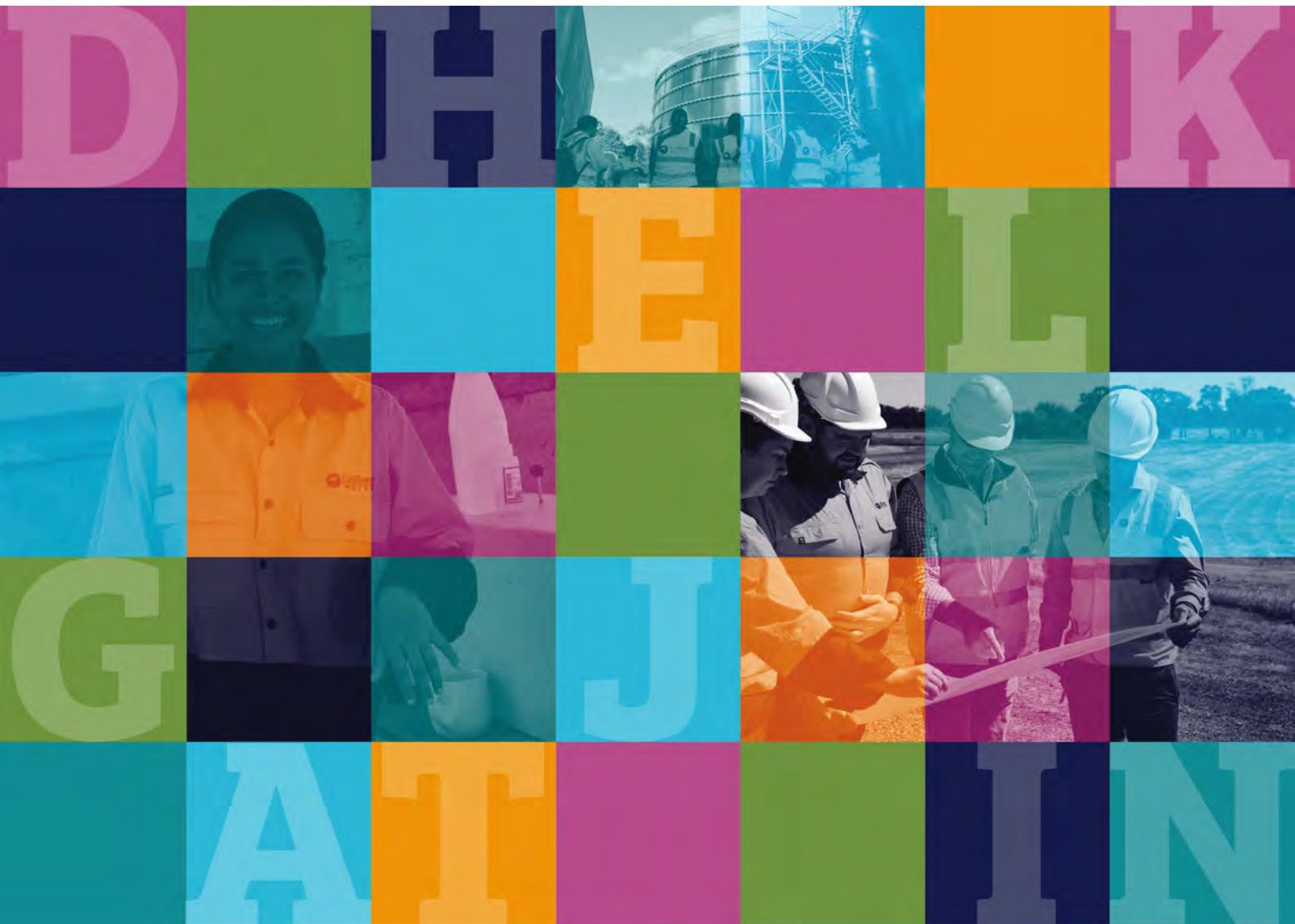
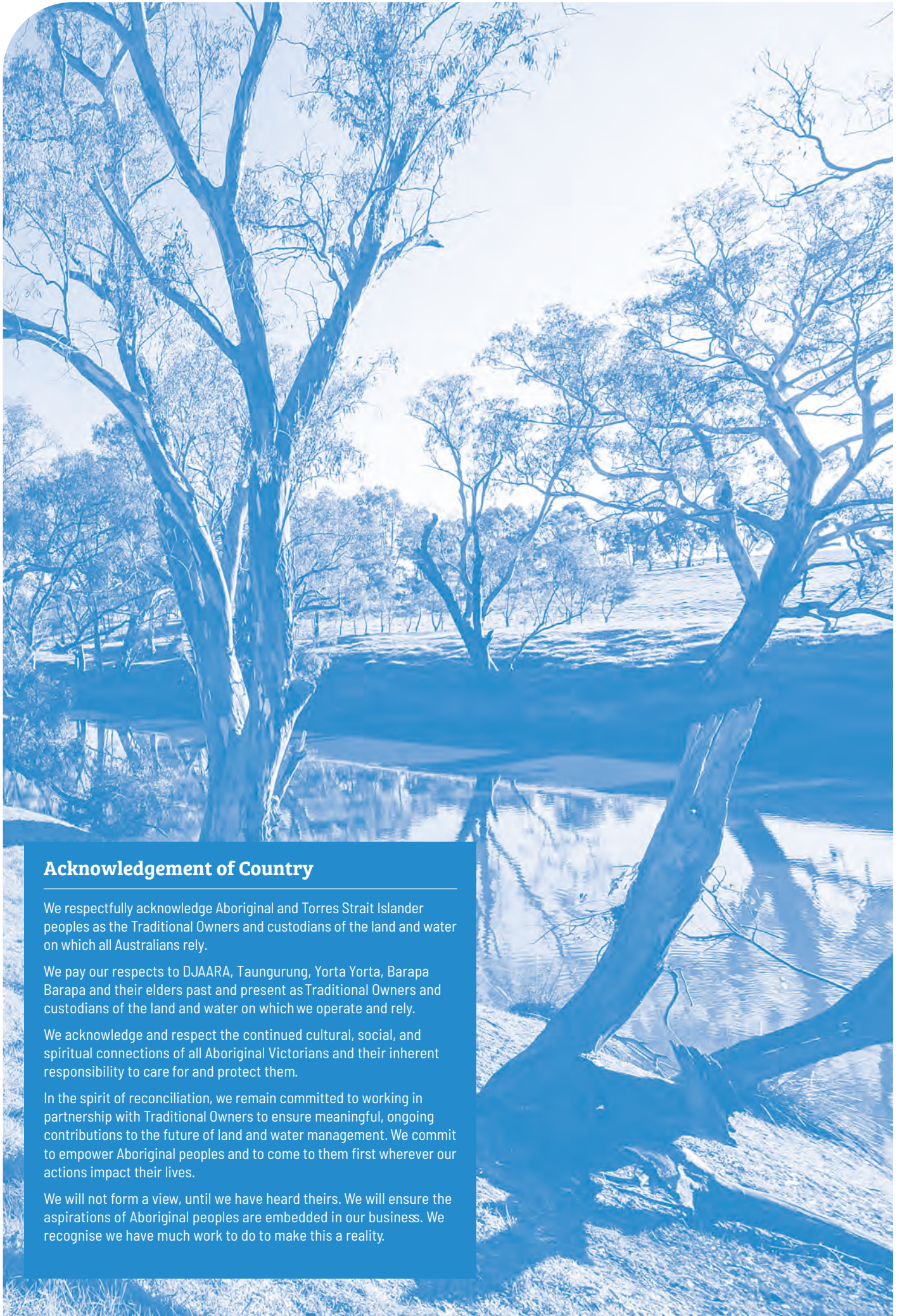


Coliban
WATER

Annual Report



dhelek gatjin dhelek balak – healthy water, healthy people



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 and present 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 to 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.

Contents

Acknowledgement of Country	IFC	Statement of National Competition Policy (Competitive Neutrality Policy)	27
Message from our Chair and Managing Director	2	Application and operation of the <i>Public Interest Disclosure Act 2012</i>	27
About us	4	Details of consultancy expenditure	28
Our purpose	4	Disclosure of government advertising expenditure	30
Our vision	4	Disclosure of information and communication technology (ICT) expenditure	30
What we do	4	Disclosure of review and study expenses	31
Our customer value proposition	4	Grants and transfer payments (other than contributions by owners)	33
Our region	5	Disclosure of procurement complaints	33
Snapshot: Our business in 2024/2025	6	Disclosure of emergency procurement	34
Our stories	8	Additional information and statement of availability	34
Our big water build	14	Summary of an entity's environmental performance	34
Meet our Board	18	Reporting of environmental data	34
Committees of the Board	20	Local jobs first	35
Meeting attendance	20	Workforce data disclosures	36
Our organisational chart	21	Social procurement activities under the Social Procurement Framework	37
Financial and other information	22	Financial management compliance attestation statement	38
Disclosure of major contracts over \$10 million	23	Ministerial Directions	39
Employment and conduct principles	23	Climate change and energy	40
Employee relations	23	Customer and community engagement	44
Workforce inclusion policy	23	Recognise Aboriginal values	47
Occupational health and safety	24	Recognising recreational values	48
Summary of financial results for the year	25	Resilient and liveable cities and towns	49
Five-year financial summary	25	Leadership, diversity and culture	54
Financial overview	26	Performance and financial management	56
Significant changes in financial position during the year	26	Compliance and enforcement	62
Major changes or factors affecting performance	26	Financial Statements	69
Subsequent events	26	Independent Auditor's Report – Financial Statements	113
Application and operation of the <i>Freedom of Information Act 1982</i>	27	Disclosure index	115
Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	27		

Message from our Chair and Managing Director



Bob Cameron
Chair

Our customers trust us to deliver safe, reliable drinking water and sewage services. These services play a major role to underpin public health and environmental protection in our region.

The continuity of service delivery for our communities depends on our ability to navigate the challenges of ageing assets, population growth, and climate change while ensuring business sustainability.

This year we achieved a set of critical milestones as we strive for operational excellence and improved sustainability.

Year two of our 'Big Water Build', our largest ever five-year program of capital works, continued for the benefit of customers with ongoing regulatory compliance investment. Investment in new and upgraded infrastructure across the region this year totalled \$88.2 million. This figure was among the largest annual investments in our history. Work included:

- Commencing a major ten-year-plus Sewer and Water Network Program to renew and upgrade the critical pipes and pumps that move water and sewage around our towns and suburbs. With a four-year timeframe, stage one of the project valued at \$100 million, includes the Maiden Gully to Marong Pipeline, Huntly to Goornong Pipeline, and key sewer pump stations in high population growth areas.
- Awarding of an \$82.6 million contract for the construction of a new solids handling facility at the Bendigo Water Reclamation Plant, part of a broader upgrade that will ensure this critical piece of infrastructure meets our rapidly growing community's needs for the next 25 years.
- Progression of a Detailed Business Case to support our Rural Water Efficiency Project, and the submission of a funding application to the Australian Government's Resilient Rivers Water Efficiency Program, for a more efficient rural water delivery system.
- Further improving the reliability of Echuca's drinking water supply with the installation of two new raw water pumps on the Murray River. This follows investment in greater onsite storage capacity and new filtration and powder activated carbon systems to improve the aesthetics of the drinking water.
- Completion of a \$15 million upgrade of the Laanecoorie Water Treatment Plant to deliver a more reliable water supply to our customers in Laanecoorie, Dunolly, Tarnagulla, and Bealiba.
- Advancing through the required planning and approvals, including the Development Licence Application (DLA), for a once-in-a-generation redevelopment of the Castlemaine Water Reclamation Plant. We continue to partner with neighbours, the broader community, and local interest groups to ensure positive customer and environmental outcomes.

Ongoing dry conditions continued to impact our catchments, with rainfall and resulting inflows below historic averages. On 30 June, our storages held 36,903 megalitres or 53% capacity, their lowest levels since 2018/19.

To ease the pressure and ensure we hold enough water for our customers in Castlemaine and Kyneton, we began to draw from our 18% share of Lake Eppalock in December, pumping water to supply the Bendigo area via the Goldfields Superpipe. However, if dry conditions continue, we could be facing the introduction of water restrictions in our region for the first time since the millennium drought.

To prepare for the possibility of extended dry conditions, our team is taking a planned approach to water resource management. We are combining a focus on community education and promotion of Permanent Water Saving Rules with investments in a range of projects to deliver water security for our growing population.

We are upgrading the Bendigo Recycled Water Factory and several of our water reclamation plants to boost the production of recycled water, and we are upgrading and renewing major pipelines and storages to strengthen our water security.

We performed well this year in the Victorian Essential Services Commission's customer perception surveys for the water sector, recording improvements in the four key customer experience metrics, and our best results to date for community reputation and trust.

These results are encouraging and reflect our drive to create a culture of care at all touch points and to focus on support and transparent two-way communication with our customers, in addition to operational improvements.

With cost-of-living pressures continuing to impact many, we remained committed to identifying and supporting our most vulnerable customers. We raised awareness of the tailored financial support available through our Coliban Assist program, which this year distributed more than \$1.25 million and directly helped more than 2,000 customers experiencing financial hardship, representing a 61% increase in participation.



Damian Wells
Managing Director

In the spirit of reconciliation, we worked in partnership with Traditional Owner group Dja Dja Wurrung, and we are working to strengthen our relationships with Taungurung, Yorta Yorta, and Barapa Barapa, to incorporate their deep knowledge of gatjin (water in Dja Dja Wurrung language) to inform our works.

We were proud to sign a new partnership agreement with DJAARA (the Dja Dja Wurrung Clans Aboriginal Corporation) in a joint ceremony on Country at the Upper Coliban Reservoir in November. One of the first of its kind in the water sector, this landmark partnership, with a vision to lead the way in shared custodianship of water, is underpinned by mutual respect and recognition of DJAARA's rights and Coliban Water's responsibilities.

Internally, our transformation journey continued. To enable our strategic vision and uplift our organisational capability, we completed an Operating Model Review and will now embed a Target Operating Model that will ensure our organisation is adaptable and can sustain itself in an ever-changing world.

Building on successful pilot initiatives, our new operating model will see the insourcing of operations and maintenance capabilities for sewage treatment and customer connections and will continue to leverage strategic partnerships for networks and water treatment. This strategic shift will strengthen our ability to deliver services effectively and allow us to be flexible and adaptable to improve the customer experience.

As we look to the future, the context in which we must plan and deliver our services has become more complex. We are at a critical juncture, shaped by the convergence of the 'big three' challenges, accelerating population growth, intensifying climate change, and an ageing asset base.

These challenges are not unique to us, but in our region are compounded by the legacy debt of the millennium drought, previous decades of constrained capital investment, our semi-arid geographic location, and limited local water sources.

Although we started to move in the right direction with PS23, our current investment levels are not sufficient to deliver levels of service within our risk appetite and have limited flexibility and capacity to respond to this growing and increasingly complex service environment. We must address underlying financial sustainability challenges if we are to support state government housing targets that represent approximately 63,750 new homes in our region by 2051, and maintain safe, reliable, and affordable services for our communities into the future.

Guided by Our Strategy (dhehk gatjin dhehk balak), and in close partnership with our Board, we have prepared a 20-year Financial Sustainability Strategy and have commenced engaging transparently with our key stakeholders to help them understand the issues we face and key findings from our scenario analysis. We are working together with our shareholders to explore potential interventions and solutions to rebalance affordability, service risk, and financial viability.

As an organisation, we face significant challenges. But with appropriate support, partnerships, and continued focus on operational and organisational excellence, we are confident in our ability to deliver the sustainable water and sewage services our communities need, while contributing to regional prosperity and sustainability.

Our ability to serve the customers in our region into the future will also require shared solutions, collaboration with regulators, shareholders and stakeholders, and active engagement with community groups.

It's an exciting time for us and we look forward to making our region an even better place to live.

The above captures some of our achievements in the second year of the 2023-2028 price period monitored by the Essential Services Commission. This report further details our performance between 1 July 2024 and 30 June 2025. It includes key information about our operating environment, business strategy, governance, performance, audited financial statements, and statutory disclosures to demonstrate how we deliver value for our customers.

We thank our government stakeholders, partners, and those we work with for their part in helping us provide the water and sewage services we all rely on. We're grateful to the Coliban Water Board, staff, and delivery partners for their leadership and commitment to serving our customers.

We are pleased to present Coliban Water's Annual Report for 2024/25.



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 sewerage 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.

For the period 1 July 2024 to 18 December 2024, we were overseen by the Minister for Water, the Hon Harriet Shing, and for the period 19 December 2024 to 30 June 2025, by the Minister for Water, the Hon Gayle Tierney. We are responsible to the Department of Energy Environment and Climate Action (DEECA) and regulated by the Department of Health, Environment Protection Authority and the Essential Services Commission.

We are governed by the *Safe Drinking Water Act 2003*, the *Environment Protection Act 2017* and the *Catchment and Land Protection Act 1994*.

Our purpose

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

Our vision

‘dhelk gatjin, dhelk balak’ (healthy water, healthy people)

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 today, 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.

What we do

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

Our customer value propositions

What matters most to our customers drives the value we provide. Our customer value propositions were developed through deep community engagement, define our promise for service delivery, and form our customer outcomes for the 2023-2028 Essential Services Commission price period.

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 produce services to meet the needs of customers now and in the future.
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Our region

Our region spans central and northern Victoria and comprises 49 towns. We service approximately 181,315 people and have assets worth more than \$2.2 billion.

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



Snapshot

Our business in 2024/2025

**\$2.2
BILLION**

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

181,315

customers



19

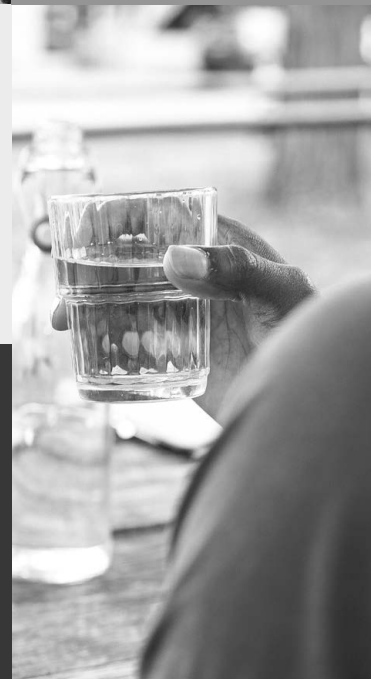
Water Treatment Plants

(Including 3 operated by Veolia Water:
Bendigo, Castlemaine and Kyneton)



82,530

water connections



More than

22,256

megalitres of drinking water supplied

2,442

kilometres of
drinking water and
non-drinking water
mains



32

water reservoirs and
service basins

163

kilometres of raw
water supply pipelines
(includes Coliban
Main Channel and
Superpipe)

383

kilometres of rural
supply channels and
mains

1,338

rural licenses





76
Water Pump Stations

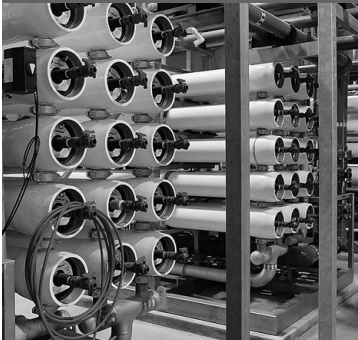


75,277
sewerage connections

2,122
kilometres of sewer
mains



188
Sewerage Pump
Stations



16
Water Reclamation Plants
(including two operated by ETC Coliban
Pty Ltd: Echuca, Rochester)

12,631
megalitres of sewage collected and treated
at our water reclamation plants

3,731
megalitres of
collected wastewater
treated for reuse

One
recycled water factory



77
kilometres of recycled
water infrastructure



1,147
recycled water
connections



Approximately
418
megalitres of recycled
water supplied

25%
of customers have a
concession card



53
average age of our
customers

Our stories

Water

Dry times

It's been dry. And this dry spell is impacting water catchments statewide. In fact, our storage levels have not been this low since 2018/19 and any rain we do receive is not translating into inflows.

While the demand for water in the region is growing, the amount of rainfall being captured in our water storages is declining. With most of our drinking water coming from rainfall inflows into storages, our changing climate means we cannot count on our storages filling like they once did.

While we continue to closely monitor conditions and invest in infrastructure to enhance the region's long-term water security, we are encouraging residents and businesses across the region to do their part to make every drop of water count.

Permanent Water Saving Rules are in place every day of the year, regardless of where you live in Victoria, and encourage a commonsense approach to the outdoor use of drinking water.

Storage levels can shift from healthy to under pressure quickly. With the population in our region rising and our climate changing, it's up to all of us to consider how we can use water wisely, every day.



Water and sewer partnership to build on a legacy for our region

When community leaders built our early water and sewerage infrastructure a century ago, they did so to protect the health and wellbeing of locals, and to create the thriving cities and towns we live in today. Fast-forward to 2025, and our purpose remains the same.

With the same future focus, we embarked this year on a major 10-year-plus program of work to renew and upgrade the critical pipes and pumps that move and treat water and sewage around our region.

The first phase of the Water and Sewer Network Program, valued at an estimated \$100 million, will be delivered over four years with our partners Jaydo Construction and Leed Engineering. High priority work is earmarked for every corner of the region, including pipeline construction and sewer main upgrades that will add capacity and reliability for the Bendigo CBD, Marong, Maiden Gully, Goornong, Kyneton, Castlemaine, Junortoun, and Malmsbury.

As a customer-funded business, this project is a great example of how we wisely invest the money our customers pay us through their bills to enhance service delivery and support economic development, industry, production, and jobs.





Sewer

An \$82.6 million investment to benefit everyone in Bendigo

In May, we officially marked the start of a once-in-a-generation upgrade at the Bendigo Water Reclamation Plant by welcoming our stage one partners, LC Envico, a joint venture between CCB Envico and Laurie Curran Water.

LC Envico's \$82.6 million contract will see them work with us to deliver a brand new solids handling facility.

When the work is finished, we'll be ready to meet the needs of the estimated 200,000 people that will call Bendigo home by 2050 – and we'll be passing on to the next generation a plant that is safer, more sustainable, more energy efficient, and more resilient to the impacts of our changing and drying climate.

Plus, we will have greater capacity to give what was once considered 'waste' a second life, delivering 20% more biosolids and more recycled water for community benefit.

We provided those invited to the launch event with a tour of the plant and location of the new facilities, allowing us to demonstrate the benefits of this significant infrastructure investment for our stakeholders and customers, and the importance of our plans for Bendigo's future.

A two-pronged approach to Stop the Block

Blockages in our sewer network create unnecessary costs for customers and the environment. That's why we're committed to working with the community to flush out toilet blockers before they become an issue.

Quite often the blockages in our network involve inappropriate rubbish such as tissues, wet wipes, hair, dental floss, cotton buds, and other personal items that belong in the bathroom bin, or fats and oils that enter the network via kitchen sinks. But our crews also find other items such as toys, dentures, and vapes. When flushed down toilets, these products can stick together and form blockages that 'choke' our sewer network.

To encourage a joint approach and greater community accountability, we boosted our 'Bin it, don't flush it!' and 'Flushed' education programs in 2024/25. These programs remind everyone that only the 3Ps, poo, pee and (toilet) paper, are safe to flush. Anything else can create issues in our network.

We also continued our \$1 million a year Stop the Block maintenance program. This proactive investment allows us to complete camera monitoring and cleaning of the sewer network, and helped us maintain a low number of sewer blockages (271 recorded this year) and manage the impact to customers and local waterways.



Environment

Collaboration the key to success

We know the best outcomes for our customers, communities, and the environment come when we partner with others on projects like these.



River restoration at Lauriston

Together with North Central Catchment Management Authority, DJAARA, local councils, and community groups we commenced a four-year rehabilitation of the Coliban River between the Lauriston and Malmsbury Reservoirs.

Part of the broader A Healthy Coliban Catchment (AHCC) program, the current work is focussed on willow removal and revegetation to renew the area known as Lauriston Common, providing improved river access, a healthier waterway, and a valuable space for the whole community to enjoy.

Now in its seventh year, the AHCC project is a true collaboration delivering real environmental outcomes in our catchment.



Working together to reduce fire risk

It's no secret that preparation is key when it comes to emergency management.

Amid an extended dry period, we gathered during September 2024 with members of the Macedon Ranges Municipal Fire Planning Committee, including the CFA, Fire Rescue Victoria, Victoria Police, and Council to tour our three main reservoirs near Kyneton.

We shared important knowledge and insights about reservoir and land management practices, access to water resources, and possible fire ignition points.

With a common goal to support and protect our communities, this was a collaboration that built confidence in our collective ability to reduce fire risk and manage in the event of a fire emergency.

Larni Yirrup – home of the ironbarks

Larni Yirrup, meaning 'home of the ironbark' in DJAARA language, is a new campground nestled among red ironbarks within the iconic box-ironbark forest in Bendigo.

An asset for the whole community, the campground is based around DJAARA values and is designed to create a space for community and sharing. It's infused with Aboriginal cultural design elements and interpretive signage with art and stories.

The campground features 12 campsites, toilets, picnic facilities, shelters, fire pits and frog ponds.

Larni Yirrip Campground is the outcome of a \$2 million investment through the Victorian Government's *Victoria's Great Outdoors* program. It was delivered by DJAARA and Djandak, in collaboration with Parks Victoria, Coliban Water, DEECA, City of Greater Bendigo and North Central Catchment Management Authority.





Coliban Assist

Support program delivers tailored assistance and customer support

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

This year we distributed more than \$1.25 million in direct support, including \$515,000 via our Coliban Assist program and \$735,000 in Utility Relief Grants, to more than 2,000 community members.

We draw from a range of assistance options for customers, including Plumber Assist, leak detection, Utility Relief Grants, concessions, bill smoothing, payment matching, and referrals to agencies such as financial counselling and family violence support services.

To support the Coliban Assist program, which is designed to treat all customers with dignity and respect, we invested this year in building the capability of our team, expanded our data analytics to guide our engagement, and provided training on available support options, particularly for those experiencing family violence.

Anyone experiencing payment concerns, or family violence, is encouraged to speak confidentially with a member of our Customer Care team.

Sharing Coliban Assist with a broader audience

Each year we measure the success of our Coliban Assist program by the number of people we support, and our ability to tailor that support to suit their needs.

