to Traditional Owners is to be determined in 2024/25 after total water savings are accurately quantified and benefits sharing is evaluated.

Number of tender requests received 2023/24	Number of tender requests received from Aboriginal enterprises 2023/24	Total number of tender requests accepted from Aboriginal enterprises 2022/23	Total number of tender requests accepted from Aboriginal enterprises 2023/24
31	2	1	2

In 2023/24, we explored options with Djaara to share the entitlement and management of groundwater resources in Central Victoria. This arrangement has evolved from us initially exploring groundwater resources to augment Trentham’s water supply and provide an alternative supply for Kyneton and surrounding towns to manage the risk of drought. Together with Djaara we then identified the opportunity to trial a shared management approach for these groundwater resources to grow Djaara’s water entitlement portfolio and demonstrate the partnership approach. Both parties are now exploring the best legal instrument to enable shared management and will work with DEECA in 2024/25 and beyond to implement the preferred option.

### Supporting Aboriginal self-determination

We have no formal partnership agreements with Aboriginal Community Controlled Organisations for water planning and management.

We are committed to achieving the required obligations under the Natural Resource Agreement (NRA). The NRA is an agreement held between The State of Victoria and Dja Dja Wurrung Clans Aboriginal Corporation (to which we are a party) and intends to use the NRA as a tool to uplift procurement opportunities offered to aboriginal enterprises for the supply of goods and services to us.

We aim to address upcoming procurements more strategically by better understanding the challenges related to resource allocation and seasonality. We will explore these factors to ensure that we arrange and publish upcoming opportunities effectively, focusing on partnership, particularly when it comes to procurements involving Traditional Owners.

As part of our Innovate Reconciliation Action Plan, we are committed to implementing an organisational wide Aboriginal and Torres Strait Islander procurement strategy during 2024/25.

We have published a database listing all Victorian Aboriginal businesses, highlighting those operating in our region that provide goods or services we typically procure. This database is available on our internal Procurement Knowledge Hub to enhance visibility and knowledge to encourage the inclusion of Aboriginal businesses in our tendering and request for quotation processes.

The status of our tender requests and engagement by Aboriginal Enterprises is outlined below:

#### **Malmsbury Reservoir access bridge restoration**

Engaged with Dja Dja Wurrung in the lead up to works. The 50-metre access bridge was removed by crane in December 2023.

#### **NAIDOC Week**

We were Platinum Sponsors of the Bendigo NAIDOC Week Program.

#### **Healthy Coliban Catchment**

Joint partnership with the North Central Catchment Management Authority and Djaara. This includes employing a project officer and supervisor for project activities, and providing funds to enable on-ground works for Djaara's identified priority works via the Aboriginal Waterway Assessment. We're also working with Djaara to host their content on our Connect Coliban project web page.

#### **Detailed business case for Rural Modernisation – Rural Water Efficiency Project**

As part of investigations, we have met with Traditional Owner representatives to identify water sharing opportunities.

#### **Site investigations and Cultural Heritage Management Plans (CHMP)**

In line with Aboriginal Heritage Regulations 2018, Cultural Heritage Assessments were completed at the Trentham Water Treatment Plant. A CHMP is also being worked through in relation to the Barkers Creek Circuit Track, regarding input on the boardwalk design and location.

#### **Castlemaine Water Reclamation Plant upgrade**

There are ongoing discussions with Dja Dja Wurrung in relation to waterways near the Castlemaine Water Reclamation Plant, and an Aboriginal Water Assessment is planned for Campbells Creek in 2024/25.

#### **Natural Resource Agreement (NRA) partnership forum**

We continue to work with Djaara on meeting and exceeding, our obligations under the NRA.

#### **Harcourt Channel Decommissioning**

Works were awarded to DJANDAK (the commercial arm of Djaara). Unfortunately, due to resourcing constraints, DJANDAK were unable to undertake the works this financial year. However, we remain committed to partnering with DJANDAK and we will continue to work together to ensure that future works are awarded and completed.

#### **Coliban Assist**

We continue to work with 2D Plumbing and Gas, a registered Victorian Aboriginal Enterprise, to provide essential plumbing services for customers in need.

#### **Office relocation**

We engaged Orana Commercial Relocation, a registered Victorian Aboriginal business, to undertake our corporate relocation from 30 Bridge Street to 37-45 Bridge Street.

# Coliban Assist

We know life doesn't always go to plan. We know our customers' circumstances can change and so can their financial position.

Our improved Coliban Assist program doubled its financial support, and this year distributed more than \$570,000 to approximately 3,000 community members.

The Coliban Assist program is the cornerstone of our customer support focus and aims to ensure any customer experiencing vulnerability can be supported. The program includes Plumber Assist, leak detection, utility relief grants, concessions, bill smoothing and payment matching.

Those experiencing short or long-term payment concerns, or family violence, are encouraged to speak with the Customer Care team, who are trained to treat every conversation with our customers with respect and confidentiality, and to identify solutions that cater to individual customer circumstances.





## 2023/24 highlights

2,851 Customers helped through our Coliban Assist program	\$564,178 In support payments to customer accounts	\$9,550 Further payments through Coliban Assist	1,300 applications for Utility Relief Grants	\$446,817 allocated for Utility Relief Grants
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## How we can help

### Smoothing your payments

While some customers may continue to pay on a quarterly basis, there are payment plan options available to make paying your water bill on time easier. You can choose to pay your water bill weekly, fortnightly or monthly. This can “smooth” your payment over the course of the year to help manage these payments easier.

### Payment extension

Customers can request an extension on paying their bill.

### Claim a discount or a concession

If the primary account holder has a valid pension or health care card, they could be eligible for a quarterly discount.

### Centrepay

Centrepay is a bill paying service, free for Centrelink customers. We can set up this service to automatically deduct water bill payments from Centrelink payments.

### Utility Relief Grants

Grants of up to \$650 are available every two years, towards payment of your water bill for those who hold a relevant concession card.

### Plumber assist

We can help eligible customers with a free household water audit and minor repairs by a qualified plumber.

### Support if there is violence in the home

Our Customer Care team is committed to providing respectful and confidential help for those impacted by family and domestic violence is part of our commitment to our customers. This includes:

- Keeping account information and data secure.
- Financial assistance and other community care options.
- Ensuring customers only explain their situation once, without needing to provide proof.

Our ability to support our customers is strengthened by our relationships with local family violence and financial counselling services.

## Concessions and rebates

	2023/24	2022/23
Provision of water and sewerage concessions	\$6,412,934	\$6,662,471
Rebates paid to not-for-profit organisations under the water and sewerage rebate scheme	\$453,786	\$440,206
Utility Relief Grants	\$328,364	\$446,817
Water concessions on lift support machines	\$192	\$0
Hardship Relief Grant Scheme (Sewerage and Water Connection Scheme)	\$0	\$0
Coliban Assist	*\$300,319	\$573,729
Community Rebate Program <sup>1</sup>	\$53,491	\$42,000

\* Amount includes Plumber Assist payments.

1. 144 customers were assisted by our Community Rebate Program.

## **Financial support has increased**

Many of our customers are at risk of financial stress with competing costs in the current high inflationary environment and interest rate rises. We have increased our Coliban Assist program to ensure no customer is left behind.

We have more than doubled funding for our Coliban Assist program, with \$570,000 in direct assistance each year from 2023 to 2028. This is available to all customers at risk of financial hardship. Together with Utility Relief Grants, we provided more than \$1 million in support to thousands of customers impacted by cost of living pressures.

We will also support customers to access other state and federal government assistance they may be eligible for, including concession entitlements, applying for the Utility Relief Grant, Plumber Assist program for essential home plumbing repairs and support for customers experiencing family violence, and options to help with bills including payment extensions, payment plans and bill smoothing. Post-pandemic, many of these supports have been extended to include business customers facing financial hardship.

For more information on assistance available to customers, please visit our website.

## **Pricing impacts for rural water services**

The rural price path saw price changes 1.2% below inflation in 2023/24. Prices will again be 1.2% below inflation in 2024/25 and then will change by inflation through to 2028.

We meet with a rural customer advisory group regularly to discuss matters including pricing and service levels. Feedback from this group led to us adopting this rural price path for the current regulatory period, on the basis that no major investment has been proposed for rural services in the next five year

Many of the financial support options offered to urban customers are also available to rural customers. For more information, please visit our website or call our Customer Care team on 1300 363 200.

## **Thriving Communities Australia**

Our relationship with Thriving Communities Australia continued in 2023/24. Throughout the year, our most vulnerable customers have benefited from referrals to hardship programs from partner organisations such as Linkt, Energy Australia, Mortgage Stress Victoria and Telstra via the One Stop One Story Hub.

Additionally, customers experiencing family violence or vulnerability with Telstra prepaid mobile services have also benefited from complementary \$50 prepaid credit top-ups.

## **Paying it forward**

Charitable and not-for-profit organisations that support community members experiencing poverty and family violence were invited to apply for a \$1,000 Access Fee Rebate to offset their water service fees.

The Access Fee Rebate supported the valuable work of organisations such as Bendigo Foodshare, Sunshine Bendigo and MAD COW, enabling them to redirect funds to where they are needed most – with direct community support.

## Customer and Community Guaranteed Service Levels (GSLs)

We know an extended interruption to water supply, poor water pressure, a Boil Water Advisory, or sewer spill can be inconvenient and not the standard of service we've committed to as a customer-funded service provider. That's why we developed a program of Customer and Community GSLs.

First developed in consultation with customers for our 2018 Price Submission, and revised ahead of the 2023 submission, the program helps us remain accountable to the customers who fund our business through their water bills and deliver tangible benefits when we do not meet customer expectations.

Customer GSLs 2023/24	Value	Payable	Total
Sewer intrusion into a house:			
Blown seal (first occurrence) <sup>1</sup>	\$60	40	\$2,400
Blown seal (2+ occurrences) per occurrence	\$120	4	\$480
Intrusion under 1 hour	\$360	3	\$1,080
Intrusion 1 hour or longer	\$1,200		\$0
Special Meter Read (SMR) late	\$21.80		\$0
4+ sewer blockages in 12 months	\$120		\$0
5+ water service outages in 12 months <sup>2</sup>	\$60	88	\$5,280
Unplanned 5+ hour water service outage – <100 customers <sup>3</sup>	\$60	259	\$15,540
Planned water service outage in peak times	\$120		\$0
Less than 100% rural water allocation	*		\$0
Customer restriction ('reasonable endeavours')	\$360		\$0
Failure to unrestrict in a timely fashion	\$360		\$0
Ongoing aesthetic water quality issue	\$62.56		\$0
Ongoing water pressure issues	\$62.56		\$0
Negative amenity impact due to construction works:			
Tier 1 customer impact	**		\$0
Tier 2 customer impact	\$62.56		\$0
<b>Total Customer GSLs</b>		<b>394</b>	<b>\$24,780</b>

\* Applies when rural allocation less than 100% by 1 April. Rebate applied to Infrastructure Charge (% water not allocated).

\*\* Tier 1 are high-level impacts to amenity including environmental, noise, traffic, length of works and damage to property.

Community GSLs 2023/24	Value	Payable	Total
Unplanned 5+ hour water service outage – 100+ customers	\$6,000		\$0
Boil Water or Do Not Drink notice issued <sup>4</sup>	\$6,000	1	\$6,000
Significant sewer spill to the environment	\$10,000		\$0
<b>Total Community GSLs</b>		<b>1</b>	<b>\$6,000</b>

1. Increase in number of blown seals is largely attributable to increased sewer mains jetting in 2023/24.

2. 80 customers in Bealiba and a further eight in Barkers Creek experienced five service outages in the period.

3. There were 13 separate incidents where customers experienced a five hour or longer water service outage.

4. Do Not Consume notice issued in Elmore on 25 December 2023 when a storm event led to risk of untreated water infiltration.



# People

Enriching quality of life starts with employing the right people – people who are purpose-driven, skilled, resilient and who care about delivering the best products and services for our customers and communities.

We aim to provide a positive employee experience and ensure every one of our team has clarity on how their role aligns to our purpose and that they feel engaged, enabled and rewarded. We know if we take care of our people, they will take care of our customers, communities and our business.





## 2023/24 highlights

### First Nations appointment to our Board

We welcomed the appointment of Dja Dja Wurrung/Yorta Yorta man, Trent Nelson, as an Independent Aboriginal Delegate to its Board of Directors, with an initial term of 18 months.

Trent brings impressive experience, a deep understanding of environmental management in regional Victoria, and will provide greater perspective in strategic discussions.

We were one of several Victorian water corporations to appoint an Independent Aboriginal Delegate. The program supports the Victorian Government's Water for Victoria policy, designed to increase the participation of Traditional Owners in water management decision-making.

The delegate role actively participates in board meetings and is aimed at:

- Improving board's decision-making.
- Building a pathway for future Aboriginal board members.
- Increasing awareness of board roles and opportunities in the Aboriginal community and providing practical experience to develop governance skill relevant to public sector boards.
- Encouraging future applications for a board director role and aligning with the Victorian Government's commitment that government boards reflect the rich diversity of the Victorian community.

### Gender pay gap reduced

Our gender pay gap has reduced by 6.4% between 2021 and 2023, with women paid on average \$97 for every \$100 paid to a man – an increase of six dollars since 2021. This is significant progress as we look to close the gender pay gap completely.

We are committed to creating a culture which ensures there are no barriers to access equal resources, development and opportunities, including not only what people are paid but also job satisfaction and psychological safety. These all contribute to people feeling valued at work.

Results from the action plan also highlighted positive trends in women's recruitment and career progression, but there is more work to be done with some key focus areas, including:

- An increase in women in professional and STEM-based roles.
- A rise in staff using flexible working arrangements.
- To promote and seek an increase in the employment of people with a disability.

### Reappointment of Managing Director

The Board re-appointed Damian Wells as Managing Director for an additional five years this year. Damian has been Managing Director at Coliban Water since 2019.

In reflecting on the reappointment, Chair Bob Cameron said the decision was an easy one for the Board noting Damian's exceptional leadership, passion, vision and commitment to his team and the community.

With a huge program of work over the next five years, this continuation in leadership will ensure the needs of the community are met now, and into the future.

<p><b>76% Employee Engagement</b> (71% water industry comparator group average) 2024 People Matter Survey results</p>	<p><b>78% Employee Satisfaction</b> (71% industry comparator average) 2024 People Matter Survey results</p>	<p><b>84% Employee Inclusion</b> (80% industry comparator average) 2024 People Matter Survey results</p>	<p>Continuation of our <b>mental health literacy</b> program</p>	<p>Development of our <b>Wellbeing Hub</b> and calendar of events</p>	<p>Launched our <b>Diversity, Equity and Inclusion</b> Strategy</p>
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## Organisational culture

We're committed to continually developing our culture to create the best possible outcomes for our people and community. We use several tools to track our progress and develop targeted strategies to improve culture and engagement:

- The People Matter Survey undertaken by the Victorian Public Sector Commission provides insights into how our employees view different aspects of the workplace including leadership, learning and growth, diversity and inclusion, work group cohesion and collaboration.
- Pulse Checks with our senior leaders to collect immediate feedback on specific issues, projects, or events to understand their impact on employees.

This year we focussed on initiatives to strengthen our culture and governance such as leadership development and diversity, equity, and inclusion. With people at the centre of everything we do, we implemented initiatives to improve the employee experience centred around new ways of working and enhancements to foundational onboarding, reward and recognition and wellbeing programs.

## Our culture

Our culture statements describe the attitudes and behaviours we value in our organisation. These are underpinning our success, as confirmed by the 2024 People Matter Survey results in which we were equal to or better than our peer water industry comparator group for all survey metrics.

<b>Earn the customer</b>	We exist to serve our customers. We 'wow' them with an outstanding experience.
<b>Own the risk</b>	We take responsibility and are accountable to our customers and communities.
<b>Act</b>	We are brave in our decision making and take action. We make good judgements based on evidence and we follow through.

To realise our culture statements above, our culture and governance strategy aims to strengthen:

Leadership at all levels, so we are empowered and can see opportunity for improvement and take the initiative, earning trust by following through.

Our ability to deliver and execute with discipline, diligent planning, prioritisation and acting to advance organisational objectives with speed.

Collaboration and innovation in how we work, fostering dialogue and a curious mind to succeed together.

Our ability to proactively manage risk, seeking to understand and using risks to inform decision-making and act.

We are proud of our people and our purpose. We will ensure people are at the centre of all we do, with trust as the fabric that connects us. This will enable us to form strong relationships and networks across our organisation and region, enabling us to collectively deliver better value for our customers.

## Diversity, equity and inclusion

Our aim is to create an inclusive culture where all employees feel valued, empowered, and supported to achieve their full potential. We are committed to fostering a workplace and community that values and embraces diversity, equity, and inclusion.

By embracing diversity, equity, and inclusion, we aim to not only reflect the rich tapestry of the world around us but also to contribute positively to it. Together, we believe we can create an environment where all individuals can flourish, our organisation thrives, and our communities are strengthened.

We have a plan for diversity and inclusion that we are currently setting targets for which will be measured against in next year's Annual Report. As such, the plan is not currently available on our website.

Having an Aboriginal delegate formally embeds an important perspective in Board discussions to influence decision making and achieve better outcomes.

During the past 12 months we launched our Diversity, Equity and Inclusion Strategy following the completion of an external maturity assessment to determine where we currently sit on an Inclusive employment practice maturity curve. The assessment identified we are sitting at

an Implementing level which indicates an organisation values diversity and inclusion as a strategic objective and focuses on developing an inclusive culture through leadership, accountability, and governance.

We will be using our workforce data and data from our 2024 People Matter Survey results to prioritise the delivery of all aspects of diversity, equity, and inclusion and shift our maturity level to an Embedding position with an ambition to be in a Leading position.

We have established a team action plan to promote initiatives, ensuring they align with our broader strategic goals.

As part of our commitment to diversity, equity and inclusion we supported the following initiatives throughout the year:

- Encouraging employees to disclose disability and share their story.
- Celebration of Pride Month in conjunction with Bendigo Pride Month.
- Chinese New Year.
- NAIDOC Week.
- Men's Health Week and Women's Health Week.
- Accessible Communications Month.

Diversity, equity and inclusion data	2022/23	2023/24
Total headcount	244	278
Male	137 (56%)	155 (56%)
Female	107 (44%)	123 (44%)
Female Executives (out of 6)	4	4
Not born in Australia	11%	12%*
Identify as a person with a disability	6%*	8%*
Speak a language other than English	8%*	10%*
Identify as Aboriginal or Torres Strait Islander	2%*	0.5%*
Identify as carers, with caring responsibilities	65%*	78%*
Identify as belonging to the LGBTIQ+	5%*	7%*
Work flexibly (through informal and formal flexible working arrangements)	80%*	80%*

\*People Matter Survey 2024

## Gender Equality Action Plan (GEAP)

Our team proudly works towards the change we need to see in gender equality. We're committed to growing the diversity and inclusion of our workforce and creating a work environment that is gender inclusive, safe and respectful.

Over the next few years, we will continue to implement our Gender Equality Action Plan (GEAP 2021-25), enabling improvements in workplace gender equality, increasing employment of female participation in STEM and professional roles, increasing the uptake of workplace flexibility entitlements, progress towards eliminating the gender pay gap and ensuring the workplace is free from sex-based discrimination and harassment.

Our GEAP is publicly available on our website and this year we are proud to share the strides we have made and the ongoing initiatives that underscore our dedication to fostering an inclusive environment.

- Women now represent 44% of our overall workforce, reflecting our efforts to ensure gender balance. The percentage of our leaders who are women is 40%.
- Our gender pay gap is reducing year-on-year and we're working to close it entirely. In 2021, our gender pay gap was 9.4%. 2023 data now shows it at 3%, demonstrating our commitment to fair and equitable compensation for all employees.
- Our parental leave policy provides 14 weeks of paid leave for the primary care giver, fostering a supportive environment for both women and men.
- 80% of our employees have taken advantage of flexible and hybrid work options, helping to balance work and personal responsibilities.

Through our focus on gender balance, we have made a deliberate effort in the recruitment process to include balanced interview panels. Our managers and the recruitment team have adjusted their approach to shortlisting, and we have made changes to our job advertisement and careers' website.

The proportion of women in senior leadership positions include:

- Directors – 50% female (excluding male independent Aboriginal delegate appointed by the Board).
- Executive leadership team – 66% female.
- People leadership – 40% female.
- Overall workforce – 44% female.

## Caring for our people

We're equally as invested in our team's physical, mental and social wellbeing as we are in providing career opportunities and growth.

### Wellbeing

We refreshed our annual Wellbeing Plan focusing on five key priorities:

- Understand our psychosocial hazards in the workplace and prevent psychological harm.
- Educate employees about mental health to reduce stigma and promote early intervention.
- Offer a calendar of events that supports health and wellbeing.
- Monitor the wellbeing of our staff.
- Review and update procedures and systems to support return-to-work processes.

We have implemented mental health training for all staff, continued to provide accredited mental health first-aid support for staff and promoted our Employee Assistance Program and the services our employees can access for self-care and wellbeing. Our annual calendar of events has improved employee engagement, health promotion activities and has provided the opportunity for social connection.

### Employee training and development

Our people participated in a range of leadership and cultural training activities. This year, we focussed on enhancing our teams' awareness and understanding of mental health and wellbeing.

We continued our focus on technical training, which spanned asset management, sewer and water operations, environmental management, cyber security, digital communication, cultural competence, and customer and community engagement. Team members completed safety-related training in working in confined spaces, trenching awareness, manual handling, working at heights and defensive dog training.

Everyone can participate in workshops and conferences aligned to their field of professional expertise. These opportunities enable our team to grow their knowledge, capability and awareness of new technologies and best practice.

We also supported employees to undertake accredited training and further study at undergraduate and post-graduate levels.

This year, we introduced our people to new ways of working, including training sessions for leading themselves and others through hybrid ways of working with 50% attending the training.

Everyone can participate in workshops and conferences aligned to their field of professional expertise. These opportunities enable our team to grow their knowledge, capability and awareness of new technologies and best practice.

### Domestic and family violence support

This year we continued education and training for all leaders and employees about how to support those affected by family violence. This complements the range of support services for employees experiencing or at risk of family violence.

We have appointed Family Violence Contact Officers who are trained to support and assist employees affected by family violence or perpetrating family violence. Our Contact Officers are available for confidential conversations to help members of our team understand the supports and services available internally or externally.

Under our current Enterprise Agreement, employees experiencing, or supporting a person who is experiencing, family violence can access up to 20 days paid leave.

### Leadership development

We seek to develop leaders at all levels who are capable and motivated. Investing in skills and capability drives engagement which results in improved customer experience and overall performance. This year we developed our Leadership Development Framework, defining the skills, behaviours, and attributes that leaders need to be effective. This framework serves as a guide for developing leadership capabilities, assessing performance, and identifying areas for growth.

### Technical training

We continued our focus on technical training which included asset management, sewer and water operations, project management, environmental management, cyber security, digital communication, customer and community engagement and emergency/incident management.

We had 17 team members complete an accredited cultural competence course focussing on learning about Aboriginal and Torres Strait Islander Culture. Team members also completed safety related training in working in confined spaces, trenching awareness, manual handling, working at heights and defensive dog training.

### Graduate and Work Integrated Learning programs

This year we refreshed our graduate program demonstrating our commitment to investing in and developing young talented engineers with a keen interest in the water sector.

We offer a comprehensive Graduate Engineer Rotational Program that has been revitalised to:

- Develop the next generation of water industry professionals.
- Provide a structured learning and development program and support system.
- Create a professional pathway for graduates into the industry.
- Provide flexibility that can be tailored to graduates' interests and needs.
- Provide exposure across a range of engineering elements to enable participants registration as a Chartered Engineer.

The program runs through the various projects and operational areas with a baseline duration of three years with 12-month rotations that are based on availability and program suitability.

Through the Work Integrated Learning (WIL) program we hosted three university students supporting engineering and digital degrees.

Throughout the year we participated in careers expos in Bendigo and Castlemaine to connect with tertiary and secondary school students across the region. We partnered with Bendigo Senior Secondary College to provide inspiration and career information for First Nations students.



**Workforce statistics**

	2022/23							2023/24						
	All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
	Headcount	FTE	Full-time	Part-time	FTE	Headcount	FTE	Headcount	FTE	Full-time	Part-time	FTE	Headcount	FTE
<b>Gender</b>														
Female	107	99.1	70	15	84.6	15	14.2	122	115.55	85	21	100.77	16	14.78
Male	137	134.8	121	4	124.7	10	9.6	155	153.15	131	5	134.92	19	18.23
Self-described	N	N	N	N	N	N	N	N	N	N	N	N	N	N
<b>Age</b>														
15-24	5	5	4	0	4	1	1	4	4	2	0	2	2	2
25-34	51	49.2	45	2	46.9	2	2	65	63.64	54	5	57.64	6	6
35-44	76	72	56	7	63.2	10	8.8	83	79.43	62	10	69.68	11	9.75
45-54	71	69	54	5	59	10	10	87	85.37	69	4	72.11	14	13.26
55-64	35	33.3	28	3	30.8	2	2	33	31.95	27	4	29.95	2	2
65+	0	0	0	0	0	0	0	5	4.31	2	3	4.31	0	0
<b>Classification</b>														
Band 1	4	3.5	2	02	2	1	1	1	0.86	0	0	0	1	0.86
Band 2	43	41.2	35	4	39.2	2	2	46	44.69	38	6	42.69	2	2
Band 3	50	46.2	35	6	40.9	6	5	51	49.19	37	4	40.09	10	9.1
Band 4	72	70.1	65	4	69.1	1	1	82	78.35	64	12	72.9	6	5.45
Band 5	40	38.6	34	2	35.8	3	2.8	43	42.34	36	1	36.74	6	5.6
Band 6	12	11.5	8	1	12.8	2	2	27	26.27	19	3	21.27	5	5
Band 7	8	8	7	0	7	1	1	18	18	13	0	13	5	5
Executives	8	8	7	0	7	1	1	9	9	9	0	9	0	0
<b>Total employees</b>	<b>244</b>	<b>234</b>	<b>191</b>	<b>18</b>	<b>209</b>	<b>25</b>	<b>24</b>	<b>277</b>	<b>268.7</b>	<b>216</b>	<b>26</b>	<b>235.69</b>	<b>35</b>	<b>33.01</b>

N: No data was collected

Figures reflect employment levels during the last full pay period in June each year. Employees are Classified as Band 1 to 7 under the Coliban Water Enterprise Agreement 2021. Executives are employed under a Victorian Public Entity Executive Remuneration Contract and are classified as ongoing employees. Excluded are those on leave without pay.

