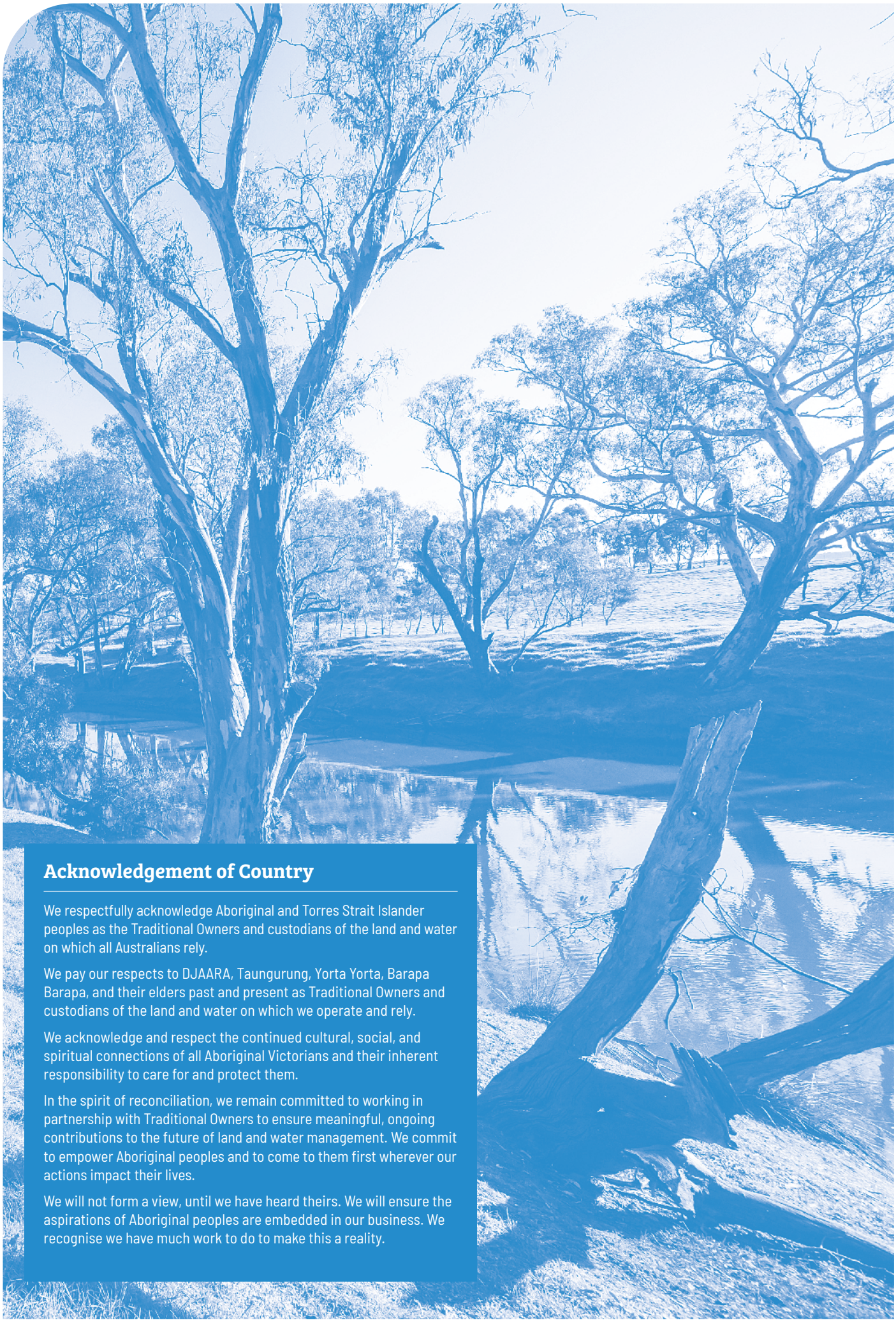


2025 2026 Annual Report

Coliban WATER



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.

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Message from our Chair and Managing Director



Bob Cameron
Chair



Damian Wells
Managing Director

We commenced 2025/26 focussed on navigating the combined impacts of climate change, population growth and ageing assets, alongside increasing cost pressures, regulatory requirements, and a drying catchment.

These considerations continue to shape how we plan, invest, and deliver safe and reliable water and sewer services, support growth across the region, and play our role in protecting the environment.

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

In April, we welcomed the announcement of $121 million in federal funding for the Coliban Region Rural Water Efficiency Project. Together with our own investment of up to $40 million, this project will transform our ageing rural supply network, deliver environmental benefits, and improve regional water security.

This year marked the third year of our largest ever program of capital works. Investment in new and upgraded infrastructure totalled $120 million and was among the largest annual investments in our history. The work achieved will ensure we can continue to meet customer and community expectations and our growing compliance obligations. Work included:

- We commenced a ten-year, $40 million program to upgrade water and wastewater treatment and storage infrastructure. The long-term partnership model adopted will create greater opportunities for local suppliers and subcontractors and flow-on economic benefits for the region.

  We completed a refurbishment of Kalimna Basin to provide greater water security for Castlemaine and surrounding areas and have started work on an upgrade of the Cohuna Water Treatment Plant. Other projects will follow in Axedale, Echuca, Malmsbury, and Goornong, complementing upgrades in Epsom, Huntly, Marong, and Maiden Gully designed to ensure our infrastructure is resilient and ready for future demand.
- 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, including the Bendigo Regional Employment Precinct.
- We awarded a design and construction contract for a major upgrade of the Bendigo Recycled Water Factory. When complete, the improved facility will triple the production of Class A recycled water and provide a valuable alternative water source for community and commercial use. Our recycled water infrastructure was further enhanced with the completion this year of a $6.9 million recycled water storage facility at Spring Gully Reservoir.
- Significant progress was made on the once-in-a-generation upgrades at the Bendigo and Castlemaine Water Reclamation Plants. In Bendigo, a new electrical switch room was commissioned and will support the new solids handling facility that will increase on-site treatment capacity by 20%. In Castlemaine, an expression of interest process is underway to identify potential delivery partners.

Rainfall and inflows to our storages remained front of mind, with our reservoirs near Kyneton reduced to just 53% capacity in July 2025 after two successive seasons of below-average inflows.

In response, our water resources team and a dedicated drought response working group implemented drought preparedness measures and actions identified in our Urban Water Strategy.

To preserve supplies for our southern towns, we continued to use our 18% share of Lake Eppalock, pumping water via the Goldfields Superpipe for the Bendigo region, our 2025 rural season opened with a reduced allocation for the first time in 15 years, and we implemented ongoing education initiatives and media campaigns to encourage customers to use water responsibly.

Dry conditions intensified over the summer months, contributing to devastating bushfires across Victoria, including in Harcourt within our service region.

We introduced a support package for customers impacted by the Harcourt bushfires, including bill waivers, and we played an active role in response and recovery efforts alongside key stakeholders and service providers. Our teams worked tirelessly to restore damaged water and sewer infrastructure, and we provided emergency water, information and advice to those affected. To further support local recovery, we contributed $6,000 to the Harcourt Progress Association following the Do Not Drink Advisory caused by the fires.

Together with six regional water corporations, we officially launched the Northern Urban Water Accord to proactively plan for and address northern Victoria's future water challenges. The Accord embeds a shared commitment to innovation, proactive solutions, and region-wide planning, collaboration and emergency resilience in the face of increasing climate variability and growing demand for water.

Dry conditions did improve significantly in autumn 2026, with widespread rainfall wetting catchments. Follow-up rain over winter replenished storages and improved the outlook, and we enter the next reporting period with water resources in a much stronger position.

We performed well this year in the Victorian Essential Services Commission's customer perception surveys for the water sector. Incremental improvements year-on-year 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 the delivery of core services and 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 $1.24 million and directly helped more than 2,800 customers experiencing financial hardship.

Internally, our transformation journey continued. We are taking deliberate action to strengthen the business and deliver value for customers. This includes implementing a more balanced operating model, strengthening investment governance, and undertaking a comprehensive organisation-wide review to ensure we are operating as efficiently and effectively as possible.

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 accelerating population growth, intensifying climate change, an ageing asset base, increasing cost pressures, and regulatory requirements.

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, limited local water sources, and population growth.

Although we started to move in the right direction with Price Submission 2023, our current investment levels are not sufficient to deliver service levels within our risk appetite and we 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 maintain safe, reliable, and affordable services for our communities into the future.

In close partnership with our Board, and guided by Our Strategy (dhelk gatjin dhelk balak), our 2025 Financial Sustainability Strategy, and current Corporate Plan, we continue to engage transparently with key stakeholders to help them understand the issues we face. We are working with shareholders to explore solutions to rebalance affordability, service risk, and financial viability.

With appropriate support, partnerships, and a 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 customers into the future will also require shared solutions, collaboration with regulators, shareholders, stakeholders, Traditional Owners, and active engagement with community groups. We are continuing to meet with and listen to all groups through an ongoing engagement program, and specific activities centred around current planning for Price Submission 2028 and our updated Urban Water Strategy.

It's a challenging and 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 third year of the 2023-2028 price period monitored by the Essential Services Commission. This report further details our performance between 1 July 2025 and 30 June 2026. 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 2025/26.



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.

During the past 12 months we were overseen by the Minister for Water, the Hon Gayle Tierney MP, from 1 July 2025 until 14 April 2026, and from 15 April 2026 until 30 June 2026 by the Hon Harriet Shing MLC. We are responsible to the Department of Energy, Environment and Climate Action (DEECA). We are 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 sewage services for public health and the environment so our communities can sustain themselves.

Our vision

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

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

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

We hold bulk entitlements in the Campaspe, Coliban, Goulburn, Loddon, Murray, and Wimmer 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.

Our region

Our region spans central and northern Victoria and comprises 49 towns. We service approximately 184,461 people and have assets worth more than $2.9 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.



Legend

Water supply systems

- Campaspe
- Coliban (Northern)
- Coliban (Southern)
- Goulburn
- Loddon Wimmera
- Murray
- Elmore water supply system
- Trentham water supply system

Services delivered

- Sewer
- Drinking water
- Untreated water
- Recycled water

Traditional Land Owners

- Dja Dja Wurrung Clans Aboriginal Corporation
- Taungurung Land and Waters Council (Aboriginal Corporation) (TLAWC)
- Yorta Yorta Nation Aboriginal Corporation
- Currently not Represented by a registered Aboriginal Corporation

Snapshot
Our business in 2025/2026



$2.9 BILLION
net book value of infrastructure assets, property, plant, and equipment

184,461
customers



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



83,930
water connections





More than
20,567
megalitres of drinking water supplied

2,454
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

1,337
rural licenses





78
Water Pump Stations



76,518
sewerage connections

2,148
kilometres of sewer mains



193
Sewerage Pump Stations



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

13,398
megalitres of sewage collected and treated at our water reclamation plants

3,638
megalitres of collected wastewater treated for reuse

One
recycled water factory



78
kilometres of recycled water infrastructure



1,285
recycled water connections



Approximately
358
megalitres of Class A recycled water supplied



31%
of customers have a concession card



Our stories

Water

Financial support secured for the largest investment in our rural network since the goldrush

In April, the Hon Murray Watt, Federal Minister for the Environment and Water, announced $120 million in federal funding for the Coliban Region Rural Water Efficiency Project.

The largest federal government contribution ever made to a project within Bendigo will complement our own investment of up to $40 million, bringing the total project budget to $160 million.

First constructed in the 1870s, our rural network supplies up to 7,000 megalitres of water each year to about 1,300 customers. The current open channels and gravity pipeline system is estimated to lose approximately 79% of the water through leaks, seepage, and evaporation.

The Rural Water Efficiency Project will transform our rural water system, strengthen regional water security, and return water to the Murray Darling Basin and Traditional Owners. Delivered in stages over several years, it will be a major step towards a more efficient and sustainable water future for the region.

As a customer-funded organisation, we could not typically deliver a project of this size without significantly affecting customer bills. Federal government funding allows us to modernise critical infrastructure and achieve long-term water savings without placing an unacceptable financial burden on our customers.

Speaking at the announcement, Board Chair Bob Cameron said the funding reflected extensive work by the project team and strong collaboration with partners and stakeholders. With funding secured, we are moving quickly to deliver the benefits of this large and complex project.





Here's cheers! Bendigo awarded best tap water in Victoria

In March, we raised a glass of tap water after being crowned the home of Victoria's top drop at the prestigious IXOM Best Tasting Tap Water Competition held at the Water Industry Operations Association conference.

The awards are widely respected within the water industry, recognising the skill, passion, and dedication of water professionals who deliver safe, high-quality drinking water to communities year-round.

Using a process similar to wine tasting, judges assessed each sample for colour, clarity, odour, and taste before declaring Coliban Water the overall winner ahead of Grampians Wimmera Mallee Water and Barwon Water.

The winning sample came from the Bendigo Water Treatment Plant, operated by our strategic partner, Veolia. At the time, Bendigo's drinking water was being sourced from Lake Eppalock and treated to meet strict water quality and safety standards before being delivered to customers.

The award is a credit to our operational teams and strategic partner and their commitment to water quality, operational excellence, and the delivery of essential services that underpin community health and wellbeing.

Bendigo is already well known as Australia's first UNESCO City of Gastronomy, and we're delighted locals and visitors can wash it all down with a glass of locally sourced, award-winning tap water. We look forward to competing in the national competition in late 2026.



Dry times

Like many across our region, we began 2025/26 with a close eye on water storage levels. Combined storage in the Upper Coliban, Lauriston, and Malmsbury Reservoirs had fallen to 53% capacity, the lowest level recorded since 2018/19.

The decline followed an exceptionally dry period. Over the previous 12 months, our catchments received just 550 millimetres of rainfall, well below the long-term median of 710 millimetres. As a result, inflows to storages totalled only nine gigalitres, compared with the post-1997 average of 30 gigalitres. Conditions were further compounded by another dry winter in 2025.

To help preserve supplies for our southern towns, we began accessing our 18% share of Lake Eppalock in December 2024. Water was pumped via the Goldfields Superpipe to supply the Bendigo region. At the same time, for the first time in 15 years, the 2025 rural supply season opened with a 30% allocation.

In response to the challenging conditions, our water resources team and a dedicated drought response group were actively implementing drought preparedness measures and actions identified in our Urban Water Strategy. These efforts ensured we could continue to provide reliable water supplies across the Coliban Water region, regardless of seasonal conditions.

Keeping customers informed was also a priority. Through education initiatives, community and stakeholder engagement, and media campaigns, we provided regular updates on our water resource position and encouraged customers to use water responsibly and follow permanent water-saving rules.

While responding to immediate challenges, we continued investing in long-term water security. This included upgrades to the Bendigo Recycled Water Factory and several water reclamation plants. We commenced a decade-long program of renewals and upgrades for major pipelines, water mains, pump stations and storages and began work on a business case for the Castlemaine Link, an integrated solution aimed at strengthening water security for our southern communities.

Conditions improved significantly in autumn 2026, with widespread rainfall wetting catchments. Follow-up rain throughout winter replenished storages and improved the outlook, and we enter the next reporting period with water resources in a much stronger position.



Contracts awarded for $40 million treatment and storage upgrade program

In October 2025, we announced a ten-year, $40 million program to upgrade water and wastewater treatment and storage infrastructure across region.

The investment will ensure we continue to provide safe, reliable drinking water and sewerage services, meet regulatory requirements, and support the needs of a growing population in a changing climate.

To deliver the program, we appointed five delivery partners to undertake specialist work packages across our network. The upgrades will incorporate the latest technologies to improve operational efficiency, increase recycled water production, reduce carbon emissions, and minimise noise and odour.

The long-term partnership model will also create opportunities for local suppliers and subcontractors, supporting economic benefits across the region.

During the year, we completed the refurbishment of the Kalimna Basin, strengthening water security for Castlemaine and surrounding communities.

Work is now underway at the Cohuna Water Treatment Plant, where upgrades include new filtration and disinfection systems, a wash water system, a new pump station, and electrical improvements. Upgrades are also planned for Cohuna's Water Reclamation Plant, including construction of a new storage lagoon.

Additional projects are planned in Axedale, Echuca, Malmsbury, and Goornong, complementing ongoing water and sewer network upgrades in Epsom, Huntly, Marong, and Maiden Gully. Together, these investments are helping ensure our infrastructure remains resilient, reliable, and capable of meeting future demand.

Timeline for removal of Echuca Water Tower confirmed

Work began this year to remove the Echuca Water Tower after an independent assessment found structural issues in the 111-year-old tower posed an unacceptable safety risk for the community, staff, and contractors.

Following consultation with Campaspe Shire, stakeholders, and other agencies, the tower was decommissioned and removed from the water network in March. Water pressure for local customers is now provided using a direct booster pump system, supported by two new surge vessels, a back-up power supply, and upgraded control panels.

The tower's removal is a complex project requiring careful planning and management. Scaffolding has been erected, and a large onsite crane is being used to safely cut, lower, and remove individual sections of the structure for recycling. To facilitate the work, a nearby section of powerlines has been temporarily removed, while road closures and traffic management measures will remain in place until the project is completed in late 2026.

While the decision to remove the tower is disappointing given its historical significance in Echuca, community safety remains our highest priority.

Throughout the project, we have worked closely with the community, holding two series of drop-in information sessions, undertaking doorknocking and letterbox drops, and providing regular updates through face-to-face engagement, a dedicated webpage, social media, and local media outlets.

Standing 32.9 metres high, the tower was designed by Sir John Monash and completed in March 1915 at a cost of £2,973. Considered a revolutionary design for its time, it was constructed using 646 tonnes of reinforced concrete. Originally connected to the steam-powered pumping plant at Echuca East, the tower played a vital role in delivering reticulated water to local homes for more than a century.



Sewer



Recycled Water Factory upgrade to triple production

A major upgrade of the Bendigo Recycled Water Factory is set to significantly increase recycled water production and strengthen water security across the region.

Once complete, the facility is expected to produce more than 10 million litres of Class A recycled water each day, tripling current production and providing a valuable alternative water source for community and commercial use.

The additional recycled water will support the irrigation of sporting fields, public gardens, sections of the rural water network, and other important community spaces. It will also be available through selected standpipes for water carters to use for dust suppression and other non-drinking purposes.

As our population grows and climate conditions become hotter and drier, increasing the use of recycled water is an important part of building a more resilient water future. Every litre of recycled water used for non-drinking purposes helps preserve our precious drinking water supplies.

During the year we awarded a major design and construction contract for the project, with construction due to begin later this year.

Located at the Bendigo Water Reclamation Plant, the upgraded facility will include new storage infrastructure, advanced filtration technology, and enhanced safety systems, enabling more used water to be treated and filtered to produce high-quality recycled water.



Community gets behind-the-scenes look at Castlemaine Water Reclamation Plant

Community members gained a rare, behind-the-scenes look at the Castlemaine Water Reclamation Plant during our open day in November.

Visitors took part in guided tours of the plant, learned about plans for the upcoming upgrade, and heard about ongoing collaboration with local community groups and stakeholders to enhance Campbells Creek, the surrounding landscape, and cemetery reserve. The event also featured birdwatching activities, family-friendly water education, and a community barbecue.

We thank the Friends of Campbells Creek, Castlemaine Pioneers and Old Residents Association, BirdLife Castlemaine, McKenzie Hill Action and Landcare Group, and the North Central Catchment Management Authority for their valued support in making the day a success.

During the year, plans for the upgrade progressed, with an expression of interest process underway to identify potential delivery partners. We also completed maintenance work on existing biofilters and aerators to improve odour management to support the continued performance of the facility.

The upgrade will help ensure the plant can meet the needs of Castlemaine and surrounding communities into the future. Once complete, it will provide increased treatment capacity, improved operational performance, greater production of recycled water and biosolids, and reduced noise and odour impacts for nearby residents and businesses.

The Castlemaine Water Reclamation Plant currently treats an average of 3.5 megalitres of used water each day. Of the approximately 1,400 megalitres of recycled water produced annually, around 1,350 megalitres is used to enhance environmental flows in Campbells Creek.



Bendigo solids handling upgrade reaches a milestone

One of our largest infrastructure projects reached a milestone during the year, with the first concrete pour completed for the Bendigo Solids Handling Project and a new electrical switch room commissioned for the Bendigo Water Reclamation Pant.

The electrical upgrades are a key step in supporting the plant's long-term future and preparing for the next stage of construction.

Scheduled for completion in 2028, the new solids handling facility will increase on-site treatment capacity by 20%, improve resilience during extreme weather events, reduce energy consumption and carbon emissions, support compliance with regulatory and EPA licence requirements, and help meet the needs of Greater Bendigo's growing population.

The $82.6 million project forms part of a broader program to deliver upgrades at the Bendigo Water Reclamation Plant, ensuring the facility can continue to provide reliable and sustainable wastewater services for years to come.

Environment

We're powering our operations with 100% renewable electricity

We began the 2025/26 financial year ready to deliver water and sewer services for our 184,461 customers using 100% renewable electricity.

Achieving 100% renewable energy is an important milestone and moves us closer to the water industry's commitment to achieve net zero carbon emissions by 2030. It also delivers benefits for customers and the environment by improving energy security, helping manage long-term operating costs, and reducing carbon emissions by around 25,000 tonnes each year.

Since 2018, we've expanded our renewable energy portfolio installing solar panels in Kyneton, Leitchville, Pyramid Hill, Bridgewater, Korong Vale, and Wedderburn.

We continue to invest in renewable energy projects that support a sustainable future, with plans including a 1.5-megawatt hydroelectricity project at Lake Eppalock and a three-megawatt solar and battery project at the Bendigo Water Reclamation Plant.

Together, these initiatives are helping reduce our environmental footprint while strengthening the resilience and reliability of essential water and sewer services for the communities we serve.

Simple idea awarded best climate challenge innovation

In December, our Manager Energy Climate and Circular Economy, Megan Kreutzer, shared top honours in the 2025 Water Minister's Climate Challenge by showing how simple ideas can drive innovation.

Megan's award-winning project addressed a significant challenge facing the water industry. Facultative lagoons play an important role in wastewater treatment at many regional facilities, but the low-oxygen conditions within these lagoons can create methane emissions, a potent greenhouse gas. Reducing these emissions often requires aeration systems, which can be difficult and costly to operate at sites with limited access to electricity.

Megan's solution combined solar-powered energy generation with lagoon aeration, providing a practical and cost-effective way to reduce emissions without increasing the carbon footprint of operations.

The project was awarded $75,000 in funding to support the installation of solar panels and the next stage of implementation. The initiative is expected to reduce methane emissions from the targeted lagoons by around 50% and lower Coliban Water's overall Scope 1 emissions by approximately 10%.

Beyond the environmental benefits, the project demonstrates how innovative thinking can help address complex operational challenges while supporting the water industry's transition to net zero emissions.

We look forward to progressing the project and sharing lessons and outcomes with water corporations across Victoria and beyond. Congratulations to Megan and our joint award recipients at Barwon Water for their leadership and commitment to climate innovation.







New works for A Healthy Coliban Catchment

This year, we continued our partnership with the North Central Catchment Management Authority, DJAARA, local councils, and community groups on a four-year rehabilitation program along the Coliban River between Lauriston Reservoir and Malmsbury Reservoir.