We focussed this year on further growing the awareness of Coliban Assist and promoting the support available to eligible customers.

We partnered with more local agencies to increase our reach in the community and help drive financial wellbeing, we hosted drop-in sessions and visited numerous community houses to speak directly with customers, strengthening relationships and building trust with those most in need of our services.

We continued the roll-out of our proactive promotional campaign using simple, approachable language to present Coliban Assist to customers who may not previously have been aware of their eligibility for support. And it worked. We spoke directly with 13,510 customers, sent 3,625 targeted letters and emails, visited 154 customers at their home, and sent 15,000 text messages to help grow support levels and change behaviour.



Community



Language no barrier to our work with the local Karen community

We're always looking for ways to build stronger relationships and improve water literacy with everyone in our community, including those new to the area.

This year, we were proud to partner with Bendigo Community Health Services to deliver inclusive, place-based community engagement activities for the local Karen community, one of the largest culturally and linguistically diverse groups in our region.

Our team worked with trusted community leaders and interpreters, to deliver tailored sessions and provided culturally appropriate resources in their first language.

The result? We built trust, opened the lines of communication, reduced barriers to information, and grew this community's understanding of water and sewer services. We then followed up with account support drop-in sessions.



A new partnership agreement with DJAARA has spirit

In November 2024, we signed a significant partnership agreement with DJAARA in a joint ceremony on Country at the Upper Coliban Reservoir.

Underpinned by a mutual respect for DJAARA's rights and our responsibility to provide sustainable water and sewer services for public health and the environment, we're excited by the potential of this agreement, which will see us work together to share custodianship of *gatjin* (water) on Dja Dja Wurrung Country over the long-term.

One of the first of its type in the water sector, the partnership is built on a commitment to collaboration. Most recently, we have worked together on Aboriginal Waterways Assessments to inform works, shared advice through DJAARA's water knowledge group, Kapa Gatjin, and ensured Traditional Owner voices are heard in industry forums.

But the *murrup* (spirit) of our partnership is to heal our water systems to benefit people, animals, and the broader landscape.

Keeping customers at the heart of our strategy, plans and decisions

Our Customer Advisory Groups provide a valuable source of insight throughout the year on our strategy, plans, and decision-making on customer-related issues.

The three separate groups, one representing customers from the north of our region, one representing views from the south of the region, and one representing rural customers, met quarterly to ensure we remain accountable and on-track to deliver against our Customer Outcomes.

The diversity of their voices provides a seat at the table for the whole community, supporting transparency and customer focus.

The final activity for the year was our annual Customer Forum in June, where group members participated in a full day of activities with subject matter experts from our business.

We continue to learn a lot about what our customers value from our Customer Advisory Group members. Like us, they have been thinking a lot about dry conditions, drought risk, and water conservation this year. Their feedback on this and issues ranging from pricing, to service performance, infrastructure planning, and environmental initiatives formed a critical part of our submission to the Essential Services Commission.





People

Investing in the next generation of home-grown experts

Our workforce will always rely on science, technology, engineering, and maths knowhow, but will increasingly require creativity, critical thinking and diverse problem-solving skills to tackle the impacts of climate change, ageing infrastructure, and our growing population.

That is why we boosted our investment in STEAM education this year, announcing new partnerships to help nurture the next generation of water and sewage treatment experts in our own backyard.

Over three years we'll support the Discovery Science and Technology Centre Bendigo's primary school Girls in STEAM program, and La Trobe University's secondary school-focussed Regional Pathways program.

We also awarded the Coliban Water Women in STEAM Scholarship, valued at \$20,000, to a Bendigo local and first year La Trobe University civil engineering student, and rounded out the year with the launch of our new STEAM-focussed work experience program for Year 10 students.

Coveted golden hard hats celebrate safe behaviour

We do more than encourage our team to keep safety top of mind. It's part of our culture and our number one priority. Our teams know, if it's not safe, it's not on!

Our Golden Hard Hats are a sought-after honour at our regular Safety Showcases throughout the year. They are a visible celebration of our eight safety behaviours and the efforts of our team to manage and assess risk, change, and hazards in our offices, on our projects, with our partners, and while working in the community.

Hard hats were awarded this year for safety behaviour leading to practical and innovative safety risk management. And for the first time, we awarded winners in a new Workplace Wellbeing category, recognising the importance of mental health and wellbeing for our team.

Our team members also participate in 'Safety Walk and Talks', which are an opportunity for them to step away from their day-to-day work, see another part of our business, and engage in a two-way conversation about safety. Our 2024/25 safety and wellbeing calendar also featured regular training and toolbox talks on topics including working at heights, excavation and trenching, safe energy isolations, managing hazardous materials, and working around water.



Our Big Water Build

infrastructure asset investment

Our Big Water Build is all about delivering smart and safe infrastructure to support growth, jobs, and the future success of our region.

We commenced the year with an ambitious capital investment target of \$80 million to help manage risks associated with climate change, population growth, and ageing infrastructure. At the end of 2024/25 we exceeded this target, successfully delivering \$88 million in Big Water Build projects by dynamically managing our capital portfolio and transforming the foundations of our delivery approach.

An approach built on strong foundations

How	Benefits
Strategic partnerships	Using the VicWater Major Works Framework, we engaged delivery partners for our Sewer and Water Network Program and Treatment Upgrades this year. Long-term partnerships like this will deliver value for money and contribute to customer satisfaction.
Five-year-plus planning cycles	The successful delivery of our Big Water Build will be underpinned by an early focus on planning, design and approvals, ensuring we have a rolling infrastructure portfolio for capital delivery for the next five years and beyond.

Major projects that have been completed in 2024/25 (reported in the previous Annual Report)

Laanecoorie Raw Water Storage and Pump Station	This \$15 million project delivers greater water security for our customers in Laanecoorie, Bealiba, Dunolly, and Tarnagulla. Works included improvements to the raw water supply feeding the plant, two new concrete tanks, and a new pump station.
Lockington Pressure Booster Pump Station	This \$1.2 million project in Lockington delivered a new booster pump station, switchboard, shelter, site works, and the installation of new pipework to connect the existing network to the new infrastructure. The result? Customers in the Lockington area have improved water pressure and a more consistent and reliable water supply.
Malmsbury Outlet Walkway Bridge Refurbishment	We completed a \$925,000 refurbishment of the 50-metre steel access bridge at Malmsbury Reservoir, ensuring the long-term preservation of this heritage listed asset, first constructed in 1906, and still an integral part of our operations today. Work included the replacement of the bridge’s foundations and repair and refurbishment of the steel structure, cast iron supports, and bluestone abutments. We collaborated throughout the project with Heritage Victoria, DJAARA, delivery partners, and consultants. To facilitate the work, the bridge was dismantled into four 12-metre sections, which were moved off-site for detailed repair.
Echuca Water Treatment Plant Powder Activated Carbon (PAC) Upgrade	We invested \$850,000 to upgrade the powder activated carbon dosing (PAC) system at our Echuca Water Treatment Plant. The existing system had experienced several failures over the years, resulting in taste and odour issues in the drinking water provided to our customers in Echuca. Work included the installation of larger PAC storage tank on a concrete slab with integrated spill containment, a new dosing system, larger standby dosing pumps, and system integration to ensure operations at the plant are visible in our SCADA systems.

Major projects underway

Bendigo Water Reclamation Plant Solids Handling Upgrade	After a review of the project scope and Business Case approval in November 2024, we awarded an \$82.6 million contract for the construction of a new solids handling facility at the Bendigo Water Reclamation Plant in January 2025. The project is part of a broader upgrade that will ensure this critical piece of infrastructure meets community needs for the next 25 years.	
West Bendigo Sewer Growth and Compliance		Preliminary designs for this project are currently underway as part of the broader Water and Sewer Network Program. Work is likely to be delivered in two packages:
	Marong and Maiden Gully Sewer Compliance	Stage one, Marong-Calder Highway Rising Main, is underway and due for completion in 2026/27. Stage two is scheduled to commence during 2025/26, and is due for completion in 2027/28.
	Eaglehawk Sewer Compliance	Currently in the planning and approval stage, the Eaglehawk Rising Main and Sewer Pump Station project is due to be completed during 2027/28. Design, planning and approvals for the Eaglehawk Gravity Augmentation will continue in 2025/26.
Bendigo Trunk and Outfall Sewer Augmentations	Work on a detailed Business Case will commence in August 2025. This project will be delivered as part of the Sewer and Water Network Program and, as a major interface project, will be coordinated with the Bendigo Water Reclamation Plant Upgrade works.	
Castlemaine Water Reclamation Plant Upgrade	A Development Licence from the Environment Protection Authority (EPA) and a Planning Permit from Mount Alexander Shire Council, have been received for this project. Approval of a revised Business Case by the Department of Treasury and Finance (DTF) and the Department of Energy, Environment and Climate Action (DEECA) is now expected in August 2025. Other project preparation continues with the Commercial Framework, Design Guiding Principles, Procurement and Evaluation Plans. Class 4 estimates included in the business case indicate costs will be higher than anticipated, following changes to the project scope to accommodate new inlet works, an oxidation ditch bioreactor, a membrane bioreactor, an UV disinfection system, biosolids treatment, and SCADA equipment. Most of this expenditure is likely to occur in the next regulatory pricing period.	
Bendigo Water Reclamation Plant Upgrade	The design life of this project has been extended to ten years to accommodate growth. Timing and funding will be assessed at the final Business Case stage but is expected to be completed over the next one to two regulatory pricing periods. Concept designs and site investigations have progressed, and we have obtained Development Licence approval from the EPA. A Class 4 estimate is being prepared for the final Business Case. Recent changes to EPA legislation, including two new environmental duties, have resulted in changes to the project's design standards. We continue to mitigate short-term environmental and service continuity risks, and we have focussed on implementing the Recycled Water Factory and Solids Handling Upgrades. A dedicated renewals program for the site is addressing environmental compliance risks.	
Goornong Treated Water Supply Upgrade	Preliminary designs have been completed for a new pipeline from Bendigo to Goornong and for the decommissioning of the Goornong Water Treatment Plant. We are now obtaining approvals for the work, which will be delivered as part of the Sewer and Water Network Program.	
Bendigo Water Reclamation Plant Recycled Water Factory Upgrade	Following concept design, including a revised baseline for delivery, this project is in the procurement stage. A Request for Tender is expected to be released in late 2025.	



Major projects underway (continued)

Bendigo Castlemaine and Kyneton Water Treatment Plant Health-Based Targets Upgrades	We continued work on a \$15.9 million project to install additional treatment barriers and ensure the ongoing compliance of these plants with the risk management requirements of Victoria's <i>Safe Drinking Water Act 2003</i> . Work has been delivered in three stages:	
	Stage 1	Modification Works Order for stage one, microbial health-based targets, is complete and on-site commissioning will occur at the Castlemaine and Kyneton Water Treatment Plants with achievement of required microbial Log Reduction Values on confirmation of commissioning and operation of ultraviolet treatment systems. Awaiting a final completion letter from Veolia to close out work at the Bendigo Water Treatment Plant.
	Stage 2 and 3	Final Modification Works Order for the Bendigo Water Treatment Plant has been executed. Construction has commenced and is due for completion in January 2026.
Cohuna Water Reclamation Plant Capacity Upgrade	This \$9.7 million investment will increase the capacity of the plant and address ongoing leakage issues from Lagoons 3 and 4. Detailed designs for lagoon works are nearing completion, and the required EPA and planning approvals are progressing well. Tenders have been awarded, and work has commenced on the wastewater recovery component of the project, which is due for completion over the next two years.	
Maiden Gully to Marong Water Growth Project	A further \$20 million is being invested as part of the West Bendigo Water Growth Program to construct pipelines to support the rapidly growing communities of Maiden Gully and Marong. The project consists of 11.7 kilometres of new water trunk mains, being installed using a combination of horizontal directional drilling and open excavation. Work is ongoing along the Calder Highway between Maiden Gully and Marong. These pipelines will connect to the Sterry Road Pipeline and Marong Tank, which was constructed in 2021 as the first stage of this project. With approximately 13% growth per year in the area since 2013, these water supply and service upgrades are critical, particularly with further demand expected from the Bendigo Regional Employment Precinct (a development being led by the Victorian Planning Authority).	



Other projects that have contributed great outcomes across the region:

Water and sewer main renewals	An ongoing program of renewals. We wrapped up our largest ever program of water and sewer main renewals this financial year, with approximately \$8.5 million spent. But there's a lot more to do, with a further \$20 million of renewal work planned between now and 2028. Our crews have renewed water mains at 61 sites across our region, with significant work 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.
Coliban Main Channel renewals	We invested \$2.5 million this year to renew sections of the Coliban Main Channel that were in poor repair, which will help protect and secure the raw water supply. Methods used included the innovative repair method of 'concrete canvassing'. A further \$1.9 million will be invested in the coming years as part of this ongoing program.
Echuca Water Tower render refurbishment	We're investing \$450,000 to refurbish the exterior of the Echuca Water Tower, the 115-year-old elevated water storage designed by Sir John Monash, which sits in the middle of Echuca. The project involves removing loose render, repairing damaged sections, and re-rendering and patching before reopening currently closed sections of adjacent footpath.
Kalimna Basin remediation works	We're investing \$1.3 million to rehabilitate this 4.9 megalitre floating storage basin constructed of segmented concrete that services the Castlemaine region. The work, including repairs to the joints between the concrete slabs, underfilling, maintenance to steel columns, improved access and safety, and roof repairs, commenced in June 2025 and will be complete by early August 2025. An operational plan is in place to manage risk to the Castlemaine water network while the basin is offline.
Guildford Tank recommissioning	\$1.2 million is being invested to reinstate the Guildford Tank and upgrade the Fryers Street Booster Pump Station to improve water security for the local community. The tank will provide a secure water source in the event of supply issues in the upstream Castlemaine network, while upgrades to the booster pump station will support the addition of chlorinator booster in the future to improve water quality and network health in Guildford.
Bridgewater Clearwater Storage Tanks and Booster Pump Station	We're investing \$4.1 million to construct two new 0.5 megalitre Clearwater Storage Tanks and Booster Pump Station at the Bridgewater Water Treatment Plant. The project will improve water quality and reliability for customers in Bridgewater and Inglewood.

Meet our Board

Responsible for the overall strategy and corporate governance, our Board has nine Non-Executive Directors appointed by the Victorian Minister for Water, along with a Managing Director.

A Statement of Obligations outlining the service, accountability, and reporting obligations of our Board is available at coliban.com.au.

 Bob Cameron Chair <i>LLB FAICD</i> Appointed to the Board 1 October 2015, Bob has been Chair since 1 October 2021. 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.	 Lucy Roffey Deputy Chair <i>B COM, Grad Dip Mngt, GAICD, FCA</i> Appointed to the Board 1 October 2015. Lucy is an experienced local government executive with more than 15 years in the sector. She is currently the CEO of Glen Eira City Council and previously held the position of CEO at Central Goldfields Shire Council and Buloke Shire Council. Lucy was also an inaugural member of the Homes Victoria Advisory Board from 2021 to 2025, chairing the HV Financial Sustainability Committee. She also has sector experience across water, social housing, and arts and culture.	 Dr David Cochrane Appointed to the Board 1 October 2023. A former managing partner in the Economics, Regulation and Policy practice of Ernst & Young, David has extensive experience in government advising, environmental and public land management, and economic and financial policy. He is currently a private economic consultant and a member of a range of boards, including Director and Chair of Guide Dogs Victoria and Independent Member of the Department of Transport and Planning's Audit, Risk and Integrity Committee.
 Mario D'Elia <i>B Bus (Accounting), Dip Fin Planning, CPA, GAICD</i> Appointed to the Board 1 October 2019. Chair of the Major Projects Committee. Mario is an independent financial, commercial, and strategic adviser. 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, including transport, water (desalination), and social infrastructure.	 Melanie McCarthy <i>B Eng (Chem), BA, MEngSc, GAICD, FIEA</i> Appointed to the Board 1 October 2019. Melanie has spent more than 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.	 Nigel McGuckian <i>B Ag Sci (Hons), Grad Dip Edu, FAICD</i> Appointed to the Board 1 October 2017. Chair of the Environment and Service Delivery Committee. 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. He brings experience in agriculture, environment, economics, and community development.



Marika McMahon

BA LLB

Appointed to the Board 1 October 2015.
Chair of the People, Safety and Customer 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 focussed 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 a background as 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, Finance and Risk Committee.

Helen is a Certified Practicing Accountant with experience across a range of industries.

She started her career with Deloitte's and has held senior finance roles with Ambulance Service Victoria, Warrakirri Pty Ltd, and Wimmera Health Care Group.

Helen is also 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 an Executive Director at EPA Victoria.

He is Chair of Zero Emissions Water, a member of the La Trobe University Bendigo Advisory Board, and a former Board member of Anglicare Victoria.

Committees of the Board

With a Charter detailing roles and responsibilities, the following committees provided advice to management and recommendations to the Board. 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.

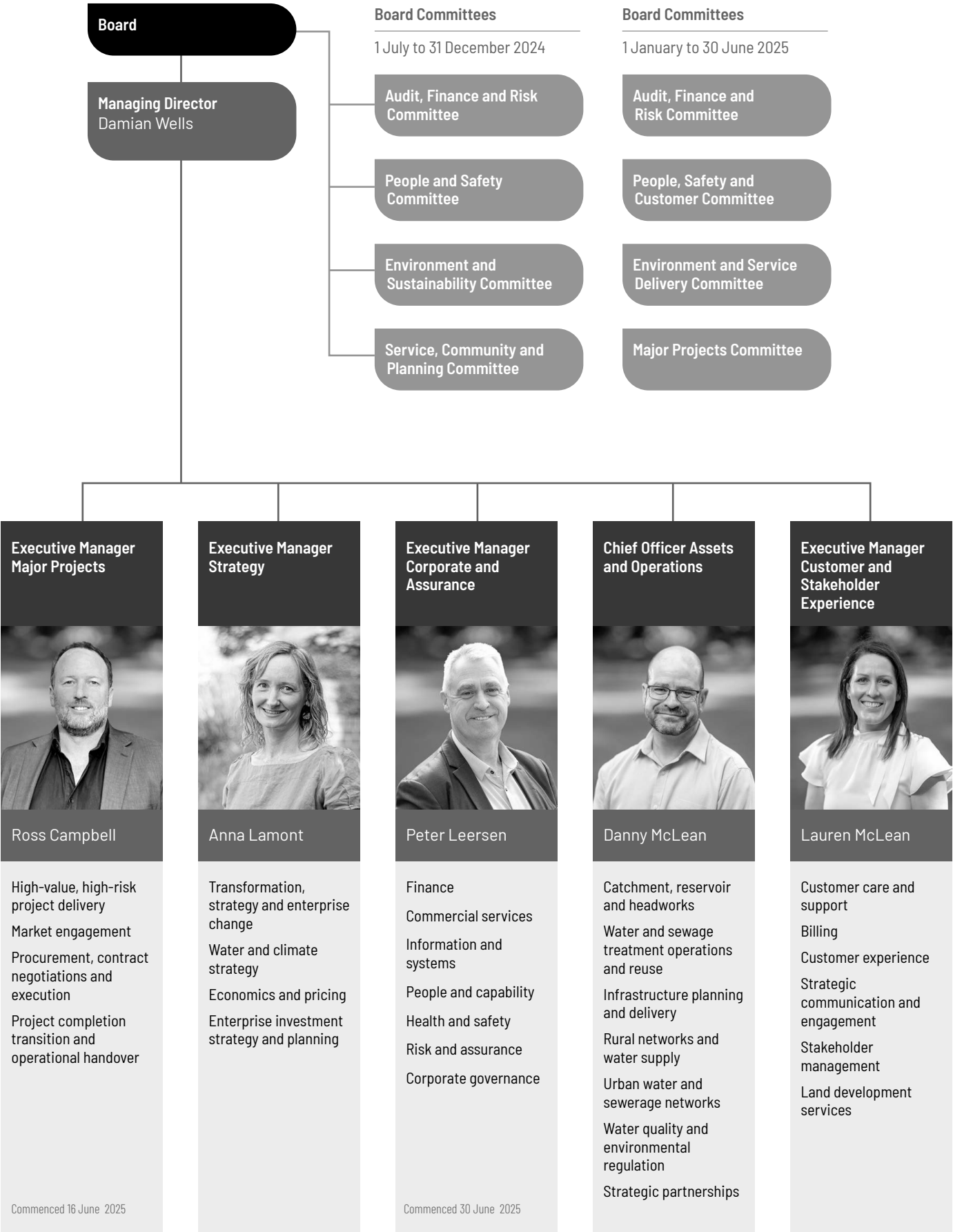
Audit, Finance and Risk	Helen Symes (Chair) Lucy Roffey Lexi Randall L'Estrange David Cochrane Damian Wells*	- Annual budgeting and forecasting - Financial accounts and external reporting - Internal and external audit activities - Risk management framework - Information management (including information and cyber security) - Key financial policies and systems of internal control - Compliance with relevant laws, regulations, codes of conduct and ethical standards (this is required for all Board Committees in their areas of expertise)
People, Safety and Customer	Marika McMahon (Chair) Lucy Roffey Lexi Randall-L'Estrange Damian Wells*	- Health, safety and wellbeing - Public safety - Safety culture and leadership - Organisational culture - Customer experience and community expectations - Executive remuneration and Managing Director performance
Environment and Service Delivery	Nigel McGuckian (Chair) Melanie McCarthy Bob Cameron Marika McMahon Mario D'Elia Damian Wells*	- Climate readiness - Protection and improvement of catchment waters, lands and urban green spaces - Collaboration with, and support for, regional organisations sharing responsibility for environmental and climate sustainability - Service delivery requirements - Asset management - Customer and community expectations - Stakeholder engagement and collaboration - Emerging threats and opportunities
Major projects	Mario D'Elia (Chair) Bob Cameron Nigel McGuckian Helen Symes Melanie McCarthy David Cochrane Damian Wells*	Major investment management

*The Managing Director holds ex-officio membership on all Board Committees but does not have voting rights.

Meeting attendance

	Board of Directors		Audit, Finance and Risk Committee		Service, Community and Planning Committee		People and Safety Committee		Environment and Sustainability Committee		Environment and Service Delivery Committee		People, Safety and Customer Committee		Major Projects Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Bob Cameron	10	10	-	-	2	2	-	-	2	2	1	1	-	-	1	1
Lucy Roffey	10	10	4	7	-	-	2	1	-	-	-	-	1	1	-	-
David Cochrane	10	9	7	7	2	2	-	-	-	-	-	-	-	-	1	1
Mario D'Elia	10	9	2	2	2	2	1	1	-	-	1	1	-	-	1	1
Melanie McCarthy	10	10	-	-	-	-	2	2	2	2	1	1	-	-	1	1
Nigel McGuckian	10	10	-	-	2	2	-	-	2	2	1	1	-	-	1	-
Marika McMahon	10	9	-	-	2	-	2	2	-	-	1	1	1	1	-	-
Lexi Randall L'Estrange	10	10	7	7	-	-	-	-	2	2	-	-	1	1	-	-
Helen Symes	10	10	7	7	-	-	-	-	2	2	-	-	-	-	1	1
Damian Wells	10	10	7	7	2	2	2	2	2	2	1	1	1	1	1	1
Trent Nelson	9	1	-	-	2	1	-	-	2	1	1	-	1	-	-	-
Caitlin Dunolly-Lee (external)	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-

The structure of our Board committees changed at 1 January 2025.





Disclosure of major contracts over \$10 million

We awarded one contract over \$10 million in the 2024/25 Financial Year, for the Bendigo Water Reclamation Plant Solids Handling Upgrade. The details were disclosed on the Buying for Victoria website.

Employment and conduct principles

We adopt the following Victorian Public Sector employment principles.

Employers must ensure:	Employees must:
- 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.	- 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.

During the period, we commenced negotiations for a new Enterprise Agreement that will provide the employment conditions for most employees.

There was no time lost due to industrial issues or disputes this year.

Workforce inclusion policy

Diversity, equity and inclusion data

Measure	Target	2024/25	2023/24
Gender balance in Senior Executive positions (direct reports to the Managing Director)	50%:50%	Male: 3	Male: 2
		Female: 3	Female: 4
Gender balance in overall Executive positions	50%:50%	Male: 63%	Male: 59%
		Female: 37%	Female: 41%
Identify as a person with a disability	10%	6.5%	8%*
Speak a language other than English	10%	12%	10%*
Identify as Aboriginal or Torres Strait Islander	2.5%	0%*	0.5%*
Identify as belonging to the LGBTQIA+ communities	7%	6%	7%*

* People Matter Survey results 2024 and 2025.

OH&S performance management and reporting

Measure	Key performance indicator	2022/23	2023/24	2024/25
Hazards	Number of hazards reported	124	68	72
	Rate per 100 FTE	38.61	18.66	18.86
Incidents	Number of incidents	58	67	91
	Rate per 100 FTE	24.66	18.38	23.84
	Number of incidents requiring first aid and/or further medical treatment	8	6	9
Claims	Number of standard claims accepted	0	1	2
	Rate per 100 FTE	0	0.49	0.68
	Number of lost time claims accepted	0	0	1
	Rate per 100 FTE	0	0	0.34
	Number of claims exceeding 13 weeks	1	0	0
	Rate per 100 FTE	0.425	0	0
	Average claim costs per claim for the calendar year (including payment to date with an estimate of outstanding claim costs as advised by WorkSafe)	\$31,639	\$6,312	\$2,586
Fatalities	Fatality claims	0	0	0
Return-to-Work	Percentage of claims with Return-to-Work Plan	100%	100%	100%
Management commitment	Evidence of OH&S Policy Statement, OH&S objectives, regular reporting to senior management of OH&S and OH&S plans	Completed	Completed	Completed
Consultation and participation	Evidence of agreed structure of Designated Work Groups (DWGs), Health & Safety Representatives (HSRs) and Issue Resolution Procedure (IRPs)	Completed	Completed	Completed
	Compliance with agreed structure on DWGs, HSRs & IRPs	Completed	Completed	Completed
	Number of quarterly OHS Committee Meetings	6	6	6

Safety achievements

- Two Safety Showcases we held this year, with strong engagement from staff and several contractors. A new Wellbeing Award category was introduced.
- Significant increase in the number of Safety Walk and Talks completed.
- We embedded our eight Safety Behaviours and 12 Critical Safety Risks.
- The Safety Team participated actively in our Big Water Build and Operations Transition projects.