**Salaries**

**Annualised total salary for Executive officers**

**Salary range**

The salaries reported are the total remuneration for the full financial year (at a 1 FTE rate) including superannuation

**Executives**

\$190,000 – \$209,999	2
\$210,000 – \$229,999	1
\$230,000 – \$249,999	0
\$250,000 – \$269,999	0
\$270,000 – \$289,999	4
\$290,000 – \$309,999	0
\$310,000 – \$329,999	1
\$330,000 – \$349,999	0
\$350,000 – \$369,999	0
\$370,000 – \$389,999	1

**Attraction and retention**

We adopt the following Victorian Public Sector employment principles.

**Employers must ensure:**

- Decisions are based on merit.
- Employees are treated fairly and reasonably.
- Equal employment opportunity is provided.
- Reasonable avenues of redress against unfair or unreasonable treatment.

**Employees must:**

- Act with impartiality.
- Display integrity, including avoiding real or apparent conflicts of interest.
- Be accountable for their actions.
- Provide responsive service.

**Employee relations**

Our Enterprise Agreement 2021 is a four-year agreement that provides the employment conditions for most employees. There was no time lost due to industrial issues or disputes this year.

# Our controls and assurances

## Financial management compliance attestation statement

I, Bob Cameron, on behalf of the Board, certify that Coliban Region Water Corporation has no material compliance deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and instructions.



Bob Cameron

Chair from 1 October 2021

Date: 6 September 2024

## Safety, governance and risk

### Our Emergency Management System

Our previous focus on the continuous improvement of our emergency management governance and frameworks continues to pay dividends. Our processes and procedures, and highly trained team of Incident Managers, proved effective during a range of events.

Throughout the year we continued our involvement with Municipal and Regional Emergency Management Planning Committees in the communities in which we operate, the Sector Resilience Network convened by DEECA and Department of Home Affairs' Water Sector Services Group.

We continued to review our emergency management systems to provide a consistent framework for managing all types of hazards and incidents.

Our cyber security framework enables us to prevent, detect and manage cyber risks and incidents. The framework includes four pillars: compliance, risk management and awareness; effective collaboration with state and federal agencies; proactive cyber security monitoring; and regular updates and security enhancements to our infrastructure.

### Health, safety and wellbeing culture

Our health, safety and wellbeing management system is certified to ISO 45001:2018. It outlines how we will manage health, safety and wellbeing related risks to prevent injury and improve overall performance and supports our safety culture, in which everyone is responsible and empowered to prioritise safety.

Management and health and safety representatives form part of our Health, Safety and Wellbeing Committee, which meets bi-monthly.

Achieved <b>re-certification</b> to AS/NZ ISO 45001 2018.	Supported the safe and efficient operation of our <b>incident response</b> during emergency management events.	Continued our <b>safety walk and talk</b> program.	Continued focus on our management of activities involving <b>critical risks</b> .
Use of pulse surveys to improve <b>wellbeing management</b> for our team.	Used a risk-based approach to prioritise <b>remedial health and safety works</b> for assets and initiatives.	Grew our Health and Safety Team to <b>improve safety capability</b> through increased training and presence in the field.	<b>Collaborated with partners and contractors</b> to share information and learn collectively.

### Safety and compliance capability

Our staff, service partners and contractors are encouraged and supported to report all hazards and incidents. Significant incidents are thoroughly investigated and reported to the Health, Safety and Wellbeing Committee.

<b>Hazard reporting</b> A focus on reporting all hazards, near-misses and injuries allowed for early intervention to prevent injury	<b>No WorkCover Claims</b>	<b>Six first aid treatment injuries</b> (down from 8)
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## Health, safety and wellbeing culture

The Health, Safety and Wellbeing Strategy 2023-28 supports Our Strategy: *dhelk gatjin dhelk balak* and Pricing Submission 2023-28 for the Big Water Build. Health, safety and wellbeing has been identified as a strategic risk to be appropriately managed.

We have a zero appetite for causing any harm (physical/mental) to our people, visitors, contractors and the public. We aim to enhance wellbeing and safety for staff, visitors, contractors and members of the public.

### Safety and Compliance Capability

The safety showcase is an all staff event designed to share, embrace, celebrate and acknowledge all the terrific ideas our people contribute to improving the health, safety and wellbeing of our workplace.

Twice a year we focus on the safety contributions and achievements our staff and contractors have made across the organisation. This can be any solution found to have identified a safety issue and the process in which it was addressed. The other category can be any person or team that has demonstrated any of the eight safety behaviours. Standout nominations as decided by the Health Safety and Wellbeing Committee are showcased. This includes a presentation on the contribution along with the opportunity to spin the wheel of safety. Winners receive a golden hard hat which they display within their work area for all to see.

The safety showcase has been a big hit and a great success. A Wellbeing Award is planned for future showcases.



### Best safety solution

Fourteen nominations were submitted for the Best Safety Solutions Award and the winner was the Rural Team for the hydraulic trash grates. A secondary restraint mechanism was installed on the grates to support the structure, making operation much safer.

### Behaviour spinner

The Safety Behaviours award received six nominations and was won by Amy Rouse. This award recognised individuals who have demonstrated the Coliban Water Safety Behaviours in their role.

### Ranjith's story

Ranjith is a champion of safety. He has held the highly valued role of Health and Safety Representative for his workgroup for the past three years.

We asked Ranjith to explain to us what safety in the workplace means to him and this is his reply:

"During my teenage years, I used to be very excited to join dad for site visits during college break. Initially everything was new and looked wonderful to me and I failed to notice all the unsafe and unhealthy working conditions as I didn't have much knowledge about safety in the workplace or safety policies and procedures.

One day I was standing on the ground watching my dad at the top of a five-storey residential building and speaking to contractors that were not wearing any PPE. I noticed so many risks such as falls from heights, falling objects, electrocution, material handling by the crane and even slips and trips.

On our way home I asked him plenty of questions with the fear of "what if something happens"? My father was deeply concerned with my questions and ended up buying hard hats and safety boots for everyone on-site. When I visited the site with him during my next break, I was so happy to see everyone wearing PPE.

Since that day, the words 'safety in the workplace' have been registered in my head and I always look out for any unsafe work practices or unsafe work environments. When I joined Coliban Water, this passion towards safety made me voluntarily nominate myself to be the Health and Safety Representative for our designated work group. I was enrolled in a 5-day Health and Safety Representative OH&S Course which further nurtured my safety skills and helped me well represent our designated work group. I love the importance Coliban Water gives towards the safety of everyone. Our safety team organises many safety events and campaigns throughout the year to promote safety and encourage a safe work environment which is such a great way to tell everyone how much safety is valued at Coliban Water."

### Award winner

In May 2024 Ranjith and his team were the winners of the Best Safety Solutions Award for the Lockington Water Treatment Plant tank roof replacement.

Thanks to people like Ranjith our safety metrics continue to improve.



We have seen a significant drop in hazards reported over the past 12 months. This can be attributed to a combination of factors including:

- Greater field presence by members of the safety team.
- A large increase in site audits and inspections.
- Increased safety walk and talk program.
- Hazards being removed as soon as identified.
- A reduction in hazards being reported by our service delivery partners.

While incident rates remain steady there have been no high potential incidents that have caused lost time injuries.

## Safety metrics

### OH&S performance management and reporting

Measure	Key performance indicator	2021/2022	2022/2023	2023/2024
Hazards*	Number of hazards reported	61	124	68
	Rate per 100 FTE	21.08	38.61	18.66
Incidents	Number of incidents	37	58	67
	Rate per 100 FTE	18.20	24.66	18.38
	Number of incidents requiring first aid and/or further medical treatment	8	8	6
Claims	Number of standard claims accepted	2	0	1
	Rate per 100 FTE	0.984	0	0.49
	Number of lost time claims accepted	1	0	0
	Rate per 100 FTE	0.49	0	0
	Number of claims exceeding 13 weeks	1	1	0
	Rate per 100 FTE	0.49	0.425	0
	Average claim costs for the year (including payment to date with an estimate of outstanding claim costs as advised by WorkSafe)	0	\$76,973	0
Fatalities	Fatality claims	0	0	0
Return-to-Work	Percentage of claims with Return-to-Work Plan	N/A	100%	100%
Management commitment	Evidence of OHS Policy Statement, OHS Objectives, regular reporting to senior management of OHS and OHS plans	Completed	Completed	Completed
Consultation and participation	Evidence of agreed structure of Designated Work Groups (DWG's), Health and Safety Representatives (HSR's) and Issue Resolution Procedure (IRP's)	Completed	Completed	Completed
	Compliance with agreed structure on DWG's, HSR's and IRP's	Completed	Completed	Completed
	No. of quarterly OHS Committee Meetings	6	6	6

N/A = data not available FTE = full time equivalent

\*Note: This is the first year that hazard numbers have been reported on and calculated for the previous two years for comparison.

#### Achievements for 2023/24

- Eight safety behaviours were launched by holding an all of staff event, then embedded in performance review processes and the safety showcase as a nomination category.
- Updated and consolidated our risk register incorporating non-negotiable controls.
- Trained staff in development of Safe Work Methods Statements.
- Created, promoted and trained relevant staff in procedures for all 12 critical risks.
- Commenced development of safety in design standards for incorporation into project planning documentation.
- Completed a training needs analysis for the business.
- Internal audits completed.
- Improved our Safety Walk and Talk campaign and met targets.
- Visible presence of our safety team in the field which involved safety discussions, inspections and audits with internal teams, service delivery partners and contractors.
- Active participation in projects including Control Room establishment and Operations Lagoon transition.

#### Our focus for 2024/25

- Continue to implement our Health, Safety and Wellbeing Strategy.
- Provide safety leadership training.
- Continue support for Control Room and Lagoon Transition operations.
- Improve technology for staff working alone.
- Continued promotion of Critical Risks including the Critical Risk Verification Tool.



# Accountability and transparency

## Freedom of Information

Anyone can apply for access to documents created or collected by us through the *Freedom of Information Act 1982* (the Act). Access to documents, in as complete form as possible is required under the Act. Requests for documents are only refused or limited where specific exemptions in the Act apply.

Documents are defined as any record of information, examples include:

Emails	Maps	Voice recordings	Policies
Letters	Photographs	Video recordings	Manuals

Information about the type of material produced by us is available on our website under Freedom of Information.

### How to make a request

Requests must be in writing, and clearly identify what types of material/documents are being sought (as detailed s17 of the *Freedom of Information Act 1982*).

An application fee of \$32.70 applies to all Freedom of Information applications. There may also be access charges if there is a large pool of documents, and the search is time consuming.

Requests should be addressed to:

#### Freedom of Information Officer

Coliban Water  
PO Box 2770  
Bendigo DC VIC 3554

Email [foi@coliban.com.au](mailto:foi@coliban.com.au)

## The numbers

From 1 July 2023 to 30 June 2024:

Who made the requests?	
The media (2)	The general public (3)
All decisions granted access in full or part	All decisions made within the statutory timeframe
No requests were reviewed by OVIC	No requests were reviewed by the Victorian Civil and Administrative tribunal
30 days   typical request processing time	
30 days   extension to processing time, in consultation with applicant	
45 days   processing time where consultation* is required	

\*Where external consultation is requested under ss29, 31, 31A, 33, 34, 35

Extensions can occur any number of times however, they cannot occur after the expiry of the timeframe for declining a request.

### If an applicant is not satisfied

A request to the Office of the Victorian Information Commissioner (OVIC) for review of our decision can be made, within 28 days of receiving a decision letter.

Further information about Freedom of Information is available at [ovic.vic.gov.au](http://ovic.vic.gov.au).

## Privacy and Data Protection Act 2014

The *Privacy and Data Protection Act 2014* provides for the responsible collection and handling of personal information in the Victorian public sector. We are committed to protecting the personal information we collect in the delivery of our services and our employees receive ongoing information and training on the importance of privacy and what is required to comply with our Privacy Policy and the Act.

## Public Interest Disclosure Act 2012

The *Public Interest Disclosure Act 2012* allows people to make a disclosure about corrupt or improper conduct or detrimental action by a public officer or public body. 'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health, safety or the environment, or when corruption or detrimental action is taken against a person in reprisal for making a public interest disclosure.

We are not able to receive public interest disclosures but have procedures to protect those who make a disclosure about us, our Board members, officers or employees. For information contact:

Rebecca Hanley  
EGM Culture & Governance  
Coliban Water  
PO Box 2770  
Bendigo VIC 3554  
T 1300 363 200  
W [www.coliban.com.au](http://www.coliban.com.au)

To make a public interest disclosure about Coliban Water or its Board members, officers or employees, contact the:

### Independent Broad-Based Anti-Corruption Commission Victoria

Level 1, North Tower, 459 Collins Street, Melbourne VIC 3000  
1300 735 135 | [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

## Competitive neutrality policy

We continue to comply with the requirements of the Competitive Neutrality Policy.

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete, with the private sector that any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost these services as if they were privately owned.

This supports fair competition between public and private sector businesses and provides government businesses with a tool to enhance decisions on resource allocation. It does not override other policy objectives of government and focuses on efficiency in the provision of service.

## Taxation

We are part of the National Tax Equivalent Regime and subject to the *Income Tax Assessment Act 1997*, managed through the Australian Taxation Office. We do not receive any special treatment for income tax because we are a government agency.

## External financing

Under the *Borrowing and Investment Powers Act 1987*, we can only source debt funding from Treasury Corporation Victoria. As a government agency, our borrowings carry an implicit State Government guarantee that commands lower borrowing prices in financial markets. To offset this advantage, a Financial Accommodation Levy is charged on all borrowings (using a formula based on business credit ratings) to ensure we don't get an unfair advantage compared to the private sector.

## Building Act 1993

Building and maintenance activities at our two office locations in Bendigo this year met all relevant compliance provisions in the *Building Act 1993*.

Our facilities team is responsible for arranging mandatory testing of emergency and exit lighting, lift equipment inspections, the preventive maintenance routine of mechanical services, and fire service audits.

1	Number of major works projects undertaken (>\$50,000)
0	Number of building permits, occupancy permits or certificates of final inspection issued in relation to our buildings
0	Number of emergency or building orders issued in relation to our buildings
0	Number of buildings brought into conformity with building standards

## Government advertising expenditure

No advertising campaigns valued at more than \$100,000 were produced during the year.

## Sponsorships and donations

All sponsorship applications were assessed for their suitability against the Victorian Government Sponsorship Policy and their alignment with our vision, *dhelk gatjin dhelk balak* (Healthy water, healthy people).

<h3>\$4,650</h3> <p>Financial and in-kind sponsorships for schools, sporting and community events</p>	<h3>\$38,000</h3> <p>For the provision of portable water stations, including associated plumbing costs, to support 73 events across the region.</p>
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## Local Jobs First

The Local Jobs First Policy ensures that small and medium enterprises are given full and fair opportunities to compete for large and small government contracts.

Located in regional Victoria, we are required to apply the Local Jobs First Policy for all projects valued at \$1 million or more. The Major Projects Skills Guarantee is applied to construction projects valued at \$20 million or more.

2023/24	Local Jobs First	Total value	MPSG	Outcomes
Projects commenced	Five Local Jobs First standard projects were awarded to four small-to-medium businesses and one large business (all based in regional Victoria). No strategic projects were commenced.	\$7.6 million	NA	<ul style="list-style-type: none"> <li>An average of 95.2% of local content commitment was made.</li> <li>A total of 19.715 jobs (AEE) were committed, including the creation of 0.60 new jobs and the retention of 19.35 existing jobs (AEE).</li> <li>A commitment of a total of 4.81 apprentices, trainees and cadets retained.</li> </ul>
Projects completed	Nine Local Jobs First standard projects were completed with, one small, six small-to-medium and two medium businesses (all based in regional Victoria). No strategic projects were commenced.	\$13.7 million	NA	<ul style="list-style-type: none"> <li>An average of 93.89% local content commitment was made.</li> <li>Retention of 33.41 existing jobs (AEE).</li> </ul>

## Information and communication technology (ICT) expenditure

### Costs to provide business enabling ICT services

There was a total ICT expenditure of \$9.9 million in 2023/24 as detailed below.

	(\$'000)
Business As Usual (BAU) ICT expenditure	8,741.05
Non Business As Usual (non BAU) ICT expenditure	1,448.33
Operational expenditure	774.07
Capital expenditure	374.26

ICT expenditure refers to costs of providing business enabling ICT services. It includes business as usual (BAU) and non-business as usual (Non BAU) expenditure. Non BAU ICT expenditure relates to extending or enhancing our current capabilities. The \$1.448 million Non BAU ICT expenditure included investment in cloud projects paid with operational expenditure and on-premises and telemetry communication projects delivered within capital projects. BAU ICT expenditure mostly relates to ongoing activities to operate and maintain current ICT capability and security.

### Disclosure of emergency procurement

No disclosures were made as emergency procurement was not activated during the period.

### Disclosure of procurement complaints

We did not receive any complaints in relation to the procurement of goods and services by entities within the scope of the Victorian Government Purchasing Board framework for the financial year.

### Disclosure of major contracts (over \$10 million)

We did not award any contracts at or above \$10 million within the 2023/24 Financial Year.

## Consultancies

A consultant is a particular type of contractor engaged primarily to perform a discrete task that facilitates decision-making through the provision of expert analysis and advice and/or the development of a written report or other intellectual output.

### Major consultancies 2023/24

- 38 separate consultants each over \$10,000.
- Total expenditure (excluding GST) for major operational consultancies was \$2,389,930 (compared to \$4,527,529 in 2022/23).
- Major capital consultancies totalled \$5,357,447 (\$4,338,128 in 2022/23).

### Minor consultancies 2023/24

- 21 separate consultants each valued at less than \$10,000.
- Total expenditure (excluding GST) for minor consultancies was \$85,499 (compared to \$134,690 in 2022/23).

Information about these consultancies can be requested under the *Freedom of Information Act 1982* (see page 73 for details).

## Operational

Consultant	Purpose	Total approved (exc GST) \$'000	Expenditure (exc GST) \$'000	Future expenditure (exc GST) \$'000
460degrees MG	Business analyst consultant	807.50	159.64	647.86
AFS & Associates Pty Ltd	Probity advice	34.36	34.36	-
Akers Project Advisory	Contract negotiation advisory services	2,810.77	356.21	2,454.56
BDO Services Pty Ltd	Audit, Tax and Advisory services	795.25	77.37	717.88
Biosis Pty Ltd	Environmental management advice	20.64	20.64	-
Capability Coach Trading Trust	Leadership support program	160.21	30.12	130.09
Central Highlands Reg Water Corp	Staff secondment	70.34	28.42	41.92
Converge International Pty Ltd	Staff health and wellbeing support services	112.59	15.01	97.58
Department of Treasury & Finance	Audit, Tax and Advisory review	124.60	56.64	67.96
ESS Earth Sciences Pty Ltd	Seismic monitoring services	27.88	27.88	-
Experian Australia Pty Ltd	Data analytic services	385.52	174.12	211.40
Fifteen50 Consulting Pty Ltd	Support compliance projects	424.67	61.65	363.02
GHD Pty Ltd	Engineering, architecture, environmental and construction services	4,953.81	568.05	4,385.76
Infracorr Consulting Pty Ltd	Asset management advice	196.15	74.30	121.85
Insync Surveys Pty Ltd	Customer satisfaction survey	82.97	18.07	64.90
Jimmy Demetriou T/as AOC Specialist	Air and odour compliance specialist	160.00	16.50	143.50
Maher Projects	Strategic environmental planning and advice	492.70	13.48	479.22
Marsden Jacob Associates Pty Ltd	Contract advice	544.92	100.25	444.67
P3 Outcomes Pty Ltd	Contract related advice	569.94	102.15	467.79
Practical Ecology Pty Ltd	Ecological consultation and advice	86.97	29.61	57.36
Resilient Futures	Strategy development services	27.97	12.06	15.91
RM Consulting Group Pty Ltd	Environmental and agricultural advice	20.00	20.00	-
RPS AAP Consulting Pty Ltd	Business transformation consultant services	284.40	120.60	163.80
Sequana Partners Pty Ltd	Rural channel modernisation advice	2,620.21	170.81	2,449.40
SMEC Australia Pty Ltd	Environmental supervision services	48.78	24.39	24.39
Sphere Infrastructure Partners Pty Ltd	Operations and maintenance services delivery model review	353.97	53.46	300.51
Victoria Chamber of Commerce and Industry	Change management assistance and advice	24.14	24.14	-
<b>Total</b>			<b>2,389.93</b>	

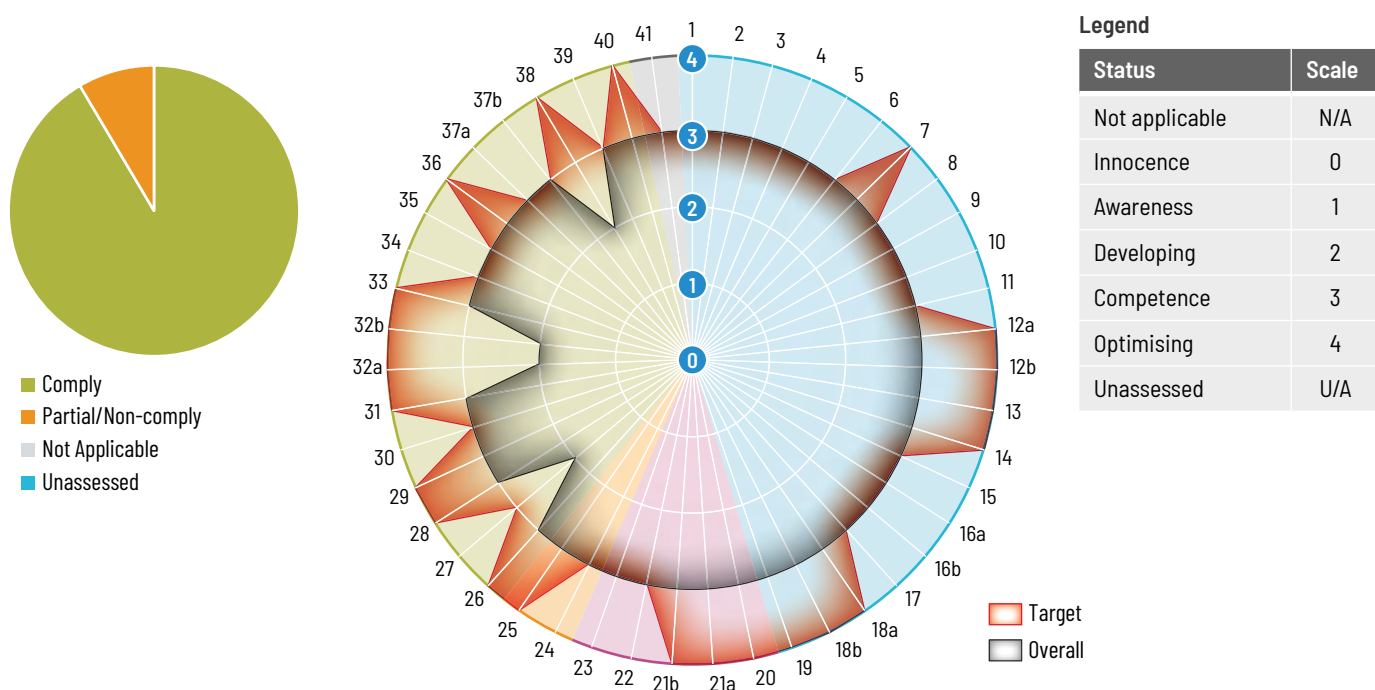
## Capital

Consultant	Purpose	Total approved (exc GST) \$'000	Expenditure (exc GST) \$'000	Future expenditure (exc GST) \$'000
4Site Management Pty Ltd	Program advisor	146.50	10.14	136.36
AFS & Associates Pty Ltd	Probity advice	106.66	24.76	81.90
Axiom Tree Management Pty Ltd	Tree management assessment	19.53	19.53	-
Chris Smith & Associates	Project design review	127.78	127.78	-
Dja Dja Wurrung Clans Aboriginal Corp	Cultural heritage assessment advice	55.54	55.54	-
Fifteen50 Consulting Pty Ltd	Support compliance projects	26.30	26.30	-
GHD Pty Ltd	Engineering, architecture, environmental and construction services	3,680.24	3,680.24	-
Grantus Pty Ltd	Strategic funding advice	70.82	70.82	-
Groundwater Consulting Australia	Groundwater advice	529.97	16.80	513.17
Infor Global Solutions (ANZ) Pty Ltd	Information technology support	55.42	38.59	16.83
Infracorr Consulting Pty Ltd	Asset management advice	57.24	57.24	-
Maher Projects	Strategic environmental planning and advice	236.34	236.34	-
Marsden Jacob Associates Pty Ltd	Contract advice	1,731.98	28.19	1,703.79
Obviate Pty Ltd	SCADA engineering support	79.76	79.76	-
P3 Outcomes Pty Ltd	Contract related advice	137.69	42.96	94.73
PBJ & Associates	Engineering and strategic planning services	607.83	194.72	413.11
PMO Solutions Pty Ltd	Project management office advisory services	129.60	129.60	-
Practical Ecology Pty Ltd	Ecological consultation and advice	164.27	13.84	150.43
Regional Management Group Pty Ltd	Project and engineering consultancy services	129.20	115.36	13.84
RPS AAP Consulting Pty Ltd	Business transformation consultant services	29.43	29.43	-
Sphere Infrastructure Partners Pty Ltd	Operations and maintenance services delivery model review	359.54	359.54	-
<b>Total</b>			<b>5,357.48</b>	



## Asset Management Accountability Framework (AMAF) Maturity Assessment

The following sections summarise our assessment of our maturity against the requirements of the Asset Management Accountability Framework (AMAF). Our target maturity rating is 'competence' for 25 subjects, meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirements, including a continuous improvement process to expand system performance above AMAF minimum requirements. Our target maturity rating is 'Optimising' for 22 subjects. This means systems and processes are now leading practice, exceeding the AMAF mandatory requirements, and constantly being improved to align with, support and drive the organisation's objectives.