Part of the A Healthy Coliban Catchment (AHCC) program, work commenced to remove invasive willow trees and revegetate a three-kilometre stretch of the river. These activities will improve river health and habitat quality for native species.

Other improvements around Lauriston Common at Malmsbury Reservoir will enhance community access, contribute to a healthier and more resilient ecosystem, and create an attractive natural space for residents and visitors to enjoy.

Now in its ninth year, the AHCC program continues to demonstrate the value of collaboration in delivering lasting environmental outcomes. By bringing together Traditional Owners, partner organisations and local communities, the program is helping protect and restore the health of our catchments for future generations.

Campbells Creek Platy Patch

To mark Platypus Month in September, we joined project partners for the launch of the Campbells Creek Platy Patch, a $400,000 initiative focused on improving streambank and aquatic habitat for platypus and other threatened species along a 4.6-kilometre section of Campbells Creek.

In partnership with the North Central Catchment Management Authority and Friends of Campbells Creek, the project will deliver enhanced weed management and more than 15 hectares of revegetation to improve habitat and support local biodiversity.

Our works include the construction of vegetated ponds and rock 'leaky' weirs designed to slow, filter, and improve stormwater that flows across our land adjacent to the Castlemaine Water Reclamation Plant. The project also includes ongoing water quality monitoring and flora and fauna surveys to measure environmental outcomes and inform future management.

The Campbells Creek Platy Patch forms part of the broader four-year $24 million statewide Platy Patch Project. The local project extends from the Barkers Street footbridge in Castlemaine downstream to National School Lane near the Five Flags Inn.

Coliban Assist

Supporting customers through challenging times

We understand life does not always go to plan. We know our customers' circumstances can change and financial pressures can affect anyone.

This year we distributed $1.24 million in direct support, including $614,000 via our Coliban Assist program and $633,000 in Utility Relief Grants to more than 2,884 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, we invested this year in training to assist our team to communicate better with customers with communication and access challenges, and the team attended workshops to improve our interactions with customers from an Islamic or Muslim background.

We made a range of improvements to the way we communicate our family violence support, including in bills, letters, notices, and our on-hold messaging and were proud to contribute to the development of the Essential Service Commission's Family Violence Handbook and the Water Services Association of Australia's Domestic Violence Framework and Toolkit.

Through initiatives such as Coliban Assist, we remain committed to treating every customer with dignity, respect and compassion, ensuring support is available when people need it most. Customers experiencing payment difficulties or family violence are encouraged to contact our Customer Care team confidentially to discuss the assistance options available.



Strengthening action for respect and equality

In March, we joined Women's Health Loddon Mallee Region's Collective Action for Respect and Equality (CARE) Partnership, reinforcing our commitment to help prevent violence against women in our community before it starts.

The CARE Partnership works with organisations across the region to build knowledge, skills and confidence in recognising, challenging and preventing sexism and violence against women. Through the partnership, our people will be better equipped to identify and address these issues within our workplace, across our customer interactions, and throughout the broader community.

As part of the program, employees will have access to specialist training, forums and workshops delivered by Women's Health Loddon Mallee, helping strengthen our organisational capability and support a culture of respect, inclusion and equality.

The partnership complements our zero-tolerance approach to sexism, violence against women, financial abuse, and gender-based violence. We believe preventing violence against women is everyone's responsibility, and we are proud to play our part in creating safer, more respectful communities for all.



Image: Front row, Kellie Dunn (CEO Women's Health Loddon Mallee) and Damian Wells (Managing Director Coliban Water). At rear, Amy Rouse (Customer Care Coordinator Coliban Water), Hayley Davis (Health Promotion Officer Women's Health Loddon Mallee) and Lauren McLean (Executive Manager Customer & Stakeholder Experience Coliban Water).

Supporting customers in Harcourt impacted by bushfires

In January, we announced a package of bill relief for customers impacted by the bushfires that devastated Harcourt and surrounding areas.

The package, funded through our Coliban Assist program, was deigned to ease the financial pressure on those most impacted by the fires and contribute to the community's broader recovery effort.

We waived the full bill for one quarter and fixed services charges for the following quarter for urban customers in Harcourt who lost their primary home or business. We also provided bill relief for rural customers who access their water through our network of rural channels and pipelines in the area.

Through our Community Rebates Program, we were pleased to make an additional $6,000 contribution to the Harcourt Progress Association to support local recovery efforts following the Do Not Drink Advisory caused by the fires.

We recognise the fires will have lasting social and economic impacts and will continue to work with the Harcourt community to provide ongoing support. Our Customer Care team has built strong local relationships and connects regularly with customers about their water bills, services, and our Coliban Assist support program.



Community

Educating the next generation about our precious water

Building community water literacy and fostering a lifelong appreciation for water is at the heart of our education and engagement program.

Through hands-on learning experiences, we help people of all ages understand where their water comes from, the value of this vital resource, and the role everyone can play in protecting it for future generations.

This year, we delivered a range of education and community engagement activities, including kindergarten and early learning programs, interactive school sessions, guided tours of reservoirs and water treatment facilities, and presentations for community groups and events.

Delivered free of charge by our qualified Education and Events Officers, our programs provide practical information and resources on a range of important topics, including:

- How we supply drinking water and sewerage services to our region.
- Investment in major water and wastewater infrastructure projects.
- Planning for a secure and sustainable water future.
- The health benefits of drinking water.
- Using water wisely and sustainably.
- Water-smart gardening in a dry climate.
- Recycled water and its many uses.
- The importance of knowing what not to flush.
- The impacts of climate change on local water supplies.
- Our transition toward net zero emissions.

By inspiring curiosity and building understanding, our education programs are helping to create a more water-aware community and empowering the next generation to make informed decisions about one of our most precious natural resources.

During 2025/26 we delivered a total of 187 community sessions, engaging with more than 5,500 customers.



We delivered:

22 in-class primary and secondary school sessions

54 in-class early learning and kindergarten sessions

3 guided tours

59 community presentations

49 downloads of education resources for use by local teachers





Survey shows customers' growing preference for the use of recycled water

Earlier this year, we began customer and community consultation for our 2027 Urban Water Strategy, a key long-term planning tool for the sustainable management of our water supply that is updated every five years.

As a customer-funded organisation, it's essential our plans and investment decisions reflect customer priorities. We use surveys, workshops, online tools, and other engagement measures to capture the sentiment of the 49 communities we serve.

Between February and April, 467 customers provided feedback through an online survey on topics including the value they place on water and the trade-offs they may accept to balance water security, bills, and community value.

Survey participants clearly recognised a hotter climate, lower rainfall, reduced inflows to water storages, and increased demand from our growing population are increasing pressure on our water resources.

From the survey, 51% of customers supported the use of recycled water for non-drinking purposes, such as parks, gardens and sporting reserves, while 48% supported the use of purified recycled water to supplement our drinking water supply if it is safe and cost-effective. Many also said they would accept more frequent water restrictions to help keep water bills lower.

We currently produce recycled water to irrigate community spaces and sporting facilities, and to support environmental flows in local waterways.

We have no immediate plans to use purified recycled water to supplement drinking water supplies. However, we continue to closely monitor developments in other parts of Australia and globally as part of our future water security and drought contingency planning.

Survey responses, along with feedback from other engagement activities, will help shape our Urban Water Strategy and guide how we manage growing demand for drinking water over the next 50 years. The draft strategy will be available for comment in February 2027.

Customers provide valuable feedback at our Annual Customer Forum

Our three Customer Advisory Groups provide valuable insight throughout the year, informing our strategy, plans, and decision-making on customer-related matters.

The three groups represent customers from the north and south of our region, as well as rural customers. They met quarterly to help ensure we remain accountable and on track to deliver our Customer Outcomes.

Their diverse perspectives give the whole community a voice, supporting transparency and helping shape the organisation's direction.

The year concluded with our annual Customer Forum in June, where group members took part in a full day of activities with subject matter experts from across the business. The forum gave us an opportunity to share our performance against customer expectations and explore ways to improve.

We continue to learn a great deal from Customer Advisory Group members about what our customers value. This year, like us, they were focused on dry conditions, drought risk, and water conservation. Their feedback on these topics, along with pricing, service performance, infrastructure planning and environmental initiatives, will inform our next price submission to the Essential Services Commission and our broader planning.





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.

It's why we continued to support STEAM education this year with partnerships to help nurture the next generation of water and sewage treatment experts in our own backyard.



Girls in STEAM

Through our sponsorship and support of the Discovery Science and Technology Centre Bendigo's primary school Girls in STEAM program we're facilitating the delivery of hands-on learning opportunities, showcasing role models, and piquing the interest of young learners in our industry.



Regional Pathways Program

We continued our three-year partnership with La Trobe University to bring the senior secondary school-focussed Regional Pathways Program to our region. Our contribution is supporting students that are often underrepresented in higher education due to distance, financial concerns, or academic readiness.



AI program delivers real-world benefits

During the year we welcomed the skills of Tharindu Basnayake who joined us as part of La Trobe University's Bendigo Computer Science and IT Industry Research Program.

Challenged with investigating how well machine learning models can detect unusual events, such as leaks or sensor faults in real-world water networks, Tharindu proved anomaly detection can help utilities identify problems earlier, reducing water losses, service disruptions, and maintenance costs.



Updated Critical Risk Verification Tools improve accountability

This year, we took significant steps to strengthen our safety culture by enhancing the way critical risks are identified, monitored, and managed.

A major milestone was the review, update and rollout of our Critical Risk Verification Tools (CRVTs). Used by employees and contractors, the refreshed tools provide greater visibility of high-risk activities and help verify that critical controls are in place and working effectively. Increased completion rates throughout the year reflect stronger engagement and accountability, giving us greater confidence risks are being managed where it matters most.

This improved focus on critical controls has strengthened our ability to identify and address gaps before incidents occur, supporting safer outcomes across the organisation.

We also strengthened collaboration with our contractor partners through the development of a dedicated contractor safety page. Created in response to feedback from contractor briefing sessions, particularly around working at heights, the page serves as a central hub for safety alerts, legislative updates, toolbox talk resources, and other important safety information.

By making critical information easier to access and share, the initiative has improved communication, reinforced safety expectations, and fostered stronger partnerships across our operations.

Another highlight this year was the continued success of our Safety Walk and Talk program. The program provides leaders and employees with regular opportunities to connect in the workplace, discuss safety challenges, and identify practical improvements. These conversations have encouraged proactive risk management, strengthened engagement, and reinforced the shared responsibility we all have in creating a safe and healthy workplace.

Together, these initiatives have helped build a stronger safety culture, ensuring that safety remains at the forefront of everything we do.

Infrastructure asset investment

Infrastructure Investment is all about delivering smart and safe infrastructure to support growth, jobs, and the future success of our region.

We commenced 2025/26 with an ambitious capital investment target of $100 million to help manage the risks associated with climate change, population growth, and ageing infrastructure.

At the end of the year, we exceeded this target successfully delivering $121 million in 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	Successful delivery was 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 2025/26

Lockington Pressure Booster Pump Station	$1.2 million was invested in Lockington to construct 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.
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).
Spring Gully Reservoir Recycled Water Storage	A total investment of $6.9 million will reconfigure the Bendigo recycled water network, improving reliability and water quality. A two megalitre recycled water storage tank at Spring Gully Reservoir will separate recycled water from the raw water and rural supply systems to provide a closed, Class A recycled water network. The Victoria Street siphon rehabilitation is now complete, removing the Cockatoo Channel demand from the recycled water system. These projects will address ongoing technical and quality issues in the Epsom Spring Gully Recycled Water Scheme and allow residential customers with recycled water infrastructure to the home to receive a recycled water supply (currently these households receive potable water through their purple pipes).



Major projects underway

Bendigo Water Reclamation Plant Solids Handling Upgrade	Preparations and detailed design work was completed in 2025. Electrical upgrades to support long-term development plans are now underway and due for completion by the end of 2028. In February 2026, we began earthworks to prepare the new construction site. The project is part of a broader upgrade that will ensure this critical piece of infrastructure meets community needs for the next 25 years.
Marong Sewer Compliance	Planning has identified the need for sewer upgrades to support the community and future growth. The Marong Sewer Compliance Project involves the installation of five kilometres of sewer rising mains, the upgrade of three sewer pump stations, along with other sewer pipe works. The rising mains are currently being installed along the same alignment as the Maiden Gully to Marong Water Growth Project, while the sewer pump stations and other works are in the detailed design phase. The total investment for this project is $11.7 million, with $11.3 million funded through the State Government's Housing Support Program.
Castlemaine Water Reclamation Plant Upgrade	Following business case approval in September 2025, an expression of interest process saw two shortlisted proponents progress to a 20-week Early Contractor Involvement (ECI) tender phase in March 2026. The ECI period is a competitive and interactive tender process to draw out the industry's best and most innovative solutions. We are working with the shortlisted proponents to refine the project scope, technical requirements, and delivery approach before we award the contract in the first half of 2027.
Bendigo Water Reclamation Plant Upgrade	We reassessed critical design assumptions for this project. We expect the preliminary business case and design process to be approved in late 2026, following which work on a high-value-high-risk business case will commence.
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 have obtained approvals for the work, which will be delivered as part of the Sewer and Water Network Program.
Recycled Water Factory Upgrade	Following completion of the procurement phase in late 2025, an $11 million design and construct contract was awarded in February 2026 for the upgrade of the Recycled Water Factory at the Bendigo Water Reclamation Plant. The project design has progressed past the 30% milestone, and we expect to reach the 85% milestone in late August 2026, and project mobilisation by December 2026.



Major projects underway (continued)

Bendigo, Castlemaine and Kyneton Water Treatment Plant Health-Based Targets Upgrades	We continued work on a project to install additional treatment barriers to ensure the ongoing compliance of these plants with the risk management requirements of Victoria's *Safe Drinking Water Act 2003*. Work has been delivered in three stages:	
	Stage 1	In February 2025 we commissioned new ultraviolet systems at the Castlemaine and Kyneton Water Treatment Plants.
	Stage 2 and 3	An ultraviolet system and new chlorine contact tank at the Bendigo Water Treatment Plant are expected to be operational before the end of 2026.
Cohuna Water Reclamation Plant Capacity Upgrade	This $14.7 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.	
Bridgewater Clear Water Storage Tanks and Booster Pump Station	We're investing $4.1 million to build two new 500,000 litres clear water storage tanks and a booster pump station at the Bridgewater Water Treatment Plant to improve water quality and reliability for customers in Bridgewater and Inglewood.	
Castlemaine Clear Water Storage	We're investing $7.4 million to build a new six megalitre clear water storage tank and associated infrastructure at the Castlemaine Water Treatment Plant, improving the resilience of the Castlemaine system.	
Allies Road Sewer Pump Station	A new $3 million project in Allies Road, Maiden Gully will improve the operational efficiency of sewer services for the growing west Bendigo region. The project, including a new sewer pump station, odour control unit, a back-up generator, and electrical upgrades will address capacity issues and reduce the likelihood of sewer spills. Work on the sewer pump station was completed in August 2026, immediately improving performance.	

Other projects that have contributed great outcomes across the region:

Water and sewer main renewals	The ongoing Water and Sewer Main Renewal program saw investment in the highest risk water main assets. 6.1 kilometres of water mains were renewed across the region in 2025/26, along with 4.6 kilometres of sewer mains in Bendigo, Castlemaine, Echuca, and Kyneton. The program aims to reduce the risk of asset failure and was delivered with an excellent safety record.

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

LLB FAICD

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.



Dr David Cochrane

Appointed to the Board 1 October 2023.

A former managing partner in the Economics, Regulation, and Policy practice of Ernst & Young, Dr Cochrane has extensive experience in government advising, environmental and public land management, and economic and financial policy. He is currently a private economic consultant.



Mario D'Elia

B Bus (Accounting), Dip Fin Planning, CPA, GAICD

Appointed to the Board 1 October 2019.

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.



Clare Luehman

GAICD FCA

Appointed to the Board 1 October 2025.

Clare is a non-executive director and finance leader with more than 30 years' experience across energy, environmental markets, manufacturing, agribusiness, and purpose-led sectors. She has held CFO, strategy, technology and capital roles in listed, private, and mission-driven organisations, including responsibility for technology and AI strategy in two CFO roles.

Clare brings expertise in financial governance, strategy, risk, capital allocation, debt financing and capital raises.



Melanie McCarthy

B Eng (Chem), BA, MEngSc, GAICD, FIEA

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.



Margaret O'Rourke

OAM FAICD

Appointed to the Board 1 October 2025.

Marg is a passionate advocate for regional development and education, with deep ties to Bendigo and Victoria. She is a former councillor and mayor of the City of Greater Bendigo and served as Chair of Regional Cities Victoria. In 2025, she was appointed Chair of the Regional Development Advisory Committee, where she brings the voices of regional people directly to government.

Marg is currently Head of Campus at La Trobe University Bendigo.



Geneveive Overell

FAICD FGIA

Appointed to the Board 1 October 2025.

Genevieve is a senior Non-Executive Director with a background in law, government, and infrastructure advisory. She has held senior roles in the Victorian public sector and in investment banking, including as Head of Government Advisory at Deutsche Bank.

Genevieve currently serves on several boards and chairs audit and risk committees. She offers strong governance expertise and insight into infrastructure, planning, and public-sector partnerships.



Lexi Randall L'Estrange

B.Eng MBA GAICD

Appointed to the Board 1 October 2023.

Lexi has been a Non-Executive Director since 2014 across various charities and the public sector and is an Executive Director of the Castlemaine Institute, a research institute driving regional place-based change in economics, ecology, community, and the built environment.

A trained environmental engineer, her consulting career has focussed on water and climate change adaptation in regional Australia and internationally.



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 Director with Water Services Association Australia, Chair of the La Trobe University Bendigo Advisory Board, and a former Board member of Anglicare Victoria.

Non-Current Directors

- Timothy Ada – Appointed 1 October 2025, resigned 30 June 2026.
- Nigel McGuckian – Appointed 1 October 2017, term expired 30 September 2025.
- Marika McMahon – Appointed 1 October 2015, term expired 30 September 2025.
- Lucy Roffey – Appointed 1 October 2015, term expired 30 September 2025.
- Helen Symes – Appointed 1 October 2017, term expired 30 September 2025.

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	David Cochrane (Chair) Lexi Randall L'Estrange Clare Luehman Genevieve Overell	• 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	Lexi Randall-L'Estrange (Chair) Marg O'Rourke Genevieve Overell	• Health, safety and wellbeing • Organisational culture and employee experience • Stakeholder engagement, including government, regulators, and community groups • Customer experience and community expectations • Executive remuneration and Managing Director performance
Environment and Service Delivery	Melanie McCarthy (Chair) Bob Cameron Mario D'Elia Claire Luehman	• Service delivery • Risk, compliance, and performance of: > Operations and maintenance management > Water, energy, carbon, and sustainability management > Asset lifecycle management > Environment and public health • Water security and climate resilience, strategy, and risk management • Infrastructure and natural resources • Traditional Owner partnerships
Major projects	Mario D'Elia (Chair) Bob Cameron David Cochrane Melanie McCarthy Genevieve Overell	• Major investment management • Investment decisions • Project and program delivery

Meeting attendance

	Board of Directors		Audit, Finance and Risk Committee		Environment and Service Delivery Committee		Major Projects Committee		People, Safety and Customer Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Bob Cameron	9	9	0	0	3	3	5	5	0	0
David Cochrane	9	8	4	4	0	0	4	4	0	0
Mario D'Elia	9	9	0	0	3	3	5	5	0	0
Melanie McCarthy	9	9	0	0	3	2	5	3	0	0
Lexi Randall-L'Estrange	9	8	4	4	0	0	0	0	3	3
Nigel McGuckian	2	2	0	0	1	1	1	1	0	0
Marika McMahon	2	2	0	0	1	1	0	0	1	1
Lucy Roffey	2	1	2	2	0	0	0	0	1	1
Helen Symes	2	2	2	2	0	0	1	1	0	0
Tim Ada	7	6	0	0	2	2	0	0	2	2
Clare Luehman	7	7	2	2	2	2	0	0	0	0
Genevieve Overell	7	6	2	2	0	0	4	4	0	1
Marg O'Rourke	7	7	0	0	0	0	0	0	2	2
Damian Wells	9	8	4	3	3	3	5	5	3	3

Our organisational chart

Board

Managing Director
Damian Wells

Board Committees

- **Audit, Finance and Risk Committee**
- **People, Safety and Customer Committee**
- **Environment and Service Delivery Committee**
- **Major Projects Committee**

Executive Manager Major Projects



Ross Campbell

- High-value, high-risk project delivery
- Market engagement
- Procurement, contract negotiations and execution
- Project completion, transition, and operational handover

Executive Manager Strategy



Adam Crameri

- Enterprise strategy and planning
- Water resources management
- Energy, climate, and circular economy
- Rural modernisation
- Strategic engagement and partnerships

Executive Manager Enterprise Sustainability



Anna Lamont

- Transformation, strategy, and enterprise change
- Economics and pricing
- Enterprise investment strategy and planning
- Value and performance management

Executive Manager Corporate and Assurance



Peter Leersen

- Finance
- Commercial services
- Information and systems
- People and capability
- Health and safety
- Risk and assurance
- Corporate governance

Chief Officer Assets and Operations



Danny McLean

- Catchment, reservoirs, and headworks
- Water and sewage treatment operations and reuse
- Infrastructure planning and delivery
- Rural networks and water supply
- Urban water and sewerage networks
- Water quality and environmental regulation
- Strategic partnership

Executive Manager Customer and Stakeholder Experience



Lauren McLean

- Customer care and support
- Billing
- Customer experience
- Strategic communication and engagement
- Stakeholder management
- Land development services

Financial and other information



Disclosure of major contracts over $10 million

We awarded one contract over $10 million in the 2025/26 financial year for the Recycled Water Factory 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, Coliban Water commenced continued negotiations for a new Enterprise Agreement. In-principle agreement was reached with all parties in April 2026. Following State Government approval, the new agreement will be put to employees for a vote.

Protected industrial action did occur during the bargaining process, which resulted in two work stoppages of two hours respectively for those who participated.

Workforce inclusion policy

Measure	Target	2025/26	2024/25
Gender balance in Senior Executive positions (direct reports to the Managing Director)	40:40:20	Male: 4 Female: 2	Male: 3 Female: 3
Gender balance in overall Executive positions	40:40:20	Male: 64% Female: 36%	Male: 63% Female: 37%
Identify as a person with a disability	10%	5%	6.5%
Speak a language other than English	20%	11%	12%
Identify as Aboriginal or Torres Strait Islander	2.5%	1%	0%
Identify as belonging to the LGBTIQA+ communities	7%	7%	6%*

*Source: People Matter Survey results 2025 and 2026.