Summary of financial results for the year

Five-year financial summary

Financial Result	Plan 2024/25	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22	Actual 2020/21
Revenue						
Service charges	91,378	90,276	85,345	77,881	74,561	73,596
Usage charges	60,605	67,078	53,776	48,769	52,838	52,875
Government funding	4,736	9,559	3,461	6,057	1,998	2,698
Contributions and gifted assets	18,468	18,509	20,346	20,445	14,338	11,232
Interest income	30	427	620	406	31	11
Other income	5,546	2,490	1,572	2,230	2,088	2,188
Total revenue	180,764	188,339	165,121	155,788	145,854	142,131
Expenses						
Operations, administration and employee	105,865	110,516	99,256	89,661	78,938	71,681
Expenditure of government funding	4,736	4,483	2,709	4,807	1,845	2,513
Borrowing costs and finance charges	29,148	31,239	26,986	23,941	22,978	24,537
Depreciation and amortisation	42,013	42,770	40,320	37,144	37,328	32,238
Environmental contribution	6,352	5,941	5,734	5,734	5,734	5,734
Total expenditure	188,114	194,948	175,006	161,287	146,823	136,703
Net result before tax	(7,350)	(6,609)	(9,884)	(5,499)	(969)	5,428
Net result for the year	(6,720)	(6,532)	(8,808)	(6,130)	(803)	3,332
Assets						
Total current assets	73,545	66,073	52,687	67,364	59,905	43,320
Total non-current assets	2,308,781	2,327,794	2,271,132	2,223,447	1,979,083	1,959,029
Total assets	2,382,326	2,393,868	2,323,820	2,290,811	2,038,988	2,002,349
Liabilities						
Total current liabilities	86,047	78,981	64,711	63,042	50,844	39,608
Total non-current liabilities	876,296	891,413	828,246	788,297	693,531	674,626
Total liabilities	962,343	970,394	892,958	851,339	744,375	714,234
Net assets						
Net cash inflows from operations	34,446	27,317	20,590	18,800	31,205	28,797
Payments for assets	(76,575)	(90,421)	(79,917)	(50,791)	(38,448)	(33,107)
Performance indicator	Plan 2024/25	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22	Actual 2020/21
Revenue						
Interest Cover (Cash)	2.2	1.9	1.8	1.8	2.4	2.2
Gearing ratio	25.0%	25.7%	23.3%	21.7%	22.7%	22.3%
Internal financing ratio	45.0%	30.1%	25.8%	37.0%	81.8%	87.0%
Current ratio	137.9%	136.2%	123.4%	160.0%	180.0%	160.0%
Return on assets	0.8%	0.9%	0.6%	0.9%	1.1%	1.6%
Return on equity	(0.5%)	(0.5%)	(0.6%)	(0.4%)	(0.1%)	0.3%
EBITDA margin	34.0%	34.1%	32.8%	33.3%	40.6%	43.8%

Financial overview

In the second year of our 2023 Price Submission, we made a net loss before tax of \$9.3 million, a positive movement of \$3.2 million when compared with the previous year.

Revenue was \$23.2 million higher than last year due to:	• An increase in service charges (\$4.9 million) reflecting the growth in customer connections and the Essential Services Commission approved price path increase of 2.5% plus inflation. • An increase in revenue from water usage for customers compared to last year (\$13.3 million), driven by continued dry conditions and the approved price path. Water consumption increased per residential property with an average of 205 kilolitres this year, compared with 183 kilolitres last year. • A slowing, but consistent, level of development in the region, with developer installed works and new customer contributions below the prior year (\$0.5 million). • More government funding being received (\$6.1 million) including project contributions from the City of Greater Bendigo for the Marong Sewer Upgrade. A small decrease in other income (\$0.6 million), with some additional interest and sundry income.
Expenditure was \$19.5 million higher than last year due to:	• Increased operating and administration expenses (\$7.5 million), resulting mainly from higher bulk water charges (\$0.4 million); electricity (\$2.3 million) due to additional pumping costs; planned corrective and reactive maintenance (\$1.8 million); and other service contract increases (\$6.5 million). • An overall increase in employee costs (\$3.8 million) due to growth in FTE as part of investment in core systems and operations. • Non-operating activity expenditure was higher overall (\$8.6 million) due to an increasing loan portfolio (additional \$4.3 million in borrowing costs and finance charges); increased depreciation and amortisation due to the growing investment in the capital program (\$2.5 million); and increased Government funding expenditure in line with funding received (\$1.8 million).

Cashflows from operating activities was \$27.3 million, which is an increase of \$6.6 million from last year.

Payments for infrastructure and intangible assets totalled \$90.6 million, \$11.0 million higher than the prior year reflecting the continued commitment to invest in our assets and increase the capital portfolio.

Significant changes in financial position during the year

With a commitment to investing in long term asset resilience, we delivered an \$88.2 million capital portfolio, which was an increase of \$15.2 million on last year.

Due to lower-than-expected cash balances on 30 June 2024 and a continued ambitious capital program, additional borrowings were requested from the Treasurer and approved during the year. These were drawn upon, resulting in an additional \$10 million of borrowings compared to the original Corporate Plan. Total borrowings at the end of 2024/25 increased by \$80.9 million to \$582.8 million.

Major changes or factors affecting performance

During the period, additional long-term modelling was undertaken supporting a Financial Sustainability Strategy for Coliban Water. This highlighted medium to long-term challenges, including that, without proactive intervention, within the typical application of the regulatory model and within current expected levels of service, Coliban Water faces financial sustainability challenges. We are engaging with our stakeholders to address these challenges.

Subsequent 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.

Application and operation of the Freedom of Information Act 1982

The *Freedom of Information Act 1982* (Vic) (the Act) allows the public a right of access to documents held by Coliban Water. The purpose of the Act is to extend as far as possible the right of the community to access information held by bodies subject to the Act.

Anyone can apply for access to documents created or collected by us through the Act.

Documents are defined as any record of information, examples include maps, films, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by Coliban Water is available on our website under 'Information Statement 2 – Categories of documents'.

The Act allows Coliban Water to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include some internal working documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to a department in confidence and information that is confidential under another Act.

Under the Act, the Freedom of Information processing time for requests received is 30 calendar days. However, when external consultation is required under s29, 29A, 31, 31A, 33, 34 or 25, a 15-day automatic exemption applies. Processing time may also be extended by periods of up to 30 days, in consultation with the applicant. With the applicant's agreement, extensions can occur any number of times however, they cannot occur after the expiry of the timeframe for declining a request.

Making a request

Our Freedom of Information request form is available on our website. An application fee of \$32.70 applies to all Freedom of Information requests. There may also be access charges if there is a large pool of documents and the search is time consuming.

Requests must be in writing, must clearly identify what types of material/documents are being sought, and must be accompanied by the application fee to be a valid request.

If you are unable to make a request online, you can request documents by writing to:

Freedom of Information Officer
Coliban Water, PO Box 2770 Bendigo DC VIC 3554
Email: foi@coliban.com.au

Freedom of Information statistics

This year, we received eight applications. Five were from legal representatives, one was from an environmental group, and two were from members of the general public.

We made five Freedom of Information decisions during the 12 months to 30 June 2025. All decisions were made within the statutory time periods. Of the decisions made, one granted access to documents in full and four granted access to documents in part.

No requests this year were subject to a complaint/internal review by the Office of the Victorian Information Commissioner (OVIC) or progressed to the Victorian Civil and Administrative Tribunal.

If an applicant is not satisfied

Under section 49A of the Act, applicants can make a request to OVIC to review of our decision within 28 days of receiving a decision letter. Further information about Freedom of Information is available at ovic.vic.gov.au.

Compliance with building and maintenance provisions of the Building Act 1993

Building and maintenance activities at our office locations have 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.

Statement of National Competition Policy (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.

Application and operation of the 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:

Peter Leersen, Executive Manager Corporate and Assurance
Coliban Water, PO Box 2770 Bendigo VIC 3554
1300 363 200 | 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 | ibac.vic.gov.au

Details of consultancy expenditure

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.

Operational

Consultant	Purpose	Total approved (exc GST) \$'000	Expenditure (exc GST) \$'000	Future expenditure (exc GST) \$'000
AFS & Associates Pty Ltd	Probity advice	65.75	65.75	-
Aither Pty Ltd	Change modelling sustainability assessment	76.59	76.59	-
Akers Project Advisory	Contract negotiation advisory services	655.54	655.54	-
Alison Worland trading as Hatchwings	Business case peer review	54.80	54.80	-
Alluvium Consulting Australia Pty Ltd	Review and Evaluation of the Upper Coliban ICMP	45.34	45.34	-
Axiom Tree Management Pty Ltd	Tree management assessment	29.45	25.19	4.26
Biosis Pty Ltd	Environmental management advice	65.64	65.64	-
Blakemores Commercial Advisory	Development of the Operating Model	37.50	37.50	-
BM Management Consulting Pty Ltd	Financial Model Review	25.03	25.03	-
Capability Coach Trading Trust	Leadership support program	15.90	15.90	-
City Water Technology Pty Ltd	Asset management review	93.50	93.50	-
Converge International Pty Ltd	Staff health and wellbeing support services	15.95	15.95	-
Core Farming Pty Ltd	Agricultural management advice	17.17	17.17	-
Department of Energy Environment and Climate Action	Infrastructure, asset and building revaluations	92.54	92.54	-
Escient Pty Ltd	Core capability and workforce planning	529.68	529.39	-
ESS Earth Sciences Pty Ltd	Seismic monitoring services	29.65	29.65	-
FieldForce4 Pty Limited	Third party review O&M agreement	51.87	51.87	-
Fifteen50 Consulting Pty Ltd	Support compliance projects	348.36	234.89	113.47
GHD Pty Ltd	Engineering, architecture, environmental and construction services	795.10	795.00	-
Grantus Pty Ltd	Strategic funding advice	27.76	15.00	12.76
Hunter H2O Holdings Pty Limited	High solids process advice	31.66	31.66	-
Infracorr Consulting Pty Ltd	Asset management advice	161.78	115.91	45.87
Insync Surveys Pty Ltd	Customer satisfaction survey	18.50	18.50	-
Integral Technology Solutions Pty Ltd	Salesforce consulting templates	18.20	18.20	-
Jimmy Demetriou trading as AOC Specialist	Air and odour compliance specialist	62.93	26.50	36.43
Landair Surveys	Dam safety structural surveying	45.25	45.25	-
Maher Projects	Strategic environmental planning and advice	864.05	197.68	666.37
Marsden Jacob Associates Pty Ltd	Contract advice	230.07	228.57	1.50
P3 Outcomes Pty Ltd	Contract related advice	214.20	214.15	-
Paxon Consulting Group Pty Ltd	Toll model review	17.34	17.34	-
Practical Ecology Pty Ltd	Ecological consultation and advice	37.33	37.33	-
Premier Strategy Pty Ltd	Stakeholder relationship management strategy	105.50	105.50	-
RM Consulting Group Pty Ltd	Environmental and agricultural advice	93.65	93.65	-
RPS AAP Consulting Pty Ltd	Business transformation consultant services	434.21	426.92	7.29
Sequana Partners Pty Ltd	Rural channel modernisation advice	230.89	227.62	3.27
Sphere Infrastructure Partners Pty Ltd	Operations and maintenance services delivery model review	23.06	22.23	-
Victoria Chamber of Commerce and Industry	Change management assistance and advice	17.25	17.25	-
Total		5,678.99	4,786.50	891.22



Major consultancies

- 45 separate consultants each over \$10,000 (38 in 2023/24).
- Total expenditure (excluding GST) for major operational consultancies was \$4,786,496 (compared to \$2,389,930 in 2023/24).
- Major capital consultancies totalled \$12,785,844 (compared to \$5,357,447 in 2023/24).

Minor consultancies

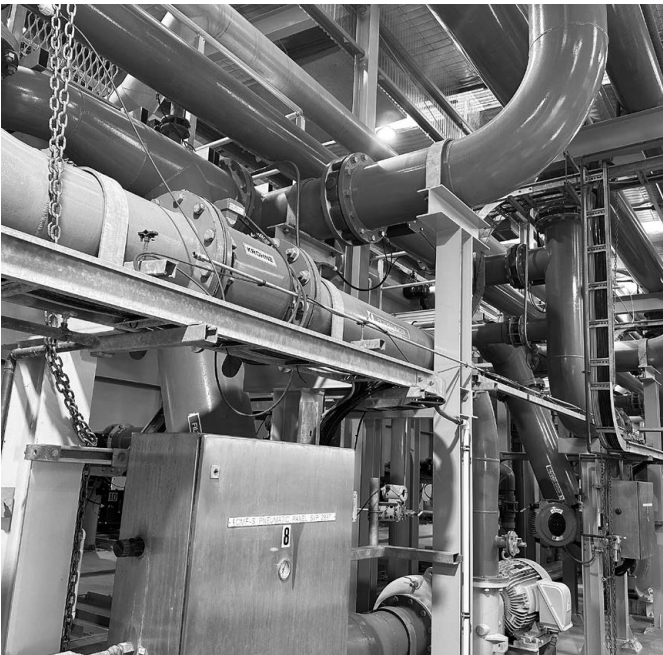
- 19 separate consultants each valued at less than \$10,000.
- Total expenditure (excluding GST) for minor consultancies was \$75,396 (compared to \$85,499 in 2023/24).

Capital

Consultant	Purpose	Total approved (exc GST) \$'000	Expenditure (exc GST) \$'000	Future expenditure (exc GST) \$'000
4Site Management Pty Ltd	Program advisor	125.00	94.68	30.32
AFS & Associates Pty Ltd	Probity advice	116.01	116.01	-
Alison Worland trading as Hatchwings	Business case peer review	57.00	57.00	-
Central Highlands Reg Water Corp	Staff secondment	27.50	27.50	-
Dja Dja Wurrung Clans Aboriginal Corp	Cultural heritage assessment advice	118.71	118.71	-
Escient Pty Ltd	Workforce planning	88.16	65.16	23.00
Fifteen50 Consulting Pty Ltd	Support compliance projects	587.47	572.08	15.39
GHD Pty Ltd	Engineering, architecture, environmental, and construction services	8,676.86	5,855.64	2,821.22
Grantus Pty Ltd	Strategic funding advice	56.11	33.00	23.11
Infor Global Solutions (ANZ) Pty Ltd	Information technology support	40.25	40.25	-
Infracorr Consulting Pty Ltd	Asset management advice	137.01	112.48	24.53
Invictus Partners Pty Ltd	Core capability due diligence	60.00	60.00	-
Jimmy Demetriou trading as AOC Specialist	Air and odour compliance specialist	36.25	16.25	20.00
Maher Projects	Strategic environmental planning and advice	769.78	590.69	179.09
Marsden Jacob Associates Pty Ltd	Contract advice	70.61	55.33	15.28
P3 Outcomes Pty Ltd	Contract related advice	149.10	55.35	93.75
PBJ & Associates	Engineering and strategic planning services	490.56	419.54	71.02
Practical Ecology Pty Ltd	Ecological consultation and advice	53.97	53.97	-
Regional Management Group Pty Ltd	Project and engineering consultancy services	883.07	883.07	-
RM Consulting Group Pty Ltd	Environmental and agricultural advice	73.25	73.25	-
RPS AAP Consulting Pty Ltd	Business transformation consultant services	50.12	44.34	5.78
Sequana Partners Pty Ltd	Rural channel modernisation advice	8,323.62	3,268.40	5,055.22
Torva Canis Pty Ltd	Core capability consultancy	230.41	173.14	57.27
Total		21,220.82	12,785.84	8,434.98

Disclosure of government advertising expenditure

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



Information and communication technology (ICT) expenditure

Costs to provide business enabling ICT services

There was a total ICT expenditure of \$11.0 million in 2024/25 as detailed below.

	(\$'000)
Business as usual	10,241.13
Non-business as usual	771.22
Operational expenditure	0.00
Capital expenditure	771.22
Total	11,012.35

ICT expenditure refers to the costs of providing business enabling ICT services. It includes business as usual and non-business as usual expenditure.

Non-business as usual expenditure relates to extending or enhancing our current capabilities. The spend of \$0.77 million included investment in our control room, related CCTV monitoring projects, and SCADA (Plant Systems) security capability uplift projects delivered within capital projects.

Business as usual expenditure reflects all remaining ICT expenditure, mostly replated to ongoing activities to operate and maintain the current ICT capability and security.



Disclosure of review and study expenses

In addition to our regular internal and external audit programs, during 2024/25 there were 18 reviews and studies undertaken with a total cost of \$664,511. Details of individual reviews and studies are outlined below.

Name of review	Reason	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
La Trobe University Industry PhD research	Enhance capabilities in analysing operational data	Develop algorithms and tools for detecting anomalies in operational data	Enhanced operational reporting (anticipated completion December 2026)	25,200	75,600	Y
Trade Waste Costs and Recoveries Guidelines (WSAA) ¹	Industry review of trade waste cost information and tariff structures	Benchmarking of expenses related to trade waste and tariff structures of numerous Australian water corporations and councils	Industry benchmark information for trade waste pricing guidelines	1,364	1,364	N
Carbon Offsets proof of concept and build phase (VicWater) ¹	To determine the feasibility of a collective approach to the purchase of Australian Carbon Credit Units	Establishment of a special purpose vehicle to undertake project	Achievement of Net Zero Carbon target	23,147	–	N
TOTEX benchmarking study (WSAA) ¹	To provide an understanding of our spend across different areas of the business and how it compares with peers in the water sector	Benchmarking of capital and operating expenses across different functions across numerous water corporations within Australia (four-year study)	Gain visibility to segments of the business where efficiencies could be achieved Assist in understanding the cost of future operating model decisions	20,000	–	N
Energy Flexibility for Water Corporations (Race for 2030 Ltd) ¹	To determine the benefits of load and demand programs at key Coliban Water sites	Develop a machine learning model to optimise demand management programs	Inform the development of a large solar and battery array	50,000	100,000	Y
RD&I Ecosystem Program (WSAA) ¹	To leverage an industry-wide program to gain exposure to new and innovative technologies	Deliver technology scans, evaluations and presentations that will add the most value to the members and will help increase industry capability	Exposure to innovative new technologies, increasing ability of the organisation to deliver cost effective operational solutions	10,240	–	N
Ammonium-selective membranes to shift water industry into circular economy (RMIT) ¹	To improve circular economy outcomes in the water industry	Develop membranes that can efficiently extract ammonium from wastewater	Further understanding of the feasibility of extracting nutrients from waste streams	5,000	–	N
ARC Training Centre for Transformation of Australia's Biosolids resource (South East Water) ¹	Industry-wide research on biosolids treatment and re-use opportunities	Improve existing knowledge to advance the management, transformation and reuse of biosolids in agriculture	Improved technologies, enhanced products, and sustainability	5,000	25,000	Y ²
Campbells Creek Aboriginal Waterway Assessment	Dja Dja Wurrung Partnership Agreement Recycled Water Strategy and Castlemaine Water Reclamations Plant (WRP) approvals	Engagement with Kapa Gatjin to identify areas where the Castlemaine WRP Upgrade project can support DJAARA goals of healthy county and waterways	Environmental Flows Study for Campbells Creek to be scoped and led by DJAARA in 2025/26	75,000	74,800	N

Continued over page

Disclosure of review and study expenses (continued)

Name of review	Reason	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
Castlemaine WRP EPA Approvals Technical Investigations	Seeking EPA Victoria approval for the Castlemaine WRP Upgrade	Environmental Risk Assessment (ERA) Human Health Impact Assessment – Campbells Creek Greenhouse Gas Emissions Assessment Odour Impact Assessment (Level 3) Noise Impact Assessment	EPA Development Licence that sets the conditions that must be met for the Castlemaine WRP upgrade, covering construction, commissioning, water discharge limits, waste management, noise, odour, and risk management obligations	180,000	196,720	Y ³
Bendigo Creek Waterway Monitoring and ERA Updates	Responding to EPA guidance on knowledge gaps relating to the Bendigo WRP discharge to Bendigo Creek	ERA technical review and additional monitoring (new sites, parameters)	Actions to address knowledge gaps and improve discharge risk management and upcoming Development Licence Application for the Bendigo WRP Upgrade	60,000	83,690	*
Coliban Water Source Water Quality Data Assessment (Aquatic Environmental Stress Research Group (AQUEST) at RMIT)	Strategic review of our source water monitoring program for the Upper Coliban River Catchment	To review available data collected with the view of identifying any improvements to the program	Recommendations on how the program could be improved so that the program provides meaningful data on water quality	40,940	40,940	N
Review and evaluation of the Upper Coliban Integrated Catchment Management Plan (ICMP) (Alluvium)	To review and evaluate the ICMP for the Upper Coliban River catchment area which was developed seven years ago. The ICMP underpins the 'A Healthy Coliban Catchment program'	To assess the ICMP implementation and recommend any areas for improvement	The findings of the review will form the basis of an update to the ICMP to ensure that it remains fit-for-purpose for the next phase of its implementation	49,869	49,869	N
Review and Evaluation of the Upper Coliban Integrated Catchment Management Plan (ICMP) (Alluvium)	To review and evaluate the ICMP for the Upper Coliban River catchment area which was developed seven years ago. The ICMP underpins the 'A Healthy Coliban Catchment program'	To assess the ICMP implementation and recommend any areas for improvement	The findings of the review will form the basis of an update to the ICMP to ensure that it remains fit-for-purpose for the next phase of its implementation	49,869	49,869	N
Trentham Stormwater Risk Assessment (Streamology)	To risk assess the impact of stormwater from Trentham on the Upper Coliban River which flows into our Coliban Water storages (Trentham's population is rapidly expanding and is located towards the top end of the Upper Coliban River catchment)	To conduct a risk assessment on the current and likely future impact of stormwater runoff from Trentham on the Upper Coliban River	Supporting evidence for engagement with local government around future land use planning and the impact that stormwater has on the Coliban Water storages	60,473	60,473	N

Continued over page

*Will be available in future on Engage Victoria

Disclosure of review and study expenses (continued)

Name of review	Reason	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
Risk Management and Monitoring Plan (RMMP) Audit Program	It is a requirement of our EPA operating licences and General Environmental Duty to have and maintain a RMMP for our EPA licenced sites	Review RRMP against guidance		5,808	-	N
Confirm onsite activities reflect contents of the RMMP	To retain ISO certification for safety, quality and environment management systems	Certification to nominated ISO standards	Recommendations	9,920	9,920	N
Identify discrepancies, omissions or out of date information	Compliance with regulatory obligations and continual improvement of our systems	Review Health Safety and Wellbeing controls within contractor management	Recommendations	26,100	26,100	N
Castlemaine WRP Soil Classification Report	To determine the classification of soils within nine biosolid drying lagoons and the surrounding embankments of the Castlemaine WRP	Works included sampling and classifications of base and banks of the lagoons as well as an area to the northwest	Recommendations	16,450	16,450	N
				714,380	810,795	

1) Coliban Water's contribution to a larger piece of work

2) <https://www.transformingbiosolids.org.au/>

3) Coliban Region Water Corporation (APPO40208) | Engage Victoria

Grants and transfer payments (other than contributions by owners)

We did not provide any grants or transfer payments in 2024/25.

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 emergency procurement

Two Level 2 Incidents were declared during the year that required emergency procurement. The total spend for non-construction emergency procurement was \$6,035.87.

Incident	Nature of emergency	Date emergency procurement plan activated	Goods and services procured	Total spend (\$ excl GST)	Number of contracts awarded >\$100,000 (inc GST)
Cohuna high level tank leak	Steel corrosion leading to the partial failure of a welded joint at the connection inlet of the pipe that feeds the high-level tank	5 March 2025	Bottled water Water carting	4,515.87	0
Guildford disruption of supply Boil Water Advisory	Burst water main resulting in approximately 130 customers with no supply or minimal pressure for an extended period of time	3 May 2025	Bottled water Water carting	1,520.00	0

Additional information and statement of availability

Additional information available on request

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 *Freedom of Information Act 1982*.

- Current and previous Annual Reports, Customer Charter, Price Submission 2023 to 2028, and other publications produced by Coliban Water about itself.
- Details of major external reviews carried out on Coliban Water.
- Details of major research and development activities undertaken by Coliban Water.
- Details of major promotional, public relations, and marketing activities for community awareness.
- Details of changes in prices, fees, charges, rates, and levies.
- Details of overseas visits undertaken.
- Assessments and measures undertaken to improve occupational health and safety for employees.
- A statement on industrial relations within the entity and details of time lost through industrial accidents and disputes.
- Coliban Water's major committees, their purpose, and the extent to which this purpose has been achieved.
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed to for each engagement.
- A statement of completion of declarations of pecuniary interests by relevant officers.

Details can be requested from our Authorised Officer, Corporate Secretary Coliban Water on 1300 363 200 or by emailing coliban@coliban.com.au.

Our Reconciliation Action Plan, Diversity and Inclusion Plan, and Community Engagement Plan are available on our website coliban.com.au.

Information not applicable to Coliban Water

A declaration of shares held by senior officers (no shares have ever been issued in Coliban Water).

Summary of an entity's environmental performance

The sustainability of our operations is underpinned by our Environment and Sustainability Policy. We seek to improve environmental performance through our certified Environmental Management System. In 2024/25 we achieved our Statement of Obligations (Emissions Reduction) target with total emissions of 29,077 tonnes CO₂-e, demonstrating our commitment to reach our Net Zero Carbon target by 2030.

Despite this achievement, our emissions rose by 62.9% compared to 2023/24 due to the requirement to operate the Goldfields Superpipe to address water security issues.

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, while our capital program is being delivered to mitigate known issues.

During 2024/25, we received one Improvement Notice for a recycled water spill at the Bendigo Water Reclamation Plant. Channel upgrade works have been completed in line with the notice.

In addition, significant progress has been made to rectify ongoing seepage issues at the Cohuna Water Reclamation Plant. Land has been purchased, and designs for additional lagoons are well advanced.

The number of EPA regulatory breaches was significantly lower than in recent years.

Reporting of environmental data

Reporting on **MRD 01 Climate Change and Energy** is provided on page 40.

