


Annual Report 2023-2024



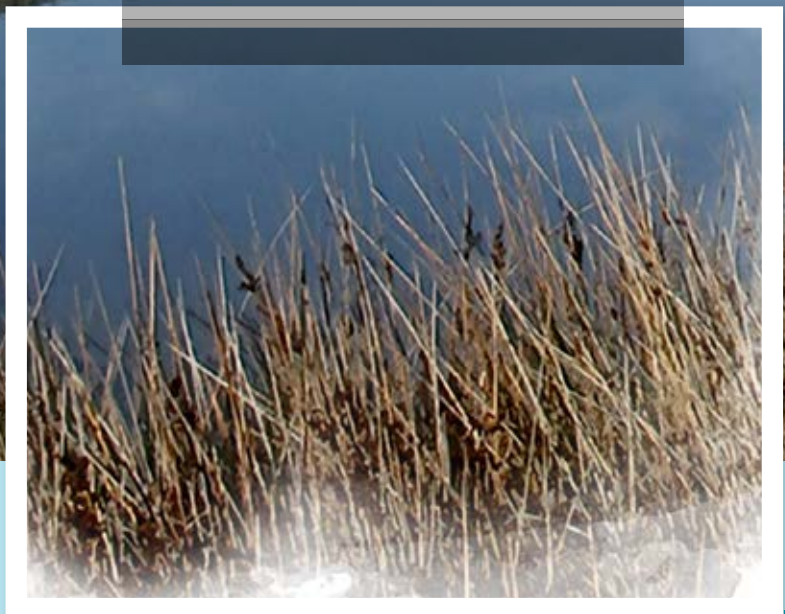
We recognise Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation. We proudly acknowledge the Traditional Custodians of the land on which we work and live and pay respect to their Elders past and present.

Barwon Water acknowledges that the lands and waters of Eastern Maar and Wadawurrung were never ceded. We are committed to strong relationships with Traditional Custodians and First Nations organisations, businesses and networks within our region and appreciate walking together.

We commit to a future of healing and reconciliation that requires Truth Telling and authenticity. Water is fundamental to life, and we continue to learn much from Traditional Custodians, who have sustainably managed Country for tens of thousands of years. We recognise the importance of walking together to embed Eastern Maar, Wadawurrung and broader First Nations ways of Being, Knowing and Doing across all we do.



Aboriginal and Torres Strait Islander people should be aware that this document may contain images and names of deceased persons.



Over the past year...

- \$136 million invested in infrastructure
- \$12.5 million provided in customer rebates, grants and concessions
- Ready to switch to 100% renewable electricity on 1 July 2024



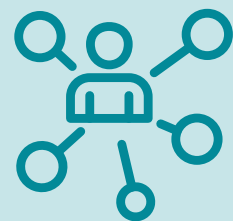
Progressed construction of the Colac Renewable Organics Network, transforming waste to energy, and advanced plans for a Regional Renewable Organics Network for our Black Rock Water Reclamation Plant



Ranked No. 1 or 2 for value for money, trust, reputation in the community and overall satisfaction*



Invested more than \$2.6 million to protect and improve catchment and waterway health



Launched our Stretch Reconciliation Action Plan

*In the Victorian Essential Services Commission's customer perception survey results 2023-24.

Assets managed include...



Murrk Ngubitj Yarram Yaluk (37ha former Bellarine Basin site) and the Porronggitj Karrong Care for Country (66ha) projects, working with Traditional Owners and community members



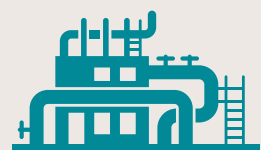
Fish stocking at our reservoirs, in collaboration with Fisheries Victoria and community groups



Six water reservoirs which are open for public use - for walking, bird watching, horse riding, mountain biking, dog walking, sightseeing and picnicking



12 major reservoirs
26 water basins and
49 water tanks



276 pumping stations
(59 water including raw water, 217 sewerage)

"We have a proud history of supporting regional prosperity, delivering excellence in water, sewerage and recycled water services to our customers and the community for more than 110 years.

Our vision is to be an enabler of regional prosperity. To achieve this, we are committed to perform at our best as a business, to listen and learn from our community, partner strategically with customers and regional stakeholders, and find the way in dealing with the issues that affect us, our customers and our region."





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Sustainable Development Goals

In 2019, we formally joined the water industries' pledge to the Sustainable Development Goals (SDG).

As part of this pledge, we committed to supporting and promoting the 17 SDGs and achieving SDG 6 (within the scope of our operations).

We reviewed how our operations impact – both positively and negatively – the achievement of the SDGs. The review found that we positively contribute to all 17 SDGs and have a material impact on 11. The key projects within this annual report are mapped to the 11 material goals in the table below.

<p>1 NO POVERTY</p> 	<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>6 CLEAN WATER AND SANITATION</p> 	<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 
<p>We aim to make water bills affordable for every person in our region.</p> <p>Find out how we are keeping bills affordable and supporting vulnerable customers (pages 34–35).</p>	<p>We aim to provide secure, sustainable water and use our land to deliver cultural and community outcomes.</p> <p>Learn about how we are delivering better cultural and community outcomes on our land by visiting pages 41–42 and 45–46. Read about Porrongitj Karrong and Murrk Ngubiti Yarram Yaluk (on page 28–29).</p>	<p>We aim to minimise water supply interruptions, ensure 100% of our water is from climate resilient sources and reduce the risk of sewage spills.</p> <p>Read about our services (pages 13–14), our Urban Water Strategy (page 39) and about our water conservation and efficiency initiatives (pages 23–26 & 43).</p>	<p>We aim to switch to 100% renewable electricity by 2025 and achieve net zero emissions by 2030.</p> <p>Find out more about our Zero Emissions program and how we are switching to renewable electricity by 1 July 2024 (pages 18 & 49–50).</p>	<p>We aim to have innovative and reliable services and infrastructure.</p> <p>Learn more about our Intelligent Water Network and Regional Renewable Organics Network (page 17–18, 37 & 90), about our support for the Integrated Water Management (page 39) and about our climate resilience program (pages 51–52).</p>	<p>We are aiming for all greenfield urban growth to exemplify integrated water management principles.</p> <p>Read about our Integrated Water Management program (page 39), about Climate Resilience Program (pages 51–52) and about Porrongitj Karrong and Murrk Ngubiti Yarram Yaluk (page 28–29).</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>13 CLIMATE ACTION</p> 	<p>14 LIFE BELOW WATER</p> 	<p>15 LIFE ON LAND</p> 	<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<p>SUSTAINABLE DEVELOPMENT GOALS</p> 
<p>We aim to move beyond zero waste.</p> <p>Learn about our involvement with the Regional Renewable Organics Network (page 17–18, 37 & 90).</p>	<p>We aim to be agile, adapting and acting on climate challenges and opportunities.</p> <p>Read about our Climate Resilience program (pages 51–52) our Urban Water Strategy (page 39) and our Zero Emissions Program (pages 49–50).</p>	<p>We aim to recycle 100% of our wastewater.</p> <p>Find out how we deliver our sewerage services (pages 19, 38 & 95), support the Integrated Water Management program (page 39) manage environmental flows and project catchments (page 43)</p>	<p>We aim to help care for Country through our business practices.</p> <p>Read about Porrongitj Karrong and Murrk Ngubiti Yarram Yaluk (page 28–29) and our catchment and biodiversity protection initiatives (page 44)</p>	<p>We aim to create, nurture and sponsor meaningful partnerships with our customers, community, industry and agencies to create regional prosperity.</p> <p>Find out how we are partnering with customers, community, industry and agencies (page 37–39 & 88).</p>	

Part 1.

Year in review



The Barwon Water-led Biochar to Batteries research project won the Australian Water Association's Victorian R&D Excellence Award in October 2023. Pictured (l-r) Shaun Cumming, AProf Nolene Byrne, Professor Kalpit Shah and Michael Thomas.



Message from the Chair

I'm delighted to share our progress and future priorities, detailed in our 2023-24 Annual Report. The report highlights our unwavering commitment to delivering our core services while ensuring a clear focus on innovation, sustainability and community engagement, to enable our Strategy 2030 and the Water for Victoria Plan.



I would like to acknowledge the Traditional Owners of the lands on which we live and work and acknowledge that they never ceded this land. I thank them for the care they have taken of the land, water and environment for tens of thousands of years and continue to this day.

I pay my respects to Elders past, present and future and to all Aboriginal and Torres Strait Islander people. It is a privilege to share in the knowledge and experiences from the oldest living culture in the world.

This annual report reflects a strong period of transition and growth for Barwon Water. This was the first year of our 2023-28 Price Submission, which sees us delivering on four key customer outcomes: safe, secure, sustainable water; innovative, reliable services; a healthier environment; and trust, affordability, and value.

We also moved into a new era as a Board, with the appointment of Managing Director Shaun Cumming, after a period of serving as Interim Managing Director, and three new Board Directors - Chris Chesterfield, Jason Kambovski and Jodie Leonard – in October 2023.

Thank you to outgoing directors Elaine Carbines (Deputy Chair), John Gavens and Bernard Walsh. Through their passion, commitment, and decision-making, they have all played critical roles in the organisation's success.

Responsible Body Declaration

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

Jo Plummer

Chair, Barwon Water, 19 September 2024

An undoubted highlight of the year is the culmination of our transition to renewable energy. As of 1 July 2024, Barwon Water will be using 100 per cent renewable electricity to power its facilities. We are the first water corporation in the state to reach this milestone, and we have achieved it a full year ahead of the 2025 target for the sector, set by the Victorian Government.

Building on this – and our development of a circular economy - we also advanced plans for the Regional Renewable Organics Network (RON), which will repurpose the region's organic waste, reduce emissions and provide renewable energy for our wastewater treatment plants.

In conjunction with tackling the impacts of climate change, responding to the challenge of a growing population remains a key priority.

We're working with the City of Greater Geelong to facilitate the development of its Northern and Western Geelong Growth Areas, with plans for a large-scale alternative water grid, to maximise the use of stormwater and recycled water.

We're also committed to supporting future growth areas, including those outlined via the Victorian Government's Homes for Victorians strategy. We'll work with the Government and other stakeholders to ensure our services keep pace with an accelerated supply of regional housing.

In further support, we're partnering with GROW, gforce and Northern Futures on a program to create career pathways for priority jobseekers in the construction industry.

Alongside these initiatives, Barwon Water's extensive capital works and strategic planning programs will facilitate regional growth by investing in the required infrastructure.

To help us meet other future demands, we're continuing to invest in digital technology that helps us maintain our infrastructure and improves the experience of our customers.

In a highly challenging financial environment, we were proud to again achieve outstanding results in the Essential Services Commission's customer surveys.

Our ongoing commitment to supporting customers experiencing financial hardship – and improvements to all levels of our Customer Experience transformation program – have assisted in this space.

The 2023-24 financial year has set a strong foundation for Barwon Water's future. As we navigate the economic challenges ahead, we remain committed to financial sustainability and performance. Rigorous risk assessments and efficiency measures have been implemented to manage costs and ensure we continue delivering value to our customers.

I extend my gratitude to our team, customers and partners for their support and dedication.





Message from the Managing Director

Building on the Message from our Chair, Jo Plummer, and on behalf of the team at Barwon Water, we are proud to report on our performance over the 2023-24 financial year.



We have:

- made significant progress across the four key service outcome areas that reflect our customer's values and expectations
- continued to learn from Traditional Owners and how we support their Heathy Country Plans
- invested in our future to meet the demand of a growing population and enable the region's economic, social, cultural and environmental prosperity.

The following is a snapshot of highlights, with a greater variety of achievements detailed in the full Annual Report.

Outcome 1: Safe, Secure, Sustainable Water

We are providing clean drinking water, compliant wastewater treatment, promoting recycled water use, and maintaining secure supplies.

In line with our Urban Water Strategy 2022: Water for our Future, we delivered or progressed initiatives in a variety of service areas in 2023-24, including investments in recycled water use on the Bellarine (Portarlinton); upgrading water treatment plants (Forrest, Gellibrand); and providing safe and secure services via pipelines (Birregurra to Colac).

There was a strong focus on smart water efficiency initiatives and community education, to minimise water loss and help customers save more than 200 million litres of water, via our Sustainable Water Use Plan.

We fostered strategic partnerships with councils and government for Integrated Water Management solutions, and increased awareness about the need to safeguard our precious resources via a 'Water Matters' campaign.

Our community engagement was a key component of our planning for long-term water security in Lorne, with the Community Working Group meeting on several occasions over the financial year.

Outcome 2: Innovative, Reliable Services

We ensure our customer experience is second-to-none.

We achieved 100% compliance with Drinking Water and EPA licence standards.

Ensuring a superior customer experience remains paramount and we advanced our Customer Experience transformation program, driving a culture of care at all touchpoints and improving complaints management.

We doubled our Customer Advisory Committee's membership, ensuring we get a wider range of advice about customer priorities.

Communication processes were improved for planned and unplanned outages, while we provided customers with more options to contact us and increased the take-up of e-billing.

Drawing on clever data analytics, we optimised sewer maintenance and replacement programs, allowing us to extend the life of assets and minimise risk to services.

We also grew the business of Barwon Asset Solutions (BAS), the locally based maintenance services company that as a wholly owned subsidiary of Barwon Water, delivers profit so we can keep customer bills low.

Our customers have recognised this commitment, ranking us as the Victorian water industry leader in a number of community satisfaction metrics.

Outcome 3: Healthier Environment

We will complete our switch to 100% renewable electricity use on July 1, 2024, and aim to be net zero emissions in our operations by 2030. We are reducing resource consumption and waste production through improved efficiency and support waterway and catchment health.

Achieving our target of using 100 per cent renewable electricity to power our facilities was a major milestone.

The increased use of renewable electricity – driven by solar array initiatives, renewable power purchase agreements, and innovative projects like the Colac RON – helped reduce our carbon emissions by a further 19 per cent in 2023-24.

We closed in on completing Stage 2 of the Colac RON, with renewable electricity being generated and the hot water system to soon supply neighbouring businesses. We also progressed plans with businesses and councils to implement the Regional RON at Black Rock.

With an eye on our 2030 target of achieving net zero emissions in our operations, we initiated our first nature-based carbon sequestration program, at Dewing Creek. In addition to improving biodiversity and drinking water catchment health, this project will remove over 50,000 tonnes of carbon dioxide from the atmosphere over the next 25 years.

In other key partnerships, we worked with Wadawurrung Traditional Owners, to better understand how we can return water to rivers, in support of Traditional Owner Cultural values.

*In an exciting development, we are on track to return **3,700 million litres a year** to the Moorabool River by the end of 2025.*

We have also been continuing conversations with Eastern Maar in building our relationship and understanding how we can best enable them to deliver on their Cultural priorities and objectives for Country.

Outcome 4: Trust, Value, and Affordability

We will keep bills flat (at or below inflation) in the next five years and proactively seek opportunities for strengthening partnerships with key groups where we have clear mutual interests. We will build two-way community relationships and work collaboratively with our customers, stakeholders and industry.

Led by our Customer Support Strategy, we worked collaboratively with local agencies and councils and helped customers experiencing hardship. We increased our funding to assist customers to manage their bills, and to improve their water efficiency. This allowed more customers to access grants, led by an increase in the Arrange & Save program.

We are determined to maintain one of the lowest bills in Victoria for a water company of our size during this pricing period. During 2023-24, we shielded our customers from the inflationary environment, by keeping our bills under the rate of CPI.

We increased our capital investment by 24 per cent on the previous year, to \$136 million, helping to maintain and upgrade our assets and support regional growth. Pleasingly, we progressed 100 per cent of our capital works program, which has seen us deliver commitments we made to our customers.

Across all parts of our operations and service delivery, we're committed to ensuring our actions align with our promise to our customers.

We look forward to continuing to deliver on our ambitious goals over 2024-25 and I thank our team, customers, community and partners for your support, inspiration and commitment.

I'm proud to present the Barwon Water Annual Report for 2023–24.



Shaun Cumming

Managing Director

Summary of financial results

Barwon Region Water Corporation Financial Management Compliance Attestation Statement

I, Joanne Plummer, on behalf of the Barwon Region Water Corporation, certify that the Barwon Region Water Corporation and its wholly owned subsidiary Barwon Asset Solutions has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Jo Plummer

Chair, Barwon Region Water Corporation, 30 August 2024

Financial summary

The 2023–24 financial year was the first year of the 2023-2028 Price Submission period, which acknowledged, among other things, key capital initiatives to increase the resilience of regional infrastructure to deal with challenges including climate change and population growth, while also increasing direct financial support for customers experiencing vulnerability and those affected by family violence, while providing for falling (real) prices, indicating improved value for customers.

During the financial year, we received revenue of \$292.8 million, contributing towards a \$9.4 million net surplus. Further, we delivered our largest capital works program in twelve years of \$136 million, as total assets reached \$3.8 billion.

Challenges overcome

The economic environment continued to raise numerous challenges during 2023-24 as cost-of-living pressures continued for customers and businesses in the region. Although some downward movement in Inflation has occurred since the prior year, upward pressure on supplier prices continues. This continued financial pressure has required a diligent but caring approach to the recovery of aged debt, through the ongoing support of our customers. Following the success of our Customer Affordability Pipeline (CAP) in the

previous pricing period which delivered over \$40 million of savings through efficiencies, this continued to be our primary mechanism of finding efficiencies to support lower prices.

The ongoing commitment to the management of our debt portfolio and our disciplined approach to cash management, and the capital works portfolio, has minimised the impact of these financial pressures. Our strategic aspiration of being a financially sustainable business remains a key focus for the Board and management of Barwon Water.

Major changes or factors affecting performance

As stated, revenue for the year increased to \$292.8 million from \$258.4 million in the prior year. Drier climate conditions, especially in the second half of the financial year, lifted water usage volumes, and were accompanied by continued higher levels of the Consumer Price Index (CPI). Despite increased expenditure mainly due to economic conditions, the decision to increase staff FTE in the short term to help move us more rapidly towards our strategic goals, movement of digital costs from Capital to Operating expenditure impacting contractor and consultancy costs, and some one-off items related to the disposal of assets, the Group, through strong fiscal management, delivered a strong surplus of \$9.5 million.

Depreciation, amortisation and impairment costs of \$82.9 million were higher than prior year by \$4.8 million. 2023-24 saw the full year effect of the revaluation of water and sewer

infrastructure assets undertaken in 2022-23, along with the continued impact of accelerated depreciation due to the decommissioning of assets related to the Forrest, Gellibrand and Birregurra Water Treatment Plants which will continue into 2024–25.

Significant changes in financial position

Total assets have increased year on year by \$83.7 million. Investment in infrastructure during the financial year was funded through \$86 million in funds from operations with the balance funded through an increase in borrowings. Total debt increased by \$50.0 million to \$607.9 million, with cash and cash equivalents decreasing by \$1.7 million to \$12.6 million.

Barwon Water delivered a \$136 million capital works program, building on the significant program from the prior year. \$62 million was spent on renewing and replacing infrastructure across the network, while a further \$42 million was spent on assets required to support the continuing growth in our region including \$12 million for the upgrade of the Colac Reclamation Plant.

Events subsequent to balance date

No material events occurred after balance date.

Summary of financial results

	2023–24 (\$'000)	2022–23 (\$'000)	2021–22 (\$'000)	2020–21 (\$'000)	2019–20 (\$'000)
	230,582	206,922	199,784	195,094	193,181
Capital revenue	50,729	39,128	31,327	42,302	44,026
Government contributions	1,622	1,433	4,404	660	389
Other revenue	9,905	10,945	19,630	9,978	12,305
Total revenue	292,838	258,428	255,145	248,034	249,901
Operating expenditure	140,849	122,564	118,713	105,952	107,271
Depreciation expenditure	82,887	78,128	72,720	73,839	70,816
Finance costs	35,307	31,905	32,855	35,018	36,845
Other expenditure	10,206	10,872	10,119	10,801	8,719
Total expenditure	269,249	243,469	234,407	225,610	223,651
Net other economic flows	(10,027)	(6,394)	4,371	5,042	n/a
Net result before tax	13,562	8,565	25,109	27,466	26,250
Current assets	68,969	67,403	65,607	72,234	83,670
Non-current assets	3,725,299	3,643,161	3,170,403	3,139,657	2,761,023
Total assets	3,794,268	3,710,564	3,236,010	3,211,891	2,844,693
Current liabilities	146,574	111,979	104,484	107,111	111,301
Non-current liabilities	1,224,937	1,184,303	1,015,589	1,029,591	938,995
Total liabilities	1,371,511	1,296,282	1,119,073	1,136,702	1,050,296
Net cash flows from operations	86,383	74,193	49,970	83,722	77,699
Payments for infrastructure, property, plant and equipment	138,750	118,159	63,393	76,845	79,299

Barwon Water's financial performance to 30 June 2024

Financial result	2023–24	2022–23	2021–22	2020–21	2019–20
Internal financing ratio	64.4%	62.6%	108.07%	162.55%	103.90%
Gearing ratio	17.1%	16.15%	17.24%	17.88%	21.70%
Interest cover (EBIT)	1.39 times	1.27 times	1.77 times	1.79 times	1.71 times
Interest cover (Cash)	3.48 times	3.34 times	2.53 times	3.42 times	3.10 times
Return on assets	1.29%	1.16%	1.80%	2.06%	2.23%
Return on equity	0.39%	0.27%	0.92%	1.08%	1.11%

The full financial report can be found on pages 101 to 161 and contains more discussion of the results shown in the tables above.

Capital investment

We delivered \$136 million of capital and related infrastructure works during 2023-24 to continue and improve our \$3.8 billion asset base on behalf of our customers and community.

Water supply

We invested \$57.6 million in our water supply system. The largest of the water supply investments were Colac Birregurra Pipeline (\$9.3 million), Water Reticulation Main Renewal (\$6.4 million), Forrest Water Treatment Plant Upgrade (\$4.7 million) and Colac Pipeline Upgrade (\$4.3 million).

Category	\$ million
Headworks	8.4
Reticulation systems	12.4
Transfer and major distribution systems	28.4
Water treatment and quality improvements	8.4
Total water supply	57.6

Wastewater system

We invested \$61.7 million in our wastewater system. The largest of the investments were Colac Water Reclamation Plant Upgrade (\$11.9 million), Mains Rehabilitation and Replacement (\$10.9 million), Main Sewer Lining (\$6.6 million) and Austin Lara Sewer Pump Station (\$3.7 million).

Category	\$ million
Main sewers	19.7
Reticulation and other works	22.0
Water reclamation and disposal	20.0
Total wastewater system	61.7

Recycled water

We invested \$5.7 million in our recycled water system. The largest of the recycled water investments were Winchelsea Water Reclamation Plant Recycled Water Infrastructure (\$1.6 million) and Recycled Water on the Bellarine (\$1.1 million).

Other works and services

We made \$11.0 million capital works investment in other works and services. The largest was the Northern Water Reclamation Plant Minor Improvements and Renewal (\$2.0 million), Regional Renewable Organics Network (\$1.6 million) and Aqueduct works to undertake conservation propping and partial demolition of the heritage-listed Barwon River Aqueduct (\$1.1 million).

Category	\$ million
Building	2.9
Corporate information systems	2.4
Other corporate works	5.7
Total other works and services	11.0

Capital projects

During the year ending 30 June 2024, two capital projects that Barwon Water is responsible for with a Total Estimated Investment (TEI) of \$10 million or greater, reached practical/financial completion. Details are set out in the table below.

For information on recent capital projects managed by Barwon Water and the broader Victorian public sector, please refer to the most recent Budget Paper No. 4 State Capital Program (BP4) available on the Department of Treasury and Finance’s website at this link: <https://www.budget.vic.gov.au/budget-papers>.

Project Name	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$million)	Variation between actual cost and latest budget	Reason for variance
Colac Water Reclamation Plant upgrade	30/12/23	30/12/24	30/12/24	Overseas equipment procurement delays impacted initial program and more recent construction delays have caused some further impact to completion timelines.	11.8	13	11.9	1.1	Saving due to construction delays.
Water Mains rehabilitation and replacement panel	30/06/28	30/06/28	30/06/28	n/a	10.9	7.9	10.9	-3	Project not yet completed and has movements between the years of the program.



The new cogeneration unit powered by biogas at Colac Water Reclamation Plant.

Part 2.

About us



Barwon Water's Education Program hands out water bottles to all Preps in our region. Pictured above, Education officer Fernando Garcia with Hamlyn Banks Primary School in February 2024.



About us

Barwon Region Water Corporation (Barwon Water) is Victoria's largest regional urban water corporation.

Commitment to service delivery has been our strength for more than 110 years

To help our region prosper, we perform at our best as a business, listen and learn from our community, partner strategically with customers and regional stakeholders, and find the way in dealing with the issues that affect us, our customers and our region.

Our mission is to strengthen the economic, social, cultural and environmental prosperity of our region through the delivery of sustainable, affordable, innovative and reliable water and wastewater services.

In 2023-24, we continued delivering on this commitment and have highlighted how in examples detailed throughout this report.

As a major employer in the region, the Barwon Water Group has more than 486 employees. The Group includes Barwon Water and Barwon Asset Solutions (BAS), our dedicated maintenance services company. BAS are 100 per cent owned by Barwon Water and provide operational and maintenance services to us and other external entities. They support our vision by bringing in external revenue, to help us keep customer bills low.

- Barwon Water – 364.87 full-time-equivalent employees
- Barwon Asset Solutions (BAS) – employs 121.9 full-time-equivalent employees
- we also employ approximately 2,000 contractors.

Our employees are from a diverse range of disciplines, including operations, engineering, strategic planning, community engagement, customer, technology, finance and administration.

Two percent of our workforce identify as Aboriginal or Torres Strait Islanders. We recruit and support people of all abilities. We recognise that people living with disability are widely represented in our community.

We are Work180 endorsed and proud to be named one of Australia's top 101 workplaces for women. We celebrate our diversity, show respect and appreciate the unique talents and perspectives that each of us brings to work each day.

The money we spend in the region also supports employment outside of our organisation. We estimate that our annual capital and operating expenditure sustains an additional 120 full-time-equivalent jobs.

Our vision

Our vision is to become an enabler of regional prosperity.

As the trusted water authority in our region, we understand our core business is delivering high-quality water and wastewater services, and customer and community value. Clean, high quality drinking water and a world-class wastewater treatment system has kept our region healthy and safe.

Despite this record of achievement and motivated by significant and rapid change in the world around us, we heard what our customers and community wanted from us in response to global challenges and developed Strategy 2030 to guide how we lean in and help address these challenges. We are working in partnership with our customers and community, leveraging the intrinsic value of our services to enhance the prosperity of our region.

Our values

The values of the Barwon Water Group are at the core of who we are and what we stand for as an organisation. They guide the actions we take, the decisions we make, and how we work together with each other and our community.

Our values are:

- Caring – We care for our customers, community, region, the environment and each other
- Safe – We look out for the health, safety and wellbeing of ourselves, each other, our contractors and our community
- Inclusive – We celebrate diversity and the unique talents we each bring; we show respect and collaborate. We learn from and work with Traditional Owners
- Accountable – We take ownership, are trustworthy and committed to delivering outstanding outcomes in each of our roles
- Courageous – We speak up, lean in and challenge ourselves to grow.



Our commitment to customers

Through deep, genuine and ongoing engagement with our customers and community as part of our 2018 and 2023 Price Submissions, we heard what our customers and community wanted from us in response to global challenges and we refreshed our Strategy 2030 to guide how we lean in and help address these challenges in partnership with them.

The core of our promise to customers is reflected in four key outcomes which are:

- **Safe, secure, sustainable water** – We will support our growing region to be prosperous and sustainable, by securing enough water and building the infrastructure to meet all our needs
- **Innovative, reliable services** – By listening to our customers and community, and by being forward thinking and technologically advanced, we will continually improve, be inclusive, caring and easy to deal with
- **Healthier environment** – We will apply a caring for country approach to our land and waterways in partnership with our Traditional Owners and other agencies. We will strive for zero emissions in our operations and generate useful products from our waste
- **Trust, value and affordability** – We will respond to the diverse needs and values of our customers and aim to be a valued and trusted leader. We will actively support customers, keep bills affordable and resolve issues fairly.

Our 2023–28 Price Submission commenced on 1 July 2023. This is the first year in our five-year commitment to these updated customer outcomes.

Our customers

We provide services to a population of more than 370,000 permanent residents across an 8,100 square-kilometre region. In peak tourist periods, the population can reach up to 638,000 people.

We regard every individual we interact with as a customer and a member of our community, regardless of whether they receive a bill. The majority of our customer base, about 93%, is made up of residential customers who pay bills. The remaining 7% is contributed by the industrial and commercial sectors. Non-residential or business customers account for roughly 28% of the total metered water consumption.

We have researched the diversity and demographics of our community to ensure that we can meet their needs, in terms of financial, disability, language and cultural requirements. We also used this data to reflect the diversity of our region within our own workforce targets*. City of Greater Geelong 2021 census data shows that 13.4% of our region's population use a language other than English at home, 6% have a disability and 1.3% are Aboriginal or Torres Strait Islanders. 32% of the population (age 15+) earns less than \$500 per week and 4.7% are on Job Seeker or Youth Allowance.

Our own 2022 research identified several barriers for customers in accessing our services, which included communication challenges, low financial literacy and low awareness of support. These findings helped shape our Customer Experience (CX) Strategy, focusing on partnership with community agencies, increasing other language speakers, improved data analysis and more sophisticated engagement.

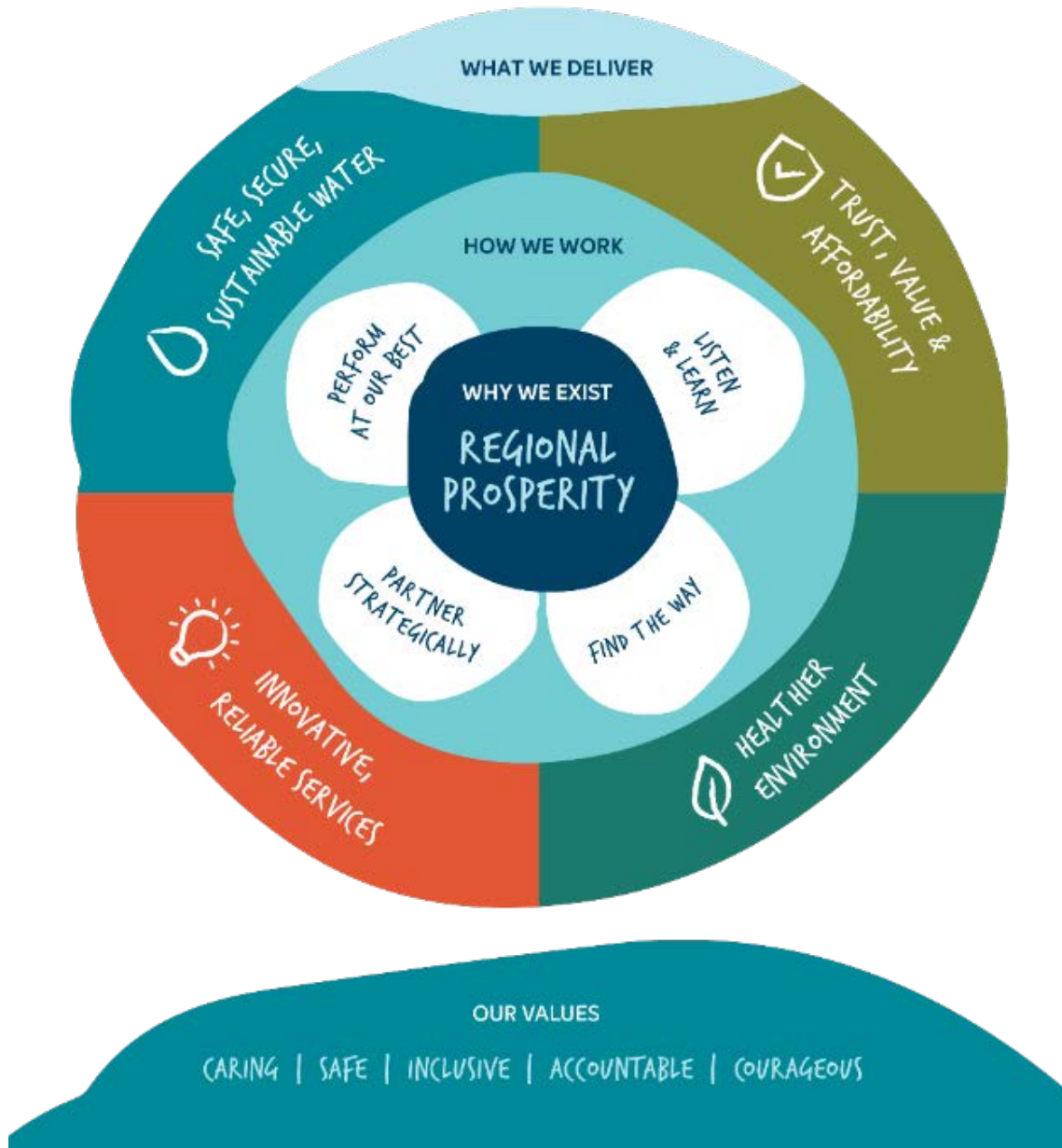
Our participation with the Geelong Settlement Committee will continue to improve our understanding of barriers faced by new/ emerging communities.

Additionally, we are focused on improving our capability to proactively identify and reach out to customers vulnerable to financial pressures, before it creates bill stress. This has strong support from our community, with 95% of our surveyed customers wanting us to care for those who need support.

We are one of eighteen organisations in Geelong that have pledged work together to use our collective influence in combatting financial disadvantage in our region. Through the creation of a refreshed Geelong Region Financial Inclusion Action Plan (FIAP), we are combining forces to enhance the financial inclusion, resilience, and wellbeing of our customers.

*Across our own workforce, 2% identify as Aboriginal or Torres Strait Islanders, 7% identify as having a disability and 13% have a cultural and linguistic diversity (language other than English or born overseas).

Our Strategy 2030



Delivering Strategy 2030

We recognise that we are in a time of significant and rapid change – from climate change to population growth, technological advancements to economic transitions – with our society growing increasingly intolerant of inequity and injustice in any form.

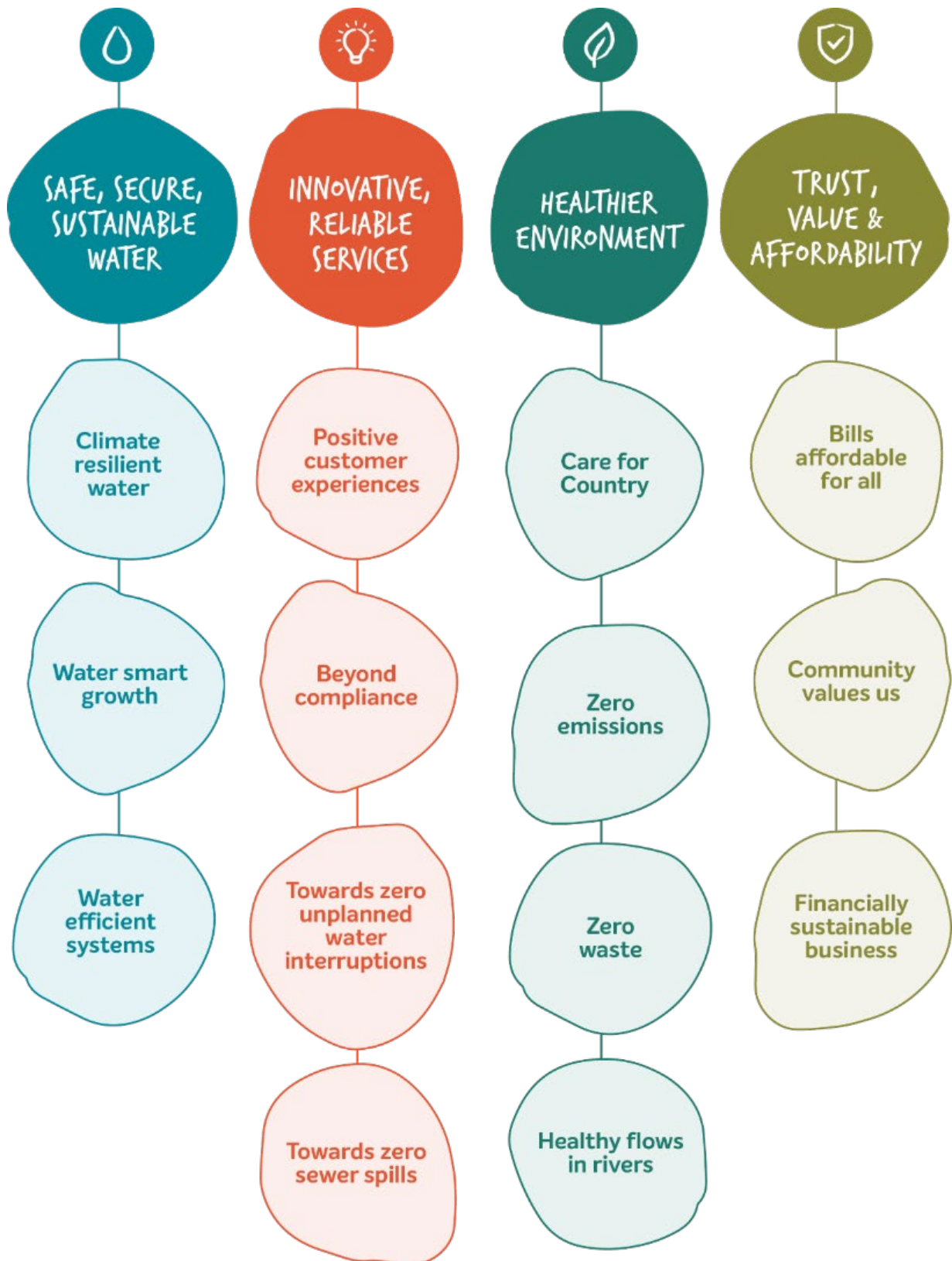
Through our ongoing engagement, we have heard what our customers and community want from us when it

comes to facing significant global challenges; they want us to work in partnership with others, leveraging the intrinsic value of our services to enhance the region’s prosperity – economically, socially, culturally and environmentally.

Our Strategy 2030 reflects this change in approach and is aligned with our five-year pricing submission.

Strategy 2030 includes 14 aspirations across the four key customer outcomes (see Figure on the following page). These aspirations are deliberately ambitious, and we know they will stretch and challenge us. Yet we think they are achievable if we adopt the growth mindset we expect of ourselves and strive to do our best work.

Our Strategy 2030 Aspirations



Our region

Barwon Water's region of responsibility stretches from Little River and the Bellarine Peninsula in the east to Colac in the west, and from Meredith and Cressy in the north to Apollo Bay on Victoria's south-west coast. This region incorporates the local government areas covered by the City of Greater Geelong, Borough of Queenscliff, Surf Coast and Colac Otway shires and part of Golden Plains Shire. There are two Registered Aboriginal Parties in our region, Wadawarrung Traditional Owners Aboriginal Corporation and Eastern Marr Aboriginal Corporation.

Assets

We own and operate:

- 12 major reservoirs
- 8 water treatment plants
- 1 water pre-treatment plant
- 11 water reclamation plants, including Colac, where our Renewable Organics Network is converting waste into renewable electricity and renewable heat
- 2 Class A recycled water plants
- 1 groundwater field (Anglesea)
- 276 pumping stations (59 water – including raw water, 217 sewerage)
- 26 water basins
- 49 water tanks
- 7,597 kilometres of pipes.

Water sources

The Greater Geelong region's water is supplied by three major surface water sources – the Barwon River and its tributaries, the Moorabool River and its tributaries, and water from the Greater Yarra Thomson system (accessed via the Melbourne to Geelong Pipeline).

The Otway Ranges feeds the Barwon system, which typically supplies the majority of the water needed for Geelong, the Bellarine Peninsula and the Surf Coast. The Moorabool system supplies water to towns north of the Geelong city centre.