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

We met maturity competence targets for all requirements within this category. We met the 'Competence' maturity status and have set the target of 'Optimising' in a number of areas, particularly around monitoring asset performance.

### Planning (requirements 20–23)

We met maturity competence targets for all requirements within this category. We met the 'Competence' maturity status and have set the target of 'Optimising' in the asset management strategy area.

### Acquisition (requirements 24 and 25)

We met all maturity targets in this category.

### Operation (requirements 26–40)

We met maturity competence targets for 11 of the 15 elements in this category. Four elements have been assessed as partially complying with the requirements, with none of the element's deficiencies considered material. Improvement activities are in place to move these elements to compliance. One element relating to asset valuation is assessed as Optimising.

### Disposal (requirement 41)

We met the maturity target in this category.

## Reviews and Studies Expenditure

In addition to our regular internal and external audit programs, during 2023/24 there were 20 reviews and studies undertaken with a total cost of \$876,357. Details of individual reviews and studies are outlined below.

Name of the review	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (\$ excl. GST)	Final cost if completed (\$ excl. GST)	Publicly available (Y/N) and URL
<b>La Trobe University Industry PhD research</b>	Enhance capabilities in analysing operational data.	Develop algorithms and tools for detecting anomalies in operational data.	Enhanced performance reporting (anticipated completion July 2026).	25,000		N
<b>Marong outfall booster SPS feasibility study and due diligence report</b>	To address insufficient capacity in existing Marong outfall sewer, and assess whether a new interim station would be suitable.	Consider technical feasibility, deliverability, and high level cost considerations for a proposed SPS.	Informed decision on how to proceed with solution to capacity issues in Marong sewer.	46,700	46,700	N
<b>Environmental Management Plan for Epsom</b>	Bendigo Water Reclamation Plant has not had a study completed before.	Site wide environmental management plan for all Coliban Water land attached to the water reclamation plant.	Outline best practice for the site environmentally going forward.	20,821	44,695	N
<b>Review and update of Growing Grass Frog Advice 2013</b>	Minimise impact to threatened species when maintenance works completed at Epsom.	Update previously completed 2013 report with more relevant data.	Update to most current best advice.	8,754	8,754	N
<b>Castlemaine Water Reclamation Plant Upgrade Concept Design</b>	Design for new water reclamation plant.	Concept design for new water reclamation plant on existing site based on preferred treatment option.	Design for cost estimation and inclusion in future procurement documents as reference for future upgrade works.	530,292	584,734	N
<b>ERA/QMRA Castlemaine Water Reclamation Plant (development licence application)</b>	Inclusion within application and approvals for DLA at Castlemaine Water Reclamation Plant.	Undertake ERA and QMRA as per EPA requirements.	Approved DLA license as per current concept design.	80,000	183,990	N
<b>Emission Characterisation Castlemaine Water Reclamation Plant</b>	Odour emission characterisation for future odour controls at the new water reclamation plant.	Assess influent to characterise odour.	Design odour control to mitigate future odour with the planned water reclamation plant upgrade.	22,861	22,861	N
<b>Castlemaine Water Reclamation Plant Upgrade Business Case (Department of Treasury and Finance)</b>	Prepare a business case detailing proposal for water reclamation plant upgrade works for future approvals.	Detail proposed projects summary previous works and reasoning for approach.	DTF approved Business Case.			N
<b>Preliminary Pricing Review – Rural Modernisation – rural water efficiency</b>	Determine future pricing modelling for Rural Modernisation – rural water efficiency project.	Consider incentive options and pricing tariffs.	Recommendations.	46,728	46,728	N
<b>Rural Modernisation – Rural Water Efficiency Project Delivery Framework</b>	Establishing the project framework under an adjusted delivery model.	Developing a clear delivery framework.	Recommendations.	18,201	18,201	N
<b>Rural Modernisation – Rural Water Efficiency Stakeholder Engagement</b>	Engage rural customers to share feedback on they interactions with the rural system.	Obtain customer feedback.				Y

Continued over page...

Name of the review	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (\$ excl. GST)	Final cost if completed (\$ excl. GST)	Publicly available (Y/N) and URL
<b>Water Research Australia – Project 1140 – Catchment Health Metrics</b>	The purpose of the project is to develop a set of metrics that would help define the health of drinking water catchments.	Research project to develop a set of metrics that will help define the health of a catchment.	Report and health metrics framework.	Coliban Water's investment in project \$20,000	20,000	(1)
<b>Water Research Australia – Project 1156 – Pathogen risk in treated water assets or storage tanks</b>	The Victorian water industry was seeking clear advice on the pathogen risks associated with finding dead animals in treated water storage tanks.	To investigate the likely public health implications of finding dead animals in treated water storage tanks.	Report and fact sheets related to the risks posed by different animals (e.g. bats, possums, birds).	Coliban Water's investment in project \$5,000	5,000	(1)
<b>Water Research Australia – Project 2073 – Upcycling of biosolids as biochar – as a win-win-win for environment, economy and community</b>	The purpose of this project is to explore the possibility of using a pyrolysis process, which produces a product known as biochar, as an alternative management process for biosolids.	To investigate the viability of biochar as an end-product for the management of biosolids generated through the wastewater treatment process.	Report and recommendations.	Coliban Water's investment in project \$5,000	5,000	(1)
<b>Water Research Australia – Project 2074 – Granular Filter Validation Protocol</b>	The purpose of this project is to develop a validation protocol for granular media filters, which are a common water treatment process.	To develop an agreed validation protocol for pathogen removal across granular media filters.	Report and validation protocol.	Coliban Water's investment in project \$5,000	5,000	(1)
<b>Water Research Australia – Project 3049 – Cyanotoxin risk in recycled water used for crop irrigation and livestock</b>	The purpose of this project is to investigate whether toxins produced by cyanobacteria are present in recycled water, and if they are, what risks they may pose to crops irrigated with this recycled water and livestock who may eat those crops.	To investigate whether toxins produced by cyanobacteria are present in recycled water, and if they are, what risks they may pose to crops irrigated with this recycled water and livestock who may eat those crops.	Report and recommendations.	Coliban Water's investment in project \$5,000	5,000	(1)
<b>Water Research Australia – Project 3501 – WaterVal – National Water Validation Framework</b>	The purpose of WaterVal is to try and develop a nationally-agreed water validation framework.	To deliver a nationally-agreed framework on the validation of water treatment processes, along with training materials, which will help ensure consistency in approach for the determination of pathogen removal across different treatment processes.	Recommendations.	Coliban Water's investment in project \$30,000	30,000	(1)
<b>Water Research Australia – Project 3502 – UltraFiltration Validation Protocol</b>	The purpose of this project is to develop a validation protocol for ultrafiltration membranes, which are a fairly common water treatment process.	To develop a validation protocol for ultrafiltration membranes, which are a fairly common water treatment process.	Report and validation protocol.	Coliban Water's investment in project \$10,000	10,000	(1)
<b>Business Excellence – Core Capability Uplift – Tranche 1 (Commercial and Financial Management) Business Case and Request for Proposal (RFP)</b>	Seek funding approval from the Board to execute the associated BEx CCU T1 (Commercial and Financial Management) project.	Development of costings to deliver the full project and definition of associated business benefits/justification. Development of the associated RFP.				N
				<b>879,357</b>	<b>1,036,663</b>	

(1) Water Research Australia reports are available to all member organisations

## Additional Information and Statement of Availability

<p><b>Additional information available on request</b></p>	<p>In compliance with the requirements of the Standing Directions of the Minister for Finance, details of the following items have been retained by Coliban Water and are available (in full) on request, subject to the provisions of the <i>Freedom of Information Act 1982</i>.</p> <ul style="list-style-type: none"> <li>• Current and previous Annual Reports, Customer Charter, Price Submission 2023-28 and other publications produced by Coliban Water about itself.</li> <li>• Details of major external reviews carried out on Coliban Water.</li> <li>• Details of major research and development activities undertaken by Coliban Water.</li> <li>• Details of major promotional, public relations and marketing activities for community awareness.</li> <li>• Details of changes in prices, fees, charges, rates and levies.</li> <li>• Details of overseas visits undertaken.</li> </ul> <p>Details can be requested from our Authorised Officer – Corporate Secretary Coliban Water on 1300 363 200 or by emailing <a href="mailto:coliban@coliban.com.au">coliban@coliban.com.au</a></p> <p>Our Reconciliation Action Plan, Diversity and Inclusion Plan and Community Engagement Plan are available at our website.</p>	
<p><b>Additional information included in this annual report</b></p>	<p>Assessments and measures undertaken to improve occupational health and safety for employees .</p>	<p>Page 72</p>
	<p>Industrial relations statement.</p>	<p>Page 69</p>
	<p>Coliban Water’s major committees, their purpose, and the extent to which this purpose has been achieved.</p>	<p>Page 16</p>
	<p>A statement of completion of declarations of pecuniary interests by relevant officers.</p>	<p>Page 69</p>
<p><b>Information not applicable to Coliban Water</b></p>	<p>A declaration of shares held by senior officers. (No shares have ever been issued in Coliban Water).</p>	



# Performance Report

## COLIBAN REGION WATER CORPORATION

### PERFORMANCE REPORT For The Reporting Period Ended 30 June 2024

#### DIRECTORS CERTIFICATION

We certify that the accompanying Performance Report of Coliban Region Water Corporation in respect of the period ended 30 June 2024 is presented fairly in accordance with the *Financial Management Act 1994*.

The Performance Report outlines the relevant performance indicators for the financial year as determined by the responsible Minister for Water, and as set out in the 2023/24 Corporate Plan, the actual and comparative results achieved for the financial year against predetermined performance targets and these indicators, and an explanation of any significant variance between the actual results and performance targets and/or between the actual results in the current year and the previous year.

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

Signed at Bendigo on 13 September 2024 on behalf of the Board.



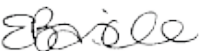
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Bob Cameron  
Chairperson  
Coliban Region Water Corporation



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Damian Wells  
Managing Director  
Coliban Region Water Corporation



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Eryn Basile  
Chief Financial Officer  
Coliban Region Water Corporation

## Financial Performance Indicators

Key Performance Indicator	2022/23 Result	2023/24 Result	Variance to prior year	2023/24 Target	Variance to target
<b>Cash Interest Cover</b>	1.8	1.8	-0.4%	1.8	0.0%
Net operating cash flows before net interest and tax / net interest	times	times		times	
<b>Gearing Ratio</b>	21.7%	23.3%	7.3%	23.3%	0.0%
Total debt (including finance leases) / total assets * 100					
<b>Internal Financing Ratio</b>	37.0%	25.8%	-30.3% <sup>(1)</sup>	29.4%	-12.2% <sup>(2)</sup>
Net operating cash flow less dividends / net capital expenditure * 100					
<b>Current Ratio</b>	160.0%	123.4%	-22.9% <sup>(3)</sup>	134.8%	-8.5%
Current assets / current liabilities (excluding long term employee provisions and revenue in advance)					
<b>Return on Assets</b>	0.7%	0.6%	-12.1% <sup>(4)</sup>	0.5%	20.0% <sup>(5)</sup>
Earnings before net interest and tax / average assets * 100					
<b>Return on Equity</b>	-0.4%	-0.6%	50.0% <sup>(6)</sup>	-0.7%	-14.3% <sup>(7)</sup>
Net profit after tax / average total equity * 100					
<b>EBITDA Margin</b>	33.3%	32.8%	-1.6%	31.2%	5.1%
Earnings before interest, tax, depreciation and amortisation / total revenue * 100					

### Notes for variations greater than 10 per cent compared to that budgeted or significant variations to prior year actual result.

- 1 & 2** The unfavourable variance to prior year and target is due to an accelerated delivery of the capital program which has resulted in greater cash outflows than target and prior year.
- 3** The unfavourable variance to prior year is due to lower levels of cash held than prior year. This is due to the capital being delivered earlier than it was in the prior year resulting in more payments to suppliers as milestones were met.
- 4** The unfavourable variance to prior year is the result of an overall decrease in earnings. This was driven by an increase in expenditure from prior year associated with uplifting operational and system capability.
- 5** The favourable variance is due to less actual expenditure being incurred to uplift operational and system capability compared to the Corporate Plan.
- 6** The unfavourable return on equity ratio, compared to prior year, is the result of a lower after tax result due to increases in depreciation, amortisation and interest expenses, driven by the uplift in capital investment.
- 7** The favourable return on equity ratio, compared to plan, is the result of a higher after tax result due to less actual expenditure being incurred to uplift operational and system capability.

## Operational Performance Indicators

Key Performance Indicator	2022/23 Result	2023/24 Result	Variance to prior year	2023/24 Target	Variance to target
<b>Water and Sewerage Network Reliability</b>					
<b>Water service - minutes off supply (planned and unplanned)</b> How many minutes on average a customer was without water supply during a year	24.4	9.9	-59.5% <sup>[1]</sup>	15	-34.2% <sup>[2]</sup>
<b>Unplanned water supply interruptions</b> Percentage of customers receiving more than 5 unplanned interruptions in the year	0%	0%	0.0%	0.10%	-100.0% <sup>[3]</sup>
<b>Sewerage Service - sewer blockages</b> Number of sewer blockages per 100 kilometres of sewer main	19.3	15.6	-18.9% <sup>[4]</sup>	35	-55.3% <sup>[5]</sup>
<b>Sewerage Service - sewer spills</b> Number of sewer spills reported per 100 kilometres of sewer main	17.0	13.8	-18.9% <sup>[6]</sup>	20	-31.1% <sup>[7]</sup>
<b>Sewerage Service - containment of sewer spills</b> Sewer spills from reticulation and branch sewers contained within 5 hours	1.0	1.0	-0.3%	99.0%	0.7%
<b>Customer Responsiveness</b>					
<b>Water bills - customers on flexible payment plans</b> No. of customers with instalment plans	4,730	5,437	14.9% <sup>[8]</sup>		
<b>Water bills - customers awarded hardship grants</b> No. of customers awarded hardship grants	2,084	2,799	34.3% <sup>[9]</sup>		
<b>Customer Responsiveness - water quality complaints</b> No. of complaints per 100 customers	0.31	0.27	-12.9% <sup>[10]</sup>	0.35	-22.9% <sup>[11]</sup>
<b>Customer Responsiveness - number of payment issue complaints</b> No. of complaints per 100 customers	0.07	0.04	-42.9% <sup>[12]</sup>	0.03	33.3% <sup>[13]</sup>
<b>Customer Responsiveness - total complaints</b> No. of complaints per 100 customers	0.81	0.61	-24.7% <sup>[14]</sup>	0.80	-23.8% <sup>[15]</sup>
<b>Water Reuse</b>					
<b>Recycled water - effluent treatment and reuse</b> Proportion of water recycled as a percentage of the volume of effluent produced	17.8%	33.9%	78.1% <sup>[16]</sup>	39.0%	-13.1% <sup>[17]</sup>
<b>Notes for variations greater than 10 per cent compared to that budgeted or significant variations to prior year actual result.</b>					
* The 2022-23 result for minutes off supply has been amended to reflect actual impact of the Kyneton water outage in April 2023. Preliminary information at time of reporting indicated that 3,600 customers were affected by a 450 minutes supply interruption; this was subsequently revised down to 2,302 customers directly impacted.					
**Customer complaints are expressed as the number per 100 customers (residential plus non-residential). 2022-23 complaints indicators were incorrectly expressed with reference to residential customers only. We have restated 2022-23 figures to include both residential and non-residential customers.					
1 & 2	Preventative maintenance and targeted renewals of at-risk water mains has resulted in this year's improved result. 7,341 customers experienced a service outage in 2023-24 compared to more than 10,000 in the prior year (of which more than 2,300 were impacted by the single event in Kyneton in April 2023).				
3	Preventative maintenance and targeted renewals of at-risk water mains has again resulted in zero customers in our service region experiencing 5 or more supply interruptions.				
4 & 5	Increased CCTV inspections and mains cleaning as well as targeted renewal of at-risk sewer mains has resulted in reductions to the number of mains blockages in 2023-24.				
6 & 7	Increased CCTV inspections and mains cleaning as well as targeted renewal of at-risk sewer mains has resulted in reductions to the number of sewer main spills this year. Drier conditions, with fewer major rainfall events, has also contributed to the positive result.				
8 & 9	The business has increasingly prioritised support for customers experiencing hardship, including increasing available resources and hardship support payments. This has included extending support to include non-residential customers. This increased focus and community concerns with the cost of living have resulted in a significant increase in customers on payment plans and awarded hardship grants.				
10 & 11	This year's result was due to process optimisation at treatment plants with known source water quality concerns. 2022-23 result was exacerbated by widespread heavy rainfall and flooding resulting in transient water quality issues.				
12	Payment issue complaints have fallen following a spike in 2022-23 caused by introduction of Coliban Water's new billing system and cessation of government support payments post-pandemic.				
13	The number of complaints for payment issues has been impacted by customers experiencing financial hardship and the general increase in prices (with inflation over 7%). The business has prioritised additional financial support for customers at risk of hardship and included messaging about hardship support available as standard scripting during customer engagement.				
14 & 15	The drop in total complaints is largely from a decrease in the number of water quality (-42%), billing (-50%) and 'other' (-36%) complaints compared to prior year.				
16	A drier spring compared to previous year increased reuse opportunities. The business has also made significant improvements to operation of the Bendigo Recycled Water Factory, increasing production of Class A recycled water from 113 ML in 2022-23 to 1,048 ML this year.				
17	While the percentage of effluent reused was nearly double prior year, it remained below the annual target. Higher than average rainfall in January 2024 (peak summer irrigation period) reduced further opportunities for reuse.				

# Independent Auditor's Report

## To the Board of the Coliban Region Water Corporation

**Opinion**

I have audited the performance report of the Coliban Region 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
- water reuse performance indicator
- directors' certification.

In my opinion, the performance report of the Coliban Region 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.



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**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  
20 September 2024



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

# Financial Performance Summary

Financial Result	Plan 2023/24	Actual 2023/24	Actual 2022/23	Actual 2021/22	Actual 2020/21	Actual 2019/20
<b>Revenue</b>						
Service charges	85,694	85,575	77,880	74,561	73,596	73,170
Usage charges	58,251	53,545	48,770	52,838	52,875	57,675
Government funding	3,740	3,461	6,057	1,998	2,698	3,230
Contributions & gifted assets	18,066	20,348	20,445	14,338	11,232	13,468
Interest income	375	620	406	31	11	68
Other income	1,505	1,572	2,230	2,088	2,188	2,014
<b>Total revenue</b>	<b>167,632</b>	<b>165,121</b>	<b>155,788</b>	<b>145,854</b>	<b>142,131</b>	<b>146,627</b>
<b>Expenses</b>						
Operations, administration & employee	102,274	99,252	89,661	78,938	71,681	72,903
Expenditure of Government funding	3,820	2,709	4,807	1,845	2,513	3,261
Borrowing Costs & Finance Charges	25,739	26,986	23,941	22,978	24,537	26,429
Depreciation & amortisation	41,522	40,319	37,144	37,328	32,238	31,801
Environmental Contribution	6,352	5,734	5,734	5,734	5,734	5,116
<b>Total expenditure</b>	<b>179,707</b>	<b>175,000</b>	<b>161,287</b>	<b>146,823</b>	<b>136,703</b>	<b>139,510</b>
<b>Net result before tax</b>	<b>(12,075)</b>	<b>(9,879)</b>	<b>(5,499)</b>	<b>(969)</b>	<b>5,428</b>	<b>7,117</b>
<b>Net result for the year</b>	<b>(10,203)</b>	<b>(8,803)</b>	<b>(6,130)</b>	<b>(803)</b>	<b>3,332</b>	<b>4,864</b>
<b>Assets</b>						
Total current assets	66,117	52,688	67,364	59,905	43,320	38,552
Total non-current assets	2,259,854	2,271,136	2,223,447	1,979,083	1,959,029	1,638,836
<b>Total assets</b>	<b>2,325,971</b>	<b>2,323,824</b>	<b>2,290,811</b>	<b>2,038,988</b>	<b>2,002,349</b>	<b>1,677,388</b>
<b>Liabilities</b>						
Total current liabilities	69,735	64,713	63,042	50,844	39,608	43,066
Total non-current liabilities	826,965	828,245	788,297	693,531	674,626	569,330
<b>Total liabilities</b>	<b>896,700</b>	<b>892,958</b>	<b>851,339</b>	<b>744,375</b>	<b>714,234</b>	<b>612,396</b>
<b>Net assets</b>						
Net cash inflows from operations	19,432	20,668	18,800	31,205	28,797	32,322
Payments for assets	(66,154)	79,904	(50,791)	(38,448)	(33,107)	(28,050)
<b>Performance Indicators</b>						
Performance Indicator	Plan 2023/24	Actual 2023/24	Actual 2022/23	Actual 2021/22	Actual 2020/21	Actual 2019/20
Interest Cover (Cash)	1.8	1.8	1.8	2.4	2.2	2.2
Gearing Ratio	23.2%	23.3%	21.7%	22.7%	22.3%	26.3%
Internal Financing Ratio	29.4%	25.8%	37.0%	81.8%	87.0%	115.2%
Current Ratio	130.0%	123.4%	160.0%	180.0%	160.0%	120.0%
Return on Assets	0.9%	0.6%	0.7%	1.1%	1.6%	2.0%
Return on Equity	(0.7%)	(0.6%)	(0.4%)	(0.1%)	0.3%	0.5%
EBITDA Margin	31.2%	32.8%	33.3%	40.6%	43.8%	44.5%

# Financial Overview

In the first year of the 2023 Price Submission, Coliban Water made a net loss before tax of \$9.9 million, a movement of \$4.4 million when compared to the previous year result.

## Revenue was \$9.3 million higher than prior year due to:

- An increase in service charges (\$7.7 million) reflecting growth in customer connections and the approved price path.
- An increase in revenue from water usage for customers (\$4.8 million), an increase on the prior year's average household consumption of 173kl increasing to 183kl.
- Maintaining a consistent level of development in the region, with developer installed works and new customer contributions slightly below prior year (\$0.1 million).
- Less Government funding being received (\$2.6 million) as a result of receiving flood event funding in the prior year.
- An increase in interest income (\$0.2 million) as a result of increased interest rates.
- A reduction in other income (\$0.7 million) resulting from less special meter reads, information statements and other miscellaneous income.

## Expenditure was \$13.7 million higher than the prior year due to:

- An overall increase in employee costs (\$3.3 million) due to the net impact of the 2021 Enterprise Agreement, new positions & vacancies being filled.
- Increased operating and administration expenses (\$6.3 million), with major items contributing to this being higher partnership contract expenses due to increased reactive works (\$2.2 million), increases in IT costs relating to cloud services and investment (\$2.3 million), electricity (\$0.4 million) and increased operating costs incurred through existing Service Concession Agreements (\$0.7M).
- Non-operating activity expenditure was higher overall (\$4.2 million) due to the combination of increased interest costs due to higher interest rates and an increasing loan portfolio (\$3.0 million), increased depreciation and amortisation due to the growing investment in the capital program (\$3.2 million), net off with reduced Government funding expenditure (\$2.0 million).

Cashflows from operating activities were consistent with prior year, generating \$20.7 million, an increase of \$1.9 million.

Payments for infrastructure and intangible assets were \$79.9 million, \$29.2 million higher than the prior year reflecting the commitment to invest in our assets and increase the capital portfolio.

## Significant changes in financial position

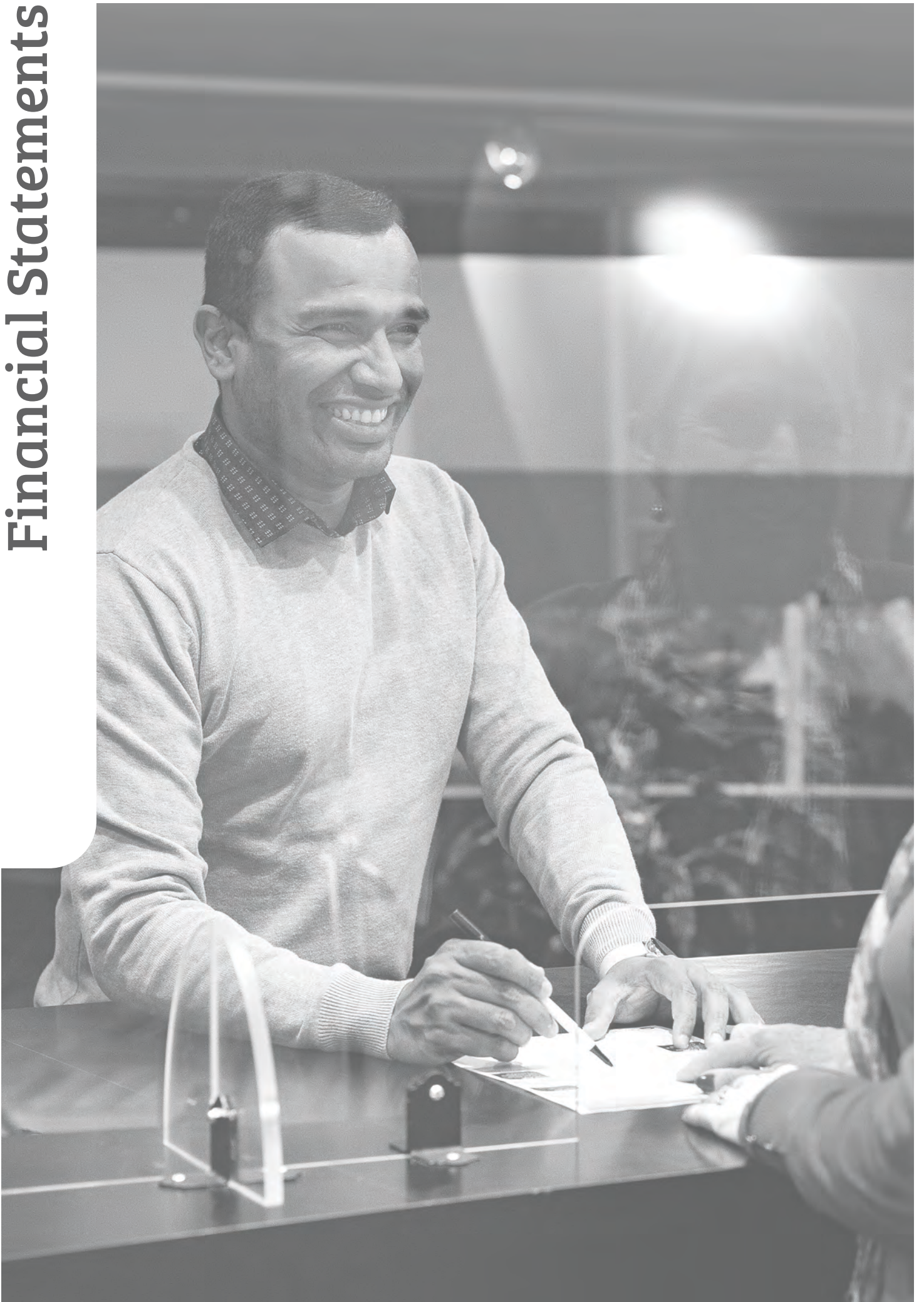
With a commitment to ensuring long term asset resilience, Coliban Water delivered a \$73.4 million capital portfolio, resulting in an additional \$51.0 million of borrowings. This increased total borrowings in 2023/24 to \$501.9 million.