Occupational health and safety

OH&S performance management and reporting

Measure	Key performance indicator	2023/24	2024/25	2025/26
Hazards	Number of hazards reported	89	72	117
	Rate per 100 FTE	24.42	18.86	28.48
Incidents	Number of incidents	86	91	95
	Rate per 100 FTE	23.59	23.84	23.12
	Number of incidents requiring first aid and/or further medical treatment	6	9	7
Claims	Number of standard claims accepted	1	2	2
	Rate per 100 FTE	0.49	0.68	1.70
	Number of lost time claims accepted	0	1	2
	Rate per 100 FTE	0	0.34	0.48
	Number of claims exceeding 13 weeks	1	0	1
	Rate per 100 FTE	0	0	0.24
	Average claim costs per claim for the year (including payment to date with an estimate of outstanding claim costs as advised by WorkSafe)	$0	$2,586	$27,296
Fatalities	Fatality claims	0	0	0
Return-to-Work	Percentage of claims with Return-to-Work Plan	100%	100%	100%
Management commitment	Evidence of OHS Policy Statement, OHS objectives, regular reporting to senior management of OHS and OHS plans	Completed	Completed	Completed
Consultation and participation	Evidence of agreed structure of Designated Work Groups (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

- One Safety Showcase was held this year and has become one of the biggest annual reward and recognition programs at Coliban Water. Attendance was excellent and there were many nominations across three categories, Safety Solutions, Safety Behaviours, and Wellbeing.
- The Safety Walk & Talk program continues to strengthen our safety culture with 100% leadership engagement demonstrating a strong commitment to visible safety leadership.
- The Critical Risk Management Framework defines the controls needed to manage potentially fatal risks. A total of 209 Critical Risk Verifications were completed in the past 12 months to verify these controls were implemented and effective.
- The Safety Team has increased its participation and resourcing to support the upcoming insourcing program whilst continuing to provide strong oversight and support for our major water infrastructure projects.

Summary of financial results for the year

Five-year financial summary

Financial Result	Plan 2025/26	Actual 2025/26	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Revenue						
Service charges	96,884	97,342	90,276	85,345	77,881	74,561
Usage charges	64,638	65,556	67,078	53,776	48,769	52,838
Government funding	6,925	5,890	9,559	3,461	6,057	1,998
Contributions and gifted assets	19,676	21,745	18,509	20,346	20,445	14,338
Interest income	375	456	427	620	406	31
Other income	4,240	2,069	2,490	1,572	2,230	2,088
Total revenue	**192,737**	**193,058**	**188,339**	**165,121**	**155,788**	**145,854**
Expenses						
Operations, administration and employee	119,335	123,489	110,516	99,256	89,661	78,938
Expenditure of government funding	6,100	3,583	4,483	2,709	4,807	1,845
Borrowing costs and finance charges	34,526	35,388	31,239	26,986	23,941	22,978
Depreciation and amortisation	43,651	45,298	42,770	40,320	37,144	37,328
Environmental contribution	5,941	5,941	5,941	5,734	5,734	5,734
Total expenditure	**209,552**	**213,699**	**195,507**	**175,006**	**161,287**	**146,823**
Net result before tax	**(16,815)**	**(20,641)**	**(7,609)**	**(9,884)**	**(5,499)**	**(969)**
Net result for the year	**(13,346)**	**(17,103)**	**(6,532)**	**(8,808)**	**(6,130)**	**(803)**
Assets						
Total current assets	96,445	85,284	66,543	52,687	67,364	59,905
Total non-current assets	2,609,326	3,157,579	2,327,794	2,271,132	2,223,447	1,979,083
Total assets	**2,705,771**	**3,242,863**	**2,394,338**	**2,323,820**	**2,290,811**	**2,038,988**
Liabilities						
Total current liabilities	70,937	113,278	78,981	64,711	63,042	50,844
Total non-current liabilities	1,085,667	1,205,441	891,413	828,246	788,297	693,531
Total liabilities	**1,156,604**	**1,318,719**	**970,394**	**892,958**	**851,339**	**744,375**
Net assets						
Net cash inflows from operations	11,709	25,338	27,317	20,590	18,800	31,205
Payments for assets	(97,429)	(119,656)	(90,421)	(79,917)	(50,791)	(38,448)

Performance indicator	Plan 2025/26	Actual 2025/26	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Revenue						
Interest Cover (Cash)	1.4	1.7	1.9	1.8	1.8	2.4
Gearing ratio	27.1%	22.6%	25.7%	23.3%	21.7%	22.7%
Internal financing ratio	12.0%	20.8%	30.1%	25.8%	37.0%	81.8%
Current ratio	190.6%	108.9%	136.2%	120.0%	160.0%	180.0%
Return on assets	0.6%	0.3%	0.9%	1.0%	0.9%	1.1%
Return on equity	(0.9%)	(1.14%)	(0.5%)	(0.6%)	(0.4%)	(0.1%)
EBITDA margin	30.5%	28.3%	34.1%	32.8%	33.3%	40.6%

Financial overview

In the third year of the 2023 Price Submission, Coliban Water recorded a net result from transactions of $20.6 million deficit. After income tax, the net deficit for the year was $17.9 million.

Revenue was $4.7 million higher than last year due to:	An increase in service charges ($5.7 million) reflecting the growth in customer connections and the Essential Services Commission approved price path of 2.5% plus inflation. A decrease in revenue from water usage for customers compared to last year ($3.5 million), driven by lower consumption volumes across the year. Water consumption per residential property was an average of 191 kilolitres this year compared to 205 kilolitres last year. A continued level of development in the region, with developer installed works and new customer contributions above prior year ($3.2 million). Lower government funding received ($3.7 million), reflecting the timing of works completed on grant funded projects, with funding received in advance held as unearned revenue until the associated performance obligations are met. An increase in other income ($3.0 million), including higher meter tapping and special meter reading income, together with additional interest and sundry income.
Expenditure was $18.8 million higher than last year due to:	Increased operating and administration expenses ($8.5 million), resulting mainly from higher consultant costs ($3.1 million) and cloud services ($1.3 million) supporting the Core Capability Uplift and transaction costs for outsourced contracts; planned corrective and reactive maintenance and emergency works ($2.3 million); contracted operations and maintenance charges ($1.5 million); electricity ($1.1 million) due to additional pumping costs; bulk water charges ($0.5 million); and other administrative cost increases ($1.2 million). An overall increase in employee costs ($4.4 million) reflecting the transition of roles previously budgeted as contractors into staffing positions, draft enterprise agreement outcomes, and a lower percentage of employee time capitalised in the period. Non-operating activity expenditure was higher overall ($5.8 million) due to an increasing loan portfolio (additional $4.1 million in borrowing costs and finance charges); increased depreciation and amortisation due to the growing investment in the capital program ($2.5 million); partly offset by lower Government funding expenditure in line with funding received ($0.9 million).

Cashflows from operating activities was $26.2 million, which decreased $1.1 million from last year.

Payments for infrastructure and intangible assets totalled $121.4 million, $30.8 million higher than the prior year, reflecting the continued commitment to invest in our assets and grow the capital portfolio.

Significant changes in financial position during the year

With a commitment to investing in long term asset resilience, we delivered a $121 million capital portfolio, which was an increase of $33 million on last year.

A revaluation of infrastructure assets undertaken by the Valuer-General Victoria increased the carrying value of our infrastructure and property by $740.7 million ($518.5 million net of deferred tax). This is a non-cash adjustment recognised directly in equity. It increased total assets to $3.2 billion and total equity to $1,9 billion at 30 June 2026.

To fund the capital program, borrowings of $127.9 million were drawn during the year, utilising the full facility approved. Total borrowings at the end of 2025/26 increased by $127.9 million to $710.7 million. A contribution to owners of $1.7 million was paid during the year, as directed by the Department of Energy, Environment and Climate Action (DEECA) and the Department of Treasury and Finance (DTF).

Major changes or factors affecting performance

We continue to face structural financial sustainability challenges. Long-term modelling undertaken through the Financial Sustainability Strategy confirms that, without proactive intervention, and within the typical application of the regulatory model and current expected levels of service, these challenges will intensify across the PS28 and PS33 pricing periods. We are actively engaging with the Essential Services Commission, DEECA, and DTF to address these challenges.

During the year, we commenced a Board-endorsed operating model transformation and operating expenditure reduction program to improve efficiency, strengthen commercial capability and reduce the long-term cost base ahead of the 2028 Price Submission. Costs associated with this program, together with the Core Capability Uplift, contributed to the increase in operating expenditure in the year.

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.

Information about the types of documents 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 documents which are subject to the limited exemptions set out in the Act. Examples may include internal working documents, documents covered by legal professional privilege, personal information about other people,and information provided to Coliban Water confidentially (such as details of a complaint made by a customer).

Making a request

More information about how to make a freedom of information request is available on our website.

Detailed general information regarding freedom of information in Victoria is available from the Office of the Victorian Information Commissioner http://ovic.vic.gov.au/.

An application fee of $34.50 applies to all freedom of information requests. Other statutory charges may also apply in processing a request.

To be a valid under the Act, requests must be in writing, must clearly identify what types of documents being sought and the application fee must be paid.

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

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

Freedom of Information statistics

This year, we received three applications.

We made three Freedom of Information decisions during the 12 months to 30 June 2026. All decisions were made within the statutory time periods. Of the decisions made, one request was closed as the scope of the request was not validated and two had documents released both in full and in part.

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.

2	Number of major works projects undertaken (>$50,000).
2	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:

Deborah Jenkins, Corporate Secretary
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
460 degrees MG	Business analyst consultant	137.80	137.80	-
AFS & Associates Pty Ltd	Probity advice	208.47	208.47	-
Aither Pty Ltd	Change modelling sustainability assessment	30.07	28.15	1.92
Akers Project Advisory	Contract negotiation advisory services	571.25	571.25	-
BDO Services Pty Ltd	Audit, tax and advisory services	25.75	25.75	-
Biosis Pty Ltd	Environmental management advice	63.96	63.96	-
BM Management Consulting Pty Ltd	Financial model review	35.48	35.48	-
Clayton Utz	Contract legal advisory service	299.33	367.42	31.91
Converge International Pty Ltd	Staff health and wellbeing support services	24.49	24.49	-
Department of Energy Environment and Climate Action	Infrastructure and asset and building revaluations	119.92	119.92	-
ESS Earth Sciences Pty Ltd	Seismic monitoring services	34.51	34.51	-
Galaxy 42 Pty Ltd (trading as Attura)	Commercial and financial management consultancy	36.00	36.00	-
GHD Pty Ltd	Engineering, architecture, environmental and construction services	1,152.97	804.19	348.78
HARC Services Pty Ltd	Water strategy modelling	159.36	159.36	-
Infor Global Solutions (ANZ) Pty Ltd	Information technology support	76.42	76.42	-
Infracorr Consulting Pty Ltd	Asset management advice	15.10	15.10	-
Insync Surveys Pty Ltd	Customer satisfaction survey	13.92	13.92	-
Landair Surveys	Dam safety structural surveying	466.32	42.46	426.86
Maher Projects	Strategic environmental planning and advice	22.75	12.95	9.80
Marsden Jacob Assocaites Pty Ltd	Contract advice	443.58	435.62	7.96
Ontoit Unit Trust	Asset management advice	201.22	192.71	8.51
P3 Outcomes Pty Ltd	Contract related advice	256.42	251.95	4.47
RPS AAP Consulting Pty Ltd	Business transformation consultation services	428.20	427.25	0.95
Sequana Partners Pty Ltd	Rural channel modernisation advice	1,660.99	1,649.19	11.80
SMEC Australia Pty Ltd	Environmental supervision services	84.78	84.78	-
Sphere Infrastructure Partners Pty Ltd	Operations and maintenance services delivery model review	11.70	11.70	-
Santec Australia Pty Ltd	Project end of term transaction review	493.27	493.27	-
Utilities Regulation Advisory Pty Ltd	Pricing submission new customer contribution advice	30.00	30.00	-
Victoria Chamber of Commerce and Industry	Change management assistance and advice	99.24	99.24	-
WSP Australia Pty Ltd	Professional environmental planning and advice	60.27	60.27	-
Total		**7,263.54**	**6,413.58**	**852.96**

Capital

Consultant	Purpose	Total approved (exc GST) $'000	Expenditure (exc GST) $'000	Future expenditure (exc GST) $'000
4Site Management Pty Ltd	Program advisor	79.08	79.08	-
AFS & Associates Pty Ltd	Probity advice	211.95	196.95	15.00
Axiom Tree Management Pty Ltd	Tree management assessment	32.77	32.77	-
Escient Pty Ltd	CCU and workforce planning	97.90	97.90	-
Exco Partners Pty Ltd	Digital and transformation consultancy	1,507.32	1,507.32	-
Fifteen50 Consulting Pty Ltd	Support compliance projects	988.23	988.23	-
Galaxy 42 Pty Ltd (trading as Attura)	Commercial and financial management consultancy	3,667.38	70.00	3,597.38
GHD Pty Ltd	Engineering, architecture, environmental and construction services	4,723.21	4,723.21	-
Hatchwings	Business case peer review	239.48	239.48	-
Infor Global Solutions (ANZ) Pty Ltd	Information technology support	155.67	155.67	-
Infracorr Consulting Pty Ltd	Asset management advice	142.67	142.67	-
Invictus Partners Pty Ltd	Core capability due diligence	122.15	122.15	-
Jimmy Demetriou (trading as AOC Specialist)	Air and odour compliance specialist	11.00	11.00	-
Landair Surveys	Dam safety structural surveying	78.30	13.54	64.76
Maddocks	CCU contractual consultancy	654.61	315.45	339.16
Maher Projects	Strategic environmental planning and advice	843.54	655.70	187.84
Marsden Jacob Associates Pty Ltd	Contract advice	208.82	208.82	-
Mott MacDonald Australia Pty Ltd	Engineering and energy advice	187.21	187.21	-
Ontoit Unit Trust	Asset management advice	340.87	39.75	301.12
P3 Outcomes Pty Ltd	Contract related advice	340.87	39.75	301.12
PBJ & Associates Pty Ltd	Engineering and strategic planning services	529.49	529.49	-
PT Tomkinson & Assocaites Pty Ltd	Engineering and surveying service	44.94	44.94	-
Regional Management Group Pty Ltd	Project and engineering consultancy services	1,118.21	1,118.21	-
Sequana Partners Pty Ltd	Rural channel modernisation advice	5,117.28	5,117.28	-
Sphere Infrastructure Partners Pty Ltd	Operations and maintenance services delivery model review	77.73	77.73	-
Torva Canis Pty Ltd	CCU consultancy	149.24	134.74	14.50
Turner and Townsend Pty Ltd	Future workplace consultancy	27.40	27.40	-
Total		**21,697.32**	**16,993.92**	**4,820.88**

Major consultancies

- 45 separate consultants each over $10,000 (38 in 2024/25).
- Total expenditure (excluding GST) for major operational consultancies was $6,413,554 (compared to $4,786,496 in 2024/25).
- Major capital consultancies totalled $16,993,922 (compared to $12,785,844 in 2024/25).

Minor consultancies

- 13 separate consultants each valued at less than $10,000.
- Total expenditure (excluding GST) for minor consultancies was $52,473.29 (compared to $75,396.92 in 2024/25).

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 $13.9 million in 2025/26 as detailed below.

($'000)

Business as usual	13,993.59
Non-business as usual	553.35
Operational expenditure	-
Capital expenditure	553.35
Total	**13,946.94**

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

Non-business as usual expenditure relates to extending or enhancing our current capabilities. The $553,347.52 non-business as usual expenditure represents a combination of investment in assets and SCADA (plant systems) capability uplift projects delivered within capital projects and includes internal and contractor resource cost to deliver those projects and to support IT services to all capital projects.

Business as usual ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability and security.



Disclosure of review and study expenses

During 2025/26, there were 17 reviews and studies undertaken with a total cost of $802,728.
Details of individual reviews and studies are outlined below.

Name of review	Reason	Terms of reference/scope	Timeline for the review/ study	Anticipated outcomes	Estimated cost for the year ($ excl. GST)	Final cost if completed ($ excl. GST)	Publicly available (Y/N)
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	Mar 2024 to Mar 2027	Exposure to innovative new technologies, increasing ability of the organisation to deliver cost effective operational solutions	10,600	30,840	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	Dec 2025 to Dec 2029	Further understanding of the feasibility of extracting nutrients from waste streams	5,000	-	N
Centrate lime dosing trial	To see if we can apply chemical treatment processes to recover phosphorus from the biological plant for Bendigo	Undertake jar testing to see if chemical precipitation of phosphorus can be achieved using soluble lime	Mar 2026 to Dec 2026	Results will be used to develop a concept for a pilot plant to demonstrate viability at scale	15,000	-	N
Coliban Main Channel Eastern Bent-wing Bat Survey (Arthur Rylah Institute for Environmental Research)	To determine patterns of daily and seasonal occupancy & indication of population numbers of Eastern Bent-wing Bats at Brennans Tunnel to inform site management	Acoustic detectors placed at tunnel entrances for around 12-months to determine relative bat use of the site and how bat presence changes over the year	Jun 2025 to Jun 2027	The findings, including any management recommendations	19,600	-	N
Safety Review Program	Regulatory requirement – ANCOLD Guidelines	Stage one of our Safety Review Program – Dam Break & Consequence assessment inclusive of Hydrology for Upper Coliban, Lauriston & Malmsbury reservoirs	Jul 2025 to Jun 2026	Compliance with regulatory obligations and continual improvement of the dam safety program and a key component to each dam's ANCOLD Safety Review	150,000	130,000	N
Water Security Strategy	Set clear and proactive direction to ensure we continue to provide reliable, resilient water services across our region	Develop a water security strategy to define a clear vision for water security, including risk, mitigation opportunities and a multi-criteria analysis of options	Jan 2025 to Jun 2026	Strategic pathway for water security	16,842	99,192	N
Regional SOURCE Model Development	To develop a SOURCE model for connected systems within Coliban Water's region to better inform water resource management decisions	Use DEECA GBCCL SOURCE model to develop a model for Coliban Water's region that represents current management practices Source: Australia's national hydrological modelling platform	Oct 2023 to Dec 2025	Model that can be used to inform operating and planning decisions	7,140	179,430	N
Urban Water Strategy – water demand and supply modelling	Understand water security position over the next 50 years	Utilising the new SOURCE model for the Coliban Water's region, undertake water yield and supply modelling using latest growth and demand data, and contemporary climate projections	Jan 2026 to Oct 2026	Updated supply and demand curves for water supply systems	109,838	109,838	Y[2]

Continued over page

Disclosure of review and study expenses (continued)

Name of review	Reason	Terms of reference/scope	Timeline for the review/ study	Anticipated outcomes	Estimated cost for the year ($ excl. GST)	Final cost if completed ($ excl. GST)	Publicly available (Y/N)
Biosolids Strategy	Provide master planning for the management of biosolids across our service area	A high-level assessment of shortlisted options and identify a preferred long-term strategy that minimises cost, manages environmental risks, and supports operational flexibility	Jan 2025 to Aug 2026	An approach to provide a practical and cost-effective pathway for biosolids management	103,000	-	N
La Trobe University Industry PhD research	Enhance capabilities in analysing operational data	Develop algorithms and tools for detecting anomalies in operational data	Jun 2023 to Jun 2027	PhD dissertation with practical guidance on implementing anomaly-detection	25,200	-	N
Eppalock Special Water Supply Catchment strategic plan	To create one strategic plan for source water catchment focused activities	Incorporate Integrated catchment management planning Replace Drinking Water Storages Land Management Plan 2014-19 Update and incorporate Catchment Planning Guidelines in line with Ministerial Guidelines for Open Potable Water Catchments	Jun 2025 to Mar 2026	Strategic Plan for the Eppalock Special Water Supply Catchment	47,885	47,885	
Update of the Upper Coliban Integrated Catchment Management Plan	To update the Upper Coliban ICMP based on Technical Working Group priorities and the Alluvium evaluation & review report	Review the Alluvium evaluation report recommendations • Technical Working Group workshop • Update cost benefit analysis • Engage Senior Gatjin Team Leaders at Djandak and engage Kapa Gatjin – the mechanism to get a DJAARA specific goal • Update goals and associated actions of the ICMP	Jul 2025 to Jun 2026	A renewed Upper Coliban ICMP, including DJAARA goals and values	17,710	17,710	N
Waterway Risk Assessment Process to Support Drinking Water Outcomes	To support Coliban Water's development of a risk assessment approach to waterway and water quality protection	To delineate scientifically justified waterway buffers to protect water quality and enhance environmental values within the Upper Coliban SWSC area	Jun 2026 to Dec 2026	Scientifically justified waterway buffers report and GIS layers delineating the extents	49,823	-	N

Continued over page

Disclosure of review and study expenses (continued)

Name of review	Reason	Terms of reference/scope	Timeline for the review/ study	Anticipated outcomes	Estimated cost for the year ($ excl. GST)	Final cost if completed ($ excl. GST)	Publicly available (Y/N)
Internal audit							
Environmental Management System Internal Audit	Comprehensive review of EMS in preparation for external recertification audit	Identify non-conformances, potential risks to compliance, opportunities for improvement for continual improvement and compliance under the Standard	Oct 2025 to Dec 2025	Audit actions to facilitate continual improvement and compliance under the Standard	21,521	21,521	N
ISO Systems Recertification Audit	Independent assessment of management system alignment to ISO standards.	Re-assessment of Quality/ OHS/Environmental Management Systems inclusive of documents, procedures and identified references	May 2026	Recertification of ISO systems	14,245	14,245	N
Strategic Internal Audit Program	Requirement under Standing Directions	Program for 2025-26 including: AMAF, IT/OT Change Management, Billing Review, Standing Directions & Contractor Management	Jul 25 to Jun 26	Improved internal controls	165,572	165,572	N
Risk Management and Monitoring Plan (RMMP) Audit Program – Northern Lagoon Water Reclamation Plants; Bendigo Water Reclamation Plant	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 Confirm onsite activities reflect contents of the RMMP Identify discrepancies, omissions or out of date information	Jun 2025 to Jul 2026	Compliance with regulatory obligations and continual improvement of our systems	23,752	–	N

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

2) Publicly available in future via 2027 Urban Water Strategy

Grants and transfer payments (other than contributions by owners)

We did not provide any grants or transfer payments in 2025/26.

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 $44,189.49.

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 Water Tower Event IM_80	Steel corrosion and tank leak	12 November 2025	Bottled water	4,427.28	0
Heatwave Event IM_86	Harcourt bushfires	9 January 2026	Plumbing services and containers	$39,762.21	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 2025/26 we achieved our Statement of Obligations (Emissions Reduction) target with by achieving 100% renewable electricity, this resulted in a 90% reduction in emissions, demonstrating our commitment to reach our Net Zero Carbon target by 2030.

Our environmental performance is a strategic risk. There are controls and actions in place to reduce or eliminate the risk, however, our EPA compliance has required close management, while our Capital Program is being delivered to mitigate known issues.

During 2025/26, we received one Improvement Notice for an odour issue at the Bendigo Water Reclamation Plant, and four recycled water related breaches. The Improvement Notice has been resolved, and no verified complaints have been received since. Of the four recycled water related breaches, three were spills, one of which caused by a third party. The remaining breach was the misconnection of an outdoor tap to the recycled supply at a childcare centre by a privately engaged plumber.

Reporting of environmental data

Reporting on **MRD 01 Climate Change and Energy** is provided on page 44.

Data availability and context

Environmental performance data was collected and reported in accordance with the National Greenhouse Emissions Reporting Scheme methodology and the requirements of the Statement of Obligations (Emissions Reduction).