Data availability and context

Environmental performance data was collected and reported in accordance with the National Greenhouse Emissions Reporting Scheme methodology.

Organisational boundary

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 5,086MWh, however the electricity for these sites is covered by 100% greenpower.

Local Jobs First

The *Local Jobs Act 2003* brings together the previous Victorian Industry Participation Policy (VIPPP) and Major Project Skills Guarantee (MPSG), which were previously administered separately.

The Local Jobs First Policy ensures 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 (MPSG) is applied to construction projects valued at \$20 million or more.

2024/25	Local Jobs First	Total value	MPSG	% metro, regional or statewide	Outcomes
Projects commenced	Seven Local Jobs First standard projects were awarded to six small-to-medium businesses and three large businesses. One Local Jobs First strategic project commenced.	\$129.4 million	1 project	100% regional	An average of 93% of local content commitment was made. A total of 74.11 jobs (AEE) were committed, including the creation of 9.53 (AEE) new jobs, and the retention of 64.58 existing jobs (AEE), noting two of these projects related to panel contracts. A commitment of a total of 3.65 apprentices, trainees and cadets created/retained (AEE).
Projects completed	Five Local Jobs First standard projects were completed with one small and four small-to-medium businesses. No strategic projects were completed.	\$20.7 million	NA	100% regional	An average of 88% local content commitment was achieved. Retention of 49.99 existing jobs (AEE). Four post-contract review reports were completed and one post contract review report was requested.



Workforce data disclosures

	2024-25							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
Gender														
Female	131	123.7	83	21	98.1	27	25.6	122	115.6	85	21	100.8	16	14.8
Male	171	169.1	132	5	135.9	34	33.2	155	153.2	131	5	134.9	19	18.2
Self-described	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Age														
15-24	2	2.0	1	0	1.0	1	1.0	4	4.0	2	0	2.0	2	2.0
25-34	68	66.1	51	3	52.9	14	13.2	65	63.6	54	5	57.6	6	6.0
35-44	97	93.0	67	12	76.1	18	16.9	83	79.4	62	10	69.7	11	9.8
45-54	81	80.4	58	3	60.4	20	20.0	87	85.4	69	4	72.1	14	13.3
55-64	49	47.2	36	5	39.5	8	7.7	33	32.0	27	4	30.0	2	2.0
65+	5	4.1	2	3	4.1	0	0.0	5	4.3	2	3	4.3	0	0.0
Classification														
Band 1	1	0.9	0	0	0.0	1	0.9	1	0.9	0	0	0.0	1	0.9
Band 2	47	44.1	33	6	37.3	8	6.8	46	44.7	38	6	42.7	2	2.0
Band 3	63	61.3	44	5	47.7	14	13.6	51	49.2	37	4	40.1	10	9.1
Band 4	97	94.0	74	10	81.5	13	12.5	82	78.4	64	12	72.9	6	5.5
Band 5	40	38.9	30	3	31.9	7	7.0	43	42.3	36	1	36.7	6	5.6
Band 6	28	27.6	23	2	24.6	3	3.0	27	26.3	19	3	21.3	5	5.0
Band 7	15	15.0	11	0	11.0	4	4.0	18	18.0	13	0	13.0	5	5.0
Other Executives	5	5.0	5	0	5.0	0	0.0	4	4.0	4	0	4.0	0	0.0
Senior Executives	6	6.0	6	0	6.0	0	0.0	5	5.0	5	0	5.0	0	0.0
Total employees	302	292.8	215	26	234.0	61	58.8	277	268.7	216	26	235.7	35	33.0

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. Senior Executives are direct reports to the Managing Director. No Executive employees are working part-time.

Employees have been correctly classified in workforce data collections.

The increase in headcount was primarily due to the commencement of transformational and infrastructure projects, resulting in most of the additional roles being fixed-term positions.

Salaries

Annualised total salary for Executive Officers

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

Salary range		Executives
190,000	209,999	1
210,000	229,999	1
230,000	249,999	3
250,000	269,999	0
270,000	289,999	2
290,000	309,999	2
310,000	329,999	0
330,000	349,999	0
350,000	369,999	1
430,000	449,999	1

Social procurement activities under the Social Procurement Framework

Our priority social procurement objectives are:

Environmentally sustainable outputs	Opportunities for priority Victorian job seekers	Sustainable Victorian social enterprises and Aboriginal business sectors
- Project specific requirements to use sustainable resources and to manage waste and pollution. - Use of recycled content in construction works.	Purchasing from Victorian social enterprises and including job readiness and sustained pathways to employment for: - Long term unemployed people. - Those at risk of long-term unemployment.	Achieved through procurement from Victorian social enterprises, Victorian Aboriginal businesses or other 'Social Benefit Suppliers' engaged by Coliban Water to directly deliver social and sustainable outcomes.

Our achievements in 2024/25

Engaged nine social benefit suppliers for a total spend of \$539,224.	Engaged three Victorian Aboriginal businesses.	Established nine contracts that included social procurement commitments.	Partnered with Social Traders to help us identify increased opportunities for expenditure with social enterprises	Updated our priority social procurement objectives to better align with the business' increased focus on environmental sustainability.	Updated tender documents to better capture measurable Social Procurement commitments.
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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.

A handwritten signature in dark ink, appearing to read 'Bob Cameron'.

Bob Cameron

Chair from 1 October 2021

Date: 29 August 2025



Ministerial Directions (MRDs)

MRD 01 - Climate change and energy

Emissions reduction

Projects or initiatives to reduce scope 1 and 2 emissions

We have been actively pursuing a carbon sequestration project on our own property to reduce our scope 1 direct emissions. In addition, we have been actively involved in the development of an industry supported sequestration to collectively sequester carbon. These projects will offset our current emissions and allow for future emissions.

Reporting a full breakdown of scope 1 emissions by greenhouse gas

Scope 1 emissions by greenhouse gas
(source greenhouse gas reported in t CO₂-e))

	Carbon dioxide (CO ₂)	Methane (CH ₄)	Nitrous oxide (N ₂ O)	Other
Service delivery category	t CO ₂ -e	t CO ₂ -e	t CO ₂ -e	t CO ₂ -e
Water treatment and supply	0	0	0	0
Sewage collection, treatment, and recycling	0	501	1,177	0
Transport	1,114	0.2	7.8	0
Other (e.g. offices, depots, etc.)	0	0	0	0
Total	1,114	501.2	1,184.8	0

Scope 1 and 2 emissions (t CO₂-e)

	2023/24	2024/25 Scope 1 and 2 emissions			Variance % between 2023/24 and 2024/25	
Service delivery category	Total scope 1 and 2 emissions	Scope 1 emissions	Scope 2 emissions	Total emissions		Commentary
Water treatment and supply	3,749	0	10,948	10,948	192	The Goldfields Superpipe commenced operation in Dec 2024 to supply water to Bendigo
Sewage collection, treatment, and recycling	12,743	1,678	14,966	16,644	32	Includes LGC reduction of 924tCO ₂ -e Variance is due to retiring less LGCs in 2024/25
Transport	956	1,122	0	1,122	17.4	Increase in vehicles due to an increase in the capital delivery program
Other (eg offices, depots, etc.)	398	0	363	363	8.8	Staff were consolidated into one main office location
Total emissions (after REC retirement) (a)	17,846	2,800	26,277	29,077	62.9	
Net emissions (after offset retirement) (a-b)	17,846	2,800	26,277	29,077	62.9	

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

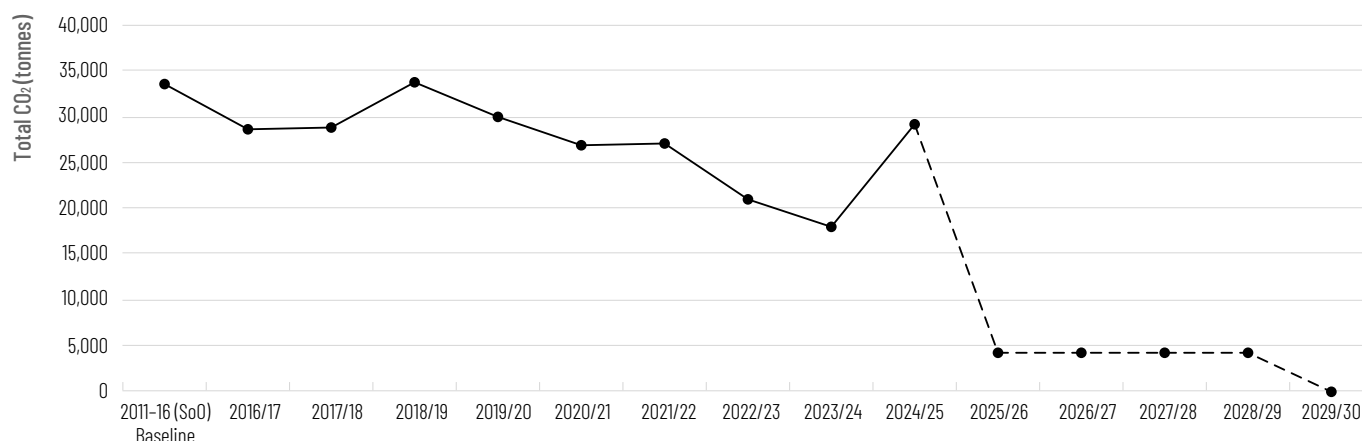
Public registry

N/A	0	0	0	0	0
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MRD 01 - Climate change and energy (continued)

Progress towards upcoming five-year emissions target

Net greenhouse gas emissions (tonnes of CO₂ equivalent)



Total electricity use and sources

Service delivery category	2023/24 total electricity consumption (MWh)	2024/25 total electricity consumption (MWh)	Commentary
Water treatment and supply	4,926	14,564	This includes of the behind meter consumption of solar generated electricity
Sewage collection, treatment, and recycling	19,846	20,764	This includes of the behind meter consumption of solar generated electricity
Other (eg offices, depots, etc.)	504	475	Staff were consolidated into one main office location
Total	25,276	35,804	

Electricity source	2023/24 total electricity consumption (MWh)	2024/25 total electricity consumption (MWh)	Commentary
Purchased directly through an electricity retailer	25,276	35,330	Total consumption less behind meter consumption
Not directly purchased but sourced from outside the organisation	0	0	N/A
Water corporation led/self-sourced activities and initiatives	240	474	Large solar installation at Kyneton Water Reclamation Plant in 2024/25
Total	25,516	35,804	

Energy use

Total energy usage	Renewable (GJ)	Non-renewable (GJ)	Total (GJ)	Commentary
From fuels	0	15.96	15.96	
From electricity	1,705.68	127,187.39	128,893.07	
Total	1,705.68	127,203.35	128,909.03	

Total energy usage per connection

Total energy usage (fuels and electricity) in GJ	Total connections	Energy usage (GJ) per connection	Commentary
128,909.03	82,530	1.56	

MRD 01 - Climate change and energy (continued)

Renewable energy

Increasing renewable energy

We have been investigating solar photovoltaics at Rochester Water Treatment Plant as part of the roll-out of our renewable energy program.

We have commenced the development of a business case for the Lake Eppalock hydroelectricity generation and battery energy storage system (BESS) project that should generate more than 3000 megawatt hours per year.

To enable our Bendigo Water Reclamation Plant large-scale solar and BESS Project, a concept design is being developed to inform the current upgrade program on site.

Renewable electricity consumption categories	2023/24 renewable electricity consumption (MWh)	2024/25 renewable electricity consumption (MWh)	2024/25 renewable electricity consumption (% of total consumption)	Variance (%) between 2024/25 and 2023/24	Commentary
Total renewable electricity consumption from grid-sourced electricity Coliban Water reported because of the Commonwealth Government's LRET					
Total grid-sourced: mandatory	4,686.8	6,398.5	18.2	37.2	The Goldfields Superpipe commenced operation in Dec 2024 to supply water to Bendigo
Total renewable electricity consumption from Corporation led/self-sourced activities and initiatives					
Biogas	0	0	0	0	
Hydroelectric	0	0	0	0	
Solar	239.9	473.8	1.32	97.5	Large solar installation at Kyneton Water Reclamation Plant in 2024/25
Wind	0	0	0	0	
Other renewable	0	0	0	0	
Total renewable electricity consumption	239.9	473.8	19.52	97.5	

Renewable electricity source	2024/25 total on-site renewable electricity generation capacity (MW)	2024/25 total on-site renewable electricity generated (MWh)				Commentary
		Consumed on-site	Exported	Other purposes	Total generated (By source)	
Biogas	0	0	0	0	0	
Hydroelectric	0	0	0	0	0	
Solar	0.654	473.8	242.2	0	716	Large solar installation at Kyneton Water Reclamation Plant in 2024/25
Wind	0	0	0	0	0	
Other renewable	0	0	0	0	0	
Total (renewable)	0.654	473.8	242.2	0	716	

Non-renewable electricity source	2024/25 total on-site non-renewable electricity generation capacity (MW)	2024/25 total on-site electricity generated (MWh)				Commentary
		Consumed on-site	Exported	Other purposes	Total generated (By source)	
Non-renewable sources	0	0	0	0	0	Nil
Total (non-renewable)	0	0	0	0	0	Nil

Energy storage system	2024/25 total energy storage system power capacity (MW)	2024/25 total energy storage system storage capacity (MWh)	Commentary
Total: energy storage systems – nil	0	0	Nil

MRD 01 - Climate change and energy (continued)

Greenhouse gas emissions (tonnes CO₂-e)

REC retirement method	RECs retired 2024/25 (1REC = 1 MWh renewable electricity)	Commentary
Voluntarily retired by Corporation	1,200	Large generation certificates
GreenPower	38.28	For EV charging
Certified carbon neutral electricity purchased	0	N/A
Voluntarily retired on Corporation's behalf	0	N/A
Mandatorily retired or conveyed to Corporation's electricity retailer for mandatory retirement (if applicable)	0	N/A
Total RECs retired to reduce scope 2 emissions	1,238.28	

Transportation: number of vehicles

Transportation vehicle category	Transportation vehicle engine/fuel type							Commentary
	Petrol	Diesel	LPG	Petrol hybrid	Diesel hybrid	Battery electric	Other	
Passenger vehicles	8	94	0	2	0	4	0	
Goods vehicles	0	12	0	0	0	0	0	
Total	8	106	0	2	0	4	0	

Transportation: Vehicle emissions and energy use

Transportation vehicle category	Transportation total energy use by fuel type (GJ)							Fuel type totals		Commentary
	Petrol	Diesel	Biodiesel	Renewable diesel	LPG	Electricity	Other	Total energy use (GJ)	Total emissions (t CO ₂ -e)	
Passenger vehicles	0.437	13.374	0	0	0	13.7	0	13.811	967.74	
Goods vehicles	0	1.95	0	0	0	0	0	1.95	140.78	
Total energy use (GJ)	0.437	15.324	0	0	0	13.7	0			
Total emissions (t CO₂-e)	29.54	1,078.98	0	0	0	0	0			EV use Green Power

Additional reporting

Stationary fuels	Total stationary fuel use (buildings and machinery)		Commentary
	In GJ	In t CO ₂ -e	
Fossil gas	0	0	
Biogas	0	0	
Diesel	0	0	
LPG	0	0	
Petrol	0.198	13.36	For use in generators
Other	0	0	
Total	0.198	13.36	

Adapting to climate change

The Climate Change Risk Management Strategy was completed with a tiered approach of assessing climate risk, considering risk at strategic, site-specific and project levels.

Large infrastructure upgrade projects have developed a set of design principles including climate resilience, net zero carbon and circular economy. These principles will guide the design through the different stages of development.

MRD 02 – Customer and community engagement

Bills

Total urban bills for 2024/25

Indicator	2024/25
Residential bill – owner occupier The actual bill for an owner-occupier with typical (average) water use in the year	\$1,601.74
Residential bill – tenant The actual bill for a tenant with typical (average) water use in the year	\$537.77
Typical (average) water use (kilolitres) assumed in owner-occupier and tenant bill calculations	205.1
Non-residential bill – business The annual bill for a business using 3 megalitres per annum in the year	\$12,060.19

Total rural bills for 2024/25

Rural bills	Area/district/region	2024/25
Total rural bill domestic and stock supply – (5.0 megalitres stock and domestic customer) ¹	Modernised (Harcourt)	\$4,556.78
Total rural bill domestic and stock supply – (3.2 megalitres stock and domestic customer) ²	Unmodernised (all other systems)	\$2,709.12
Total rural bill regulated diversions ³		N/A
Total rural bill unregulated diversions ³		N/A

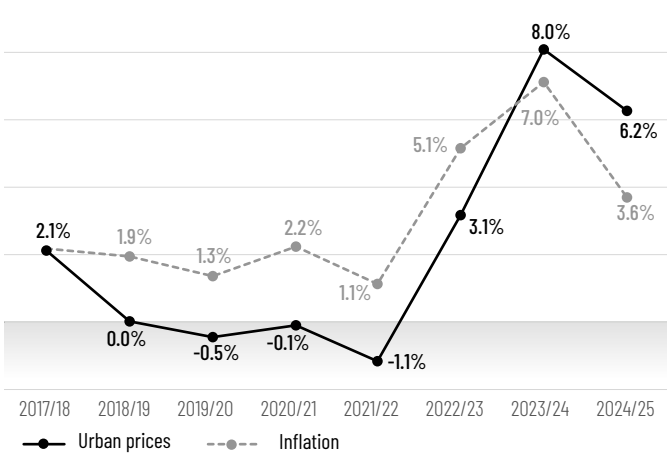
1. Calculation based on a modernised customer consuming 5.0 megalitre water with 10.0 megalitre licence volume and 25mm modernised access.
2. Calculation based on an unmodernised customer consuming 3.2 megalitre water with 7.0 megalitre licence volume and channel access.
3. Coliban Water does not have regulated or unregulated diversion customers.

Efforts to manage pricing impacts for urban water services

We are currently in a high inflation environment, with inflation rates for 2023/24 (+7.0%) and 2024/25 (+3.6%) well above the long-term +2.5% target. This followed the 2017/18 to 2021/22 period of very low average inflation (average +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 2.5% in 2024/25 plus inflation (+6.2% overall).
- Household owner-occupiers saw a (real) bill increase of +6.3% from a combination of higher prices and much higher average consumption.
- Tenants saw a real increase of +14.8% as their bills are more sensitive to water usage (tenants only pay for water used).
- Average household consumption increased from 183.1 kilolitres to 205.1 kilolitres (+12%) this year.
- A non-residential customer using 3.0 megalitres of water saw a +2.5% real bill increase in 2024/25.



Financial support

Support is offered to urban customers experiencing vulnerability through our Coliban Assist program.

MRD 02 – Customer and community engagement (continued)

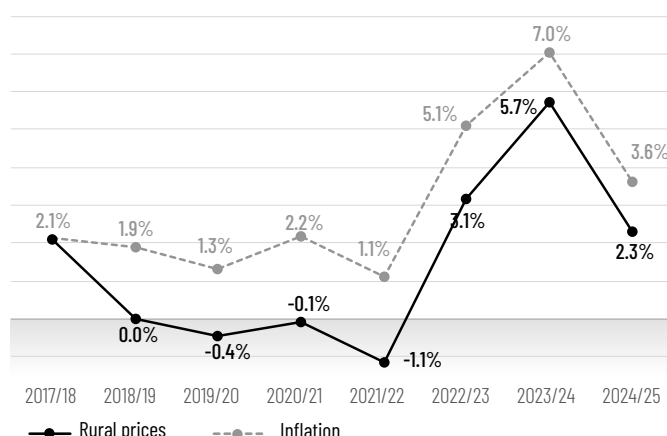
Efforts to manage pricing impacts for rural water services

Rural prices fell by -1.3% (excluding inflation) in 2024/25. Including inflation, average bills for unmodernised (gravity) and modernised (Harcourt) customers increased by +2.3%, based on average usage. From next year, rural prices will move in line with inflation through to 2027/28. Rural prices have increased by less than inflation every year for the past seven years.

We meet with our Rural Customer Advisory Group (CAG) quarterly to discuss rural services, including pricing and service levels and the Rural Water Efficiency Project. Feedback from the Rural CAG led to us adopting the current price path for the PS23 regulatory period, on the basis that no major investment has been proposed for rural services.

Financial support

Support is offered to rural customers experiencing vulnerability through our Coliban Assist program.



Operational performance indicators

Operational performance

Customer responsiveness and bill support indicators	ESC Code	2024 result	2025 result	Variance to 2024	2025 target (from Corporate Plan)	Variance to target
Water bills – customers on flexible payment plans Number of customers with instalment plans	UPP 1	5,437	6,589	22% ¹		
Water bills – customers awarded hardship grants Number of customers awarded hardship grants	UPP 6	2,799	1,107	-60% ²		
Customer responsiveness – water quality complaints ¹ Number of complaints per 100 customers	CRS 4	0.27	0.40	48% ³	0.35	14% ³
Customer responsiveness – number of payment issue complaints Number of complaints per 100 customers	CRS 7	0.04	0.05	25% ⁴	0.28	-82% ⁴
Customer responsiveness – total complaints Number of complaints per 100 customers	CRS 3	0.81	0.78	-4% ⁵	0.80	-3% ⁵

Notes:

- Customers on flexible payment plans. Variance attributable to continued cost of living pressures together with promotion of Coliban Assist and introduction of service restrictions.
- Variance attributable to the Echuca/Rochester flood supports provided in 2023/24, which temporarily increased the number of customers receiving support.
- Increase in complaints attributable to a water quality incident in early 2025 which affected the suburbs of Huntly and Epsom with a discoloured water event for approximately one week until resolved.
- The variance in billing complaints can be attributed to greater focus on billing fees and charges in a high cost of living environment. No systemic issues were identified.
- Total complaints experienced a minor reduction in overall numbers and is reflective of the focus on the customer experience.

MRD 02 – Customer and community engagement (continued)

Customer and community engagement

We engage with our customers and stakeholders through a range of forums to help us prioritise, plan and better meet their needs. Topics of engagement include our services and available assistance, our prices, environmental impact, community support and education, capital works and infrastructure programs, and our performance against their expectations.

The day-to-day interactions of our Customer and Stakeholder Experience teams with the public allow us to monitor customers' interactions, 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 about our strategic direction 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. Our connection with stakeholders is through steering committees, working group memberships, operational committees, regional planning groups, industry connections and forums, site and facility tours, workshops, meetings and partnerships. This creates two-way dialogue and boosts engagement and understanding of each other's core business and needs.

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

Concessions

	2024 total actual (or nominal) dollar amount of concessions provided in year (\$)	2024 total number of customers provided concessions in year (number of customers)	2025 total actual (or nominal) dollar amount of concessions provided in year (\$)	2025 total number of customers provided concessions in year (number of customers)
Community service obligations				
Provision of water and sewerage concessions	6,721,260.71	23,520	7,144,502.37	24,253
Rebates paid to not-for-profit organisations under the water and sewerage rebate scheme	440,205.71	1,744	432,818.13	1,696
Utility relief grant scheme payments	433,380.85	950	696,067.75	1,457
Water concession on life support machines	0	0	0	0
Hardship relief grant scheme (water and sewerage connection scheme)	0	0	0	0

MRD 03 – Recognise Aboriginal values

Engaging with Traditional Owners

Partnerships with Traditional Owners/Traditional Owner Groups

We entered a partnership agreement with DJAARA in November 2024, which sets a vision, approach, and behaviours in an agreement based on mutual respect and trust.

We have continued an active funding partner in Wanggal, the steering group for the Dja Dja Wurrung Gatjin Strategy. We have established governance and working groups to actively manage and grow our partnership within the commitments outlined in our partnership agreement.

Traditional Owner opportunities

Through the Rural Water Efficiency Project, DJAARA and Taungurung Land and Waters Council have each been offered 150 megalitres from the expected water savings from the modernisation of our rural channel network. The total return of 300 megalitres to Traditional Owners is a key feature of the detailed business case and supporting funding application.

Supporting Aboriginal self-determination

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

First rights of refusal for natural resources management works continue to be provided to DJAARA's business arm – Djandak. Natural resources management (NRM) works include fuel reduction, rural channel decommissioning, fencing, and general maintenance. We are working towards a five-year NRM works program to increase visibility for Djandak to plan their works and strengthen their capacity.

Number of tender requests received 2024/25	Number of tender requests received from Aboriginal Enterprises 2024/25	Total number of tender requests accepted from Aboriginal enterprises 2024/25
64	3	3

MRD 04 - Recognising recreational values

Recreational values in business operations

We have four designated recreational areas, Barkers Creek, Lauriston, Malmsbury and Upper Coliban Reservoirs. Recreational facilities at these locations are continuously maintained and improved to provide ongoing visitor enjoyment.

Our planned projects include:

- Extension of the Upper Coliban boat ramp at Premier Mine Road. Due to low water levels in Upper Coliban Reservoir the ramp is currently closed. An extension will allow on-water recreation to occur over a wider range of levels.
- Lauriston on-water access pontoon. We are investigating available grants with Better Boating Victoria to improve on-water recreation access at Lauriston Reservoir. If we are successful in receiving a grant, we will install a pontoon system with wheelchair accessibility for on-water recreation at Lauriston Reservoir in 2025/26.

Enhanced accessibility to recreational areas will improve the visitor experience and safety, but will also assist in protecting the environmental, water quality, and cultural heritage values at these sites.

Past examples include:

- Upgrades to access steps at both Barker's Creek and Upper Coliban Reservoir dam walls.
- Access track improvements at Lauriston Reservoir's Shepherds Hill Reserve have improved accessibility for those wishing to visit the area by car.
- A pedestrian access track at the Lauriston Saddle car park to reduce pedestrian movement on the roadway.

Collaboration and engagement with stakeholders

Consultation with a wide range of stakeholders regarding the draft Recreation Management Plan for Upper Coliban, Barkers Creek, Lauriston, and Malmsbury Reservoirs commenced in late 2024/25.

Our website contains information for visitors to our recreation areas. Information is updated regularly. Changes to conditions, access, or permitted activities are communicated through the website and social media channels. We also complete targeted messaging for issues such as water safety and fire risk for recreational users. We are currently investigating the possibility of providing live site condition updates via the installation of a weather station at Lauriston Reservoir.