## Post balance date events

At the time of printing this annual report Coliban Water was not aware of any events after balance date that would significantly impact its operations.



# Financial Statements





**Coliban Region Water Corporation**  
**Financial Statements**  
**For the year ended 30 June 2024**

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# Coliban Region Water Corporation

## Financial Statements

### For the year ended 30 June 2024

#### Statutory Certification

We certify that the attached financial statements for Coliban Region Water Corporation have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994 and applicable Financial Reporting Directions, applicable Australian Accounting Standards including interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the accompanying notes, presents fairly the financial transactions during the financial year ended 30 June 2024 and the financial position of Coliban Region Water Corporation as at 30 June 2024.

At the date of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 13<sup>th</sup> September 2024.



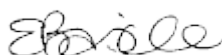
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Bob Cameron  
Chairperson  
Coliban Region Water Corporation



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Damian Wells  
Managing Director  
Coliban Region Water Corporation



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Eryn Basile  
Chief Financial Officer  
Coliban Region Water Corporation

**Coliban Region Water Corporation**  
**Comprehensive operating statement**  
**For the year ended 30 June 2024**

	Notes	2024 \$'000	2023 \$'000
<b>Revenue and income from transactions</b>			
Revenue from contracts with customers	2.1	159,468	147,095
Government funding	2.2	3,461	6,057
Interest income		620	406
Other income	2.3	1,572	2,230
<b>Total revenue and income from transactions</b>		<b>165,121</b>	<b>155,788</b>
<b>Expenses from transactions</b>			
Employee benefits	3.1.1	26,771	23,441
Operating and administration expenses	3.2	72,481	66,220
Expenditure of Government funding		2,709	4,807
Depreciation	4.1.1 & 6.2.1	39,644	36,305
Amortisation	4.2	675	839
Interest expense	6.1.2	26,986	23,941
Environmental contribution	8.2	5,734	5,734
<b>Total expenses from transactions</b>		<b>175,000</b>	<b>161,287</b>
<b>Net result from transactions (net operating balance)</b>		<b>(9,879)</b>	<b>(5,499)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on disposal of non-current assets	9.2	(2,246)	(2,027)
Net gain/(loss) on financial instruments	9.2	(453)	(1,226)
<b>Total other economic flow included in net result</b>		<b>(2,699)</b>	<b>(3,253)</b>
<b>Net result from transactions</b>		<b>(12,578)</b>	<b>(8,752)</b>
Income tax expense	8.1.1	3,775	2,622
<b>Net result</b>		<b>(8,803)</b>	<b>(6,130)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes in physical asset revaluation surplus	4.1.1	281	213,877
Deferred income tax relating to components of other comprehensive income	8.1.1	(84)	(64,163)
<b>Total other comprehensive income</b>		<b>197</b>	<b>149,714</b>
<b>Comprehensive result</b>		<b>(8,606)</b>	<b>143,584</b>

The accompanying notes form part of these financial statements.

# Coliban Region Water Corporation

## Balance sheet

As at 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6.4	11,690	26,964
Receivables	5.1	15,835	15,683
Contract assets	5.2	22,694	21,725
Inventories		2,274	2,160
Non-financial physical assets classified as held for sale		7	7
Other non-financial assets		188	825
<b>Total current assets</b>		<b>52,688</b>	<b>67,364</b>
<b>Non-current assets</b>			
Receivables	5.1	581	626
Other financial assets	5.5	15	15
Infrastructure, property, plant and equipment	4.1.1	2,191,140	2,149,551
Right-of-use assets	6.2.1	2,604	1,799
Intangibles	4.2	76,796	71,456
<b>Total non-current assets</b>		<b>2,271,136</b>	<b>2,223,447</b>
<b>Total assets</b>		<b>2,323,824</b>	<b>2,290,811</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	29,895	30,346
Contract liabilities	5.4	17,716	17,216
Employee benefits provision	3.1.2	7,870	7,105
Interest bearing liabilities	6.1	9,232	8,375
<b>Total current liabilities</b>		<b>64,713</b>	<b>63,042</b>
<b>Non-current liabilities</b>			
Trade and other payables	5.3	307	174
Employee benefits provision	3.1.2	559	613
Interest bearing liabilities	6.1	532,053	488,948
Other financial liabilities	5.5	1,039	586
Net deferred tax liabilities	8.1.2	294,287	297,976
<b>Total non-current liabilities</b>		<b>828,245</b>	<b>788,297</b>
<b>Total liabilities</b>		<b>892,958</b>	<b>851,339</b>
<b>Net assets</b>		<b>1,430,866</b>	<b>1,439,472</b>
<b>Equity</b>			
Contributed capital	9.1.1	307,800	307,800
Physical asset revaluation reserve	9.1.2	763,988	763,791
Accumulated surplus / deficit		359,078	367,881
<b>Total equity</b>		<b>1,430,866</b>	<b>1,439,472</b>

The accompanying notes form part of these financial statements.



**Coliban Region Water Corporation**  
**Cash flow statement**  
**For the year ended 30 June 2024**

	Notes	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
<i>Receipts</i>			
Service and usage charges / Revenue from contracts with customers		137,504	123,112
Receipts from Government		4,531	6,967
Interest received		620	406
Goods and Services Tax received from the ATO <sup>(i)</sup>		14,639	12,192
Other customer revenue		7,061	9,829
<b>Total receipts</b>		<b>164,355</b>	<b>152,506</b>
<i>Payments</i>			
Payments to suppliers and employees		(111,828)	(104,302)
Interest and other cost of finance paid		(26,125)	(23,670)
Environmental contribution levy paid		(5,734)	(5,734)
<b>Total payments</b>		<b>(143,687)</b>	<b>(133,706)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.4	<b>20,668</b>	<b>18,800</b>
<b>Cash flows from investing activities</b>			
Payments for infrastructure, property, plant and equipment		(73,851)	(46,614)
Proceeds from sale of infrastructure, property, plant & equipment		92	228
Proceeds from sale of investments		-	31
Payments for intangible assets		(6,145)	(4,177)
<b>Net cash flows from/(used in) investing activities</b>		<b>(79,904)</b>	<b>(50,532)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		51,000	41,100
Proceeds from contributions by state in it's capacity as owner		-	1,275
Principal payments of lease liabilities		(7,038)	(7,483)
<b>Net cash flows from/(used in) financing activities</b>		<b>43,962</b>	<b>34,892</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(15,274)</b>	<b>3,160</b>
Cash and cash equivalents at the beginning of the financial year		26,964	23,804
<b>Cash and cash equivalents at the end of the financial year</b>	6.4	<b>11,690</b>	<b>26,964</b>

*The accompanying notes form part of these financial statements.*

<sup>(i)</sup> Goods and services tax received to the ATO is presented on a net basis.

**Coliban Region Water Corporation**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

	Notes	Contributed capital \$'000	Physical asset revaluation reserve \$'000	Accumulated surplus / deficit \$'000	Total equity \$'000
<b>Balance at 1 July 2022</b>		306,525	614,077	374,011	<b>1,294,613</b>
Net result for the year		-	-	(6,130)	<b>(6,130)</b>
Other comprehensive income		-	149,714	-	<b>149,714</b>
Capital contributions by State Government		1,275	-	-	<b>1,275</b>
<b>Total comprehensive income</b>		<b>1,275</b>	<b>149,714</b>	<b>(6,130)</b>	<b>144,859</b>
<b>Balance at 30 June 2023</b>		<b>307,800</b>	<b>763,791</b>	<b>367,881</b>	<b>1,439,472</b>
<b>Balance at 1 July 2023</b>		<b>307,800</b>	<b>763,791</b>	<b>367,881</b>	<b>1,439,472</b>
Net result for the year		-	-	(8,803)	<b>(8,803)</b>
Other comprehensive income	9.1.2	-	197	-	<b>197</b>
<b>Total comprehensive income</b>		<b>-</b>	<b>197</b>	<b>(8,803)</b>	<b>(8,606)</b>
<b>Balance at 30 June 2024</b>		<b>307,800</b>	<b>763,988</b>	<b>359,078</b>	<b>1,430,866</b>

*The accompanying notes form part of these financial statements.*

# Coliban Region Water Corporation

## Notes to the financial statements

### Note 1 Basis of preparation

#### Introduction

This note outlines the basis of preparation and compliance information relating to the financial statements.

#### 1.1 General

This financial report of Coliban Region Water Corporation (Coliban Water) is a general purpose financial report that consists of a Comprehensive operating statement, Balance sheet, Statement of changes in equity, Cash flow statement and notes accompanying these statements. The general purpose financial report has been prepared in accordance with Australian Accounting Standards (AASs), Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Financial Management Act 1994 and applicable Ministerial Directions.

Coliban Water is a not-for-profit entity for the purpose of preparing the financial statements. Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

A description of the nature of its operations and Coliban Water's principal activities is included in the Report of operations, which does not form part of these financial statements.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid. This financial report has been prepared on a going concern basis.

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. Where appropriate, comparative figures have been amended to align with current presentation and disclosure.

#### Functional and presentation currency

Items included in this financial report are measured using the currency of the primary economic environment in which Coliban Water operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Coliban Water's functional and presentation currency.

#### Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being Coliban Water's operational cycle.

#### Rounding

Unless otherwise stated, amounts in the report have been rounded to the nearest thousand dollars.

#### Historical cost convention

These financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets and liabilities, right-of-use assets and all classes of infrastructure, property and plant and equipment.

#### Comparative information

In these financial statements, Coliban Water has changed the classification or presentation of certain disclosures (and relevant comparative information) to improve readability by the user. This change in the presentation has not arisen as a result of the identification of errors or changes in accounting policies by Coliban Water. Where adjustments have been made to comparative information as a result of the correction of errors and changes in accounting policies, the nature of error and its magnitude has been disclosed in line with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

#### Compliance information

These general-purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable *Australian Accounting Standards* (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

# Coliban Region Water Corporation

## Notes to the financial statements

In particular, they are presented in a manner consistent with the requirements of **AASB 1049** *Whole of Government and General Government Sector Financial Reporting* (AASB 1049). Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. In addition, the Corporation 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. Although the amendments did not result in any changes to the accounting policies themselves, they did not impact the accounting policy information disclosed throughout.<sup>1</sup>

### 1.2 Accounting estimates

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. There are many uncertainties in the estimation process and assumptions that are valid at the time of estimation but may change significantly when new information becomes available.

The significant judgements, estimates and assumptions made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are made in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in applying Australian Accounting Standards or “AAS” that have significant effects on the financial statements and estimates relate to:

Significant judgement and estimation area	Note number
Contract Assets - Accrued water usage charges	5.2
Estimated fair value of derivative financial instrument	7.3.4
Estimated fair value of land, buildings, infrastructure, plant and equipment	7.3.2
Estimation of useful life of non-financial assets	4.1.4
Determination of a cash generating unit (CGU)	4.2
Impairment of assets	4.1 and 6.2
Contractual receivables and associated impairment	5.1
Employee benefit provisions	3.1.2
Superannuation defined benefit scheme - Actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates	3.1.2
Revenue recognition - Determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is within the scope of AASB 15 <i>Revenue from Contracts with Customers</i> ( <b>AASB 15</b> ) or AASB 1058 <i>Income of not-for-profit entities</i> ( <b>AASB 1058</b> )	2.1
Revenue recognition - The timing of satisfaction of performance obligations and determining transaction price and amounts allocated to performance obligations	2.1
For leases, determining whether the arrangement is in substance short-term arrangement	6.2
Deferred tax assets and liabilities	8.1.2

## Note 2 Funding delivery of our services

### Introduction

Revenue and income that fund delivery of Coliban Water’s services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes. Revenue and income are recognised to the extent it is probable the economic benefits will flow to Coliban Water and the income can be reliably measured at fair value.



# Coliban Region Water Corporation

## Notes to the financial statements

### 2.1 Revenue from contracts with customers

	Notes	2024 \$'000	2023 \$'000
Revenue from service, usage and trade waste charges	2.1.1	139,120	126,650
Contributions and gifted assets	2.1.2	20,348	20,445
<b>Total revenue from contracts with customers</b>		<b>159,468</b>	<b>147,095</b>

Revenue is recognised when, or as, the performance obligations to the customer are satisfied in accordance with AASB 15 *Revenue from Contracts with Customers* (AASB 15). Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. Where the performance obligations are satisfied but not yet billed, a contract asset is recorded. Refer to Note 5.2.

#### 2.1.1 Revenue from service, usage and trade waste charges

	2024 \$'000	2023 \$'000
<b>Service charges</b>		
Water	22,611	20,749
Waste water	55,761	51,128
Rural water	2,683	2,555
Recycled water	50	50
Trade waste	4,470	3,398
	<b>85,575</b>	<b>77,880</b>
<b>Usage charges</b>		
Water	48,448	44,893
Waste water	1,664	1,529
Rural water	661	559
Recycled water	717	502
Trade waste	939	956
Temporary water sales	1,116	331
	<b>53,545</b>	<b>48,770</b>
<b>Total revenue from service usage and trade waste charges</b>	<b>139,120</b>	<b>126,650</b>

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Service charges (water, waste water, rural water, recycled water and trade waste)	Service charges are recognised as revenue when the services have been provided or service charge has been made. Service charges are billed quarterly, based on a fixed fee and revenue is recognised over time as the customer simultaneously receives and consumes the services provided by Coliban Water. Payment term are 28 days from date of invoice. Where payments are made in advance by customers to unbilled accounts at the reporting date, these payments are classified as contract liabilities as Coliban Water has yet to provide the service.	Revenue is recognised over time as service is provided.
Usage charges (water, wastewater, rural water, recycled water, trade waste)	Usage charges are billed quarterly in arrears and revenue is recognised over time as Coliban Water has the right to receive an amount of consideration based on the unit of water consumed, and sewage, recycled water and trade waste disposed of during the financial year at the regulated price. Usage charges are accrued, and contract assets are booked. Payment term are 28 days from date of invoice.	Revenue is recognised over time as service is provided.
Temporary water sales	Water trading revenue is recognised at a point in time when the trade occurs. This is when the performance obligation is satisfied. The charges are payable within 7 days.	Revenue is recognised at a point in time.

Contract assets and liabilities have been disclosed in notes 5.2 and 5.4.

#### 2.1.2 Contributions and gifted assets

	2024 \$'000	2023 \$'000
Developer contributed assets	15,018	15,642
New customer contributions	5,330	4,803
<b>Total developer contributions</b>	<b>20,348</b>	<b>20,445</b>

# Coliban Region Water Corporation

## Notes to the financial statements

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Developer contributed assets	<p>Developer contributed assets arise when developers pay for the cost of construction of new infrastructure assets and subsequently gift these assets to Coliban Water to maintain in perpetuity.</p> <p>Depending on the type of developer application, this can result in the performance obligation being satisfied:</p> <ul style="list-style-type: none"> <li>• when the Statement of Compliance is issued to the customer, or</li> <li>• when the customer is connected to Coliban Water's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued.</li> </ul> <p>Revenue is recognised at the fair value of the gifted assets by assessing the value of the works using schedule of rates.</p>	Revenue is recognised at a point in time.
New customer contributions	<p>New customer contributions represent non-refundable upfront charges applicable when customers request to build or develop a property and connect to Coliban Water's water supply and sewerage infrastructure network. The charges contribute towards the cost of augmenting Coliban Water's water supply distribution systems and sewerage disposal systems.</p> <p>Depending on the type of new customer contribution application, this can result in the performance obligation being satisfied at a point in time. As a result, a performance obligation can be satisfied when:</p> <ul style="list-style-type: none"> <li>• the Statement of Compliance is issued to the customer; or</li> <li>• the customer is connected to Coliban Water's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued; or</li> <li>• the customer receives consent from Coliban Water to proceed with their application.</li> </ul> <p>The rates applied to calculate the new customer contributions are regulated by the Essential Services Commission.</p>	Revenue is recognised at a point in time.
Deferred scheme contributions	<p>Customer contributions toward the construction cost of water and/or sewer schemes. The performance obligation is met upon the customer connecting to the service. Payment of this revenue is made over a maximum 20 year term.</p>	Revenue recognised at a point in time.

# Coliban Region Water Corporation

## Notes to the financial statements

### 2.1.3 Timing of recognition of revenue from customers

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

Service charges	Water \$'000	Waste water \$'000	Rural water \$'000	Recycled water \$'000	Trade waste \$'000	Total revenue from service charges
						\$'000
<b>2023</b>						
At a point in time	-	-	-	-	-	-
Over time	20,749	51,128	2,555	50	3,398	77,880
<b>Total</b>	<b>20,749</b>	<b>51,128</b>	<b>2,555</b>	<b>50</b>	<b>3,398</b>	<b>77,880</b>
<b>2024</b>						
At a point in time	-	-	-	-	-	-
Over time	22,611	55,761	2,683	50	4,470	85,575
<b>Total</b>	<b>22,611</b>	<b>55,761</b>	<b>2,683</b>	<b>50</b>	<b>4,470</b>	<b>85,575</b>

Usage charges	Water \$'000	Waste water \$'000	Rural water \$'000	Recycled water \$'000	Trade waste \$'000	Temporary water sales \$'000	Total revenue from usage charges
							\$'000
<b>2023</b>							
At a point in time	-	-	-	-	-	331	331
Over time	44,893	1,529	559	502	956	-	48,439
<b>Total</b>	<b>44,893</b>	<b>1,529</b>	<b>559</b>	<b>502</b>	<b>956</b>	<b>331</b>	<b>48,770</b>
<b>2024</b>							
At a point in time	-	-	-	-	-	1,116	1,116
Over time	48,448	1,664	661	717	939	-	52,429
<b>Total</b>	<b>48,448</b>	<b>1,664</b>	<b>661</b>	<b>717</b>	<b>939</b>	<b>1,116</b>	<b>53,545</b>

Contributions and gifted assets	Developer contributed assets \$'000	New customer contributions \$'000	Total revenue from contributions
			\$'000
<b>2023</b>			
At a point in time		15,642	20,445
Over time		-	-
<b>Total</b>		<b>15,642</b>	<b>20,445</b>
<b>2024</b>			
At a point in time		15,018	20,348
Over time		-	-
<b>Total</b>		<b>15,018</b>	<b>20,348</b>

### 2.2 Government grants and contributions

	2024 \$'000	2023 \$'000
Government funding	3,461	6,057
<b>Total government grants and contributions</b>	<b>3,461</b>	<b>6,057</b>

Coliban Water's government funding is recognised when a specific performance obligation is met and is accounted for as revenue from contracts with customers in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB1058 *Income of Not-for-Profit Entities*.

A government grant is not recognised until there is reasonable assurance that Coliban Water will comply with the conditions attaching to it, and that the grant will be received.

The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

In 2023/24, Coliban Water recognised \$669,821 in Government (DEECA) flood relief & recovery funding to assist Coliban Water with capital flood recovery works (AASB 15). Funding of \$510,917 was recognised for the Regional Rural Modernisation Project & Strategic Measurement Program (DEECA)(AASB 15).

# Coliban Region Water Corporation

## Notes to the financial statements

Other major funding recognised included \$2,280,212 (2023: \$1,302,247) for the Bendigo Groundwater Project (AASB 15).

### 2.3 Other income

	2024 \$'000	2023 \$'000
Other income	1,406	1,889
Rental income	138	169
ZEW investment income	28	172
<b>Total other income</b>	<b>1,572</b>	<b>2,230</b>

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Other Income	Other income consists of special meter reads, information statements, project management and application fees, property connections and other miscellaneous income.	Revenue is recognised at a point in time
Rental income	Rental income from leasing of properties in the form of operating leases are recognised on a straight-line basis over the lease term.	Revenue is recognised over time as service is provided.
ZEW derivative income	Relates to Coliban Water's investment in Zero Emissions Water Limited (ZEW). During the reporting period, if the minimum generation requirements under the Power Purchase Agreement were not met, Coliban Water received and recognised compensation settlements. Upon expiration or exercise of the cash flow derivative, Coliban Water will receive income depending on the position of the cash flow derivative. The fair value of the cash flow derivative is adjusted in other comprehensive income (OCI) upon settlement with the difference being recognised as income or expense. Refer note 5.5 for further details on the arrangement between Coliban Water and ZEW.	Revenue is recognised over time as service is provided

### Note 3 The cost of delivering our services

#### Introduction

This section provides an account of the expenses incurred by Coliban Water in delivering services and outputs, and the accounting policies that are relevant for an understanding of the items reported in the financial statements.

#### 3.1 Expenses incurred in delivery of services

	Notes	2024 \$'000	2023 \$'000
Employee benefit expenses	3.1.1	26,771	23,441
Operating and administration expenses	3.2	72,481	66,220
Expenditure of Government funding		2,709	4,807
<b>Total expenses incurred in delivery of services</b>		<b>101,961</b>	<b>94,468</b>

Expenses are recognised net of goods and services tax (GST), except where the amount of GST is not recoverable from the ATO. In these circumstances, the GST is recognised as part of an item of expense.

#### 3.1.1 Employee benefits in the comprehensive operating statement

	2024 \$'000	2023 \$'000
Salaries and wages	19,362	17,458
Annual leave	2,268	1,887
Termination benefits	-	30
Accrued days off	1,053	824
Long service leave	791	746
Superannuation	3,297	2,496
<b>Total employee benefit costs</b>	<b>26,771</b>	<b>23,441</b>

# Coliban Region Water Corporation

## Notes to the financial statements

Employee expenses include all costs related to employment including wages and salaries, superannuation, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

Directly attributable costs for bringing an asset to the location and condition necessary for operation, such as costs of employee benefits arising directly from the construction or acquisition of the item of infrastructure, property, plant and equipment are capitalised.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period (see note 3.1.3).

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 Coliban Water 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.

### 3.1.2 Employee benefits provision in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave, accrued days off and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current provisions:</b>		
<b>Annual leave</b>		
Unconditional and expected to settle within 12 months	2,364	2,033
<b>Accrued Days Off</b>		
Unconditional and expected to settle within 12 months	359	386
<b>Long service leave</b>		
Unconditional and expected to settle within 12 months	333	329
Unconditional and expected to settle after 12 months	3,871	3,535
<b>Provisions for on-costs</b>		
Unconditional and expected to settle within 12 months	441	381
Unconditional and expected to settle after 12 months	502	441
<b>Total current provisions for employee benefits</b>	<b>7,870</b>	<b>7,105</b>
<b>Non-current provisions:</b>		
Long service leave - conditional	495	545
On-costs	64	68
<b>Total non-current provisions for employee benefits</b>	<b>559</b>	<b>613</b>
<b>Total provisions for employee benefits</b>	<b>8,429</b>	<b>7,718</b>

The number of employees at the end of the financial year was 272 (2023: 244).

### Wages and salaries, annual leave and accrued days off

Liabilities for wages and salaries (including non-monetary benefits, annual leave, accrued days off and on-costs) are recognised as part of the employee benefit provision as current liabilities, because Coliban Water does not have an unconditional right to defer settlements of these liabilities.

The components of this liability are measured at:

- Undiscounted value – the component Coliban Water expects to wholly settle within 12 months; or
- Present value – the component Coliban Water does not expect to wholly settle within 12 months.

### Personal leave

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



# Coliban Region Water Corporation

## Notes to the financial statements

### On-costs

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.

### Long service leave

Long Service Leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL (representing seven or more years of continuous service) is disclosed as a current liability even where Coliban Water does not expect to settle the liability within 12 months. Coliban Water does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value – the component Coliban Water expects to wholly settle within 12 months; or
- Present value – the component Coliban Water does not expect to wholly settle within 12 months.

Conditional long service leave is disclosed as a non-current liability. 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 long service liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as other economic flows included in the net result within in the operating statement.

### 3.1.3 Superannuation

#### Superannuation contributions

Coliban Water's obligations for contributions to the fund are recognised as an expense in the Comprehensive operating statement when they are made or due.

Coliban Water makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (Vision Super). The Fund has two categories of membership, accumulation and defined benefit, both are funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive operating statement when they are made or become due.