Organisational boundary

In addition to the emissions data provided for our operations, the emissions associated with the Build Own Operate Transfer (BOOT) contracts for the Bendigo, Castlemaine, and Kyneton Water Treatment Plants are captured as Scope 3 emissions. The energy usage at these sites is 4,923 MWh, however the electricity for these sites is covered by 100% greenpower. The electricity for Echuca and Rochester Water Reclamation Plants is reported as Scope 2 as Coliban Water is responsible for the electricity bills, the Scope 1 emissions for this site are not included in our operational boundary.

Local Jobs First

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.

2025/26	Local Jobs First	Total value	MPSG	% metro, regional or statewide	Outcomes
Projects commenced	Two Local Jobs First standard projects and one strategic project was awarded to three small-to-medium businesses and five large businesses. One Local Jobs First strategic project commenced.	$11.5 million	NA	100% regional	An average of 94% of local content commitment was made. A total of 31.45 jobs (AEE) were committed, including the creation of 4.67 (AEE) new jobs, and the retention of 26.78 existing jobs (AEE). A commitment of a total of 3.68 apprentices, trainees, and cadets created/retained (AEE).
Projects completed	Two Local Jobs First standard projects were completed with two small-to-medium businesses. No strategic projects were completed.	$2.4 million	NA	100% regional	An average of 97.9% local content commitment was achieved. Retention of 1.44 existing jobs (AEE).



Workforce data disclosures

	2025/26							2024/25						
	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	154	178.99	98	23	147.13	33	31.86	131	123.7	83	21	98.1	27	25.6
Male	195	231.75	149	6	192.75	40	39	171	169.1	132	5	135.9	34	33.2
Self-described	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Age														
15-24	1	1	1	0	1	0	0	2	2.0	1	0	1.0	1	1.0
25-34	73	71.15	51	5	55.15	17	16	68	66.1	51	3	52.9	14	13.2
35-44	118	114.08	80	12	88.48	26	25.6	97	93.0	67	12	76.1	18	16.9
45-54	90	89.33	65	3	67.53	22	21.8	81	80.4	58	3	60.4	20	20.0
55-64	58	56.15	45	5	48.69	8	7.46	49	47.2	36	5	39.5	8	7.7
65+	9	8.17	5	4	8.17	0	0	5	4.1	2	3	4.1	0	0.0
Classification														
Band 1	0	0	0	0	0	0	0	1	0.9	0	0	0.0	1	0.9
Band 2	57	54.72	37	7	42.46	13	12.26	47	44.1	33	6	37.3	8	6.8
Band 3	66	63.65	43	6	47.65	17	16	63	61.3	44	5	47.7	14	13.6
Band 4	106	103.14	81	12	90.14	13	13	97	94.0	74	10	81.5	13	12.5
Band 5	63	61.53	46	3	47.93	14	13.6	40	38.9	30	3	31.9	7	7.0
Band 6	32	31.84	26	1	26.84	5	5	28	27.6	23	2	24.6	3	3.0
Band 7	14	14	14	0	14	0	0	15	15.0	11	0	11.0	4	4.0
Other Executives	5	5	5	0	5	0	0	5	5.0	5	0	5.0	0	0.0
Senior Executives	6	6	6	0	6	0	0	6	6.0	6	0	6.0	0	0.0
Total employees	**349**	**410.74**	**247**	**29**	**339.88**	**73**	**70.86**	**302**	**292.8**	**215**	**26**	**234.0**	**61**	**58.8**

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	0
210,000	229,999	0
230,000	249,999	2
250,000	269,999	2
270,000	289,999	0
290,000	309,999	2
310,000	329,999	0
330,000	349,999	1
350,000	369,999	0
370,000	389,999	3
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 2025/26

Engaged ten social benefit suppliers for a total spend of $319,064.73.	Engaged five Victorian Aboriginal businesses.	Established 12 contracts that included social procurement commitments.	Partnered with Social Traders to help us identify more opportunities for expenditure with social enterprises. Delivered a Social Procurement Expo for staff and suppliers.	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.



Financial management compliance attestation statement

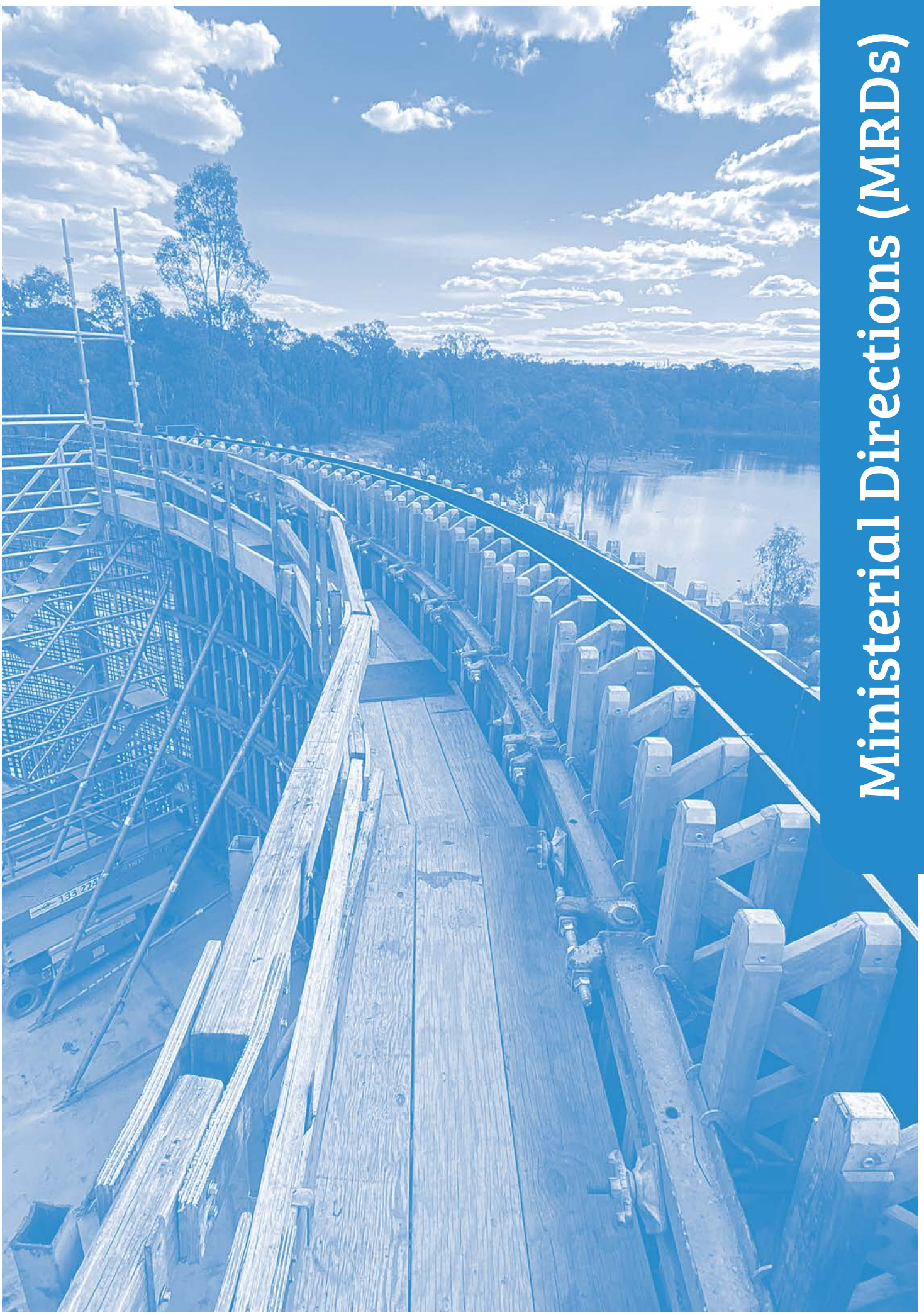
I, Bob Cameron, on behalf of the Board, certify that Coliban Region Water Corporation has no material compliance deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Bob Cameron

Chair from 1 October 2021
Date: 28 August 2026

Ministerial Directions (MRDs)



MRD 01 - Climate change and energy

Adapting to climate change

The Climate Change Risk Management Strategy was reviewed to align with federal and state guidance. We were active contributors to the DEECA/VicWater Strengthening Climate Adaptation Working Group. The Lake Eppalock Climate Resilience Project commenced to mitigate the risk of future flooding of the Lake Eppalock Pump Station's electrical infrastructure.

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.

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

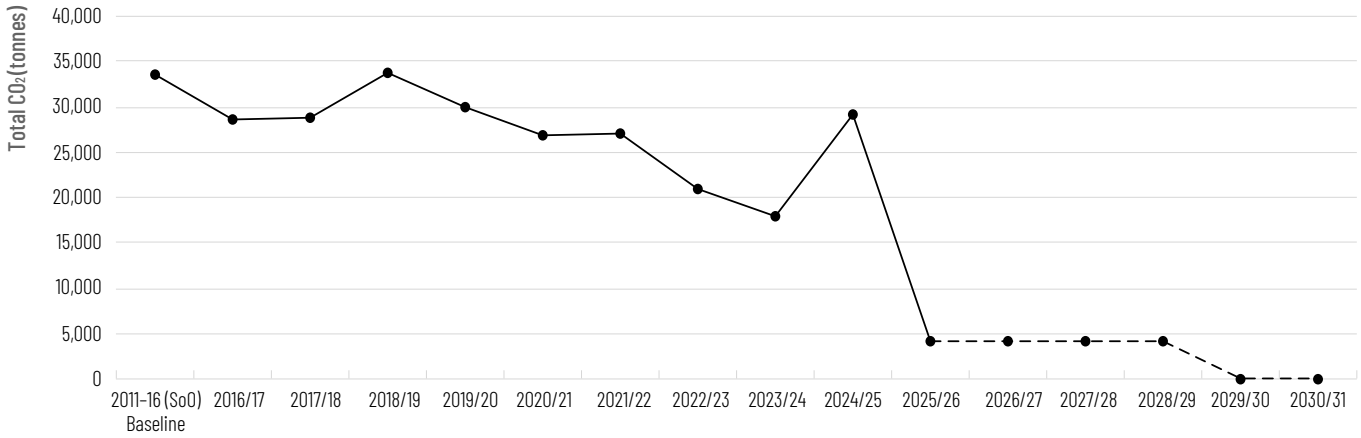
	Scope 1 emissions by greenhouse gas (source greenhouse gas reported in t CO_2-e))			
	Carbon dioxide (CO_2)	Methane (CH_4)	Nitrous oxide (N_2O)	Other
Service delivery category	t CO_2-e	t CO_2-e	t CO_2-e	t CO_2-e
Water treatment and supply	0	0	0	0
Sewage collection, treatment, and recycling	0	328	1,309	0
Transport	1,149	0.2	8.1	0
Other (eg offices, depots, etc.)	0	0	0	0
Total	**1,149**	**328.2**	**1,317.1**	**0**

	Scope 1 and 2 emissions (t CO_2-e)					
	2024/25	2025/26 Scope 1 and 2 emissions			Variance % between 2024/25 and 2025/26	
Service delivery category	Total scope 1 and 2 emissions	Scope 1 emissions	Scope 2 emissions	Total emissions		Commentary
Water treatment and supply	10,948	0	0	0	-100.0	Reduction due to 100% renewable electricity
Sewage collection, treatment, and recycling	16,644	1,637	0	1,637	-90.2	Reduction due to 100% renewable electricity
Transport	1,122	1,157	0	1,157	3.1	Increase in vehicles due to an increase in the capital delivery program
Other (eg offices, depots, etc)	363	0	0	0	-100.0	Reduction due to 100% renewable electricity
Total emissions (after REC retirement) (a)	**30,001**	**2,794**	**0**	**2,794**	**-90.7**	**A total of 34,612 LGCs were retired in addition to the mandatory RET volume of 7,234 LGCs to achieve 100% renewable electricity and therefore reducing Scope 2 emissions to 0**
Net emissions (after offset retirement) (a-b)	**29,077**	**2,794**	**0**	**2,794**	**90.4**	

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

Progress towards upcoming five-year emissions target

Net greenhouse gas emissions (tonnes of CO_2 equivalent)



Total electricity use and sources

Service delivery category	2024/25 total electricity consumption (MWh)	2025/26 total electricity consumption (MWh)	Commentary
Water treatment and supply	14,564	19,650	This also includes 18% of the behind meter consumption of solar generated electricity
Sewage collection, treatment, and recycling	20,764	22,321	This also includes 82% of the behind meter consumption of solar generated electricity
Other (eg offices, depots, etc.)	475	482	
Total	**38,804**	**42,453**	

Electricity source	2024/25 total electricity consumption (MWh)	2025/26 total electricity consumption (MWh)	Commentary
Purchased directly through an electricity retailer	35,330	41,842	SEC, AGL, and Origin Energy
Not directly purchased but sourced from outside the organisation	0	0	
Water corporation led/self-sourced activities and initiatives	474	611	Behind the meter solar
Total	**35,804**	**42,453**	

Energy use

Total energy usage	Renewable (GJ)	Non-renewable (GJ)	Total (GJ)	Commentary
From fuels	0	16.4	16.4	
From electricity	2,199.6	150,614.7	152,814.30	
Total	**2,199.6**	**150,631.1**	**152,830.7**	

Total energy usage per connection

Total energy usage (fuels and electricity) in GJ	Total connections	Energy usage (GJ) per connection	Commentary
152,830.7	83,930.0	1.8	

Renewable energy

Increasing renewable energy

We completed the development of a business case for the Lake Eppalock hydroelectricity generation and battery energy storage system (BESS) project, which should generate more than 3,000 megawatt hours per year.

To enable our Bendigo Water Reclamation Plant large-scale solar and BESS project, a concept design was completed to inform the current upgrade program.

Renewable electricity consumption categories	2024/25 renewable electricity consumption (MWh)	2025/26 renewable electricity consumption (MWh)	2025/26 renewable electricity consumption (% of total consumption)	Variance (%) between 2025/26 and 2024/25	Commentary
Total renewable electricity consumption from grid-sourced electricity Coliban Water reported because of the Commonwealth Government's LRET					
Total grid-sourced: mandatory	6,428	7,264	17.29%	12.54	
Total renewable electricity consumption from Corporation led/self-sourced activities and initiatives					
Biogas	0	0	0	0	
Hydroelectric	0	0	0	0	
Solar	474	611	1.44%	28.90	
Wind	0	0	0	0	
Other renewable	0	0	0	0	
Total renewable electricity consumption	**474**	**611**	**18.73%**		

Renewable electricity source	2025/26 total on-site renewable electricity generation capacity (MW)	2025/26 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	611	216	0	827	Behind the meter solar
Wind	0	0	0	0	0	
Other renewable	0	0	0	0	0	
Total (renewable)	**0.654**	**611**	**216**	**0**	**827**	

Non-renewable electricity source	2025/26 total on-site non-renewable electricity generation capacity (MW)	2025/26 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	2025/26 total energy storage system power capacity (MW)	2025/26 total energy storage system storage capacity (MWh)	Commentary
Total: energy storage systems – nil	0	0	Nil

Greenhouse gas emissions (tonnes CO_2-e)

REC retirement method	RECs retired 2025/26 (1REC = 1 MWh renewable electricity)	Commentary
Voluntarily retired by Corporation	1,677	LGCs retired for AGL and Origin small sites
GreenPower	4	EV charging LGCs
Certified carbon neutral electricity purchased	0	N/A
Voluntarily retired on Corporation's behalf	32,931	LGCs transferred to SEC to retire on our behalf. An additional 1,973 LGCs were transferred for the distribution and transmission-related Scope 3 emissions that are not required for the purposes of the Statement of Obligations
Mandatorily retired or conveyed to Corporation's electricity retailer for mandatory retirement (if applicable)	7,234	Mandatory function of our electricity retailers to meet the large-scale Renewable Electricity Target (LRET)
Total RECs retired to reduce scope 2 emissions	**41,846**	**A total of 43,819 LGCs have been retired, including additional SEC requirements**

Transportation: number of vehicles

	Transportation vehicle engine/fuel type							
Transportation vehicle category	Petrol	Diesel	LPG	Petrol hybrid	Diesel hybrid	Battery electric	Other	Commentary
Passenger vehicles	**8**	**110**	**0**	**2**	**0**	**4**	0	
Goods vehicles	**0**	**7**	**0**	**0**	**0**	**0**	0	
Total	**8**	**117**	**0**	**2**	**0**	**4**	**0**	

Transportation: Vehicle emissions and energy use

	Transportation total energy use by fuel type (GJ)							Fuel type totals		
Transportation vehicle category	Petrol	Diesel	Biodiesel	Renewable diesel	LPG	Electricity	Other	Total energy use (GJ)	Total emissions (t CO_2-e)	Commentary
Passenger vehicles	356.4	14,019	0	0	0	16.0	0	14,390.9	1,011	EV use greenpower (no emissions)
Goods vehicles	0	1,960	0	0	0	0	0	1,960	137.4	
Total energy use (GJ)	**356.4**	**15,979**	**0**	**0**	**0**	**13.7**	**0**			
Total emissions (t CO_2-e)	**24**	**1,124**	**0**	**0**	**0**	**0**	**0**			

Additional reporting

	Total stationary fuel use (buildings and machinery)		
Stationary fuels	In GJ	In t CO_2-e	Commentary
Fossil gas	0	0	
Biogas	0	0	
Diesel	0	0	
LPG	0	0	
Petrol	122.4	8.3	For use in generators
Other	0	0	
Total	**122.4**	**8.3**	

MRD 02 – Customer and community engagement

Bills

Total urban bills for 2025/26

	2025/26
Residential bill – owner occupier The actual bill for an owner-occupier with typical (average) water use in the year	$1,631.80
Residential bill – tenant The actual bill for a tenant with typical (average) water use in the year	$517.98
Typical (average) water use (kilolitres) assumed in owner-occupier and tenant bill calculations	190
Non-residential bill – business The annual bill for a business using three megalitres per annum in the year (50mm water access)	$13,873.03

Total rural bills for 2025/26

	Area/district/region	2025/26
Total rural bill domestic and stock supply (3.167 megalitres stock and domestic customer) [1]	Unmodernised	$3,186.81
Total rural bill regulated diversions [2]		N/A
Total rural bill unregulated diversions [2]		N/A

1. Calculation based on an unmodernised customer consuming 3.2 megalitres of water with 7.0 megalitre licence volume and pipeline access.
2. Coliban Water does not have regulated or unregulated diversion customers.

Efforts to manage pricing impacts for urban and rural water services

Over the current regulatory pricing period (2023 to 2028) we have sought to smooth real price increases for urban customers. Price increases support our continued investment in essential infrastructure to meet the needs of a growing region, while maintaining a focus on affordability.

The Coliban Assist program is the cornerstone of our customer support and aims to ensure there is assistance available for any customer experiencing vulnerability. The program includes Plumber Assist, leak detection, concessions, bill smoothing, and payment matching.

Over this same period, real price increases for rural customers have declined in line with deferred infrastructure investment in services provided. Many of the financial support options offered to urban customers are also available to rural customers.

Operational performance indicators

Operational performance

Customer responsiveness and bill support indicators	ESC Code	2025 result	2026 result	Variance to 2025	2026 target (from Corporate Plan)	Variance to target
Water bills – customers on flexible payment plans Number of customers with instalment plans	UPP 1	6,589	6,993	6%[1]		
Water bills – customers awarded hardship grants Number of customers awarded hardship grants	UPP 6	1,107	1,087	-2%		
Customer responsiveness - water quality complaints [1] Number of complaints per 100 customers	CRS 4	0.40	0.26	-35%[2]	0.35	-34%[2]
Customer responsiveness – number of payment issue complaints Number of complaints per 100 customers	CRS 7	0.05	0.05	0%	0.28	0%
Customer responsiveness - total complaints Number of complaints per 100 customers	CRS 3	0.78	0.51	-34%[3]	0.80	-36%[3]

Notes:

1. Customers on flexible payment plans. Variance attributable to continued cost of living pressures.
2. Previous year results in 2025 were heavily influenced by Huntly/Epsom water quality discolouration water event. Decrease in 2026 is representative of results returning back to a base line.
3. Total complaints experienced a reduction in overall numbers, reflective of the water quality event in the previous year that triggered a large number of water quality contacts

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

Community service obligations	2025 Total actual (or nominal) dollar amount of concessions provided in year ($)	2025 Total number of customers provided concessions in year (number of customers)	2026 Total actual (or nominal) dollar amount of concessions provided in year ($)	2026 Total number of customers provided concessions in year (number of customers)
Provision of water and sewerage concessions	**$7,144,502.37**	**24,253**	$7,083,304.32	24,758
Rebates paid to not-for-profit organisations under the water and sewerage rebate scheme	**$432,818.13**	**1,696**	$444,991.59	1,743
Utility relief grant scheme payments	**$696,067.75**	**1,457**	$643,711.33	1,802
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 that sets the vision and principles for a partnership based on mutual respect for Coliban Water's responsibilities and recognises DJAARA as a rightsholder.

We have continued as an active funding partner in Wanggal, the cross-agency steering group for DJAARA's Dhelkunyangu Gatjin Strategy. Coliban Water chairs the urban water sub-group, which progresses actions within the implementation plan for the Dhelkunyangu Gatjin Strategy.

In 2025/26, Coliban Water and DJANDAK co-designed a 'Djaara-centred engagement approach for developing Urban Water Strategies and Pricing Submissions on Djandak', which is a deliberative engagement approach involving Djaara members in the decision-making process. The engagement approach has brought together the four urban water corporations on Djandak (Djaara Country) to participate and co-fund the process, allowing Djaara to be at the centre and avoid separate engagement processes for each water corporation.

The engagement approach focusses on two-way learning and meaningful and culturally appropriate engagement on-Country. Findings from the engagement approach are informing the development of Urban Water Strategies and Pricing Submissions and will include a cultural narrative and a future participation program.

Traditional Owner opportunities

Through the Rural Water Efficiency Project, DJAARA and Taungurung Land and Waters Council will each receive 150 megalitres from the water savings from the modernisation of our rural channel network. The total return of 300 megalitres to Traditional Owners will share the benefits of the project with First Nationals communities and will allow for their self-determined use of the returned water.

Throughout 2025/26, DJAARA and Coliban Water staff have been co-exploring and co-designing a framework to improve negotiations for Land Use Activity Agreements (LUAA). This framework aims to streamline LUAA negotiation processes for efficient project delivery and provide an equitable share of benefits from projects occurring on Djandak that supports DJAARA's self-determination.

Supporting Aboriginal self-determination

We have no formal partnership agreements with Aboriginal Community Controlled Organisations.

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 developed a five-year NRM works program to enable Djandak to plan their works and strengthen their capability.

Number of tender requests received 2025/26	Number of tender requests received from Aboriginal Enterprises 2025/26	Total number of tender requests accepted from Aboriginal enterprises 2025/26
75	**2**	**2**

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 and are covered within the one Recreational Area Management Plan.