The Melbourne to Geelong Pipeline can supply up to 16 billion litres of water per year, which is approximately 50 per cent of the Greater Geelong region's annual water demand.

Another water source that can be accessed is the Anglesea Borefield which is used to help boost surface water supplies during dry conditions.

Colac and Otway regions water sources are primarily drawn from pristine catchments in the Otway Ranges. The Colac system provides water to urban and rural districts, extending as far north as Cressy. A pipeline connecting the Colac system to the Geelong system was completed in 2018 to provide additional water security.

Gellibrand, Apollo Bay, Skenes Creek and Lorne all have their own water supply systems.

Water reclamation plants

Barwon Water has 11 water reclamation plants which we operate in accordance with Environmental Protection Authority (EPA) requirements. Black Rock, Anglesea, Apollo Bay and Lorne plants supply recycled water for a variety of uses, with the balance released through ocean outfalls. The plants at Aireys Inlet, Bannockburn, Portarlington, Birregurra and Winchelsea are land-based systems also supplying recycled water for a variety of uses, including agriculture, horticulture and irrigating public open space.

Recycled water from the Colac facility is released into Lake Colac. The Northern Water Plant, which is an advanced recycled water facility, supplies Class A recycled water mainly for industrial use at the Viva refinery, and also irrigates public open space at Stead Park in Corio. Black Rock also has a Class A advanced treatment plant that supplies recycled water for residential use in the Armstrong Creek and Torquay North growth areas.

Circular Economy / Sustainable practices

Recycled water

To meet our Strategy 2030 aspiration of zero waste, we're aiming to maximise the availability of recycled water for valuable uses, such as industry, agriculture, golf courses and public open space. This saves drinking water for the community, eases pressure on local drinking water supplies and helps us foster liveable communities with secure and sustainable water supplies.

Projects of note this year include continuing an investigation into a large-scale alternative water grid in our region, supported by funding from the State Government. We also continued an investigation into an alternative water scheme in the Surf Coast Hinterland, also supported by State Government funding, looking to use recycled water as well as urban stormwater that otherwise would adversely impact the health of the significant Karaaf coastal saltmarsh, for productive use.

The infrastructure required to supply recycled water to Barwon Park in Winchelsea has been constructed and we have also progressed the design of the recycled water plant for Deakin University's Waurin Ponds campus.

We progressed the design and procurement phase for the Bellarine recycled water project, upgrading our plant so we can maximise the use of recycled water to support agricultural production and tourism in the area.

We have partnered with Viva Energy to turn recycled water into hydrogen at the New Energy Service Station being built in North Geelong adjacent to our Northern Water Plant (NWP). The circular process involves treating wastewater at the NWP, which is then used by Viva Energy to produce renewable hydrogen.

Pure oxygen that would ordinarily be released to the atmosphere as an inconsequential waste product is then captured and used by Barwon Water to enhance the treatment of wastewater, which ultimately ends up as recycled water.

We achieved 13.2 per cent water recycling in 2023–24. This figure was low due to the amount of rain, which minimised the amount of recycled water needed for irrigation purposes.

Biosolids

We continually explore innovative ways to efficiently treat and manage wastewater as our population grows.

During 2023–24, we continued to turn 100 per cent of our biosolids – a co-product of the wastewater treatment process – into a valuable nutrient-rich farm fertiliser at the thermal drying facility at Black Rock.

The drying process involves sterilising the biosolids with heat and turning them into pellets that are produced in accordance with the standards set by the EPA for use on farms. In 2023–24, we produced 54,543 tonnes of wet biosolid and turned it into 9,021 tonnes of dried biosolid product that was sold as a commercial fertiliser product. The proven benefits of the product created strong demand, and the supply chain was extended to farms across Victoria, New South Wales, South Australia and Tasmania.

We also signed a sales agreement with HDrive for a hydrogen-powered prime mover, which will be the first in Victoria. The truck will be used for the collection of organic waste for recycling at our water reclamation plants. The vehicle will be on road around mid-2025.

Emissions Reduction

As part of our Strategy 2030, we are switching to 100% renewable electricity from 1 July 2024 and aim to achieve zero net emissions by 2030.

Electricity use was previously our most significant emissions source and represented around 80 per cent of our underlying emissions. We've completed a diversified portfolio of renewable electricity projects, to supply 100% renewable, zero emissions electricity for our operations.

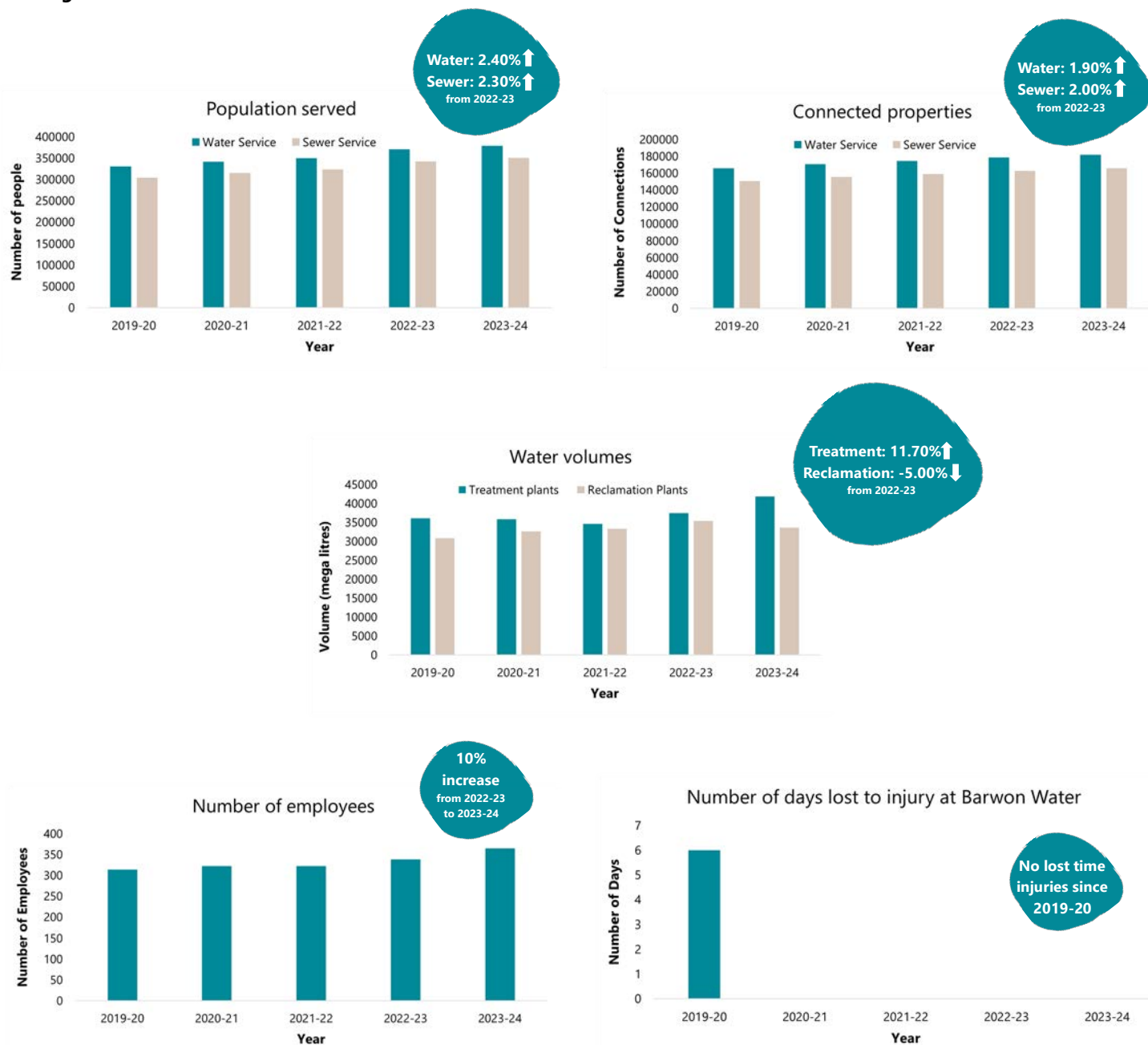
Our zero emissions program reduced emissions by at least 13,798 tonnes CO₂-e in 2023-24 through a range of initiatives, including:

- operating more than 4 megawatts of on-site renewable electricity generation assets, including a 3-megawatt solar farm at our Black Rock water reclamation plant and six solar arrays situated at our plants and depots
- the innovative Colac biogas co-generation facility, recently expanded from 360-kilowatts capacity, with an additional 550 kilowatt unit commencing operation in early 2024-25
- our Barwon Renewable Energy Partnership (BREP) Power Purchase Agreement with Mt Gellibrand Wind Farm and Zero Emissions Water Power Purchase Agreement with Kiamal Solar Farm continued to operate and generated more than 45 gigawatt-hours of renewable electricity that was fed into the grid

Looking further ahead to our target of zero net emissions (scope 1 and 2) by 2030, we are progressing scope 1 emissions reduction initiatives including:

- commencing our first nature-based carbon sequestration initiative, the Dewing Creek catchment restoration project
- Regional Renewable Organics Network (RRON) - Barwon Water and four local councils are joining forces to transform organic waste into biochar – a high value product for agriculture that also sequesters carbon dioxide - and at the same time generates digestate and renewable energy. In 2023-24 our next steps involved further design and community engagement in preparation for a planning permit application to the Department of Transport and Planning and a development license application to the Environmental Protection Agency
- initiating an innovative trial to enhance wastewater treatment efficiency by using oxygen-enriched air, with the aim of enabling our plants to operate more efficiently, consume less energy, and have longer lifespans, ultimately leading to cost savings at every stage.

At a glance



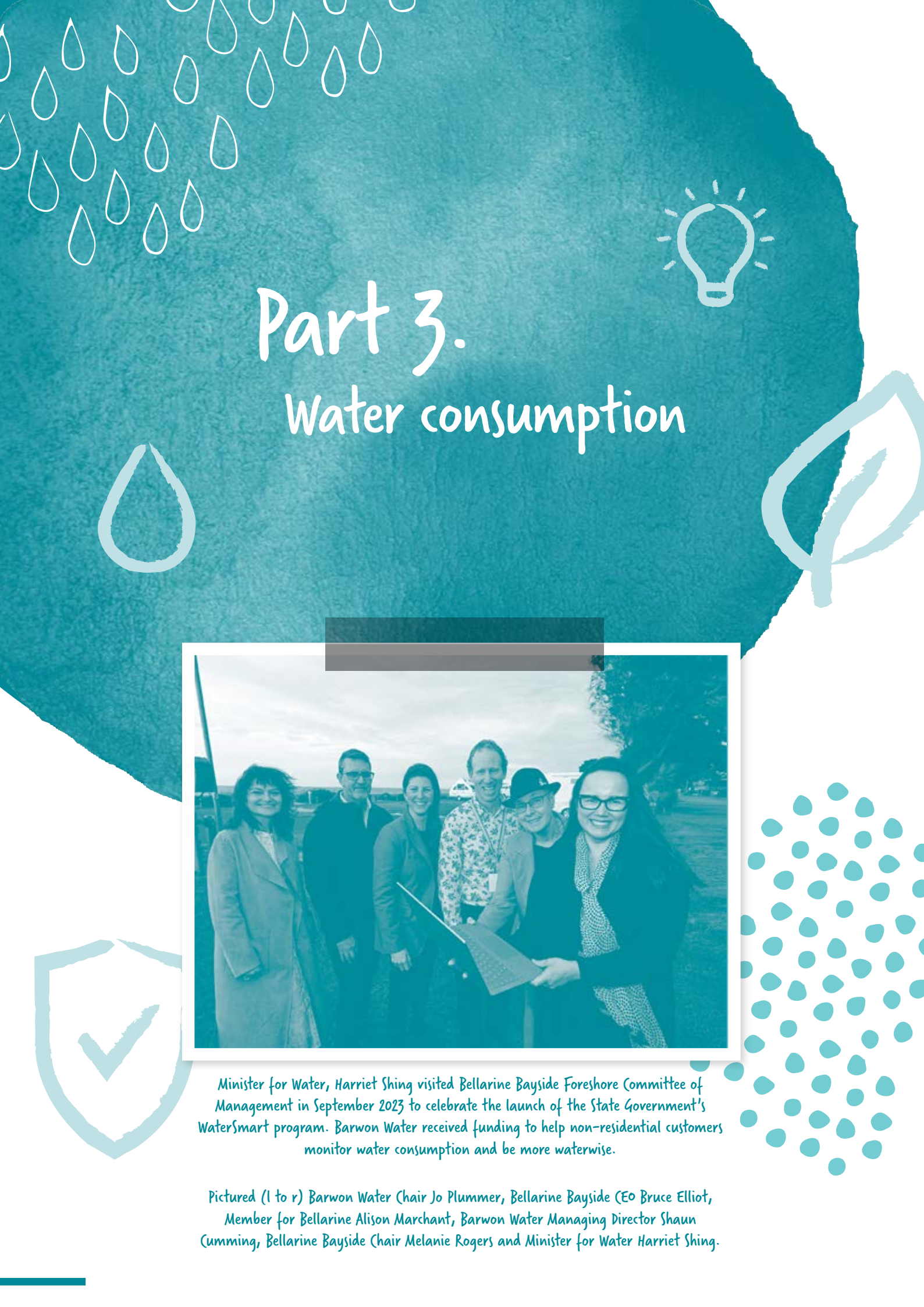
Manner of establishment

Barwon Water was established under the *Water Act 1989*. The responsible Minister for the period from 1 July 2023 to 30 June 2024 was the Hon Harriet Shing MP, Minister for Water.

Since 28 July 2004, Barwon Water has operated under a Statement of Obligations issued by the Minister for Water under section 41 of the *Water Industry Act 1994*.

The statement imposes obligations on the organisation regarding the performance of functions and exercise of powers. We are required to monitor compliance with the obligations set out in the statement, report on non-compliance and take remedial action in relation to non-compliance.

On 1 January 2004, the Essential Services Commission became the economic regulator of the Victorian water sector. The commission’s role encompasses regulation of prices, service standards and market conduct.



Part 3.

Water consumption



Minister for Water, Harriet Shing visited Bellarine Bayside Foreshore Committee of Management in September 2023 to celebrate the launch of the State Government's WaterSmart program. Barwon Water received funding to help non-residential customers monitor water consumption and be more waterwise.

Pictured (l to r) Barwon Water Chair Jo Plummer, Bellarine Bayside (EO Bruce Elliot, Member for Bellarine Alison Marchant, Barwon Water Managing Director Shaun Cumming, Bellarine Bayside Chair Melanie Rogers and Minister for Water Harriet Shing.

Barwon Water supplied 37,229 million litres of water in 2023-24, to meet customer demand for water. Despite the levels of rainfall, permanent water saving rules still apply across the whole state of Victoria, to ensure we all use water wisely.

We continued to deliver actions from our Sustainable Water Use Plan by delivering water literacy campaigns, supporting a range of water-saving programs, and promoting the Permanent Water Saving Rules across our region.

Weekly household water consumption (kilolitres)

Month	Week 1	Week 2	Week 3	Week 4
January	3.9	3.9	3.9	3.9
February	3.9	3.9	3.9	3.9
March	3.9	3.9	3.9	3.9
April	3.5	3.5	3.5	3.5
May	3.5	3.5	3.5	3.5
June	3.5	3.5	3.5	3.5
July	2.6	2.6	2.6	2.6
August	2.6	2.6	2.6	2.6
September	2.6	2.6	2.6	2.6
October	3.3	3.3	3.3	3.3
November	3.3	3.3	3.3	3.3
December	3.3	3.3	3.3	3.3
Total	39.9	39.9	39.9	39.9

Regional metered water consumption (megalitres)

Region	2023-24	Change (%)	2022-23	Change (%)	2021-22	Change (%)	2020-21	Change (%)	2019-20	Change (%)
Apollo Bay	254	2.4	248	0.9	246	5.4	233	-1.0	235	-13.0
Aireys Inlet	134	17.5	114	-15.0	134	0	134	2.9	130	-2.1
Anglesea	411	28.4	320	-21.5	408	5.5	387	1.7	380	2.3
Bellarine Peninsula	5,574	12.2	4,968	-5.2	5,242	3.3	5,073	4.0	4,879	-8.2
Colac and district	2,951	5.6	2,794	-0.1	2,796	8.7	2,573	-3.6	2,746	-2.9
Geelong urban	25,032	12.1	22,323	-5.0	23,494	3.4	22,721	-2.6	23,248	-6.0
Lorne	320	19.0	269	-11.2	303	-2.9	312	2.5	304	-6.2
Skenes Creek	28	7.7	26	-8.8	29	-10.7	32	11.1	29	-13.6
Torquay	2,525	15.1	2,192	1.3	2,165	4.7	2,067	-1.6	2,100	3.1
Total	37,229	12.0	33,254	-4.5	34,817	3.8	33,533	-1.5	34,051	-5.6

Geelong urban includes:

Anakie, Armstrong Creek, Avalon, Balliang, Batesford, Bell Park, Bell Post Hill, Belmont, Breakwater, Ceres, Charlemont, Connewarre, Corio, Drumcondra, East Geelong, Fyansford, Geelong, Geelong West, Grovedale, Hamlyn Heights, Herne Hill, Highton, Lara, Leopold, Little River, Lovely Banks, Manifold Heights, Marshall, Moolap, Moorabool, Newcomb, Newtown, Norlane, North Geelong, North Shore, Rippleside, South Geelong, St Albans Park, Staughton Vale, Thomson, Wandana Heights, Waurn Ponds, Whittington.

Colac and district includes:

Colac, Colac West, Colac East, Gerangamete, Warncoort, Yeo, Yeodene, Alvie, Balintore, Bamganie, Barongarook, Beeac, Buckley, Coragulac, Cororooke, Corunnun, Elliminyt, Gellibrand, Gherang, Irrewarra, Irrewillipe East, Kawarren, Larpent, Maude, Nalangil, Ondit, Petticoat Creek, Pirron Yallock, Russells Bridge, Warncoort, Warrion, Whoorel, Yeo.

Bellarine Peninsula includes:

Barwon Heads, Bellarine, Breamlea, Clifton Springs, Curlewis, Drysdale, Indented Head, Mannerim, Marcus Hill, Ocean Grove, Point Lonsdale, Portarlinton, Queenscliff, St Leonards, Swan Bay, Wallington.

Torquay includes: Torquay, Jan Juc, Mount Duneed.

Residential and non-residential metered potable water

Region	Residential			Non-residential			Per capita consumption (litres/person/day)	Average annual consumption (ML) ⁴
	Number of water customers ¹	Volume consumed (ML) ²	Weekly potable consumption (kL)	Number of water customers ¹	Volume consumed (ML) ²	Total consumption (ML)		
Geelong and district	154,994	24,921	479,245	11,852	8,536	33,457	191	31,270
Colac and district	7,079	1,514	29,117	1,242	1,432	2,946	277	2,820
Apollo Bay/Skenes Creek	2,341	204	3,931	172	114	318	221	3,008
Lorne	2,299	229	4,400	159	91	320	313	2,958
Aireys Inlet/Fairhaven	1,659	173	3,334	47	14	188	338	1,736
Total	168,372	27,041	520,027	13,472	10,188	37,229	195	41,792

Notes:

- Properties connected to Barwon Water's water supply service.
- Metered consumption excludes non-revenue water.
- The per capita usage figure is based on the yearly residential consumption figure divided by permanent population, which is calculated using Australian Bureau of Statistics Census data for 'per cent of occupied dwellings' and 'average people per (occupied) dwelling'. The figure doesn't take into account the high summer tourism population of some towns.
- Average calculated over three years.

Residential and non-residential metered recycled water consumption

Region	Non-residential (Class C)		Non-residential (Class A)		Residential (Class A)		Total consumption (ML)	Average annual consumption
	Number of recycled water customers	Volume consumed (ML)	Number of recycled water customers	Volume consumed (ML)	Number of recycled water customers	Volume consumed (ML)		
Geelong and district	25	1,611	100	1,152	13,663	516	2,924	2,645
Colac and district	4	15	N/A	N/A	N/A	N/A	15	11
Apollo Bay/Skenes Creek	2	0	N/A	N/A	N/A	N/A	0	0
Lorne	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Aireys Inlet/ Fairhaven	3	49	N/A	N/A	N/A	N/A	49	36
Total	34	1,675	100	1,152	13,763	516	2,989	2,692

Non-revenue water (ML) 2023-24

	Leakage	Firefighting*	Other**	Total
Barwon Water service region	4,369	-	223	4,592

Notes:

*Water used for firefighting purposes is not metered.

**Includes combined potable metered hydrant volumes and volumes used by Barwon Water for mains flushing, scouring and other maintenance. The two cannot be separated and the mains flushing, scouring and other maintenance is marginal.

Corporate water consumption

Location	2023–24				
	Total full-time equivalent employees	Office space (m ²)	Water consumption (kL)	kL/FTE	Water consumption by office space (l/m ²)
55 – 67 Ryrie Street (Geelong)	365	6,071	1146	3.14	188.77
Total		6,071	1146		188.77

Major non-residential water users

Customer by volume range 2023-24

Volumetric range – ML per year	No. customers
Equal to or greater than 100 ML and less than 200 ML	10
Equal to or greater than 200 ML and less than 300 ML	2
Equal to or greater than 300 ML and less than 400 ML	1
Equal to or greater than 400 ML and less than 500 ML	2
Equal to or greater than 500 ML and less than 750 ML	2
Equal to or greater than 750 ML and less than 1,000 ML	0
Greater than 1,000 ML	1
Total no. of customers	18

Residential water efficiency

Water literacy campaigns

We educated and advised customers about sustainable water use, in line with the Victorian Government's Sustainable Water Strategies (SWS). One way we did this was through 'Summer Awareness' and 'Permanent Water Saving Rules' campaigns, which were designed to remind customers and visitors about the ongoing need to be mindful of their water-use. The campaigns were promoted through local newspaper advertising, social media, media releases, and targeted radio and bus advertising throughout the region.

Over summer, we attended 33 events in 15 locations across region, with fun activations promoting Water Matters and the importance of sustainable water use.

In November 2023 we launched "Water Matters", a new water literacy campaign to raise community awareness of the value of water, the challenges of climate variability and growth, and the solutions (savings, smarts and sources). We also continued the 'Three Ps' campaign on social media to remind everyone to keep our wastewater network free of materials that might cause blockages and overflows.

Birregurra Sustainable Communities – Water Program

Our partnership with the local community in Birregurra to implement the Birregurra School Water Efficiency Program (SWEPE) and Sustainable Communities – Water Program continued to have success. We estimate the partnership has helped the local community save 48 million litres of water since it was introduced in December 2020, by supporting behaviour change programs coupled with leak detection and repairs.

A highlight of the partnership during the financial year was engaging with the younger generation through a school holiday event and education sessions at the local school, designed

to help future customers to learn how they can make a difference to support a sustainable water future.

Support programs

In 2023–24, we continued to support residential customers through our plumbing support programs to improve the water efficiency of their homes by assisting customers to save water and reduce bills by providing a high-quality, affordable home water-use assessment and plumbing services to repair leaks and upgrade to more water efficient fixtures and fittings.

A total of 544 customers participated in a variety of programs including the Victorian Government Community Rebate and Community Housing Retrofit Programs, WaterAssist Home and a new WaterSmart Washing Machine Rebate Program. This new program supported customers to upgrade to a minimum 4.5-star WELS and 4-star energy rated front loading washing machine. Combined, these residential water efficiency programs saved approximately 30.15 million litres of water and \$73,100 on customer water bills.

Schools Water Efficiency Program (SWEP)

We continued to support the Victorian Government's Schools Water Efficiency Program (SWEP) in 2023–24, which enables schools to track their water usage using data logger technology. By monitoring water usage, schools can detect and rectify leaks, saving water and money. The program also provides students with an opportunity to learn about water efficiency through program specific curriculum resources.

The program requires a three-year commitment from schools and the first year is subsidised by the Department of Energy, Environment and Climate Action (DEECA). To encourage schools to continue to participate in SWEP, we subsidise data hosting and ongoing access.

Ninety nine schools in our region participated in the program, with 16 of these schools also receiving a new Barwon Water school grant, which was intended to help them be more water efficient or implement a sustainability project within the school grounds. This school grant program will be offered again in 2024–25.

SWEP schools in the Barwon Water region have saved a total of 53.8 million litres of water and around \$130,000 in water-related charges over the last financial year. Since the program started in 2012, they have collectively saved more than 1.13 billion litres of drinking water and \$3.7 million in water-related charges.

99 schools in our region participated in the SWEP program in 2023-24.

Non-residential water efficiency

Our focus on water efficiency and supporting our non-residential customers through various programs continued in 2023–24, in line with our five-year Sustainable Water Use Plan.

We provide more than 25 business, agricultural and industrial customers with Class C recycled water. The water is not suitable for drinking or residential use, but is often used to irrigate golf courses, agriculture, sporting grounds, vineyards and flower farms. Golf courses at Anglesea, Barwon Heads, Portarlington, Bannockburn and Winchelsea are also connected to recycled water supplies, which allows the courses to be maintained at a reduced cost while operating more sustainably.

Business Water Grants and Rebates were open to non-residential customers in 2023–24. The water grants and rebates support business and agricultural customers to achieve permanent water savings by substituting drinking water with alternative sources, recycling wastewater or upgrading equipment to improve water efficiency.

We participated in the Victorian Government WaterSmart Business Program, targeting high water using organisations that provide important essential services to our community and in industries that have the potential to make significant water savings. The program involves the installation of digital technology to track and monitor consumption patterns and identify leaks in real-time as well as water efficiency audits to help identify further opportunities to save water.

*Non-residential water efficiency programs saved **104** million litres of drinking water in 2023-24.*

Our WaterSmart Council and Coastal Partnership programs continued, where we are working closely with our catchment partners to promote sustainable water use to the broader community through education initiatives, water efficiency and sustainability projects. In 2023–24, projects included public amenity upgrades – providing water efficient fixtures and fittings across the Bellarine, educational signage encouraging users to save water and permanent hydration stations to improve access to drinking water in high traffic areas along the coast.

Overall, we supported more than 250 non-residential customers to detect and rectify leaks as part of the WaterSmart Business, Council and Coastal Programs. This effort, combined with our business rebates and dedicated Colac on-farm project, helped to save approximately 104 million litres of drinking water in 2023–24.

Major customer participation in water conservation programs

Name of customer	Information as to customers participation in water efficiency programs
Viva Energy Refining Pty Ltd	Water management and recycling program in use
City of Greater Geelong	Participates in Sustainable Water Use and WaterSmart data logger and WaterSmart Council programs
Malteurop Australia Pty Ltd	Participates in Sustainable Water Use and WaterSmart data logger program
Turi Foods Pty Ltd	Participates in Sustainable Water Use and WaterSmart data logger program
Australian Lamb (Colac) Pty Ltd	Participates in Sustainable Water Use and WaterSmart data logger program
J R & C A Santospirito	Participates in Sustainable Water Use and WaterSmart data logger program and is a recycled water user
MC Herd Pty Ltd	Participates in Sustainable Water Use and WaterSmart data logger program
Thirteenth Beach Golf Links Ltd	Participates in Sustainable Water Use and WaterSmart data logger program and is a recycled water user
Barwon Health - The Geelong Hospital	Participates in Sustainable Water Use and WaterSmart data logger program
Bulla Dairy Foods	Participates in Sustainable Water Use and WaterSmart data logger program
Bulla Cream Co Pty Ltd	Participates in Sustainable Water Use and WaterSmart data logger program
Bannockburn Golf Club Inc	Participates in Sustainable Water Use and WaterSmart data logger program
Barrett Burston Ltd	Participates in Sustainable Water Use and WaterSmart data logger program
AMC Cameron	Participates in Sustainable Water Use and WaterSmart data logger program and is a recycled water user
Deakin University	Participates in Sustainable Water Use and WaterSmart data logger program
Fremantle Harbour Properties Pty Ltd	Participates in Sustainable Water Use and WaterSmart data logger program
Pavilion Partners Pty Ltd	Participates in Sustainable Water Use and WaterSmart data logger program
Bellarine Property Nominees Pty Ltd	Participates in Sustainable Water Use and WaterSmart data logger program and is a recycled water user

Grants provided

We offer grants for community, business, and schools to help fund local projects that enhance the quality of life in our region.

In early 2024 we gave our community support program a makeover and refreshed our schools grant category, so that we could fund even more local projects. Below is the list of organisations supported during the financial year. More information is available on our dedicated grants webpage: yoursay.barwonwater.vic.gov.au/barwon-water-grants.

School grant recipients 2023-24:

Organisation	Description of project	Payment
Barwon Heads Primary School	Water efficient irrigation system	\$2,500
Queenscliff Primary School	Nature play space	\$2,500
St. Brendan's Primary School, Coragulac	Outdoor classroom and native habitat	\$2,000
South Geelong Primary School	Sustainable upgrades for school vegetable garden	\$850
Hamlyn Banks Primary School	Water efficient bubbler taps	\$2,500
Torquay Coast Primary School	Enhance student knowledge of regenerative and sustainable farming	\$2,180
Oberon High School	Establish a native bush tucker garden	\$2,500
St. Anthony's School Lara	Replanting project to replace lost trees and plants from a summer storm	\$2,500
Lake Colac School	A water efficient watering system in the greenhouse	\$2,500
St. Leonard's Primary School	Water smart wicking beds	\$2,500
Birregurra Primary School	A nature play space to support social inclusion	\$2,500
Colac South West Primary School	A Garden Guru project	\$2,200
Newcomb Secondary College	A water efficient Hydrotap in the wellbeing area	\$2,500
Clairvaux Catholic School	Upgrade drinking fountains	\$2,500
Newtown Primary School	Earth Crusaders incursion	\$2,320
Kardinia International School	To convert no dig vegetable gardens into sustainable, water efficient wicking beds	\$2,500

Community grant recipients 2023-24:

Organisation	Description of project	Payment
The Scout Association of Australia Victorian Branch (ABN 39 662 387 026)	Purchase of wheelie bins to collect containers for recycling as a fundraising activity for the 1st Barwon Heads Scout Group	\$895
Armstrong Creek Boomerang Bags (ABN 50 314 194 006)	Make reusable bags for the community to reduce single use waste and needed funding to have sewing machines serviced	\$630
Barwon Heads Community Arts Garden Inc. (ABN 46 897 689 417)	Foodcube wicking beds (water efficient) for a community garden	\$1010
Beeac Golf Club Incorporated (ABN 98 511 995 519)	50% contribution for automated sprinklers for golf course in low socio-economic area	\$3596
Bluebird Foundation Inc. (ABN 44 206 851 526)	Addition of First Nations sculptures to a bush garden at Newcomb Primary School, accessible for the broader community	\$5000
Colac Otway Residents Action Group Inc (ABN 45 864 608 375)	Providing a lunch for primary school aged children across Colac that don't have lunch	\$2000
Leopold Lakers Basketball Club Inc. (ABN 53 484 316 386)	Facilities and resources, such as suitable uniforms and changerooms, to cater for female players	\$3850
North Shore Football and Netball Club Incorporated (ABN 41 978 855 245)	Uniforms for players of club in low socio-economic area who educates and encourages First Nations culture	\$2520
Anglesea Aireys Inlet Society for the Preservation of Flora and Fauna (auspice organisation for Painkalac Valley Network) (ABN 73 211 744 882)	A series of activities to deepen people's engagement with local environment and encourage protection of the Painkalac Creek ecosystem	\$4900
Bellarine Training and Community Hub (auspice organisation for Repair Café Bellarine) (ABN 45 840 639 622)	Contribution to re-establish the café which offers a free service to the community to repair and extend the life of common household items	\$3300
Winchelsea Community Playgroup (ABN 13 094 186 877)	Improvement of the community playgroup which is accessible to the whole community through a multi-use space	\$2500

Part 4.

Reconciliation



NAIDOC Week 2024 Koki Bundjil Projections on Geelong City Council Buildings outside of Barwon Water Headquarters. The artwork was created by Wadawurrung Traditional owner Jenna Olaker and was animated by Laura Alice.



Reconciliation

We recognise Barwon Water's Reconciliation Journey. Starting in 2016, we have moved from transactional relationships with Traditional Custodians to building genuine relationships with a focus on reciprocity. Our Innovate RAP ran from 2018 to 2020 and focused on building Cultural awareness and partnering in landscape regeneration to reflect Cultural values. We then worked on our Stretch RAP, which focuses on building First Nations values into our ways of working and was launched in 2023.

Key achievements in 2023–24 included:

- establishing a standalone First Nation Values department, with all First Nations staff, within the Planning, Delivery and Environment group of Barwon Water
- continued implementation of our partnership agreement with Wadawurrung Traditional Owners Aboriginal Corporation which ended June 2024
- we have implemented an interim Partnership agreement with Wadawurrung that honours the previous partnership agreement while we build a new agreement, which will evolve our relationship to a new level, due for completion at the end of 2024
- supporting cultural awareness training for all our staff, so everyone can understand the truth about colonial history, and work towards healing historical wounds.
- visiting key sites with Traditional Owners in an effort to embed First Nations approaches to land, water and design into our business, so we can protect the natural assets on which we all depend
- enhancing Aboriginal and Torres Strait Islander employment opportunities
- engaging with Traditional Owners on strategic projects, such as Murrk Ngubitj Yarram Yaluk and Porrongitj Karrong

- we undertook business cases to consider impacts and opportunities in relation to Traditional Owner values and broader threats and objectives as they apply to the land
- supporting National Reconciliation Week and NAIDOC Week events.

In the second half of 2023, we launched our first Stretch RAP. It has been developed in consultation with key stakeholders, including Eastern Maar and Wadawurrung Traditional Owners within the Barwon Water region. Local First Nations consultancy Arranyinha played a pivotal role in developing the Stretch RAP.

The focus of our Stretch RAP will be further building on, and embedding, the strategies and positive changes that were developed during the implementation of our last RAP. We will also be working towards having a positive impact and creating change within our sphere of influence – notably in areas such as engagement and involvement with the Traditional Owner and First Nations communities.

Our Stretch RAP is formed around the pillars of relationships, respect, and opportunities, and will push us to constantly embed and expand on our commitments. The Stretch RAP outlines the steps we will take to ensure that reconciliation becomes part of everything we do at Barwon Water. It shows we will continue to invest in relationships with Traditional Owners and First Nations organisations, and advance reconciliation within our organisation and other spheres of influence in the region and the broader water industry.

Over the last financial year, we have continued building and maintaining our relationships with Wadawurrung Traditional Owners Aboriginal Corporation (Wadawurrung) and Eastern Maar Aboriginal Corporation (Eastern Maar), who are the Registered Aboriginal Parties.

We have a formal Partnership Agreement (2021–24) with Wadawurrung that helps guide us as we undertake projects together and helps Wadawurrung to estimate the resources required to do the work.

We have a Relationship Forming Agreement with Eastern Maar and look forward to continuing our developing relationship.

Another key achievement in this time period was the creation of a new role at Eastern Maar – Water Partnerships Officer – via a multi-party agreement between Eastern Maar and the three Water Corporations that operate within their country.

Working with Traditional Owners to Care for Country

Our focus on Caring for Country has continued through the delivery of our Stretch Reconciliation Action Plan commitments and the establishment of the First Nation Values department in 2023-24.

Our "Caring for and Connecting to Country" principals are guiding Barwon Water staff in meaningfully considering Cultural Values in all aspects of their work and positively impacting how we design, plan, deliver and maintain our key assets over the footprint of Barwon Waters operational area, respecting the Cultural landscapes and heritage of both Wadawurrung and Eastern Maar.

A tool is currently in development that will guide employees on how best to embed Cultural values at every stage of project delivery, from ideation to delivery and beyond.

Murrk Ngubitj Yarram Yaluk

We celebrated the one-year anniversary of the establishment of the volunteer Friends of Murrk Ngubitj Yarram Yaluk in June 2024. The community group has been undertaking practical activities such as weeding, planting and biodiversity monitoring. The ongoing restoration of this 37-hectare site (the former Bellarine Water Basin) recognises the important and unbroken connection

and stewardship of land and water on the Bellarine Peninsula by Wadawurrung Traditional Owners.

Working with Wadawurrung Traditional Owners and the Gobata Dja team, with Victorian Government funding, we have also been developing designs aligned with the site masterplan and been obtaining statutory approvals for a new carpark and walking tracks. These works are anticipated to be undertaken in 2024/25, enabling the wider community to freely access the site.

Ongoing development of the area will be guided by four objectives covering nature, culture, community and sustainability.

Porronggitj Karrong

Barwon Water and the Wadawurrung Traditional Owners Aboriginal Corporation are collaborating to transform the 66 hectares of land surrounding the Ovoid Sewer Aqueduct in Geelong into a new living Cultural landscape and community precinct. Named Porronggitj Karrong, this means 'place of the brolga,'.

With the successful approval of the conservation exemption and planning scheme amendment, Wadawurrung have commenced work, maintaining and managing pathway access. They will soon begin implementing Wadawurrung land management practices, beginning the journey of bringing the Country back into Cultural and ecological balance.

Guided by the Gobata Dja team, Porronggitj Karrong will facilitate teachings about songlines, interwoven between past, present, and future. It is envisioned as a place to learn about sustainable ecologies and Wadawurrung land management practices. The site will be established as a Cultural and community precinct, supporting Wadawurrung living Culture and benefiting the wider region.

The Regional Development Victoria project phase has successfully concluded.

Throughout this next stage, the project community reference group will remain actively engaged. Together, we aim to realise our shared vision: "A balanced ecological system incorporating Wadawurrung Values for the whole community to connect, listen, and learn from Country."

We were successful in receiving funding under the first round of the Green Links grant program, enabling Wadawurrung Gobata Dja team to begin the "reimagining the landscape" journey. The program is focused on invasive weed and Native biomass management along the riparian areas of the Barwon River at Porronggitj Karrong. This will enable revegetation to be undertaken, restoring the Cultural and ecological balance of that section of the landscape.

As we move into the 2024-25 financial year, we will continue our collaboration with our principal contractor, structural engineers, and heritage advisers to plan the aqueduct works. Given the unique and complex nature of the aqueduct conservation and river opening, involving many stakeholders and an intermittently inundated floodplain, careful planning is essential.

Cultural Awareness Training

Cultural Awareness training throughout 2023-2024 was essential in promoting understanding, respect, and collaboration with First Nations communities. Covering a variety of topics, including Truth Telling, First Nations history, contemporary life, Cultural Heritage, and on Country engagement with Traditional Custodians.

Truth Telling:

- delivering guided conversations based on the lived experiences of a First Nations person
- focusing on historical and contemporary truths, offering a deep dive into the impacts of colonisation and the resilience of First Nations communities

- providing an immersive introduction to First Nations perspectives, cultural practices, and knowledge systems
- encouraging staff to appreciate and respect diverse ways of living and understanding the world of First Nations people
- Children's Ground delivered the Executive Leadership Team (ELT) and Senior Leadership Team (SLT) truth-telling workshops, which received excellent feedback
- on Country tours with Wadawurrung and Eastern Maar communities, engaging different departments in hands-on learning experiences.

Education on the 2023 Referendum:

- delivering an apolitical approach to educating staff on both the Yes and No campaigns of the 2023 Referendum
- ensuring staff received balanced information to foster informed discussions and creating respectful dialogue.

Outcomes:

- training enabled employees to view the world through the eyes of a First Nations person, fostering empathy and understanding
- improved employee knowledge on how best to support and work collaboratively with Traditional Owners
- enhanced awareness of the history and values of the region's Traditional Owners
- contributed to the creation of a more Culturally safe workplace for First Nations employees
- improved ability of staff to apply "Caring for Country" approach to work.