Contributions by Coliban Water (excluding any unfunded liability payments) to the superannuation plans for the financial year ended 30 June 2024 and 30 June 2023 are detailed below:

<b>Scheme</b>	<b>Type of scheme</b>	<b>Rate (%)</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Vision Super	Defined benefits	11.0%	11	10
Vision Super	Accumulation	11.0%	1,045	851
Emergency Services & State Superannuation	Defined benefits	9.9%	19	18
VicSuper Scheme	Accumulation	11.0%	188	183
Other Superannuation Funds	Accumulation	11.0%	1,928	1,304
Employee Personal Superannuation Funds	Accumulation	11.0%	106	130
<b>Total contributions to all funds</b>			<b>3,297</b>	<b>2,496</b>
			<b>2024 \$'000</b>	<b>2023 \$'000</b>
Contributions outstanding			151.9	230.2
Loans issued			nil	nil
Expected contributions to be paid to the defined benefit category of Emergency Services & State Superannuation and Vision Super			29.4	25.2

#### Accumulation

The Fund's accumulation category, Vision Super, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings. For the year ended 30 June 2024, this was 11% (10.5% in 2022/23) as required under Superannuation Guarantee legislation. Our commitment to accumulation plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

# Coliban Region Water Corporation

## Notes to the financial statements

The Superannuation Guarantee (SG) rate will eventually increase to 12% from 1 July 2025 based on the current SG legislation.

Contributions to the accumulation plans are expensed as the contributions are paid or become payable.

### Defined benefit fund

Coliban Water does not use defined benefit accounting because sufficient information is not available. 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 the group in the new 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 *Employee Benefits* (AASB 119).

### Funding arrangements

Coliban Water makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. In addition, Coliban Water reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

### The 2023 triennial actuarial investigation

A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category of which Coliban Water is a contributing employer was 104.1% as at 30 June 2023 (102.2% at 30 June 2022).

### The 2024 interim actuarial investigation

Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim actuarial review is currently underway for the Defined Benefit category as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2024. Vision Super has advised that the VBI at 30 June 2024 was 105.4% (2023: 104.1%).

The financial assumptions used to calculate the 30 June VBI were:

	2024	2023
Net investment returns	5.6% p.a.	5.7% p.a.
Salary information	3.5% p.a.	3.5% p.a.
Price inflation (CPI)	2.7% p.a.	2.8% p.a.

Under SPS 160, the VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2023 triennial actuarial investigation showed that the Defined Benefit category was in a satisfactory financial position under SPS 160. As a result, the Fund Actuary determined that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Coliban Water was notified of the 30 June 2023 VBI during August 2024 (2022: August 2022).

### Regular contributions

On the basis of the results of the 2023 interim actuarial investigation conducted by the Fund Actuary, Coliban Water makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, Coliban Water reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

### Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or 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 Prudential Standard SPS 160 *Defined Benefit Matters* (SPS160) 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%.

# Coliban Region Water Corporation

## Notes to the financial statements

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Coliban Water) 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.

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.

### The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Coliban Water 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 Coliban Water is a contributing employer:

	<b>2023 (Triennial) \$m</b>	<b>2022 (Interim) \$m</b>
VBI surplus/(deficit)	84.7	44.6
Total service liability surplus/(deficit)	123.6	105.8
Discounted accrued benefits surplus	141.9	111.9

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.

### 3.2 Operating and administration expenses

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Partnership contract expenses	23,183	21,027
General services	24,211	22,481
Service concession arrangements	10,880	10,178
Water purchases	2,380	2,318
Electricity	4,250	3,890
ZEW derivative expense	107	20
Other operational costs	7,470	6,306
<b>Total operating and administration expenses</b>	<b>72,481</b>	<b>66,220</b>

<b>Expense</b>	<b>Description</b>	<b>Recognition policy</b>
Partnership contract expenses	Costs incurred in operating and maintaining both water and wastewater treatment plants and reticulation networks under the current contract with Service Stream. Refer to Note 6.5.1.	Accrual basis. Recognised in the Comprehensive operating statement.
General services	Costs relating to cloud investment, information technology services, legal, consultant and contractor costs incurred outside of the partnership contract expenses.	Accrual basis. Recognised in the Comprehensive operating statement.
Service concession arrangements	Represent the Build, Own, Operate, Transfer Scheme (BOOTS) operating costs incurred to operate the Bendigo, Castlemaine and Kyneton water treatment plants and the Echuca and Rochester water reclamation plants.	Accrual basis. Recognised in the Comprehensive operating statement.

# Coliban Region Water Corporation

## Notes to the financial statements

Expense	Description	Recognition policy
Water purchases	Water purchases are expensed as incurred. These costs relate to long term entitlement licenses held by Coliban Water with neighbouring water corporations and include a fixed fee associated with the volume of the license and a variable component based on volumes utilised.	Accrual basis. Recognised in the Comprehensive operating statement.
Electricity	Electricity costs are expensed as incurred. These costs include the electricity for office administration buildings and costs associated with operating all Coliban Water assets, excluding those operated under the Service Concession Arrangements.	Accrual basis. Recognised in the Comprehensive operating statement.
ZEW derivative expense	Relates to Coliban Water's investment in Zero Emissions Water Limited (ZEW). Coliban Water 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 the solar farm. The future settlements of Contract for Difference (CfD) are classified as derivative financial instruments. Refer Note 5.5 for further details on the arrangement between Coliban Water and ZEW	Upon expiration or exercise of the cash flow derivative, Coliban Water will recognise an expense depending on the position of the cash flow derivative. The fair value of the cash flow derivative is adjusted in OCI upon settlement with the difference being recognised as an expense in the Comprehensive operating statement.
Other operating and administration expenses	General operating costs, general maintenance, repair costs and minor renewal costs relating to corporate buildings that are expensed as incurred.	Accrual basis. Recognised in the Comprehensive operating statement.

### Note 4 Key assets available to support output delivery

#### Introduction

Coliban Water controls infrastructure and other assets that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to Coliban Water to be utilised for delivery of those outputs.

#### 4.1 Infrastructure, property, plant and equipment

##### 4.1.1 Reconciliation of movements in carrying values of infrastructure, property, plant and equipment

	Land	Buildings	Leasehold improvements	Plant and equipment	Infrastructure assets	Service concession assets <sup>(i)</sup>	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2024</b>								
Opening net book amount - 1 July 2023	62,213	2,212	116	1,740	1,836,934	187,740	58,596	<b>2,149,551</b>
Additions	-	-	-	-	-	-	67,611	<b>67,611</b>
Disposals	-	-	-	(77)	(2,286)	-	(53)	<b>(2,416)</b>
Transfers in/(out) of assets under construction	843	264	197	997	70,185	654	(73,140)	-
Transfer between asset classes	-	53	-	-	(53)	-	(118)	<b>(118)</b>
Fair value of asset received free of charge	-	-	-	-	-	-	15,018	<b>15,018</b>
Depreciation charge	-	(90)	(15)	(496)	(32,396)	(5,790)	-	<b>(38,787)</b>
Revaluation	-	281	-	-	-	-	-	<b>281</b>
<b>Closing net book amount</b>	<b>63,056</b>	<b>2,720</b>	<b>298</b>	<b>2,164</b>	<b>1,872,384</b>	<b>182,604</b>	<b>67,914</b>	<b>2,191,140</b>
<b>Total as at 30 June 2024 represented by:</b>								
Gross book value	63,056	3,123	4,762	6,482	1,962,928	199,412	67,914	<b>2,307,677</b>
Accumulated depreciation	-	(403)	(4,464)	(4,318)	(90,544)	(16,808)	-	<b>(116,537)</b>
<b>Net book value as at 30 June 2024</b>	<b>63,056</b>	<b>2,720</b>	<b>298</b>	<b>2,164</b>	<b>1,872,384</b>	<b>182,604</b>	<b>67,914</b>	<b>2,191,140</b>

<sup>(i)</sup>Water and wastewater treatment facilities.

Right-of-use assets have not been included in the tables above. Refer to Note 6.2.1.

# Coliban Region Water Corporation

## Notes to the financial statements

	Land	Buildings	Leasehold improvements	Plant and equipment	Infrastructure assets	Service concession assets <sup>(i)</sup>	Capital works in progress <sup>(ii)</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2023</b>								
Opening net book amount - 1 July 2022	61,123	2,034	130	1,283	1,636,280	169,024	37,825	<b>1,907,699</b>
Additions	-	-	-	-	-	-	50,418	<b>50,418</b>
Disposals	(40)	-	-	(26)	(2,191)	-	-	<b>(2,257)</b>
Transfers in/(out) of assets under construction	1,097	321	(4)	868	41,843	915	(45,040)	-
Transfer between asset classes	33	-	-	-	-	-	(249)	<b>(216)</b>
Fair value of assets received free of charge	-	-	-	-	-	-	15,642	<b>15,642</b>
Impairment of assets	-	-	-	-	(5,620)	-	-	<b>(5,620)</b>
Depreciation charge	-	(143)	(10)	(385)	(29,560)	(5,514)	-	<b>(35,612)</b>
Revaluation	-	-	-	-	196,182	23,315	-	<b>219,497</b>
<b>Closing net book amount</b>	<b>62,213</b>	<b>2,212</b>	<b>116</b>	<b>1,740</b>	<b>1,836,934</b>	<b>187,740</b>	<b>58,596</b>	<b>2,149,551</b>
<b>Total as at 30 June 2023 represented by:</b>								
Gross book value	62,213	2,525	4,565	5,734	1,895,760	198,758	58,596	<b>2,228,151</b>
Accumulated depreciation	-	(313)	(4,449)	(3,994)	(58,826)	(11,018)	-	<b>(78,600)</b>
<b>Net book value as at 30 June 2023</b>	<b>62,213</b>	<b>2,212</b>	<b>116</b>	<b>1,740</b>	<b>1,836,934</b>	<b>187,740</b>	<b>58,596</b>	<b>2,149,551</b>

<sup>(i)</sup>Water and wastewater treatment facilities.

Right-of-use assets have not been included in the tables above. Refer to Note 6.2.1.

### 4.1.2 Initial recognition

#### Infrastructure, property, plant and equipment

Items of infrastructure, property, plant and equipment comprise substructures or underlying systems held to facilitate harvesting, storage, treatment and transfer of water to meet customer needs. They also include wastewater systems. These items are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Items with a cost or value in excess of \$1,000 (2023: \$1,000) and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed. Where assets are constructed by Coliban Water, the cost at which they are recorded includes an appropriate share of overheads. Assets acquired at no cost or for nominal consideration by Coliban Water are recognised at fair value at the date of acquisition.

The accounting policy relating to right-of-use assets has been disclosed in note 6.2.

#### Leasehold improvements

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives. At balance date, leasehold improvements are amortised over a 2 to 50 year period.

#### Service Concession Asset

A Service Concession Asset (SCA) under AASB 1059 *Service Concession Assets: Grantors* (**AASB 1059**) is an asset other than goodwill, to which a private operator has right of access to provide public services on behalf of Coliban Water in a service concession arrangement that:

- the operator constructs, develops, upgrades or replaces major components, or acquires from a third party or is an existing asset of the operator, or
- is an existing asset of Coliban Water, including a previously unrecognised identifiable intangible asset and land under roads, or an upgrade to or replacement of a major component of an existing asset of the grantor.



# Coliban Region Water Corporation

## Notes to the financial statements

Coliban Water recognises a service concession asset constructed, developed or acquired from a third party or by the operator, including an upgrade to an existing asset of Coliban Water, when Coliban Water controls the asset. Coliban Water controls the services the operator must provide, price, and any significant residual interest in the asset at the end of the term of the arrangement.

Coliban Water initially measures service concession assets at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement* (**AASB 13**). Subsequent to the initial recognition, or reclassification of the asset, Coliban Water measures the service concession asset in accordance with AASB 116 *Property, Plant and Equipment* (**AASB 116**).

After initial recognition, Coliban Water depreciates the service concession asset over its useful life using the principles in AASB 116. SCAs are subject to revaluation as required by Financial Reporting Direction 103I Non-Financial Physical Assets (**FRD 103I**). Refer to Note 7.3 Fair value determination for a summary of revaluation details by asset category with further details provided on accounting for revaluation in Note 4.1.3.

### Revaluation of infrastructure, property, plant and equipment

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in FRD 103.

The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by Coliban Water to conduct these scheduled revaluations. Certain assets are revalued using specialised advisors under the direction of the VGV.

For the plant, equipment and vehicle asset classes, where Coliban Water is able to demonstrate that there is no evidence that a reliable market-based fair value (or other fair value indicators) exists for these assets, depreciated cost is used to represent fair value.

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 103. Coliban Water in conjunction with VGV, monitors changes in the fair value of each asset class through relevant data sources, in order to determine whether a revaluation is required. Coliban Water assets relating to land, buildings, infrastructure and service concession assets were independently valued by the VGV as at 30 June 2021. The market that the assets are valued in were impacted by the uncertainty that the coronavirus (COVID-19) outbreak caused. In 2022, the valuer has advised that the current market environment created significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

Refer to Note 7.3 Fair value determination for further information on the revaluation methods used for the asset classes.

### 4.1.3 Accounting for revaluation movements

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

Fair value is determined with regard to the 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).

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

Revaluation increases and decreases relating to individual assets in a class of infrastructure, property, plant and equipment, are offset against other assets in that class but are not offset against assets in different classes. An asset revaluation surplus is not transferred to accumulated funds on the de-recognition of the related asset.

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, in which case the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as an expense, except to the extent that a credit balance exists in the asset revaluation reserve applicable to the same class of assets, in which case the decrement is debited directly to the asset revaluation reserve.

# Coliban Region Water Corporation

## Notes to the financial statements

### 4.1.4 Depreciation and impairment

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life, commencing from the time the asset is held ready for use.

The accounting policy relating to right-of-use assets have been disclosed in note 6.2.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below, noting that no material impairment has arisen as a result of the flood event.

Asset class	Useful life (years)
Buildings and leasehold improvements	3 to 100 years
Infrastructure and leasehold improvements	2 to 400 years
Plant and equipment	1 to 40 years
Right-of-use-assets (see note 6.2)	1 to 51 years
Service concession assets – water and wastewater treatment facilities	25 to 100 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. The impacts of the current economic climate and climate-related emerging risks were considered when estimating the useful life of these assets.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Land, earthworks, land under declared roads, and core cultural assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

#### Impairment

Non-financial assets, including items of infrastructure, property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired, except for:

- inventories;
- deferred tax assets;
- financial instrument assets; and
- non-current assets held for sale.

Assets with indefinite useful lives are tested annually.

Exposure to climate-related matters could be an indicator that an asset (or a group of assets) is impaired.

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, except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs to sell. The impact of climate risk is not a key assumption in the current replacement cost and fair value less costs to sell. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

The recoverable amount of specialised non-cash-generating assets which are held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*.

# Coliban Region Water Corporation

## Notes to the financial statements

Whilst the potential risks and related opportunities from climate related change are considered as part of Coliban Water's asset impairment review methodology and processes, based on what is currently known, it is not expected that climate risks will have a significant impact on Coliban Water's principal activities, particularly from an asset impairment standpoint.

### 4.1.5 Net gain/loss on disposal of non-current assets

The surplus/(deficit) from ordinary activities includes the following specific net gains and expenses:

	2024 \$'000	2023 \$'000
Proceeds from disposal of assets	92	228
Written down value (WDV) of assets disposed	(2,338)	(2,255)
<b>Net gain/(loss) on disposal</b>	<b>(2,246)</b>	<b>(2,027)</b>

### 4.2 Intangible assets

	Water entitlements \$'000	Software costs \$'000	Works in progress \$'000	Large generation certificates \$'000	Total \$'000
<b>Year ended 30 June 2023</b>					
Opening net book amount - 1 July 2022	63,981	3,272	865	-	68,118
Additions	-	-	4,177	-	4,177
Transfer between asset classes	3,695	750	(4,445)	-	-
Amortisation	-	(839)	-	-	(839)
<b>Closing net book amount</b>	<b>67,676</b>	<b>3,183</b>	<b>597</b>	<b>-</b>	<b>71,456</b>
<b>Total as at 30 June 2023 represented by:</b>					
Cost of fair value	67,676	18,948	597	-	87,221
Accumulated amortisation	-	(15,765)	-	-	(15,765)
<b>Net book value as at 30 June 2023</b>	<b>67,676</b>	<b>3,183</b>	<b>597</b>	<b>-</b>	<b>71,456</b>
<b>Year ended 30 June 2024</b>					
Opening net book amount - 1 July 2023	67,676	3,183	597	-	71,456
Additions	-	-	6,065	80	6,145
Disposals	-	(50)	-	(80)	(130)
Transfer between asset classes	3,940	2,381	(6,321)	-	-
Amortisation	-	(675)	-	-	(675)
<b>Closing net book amount</b>	<b>71,616</b>	<b>4,839</b>	<b>341</b>	<b>-</b>	<b>76,796</b>
<b>Total as at 30 June 2024 represented by:</b>					
Cost of fair value	71,616	20,733	341	-	92,690
Accumulated amortisation	-	(15,894)	-	-	(15,894)
<b>Net book value as at 30 June 2024</b>	<b>71,616</b>	<b>4,839</b>	<b>341</b>	<b>-</b>	<b>76,796</b>

### Recognition and measurement

Intangible assets represent identifiable non-monetary assets without physical substance.

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost.

Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised as an expense on a systematic basis (typically straight-line), commencing from the time the asset is available for use (when it is in the location and condition necessary for it to be capable of operating in the manner intended by management). The amortisation periods are reviewed and adjusted if appropriate at each balance date. Intangible assets with indefinite useful lives are not amortised. However, all intangible assets are assessed for impairment annually as outlined below.

# Coliban Region Water Corporation

## Notes to the financial statements

A summary of the policies applied to Coliban Water's intangible assets is as follows:

	Permanent Water Entitlements	Software costs
<b>Useful lives</b>	Indefinite	Finite
<b>Amortisation method used</b>	Not amortised or revalued	1 to 10 years
<b>Internally generated/acquired</b>	Acquired	Acquired
<b>Impairment test/Recoverable amount testing</b>	Annually and where an indicator of impairment exists	Annually and where an indicator of impairment exists

### Software costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

### Permanent Water Entitlements

Permanent water entitlements purchased are recognised as an intangible asset on the Balance Sheet at cost (in accordance with AASB 138 *Intangible Assets* and FRD 109A *Intangible Assets*), and will not be subject to amortisation, as the permanent water entitlements have an indefinite life. Permanent water entitlements will be tested annually for impairment.

Permanent water entitlements are tested for impairment at the cash generating unit (CGU) level by comparing the assets or CGU's recoverable amount with its carrying amount annually. Whenever there is an indication that an impairment exists, any excess of the carrying amount over the recoverable amount is recognised as an impairment loss in the Comprehensive operating statement.

In accordance with AASB 136 *Impairment of Assets*, Coliban Water has reviewed the carrying value of water entitlements at 30 June 2024. The value in use (VIU) at the CGU level has been applied in determining the recoverable amount as at 30 June 2024 on the basis that the future economic benefits of the asset are primarily dependent on the asset's ability to generate cash flows consistent with the prior year. Where the VIU of the CGU is higher than its carrying value, the fair value less costs to sell is not required to be calculated.

The fair value assessment has identified that the VIU of the CGUs are higher than the carrying amount as at 30 June 2024. No impairment of the permanent water entitlement has been recognised for the financial year ended 30 June 2024 (30 June 2023: no impairment).

The recoverable amount of each CGU has been determined based on a VIU calculation using cash flow projections from the five-year approved Corporate Plan. Cash flows beyond the final year forecast period in the Corporate Plan have been extrapolated using a 1.9% growth rate (2023: 2.5% growth rate).

The carrying amount of the intangible asset with an indefinite useful life allocated to each CGU and the significant assumptions used in the calculation of the VIU is as follows:

	Bendigo CGU	Echuca CGU
Permanent water entitlements allocated to the CGU (\$ million)	66.20	5.41
Pre-tax discount rate (%)	8.73	8.73
Water use per customer (kilolitres)	190kl	190kl
Growth rate (%)	4.90	4.10
Headroom (\$ million)	327.98	84.01

**Discount Rate:** Represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have been incorporated into the cash flow estimates. The weighted average cost of capital discount rate calculation is based on specific circumstances relating to Coliban Water.

**Growth rate:** Estimates are based on CPI level price rises.

**Water use per customer:** Based on historical averages of water usage for customers within the regions covered by the CGUs.

**Sensitivity to key assumptions:** Management has performed an assessment and consider that no reasonable possible change in a key assumption would cause the Bendigo CGU carrying amount to exceed its recoverable amount. The Echuca CGU is more susceptible to possible changes in key assumptions.

# Coliban Region Water Corporation

## Notes to the financial statements

### 4.3 Joint Operations

Joint operations are contractual arrangements between the entity and one or more other parties to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Jointly controlled operations and assets are accounted for using proportionate consolidation.

For all investments in jointly controlled operations and assets, in respect of any interest in jointly controlled assets, Coliban Water recognises in the financial statements:

- its share of jointly controlled assets;
- any liabilities that it had incurred;
- its share of liabilities incurred jointly by the joint operation;
- any income earned from the selling or using of its share of the output from the joint operation; and
- any expenses incurred in relation to being an investor in the joint operation.

Coliban Water recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

On 6 May 2008, Coliban Water established with Central Highlands Water (CHW) a joint operation for the development, operation and maintenance of the pipelines and infrastructure associated with the Goldfields Superpipe. The joint operation involves the use of assets and other resources of both parties. Each party uses its own assets and incurs its own expenses and liabilities.

Under the agreement, the assets are jointly owned as tenants in common in their respective percentage interests. Coliban Water's capital share has been determined by the total expenditure on the Goldfields Superpipe less the incremental proportion of capital expenditure that relates to the additional capacity required to service CHW. The incremental proportion has been funded by CHW.

Coliban Water's operational cost share is calculated on a combination of a fixed component based on capacity share, a variable component based on volumes of water pumped and an energy charges share based on volumes stored or pumped from Lake Eppalock.

	Interest <sup>(i)</sup>	Water Distribution <sup>(ii)</sup>	Operational costs <sup>(iii)</sup>
<b>Principal Activity 2024</b>			
Waranga Channel to Lake Eppalock to Sandhurst Reservoir	2/3	74,809	787
<b>Principal Activity 2023</b>			
Waranga Channel to Lake Eppalock to Sandhurst Reservoir	2/3	85,258	769

<sup>(i)</sup>Certain administration and operational costs are split 50/50 in-line with agreement.

<sup>(ii)</sup>Disclosed as Infrastructure Assets. Refer to Note 4.1.1

<sup>(iii)</sup>Disclosed as part of other operating and administrative expenses. Refer to Note 3.2.

As at 30 June 2024, there were \$118,096 outstanding liabilities incurred by Coliban Water and the joint operation (as at 30 June 2023: \$497,232).



# Coliban Region Water Corporation

## Notes to the financial statements

### Note 5 Other assets and liabilities

#### Introduction

This section sets out those assets and liabilities that arose from Coliban Water's operations and the delivery of services.

#### 5.1 Receivables

Receivables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

	2024 \$'000	2023 \$'000
<b>Current</b>		
<b>Contractual</b>		
Rates and charges receivable	13,922	13,951
Allowance for expected credit losses	(217)	(249)
<b>Statutory</b>		
Amounts owing from the Victorian Government	541	501
GST Receivables	1,589	1,480
<b>Total current receivables</b>	<b>15,835</b>	<b>15,683</b>
<b>Non-current</b>		
<b>Contractual</b>		
Customer receivables	581	626
<b>Statutory</b>		
<b>Total non-current receivables</b>	<b>581</b>	<b>626</b>
<b>Total receivables</b>	<b>16,416</b>	<b>16,309</b>

Receivables consist of:

Receivable	Initial measurement	Subsequent measurement
Contractual receivables (debtors in relation to goods and services supplied)	Measured at transaction price, unless they contain a significant financing component, when they are recognised at fair value. Coliban Water does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Trade receivables for water corporation debtors and other debtors are due for settlement no more than 28 days from the date of recognition.	Classified as financial instruments and categorised as loans and receivables. Subsequently measured at amortised cost using the effective interest rate method less any provision for impaired receivables.
Statutory receivables (amounts owing from the Victorian Government and GST input tax credits recoverable)	Recognised at fair value plus any directly attributable transaction costs.	Measured at amortised cost less any provision for impaired receivables.

The carrying amount at amortised cost is the reasonable approximation of fair value.

#### 5.1.1 Impairment of contractual receivables

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

To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 June 2024 and 30 June 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

No loss allowance is recognised for statutory receivables because there is minimal risk of default.

# Coliban Region Water Corporation

## Notes to the financial statements

On that basis, the loss allowance as at 30 June 2024 was determined as follows for receivables – service and usage charges and other receivables:

	Current	1 – 30 days	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
<b>30 June 2024</b>						
Expected loss rate	0.6%	0.5%	1.4%	2.2%	3.5%	<b>1.5%</b>
Gross carrying amount of contractual receivables	6,055	2,524	861	896	4,167	<b>14,503</b>
<b>Loss allowance</b>	<b>23</b>	<b>12</b>	<b>12</b>	<b>23</b>	<b>147</b>	<b>217</b>
<b>30 June 2023</b>						
Expected loss rate	0.5%	0.0%	1.9%	7.4%	4.1%	<b>2.3%</b>
Gross carrying amount of contractual receivables	7,426	2,001	1,036	753	3,361	<b>14,577</b>
<b>Loss allowance</b>	<b>20</b>	<b>20</b>	<b>42</b>	<b>30</b>	<b>137</b>	<b>249</b>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments for a period of greater than 120 days past due.

Loss allowances on receivables are presented in operating and administration expenses within the comprehensive operating statement.

### 5.1.2 Reconciliation of the expected credit loss allowance

	2024 \$'000	2023 \$'000
Opening balance 1 July	(249)	(280)
Increase in provision recognised in the net result	(185)	(207)
Expected credit losses written off	175	313
Reversal of unused provision recognised in the net result	42	(75)
<b>Balance as at 30 June</b>	<b>(217)</b>	<b>(249)</b>

The expected credit loss allowance is calculated based on debtor days and application of an expected default rate based on historical expected credit losses and forward-looking estimates.