We engage with various stakeholders about our operations and project works at recreational areas. The main stakeholders involved in the planning and delivery of recreational improvement projects include:

- DJAARA
- Djandak (project works delivery)
- Better Boating Victoria
- Victoria Fisheries Authority
- Local Councils
- Community groups

Specific projects have included:

- Preliminary engagement with DJAARA regarding the Recreation Area Management Plan.
- Engagement and delivery of drainage and civil works at the Premier Mine boat ramp in partnership with Djandak.
- Kyneton Angling Club hosted a fishing for mental health day at Lauriston. Our staff assisted where required and worked with the angling club to provide a better experience. The day also provided the opportunity to interact with Macedon Ranges Shire Council representatives.
- Consultation with Better Boating Victoria to improve on-water recreation access points including scoping potential works at Premier Mine Road and Shepherds Hill reserves.

MRD 05 - Resilient and liveable cities and towns

Integrated Water Management

We actively participate in Integrated Water Management (IWM) forums, including:

- Championing the IWM forum through the Manager of Integrated Water Strategy, who chairs practitioner meetings.
- Co-fund a role between DEECA, Coliban Water, and the City of Greater Bendigo for an IWM Officer. We host this role, but it plays a role regionally in supporting partner organisations progress their priority IWM actions.

In 2024/25, we contributed in-kind and financial resources to develop the following IWM plans and strategies:

- Integrated Water Management Strategy for Bendigo's Western Growth Corridor (includes Bendigo Regional Employment Precinct).
- Business Case for a Lower Coliban Healthy Country Plan (a DJAARA led initiative).
- North Macedon Integrated Water Management Plan.

In 2024/25, we led the implementation of projects identified within the strategic direction statement for our IWM forum, which include:

- Business Case for Managed Aquifer Recharge as a drought mitigation strategy for Bendigo.
- Alternative water for public open greening, exploring opportunities for diverse water supplies for priority spaces with local governments.

Water efficiency and water recycling

Our digital metering has allowed us to take a proactive role in leak detection, helping customers identify trends in water consumption and find ways to minimise usage.

Our education and events presence in all communities promotes our water saving campaigns and has an increased focus on climate change impacts on our unreliable catchment.

We work together with culturally and linguistically diverse groups, creating content to educate on water efficiencies.

We support the Resource Smart Schools water module, as well as promote the Schools Water Efficiency Program. This is in addition to our locally relevant water education programs, as promoted on our website.

In 2024/25, we delivered the following projects to maximise the value of recycled water:

- Our Board endorsed our Recycled Water Strategy, which sets our strategic direction for recycled water service over the next 30 years. The strategic goals are:
 - > Resilient recycled water assets.
 - > Maximum value from recycled water.
 - > Grow a recycled water business.
- Through the design of the Rural Water Efficiency Project, we undertook design and analysis of opportunities to expand Class A recycled water network around Bendigo. This aims to reduce raw water use and greatly improve efficiency with our rural water network.

- Approved the Business Cases to upgrade the Recycled Water Factory and build a dedicated recycled water tank (2 megalitres) at Spring Gully Reservoir. Implementation of these projects will greatly improve the service to Class A recycled water customers.
- Commenced construction of Bendigo Water Reclamation Plant's solid handling processes, which in turn will improve the reliability of recycled water production.
- Completed a Detailed Business Case and supporting investigations for the upgrade of Castlemaine Water Reclamation Plant. The upgrade will replace the existing plant with new membrane bioreactor plant and be able to produce Class B recycled water. Treated wastewater releases will continue to support a platypus population in Campbells Creek.
- Insourced the operations of nine lagoon-based plants and the Recycled Water Factory. This is building our capability to deliver reliable and resilient water services.

Via the Rural Water Efficiency Project, a monitoring program was undertaken to determine the efficiency of the rural channel network. Results found channel network has overall delivery efficiency of 21%. This evidence is being included in the detailed business case and funding application to modernise the rural network.

A Business Case was approved to rehabilitate a trunk water main between Korong Vale and Wedderburn. The condition of the water main is poor and has significant losses of approximately 56% within the drinking water network. The project is to now proceed to the procurement and construction phase.

In addition, we:

- Progressed the Detailed Business Case for the Rural Water Efficiency Project and submitted a funding application to Resilient River Fund. This was underpinned by a series of detailed investigations, customer consultation, stakeholder engagement to build the evidence base to modernise the highly inefficient rural channel network.
- Continued building a regional SOURCE model, a new water resource modelling tool to project water demand and supply projections. This model will be used to update the Urban Water Strategy.

Reporting on community programs

Name of Program	Number of customers
Community Rebate Program	8
Community Housing Retrofit Program	0

Water consumption report

Reporting water consumption for residential and non-residential connections

			ML per year
Residential connections	(1) Total number of residential connections.		75,287
	(2) Total volume of potable water consumed by residential connections		15,444
	Per capita daily residential potable water consumption		85.18
	(3) Total volume of recycled water used by residential connections		78
	(4) Total volume of stormwater used by residential connections (supplied by water corporation)		0
Non-residential connections	(5) Total number of non-residential connections		7,278
	(6) Total volume of potable water consumed by non-residential connections		7,017
	(7) Total volume of recycled water used by non-residential connections for:	Commercial purposes	0
		Industrial purposes	0
		Agricultural purposes	3,078
		Municipal purposes	286
		Beneficial allocation	57
		Within process	0
		Total	3,421
	(8) Total volume of stormwater used by non-residential connections (and supplied by water corporation) for:	Commercial purposes	N/A
		Industrial purposes	N/A
		Agricultural purposes	N/A
		Municipal purposes	N/A
		Beneficial allocation	N/A
		Within process	N/A
		Total	N/A
	(9) Total number of connections		82,530
	(10) Total volume of potable water consumed by connections		22,461
	(11) Total volume of recycled water and stormwater used by connections		3,499
	(12) Total volume of water used by connections		25,960
	Average annual water consumption		20,358
Non-revenue water	(13) Volume of non-revenue water attributed to leakages		3,009
	(14) Volume of non-revenue water attributed to firefighting		0
	(15) Volume of non-revenue water attributed to other reasons		0
	(16) Total volume of non-revenue water		3,009
Total volume of water from all sources			25,960

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.

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.

MRD 05 - Resilient and liveable cities and towns (continued)

Major non-residential water users

- Hazeldenes Chicken Farm
- 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

Major non-residential water users' participation in water efficiency programs

Name of customer	Participation in water efficiency program (Y/N)	Water management plan developed (Y/N)
Hazeldenes Chicken Farm	Y	N
N&C Enterprises Pty Ltd	Y	N

We facilitated water efficiency audits with Hazeldenes Chicken Farm and N&C Enterprises Pty Ltd through the WaterSmart program. Funding was significantly scaled back, and we have paused the program until future funding is available. We support this overall initiative to identify efficiency gains in our large water users.

Major non-residential water users volumetric range

Volume range (ML per year)	Number of customers
Equal to or greater than 50ML and less than 100ML	6
Equal to or greater than 100ML and less than 200ML	2
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
Total number customers	13

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.

Drought response

In accordance with our Drought Preparedness Plan we continue to monitor and report on our water resource position.

Our Annual Water Outlook provides customers with a forward outlook for water resources over the coming year under a range of plausible scenarios and progress against actions in our Urban Water Strategy that enhance our water security position.

Permanent Water Saving Rules are applied, and we actively promote water saving initiatives.

Operationally we maintain systems and infrastructure to reduce the risk of interruption to supply and carryover to safeguard against low allocations.

No restrictions were required for our urban customers in 2024/25.

Our rural customers received 100% of their licence volume.

Corporate water consumption

Water consumption figures for our head office, 37-45 Bridge Street, Bendigo.

	2024/25	2023/24	2022/23
Total water consumption	843 KL	981 KL	483 KL
Volume per full-time equivalent staff member	3.1 KL	3.6 KL	4.8 KL

Circular economy outcomes

The circular economy opportunities roadmap was completed, engaging teams across the business, identifying tangible projects to implement circular economy principles over the coming years. We have commenced the implementation of a priority initiative to create uplift in our sustainable procurement capabilities.

The 2019 Biosolids Strategy commenced its review with the Phase 1 optioneering report completed with the inclusion of adaptive pathways. This document will inform future planning and the management of existing loads.

129% of biosolids mass was reused.

Environmental statutory obligations

In partnership with the North Central Catchment Authority (NCCMA) and DJAARA, we are delivering an Integrated Catchment Management Plan (ICMP) for the Upper Coliban River, which is part of the Eppalock special water supply catchment area. This plan/program is known as the A Healthy Coliban Catchment (AHCC) program. The AHCC is a 20-year plan, with 2024/25 representing its seventh year.

We are part of the Technical Working Group (TWG) which supports the AHCC and develops Annual Works Plans (AWPs), which are then delivered by the project's partners.

As part of the AWP for 2024/25 on-ground works have focused on the planning and initiation phase of major works along a three-kilometre section of the Coliban River between Lauriston Reservoir and Malmsbury Reservoir. The planning has included community engagement, landowner agreement, and tendering for works, which have been conducted by NCCMA, for the treatment and removal of woody weeds (ie willow) infestation along the Coliban River watercourse.

Appointment of a contractor has been made, and on-ground activity has commenced, with stem injection treatment of the willows.

Agreement has been reached with the Department of Energy, Environment and Climate Action (DEECA) Loddon Mallee for us to become the land manager of parcels of Crown Land at Malmsbury Reservoir and Lauriston township, which supports DJANDAK to implement actions and values of the DJAARA Gatjin (water) group.

The actions include the development and placement of cultural materials, such as signage and interpretive displays, improved access to the site, particularly for DJAARA Elders so they can participate on Djandak (Country) experiences and cultural practices, and the maintaining of revegetation at the sites, along with weed management.

Other areas of the AWP implementation have been the ongoing support of the local government program, the Healthy Landscapes program, which provides grants to two Upper Coliban Landcare groups to support land management activities, and the funding of a Hepburn Shire Council program to protect and enhance the environment of the Bright-eyed Brown Butterfly (BEBB), which is listed as critically endangered under Victoria's *Flora and Fauna Guarantee Act 1988*.

We have also conducted a review and evaluation of the Upper Coliban ICMP and its associated works program (AHCC) and produced a report of key findings and recommendations. The purpose of this report is to identify opportunities to amend the Upper Coliban ICMP to improve both its implementation and the achievement of outcomes, and to identify opportunities to further embed a DJAARA-centred approach within any renewed or updated Upper Coliban ICMP.

Over the coming years, we will work with partner organisations to explore opportunities to put in place similar ICMPs across other catchment areas of interest (for example, for sections of the Lower Coliban River between Malmsbury Reservoir and Lake Eppalock).

With funding provided by DEECA, during 2024/25 we worked with an external provider, and a range of industry stakeholders, to develop an auditing framework for onsite wastewater management plans (OWMPs), which local governments are required to prepare and implement under the OMLI.

The project outputs have been provided to DEECA and EPA for incorporation into industry guidance.

Over the next few years, we will work with and support relevant local government areas, as appropriate, on the development, implementation and auditing of their respective OWMPs, with the desired outcomes being that better management of OWM systems will lead to improved waterway and community health, and to ensure we are appropriately involved should extensions to our reticulated sewer services become a consideration.

Regional catchment strategy (RCS)

We have a Memorandum of Understanding (MoU) with the NCCMA. The MoU is supported by a three-year action plan that is built around supporting the implementation of the North Central RCS. 2024/25 represents the first year of the action plan.

During 2024/25 we helped deliver relevant RCS actions, in collaboration with North Central CMA and other regional partners. The most significant joint project remains the AHCC program.

Victorian Waterway Management Strategy (VWMS) and the Regional Waterway Strategy (RWS)

We are currently awaiting the release of the draft VMWS, and we will provide feedback.

We will play an active role in the implementation of both the finalised VWMS and the North Central RWS across our region of operation.

We are a member of the Steering Committee for the North Central RWS, which the NCCMA has convened to support the revision of the North Central RWS. So far, two steering committee meetings have been held, which we have attended and actively participated in, supporting the project's establishment and vision creation. We will continue to participate in the development of the North Central RCS across the next 18 months.

Other environmental activities

We will continue to be an active member of the North Central Catchment Partners Forum, which is convened and chaired by the NCCMA. We actively implement the North Central RCS through our MoU with the NCCMA and the addendum three year action plan. The action plan to the MoU creates linkages to the goals and objectives of our strategy.

Housing statement:
Developer and council engagement

134 formal Preliminary Servicing Requests received.

We engage with the development community in the following ways:

- Planning interactions with each of the nine local government areas across our region, and more formalised engagement with the larger local government areas we service.
- Attend developer forums and facilitate our own forums with developers and registered consultants who are active within our region.
- Facilitate scheduled development discussions with the registered consulting engineers within our region who act on behalf of the smaller or one-off developers.
- Individually engage with developers regarding specific feedback applicable to their development proposal, as needed, to allow them to consider all influences in their servicing strategies.
- Provide newsletter updates to the development community and maintain up to date online information for easy accessibility.

In consultation with local government, including our feedback on land use planning, we develop network augmentation plans and treatment masterplans to identify works to cater for growth, indicating which assets would be undertaken by the developer or by us.

Development proposals, however, may differ from the broader planning assumptions made in creating these plans, so we work with developers to ensure the right assets will be designed and constructed as part of their development. We encourage developers of larger parcels of land to engage with us ahead of a planning permit request being lodged so that we can determine whether larger assets are required so that the developer understands the implications on their proposal.

Initiatives to improve the engagement with developers through the process has included:

- Introduction of Deed of Agreements from 1 July 2025 to provide a clear legal framework that links developer works to the development activity.
- Three land development forums across the year.
- An e-newsletter for developers and all consultants, with targeted surveys to increase engagement.
- Attendance and presentation at three local council development forums and showcases.

Connections

Residential water connections and lots created

Lots available as at end of 2023/24	Lots created 2024/25	New connections 2024/25	Lots available as at the end of 2024/25
4,122	923	1,188	3,857

MRD 06 - Leadership, diversity and culture

Diversity, equity and inclusion (DEI)

Diversity and inclusion strategy

We are preparing to publish our DEI strategy on our website, which outlines the targets and measures we use to track our progress (see Table 1), many of which align with broader industry benchmarks. Key actions undertaken this year include:

- Organisation-wide training on building a respectful and inclusive workplace.
- Launch of a new leadership development program with a focus on inclusive leadership.
- Establishment of a DEI working group to champion and embed DEI across the organisation.

Table 1. Diversity equity and inclusion targets and data

Target	2023/2024	2024/2025
Gender Balance (50:50) in senior leadership positions	Male: 59% Female: 41%	Male: 63% Female: 37%
10% of our workforce identify as a person with a disability	8%*	6.5%
10% of our workforce speak a language other than English	10%*	12%
2.5% of our workforce identify as Aboriginal or Torres Strait Islander	0.5%*	0%*
7% of our workforce identify as belonging to the LGBTIQ+ communities	7%*	6%

*People Matter Survey results 2024 and 2025

Gender Equality Action Plan (GEAP)

Throughout the year, we continued implementation of our GEAP (2021-2025) which focussed on several key areas:

- Increasing female participation in STEM and professional roles.
- Improving access to and uptake of flexible work arrangements.
- Working to eliminate the gender pay gap.
- Ensuring a workplace free from sex-based discrimination and harassment

Our GEAP is publicly available on our website.

The proportion of women in leadership positions include:

- Directors – 50% female
- Executive Leadership team – 50%
- Senior Leadership – 37%
- Overall workforce – 43%

Traditional Owners participation in board and committees

During the year, the Board included an Independent Aboriginal Delegate, whose role was to actively participate in board meetings and was 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 skills relevant to public sector boards.
- Encouraging future applications of a board director role and aligning with the Victorian Governments commitment that government boards reflect the rich diversity of the Victorian community.

Employee cross-cultural training and development

These efforts are also supported by ongoing activities under our Reconciliation Action Plan, which is focused on building cultural competence and creating a culturally safe workplace. A key focus has been continuing to build the cultural competence of our workforce through targeted training. Over the past 12 months, an additional ten team members completed an accredited cultural competence course, which focuses on Aboriginal and Torres Strait Islander culture. This brings the total number of staff who have undertaken the training to more than 50.

Table 1 outlines our progress toward achieving our DEI targets. While we have seen an increase in the proportion of our workforce who speak a language other than English, there has been a slight decline in other areas of diversity. Despite our continued focus on DEI, representation has decreased among employees with a disability, those who identify as LGBTQIA+, and those who identify as Aboriginal or Torres Strait Islander. Currently, our payroll data indicates that one team member identifies as Aboriginal or Torres Strait Islander.

Leadership, diversity and culture

We are committed to continuously developing our organisational culture to deliver the best possible outcomes for our people and the communities we serve. To guide our efforts and track our progress, we use a range of tools and feedback mechanisms that help shape targeted strategies for improving culture and engagement. These include:

- The People Matter Survey conducted by the Victorian Public Sector Commission, which provides valuable insights into employee perceptions across areas such as leadership, learning and growth, diversity and inclusion, and team cohesion.
- Quarterly pulse checks gather timely feedback on workplace wellbeing factors.

This year, we placed particular focus on strengthening leadership capability and enhancing our diversity, equity, and inclusion efforts. With people at the centre of everything we do, we introduced a range of initiatives to enhance the employee experience, particularly through the launch of a new leadership development program, along with improvements to our reward and recognition and wellbeing programs.

Our culture statements reflect the attitudes and behaviours we value and strive to demonstrate. These principles continue to underpin our success. Results from the 2025 People Matter Survey confirmed our progress, with outcomes equal to or exceeding those of the water industry comparator group across nearly all measures.

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

MRD 06 - Leadership, diversity and culture (continued)

To bring these cultural values to life, our culture and governance strategy focuses on building:

- Leadership at all levels. Empowering individuals to identify opportunities for improvement and act with accountability, earning trust by following through.
- Strong delivery capability. Enhancing our ability to execute with discipline, prioritise effectively, and act swiftly in pursuit of organisational goals.
- Collaboration and innovation. Encouraging open dialogue, curiosity, and collective problem-solving to succeed together.
- Proactive risk management. Promoting a mindset that values understanding and using risk to inform decisions and drive effective action.

We are proud of our people and the way they live our culture every day. With trust at the core of our relationships, we will continue to put people first, building strong internal networks and partnerships across our region to deliver greater value for our customers.

We are committed to creating an inclusive culture where all employees feel valued, empowered, and supported to reach their full potential. Our goal is to foster a workplace and broader community that actively embraces and promotes DEI.

By embedding DEI into everything we do, we aim not only to reflect the rich diversity of the world around us but also to contribute positively to it. We believe that by working together, we can create an environment where individuals flourish, our organisation thrives, and our communities grow stronger.

The DEI Working Group plays a critical role in driving positive change and upholding our DEI commitments. Its purpose is to foster an inclusive organisational culture, promote equitable opportunities, and celebrate diversity. Members contribute ideas and feedback, help integrate DEI into strategic and operational planning, and act as DEI champions across the business.

Throughout the year, we have supported and celebrated a range of DEI initiatives and cultural events, including:

- National Refugee Week.
- The 'Share Your Story' campaign, encouraging staff to share their lived experiences.
- Release of a guide to inclusive interviewing.
- Taste of Harmony.
- NAIDOC Week.
- Chinese New Year.
- Pride Month and the International Day Against Homophobia, Transphobia and Biphobia (IDAHOBIT).

We refreshed our Annual Wellbeing Plan this year, focusing on key priorities to support both physical and psychological safety in the workplace:

- Identifying and addressing psychosocial hazards to prevent psychological harm.
- Raising awareness of mental health and wellbeing through regular Health and Safety designated work group (DWG) meetings.
- Delivering safety leadership training for people leaders.
- Offering a calendar of events that promote health, wellbeing, and social connection.
- Regularly monitoring staff wellbeing.

We delivered mental health training to all staff, continued to provide accredited Mental Health First Aid support, and actively promoted our Employee Assistance Program (EAP) to encourage self-care and

access to professional support. Our wellbeing events calendar helped strengthen employee engagement, support health promotion, and foster a more connected and inclusive workplace.

To continue strengthening our safety culture, people leaders participated in safety leadership training to deepen their understanding of the pivotal role leaders play in shaping a safe and positive workplace. The training explored the link between safety leadership and business performance and equipped leaders with the skills to influence safe behaviours, contribute effectively to safety committees, and support improved health, safety, and wellbeing outcomes across the organisation.

Twice over the past year we hosted a safety showcase event to celebrate positive safety behaviours and initiatives. This event is a cornerstone of our efforts to embed safety in our culture. It provides a platform to recognise and celebrate individuals and teams whose contributions have made our workplace safer. The showcase reinforces our commitment to continuous improvement and highlights the value we place on creating a proactive, safety-first environment.

Our people engaged in a broad range of training, leadership and professional development activities throughout the year, supporting individual growth and organisational capability.

We also maintained a strong focus on technical training, with programs delivered across asset management, water and sewer operations, environmental management, dam safety, cyber security, digital systems and equipment, cultural competence, media training, and customer and community engagement.

Team members completed a range of safety-related training, including working in confined spaces, trenching awareness, manual handling, working at heights, and chemical handling.

In addition, we continued to support employees undertaking accredited training and further study at undergraduate and postgraduate levels, as well as participation in workshops and conferences aligned to their areas of professional expertise. These opportunities enable our team to expand their knowledge, stay abreast of emerging technologies, and apply best practice in their roles.

This year, we continued to deliver our graduate program, reaffirming our commitment to investing in and developing emerging engineering talent with a passion for the water sector.

Our revitalised graduate engineer rotational program is designed to:

- Develop the next generation of water industry professionals.
- Provide a structured learning, development, and support framework.
- Create clear pathways for graduates to establish their careers in the industry.
- Offer flexibility to tailor rotations based on individual interests and development goals.
- Provide broad exposure across engineering disciplines to support chartered engineer registration.

The program runs over a three-year period, featuring 12-month rotations across a variety of projects and operational areas. Rotation placements are based on availability and alignment with program learning objectives.

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

Throughout the year we participated in several careers expos in Bendigo 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.

COLIBAN REGION WATER CORPORATION

PERFORMANCE REPORT

For The Reporting Period Ended 30 June 2025

DIRECTORS CERTIFICATION

We certify that the accompanying Performance Report of Coliban Region Water Corporation in respect of the period ended 30 June 2025 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 2024/25 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 29 August 2025 on behalf of the Board.



Bob Cameron

Chairperson
Coliban Region Water Corporation



Damian Wells

Managing Director
Coliban Region Water Corporation



Nathan Morsillo

Chief Financial Officer
Coliban Region Water Corporation

MRD 07 - Performance and financial management (continued)

Financial Performance Indicators

Key Performance Indicator	2023/24 Result	2024/25 Result	Variance to prior year		2024/25 Target	Variance to target	
Cash Interest Cover Net operating cash flows before net interest and tax / net interest	1.8 times	1.9 times	5.0%		2.2 times	-13.6%	(1)
Gearing Ratio Total debt (including finance leases) / total assets * 100	23.3%	25.7%	10.1%	(2)	25.0%	2.8%	
Internal Financing Ratio Net operating cash flow less dividends / net capital expenditure * 100	25.8%	30.1%	16.5%	(3)	45.0%	-33.1%	(4)
Current Ratio Current assets / current liabilities (excluding long term employee provisions and revenue in advance)	123.4%	136.2%	10.4%	(5)	137.9%	-1.2%	
Return on Assets Earnings before net interest and tax / average assets * 100	0.6%	0.9%	42.4%	(6)	0.8%	12.5%	(7)
Return on Equity Net profit after tax / average total equity * 100	-0.6%	-0.5%	16.7%	(8)	-0.5%	0.0%	
EBITDA Margin Earnings before interest, tax, depreciation and amortisation / total revenue * 100	32.8%	34.1%	4.1%		34.0%	0.3%	

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

- 1 Cash interest cover result is lower than the Corporate Plan target, but slightly higher than the previous financial year result. This is a result of higher interest expense on increased borrowings; additional maintenance expenses; and higher employee costs supporting Coliban's target operating model (including insourcing some operations and maintenance functions).
- 2 The increase compared to prior year actuals is due to borrowings funding the majority of Coliban Waters expanding capital program. As borrowings increase, gearing as a percentage of total assets will continue to increase.
- 3 The favourable variance to the prior year result is largely due to increased revenue in the year supporting higher operational cashflows.
- 4 The unfavourable variance to target is due to capital expenditure (the denominator of this ratio) being greater than originally budgeted, and operational cashflow being lower due to higher borrowings interest & operational expenses (see also note 1).
- 5 Minor increases in current assets (cash and trade receivables) were slightly higher than increases in trade payables and current lease liabilities.
- 6 & 7 The small favourable variance to prior year and target is the result of the overall increase in earnings (before tax and interest). This has been driven by increased revenue from service and usage charges - both from increased prices and a dry summer.
- 8 The favourable variance for the return on equity ratio, compared to target, is the result of a slightly smaller loss (after tax) result.

MRD 07 - Performance and financial management (continued)

Operational Performance Indicators

Key Performance Indicator	2023/24 Result	2024/25 Result	Variance to prior year	2024/25 Target	Variance to target
Water and Sewerage Network Reliability					
Water service - minutes off supply (planned and unplanned) How many minutes on average a customer was without water supply during a year	13.2	10.3	-22.0% ^[1]	14	-26.4% ^[2]
Unplanned water supply interruptions Percentage of customers receiving more than 5 unplanned interruptions in the year	0%	0%	0.0%	0.01%	-100.0% ^[3]
Sewerage Service - sewer blockages Number of sewer blockages per 100 kilometres of sewer main	15.6	16.5	5.8% ^[4]	35	-52.9% ^[5]
Sewerage Service - sewer spills Number of sewer spills reported per 100 kilometres of sewer main	13.8	13.2	-4.3%	20	-34.0% ^[6]
Sewerage Service - containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours	100%	99%	-1.1%	99.0%	-0.1%
Water Reuse					
Recycled water - effluent treatment and reuse Proportion of water recycled as a percentage of the volume of effluent produced	33.9%	36.8%	8.6% ^[7]	39.0%	-5.6% ^[8]

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

*The 2023-24 result for minutes off supply has been restated. A May 2024 incident in Maiden Gully resulting in over 240,000 minutes off supply was not included (the work order remained open) at the reporting date in 2024.