Barwon Water remains committed to continuing this important work throughout 2024-2025, ensuring ongoing education for truth-telling, and promoting a Culturally inclusive and respectful workplace.

Aboriginal and Torres Strait Islander Employee Network

In 2023-24, our employee-led Aboriginal and Torres Strait Islander Network hosted three quarterly, one-hour events at Barwon Water regional facilities. These events provided a Culturally safe and respectful space for First Nations Employees to connect. Moving forward, we will continue to hold these inclusive and accessible networking events quarterly across our regional facilities.

NAIDOC Week

The 2023 NAIDOC week theme was 'For Our Elders'. One of the key messages from the 2023 theme recognises that across every generation, Elders have played, and continue to play, an important role and hold a prominent place in First Nations communities and families. They are Cultural Knowledge holders, trailblazers, nurturers, advocates, teachers, survivors, leaders, hard workers and loved ones. To celebrate this Barwon Water hosted special pop-up cinema for a screening of a documentary series, "The First Inventors" at the Ryrie HQ hub and the Colac depot. Team members also attended the flag raising ceremony at the Wathaurong Aboriginal Co-operative.

Reconciliation Week

Barwon Water proudly participated in National Reconciliation Week 2024, themed "Now More Than Ever."

This significant event, held from 27 May to 3 June 2023, provided an opportunity to reflect on shared histories, cultures, and the collective journey toward reconciliation. It was a celebration and acknowledgement of our progress since the inception of our first Reconciliation Action Plan. The strengthened relationships with Traditional Custodians and the invaluable knowledge shared about Country and Water were instrumental in this learning journey.

The series of events, including a precinct walk, a film screening of "Babakueria," Ryrie Street projections, and Yarning Circle discussions, provided opportunities for reflection on the journey and reaffirmed the ongoing commitment to reconciliation. Together, the focus remains on redressing past injustices and building a reconciled future.

Employment – Traineeship program

Our Aboriginal Employment and Retention Strategy was developed as part of our Innovate RAP, and is structured around five key areas: Recruitment, Induction, Inclusive Workplace Practices, Retention and Development.

The core principles guiding our strategy are understanding and embedding First Nations cultural values and supporting the holistic wellbeing of First Nations peoples. These principles are the foundation for creating and delivering culturally appropriate, respectful and meaningful outcomes for First Nations employees.

To embolden this strategy, we have been participating in the Geelong Aboriginal Employment Taskforce (GAET). The taskforce brings together local First Nation community representatives, employers and businesses to create pathways for employment and drive better outcomes for First Nation's communities. Barwon Water was invited to present at the GAET summit in January 2023, where we shared our progress and what we are doing to delivery our strategy.

*Since 2017 we have had **23** trainees (including 3 currently on the program) with **5** former trainees currently working at Barwon Water.*

Part 5.

Caring for customers



The Barwon Water team talk to customers and share information on why #Water Matters at the annual Pako Fest in February 2024 in Geelong.



Customer Advisory Committee

Since it was first convened in 1996, our Customer Advisory Committee has been helping us respond to customer needs, involve our community in project planning, understand issues raised by interest groups and access valuable community knowledge.

Following a great response to an invitation for expressions of interest, we doubled the membership of our Customer Advisory Committee (CAC) in 2023-24. Twelve new members were welcomed to the group in November 2023, representing a cross section of age, geographic locations, gender and cultural diversity. They bring a broad range of experience and perspectives, with a mix of interests and skills, including customer service, tourism, agribusiness, renewable energy, health, arts and culture, education and youth work.

The committee met five times in 2023-24 to share insights and help put customers and community at the heart of strategies, services, programs and projects.

Key areas of focus for the committee during this time were prices and performance, water security, community education, Reconciliation and cultural awareness training.

In addition, we shared updates on key projects and programs, including:

- Lorne: Water, Your Say program
- Regional Renewable Organic Network
- Porrongitj Karrong and Aqueduct
- Murrk Ngubitj Yarram Yaluk (formerly Bellarine Basin)
- Anglesea borefield
- Boundary Creek and Big Swamp remediation
- Birregurra water supply upgrade
- 2018-23 Price Submission performance review
- capital works program performance
- Barwon Heads sewer upgrade
- Colac water pipeline upgrade
- Sustainable Water Use Plan
- bushfire resilience
- digital metering trial for the Customer Advisory Committee.

Customer service

We performed well this year in the Victorian Essential Services Commission's customer perception surveys for the water sector.

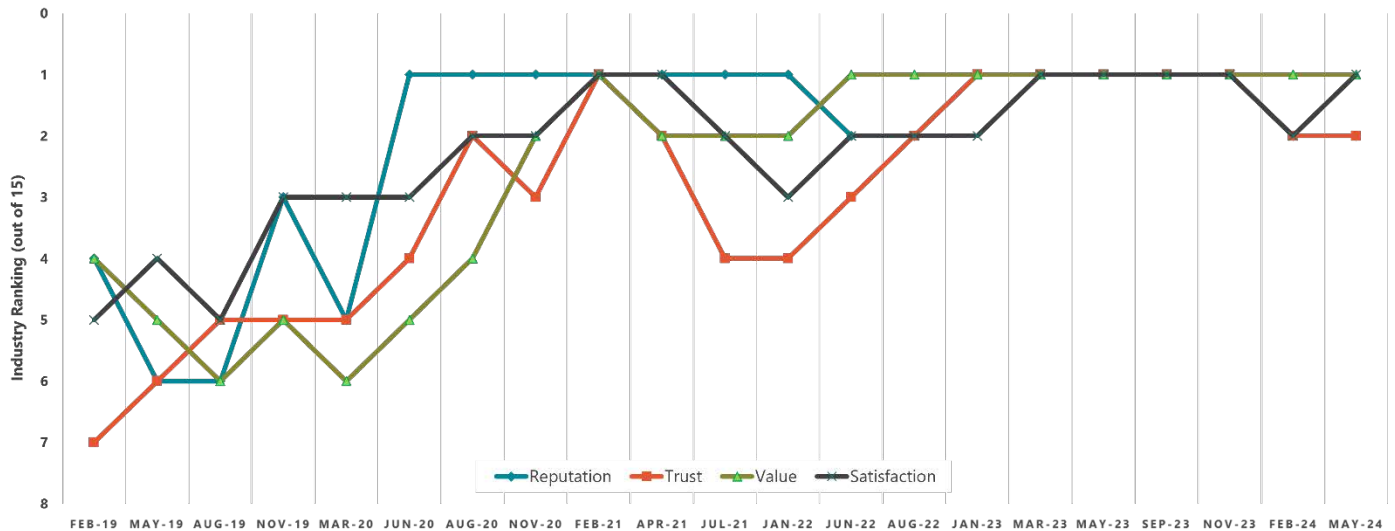
In the most recent results (September 2023 to May 2024), Barwon Water was rated first for value for money, second for level of trust, second for reputation in the community and first for overall satisfaction.

This year Barwon Water ranked either first or second amongst all Victorian water businesses for each survey metric, performance we have maintained since August 2022. Although we consider the ranking results encouraging, we remain focused on the movement of the underlying survey scores. Our Voice of Customer program also continues to provide vital positive and constructive feedback, which drives improvement at an operational level.

In June 2024, Customer Service Benchmarking Australia ranked us second in the Victorian water sector for call quality for the preceding 12 months. We ranked second nationally for the water sector and eighth out of 244 organisations from all Australian sectors. We were also proud to have one Contact Centre agent, Kate Carr, awarded the CSBA Quarterly Agent Award in March 2024.



Essential Services Commission – Customer Perception Survey results



Customer experience program

This year we commenced delivery of our refreshed Customer Experience (CX) Strategy. This strategy will position the organisation well to achieve Strategy 2030 customer outcomes. The core intent of the new strategy is to scale our CX capability organisation-wide, to ensure a consistent, high quality customer experience is delivered at all Barwon Water customer touchpoints.

Key actions implemented in 2023–24 included:

- continued implementation of our Voice of Customer survey program. This included measurement of our new Strategy 2030 post-interaction ‘customer satisfaction’ (CSAT) key performance indicator. At year end, we finished six points above target on this metric, which reflected positive customer sentiment
- to build organisation-wide CX awareness and skills, we delivered CX Week. This event is designed to engage the business in Strategy 2030 customer outcomes and reinforce the importance of individual contributions to delivering a great customer experience
- launch of a new CX Champions network. This network is designed to promote the sharing of CX knowledge and skills through dedicated training and information to team members across the entire Barwon Water Group
- drawing on external expertise, we reviewed our implementation of our Customer Family Violence Policy. While overall we complied with the policy, the review identified several tactical actions, which we progressed through a safety-by-design approach in the Customer Centre. The review also identified the need for a whole of organisation effort to identify privacy and data security vulnerabilities across our business. This includes processes, activities and systems that could pose a risk of harm to customers – especially those experiencing domestic or family violence. This program of work is currently in the planning phase for implementation next year
- shaping up the customer experience stream of the Buniya Program (digital transformation). We identified the customer experience related opportunities and requirements for integration into our business case. This stream of work will deliver digital capability including a new Customer Relationship Management system, customer portal and contact centre platform. This portfolio of services will significantly improve the ease, efficiency and accessibility of customer interactions with Barwon Water
- introducing a human centred design approach to several key projects this year including the Land Development and Connections project. We reviewed the channels strategy for the Land Development team to improve the customer experience and commenced a cross-department project to better support customers experiencing a sewer spill
- progressing development of a CX service blueprint to guide the future implementation of smart (digital) meters in our region, later in this price period
- reviewing our website’s functionality and accessibility. This review identified many opportunities for improvement and led to several enhancements. These included additional functionality such as online forms and online self-service for statements of transactions.

Assisting customers experiencing vulnerability

We understand that at times, our customers may experience circumstances that cause vulnerability. The extent and duration of these circumstances can vary significantly. Our Customer Support Program is designed to treat all customers with dignity and respect. We are building the capability of our staff, by expanding our data analytics and providing training on available support (financial, accessibility, digital literacy) as well as on specific new policies, such as customers experiencing family violence.

For our new pricing period of 2023-28, we have pledged \$4.8 million to actively assist customers in managing their bills and enhancing their water efficiency. This represents an increase from the \$3.1 million spent in our previous five-year pricing period, with \$737,000 spent in 2023-24.

This year we delivered several initiatives to better support customers experiencing vulnerability, including:

- continuing our participation in the Geelong Region Financial Inclusion Action Plan (FIAP) and implementing our public commitments to drive financial wellbeing in our region
- specific training for Customer Centre teams to better identify and support customers experiencing vulnerability
- participation in the Geelong Settlement Committee – chaired by Cultura - with the aim of improving the outreach of our customer support programs to multicultural communities and new arrivals to the region
- working with Thriving Communities Australia to develop a vision and roadmap to provide strategic direction for how Barwon Water supports customers experiencing vulnerability
- translation of key documents into multiple languages and Easy English

- building a foundation of data analytics to guide our customer support engagement and interventions.

We maintained our support for customers experiencing financial hardship. Some of the key actions we undertook include:

- calls to almost 35,000 customers via our dedicated outbound calling program
- continuing our proactive 'We're here to help you with your water bill' customer support campaign, which was promoted via email newsletters, our website, bills and via traditional and social media advertising
- we significantly increased the number of customers who received grants through our support program and boosted the number of customers we helped to access Utility Relief Grants
- actively promoting our WaterAssist Home Program to help homeowners with high-water use to reduce water use and save on their water bills, by providing a free plumbing assessment and plumbing works up to the value of \$300.

Aged debtor management

A proactive program to manage our profile of aged debtors continued throughout the year. Despite our efforts, the value of outstanding tariff debt older than 60 days rose from \$7.4 million to \$8.6 million. This increase is not unexpected as a significant number of our customers continue to face financial hardship, and more are taking advantage of our assistance offers due to the pressure of living costs.

Our debt recovery program is underpinned by our 'I Care, We Care' values. This means a supportive approach is at the forefront of every customer interaction.

In accordance with our Customer Support Strategy, we continued to offer a variety of support options to customers needing assistance. In addition to a range of flexible payment terms, we aided 3,845 customers (a 19% increase from 2022-23), with grants totalling \$464,311. This support was delivered through services like Arrange & Save, plumbing assistance, and support for high-leak bills. (Refer to the 'Flexible payment plan' section for more analysis).

Additional debt collection measures implemented this year include a new dedicated resource focused on intensive case management of high-value aged debtors, an internal credit review committee, and several pilots aimed at testing the effectiveness of different ways of engaging with customers regarding overdue debts.

Flexible payment plan – Arrange & Save

The Arrange & Save program helps customers experiencing financial hardship by offering them a payment plan that gives a 'credit' of one instalment if they can meet their instalment arrangements for five agreed periods. During 2023-24, we provided customer credits totalling \$399,596 as part of this program and assisted 3,660 customers, which represents a 22 per cent increase compared to the previous year. This increase is a result of improvements in staff capability and refinements in our use of data to identify and reach out to vulnerable customers.

Across the year 34,996 call were made to attempt proactive contact with customers. This was a drop from 2022-23, when 37,486 calls were made. Whilst the call volume dropped by seven per cent, Arrange & Save conversion increased, signalling improved efficiency and capability within our Customer Care (outbound contact) team.

Government Utility Relief Grant Scheme

A total of 1,570 Victorian Government Utility Relief Grants were offered to eligible Barwon Water customers this financial year. This was a 67% increase on the 938 provided during 2022–23. This significant increase reflects enhanced data management, capability, and efficiency of our Customer Care team.

Concession cards

During 2023–24, we facilitated government concessions for 38,667 customer accounts, which represented approximately 23% of our residential customer base. These concessions were provided to individuals with Centrelink pension and health care cards, along with the holders of the Department of Veterans' Affairs Gold Card.

Medical concessions

In 2023–24, we maintained our commitment to assist customers with unique medical requirements, by offering a supplementary concession to the dialysis concessions provided by the Victorian Government. Furthermore, we sustained our practice of granting concessions to customers whose medical conditions necessitate an above-average water usage. The Victorian Government's dialysis rebates amounted to \$2,159 in the 2023–24 year, and we further supplemented this with a direct contribution of \$6,312.

Tenant rebate adjustment

In 2023–24, the \$43 per annum rebate supported over 35,500 tenants and totalled just under \$1.36 million. In line with the plan outlined in our pricing submission, we are progressively removing the tenant rebates in order to increase the financial assistance available to all customers who need it, including renters, through our customer support programs.

Helping customers save water

We received Victorian Government funding to continue the Community Housing Retrofit Program, designed to support not-for-profit and community housing organisations. Throughout the financial year, we worked closely with several organisations – including Aboriginal Housing Australia, Common Equity Housing, Unison Community Housing Ltd – to support 129 customers with plumbing audits and retrofits. Combined, these efforts saved over 12.6 million litres of water per annum.

Community service obligation

The following table highlights the concessions and financial rebates provided to Barwon Water customers over the past twelve months, comparative to the previous financial year.

\$ per year	2023–24	2022–23
Pension and health concessions	\$10,878,819	\$10,845,684
Utility relief grants	\$465,872	\$252,890
Dialysis rebates (State Government)	\$2,159	\$2,746
Barwon Water medical rebates	\$6,312	\$5,908
Barwon Water Customer Support (Hardship) program rebates	\$464,311	\$367,193
Water and sewer rebates	\$565,675	\$568,173
Community rebate/Government water bill rebates	\$126,890	\$65,000
Hardship relief grant scheme (sewerage connection scheme)	\$0	\$0
Total	\$12,510,038	\$12,107,594



Part 6.

Caring for community



The Victorian Government has granted Wadawurrung Traditional owners Aboriginal Corporation nearly \$450,000 for works at Murrk Ngubitj Yarram Yaluk, the site of Barwon Water's former Bellarine Basin, which is being transformed into 30 hectares of public open space.

Environmental Advisory Committee

In 2023–24, our community-based Environmental Advisory Committee (EAC) continued to provide critical environmental and sustainability advice to our Board and management. The EAC consists of representatives from seven regional environmental groups, nine community representatives and an independent chairperson.

Over 2023–24, the EAC met four times to consider and advise on key issues including:

- Traditional Owner led Porronggitj Karrong and Murrk Ngubitj Yarram Yalluk projects
- the Regional Renewable Organics Network
- the development of our Emerging Contaminants Strategy
- the Remediation of Boundary Creek
- our climate resilience and carbon emissions reduction programs
- Barwon Water's Reconciliation journey.

The EAC together with the Customer Advisory Committee, participated in a Cultural Awareness Training in May 2024, which included exploring the notions of cultural water and self-determination.

Community and stakeholder engagement

We have dedicated community and stakeholder engagement strategies for planned major projects, which outline various processes and methods of engagement with customers, stakeholders and the community. The strategies reference the IAP2 public participation spectrum and community engagement model.

Some of the key projects we supported with engagement strategies in 2023–24 are:

2023–28 Price Submission

We commenced delivering the 2023-28 Price Submission including engaging with customers on the key projects we are delivering over the coming five-

years including our Forrest wastewater project, major sewer pipeline upgrades and next phase of our Bellarine Recycled Water project. Community engagement activities included letters, pop-ups, information sessions and key stakeholder briefings.

'Lorne: Water, Your Say'

We launched a program to engage the Lorne community about how to secure a sustainable and resilient water future for Lorne. Key activities included community pop-ups, information sessions and an online survey to capture values and priorities of local residents, businesses and visitors. We also established a Community Working Group to provide input and feedback to shape a sustainable and resilient water future for Lorne. We are committed to ongoing community conversations and expect this community engagement to continue over coming years.

Murrk Ngubitj Yarram Yaluk

We continued our engagement with Wadawurrung Traditional Owners Aboriginal Corporation, Bellarine Catchment Network and the Friends of Murrk Ngubitj Yarram Yaluk. The 'Friends of' group – which celebrated its first birthday in June 2024 – this includes local community members who meet on the first Wednesday of each month to assist with bush regeneration activities.

Forrest wastewater investigations

We held listening posts in Forrest to provide an update on the Forrest wastewater investigations and an opportunity for community to learn more about the project and ask questions.

Regional Renewable Organics Network

Our Regional Renewable Organics Network engagement continued with targeted stakeholders, meetings with Black Rock landowners, community and environmental group briefings, events (including five in-person community information sessions in Geelong, Barwon Heads, Bannockburn, Torquay and Queenscliff, online webinar and

industry events with Sustainability Victoria) and ongoing updates via social media and our website.

Boundary Creek, Big Swamp and Surrounding Environment Remediation and Environmental Protection Plan

We engaged with relevant stakeholders about this plan in 2023–24, meeting with the community and stakeholder reference group three times to maintain community oversight of implementation and harness community knowledge. We also continued to engage with the broader community via three community information sessions in Colac, Winchelsea and Kawarren and held a community electrofishing demonstration event in collaboration with the Arthur Rylan Institute (ARI) and the Corangamite Catchment Management Authority (CCMA). We also continued sharing project updates via a dedicated project webpage and with local media outlets and community newsletters.

Anglesea borefield

We continued to share information about the borefield's environmental monitoring and assessment plan and bulk entitlement review process. Key to this process was the Anglesea River Advisory Group, which has continued to provide community oversight of the process. We also continued to engage with other local interest groups and the broader community via targeted briefings, community information sessions and attendance at the ANGAIR Wildflower Show.

Porronggitj Karrong and Barwon River Ovoid Sewer Aqueduct

The community reference group for the project met twice during 2023–24 to discuss the progress of the Porronggitj Karrong cultural and community precinct, and planning for the safety works on the Ovoid Sewer Aqueduct.

Class A recycled water for new communities

Our ongoing community education and awareness campaign continued about Class A recycled water for Armstrong Creek, Torquay North and Charlemont customers. Our campaign consisted of targeted engagement with users, school resources, videos and animations, and translated resources, all designed to explain the benefits and approved uses of Class A recycled water.

Infrastructure projects

We also continued community engagement planning and delivery for key infrastructure projects in 2023–24, including major regional sewerage system upgrades, Barwon Heads sewer upgrade, Colac Water Reclamation Plant upgrade, Birregurra water supply upgrade, and the Forrest and Gellibrand Water Treatment Plant upgrades.

Education program participation

Education activities	2023-24	2022-23
Students and community members reached	7,278	7,539
Tours conducted	83	92
In-class sessions conducted	87	62
Community presentations	14	N/A

Education

Barwon Water’s education program is centred around increasing community water literacy, while fostering a positive connection to water. We do this primarily through a dedicated kindergarten and early learning program, interactive school sessions, guided tours of reservoirs and treatment plants, and community group presentations.

Delivered free of charge by our dedicated Education Advisers, the program offers resources and information supporting the following key messages:

- water as a natural resource
- the health benefits of drinking water
- the need for the efficient and sustainable use of water
- our organisation’s role in the supply of water and wastewater services
- recycled water reuse
- what not to flush
- the impacts of climate change on local water supply
- our organisation’s transition to net zero emissions.

During 2023-24 we held 87 in-class sessions, 83 guided tours and 14 presentations. In addition, 53 kindergartens and early learning centres participated in our Water Hero program, highlighting the importance of water to our youngest community members.

Highlights of our education program also included:

- tours and talks in partnership with Cultura, to help our region’s newest residents to understand their water supply and supports available to them
- addition of a new tour option, to the historic Upper Stony Creek reservoir number one
- a public panel discussion on water security challenges with Geelong Library & Heritage Centre
- supply of around 2,200 native grasses and shrubs to 13 local schools undertaking tree planting and revegetation activities, through our partnership with genU Community Nursery.

*During 2023-24 our education program reached a total of **7,278** students and community members.*

Urban Water Strategy 2022: *Water for our Future*

The Urban Water Strategy 2022: *Water for our Future* was approved by the Victorian Minister for Water in September 2022.

With its 50-year outlook, five-year detailed plan, and annual review cycle, our Urban Water Strategy will help us prepare and respond flexibly and adaptively to ongoing challenges, such as climate change and a growing population. By adopting a long-term outlook for each of our region's water systems, it will help us secure high-quality, affordable water for all our service areas and deliver an average of 1,000 million extra litres of water every year for the next 50 years.

This in turn will help us meet the needs of our cities, towns, businesses, industry and agriculture, while improving the health of our rivers – the Barwon and the Moorabool – protecting valuable ecosystems and helping Traditional Owners maintain connection to Country, as well as the significant cultural value of these places.

The strategy was co-designed with Traditional Owners, customers, community and stakeholders, and reflects their ideas and values. For more information about *Water for our Future*, visit barwonwater.vic.gov.au/water-and-waste/water-for-our-future.

Sustainable water strategies

The Central and Gippsland Region Sustainable Water Strategy was released in 2022. Since its release, we have continued working closely with the Victorian Government to progress all relevant policy directions and actions.

Integrated Water Management

We continued to chair and provide executive support to the inter-agency Barwon Integrated Water Management (IWM) Forum over the last financial year. Made up of regional leaders, including Traditional Owners, five local councils, government agencies and Deakin University, the forum works collaboratively to identify and oversee the delivery of initiatives that will improve the integration of water management in urban and rural landscape.

Over 2023–24, the forum continued to facilitate delivery of 22 prioritised IWM opportunities, including capital and strategic projects identified in the 2022 Strategic Directions Statement from 2022. The prioritised opportunities range from regionally significant projects, such as urban stream restoration projects and large-scale alternative water capital projects. Of the 22 priority projects, 17 projects are in progress, two have been scoped and three are dependent on other processes before being scoped.

Over the last year the forum decided to add three new initiatives to the list of IWM opportunities it oversees, being the Porrhongitj Karrong project, the Messmate Rd Torquay IWM Plan, and an investigation into short-term stormwater harvesting interventions in the growth areas of north and west Geelong.

Key IWM initiatives overseen by the forum in 2023–24 included:

- ongoing progress, partnering with the City of Greater Geelong to implement agreed IWM actions into the Precinct Structure Plans within the growth areas of north and west Geelong
- working in partnership with the Surf Coast Shire to address the impact of excessive volumes of stormwater entering the Karaaf wetlands ecosystem by developing a concept design and business case to treat and use the stormwater (and recycled water) for productive uses
- progressing the development of a conceptual design and business case for a large-scale, staged alternative water grid, which will distribute recycled water and stormwater for throughout the region for beneficial uses
- designing a sustainable and fit-for-purpose solution to the treatment of wastewater in the township of Forrest to replace existing septic systems
- leading and contributing to specific regional and local IWM planning processes and capital works including:
 - the finalisation and launch of the Kitjarra-dja-bul Bullarto Langi-ut Master Plan
 - Avalon Corridor IWM Plan
 - Bannockburn IWM Plan
 - delivery of recycled water from the Apollo Bay Water Reclamation Plant to the Apollo Bay Golf Course.

Recycled Water

In 2023-24, we continued to invest in dual pipe water infrastructure to increase supply of Class A recycled water to residents at Armstrong Creek and Torquay North. We also continued a major feasibility study investigating the development of an alternative water grid in the Geelong region to link recycled and stormwater sources to locations of highest potential for productive use. We continued an investigation into an alternative water scheme in the Surf Coast Hinterland, looking to use recycled water as well as urban stormwater that otherwise would adversely impact the health of the significant Karaaf coastal saltmarsh, for productive use. Both investigations have been supported by funding from the State Government.

We supplied Class A recycled water from the Northern Water Plant to Viva Energy's Geelong refinery, minimising the use of drinking water in refinery operations. All our water reclamation plants produce Class C recycled water, and we continued supplying this water for a range of non-residential uses in the last financial year including golf course maintenance, horticulture, agriculture and viticulture.

In 2023-24, we progressed recycled water projects on the Bellarine, and at Birregurra, Winchelsea, North Geelong, Waurm Ponds and Apollo Bay.

We also continued to deliver the Recycled Water on the Bellarine project. With previously allocated federal funding of \$5.5 million, plus a further \$1.972 million received from the Victorian Government in this financial year, we expect the project will produce 450 million litres per year of low-salinity, high-quality recycled water to support agriculture and horticulture, significantly reducing use of potable water.

Boundary Creek, Big Swamp and Surrounding Environment Remediation and Environmental Protection Plan (REPP)

In June 2017 we acknowledged that our historic management of periodic groundwater pumping activities between 1983 and 2016 at the Barwon Downs Borefield had led to a reduction in groundwater contribution from the Lower Tertiary Aquifer into Boundary Creek (a tributary of the Barwon River).

Since then, we have been on a long-term journey to help remediate impacted areas and facilitate natural recovery processes, as guided by the Boundary Creek, Big Swamp and Surrounding Environment Remediation and Environmental Protection Plan (REPP).

Key highlights from 2023-24 include:

- preparing a decommissioning plan to guide the works required to decommission the Barwon Downs Borefield extraction bores as promised in our 2023-28 Price Submission, obtained the licences required to facilitate these works, and appointed a suitably qualified driller to conduct these works
- we submitted the revised REPP, surrounding environment investigation report and the proposed design of the mobile downstream treatment contingency measure to Southern Rural Water for their review, consideration and acceptance
- completing the first of two annual fish surveys in the Upper Barwon Region, including holding a community electrofishing demonstration event in collaboration with the CCMA
- commencing work on climate resilience modelling to help understand what flow in the waterways impacted by our groundwater pumping from the Barwon Downs Borefield may look like in the future.

The outcomes of the REPP to date include:

- the long-term recovery and re-pressurisation of the Lower Tertiary Aquifer system
- recovery and maintenance of soil moisture within Big Swamp's upper aquifer system, and subsequent decrease in the severity of wet-dry cycling processes and the potential for acid flush and/or acid related fish kill events in the Barwon River
- improvements in the water quality and condition of the lower reaches of Boundary Creek and Big Swamp (noting that these have and will continue to be impacted by climate and other catchment-scale stressors due to the presence of the naturally occurring acid sulfate soils).

Further information regarding the Boundary Creek, Big Swamp and Surrounding Environment REPP, the outcomes of technical work, and quarterly and annual reports can be found on our dedicated webpage: yoursay.barwonwater.vic.gov.au/boundary-creek.

Drought Preparedness Plan

We have integrated our Drought Preparedness Plan into the Urban Water Strategy 2022: Water for our Future to better respond in the event of supply shortages. We use the Drought Preparedness Plan as a management tool to ensure security of water supply for customers during drought and when storages run low.

Drought Response Report

Climate conditions included below average for rainfall 2023–24. Below average catchment inflows resulted in declining water storage levels in the Geelong and Colac systems, while storage levels in the Lorne and Apollo Bay systems remain healthy. The Melbourne to Geelong Pipeline will continue to operate at minimum rates and as a base source over the summer period and may be brought on at higher flow rates in 2024–25 should storage levels continue to decline.

No water restrictions were applied during 2023–24, although permanent water saving rules remained in place.

Water saving and restrictions

In 2023–24, we continued to manage water supplies in a sustainable way using the following mechanisms:

Permanent water saving rules

The permanent water saving rules are a set of simple, common-sense rules to reduce demand and make sure we all use water wisely. Permanent water saving rules are always in place and are uniform across Victoria. The rules apply to drinking water only; they do not apply to greywater, tank water (rainwater), bore water or recycled water.

The rules are as follows:

- hand water gardens and lawns with a hose fitted with a trigger nozzle can be used at any time, on any day
- sprinklers and watering systems can be used after 6 pm or before 10 am
- fountains and water features must recirculate water
- cleaning of hard surfaces with water is restricted – use a broom instead.

For more information visit barwonwater.vic.gov.au.

Restriction rule curves

The restriction rule curves are developed for each water supply system. They guide the introduction of water restriction stages depending on the time of year and the volume of water in storages. They are also used in conjunction with weather forecasts to guide decisions on lifting restrictions.

Water restrictions by law

The water restrictions by-law is a statewide set of rules that establish the allowable uses for water throughout the various stages of restrictions. These rules provide us with the power to ensure water use is controlled during drought.

The four stages of water restrictions focus on outdoor water use and restrict activities such as garden watering, filling of pools and spas, and car washing. During the 2023-24 reporting year, no water restrictions were introduced.

Communications strategy

Our communications strategy aims to educate the community about the value of water and increase understanding of where our water comes from. It also aims to increase knowledge about using water sustainably to help customers preserve water resources and save money on bills.

To raise awareness of the status of water supplies and encourage water conservation, we regularly communicated with the community through a variety of targeted channels including print and digital advertising, social media, messaging on our bills, proactive media stories and monthly customer e-newsletters. We also shared our rationale for planning for a secure water future via communications and briefings with our larger customers and stakeholder groups, ranging from local councils to sporting clubs and our advisory committees.

Drinking water quality

In accordance with the *Safe Drinking Water Act 2003*, Barwon Water has a water quality risk management plan in place to ensure the provision of safe drinking water. We also maintain a HACCP-certified drinking water quality management system, which covers the entire water supply system from the catchment to the point of supply at the meter.

In September 2023, we successfully passed our HACCP Surveillance Audit. This showed that we have a mature water quality risk management plan, and customers can be confident that we continually identify, assess and manage drinking water risks.

Throughout 2023–24, we delivered drinking water to each water sampling locality in accordance with the required standards of the Safe Drinking Water Regulations 2015.

The number of water quality complaints received in 2023–24 was 1.47 per 1,000 properties. There was an increase in water quality complaints compared to the number received in 2022–23 (1.17 complaints per 1,000 properties).

Operational changes to balance water resources due to raw water challenges created by a blue green algae bloom at the Wurdee Boluc reservoir resulted in customers experiencing taste profile changes. Customers were kept informed via a proactive communication campaign.

Part 7.

Caring for country



Barwon Water has committed \$353,600 to support the Moorabool Catchment Restoration Program (MCRP), a collaborative initiative aimed at enhancing water quality and riverside vegetation within the Moorabool River catchment. Pictured (l to r) are Moorabool Catchment Landcare Group President Andrew Wells, Coordinator Jackson Cass, and Barwon Water Catchments and Waterways Team Leader Brigid Creasey and General Manager Planning Delivery and Environment Seamus Butcher on the banks of the Moorabool River.

Catchment and waterway management

We harvest water from declared drinking water supply catchments on the Barham, Barwon, Gellibrand, Moorabool, and St George rivers and their tributaries. While these are largely contained within publicly managed national parks and reserves, significant areas of private land are also present within some catchments.

We have a keen interest in ensuring the protection and rehabilitation of land and waterways within these catchments, in accordance with the priorities established in the Corangamite Regional Catchment Strategy, the Corangamite Waterway Strategy and the Victorian Waterway Management Strategy.

In 2023–24, we invested more than \$2.6 million to protect and improve catchment and waterway health. This included continuation of our ongoing partnership with the Corangamite CMA through our River Health Agreement and the Living Moorabool and Upper Barwon Flagship Projects. We also continued our long-standing partnerships with the Moorabool Catchment Landcare Group, Southern Otway Landcare Network and Upper Barwon Landcare Network to support a coordinated approach to delivery of on-ground protection and improvement works within drinking water supply catchments. to protect and improve catchment and waterway health. This included continuation of our ongoing partnership with the Corangamite CMA through our River Health Agreement and the Living Moorabool and Upper Barwon Flagship Projects. We also continued our long-standing partnerships with the Moorabool Catchment Landcare Group, Southern Otway Landcare Network and Upper Barwon Landcare Network to support a coordinated approach to delivery of on-ground protection and improvement works within drinking water supply catchments.

As part of this investment, we also completed on-ground works for Stage Two of a \$4.3 million project to remove willows, stabilise the stream banks and revegetate streamside buffers for a 4 km reach of the East Barwon River. This is a significant project and is critical for improving flows in the river and reducing water logging of adjacent land. Stock exclusion fencing and revegetation will also improve and protect water quality.

In collaboration with the Corangamite CMA and Landcare, we continued ongoing maintenance of large river restoration projects on Dewing Creek, a tributary of the Barwon River, and the East Moorabool River at Bolwarra Weir. These projects included willow removal, fencing for stock exclusion and revegetation to improve water quality.

In collaboration with Conservation Ecology Centre and Parks Victoria we monitored and supported the management of feral pig and deer populations at a number of locations within our drinking water supply catchments.

In 2023–24, we also continued our support for the ongoing operation of the Corangamite Citizen Science program. This program supports community groups to conduct water-quality testing at monitoring sites and delivers education programs for students in the Corangamite region, with staff also promoting river health and catchment issues through presentations and attendance at public events. The program also includes water-quality testing at Waterwatch sites selected and monitored by Wadawurrung Traditional Owners Aboriginal Corporation, with the results published in a water quality report produced in partnership with Wadawurrung Traditional Owners.

Environmental flows

In addition to ongoing delivery of passing flows from our storages, we continued to work with the Corangamite Catchment Management Authority (CMA) and the Victorian Environmental Water Holder to deliver environmental flows under the Upper Barwon and Moorabool River Environmental Entitlements in accordance with seasonal watering plans developed by the Corangamite CMA, to provide critical flow components required to maintain river health.

We have also been working with our stakeholder partners to return an additional 3.7 million litres/year to the Moorabool River by 2025 as promised in the Central and Gippsland Sustainable Water Strategy (2022).

From September 2023 to June 2024, we supported the Corangamite CMA and Central Highlands Water to deliver environmental flows to the Moorabool River System, through coordination of water supply releases side-by-side with environmental flows. This increased the flow rate and helped the environmental releases to reach further into the lower reaches of the Moorabool River.

Although there is no formal environmental entitlement in place, we have continued to work with the Corangamite CMA to deliver environmental flows to Painkalac Creek from Painkalac Reservoir after the reservoir was taken offline for water supply purposes (the townships of Aireys Inlet and Fairhaven are now connected to the Geelong water supply system).

Protecting Victoria's environment – Biodiversity 2037

As an organisation that is responsible for significant areas of land and major infrastructure, as well as a service provider for the region, we understand that managing our impact on native biodiversity is an important aspect of our work.

As such, we have continued to implement policies, procedures and programs to protect, enhance and restore biodiversity, consistent with the vision and goals of Victoria's biodiversity strategy: Protecting Victoria's Environment – Biodiversity 2037. We actively managed biodiversity assets at a wide range of sites, including active infrastructure sites and surrounding undeveloped land.

We developed and implemented procedures, training and advice to support environmental planning and management of capital works projects. At the same time, we kept up to date with new and amended legislation to ensure that our planning and management efforts continue to comply with requirements.

Throughout 2023–24, we developed and launched a new General Environmental Duty – Change Management and Awareness Program. The program focusses on understanding the risks our activities pose to the environment and aims to reduce the risk as much as reasonably practicable through a continuous improvement model.

By utilising our relationship with the Geelong Community Nursery, we have undertaken revegetation projects focused on catchment and biodiversity restoration, with an emphasis on historical vegetation types and increasingly through the lens of

Traditional Owners with a Caring for Country perspective. In this, we have continued building collaborative relationships with Traditional Owners

and sought advice and help in implementing environmental restoration and management programs.

We have also undertaken site rehabilitation and revegetation where capital works have happened and adopted an approach that re-planting native vegetation from an area in a more natural way is a better way of revegetating areas outside of urban settings when compared to formal landscaping.

An increasing focus of our work has been on sites around redundant assets, or adjacent to active assets, to increase their biodiversity values and ecological functioning. We're also increasingly looking to manage these sites as environmental assets for the wider community to enjoy. This approach to landscaping has been applied around existing and new infrastructure, using locally indigenous species, to provide screening, aesthetic or ecological values, and in keeping with the vegetation that would have naturally occurred at that location.

Barwon Water has been working with the community and community groups on a number of projects, including the rehabilitation of the former Bellarine Basin site to deliver the Murrk Ngubitj Yarram Yaluk community place in co-operation with Wadawurrung Traditional Owners and the Bellarine Landcare Network.

The Environment Team has also been supporting the First Nations Values team, who are working with Wadawurrung's Gobata Dja to deliver positive environmental outcomes at Porrongitj Karrong as this location develops into a nationally significant cultural and community precinct.

Other statutory obligations

Managing and protecting water supply catchments is an essential first step in providing high-quality, safe drinking water for our customers and the community in accordance with our obligations under the *Safe Drinking Water Act 2003* and the Australian Drinking Water Guidelines.

We understand we are just one of the many beneficiaries of healthy catchments and waterways. Catchments and waterways are a shared community asset, supporting a range of social, cultural, environmental, and economic values across the community and natural environment. It is for this reason that catchments and waterways are best managed through both individual and collaborative efforts to protect and improve these values.

Environmental licence compliance

Barwon Water has continued to update our environmental management and compliance systems in response to changes in the *Environment Protection Act* (EP Act) and subordinate regulations, reference standards and guidelines. This has included update and implementation of new Health and Environmental Management Plans (HEMPs), Recycled Water Quality Management Plans (RWQMPs) for our recycled water reuse schemes and the preparation of Risk Management and Monitoring Programs (RMMPs) for our water reclamation plant operating licence sites.

Throughout 2023-24 we have applied for and received either renewed or new EPA permits for recycled water supply and use schemes across our network of Water Reclamation Plants (WRPs), in accordance with the new EP Act.

Barwon Water hold the following active EPA permissions for our WRP operation and recycled water reuse schemes:

Permission category	Permission type	Qty	Sites/ detail
Operating Licence	A03 – Sewage Treatment	10	Black Rock WRP, Anglesea WRP, Aireys Inlet WRP, Lorne WRP, Apollo Bay WRP, Colac WRP, Birregurra WRP, Bannockburn WRP, Winchelsea WRP, Portarlington WRP
	A06 + A01 (disposal to land and reportable priority waste management)	1	Western Treatment Plant (backup biosolids storage)
Permit	A14 – Wastewater supply or use	11	Northern Water Plant (Class A and CIP reuse, Black Rock WRP (Class C), Black Rock WRP (Class A), Portarlington WRP (Class C), Anglesea WRP (Class B), Lorne WRP (Class B), Apollo Bay (Class B), Bannockburn WRP (Class C), Winchelsea WRP (Class C), Colac WRP (Class C)
	A15 – Biosolids supply or use	2	Colac WRP and Black Rock WRP (deemed permissions – no longer used)
	A16 – Supply or use of reportable priority waste	1	Bannockburn Irrigation Farm (Reuse of T3 Biosolids)

During the reporting period we have achieved compliance against all 120 operating licence conditions and all 219 permit conditions.