The current macro-economic environment has been considered along with rising interest rates, unemployment rates, specific management actions including improving hardship eligibility, observable customer behaviours and how the pandemic and cost of living pressures may impact our industry in particular.

As a result, and considering specific prior year write offs, the allowance for expected credit losses has decreased by \$32,000. Should the macroeconomic assumptions change in the future, it could have a material impact on our allowance for doubtful debts in the subsequent years.

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

### 5.2 Contract assets

	2024 \$'000	2023 \$'000
Service and usage charges - accrued revenue	22,694	21,725
<b>Total contract assets</b>	<b>22,694</b>	<b>21,725</b>
<i>Represented by</i>		
Current contract assets	22,694	21,725
		<b>Service and usage charges - accrued revenue \$'000</b>
<b>Opening balance as at 1 July 2023</b>		<b>21,725</b>
Less: Amounts billed during the year		(21,725)
Add: Amount accrued at year end (to be billed)		22,694
<b>Carrying amount as at 30 June 2024</b>		<b>22,694</b>

# Coliban Region Water Corporation

## Notes to the financial statements

Contract asset	Description	Recognition
Service and usage charges - accrued revenue	Accrued revenue is recognised for water and sewage usage as well as other works and services that have been provided to customers at balance date but not yet invoiced.	Usage charges are recognised as revenue when the service or other goods have been provided. The contract assets are transferred to contractual receivables when the rights become unconditional. This usually occurs when Coliban Water issues a bill to the customer.

Coliban Water's accrued revenue for usage charges is calculated by multiplying the number of days from the last read date to the end of the reporting period, multiplied by the daily average water consumption for that period multiplied by the associated tariff. This revenue stream includes an estimate of the sewage and trade waste disposed of and recycled water for customers that are not yet billed at the end of the period.

### Significant changes in contract assets

Contract assets have increased as Coliban Water has provided more services ahead of the agreed payment schedules for fixed price contracts. Coliban Water does not recognise a loss allowance for contract assets.

### 5.3 Payables

Payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

	2024 \$'000	2023 \$'000
<b>Current</b>		
<i>Contractual</i>		
Trade creditors	8,141	6,152
Accrued expenses	17,764	23,014
Other payables	3,982	1,172
<i>Statutory</i>		
FBT payable	8	8
<b>Total current payables</b>	<b>29,895</b>	<b>30,346</b>
<b>Non-current</b>		
<b>Contractual</b>		
<i>Contractual</i>		
Retention and advance deposits	307	174
<b>Total non-current payables</b>	<b>307</b>	<b>174</b>
<b>Total trade and other payables</b>	<b>30,202</b>	<b>30,520</b>

Contractual payables are unsecured and are usually paid within 28 days of recognition.

Accrued expenses are recognised when Coliban Water, as a result of a past event, has a present obligation that can be estimated reliably, and it is probable that a payment will be required to settle the obligation.

The amount recognised as accrued expenses is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, statutory payables are not classified as financial instruments.

# Coliban Region Water Corporation

## Notes to the financial statements

### 5.3.1 Ageing analysis of contractual payables

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates			
			Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000
<b>30 June 2024</b>						
Supplies and services	21,129	21,129	17,588	3,440	101	-
Other payables	9,073	9,073	6,917	878	971	307
<b>Total</b>	<b>30,202</b>	<b>30,202</b>	<b>24,505</b>	<b>4,318</b>	<b>1,072</b>	<b>307</b>
<b>30 June 2023</b>						
Supplies and services	25,235	25,235	21,967	2,877	391	-
Other payables	5,285	5,285	4,194	484	433	174
<b>Total</b>	<b>30,520</b>	<b>30,520</b>	<b>26,161</b>	<b>3,361</b>	<b>824</b>	<b>174</b>

### 5.4 Contract liabilities

	2024 \$'000	2023 \$'000
Customers paid in advance	3,217	3,845
Unearned income	14,499	13,371
<b>Total contract liabilities</b>	<b>17,716</b>	<b>17,216</b>
<i>Represented by</i>		
Current contract liabilities	17,716	17,216

	Customer paid in advance \$'000	Unearned income \$'000	Total \$'000
<b>Carrying amount as at 1 July 2022</b>	3,221	10,596	13,817
Add: Developers contribution received for performance obligations yet to be completed during the year	-	6,787	6,787
Add: Payments received in advance for provision of goods and services	3,845	6,794	10,639
Less: Revenue recognised in the reporting period for the completion of performance obligations	(3,221)	(10,806)	(14,027)
<b>Closing balance at 30 June 2023</b>	<b>3,845</b>	<b>13,371</b>	<b>17,216</b>
Add: Developers contribution received for performance obligations yet to be completed during the year	-	5,472	5,472
Add: Payments received in advance for provision of goods and services	3,217	4,403	7,620
Less: Revenue recognised in the reporting period for the completion of performance obligations	(3,845)	(8,747)	(12,592)
<b>Total contract liabilities at 30 June 2024</b>	<b>3,217</b>	<b>14,499</b>	<b>17,716</b>

Contract liabilities	Description	Recognition
Customers paid in advance	Payments received in advance of the provision of goods or services or performance obligation required to be performed by Coliban Water to settle the terms of receipt of income.	Recognised as revenue, once it has performed the performance obligations associated with the payments.
Unearned income	Payments received for the funding of the Bendigo Groundwater Project, Rural Modernisation Project & Strategic Measurement Program, Government flood relief and recovery funding, developer contributed assets, new customer contributions and application fees in the reporting period, where the performance obligations are outstanding at balance date.	Recognised as revenue, once it has performed the performance obligations associated with the payments

# Coliban Region Water Corporation

## Notes to the financial statements

### Significant changes in contract liabilities

The increase in 2024 contract liability was due to the recognition of Government project funding in advance for the for the flood relief & recovery funding to assist with capital flood recovery and for the Regional Rural Modernisation Project & Strategic Measurement Program.

### 5.5 Other financial assets and liabilities

	2024 \$'000	2023 \$'000
<b>Other financial assets</b>		
Investment in Zero Emissions Water (ZEW) Ltd	15	15
<b>Total other financial assets</b>	<b>15</b>	<b>15</b>
<b>Other financial liabilities</b>		
Derivative financial instrument	1,039	586
<b>Total other financial liabilities</b>	<b>1,039</b>	<b>586</b>

Amounts held by Coliban Water with a maturity of three months or more are disclosed as 'Other financial assets'.

#### 5.5.1 ZEW transactions and balances

Coliban Water 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 Coliban Water as a member is limited to \$10 in the event of a winding up. As required by Australian Accounting Standards, Coliban Water 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. Coliban Water 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 Coliban Water.

The Members' Agreement specifies that ZEW may call on Coliban Water to make a loan available to ZEW amounting to \$142,544. The loan, if requested by ZEW, would meet the definition of a financial asset as it gives rise to a contractual right for us to receive cash from ZEW at the end of the loan term. At 30 June 2024, ZEW had requested and received a loan payment of \$14,500. As this loan is concessional, it has been treated as an investment in ZEW and measured at amortised cost.

On 30 October 2018, ZEW entered into an 11-year Power Purchasing Agreement (PPA) with a solar farm energy generator. 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.

On 22 January 2021, the conditions precedent in the PPA was completed and the CfD derivative was recognised as a financial liability measured at its fair value. Subsequent changes in the derivative's fair value have been recognised in profit and loss. Refer to Note 7.3.4 for more information about the judgements and assumptions used in measuring fair value determination of derivative financial instruments.

Coliban Water now has an obligation to purchase its percentage of energy allocation under the Members' Agreement, via the CfD derivative. The financial impact of the Members' Agreement with ZEW has resulted in increased revenue and expenses, and the recognition of a derivative financial instrument. This year, Coliban Water surrendered LGC's towards meeting the net zero carbon target.

The balance of the PPA in the statements reflects the 2023 valuation. The 2024 audited PPA valuation was made available on 6<sup>th</sup> September. The difference was not material, and Coliban Water will recognise the valuation in the 2024/25 accounts.



# Coliban Region Water Corporation

## Notes to the financial statements

### Note 6 How we financed our operations

#### Introduction

This section provides information on the sources of finance utilised by Coliban Water during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Coliban Water.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

#### 6.1 Interest bearing liabilities

	Notes	2024 \$'000	2023 \$'000
<b>Current interest-bearing liabilities</b>			
Lease liabilities <sup>(i)</sup>	6.2	639	553
Service Concession Arrangement - water and wastewater treatment facilities	6.3	8,593	7,822
<b>Total current interest-bearing liabilities</b>		<b>9,232</b>	<b>8,375</b>
<b>Non-current interest-bearing liabilities</b>			
Lease liabilities	6.2	1,957	1,259
Loans from Treasury Corporation of Victoria (TCV)		501,932	450,932
Service Concession Arrangement - water and wastewater treatment facilities	6.3	28,164	36,757
<b>Total non-current interest-bearing liabilities</b>		<b>532,053</b>	<b>488,948</b>
<b>Total interest-bearing liabilities</b>		<b>541,285</b>	<b>497,323</b>

<sup>(i)</sup>Secured by the assets leased. Leases are effectively secured, as the rights to the leased assets revert to the lessor in the event of default.

Interest bearing liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Interest bearing liabilities are subsequently measured at amortised cost. 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.

Coliban Water has classified borrowings which mature within 12 months as non-current liabilities on the basis that Coliban Water will and has discretion to refinance or rollover these loans with the Treasury Corporation of Victoria (TCV), pursuant to section 8 of the Borrowings and *Investment Powers Act 1987*.

## Coliban Region Water Corporation

### Notes to the financial statements

#### 6.1.1 Maturity analysis of interest-bearing liabilities

The following table sets out Coliban Water's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods. Exposures arise predominantly from liabilities bearing variable interest rates as Coliban Water to date holds fixed interest rate liabilities to maturity.

	Carrying amount \$'000	Nominal amount <sup>(i)</sup> \$'000	Less than 1 month \$'000	Maturity dates			
				1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	5+ years \$'000
<b>30 June 2024</b>							
Lease liabilities	2,596	3,563	10	110	486	1,605	385
Loans from TCV	501,932	480,696	-	-	51,000	204,000	246,932
Service concession arrangements <sup>(ii)</sup>	36,757	36,757	679	1,373	6,542	27,049	1,114
<b>Total</b>	<b>541,285</b>	<b>521,016</b>	<b>689</b>	<b>1,483</b>	<b>58,028</b>	<b>232,654</b>	<b>248,431</b>
<b>30 June 2023</b>							
Lease liabilities	1,812	2,622	70	76	407	725	534
Loans from TCV	450,932	428,214	-	-	39,000	168,000	243,932
Service concession arrangements <sup>(ii)</sup>	44,579	44,579	628	1,270	5,923	31,394	5,364
<b>Total</b>	<b>497,323</b>	<b>475,415</b>	<b>698</b>	<b>1,346</b>	<b>45,330</b>	<b>200,119</b>	<b>249,830</b>

<sup>(i)</sup>Nominal amount represents fair value

<sup>(ii)</sup>Water and wastewater treatment facilities

#### 6.1.2 Interest expense

	2024 \$'000	2023 \$'000
Interest on loans from Treasury Corporation of Victoria (TCV)	17,180	14,257
Interest on lease liability	90	76
Financial accommodation levy	6,529	5,839
Interest on financial liabilities - service concession arrangements	3,187	3,769
<b>Total interest expense</b>	<b>26,986</b>	<b>23,941</b>

Interest expenses are recognised as expenses in the financial period in which they are incurred. Interest expense includes interest on short term and long term borrowings held with TCV and costs relating to the Financial Accommodation Levy (FAL) set by the Treasurer of the State of Victoria under section 40N(2) of the *Financial Management Act 1994*.

Coliban Water has entered into two service concession arrangements to operate water and wastewater treatment facilities in the region (see Note 6.3). The interest element of financial liabilities is charged to the Comprehensive operating statement over the arrangement period.

Financial accommodation levy is a levy applied to the Corporation 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 the Corporation's underlying credit rating and is paid into the State's Consolidated Fund in accordance with section 40N of the *Financial Management Act 1994* in respect of financial accommodation provided to the Corporation by the State Government of Victoria.

## 6.2 Leases

### Coliban Water's leasing activities

Coliban Water leases various properties, equipment, and vehicles. Rental contracts are made for fixed periods of 1 to 50 years. 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.

Leases of information technology (IT) equipment with contract terms of up to 3 years are either short-term and/or leases of low-value items. Coliban Water has elected not to recognise right-of-use assets and lease liabilities for these leases.

## Coliban Region Water Corporation

### Notes to the financial statements

At 30 June 2024, Coliban Water was committed to short term and/or leases of low-value leases. Contracts may contain both lease and non-lease components. Coliban Water 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.

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.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where Coliban Water obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life. While Coliban Water revalues its land and buildings that are presented within infrastructure property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Coliban Water.

Coliban Water applies the fair value model in AASB 140 *Investment Property* (**AASB 140**) to its investment property, including right-of-use assets that meet the definition of investment property in AASB 140.

Coliban Water applies the revaluation model in AASB 116 to right-of-use assets that relate to a class of infrastructure, property, plant and equipment. The revaluation model is applied to all of the right-of-use assets that relate to that class of infrastructure, property, plant and equipment.

#### Extension and termination options

Extension and termination options are included in a number of property and equipment leases across Coliban Water. 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 Coliban Water and not by the respective lessor.

#### Residual value guarantee

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

#### Critical judgements in determining the lease term

In determining the lease term, Coliban Water 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. During the current financial year. There was no financial effect of revising lease terms to reflect the effect of exercising extension and termination options.

#### Peppercorn leases and asset valuation

A lease that Coliban Water has entered into results in a transaction where the consideration to acquire the asset is significantly less than its fair value principally to enable Coliban Water to further its objectives. In December 2018, the Australian Accounting Standards Board provided temporary relief from the requirement to measure right-of-use assets from peppercorn (or "concessionary") leases to fair value at initial recognition and subsequent measurement. Entities that apply this temporary exemption may recognise right-of-use assets at cost. Coliban Water has elected to initially and subsequently measure right-of-use assets from peppercorn leases at cost.

#### Definition of a lease

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Coliban Water assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Coliban Water and for which the supplier does not have substantive substitution rights;
- Whether Coliban Water has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and Coliban Water has the right to direct the use of the identified asset throughout the period of use; and

## Coliban Region Water Corporation

### Notes to the financial statements

- Whether Coliban Water has the right to make decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

#### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

#### Lease liabilities

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Coliban Water's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- payments arising from purchase and termination options reasonably certain to be exercised; 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 Coliban Water's incremental borrowing rate. TCV/Department of Treasury's (DTF) calculator is used to determine incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Coliban Water 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 and termination options
- residual value guarantees.

#### 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 Corporation.

#### Short-term leases and leases of low-value assets

Coliban Water has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Low-value assets such as photocopiers with individual values less than \$10,000 when new.

# Coliban Region Water Corporation

## Notes to the financial statements

### 6.2.1 Right-of-use assets

The following tables are subsets of buildings, plant and equipment, and vehicles by right-of-use assets (see note 4.1).

	Buildings \$'000	Plant and Equipment \$'000	Infrastructure other than roads \$'000	Vehicles \$'000	Total \$'000
<b>Year ended 30 June 2023</b>					
Carrying amount as at 1 July 2022 at cost	1,432	86	178	225	1,921
Additions to right-of-use assets	-	(1)	-	419	418
Derecognition of right-of-use assets	-	1	-	(505)	(504)
Modification adjustments	-	-	-	652	652
Depreciation expense	(337)	(8)	(3)	(344)	(692)
Other movements	5	-	(1)	-	4
<b>Carrying amount at end of year</b>	<b>1,100</b>	<b>78</b>	<b>174</b>	<b>447</b>	<b>1,799</b>

#### Total as at 30 June 2023 represented by:

Cost	2,488	104	189	661	3,442
Less: Accumulated depreciation	(1,388)	(26)	(15)	(214)	(1,643)
<b>Carrying amount at end of year</b>	<b>1,100</b>	<b>78</b>	<b>174</b>	<b>447</b>	<b>1,799</b>

#### Year ended 30 June 2024

Carrying amount at beginning of year	1,100	78	174	447	1,799
Additions to right-of-use assets	-	24	-	1,574	1,598
Derecognition of right-of-use assets	-	-	-	54	54
Modification adjustments	11	11	1	117	140
Depreciation expense	(274)	(41)	(4)	(538)	(857)
<b>Carrying amount at end of year</b>	<b>837</b>	<b>72</b>	<b>171</b>	<b>1,524</b>	<b>2,604</b>

#### Year ended 30 June 2024

Cost	2,594	128	189	1,802	4,713
Less: Accumulated depreciation	(1,757)	(56)	(18)	(278)	(2,109)
<b>Carrying amount at end of year</b>	<b>837</b>	<b>72</b>	<b>171</b>	<b>1,524</b>	<b>2,604</b>

### 6.2.2 Amounts recognised in the Comprehensive operating statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2024 \$'000	2023 \$'000
Interest on lease liabilities	90	76
Depreciation on right-of-use assets	857	692
Expenses relating to short-term leases	25	41
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	63	58
Income from sub-leasing right-of-use assets	(54)	(51)
<b>Total</b>	<b>981</b>	<b>816</b>

### 6.2.3 Amounts recognised in the Cash flow statement

The following amounts are recognised in the Cash flow statement relating to leases.

	2024 \$'000	2023 \$'000
Total cash outflow for leases	949	863



## Coliban Region Water Corporation

### Notes to the financial statements

#### 6.3 Service concession arrangements

Coliban Water sometimes enters into arrangements with private/public sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as public private partnerships (PPPs).

Coliban Water has adopted AASB 1059 *Service Concession Arrangements: Grantors* to account for PPP arrangements that meet the definition of a service concession arrangements (SCAs) in accordance with AASB 1059. Where a PPP is not considered a SCA, Coliban Water determines whether the arrangement is a lease (and accounted for under AASB 16) or a construction contract (and accounted for under AASB 116 and AASB 9) and accounts for them under those relevant standards.

Coliban Water uses the financial liability method to account for SCAs.

Coliban Water pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset, and the components related to the ongoing operation and maintenance of the asset.

The accumulation of costs incurred during construction results in a progressive build-up of the SCA asset (see section 4.1 for the initial and subsequent measurement of SCA assets). A corresponding liability would be progressively recognised in line with the fair value of the SCA asset. The nature of the liability and the subsequent accounting depends on the consideration exchanged in reference to the contract arrangements between the grantor and the operator. An exception to this principle occurs when the grantor reclassifies an existing asset to a SCA.

Coliban Water in a service concession arrangement recognises a service concession liability (SCL) at the same amount as the SCA asset, adjusted by the amount of any other consideration from the grantor to the operator, or from the operator to the grantor. Therefore, any State contributions made prior to the recognition of the liability would reduce this amount,

After initial recognition, Coliban Water will determine if the liability represents a financial liability. Where Coliban Water has a contractual obligation to pay to the operator as compensation for providing the SCA, it is measured as a liability in accordance with AASB 9 *Financial Instruments*. Interest is charged on the liability of some SCAs, refer to Note 6.1.2 Interest expense. The liability will be increased by interest charges, based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, prevailing market rate of interest for a similar instrument with similar credit ratings should be used. Refer to Note 6.1 Interest bearing liabilities for the amounts disclosed as financial liability.

Subsequently, the liability will also be reduced by any payments made by Coliban Water to the operator if required by the contract.

Coliban Water has two SCA contracts.

#### **Bendigo Water Services Pty Ltd**

A contract deed was signed on 5 May 1999 with Bendigo Water Services Pty Ltd for the provision of water treatment services for Bendigo, Castlemaine and Kyneton. Commercial acceptance of this facility was granted on 1 June 2002.

#### **ETE Coliban Pty Ltd**

Coliban Water signed a contract deed on 26 November 2002 with ETE Coliban Pty Ltd for the provision of water reclamation and reuse services for Echuca and Rochester. Commercial acceptance of this facility was granted on 28 September 2004.

The above contracts, which comprise both fixed and variable components, commit Coliban Water to the payment of tolls over the 25 year contract periods.

As ownership of the assets will be transferred to Coliban Water at the end of the contractual term and control of the asset and public services is held by Coliban Water, the assets are accounted for as a SCA.

## Coliban Region Water Corporation

### Notes to the financial statements

The table below illustrates commitments for SCAs.

	Notes	Present value of Minimum			
		Minimum future payments		future payments	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
<b>Service concession arrangement liability</b>					
Water treatment facilities		19,472	26,148	17,362	22,463
Wastewater treatment facilities		23,658	27,991	19,395	22,116
<b>Minimum future liability payments</b>		<b>43,130</b>	<b>54,139</b>	<b>36,757</b>	<b>44,579</b>
Less: Future finance charges		(6,373)	(9,560)	-	-
<b>Total service concession arrangement liability</b>		<b>36,757</b>	<b>44,579</b>	<b>36,757</b>	<b>44,579</b>
Representing service concession arrangement liability					
Current	6.1			8,593	7,822
Non-current	6.1			28,164	36,757
<b>Total service concession arrangement liability</b>				<b>36,757</b>	<b>44,579</b>

#### 6.4 Cash flow information and balances

Cash and cash equivalents recognised on the balance sheet comprise cash on hand, cash at bank and deposits at call which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash with an insignificant risk of changes in value.

Loan facilities from TCV have various maturity dates through to 31 October 2034 and may be extended by mutual agreement between Coliban Water and TCV.

	2024	2023
	\$'000	\$'000
Cash at bank	11,690	26,964
<b>Balance as per cash flow statement</b>	<b>11,690</b>	<b>26,964</b>

#### 6.4.1 Reconciliation of net result for the period to cash flow from operating activities

	2024	2023
	\$'000	\$'000
Net result for the period	(8,803)	(6,130)
<b>Non-cash movements</b>		
Depreciation and amortisation of non-current assets	40,319	37,144
(Gain)/loss on sale or disposal of non-current assets	2,246	1,996
Payments for fixed assets in payables movement	4,896	(2,542)
Non-cash developer contributions and gifted assets	(15,018)	(15,642)
Income tax (expense)/benefit	(3,775)	(2,622)
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	(107)	(1,546)
(Increase)/decrease in inventories	(114)	(358)
(Increase)/decrease in contract assets	(969)	(1,803)
(Increase)/decrease in prepayments	637	(551)
(Increase)/decrease in deferred tax assets	-	(10)
(Increase)/decrease in derivative financial instruments	453	1,226
Increase/(decrease) in payables	(308)	5,608
Increase/(decrease) in contract liabilities	500	3,399
Increase/(decrease) in employee benefits	711	631
<b>Net cash provided by/(used in) operating activities</b>	<b>20,668</b>	<b>18,800</b>

Cash flows arising from operating activities are disclosed inclusive of GST.

The GST component of cash flows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

# Coliban Region Water Corporation

## Notes to the financial statements

### 6.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

#### 6.5.1 Total commitments payable

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Nominal Amounts 2024</b>				
Service concession arrangement	10,635	27,672	724	39,031
Capital expenditure commitments payable	41,435	12,718	-	54,153
Contributions to state as owner	2,574	2,574	-	5,148
Environmental contribution levy commitments	5,941	17,822	-	23,763
Operational expenditure commitments payable	36,943	76,699	20	113,662
<b>Total commitments (inclusive of GST)</b>	<b>97,528</b>	<b>137,485</b>	<b>744</b>	<b>235,757</b>
Less GST recoverable	(8,090)	(10,645)	(68)	(18,803)
<b>Total commitments (exclusive of GST)</b>	<b>89,438</b>	<b>126,840</b>	<b>676</b>	<b>216,954</b>
<b>Nominal Amounts 2023</b>				
Service concession arrangement	11,009	37,486	5,644	54,139
Capital expenditure commitments payable	45,056	13,570	-	58,626
Environmental contribution levy commitments	5,734	-	-	5,734
Operational expenditure commitments payable	45,440	99,492	120	145,052
<b>Total commitments (inclusive of GST)</b>	<b>107,239</b>	<b>150,548</b>	<b>5,764</b>	<b>263,551</b>
Less GST recoverable	(9,227)	(12,820)	(524)	(22,571)
<b>Total commitments (exclusive of GST)</b>	<b>98,012</b>	<b>137,728</b>	<b>5,240</b>	<b>240,980</b>

#### 6.5.2 Service concession arrangement commitments

These commitments represent the service component of the service concession arrangement schemes for the provision of wastewater and water treatment services.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Nominal Amounts 2024</b>				
Water treatment facilities	8,129	16,670	-	24,799
Wastewater treatment facilities	2,506	11,002	724	14,232
<b>Total commitments (inclusive of GST)</b>	<b>10,635</b>	<b>27,672</b>	<b>724</b>	<b>39,031</b>
Less GST recoverable	(967)	(2,516)	(66)	(3,549)
<b>Total commitments (exclusive of GST)</b>	<b>9,668</b>	<b>25,156</b>	<b>658</b>	<b>35,482</b>
<b>Nominal Amounts 2023</b>				
Water treatment facilities	6,676	19,472	-	26,148
Wastewater treatment facilities	4,333	18,014	5,644	27,991
<b>Total commitments (inclusive of GST)</b>	<b>11,009</b>	<b>37,486</b>	<b>5,644</b>	<b>54,139</b>
Less GST recoverable	(1,001)	(3,408)	(513)	(4,922)
<b>Total commitments (exclusive of GST)</b>	<b>10,008</b>	<b>34,078</b>	<b>5,131</b>	<b>49,217</b>

# Coliban Region Water Corporation

## Notes to the financial statements

### Note 7 Risks, contingencies, and valuation judgements

#### Introduction

Coliban Water is exposed to risks 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. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Coliban Water relate mainly to fair value determination.

#### 7.1 Financial Instruments

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.