Our planned projects include:

- Further extension of the Upper Coliban Reservoir boat ramp at Premier Mine Road. The ramp will be extended to allow on-water recreation to occur over a greater depth range
- Lauriston Reservoir on-water access pontoon installation. The pontoon will improve on-water recreation access and include wheelchair accessibility to provide a launching experience for people of all abilities.
- Installation of more picnic tables at Upper Coliban Dam Wall and Premier Mine Road recreational areas to allow more visitors to have access.

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

Collaboration and engagement with stakeholders

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 our social media channels. We also complete targeted messaging for issues such as water safety and fire risk for recreational users.

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

During the update of our Urban Water Strategy and Drought Preparedness Plan, we will engage local councils about priority community assets to maintain during times of drought. This planning will assist in maintaining recreational activities now and into the future.

MRD 05 - Resilient and liveable cities and towns

Integrated Water Management

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

- Championing the IWM forums through the Manager of Integrated Water Strategy, who chairs practitioner meetings.
- Co-funding and hosting an Integrated Water Management Officer role. The role is supported by DEECA, Coliban Water, and the City of Greater Bendigo and supports partner organisations across the region to progress priority IWM actions.

In 2025/26, we contributed in-kind and financial resources to develop the following IWM plans and strategies:

- A business case for a Lower Coliban Heathy Country Plan, a DJAARA-led initiative to heal the waterway. This has included in-kind support to prepare a funding application for the next phase of the project.
- Updated the Integrated Catchment Management Plan for the Upper Coliban Catchment.
- Supported funding applications for IWM grants for our partners City of Greater Bendigo (one project) and DJAARA (three projects).

In 2025/26, we led the implementation of projects identified within the strategic direction statement for our IWM forum, which include:

- A business case for managed aquifer recharge as a drought mitigation strategy for Bendigo.
- Delivered a drought resilient public open spaces project. This explored alternative water for irrigating public open space and developed an irrigation efficiency checklist and engaged local governments to improve practices. Coliban Water secured $50,000 from the federal government's drought resilience funding to deliver the project.
- Identified and progressed improvements in the planning system to embed IWM outcomes. This included a development-focused workshop and checklist for urban planners to better assess compliance with IWM outcomes.

Water efficiency and water recycling

We secured $120 million in federal funding for the Rural Water Efficiency Project, and Coliban Water will provide up to $40 million to modernise the rural channel network around Bendigo. This will be our largest ever water efficiency improvement, as the channel network currently loses 79% of water from seepage, leakage, and evaporation.

Project funding will enable a piped supply to rural customers and make substantial water savings that can be shared with the environment, urban communities, and Traditional Owners.

We continue to support our communities to become more water efficient with the following activities:

- Digital metering to proactively detect leaks in our urban network, which helps customers reduce water consumption and their water bills.
- Water saving campaigns via our education and events program. These programs provide practical advice about reducing water consumption around the house and garden. We work with culturally and linguistically diverse groups to deliver relevant content.
- The Resource Smart Schools water module and Schools Water Efficiency Program. This is in addition to our locally relevant water education programs.

We are progressing our Recycled Water Strategy to achieve more resilient assets, maximum value from recycled water, and grow a recycled water business.

In 2025/26, we delivered a range of projects to maximise the value of recycled water and enhance service reliability for our customers, including:

- Progressing a major upgrade of the Bendigo Water Reclamation Plant and recycled water network to improve the reliability of our Class A recycled water service and support future growth of a recycled water business.
- Constructing a two-megalitre Class A recycled water storage tank at Spring Gully Reservoir. The tank provides dedicated storage, improves water quality, and removes the need for a raw water back-up supply that previously caused blockages in customer infrastructure.
- Appointing contractors for the Recycled Water Factory upgrade, with construction on track for completion in mid-2027. The upgrade will increase production capacity to 10 megalitres per day and improve operational reliability.
- Continuing construction of the new Solids Handling Facility at the Bendigo Water Reclamation Plant, which will improve the quality of water entering the Recycled Water Factory and support more reliable recycled water production.
- Exploring design options to expand the Bendigo recycled water network through the Rural Water Efficiency Project, while engaging potential rural customers about transitioning their water supply to recycled water.
- Advancing investigations into purified recycled water as part of our Urban Water Strategy, including technical assessments, stakeholder engagement and preliminary economic analysis. This work is co-funded by DEECA and Coliban Water.
- Progressing the major upgrade of the Castlemaine Water Reclamation Plant, including construction of a new membrane bioreactor that will improve recycled water quality from Class C to Class B. Recycled water releases to Campbells Creek will continue to support a healthy platypus population. Major achievements on this project in 2025/26 were:
  - > Completed a detailed business case for the upgrade and secured approval from the Department of Treasury and Finance.
  - > Commenced a 20-week Early Contractor Involvement procurement process to identify the best value-for-money delivery partner for the upgrade.
  - > Supported a Djaara-led flows study for Campbells Creek to inform opportunities to improve creek health through a Djaara cultural lens.
  - > Continued partnering with Friends of Campbells Creek and the North Central Catchment Management Authority to deliver the first stage of the Platy Patch project, including installing leaky weirs to reduce stormwater impacts and enhance platypus habitat.
  - > Expanded the scope of water reclamation plant insourcing to include Wedderburn, Kyneton, Bendigo, and Axedale, which will strengthen our capability to deliver reliable and resilient recycled water services.

Reporting on community programs

Name of Program	Number of customers
Community Rebate Program	158
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		76,514
	(2) Total volume of potable water consumed by residential connections		14,629
	Per capita daily residential potable water consumption		80.68
	(3) Total volume of recycled water used by residential connections		72
	(4) Total volume of stormwater used by residential connections (supplied by water corporation)		0
Non-residential connections	(5) Total number of non-residential connections		7,416
	(6) Total volume of potable water consumed by non-residential connections		6,785
	(7) Total volume of recycled water used by non-residential connections for:	Commercial purposes	0
		Industrial purposes	499.74
		Agricultural purposes	1,657.64
		Municipal purposes	1,424.26
		Beneficial allocation	0
		Within process	0
		Total	**3,581.64**
	(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		83,930
	(10) Total volume of potable water consumed by connections		21,414
	(11) Total volume of recycled water and stormwater used by connections		3,653
	(12) Total volume of water used by connections		25,067
	Average annual water consumption		**21,075**
Non-revenue water	(13) Volume of non-revenue water attributed to leakages		2.4
	(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		2.4
	Total volume of water from all sources		**25,067**

Overall non-revenue water losses were lower, likely due to continued focus on renewal of customer connections, continuation of water pipe renewals, and a proactive approach to looking for and fixing leaks in the network.

The total volume of potable water consumed is derived from the addition of consumption by residential and non-residential customers. We used our Data Warehouse to derive annual water consumptions figures per year over each of the five years, then divided this number by five to give an average figure.

Coliban Water does not track the use of rainwater in the operational area, hence cannot make an informed comment on this aspect.

Coliban Water has no information the number of tanks installed in operational areas.

Major non-residential water users

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	Y	N
Don KR Smallgoods	Y	N

We facilitated a water audit with Hazeldenes and Don KR which was funded by DEECA. The funding program was scaled back significantly, and we have paused the water efficiency program until future funding is available. We support this overall initiative to identify efficiency gains in our larger 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	7
Equal to or greater than 100ML and less than 200ML	2
Equal to or greater than 200ML and less than 300ML	2
Equal to or greater than 300ML and less than 400ML	1
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 1,000ML	0
Greater than 1,000ML	0
Total number customers	**14**

Drought response

This year was the third successive year of below average inflows to our reservoirs. We also received reduced allocations in the regulated Goulburn River system (81%) and Wimmera Mallee Pipeline (40%).

In response, we proactively implemented measures under our Drought Preparedness Plan to manage water security risks. This included closely monitoring conditions, taking early action to protect water supplies, and engaging customers, stakeholders and the broader community about potential drought impacts and the importance of water-efficient behaviours.

Our Annual Water Outlook continued to provide customers with information on expected water availability under a range of scenarios, while reporting on progress against Urban Water Strategy initiatives that strengthen long-term water security.

Permanent Water Saving Rules remained in place throughout the year, supported by targeted water conservation programs. We also continued to maintain and operate our water systems and infrastructure to minimise the risk of supply interruptions, while using carryover provisions to help manage the impacts of reduced allocations.

No water restrictions were required for urban customers during 2025/26.

Our rural system opened with a 30% allocation at the start of the season and increased to 100% by November 2025 following favourable winter and spring inflows.

We also completed a comprehensive review of our drought preparedness and response arrangements, identifying improvements to strengthen our ability to prepare for, respond to, and recover from drought and other water shortage events.

Corporate water consumption

The volume of metered corporate water consumption for 2025/26 was 1,138 kilolitres.

Circular economy outcomes

We continue to implement the circular economy opportunities roadmap, with priority given to the uplift of our sustainable procurement capabilities. This has led to more concrete recycling and greater use of recycled materials in our construction projects. We also commenced an investigation into a Nature Repair Market project, exploring opportunities to regenerate nature.

Biosolids management remains a circular economy focus. This year we revised our Biosolids Strategy, identifying options and adaptive pathways to manage biosolids in the future. This document will inform future planning and the management of existing loads.

129% of biosolids mass was reused.

Environmental statutory obligations

In partnership with North Central CMA and DJAARA, we are delivering the A Healthy Coliban Catchment (AHCC) program, a 20-year integrated catchment management initiative for the Upper Coliban River within the Eppalock Special Water Supply Catchment. Now in its eighth year, the program supports the long-term health and resilience of the catchment

As a member of the Technical Working Group, we help develop Annual Works Plans that are delivered collaboratively by project partners. During 2025/26, major on-ground works focused on addressing woody weed infestations along a three-kilometre section of the Coliban River between Lauriston and Malmsbury reservoirs.

This 'Res to Res' program involves five landholders and is targeting widespread infestations of willow, blackberry, and gorse. Works include weed removal, riparian fencing to exclude stock from waterways, installation of off-stream watering points, and native revegetation to improve river health and biodiversity.

North Central CMA appointed Platypus Environmental in 2025 to deliver the works. Willow stem-injection treatment commenced during the year, followed by mechanical weed removal in early 2026. Significant blackberry and gorse removal was also required to enable access to willow infestations.

During the year, agreement was reached with DEECA Loddon Mallee for Coliban Water to become the land manager of Crown land parcels at Malmsbury Reservoir and Lauriston. 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.

The development and placement of cultural materials, such as signage and interpretive displays, was delayed due to the planning approval process with Macedon Ranges Shire Council. The importance of identifying DJAARA's presence and role in caring for Country through signage at the site is not currently supported by the Planning Scheme. The DJAARA RSA Team is now working with DTP to seek exemption from the Minister for Planning through Clause 52.30 (State Projects in Victoria).

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*.

The consulting firm, Alluvium, undertook the review and evaluation of the Upper Coliban Integrated Catchment Management Plan (ICMP) and its associated works program (A Healthy Coliban Catchment) in 2025. Nak Enviro was engaged in 2026 to utilise the review and evaluation identified opportunities to amend the Upper Coliban ICMP to improve both its implementation and the achievement of the outcomes, as well as identified opportunities to further embed a DJAARA-centred approach included in a renewal of the ICMP.

The outcome of the ICMP renewal is the Upper Dindilong (Coliban) ICMP, incorporating refreshed goals and actions for Coliban Water and North Central CMA, and better inclusion of DJAARA centric involvement as a partner to the plan. The renewed Upper Dindilong (Coliban) ICMP is a significant advancement, strengthening the partner organisations commitment to a strong presence in source water catchments and aims to build community, organisation and environmental resilience and mitigation to Climate Change and Water Security.

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. 2025/26 represents the second year of the action plan.

During 2025/26 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)

The draft of the third Victorian Waterway Management Strategy (VWMS) was released for public consultation between 1 June and 29 June 2026. No submission or comments were provided through the Engage Vic consolation website. However, we support the VWMS as it sets out a framework for government, waterway managers, Traditional Owners, and regional communities to work together to manage Victoria's waterways.

We will play an active role in the North Central Regional Waterway Strategy across our region of operation and look forward to supporting implementation of a finalised VWMS.

We are a member of the Steering Committee for the North Central Regional Waterway Strategy, which the North Central Catchment Management Authority (CMA) has convened to support its revision. So far, we have attended all six steering committee meetings to support the project's vision. We have also attended two collaborative planning workshops representative of our role in the region. We will continue to participate in the development of the North Central Regional Waterway Strategy over the next 12 months.

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

Other environmental activities

We are partners with North Central CMA and Friends of Campbells Creek (FoCC) in the statewide Urban Rivers Platypus Recovery Initiative (The Platy Patch) for the Campbells creek project area.

The site we are working on is a stormwater drain crossing our land on the southern side of the Castlemaine Water Reclamation Plant. The stormwater from upstream residential areas was identified as an area for velocity reduction and minimisation of erosion. We have since constructed four Leaky Weirs along the stormwater drain which act to slow runoff and mitigate impacts of erosion where the drain joins Campbells Creek. We will continue to manage pest plants in the Leaky Weirs area and complete revegetation activities in 2027.

Housing statement: Developer and council engagement

Supporting sustainable regional growth starts with early and ongoing engagement. Land Development Services works closely with developers, consultants, and councils throughout the planning and development process to identify servicing requirements, understand growth demands, and ensure the timely delivery of water and sewer infrastructure.

During 2025/26, we received 223 Preliminary Servicing Requests (a 67% increase on the previous year). This reflects strong engagement with the development industry before formal planning referrals are lodged.

These discussions allow developers to better understand servicing requirements, network constraints, and potential augmentation needs early in the planning process, reducing uncertainty and helping avoid delays later in development. We encourage developers of larger parcels of land to engage with us ahead of a planning permit request so we can determine whether larger assets are required so the developer understands the implications on their proposal.

Over recent years, we have improved how we engage with the development sector. Our approach has evolved from a largely transactional service to one focused on collaboration, transparency, and early problem solving. This includes regular engagement with developers and consulting engineers, and participation in local government forums and development showcases to support coordinated growth planning.

During the year, we strengthened connections with the development community at three land development forums, via regular developer newsletters, and through targeted engagement activities that provided updates on planning requirements, regulatory changes, and infrastructure planning. These initiatives have created more opportunities for two-way communication and helped improve understanding of servicing obligations and growth-related infrastructure requirements.

Deeds of Agreement were introduced from 1 July 2025 and are providing a clearer framework for developer-delivered infrastructure and improved certainty regarding project obligations and delivery requirements. Together with ongoing improvements to our workflows, governance arrangements, and digital systems, these changes have increased transparency and consistency throughout the development process.

Our engagement extends beyond individual developments. Through collaboration with councils and industry stakeholders, we continue to inform network augmentation plans and treatment plant master planning, helping ensure infrastructure investment keeps pace with growth and supports the creation of liveable, sustainable and connected communities.

By encouraging early engagement and providing clearer pathways through the planning and development process, we are helping developers, consultants, and councils work together more effectively, improving customer experience, and supporting housing and growth outcomes across our region.

Connections

2025/26 saw an increase in multi-dwelling developments on a single title.

Residential water connections and lots created

Lots available as at end of 2024/25	Lots created 2025/26	New connections 2025/26	Lots available as at the end of 2025/26
3,857	1,046	1,400 on 1,250 lots	3,653

MRD 06 - Leadership, diversity and culture

Diversity, equity and inclusion (DEI)

Diversity and inclusion strategy

Our Diversity Equity and Inclusion Strategy 2023/25 is published on our website. It 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.
- Continuation and expansion of our leadership development program with a focus on inclusive leadership.
- Establishment and ongoing advancement of the Inclusion@Coliban Working Group to promote and embed diversity, equity, and inclusion across the organisation.

Table 1. Diversity equity and inclusion targets and data

Table 1 outlines progress against our diversity, equity, and inclusion targets. Overall, there have been only minimal shifts across the reporting period.

Gender balance in senior leadership and workforce language diversity have remained largely stable, with small increases in the number of employees identifying as Aboriginal and/or Torres Strait Islander and as members of the LGBTQIA+ community.

Representation of employees identifying as having a disability has decreased slightly.

While the data indicates limited movement overall, we remain committed to advancing our diversity, equity, and inclusion objectives through ongoing initiatives and targeted actions to foster a diverse and inclusive workplace.

Target	2024/2025	2025/2026
Gender Balance (50:50) in senior leadership positions	Male: 63% Female: 37%	Male: 64% Female: 36%
10% of our workforce identify as a person with a disability	6.5%	5%
10% of our workforce speak a language other than English	12%	11%
2.5% of our workforce identify as Aboriginal or Torres Strait Islander	0%*	1%*
7% of our workforce identify as belonging to the LGBTIQA+ communities	6%	7%

*People Matter Survey results 2025 and 2026

Gender Equality Action Plan (GEAP)

Throughout the year, we continued the implementation of our GEAP (2021–2025) with a focus on these 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

We also completed our GEAP audit reporting process and developed our new Gender Equality Action Plan (GEAP) 2026–2029. Informed by insights from the audit, the new GEAP outlines key strategies to drive progress across seven gender equality indicators:

1. Gender composition across all levels of the workforce.
2. Gender composition of the governing body.
3. Equal remuneration for work of equal or comparable value across all workforce levels, regardless of gender.
4. Prevention of sexual harassment in the workplace.
5. Recruitment and promotion practices.
6. Availability and utilisation of policies, practices, and entitlements relating to family violence leave, flexible working arrangements, and support for employees with family or caring responsibilities.
7. Gendered segregation within the workplace.

Following receipt of our compliance outcome from the Commission for Gender Equality in the Public Sector, our new GEAP will be published on our website.

Traditional Owners participation on the Board and in committees

In 2024/25, the Board included an Independent Aboriginal Delegate, whose role was to actively participate in Board meetings to:

- Improve the Board's decision making.
- Build a pathway for future Aboriginal Board members.
- Increase awareness of board roles and opportunities in the Aboriginal community and provide practical experience to develop governance skills relevant to public sector boards.
- Encourage future applications of a Board Director role aligned with the Victorian Government's commitment that government boards reflect the rich diversity of the Victorian community.

While the Board did not have an independent Aboriginal Director in 2025/26, Aboriginal perspectives were considered through engagement with Traditional Owners, Aboriginal stakeholders, and community representatives. Opportunities to strengthen Aboriginal representation in governance will continue to be explored.

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.

We continue to build the cultural competence of our workforce through targeted training. Over the past 12 months, an additional eight 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.

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. We use a range of tools and feedback mechanisms to guide our efforts and track our progress.

These tools and feedback help shape targeted strategies for improving culture and engagement. Examples 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, there was a strong focus on strengthening leadership capability and enhancing our diversity, equity, and inclusion efforts. Placing people at the centre of our organisation, we continued to strengthen initiatives designed to enhance the employee experience. We evolved and expanded our leadership development and reward and recognition programs to support a culture that values and celebrates employee contributions.

Our culture statements reflect the attitudes and behaviours we value and strive to demonstrate. These principles continue to underpin our success. Results from the 2026 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.

Our culture and governance strategy brings our values to life by strengthening:

- Leadership at all levels through empowerment, accountability, and trust.
- Delivering capability by building discipline, prioritisation, and execution excellence.
- Collaboration and innovation through open dialogue, curiosity, and shared problem-solving.
- Risk-informed decision making by embedding proactive risk management across the organisation.

We are proud of our people and the way they live our values every day. Guided by trust and a people-first approach, we continue to strengthen internal connections and regional partnerships to deliver greater value for our customers and communities.

We are committed to fostering an inclusive workplace where everyone feels valued, respected, and empowered to succeed. By embedding diversity, equity, and inclusion (DEI) into our culture and decision-making, we aim to create an environment where our people, organisation and communities can thrive. Our DEI Working Group plays an important role in advancing these commitments by championing inclusion, promoting equitable opportunities, and helping integrate DEI considerations into strategic and operational planning across the business.

This year, we recognised and celebrated a range of cultural and inclusion initiatives, including National Refugee Week, Reconciliation Week, NAIDOC Week, Wear it Purple Day, International Day of People with Disability, Bendigo Pride Week, Chinese New Year, Diwali, Taste of Harmony, and our employee-led Share Your Story campaign.

Health, safety and wellbeing

We refreshed our Annual Wellbeing Plan, focusing on initiatives that support both physical and psychological safety. Key priorities included identifying and addressing psychosocial hazards, promoting mental health awareness through regular health and safety forums, launching the Wellbeing Matters campaign, delivering wellbeing and social connection activities, and regularly monitoring employee wellbeing.

We maintained our Mental Health Support Officer accreditation, providing employees with access to trained peer support. We also continued to promote our Employee Assistance Program, offering confidential counselling services for employees and their families. A highlight of our wellbeing calendar was R U OK? Day, which encouraged meaningful conversations and reinforced our culture of care and connection.

During the year, we delivered family violence awareness training to employees in key roles and our dedicated Family Violence Support Officers.

To strengthen our safety culture, leaders participated in safety leadership training focused on influencing safe behaviours, supporting positive workplace outcomes and reinforcing the link between safety and performance. Employees also completed a range of operational safety training, including confined spaces, trenching awareness, manual handling, working at heights, and chemical handling.

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.

We continued to support employees undertaking accredited study, professional development workshops and industry conferences, helping our people build expertise, stay informed about emerging technologies and apply best practice in their roles.

Building future talent

We continued to invest in the future of the water industry through our graduate engineer program. The revitalised three-year rotational program provides structured development, mentoring, and broad exposure across engineering disciplines, helping participants build capability and progress towards professional accreditation.

The program is designed to:

- Develop future water industry professionals.
- Provide structured learning and career development opportunities.
- Create clear pathways into the industry.
- Support tailored development aligned to individual interests and goals.
- Provide broad experience across engineering disciplines.

We also hosted five university students through our Work Integrated Learning program, supporting engineering and digital technology studies, and we participated in a number of regional careers expos to connect with secondary and tertiary students and promote careers in the water sector.

MRD 07 - Performance and financial management

PERFORMANCE REPORT
For The Reporting Period Ended 30 June 2026

DIRECTORS CERTIFICATION

We certify that the accompanying Performance Report of Coliban Region Water Corporation in respect of the period ended 30 June 2026 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 2025/26 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 2 September 2026 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

Financial performance indicators

Key Performance Indicator	2024/25 Result	2025/26 Result	Variance to prior year		2025/26 Target	Variance to target	
Cash Interest Cover Net operating cash flows before net interest and tax / net interest	1.9 times	1.7 times	**-10.5%**	(1)	1.4 times	**21.4%**	(1)
Gearing Ratio Total debt (including finance leases) / total assets * 100	25.7%	22.6%	**-12.1%**	(2)	27.1%	**-16.6%**	(2)
Internal Financing Ratio Net operating cash flow less dividends / net capital expenditure * 100	30.1%	20.8%	**-30.9%**	(3)	12.0%	**73.3%**	(3)
Current Ratio Current assets / current liabilities (excluding long term employee provisions and revenue in advance)	136.2%	108.9%	**-20.0%**	(4)	190.6%	**-42.9%**	(4)
Return on Assets Earnings before net interest and tax / average assets * 100	0.9%	0.4%	**-55.6%**	(5)	0.6%	**-33.3%**	(5)
Return on Equity Net profit after tax / average total equity * 100	-0.5%	-1.0%	**-100.0%**	(6)	-0.9%	**-11.1%**	(6)
EBITDA Margin Earnings before interest, tax, depreciation and amortisation / total revenue * 100	34.1%	28.9%	**-15.2%**	(7)	30.5%	**-5.2%**	(7)

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

The five-yearly revaluation of infrastructure assets, completed during 2025/26, increased total assets by $742.1 million. This materially affects ratios using total assets or total equity as a denominator - specifically the Gearing Ratio, Return on Assets and Return on Equity. The movements in these indicators should be read as an accounting revaluation effect rather than a change in underlying financial position.