- 1 & 2** Preventative maintenance and targeted renewals of at-risk water mains has resulted in this year's result being better than target. While more customers (+124 or +0.2%) experienced a supply outage this year, total minutes off supply was down 22% - equivalent to the May 2024 Maiden Gully incident (240,000 minutes).
- 3** Preventative maintenance and targeted renewals of at-risk water mains has resulted in zero customers in our service region experiencing 5 or more unplanned supply interruptions in 2024/25.
- 4 & 5** The rate of sewer blockages across 2025 was +5.8% on the 2024 result, however is below half of the annual target. Increased CCTV inspections, cleaning and targeted renewals of at-risk sewer mains has led to this result.
- 6** A continued focus on CCTV inspections, mains cleaning and targeted renewal of at-risk sewer mains has again seen a year-on-year improvement in the rate of sewer spills as well as achieving spills 34% lower than. This positive result has again been supported by continued dry conditions.
- 7 & 8** Dry conditions in 2024-25 have increased demand for reuse water, particularly in the Echuca and Kyneton reuse schemes. The Bendigo Recycled Water Factory (RWF) was again operational for the full year, with recycled water production in line with 2023-24 (approx. 1,000 ML). As we transition to our new operating model with increased focus on the RWF, we expect future recycled water production to remain in line with or exceed recent results.

Independent Auditor's Report

To the Board of Coliban Region Water Corporation

Opinion	I have audited the performance report of Coliban Region Water Corporation (the corporation) for the year ended 30 June 2025, which comprises the: • financial performance indicators • water and sewage network reliability performance indicators • water reuse performance indicator • notes to the performance report • directors certification. In my opinion, the performance report of the corporation for the year ended 30 June 2025 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the <i>Financial Management Act 1994</i>.
Basis for opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's responsibilities for the audit of the performance report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. 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 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the performance 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 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 <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.

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

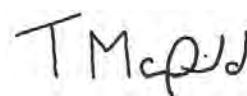
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error,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

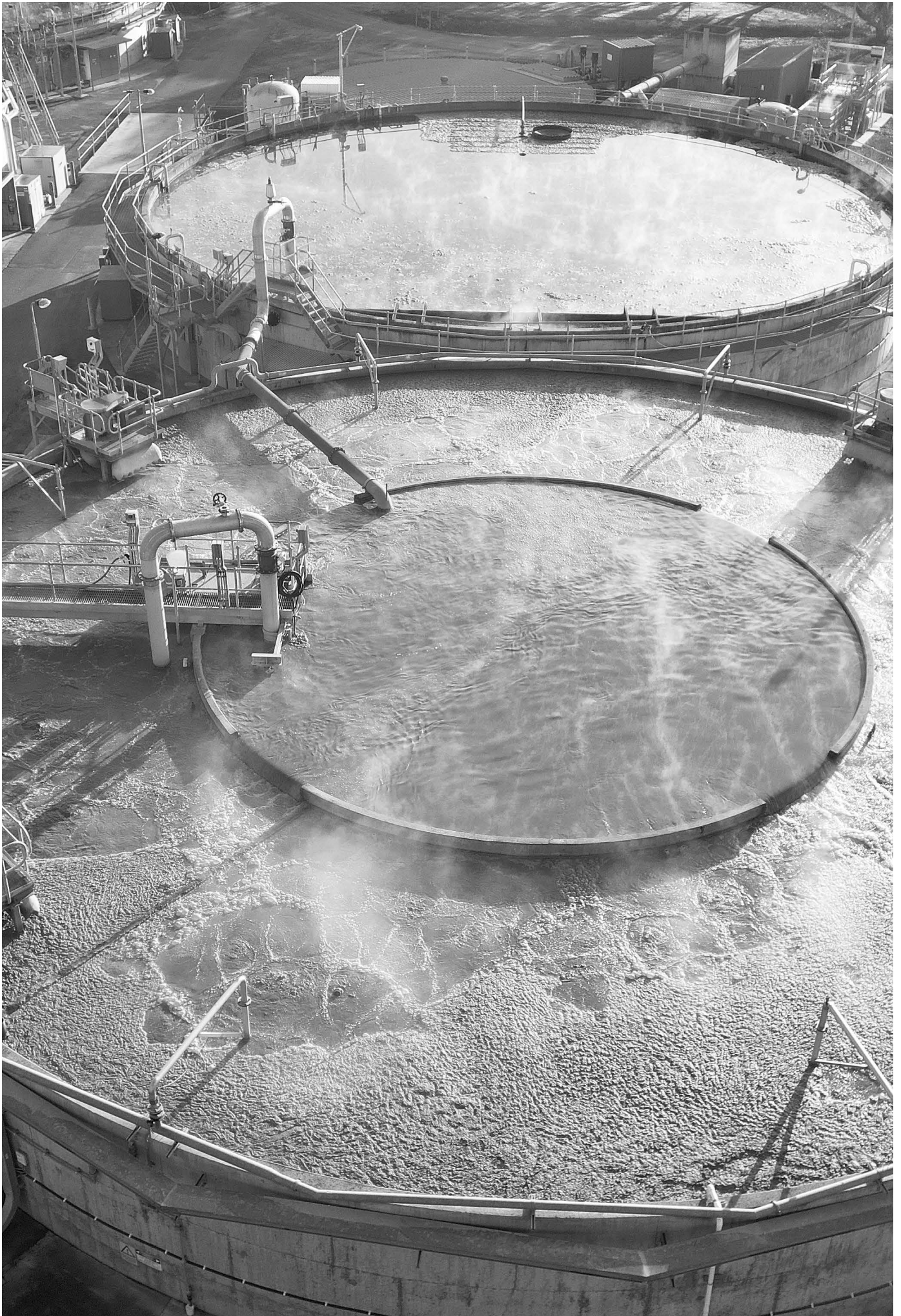
- identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a 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
10 September 2025



Timothy Maxfield
as delegate for the Auditor-General of Victoria



MRD 08 – Compliance and enforcement

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. All 36 designated sites are compliant with Victoria's Non-Urban Metering Policy.

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. This year, high rural demand and our drying climate heightened our focus on working with customers to avoid overuse.

MRD 08 – Compliance and enforcement (continued)

Unauthorised take (key performance indicators)

Reporting on unauthorised take

Year	Volume			ABAs (or licences)				
	Volume (ML) of water taken under corporation issued shares/ licences	Volume (ML) of nauthorised Take	Volume %	Volume % (excluding previous FY)	Number of ABAs	Number of negative ABAs	% of negative ABAs	% of negative ABAs (excluding <1ML)
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
2024/25	4,886	<0.1	<0.1	<0.1	1,338	161	12.03	0

Compliance actions – rural water corporations

Reporting on compliance actions

Compliance actions¹ – rural water corporations

Category	2020/21	2021/22	2022/23	2023/24	2024/25
Total number of breaches	3	4	2	0	6
No further action required	0	0	1	0	0
Dismissed (insufficient evidence)	0	2	0	0	0
Advisory letter	0	2	0	0	1
Formal warning	3	0	1	0	5
Penalty infringement notices	NA	0	0	0	0
Notice of contravention	0	0	0	0	0
Notice of entry	0	0	0	0	0
Lockdown	0	0	0	0	0
Prosecutions commenced	0	0	0	0	0
Prosecutions finalised	0	0	0	0	0

Bulk entitlements compliance

Entitlements

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

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 2024/25. The amount of water taken in each of our water systems is presented on the following pages.

MRD 08 – Compliance and enforcement (continued)

Supply system	Source	Entitlement ML	Allocation ML	Carryover ML	Water taken ML	Balance ML	Notes
Campaspe							
Bulk entitlement (Axdale, Goornong and part Rochester) conversion order 1999							
Axdale	Campaspe River	215	215	0	82	18	12.1(b) Annual amount of water taken – 82 ML 12.1(c) Any credits granted – Nil 12.1(d) Metering program – implemented
Rochester	Campaspe River	134	134	0	0	0	12.1(e) Temporary or permanent transfer – trade out 264 ML 12.1(f) Period of restriction – Nil 12.1(g) Any amendment to bulk entitlement – Nil
Total		349	349	0	82	18	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
Coliban							
Bulk entitlement (Campaspe System – Coliban Water) conversion order 1999							
Castlemaine, Bendigo and rural systems	Malmsbury Reservoir via channel	50,260			14,793		18.1(e) Annual inflows into the headwork storages – 9,315 ML 18.1(f) Annual amounts of water taken – 29,044 ML 18.1(g) Annual evaporation loss – 6,618 ML from headwork storages; 6,085 ML from Lake Eppalock
Kyneton, Tylden, Malmsbury	Lauriston Reservoir				1,279	21,216	18.1(h) Annual internal spills of water from our share in Lake Eppalock – Nil 18.1(i) Passing flows – 2,072 ML from Malmsbury Reservoir; 2,248 ML from Lake Eppalock 18.1(j) Credits granted – Nil 18.1(k) Temporary or permanent transfer of bulk entitlement – Nil
Bendigo and north rural system	Lake Eppalock via Superpipe				12,568		18.1(l) Bulk entitlement or licence transferred to Coliban Water – 1,795 ML traded from Central Highlands Water for Superpipe pumping 18.1(m) Period of restriction – Nil 18.1(n) Alteration to primary entitlements – Nil 18.1(o) Transfer of primary entitlements – Nil
Heathcote, Tooborac	Lake Eppalock and Caledonia Reservoir				404		18.1(p) Annual volume supplied to primary entitlements – rural 4,896 ML; urban 19,568 ML 18.1(q) Any amendment to bulk entitlement – Nil 18.1(r) Any new bulk entitlement – Nil
Total		50,260	N/A	N/A	29,044	21,216	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	23,232	23,232	12,251	17	19,457	Trade in 15,766 ML; Trade out 31,775 ML
	Low Reliability	2,861					
Campaspe water shares	High Reliability	2,591	2,901	614	0	1,495	Trade out 2,020 ML
	Low Reliability	646					
Elmore							
Elmore	Groundwater	284	284	71	146	209	Take and Use licence
Goulburn							
Bulk entitlement (Goulburn Channel System – Coliban Water) order 2012							
Lockington	Waranga Western Channel	130			92		15.1(b) Annual amount of water taken – 1,114 ML 15.1(c) Volume from other locations – Nil 15.1(d) Any credit granted – Nil 15.1(e) Metering program – Implemented 15.1(f) Assignment of allocation or transfer of bulk entitlement – Nil 15.1(g) Assignment of allocation or bulk entitlement or shares transferred to Coliban Water – trade out 1,300 ML 15.1(h) Any amendment to bulk entitlement – Nil 15.1(i) New bulk entitlement – Nil 15.1(j) Any failure to comply with bulk entitlement – Nil 15.1(k) Difficulties in complying with bulk entitlement – Nil
Rochester		1,335			585		
Dingee		50			12		
Macorna		40	1,980	328	5	403	
Pyramid Hill		300			133		
Jarklin		5			0		
Mitiamo		60			17		
Serpentine		60			52		
Boort		425	440	209	215	132	
Mysia		15			1		
Total			2,420	2,420	536	1,114	
Jarklin	East Loddon	10	10	N/A	2	8	Water Allowance
Serpentine	Pipeline	50	50	N/A	0	50	Water Allowance

MRD 08 – Compliance and enforcement (continued)

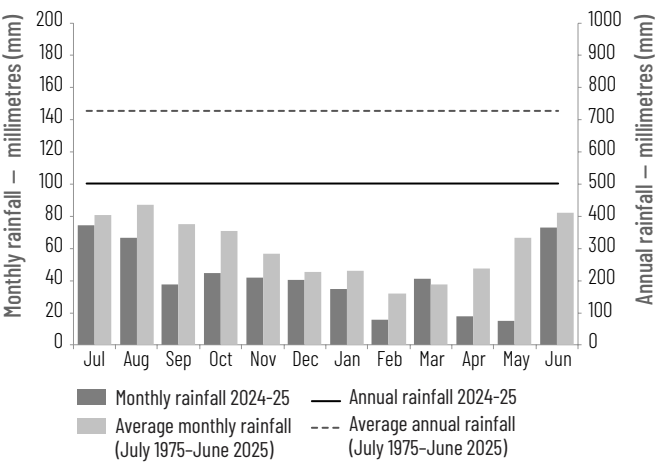
Supply system	Source	Entitlement ML	Allocation ML	Carryover ML	Water taken ML	Balance ML	Notes
Loddon Wimmera							
Bulk entitlement (Loddon System – Coliban Water) conversion order 2005							
Bridgewater	Loddon River				0		13.1 (b) Annual amount of water taken – 24 ML 13.1 (c) Any credits granted – Nil
Laanecoorie		820	816	4	24	6	13.1 (d) Metering Program – Implemented 13.1 (e) Temporary or permanent transfer of with bulk entitlement – 790 ML trade out
Jarklin					0		13.1 (f) Period of restriction – Nil
Serpentine					0		13.1 (g) Any amendment to with bulk entitlement – Nil 13.1 (h) New bulk entitlement granted – Nil
Total		820	816	4	24	6	13.1 (i) Any failure to comply with bulk entitlement – Nil 13.1 (j) Difficulties in complying – Nil
Bulk Entitlement (Wimmera and Glenelg Rivers – Coliban Water) order 2010							
Korong Vale & Wedderburn	Wimmera Mallee Pipeline				332		13.1 (b) Annual amount of water taken – 367 ML 13.1 (c) Amount taken at other location – 27 ML
Borong		300	57	366	4	56	13.1 (d) Final allocation for year – 19% 13.1 (e) Metering Program – Implemented
Wychitella					4		13.1 (f) Transfer or assignment of bulk entitlement – Nil 13.1 (g) Entitlement or assignment to Coliban Water – Nil
Bridgewater & Korong Vale					27		13.1 (h) Any amendment to bulk entitlement – Nil 13.1 (i) New bulk entitlement granted – Nil
Total		300	57	366	367	56	13.1 (j) Any failure to comply with bulk entitlement – Nil 13.1 (k) Difficulties in complying with Order – Nil
Bridgewater	South-West Loddon Pipeline	110	110	N/A	97	13	Off-Season Water Allowance
Bridgewater & Korong Vale		0	0	N/A	268	0	Peak Water Allowance – 268 ML traded in as per Supply by Agreement
Murray							
Bulk entitlement (River Murray – Coliban Water) conversion order 1999							
Echuca	Murray River	5,055	5,055	1,444	3,272	1,527	20.1 (b) Annual amount of water taken – 4,318 ML 20.1 (c) New off-take points – Nil
Cohuna	Gunbower Creek				716		20.1 (d) Water returned – Nil 20.1 (e) Metering Program – Implemented
Gunbower	Taylors Creek	1,230	1,230	0	77	185	20.1 (f) Temporary or permanent transfer of bulk entitlement – trade out 1,700 ML 20.1 (g) Any transfer of entitlement or assignment of allocation to Coliban Water – Nil
Leitchville	Cohuna Channel & Gunbower Creek				252		20.1 (h) Any amendment to BE – Nil 20.1 (i) Any new bulk entitlement granted – Nil
Total		6,285	6,285	1,444	4,318	1,712	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	1,089	1,225	0	1,714	Trade out 600 ML
	Low Reliability	1,340					
Trentham							
Bulk entitlement (Trentham) conversion order 2012							
Trentham	Spring-fed Reservoir	120	120	N/A	147	-27	12.1 (b) Annual amount of water taken – 147 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	39	64	Take and Use licence

Rainfall and inflows

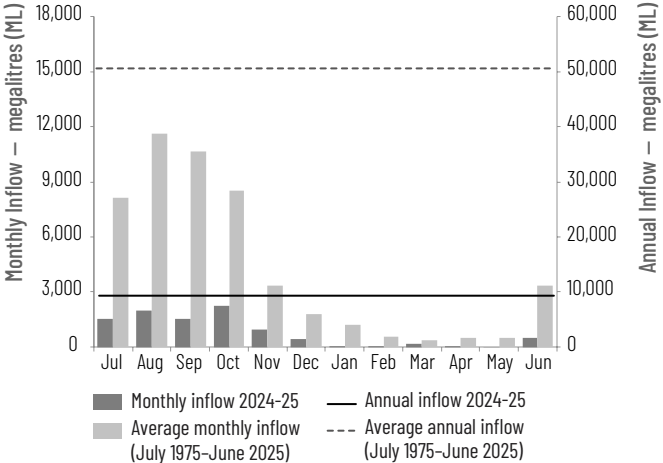
We received 503 mm of rainfall at Malmsbury Reservoir in 2024/25, significantly less than the post-1975 average annual rainfall of 731 mm. Monthly rainfall was below average except for March 2025.

Total calculated inflows to our headwork storages in 2023/24 were 28,640 ML. Total calculated inflows to our headwork storages in 2024/25 were 9,315 ML, well below the post-1975 average of 50,542 ML. Monthly inflows were below average. Inflows were above average in July 2023 and December to February 2024.

Malmsbury Reservoir > Monthly Rainfall 2024/25



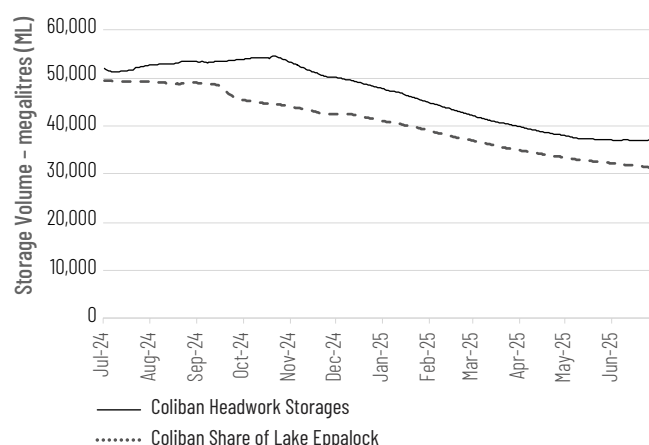
Coliban Headworks Storages > Monthly Inflow 2024/25



MRD 08 – Compliance and enforcement (continued)

Storage volumes

Below average rainfall and inflows to the Coliban Water Combined Storages (Upper Coliban, Lauriston and Malmesbury Reservoirs on the Coliban River) has resulted in a large fall in storage levels in 2024/25. Similarly, there has been a large reduction in the volume of water held in our share of Lake Eppalock in 2024/25 is due to reduced inflows and pumping from Lake Eppalock to Bendigo.



Reservoir	Full supply (ML)	At 30 June 2024 (ML)	At 30 June 2025 (ML)	% full 30 June 2025
Coliban System Northern				
Sandhurst Reservoir	2,590	2,222	2,454	95
Caledonia Reservoir	214	180	189	88
Lake Eppalock (Coliban Water share)	54,837	49,597	31,015	57
Spring Gully Reservoir (recycled water - rural)	1,680	1,277	685	41
Coliban System Southern				
Upper Coliban Reservoir	37,770	30,798	21,241	56
Lauriston Reservoir	19,790	17,290	14,090	71
Malmesbury Reservoir	11,800	4,006	1,599	14
McCay Reservoir	1,360	1,211	1,168	86
Barkers Creek Reservoir (rural)	1,690	724	513	30
Trentham Reservoirs	91	70	44	48
Total	131,822	107,375	72,998	55

Water allocations

We received full allocations for bulk water for all entitlements except the Wimmera Mallee Pipeline.

System	High reliability water shares	Low reliability water shares
Campaspe	100	48
Central Victorian Mineral Springs	100	NA
Loddon	100	0
Lower Campaspe Valley licence volume	100	NA
Goulburn	100	0
Murray	100	0
Wimmera Mallee Pipeline	19	NA
Wimmera Mallee water allowance	100	NA

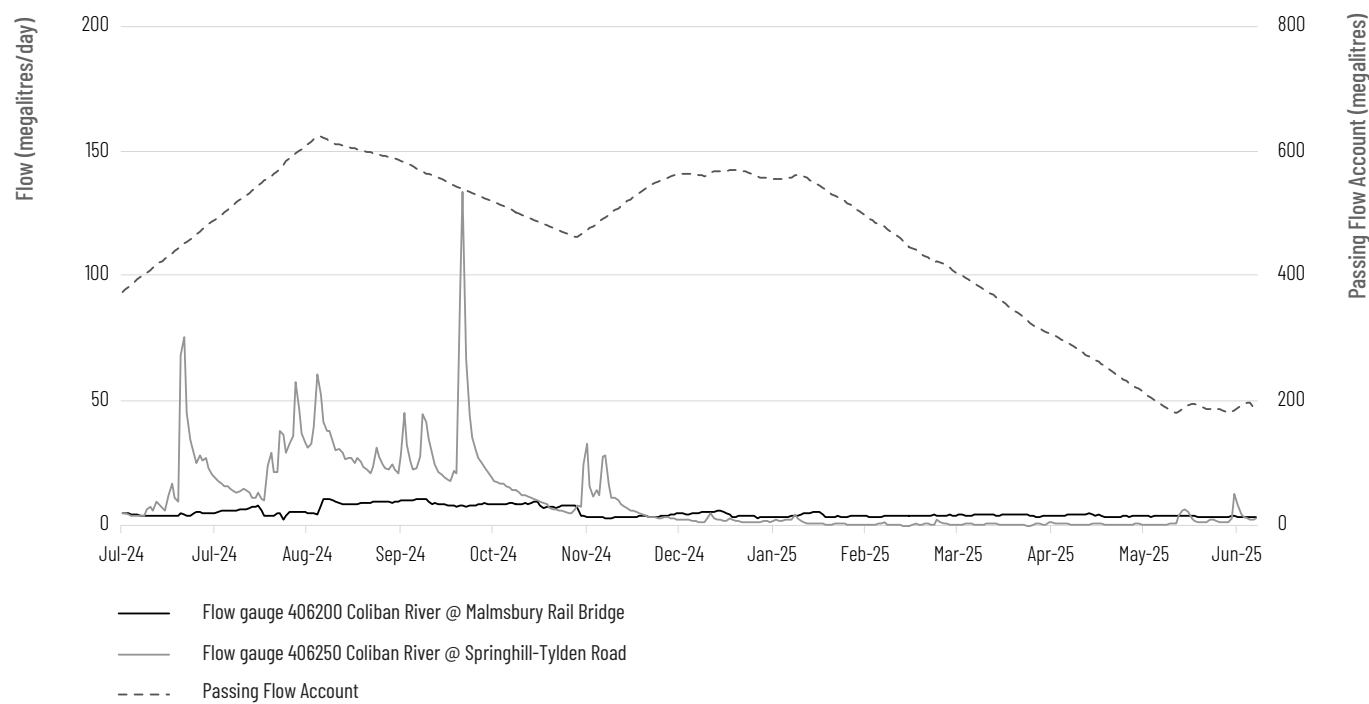
Passing flows

We released 2,072 megalitres of water from Malmsbury 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 4 megalitres per day to bank water in the passing flow account. From 3 September 2024 to 25 November 2025 the flow rate was increased to 10 megalitres per day.

On 1 July 2024 there was 376 megalitres held in the passing flow account. The volume held in the passing flow account on 30 June 2025 was 198 megalitres.

The plot below shows Coliban River inflows to the Coliban Water Combined Storages and flows downstream of Malmsbury Reservoir as well as the volume held in the passing flow account during 2024/25.





Financial Statements

Coliban Region Water Corporation

Financial Statements

For the year ended 30 June 2025

Contents

	Page
Financial statements	
Statutory certification	71
Comprehensive operating statement	72
Balance sheet	73
Cash flow statement	74
Statement of changes in equity	75
Notes to the financial statements	
Note 1 Basis of Preparation	8
1.1 General	76
Note 2 Funding delivery of our services	77
2.1 Revenue from contracts with customers	77
2.2 Government grants and contributions	79
2.3 Other income	80
Note 3 The cost of delivering our services	81
3.1 Employee benefits	81
3.2 Direct operating expenses	83
3.3 Net finance costs	84
Note 4 Key assets available to support output delivery	85
4.1 Infrastructure, property, plant and equipment	85
4.2 Intangible assets	88
Note 5 Other assets and liabilities	90
5.1 Receivables	90
5.2 Payables	92
5.3 Other financial assets and liabilities	92
Note 6 How we financed our operations	94
6.1 Interest bearing liabilities	94
6.2 Leases	95
6.3 Service concession arrangement	97
6.4 Cash flow information and balances	98
6.5 Commitments for expenditure	99
Note 7 Risks, contingencies and valuation judgements	100
7.1 Financial Instruments	100
7.2 Contingent assets and contingent liabilities	102
7.3 Fair value determination	102
Note 8 Statutory obligations	105
8.1 Tax	105
Note 9 Other disclosures	107
9.2 Other economic flows included in net results	107
9.3 Responsible Persons	107
9.4 Related parties	108
9.5 Remuneration of auditors	110
9.6 Ex-gratia expenses	110
9.7 Events occurring after the balance date	110
9.9 Changes in accounting policies	112

Coliban Region Water Corporation
Financial Statements
For the year ended 30 June 2025

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 Minister for Finance 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 2025 and the financial position of Coliban Region Water Corporation as at 30 June 2025.

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 29th August 2025.



Bob Cameron
Chairperson
Coliban Region Water Corporation



Damian Wells
Managing Director
Coliban Region Water Corporation



Nathan Morsillo
Chief Financial Officer
Coliban Region Water Corporation

Coliban Region Water Corporation
Comprehensive operating statement
For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1	177,183	159,468
Government funding	2.2	9,559	3,461
Other income	2.3	1,153	1,572
Total revenue and income from transactions		187,895	164,501
Expenses from transactions			
Employee benefits	3.1.1	30,610	26,771
Direct operating expenses	3.2	73,611	66,364
Expenditure of Government funding		4,483	2,709
Depreciation	4.1.1 & 6.2.1	42,158	39,644
Amortisation	4.2	611	675
Environmental contribution		5,941	5,734
Other operating expenses	3.3	6,294	6,117
Total expenses from transactions		163,708	148,014
Finance income		427	620
Finance expense		(31,223)	(26,986)
Net finance income / (costs)	3.4	(30,796)	(26,366)
Net result from transactions (net operating balance)		(6,609)	(9,879)
Other economic flows included in net result			
Net gain/(loss) on disposal of non-current assets	9.1	(2,955)	(2,246)
Net gain/(loss) on financial instruments	9.1	234	(453)
Total other economic flow included in net result		(2,721)	(2,699)
Net result from transactions		(9,330)	(12,578)
Income tax expense	8.1.1	2,798	3,775
Net result		(6,532)	(8,803)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in physical asset revaluation surplus	4.1.1	-	281
Deferred income tax relating to components of other comprehensive income	8.1.1	-	(84)
Total other comprehensive income		-	197
Comprehensive result		(6,532)	(8,606)

The accompanying notes form part of these financial statements.