Coliban Water currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2023/24 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
<ul style="list-style-type: none"> <li>Cash and deposits</li> <li>Receivables (excluding statutory receivables)</li> <li>Investment in Zero Emission Water (ZEW)</li> <li>Derivative financial instrument in Zero Emissions Water (ZEW)</li> </ul>	<ul style="list-style-type: none"> <li>Payables: <ul style="list-style-type: none"> <li>contractual payables (e.g. trade creditors, sundry creditors, accrued expenses, and other expenses)</li> </ul> </li> <li>Interest bearing liabilities: <ul style="list-style-type: none"> <li>Lease liabilities</li> <li>Loans from TCV</li> </ul> </li> <li>Service concession asset</li> <li>Derivative financial instrument in Zero Emission Water (ZEW)</li> </ul>

#### Categories of financial instruments

Financial instrument	Initial measurement	Subsequent measurement
<b>Financial assets at amortised cost</b>		
Financial assets include: <ul style="list-style-type: none"> <li>Loans and receivables</li> <li>cash and deposits;</li> <li>receivables;</li> <li>certain debt securities; and</li> <li>Investment in ZEW</li> </ul>	Fair value plus or minus any directly attributable transaction costs	Amortised cost only using the effective interest rate method less impairment if both of the following criteria are met: <ul style="list-style-type: none"> <li>the asset is held within a business model whose objective is to collect the contractual cash flows, and</li> <li>the contractual terms give rise to cash flows that are solely payments of principal and interest</li> </ul>
<b>Financial liabilities at amortised cost</b>		
Financial liabilities include: <ul style="list-style-type: none"> <li>payables (excluding statutory payables);</li> <li>Service concession assets; and</li> <li>borrowings (including lease liabilities)</li> </ul>	Fair value, plus or minus any directly attributable transaction costs.	Amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the profit and loss, over the period of the interest-bearing liability using the effective interest rate method.

# Coliban Region Water Corporation

## Notes to the financial statements

### Financial asset/liabilities at amortised cost

Financial asset/liabilities include:

- derivative

Fair value, plus or minus any directly attributable transaction costs.

Any difference between the initial recognised amount and the redemption value being recognised in the profit and loss, over the period of the interest-bearing liability using the effective interest rate method.

### Offsetting financial instruments

Financial instrument assets and liabilities are offset, and the net amount presented in the consolidated balance sheet when, and only when, Coliban Water has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Coliban Water does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

### Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- Coliban Water retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Coliban Water has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where Coliban Water has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Coliban Water's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

### Impairment of financial assets

At the end of each reporting period, Coliban Water assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Climate-related matters may be relevant in the calculation of expected credit losses if, for example, they impact the range of potential future economic scenarios or assessment of significant increases in credit risk. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. 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 computational methods in accordance with AASB 136 *Impairment of Assets*. Impairment losses are recognised in the comprehensive operating statement.

### Derivative financial instruments

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.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in fair value of derivatives after initial recognition are recognised in the consolidated comprehensive operating statement as an 'other economic flow' included in the net result.



# Coliban Region Water Corporation

## Notes to the financial statements

### 7.1.1 Financial instruments: categorisation

The carrying amount of the contractual financial assets and financial liabilities by category are disclosed below:

		Cash and deposits	Financial assets at amortised cost (AC)	Financial assets / liabilities designated at fair value through profit/loss (FVTPL)	Financial liabilities at amortised cost (AC)	Total
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2024</b>						
<b>Contractual financial assets</b>						
Cash and deposits	6.4	11,690	-	-	-	11,690
<b>Receivables<sup>(i)</sup></b>						
Rates and charges receivable	5.1	-	14,286	-	-	14,286
Contract assets	5.2	-	22,694	-	-	22,694
<b>Investments and other contractual financial assets</b>						
Investment in Zero Emissions Water (ZEW) Ltd	5.5	-	-	15	-	15
<b>Total contractual financial assets</b>		<b>11,690</b>	<b>36,980</b>	<b>15</b>	<b>-</b>	<b>48,685</b>
<b>Contractual financial liabilities</b>						
<b>Payables<sup>(i)</sup></b>						
Trade creditors	5.3	-	-	-	8,141	8,141
Accrued expenses	5.3	-	-	-	17,764	17,764
Other payables	5.3	-	-	-	4,289	4,289
<b>Borrowings</b>						
Lease liabilities	6.1	-	-	-	2,596	2,596
Loans from Treasury Corporation of Victoria (TCV)	6.1	-	-	-	501,932	501,932
Service Concession Arrangement - water and wastewater treatment facilities	6.1	-	-	-	36,757	36,757
<b>Derivative financial liabilities</b>						
Financial liabilities designated at fair value through profit or loss	5.5	-	-	1,039	-	1,039
<b>Total contractual financial liabilities</b>		<b>-</b>	<b>-</b>	<b>1,039</b>	<b>571,479</b>	<b>572,518</b>
<b>2023</b>						
<b>Contractual financial assets</b>						
Cash and deposits	6.4	26,964	-	-	-	26,964
<b>Receivables</b>						
Rates and charges receivable	5.1	-	14,328	-	-	14,328
Contract assets	5.2	-	21,725	-	-	21,725
<b>Investments and other contractual financial assets</b>						
Investment in Zero Emissions Water (ZEW) Ltd	5.5	-	-	15	-	15
<b>Total contractual financial assets</b>		<b>26,964</b>	<b>36,053</b>	<b>15</b>	<b>-</b>	<b>63,032</b>
<b>Contractual financial liabilities</b>						
<b>Payables</b>						
Trade creditors	5.3	-	-	-	6,152	6,152
Accrued expenses	5.3	-	-	-	23,014	23,014
Other payables	5.3	-	-	-	1,346	1,346
<b>Borrowings</b>						
Lease liabilities	6.1	-	-	-	1,812	1,812
Loans from Treasury Corporation of Victoria (TCV)	6.1	-	-	-	450,932	450,932
Service Concession Arrangement - water and wastewater treatment facilities	6.1	-	-	-	44,579	44,579
<b>Derivative financial liability</b>						
Financial liabilities designated at fair value through profit or loss	5.5	-	-	586	-	586
<b>Total contractual financial liabilities</b>		<b>-</b>	<b>-</b>	<b>586</b>	<b>527,835</b>	<b>528,421</b>

<sup>(i)</sup>The total amounts disclosed exclude statutory receivables and payables.

# Coliban Region Water Corporation

## Notes to the financial statements

### 7.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	Net holding gain / (loss) \$'000	Total interest income / (expense) \$'000	Total \$'000
<b>2024</b>			
<b>Contractual financial liabilities</b>			
Financial liabilities at amortised cost	-	(26,986)	<b>(26,986)</b>
Financial assets		620	<b>620</b>
Financial liabilities designated at fair value through profit/loss	(453)	-	<b>(453)</b>
<b>Total contractual financial liabilities</b>	<b>(453)</b>	<b>(26,366)</b>	<b>(26,819)</b>
<b>2023</b>			
<b>Contractual financial liabilities</b>			
Financial liabilities at amortised cost	-	(23,941)	<b>(23,941)</b>
Financial assets	-	406	<b>406</b>
Financial liabilities designated at fair value through profit/loss	(1,226)	-	<b>(1,226)</b>
<b>Total contractual financial liabilities</b>	<b>(1,226)</b>	<b>(23,535)</b>	<b>(24,761)</b>

### 7.1.3 Financial risk management objectives and policies

Coliban Water's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk. As a whole, Coliban Water's financial risk management program seeks to manage these risks and the associated volatility of its financial performance. The main purpose in holding financial instruments is to prudentially manage Coliban Water's financial risks within the government policy parameters.

The Board of Coliban Water has the overall responsibility for the establishment and oversight of the risk management framework. All borrowings are sourced through TCV and Coliban Water's total borrowing limit is regulated by the Department of Treasury and Finance (DTF) via approval from the Treasurer. Coliban Water operates within the risk management requirements that are imposed by TCV and DTF over these borrowings. The overall risk management program seeks to minimise potential adverse effects on the financial performance of Coliban Water. Coliban Water 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, other price risks and ageing analysis for credit.

Risk management is carried out by a central treasury Corporation (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with Coliban Water's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### (a) Credit risk

Credit risk is the risk of financial loss to Coliban Water as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises principally from Coliban Water's receivables.

Coliban Water minimises concentrations of credit risk by undertaking transactions with a large number of customers. The receivables balance consists of a large number of residential and business customers which are spread across a diverse range of industries. Coliban Water is therefore not materially exposed to any individual customer. Receivable balances recognised on the balance sheet are the carrying amount net of any provision for impaired receivables. Coliban Water applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables (refer to Note 5.1).

Financial assets (e.g. receivables) are written off against the carrying amount when there is no reasonable expectation of recovery. Impairment loss that is written off by mutual consent is classified as a transaction expense. Credit losses following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in note 5.1, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Coliban Water's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Coliban Water is continuously monitoring and assessing its credit risk profile due to the current economic impacts affecting customers. Coliban Water has adjusted the credit risk profile in assessing the expected loss allowance in 2023/2024 (refer to Note 5.1). Coliban Water's other credit risk arises from in-the-money receipts due from the contract for difference (CfD) derivative under the ZEW PPA.

Coliban Water 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 Coliban Water over the remaining PPA term.

# Coliban Region Water Corporation

## Notes to the financial statements

At 30 June 2024, Coliban Water has no other significant credit risk. There has been no material change to Coliban Water's credit risk profile in 2023/24.

### Credit quality of financial assets

	Financial institutions (A-1+) <sup>(i)</sup> \$'000	Government agencies (AAA) <sup>(i)</sup> \$'000	Government agencies (triple-B credit rating) \$'000	Other \$'000	Total \$'000
<b>2024</b>					
<b>Financial assets</b>					
<b>Financial assets with loss allowance measured at 12-month expected credit loss:</b>					
Cash and cash equivalents	2,880	8,810	-	-	11,690
Receivables (excl. statutory receivables)	-	-	-	14,286	14,286
<b>Total financial assets</b>	<b>2,880</b>	<b>8,810</b>	<b>-</b>	<b>14,286</b>	<b>25,976</b>
<b>2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	17,401	9,563	-	-	26,964
Receivables (excl. statutory receivables)	-	-	-	14,328	14,328
<b>Total financial assets</b>	<b>17,401</b>	<b>9,563</b>	<b>-</b>	<b>14,328</b>	<b>41,292</b>

<sup>(i)</sup>Standard and Poor's Corporation credit rating

### (b) Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. Coliban Water's policy is to settle financial obligations within 30 days and in the event of dispute make payments within 30 days from the date of resolution.

Coliban Water is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. Coliban Water manages liquidity risk by maintaining adequate reserves, banking facilities and approved borrowing facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Coliban Water obtains annual approval from the Treasurer of Victoria for lease liabilities, new borrowings, borrowings to refinance maturing and non-maturing loans and temporary purpose borrowing facilities.

Coliban Water manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's triple-A, which assists in accessing debt market at a lower interest rate).

### (c) Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of Coliban Water's financial instruments and derivative financial instruments.

Market risk comprises of interest rate risk, foreign exchange risk and other price risk. Coliban Water's exposure to market risk is primarily through interest rate risk and electricity prices under the ZEW PPA.

There is insignificant exposure to foreign exchange risk and insignificant exposure to other price risks.

Objectives, policies and processes used to manage these risks are disclosed in the paragraphs below:

#### i. Interest Rate Risk

Coliban Water's exposure to market interest rates relates primarily to Coliban Water's long-term interest-bearing liabilities and funds invested on the money market.

# Coliban Region Water Corporation

## Notes to the financial statements

Coliban Water minimises its exposure to interest rate changes on its borrowings by holding a mix of fixed and floating rate debt. Long term borrowings are fixed rate interest only loans. Short term borrowings are variable rate interest only loans. Debt is sourced from TCV as approved by the Treasurer and is managed within a range of Board approved limits with debt levels and interest rates being monitored regularly. Coliban Water has minimal exposure to interest rate risk through its holding of cash assets and other financial assets.

### Interest rate exposure of financial instruments

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Coliban Water does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Coliban Water minimises exposure to cash flow interest rate risk by managing cash and deposits at floating rates.

	Weighted average interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
<b>2024</b>					
<b>Financial assets</b>					
Cash	2.50	11,690	-	11,690	-
Receivables (excl. statutory receivables)	n/a	14,286	-	-	14,286
Contract assets	n/a	22,694	-	-	22,694
<b>Total financial assets</b>		<b>48,670</b>	<b>-</b>	<b>11,690</b>	<b>36,980</b>
<b>Financial liabilities</b>					
Payables (excl. statutory payables)	n/a	30,194	-	-	30,194
Lease liabilities	4.45	2,596	2,596	-	-
Loans from Treasury Corporation of Victoria (TCV)	3.71	501,932	450,932	51,000	-
Service Concession Arrangement - water and wastewater treatment facilities	9.12	36,757	36,757	-	-
<b>Total financial liabilities</b>		<b>571,479</b>	<b>490,285</b>	<b>51,000</b>	<b>30,194</b>
<b>2023</b>					
<b>Financial assets</b>					
Cash	1.60	26,964	-	26,964	-
Receivables (excl. statutory receivables)	n/a	14,328	-	-	14,328
Contract assets	n/a	21,725	-	-	21,725
<b>Total financial assets</b>		<b>63,017</b>	<b>-</b>	<b>26,964</b>	<b>36,053</b>
<b>Financial liabilities</b>					
Payables (excl. statutory payables)	n/a	30,512	-	-	30,512
Lease liabilities	4.45	1,812	1,812	-	-
Loans from Treasury Corporation of Victoria (TCV)	3.53	450,932	411,932	39,000	-
Service Concession Arrangement - water and wastewater treatment facilities	7.76	44,579	44,579	-	-
<b>Total financial liabilities</b>		<b>527,835</b>	<b>458,323</b>	<b>39,000</b>	<b>30,512</b>

# Coliban Region Water Corporation

## Notes to the financial statements

### Interest rate risk sensitivity

Coliban Water cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. A movement of 50 basis points up and down in market interest rates (AUD) is 'reasonably possible' (2023: 50 basis points)

The tables that follow show the impact on Coliban Water's net result and equity for each category of financial instrument held by Coliban Water at the end of the reporting period if the above movements were to occur.

	Carrying amount \$'000	Profit or Loss		Equity	
		-50 basis points \$'000	+50 basis points \$'000	-50 basis points \$'000	+50 basis points \$'000
<b>2024</b>					
Cash and deposits	11,690	(58)	58	(58)	56
Interest bearing liabilities	51,000	255	(255)	255	(255)
<b>Total</b>		<b>197</b>	<b>(197)</b>	<b>197</b>	<b>(199)</b>
<b>2023</b>					
Cash and deposits	26,964	(135)	135	(135)	135
Interest bearing liabilities	39,000	195	(195)	195	(195)
<b>Total</b>		<b>60</b>	<b>(60)</b>	<b>60</b>	<b>(60)</b>

### ii. Other Price Risk

Coliban Water uses the Contract for Difference derivative financial instrument to manage energy related commodities purchased in the normal course of business, and therefore entered into this PPA to minimise a portion of the price risk.

## 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent 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.

There were no material contingent assets or liabilities at 30 June 2024 (30 June 2023: None).

## 7.3 Fair value determination

This section sets out information on how Coliban Water determined fair value for financial reporting purposes.

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:

- financial assets and liabilities at fair value through operating result or OCI;
- land, buildings, infrastructure, plant and equipment; and
- service concession assets.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

Consistent with AASB 13 *Fair Value Measurement*, Coliban Water determines the policies and procedures for both recurring fair value measurements such as infrastructure, property, plant and equipment, financial instruments and for non-recurring fair value measurements, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

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

The Valuer-General Victoria (VGV) is Coliban Water's independent valuation agency. In accordance with FRD 1031 scheduled revaluations must be performed by the VGV every five years. Coliban Water were required to undertake and implement an independent asset revaluation as at 30 June 2021.

# Coliban Region Water Corporation

## Notes to the financial statements

Land was valued at 30 June 2021 on behalf of the VGV by Liquid Pacific Asset Consultants using the market approach which is adjusted by the Community Service Obligation reduction percentage where land is specialised in nature. After applying the indices for land supplied by the VGV a managerial revaluation was undertaken in 2021/22. No further managerial revaluations have been required since that date.

Buildings were last valued at 30 June 2021 on behalf of the VGV by Liquid Pacific Asset Consultants using the cost approach or current replacement cost method under the key assumption that the buildings are specialised in nature. After applying the indices for buildings supplied by the VGV for the 2023/24 financial year, buildings were assessed as increasing in value by 12% since the 2021 independent valuation. As this exceeds 10%, Coliban Water undertook a managerial revaluation on 30 June 2024, increasing Coliban Water's valuation of buildings by \$0.28 million for 2023/24.

Infrastructure plant and equipment (including Service Concession Assets) were valued at 30 June 2021 by KPMG using the current replacement cost method under the key assumption that the infrastructure assets are specialised in nature. The independent valuers relied on significant representations by Coliban Water management during the valuation process. This included operational staff and engineers on matters such as current replacements costs and identifying various components of infrastructure during site visits. After applying the dual index system recommended by the VGV, a managerial revaluation was undertaken in 2022/23. No managerial revaluation was required in 2023/24.

### Fair value hierarchy

In determining fair values, 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. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices 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.

Coliban Water 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.

### Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1: The fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2: The 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: The fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

#### 7.3.1 Fair value of financial instruments measured at amortised cost

	Carrying amount	Fair value	Carrying amount	Fair value
	2024	2024	2023	2023
	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>				
Lease liabilities	2,596	2,596	1,812	-
Service concession financial liability	36,757	36,757	44,579	-
Loans from TCV	501,932	480,696	450,932	428,215



# Coliban Region Water Corporation

## Notes to the financial statements

### 7.3.2 Fair value determination – Non-financial physical assets

	Carrying amount as at 30 June 2024 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Land at fair value</b>				
Specialised land	47,159	-	-	47,159
Non-specialised land	15,897	-	15,897	-
<b>Total Land at fair value</b>	<b>63,056</b>	<b>-</b>	<b>15,897</b>	<b>47,159</b>
<b>Buildings at fair value</b>				
Specialised buildings	2,720	-	-	2,720
<b>Total Buildings at fair value</b>	<b>2,720</b>	<b>-</b>	<b>-</b>	<b>2,720</b>
<b>Leasehold improvements at fair value</b>				
Specialised	298	-	-	298
<b>Total Leasehold improvements at fair value</b>	<b>298</b>	<b>-</b>	<b>-</b>	<b>298</b>
<b>Plant and equipment at fair value</b>				
Specialised	2,164	-	-	2,164
<b>Total Plant and equipment at fair value</b>	<b>2,164</b>	<b>-</b>	<b>-</b>	<b>2,164</b>
<b>Infrastructure assets at fair value</b>				
Specialised Water Infrastructure	811,056	-	-	811,056
Specialised Water Distribution Assets	208,408	-	-	208,408
Specialised Water Distribution Assets – Leasehold	877	-	-	877
Specialised Wastewater Infrastructure	433,191	-	-	433,191
Specialised Recycling Infrastructure	65,835	-	-	65,835
Specialised Rural Infrastructure	107,682	-	-	107,682
Specialised Headworks Infrastructure	245,335	-	-	245,335
<b>Total Infrastructure assets at fair value</b>	<b>1,872,384</b>	<b>-</b>	<b>-</b>	<b>1,872,384</b>
<b>Service concession assets at fair value</b>				
Specialised Water and Wastewater treatment facilities	182,604	-	-	182,604
<b>Total Service concession assets at fair value</b>	<b>182,604</b>	<b>-</b>	<b>-</b>	<b>182,604</b>
<b>Total assets at fair value (excluding works in progress)</b>	<b>2,123,226</b>	<b>-</b>	<b>15,897</b>	<b>2,107,329</b>

# Coliban Region Water Corporation

## Notes to the financial statements

	Carrying amount as at 30 June 2023 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Land at fair value</b>				
Specialised land	46,316	-	-	46,316
Non-specialised land	15,897	-	15,897	-
<b>Total Land at fair value</b>	<b>62,213</b>	<b>-</b>	<b>15,897</b>	<b>46,316</b>
<b>Buildings at fair value</b>				
Specialised buildings	2,212	-	-	2,212
<b>Total Buildings at fair value</b>	<b>2,212</b>	<b>-</b>	<b>-</b>	<b>2,212</b>
<b>Leasehold improvements at fair value</b>				
Specialised	116	-	-	116
<b>Total Leasehold improvements at fair value</b>	<b>116</b>	<b>-</b>	<b>-</b>	<b>116</b>
<b>Plant and equipment at fair value</b>				
Specialised	1,740	-	-	1,740
<b>Total Plant and equipment at fair value</b>	<b>1,740</b>	<b>-</b>	<b>-</b>	<b>1,740</b>
<b>Infrastructure assets at fair value</b>				
Specialised Water Infrastructure	794,001	-	-	794,001
Specialised Water Distribution Assets	204,853	-	-	204,853
Specialised Water Distribution Assets - Leasehold	667	-	-	667
Specialised Wastewater Infrastructure	424,444	-	-	424,444
Specialised Recycling Infrastructure	58,601	-	-	58,601
Specialised Rural Infrastructure	108,185	-	-	108,185
Specialised Headworks Infrastructure	246,183	-	-	246,183
<b>Total Infrastructure assets at fair value</b>	<b>1,836,934</b>	<b>-</b>	<b>-</b>	<b>1,836,934</b>
<b>Service concession assets at fair value</b>				
Specialised Water and Wastewater treatment facilities	187,740	-	-	187,740
<b>Total Service concession assets at fair value</b>	<b>187,740</b>	<b>-</b>	<b>-</b>	<b>187,740</b>
<b>Total assets at fair value (excluding works in progress)</b>	<b>2,090,955</b>	<b>-</b>	<b>15,897</b>	<b>2,075,058</b>

There were no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2024.

### Specialised land, specialised buildings and specialised buildings - leasehold

For Coliban Water's specialised buildings and specialised buildings - leasehold the current replacement cost method is used, adjusted for associated depreciation. As depreciation adjustments are considered as significant unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

The market approach is used for specialised land, although values are adjusted for the Community Service Obligation (CSO) 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 it is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

The 2021 independent valuation of Coliban Water's specialised land, specialised buildings and specialised buildings - leasehold was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2021.

### Non-specialised land

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value. The 2021 independent valuation was performed using the market approach.

# Coliban Region Water Corporation

## Notes to the financial statements

Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation was 30 June 2021.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

For all assets measured at fair value, the current use is considered the highest and best use.

### Plant and equipment

Plant and equipment are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. Hence, they are classified as Level 3 for fair value measurements.

For all assets measured at fair value, the current use is considered the highest and best use.

Coliban Water acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers within Coliban Water who set relevant depreciation rates during use to reflect the utilisation of the vehicles. Coliban Water uses current replacement cost for vehicles hence they are classified as Level 3 for fair value measurements.

### Infrastructure assets

Infrastructure assets are valued using the current replacement cost method less all forms of obsolescence and depreciation. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the current replacement cost calculation. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction includes structure services and finishes as applicable.

The 2021 independent valuation of Coliban Water's infrastructure assets was performed using the current replacement cost of the assets, based on the condition assessment of aboveground assets, age and material for underground assets and remaining useful lives. The effective date of the valuation was 30 June 2021.

As depreciation adjustments are considered as significant unobservable inputs in nature, infrastructure assets are classified as Level 3 for fair value measurements.

### Service concession assets

Service concession assets are valued using the current replacement cost method adjusted for the associated depreciations. Service concession assets are classified as level 3 fair value measurements as they contain significant unobservable inputs and adjustments.

### Climate related factors and fair value measurement

Coliban Water's infrastructure, property, plant and equipment assets are exposed to the risk of damage from extreme weather events such as storms, high winds, floods and drought. Changes in global climate conditions could intensify one or more of these events. In addition, extreme weather events may also increase the cost of operations. Coliban Water has extensive processes in place aimed at identifying, monitoring and mitigating these risks through proactive management and early detection.

Climate change is a strategic risk of Coliban Water. Climate change risk includes the physical risk which can cause direct damage to assets or property as a result of rising global temperatures as well as transition risks which arise from the transition to low-carbon economy. Coliban Water has incorporated considerations for climate change into its risk management practices, such as considering climate resilience in design processes, the establishment and maintenance of flood management systems and increased monitoring during fire danger periods. Physical risks arising from fires, floods and drought are to a great extent subject to risk transfer and thereby within the cover of Coliban Water's property and business interruption insurance programmes.

However, should the frequency and severity of these events increase as a result of climate change, the cost of such coverage may increase.

# Coliban Region Water Corporation

## Notes to the financial statements

A comprehensive Climate Change Adaptation Risk Assessment was completed in February 2021 which identified 54 risks that the business will monitor and manage where appropriate. The Risk Assessment was updated in March 2023 to incorporate learnings from the 2022 flood event.

Site specific climate risk assessments have been completed in 2024 for the Bendigo and Castlemaine Water Reclamation Plants and these assessments will inform the design process during the significant planned upgrade works that are in progress.

The Environment and Sustainability Board Committee has oversight of climate change mitigation and adaptation across the business. The business manages climate change through the Net Zero Carbon and Circular Economy Pathway and the Climate Change Strategy.

As at 30 June 2024, Coliban Water considered climate-related risk in the preparation of the financial statements. Based on these considerations the impact of climate change on the financial report remains uncertain and cannot be reliably measured, therefore no adjustments specific to climate change have been made to the value of assets or liabilities in the financial report.

Market participants' views of potential climate-related matters, including legislation, may affect the fair value measurement of assets and liabilities in the financial statements. Where relevant, climate-related matters may also affect the disclosure of fair value measurements, particularly those categorised within Level 3 of the fair value hierarchy. AASB 13 requires disclosure of unobservable inputs used in fair value measurements. Those inputs should reflect the assumptions that market participants would use, including assumptions about climate-related risk.

### 7.3.3 Reconciliation of Level 3 fair value movements

A reconciliation from the opening balances to the closing balances for fair value measurements categorised within Level 3 of the fair value hierarchy, disclosing separately changes during the period.