Greenhouse gas emissions, electricity consumption and generation

As a major greenhouse gas emitter in our region, we are committed to being a leader in reducing emissions. Electricity use is our most significant emissions source and previously represented around 80 per cent of our underlying emissions.

To mitigate greenhouse impacts, we will complete our switch to 100 per cent renewable electricity use on 1 July 2024 and continue to pursue zero net emissions (scope 1 and 2) by 2030. To achieve these targets, we have been implementing a comprehensive program of timely and cost-effective measures. Our greenhouse gas emissions include carbon dioxide, methane and nitrous oxide.

These are reported in equivalent tonnes of carbon dioxide – tCO₂-e.

We report direct emissions (scope 1) and indirect emissions from grid supplied electricity (scope 2), calculated in accordance with the National Greenhouse and Energy Reporting (Measurement) Determination 2008 and the Statement of Obligations (Emissions Reduction). Projected emissions were developed in 2017 as part of our emissions reduction pledge. Scope 3 emissions are not included in any results presented in this section.

Our calculated scope 1 and 2 emissions total for 2023-24 was our lowest on record at 19,083 tCO₂-e.

This was 22 per cent less than our projected emissions of 24,560 tCO₂-e and represents a 19 per cent reduction on last year's result. Our renewable electricity initiatives supplied 57 per cent of our electricity needs for the year, reducing our scope 2 emissions by a total of 13,798 tCO₂-e.

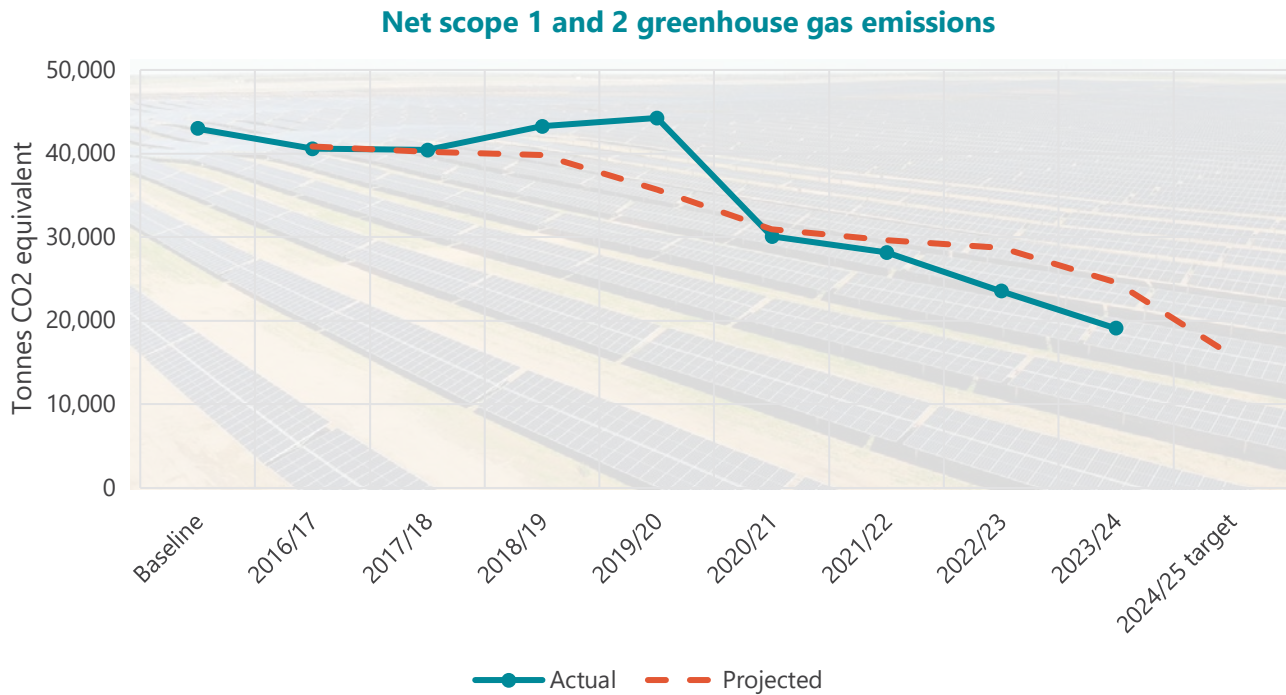
Emissions associated with wastewater collection, treatment and recycling, which make up the largest portion of our greenhouse emissions and energy use, were down 20 per cent on last year. Emissions associated with water treatment and supply were also down – 17 per cent less than 2022-23. In both cases, this was largely due to the increased use of renewable electricity.

Total greenhouse gas emissions

Greenhouse gas emissions (tonnes CO ₂ -e)	Scope 1 and 2 Emissions (tCO ₂ -e)				Variance from last year
	2022-23 Total	2023-24 Scope 1	2023-24 Scope 2	2023-24 Total	
Water treatment and supply	2,872	183	2,192	2,374	-17%
Sewage collection, treatment and recycling	19,129	7,324	7,950	15,274	-20%
Transport	1,036	995	0	995	-4%
Other	500	173	267	439	-12%
Total emissions (tCO ₂ -e)	23,538	8,674	10,409	19,083	-19%
Carbon offsets (self-generated) retired	0	0	-	0	-
Net emissions (tCO ₂ -e)	23,538	8,674	10,409	19,083	-19%

Notes: calculation of wastewater process emissions for Colac WRP was partially impacted by a data anomaly. As a result, substitute data was used in-part, to enable a more accurate calculation of the 2023-24 emissions.

Progress towards 1 July 2024 greenhouse gas emissions target (net scope 1 and 2 emissions)



Total electricity consumption

Activity	MWh*	
	2022-23	2023-24
Water treatment and supply	5,294	5,889
Sewage collection, treatment and recycling	24,434	23,963
Other	699	789
Total electricity consumption	30,426	30,641

Notes: * MWh = megawatt-hours

Renewable electricity consumption

Source	MWh		2023-24 Percentage of total use	Variance from last year
	2022-23	2023-24		
Renewable electricity use: from Commonwealth Government's LRET				
Grid sourced: Mandatory Large Scale Renewable Energy Target	4,923	4,859	16%	-1%
Renewable electricity use: self-sourced activities				
Biogas	991	1,360	4%	37%
Hydroelectric	118	138	0%	17%
Solar	9,503	11,422	37%	20%
Wind	2,471	4,546	15%	84%
Other	-	-	-	-
Total self-sourced renewable	13,083	17,466	57%	33%
Total renewable	18,005	22,325	73%	23%

Total electricity consumption segmented by source

Electricity source	MWh	
	2022-23	2023-24
Purchased directly through an electricity retailer	26,254	25,958
Not directly purchased but sourced from outside the organisation	-	-
Corporation led/self-sourced activities and initiatives	4,173	4,682
Total electricity consumption	30,426	30,641

On-site renewable electricity generation and capacity

On-site renewable electricity source	On-site generation capacity (MW)	2023-24 on-site renewable electricity generated (MWh)			
		Consumed on-site	Exported	Other purposes	Total by source
Biogas	0.36	1,191	168	-	1,360
Hydroelectric	0.13	0	138	-	138
Solar	4.02	3,491	1,660	-	5,151
Wind	-	-	-	-	-
Other renewable	-	-	-	-	-
TOTAL renewable	4.51	4,682	1,966	0	6,648

On-site non-renewable electricity generation and capacity (large-scale facilities)

Non-renewable electricity sources	On-site generation capacity (MW)	2023-24 on-site electricity generated (MWh)			
		Consumed on-site	Exported	Other purposes	Total by source
TOTAL non-renewable	-	-	-	-	0

Energy storage system capacity

Energy storage system	Power capacity (MW)	Storage capacity (MWh)
Wurdee Boluc WTP battery	0.18	0.2

Voluntary retirement of Renewable Energy Certificates (RECs)

REC retirement method	RECs retired for 2023-24 (1 REC = 1 MWh renewable electricity)
Voluntarily retired by Barwon Water	12,585
GreenPower	-
Certified carbon neutral electricity purchased	-
Voluntarily retired on Barwon Water's behalf	-
Total RECs retired to reduce scope 2 emissions	12,585

Breakdown of emissions by type of greenhouse gas

Greenhouse gas emissions (tonnes CO ₂ -e)	Scope 1 Emissions by greenhouse gas (tCO ₂ -e)			
	Carbon dioxide (CO ₂)	Methane (CH ₄)	Nitrous oxide (N ₂ O)	Other
Water treatment and supply	182	0	1	0
Sewage collection, treatment and recycling	26	3,104	4,194	0
Transport	987	0	7	0
Other	172	0	0	0
TOTAL	1,368	3,105	4,202	0

Notes: tCO₂-e represents the greenhouse gas emission in carbon dioxide equivalence, by applying the relevant Global Warming Potential (GWP). The GWP for one tonne of each gas is: CO₂ = 1, CH₄ = 28 and N₂O = 265 (National Greenhouse and Energy Reporting Regulations 2008).

Stationary fuel use and emissions

Fuel type	Total stationary fuel use (buildings and machinery)	
	Energy (GJ)	Emissions (tCO ₂ -e)
Fossil gas	1,845	95
Biogas	13,475	87
Diesel	3,749	263
LPG	0	0
Petrol	301	20
Other	0	0
TOTAL	19,371	465

Transport fuel use and emissions

Used in	Transport energy use (gigajoules)			
	Diesel	Petrol	LPG	Electricity
Passenger vehicles	506	307	0	-
Goods vehicles	12,814	15	572	-
Total energy used	13,320	322	572	-
Greenhouse gas emission (tCO₂-e)	938	22	35	-

Notes: Excludes electricity used in charging electric vehicles charged at Barwon Water sites (included in total electricity consumption results).

Transport vehicle fleet

Category	Vehicle fuel/engine type						Total number
	Diesel	Petrol	LPG	Petrol-hybrid	Diesel-hybrid	Battery EV	
Passenger vehicles	13	6	-	7	-	2	28
Goods vehicles	150	-	11	-	11	-	172
Total number	163	6	11	7	11	2	200

Total energy use

Total energy use (GJ)	Renewable	Non-renewable	Total
From fuels	13,475	20,110	33,585
From electricity	62,878	47,429	110,306
TOTAL energy used	76,353	67,538	143,891

Notes: Renewable electricity result excludes mandatory LRET component of grid electricity. Renewable electricity use includes consumption of electricity generated from renewable biogas, and the biogas used to generate that electricity is counted in renewable fuel use.

Energy use intensity

Service	Total energy use (GJ)	Total units production/ service	Energy intensity	Units	Descriptor
Water treatment and supply	23,773	41,821	0.57	GJ/ML	Gigajoules per megalitre of water produced at water treatment plants
Sewage collection, treatment and recycling	100,119	649,645	0.15	GJ/EP	Gigajoules per normalised unit of sewage treatment plant loading (COD + nitrogen)

Emissions reduction and renewable energy initiatives

We will complete our switch to 100 per cent renewable electricity on 1 July 2024. As mentioned above and reflected in the Statement of Obligations (Emissions Reduction), our target is to achieve zero net emissions in our operations (i.e. scope 1 and 2) by 2030.

To achieve this target, our approach will follow this emissions reduction hierarchy:

- avoiding energy use and emissions through smart design of new and renewed assets
- minimising energy and emissions through efficiency and optimisation
- substituting emissions-intensive energy with zero-emission renewable sources
- sequester carbon from the atmosphere
- offsetting residual emissions through additional reductions elsewhere.

Our emissions reduction and renewable energy programs reduced emissions by at least 13,798 tonnes CO₂-e in 2023-24 through a range of initiatives.

We operated more than 4 megawatts of on-site renewable electricity generation assets, including:

- 3-megawatt Black Rock solar farm
- 360-kilowatt Colac biogas co-generation facility (with an additional 550 kilowatts commencing operation in early 2024-25)
- 330-kilowatt Northern Water Reclamation Plant solar array
- 300-kilowatt Wurdee Boluc solar array and 200 kilowatt-hour battery
- 240-kilowatt Torquay solar array
- 80-kilowatt rooftop solar array at our Kadak Place maintenance depot
- 30-kilowatt rooftop solar array at our Anglesea Water Reclamation Plant
- 30-kilowatt rooftop solar array at our Apollo Bay Water Reclamation Plant.

Our Barwon Renewable Energy Partnership (BREP) Power Purchase Agreement with Mt Gellibrand Wind Farm and Zero Emissions Water Power Purchase Agreement with Kiamal Solar Farm continued to operate and generated more than 45 gigawatt-hours of renewable electricity that was fed into the grid.

We continued driving 11 hybrid trucks and two battery-electric passenger vehicles in our fleet, and recently adding seven petrol-hybrid passenger vehicles.

Looking further ahead to our target of net zero emissions by 2030, we are continuing to develop a comprehensive carbon sequestration and offsets program to mitigate our residual scope 1 emissions.

We have commenced our first nature-based carbon sequestration initiative, the Dewing Creek catchment restoration project, which secured a \$643,000 grant from Victoria's Bushbank program, and we continue to investigate further opportunities at both a local level, and in collaboration with the broader Victorian water industry. The development of the Regional Renewable Organics Network continues to progress and is expected to sequester significant volumes of carbon through biochar production, while reducing emissions by diverting organic wastes away from landfill and through renewable energy generation.

We have also continued engaging in scientific research, development and collaboration in pursuit of improved understanding and reduction of wastewater fugitive emissions.

This work requires us to be actively involved in water industry networks and programs, as well as maintain direct partnerships with the research sector.

We actively collaborate with the water industry via the Intelligent Water Networks' programs, Institute of Water Administration Energy and Greenhouse Special Interest Group and the Water Services Association of Australia Climate Change, Energy and Environment Network.

Climate change resilience

In addition to reducing our emissions, we are deeply committed to managing climate change risks and building our resilience to climate change.

Our vision is to be agile in adapting and acting on climate challenges and opportunities so our region can continue to prosper and thrive.

Climate risk governance and management

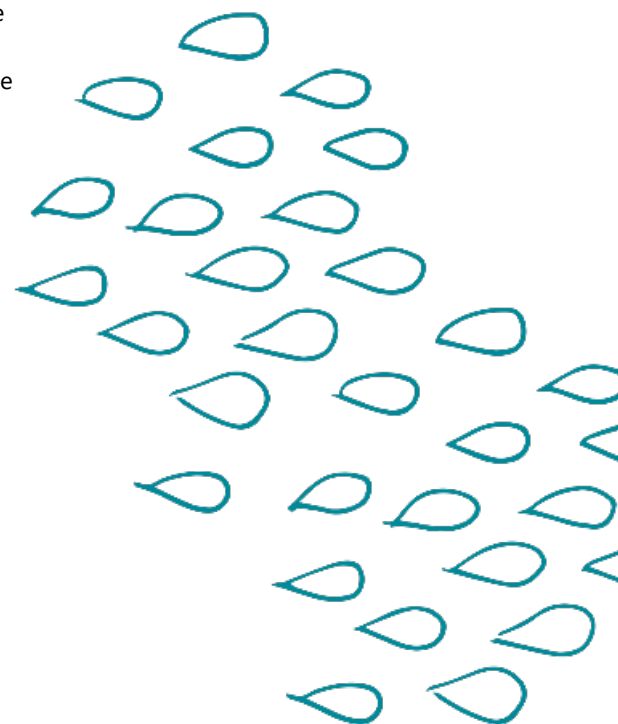
Climate change risks are governed by our enterprise risk management framework, which identifies our most important business risks. The dedicated Climate Change Key Business Risk (KBR) identifies our 2030 and 2070 risk rating, plus our target risk rating, key controls and treatments. The KBR is underpinned by our organisational wide climate change risk assessment.

The risk assessment aligns with the Water Services Association of Australia Climate Change Adaptation Guidelines and covers both physical and transition risks. The risk assessment also directly informs our Climate Resilience Plan, particularly the actions.

The KBR and progress towards achieving our target risk rating was reviewed by the Risk Management Committee in 2023–24, which also received an update on the Climate Resilience Plan. As part of this annual update, we measured both the implementation progress of Climate Resilience Plan actions and collected data across a range of Key Performance Indicators that help us measure our progress towards achieving the overall.

In addition to the annual update, the Risk Management Committee also reviewed the updated climate change transition risk register.

In addition to reducing our emissions, we are deeply committed to managing climate change risks and building our resilience to climate change.



Climate planning and response

Delivering our Climate Resilience Plan is one of the major controls identified in the Climate Change Key Business Risk (KBR) and we are currently three quarters of the way through implementing the plan. Released in 2021, the Climate Resilience Plan provides a cohesive vision and plan for building our resilience to climate change.

The diagram on this page articulates our approach to climate resilience, including the five categories of actions – embedding climate resilience, water security, asset resilience, transition to zero net emissions and community resilience.

Our focus in 2023–24 was on treating the critical and high-rated risks, while also embedding climate resilience thinking within our processes. Actions carried out during this time include:

- completing a pilot spatial climate change asset impact assessment – informed by the Guidelines for Adaptive Management of Wastewater Systems Under Climate Change in Victoria – to better understand the vulnerability of our assets to climate change
- using the learnings from the pilot impact assessment we developed a roadmap of activities to build asset resilience to climate change
- implementing our Urban Water Strategy 2022: *Water for our Future*
- adding climate change risk considerations into our business case template, to ensure climate risks are considered at the asset planning stage
- completing a detailed review of our organisational climate change transition risks
- continuing to track implementation of the Climate Resilience Plan and monitoring progress towards achieving our outcomes.

Climate Resilience Plan goals and action areas



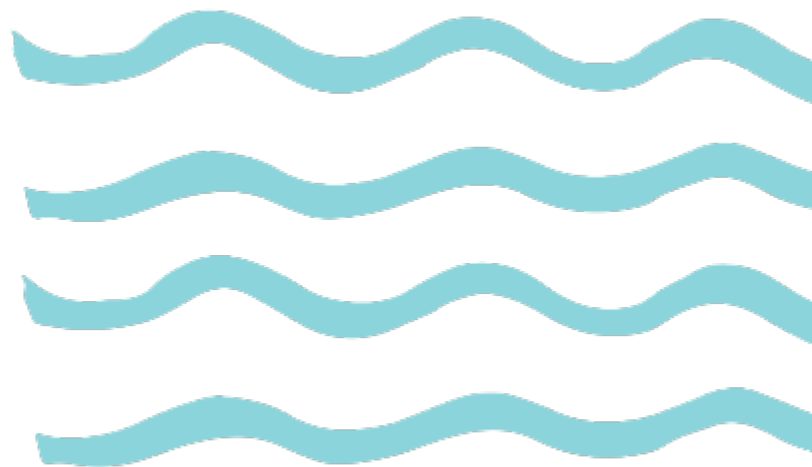
Environmental performance

Our Environmental Management System continued to be certified under ISO 14001:20015.

Key activities we carried out in 2023–24 include:

- protecting, managing and monitoring environmental and cultural heritage values during capital project works and at our operational sites
- continuing rolling out industrial waste reduction and management improvement activities
- implementing an industrial waste collection and reporting tool to track the industrial waste we produce as part of our capital, operational and maintenance works. This will help inform efforts to reduce industrial waste sent to landfill
- developing and launching a General Environmental Duty (GED) Change and Awareness Program across the business
- set up an Internal Environmental Management Committee that reports Key Performance Indicators and other relevant topics and performance to the Executive Leadership Team on a bi-monthly basis
- obtaining EPA permissions for Barwon Water and Barwon Asset Solutions regulated activities under *the Environmental Protection Act 2017*
- obtaining planning, environmental and cultural heritage approvals for our capital works program
- obtaining planning, environmental and cultural heritage approvals for our operational and Barwon Asset Solutions works programs
- updating our internal environmental management tools.

In the next financial year, we will continue implementing our GED Change Program and other key risk treatments.



Bulk entitlement reporting

A bulk entitlement is a legal right to water granted by the Minister for Water under the *Water Act 1989*. Bulk entitlements are commonly held by water corporations in Victoria. The key objectives of these entitlements are to:

- provide authorities with a clearly defined property right to water
- provide authorities with flexibility to manage within their entitlements
- provide a basis for sharing limited water resources, protecting the entitlements of other users and protecting in-stream values
- facilitate water trading between user groups to ensure appropriate redistribution over time of finite water resources
- allow specific entitlements for environmental purposes.

Barwon Water operates under 11 surface water bulk entitlements, which cover the Barwon, Moorabool, Gellibrand, St Georges, Painkalac and Barham River systems, as well as the Greater Yarra System–Thomson River Pool.

2023–24 Overall surface water bulk entitlement performance

We achieved an overall compliance rate of 100 per cent in 2023–24 for the numerous daily extraction limits across our surface water bulk entitlements.

We also achieved 100 per cent compliance with passing flow requirements in 2023-24.

Each bulk entitlement requires annual reporting of water taken and any non-compliance with the provisions contained within the bulk entitlement. This information is provided in the following tables.

Bulk Entitlement (Aireys Inlet) Conversion Order 1997		
14.1 (d)	Painkalac Reservoir Level at 30/6/24	28.08 mAHD
	Painkalac Reservoir Storage Volume at 30/6/24	303 ML (57%)
14.1 (e)	Volume taken 2023–24	0 ML
14.1 (f)	Approval, amendment and implementation of programs and proposals under clauses 11, 12 and 13. Clause 11 – Making Allowances Clause 12 – Environmental Obligations Clause 13 – Metering Program	Not applicable Ongoing management in accordance with Barwon Water’s Environment Strategy and Environmental Obligations Program. Ongoing implementation of Bulk Entitlement Metering Program as approved by DEECA in 2016.
14.1 (g to j)	Transfers, amendments or new entitlements under this order.	Nil
14.1 (k)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	No
14.1 (l)	Any existing or anticipated difficulties experienced by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed by the Barwon Water.	No

Bulk Entitlement (Apollo Bay) Order 2010		
10.1 (c)	Approval, amendment and implementation of programs and proposals under clauses 8 and 9.	
	Clause 8 – Environmental Obligations	Ongoing management in accordance with Barwon Water's Environment Strategy and Environmental Obligations Program.
	Clause 9 – Metering Program	Ongoing implementation of Bulk Entitlement Metering Program as approved by DEECA in 2016.
10.1 (d)	Volume diverted 2023–24 (West Barham diversion).	0 ML
	Volume pumped 2023–24 (Barham River).	476 ML
10.1 (e to h)	Transfers, amendments or new entitlements under this order.	Nil
10.1 (i)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	No
10.1 (j)	Any existing or anticipated difficulties experienced by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed by Barwon Water.	No

Bulk Entitlement (Colac) Amendment Order 2003		
12.1 (c)	Storage Volumes at 30/6/24	
	Olangolah Reservoir Level	343.65 mAHD
	Olangolah Reservoir Volume	83 ML (64%)
	West Gellibrand Reservoir Level	336.16 mAHD
	West Gellibrand Reservoir Volume.	640 ML (10034%)
12.1 (d)	Volume taken 2023–24	3,941 ML
12.1 (e)	Approval, amendment and implementation of programs and proposals under clauses 9, 10 and 11.	
	Clause 9 – Making Allowances	Not applicable.
	Clause 10 – Environmental Obligations	Ongoing management in accordance with Barwon Water's Environment Strategy and Environmental Obligations Program.
	Clause 11 – Metering Program	Ongoing implementation of Bulk Entitlement Metering Program as approved by DEECA in 2016.
12.1 (f to i)	Transfers, amendments or new entitlements under this order.	Nil
12.1 (j)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	No
12.1 (k)	Any existing or anticipated difficulties experienced by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed by Barwon Water.	No

Bulk Entitlement (Gellibrand) Conversion Order 1997		
11.1 (b)	Volume taken 2023–24	17.6 ML
11.1 (c)	Approval, amendment and implementation of programs and proposals under clauses 8, 9 and 10.	
	Clause 8 – Making Allowances	Not applicable.
	Clause 9 – Environmental Obligations	Ongoing management in accordance with Barwon Water's Environment Strategy and Environmental Obligations Program.
	Clause 10 – Metering Program	Ongoing implementation of Bulk Entitlement Metering Program as approved by DEECA in 2016.
11.1 (d to g)	Transfers, amendments or new entitlements under this order.	Nil
11.1 (h)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	No
11.1 (i)	Any existing or anticipated difficulties experienced by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed by Barwon Water.	No

Bulk Entitlement (Lorne) Conversion Order 1997		
14.1 (d)	Allen Reservoir storage level at 30/6/24.	120.3 mAHD
	Allen Reservoir storage volume at 30/6/24.	215 ML (100%)
14.1 (e)	Volume taken from the weir and storage 2023–24 (Note: the weir has been decommissioned)	384 ML
14.1 (f)	Approval, amendment and implementation of programs and proposals under clauses 11, 12 and 13.	
	Clause 11 – Making Allowances	Not applicable.
	Clause 12 – Environmental Obligations	Ongoing management in accordance with Barwon Water's Environment Strategy and Environmental Obligations Program.
	Clause 13 – Metering Program	Ongoing implementation of Bulk Entitlement Metering Program as approved by DEECA in 2016.
14.1 (g to j)	Transfers, amendments or new entitlements under this order.	Nil
14.1 (k)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	No
14.1 (l)	Any difficulties experienced or anticipated by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed by Barwon Water.	No

Bulk Entitlement (Meredith) Conversion Order 1995		
11.1 (d)	Approval, amendment and implementation of programs and proposals under clauses 9 and 10.	
	Clause 9 – Environmental Obligations	Ongoing management in accordance with Barwon Water's Environment Strategy and Environmental Obligations Program.
	Clause 10 – Metering Program	Ongoing implementation of Bulk Entitlement Metering Program as approved by DEECA in 2016.
11.1 (e)	Volume taken 2023–24	0 ML
11.1 (f to i)	Transfers, amendments or new entitlements under this order.	Nil
11.1 (j)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	No
11.1 (k)	Any existing or anticipated difficulties experienced by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed by Barwon Water.	No

Bulk Entitlement (She Oaks) Conversion Order 1995		
13.1 (d)	Weir Pool Level at 30/6/24	0.26 m
	Weir Pool Storage Volume at 30/6/24.	19 ML (100%)
13.1 (e)	Volume taken under this entitlement 2023–24 (River Flow).	0 ML
13.1 (f)	Volume taken under this entitlement over the past 3 years (2019–20 to 2023–24).	0 ML
13.1 (g)	Approval, amendment and implementation of programs and proposals under clauses 11 and 12.	
	Clause 11 – Environmental Obligations	Ongoing management in accordance with Barwon Water's Environment Strategy and Environmental Obligations Program.
	Clause 12 – Metering Program	Ongoing implementation of Bulk Entitlement Metering Program as approved by DEECA in 2016.
13.1 (h-k)	Transfers, amendments or new entitlements under this order.	Nil
13.1 (l)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	No
13.1 (m)	Any existing or anticipated difficulties experienced by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed by Barwon Water.	No

Bulk Entitlement (Lal Lal - Barwon) Conversion Order 1995 / Amendment Order 2010		
19.1 (f)	Amount of water in Barwon Water's share of reservoir capacity at 30/6/24.	12,503 ML (100%)
19.1 (g)	Annual flow into Barwon Water's share of reservoir capacity at 30/6/24.	-4,289 ML
19.1 (h)	Annual volume released to West Moorabool River from specified point A (Releases to Barwon Water).	3,890 ML
19.1 (i)	Volume taken under this entitlement from specified point B (She Oaks Diversion Weir).	2,289 ML
19.1 (k)	Volume taken from a location downstream of specified point A, other than specified point B.	Nil
19.1 (l)	Annual losses debited to Barwon Water's share of reservoir capacity.	1,042ML
19.1 (m)	Annual losses from releases between specified points A and B.	1,617 ML
19.1 (n)	The implementation of programs approved under sub-clauses 16.2, 17.2, and 18.2.	
	Clause 16.2 – Environmental Obligations	Ongoing management in accordance with Barwon Water's Environment Strategy and Environmental Obligations Program.
	Clause 17.2 – Joint Metering Program	Ongoing implementation of Bulk Entitlement Metering Program as approved by the DELWP in 2016.
	Clause 18.2 – Authority's Metering Program	Ongoing implementation of Bulk Entitlement Metering Program as approved by the DELWP in 2016.
19.1 (o)	Any temporary or permanent transfer of all or part of this entitlement.	In February 2024, Barwon Water (BW) completed a temporary trade of 100ML of water allocation to Central Highlands Water (CHW) Corporation, in line with section 46 of the <i>Water Act 1989</i> . This trade was in support of a cultural flow trial release for Wadawurrung Traditional Owners Aboriginal Corporation to the West Moorabool River (100ML BW, 100ML CHW). This trade received approval from the Department of Energy, Environment and Climate Action on the 29 th of December 2023.
19.1 (p)	Any bulk entitlement or licence in respect of the waterway temporarily or permanently transferred to Barwon Water with respect to the reservoir.	Nil
19.1 (q)	Any amendment to this Bulk Entitlement.	Nil
19.1 (r)	Any new bulk entitlement granted to Barwon Water with respect to its entitlement to a share of reservoir capacity.	Nil
19.1 (s)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	Nil
19.1 (t)	Any existing or anticipated difficulties experienced by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed by Barwon Water.	Nil

Bulk Entitlement (Upper Barwon System) Conversion Order 2002 / Amendment Order 2018		
15.1 (d)	Storage Volumes at 30/6/24.	
	West Barwon Reservoir (Barwon Water Share).	7,227 ML (37%)
	West Barwon Reservoir (Total).	8,544 ML (40%)
	Wurdee Boluc Reservoir.	20,785 ML (55%)
	Barwon System Total.	29,329 ML (49%)
15.1 (e)	Volume taken under this entitlement 2023–24	24,007 ML
15.1 (f)	Approval, amendment and implementation of programs and proposals under clauses 13.3 and 14.3.	
	Clause 13.3 – Environmental Obligations	Ongoing management in accordance with Barwon Water's Environment Strategy and Environmental Obligations Program.
	Clause 14.3 – Metering Program	Ongoing implementation of Bulk Entitlement Metering Program as approved by DEECA in 2016.
15.1 (g-j)	Transfers, amendments or new entitlements under this order.	Nil
15.1 (k)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	No
15.1 (l)	Any existing or anticipated difficulties experienced by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed by Barwon Water.	No

Bulk Entitlement (Upper East Moorabool System) Conversion Order 1995 / Amendment Order 2004		
14.1 (d)	Storage volume at 30/6/24.	
	Korweinguboorra Reservoir	302 ML (13%)
	Bolwarra Weir	113 ML (100%)
	Bostock Reservoir	6,017 ML (82%)
	Upper Stony Creek Reservoirs	6,717 ML (70%)
	Lower Stony Creek Reservoir	0 ML (0%)
14.1 (e)	Volume taken under this entitlement 2023–24	3,831 ML
14.1 (f)	Approval, amendment and implementation of programs and proposals under clauses 12.2 and 13.3	
	Clause 12.2 – Environmental Obligations	Ongoing management in accordance with Barwon Water's Environment Strategy and Environmental Obligations Program.
	Clause 13.3 – Metering Program	Ongoing implementation of Bulk Entitlement Metering Program as approved by DEECA in 2016.
14.1 (g-j)	Transfers, amendments or new entitlements under this order.	Nil
14.1 (k)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	No
14.1 (l)	Any existing or anticipated difficulties experienced by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed by Barwon Water.	No

Bulk Entitlement (Greater Yarra System – Thomson River Pool – Barwon Water) Order 2014		
16.1 (a)	The annual amount of water taken under this bulk entitlement (MW billable) in 2023-24	2490 ML
16.1 (b)	The water allocation made available under this bulk entitlement and volume of carryover.	11,666.3 ML 57,613.6 ML
16.1 (c)	Compliance with the entitlement share.	Yes
16.1 (d)	Any temporary assignment or permanent transfer of all or part of this bulk entitlement.	Nil
16.1 (e)	The approval, amendment and implementation of the metering program approved under clause 13.	Ongoing implementation of Bulk Entitlement Metering Program as approved by the DELWP in 2016.
16.1 (f)	Any amendment to this bulk entitlement.	On 21 September 2023, the Minister for Water made an amendment to Barwon Water's Greater Yarra System – Thomson River Pool bulk entitlement, to update references to reflect the transfer of part of Yarra Valley Water's Greater Yarra System – Thomson River Pool bulk entitlement to Gippsland Water.
16.1 (g)	Any new bulk entitlement of water granted to the Authority.	Nil
16.1 (h)	Any failure by the Authority to comply with any provision of this bulk entitlement and any remedial action taken or proposed.	No
16.1 (i)	Any difficulties experienced or anticipated by Barwon Water in complying with this bulk entitlement and any remedial action taken or proposed.	No

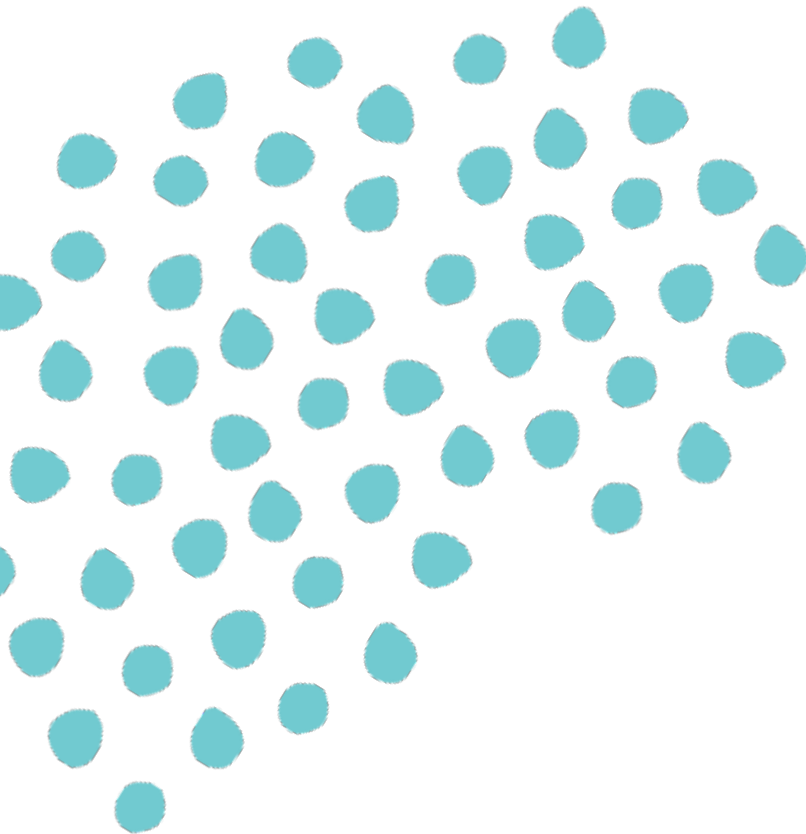
Groundwater bulk entitlements

The Bulk Entitlement (Anglesea Groundwater) Order 2009 authorises Barwon Water to take up to 35,000 ML of groundwater from the Lower Eastern View Formation in the Jan Juc Groundwater Management Area in any five-year period.

Bulk Entitlement (Anglesea Groundwater) Order 2009 / Amendment Order 2014		
16.1 (a)	Annual amount taken (Volume) in 2023-24	0 ML
16.1 (b)	Any Amendment to this Order.	Nil
16.1 (c)	Any failure by Barwon Water to comply with any provision of this bulk entitlement.	Nil

Notes:

1. Information supplied refers to volume in megalitres unless stated otherwise.
2. References (e.g. 14.1 (d)) relate to clause numbers in each Bulk Entitlement Order.
3. Telemetry data has been used to evaluate compliance with passing flows and diversions (final quality checked data collected under the Regional Water Monitoring Partnership is yet to be supplied for the full financial year).





Part 8.

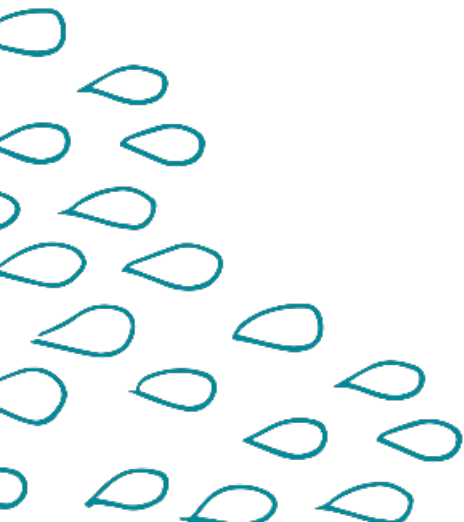
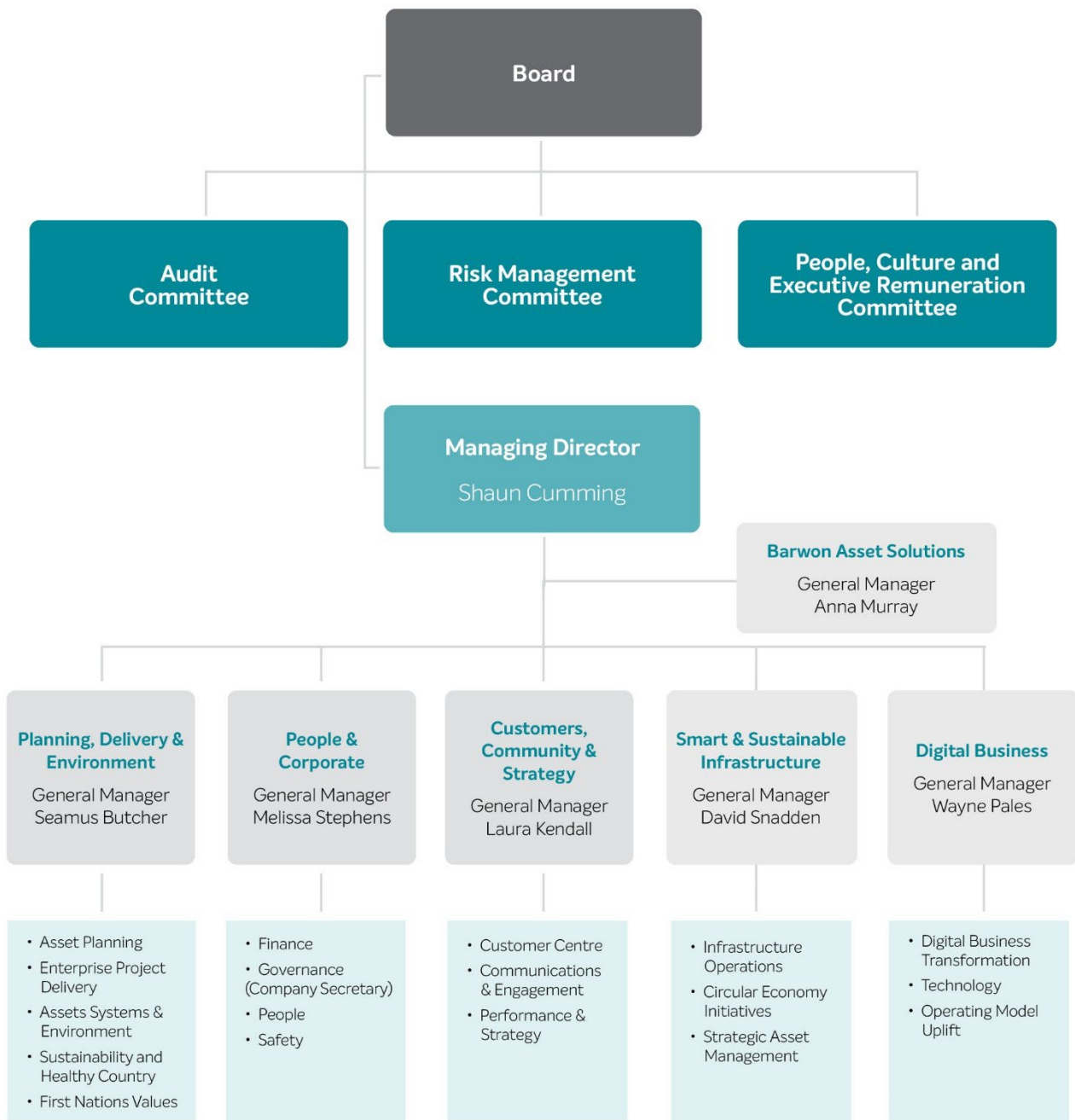
Governance & Corporate Information



New Barwon Water employees tour the West Barwon Reservoir as part of the Big Day out induction program in 2024.