Coliban Region Water Corporation

Balance sheet

As at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	6.4	20,188	11,690
Receivables	5.1	42,936	38,529
Inventories		2,569	2,274
Non-financial physical assets classified as held for sale	4.4	70	7
Other non-financial assets		375	188
Total current assets		66,138	52,688
Non-current assets			
Receivables	5.1	533	581
Other financial assets	5.3	15	15
Infrastructure, property, plant and equipment	4.1.1	2,247,117	2,191,140
Right-of-use assets	6.2.1	2,674	2,604
Intangibles	4.2	77,392	76,796
Total non-current assets		2,327,731	2,271,136
Total assets		2,393,869	2,323,824
Liabilities			
Current liabilities			
Trade and other payables	5.2	55,047	47,611
Employee benefits provision	3.1.2	8,200	7,870
Interest bearing liabilities	6.1	15,734	9,232
Total current liabilities		78,981	64,713
Non-current liabilities			
Trade and other payables	5.2	466	307
Employee benefits provision	3.1.2	692	559
Interest bearing liabilities	6.1	597,960	532,053
Other financial liabilities	5.3	805	1,039
Net deferred tax liabilities	8.1.2	291,489	294,287
Total non-current liabilities		891,412	828,245
Total liabilities		970,393	892,958
Net assets		1,423,476	1,430,866
Equity			
Contributed capital		306,942	307,800
Physical asset revaluation reserve		763,988	763,988
Accumulated surplus / deficit		352,546	359,078
Total equity		1,423,476	1,430,866

The accompanying notes form part of these financial statements.

Coliban Region Water Corporation

Cash flow statement

For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
<i>Receipts</i>			
Service and usage charges / Revenue from contracts with customers		152,291	137,504
Receipts from Government		14,459	4,531
Interest received		427	620
Goods and Services Tax received from the ATO ⁽ⁱ⁾		14,639	14,639
Other customer revenue		12,274	7,061
Total receipts		194,090	164,355
<i>Payments</i>			
Payments to suppliers and employees		(130,532)	(111,828)
Interest and other cost of finance paid		(30,300)	(26,125)
Environmental contribution levy paid		(5,941)	(5,734)
Total payments		(166,773)	(143,687)
Net cash flows from / (used in) operating activities		27,317	20,668
Cash flows from investing activities			
Payments for infrastructure, property, plant and equipment		(89,422)	(73,851)
Proceeds from sale of infrastructure, property, plant & equipment		260	92
Payments for intangible assets		(1,208)	(6,145)
Net cash flows from / (used in) investing activities		(90,370)	(79,904)
Cash flows from financing activities			
Proceeds from borrowings		80,900	51,000
Repayment of contributions to State in its capacity as owner		(858)	-
Principal payments of lease liabilities		(8,491)	(7,038)
Net cash flows from / (used in) financing activities		71,551	43,962
Net increase / (decrease) in cash and cash equivalents		8,498	(15,274)
Cash and cash equivalents at the beginning of the financial year		11,690	26,964
Cash and cash equivalents at the end of the financial year	6.4	20,188	11,690

The accompanying notes form part of these financial statements.

⁽ⁱ⁾ 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 2025

	Contributed capital \$'000	Physical asset revaluation reserve \$'000	Accumulated surplus / deficit \$'000	Total equity \$'000
Balance at 1 July 2023	307,800	763,791	367,881	1,439,472
Net result for the year	-	-	(8,803)	(8,803)
Other comprehensive income	-	197	-	197
Total comprehensive income	-	197	(8,803)	(8,606)
Balance at 30 June 2024	307,800	763,988	359,078	1,430,866
Balance at 1 July 2024	307,800	763,988	359,078	1,430,866
Net result for the year	-	-	(6,532)	(6,532)
Return of Capital to owners	(858)	-	-	(858)
Total comprehensive income	(858)	-	(6,532)	(7,390)
Balance at 30 June 2025	306,942	763,988	352,546	1,423,476

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

These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and Financial Reporting Direction 101 Application of Tiers of Australian Accounting Standards (FRD 101).

Coliban Water is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. Coliban Water's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As Coliban Water is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The accrual basis of accounting has been applied in preparing 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.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Coliban Water.

Capital grants which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of distributions to or contributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements 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 recognised 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 AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

These financial statements cover Coliban Water as an individual reporting entity and include all the controlled activities of Coliban Water. There is no entity consolidated into Coliban Water.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

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).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Coliban Region Water Corporation

Notes to the financial statements

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.

2.1 Revenue from contracts with customers

	Notes	2025 \$'000	2024 \$'000
Revenue from service, usage and trade waste charges	2.1.1	157,353	139,120
Developer contributions and gifted assets	2.1.2	19,830	20,348
Total revenue from contracts with customers		177,183	159,468

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 5.1.

2.1.1 Revenue from service, usage and trade waste charges

	2025 \$'000	2024 \$'000
Service charges		
Water	24,099	22,611
Waste water	59,761	55,761
Rural water	2,728	2,683
Recycled water	56	50
Trade waste	3,798	4,470
	90,442	85,575
Usage charges		
Water	59,073	48,448
Waste water	1,960	1,664
Rural water	1,403	661
Recycled water	923	717
Trade waste	850	939
Temporary water sales	2,702	1,116
	66,911	53,545
Total revenue from service usage and trade waste charges	157,353	139,120

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Water and Wastewater service charges	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 terms are 21 days from date of invoice for Urban customers (2024:28 days), and 28 days for Rural and other customers. 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.
Water and Wastewater usage charges	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 terms are 21 days from date of invoice for Urban customers (2024:28 days), and 28 days for Rural and other customers.	Revenue is recognised over time as service is provided.
Temporary water sales	Water trading revenue represents sales of entitlements traded during the period, and 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.

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
Trade waste charges	Revenue related to trade waste disposal is based on the volume of waste disposed by customers.	Revenue is recognised at a point in time.

At balance date, any portion of service charges that is billed in advance and the performance obligation is not satisfied, is recognised as contract liabilities (refer Note 5.2). The charges for fully satisfied performance obligations that are unbilled at year end that are estimated and contract assets are recognised (refer Note 5.1).

2.1.2 Developer contributions

	2025 \$'000	2024 \$'000
Developer contributed assets	12,488	15,018
New customer contributions	7,342	5,330
Total developer contributions	19,830	20,348

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Developer contributed assets	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. Depending on the type of developer application, this can result in the performance obligation being satisfied: - when the Statement of Compliance is issued to the customer, or - 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. Revenue is recognised at the fair value of the gifted assets by assessing the value of the works using schedule of rates.	Revenue is recognised at a point in time.
New customer contributions	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. Depending on the type of new customer contribution application, this can result in the performance obligation being satisfied at the point in time. As a result, a performance obligation can be satisfied when: - the Statement of Compliance is issued to the customer; or - 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 - the customer receives consent from Coliban Water to proceed with their application. The rates applied to calculate the new customer contributions are regulated by the Essential Services Commission.	Revenue is 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
2024						
Over time	22,611	55,761	2,683	50	4,470	85,575
Total	22,611	55,761	2,683	50	4,470	85,575
2025						
Over time	24,099	59,761	2,728	56	3,798	90,442
Total	24,099	59,761	2,728	56	3,798	90,442

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
2024							
At a point in time	-	-	-	-	-	1,116	1,116
Over time	48,448	1,664	661	717	939	-	52,429
Total	48,448	1,664	661	717	939	1,116	53,545
2025							
At a point in time	-	-	-	-	-	2,702	2,702
Over time	59,073	1,960	1,403	923	850	-	64,209
Total	59,073	1,960	1,403	923	850	2,702	66,911

Contributions and gifted assets	Developer contributed assets \$'000	New customer contributions \$'000	Total revenue from contributions \$'000
2024			
At a point in time	15,018	5,330	20,348
Total	15,018	5,330	20,348
2025			
At a point in time	12,488	7,342	19,830
Total	12,488	7,342	19,830

2.2 Government grants and contributions

	2025 \$'000	2024 \$'000
General purpose grants	171	3,461
Income recognised as revenue from contract with customers		
Other specific purpose grants	9,388	-
Total government grants and contributions	9,559	3,461

Coliban Water has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

In 2024/25 under AASB 15, Coliban Water recognised \$981,978 (2024: \$669,821) in Government (DEECA) flood relief & recovery funding to assist Coliban Water with capital flood recovery works. Funding of \$2,234,479 was recognised for the Regional Rural Modernisation Project (DEECA). Other major funding recognised included \$4,797,387 (2024: \$2,280,212) for the Bendigo Groundwater Project, and funding of \$1,375,208 for the Marong Sewer Upgrade.

Coliban Region Water Corporation

Notes to the financial statements

Grants recognised under AASB 1058

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised under AASB 1058 when the Corporation has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Corporation recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004 *Contributions* (AASB 1004);
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16 *Leases* (AASB 16);
- a financial instrument, in accordance with AASB 9 *Financial Instruments* (AASB 9); or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (AASB 137).

Grants recognised under AASB 15

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

2.3 Other income

	2025 \$'000	2024 \$'000
Other income	995	1,406
Rental income	98	138
ZEW investment income	60	28
Total other income	1,153	1,572

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 5.4 for further details on the arrangement between Coliban Water and ZEW.	Revenue is recognised over time as service is provided

Coliban Region Water Corporation

Notes to the financial statements

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 Employee benefits

3.1.1 Employee benefits in the comprehensive operating statement

	2025 \$'000	2024 \$'000
Salaries and wages, annual leave and long service leave	26,509	23,474
Termination benefits	237	-
Superannuation	3,864	3,297
Total employee benefit costs	30,610	26,771

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. They are expensed in the period in which they are incurred.

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.

The defined benefit plan(s) provides benefits based on years of service and final average salary. The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans. Coliban Water does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, Coliban Water accounts for contributions to these plans as if they were defined contribution plans under AASB 119 Employee Benefits. the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before the 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.

Coliban Region Water Corporation

Notes to the financial statements

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.

	2025 \$'000	2024 \$'000
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	2,623	2,364
Accrued Days Off		
Unconditional and expected to settle within 12 months	422	359
Long service leave		
Unconditional and expected to settle within 12 months	626	333
Unconditional and expected to settle after 12 months	3,524	3,871
Provisions for on-costs		
Unconditional and expected to settle within 12 months	530	441
Unconditional and expected to settle after 12 months	475	502
Total current provisions for employee benefits	8,200	7,870
Non-current provisions:		
Long service leave - conditional	610	495
On-costs	82	64
Total non-current provisions for employee benefits	692	559
Total provisions for employee benefits	8,892	8,429

The number of employees at the end of the financial year was 307 (2024: 272).

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.

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

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.

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.

Coliban Region Water Corporation

Notes to the financial statements

3.2 Direct operating expenses

	2025 \$'000	2024 \$'000
Partnership contract expenses	29,124	25,996
General services	5,837	4,568
Service concession arrangements	11,388	10,880
Bulk charges	2,747	2,380
Chemicals	3,310	3,147
Electricity	6,566	4,250
Repairs and Maintenance	8,887	9,000
ZEW derivative expense	96	107
Other operational costs	5,656	6,036
Total direct operating expenses	73,611	66,364

Direct operating expenses generally represent the day-to-day running costs incurred in normal operations.

Expense	Description	Recognition policy
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.
Bulk charges	Water purchases are expensed as incurred. These costs relate to long term entitlement licenses held by Coliban Water with neighboring 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.
Chemicals	Chemical costs incurred in operating and maintaining both water and wastewater treatment networks under the current contract with Service Stream.	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.
Repairs and maintenance	Repairs and maintenance costs in operating and maintaining both water and wastewater treatment plants and reticulation networks. This includes planned and corrective maintenance currently undertaken by Service Stream.	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 5.4.1 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 operational costs	Includes a range of general operating costs such as postage; minor equipment expensed during the period; professional development; motor vehicle fuel; Customer Service Guarantee payments; and bank charges.	Accrual basis. Recognised in the Comprehensive operating statement.

Coliban Region Water Corporation

Notes to the financial statements

3.3 Other operating expenses

	2025 \$'000	2024 \$'000
Information technology	4,928	5,196
License fees	269	326
Legal	1,097	595
Total other operating expenses	6,294	6,117

Expense	Description	Recognition policy
Information technology	All operating expenses, maintenance contracts, and other costs associated with operating the information technology environment of the Coliban Water.	Accrual basis. Recognised in the Comprehensive operating statement.
License fees	All license costs associated with operating the information technology environment of Coliban Water.	Accrual basis. Recognised in the Comprehensive operating statement.
Legal fees	Legal fees are expensed as incurred in the period the services are received, except where they are directly attributable to acquiring or constructing a qualifying asset—in which case they may be capitalised and amortised over the asset's useful life.	As incurred. Recognised in the Comprehensive operating Statement.

3.4 Net finance costs

	2025 \$'000	2024 \$'000
Interest on bank deposits	427	620
Interest on loans from Treasury Corporation of Victoria (TCV)	(20,980)	(17,180)
Interest on lease liability	(116)	(90)
Financial accommodation levy	(7,575)	(6,529)
Interest on financial liabilities - service concession arrangements	(2,552)	(3,187)
Net finance income / (costs) recognised in comprehensive operating statement	(30,796)	(26,366)

Finance income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets.

Finance costs include costs incurred in connection with the borrowing of funds including interest on bank overdrafts, short term and long-term borrowings, financial liabilities recognised for service concession arrangements, amortisation of discounts or premiums relating to borrowings and lease charges.

Finance income is recognised using the effective interest method and finance costs are recognised as expenses in the period in which they are incurred.

Financial accommodation levy is a levy applied to Coliban Water 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 Coliban Water'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 Coliban Water by the State Government of Victoria.

Coliban Region Water Corporation

Notes to the financial statements

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 ⁽¹⁾	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024								
Gross carrying amount	63,056	3,123	4,762	6,482	1,962,928	199,412	67,914	2,307,677
Accumulated depreciation	-	(403)	(4,464)	(4,318)	(90,544)	(16,808)	-	(116,537)
Net carrying amount - 1 July 2024	63,056	2,720	298	2,164	1,872,384	182,604	67,914	2,191,140
Additions	-	-	-	-	-	-	87,992	87,992
Disposals	(4)	-	-	(106)	(3,141)	-	-	(3,251)
Transfers in/(out) of assets under construction	2,254	624	(76)	787	70,783	5,481	(79,853)	-
Transfer between asset classes	4	-	-	11	(11)	-	58	62
Fair value of asset received free of charge	-	-	-	-	-	-	12,488	12,488
Depreciation charge	-	(137)	(28)	(570)	(34,795)	(5,784)	-	(41,314)
Other movements	-	-	-	-	-	-	-	-
Closing net book amount	65,310	3,207	194	2,286	1,905,220	182,301	88,599	2,247,117
Total as at 30 June 2025 represented by:								
Gross book value	65,310	3,743	4,686	5,979	2,029,725	204,894	88,599	2,402,936
Accumulated depreciation	-	(536)	(4,492)	(3,693)	(124,505)	(22,593)	-	(155,819)
Net book value as at 30 June 2025	65,310	3,207	194	2,286	1,905,220	182,301	88,599	2,247,117

⁽¹⁾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

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 (2024: \$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.

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 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. Where there is a revaluation, Coliban Water shall disclose the methods and significant assumptions applied in estimating the items' fair values and the revaluation surplus, indicating the change for the period and any restrictions on the distribution to the balance to shareholders.

Coliban Region Water Corporation

Notes to the financial statements

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.

4.1.4 Depreciation and impairment

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.

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.

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and 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, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

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.

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.

Coliban Region Water Corporation

Notes to the financial statements

4.2 Intangible assets

	Water entitlements \$'000	Software costs \$'000	Works in progress \$'000	Large-scale generation certificates \$'000	Total \$'000
Balance at 1 July 2024					
Cost of fair value	71,616	20,733	341	-	92,690
Accumulated amortisation	-	(15,894)	-	-	(15,894)
Net book value as at 1 July 2024	71,616	4,839	341	-	76,796
Additions	-	207	1,001	-	1,208
Transfer between asset classes	-	(2,404)	2,404	-	-
Amortisation	-	(612)	-	-	(612)
Closing net book amount	71,616	2,030	3,746	-	77,392
Total as at 30 June 2025 represented by:					
Cost of fair value	71,616	18,536	3,746	-	93,898
Accumulated amortisation	-	(16,506)	-	-	(16,506)
Net book value as at 30 June 2025	71,616	2,030	3,746	-	77,392

Recognition and measurement

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is met, internally generated assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begin when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated, including:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised as expenditure when incurred.

Amortisation

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.

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
Useful lives	Indefinite	Finite
Amortisation method used	Not amortised or revalued	1 to 10 years
Internally generated/acquired	Acquired	Acquired
Impairment test/Recoverable amount testing	Annually and where an indicator of impairment exists	Annually and where an indicator of impairment exists

Software costs

Software Costs are costs incurred for the development of software code that enhance, modify, or create additional capability to, existing on-premises systems.

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 are tested annually for impairment. Testing against market value, there was no evidence of impairment found.

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.

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.

Goldfields Superpipe		Ownership Interest	
		2025	2024
		%	%
Coliban Water	The joint operation of the Goldfields Superpipe involves the use of assets and other resources of both parties. Each party uses its own assets and incurs its own expenses and liabilities.	66.67	66.67
	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.		
Central Highlands Water (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.	33.33	33.33

Coliban Region Water Corporation

Notes to the financial statements

	Interest ⁽ⁱ⁾	Water Distribution ⁽ⁱⁱ⁾	Operational costs ⁽ⁱⁱⁱ⁾
Principal Activity 2025			
Waranga Channel to Lake Eppalock to Sandhurst Reservoir	2/3	73,781	1,628
Principal Activity 2024			
Waranga Channel to Lake Eppalock to Sandhurst Reservoir	2/3	74,809	787

⁽ⁱ⁾Certain administration and operational costs are split 50/50 in-line with agreement.

⁽ⁱⁱ⁾Disclosed as Infrastructure Assets. Refer to Note 4.1.1

⁽ⁱⁱⁱ⁾Disclosed as part of other operating and administrative expenses. Refer to Note 3.2.

As at 30 June 2025, there were \$224,383 outstanding liabilities (as at 30 June 2024: \$118,096), and \$140,956 receivable (reimbursement) from Central Highlands Water (30 June 2024: \$Nil).

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date. Coliban Water is involved in joint arrangements where control and decision-making are shared with other parties. Coliban Water has determined the entities detailed in the above table are joint operations and therefore recognises its share of assets, liabilities, revenues and expenses in accordance with its rights and obligations under the arrangement.

4.4 Non-financial assets classified as held for sale

	2025 \$'000	2024 \$'000
Freehold land held for sale	4	7
Large-scale generation certificates (LGC)	66	-
	<u>70</u>	<u>7</u>

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.

	2025 \$'000	2024 \$'000
Current		
Contractual		
Rates and charges receivable	17,167	13,922
Allowance for expected credit losses	(787)	(217)
Contract assets	25,232	22,694
Statutory		
Amounts owing from the Victorian Government	527	541
GST Receivables	797	1,589
Total current receivables	<u>42,936</u>	<u>38,529</u>
Non-current		
Contractual		
Customer receivables	533	581
Total non-current receivables	<u>533</u>	<u>581</u>
Total receivables	<u>43,469</u>	<u>39,110</u>

Coliban Region Water Corporation

Notes to the financial statements

Receivables consist of:

Receivable	Initial measurement	Subsequent measurement
Contractual receivables (debtors in relation to goods and services supplied)	Contractual receivables are classified as financial assets at amortised cost. They are initially recognised at fair value plus any directly attributable transaction cost. Coliban Water holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measures them at amortised cost using the effective interest method, less any impairment.	Measured at amortised cost less any provision for impaired receivables.
Statutory receivables (amounts owing from the Victorian Government and GST input tax credits recoverable)	Statutory receivables are not classified as financial instruments as they do not arise from contracts. They are recognised and measured similar to contractual receivables.	Measured at amortised cost less any provision for impaired receivables.
Contract assets	Unbilled usage charges are recognised as revenue when the service or other goods have been provided as at year end. 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.	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 losses

Impairment losses on financial assets and contract assets recognised in the comprehensive operating statement are disclosed in Note 9.1.

The loss allowances for trade receivables and contract assets are based on assumptions about risk of default and expected loss rates. The expected loss rates applied as at 30 June 2025 vary from 0.5% for receivables that are 1 - 30 days past due to 6.0% for receivables that are more than 120 days past due (2024: 0.5% - 3.5%).

Contractual receivables at amortised cost

Coliban Water applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Coliban Water has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Coliban Water's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

Credit loss allowance is classified as other economic flows in the net result (refer to Note 9.2). 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.

Statutory receivables at amortised cost

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance has been recognised.

Coliban Region Water Corporation

Notes to the financial statements

5.2 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.

	2025 \$'000	2024 \$'000
Current		
Contractual		
Trade creditors	2,406	8,141
Accrued expenses	23,715	17,764
Other payables	2,451	3,982
Contract liabilities	26,468	17,716
Statutory		
FBT payable	7	8
Total current payables	55,047	47,611
Non-current		
Contractual		
Retention and advance deposits	466	307
Total non-current payables	466	307
Total trade and other payables	55,513	47,918

Contractual payables are classified as financial instruments and measured at amortised cost and represent liabilities for goods and services provided to Coliban Water prior to the end of the financial year that are unpaid. Contractual payables are unsecured and are usually paid within 28 days of recognition.

Statutory payables are recognised and measured similarly to contractual payables but are not classified as a financial instrument because they do not arise from a contract.

The contract liabilities primarily relate to unearned income received in advance of Coliban Water performing its contract obligations and will be recognised as revenue when the services are performed. Refer to Note 2.1 for further details of the performance obligation.

5.3 Other financial assets and liabilities

	2025 \$'000	2024 \$'000
Other financial assets		
Investment in Zero Emissions Water (ZEW) Ltd	15	15
Total other financial assets	15	15
Other financial liabilities		
Derivative financial instrument	805	1,039
Total other financial liabilities	805	1,039

Amounts held by Coliban Water with a maturity of three months or more are disclosed as 'Other financial assets'.

5.3.1 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 Region Water Corporation

Notes to the financial statements

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 2025, 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.

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 has not surrendered LGC's.

The balance of the PPA in the statements reflects the 2024 valuation. The 2025 audited PPA valuation is not yet available, and the difference will not be material. Coliban Water will recognise the valuation change in the 2025/26 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	2025 \$'000	2024 \$'000
Current interest-bearing liabilities			
Lease liabilities ⁽ⁱ⁾	6.2	899	639
Loans from Treasury Corporation of Victoria (TCV)		5,500	-
Service Concession Arrangement - water and wastewater treatment facilities	6.3	9,335	8,593
Total current interest-bearing liabilities		15,734	9,232
Non-current interest-bearing liabilities			
Lease liabilities	6.2	1,799	1,957
Loans from Treasury Corporation of Victoria (TCV)		577,332	501,932
Service Concession Arrangement - water and wastewater treatment facilities	6.3	18,829	28,164
Total non-current interest-bearing liabilities		597,960	532,053
Total interest-bearing liabilities		613,694	541,285

⁽ⁱ⁾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.

Loans are sourced from the Treasury Corporation of Victoria (TCV) and secured by the Treasurer in the form of a government guarantee. They are classified as a financial instrument and 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*.

Lease liabilities are determined in accordance with AASB 16 (refer to Note 6.2).

Service concession arrangements are determined in accordance with AASB 1059 (refer to Note 6.3).

Coliban Region Water Corporation

Notes to the financial statements

6.1.1 Maturity of borrowings

The following table sets out Coliban Water's borrowings by their maturity periods.

	Carrying amount \$'000	Nominal amount ⁽ⁱ⁾ \$'000	Less than 1 month \$'000	1 - 3 months \$'000	Maturity dates 3 months - 1 year \$'000	1 - 5 years \$'000	5+ years \$'000
30 June 2025							
Lease liabilities	2,698	5,594	74	225	599	1,592	208
Loans from TCV	582,832	576,208	-	-	56,500	232,500	293,832
Service concession arrangements ⁽ⁱⁱ⁾	28,164	28,164	750	1,516	7,069	18,829	-
Total	613,694	609,966	824	1,741	64,168	252,921	294,040
30 June 2024							
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 ⁽ⁱⁱ⁾	36,757	36,757	679	1,373	6,542	27,049	1,114
Total	541,285	521,016	689	1,483	58,028	232,654	248,431

⁽ⁱ⁾Nominal amount represents fair value

⁽ⁱⁱ⁾Water and wastewater treatment facilities

6.1.2 Interest expense

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 Coliban Water 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 Coliban Water'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 Coliban Water 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.

At inception of a contract, Coliban Water assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, Coliban Water allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

Coliban Region Water Corporation

Notes to the financial statements

Coliban Water recognises a right-of-use asset and a lease liability at the lease commencement date. 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. 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.

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.

6.2.1 Right-of-use assets

The following tables presents Coliban Water's buildings, plant and equipment, and vehicles by right-of-use assets.