	Specialised land \$'000	Specialised buildings \$'000	Specialised buildings - leasehold \$'000	Specialised plant and equipment \$'000	Specialised infrastructure \$'000	Specialised service concession infrastructure \$'000
<b>2024</b>						
<b>Fair Value</b>						
<b>Opening balance</b>	<b>46,316</b>	<b>2,212</b>	<b>116</b>	<b>1,740</b>	<b>1,836,934</b>	<b>187,740</b>
Transfers between categories	843	264	197	997	70,185	654
Transfers in (out) of Level 3	-	53	-	-	(53)	-
Disposals	-	-	-	(77)	(2,286)	-
Depreciation charge	-	(90)	(15)	(496)	(32,396)	(5,790)
Net revaluation increments / decrements	-	281	-	-	-	-
<b>Closing balance</b>	<b>47,159</b>	<b>2,720</b>	<b>298</b>	<b>2,164</b>	<b>1,872,384</b>	<b>182,604</b>
<b>2023</b>						
<b>Fair Value</b>						
<b>Opening balance</b>	<b>45,220</b>	<b>2,034</b>	<b>130</b>	<b>1,283</b>	<b>1,636,280</b>	<b>169,024</b>
Purchases (sales)	1,096	-	-	-	-	-
Transfers between categories	-	321	(4)	868	41,843	915
Disposals	-	-	-	(26)	(2,191)	-
Depreciation charge	-	(143)	(10)	(385)	(29,560)	(5,514)
Impairment loss	-	-	-	-	(5,620)	-
Net revaluation increments / decrements	-	-	-	-	196,182	23,315
<b>Closing balance</b>	<b>46,316</b>	<b>2,212</b>	<b>116</b>	<b>1,740</b>	<b>1,836,934</b>	<b>187,740</b>

# Coliban Region Water Corporation

## Notes to the financial statements

### Description of significant unobservable inputs to Level 3 valuations

2024 and 2023	Valuation technique	Significant unobservable inputs
<b>Specialised land</b>	Market approach	Community Service Obligations (CSO) adjustment <sup>(i)</sup>
<b>Specialised buildings</b>	Current replacement cost	Average cost per square metre Useful life of specialised buildings
<b>Specialised buildings – leasehold</b>	Current replacement cost	Average cost per square metre Useful life of leasehold improvements
<b>Plant and equipment</b>	Current replacement cost	Cost per unit Useful life of plant and equipment
<b>Water infrastructure</b>		
Water Mains	Current replacement cost	Average cost per metre Useful life of the infrastructure
Water Treatment Plants	Current replacement cost	Average cost per treatment plant Useful life of the infrastructure
<b>Wastewater infrastructure</b>		
Wastewater Mains	Current replacement cost	Average cost per metre Useful life of the infrastructure
Wastewater Treatment Plants	Current replacement cost	Average cost per treatment plant Useful life of the infrastructure
<b>Water distribution infrastructure</b>		
Distribution Mains	Current replacement cost	Average cost per metre Useful life of the infrastructure
Distribution Channel	Current replacement cost	Average cost per metre Useful life of the infrastructure
<b>Water distribution infrastructure – leasehold</b>	Current replacement cost	Average cost per asset Useful life of leasehold improvements
<b>Recycling infrastructure</b>		
Recycled Water Mains	Current replacement cost	Average cost per metre Useful life of the infrastructure
Recycled Water Factory	Current replacement cost	Average cost of recycled water factory Useful life of the infrastructure
<b>Rural infrastructure</b>		
Channels	Current replacement cost	Average cost per metre Useful life of the infrastructure
Mains	Current replacement cost	Average cost per metre Useful life of the infrastructure
<b>Headworks infrastructure – reservoirs &amp; basins</b>	Current replacement cost	Average cost per reservoir & basin Useful life of the infrastructure
<b>Service concession assets – treatment plants</b>	Current replacement cost	Average cost per treatment plant Useful life of the infrastructure

<sup>(i)</sup>CSO adjustments of 20% were applied to reduce the market approach value for Coliban Water's specialised land for Level 3 assets.

# Coliban Region Water Corporation

## Notes to the financial statements

### 7.3.4 Fair value determination of derivative financial assets / (liabilities)

The fair value of derivative instruments 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 Coliban Water's CfD derivative is valued using unobservable inputs such as future wholesale electricity prices provided by Department of Energy, Environment, Climate Action's (DEECA) 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 current economic climate. In addition, assumptions are applied to forecast the renewable energy generation volumes over the life of the derivative instrument.

The audited valuation for 2024 was made available on 6<sup>th</sup> September 2024. Coliban Water have elected not to recognise the movement in the 2023/24 accounts as the movement is not considered material. The valuation will be recognised in the 2024/25 accounts.

	Carrying amount	Fair value measurement at end of reporting		
	as at 30 June	period using:		
	2024	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
<b>Derivative financial liabilities at fair value</b>				
Derivative instrument - Zero Emissions Water	1,039	-	-	1,039
<b>Total Derivative financial liabilities at fair value</b>	<b>1,039</b>	<b>-</b>	<b>-</b>	<b>1,039</b>

	Carrying amount	Fair value measurement at end of reporting		
	as at 30 June	period using:		
	2023	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
<b>Derivative financial liabilities at fair value</b>				
Derivative instrument - Zero Emissions Water	586	-	-	586
<b>Total Derivative financial liabilities at fair value</b>	<b>586</b>	<b>-</b>	<b>-</b>	<b>586</b>

To the extent that the significant inputs are unobservable, Coliban Water categorises these derivatives as Level 3 within the fair value hierarchy.

	Financial liability at fair value through profit or loss \$'000
<b>2024</b>	
<b>Fair Value</b>	
<b>Opening balance</b>	586
(Gains)/losses recognised in profit or loss	453
<b>Closing balance</b>	<b>1,039</b>
<b>2023</b>	
<b>Fair Value</b>	
<b>Opening balance</b>	(640)
Gains/(losses) recognised in profit or loss	1,226
<b>Closing balance</b>	<b>586</b>



# Coliban Region Water Corporation

## Notes to the financial statements

### Description of significant unobservable inputs to Level 3 valuations for 2024

	Valuation technique	Significant unobservable inputs	2024 range (weighted average) <sup>(1)</sup>	Sensitivity of fair value measurement to changes in significant unobservable inputs
Derivative financial instruments	Income approach (discounted cash flow)	Wholesale electricity price forecasts	\$19.87/MWh to \$55.10/MWh (\$31.25/MWh)	An increase/ (decrease) in the wholesale electricity price forecasts of 10% would result in an increase/ (decrease) fair value by \$117,186.61.
		Discount rate – risk free rates of zero-coupon government bonds	4.0551% to 4.4131% (4.1414%)	An increase/ (decrease) in the discount rate of 1% would result in an increase/ (decrease) fair value by \$21,087.65.
		Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M	169.11	An increase/ (decrease) in the credit value adjustment of 1% would result in an increase/ (decrease) fair value by \$21,087.65.

<sup>(1)</sup> The fair value at 2024 is based upon the 2023 inputs.

## Note 8 Statutory obligations

### Introduction

This section includes disclosures in relation to Coliban Water's statutory obligations.

### 8.1 Tax

#### 8.1.1 Income Tax

Coliban Water is subject to the National Tax Equivalent Regime (NTER), pursuant to section 88(1) of the *State Owned Enterprises Act 1992*, which is administered by the Australian Taxation Office (ATO). The income tax expense or revenue for the period is the expected tax payable or receivable on the current period's taxable income based on the national corporate income tax rate of 30%, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The differences are reconciled as follows:

	Notes	2024 \$'000	2023 \$'000
<b>(a) Income statement</b>			
Current income tax expense		-	(325)
Temporary differences		3,775	2,947
<b>Income tax reported in the Income Statement</b>		<b>3,775</b>	<b>2,622</b>
<b>(b) Statement of changes in equity</b>			
Net deferred tax - debited/(credited) directly to equity	8.1.2	84	64,163
<b>Income tax reported in equity</b>		<b>84</b>	<b>64,163</b>
<b>(c) Tax reconciliation</b>			
Profit from continuing operations before income tax expense		(12,578)	(8,752)
Tax at the Australian tax rate of 30.0% (2023 - 30.0%)		3,774	2,626
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Permanent differences		-	(4)
<b>Income tax benefit / (expense) on net result before tax</b>		<b>3,774</b>	<b>2,622</b>
<b>(d) Tax expense (income relating to items of other comprehensive income)</b>			
Gain/(loss) on revaluations of infrastructure, property, plant and equipment		(84)	(64,163)
Net gain/(loss) on disposal of assets		656	596
Fair value increase/(decrease) in other financial assets		94	75
		<b>666</b>	<b>(66,492)</b>
<b>(e) Tax losses</b>			
Potential tax benefit @ 30%	8.1.2	61,363	58,978
		<b>61,363</b>	<b>58,978</b>

Coliban Water will not pay income tax for 2023/2024. Tax losses have been brought to account.

# Coliban Region Water Corporation

## Notes to the financial statements

### 8.1.2 Deferred tax assets and 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 substantially enacted. 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 in a transaction that at the time of the transaction did not affect either accounting profit 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.

Coliban Water applied Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112) from 1 July 2023. Coliban Water has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets.

#### Deferred tax assets

Notes	2024 \$'000	2023 \$'000
<b>Amounts recognised in Comprehensive Operating Statement</b>		
Loss allowance	65	75
Property, plant and equipment	12,135	14,112
Employee benefits	2,529	2,316
Accrued expenses	4,557	5,796
Tax losses	61,363	58,978
<b>Total deferred tax assets</b>	<b>80,649</b>	<b>81,277</b>
<b>Movements:</b>		
<b>Opening balance at 1 July</b>	<b>81,277</b>	<b>82,392</b>
to the Comprehensive Operating statement	(628)	(1,115)
<b>Closing balance at 30 June</b>	<b>80,649</b>	<b>81,277</b>
Deferred tax asset expected to be recovered within 12 months	7,151	8,187
Deferred tax asset expected to be recovered after more than 12 months	12,135	14,112
Tax losses	61,363	58,978
<b>Closing balance at 30 June</b>	<b>80,649</b>	<b>81,277</b>

#### Deferred tax liabilities

	2024 \$'000	2023 \$'000
<b>Amounts recognised in Comprehensive Operating Statement</b>		
Accrued income	100	110
Property, plant and equipment	211,417	215,808
<b>Amounts recognised directly in equity</b>		
Revaluation of infrastructure, property, plant and equipment	163,419	163,335
<b>Total deferred tax liabilities</b>	<b>374,936</b>	<b>379,253</b>
<b>Movements:</b>		
<b>Opening balance at 1 July</b>	<b>379,253</b>	<b>318,829</b>
Credited/(debited):		
to the net result	(4,401)	(3,739)
to the consolidated statement of comprehensive income	84	64,163
<b>Closing balance at 30 June</b>	<b>374,936</b>	<b>379,253</b>
Deferred tax liabilities expected to be settled within 12 months	100	110
Deferred tax liabilities expected to be settled after more than 12 months	374,836	379,143
<b>Closing balance at 30 June</b>	<b>374,936</b>	<b>379,253</b>
<b>Total net deferred tax asset/(liability)</b>	<b>(294,287)</b>	<b>(297,976)</b>

# Coliban Region Water Corporation

## Notes to the financial statements

### 8.2 Environmental contribution

The *Water Industry (Environmental Contributions) Act 2004* (the Act) amended the *Water Industry Act 1994* to make provision for environmental contributions to be paid by water corporations. The Act establishes an obligation for Corporations to pay into a consolidated fund annual contribution for the first period, from 1 October 2004 to 30 June 2008 in accordance with the pre-established schedule of payments, which sets out the amounts payable by each Corporation. The contribution period was extended to 30 June 2024. In June 2020, Environmental Contributions Tranche 5 was finalised, committing Coliban Water to \$22.9 million for the period 1 July 2020 to 30 June 2024.

The purpose of the environmental contribution is set out in the Act, and the funding may be used for financing initiatives that seek to promote the sustainable management of water or address water-related initiatives.

Coliban Water has a statutory obligation to pay an environmental contribution to the Department of Energy, Environment and Climate Action (DEECA). This contribution is recognised as an expense during the reporting period as incurred.

	2024 \$'000	2023 \$'000
Environmental contribution levy	5,734	5,734

The environmental contribution commitments have been disclosed in note 6.5.1

### Note 9 Other disclosures

#### Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

#### 9.1 Equity

##### 9.1.1 Contributed capital

	2024 \$'000	2023 \$'000
Opening balance at 1 July	307,800	306,525
Contributions from the Victorian Government	-	1,275
<b>Accumulated surplus/(deficit) at end of financial year</b>	<b>307,800</b>	<b>307,800</b>

The individual circumstances of a particular entity may require that certain State Government capital contributions, normally those associated with major asset acquisition programs, be accounted for as equity contributions. In accordance with *FRD 119A Transfers through Contributed Capital*, the Minister for Water, after consultation with the Minister for Finance, may direct that such contributions be recognised as Equity - Contributed capital.

In 2023/2024 no capital contributions were received during the financial year. (2023: \$1,275,000).

##### 9.1.2 Asset revaluation reserves

	2024 \$'000	2023 \$'000
<b>Asset revaluation reserve: Land</b>		
Opening balance at 1 July	44,247	44,247
<b>Closing balance at 30 June</b>	<b>44,247</b>	<b>44,247</b>
<b>Asset revaluation reserve: Buildings</b>		
Opening balance at 1 July	391	391
Revaluation increments/(decrements)	197	-
<b>Closing balance at 30 June</b>	<b>588</b>	<b>391</b>
<b>Asset revaluation reserve: Infrastructure</b>		
Opening balance at 1 July	719,153	569,439
Revaluation increments/(decrements)	-	149,714
<b>Closing balance at 30 June</b>	<b>719,153</b>	<b>719,153</b>
<b>Total reserves</b>	<b>763,988</b>	<b>763,791</b>

# Coliban Region Water Corporation

## Notes to the financial statements

### 9.2 Other economic flows included in net results

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates;
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets; and
- the revaluation gain or loss on the fair value of derivative financial instrument

	2024 \$'000	2023 \$'000
Net gain/(loss) on disposal of infrastructure, property plant and equipment (including intangible assets)	(2,246)	(2,027)
Net (gain)/loss arising from derivatives for ZEW transactions	(453)	(1,226)
<b>Total other gains/(losses) from other economic flows</b>	<b>(2,699)</b>	<b>(3,253)</b>

**(Gain)/Loss on the fair value of derivative financial instrument** represents the movement in the fair value of the financial instrument compared to initial recognition. This net gain/loss reflects a positive/negative fair value movement in Coliban Water's electricity derivative in the PPA as a result of higher/lower floating electricity prices. Any gain/loss is recognised as an "other economic flow" included in net result.

### 9.3 Responsible Persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period, as required by AASB 124 *Related Party Disclosures*. The names of persons who held the positions of Ministers and Accountable Officers in Coliban Water are as follows:

Name	Title	Period of appointment
The Hon. Harriet Shing MP	Minister for Water	1 July 2023 to 30 June 2024
Bob Cameron	Director (Chairperson)	1 July 2023 to 30 June 2024
Lucy Roffey	Director	1 July 2023 to 30 June 2024
Marika McMahon	Director	1 July 2023 to 30 June 2024
Helen Symes	Director	1 July 2023 to 30 June 2024
Nigel McGuckian	Director	1 July 2023 to 30 June 2024
Gary Jones	Director	1 July 2023 to 30 September 2023
Melanie McCarthy	Director	1 July 2023 to 30 June 2024
Mario D'Elia	Director	1 July 2023 to 30 June 2024
Lexi Randall-L'Estrange	Director	1 October 2023 to 30 June 2024
David Cochrane	Director	1 October 2023 to 30 June 2024
Damian Wells	Managing Director	1 July 2023 to 30 June 2024

#### Remuneration

Remuneration received or receivable by the Responsible Persons including the Managing Director in connection with the management of Coliban Water during the reporting period is reported in the table below:

	2024 number	2023 number
\$10,000 - \$19,999	1	-
\$30,000 - \$39,999	2	-
\$40,000 - \$49,999	6	7
\$80,000 - \$89,999	1	1
\$390,000 - \$399,999	1	1
Total	11	9
Total remuneration	\$ 805,315	\$737,051

# Coliban Region Water Corporation

## Notes to the financial statements

### 9.4 Remuneration of executives

The number of executive officers, other than the Minister and Accountable Officer listed in Note 9.3 and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period. Annualised employee equivalent is based on the time fraction worked over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

- Short-term employee benefits include 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 include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- Other long-term benefits include long service leave, other long-service benefit or deferred compensation.
- Termination benefits include termination of employment payments, such as severance packages.

Remuneration is determined on an accrual basis. As such, 'Other long-term benefits' represents long service leave accrued less long service leave taken during the year for executive officers.

The actual number of Executive Officers decreased from six to five due to the cessation of one Executive at the beginning of the year. As a result, the total remuneration for executives decreased in 2023/2024.

No Executive Officers meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and as such, are not included in the related parties note disclosure (Note 9.5).

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	1,428	1,567
Post-employment benefits	139	158
Long-term benefits	(77)	38
<b>Total remuneration</b>	<b>1,490</b>	<b>1,763</b>
Total number of executives	6	6
Total annualised employee equivalents	5	6

Executive officer remuneration does not include remuneration for staff acting on a temporary basis while the substantive executive officer is on paid leave.

### 9.5 Related parties

Coliban Water is a wholly owned and controlled entity of the State of Victoria.

Related parties of Coliban Water include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

#### **Key management personnel (KMP)**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Coliban Water, directly or indirectly. Key management personnel (as defined in AASB 124 *Related Party Disclosures*) includes the Portfolio Minister and all Directors listed under responsible persons in Note 9.3 who have the authority and responsibility for planning, directing and controlling the activities of Coliban Water directly or indirectly, during the financial year.

# Coliban Region Water Corporation

## Notes to the financial statements

### Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State of Victoria's Annual Financial Report.

Compensation of Key Management Personnel:

	2024 \$'000	2023 \$'000
Short-term employee benefits	756	683
Post-employment benefits	68	61
Long-term benefits	(19)	(7)
<b>Total remuneration</b>	<b>805</b>	<b>737</b>

### Significant transactions with government-related entities

During the year, Coliban Water had the following government-related entity transactions (inclusive of GST):

*Amounts recognised as revenue in the Comprehensive operating statement*

Entity name	Brief description of main activity	2024 \$'000	2023 \$'000
Central Highlands Water	Goldfields Superpipe joint operation	1,872	978
Dept. of Families, Fairness and Housing	Pensioner Concessions	6,524	6,444
Dept. of Energy, Environment and Climate Action	Bendigo Groundwater Project	1,000	2,600
Dept. of Energy, Environment and Climate Action	Flood Recovery	1,643	4,124
Dept. of Energy, Environment and Climate Action	Other project contributions	10	102
Dept. of Justice and Community Safety	Energy Resilience project contribution	-	154
<b>Total revenue</b>		<b>11,049</b>	<b>14,402</b>

*Amounts recognised as an expense in the Comprehensive operating statement*

Entity name	Brief description of main activity	2024 \$'000	2023 \$'000
Central Highlands Water	Bulk Water Allocation	-	140
City Of Greater Bendigo	Rates and Charges	119	130
Dept. of Energy, Environment and Climate Action	Environmental Contribution	5,734	5,734
Dept. of Energy, Environment and Climate Action	Valuations, monitoring, licences etc	161	305
Dept. of Families, Fairness and Housing	Administration levies	-	40
Dept. of Treasury and Finance	Administration levies	6,297	5,840
Dept. of Treasury and Finance	Regional Water and Sewerage Recovery Fee	62	110
Environmental Protection Authority	License renewals and applications	166	429
Goulburn Murray Rural Water Corporation	Water share fixed and bulk water charges	1,625	1,703
Grampians Wimmera Mallee Water	South West Loddon Rural Water Supply	825	759
North Central Catchment Management Authority	Kyneton offset works and Healthy Coliban Catchment	259	494
Treasury Corporation of Victoria	Interest on borrowings	17,180	14,257
Victorian Auditor General's Office	External audit services	151	155
<b>Total expenses</b>		<b>32,579</b>	<b>30,096</b>

As at 30 June 2024, amounts receivable from related entities included the Department of Families, Fairness and Housing, \$323,993 for pensioner concessions (2023: \$689,180) and Central Highlands Water, \$118,096 for the Goldfields Superpipe joint operation (2023: \$108,734). Amounts payable to related entities included the Department of Energy, Environment and Climate Action (DEECA), \$1,435,985 for Environmental Contribution Levy quarterly instalment, Instrumentation and Valuations (2023: \$1,598,477); Goulburn Murray Rural Water Corporation, \$30,209 for Bulk Water Charges (2023: \$382,050) and North Central Catchment Management Authority, \$99,594 for Kyneton offset works and 'A Healthy Coliban Catchment program' (2023: \$114,662).

### Transactions with key management personnel and other related parties

Given the breadth and depth of Coliban Water's activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector



# Coliban Region Water Corporation

## Notes to the financial statements

Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Coliban Water, there were no related party transactions that involved key management personnel and their close family members, with the exception of those noted below.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

### Related party transactions - Zero Emissions Water (ZEW)

Coliban Water's Managing Director, Damian Wells, is a Director of ZEW. Refer to Note 5.5.1 for details.

The engagement with ZEW has been conducted under terms and conditions equivalent for those that prevail in arms-length transactions.

Below is a summary of transactions and holdings with ZEW.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Payments	124	30
Receipts	(28)	(141)
Investment in ZEW	15	15
Derivative financial instrument in ZEW	(1,039)	(586)

## 9.6 Remuneration of auditors

Auditors remuneration for auditing the financial statements of Coliban Water excluding GST has been set at \$143,000 (2023: \$145,000) by the Victorian Auditor-General Office. No other benefits were received or are receivable by the Victorian Auditor-General Office.

## 9.7 Ex-gratia expenses

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Forgiveness or waiver of debt <sup>(i)</sup>	62	27
<b>Total ex-gratia expense</b>	<b>62</b>	<b>27</b>

<sup>(i)</sup>Includes ex-gratia expenses for individual items relating to financial hardship or being uneconomical to pursue.

Ex-gratia expenses are the voluntary payments of money or other non-monetary benefit that is not made to either acquire goods, services or other benefits for Coliban Water or to meet legal liability, or to settle or resolve a possible legal liability of or claim against Coliban Water. Those greater than or equal to \$5,000 or those considered material in nature for 2023/2024 totalled \$62,149 (2022/2023: \$26,918).

## 9.8 Events occurring after the balance date

DEECA advised Coliban Water that for the efficiency payment to be designated as distribution of owners, the request for Ministerial approval to designate the transfer of the efficiency payment needed to be signed. This was signed on 16<sup>th</sup> July 2024 and paid on 30<sup>th</sup> July 2024. Therefore, due to the timing of the signed Allocation Statement, the efficiency payment has not been recognised in the 30 June 2024 financial position as a Contributed Capital payment (FRD 119). The 2024 efficiency payment has been recognised in 6.5 Commitments for expenditure - Contributions to state as owner 2023/2024 \$858,000.

Since the balance date, no other matters or circumstances have arisen that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of Coliban Water, the results of those operations, or the state of affairs of Coliban Water in future financial years.

# Coliban Region Water Corporation

## Notes to the financial statements

### 9.9 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after the operative dates stated.

Certain new Australian Accounting Standards (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 Coliban Water of their applicability and early adoption where applicable.

Topic	Key requirements	Effective date	Estimated impact
AASB2022-10	Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	1 January 2024	The estimated impact is under review.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on the Department's reporting.

- AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Amendments to AASB101
- AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback – Amendments to AASB16
- AASB 2022-6: Non-current Liabilities with Covenants.
- AASB 2022-8: Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments.
- AASB 2022-9: Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector.
- AASB 2023-1: Supplier Financial Arrangements.

### 9.10 Changes in accounting policies

Coliban Water 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.

Title	Key requirements	Impact	Effective date*
AASB2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates2	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; AASB134 Interim Financial Reporting, to identify material accounting policy information as a component of a complete set of financial statements; and AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures	The application of the amendment of the standard has had no significant impact on Coliban Water.	1 July 2023
AASB2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	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	The application of the amendment of the standard has had no significant impact on Coliban Water.	1 July 2023

# Coliban Region Water Corporation

## Notes to the financial statements

Title	Key requirements	Impact	Effective date*
AASB2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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.	The application of the amendment of the standard has had no significant impact on Coliban Water.	1 July 2023
AASB2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules	The amendment applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’. As an exception, an entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.	The application of the amendment of the standard has had no significant impact on Coliban Water.	1 July 2023

\*The effective date mentioned above refers to the date when Coliban Water would apply standards, amendments and interpretations and this may not be the actual application date of the standard/amendment and interpretation.

### Deferred tax related to assets and liabilities arising from a single transaction

Coliban Water has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112) from 1 July 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

Coliban Water previously accounted for deferred tax on leases and decommissioning liabilities by applying the ‘integrally linked’ approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, Coliban Water has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of AASB 112. There was also no impact on the opening retained earnings as at 1 July 2022 as a result of the change. The key impact for Coliban Water relates to disclosure of the deferred tax assets and liabilities recognised (see Note 8.1).

# Independent Auditor's Report

## To the Board of Coliban Region Water Corporation

**Opinion** I have audited the financial report of Coliban Region 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
- cash flow statement 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.

**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 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 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.

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.

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MELBOURNE  
20 September 2024



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

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# Coliban Water Rural System Diagram



### Legend

- Area supplied via Coliban Water Catchment Storages **only**
- Area can be supplied via Goulburn Supply System and/or Coliban Water Catchment Storages
- Channels receiving water via Bendigo Recycled Water System
- Channels receiving raw water



NORTH



KILOMETRES

Disclaimer: This illustration is provided as a guide only. Coliban Water reserves the right to alter information at any time. © 2024 Coliban Water. CC\_200924



# Tell us what *you* think

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## Accessing this report

This Annual Report is available on  
our website at [coliban.com.au](https://coliban.com.au)

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