1 Cash interest cover fell to 1.7 times (2024/25: 1.9 times) as net interest costs grew faster than operating cash flow, reflecting the increasing loan portfolio funding the capital program. It remains favourable to the 1.4 times Plan target, aided by government funding held as unearned revenue pending delivery of works. This is a timing benefit which will unwind in future years.

2 The reduction in gearing does not reflect a reduction in debt, per the notes above. Total debt increased $119.4 million (19.4%) during the year; total assets increased by a greater proportion due to the revaluation. Excluding the revaluation, gearing would have increased to approximately 29.3% from 25.7% in the prior year.

3 Internal financing ratio was favourable to the 12.0% Plan target as operating cash flows exceeded plan, but fell from 30.1% to 20.8% year-on-year as capital expenditure (the ratio's denominator) grew 34% to $119.7 million. While operating cash flow held broadly steady, this indicator demonstrates that a greater share of the capital program is now funded by borrowings rather than internally generated cash.

4 Current ratio fell against both prior year and target, driven by $25.4 million of borrowings classified as current at 30 June 2026 (2024/25: $5.5 million) and higher payables and accruals (timing only), partly offset by higher cash through borrowings that remain unpsent at 30 June 2026. All borrowings remain within Treasury Policy thresholds.

5 Return on assets declined against both prior year and target. Earnings before net interest and tax fell $12.2 million due to higher operating costs and asset disposals, while average total assets increased following the revaluation. Both movements reduce this ratio.

6 Return on equity is unfavourable to both prior year and target, reflecting a larger net loss after tax of $17.1 million (2024/25: $6.5

Operational performance indicators

Key Performance Indicator	2024/25 Result	2025/26 Result	Variance to prior year		2025/26 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	10.3	9.3	**-9.9%**		12	**-22.7%**	[1]
Unplanned water supply interruptions Percentage of customers receiving more than 5 unplanned interruptions in the year	0%	0%	**0.0%**		0.01%	**-100.0%**	[2]
Sewerage Service - sewer blockages Number of sewer blockages per 100 kilometres of sewer main	16.5	19.6	**18.8%**	[3]	35	**-44.0%**	[3]
Sewerage Service - sewer spills Number of sewer spills reported per 100 kilometres of sewer main	13.2	15.2	**15.3%**	[4]	20	**-23.9%**	[4]
Sewerage Service - containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours	99%	100%	**1.1%**		99.0%	**1.0%**	
Water Reuse							
Recycled water - effluent treatment and reuse Proportion of water recycled as a percentage of the volume of effluent produced	36.8%	35.5%	**-3.6%**		39.0%	**-9.0%**	[5]

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

1. Preventative maintenance and targeted renewals of at-risk water mains has resulted in this year's result coming in well below target
2. 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 2025/26.
3. The rate of sewer blockages across 2025/26 was +18.8% on the 2024/25 result, however, is below the annual target. Increased CCTV inspections, cleaning and targeted renewals of at-risk sewer mains has led to this result.
4. A reduction in proactive cleaning program budget and some wet weather conditions has resulted in increase in sewer spills across 2025/26, however it is still below the annual target. A continued focus on CCTV inspections, mains cleaning and targeted renewal of at-risk sewer mains has given this below target results.
5. Dry conditions earlier in 2025/26 have sustained similar demand for reuse water compared to previous financial year, 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 2024/25 (approx. 1,100 ML). As we transitioned to our new operating model with increased focus on the RWF, we expect future recycled water production to remain in line with or exceed previous financial year's results.

Independent Auditor's Report

Victorian Auditor-General's Office

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 2026, which comprises the: • financial performance indicators • operational performance indicators • notes to the performance report • directors certification. In my opinion, the performance report of the corporation for the year ended 30 June 2026 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the *Financial Management Act 1994*.
Basis for opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's responsibilities for the audit of the performance report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 *Financial Management Act 1994,* and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.

Level 31 / 35 Collins Street, Melbourne Vic 3000
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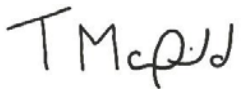
Auditor's responsibilities for the audit of the performance report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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
7 September 2026

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 the 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. High rainfall events and lower than normal demand mitigated risks with customers able to utilise on site storage in the first instance to avoid overuse.

Unauthorised take (key performance indicators)

Reporting on unauthorised take

	Volume			ABAs (or licences)				
Year	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)
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
2025/26	3,332	<0.1	<0.1	<0.1	1,337	63	4.7	0

Compliance actions – rural water corporations

Category	2021/22	2022/23	2023/24	2024/25	2025/26
Total number of breaches	4	2	0	6	2
No further action required	0	1	0	0	0
Dismissed (insufficient evidence)	2	0	0	0	0
Advisory letter	2	0	0	1	0
Formal warning	0	1	0	5	2
Penalty infringement notices	0	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 provide environmental flows, meet primary entitlement requirements, and comply with metering and reporting obligations.

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 2025/26. The volume 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 (Axedale, Goornong and part Rochester) Conversion Order 1999							
Axedale	Campaspe River	215	215	17	76	215	2.1 (c) Any credits granted – Nil 12.1 (d) Metering program – implemented 12.1 (e) Temporary or permanent transfer – trade in 58 ML 12.1 (f) Period of restriction – Nil 12.1 (g) Any amendment to bulk entitlement – Storage manager pricing structure 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
Rochester	Campaspe River	134	134	0	0	134	
Total		**349**	**349**	**17**	**76**	**349**	
Coliban							
Bulk entitlement (Campaspe System – Coliban Water) Conversion Order 1999							
Castlemaine, Bendigo and rural systems	Malmsbury Reservoir via channel	50,260			7,075		18.1 (g) Annual evaporation loss – 5,632 ML from headwork storages; 3,438 ML from Lake Eppalock 18.1 (h) Annual internal spills of water from our share in Lake Eppalock – Nil 18.1 (i) Passing flows – 1,702 ML from Malmsbury Reservoir; 1,523 ML from Lake Eppalock 18.1 (j) Credits granted – Nil 18.1 (k) Temporary or permanent transfer of bulk entitlement – Nil 18.1 (l) Bulk entitlement or licence transferred to Coliban Water – Nil 18.1 (m) Period of restriction – Nil 18.1 (n) Alteration to primary entitlements – Nil 18.1 (o) Transfer of primary entitlements – Nil 18.1 (p) Annual volume supplied to primary entitlements – rural 3,331 ML; urban 18,251 ML 18.1 (q) Any amendment to bulk entitlement – Storage manager pricing structure 18.1 (r) Any new bulk entitlement – Nil 18.1 (s) Implementation of environmental and metering programs – Implemented 18.1 (t) Any failure to comply with bulk entitlement- Nil 18.1 (u) Any difficulties complying with bulk entitlement – Nil 18.1 (v) Passing flows less than specified – Nil
Kyneton, Tylden, Malmsbury	Lauriston Reservoir				1,086	32,848	
Bendigo and north rural system	Lake Eppalock via Superpipe				8,882		
Heathcote, Tooborac	Lake Eppalock and Caledonia Reservoir				370		
Total		**50,260**	**N/A**	**N/A**	**17,412**	**32,848**	
Goulburn water shares	High reliability	23,232	18,818	18,484	421	31,066	Trade in 15,546 ML, trade out 21,360 ML
	Low reliability	2,861					
Campaspe water shares	High reliability	2,591	2,591	1,420	7,926	3,060	Trade in 7,032 ML, trade out 58 ML
	Low reliability	646					
Elmore							
Elmore	Groundwater	284	284	71	180	176	Take and Use licence
Goulburn							
Bulk entitlement (Goulburn Channel System – Coliban Water) Order 2012							
Lockington	Waranga Western Channel	130			101		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 – trade out 232 ML 15.1 (g) Assignment of allocation or bulk entitlement or shares transferred to Coliban Water – trade in 755 ML 15.1 (h) Any amendment to bulk entitlement – Storage manager pricing structure 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			561		
Dingee		50			29		
Macorna		40	1,980	390	6	1,979	
Pyramid Hill		300			117		
Jarklin		5			0		
Mitiamo		60			16		
Serpentine		60			28		
Boort		425	440	126	182	437	
Mysia		15			1		
Total		**2,420**	**2,420**	**516**	**1,042**	**2,416**	
Jarklin	East Loddon Pipeline	10	8	N/A	1	7	Water Allowance
Serpentine		50	41	N/A	0	41	Water Allowance

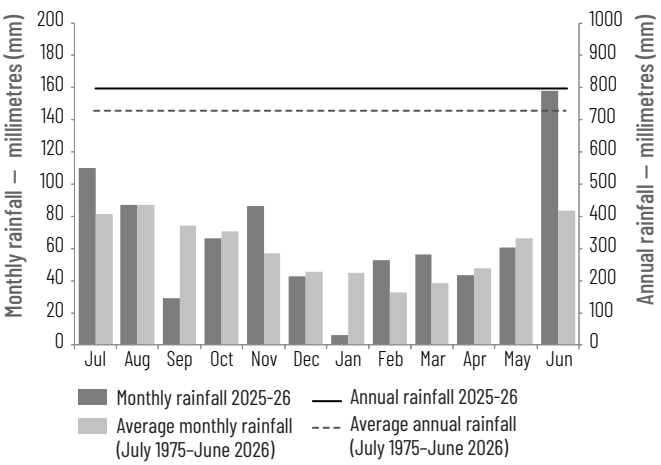
Supply system	Source	Entitlement ML	Allocation ML	Carryover ML	Water taken ML	Balance ML	Notes
Loddon Wimmera							
Bulk entitlement (Loddon System – Coliban Water) Conversion Order 2005							
Bridgewater	Loddon River				0		13.1(c) Any credits granted – Nil 13.1(d) Metering Program – Implemented 13.1(e) Temporary or permanent transfer of with bulk entitlement – 670 ML trade out 13.1(f) Period of restriction – Nil 13.1(g) Any amendment to with bulk entitlement – Nil 13.1(h) New bulk entitlement granted – Nil 13.1(i) Any failure to comply with bulk entitlement – Nil 13.1(j) Difficulties in complying – Nil
Laanecoorie		820	664	6	0	0	
Jarklin					0		
Serpentine					0		
Total		**820**	**664**	**6**	**0**	**0**	
Bulk Entitlement (Wimmera and Glenelg Rivers – Coliban Water) Order 2010							
Korong Vale and Wedderburn	Wimmera Mallee Pipeline				286		13.1(c) Amount taken at other location – Nil 13.1(d) Final allocation for year – 40% 13.1(e) Metering Program – Implemented 13.1(f) Transfer or assignment of bulk entitlement – Nil 13.1(g) Entitlement or assignment to Coliban Water – trade in 400 ML 13.1(h) Any amendment to bulk entitlement – Storage manager pricing structure 13.1(i) New bulk entitlement granted – Nil 13.1(j) Any failure to comply with bulk entitlement – Nil 13.1(k) Difficulties in complying with Order – Nil
Borung		300	120	48	3	274	
Wychitella					5		
Bridgewater and Laanecoorie					**0**		
Total		**300**	**120**	**48**	**294**	**274**	
Bridgewater and Laanecoorie	South-West Loddon Pipeline	110	110	N/A	63 43	3	Off-Season Water Allowance
Korong Vale		0	0	N/A	9	0	Peak Water Allowance – 268 ML traded in as per Supply by Agreement
Bridgewater					148		
Laanecoorie					111		
Murray							
Bulk entitlement (River Murray – Coliban Water) Conversion Order 1999							
Echuca	Murray River	5,055	5,055	1,451	3,555	3,351	20.1(c) New off-take points – Nil 20.1(d) Water returned – Nil 20.1(e) Metering Program – Implemented 20.1(f) Temporary or permanent transfer of bulk entitlement – trade in 400 ML 20.1(g) Any transfer of entitlement or assignment of allocation to Coliban Water – Nil 20.1(h) Any amendment to bulk entitlement – Storage manager pricing structure 20.1(i) Any new bulk entitlement granted – Nil 20.1(j) Any failure to comply with bulk entitlement – Nil 20.1(k) Difficulties in complying with bulk entitlement – Nil
Cohuna	Gunbower Creek				661		
Gunbower	Taylors Creek	1,230	1,230	175	70	410	
Leitchville	Cohuna Channel & Gunbower Creek				264		
Total		**6,285**	**6,285**	**1,626**	**4,550**	**3,761**	
Murray Water Shares	High reliability	1,089	1,089	1,629	0	2,417	Trade in 300 ML, trade out 600 ML
	Low reliability	1,340					
Trentham							
Bulk entitlement (Trentham) Conversion Order 2012							
Trentham	Spring-fed Reservoir	120	120	N/A	116	4	12.1(c) Average annual amount of water taken over a three-year period – 120 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	57	46	Take and Use licence

Rainfall and inflows

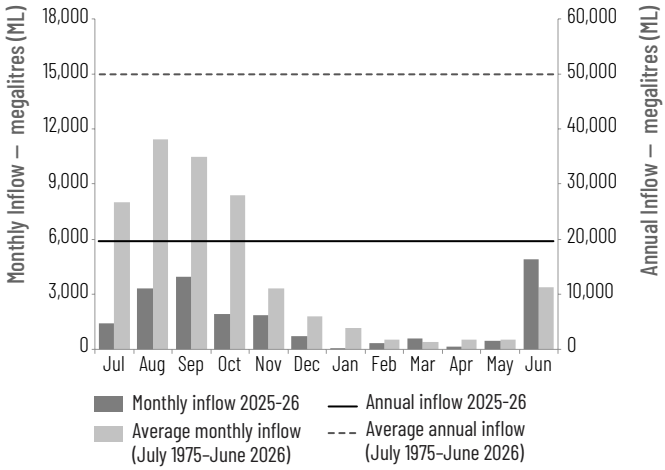
Lauriston Reservoir received 797mm of rainfall in 2025/26, exceeding the post-1975 average rainfall of 728mm. Rainfall distribution was variable throughout the year with notable dry conditions in September and particularly wet conditions in June.

Total calculated inflows to our storages on the Coliban River in 2025/26 was 19,664 megalitres, well below the post-1975 average of 49,936 megalitres. Inflows were particularly low throughout winter and spring 2025, with the only significant inflows occurring in June following above-average rainfall.

Malmsbury Reservoir > Monthly Rainfall 2025/26



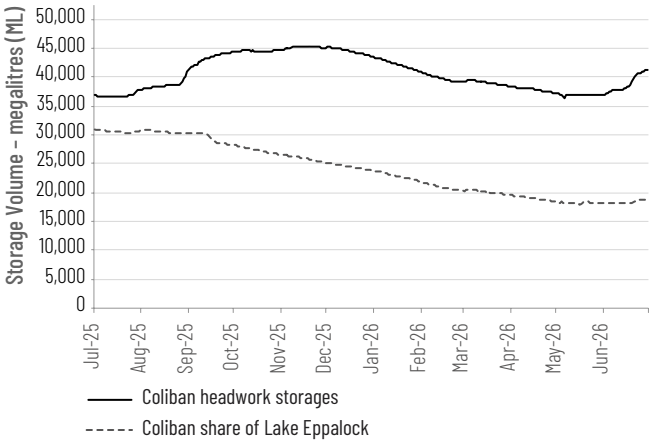
Coliban Headworks Storages > Monthly Inflow 2025/26



Storage volumes

Our reservoirs on the Coliban River exhibited a distinct seasonal pattern in storage levels during the year. Low inflows resulted in only modest increases in storage over winter and spring, before storages were progressively drawn down through summer and autumn to meet demand. High inflows in June, combined with reduced demand, led to storage levels recovering.

Throughout 2025/26, we continued pumping water from Lake Eppalock to supply Bendigo, Heathcote, and surrounding towns. With limited inflows the volume of water available within our share declined over the year.



Reservoir	Full supply (ML)	At 30 June 2025 (ML)	At 30 June 2026 (ML)	% full 30 June 2026
Coliban System Northern				
Sandhurst Reservoir	2,590	2,454	2,528	98
Caledonia Reservoir	214	189	206	96
Lake Eppalock (Coliban Water share)	54,837	31,015	17,237	31
Spring Gully Reservoir (recycled water – rural)	1,680	685	769	46
Coliban System Southern				
Upper Coliban Reservoir	37,770	21,241	21,402	57
Lauriston Reservoir	19,790	14,090	16,750	85
Malmsbury Reservoir	11,800	1,599	3,246	28
McCay Reservoir	1,360	1,168	1,214	89
Barkers Creek Reservoir (rural)	1,690	513	695	41
Trentham Reservoirs	91	44	75	83
Total	**131,822**	**72,998**	**64,121**	**49**

Water allocations

We received full allocations for bulk water for all entitlements except in the Goulburn River system and the Wimmera Mallee Pipeline.

System	Very high reliability water shares %	High reliability water shares %	Low reliability water shares %
Campaspe River	N/A	100	0
Central Victorian Mineral Springs groundwater	N/A	100	N/A
Loddon River	N/A	81	0
Lower Campaspe Valley groundwater	N/A	100	N/A
Goulburn River	100	81	0
Murray River	N/A	100	0
Wimmera Mallee Pipeline	N/A	40	N/A
Wimmera Mallee water allowance	N/A	100	N/A

Passing flows

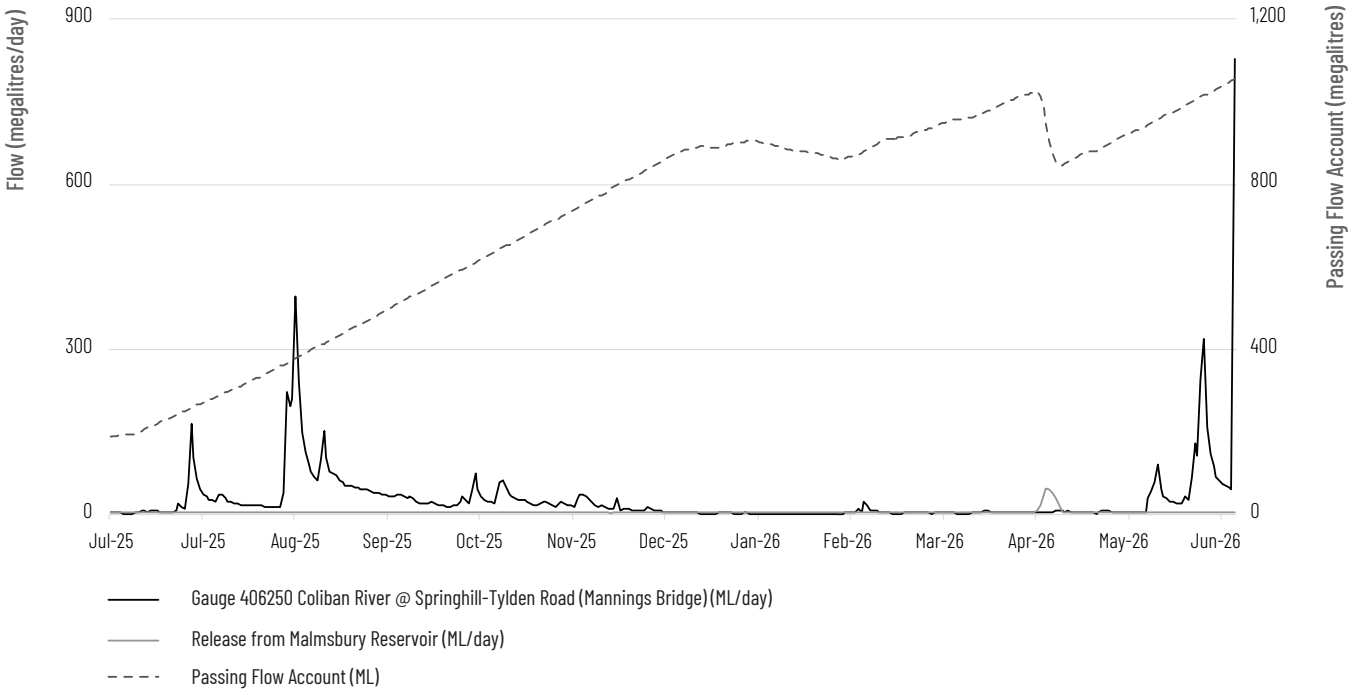
A total of 1,702 megalitres was released from Malmsbury Reservoir during 2025/26 to meet passing flow obligations in the Coliban River.

At the request of the North Central Catchment Management Authority, passing flows were limited to four megalitres per day to build reserves in the passing flow account.

Between 27 April and 4 May 2025, an autumn fresh was delivered, comprising flows of 50 megalitres per day for three days, together with managed rates of rise and fall to support environmental outcomes.

The passing flow account held 189 megalitres on 1 July 2025, increasing to 1,053 megalitres by 30 June 2026.

The figure below illustrates natural inflows to the Coliban Headworks Storages, passing flow from Malmsbury Reservoir to the Coliban River and the volume held in the passing flow account throughout 2025/26.



Financial Statements



Coliban Region Water Corporation

Financial Statements

For the year ended 30 June 2026

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Coliban Region Water Corporation
Financial Statements
For the year ended 30 June 2026

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 2026 and the financial position of Coliban Region Water Corporation as at 30 June 2026.

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.

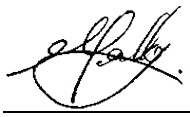
We authorise the attached financial statements for issue on 2 September 2026.



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 2026

	Notes	2026 $'000	2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1	184,642	177,183
Government grants and contributions	2.2	5,890	9,559
Other income		2,069	1,153
Total revenue and income from transactions		**192,601**	**187,895**
Expenses from transactions			
Employee benefits	3.1.1	34,796	30,610
Direct operating expenses	3.2	80,807	73,611
Expenditure of Government funding		3,576	4,483
Depreciation	4.1.1 & 6.2.1	44,658	42,158
Amortisation	4.2	640	611
Environmental contribution		5,941	5,941
Other operating expenses	3.3	7,895	6,294
Total expenses from transactions		**178,313**	**163,708**
Finance income		458	427
Finance expense		(35,387)	(31,223)
Net finance costs	3.4	**(34,929)**	**(30,796)**
Net result from transactions (net operating balance)		**(20,641)**	**(6,609)**
Other economic flows included in net result			
Net gain/(loss) on disposal of non-current assets	9.1	(5,183)	(2,955)
Net gain/(loss) on financial instruments	9.1	1,391	234
Total other economic flow included in net result		**(3,792)**	**(2,721)**
Net result from transactions		**(24,433)**	**(9,330)**
Income tax (expense) / benefit	8.1.1	7,330	2,798
Net result		**(17,103)**	**(6,532)**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	4.1.1	742,125	-
Deferred income tax relating to components of other comprehensive income	8.1.1	(222,638)	-
Total other comprehensive income		**519,487**	**-**
Comprehensive result		**502,384**	**(6,532)**

The accompanying notes form part of these financial statements.