	Buildings	Plant and	Infrastructure	Vehicles	Total
	\$'000	Equipment	other than roads	\$'000	\$'000
Total as at 30 June 2024 represented by:					
Cost	2,594	128	189	1,802	4,713
Less: Accumulated depreciation	(1,757)	(56)	(18)	(278)	(2,109)
Net book value at 30 June 2024	837	72	171	1,524	2,604
Additions to right-of-use assets	-	-	-	689	689
Derecognition of right-of-use assets	-	-	(168)	168	-
Modification adjustments	48	-	-	29	77
Depreciation expense	(137)	(6)	(3)	(697)	(843)
Other movements	-	-	-	147	147
Carrying amount at end of year	748	66	-	1,860	2,674
Year ended 30 June 2025					
Cost	772	85	-	2,089	2,946
Less: Accumulated depreciation	(24)	(19)	-	(229)	(272)
Carrying amount at end of year	748	66	-	1,860	2,674

6.2.2 Amounts recognised in the Comprehensive operating statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2025	2024
	\$'000	\$'000
Interest on lease liabilities	116	90
Depreciation on right-of-use assets	843	857
Expenses relating to short-term leases	57	25
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	29	63
Income from sub-leasing right-of-use assets	-	(54)
Total	1,045	981

Coliban Region Water Corporation

Notes to the financial statements

6.2.3 Future lease payments

The total of future lease payment commitments (including those lease payments that are not included in the measurement of the lease liability e.g. for short-term leases and leases of low-value items) are disclosed for each of the following periods.

	2025 \$'000	2024 \$'000
Less than one year	1,197	1,028
One to five years	2,614	2,167
More than five years	833	407
Total	4,644	3,601

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.

Coliban Region Water Corporation

Notes to the financial statements

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.

The table below illustrates commitments for SCAs.

	Notes	Minimum future payments		Present value of Minimum future payments	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Service concession arrangement liability					
Water treatment facilities		12,796	19,472	11,848	17,362
Wastewater treatment facilities		19,189	23,658	16,316	19,395
Minimum future liability payments		31,985	43,130	28,164	36,757
Less: Future finance charges		(3,821)	(6,373)	-	-
Total service concession arrangement liability		28,164	36,757	28,164	36,757
Representing service concession arrangement liability					
Current	6.1			9,335	8,593
Non-current	6.1			18,829	28,164
Total service concession arrangement liability				28,164	36,757

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 2035 and may be extended by mutual agreement between Coliban Water and TCV.

	2025 \$'000	2024 \$'000
Cash at bank	20,188	11,690
Balance as per cash flow statement	20,188	11,690

As at balance date, \$5.2M of cash and cash equivalents is being held for the Bendigo Groundwater Project.

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. Coliban Water has commitments recorded to incur capital expenditure of \$176.88 million (2024: 54.15 million). The largest commitments relate to Bendigo WRP Solids Handling Projects, and Bendigo, Castlemaine and Kyneton WTP HBT Upgrades. These commitments to major projects are expected to be completed in 2030. 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
Nominal Amounts 2025				
Service concession arrangement	11,102	17,295	-	28,397
Capital expenditure commitments payable	83,856	93,012	-	176,868
Contributions to state as owner	1,716	2,574	-	4,290
Environmental contribution levy commitments	5,941	11,881	-	17,822
Operational expenditure commitments payable	35,958	51,580	-	87,538
Total commitments (inclusive of GST)	138,573	176,342	-	314,915
Less GST recoverable	(11,899)	(14,717)	-	(26,616)
Total commitments (exclusive of GST)	126,674	161,625	-	288,299
Nominal Amounts 2024				
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
Total commitments (inclusive of GST)	97,528	137,485	744	235,757
Less GST recoverable	(8,090)	(10,645)	(68)	(18,803)
Total commitments (exclusive of GST)	89,438	126,840	676	216,954

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 2025/26 reporting period.

Categories of financial instruments

Financial instrument	Initial measurement	Subsequent measurement
Financial assets at amortised cost		
Financial assets include: - Loans and receivables - cash and deposits; - receivables; - certain debt securities; and - Investment in ZEW	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: - the asset is held within a business model whose objective is to collect the contractual cash flows, and - the contractual terms give rise to cash flows that are solely payments of principal and interest
Financial liabilities at amortised cost		
Financial liabilities include: - payables (excluding statutory payables); - Service concession assets; and - borrowings (including lease liabilities)	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.
Financial assets and liabilities at fair value through profit or loss		
Financial asset/liabilities include: derivative	Fair value, plus or minus any directly attributable transaction costs.	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 the 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
2025						
Contractual financial assets						
Cash and deposits	6.4	20,188	-	-	-	20,188
Receivables⁽ⁱ⁾						
Rates and charges receivable	5.1	-	16,913	-	-	16,913
Contract assets	5.1	-	25,232	-	-	25,232
Investments and other contractual financial assets						
Investment in Zero Emissions Water (ZEW) Ltd	5.3	-	-	15	-	15
Total contractual financial assets		20,188	42,145	15	-	62,348
Contractual financial liabilities						
Payables⁽ⁱ⁾						
Trade creditors	5.2	-	-	-	2,406	2,406
Accrued expenses	5.2	-	-	-	23,715	23,715
Other payables	5.2	-	-	-	2,917	2,917
Borrowings						
Lease liabilities	6.1	-	-	-	2,698	2,698
Loans from Treasury Corporation of Victoria (TCV)	6.1	-	-	-	582,832	582,832
Service Concession Arrangement - water and wastewater treatment facilities	6.1	-	-	-	28,164	28,164
Derivative financial liabilities						
Financial liabilities designated at fair value through profit or loss	5.3	-	-	805	-	805
Total contractual financial liabilities		-	-	805	642,732	643,537
2024						
Contractual financial assets						
Cash and deposits	6.4	11,690	-	-	-	11,690
Receivables						
Rates and charges receivable	5.1	-	14,286	-	-	14,286
Contract assets	5.1	-	22,694	-	-	22,694
Investments and other contractual financial assets						
Investment in Zero Emissions Water (ZEW) Ltd	5.4	-	-	15	-	15
Total contractual financial assets		11,690	36,980	15	-	48,685
Contractual financial liabilities						
Payables						
Trade creditors	5.2	-	-	-	8,141	8,141
Accrued expenses	5.2	-	-	-	17,764	17,764
Other payables	5.2	-	-	-	4,289	4,289
Borrowings						
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
Derivative financial liability						
Financial liabilities designated at fair value through profit or loss	5.4	-	-	1,039	-	1,039
Total contractual financial liabilities		-	-	1,039	571,479	572,518

⁽ⁱ⁾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)	Total interest income / (expense)	Total
	\$'000	\$'000	\$'000
2025			
Contractual financial liabilities			
Financial liabilities at amortised cost	-	(31,223)	(31,223)
Financial assets		427	427
Financial liabilities designated at fair value through profit/loss	234	-	234
Total contractual financial liabilities	234	(30,796)	(30,562)
2024			
Contractual financial liabilities			
Financial liabilities at amortised cost	-	(26,986)	(26,986)
Financial assets	-	620	620
Financial liabilities designated at fair value through profit/loss	(453)	-	(453)
Total contractual financial liabilities	(453)	(26,366)	(26,819)

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 2025 (30 June 2024: 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.

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.
- 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.

The Valuer General Victoria (VGV) is Coliban Water's independent valuation agency. In conjunction with VGV, Coliban Water monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

7.3.1 Fair value determination

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 *Fair Value Measurement* by adding Appendix F *Australian implementation guidance for not-for-profit public sector entities*. Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

For all assets measured at fair value, Coliban Water considers the current use is the highest and best use.

Coliban Region Water Corporation

Notes to the financial statements

The following table shows the valuation techniques used in measuring fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs
Specialised land, specialised buildings and specialised buildings - leasehold	Market approach whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value, adjusted for Community Service Obligation (CSO) requirements to reflect the specialised nature of the land being valued.	Community Service Obligation (CSO adjustment)
Non-specialised land	Market approach whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.	N/A
Plant and equipment	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. Coliban Water uses current replacement cost for vehicles hence they are classified as Level 3 for fair value measurements.	Original useful life Cost per unit
Infrastructure assets	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.	Original useful life Cost per unit
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	Original useful life Cost per unit

There were no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2025.

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.

Coliban Region Water Corporation

Notes to the financial statements

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.

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. In 2025, a Climate Change Risk Management Strategy was finalised, identifying risk management pathways for strategic and project level climate risks.

In addition to internal management strategies, Coliban Water is participating in an initiative to uplift capability in climate adaptation across the water sector in Victoria. This project will contribute to the development of suitable climate metrics and initiate actions regarding the financial impacts of climate events on our operations.

The Environment and Service Delivery 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 Risk Management Strategy.

As at 30 June 2025, 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.

Although it is intended that asset valuations will be based on a five year cycle, FRD 103 *Non financial physical assets* (FRD103) requires entities to perform annual fair value assessments for each class of non financial physical assets to determine whether additional revaluations need to be undertaken between revaluation cycles. Management perform interim valuations when the triggers of FRD103 are met.

Coliban Region Water Corporation

Notes to the financial statements

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	2025 \$'000	2024 \$'000
(a) Income statement			
Current income tax expense		-	-
Temporary differences		2,798	3,775
Income tax reported in the Income Statement		2,798	3,775
(b) Statement of changes in equity			
Net deferred tax - debited/(credited) directly to equity	8.1.2	-	84
Income tax reported in equity		-	84
(c) Tax reconciliation			
Profit from continuing operations before income tax expense		(9,330)	(12,578)
Tax at the Australian tax rate of 30.0% (2024 - 30.0%)		2,799	3,773
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Permanent differences		-	-
Income tax benefit / (expense) on net result before tax		2,799	3,773
(d) Tax expense (income relating to items of other comprehensive income)			
Gain/(loss) on revaluations of infrastructure, property, plant and equipment		-	(84)
		-	(84)
(e) Tax losses			
Potential tax benefit @ 30%	8.1.2	60,407	61,363
		60,407	61,363

Coliban Water will not pay income tax for 2024/2025. Tax losses have been brought to account.

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.

Coliban Region Water Corporation

Notes to the financial statements

Deferred tax assets

	Notes	2025 \$'000	2024 \$'000
Amounts recognised in Comprehensive Operating Statement			
Loss allowance		236	65
Property, plant and equipment		9,502	12,135
Employee benefits		2,640	2,529
Accrued expenses		5,881	4,557
Tax losses		60,407	61,363
Total deferred tax assets		78,665	80,649
Movements:			
Opening balance at 1 July		80,649	81,277
to the Comprehensive Operating statement		(1,983)	(628)
Closing balance at 30 June		78,666	80,649
Deferred tax asset expected to be recovered within 12 months		8,757	7,151
Deferred tax asset expected to be recovered after more than 12 months		9,502	12,135
Tax losses		60,407	61,363
Closing balance at 30 June		78,666	80,649

Deferred tax liabilities

		2025 \$'000	2024 \$'000
Amounts recognised in Comprehensive Operating Statement			
Accrued income		87	100
Property, plant and equipment		206,648	211,417
Amounts recognised directly in equity			
Revaluation of infrastructure, property, plant and equipment		163,419	163,419
Total deferred tax liabilities		370,154	374,936
Movements:			
Opening balance at 1 July		374,936	379,253
Credited/(debited):			
to the net result		(4,782)	(4,401)
to the consolidated statement of comprehensive income		-	84
Closing balance at 30 June		370,154	374,936
Deferred tax liabilities expected to be settled within 12 months		87	100
Deferred tax liabilities expected to be settled after more than 12 months		370,067	374,836
Closing balance at 30 June		370,154	374,936
Total net deferred tax asset/(liability)		(291,489)	(294,287)

Tax update – Gifted assets (development contributions)

There has been a tailored compliance engagement arrangement update from the ATO which names a number of regional water authorities with similar structures to Coliban Water. This tax update is in regard to the valuation methodology with respect to 'gifted assets' (called development contributions in these accounts). The principle from the update is that the value to be included as income in the NTER is the economic value of those gifted assets and not the construction cost of the assets (as historically completed). Where Coliban Water does not derive any regulatory revenue from the gifted assets, there should be no direct value to Coliban Water with respect to these gifted assets.

The NTER implications have been raised with relevant stakeholder State departments, with plans to assess implications within the 2025/2026 financial year. Coliban Water has significant carried forward losses and is not in a tax paying position and this is not expected to have an impact on cash.

Coliban Region Water Corporation

Notes to the financial statements

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 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 following:

	2025 \$'000	2024 \$'000
Net gain/(loss) on disposal of infrastructure, property plant and equipment (including intangible assets)	(2,955)	(2,246)
Net (gain)/loss arising from derivatives for ZEW transactions	234	(453)
Total other gains/(losses) from other economic flows	(2,721)	(2,699)

(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.

9.2 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. Gayle Tierney MP	Minister for Water	19 December 2024 to 30 June 2025
The Hon. Harriet Shing MP	Minister for Water	1 July 2024 to 18 December 2024
Bob Cameron	Director (Chairperson)	1 July 2024 to 30 June 2025
Lucy Roffey	Director	1 July 2024 to 30 June 2025
Marika McMahon	Director	1 July 2024 to 30 June 2025
Helen Symes	Director	1 July 2024 to 30 June 2025
Nigel McGuckian	Director	1 July 2024 to 30 June 2025
Melanie McCarthy	Director	1 July 2024 to 30 June 2025
Mario D'Elia	Director	1 July 2024 to 30 June 2025
Lexi Randall-L'Estrange	Director	1 July 2024 to 30 June 2025
David Cochrane	Director	1 July 2024 to 30 June 2025
Damian Wells	Managing Director	1 July 2024 to 30 June 2025

Coliban Region Water Corporation

Notes to the financial statements

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:

	2025 number	2024 number
\$10,000 – \$19,999	-	1
\$30,000 – \$39,999	-	2
\$40,000 – \$49,999	9	6
\$80,000 – \$89,999	1	1
\$390,000 – \$399,999	-	1
\$460,000 – \$469,000	1	-
Total	11	11
Total remuneration	\$ 942,583	\$ 805,315

9.3 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 9.1 who have the authority and responsibility for planning, directing and controlling the activities of Coliban Water directly or indirectly, during the financial year.

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.

Coliban Region Water Corporation

Notes to the financial statements

Compensation of Key Management Personnel:

	2025 \$'000	2024 \$'000
Short-term employee benefits	2,269	756
Post-employment benefits	224	68
Long-term benefits	(18)	(19)
Total remuneration	2,475	805

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	2025 \$'000	2024 \$'000
Central Highlands Water	Goldfields Superpipe joint operation	1,438	1,872
Dept. of Families, Fairness and Housing	Pensioner Concessions	6,848	6,524
Dept. of Energy, Environment and Climate Action	Bendigo Groundwater Project	1,800	1,000
Dept. of Energy, Environment and Climate Action	Community Rebate and Housing Program	-	1,643
Dept. of Energy, Environment and Climate Action	Other project contributions	-	10
Dept. of Energy, Environment and Climate Action	Community Rebate and Housing Program	40	-
Dept. of Energy, Environment and Climate Action	Rural Water Efficiency Program	1,259	-
Greater Bendigo City Council	Project contribution - Marong Sewer Upgrade	12,414	-
Department of Justice and Community Safety	Emergency Resilience project	39	-
Total revenue		23,838	11,049

Amounts recognised as an expense in the Comprehensive operating statement

Entity name	Brief description of main activity	2025 \$'000	2024 \$'000
City Of Greater Bendigo	Rates and Charges	124	119
Dept. of Energy, Environment and Climate Action	Environmental Contribution	5,992	5,734
Dept. of Energy, Environment and Climate Action	Valuations, monitoring, licences etc	1,053	161
Dept. of Treasury and Finance	Administration levies	7,351	6,297
Dept. of Treasury and Finance	Regional Water and Sewerage Recovery Fee	-	62
Environmental Protection Authority	License renewals and applications	224	166
Goulburn Murray Rural Water Corporation	Water share fixed and bulk water charges	2,802	1,625
Grampians Wimmera Mallee Water	South West Loddon Rural Water Supply	1,083	825
North Central Catchment Management Authority	Kyneton offset works and Healthy Coliban Catchment	401	259
Treasury Corporation of Victoria	Interest on borrowings	20,980	17,180
Victorian Auditor General's Office	External audit services	193	151
Total expenses		40,203	32,579

As at 30 June 2025, amounts receivable from related entities included the Department of Families, Fairness and Housing, \$304,529 for pensioner concessions (2024: \$323,993), Central Highlands Water, \$116,663 for the Goldfields Superpipe joint operation (2024: \$118,096), and Greater Bendigo City Council, \$3,729,000 for the Marong Sewer Upgrade project contribution (2024: nil). Amounts payable to related entities included the Department of Energy, Environment and Climate Action (DEECA), \$ nil for Environmental Contribution Levy quarterly instalment, Instrumentation and Valuations (2024: \$1,435,985); Goulburn Murray Rural Water Corporation, \$9,135 for Bulk Water Charges (2024: \$30,209), North Central Catchment Management Authority, \$nil for Kyneton offset works and 'A Healthy Coliban Catchment program' (2024: \$99,594) and Victorian Auditor General's Office, \$49,500 for external audit services (2024: nil).

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.

Coliban Region Water Corporation

Notes to the financial statements

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 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 5.4.1 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.

	2025 \$'000	2024 \$'000
Payments	77	124
Receipts	(55)	(28)
Investment in ZEW	15	15
Derivative financial instrument in ZEW	(805)	(1,039)

9.4 Remuneration of auditors

	2025 \$	2024 \$
Victorian Auditor-General's Office		
Audit of the financial statements	148,300	143,000
Total remuneration of auditors	148,300	143,000

9.5 Ex-gratia expenses

	2025 \$'000	2024 \$'000
Forgiveness or waiver of debt ⁽ⁱ⁾	11	62
Total ex-gratia expense	11	62

⁽ⁱ⁾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 2024/2025 totalled \$10,786 (2023/2024: \$62,149).

9.6 Events occurring after the balance date

DEECA advised after balance date that the 2024/25 *COVID Debt Repayment Plan - Efficiency Savings* payment for Coliban Region Water Corporation has been assessed as \$1.716 million, to be recognised in the 2025/26 financial year.

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

9.7 Australian Accounting Standards issued that are not yet effective

A number of standards and amendments have been issued that apply to future reporting periods, however they are not expected to have any significant impact on the financial statements in the period of initial application.

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2025 reporting period. DTF assesses the impact of all these new standards and advises Coliban Water of their applicability and early cion where applicable.

The following AASs become effective for reporting periods commencing after the operative dates stated:

Topic	Key requirements	Effective date	Estimated impact
AASB 2023-5	Amendments to Australia Accounting Standards – Lack of Exchangeability	1 January 2025	No material impact
AASB2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128	1 January 2025	No material impact. Mandatory application of AASB 10 and AASB 128 amendments deferred until 1 January 2028.
AASB 2024-2	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026	No material impact.
AASB 18	Presentation and Disclosure in Financial Statements	1 January 2027	No material impact on figures. Will impact the classification of profit and loss and require additional disclosures on management's publicly reported performance measures.

Coliban Region Water Corporation

Notes to the financial statements

9.8 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 2024 (unless otherwise stated). The impact has been disclosed in the table below.

Topic	Key requirements	Impact	Effective Date
Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities (AASB 2022-10)	AASB 2022-10 amends AASB 13 <i>Fair Value Measurement</i> to modify the application of AASB 13 in relation to non-financial assets of NFP public sector entities not held primarily for their ability to generate net cash inflows. The highest and best use is presumed to be the asset's current use unless it is classified as held for sale or highly probable the asset will be used for an alternative purpose. A use is financially feasible if market participants would be willing to invest in an asset's service capacity. Coliban Water is allowed to use its own assumptions as a starting point when measuring the fair value of the asset if both the market selling price of a comparable asset and market data are unobservable. The standard also provides guidance on the nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence.	Impact assessment yet to be completed	1 January 2024
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.	No material impact	1 July 2023

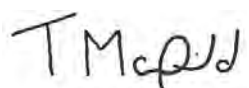
Independent Auditor's Report

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 2025 • 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 material accounting policy information • statutory certification. In my opinion, the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and Australian Accounting Standards - Simplified Disclosures.
Basis for opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's responsibilities for the audit of the financial report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. 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 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (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 is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the <i>Financial Management Act 1994</i>, 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.

Auditor's responsibilities for the audit of the financial report	As required by the <i>Audit Act 1994</i>, 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 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
10 September 2025

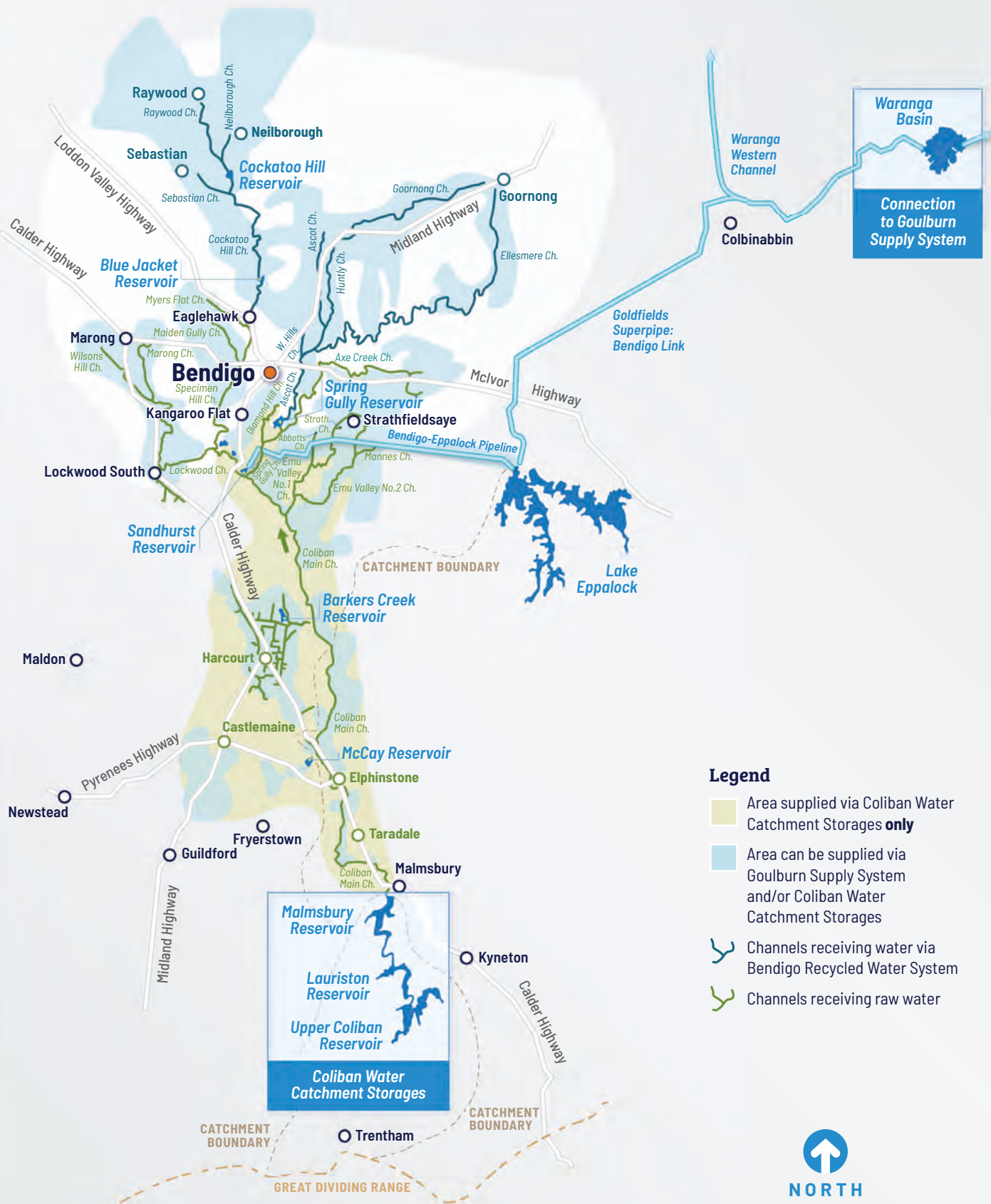

 Timothy Maxfield
as delegate for the Auditor-General of Victoria

Disclosure Index

Legislation	Requirement	Page
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	4
FRD 22	Purpose, functions, powers, and duties	4
FRD 22	Nature and range of services provided	4
FRD 22	Key initiatives and projects	8
Management and structure		
FRD 22	Organisational structure	21
FRD 22	Our Board and committees	18
Financial and other information		
FRD 10	Disclosure index	115–116
FRD 12	Disclosure of major contracts over \$10 million	23
FRD 22	Employment and conduct principles	23
FRD 22	Workforce inclusion policy	23
FRD 22	Occupational health and safety policy	24
FRD 22	Summary of the financial results for the year	25
FRD 22	Five-year financial summary	25
FRD 22	Significant changes in financial position during the year	26
FRD 22	Major changes or factors affecting performance	26
FRD 22	Subsequent events (nil response required)	26
FRD 22	Application and operation of the <i>Freedom of Information Act 1982</i>	27
FRD 22	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	27
FRD 22	Statement of National Competition Policy (Competitive Neutrality Policy)	27
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	27
FRD 22	Details of consultancy expenditure	28
FRD 22	Disclosure of government advertising expenditure	30
FRD 22	Disclosure of ICT expenditure	30
FRD 22	Disclosure of review and study expenses	31
FRD 22	Disclosure of procurement complaints	33
FRD 22	Disclosure of emergency procurement	34
FRD 22	Additional information and statement of availability	34
FRD 22	Summary of an entity's environmental performance	34
FRD 24	Reporting of environmental data	34
FRD 25	Local Jobs First	35
FRD 27	Performance reporting	56
FRD 29	Workforce data disclosures	36
FRD 22	Social procurement activities under the Social Procurement Framework	37
SPF	Social Procurement Framework	37

Legislation	Requirement	Page
Ministerial Directions		
MRD 01	Climate change and energy	40
MRD 02	Customer and community engagement	44
MRD 03	Recognise Aboriginal values	47
MRD 04	Recognising recreational values	48
MRD 05	Resilient and liveable cities and towns	49
MRD 06	Leadership, diversity and culture	54
MRD 07	Performance and financial management	56
MRD 08	Compliance and enforcement	62
Compliance attestation and declaration		
SD 5.1.4	Attestation for Financial Management Compliance	38
SD 5.2.2	Declaration in Financial Statements	113 – 114
SD 5.2.3	Declaration in Report of Operations	59 – 60
Legislation		
<i>Building Act 1993</i>		27
<i>Financial Management Act 1994</i>		38
<i>Freedom of Information Act 1982</i>		27
<i>Local Jobs Act 2003</i>		35
<i>Public Interest Disclosure Act 2012</i>		27
<i>Water Act 1989</i>		4

Coliban Water Rural System Diagram



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