Organisational structure

As at 30 June 2024



Role of the Board

The Board is responsible for the overall corporate governance of Barwon Water, which includes overseeing strategic direction, establishing performance goals for management and monitoring their achievement.

The Board has a governance framework to ensure compliance with the legal and policy requirements of the Victorian Government, including the *Water Act 1989 (Vic)*, the *Public Administration Act 2004 (Vic)* and the *Financial Management Act 1994 (Vic)*.

Board composition

The Board comprises a non-executive Chair, eight non-executive directors and a Managing Director. The non-executive Chair and non-executive directors are appointed by the Minister for Water.

The Managing Director is appointed by the Board, in accordance with the *Water Act 1989 (Vic)*.

Board meetings

Board meetings are scheduled 8 times a year with additional meetings being convened as circumstances warrant. Minutes of meetings record Board decisions.

The Managing Director and Executive Leadership Team attend Board meetings. The Company Secretary assists the Board in the conduct of company affairs and advises the Board about their duties and other governance matters.

Board committees

The Board has established a number of committees to provide strategic guidance and assist it in the discharge of its responsibilities. Committee membership is determined by the Board and reviewed at least every two years. Each of the committees is chaired by a non-executive director selected by the Board.

There are currently three committees:

- Audit
- Risk Management
- People, Culture and Executive Remuneration.

Each Board committee has its own charter and reports to the Board after it meets.

Audit Committee

The Audit Committee comprises a non-executive Chair and four non-executive directors. Meetings are held three times per year and at other times, as requested by a member of the committee or the internal or external auditor. The committee liaises with the internal and external auditors to evaluate the adequacy and effectiveness of the overall governance framework.

The Audit Committee members/directors for 2023-24 were:

- Jason Kambovski (Chair) from 1 January 2024
- Ann Lansberry
- Jodie Leonard from 1 January 2024
- Peta Maddy ceased as Chair from 31 December 2023
- Des Powell
- John Gavens ceased 30 September 2024
- Bernard Walsh ceased 30 September 2024.

Risk Management Committee

The Risk Management Committee comprises a non-executive Chair and five non-executive directors. Meetings are held three times per year and at any other time, as requested by a member of the committee. The committee takes a lead role in overseeing risk management across the organisation, making sure that risks are identified and adequately addressed by management.

The Risk Management Committee members/directors for 2023-24 were:

- Peta Maddy (Chair) from 1 January 2024
- Chris Chesterfield from 1 January 2024
- Nik Devidas
- Jason Kambovski from 1 January 2024
- Ann Lansberry ceased as Chair from 31 December 2023
- Jo Plummer
- Elaine Carbines ceased 30 September 2023.

People, Culture and Executive Remuneration Committee

The People, Culture and Executive Remuneration Committee comprises a non-executive Chair and four non-executive directors. The committee assists the Board to drive a diverse, values-based, high-performing workforce, which supports Barwon Water's objectives as defined in the organisation's Strategy 2030. The committee also oversees Barwon Water's executive employment and remuneration practices, including compliance with government expectations, guidance and directives.

The People, Culture and Executive Remuneration members/directors in 2023-24 were:

- Jo Plummer (Chair)
- Chris Chesterfield from 1 January 2024
- Corrina Eccles
- Jodie Leonard from 1 January 2024
- Des Powell
- Elaine Carbines ceased 30 September 2023.

Barwon Asset Solutions Board

Barwon Asset Solutions is a wholly owned subsidiary of Barwon Water.

The Barwon Asset Solutions (BAS) Board and its Audit and Risk Subcommittee are responsible for ensuring the company fulfills its functions effectively and complies with its governance framework, including compliance with the *Corporations Act 2001* (Cth).

The Board presides over all significant strategic, commercial, regulatory, financial and risk-focused elements of BAS. It comprises of four non-executive directors, drawn from Barwon Water's Board, one executive director, as well as the Managing Director, who performs this role in addition to being the Managing Director of Barwon Water.

The Barwon Asset Solutions Directors for 2023-24 were:

- Peta Maddy (Chair)
- Nik Devidas (Audit and Risk Committee Chair)
- Jason Kambovski from 1 January 2024
- Jo Plummer
- Shaun Cumming (Managing Director)
- Anna Murray (Executive Director) from 8 March 2024
- Bernard Walsh ceased 30 September 2023.

Integrity Framework

The Board's Integrity Framework consolidates the key standards of conduct and accountabilities that apply to directors at Barwon Water. The key principles of the Integrity Framework include:

- Obligations: the Board acts in accordance with its obligations and good public sector governance practices
- Public interest: the Board acts in the public interest. Board members comply with the required standards of integrity.

- They place the public interest above their own interests when carrying out their official duties
- Culture of integrity: the Board models and fosters a culture of integrity. Board members, employees and external stakeholders are supported to raise integrity issues.

Performance evaluation

The Board has established a formal process to review its own performance, as well as that of its committees and individual directors. This process is consistent with the Governance Guidelines issued by DEECA.

Independent advice

Individual directors have access to independent advice from a range of services.

Director's Code of Conduct

Directors on the Board of Barwon Water are public officials under section 4 of the *Public Administration Act 2004*. Section 61 of the Act requires that the Victorian Public Sector Commission must prepare and issue codes of conduct based on the public sector values. The Code of Conduct for Directors of Victorian Public Entities is issued to promote adherence to public sector values by the directors of all Victorian public entities. The code expresses the public sector values in terms that are most relevant to the special role and duties of directors. At the same time, it is based on the same set of values (the public sector values) that apply to all public officials, including all employees of Barwon Water.

Board Directors as of 30 June 2024

Jo Plummer

Chair
MBA, FAICD
Appointed to Board: October 2015

With a portfolio of roles, Jo is an experienced Board Chair. Pertinent to the water industry, she first served as non-executive Director for Central

Highlands Water over a four-year term before her appointment to the Barwon Water Chair role in October 2015.

Notably, she was appointed by her peers to Board Chair for the Victorian Water Industry Association in October 2017 until May 2022.

Additionally, Jo's current portfolio includes:

- Fellow and Faculty member of the Australian Institute of Company Directors
- Director – Barwon Asset Solutions
- Chair – Country Fire Authority
- Out of the Box Executive - Board Effectiveness/Performance Evaluation & Strategy Facilitation.

She is a highly experienced business strategist and has worked across large commercial corporate, small to medium enterprise, government and not-for-profit environments. Jo is an expert in delivering integrated contemporary Environment, Social, Governance and commercially savvy outcomes to enable organisations to perform at their optimum and achieve outcomes beyond their purpose and value proposition.

Shaun Cumming

Managing Director
BSc BEng MBA GAICD
Appointed October 2023

Over a 20-year career in the water industry, Shaun is committed to making a positive impact to the community and environment in a collaborative, commercial and creative way. Shaun has worked in leadership roles across the public and private sectors and is currently a member of the Water Services Association of Australia Board and Deakin Engineering Advisory Board.

Shaun holds a Bachelor of Science, Bachelor of Engineering, Master of Business Administration and is a Graduate of the Australian Institute of Company Directors.

Ann Lansberry

MEng, DipBA, GAICD
Appointed to Board: October 2017

Ann is a experienced consultant specialising in building community capacity who works for the Traditional Owners the Dja Dja Wurrung.

She has a background in Water Operations, Business Management and Risk management

She holds a Master of Engineering (Chemical Engineering), a Diploma in Business Administration, a Graduate Certificate of Cybersecurity and is a Graduate of the Australian Institute of Company Directors.

Corrina Eccles

Appointed to Board: October 2019

Corrina Eccles, Wadawurrung Woman, lives on Wadawurrung Country, has 25 years of employment experience in Aboriginal organisations and community engagement, and advocacy for Country and First Nations People, recognition and self-determination. She has contributed to various advisory and committee groups including representation on many Boards in the region.

Corrina has undertaken board governance training and brings Aboriginal cultural knowledge, perspective and values relating to water, country and community.

Des Powell

BEcPol, GAICD
Appointed to Board: October 2017

Prior to his appointment to the Barwon Water Board, Des was a Director of Grampians Wimmera Mallee Water Corporation (GWM Water) from October 2015 to September 2017.

Des is currently a Director of Ports Victoria and a Member of the Victorian Skills Authority Advisory Board.

He holds a Bachelor of Economics and Politics and is a Graduate of the Australian Institute of Company Directors.

Peta Maddy

BEng(ChemEng)(Hons), BSc(PharmTox), GAICD

Appointed to Board: October 2021

Peta has more than 25 years of experience in the water and natural resources industries, including ten years in governance roles. Peta is a Commissioner at the Victorian Environmental Water Holder and an independent member of the Audit and Risk Committee for Surf Coast Shire Council.

She has held previous non-executive director roles at Southern Rural Water (Chair Asset Governance Committee) and Grampians Wimmera Mallee Water (Chair Water Resources Committee). She is a past President of the Victorian branch of the Australian Water Association, was a council member of the Victorian Catchment Management Council and chaired the inter-departmental reference group for the Victorian Rural Drainage Strategy. Peta has a Bachelor of Engineering (Chemical) with Honours, a Bachelor of Science (Pharmacology and Toxicology) and is a graduate of the Australian Institute of Company Directors.

Nik Devidas

BBus (BusInfoSys), GAICD
Appointed to Board: October 2021

Nik Devidas is an entrepreneurial leader with extensive experience in technology and cyber security across a broad range of industries. He co-founded and served as Managing Director of Rock IT, established in 2003, a globally ranked managed service provider that helps businesses develop cost-effective, scalable information technology systems without compromising security or performance. Rock IT was acquired in 2023. In the same year, he founded 4walls Cyber Advisory, aiming to simplify cyber resilience by providing comprehensive, easy-to-understand cyber security solutions.

Nik serves on the Board of Directors for both Barwon Water and Barwon Asset Solutions.

In 2013, he was recognised in the MSPmentor 250 List, which identifies the world's leading managed services provider executives, entrepreneurs, and experts.

Nik holds a Bachelor of Business (Business Information Systems) from RMIT University and is a graduate of the Australian Institute of Company Directors.

Jodie Leonard

BBus FAICD. Member of Chief Executive Women

Appointed to Board: October 2023

Jodie is an experienced Non-Executive Director of listed, government and high growth companies.

Her portfolio focuses on scaling businesses and digital transformation to drive better customer experiences.

She is currently a Non-Executive Director of Pacific Smiles Group (ASX:PSQ), Barwon Water Corporation and Regis Aged Care.

Jodie previously served on the board of the Great Ocean Road Coast & Parks Authority, RACV, Flexigroup, BWX, Beyond Bank Australia, Racing Victoria and Kinetic Superannuation.

Chris Chesterfield

Appointed to Board: October 2023

Chris is a water sector veteran of over 35 years and is nationally recognized for his leadership in waterway and urban water management and for his contribution to establishing Melbourne as a world leader in water sensitive urban design.

Chris is currently a Professor of Practice at Monash Sustainable Development Institute with a focus on water sector governance and leadership.

He has contributed to advancing water and urban planning practice through a number of recent roles, including as chair of several Ministerial advisory committees that have led to significant planning and legislative reforms in Victoria.

In 2022, Chris received the Paul Jerome award from the Victorian Planning and Environmental Law Association in recognition of his contribution to the sustainable development of cities over the last two decades.

Chris was a Commissioner and the Chairperson of the Victorian Environmental Water Holder until 2023 and in 2019 was appointed by the Minister for Water to chair the Birrarung Council, a bicultural statutory body established under the Yarra River Protection Act (Willip-gin Birrarung murron 2017) as the 'voice for the Yarra River'.

Jason Kambovski

BCom, LLB, GAICD
Appointed to Board: October 2023

Jason has more than 28 years' experience in the Financial Services sector, including over 20 years working in the Australian Banking industry covering multiple sectors.

He is currently Westpac Institutional Bank's Global Head of Public Sector and leads a team of specialised banking professionals who service the needs of Commonwealth, State/Territory and Local Governments, including State-Owned Corporations and Government Business Enterprises. Whilst his role is principally focused on the Australasian market, Jason also covers all of Westpac's international

Public Sector activities. Jason has previously worked in the Trustee and Chartered Accounting sectors.

Jason is also a Director for the Board of the National Trust of Australia (Victoria).

Prior to joining the Board of Barwon Water, he was most recently a Non-Executive Director and Deputy Chair of South East Water, Chair of the Finance Assurance and Risk Management Committee, and a Director of Iota Services Pty Ltd. He has previously been a Non-Executive Director and Chair of the Finance and Audit Committee of Lower Murray Urban and Rural Water Authority.

2023-24 Board and committees of the Board attendance

Director	Board meetings	Audit Committee meetings	Risk Management Committee meetings	People, Culture & Executive Remuneration Committee meetings	BAS Board meetings	BAS Audit and Risk Management Committee meetings
J Plummer (Chair) Term continuing	8	4*	3	2	6	5
C Chesterfield (commenced directorship 1/10/23)	6		2	1		
N Devidas Term continuing	8	5*	4		6	5
C Eccles Term continuing	8			1		
J Kambovski (commenced directorship 1/10/23)	6	2	2		2	2
A Lansberry Term continuing	5	4	4			
J Leonard (commenced directorship 1/10/23)	6	2				
D Powell Term continuing	8	5		2	1*	
P Maddy Term continuing	7	4	3		6	5
S Cumming Term continuing	7	3	3	2	5	4
E Carbines (ceased directorship 30/9/23)	2	1		1		1*
J Gavens (ceased directorship 30/9/23)	2	2			1*	1*
B Walsh (ceased directorship 30/9/23)	2	2	1*	1	3	2

Notes: * Only required for a portion of the meeting

Workforce data

People Strategy

Since the creation of Strategy 2030, we have witnessed how swiftly and dramatically our world can change. From the unprecedented challenges of a global pandemic to the relentless impacts of droughts, bushfires, and floods, these events have highlighted the importance of resilience and adaptability in everything we do.

Reflecting on the past, we have much to be proud of. We have navigated through uncertainties, achieved significant milestones, and have continuously strived to deliver on the vision we set forth for Barwon Water – Regional Prosperity. We have taken stock of our achievements and identified areas for further progress as we continue to deliver on the ambitious goals we set for Barwon Water. Our refreshed Strategy 2030 reaffirms our commitment to affordability, water security, environmental stewardship, and reliable services.

Central to the success of Strategy 2030 are our people – the heart and soul of Barwon Water Group. We are making our most significant investment in our people yet, ensuring that we have the talent and capabilities to meet our Strategy 2030 aspirations. To sustain and accelerate this positive change, we are proud to introduce our People Strategy. This strategy is designed to empower our workforce to thrive, engage, and adapt to future challenges. It focuses on five key pillars that are essential to realising our Strategy 2030 goals.

These pillars will guide us in fostering an environment where every team member feels valued, supported, and motivated to contribute their best. Together, we will continue to push boundaries, embrace challenges, and achieve regional prosperity.

The People Strategy is our roadmap for enabling an engaged, inclusive and thriving workplace at Barwon Water and Barwon Asset Solutions. Through this, we are committed to developing

the four “How We Work” elements of Strategy 2030: ‘perform at our best,’ ‘listen and learn,’ ‘partner strategically,’ and ‘find the way.’ Central to this journey is creating a constructive culture, where we support our people in meaningful ways. We inspire each other to achieve ambitious goals, to grow and realise our full potential and to cultivate genuine, caring relationships. In 2018 and 2022, we took a close look and measured our culture at Barwon Water, and we’re thrilled to see a positive transformation. We also measured our culture at Barwon Asset Solutions in 2022. As we look ahead, we plan to conduct our next cultural survey in 2026, and we will refine our strategy based on those insights.

Our People Strategy is also designed to keep us progressing in delivering safe and secure water; innovative and reliable services; a healthier environment, and customer value. These are the four “What We Do” elements of Strategy 2030. As we face challenges and opportunities including digital disruption, growing customer expectations, a transition to strategic asset management and generating new sources of revenue, we must ensure we have the right people, with the right skills, at the right time to deliver. Our People Strategy is designed to enable our organisation wide goals through supporting our people to thrive and grow at Barwon Water.

Scholarship program and industry-based internships

Since we started this program, we have provided financial support and paid internships to 17 students. To better support diversity in applicants and disciplines, the scholarship offered each year is allocated specifically to women candidates coming from a science, technology, engineering or mathematics background. This has enabled us to move from a scholarship program largely dominated by men to a gender-balanced one.

Graduate Program

Our two-year graduate program gives graduates an opportunity to perform multiple roles within the organisation through planned rotations. This helps them gain skills and experience in different aspects of the business, supports them to tackle real-world problems, gives them access to a structured leadership development program, and opens opportunities to network more broadly in the water industry. The graduate program forms part of our holistic approach to strategic workforce planning.

Traineeship program

Our traineeship program continues to provide access as an early-career pathway from target communities by providing appropriate education, work, training and support, and achievement of a nationally recognised qualification.

Barwon Asset Solutions also have their own Apprenticeship Program providing career pathways in civil maintenance within the region.

In partnership with Gforce, we have supported 72 trainees in our dynamic program since 2016, which also involves working with Wan-Yaari Aboriginal Consultancy Services. Six trainees joined the 2023 intake: two women – both of whom took up traineeships that traditionally attracted more men – as well as one trainee who identified as Aboriginal. Of those 2023 trainees, all have obtained employment with us. The traineeship program plays an important role in helping us support diversity across cultural and socio-economic demographics, in line with Strategy 2030, and has also helped us attract women trainees into roles that have previously been dominated by men: in particular operations, and construction. The program provides us with a pipeline of skilled resources to support operational needs.

Belonging @ Barwon Water Inclusion Action Plan

We have been working towards creating a diverse and inclusive working environment with a workforce that reflects the community that we serve since we introduced our first diversity and inclusion plan in 2016.

Our current plan, the Belonging @ Barwon Water Inclusion Action Plan 2022–25, includes four key focus areas to help us achieve this goal: Lead, Adjust, Recruit and Promote. Our ‘Belonging @ Barwon Water’ Inclusion

Action Plan provides an outline of the path we will follow to improve diversity and inclusion at Barwon Water and meet the objectives of our Strategy 2030.

The action plan guides our approach to inclusion and diversity with defined targets for gender balance at senior leader level and across the organisation, as well as Aboriginal and Torres Strait Islander inclusion, disability, and cultural and linguistic diversity. The identified actions are also intended to drive inclusion more

broadly by recognising and celebrating difference, while fostering a true sense of belonging for each individual working at Barwon Water.

Annually, we complete a voluntary survey of all employees to collect diversity and inclusion data (see 2023–24 results below). The survey results provide workforce demographic data, as well as qualitative information relating to employees’ sense of belonging. This helps guide our actions for the next 12 months and measures our performance against our targets.

Diversity metrics table

Belonging @ Barwon Water Diversity Metrics – Focus Areas	Target – June 2024	Actual progress at June 2024
Gender balance (Senior Leadership Team)	40% men 40% women 20% flexible	40% men 40% women 20% flexible
Gender balance (Organisation)	60% men 40% women	58.8% men 41.2% women
Aboriginal & Torres Strait Islander inclusion	3% Aboriginal and/or Torres Strait islander peoples employed	2%
Cultural and linguistic diversity (language other than English or born overseas)	20% cultural and linguistic diversity employed across the organisation	13%
People with a disability	12.5% of employees identify as living with a disability	7%

Notes: Metrics around Aboriginal & Torres Strait Islander, Cultural and linguistic diverse and people with a disability are reliant on staff identifying through the annual VPSC People Matter Survey.

Prevention of bullying, Equal Opportunity (EEO) and harassment prevention policies

We have an EEO policy, as well as policies for the prevention of bullying and harassment. These policies detail our commitment to addressing bullying, promoting equality of opportunity and maintaining a workplace free of all forms of harassment and discrimination. They also highlight the responsibility of each employee to ensure their behaviour reflects our policy requirements, noting that behaviour contrary to the policies may be subject to disciplinary action, in accordance with our Performance Counselling Policy.

To help improve gender equality, our Belonging @ Barwon Water Inclusion Action Plan 2022–25 incorporates our Gender Equity Action Plan as required under the *Gender Equality Act 2020*. We measure the effectiveness of these initiatives through key indicators

including pay equity, segmentation across departments, and the uptake of flexible working arrangements across all genders.

To provide a safe workplace free from discrimination and harassment, we implemented the following measures:

- we maintained policies and procedures that establish clear expectations of behaviour in the workplace and processes for addressing unacceptable behaviours
- we continued supporting the #IStandForRespect pledge, demonstrating our commitment to addressing sexual and sex-based harassment, and maintaining a workplace safe for everyone
- We are making progress in our gender pay gap, moving down from 11.5% 2021 to 7.8% 2023

- we delivered annual training to all employees to ensure they understand the behavioural expectations of Barwon Water including EEO, anti-bullying, harassment and discrimination training, including refresher training
- we promoted and celebrated diversity and inclusion events throughout the year to highlight the value of diverse experiences and backgrounds in the workplace
- we focused on constructive behaviours and competency uplift as supported by the LEAD2030 and DEVELOP2030 programs
- our trained contact officers provided ongoing support to employees about their rights and obligations, as they apply to the prevention of bullying, harassment and discrimination.

Public sector values and employment principles

Barwon Water has policies and practices that are consistent with the Victorian Public Sector Commission (VPSA) employment standards and deliver fair treatment, career opportunities and the early resolution of workplace issues.

We advise our employees on a range of matters including avoiding conflicts of interests, responding to offers of gifts and dealing with misconduct.

We comply with the *Public Administration Act 2004* by selecting employees based on ability, knowledge and skills in a fair and open process that ensures equal opportunity. Promotion and advancement of qualified individuals within Barwon Water is based on these same principles. Employees receive fair and equitable treatment and human rights, as set out in the *Charter of Human Rights and Responsibilities Act 2006*.

In 2023–24, we employed five people in our Talent Development and Inclusion team to provide high-quality, responsive and professional recruitment and selection services, as well as advice and support for managers involved in recruitment and selection processes.

Compliance with the Disability Act

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that these rights must be supported across the government sector and within the community.

Our All Abilities Action Plan 2022–25 is a strategic plan that helps us remove barriers preventing people with a disability from using our goods, services and facilities, and from gaining and keeping employment. It also aims to raise awareness of disabilities, which are both invisible and visible to others.

This plan is vital in helping us promote inclusion and participation in the community and achieve changes in attitudes and practices that may result in discrimination. In turn, we believe it will help us drive a safe culture where anyone who chooses to disclose a disability will be treated the same as they were before they disclosed.

Monitoring of activity and measuring outcomes is included as part of the Belonging @ Barwon Water Inclusion Action Plan.

Gifts, Benefits and Hospitality Policy

The Gifts, Benefits and Hospitality Policy establishes standards and procedures for responding to gift, benefit and hospitality offers, as well as offering them, and is consistent with the DEECA model policy. The policy is designed to help employees and directors to avoid conflicts of interest and maintain high levels of integrity and public trust. The policy discourages gift offers and states offers must never be accepted unless there is clear justification, in line with approved conditions in the policy. We continued to deliver training designed to educate all employees about their responsibilities according to the policy, including refresher training.

As part of the training, we made it clear that:

- directors and employees are responsible for ensuring their own conduct meets the required standards of integrity
- public interest must be placed above own interest when carrying out official duties
- all gift offers must be declared in accordance with the policy and prohibited gifts refused.

For further information about our Gifts, Benefits and Hospitality Policy, visit barwonwater.vic.gov.au

Barwon Water employment statistics 2023–24

	2024			Total (Headcount) 2024	Total (%) 2024	FTE 2024
	Casual	Part-time	Full-time			
Gender						
Women	1	56	103	160	41	140.41
Men	2	3	223	228	59	224.46
Self-described	0	0	0	0	0	0
Prefer not to answer	0	0	0	0	0	0
Age						
15–24	3	0	8	11	3	7.11
25–34	0	7	70	77	20	74.08
35–44	0	26	97	123	32	115
45–54	0	14	102	116	30	112.03
55–64	0	11	44	55	14	51.26
65+	0	1	5	6	2	5.39
TOTAL	3	59	326	388	100	364.87

Previous Barwon Water employment statistics 2022–23

2023						
	Casual	Part-time	Full-time	Total (Headcount) 2023	Total (%) 2023	FTE 2023
Gender						
Women	0	54	94	148	41	130.4
Men	4	6	203	213	59	207.73
Self-described	0	0	0	0	0	0
Prefer not to answer	0	0	0	0	0	0
Age						
15–24	4	0	6	10	3	6.11
25–34	0	10	56	66	18	61.84
35–44	0	25	88	113	31	106.4
45–54	0	14	91	105	29	100.58
55–64	0	9	49	58	16	54.79
65+	0	2	7	9	2	8.42
TOTAL	4	60	297	361	100	338.13

ANZSCO – 2024

ANZSCO Occupation Classification	Headcount
Managers	25
Professionals	208
Technicians and Trade Workers	45
Clerical and Administrative Workers	70
Machinery Operators and Drivers	40
TOTAL	388

ANZSCO – 2023

ANZSCO Occupation Classification	Headcount
Managers	22
Professionals	181
Technicians and Trade Workers	41
Clerical and Administrative Workers	72
Machinery Operators and Drivers	45
TOTAL	361

Senior Executive Service contracts for the Barwon Water Group in 2023–24 (broken down by gender)

Class	All		Women		Men		Self-described	
	Number	Variation	Number	Variation	Number	Variation	Number	Variation
SES-3	1	0	0	-1	1	1	0	0
SES-2	8	1	3	1	5	1	0	0
SES-1	17	-1	11	-1	6	0	0	0
TOTAL	26	-2	14	1	12	-2	0	0

Reconciliation of executive numbers for the Barwon Water Group

	2024	2023
Executives (Financial Statement note x)	22	26
Accountable officer	1	1
Less Separations	-3	-4
Total executive numbers at 30 June	20	23

Health, Safety and Wellbeing (HSW)

HSW management system

We implemented a range of processes and initiatives as part of the 2023–24 HSW management plan to deliver our Beyond Zero Safety Strategy, including:

- a detailed review of processes and procedures against Victorian Occupational Health and Safety (OHS) legislation
- monthly newsletter that covers safety performance trends, HSW topics relevant to the workplace and upcoming wellbeing events
- roll-out of the Contractor Safety Management Framework and the Rapid Global software solution to Barwon Water Group employees and our contractors, to improve how contractor safety is managed.
- completing a range of risk assessments including plant and equipment, noise and public safety, with the process including extensive consultation with health and safety representatives
- a fit testing program for personnel required to use respiratory protective equipment
- maintenance of our lead-paint registers for older assets, which records lead concentration and level of risk exposure associated with its presence in assets
- maintenance of our asbestos register, using the AIR System (Asbestos Identification and Rating

System), developed by the Victorian Asbestos Eradication Agency

- coordinating working groups, including health and safety representatives, to effectively consult and manage health and safety risks and controls impacting the whole organisation.

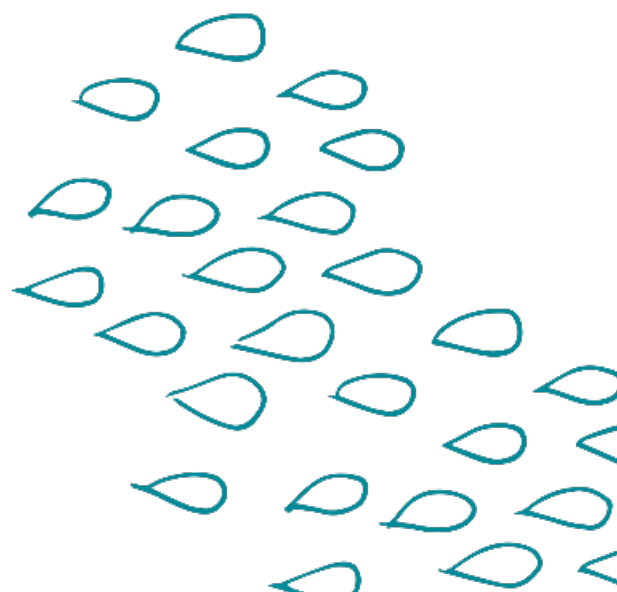
Health and wellbeing program

As part of our health and wellbeing program, we delivered a range of initiatives in 2023–24, including:

- training more employees to become Mental Health First Aiders (MHFA)
- coordinating monthly Mental Health First Aider (MHFA) forums and used the discussions to identify trends and inform the health and wellbeing program
- a refresh of The Resilience Project and encouraged employees to follow a simple message – Gratitude, Empathy and Mindfulness (GEM) – in the workplace and at home
- encouraging employees to donate to Life Blood
- a range of webinars covering topics including nutrition, sleep hygiene and mental health
- encouraging employees to become physically active with

programs such as our weekly yoga program

- offering our employees vaccinations and health monitoring, such as flu vaccination and skin checks
- recognising awareness events focused on men's health, diabetes, breast cancer and women's health
- promoting RU OK? Day, which included a topic-specific toolbox
- encouraging employees to participate in The Push Up Challenge, which raises mental health awareness through exercise
- supporting employees with ergonomics and desk set-up to help prevent posture-related injuries in the office, in vehicles and at home
- assessing individuals and provided specialised office equipment to prevent repetitive use and ergonomic-related injuries
- engaging local physiotherapists to review and treat employees pre-claim
- providing support to employees affected by non-work-related injuries and illness
- using the intranet, internal media and articles in the monthly HSW newsletter to promote awareness of health and wellbeing topics including fatigue, sleep, stress, exercise and health checks.



HSW performance

In 2023–24 at Barwon Water there were zero injuries resulting in a WorkCover claim.

Barwon Water Occupational Health and Safety performance

Measure	KPI	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Injuries	First aid injuries	11	11	13	9	14	11
	Medical treatment only injuries	1	0	1	0	1	8
	Lost time injuries	0	0	0	0	1	1
	Total injuries	12	11	14	9	16	20
Incidents	Number of incidents	24	38	34	54	59	130
	Rate per 100 FTE	6.6	11.9	9.4	16.7	18.1	39.5
Claims	Number of standard claims	0	0	0	0	2	5
	Number of time lost claims	0	0	0	0	1	1
	Rate per 100 FTE	0	0	0	0	0.92	1.82
	Average cost per standard claim*	N/A	N/A	N/A	N/A	\$1,959	\$15,341
Risk Management	Number of OHS meetings held	36	36	32**	30**	36**	1,453
	Percentage of internal audits/ inspections conducted as planned	88%	88%	89%	88%	89%	91.3%
	Percentage of reported incidents investigated	95%	95%	92%	90%	90%	74.6%

Notes:

* There were no claims in 2023-24, 2022-23, 2021-22 and 2021-22.

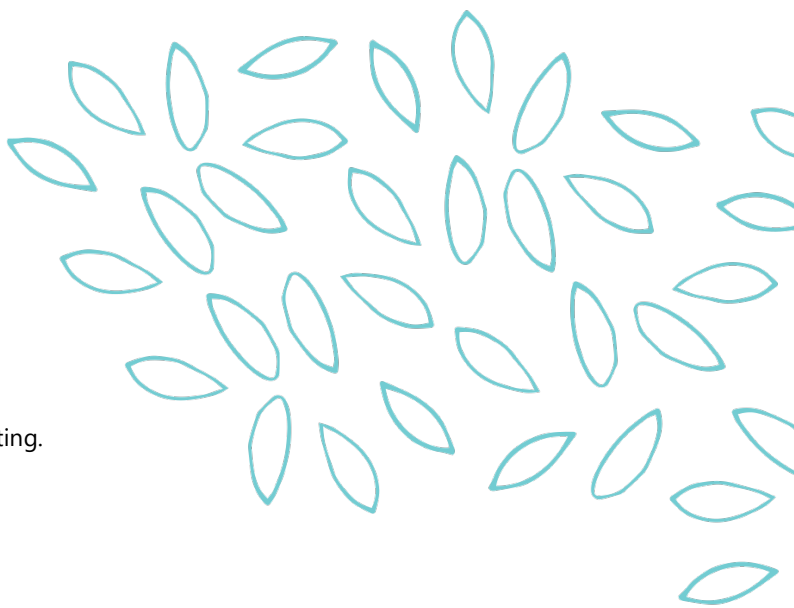
** The figures are derived from Corporate HSW Committee meetings and numerous Designated Work Group Committee meetings and does not include meetings held at a functional level.

HSW training

HSW training developed and delivered in 2023–24 covered the following topics:

- defensive driving
- Incident Cause Analysis Method (ICAM) root cause investigation methodology
- using respiratory protective equipment
- preventing underground service strikes
- working at heights
- operating elevated work platforms
- chemical safety and management
- confined space entry
- electrical safety
- Fatigue
- First aid and CPR
- machine guarding
- mental health.

We have also continued to refine our training data in the Learning Management System to support our tracking and reporting.



SQE integrated management system

We maintained our integrated management system via our certification to ISO 45001 Occupational Health and Safety, ISO 9001 Quality and ISO 14001 Environmental. Our certification process is externally audited on an annual basis to ensure our obligations are met and any improvements actions are identified and remediated to support our continuous improvement culture. The annual SQE audit report is presented to the Audit Committee.

Emergency management

We continued to strengthen our emergency management capabilities and capacities throughout 2023–24 by continuously improving frameworks, processes, tools and practices.

To support skills development and maintenance, our corporate and operational response teams were made up of a mixture of experienced and developing response personnel.

This year we participated in activities such as:

- annual major exercise for our Incident and Crisis management team members – including skills development workshops
- site based incident response exercise scenarios and knowledge workshops
- Fire Ready Program toolboxes and training
- Warden training and general staff evacuation drills, including increasing our pool of Wardens to support flexible ways of working
- after action reviews and debriefs for response events, exercises and training, contributing to continuous improvement
- deep dive scenario exploration to improve contingency planning.

We continued to conduct our Fire Ready Program over the summer months, improving on safe ways of working for our on-call personnel and those working from home on high fire risk days. We continued to use these processes to support safety and response to other events likely to require hazard monitoring and early warnings, including severe weather, flood and landslide and other community or industry incidents with potential to impact our people and/or ways of working.

We continue to conduct internal and independent audits of our emergency management preparedness, including its application for many specialist areas in the business. We use what we learn from these to contribute to key activity within our annual Emergency Management Uplift program, designed to further improve our emergency management capability and processes.

We also continued to be actively involved in regional and municipal emergency management committees, industry resilience and community of practice forums. We did this to ensure ongoing learning from others and to enhance cooperation and understanding between agencies and communities. This broad range of connectivity also allows us to rapidly understand emerging issues and respond to these proactively to minimise risk to our organisation and the community we serve.

There was no emergency procurement activated in the 2023–24 financial year.

The key agencies that we interact with include Emergency Management Victoria, emergency services, regulators, infrastructure operators, sector networks, local government and community-led emergency planning groups.



Access to information

Privacy and Data Protection

In 2023–24, we continued to comply with the Information Privacy Principles set out under the *Privacy and Data Protection Act 2014*. Our Customer Charter and Privacy Charter both explicitly refer to our commitment to protecting the privacy of customers and employees. We ensure the information we hold is protected and actively work to prevent any unauthorised access to, or improper use of, customer and employee information. A copy of our Privacy Charter can be viewed at barwonwater.vic.gov.au.

Freedom of Information

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

An applicant has a right to apply for access to documents held by Barwon Water. This comprises documents both created by Barwon Water or supplied to Barwon Water by an external organisation or individual, and may also include maps, drawings, microfiche, photographs, audio recordings, CCTV footage, emails or any written material in hardcopy or electronic form. Information about the type of material produced by Barwon Water is available on our website under the Part II Information Statement.

The Act allows Barwon Water to refuse access, either fully or partially, to certain documents or information.

Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to us in-confidence.

The Freedom of Information (FOI) processing time for requests received is 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days in consultation with the applicant. With the applicant’s agreement, this may occur any number of times. However, obtaining an applicant’s agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by Barwon Water, under section 49A of the Act they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

An application fee of \$32.70 will apply from 1 July 2024.

Access charges may also be payable if the document pool is large and the search for material time consuming.

Access to documents can also be obtained through a written request to our Freedom of Information Officer, as detailed in section 17 of the FOI Act.

When making a request under the FOI Act, applicants should ensure requests are in writing and clearly identify the types of material/documents they are seeking.

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

Barwon Water Freedom of Information Officer
 Mail: PO Box 659, Geelong VIC 3220
 Phone: 1300 656 007
 Email: info@barwonwater.vic.gov.au

FOI statistics/timelines

During 2023-24, Barwon Water received three FOI requests. One FOI request became valid under S17 of the Act, and we made the one decision within the statutory time period. Of the other two requests, one was withdrawn and the other remains in progress.

The average time taken to finalise the requests in 2023-24 was 21 days from the request being made. No requests were subject to complaint / internal review by OVIC throughout the period.

Further information

Further information regarding the operation and scope of Freedom of Information can be obtained from the FOI Act, regulations made under the FOI Act, and by visiting ovic.vic.gov.au.

The table below outlines the outcome of each of the requests.

FoI Statistics/timeliness	
Full access granted	0
Partial access granted	1
Withdrawn / Time elapsed	1
Not proceeded with / FOI incomplete	0
No documents	0
Third party consultation by another agency	0
Outside the Act / publicly available	0
Not yet finalised	1

Other information

Other information as required under the *Financial Management Act 1994*, but not specifically referred to, has been retained by the Accountable Officer and is available to the Minister, Members of Parliament and the public on request.

This information includes:

- pecuniary interests of relevant officers
- shares held by a senior officer
- details of Barwon Water publications
- changes to fees and charges
- major external reviews carried out on Barwon Water
- research and development activities
- overseas visits
- major promotional, public relations and marketing activities
- assessments and measures to improve the occupational health and safety of employees
- major sponsorships.

Compliance with the Building Act

As we own or control two government buildings – located at 55–67 Ryrie Street, Geelong and 18 Kadak Place, Breakwater – we are required to include a statement about how these buildings comply with the building and maintenance provisions of the *Building Act 1993*.

We require that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by Barwon Water, and that their work and services comply with current building standards.

All such consultants and contractors are required to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*, Building Regulations 2018 and the National Construction Code.

In relation to our existing buildings, the Barwon Water Group's facilities function is responsible for planned maintenance schedules to maintain building assets in accordance with relevant standards and essential safety measure requirements.

We employ an intranet-based work order system for staff to notify the organisation of maintenance and safety issues.

In addition to this, we also conduct routine site inspections and receive security and failure alerts through a variety of automated alarms.

Building Act compliance	
Number of major works projects (greater than \$50 000)	0
Number of building permits, occupancy permits, or certificate of final inspection issued in relation to buildings owned by the entity:	0 building permits 0 occupancy permits 0 certificates of final inspection
Number of emergency orders and building orders issued in relation to buildings:	0 emergency orders 0 building orders
Number of buildings that have been brought into conformity with building standards during the reporting period:	0 buildings brought into conformity

Other Acts

Public Interest Disclosures

The *Public Interest Disclosures Act 2012* (the Act) enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a public interest disclosure?

A public interest disclosure is a complaint of corrupt or improper conduct by a public officer or a public body. Barwon Water is a 'public body' for the purposes of the Act.

What is 'improper or corrupt conduct'?