Coliban Region Water Corporation

Balance sheet

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and cash equivalents	6.4	40,899	20,188
Receivables and contract assets	5.1	41,005	42,936
Inventories		2,660	2,569
Non-financial physical assets classified as held for sale		4	70
Other non-financial assets		716	375
Total current assets		**85,284**	**66,138**
Non-current assets			
Receivables	5.1	269	533
Other financial assets		601	15
Infrastructure, property, plant and equipment	4.1.1	3,074,416	2,247,117
Right-of-use assets	6.2.1	3,625	2,674
Intangible assets	4.2	78,668	77,392
Total non-current assets		**3,157,579**	**2,327,731**
Total assets		**3,242,863**	**2,393,869**
Liabilities			
Current liabilities			
Trade and other payables and contract liabilities	5.2	67,855	55,047
Employee benefits provision	3.1.2	9,057	8,200
Interest bearing liabilities	6.1	36,366	15,734
Total current liabilities		**113,278**	**78,981**
Non-current liabilities			
Trade and other payables	5.2	551	466
Employee benefits provision	3.1.2	1,098	692
Interest bearing liabilities	6.1	696,995	597,960
Other financial liabilities		-	805
Net deferred tax liabilities	8.1.2	506,797	291,489
Total non-current liabilities		**1,205,441**	**891,412**
Total liabilities		**1,318,719**	**970,393**
Net assets		**1,924,144**	**1,423,476**
Equity			
Contributed capital		305,226	306,942
Physical asset revaluation reserve		1,283,475	763,988
Accumulated surplus / deficit		335,443	352,546
Total equity		**1,924,144**	**1,423,476**

The accompanying notes form part of these financial statements.

Coliban Region Water Corporation
Cash flow statement
For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts			
Service and usage charges / Revenue from contracts with customers		163,400	152,291
Receipts from Government		10,905	14,459
Interest received		458	427
Goods and Services Tax received from the ATO		17,973	14,639
Other receipts		12,413	12,274
Total receipts		**205,149**	**194,090**
Payments			
Payments to suppliers and employees		(139,559)	(130,532)
Interest and other cost of finance paid		(34,311)	(30,300)
Environmental contribution levy paid		(5,941)	(5,941)
Total payments		**(179,811)**	**(166,773)**
Net cash flows from / (used in) operating activities		**25,338**	**27,317**
Cash flows from investing activities			
Payments for infrastructure, property, plant and equipment		(119,656)	(89,422)
Proceeds from sale of infrastructure, property, plant & equipment		210	260
Payments for intangible assets		(1,951)	(1,208)
Net cash flows from / (used in) investing activities		**(121,397)**	**(90,370)**
Cash flows from financing activities			
Proceeds from borrowings		127,891	80,900
Repayment of contributions to State in its capacity as owner		(1,716)	(858)
Principal payments of lease liabilities		(9,405)	(8,491)
Net cash flows from / (used in) financing activities		**116,770**	**71,551**
Net increase / (decrease) in cash and cash equivalents		**20,711**	**8,498**
Cash and cash equivalents at the beginning of the financial year		20,188	11,690
Cash and cash equivalents at the end of the financial year	6.4	**40,899**	**20,188**

The accompanying notes form part of these financial statements.

Coliban Region Water Corporation
Statement of changes in equity
For the year ended 30 June 2026

	Contributed capital $'000	Physical asset revaluation reserve $'000	Accumulated surplus / deficit $'000	Total equity $'000
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**
Balance at 1 July 2025	**306,942**	**763,988**	**352,546**	**1,423,476**
Net result for the year	-	-	(17,103)	**(17,103)**
Other comprehensive income	-	519,487	-	**519,487**
Return of Capital to owners	(1,716)	-	-	**(1,716)**
Total comprehensive income	**(1,716)**	**519,487**	**(17,103)**	**500,668**
Balance at 30 June 2026	**305,226**	**1,283,475**	**335,443**	**1,924,144**

The accompanying notes form part of these 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 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.

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	2026 $'000	2025 $'000
Revenue from service, usage and trade waste charges	2.1.1	159,511	157,353
Developer contributions and gifted assets	2.1.2	25,131	19,830
Total revenue from contracts with customers		**184,642**	**177,183**

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

	2026 $'000	2025 $'000
Service charges		
Water	25,648	24,099
Waste water	63,343	59,761
Rural water	2,785	2,728
Recycled water	62	56
Trade waste	4,330	3,798
	96,168	**90,442**
Usage charges		
Water	56,612	59,073
Waste water	2,160	1,960
Rural water	976	1,403
Recycled water	862	923
Trade waste	893	850
Temporary water sales	1,840	2,702
	63,343	**66,911**
Total revenue from service usage and trade waste charges	**159,511**	**157,353**

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 (2025: 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 (2025: 28 days), and 28 days for Rural and other customers.	Revenue is recognised over time as service is provided.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
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.
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.

2.1.2 Developer contributions

	2026 $'000	2025 $'000
Developer contributed assets	14,161	12,488
New customer contributions	10,970	7,342
Total developer contributions	**25,131**	**19,830**

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.

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
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**
2026						
Over time	25,648	63,343	2,785	62	4,330	**96,168**
Total	**25,648**	**63,343**	**2,785**	**62**	**4,330**	**96,168**

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
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**
2026							
At a point in time	-	-	-	-	-	1,840	**1,840**
Over time	56,612	2,160	976	862	893	-	**61,503**
Total	**56,612**	**2,160**	**976**	**862**	**893**	**1,840**	**63,343**

Contributions and gifted assets	Developer contributed assets $'000	New customer contributions $'000	Total revenue from contributions $'000
2025			
At a point in time	12,488	7,342	**19,830**
Over time	-	-	**-**
Total	**12,488**	**7,342**	**19,830**
2026			
At a point in time	14,161	10,970	**25,131**
Over time	-	-	**-**
Total	**14,161**	**10,970**	**25,131**

2.2 Government grants and contributions

	2026 $'000	2025 $'000
General purpose grants	252	171
Income recognised as revenue from contract with customers		
Other specific purpose grants	5,638	9,388
Total government grants and contributions	**5,890**	**9,559**

Coliban Water has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058 *Income of Not-for-Profit Entities* (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 2025/26 under AASB 1058, Coliban Water recognised funding of $1,043,936 (2025: $2,234,479) for the Regional Rural Modernisation Project (DEECA). Other major funding recognised included $3,586,991 (2025: $4,797,387) for the Bendigo Groundwater Project, and funding of $969,706 (2025: $1,375,208) for the Marong Sewer Upgrade.

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 Coliban Water has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, Coliban Water 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.

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

	2026 $'000	2025 $'000
Salaries and wages, annual leave and long service leave	29,565	26,509
Termination benefits	163	237
Superannuation	5,068	3,864
Total employee benefit costs	**34,796**	**30,610**

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.

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.

	2026 $'000	2025 $'000
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	3,065	2,623
Accrued Days Off		
Unconditional and expected to settle within 12 months	540	422
Long service leave		
Unconditional and expected to settle within 12 months	670	626
Unconditional and expected to settle after 12 months	3,674	3,524
Provisions for on-costs		
Unconditional and expected to settle within 12 months	613	530
Unconditional and expected to settle after 12 months	495	475
Total current provisions for employee benefits	**9,057**	**8,200**
Non-current provisions:		
Long service leave - conditional	914	610
On-costs	184	82
Total non-current provisions for employee benefits	**1,098**	**692**
Total provisions for employee benefits	**10,155**	**8,892**

The number of employees at the end of the financial year was 349 (2025: 307).

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 an 'other economic flow' in the net result.

3.2 Direct operating expenses

	2026 $'000	2025 $'000
Partnership contract expenses	27,739	29,124
General services	8,985	5,837
Service concession arrangements	11,984	11,388
Bulk charges	2,679	2,747
Chemicals	3,498	3,310
Electricity	7,636	6,566
Repairs and Maintenance	10,981	8,887
ZEW derivative expense	109	96
Other operational costs	7,197	5,656
Total direct operating expenses	**80,808**	**73,611**

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, 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 neighbouring water corporations and include a fixed fee associated with the volume of the license and a variable component based on volumes utilised.	Accrual basis. Recognised in the Comprehensive operating statement.
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.	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.

3.3 Other operating expenses

	2026 $'000	2025 $'000
Information technology	6,304	4,928
License fees	215	269
Legal	1,376	1,097
Total other operating expenses	**7,895**	**6,294**

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.	Recognised in the Comprehensive operating statement as incurred.
License fees	All license costs associated with operating the information technology environment of Coliban Water.	Recognised in the Comprehensive operating statement as incurred.
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.	Recognised in the Comprehensive operating statement as incurred.

3.4 Net finance costs

	2026 $'000	2025 $'000
Interest on bank deposits	458	427
Interest on loans from Treasury Corporation of Victoria (TCV)	(24,788)	(20,980)
Interest on lease liability	(153)	(116)
Financial accommodation levy	(8,590)	(7,575)
Interest on financial liabilities - service concession arrangements	(1,856)	(2,552)
Net finance income / (costs) recognised in comprehensive operating statement	**(34,929)**	**(30,796)**

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.

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[(i)]	Capital works in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2025								
Gross carrying amount	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 carrying amount - 1 July 2025	**65,310**	**3,207**	**194**	**2,286**	**1,905,220**	**182,301**	**88,599**	**2,247,117**
Additions	-	-	-	-	-	-	119,656	**119,656**
Disposals	-	(8)	-	(115)	(5,149)	-	-	**(5,272)**
Transfers in/(out) of assets under construction	57	2,140	202	1,193	55,923	939	(60,454)	**-**
Fair value of asset received free of charge	-	-	-	-		-	14,161	**14,161**
Depreciation charge	-	(132)	(7)	(516)	(36,786)	(5,930)	-	**(43,371)**
Revaluation	242	574	-	-	738,962	2,347	-	**742,125**
Closing net book amount	**65,609**	**5,781**	**389**	**2,848**	**2,658,170**	**179,657**	**161,962**	**3,074,416**
Total as at 30 June 2026 represented by:								
Gross book value	65,609	5,790	4,888	7,003	2,660,810	179,674	161,962	**3,085,736**
Accumulated depreciation	-	(9)	(4,499)	(4,155)	(2,640)	(17)	-	**(11,320)**
Net book value as at 30 June 2026	**65,609**	**5,781**	**389**	**2,848**	**2,658,170**	**179,657**	**161,962**	**3,074,416**

[(i)] *Water and wastewater treatment facilities.*

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

4.1.2 Initial recognition

Infrastructure, property, plant and equipment

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

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

Items with a cost or value in excess of $1,000 (2025: $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 Financial Reporting Direction 103 Non-Financial Physical Assets (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 2026. 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.

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 calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful life and is generally recognised in the statement of comprehensive income.

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.

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 2025					
Cost of fair value	71,616	18,536	3,746	-	**93,898**
Accumulated amortisation	-	(16,506)	-	-	**(16,506)**
Net book value as at 1 July 2025	**71,616**	**2,030**	**3,746**	**-**	**77,392**
Additions	-	1,032	569	350	**1,951**
Disposals	-	-	-	(99)	**(99)**
Transfer between asset classes	-	-	-	66	**66**
Impairment of assets	-	-	-	-	**-**
Amortisation	-	(642)	-	-	**(642)**
Closing net book amount	**71,616**	**2,420**	**4,315**	**317**	**78,668**
Total as at 30 June 2026 represented by:					
Cost of fair value	71,616	19,568	4,315	317	**95,816**
Accumulated amortisation	-	(17,148)	-	-	**(17,148)**
Net book value as at 30 June 2026	**71,616**	**2,420**	**4,315**	**317**	**78,668**

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.

Water Share Entitlements are issued by the Minister for Water and registered in the Victorian Water Register, are recognised at cost and are considered to have an indefinite useful life in accordance with *FRD 109 – Intangible Assets* (FRD 109).

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

Large-scale Generation Certificates (LGCs) are recognised as intangible assets at cost per FRD 109a and are not subject to amortisation as they have an indefinite life.

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.

A summary of the policies applied to Coliban Water's intangible assets is as follows:

	Water Entitlements	Software costs	Large-scale Generation Certificates
Useful lives	Indefinite	Finite	Indefinite
Amortisation method used	Not amortised or revalued	1 to 10 years	Not amortised or revalued
Internally generated/acquired	Acquired	Acquired	Acquired
Impairment test/Recoverable amount testing	Annually and where an indicator of impairment exists	Annually and where an indicator of impairment exists	Annually and where an indicator of impairment exists

Impairment of intangible assets
Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired.

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 2026 %	Ownership Interest 2025 %
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. Under the agreement, the assets are jointly owned as tenants in common in their respective percentage interests. Coliban Water's capital share has been determined by the total expenditure on the Goldfields Superpipe less the incremental proportion of capital expenditure that relates to the additional capacity required to service CHW. The incremental proportion has been funded by CHW. Coliban Water's operational cost share is calculated on a combination of a fixed component based on capacity share, a variable component based on volumes of water pumped and an energy charges share based on volumes stored or pumped from Lake Eppalock.	66.67	66.67
Central Highlands Water (CHW)		33.33	33.33

	Interest[(i)]	Water Distribution[(ii)] $'000	Operational costs[(iii)] $'000
Principal Activity 2026			
Waranga Channel to Lake Eppalock to Sandhurst Reservoir	2/3	78,638	2,978
Principal Activity 2025			
Waranga Channel to Lake Eppalock to Sandhurst Reservoir	2/3	73,871	1,628

[(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 2026, there were $214,360 outstanding liabilities (30 June 2025:$224,383), and $258,127 receivable (reimbursement) from Central Highlands Water (30 June 2025: $140,956).

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.

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 and contract assets

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.

	2026 $'000	2025 $'000
Current		
Contractual		
Rates and charges receivable	13,739	17,167
Allowance for expected credit losses	(959)	(787)
Contract assets	25,231	25,232
Statutory		
Amounts owing from the Victorian Government	547	527
GST Receivables	2,447	797
Total current receivables	**41,005**	**42,936**
Non-current		
Contractual		
Customer receivables	269	533
Total non-current receivables	**269**	**533**
Total receivables	**41,274**	**43,469**

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 2026 vary from 0.4% for receivables that are 1 - 30 days past due to 7.3% for receivables that are more than 120 days past due (2025: 0.5% - 6.0%).

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 9.1). 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.

5.2 Trade and other payables and contract liabilities

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.

	2026 $'000	2025 $'000
Current		
Contractual		
Trade creditors	2,180	2,406
Accrued expenses	33,209	23,715
Other payables	1,651	2,451
Contract liabilities	30,802	26,468
Statutory		
FBT payable	13	7
Total current payables	**67,855**	**55,047**
Non-current		
Contractual		
Other payables	551	466
Total non-current payables	**551**	**466**
Total trade and other payables and contract liabilities	**68,406**	**55,513**

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.

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	2026 $'000	2025 $'000
Current interest-bearing liabilities			
Lease liabilities[(i)]		1,444	899
Loans from Treasury Corporation of Victoria (TCV)		25,391	5,500
Service Concession Arrangement - water and wastewater treatment facilities	6.3	9,531	9,335
Total current interest-bearing liabilities		**36,366**	**15,734**
Non-current interest-bearing liabilities			
Lease liabilities		2,364	1,799
Loans from Treasury Corporation of Victoria (TCV)		685,332	577,332
Service Concession Arrangement - water and wastewater treatment facilities	6.3	9,299	18,829
Total non-current interest-bearing liabilities		**696,995**	**597,960**
Total interest-bearing liabilities		**733,361**	**613,694**

[(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).

6.1.1 Maturity of borrowings

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

			Maturity dates[iii]				
	Carrying amount $'000	Nominal amount[i] $'000	Less than 1 month $'000	1 - 3 months $'000	3 months - 1 year $'000	1 - 5 years $'000	5+ years $'000
30 June 2026							
Lease liabilities	3,808	4,119	120	241	1,082	2,288	77
Loans from TCV	710,723	693,641	-	2,000	89,391	278,000	341,332
Service concession arrangements[ii]	18,830	17,295	735	1,637	7,159	9,299	-
Total	**733,361**	**714,744**	**735**	**3,637**	**97,993**	**289,587**	**341,409**
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**

[i] Nominal amount represents fair value
[ii] Water and wastewater treatment facilities
[iii] Maturities have been split for carrying amounts

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 21 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 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 Equipment	Infrastructure other than roads	Vehicles	Total
	$'000	$'000	$'000	$'000	$'000
Total as at 30 June 2025 represented by:					
Cost	772	85	-	2,089	2,946
Less: Accumulated depreciation	(24)	(19)	-	(229)	(272)
Net book value at 30 June 2025	**748**	**66**	**-**	**1,860**	**2,674**
Additions to right-of-use assets	1,450	-	122	414	1,986
Modification adjustments	17	-	-	215	232
Depreciation expense	(305)	(5)	(14)	(963)	(1,287)
Other movements	(65)	-	-	85	20
Carrying amount at end of year	**1,845**	**61**	**108**	**1,611**	**3,625**
Year ended 30 June 2026					
Cost	2,872	89	122	3,398	6,481
Less: Accumulated depreciation	(1,027)	(28)	(14)	(1,787)	(2,856)
Carrying amount at end of year	**1,845**	**61**	**108**	**1,611**	**3,625**

6.2.2 Amounts recognised in the comprehensive operating statement

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

	2026 $'000	2025 $'000
Interest on lease liabilities	153	116
Depreciation on right-of-use assets	1,287	843
Expenses relating to short-term leases	22	57
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	20	29
Total	**1,482**	**1,045**

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.

	2026 $'000	2025 $'000
Less than one year	1,488	1,197
One to five years	2,562	2,614
More than five years	86	833
Total	**4,136**	**4,644**

6.3 Service concession arrangements

Coliban Water sometimes enters into arrangements with private/public sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as public private partnerships (PPPs).

Coliban Water has adopted AASB 1059 *Service Concession Arrangements: Grantors* to account for PPP arrangements that meet the definition of a service concession arrangements (SCAs) in accordance with AASB 1059. Where a PPP is not considered a SCA, Coliban Water determines whether the arrangement is a lease (and accounted for under AASB 16) or a construction contract (and accounted for under AASB 116 and AASB 9) and accounts for them under those relevant standards.

Coliban Water uses the financial liability method to account for SCAs.

Coliban Water pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset, and the components related to the ongoing operation and maintenance of the asset.

The accumulation of costs incurred during construction results in a progressive build-up of the SCA asset (see section 4.1 for the initial and subsequent measurement of SCA assets). A corresponding liability would be progressively recognised in line with the fair value of the SCA asset. The nature of the liability and the subsequent accounting depends on the consideration exchanged in reference to the contract arrangements between the grantor and the operator. An exception to this principle occurs when the grantor reclassifies an existing asset to a SCA.

Coliban Water in a service concession arrangement recognises a service concession liability (SCL) at the same amount as the SCA asset, adjusted by the amount of any other consideration from the grantor to the operator, or from the operator to the grantor. Therefore, any State contributions made prior to the recognition of the liability would reduce this amount.

After initial recognition, Coliban Water will determine if the liability represents a financial liability. Where Coliban Water has a contractual obligation to pay to the operator as compensation for providing the SCA, it is measured as a liability in accordance with AASB 9 *Financial Instruments*. Interest is charged on the liability of some SCAs, refer to Note 6.1.2 Interest expense. The liability will be increased by interest charges, based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, prevailing market rate of interest for a similar instrument with similar credit ratings should be used. Refer to Note 6.1 Interest bearing liabilities for the amounts disclosed as financial liability.

Subsequently, the liability will also be reduced by any payments made by Coliban Water to the operator if required by the contract.

Coliban Water has two SCA contracts.

Bendigo Water Services Pty Ltd
A contract deed was signed on 5 May 1999 with Bendigo Water Services Pty Ltd for the provision of water treatment services for Bendigo, Castlemaine and Kyneton. Commercial acceptance of this facility was granted on 1 June 2002.

ETE Coliban Pty Ltd
Coliban Water signed a contract deed on 26 November 2002 with ETE Coliban Pty Ltd for the provision of water reclamation and reuse services for Echuca and Rochester. Commercial acceptance of this facility was granted on 28 September 2004.

The above contracts, which comprise both fixed and variable components, commit Coliban Water to the payment of tolls over the 25 year contract periods.

As ownership of the assets will be transferred to Coliban Water at the end of the contractual term and control of the asset and public services is held by Coliban Water, the assets are accounted for as a SCA.

The table below illustrates commitments for SCAs.

		Minimum future payments		Present value of Minimum future payments	
	Notes	2026	2025	2026	2025
Service concession arrangement liability		$'000	$'000	$'000	$'000
Water treatment facilities		6,120	12,796	5,887	11,848
Wastewater treatment facilities		14,674	19,189	12,943	16,316
Minimum future liability payments		**20,793**	**31,985**	**18,830**	**28,164**
Less: Future finance charges		(1,964)	(3,821)	-	-
Total service concession arrangement liability		**18,829**	**28,164**	**18,830**	**28,164**
Representing service concession arrangement liability					
Current	6.1			9,531	9,335
Non-current	6.1			9,299	18,829
Total service concession arrangement liability				**18,830**	**28,164**

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.

	2026	2025
	$'000	$'000
Cash at bank	40,899	20,188
Balance as per cash flow statement	**40,899**	**20,188**

As at balance date, $7.4M of cash and cash equivalents is being held for the Bendigo Groundwater Project.

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 $403.41 million (2025: 176.87 million). The largest commitments relate to Bendigo WRP Solids Handling Projects, and Bendigo, Castlemaine and Kyneton WTP HBT Upgrades. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

Coliban Water's current Build, Own Operate and Transfer (BOOT) arrangements with respect to the Bendigo, Castlemaine and Kyneton water treatment plants and associated infrastructure end in May 2027. In April 2026, Coliban entered into a 20-year arrangement for these sites that will commence on 1 June 2027. Under the terms of the extension arrangement, the operator will be responsible for providing operating, maintenance and lifecycle ('O&M') services, including renewals to existing assets, in respect to the Bendigo, Castlemaine and Kyneton water treatment plants and associated infrastructure.

The performance and commitments within contracts are subject to a range of key performance indicators (performance standards), and related inputs and operator performance will adjust amounts payable by Coliban Water.