Improper or corrupt conduct can include one or more of the following:

- substantial corrupt conduct
- a criminal offence
- serious professional misconduct
- dishonest performance of public functions
- an intentional or reckless breach of public trust
- an intentional or reckless misuse of information
- substantial mismanagement of public resources
- substantial risk to health or safety of a person
- substantial risk to the environment
- conduct of any person that adversely affects the honest performance by a public officer of their functions

- conduct of any person that is intended to adversely affect the effective performance by a public officer of their functions for the benefit of the other person
- conduct that is trivial will not constitute improper conduct for the purpose of the Act.

How do I make a public interest disclosure?

You can make a public interest disclosure about Barwon Water, or its Board members, officers or employees, by contacting the Independent Broad-based Anti-corruption Commission (IBAC), the Victorian Inspectorate (VI) or the Victorian Ombudsman (VO) using the contact details provided below. Barwon Water is not able to receive public interest disclosures.

How can I access Barwon Water's procedures for the protection of persons from detrimental action?

We have established procedures to protect from anyone who has made a public interest disclosure about Barwon Water or its employees from detrimental action, allowing such disclosures to be made without fear of reprisal. You can access our procedures on our website: barwonwater.vic.gov.au.

Contacts

As noted earlier, the Act does not permit us to receive public interest disclosures.

If you wish to make a disclosure about our organisation or our people, please make that disclosure directly to the IBAC, the VI or the VO.

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria
Level 1, North Tower, 459 Collins Street,
Melbourne Victoria 3000 or
IBAC, GPO Box 24234, Melbourne
Victoria 3001
Website: ibac.vic.gov.au.

Phone: 1300 735 135

Email: See the website above for the secure email disclosure process, which also provides for anonymous disclosures.

Victorian Inspectorate

Level 8, 565 Bourke Street
Melbourne Victoria 3000
Website: vicinspectorate.vic.gov.au
Phone: 1800 518 197
Email: info@vicinspectorate.vic.gov.au

Victorian Ombudsman

Level 2, 570 Bourke Street
Melbourne Victoria 3000
Website: ombudsman.vic.gov.au
Online form: ombudsman.vic.gov.au/complaints
Phone: 1800 806 314.

Local Jobs First

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

Barwon Water is required to apply the Local Jobs First policy in all projects valued at \$3 million or more for metropolitan Melbourne and for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more. The MPSG and VIPP guidelines will continue to apply to MPSG-applicable and VIPP applicable project respectively where contracts have been entered prior to 15 August 2018.

Projects commenced – Local Jobs First Standard

During 2023-24, our organisation commenced four Local Jobs First Standard projects totalling \$25,810,457.78 (excluding GST). All projects were located in regional Victoria.

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

- an average local content commitment of 96 per cent was made
- a total of 42.15 jobs – annualised employee equivalent (AEE) – including creation of 3.10 new jobs and retention of 39.05 existing jobs (AEE)
- a total of 4.63 positions for apprentices, trainees and cadets, including the creation of 1.34 new apprenticeships, traineeships, and cadets and retention of 3.29 existing apprenticeships, traineeships, and cadets
- we commenced two projects that met requirements of the MPSG and committed to less than one apprentice, trainee, and cadet.

Projects completed – Local Jobs First Standard

During 2023-24, our organisation completed four Local Jobs First Standard projects valued at \$9,076,183.48 (excluding GST). All projects were located in regional Victoria. The MSPG did not apply to these projects.

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

- an average local content commitment of 92.16 per cent was made
- a total of 34.06 jobs (AEE) were committed – 9.59 new jobs were created and 24.47 existing jobs were retained
- for a total of 2.4 positions for apprentices, trainees, and cadets were committed and 1.01 new apprenticeships, traineeships, and cadets were created
- we retained 1.39 existing apprenticeships, traineeships, and cadets
- MPSG applicable projects provided zero hours to apprentices, trainees, and cadets and engaged no apprentices, trainees and cadets (note there were no MPSG projects completed during the reporting period).

During 2023-24, there were 24 small and medium-sized businesses that prepared a VIPP Plan or LIDP for contracts, with none prepared by large businesses.

Projects commenced - Local Jobs First Strategic

During 2023-24, we commenced no Local Jobs First Strategic projects.

Social Procurement

Our first Social Procurement Strategy was approved by the Department of Treasury and Finance in March 2020. The Strategy was updated most recently in March 2024 and has prioritised the following five objectives from the Victorian Government's Social Procurement Framework:

- opportunities for Victorian Aboriginal people
- opportunities for Victorians with disability
- women's equality and safety
- sustainable Victorian regions
- implementation of the Climate Change Policy objectives.

The Social Procurement Strategy has a range of social procurement priority actions including procurement opportunities, employee capability development and supplier engagement. During 2023-24 we achieved the following:

- we spent \$2,333,489 (incl GST) with Social Benefit suppliers. This is broken into the following categories, noting that some spend sits across multiple categories:
- \$2,258,332 with Victorian social enterprises
- \$335,281 with Victorian social enterprises (disability)
- \$39,913 with Victorian social enterprises (priority job seekers)
- \$28,865 with Victorian Aboriginal businesses
- we spent \$340,527 (incl GST) with First Nations organisations
- we continued our nursery services contract with genU, an accredited Australian Disability Enterprise that provides direct economic and social benefit through employment and training of employees with a disability

- The contract provides for ongoing full-time employment and training of 4 employees and 16 supported employees. It has also assisted genU to successfully champion five supported employees into open employment during 2023-24
- we were an ongoing signatory to GROW Compact, which has a primary objective of addressing long-term, entrenched, placed-based disadvantage in the G21 region
- we are a Kinaway Platinum Partner, which enables us to secure the services of a relationship manager who assists with cultural awareness education and training, provides advice on our RAP development and informs us about new Victorian Aboriginal suppliers.

We have also commenced planning on an employment in construction for priority jobseekers initiative. The pilot program will launch in 2024 and place priority jobseekers into Barwon Water and BAS construction projects to provide training, experience and pathways into employment.

Modern Slavery

The first Barwon Water Modern Slavery Statement was approved by the Board in December 2020; this statement was developed in accordance with the *Modern Slavery Act 2018*.

We are committed to operating our business lawfully and ethically, and working with suppliers that are aligned with our values, as they apply to corporate responsibility, environmental and workplace safety protection, and staff inclusion and diversity. We require our suppliers to operate in accordance with all modern slavery laws.

We are a foundation member of the Water Industry Procurement Working Group (previously known as the VicWater Social Procurement Working Group) and an active member of the Water Services Association of Australia (WSAA) Modern Slavery and Supplier Relationships community of practice. These groups share information across the sector to enhance the sector's ability to achieve positive Environmental, Social and Governance (ESG) outcomes.

During 2023-24 we have been working with WSAA, a national water sector consortium and a technology provider to assess and address modern slavery risk through our supply chain. A single online platform collects, compares and collates information on suppliers, to inform year on year progress. Since implementation in January 2024 we have engaged with approx. 250 suppliers, of whom 150 have completed or are completing the assessment. Suppliers can opt to share their responses with other consortium members, in turn streamlining reporting and reducing administrative burden from both the supplier and the sector.

Competitive neutrality policy

The principle of competitive neutrality seeks to enable fair competition between government and private sector business. Any advantages or disadvantages that a government business may experience as a result of government ownership should be neutralised. The Barwon Water Group continues to comply with the requirements of the Victorian Government's Competitive Neutrality Policy.

Asset Management Accountability Framework

Completing an asset management maturity assessment every three years is a requirement of AMAF. We undertook an assessment this 2023-24 financial year, as the previous assessment was in 2021.

Our target rating is 3, shown as the darker teal ring. This denotes a rating of 'Competence', meaning that systems and processes are fully in place, consistently applied and systematically meet AMAF requirements.

Leadership and accountability (requirements 1 to 19)

Barwon Water has met the target maturity level for all requirements in this category. The previous reported partial non-compliance (requirement 15 - Asset Management System Performance) reflected that some non-critical assets were not covered by the Asset Management System. A revision of our AM Strategy has addressed this deficit.

Planning (requirements 20 to 23)

Barwon Water has met the target maturity level for all requirements in this category.

Acquisition (requirements 24 and 25)

Barwon Water has met the target maturity level for all requirements in this category.

Operation (requirements 26 to 40)

Barwon Water has met the target maturity level for all requirements in this category. The previously reported partial non-compliance (requirements 34 and 35 - Information Systems and their Establishment) reflected that our Asset Management Information System had not been fully embedded within the organisation. This has improved in the three years since the last report.

Disposal (requirement 41)

Barwon Water has met the target maturity level for the requirement in this category. This was previously

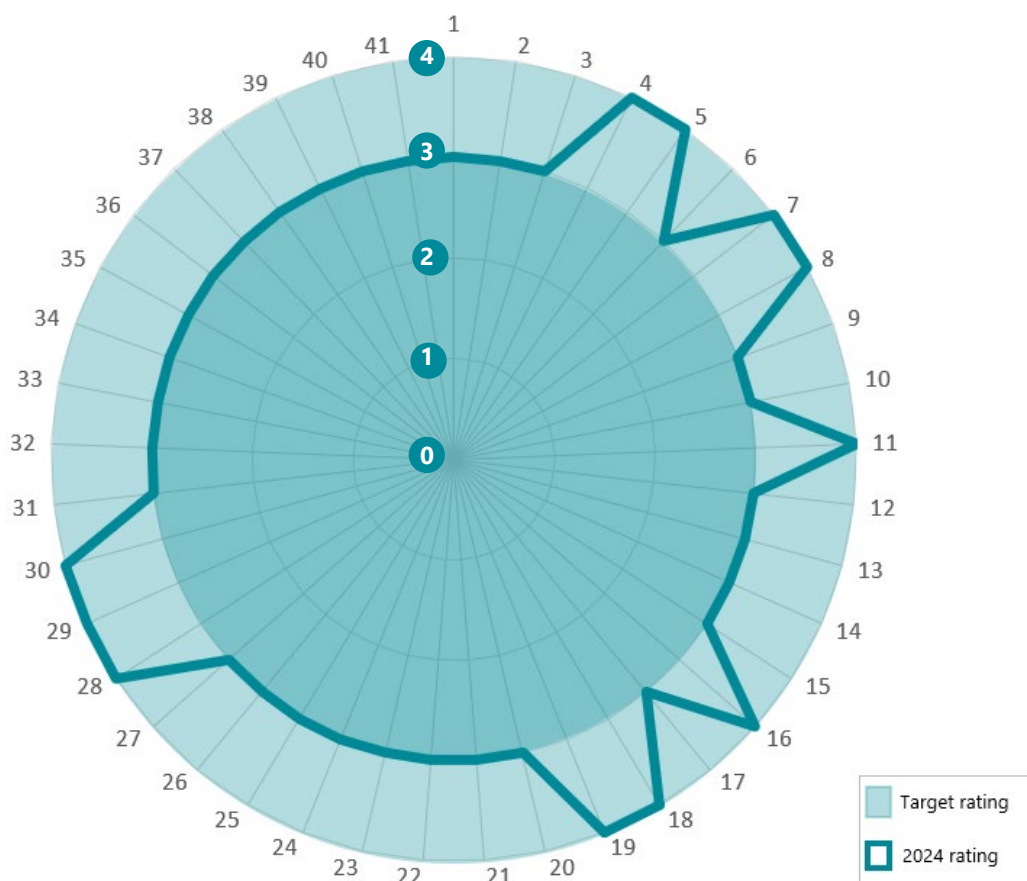
reported as a partial non-compliance, which reflected that disposal procedures existed, but a rigorous management procedure was not yet in place. The organisation has strengthened this area through early identification of disposal requirements in the asset planning phase and identification of obsolete assets within the asset management system.

Movement in ratings since 2021

Shifts in compliance ratings have been observed across all asset lifecycle stages. This includes an upswing from competence to optimising for five requirements, and a drop from optimising to competence for eleven requirements. In the latter case, this typically reflects growth in our understanding of what it means to be considered optimising and what type of potential opportunities exist to uplift our rating performance for each requirement.

Status	Scale
Not applicable	n/a
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	u/a

Asset Management Accountability Framework rating



Consultancy and contract expenditure

Details of consultancies (valued at more than \$10,000)

In 2023-2024, there were 85 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023-24 in relation to these consultancies was \$10,297,356 (excl. GST). Details of individual consultancies are outlined on our website: barwonwater.vic.gov.au.

Details of consultancies (valued at less than \$10,000)

In 2023-24, there were 60 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2023-24 in relation to these consultancies was \$268,653 (excl. GST).

Reviews and studies expenditure

During 2023-24 there were 34 studies and reviews undertaken with a total cost of \$1.9 million. Details of individual studies are outlined below.

Name of the review (portfolio(s) and output(s)/ agency responsible)	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST) \$ thousand	Final cost if completed (excl. GST)	Publicly available (Y/N)
Large Scale Alternative Water Grid Feasibility Study	Central & Gippsland Sustainable Water Strategy Action.	Feasibility investigation.	Improved understanding of the feasibility of a large-scale alternative water grid to enable productive use of recycled water and stormwater the associated costs and regional benefits.	600	To be completed in the 2024-25 financial year	Study still in progress
Enhanced Stormwater Management – Northern and Western Geelong Growth Areas & Bannockburn Growth Areas	Understand the need to keep live stormwater harvesting opportunities in major growth areas.	Feasibility investigation.	Confirmation of need to keep live stormwater harvesting opportunities in major growth areas.	87.6	158.9	N
Internal Audit Program	Requirement under Standing Directions.	Program for 2023-24 included Procurement, Contract Management, Bulk Water Entitlements, Asset Maintenance and Public Safety.	Improved internal controls	264	273.6	N
Review of Barwon Water's Family Violence policy, compliance and practices.	Determine current level of compliance to our policy and identify areas for improvement.	Review strength of the policy and the associated systems, processes, data management, leadership and staff capability.	Identify opportunities to strengthen our management and support of customers who may be impacted by family or domestic violence.	50	50	N
Boundary Creek and Upper Barwon River Macroinvertebrate Sampling 2023-24	Required as part of the Boundary Creek, Big Swamp and Surrounding Environment Remediation and Environmental Protection Plan.	s78 Ministerial Notice and feedback received from Southern Rural Water (SRW).	Improved understanding of the health of Boundary Creek and the Upper Barwon River.	45.2	45.2	Y
Surrounding Environment Investigation	Required as part of the Boundary Creek, Big Swamp and Surrounding Environment Remediation and Environmental Protection Plan.	s78 Ministerial Notice and feedback received from Southern Rural Water (SRW).	Determine whether Barwon Water's historical management of groundwater pumping activities within the Barwon Downs graben resulted in any other unintended environmentally significant adverse impacts, in addition to those already confirmed within the lower reaches of Boundary Creek.	7.2	240	Y
Big Swamp Paleoeology Study	Required as part of the Boundary Creek, Big Swamp and Surrounding Environment Remediation and Environmental Protection Plan.	s78 Ministerial Notice and feedback received from Southern Rural Water (SRW).	Establish the paleoenvironmental conditions of the Swamp and potential anthropogenic impacts.	2.5	55	Y
Ecological Risk Assessment: Boundary Creek, Big Swamp and the Barwon River	Required as part of the Boundary Creek, Big Swamp and Surrounding Environment Remediation and Environmental Protection Plan.	s78 Ministerial Notice and feedback received from Southern Rural Water (SRW).	Quantify the risks associated with the metals and acidity loads to Big Swamp, Boundary Creek and the Barwon River.	0	100	Y

Name of the review (portfolio(s) and output(s)/ agency responsible)	Reasons for review/ study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST) \$thousand	Final cost if completed (excl. GST)	Publicly available (Y/N)
2024 Upper Barwon Fish Survey	To assess the status of native fish populations in the Upper Barwon Region.	Address feedback/ concerns from the Remediation Reference Group.	Better understand the fish species, population and variation within the Upper Barwon River.	0	37.5	Y
2024 Upper Barwon Fish Survey	To assess the status of native fish populations in the Upper Barwon Region.	Address feedback/ concerns from the Remediation Reference Group.	Better understand the fish species, population and variation within the Upper Barwon River.	0	37.5	Y
Climate resilience modelling of waterways influenced by former groundwater pumping activities at the Barwon Downs borefield	Required as part of the Boundary Creek, Big Swamp and Surrounding Environment Remediation and Environmental Protection Plan.	s78 Ministerial Notice and feedback received from Southern Rural Water (SRW).	Better understand how these waterways are likely to respond to a changing climate.	47	90	In progress
Anglesea Groundwater Model Update	Required to inform the Bulk Entitlement (BE) review process outlined in the BE.	Bulk Entitlement (Anglesea Groundwater) Order 2009.	Ensure the groundwater model is adequate to inform the BE review process.	95	350	N
Bulk Entitlement Review	Required to inform the Bulk Entitlement (BE) review process outlined in the BE.	Bulk Entitlement (Anglesea Groundwater) Order 2009.	Identify any changes and/or improvements that could improve the long-term management of the resource.	95	225	In progress
Barwon Downs borefield decommissioning plan	Required as part of the Boundary Creek, Big Swamp and Surrounding Environment Remediation and Environmental Protection Plan.	Address feedback /concerns from the Remediation Reference Group.	Outline the approach and methodology Barwon Water intends to apply when decommissioning the former extraction bores.	2.5	26.5	N
Anglesea Ecological Monitoring	Required as part of the endorsed Monitoring and Assessment Program under the Bulk Entitlement.	Bulk Entitlement (Anglesea Groundwater) Order 2009.	Monitor the environmental values and health of groundwater dependent ecosystems	57.6	73.6	Y
Callahan's creek diversion weir remediation assessment	To assess options for remediating willows infestation and harvest of pine plantation at Callahan's Creek.	To feed into a business case.	The harvest and sale of pine plantation and the remediation of willows.	27	27	N
Biochar Research (Uni Newcastle, SoilsCRC)	To evaluate biosolids derived biochar on soil health and plant nutrition.	Trials will include open field and greenhouse trials.	Biochar optimisation for soils, better understanding of market potential.	15	45	Y
Biochar Research (RMIT PYROCO Ph 2, Mk II)	To produce and characterise biosolids derived biochar.	In partnership with Victorian water sector, including RMIT, SEW, GWW, and MW.	Production and characterisation of biosolids derived biochar.	40	40	Y
Hydrogen Research (Deakin University)	To develop deeper understanding of community social licence on hydrogen production in Barwon South West.	PhD research, in partnership with Wannon Water, and Deakin University.	Enhanced understanding of community attitudes to water use and hydrogen production.	10	30	N.
Hydrogen Research (RMIT)	To understand scalability of oxygen demand in water reclamation plants from hydrogen production.	Post-doctoral study linked with Barwon Water "GreenO2" project, ARENA funded.	Scalability of oxygen demand from hydrogen production.	40	120	Y
Emerging Contaminant Research (Federation Uni)	To better understand pharmaceutical and personal care products (PPCPs) at Lake Colac.	PhD research of PPCPs at Lake Colac.	Thorough understanding of PPCPs in Lake Colac and their uptake in flora and fauna.	20	60	N
Emerging Contaminant Research (Federation Uni)	To evaluate sustainable removal methods of PPCPs from effluent discharge.	PhD research that will undertake applied trial and measurements.	Thorough understanding of PPCP removal via use of natural removal processes.	20	60	N
Emerging Contaminant Research (RMIT)	To evaluate fate of microplastics through waste water treatment plants.	PhD research with focus on three plants at Black Rock, Colac, and NWP.	Thorough understanding of fate of microplastics through selected Barwon Water WWTPs.	10	30	N
West Barwon dam safety review and risk assessment	To comply with ANCOLD guidelines / DEECA SoO.	Detailed Risk Assessment and Safety Review for Civil Assets; peer review	Compliance with ANCOLD guidelines / DEECA SoO; improved understanding of dam safety risk	135	In progress	N

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST) \$ thousand	Final cost if completed (excl. GST)	Publicly available (Y/N)
Painkalac Reservoir dam break and consequence assessment	To comply with ANCOLD guidelines / DEECA SoO.	Estimate life safety and economic consequences; produce inundation maps.	Compliance with ANCOLD guidelines / DEECA SoO, improved understanding of dam safety risk, emergency response planning.	39	39.02	N
Painkalac Reservoir dam break and consequence assessment	To comply with ANCOLD guidelines / DEECA SoO.	Estimate life safety and economic consequences; produce inundation maps	Compliance with ANCOLD guidelines / DEECA SoO, improved understanding of dam safety risk, emergency response planning.	39	39.02	N
Bostock Spillway and Railway Weir special inspection	To comply with ANCOLD guidelines / DEECA SoO.	Assess condition.	Compliance with ANCOLD guidelines / DEECA SoO.	24	\$24.17	N
Bungal dam safety review	Joint project with Central Highlands Water.	Design safety review.	Compliance with ANCOLD guidelines / DEECA SoO; improved understanding of dam safety risk.	48	In progress	N
2024 Water Reclamation Plants soil sampling and analysis	Environmental Compliance Management.	Assessment of soil condition to inform future irrigation management.	Soil irrigation management recommendations.	22.5	22.5	N
Class A quality risk management audit and plumbing compliance review	Three yearly external quality audit. Review of Class A dual pipe cross-connection risk management.	Implementation of Health and Environment Management Plan and associated Recycled Water Quality Risk Management Plans. Review of risk management practices for prevention of cross-connections in dual pipe networks.	Improvement recommendations.	53.1	53.1	N
Development of Recycled Water Customer User Site Management Plans	Environmental Risk Management	Development of Customer User Site Management Plans based on site specific risk assessment.	Adoption by customers and improved customer environmental management and irrigation practices.	22.4	22.4	N
Groundwater review	Environmental Compliance Management	Assessment of groundwater conditions at Water Reclamation Plants.	Understanding of environmental compliance at Water Reclamation Plants.	42.4	In progress	N
Interim Human Health and Environmental Risk Assessment Review	Environmental Compliance Management	Update of risk assessment for Black Rock Water Reclamation Plant ocean outfall discharge.	Updated understanding of risk to beneficial uses.	8.2	8.2	N
2023 Water Reclamation Plants soil sampling and analysis	Environmental Compliance Management	Further assessment of soil conditions to inform future irrigation management.	Soil irrigation management recommendations.	3.8	3.8	N

Disclosure of major contracts

In 2023–24, we entered into one contract with a value of over \$10 million, at a total cost of \$12 million. KPMG have been engaged as a strategic delivery partner to lead the delivery of the digital transformation program. Details about this contract are available on the Buying for Victoria Website at: tenders.vic.gov.au.

Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), we must disclose any formal complaints relating to the procurement of goods and services received through our procurement complaints management system.

We received one formal complaint through our procurement complaints management system in 2023-2024, relating to an open market procurement for a construction project in which the supplier queried Barwon Water's adherence to its evaluation process. An internal review found that all procurement policies and processes had been adhered to and the complaint has been resolved.

Government Advertising Expenditure

While any government advertising campaign with a total media spend of \$100,000 or greater needs to be disclosed, our advertising campaign expenditure in the 2023–24 reporting period did not exceed this amount.

Information and Communications Technology (ICT) expenditure

For the 2023–24 reporting period, we had a total ICT expenditure of \$24,525,549 with the details shown below.

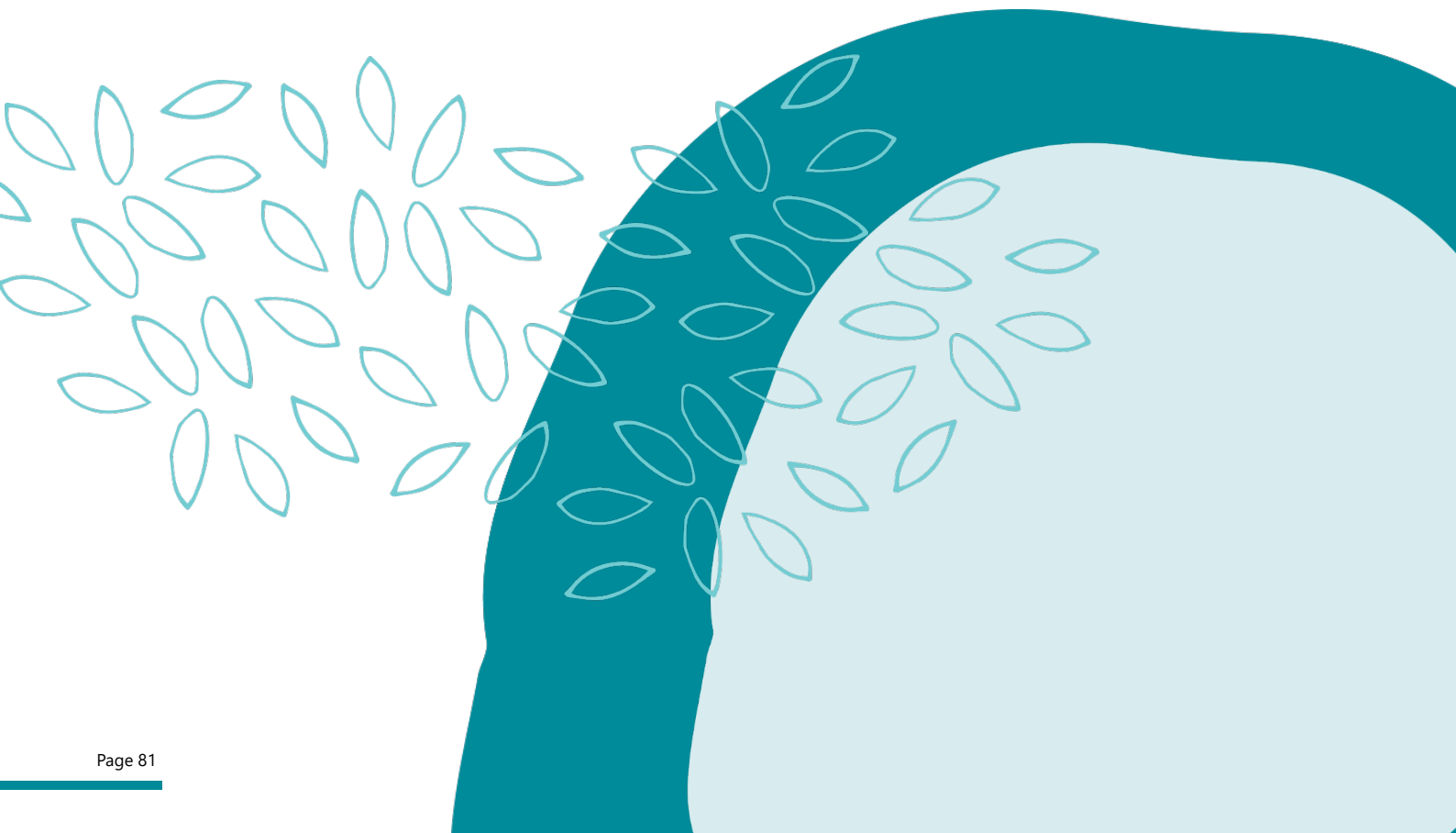
All operational ICT expenditure		ICT expenditure relating to projects to create or enhance ICT capabilities	
Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
\$11,296,044	\$10,388,285	\$21,684,329	\$2,841,220

Note:

“ICT expenditure” refers to Barwon Water’s costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure.

“Non-BAU ICT expenditure” relates to extending or enhancing Barwon Water’s current ICT capabilities.

“BAU ICT expenditure” is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.



Minister’s Letter of Expectations

Key performance indicators

Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
Climate change and energy Undertake activities and provide services that reduce exposure to climate risks, reduce greenhouse gas emissions, increase renewable energy use, adapt to climate change and demonstrate reasonable progress in integrating climate change adaptation into planning and decision making across the business.	CC1 Emission reductions Demonstration of reasonable progress toward achievement of the entity’s greenhouse gas emission reduction target specified in the Statement of Obligations (Emissions Reduction).	E1 Total actual annual reportable greenhouse gas emissions for the Corporation in carbon dioxide equivalent (tCO2-e). Compliance with all greenhouse gas emissions reporting requirements outlined in Ministerial Reporting Direction 01.	Our calculated scope 1 and 2 emissions total for 2023-24 was our lowest on record at 19,083 tCO2-e. This was 22 per cent less than our projected emissions of 24,560 tCO2-e and represents a 19 per cent reduction on last year’s result. Total electricity consumption for the year was 30,641 MWh. Our renewable electricity initiatives supplied 57 per cent of our electricity needs for the year, reducing our scope 2 emissions by a total of 13,798 tCO2-e. More details on our compliance and energy consumption and generation are available on pages 45–49 of this report.
	CC2 Electricity use Demonstrate reasonable progress to sourcing 100 per cent of their electricity from renewable sources by 2025, as is required of all government operations in the Whole of Victorian Government emissions reduction pledge.	E2 Total actual annual electricity and renewable electricity use for the Corporation, in megawatt hours (MWh). Compliance with all other electricity reporting requirements outlined in Ministerial Reporting Direction 01.	
	CC3 Adaptation to climate change and variability Application of the Guidelines for Assessing the Impact of Climate Change on Water Suppliers in Victoria for Urban Water Corporations through their application in drought preparedness and urban water strategies. Demonstration of reasonable progress in integrating climate change adaptation into planning and decision-making across the business (all sources of water, wastewater, and where relevant drainage and flood management) including in: <ul style="list-style-type: none"> • source waters and demand • built assets • natural environment • people and workplace • interdependencies • customer and product delivery. 	E3 Qualitative description in Corporation’s annual report of how Guidelines for Assessing the Impact of Climate Change on Water Availability in Victoria have been applied. Qualitative description in Corporation’s annual report of how Guidelines for the Adaptive Management of Wastewater Systems under Climate Change have been applied. Inclusion of one or more of the following statements in Corporation’s annual report (amended as appropriate for the corporation’s circumstances): <ul style="list-style-type: none"> • climate change adaptation plan, strategy or framework • how corporation is mainstreaming climate change adaptation considerations into all aspects of business decision-making; and/or • how corporation is addressing climate change adaptation only on an ad-hoc basis as/when required. AND Qualitative description and/or case studies on initiatives being planned or implemented by the Corporation to adapt to climate change and variability in line with chosen Statement/s.	Climate change risks are governed by our enterprise risk management framework. The dedicated Climate Change Key Business Risk (KBR) assessment aligns with the Water Services Association of Australia Climate Change Adaptation Guidelines and covers both physical and transition risks. It directly informs our Climate Resilience Plan. The KBR and progress towards achieving our target risk rating was reviewed by the Risk Management Committee in 2023–24, with an update on our Climate Resilience Plan. As part of this annual update, we measured progress of our actions and collected data across a range of Key Performance Indicators. We are currently three quarters of the way through implementing our Climate Resilience Plan. Released in 2021 it provides a cohesive vision for building our resilience to climate change. Our approach to climate resilience includes the five categories of actions – embedding climate resilience, water security, asset resilience, transition to zero net emissions and community resilience. More information is on pages 50-51 of this report.

Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
<p>Customer, community and engagement</p> <p>Ensure that all aspects of service delivery will be customer and community centred and will continue to build extensive and effective community engagement and partnerships in planning and implementation of service delivery.</p>	<p>C1 Customer Satisfaction</p> <p>Note this indicator includes both direct and proxy measures.</p> <p>Overall, reporting on measures identified for this indicator should demonstrate high or improving levels of customer satisfaction over time.</p>	<p>C1.2 Urban bills</p> <p>C1.2.1 Residential bill – owner occupier</p> <p>C1.2.2 Residential bill – tenant</p> <p>C1.2.3 Non-residential bill - business</p>	<p>The latest BoM National Performance Report (2022-23) showed we have the eighth lowest typical bill across Australia among our peers.</p> <p>While the national average bill for 200kL consumption was \$1,362, a Barwon Water bill was only \$1,165 and only \$33 higher than the lowest bill with the maximum at \$1,875.</p>
		<p>C1.3</p> <p>Customer satisfaction survey.</p> <p>RWC’s are to report the results from their most recent customer satisfactions survey.</p> <p>Note DEECA may revisit an approach to a common survey in the future.</p>	<p>This year Barwon Water consistently ranked either number 1 or 2 amongst Victorian water businesses for Value for Money, Reputation, Trust and Overall Satisfaction in the ESC perception survey.</p> <p>All parts of our business contribute to this positive result.</p> <p>External research by WSAA this year identified the driver of trust in particular as the combination of an organisation’s capability to service customers, its culture and contribution to the community. All elements that are central to our Strategy 2030.</p>
	<p>C2 Customer and community engagement</p> <p>Stakeholder engagement based on best practice that demonstrates approaches to engagement that are open, honest and occur frequently.</p> <p>The DEECA Community Charter or IAP2 framework could be considered as a guide.</p>	<p>C2</p> <p>Development and delivery of an engagement strategy/plan/policy and publication (via the water corporation’s website) of the engagement strategy/plan/policy or equivalent explanation.</p>	<p>Barwon Water has an internal communications and engagement strategy that provides a framework for building customer and community trust.</p> <p>We integrate a variety of approaches and methods into our community and stakeholder engagement plans, including referencing and embedding the IAP2 Public Participation Spectrum in all activities.</p> <p>We use an online community engagement platform (yoursay.barwonwater.vic.gov.au) to share information about engagement processes and outcomes for all major planning, strategic and construction projects.</p> <p>Examples of these include:</p> <ul style="list-style-type: none"> • 2023-28 Price Submission • Regional Renewable Organics Network • Lorne: Water, Your Say • Forrest wastewater • Porrongitj Karrong and Aqueduct • Birregurra water supply upgrade. <p>More information is on pages 37-38.</p>

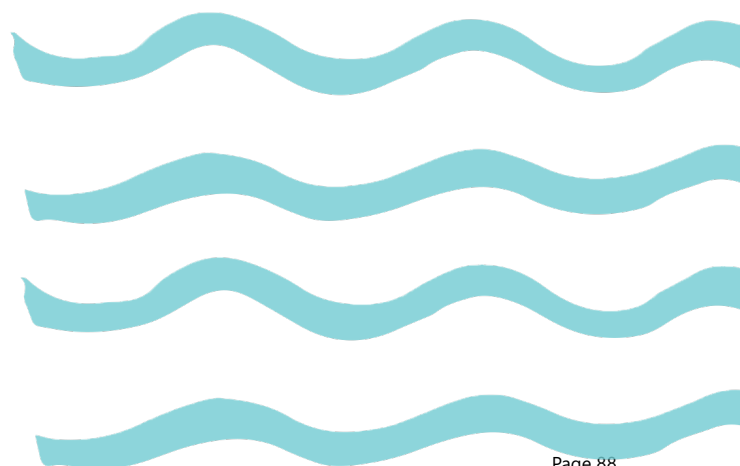
Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
<p>Deliver Water for Aboriginal cultural, spiritual and economic values and support economic inclusion in the water sector</p> <p>Promote self-determination of Traditional Owners, including by supporting the Treaty process as required. Support the implementation of Water is Life: Traditional Owner Access to Water Roadmap by enabling increased access to water entitlements under current frameworks and increased cultural benefits from the way we store, deliver and use water.</p>	<p>AC1 Supporting Aboriginal self-determination</p> <p>Demonstrate effective and genuine engagement and partnerships with Traditional Owners and Aboriginal Victorians for involvement in business opportunities and access to water for spiritual, customary, social, and economic purposes, and other self-determined purposes.</p> <p>Demonstrate there are internal processes, policies and plans in place to support Aboriginal self-determination /empowerment/employment etc. for Aboriginal community members.</p>	<p>AC1.1</p> <p>Implementation and reporting on a strategy that demonstrates how the water corporation is providing procurement opportunities to Aboriginal Enterprises to supply goods and services to water corporations, including addressing any procurement barriers. Aboriginal enterprises to supply goods/services to water corporations and number of Aboriginal enterprises procured in the last year.</p> <p>AC1.1.2</p> <p>Total number of tender requests received, total number of Aboriginal enterprise tenders received, and total number of Aboriginal enterprises procured in FY.</p>	<p>Some of the key outcomes relating directly to the creation of opportunities within the water sector for the First Nations community and businesses include:</p> <ul style="list-style-type: none"> revising our Purchasing and Contracting Rules to remove barriers to engage Aboriginal business for engagements <\$50k. reviewing all tender and quotation documentation to ensure there are no barriers to procuring goods and services from First Nations owned businesses. All our tender and quotation templates include references to purchasing goods and services from Victorian Aboriginal businesses and employment for Victorian Aboriginal people. we have embedded Aboriginal procurement within our Procurement Intranet space. Employees can identify accredited Victorian Indigenous businesses through a link to Kinaway. Kinaway is an Aboriginal Chamber of Commerce based in Melbourne through which Aboriginal and/or Torres Strait Islander businesses and entrepreneurs have a collective voice both within the Aboriginal and/ or Torres Strait Islander business community and the general business community. Barwon Water is a Platinum member of Kinaway. we have numerous commercial relationships with Aboriginal and Torres Strait Islander owned businesses. Some of the goods and services procured through these businesses during 2023-24 include stationery, cultural awareness training, employment, consulting works, graphic design, civil works and artwork. <p>During 2023-24, Aboriginal-owned business continued to be engaged from previously awarded contracts. Kinaway continued to assist us in identifying potential Aboriginal business that could provide additional goods or services to enhance existing panel contracts.</p> <p>All Barwon Water tenders were publicly advertised using the Buying for VIC website, allowing Aboriginal businesses to respond to these procurement opportunities.</p> <p>Our spend with Victorian Aboriginal-owned and certified businesses and corporations during 2023-24 was \$28,865; spend with other First Nations businesses was \$340,527.</p> <p>We procured from four new Aboriginal businesses in 2023-24.</p> <p>Tender data for 1.1.2 was not recorded in 2023-24 and we are reviewing how we collect this data in 2024-25 following a technology upgrade.</p>

Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
		<p>AC1.2</p> <p>Number and description of offered and/or active sponsorships of Aboriginal people in relevant study and training courses, including scholarships, vocational education and traineeships initiated in the last year.</p>	<p>We currently have one scholarship student, two trainees and one participant in our LEAD 2030 training program.</p> <p>We continued to support a university- based internship student through the Career Tracker program.</p> <p>Our traineeship continues to provide entry-level pathways with two First Nations trainees joining the program in field-based and IT positions.</p> <p>The First Nation Values department head is undertaking the LEAD 2030 program.</p>
		<p>AC1.3</p> <p>Number of staff within the water corporation who have undertaken a cross-cultural training course (by relevant Traditional Owner) in the last year and working towards development of mandatory cultural safety training program/policy.</p>	<p>Forty-two employees completed Connection to Country cultural awareness training. Teams where Aboriginal or Torres Strait Islander staff will be working have specific training provided to ensure the new employee enters a culturally safe working environment.</p> <p>To further increase cultural awareness and cultural safety, Yarning Circles have been introduced with significant participation from employees.</p> <p>Ongoing training developed and facilitated by Traditional Owners through an 'On Country Connection to Country' excursion is run throughout the year for all employees, and forms part of the new employee onboarding program. We are also reshaping our capability framework by adding "Caring for Country" as a priority competency.</p> <p>We continued to provide Cultural Awareness training through an online learning platform, which forms part of the onboarding program for all new employees.</p>
		<p>AC1.4</p> <p>Number of Aboriginal staff employed</p>	<p>Two per cent of our employees identify as Aboriginal and Torres Strait Islander. Note: Only proportional data is available (Source: VPSC People Matters survey).</p>

Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
	<p>AC2 Partnerships with Traditional Owners</p> <p>Demonstrate effective and genuine partnerships with Traditional Owners for inclusion to enable input into water planning and management decisions related to Aboriginal water values and other self-determined priorities.</p>	<p>AC2.1</p> <p>Number of effective engagements and partnerships with Traditional Owners in water planning and management, including a number of water projects completed that led to improved outcomes for Aboriginal Communities</p>	<p>Barwon Water and Wadawurrung Traditional Owners Aboriginal Corporation are in a formal partnership (2021 – 2024) that identifies a range of projects and opportunities that helps us walk on our Reconciliation journey, and empowers Wadawurrung to achieve the Cultural objectives set out by its community as represented in their Paleert Tjaara Dja - Wadawurrung Country Plan (2020 -2030) through a well-established relationship guided by trust and enabling self-determination</p> <p>More information is on pages 28-30. We have co-funded a People and Programs Manager for Wadawurrung’s Caring for Country team with Central Highlands Water, Corangamite Catchment Management Authority, The Great Ocean Road Coast and Parks Authority and Melbourne Water.</p> <p>Barwon Water and Eastern Maar Aboriginal Corporation have entered into a journey that is centred around developing trust and strengthening our relationship through genuine engagement and helping enable the delivery of Eastern Maar’s Cultural objectives for Country as guided by “Meerreengeeye ngakeepoorryeeyt. – Eastern Maar Country Plan. The relationship with Eastern Maar is in a much earlier stage than Wadawurrung, and therefore more time is being taken to establish a meaningful relationship with the outcome of a formal partnership planned.</p> <p>Barwon Water along with Wannon Water and Grampians Wimmera Mallee Water have co funded a “Water Corporations Partnerships Officer” position, employed by Eastern Maar Aboriginal Corporation.</p> <p>We will continue to engage with all Registered Aboriginal Parties in relation to major water planning and management projects and strategies. This will include our Water for our Future Program, Urban Water Strategy, Water is Life and land/water management opportunities. There is no specific data available on the number of engagements occurring on a regular basis.</p>
		<p>AC2.2</p> <p>Demonstrate that Traditional Owners have had the opportunity to review and/or endorse all sections of the annual report that include specific reference to Traditional Ecological Knowledge, values and wellbeing.</p>	<p>Wadawurrung Traditional Owners Aboriginal Corporation has reviewed and endorsed relevant sections of the annual report. We commit to continuing to learn from and build relationships with both Wadawurrung and Eastern Maar and engaging early and partnering in the development of all future annual reports.</p>
		<p>AC2.3</p> <p>Water corporation can demonstrate it has informed relevant Traditional Owners of opportunities to access water entitlements or allocation within their Country.</p>	<p>Three supply by agreement Cultural Water trials were undertaken with Wadawurrung in the Moorabool catchment at Durdidwarrah wetlands, Moorabool East Branch and Moorabool West Branch.</p> <p>Work also continues on the implementation of the Central and Gippsland Sustainable Water Strategy Action of delivering 3.7GL of water to the Moorabool to be shared between Wadawurrung and the Environment.</p>

Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
	<p>AC 3 Aboriginal Inclusion Plan/ Reconciliation Action Plan</p> <p>To be considered in conjunction with AC1 and AC2, taking into account the relevant local context.</p>	<p>AC 3</p> <p>Implementation of either an Aboriginal Inclusion Plan, Reconciliation Action Plan or a Self Determination Plan, reflecting measures AC1.1 to AC1.3 and AC2.1 as appropriate and report against number of actions achieved and ongoing.</p>	<p>We launched our Stretch Reconciliation Action Plan which continues Barwon Water on its Reconciliation Journey, with key actions including:</p> <ul style="list-style-type: none"> • participation and celebration of both National Reconciliation Week and NAIDOC Week • continuing the partnership with Wadawurrung Traditional Owners Aboriginal Corporation, exploring new opportunities to collaborate with and empower Wadawurrung community • continuing to build our relationship and trust with Eastern Maar Aboriginal Corporation by walking together to understand what is important to Eastern Maar community • ongoing Cultural awareness training delivered by First Nation businesses • implementation of the First Nations Employment and Retention Strategy • supporting First Nation supplier diversity within our organisation • working together with Traditional Owners on strategic projects • implementing a 'Caring for Country' approach into our organisation • continuing to seek opportunities for water return to Traditional Owners • development of a Culturally Safe language guide and protocols document • promoting Reconciliation through our sphere of influence.

Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
<p>Recognise recreational values</p> <p>Support the wellbeing of communities by considering recreational values in water management.</p>	<p>Rec1: Recreational values</p> <p>Consideration of recreational values in carrying out functions and providing services.</p>	<ol style="list-style-type: none"> 1. Number of site-based projects delivered to improve recreational enjoyment of water storages – for example, projects to improve or maintain access, infrastructure and facilities. 2. Efforts taken around the following three themes of Water for Victoria: <ul style="list-style-type: none"> • Community engagement processes that identified and considered recreational objectives relating to management of waterways. • Improvements to information sources (e.g. online) to help recreational users plan their activities. • Collaboration with other organisations and government agencies (e.g. through membership of working groups or through other means) to explore and progress opportunities to support recreational objectives. 3. Number of accessible major water storages with land and recreation management plans in place, as per <i>Water for Victoria</i> action 7.3. 	<p>We continued to improve the visitor experience at our major water storages, surplus and under-utilised land holdings. - partnering with Traditional Owners and wider community to identify and develop opportunities.</p> <p>We provided access to six major water storages – West Barwon, Wurdee Boluc, Painkalac, Bostock and Upper Stony Creek Reservoirs as well as Bolwarrah Weir – for walking, bird watching, horse riding, mountain biking, dog walking, sightseeing, and picnicking.</p> <p>We coordinated fish stocking at our reservoirs in collaboration with Fisheries Victoria and community groups. We also supported community events at our reservoirs, such as mountain biking or running festivals.</p> <p>We continued to progress Murrk Ngubitj Yarram Yaluk (37ha former Bellarine Basin site) and the 66ha Porronggitj Karrong precinct project, as outlined in Part 3.</p> <p>We contributed to the multi-layered Kitjarra-dja-bul Bullarto langi-ut masterplan (lower Moorabool and lower Barwon River corridors), which has now progressed into the implementation phase.</p> <p>Along with the City of Greater Geelong, we helped facilitate community groups who are establishing new community gardens on pipe reserves in Armstrong Creek and North Geelong.</p> <p>We continued to promote these places through our website, social media channels and local radio editorials.</p>



Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
<p>Resilient and liveable cities and towns</p> <p>Contribute to healthy communities by supporting safe, affordable, high-quality services and resilient, liveable environments and recovery from emergency events that builds back with improved resilience against future risks.</p>	<p>L1 Integrated Water Management (IWM) (urban)</p> <p>In relevant IWM forum(s), actively facilitate and champion water’s contribution to the resilience and liveability of cities and towns of the region consistent with the forum’s objectives.</p> <p>In the regional context this includes demonstrating reasonable progress towards implementation of priority IWM projects and plans, as identified by the relevant IWM forums.</p>	<p>L1</p> <p>Progress towards:</p> <ul style="list-style-type: none"> • participation in, or establishment of IWM forum(s) in your region • contribution to development or review, and implementation of Strategic Direction Statement(s) in your region • implementation of priority IWM projects and plans, as applicable • delivering IWM outcomes for the region (regional IWM forums) and/ or IWM targets set out in the relevant catchment scale IWM plans (metro IWM forums). 	<p>We led and contributed to the functioning of the Barwon IMW Forum by chairing and providing executive support.</p> <p>In partnership with the Barwon IWM Forum members and DEECA, we continued to implement the priority IWM projects identified in the recently updated Strategic Directions Statement (SDS), the Forum’s key strategic document.</p> <p>We continued to embed integrated water cycle management early in urban planning for Geelong’s long-term growth areas by working with the City of Greater Geelong to facilitate the implementation of the IWM Plan for the Growth Areas of northern and western Geelong in upcoming Precinct Structure Plans.</p> <p>We worked with the IWM Forum members and various regional networks, such as the Barwon Regional Partnership, to explain the multiple community-wide benefits of IWM and attract investment for various projects.</p> <p>We have worked in partnership with our regional partners to develop concept designs and a Business Case for the large scale, staged alternative water (stormwater and recycled water) grid which distributes recycled water and stormwater for beneficial use.</p> <p>We have led and contributed to significant regional IWM projects and processes, including the delivery of fit-for-purpose recycled water to Deakin University’s Waurin Ponds Campus and the Bellarine Peninsula’s agricultural industry. We also provided strong support to the Surf Coast Shire, which was investigating options to improve the health of the Karaaf Saltmarsh and provide regional IWM outcomes.</p>
	<p>L2 Water efficiency (urban)</p> <p>Implement water efficiency initiatives, actions or programs aligned with Target 155 (Metros), Target Your Water Use (Regional Urban), <i>Water for Victoria</i> and relevant sustainable and urban water strategies.</p>	<p>L2a</p> <p>Continue to collaborate on the Victorian Water Efficiency Strategy delivering on water efficiency outcomes in Water for Victoria and relevant urban and sustainable water strategies, including:</p> <ul style="list-style-type: none"> • water corporations working together to develop statewide initiatives; and • reporting the number of customers in need assisted by the Community Rebate Program, and for participating organisations only, the Community Housing Retrofit Program. 	<p>We have continued to participate in the Victoria Water Efficiency Network to ensure a coordinated approach to Target Your Water Use and Permanent Water Saving Rules initiatives.</p> <p>We have assisted 293 customers through the Community Rebate Program (164 customers) and Community Housing Retrofit Program (129 customers) with a combined estimated 24.28 million litres in water savings.</p>
		<p>L2b</p> <p>Water corporations are required to provide:</p> <ul style="list-style-type: none"> • water consumption figures for each district for residential and non-residential water users including drinking water, alternative water sources and non-revenue water • major non-residential water users, including number of customers who fall within prescribed volume ranges and naming of users and whether they participate in water efficiency program. • Information must be provided if a water corporation has implemented action under its Drought Preparedness Plan including actions, stage of restrictions, measures and communities affected along with measures to improve future drought response. 	<p>Water consumption figures for residential/non-residential and major non-residential users are reported as per L2b measure in Part 3 (pages 21-25) of this report.</p>

Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
	<p>L3 Circular economy outcomes</p> <p>Reasonable progress towards integrating circular economy principles into business decisions across all aspects of the water cycle.</p> <p>Measures related to this indicator will highlight the water sector’s contribution towards targets under <i>Recycling Victoria</i>.</p>	<p>L3</p> <p>Progress towards circular economy might include:</p> <ul style="list-style-type: none"> • Qualitative description of projects or initiatives undertaken that adopt circular economy principles and/or contribute towards identified targets in <i>Recycling Victoria</i>. • Percentage of biosolid mass reused (urban only). 	<p>Significant projects with circular principles adopted and contributing towards targets under <i>Recycling Victoria</i> include:</p> <p>The Regional Renewable Organics Network project, which will provide a processing solution for ~60,000 tonnes of municipal food and garden organic waste, commercial and industrial organics and biosolids, continues to be developed and aims to be ready to take waste in 2026. The project will produce renewable energy, biochar (which sequesters carbon) and reduce emissions.</p> <p>We are investigating further development of a third stage for the Colac Renewable Organics Network project. Barwon Water has placed an order for a hydrogen fuelled prime mover – coordinated via the Viva Energy led New Energies Service Station project. The vehicle will be on road around mid-2025.</p> <p>We are investigating if there are environmental, operational and financial benefits available through the recovery of cellulose from our wastewater streams.</p> <p>Other significant projects include reusing 100 per cent of biosolid mass during the financial year.</p>
	<p>L4 Environmental Statutory Obligations</p> <p>Water corporations are required to meet statutory obligations and other environmental activities as applicable.</p>	<p>L4</p> <ul style="list-style-type: none"> • Regional Catchment Strategy within its region • Victorian Waterway Management Strategy and regional Waterway Strategy within its region • State Environment Protection Policy (Waters) clauses referred to in the Environmental Protection Transitional Regulations 2021, where a new legal instrument has been made (e.g. OMLI) • Port Phillip Bay Environmental Management Plan 	<p>Barwon Water has continued to update our environmental management and compliance systems in response to changes in the <i>Environment Protection Act</i> and subordinate regulations, reference standards and guidelines.</p> <p>This has included implementation of new Health and Environmental Management Plans, Recycled Water Quality Management Plans for our recycled water reuse schemes and the preparation of Risk Management and Monitoring Programs for our water reclamation plant operating licence sites.</p> <p>Information on our statutory obligations and compliance are provided in section 7 of this report (pages 43-52).</p>
<p>Leadership, diversity and culture</p> <p>Reflect the needs of our diverse communities and develop strategies and goals that will increase cultural diversity in the workforce and gender equity in both executive leadership and throughout the organisations, including requirements under the <i>Gender Equality Act 2020</i>.</p>	<p>G1 Diversity and inclusion</p> <p>Improve gender and cultural diversity in workforce including gender equity in both executive leadership and throughout the organisation.</p> <p>Diversity Inclusion plans to be based on best practice and include reference to identifying barriers to succession and meeting targets.</p> <p>The approach of the DEECA Diversity and Inclusion Strategy 2019–2022 could be considered as a guide.</p>	<p>G1.1</p> <p>Development and delivery of a Diversity Inclusion Plan/s, including a Gender Equality Action Plan and publication (via the water corporation’s website) of progress in relation to the plans or equivalent explanation.</p> <hr/> <p>G1.2</p> <p>Number of females occupying senior executive positions over projected five-year period.</p> <hr/> <p>G1.3</p> <p>Adopt strategies and actions to achieve a one per cent target for Aboriginal people in the business, noting the Victorian Public Service has a two per cent target [1] and work to a stretch target of three per cent by 2020 (DELWP policy [2]).</p>	<p>We continued to implement Barwon Water’s Diversity, Inclusion and Gender Equity Strategy through implementing the Belonging @ Barwon Water Action Plan. This current plan aligns to and meets the requirements of the <i>Gender Equality Act 2020</i>. More information is on page 67-68 of this report.</p> <p>Our 2023–24 progress was reported to the Gender Equality Commission and will be next reported on their website in February 2025.</p> <hr/> <p>We aim to maintain a balanced senior leadership team and representation is currently 50 per cent men and 50 per cent women.</p> <p>As part of the Belonging @ Barwon Water Inclusion Action Plan there are various targets and actions to support gender equality. The gender balance target for our Senior Leadership Team is 40 per cent women, 40 per cent men and 20 per cent flexible.</p> <hr/> <p>Two per cent of our employees identify as Aboriginal and Torres Strait Islander. We are working towards a stretch target through various programs, which are driven by our Aboriginal Employment and Retention Strategy, which was recognised at the state and national level for Organisational Excellence by the Australian Water Association.</p>

Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
		<p>G1.4</p> <p>Actions taken to improve participation by Traditional Owners and Aboriginal Victorians in Board committees and other organisational committees (e.g. cultural safety training for all Board members and recruiting an Aboriginal delegate to your Board).</p>	<p>Corrina Eccles is on the Barwon Water Board as a non-executive Director. Corrina, who is a Wadawurrung Traditional Owner and has worked for more than 20 years with Aboriginal organisations, brings a unique insight into Indigenous culture, perspectives and values relating to water.</p> <p>We have identified a number of opportunities to implement actions and programs that seek to achieve shared benefits with Traditional Owners and Aboriginal communities, including:</p> <ul style="list-style-type: none"> • Porrhongitj Karrong – Barwon Water and Wadawurrung are working in partnership to transform the land into a new living cultural landscape and community precinct, where traditional land management can be celebrated in practice • Murk Ngubitj Yarram Yaluk (Bellarine Basin) – We are working in partnership with Wadawurrung, local community, special interest groups and government agencies to restore and provide public access to the Yarram Creek headwaters and surrounding landscape • We have a Partnership Agreement in place with Wadawurrung Traditional Owners Aboriginal Corporation (2021–24) and have begun planning for its renewal • We are continuing to build on our relationship with Eastern Maar Aboriginal Corporation, through building trust and deepening our understanding of what’s important to Eastern Maar • We now have a stand-alone First Nation Values Department with four full time First Nations Staff, that has oversight and gives direction on Barwon Water’s Reconciliation Journey, our partnership with Wadawurrung, relationship Eastern Maar and how we work with First Nation organisations in our region • We supported the Djilang initiative with the Geelong Advertiser. <p>We are currently recruiting for a First Nations non-executive Director for the Board of Barwon Asset Solutions. The role aims to improve the board’s decision-making and build a pathway for, and pipeline of, future Aboriginal board members to consider applying for a Ministerial appointed board position in the future.</p>
		<p>G1.5</p> <p>Number of respondents to the Victorian Public Sector Commission (VPSC) People Matter Survey from each water corporation.</p>	<p>We achieved a participation rate of 83 per cent in the 2024 People Matters survey.</p>
		<p>G2.1 Health and Safety</p> <p>Performance indicators adopted to monitor occupational health and safety in line with FRD 22, section 5.10.</p>	<p>We have used ‘lead and lag’ performance indicators to inform initiatives and strategies associated with reducing the overall incident frequency rate and severity of injuries.</p> <p>This has been reflected in a steady decline of our Incident Rate per 100 FTE, which reduced from 11.9 in 2022–23 to 6.6 in 2023–24.</p>

Priority area	Key Performance Indicator	Measure	Barwon Water activity/response
<p>Performance and Financial Sustainability</p> <p>Improve efficiency and consistency in the reporting of performance while delivering safe and cost-effective water and wastewater services in a financially sustainable manner.</p>	<p>PF1 Audited statement of performance</p> <p>Demonstrating a concise statement of performance, financial sustainability and provide a positive picture of a corporation's financial sustainability over time.</p>	<p>PF1.1 Financial Performance Indicators</p> <p>PF1.2 Water and Sewerage Network Performance Indicators</p> <p>PF1.3 Water Service Indicators</p> <p>PF1.4 Customer Responsiveness Performance Indicators</p> <p>PF1.5 Water Reuse Indicators</p> <p>PF1.6 Community Service Obligations</p>	<p>This set of indicators are reported within the Performance Report contained within the Annual Report following the annual audit process undertaken by VAGO.</p> <p>DTF undertook a desktop rating in June 2024, which determined that Barwon Water's credit rating would remain A- from 1 July,2024.</p> <p>The FAL rate is increased for 2024-25 to 0.95 per cent.</p>
<p>Compliance and enforcement</p> <p>Apply a consistent, transparent and risk-based approach to manage compliance and enforcement of the <i>Water Act 1989</i></p>	<p>BE1 Demonstrate bulk entitlements are compliant with individual reporting conditions</p>	<p>Develop and maintain a report for each bulk entitlement, covering all applicable 'reporting requirements'.</p>	<p>We maintain information on our bulk entitlement compliance.</p> <p>A full list of all our bulk entitlements is provided within section 7 of this report (page 53 – 58).</p>



Part 9.

Performance Report



Barwon Water carried out works to repair a major blockage to the sewer network in Geelong, on Bellarine Street in April 2024.



Barwon Region Water Corporation (Barwon Water) and Barwon Asset Solutions Pty Ltd (BAS) (collectively 'the Group).

Consolidated Performance Report 2023-24

1. Financial Performance Indicators

Key Performance Indicator	2022-23 Result	2023-24 Result	Variance to 2022-23	2023-24 Target	Variance to target
Cash Interest Cover Net operating cash flows before net interest and tax / net interest payments	3.30 times	3.48 times	5.45%	3.90 times	¹ (10.77%)
Gearing Ratio Total debt (including finance leases) / total assets	16.20%	17.13%	5.74%	19.60%	² (12.65%)
Internal Financing Ratio Net operating cash flow less dividends / net capital expenditure	65.50%	64.36%	(1.74%)	73.00%	³ (11.84%)
Current Ratio Current assets / current liabilities (excluding long- term employee provisions and revenue in advance)	60.00%	47.10%	⁴ (21.50%)	51.00%	(7.65%)
Return on Assets Earnings before net interest and tax / average assets	1.20%	1.29%	7.50%	1.40%	(7.86%)
Return on Equity Net profit after tax / average total equity	0.30%	0.39%	⁵ 30.00%	0.70%	⁶ (44.29%)
EBITDA Margin Earnings before interest, tax, depreciation and amortisation / total revenue	45.90%	44.62%	(2.79%)	47.50%	(6.06%)

Notes:

- Lower than target cash interest cover due to a combination of non-tariff revenue lower than target, higher than anticipated payments to employees and suppliers and interest payments above target.
- Lower gearing than target due to lower drawdown of borrowings combined with increased value of water and infrastructure assets compared to target.
- Lower than target internal financing ratio due to a combination of non-tariff revenue lower than target, higher than anticipated payments to employees and suppliers and interest payments above target.
- Current ratio lower than prior year due to increased trade payables and increased short term borrowings due to a higher level of capex spend in the last month of the financial year compared to prior year.
- Return on equity is higher than prior year due to increased tariff revenue related to drier weather conditions and increased inflationary impacts, partially offset by increased costs of external resources, and loss on disposal of assets.
- Return on equity is lower than target due to increased value of water and sewer infrastructure assets compared to target.

Operational Performance

2. Water and Sewerage Network Performance Indicators

Key Performance Indicator	2022-23 Result	2023-24 Result	Variance to 2022-23	2023-24 Target	Variance to target
Water Service – minutes off supply (planned and unplanned)					
How many minutes on average a customer was without water supply during a year	17	13	⁷ (23.53%)	30	⁸ (56.67%)
Unplanned water supply interruptions					
Percentage of customers receiving five unplanned interruptions in the year	0.3%	0.3%	0.00%	0.40%	⁹ (25.00%)
Sewerage Service – sewer blockages					
Number of sewer blockages reported per 100 kilometres of sewer main	51	57	¹⁰ 11.76%	54	5.56%
Sewerage Service – sewer spills					
Number of sewer spills reported per 100 kilometres of sewer main	14	13	(7.14%)	16	¹¹ (18.75%)
Sewerage Service – containment of sewer spills					
Sewer spills from reticulation and branch sewers contained within 5 hours	99.50%	100.00%	0.50%	98.50%	1.52%

Notes:

7. Favourable performance with little change to the interruption length and the number of unplanned interruptions, it was the number of planned interruptions that decreased greatly in 2023-24. Planned interruption length is nearly twice as long as unplanned, when the number of planned interruptions decreased greatly so did the result.
8. As above.
9. Favourable performance to target is a result of risk-based prioritisation of renewals and upgrade initiatives for water mains, resulting in a reduction in failure rates and corresponding reduction in number of customers affected by multiple unplanned water supply interruptions.
10. Unfavourable performance to prior year. Largest increase was in main sewer blockages with house connection branch blockages also increasing when compared to prior year. However, our programs have been prioritised to reduce sewer spills, which has seen a reduction in the 2023-24 year.
11. Favourable performance to Corporate Plan is a result of continued focus on reducing sewer spills toward zero.

3. Water Reuse Indicators

Key Performance Indicator	2022-23 Result	2023-24 Result	Variance to 2022-23	2023-24 Target	Variance to target
Recycled water – effluent treatment and reuse					
Proportion of water recycled as a percentage of the volume of effluent produced	10.90%	13.20%	¹² 21.10%	20.00%	¹³ (34.00%)

Notes:

12. Favourable performance to previous year is a direct result of increased recycled water from Portarlington Water Reclamation Plant.
13. Unfavourable performance to Corporate Plan is a result of ambitious Corporate Plan set, although performance is improving towards Corporate Plan.

4. Customer Responsiveness Performance Indicators

Key Performance Indicator	2022-23 Result	2023-24 Result	Variance to 2022-23	2023-24 Target	Variance to Target
Water bills - customers on flexible payment plans* No. of customers with instalment plans	8,884	10,000	¹⁴ 12.56%	N/A	N/A
Customers awarded hardship grants ~ No. of customers awarded hardship grants	3,287	5,175	¹⁵ 57.44%	N/A	N/A
Customer Responsiveness – water quality complaints No. of complaints per 100 customers	0.12	0.15	¹⁶ 25.00%	0.20	¹⁷ (25.0%)
Customer Responsiveness – number of payment issue complaints No. of complaints per 100 customers	0.14	0.21	¹⁸ 50.00%	0.12	¹⁹ 75.00%
Customer Responsiveness – total complaints No. of complaints per 100 customers	0.75	1.07	²⁰ 42.67%	0.67	²¹ 59.70%

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

~ A decrease in customers provided with hardship grants has been interpreted to be an unfavourable variance as this indicator is based on customer focus rather than financial factors and reflects the position that customers consistently support greater help for vulnerable customers, including those in hardship. This is also consistent with government policy.

Notes:

14. Favourable to previous year due to the outcome of an ongoing focus on soft skills training, as well as continual refinement in our proactive outbound communication with customers, encouraging them to engage with support mechanisms. An increased focus on identifying and contacting significantly overdue customers has also helped to lift this result.
15. Favourable to previous year, increased efforts under our Customer Support (hardship) Program to link customers with support or grants appropriate to their circumstances. The sustained success of our customer support offering has been led by an industry-leading Customer Support Program, bolstered by ongoing staff capability uplift. Initiatives include improved customer awareness via bill and reminder inserts, improved direct communication, staff cross-training and recruitment, and data-led outbound calling campaigns to encourage assistance program uptake. These passive and proactive measures are expected to result in ongoing stable growth in these numbers.
16. Unfavourable to target due to operational changes to reduce demand at Wurdee Boluc WTP during Blue Green Algae issues resulted in increased complaints compared to the previous year.
17. Favourable to Corporate Plan due to operational changes to reduce demand at Wurdee Boluc WTP during Blue Green Algae issues resulted in increased complaints compared to the previous year, however the impact of those changes were minimised as much as possible via a proactive communication campaign.
18. Unfavourable performance is a result of increased training effort to encourage complaint reporting behaviour in the organisation, complaints are considered to reflect any degree of dissatisfaction from the customer. There has also been an increase in customers querying bills as a result of cost-of-living pressures.
19. As above.
20. Unfavourable performance to previous year is made up of the above comments surrounding water quality and payment complaints. Also other, wastewater service quality and reliability and flow rate complaints went up. Sewer odour complaints decreased.
21. Unfavourable performance to Corporate Plan. We continue to focus closely on ensuring that complaints undergo root cause analysis and that we take action to mitigate the systemic issues uncovered.

Certification of Performance Report for 2023–24

We certify that the accompanying Performance Report for the Group in respect of the 2023–24 financial year 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 as set out in the 2023–24 Corporate Plan, the actual and comparative results achieved for the financial year against predetermined performance targets and these indicators, and an explanation of any significant variance between the actual results and performance targets and/or between the actual results in the current year and the previous year.

As 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.



Jo Plummer

Chair



Shaun Cumming

Managing Director
(Accountable Officer)



Melissa Stephens

General Manager People and Corporate
(Chief Financial Officer)

Dated this 19th day of September 2024

Independent Auditor's Report



Independent Auditor's Report

To the Board of the Barwon Region Water Corporation

Opinion	<p>I have audited the performance report of the Barwon Region Water Corporation (the corporation) for the year ended 30 June 2024, which comprises the:</p> <ul style="list-style-type: none"> • financial performance indicators • water and sewerage network reliability performance indicators • customer responsiveness performance indicators • water reuse performance indicator • certification of performance report. <p>In my opinion, the performance report of the Barwon Region Water Corporation for the year ended 30 June 2024 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the <i>Financial Management Act 1994</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance report in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance report	<p>The Board is responsible for the preparation and fair presentation of the performance report in accordance with the performance reporting requirements of the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.</p>

<p>Auditor's responsibilities for the audit of the performance report</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
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MELBOURNE
1 October 2024


 Paul Martin
as delegate for the Auditor-General of Victoria

Part 10.

Financials



Computer generated image of the potential new Regional Renewable Organics Network at Black Rock Water Treatment Plant. Image courtesy of Hitachi Zosen Inova and NALG.



Barwon Region Water Corporation ("Barwon Water")
and its controlled entity ("The Group")

Consolidated General Purpose Financial Report

For the year ended 30 June 2024

The Group has pleasure in presenting its audited general purpose financial statements for the financial year ended 30 June 2024. It is presented in the following structure:

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Consolidated Comprehensive Operating Statement

For the financial year ended 30 June 2024

		2024	2023
	Notes	\$'000	\$'000
Revenue and income from transactions			
Service, usage and trade waste charges	2.1.1	230,582	206,922
Government grants and contributions	2.2	1,622	1,433
Developer contributions	2.1.2	50,729	39,128
Other income	2.3	8,497	9,884
Interest income		519	241
Rental income		889	820
Total revenue and income from transactions		292,838	258,428
Expenses from transactions			
Services and supplies	3.2	82,624	68,929
Interest expense	6.1.2	35,307	31,905
Depreciation, amortisation and impairment	4.1.2	82,887	78,128
Employee benefits	3.1.1	58,225	53,635
Environmental contribution	8.2	9,598	9,598
Other expenses		608	1,274
Total expenses from transactions		269,249	243,469
Net result from transactions (net operating balance)		23,589	14,959
Other economic flows included in net result			
Net (loss) on non-financial assets	9.2	(8,442)	(1,024)
Net (loss) on financial instruments	9.2	(1,908)	(5,442)
Other gains from economic flows	9.2	323	72
Total other economic flow included in net result		(10,027)	(6,394)
Net result before income tax		13,562	8,565
Income tax expense	8.1.1	4,033	2,489
Net result for the period		9,529	6,076
Other economic flows - Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Increase/(decrease) in revaluation of infrastructure, property, plant and equipment	9.1.2	-	416,098
(Increase)/decrease in impairment of infrastructure, property, plant and equipment	9.1.2	(1,458)	-
Income tax relating to components of other comprehensive income	8.1.1	404	(124,829)
Total other economic flows - other economic flows		(1,054)	291,269
Comprehensive result		8,475	297,345

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

Consolidated Balance Sheet

For the financial year ended 30 June 2024

		2024	2023
	Notes	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	6.2	12,564	14,273
Receivables	5.1	28,857	26,307
Contract assets	5.2	22,910	21,516
Inventories		1,726	1,579
Prepayments		2,403	2,617
Non-financial physical assets classified as held for sale	4.3	542	459
Other financial assets	5.5	(33)	652
Total current assets		68,969	67,403
Non-current assets			
Infrastructure, property, plant and equipment	4.1.3	3,713,601	3,631,655
Right-of-use assets		3,005	83
Intangible assets	4.2	7,449	8,380
Other financial assets	5.5	1,244	3,043
Total non-current assets		3,725,299	3,643,161
Total assets		3,794,268	3,710,564
LIABILITIES			
Current liabilities			
Trade and other payables	5.3	40,033	24,134
Contract liabilities	5.4	11,924	12,498
Interest bearing liabilities	6.1	75,850	53,375
Employee benefits - provision	3.1.2	13,225	13,108
Other financial liabilities	5.5	184	161
Other provisions	5.6	5,358	8,703
Total current liabilities		146,574	111,979
Non-current liabilities			
Trade and other payables		2	2
Interest bearing liabilities	6.1	573,986	545,920
Employee benefits - provision	3.1.2	1,042	1,015
Other financial liabilities	5.5	461	1,060
Other provisions	5.6	14,975	5,464
Net deferred tax liabilities	8.1.2	634,471	630,842
Total non-current liabilities		1,224,937	1,184,303
Total liabilities		1,371,511	1,296,282
Net assets		2,422,757	2,414,282
EQUITY			
Asset Revaluation Reserve	9.1.2	1,217,012	1,218,066
Contributed capital	9.1.1	459,598	459,598
Accumulated funds	9.1.3	746,147	736,618
Total equity		2,422,757	2,414,282

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

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2024

		Contributed capital	Asset Revaluation Reserve	Accumulated Surplus	Total Equity
	Notes	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2022		459,598	926,797	730,542	2,116,937
Comprehensive income for the year					
Net result for the year	9.1.3	-	-	6,076	6,076
Increase/(decrease) in infrastructure, property, plant and equipment as a result of revaluation or impairment, net of income tax	9.1.2	-	291,269	-	291,269
Total comprehensive income for the year		459,598	1,218,066	736,618	2,414,282
Transactions with the State in its capacity as owner:					
Contributions by owners	9.1.1	-	-	-	-
Balance as at 30 June 2023		459,598	1,218,066	736,618	2,414,282
Balance as at 1 July 2023		459,598	1,218,066	736,618	2,414,282
Comprehensive income for the year					
Net result for the year	9.1.3	-	-	9,529	9,529
Increase/(decrease) in infrastructure, property, plant and equipment as a result of revaluation or impairment, net of income tax	9.1.2	-	(1,054)	-	(1,054)
Total comprehensive income for the year		459,598	1,217,012	746,147	2,422,757
Transactions with the State in its capacity as owner:					
Contributions by owners	9.1.1	-	-	-	-
Balance as at 30 June 2024		459,598	1,217,012	746,147	2,422,757

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

Consolidated Cash Flow Statement

For the financial year ended 30 June 2024

		2024	2023
	Notes	\$'000	\$'000
		<i>Inflows</i> <i>(Outflows)</i>	<i>Inflows</i> <i>(Outflows)</i>
Cash flows from operating activities			
Receipts			
Service, usage and trade waste charges		227,157	209,920
Interest received		519	241
Developer contribution fees		12,359	9,995
Government contributions received		2,685	2,884
GST received from the ATO		20,624	13,778
Other receipts		10,354	8,853
Payments			
Payments to employees		(58,102)	(53,548)
Payments to suppliers		(84,308)	(76,422)
Interest and other costs of finance paid		(35,307)	(31,910)
Environmental contribution levy paid		(9,598)	(9,598)
Net cash inflow operating activities	6.2.1	86,383	74,193
Cash flows from investing activities			
Payments for infrastructure, property, plant and equipment		(138,750)	(118,159)
Proceeds from sale of infrastructure, property, plant and equipment		4,523	4,840
Net cash outflow from investing activities		(134,227)	(113,319)
Cash flows from financing activities			
Proceeds from new and paid down and refinanced borrowings		100,000	91,000
Payment of maturing borrowings paid down and refinanced		(50,000)	(47,500)
Proceeds from contributions by State in its capacity as owner		-	-
Repayment of lease liabilities		(3,865)	(1,981)
Net cash inflow from financing activities		46,135	41,519
Net (decrease)/increase in cash held		(1,709)	2,393
Cash and cash equivalents at the beginning of the financial year		14,273	11,880
Cash and cash equivalents at the end of the financial year	6.2	12,564	14,273

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

1 About this report

Basis of preparation

The financial report includes consolidated financial statements for Barwon Region Water Corporation ("Barwon Water") and its wholly owned subsidiary, Barwon Asset Solutions Pty Ltd ("BAS"), collectively known as the Group. This financial report is a general purpose financial report, that consists of a Consolidated Comprehensive Operating Statement, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and notes accompanying these statements for the year ended 30 June 2024. The State Government of Victoria is the sole shareholder.

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

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

The annual financial statements were authorised for issue by the Board on 19th day of September 2024.

The principal address is:

Barwon Region Water Corporation
55-67 Ryrie Street
Geelong VIC 3220

Barwon Asset Solutions Pty Ltd
55-67 Ryrie Street
Geelong VIC 3220

Principles of consolidation

BAS is 100 per cent owned by Barwon Water.

Information relating to the Parent is disclosed in Note 9.11. Barwon Water has made judgements and determined that the control test under AASB 10 *Consolidated Financial Statements* is satisfied based on:

1. Barwon Water having the capacity to affect the relevant activities of BAS that can significantly affect its returns.
2. Barwon Water has exposure to variable returns from BAS.
3. Barwon Water has sufficient discretion to direct the activities of BAS.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated. For details regarding the controlled entity, please refer to Note 9.10.

Accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. A description of the nature of its operations and the Group's principal activities is included in the Report of Operations, which does not form part of these financial statements.

Functional and presentation currency

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

Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next 12 months, being the Group's operational cycle, with the exception of employee benefits (refer note 3.1.2).

Rounding

Unless otherwise stated, amounts in the report have been rounded to the nearest thousand dollars. Figures in the consolidated financial statements may not equate due to rounding.

Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, with the exception of certain non-current assets which, as noted, are measured at fair value.

Accounting estimates

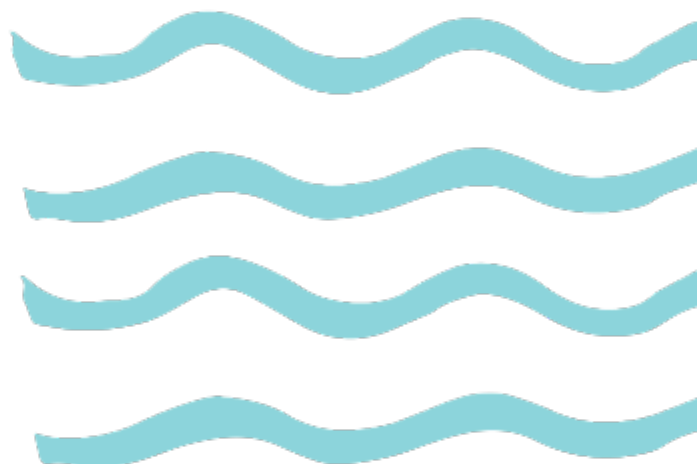
Judgements and estimates require assumptions to be made about highly uncertain external factors such as discount rates, probability factors, the effects of inflation, changing technology, political and social trends and climate change. There are many uncertainties in the estimation process and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Significant judgement and estimation area	Note Number
The fair value of land, buildings, infrastructure, plant and equipment	7.3.1
Estimation of useful life	4.1.2
Estimated fair value of derivative financial instrument	5.5, 0
Assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates	3.1.2
Revenue recognition - Determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is within the scope of AASB 15 <i>Revenue from Contracts with Customers</i> (AASB 15) or AASB 1058 <i>Income of not-for-profit entities</i> (AASB 1058)	2.1
Revenue Recognition - The timing of satisfaction of performance obligations	2.1
Determining transaction price and amounts allocated to performance obligations	2.1
Expected credit loss for receivables	5.1.1
Deferred tax	8.1.2
Contract assets	5.2
Other provisions	5.6

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).

In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049). Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.



2 Funding delivery of our services

Introduction

This section provides information about how the Group is funded and the accounting policies that are relevant for an understanding of the revenue recognised in the consolidated financial statements. The Group is committed to the customer outcomes of delivering safe, secure sustainable water; innovative, reliable services; healthier environment; and trust, affordability and value. To help achieve these outcomes, the Group levies rates, tariffs and charges for water, wastewater and related activities under the authority of the *Water Act 1989* and in accordance with other regulatory requirements as applicable. The dominating revenue stream is from water and wastewater service and usage charges.

Income is recognised to the extent it is probable the economic benefits will flow to the Group and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

Revenue and income that fund delivery of the Group's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

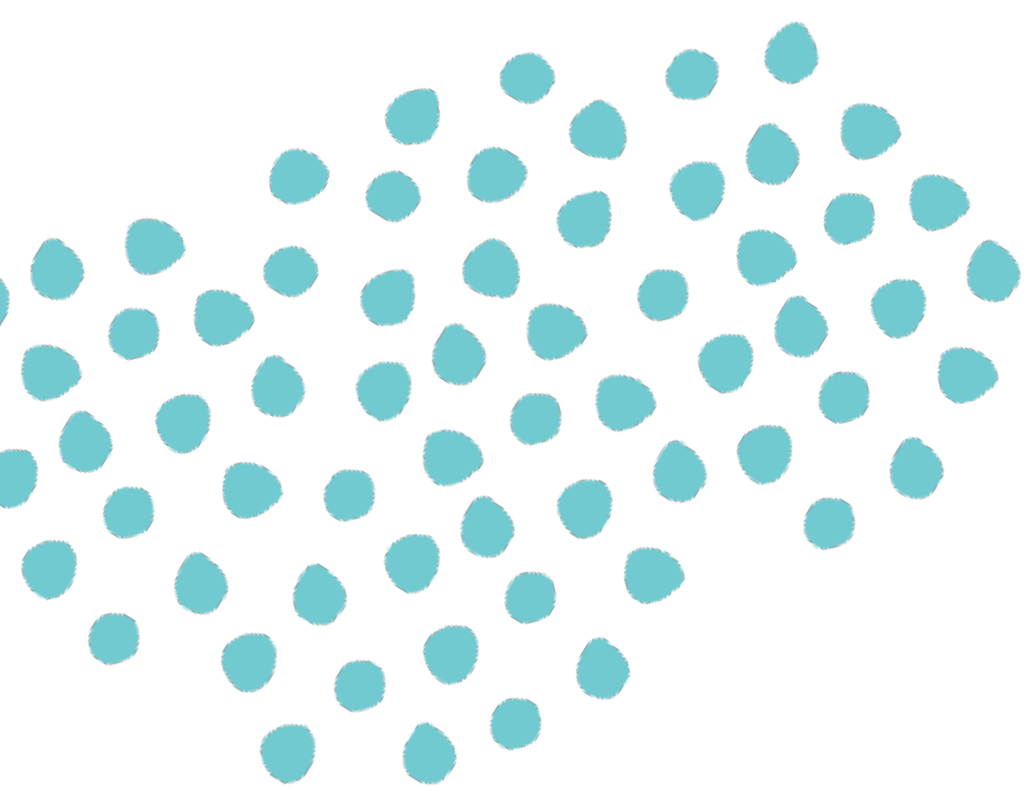
2.1 Revenue from contracts with customers

The Group derives revenue from the transfer of goods and/or services over time and at a point in time in the following revenue streams. Revenue is recognised when, or as, the performance obligations to the customer are satisfied. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contractual liability (refer Note 5.4). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded (refer Note 5.2).