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 2026				
Service concession arrangement	10,865	6,430	-	17,295
Capital expenditure commitments payable	118,791	72,774	211,841	403,406
Contributions to state as owner	2,574	-	-	2,574
Environmental contribution levy commitments	5,941	5,941	-	11,882
Operational expenditure commitments payable	40,700	73,867	408,155	522,722
Total commitments (inclusive of GST)	**178,871**	**159,012**	**619,996**	**957,879**
Less GST recoverable	(15,487)	(13,916)	(56,363)	(85,767)
Total commitments (exclusive of GST)	**163,384**	**145,096**	**563,633**	**872,113**
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**

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 2026/27 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 Gains or losses are recognised in the comprehensive operating statement as either: • interest income calculated using the effective interest rate; • impairment losses under the expected credit loss model; or • gain or loss on derecognition.
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 comprehensive operating statement, over the period of the interest-bearing liability using the effective interest rate method. Gains or losses are recognised in the comprehensive operating statement as either: • interest expense calculated using the effective interest rate; • impairment losses under the expected credit loss model; or • gain or loss on derecognition.
Financial assets and liabilities at fair value through profit or loss		
Financial assets/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 another economic flow' included in the net result. Gains or losses include: • Fair value changes either realised or unrealised. • Interest; or • dividends

7.1.1 Financial instruments: categorisation

The carrying amount of the contractual financial assets and financial liabilities by category are disclosed below:

2026	Notes	Cash and deposits $'000	Financial assets at amortised cost (AC) $'000	Financial assets / liabilities designated at fair value through profit/loss (FVTPL) $'000	Financial liabilities at amortised cost (AC) $'000	Total $'000
Contractual financial assets						
Cash and deposits	6.4	40,899	-	-	-	**40,899**
Receivables[(i)]						
Rates and charges receivable	5.1	-	13,049	-	-	**13,049**
Contract assets	5.1	-	25,231	-	-	**25,231**
Investments and other contractual financial assets						
Investment in Zero Emissions Water (ZEW) Ltd		-	-	15	-	**15**
Financial assets designated at fair value through profit or loss		-	-	586	-	**586**
Total contractual financial assets		**40,899**	**38,280**	**601**	**-**	**79,780**
Contractual financial liabilities						
Payables[(i)]						
Trade creditors	5.2	-	-	-	2,180	**2,180**
Accrued expenses	5.2	-	-	-	33,209	**33,209**
Other payables	5.2	-	-	-	2,202	**2,202**
Borrowings						
Lease liabilities	6.1	-	-	-	3,808	**3,808**
Loans from Treasury Corporation of Victoria (TCV)	6.1	-	-	-	710,723	**710,723**
Service Concession Arrangement - water and wastewater treatment facilities	6.1	-	-	-	18,830	**18,830**
Total contractual financial liabilities		**-**	**-**	**-**	**770,952**	**770,952**

[(i)]The total amounts disclosed exclude statutory receivables and payables.

2025						
Contractual financial assets						
Cash and deposits	6.4	20,188	-	-	-	**20,188**
Receivables						
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		-	-	15	-	**15**
Total contractual financial assets		**20,188**	**42,145**	**15**	**-**	**62,348**
Contractual financial liabilities						
Payables						
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 liability						
Financial liabilities designated at fair value through profit or loss		-	-	805	-	**805**
Total contractual financial liabilities		**-**	**-**	**805**	**642,732**	**643,537**

7.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	Net holding gain / (loss)	Total interest income / (expense)	Total
2026	**$'000**	**$'000**	**$'000**
Contractual financial liabilities			
Financial liabilities at amortised cost	-	(35,387)	**(35,387)**
Financial assets	-	458	**458**
Financial liabilities designated at fair value through profit/loss	218	-	**218**
Total contractual financial liabilities	**218**	**(34,929)**	**(34,711)**
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)**

Details regarding the recognition of gains or losses on financial instruments are provided in Section 7.1.

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 2026 (30 June 2025: 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).

This is the first reporting period in which Coliban Water has applied the guidance, coinciding with the 30 June 2026 five-yearly revaluation. For all assets measured at fair value, Coliban Water considers the current use is the highest and best use.

Actual cost of construction data from across the Victorian water industry was used to formulate unit rates for various infrastructure asset classes. This work was performed independently by Acumentis Pty Ltd and was utilised where appropriate by the valuer when valuing Coliban Water's infrastructure asset base. Coliban Water verified that Acumentis unit rates were aligned with recent completed capital project costings.

Amendments to AASB 13 Fair Value Measurement require fair value measurement of assets to include unobservable inputs such as restoration, disruption and site preparation costs. These costs were included in the development of Acumentis unit rates and are thus inherent within them. The inclusion of these costs within unit rates that form the basis of Coliban Water's asset revaluation, together with market conditions reflecting significant cost increases in recent years, were key drivers of the significant increase in the infrastructure asset valuation. The costs incorporated as a result of the AASB 13 amendments were not separately identified from the overall asset valuations.

Overall, the significant increases in asset values arising from the 30 June 2026 valuations are consistent with recent completed capital project costings and tender prices received by Coliban Water, providing further support for the reasonableness of the valuation outcomes.

The following table shows the valuation techniques used in measuring fair values for financial instruments and non-financial physical assets in the statement of financial position, as well as the significant unobservable inputs used. The revaluation amounts, by class, can be seen at note 4.1.1.

Type	Valuation technique	Significant unobservable inputs	Valuer
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)	Egan Australasia (engaged by VGV)
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	Egan Australasia (engaged by VGV)
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	Ernst & Young (engaged by VGV)
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	Ernst & Young (engaged by VGV)
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	Ernst & Young (engaged by VGV)

There were no transfers between levels during the period.

Useful lives, Condition and remaining service potential
In preparing the 30 June 2026 valuation, the valuer utilised Coliban Water's asset register information, and adjusted where condition assessment or other inputs indicated material differences. Where useful lives were reassessed, this was informed by site visits, industry benchmarking and review. Condition, together with age and consumption of service potential, was used to determine remaining useful life, which in turn determines the depreciation applied to gross replacement cost to arrive at fair value (current replacement cost less accumulated depreciation and obsolescence). A blended depreciation methodology, as utilised in 2021, was applied across the valuation.
Where the valuer's assessment resulted in a materially different useful life or remaining useful life to that carried in Coliban Water's asset register, this has been separately considered by management prior to adoption.

Costs of site access, disruption and restoration
The current replacement cost of infrastructure assets includes an allowance for costs of site access, service disruption, temporary works, traffic management, environmental rehabilitation, excavation, reinstatement and restoration that would be incurred by a market participant. Where these costs are included, they have been incorporated through unit rates applied.

Climate related factors and fair value measurement
Coliban Water's infrastructure, property, plant and equipment assets are exposed to the risk of damage from extreme weather events such as storms, high winds, floods and drought. Changes in global climate conditions could intensify one or more of these events. In addition, extreme weather events may also increase the cost of operations. Coliban Water has extensive processes in place aimed at identifying, monitoring and mitigating these risks through proactive management and early detection.

Climate change is a strategic risk of Coliban Water. Climate change risk includes the physical risk which can cause direct damage to assets or property as a result of rising global temperatures as well as transition risks which arise from the transition to low-carbon economy. Coliban Water has incorporated considerations for climate change into its risk management practices, such as considering climate resilience in design processes, the establishment and maintenance of flood management systems and increased monitoring during fire danger periods.

Physical risks arising from fires, floods and drought are to a great extent subject to risk transfer and thereby within the cover of Coliban Water's property and business interruption insurance programmes. However, should the frequency and severity of these events increase as a result of climate change, the cost of such coverage may increase.

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.

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 2026, 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.

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	2026 $'000	2025 $'000
(a) Income statement			
Temporary differences		7,330	2,798
Income tax reported in the Income Statement		**7,330**	**2,798**
(b) Statement of changes in equity			
Net deferred tax - debited/(credited) directly to equity	8.1.2	222,638	-
Income tax reported in equity		**222,638**	**-**
(c) Tax reconciliation			
Loss from continuing operations before income tax expense		(24,433)	(9,330)
Tax at the Australian tax rate of 30.0% (2025 - 30.0%)		7,330	2,799
Income tax benefit / (expense) on net result before tax		**7,330**	**2,799**
(d) Tax expense (income relating to items of other comprehensive income)			
Gain/(loss) on revaluations of infrastructure, property, plant and equipment		(222,638)	-
		(222,638)	**-**
(e) Tax losses			
Potential tax benefit @ 30%	8.1.2	62,826	60,407
		62,826	**60,407**

Coliban Water will not pay income tax for 2025/2026. Tax losses have been brought to account.

Taxation treatment of developer contributed assets

During the year, the Australian Taxation Office (ATO), through the National Tax Equivalent Regime (NTER), issued further guidance regarding the taxation treatment of developer contributed (gifted) assets following the Victorian Power Networks taxation matter. The guidance and associated Tailored Compliance Engagement (TCE) process was directed to a specified group of Victorian water corporations.

Coliban Water was not one of the entities included in the TCE process. Based on the information currently available, the ATO has indicated that entities not covered by the TCE should await further guidance before considering whether the revised tax treatment applies to their particular circumstances.

Accordingly, Coliban Water has continued to apply its existing taxation treatment for developer contributed assets in the 30 June 2026 financial statements. As at the reporting date, management has not recognised any adjustment to current tax balances, deferred tax balances, or carried forward tax losses arising from the ATO's guidance. The financial impact, if any, cannot presently be determined with sufficient reliability and will be assessed once further ATO guidance becomes available.

8.1.2 Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction that at the time of the transaction did not affect either accounting profit or taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

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

Coliban Water applied Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112) from 1 July 2023. Coliban Water has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets.

Deferred tax assets

	Notes	2026 $'000	2025 $'000
Amounts recognised in Comprehensive Operating Statement			
Loss allowance		288	236
Property, plant and equipment		6,789	9,502
Employee benefits		3,039	2,640
Accrued expenses		8,201	5,881
Tax losses		62,826	60,407
Total deferred tax assets		**81,143**	**78,665**
Movements:			
Opening balance at 1 July		**78,666**	**80,649**
to the Comprehensive Operating statement		2,477	(1,983)
Closing balance at 30 June		**81,143**	**78,666**
Deferred tax asset expected to be recovered within 12 months		11,528	8,757
Deferred tax asset expected to be recovered after more than 12 months		6,789	9,502
Tax losses		62,826	60,407
Closing balance at 30 June		**81,143**	**78,666**

Deferred tax liabilities

	2026 $'000	2025 $'000
Amounts recognised in Comprehensive Operating Statement		
Accrued income	80	87
Property, plant and equipment	201,532	206,648
Other deferred tax liabilities	271	-
Amounts recognised directly in equity		
Revaluation of infrastructure, property, plant and equipment	386,057	163,419
Total deferred tax liabilities	**587,940**	**370,154**
Movements:		
Opening balance at 1 July	370,154	374,936
Credited/(debited):		
to the net result	(4,852)	(4,782)
to the consolidated statement of comprehensive income	222,638	-
Closing balance at 30 June	**587,940**	**370,154**
Deferred tax liabilities expected to be settled within 12 months	80	87
Deferred tax liabilities expected to be settled after more than 12 months	587,860	370,067
Closing balance at 30 June	**587,940**	**370,154**
Total net deferred tax asset/(liability)	**(506,797)**	**(291,489)**

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:

	2026 $'000	2025 $'000
Net gain/(loss) on disposal of infrastructure, property plant and equipment (including intangible assets)	(5,183)	(2,955)
Total net gain/(loss) on non-financial assets	**(5,183)**	**(2,955)**
Net gain/(loss) on financial instruments		
Net (gain)/loss arising from derivatives for ZEW transactions	1,391	234
Total net gain/(loss) on financial instruments	**1,391**	**234**
Total other gains/(losses) from other economic flows	**(3,792)**	**(2,721)**

(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 Events occurring after the balance date

Since the balance date, no 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.

9.3 Responsible Persons

In accordance with the Ministerial Directions issued by the Minister of Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period, as required by AASB 124 *Related Party Disclosures*. The names of persons who held the positions of Ministers and Accountable Officers in Coliban Water are as follows:

Name	Title	Period of appointment
The Hon. Harriet Shing MP	Minister for Water	15 April 2026 to 30 June 2026
The Hon. Gayle Tierney MP	Minister for Water	1 July 2025 to 14 April 2026
Bob Cameron	Director (Chairperson)	1 July 2025 to 30 June 2026
David Cochrane	Director	1 July 2025 to 30 June 2026
Mario D'Elia	Director	1 July 2025 to 30 June 2026
Melanie McCarthy	Director	1 July 2025 to 30 June 2026
Lexi Randall-L'Estrange	Director	1 July 2025 to 30 June 2026
Nigel McGuckian	Director	1 July 2025 to 30 September 2025
Marika McMahon	Director	1 July 2025 to 30 September 2025
Lucy Roffey	Director	1 July 2025 to 30 September 2025
Helen Symes	Director	1 July 2025 to 30 September 2025
Tim Ada	Director	1 October 2025 to 30 June 2026
Clare Luehman	Director	1 October 2025 to 30 June 2026
Genevieve Overell	Director	1 October 2025 to 30 June 2026
Marg O'Rourke	Director	1 October 2025 to 30 June 2026
Damian Wells	Managing Director	1 July 2025 to 30 June 2026

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:

	2026 number	2025 number
$0 – $9,999	1	-
$10,000 – $19,999	4	-
$20,000 – $29,999	4	-
$30,000 – $39,999	4	-
$40,000 – $49,999	-	9
$70,000 – $79,999	1	-
$80,000 - $89,999	-	1
$440,000 - $449,999	1	-
$460,000 - $469,999	-	1
Total	**15**	**11**
Total remuneration	$ 880,631	$ 942,583

9.4 Remuneration of executives

	2026 $'000	2025 $'000
Short-term employee benefits	1,979	1,424
Post-employment benefits	185	145
Long-term benefits	(48)	(37)
Total remuneration	**2,116**	**1,532**
Total number of executives	7	6
Total annualised employee equivalents	6	5

9.5 Related parties

Coliban Water is a wholly owned and controlled entity of the State of Victoria.

Related parties of Coliban Water include:
- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key management personnel (KMP)
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Coliban Water, directly or indirectly. Key management personnel (as defined in AASB 124 *Related Party Disclosures*) includes the Portfolio Minister and all Directors listed under responsible persons in Note 9.3 who have the authority and responsibility for planning, directing and controlling the activities of Coliban Water directly or indirectly, during the financial year.

Remuneration of key management personnel
The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State of Victoria's Annual Financial Report.

Compensation of Key Management Personnel:

	2026 $'000	2025 $'000
Short-term employee benefits	806	844
Post-employment benefits	77	79
Long-term benefits	(2)	19
Total remuneration	**881**	**942**

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	2026 $'000	2025 $'000
Central Highlands Water	Goldfields Superpipe joint operation	3,548	1,438
City of Greater Bendigo	Project contribution - Pipeline from Golden Square to Maiden Gully	605	-
Department of Health & Human Services	Pensioner Concessions	7,134	6,848
Dept. of Energy, Environment and Climate Action	Bendigo Groundwater Project	5,160	1,800
Dept. of Energy, Environment and Climate Action	Rural Modernisation Project	825	-
Dept. of Energy, Environment and Climate Action	Other project contributions	129	-
Dept. of Justice and Community Safety	Energy Resilience project contribution	-	40
Dept. of Justice and Community Safety	Disaster Ready Fund Round 3	2,143	1,259
Greater Bendigo City Council	Project contribution - Marong Sewer Upgrade	-	12,414
Homes Victoria	Water & Sewer NCCs - Virginia Hill Eaglehawk 3556	414	39
Victorian Fisheries Authority	Project contribution- Upper Coliban & Lauriston Res	121	-
Total revenue		**20,079**	**23,838**

Amounts recognised as an expense in the Comprehensive operating statement

Entity name	Brief description of main activity	2026 $'000	2025 $'000
City Of Greater Bendigo	Rates and Charges	157	124
Dept. of Energy, Environment and Climate Action	Environmental Contribution	5,941	5,992
Dept. of Energy, Environment and Climate Action	Valuations, monitoring, licences etc	1,869	1,053
Dept. of Treasury and Finance	Financial Accommodation Levy	8,287	7,351
Environmental Protection Authority	License renewals and applications	-	224
Goulburn Murray Rural Water Corporation	Water share fixed and bulk water charges	787	2,802
Grampians Wimmera Mallee Water	South West Loddon Rural Water Supply	1,127	1,083
North Central Catchment Management Authority	Kyneton offset works and Healthy Coliban Catchment	312	401
Victorian Auditor General's Office	External audit services	169	193
Treasury Corporation of Victoria	Interest on borrowings	24,788	20,980
SEC Energy Pty Ltd	Electricity charges	8,082	-
Total expenses		**51,519**	**40,203**

As at 30 June 2026, amounts receivable from related entities included the Department of Families, Fairness and Housing, $312,662 for pensioner concessions (2025: $304,529), Central Highlands Water, $123,695 for the Goldfields Superpipe joint operation (2025: $116,663), and Greater Bendigo City Council, $0 for the Marong Sewer Upgrade project contribution (2025: $3,729,000). Amounts payable to related entities included Goulburn Murray Rural Water Corporation, $67,189 for Bulk Water Charges (2025: $9,135), Victorian Auditor General's Office, $55,000 for external audit services (2025: $49,500), City of Greater Bendigo, $4,005 for Rates & Charges (2025: $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.

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. The engagement with ZEW has been conducted under terms and conditions equivalent to those that prevail in arms-length transactions.

Below is a summary of transactions and holdings with ZEW.

	2026 $'000	2025 $'000
Payments	138	77
Receipts	(29)	(55)
Investment in ZEW	15	15
Derivative financial instrument in ZEW (valuation balance)	586	(805)

Related party transactions – Water Services Association of Australia (WSAA)

Coliban Water's Managing Director, Damian Wells, was appointed as a Director of WSAA on 29 April 2026. No transactions occurred between Coliban Water and WSAA during the period from the date of appointment to 30 June 2026 and there was no outstanding balance at year end.

9.6 Remuneration of auditors

	2026 $	2025 $
Victorian Auditor-General's Office		
Audit of the financial statements	155,800	148,300
Total remuneration of auditors	**155,800**	**148,300**

9.7 Ex-gratia expenses

	2026 $'000	2025 $'000
Forgiveness or waiver of debt[(i)]	74	11
Compensation for economic loss	11	-
Total ex-gratia expense	**85**	**11**

[(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 2026 totalled $85,528 (2025: $10,786).

9.8 Australian Accounting Standards issued that are not yet effective

A number of new and amended Australian Accounting Standards and Interpretations have been issued by the Australian Accounting Standards Board ("AASB") but are not yet effective for the financial year ended 30 June 2026.

These Standards and Interpretations are required to be applied in future reporting periods and have not been early adopted by the Corporation.

AASB 18 Presentation and Disclosure in Financial Statements
AASB 18 replaces AASB 101 *Presentation of Financial Statements* to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

The key presentation and disclosure requirements established by AASB 18 is the presentation of newly defined subtotals in the statement of profit or loss.

AASB 18 requires an entity to:

- classify income and expenses into operating, investing, financing, income taxes and discontinued operations categories in the statement of profit or loss; and
- present two newly defined subtotals – operating profit and profit before financing and income taxes.

The standard is applicable for annual reporting periods beginning on 1 January 2027.

Based on information currently available, the Corporation is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Corporation's financial statements.

In addition to the new standards above, the AASB has issued a number of other amending standards that are not effective for the 2025-26 reporting period. These standards are not expected to have any significant impact on the Corporation and thus have not been included.

Independent Auditor's Report

Victorian Auditor-General's Office

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 2026
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cashflow 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 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Australian Accounting Standards - Simplified Disclosures.

Basis for opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's responsibilities for the audit of the financial report* section of my report.

My independence is established by the *Constitution Act 1975.* My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 *Financial Management Act 1994,* and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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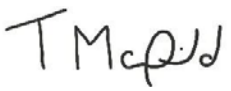
Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with 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.



MELBOURNE
7 September 2026

Timothy Maxfield
as delegate for the Auditor-General of Victoria

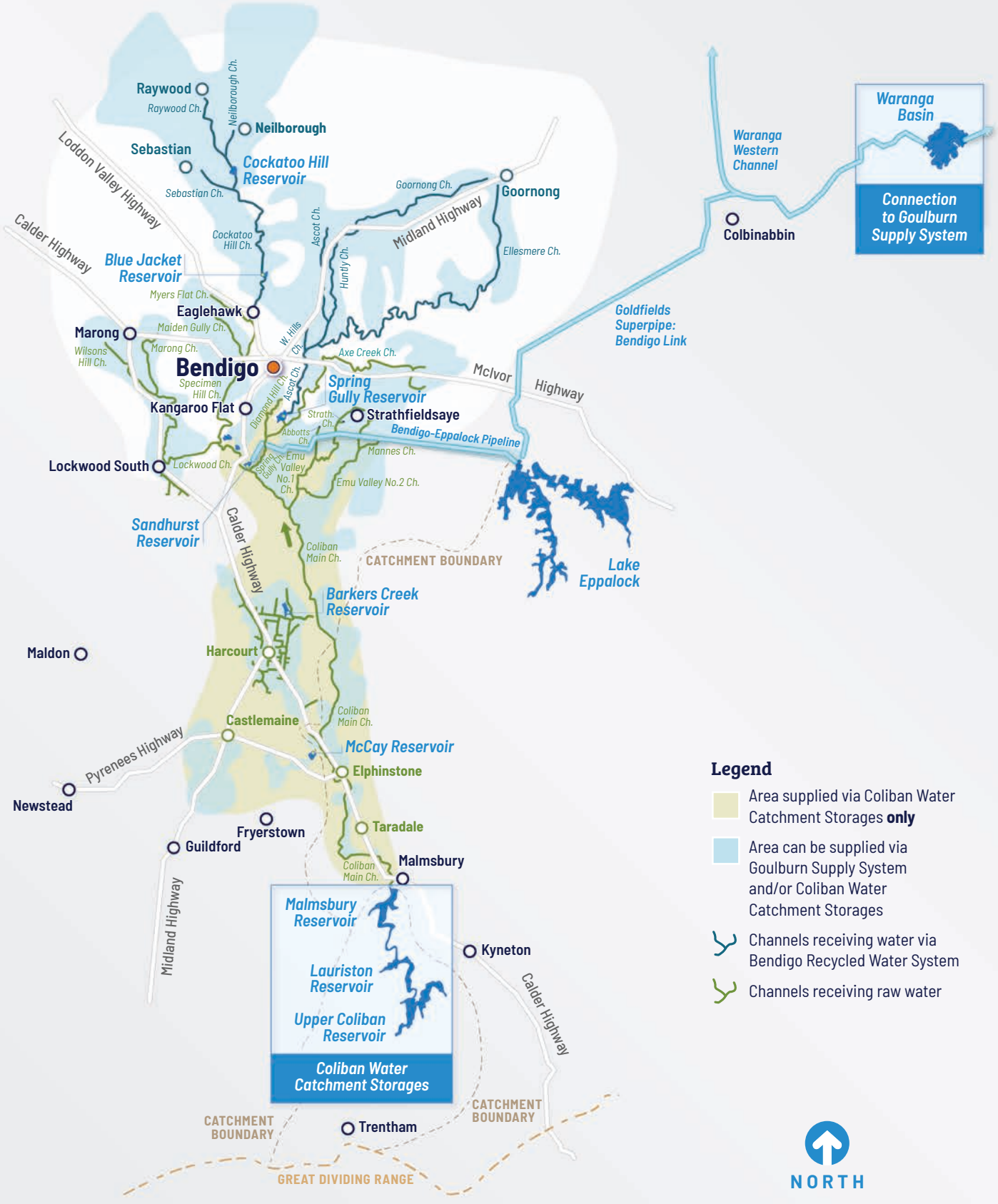
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Coliban Water Rural System Diagram



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Visit coliban.com.au or
email coliban@coliban.com.au

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