2.1.1 Service, usage and trade waste charges

	2024	2023
	\$'000	\$'000
Service charges		
Water service charges	24,998	23,182
Sewerage service charges	99,528	92,182
Recycled water service charges	1,522	1,431
	126,048	116,795
Usage charges		
Water usage charges	87,450	75,059
Sewage disposal charges	6,267	5,056
Recycled water usage charges	1,704	1,193
	95,421	81,308
Trade waste charges		
Trade waste usage charges	5,440	4,782
Trade waste other fees and charges	3,673	4,037
	9,113	8,819
Total service, usage and trade waste charges	230,582	206,922

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
<p>Service charges (recycled water, water and sewerage)</p>	<p>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 the Group. AASB 15 usually requires the disclosure of the aggregate amount of revenue expected to be derived from performance obligations which are unsatisfied as at the end of the reporting period. Management consider that such an amount cannot be reliably estimated, primarily because the Group’s obligation to supply customers with major services will continue in perpetuity. As a result, the Group has applied the practical expedient given in AASB 15, paragraph 121(b), not to disclose this amount in relation to service charges.</p>	<p>Revenue is recognised over time as service is provided.</p>
<p>Usage charges (recycled water, water and sewerage)</p>	<p>Usage charges are billed quarterly in arrears and revenue is recognised over time as the Group has the right to receive an amount of consideration based on the unit of water consumed by and sewage, recycled water and trade waste disposed of during the financial year and the regulated price. Usage and trade waste charges are accrued, and contract assets are booked.</p> <p>The amount of right to invoice is based on meter readings. As meter reading is cyclical, an estimate is made at the end of the accounting period for water and recycled water usage and sewerage and trade waste disposal by customers. This revenue stream includes an estimate of the amount of water and recycled water consumed by, and sewage disposed, and trade waste disposed for customers that are not yet billed at the end of the period. An estimation of usage and disposal charges is made at the end of each accounting period for connections where meters were not read at balance date. Any difference between the amount invoiced and actual consumption is adjusted in the period in which the meter readings are finalised and are recovered or paid as part of the next period’s charges. This estimated amount is included in contract assets.</p>	<p>Revenue is recognised over time as service is provided.</p>
<p>Trade waste disposal charges</p>	<p>Revenue related to trade waste disposal is based on the volume of waste disposed by customers.</p>	<p>Revenue is recognised over time as service is provided.</p>



2.1.2 Developer contributions

	2024	2023
	\$'000	\$'000
Developer contributions		
Developer contributed assets	37,860	27,432
New customer contributions	12,865	11,640
Other capital contributions	4	56
Total developer contributions	50,729	39,128

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Developer contributed assets	<p>Developer contributed assets arise when developers pay for the cost of the construction of new infrastructure assets, predominately in new land subdivisions and, on completion, gift these assets to the Group to maintain in perpetuity.</p> <p>Depending on the type of developer application, this can result in the performance obligation being satisfied:</p> <ul style="list-style-type: none"> when the Statement of Compliance is issued to the customer, or when the customer is connected to the Group's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued. <p>Revenue in respect to 'developer contributed assets' is recognised at the fair value of the gifted assets by assessing the value of the works using a schedule of rates.</p>	Revenue is recognised at a point in time.
New customer contributions	<p>New customer contributions represent non-refundable upfront charges applicable when customers request to build or develop a property and connect to the Group's water supply and sewerage infrastructure network. The charges contribute towards the cost of augmenting the Group's water supply distribution systems and sewerage disposal systems.</p> <p>Depending on the type of new customer contribution application, this obligation will vary depending on the type of application submitted by the customer. As a result, a performance obligation can occur when:</p> <ul style="list-style-type: none"> the Statement of Compliance is issued to the customer, the customer is connected to the Group'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 the Group to proceed with their application. <p>The rates applied to calculate the new customer contributions are regulated by the Essential Services Commission.</p>	Revenue is recognised at a point in time.

2.1.3 Timing of revenue recognition from customers

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

	Service charges	Usage charges	Trade waste charges	Developer contributions	Total revenue with customers
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
At a point in time	-	-	-	39,128	39,128
Over time	116,795	81,308	8,819	-	206,922
Total	116,795	81,308	8,819	39,128	246,050
2024					
At a point in time	-	-	-	50,729	50,729
Over time	126,048	95,421	9,113	-	230,582
Total	126,048	95,421	9,113	50,729	281,311

2.2 Government grants and contributions

	2024	2023
	\$'000	\$'000
Income recognised as from contracts with customers		
Government grants	1,622	1,433
Total government grants and contributions	1,622	1,433

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

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers. 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.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Group has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Group 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*;
- 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*;
- a financial instrument, in accordance with AASB 9 *Financial Instruments*; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*

2.3 Other income

	2024	2023
	\$'000	\$'000
Other income		
Other	8,497	9,884
Total other income	8,497	9,884

Other income relates to various services including new meter connections and inspection fees, fire hydrant fees, sale of inventory and derivative settlement income. Revenue is recognised on an accrual basis at either a point in time or over time as the service is provided.

3 The cost of delivering services

Introduction

This section provides additional information about how the Group's funding is applied and the accounting policies that are relevant for an understanding of the expenditure recognised in the consolidated financial statements.

3.1 Our people

3.1.1 Employee benefits – consolidated comprehensive operating statement

	2024	2023
	\$'000	\$'000
Employee benefits		
Salaries and wages, annual leave and long service leave	49,970	47,289
Employer superannuation contributions	5,892	5,224
Termination benefit	258	183
Other	2,105	939
Total employee benefit costs	58,225	53,635

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and worker's cover compensation premiums.

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

The amount charged to the Consolidated Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Group to the relevant superannuation plans in respect to the services of the Group's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that the Group is required to comply with.

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

3.1.2 Employee benefits provision – consolidated balance sheet

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

	2024	2023
	\$'000	\$'000
Current provisions:		
Annual Leave		
Unconditional and expected to settle within 12 months	4,049	3,938
Long Service Leave		
Unconditional and expected to settle within 12 months	835	689
Unconditional and expected to settle after 12 months	6,549	6,671
Other		
Unconditional and expected to settle within 12 months	57	48
Provisions for on-costs		
Unconditional and expected to settle within 12 months	674	724
Unconditional and expected to settle after 12 months	1,061	1,038
Total current provisions for employee benefits	13,225	13,108
Non-current provisions:		
Employee benefits - Long service leave	898	880
On-costs	144	135
Total non-current provisions for employee benefits	1,042	1,015
Total provisions for employee benefits	14,267	14,123

Reconciliation of movement in on-cost provision

	2024	2023
	\$'000	\$'000
Opening balance	1,897	1,749
Net movement in provision during the period	23	122
Effect of changes in the discount rate	(41)	26
Closing balance	1,879	1,897
Current	1,735	1,762
Non-current	144	135
Closing balance	1,879	1,897

Annual Leave

Employee benefits relating to annual leave are expected to be settled wholly within 12 months of the reporting date, are recognised in employee benefit liabilities in respect of employees' services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled, at their nominal values.

Regardless of the expected timing of settlements, liabilities in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Long service leave

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

The components of this current LSL liability are measured at:

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

Non-Current Liability – conditional LSL (representing less than seven* years of continuous service) 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. Conditional LSL is required to be measured at present value.

In calculating present value, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

*Barwon Water - In accordance with Barwon Region Water Corporation Enterprise Agreement 2020

*Barwon Asset Solutions Pty Ltd - In accordance with Barwon Asset Solutions Enterprise Agreement 2022.

On-costs

Provision for employee benefit on-costs, such as payroll tax, worker's compensation and superannuation, are recognised separately from the employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

3.1.3 Superannuation

Superannuation contributions

The Group makes the majority of its employer superannuation contributions in respect of its employees to Vision Super (the Fund). The Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Consolidated Comprehensive Operating Statement when they are made or due.

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

Scheme	Type of scheme	Rate	2024	2023
			\$'000	\$'000
Vision Super	Defined benefits	11% - 20.06%	750	834
Vision Super	Accumulation Plan	11%	2,261	2,084
Other Funds	Accumulation Plan	11%	3,001	2,373

There was \$98,589 in outstanding contributions owing to the above schemes at 30 June 2024 (2023: \$90,623) and no loans issued from or to the above schemes as at 30 June 2024 (2023: \$0).

The expected contributions to be paid by the Group to the defined benefits category of Vision Super for the year ending 30 June 2024 is estimated to be \$770,000 (2023: \$820,000).

Accumulation

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

Defined Benefit

The Group does not use defined benefit accounting because the fund is a multi-employer sponsored fund and sufficient information is not available. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Group in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 *Employee Benefits*.

Funding arrangements

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

The 2023 full actuarial investigation

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

A full actuarial investigation was held in 2020 as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) was 104.6%. Because the VBI was above 100%, the full actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

The Fund's interim actuarial investigation as at 30 June 2023 identified the following:

	2023	2022
	\$'000	\$'000
A VBI surplus	84.7	44.6
A total service liability surplus	123.6	105.8
A discounted accrued benefits surplus	141.9	111.9

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023.

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

	2023	2022
	Triennial	Interim investigation
Net investment return	5.6% pa	5.7% pa
Salary inflation	3.5% pa	3.5% pa
Price inflation	2.8% pa	2.8% pa

Vision Super has advised that the estimated VBI at 30 June 2024 was 105.4% (2023: 104.1%).

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category.

It is anticipated that this actuarial investigation will be completed by October 2024. The financial assumptions for the purposes of this investigation are:

	2024
Interim investigation	
Net investment return	5.6% pa
Salary inflation	3.5% pa
Price inflation	2.8% pa

Employer contributions

Regular contributions

On the basis of the results of the 2023 triennial actuarial investigation conducted by the Fund Actuary, the Group makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2024, this rate was 11% of members' salaries (10.5% in 2022/2023).

This rate will increase in line with the superannuation guarantee contribution rate and was reviewed as part of the 30 June 2023 triennial valuation. In addition, the Group reimburses benefits paid as a consequence of retrenchment retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of Prudential Standard SPS 160 Defined Benefit Matters (SPS160) and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 97%).

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including the Group) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre - 1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

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

3.2 Supplies and services

Supplies and services expenses represent the day-to-day running costs incurred in the normal operations of the business. They are recognised as an expense in the reporting period in which they are incurred.

	2024	2023
	\$'000	\$'000
Supplies and services		
Direct operating expenses	49,305	42,987
Administration expenses	26,443	20,350
Bulk water supplies	6,876	5,592
Total supplies and services	82,624	68,929

Expense	Description	Recognition Policy
Direct operating expenses	Costs are directly incurred in relation to the harvesting, storage, treatment and transfer of water, the production and delivery of recycled water and the collection, treatment and disposal of sewage; including the costs directly attributable to the maintenance and upkeep of the associated infrastructure.	Charges are recognised as an expense when incurred in the Consolidated Comprehensive Operating Statement
Administration expenses	Costs are incurred by support service departments and management in support of the operational functions of the business. These costs where not directly identifiable as an operating expense include such functions as information technology, finance and procurement and includes all related salary and on-costs.	Charges are recognised as an expense when incurred in the Consolidated Comprehensive Operating Statement.
Bulk water supplies	Bulk water supplies are service and usage charges incurred for the supply and delivery of bulk water sourced from the Melbourne Water Yarra Thompson bulk water supply.	Charges are recognised as an expense when incurred in the Consolidated Comprehensive Operating Statement.

4 Key assets available to support output delivery

Introduction

The Group 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 the Group to be utilised for delivery of those outputs.

4.1 Infrastructure, property, plant and equipment

Initial recognition

Infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment represent non-current physical assets comprising land, buildings, water, sewerage and drainage infrastructure, plant, equipment, service concession assets, works in progress and motor vehicles, used by the Group in its operations. Items with a cost or value in excess of \$1,000 (2022/2023: \$1,000) and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

Where assets are constructed by the Group, the cost at which they are recorded includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Items of infrastructure, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Assets acquired at no cost or for nominal consideration by the Group are recognised at fair value at the date of acquisition.

Service concession arrangements

The Group has entered into contractual arrangements with a third party to build, own and operate a biosolids drying facility at the Black Rock water reclamation plant. The contractor leases land from the Group and has built a thermal drying plant and will operate the facility for 20 years in exchange for a stream of payments. At the end of the contract period, the assets will be decommissioned and removed by the contractor and the site returned to the Group at no cost to the Group. This asset is recognised as a service concession asset under AASB 1059 *Service concession arrangements: grantors*.

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

The Group initially measures service concession assets at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. Subsequent to the initial recognition, or reclassification of the asset, the Group measures the service concession asset in accordance with AASB 116 *Property, Plant and Equipment* (AASB 116) or AASB 138 *Intangible Assets* (AASB 138) as appropriate. After initial recognition, the Group depreciates the service concession asset over its useful life using the principles in AASB 116. Service concession assets are subject to revaluation as required by Financial Reporting Direction 103 *Non-Financial Physical Assets* (FRD 103). 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 4.1.1 Revaluations of Infrastructure, Property, Plant and Equipment.

Subsequent measurement

All non-current physical assets are subsequently recorded at fair value less accumulated depreciation and impairment in accordance with the requirements of FRD 103. Fair value is determined with regards to the assets highest value in use. Assets which are acquired for no, or nominal cost i.e. developer contributions are valued at their fair value at the date the asset transfers to the Group.

Revaluation of infrastructure, property, plant and equipment

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in FRD 103.

The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by the Group to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors under the direction of the VGV.

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. The Group, 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.

The Group's assets relating to land, buildings, infrastructure and service concession assets were independently valued by the VGV as at 30 June 2021. The market that the assets are valued in is being impacted by the uncertainty that rising interest rates and increased construction costs have caused. The valuer has advised that the current market environment creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relatively short time period.

The Plant, equipment and other asset class has been assessed for fair value and it was concluded that book value approximates fair value.

Refer to Note 7.3 Fair value determination for further information on the revaluation methods used for the asset classes.

4.1.1 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 PPE, 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 derecognition 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.

4.1.2 Depreciation, impairment and amortisation

Charge for the period

For a breakdown of the depreciation and impairment charge for the period by class of property plant and equipment refer to Note 4.1.3 reconciliation of movements in carrying values of infrastructure, property, plant and equipment.

	Notes	2024 \$'000	2023 \$'000
Depreciation of infrastructure, property, plant and equipment	4.1.3	76,888	70,627
Depreciation of service concession assets	4.1.3	2,705	2,866
Depreciation of right-of-use assets		1,484	10
Impairment of non-financial physical assets classified as held for sale		-	343
Total depreciation and impairment		81,077	73,846
Amortisation	4.2	1,810	4,282
Total depreciation, impairment and amortisation		82,887	78,128

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated.

Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, commencing from the time the asset is held ready for use. The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset class	Useful life
Buildings	40 - 80 years
Infrastructure - distribution	20 - 90 years
Infrastructure - harvesting and major transfer	20 - 350 years
Infrastructure - quality	20 - 120 years
Infrastructure - collection	20 - 90 years
Infrastructure - treatment and disposal	20 - 350 years
Service concession asset	20 years
Plant, equipment and other	5 to 50 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 climate-related emerging risks were taken into account when estimating the useful life of these assets.

Indefinite life assets

Land, earthworks and heritage assets which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment

Non-financial assets, including items of infrastructure, property, plant and equipment, are assessed annually for indicators of impairment. Exposure to climate-related matters could be an indicator that an asset (or a Group of assets) is impaired. Whilst the potential risks and related opportunities from climate related change are considered as part of the Corporation's asset impairment review methodology and processes, based on what is currently known, it is not expected that climate risks will have a significant impact on the Corporation's principal activities, particularly from an asset impairment standpoint.

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

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs of disposal. The impact of climate risk is not a key assumption of current replacement cost and fair value less costs to sell. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading asset revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the Consolidated Comprehensive Operating Statement, a reversal of that impairment loss is also recognised in the Consolidated Comprehensive Operating Statement.

Whilst the potential risks and related opportunities from climate related change are considered as part of the Group's asset impairment review methodology and processes, based on what is currently known, it is not expected that climate risks will have an additional significant impact on the Group's principal activities, particularly from an asset impairment standpoint as at 30 June 2024.



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

	Land	Buildings	Heritage assets	Water distribution	Water harvesting and major transfer	Water quality	Sewer collection	Sewer treatment and disposal	Service concession assets	Plant, equipment and other	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2024												
Carrying amount at 1 July 2023	203,695	54,237	24,481	1,309,863	390,489	112,720	1,136,720	260,556	30,225	15,398	93,271	3,631,655
Additions	-	-	-	-	-	-	-	-	-	52	175,768	175,820
Fair value of assets received free of charge*	-	-	-	13,639	-	-	24,221	-	-	-	(37,860)	-
Disposals	(5,333)	-	-	(1,340)	(872)	(387)	(890)	(358)	-	(3,559)	-	(12,739)
Transfer between asset classes	2,956	116	-	26,939	922	3,818	33,563	3,136	-	3,630	(75,164)	(84)
Impairments	-	-	-	(228)	(129)	(13)	(1,086)	(2)	-	-	-	(1,458)
Depreciation	-	(1,264)	-	(26,314)	(7,074)	(6,114)	(21,864)	(11,524)	(2,705)	(2,734)	-	(79,593)
Closing WDV at 30 June 2024	201,318	53,089	24,481	1,322,559	383,336	110,024	1,170,664	251,808	27,520	12,787	156,015	3,713,601
At 30 June 2024												
Gross book value	201,318	54,353	24,481	1,349,089	390,530	116,133	1,193,592	263,327	30,225	35,650	156,015	3,814,713
Accumulated depreciation	-	(1,264)	-	(26,530)	(7,194)	(6,109)	(22,928)	(11,519)	(2,705)	(22,863)	-	(101,112)
Net book amount	201,318	53,089	24,481	1,322,559	383,336	110,024	1,170,664	251,808	27,520	12,787	156,015	3,713,601

	Land	Buildings	Heritage assets	Water distribution	Water harvesting and major transfer	Water quality	Sewer collection	Sewer treatment and disposal	Service concession assets	Plant, equipment and other	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2023												
Carrying amount at 1 July 2022	202,130	48,085	19,205	1,117,152	344,213	101,655	971,712	234,416	29,165	15,720	67,110	3,150,563
Additions	-	-	3,405	-	-	-	-	-	-	47	137,508	140,960
Fair value of assets received free of charge*	2,598	-	-	11,572	-	-	13,262	-	-	-	(27,432)	-
Disposals	-	(7)	-	(130)	(13)	(239)	(398)	(777)	-	(278)	-	(1,842)
Transfer between asset classes	(696)	265	-	40,779	1,506	3,669	29,351	5,765	-	2,819	(83,915)	(457)
Revaluation	(337)	7,073	1,871	163,391	50,532	14,181	142,163	33,124	3,926	-	-	415,924
Impairments	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(1,179)	-	(22,901)	(5,749)	(6,546)	(19,370)	(11,972)	(2,866)	(2,910)	-	(73,493)
Closing WDV at 30 June 2023	203,695	54,237	24,481	1,309,863	390,489	112,720	1,136,720	260,556	30,225	15,398	93,271	3,631,655

*Developer contributions.

4.1.4 Net gain/(loss) on disposal of non-current assets

The surplus/ (deficit) from ordinary activities includes the following specific net gains and expenses:

	2024	2023
	\$'000	\$'000
Proceeds on sale of infrastructure, property, plant and equipment	4,523	501
Less written down value	(12,965)	(1,941)
Net gain/(loss) on disposal	(8,442)	(1,440)

4.2 Intangible assets

	2024	2023
	\$'000	\$'000
At Cost	36,938	35,982
Less: Accumulated amortisation	(29,489)	(27,602)
	7,449	8,380

	Software costs	Bulk water entitlements	Other	Total
	\$'000	\$'000	\$'000	\$'000
Opening WDV at 1 July 2023	2,403	5,922	55	8,380
Additions	456	-	600	1,056
Disposals	-	-	(228)	(228)
Transfer between asset classes	51	-	-	51
Amortisation	(1,810)	-	-	(1,810)
Closing WDV at 30 June 2024	1,100	5,922	427	7,449
Opening WDV at 1 July 2022	5,794	5,922	63	11,779
Additions	891	-	289	1,180
Disposals	-	-	(99)	(99)
Transfer between asset classes	-	-	(198)	(198)
Amortisation	(4,282)	-	-	(4,282)
Closing WDV at 30 June 2023	2,403	5,922	55	8,380

Note: The consumption of intangible assets is included in the 'depreciation, amortisation and impairment' line item on the comprehensive operating statement.

Recognition and measurement

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Group. The amortisation periods are reviewed and adjusted if appropriate at each balance date. Intangible assets with indefinite useful lives are not amortised. However, all intangible assets are assessed for impairment annually as outlined below.

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

	Software	Bulk Water Entitlement
Useful lives	Finite	Indefinite
Amortisation method used	3.6 - 10 years straight line	Not amortised or revalued
Internally generated/acquired	Acquired and internally generated	Acquired
Impairment test/Recoverable amount testing	Assessed annually and where an indicator of impairment exists	Tested and assessed annually

Software costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

Bulk permanent water entitlements

Bulk permanent water entitlements purchased are treated as an intangible asset on the Consolidated Balance Sheet at cost (in accordance with AASB 138 *Intangible Assets* and FRD 109A *Intangible Assets*), and will not be subject to amortisation, as the bulk permanent water entitlements have an indefinite life. These entitlements are tested annually for impairment.

4.3 Non-financial physical assets classified as held for sale

	2024	2023
	\$'000	\$'000
Freehold land held for sale	542	459
Total	542	459

Freehold land classified as held for sale form part of the Group's property realisation program whereby assets identified as excess to the business' requirements are progressively being made ready for sale. At 30 June 2024 the assets are available for immediate sale and will remain as held for sale until settlement.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, as their carrying amount will be recovered principally through a sale transaction, rather than through continuing use. The Group considers that the sale is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within 12 months from the date of classification. Assets are not depreciated or amortised while they are classified as held for sale. Assets classified as held for sale are classified as current assets.

5 Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from the Group's controlled operations and the delivery of services.

5.1 Trade and other receivables

	2024	2023
	\$'000	\$'000
Current		
Contractual		
Service and usage	23,389	20,029
Allowance for expected credit losses	(580)	(350)
Other receivables	1,215	1,096
Statutory		
Amount owing from Victorian Government	232	1,295
GST input tax credit receivables	4,601	4,237
Total current receivables	28,857	26,307

Receivables consist of:

Receivable	Initial measurement	Subsequent measurement
Contractual receivables (Service and usage charges)	Measured at transaction price, unless they contain a significant financing component, when they are recognised at fair value. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.	Classified as financial instrument and measured at amortised cost less any expected credit loss.
Contractual receivables (Other receivables and loans)	Recognised at fair value plus any directly attributable transaction costs. The Group holds contractual receivables with the objective of collecting the contractual cash flows.	Classified as financial instrument and measured at amortised cost using the effective interest method, less any impairment.
Statutory receivables	Statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.	Amortised cost less any expected credit loss.

The amounts recognised as owing from the Victorian Government are in the nature of grants for water saving incentives, concessional and pensioner rebates applied to water and sewerage tariffs, and tariff charges applicable to the Department of Justice and Community Safety. The carrying amount at amortised cost is the reasonable approximation of fair value.

5.1.1 Impairment of contractual receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for contractual receivables.

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for receivables – service and usage charges and other receivables:

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2024					
Expected loss rate - %	0.07%	0.68%	1.98%	8.10%	
Gross carrying amount - receivables from tariffs and sundry	13,589	1,840	1,413	6,547	23,389
Gross carrying amount - other receivables	1,215	-	-	-	1,215
Total	14,804	1,840	1,413	6,547	24,604
Loss allowance	10	12	28	530	580

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2023					
Expected loss rate - Other	0.00%	0.24%	3.32%	5.83%	
Gross carrying amount - receivables from tariffs and sundry	12,287	1,711	236	5,795	20,029
Gross carrying amount - other receivables	1,096	-	-	-	1,096
Loss Allowance	-	4	8	338	350

Receivables from service and usage charges are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments for a period of greater than 120 days past due.

Loss allowance on receivables from service and usage charges are presented in other operational expenses within the consolidated comprehensive operating statement. There are no material financial assets that are individually determined to be impaired.

Contractual receivables are written off when there is no reasonable expectation of recovery. Indicators include, amongst others, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments for a period of greater than 120 days past due. Subsequent recoveries of amounts previously written off are credited against the same line item.

5.1.2 Reconciliation of the expected credit loss allowance

	2024	2023
	\$'000	\$'000
Opening balance 1 July 2023	350	290
Net provision movements including expected credit losses recovered	230	60
Balance as at 30 June 2024	580	350

5.2 Contract assets

	2024	2023
	\$'000	\$'000
Current		
Service and usage charges	22,711	21,413
Other	199	103
Total current contract assets	22,910	21,516

Contract assets continued

	Service and usage charges	Other	Total
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022	20,318	44	20,362
Add: Amount accrued at year end (to be billed)	21,413	103	21,516
Less: Amounts billed during the year	(20,318)	(44)	(20,362)
Carrying amount as at 30 June 2023	21,413	103	21,516
Opening balance as at 1 July 2023	21,413	103	21,516
Add: Amount accrued at year end (to be billed)	22,711	199	22,910
Less: Amounts billed during the year	(21,413)	(103)	(21,516)
Carrying amount as at 30 June 2024	22,711	199	22,910

	2024	2023
	\$'000	\$'000
Represented by		
Current contract assets	22,910	21,516
Non-current contract assets	-	-

Receivable	Description	Recognition
Contract assets relating to service and usage charges – Accrued revenue	Accrued revenue is recognised for water and sewage usage as well as other works and services that have been provided to customers at balance date but not yet billed.	Usage charges are all recognised as revenue when the service or other goods have been provided. The contract assets are transferred to contractual receivables when the rights become unconditional. This usually occurs when the Group issues a bill to the customer.

5.3 Trade and other payables

	2024	2023
	\$'000	\$'000
Current payables		
Contractual		
Trade creditors	19,669	8,754
Accrued expenses	17,473	13,007
Other creditors	2,643	2,128
Statutory		
Payroll tax payable	110	104
Withholding tax payable	138	141
Total current payables	40,033	24,134

Payables consist of:

- contractual payables, such as trade and other creditors and accrued expenses. These represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid, and arise when the Group becomes obliged to make future payments in respect of the purchase of those goods and services.
- statutory payables, such as payroll tax payable and withholding tax payable.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Contractual payables are unsecured and under normal circumstances, paid within 30 days of recognition.

5.3.1 Ageing analysis of contractual payables

	Maturity dates					
	Total*	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2024						
Trade creditors	19,669	19,639	30	-	-	-
Accrued expenses	17,473	17,473	-	-	-	-
Other creditors	2,643	2,643	-	-	-	-
Total	39,785	39,755	30	-	-	-
30 June 2023						
Trade creditors	8,753	8,715	-	38	-	-
Accrued expenses	13,007	13,007	-	-	-	-
Other creditors	2,129	2,129	-	-	-	-
Total	23,889	23,851	-	38	-	-

* Carrying amount is the same as nominal amount

5.4 Contract liabilities

	2024	2023
	\$'000	\$'000
Current contract liabilities		
Service usage charges - Customers paid in advance	6,413	6,261
Developer contributions - Unearned income	2,128	2,637
Grants and contributions - Unearned income	3,383	3,600
Total current contract liabilities	11,924	12,498

	Service usage charges	Property realisation	Developer contributions	Grants and contributions	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022	5,414	841	4,339	2,836	13,430
Add: Payments received for performance obligations yet to be completed during the period	6,261	-	2,637	2,197	11,095
Less: Revenue recognised in the reporting period for the completion of performance obligations	(5,414)	(841)	(4,339)	(1,433)	(12,027)
Closing balance at 30 June 2023	6,261	-	2,637	3,600	12,498
Opening balance as at 1 July 2023	6,261	-	2,637	3,600	12,498
Add: Payments received for performance obligations yet to be completed during the period	6,413	-	2,128	1,406	9,947
Less: Revenue recognised in the reporting period for the completion of performance obligations	(6,261)	-	(2,637)	(1,623)	(10,521)
Total contract liabilities at 30 June 2024	6,413	-	2,128	3,383	11,924

	2024	2023
	\$'000	\$'000
Represented by		
Current contract liabilities	11,924	12,498
Non-current contract liabilities	-	-

Contract liabilities	Description	Recognition
Contract liabilities relating to service and usage charges - customers paid in advance	Payments received in advance of the provision of goods or services or performance obligation required to be performed by the Group to settle the terms of receipt of income.	Recognised as revenue, once it has performed the performance obligations associated with the payments.
Contract liabilities relating to property realisation - settlement of property	Payments received for property sales under contract that have not settled as at balance date.	Recognised as revenue, once it has performed the performance obligations associated with the payments, which is on settlement date.
Contract liabilities relating to developer contributions - unearned income	Payments received for developer contributed assets, new customer contributions, application fees and rental received in the reporting period, but the performance obligations are outstanding at balance date.	Recognised as revenue, once it has performed the performance obligations associated with the payments.
Contract liabilities relating to grants and contributions - unearned income	Payments received for received for services where the performance obligations under the funding agreement are outstanding at balance date.	Recognised as revenue, once it has performed the performance obligations associated with the payments.

5.5 Other financial assets and liabilities

	2024	2023
	\$'000	\$'000
Current financial assets		
B-REP derivative financial instrument	(33)	652
Non-current financial assets		
B-REP derivative financial instrument	1,229	3,028
Investment in Zero Emissions Water ("ZEW") Ltd	15	15
Total	1,211	3,695

	2024	2023
	\$'000	\$'000
Current financial liabilities		
ZEW derivative financial instrument	184	161
Non-current financial liabilities		
ZEW derivative financial instrument	461	1,060
Total	645	1,221

5.5.1 Zero Emissions Water transactions and balances

The Group is one of 12 water corporation members ("Members") of Zero Emissions Water (ZEW) Limited, a public company limited by guarantee. ZEW's substantial objective is to acquire electricity, contracts for difference and other derivative products in relation to electricity, and/or green products from an energy and emissions reduction facility(ies) in Victoria and in turn supply these products to its Members. This vehicle provides the opportunity for members to collaboratively promote energy and emissions reduction initiatives in Victoria and to reduce emissions.

On 30 October 2018, a Members' Agreement was entered into between the members and ZEW in order to regulate their rights and obligations as members of ZEW and as participants in the project. The Members' Agreement establishes the operating activities of ZEW and the decision making responsibilities of the ZEW Directors.

Under the Members' Agreement the Group as a member is limited to \$10 in the event of a winding up. As required by Australian Accounting Standards, the Group has assessed the nature of its relationship with ZEW, and has concluded that it does not have control, joint control or significant influence over ZEW. The Group will account for its investment in ZEW as a financial instrument within the scope of AASB 9 *Financial Instruments*. ZEW is a related party of the Group.

The Members' Agreement specifies that ZEW may call on the Group to make a loan available to ZEW amounting to \$167,490. The loan, if requested by ZEW, would meet the definition of a financial asset as it gives rise to a contractual right for the Group to receive cash from ZEW at the end of the loan term. At 30 June 2024, ZEW had requested and received a loan payment of \$14,500. As this loan is concessional, it has been treated as an investment in ZEW and measured at amortised cost.

On 30 October 2018, ZEW entered into an 11-year Power Purchasing Agreement (PPA) with a solar farm energy generator. In relation to the PPA, ZEW will act as a central intermediary between the energy generator and the water corporations. The PPA contains a contract for difference (CfD) payment mechanism in respect of electricity generated by the facility and the sale and supply of large-scale generation certificates (LGC) from the facility.

On 22 January 2021, the conditions precedent in the PPA were completed and the CfD derivative was recognised as a financial liability measured at its fair value. Subsequent changes in the derivative's fair value have been recognised as an other economic flow included in the net result.

The financial impact of the Members' Agreement with ZEW has resulted in increased revenue and expenses, and the recognition of a derivative financial instruments and LGCs as intangible assets. Refer to Note 7.3.2 for more information about the judgements and assumptions used in measuring fair value determination of derivative financial instruments.

5.5.2 Barwon Region Renewable Energy Partnership ("B-REP") transactions and balances

On 16 June 2022, Barwon Water entered into a ten-year Power Purchasing Agreement (PPA) with a wind farm energy generator with an operating start date of 1 December 2022. The PPA contains a CfD payment mechanism in respect of electricity generated by the facility and the sale and supply of LGCs from the facility.

The CfD derivative was initially recognised as a financial asset measured at its fair value on 30 June 2022. Subsequent changes in the derivative's fair value will be recognised as another economic flow included in the net result. The financial impact of the B-REP PPA has resulted in increased revenue and expenses and the recognition of a derivative financial instrument.

Refer to Note 7.3.2 for more information about the judgements and assumptions used in measuring fair value determination of derivative financial instruments.

5.6 Other provisions

	2024	2023
	\$'000	\$'000
Current provisions		
Remediation works	2,132	894
Heritage asset maintenance works	-	7,809
Other	3,226	-
Total current provisions	5,358	8,703
Non-current provisions		
Remediation works	2,547	3,195
Heritage asset maintenance works	10,078	2,269
Other	2,350	-
Total non-current provisions	14,975	5,464
Total other provisions	20,333	14,167

1.1.1 Reconciliation of movements in other provisions

	Remediation works	Heritage asset maintenance works	Other	Total
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2023	4,089	10,078	-	14,167
Additional provisions recognised	603	-	5,576	6,179
Unwind of discount and effect of changes in the discount rate	346	-	-	346
Reductions arising from payments for costs incurred	(359)	-	-	(359)
Closing balance at 30 June 2024	4,679	10,078	5,576	20,333

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

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision. When some or all of the economic benefits required to settle a provision, the receivable is recognised as an asset if it is virtually certain that a recovery will be received and the amount can be measured reliably.

Remediation works - Boundary Creek

As a result of the Group utilising a borefield as a water source intermittently over 38 years, environmental impacts have occurred to localised creek and swamp and surrounding area. As a consequence, the Group has a legal obligation at 30 June 2024 to remediate the creek and swamp and surrounding area. The remediation works provision is currently planned to be incurred over five years.

Heritage asset maintenance works - Ovoid sewer aqueduct

Under the *Heritage Act 2017*, the Group has a legal obligation to maintain Heritage overlays that it holds in its asset register. Heritage Victoria has granted Barwon Water a permit to remove four of the 14 spans of the heritage-listed ovoid sewer aqueduct in Breakwater and perform works surrounding the asset to fulfil its obligations. The maintenance works provision is currently planned to be incurred within the next two years.

6 How we financed our operations

Introduction

This section provides information on the sources of finance utilised by the Group during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Group.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional financial instrument disclosures.

6.1 Interest bearing liabilities

	Notes	2024 \$'000	2023 \$'000
Current interest-bearing liabilities			
Borrowings*		72,000	51,000
Lease liabilities		1,051	9
Financial liabilities - Service concession arrangements	6.4	2,799	2,366
Total current interest bearing liabilities		75,850	53,375
Non-current interest-bearing liabilities			
Borrowings*		535,900	506,900
Lease liabilities		1,946	81
Financial liabilities - Service concession arrangements	6.4	36,140	38,939
Total non-current interest bearing liabilities		573,986	545,920
Total interest-bearing liabilities		649,836	599,295

* All borrowings have been transacted with the approval of the Treasurer of Victoria and hence are subject to Statutory Guarantee by the State of Victoria in accordance with the Borrowing and Investment Powers Act 1987. As a result, all borrowings are classified as secured; that is, all borrowings are secured by a State of Victoria guarantee which reduces the risk associated with borrowing.

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently measured at amortised cost. Financial liabilities – service concession arrangements (SCA) are measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the Group and the operator. Interest bearing liabilities are subsequently measured at amortised cost.

None of the Group's interest bearing liabilities are readily traded on organised markets in standardised form.

6.1.1 Maturity analysis

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates				
			Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	>5 years \$'000
30 June 2024							
Borrowings	607,900	607,900	16,000	26,500	29,500	234,900	301,000
Lease liabilities	2,997	3,284	88	175	788	1,915	31
Financial liabilities - SCA	38,939	58,239	217	440	2,142	16,650	19,490
Total	649,836	669,423	16,305	27,115	32,430	253,465	320,521
30 June 2023							
Borrowings	557,900	557,900	1,000	25,000	25,000	215,900	291,000
Lease liabilities	90	111	1	1	7	40	41
Financial liabilities - SCA	41,305	64,819	183	371	1,812	14,340	24,599
Total	599,295	622,830	1,184	25,372	26,819	223,314	315,640

6.1.2 Interest expense

	2024	2023
	\$'000	\$'000
Interest on government borrowings	24,383	21,300
Interest on lease liabilities	148	4
Financial accommodation levy	6,562	6,162
Interest on financial liabilities - service concession arrangements	4,214	4,439
Total interest expense	35,307	31,905

Interest expense includes costs incurred in connection with the borrowing of funds. Interest costs include short term and long-term borrowings, financial liabilities recognised for service concession arrangements, amortisation of discounts or premiums relating to borrowings and lease charges.

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

Interest expenses are recognised as expenses in the period in which they are incurred and measured at fair value.

6.1.3 Borrowings

	2024	2023
	\$'000	\$'000
Secured loan facilities		
Amount used at balance date	607,900	557,900
Amount unused at balance date	46,100	35,400
Total borrowings	654,000	593,300

Security for loans is by way of Treasurer's guarantee in favour of the Treasury Corporation Victoria (TCV) dated 24 June 1999. Loan interest is payable every six months and loans have a maturity up to 10.3 years (2023: 10.8 years).

All loans are with the TCV borrowed under the Treasurer's approval. Any unused facilities are not automatically carried over in the next financial year with a fresh approval required for each financial year. Treasurer's approval was obtained in June 2024 which included refinancing of \$56 million (2023: \$50 million) of loans maturing in 2024-25 and obtaining new loans of \$166 million (2023: \$91.1 million) between 1 July 2023 and 30 June 2024. The Treasurer's approval also includes \$30.0 million refinancing of non-maturing debts and \$5.0 million in temporary financial accommodation.

The Group has \$200,000 of credit card facilities of which \$23,017 was utilised at 30 June 2024 (2023: \$6,354) and bank guarantees of \$2,685,950 of which \$2,335,271 was utilised at 30 June 2024 (2023: \$2,335,271).

The Group has \$6.70 million in facilities with transaction negotiation authority of which nil was utilised at 30 June 2024 (2023: \$0).

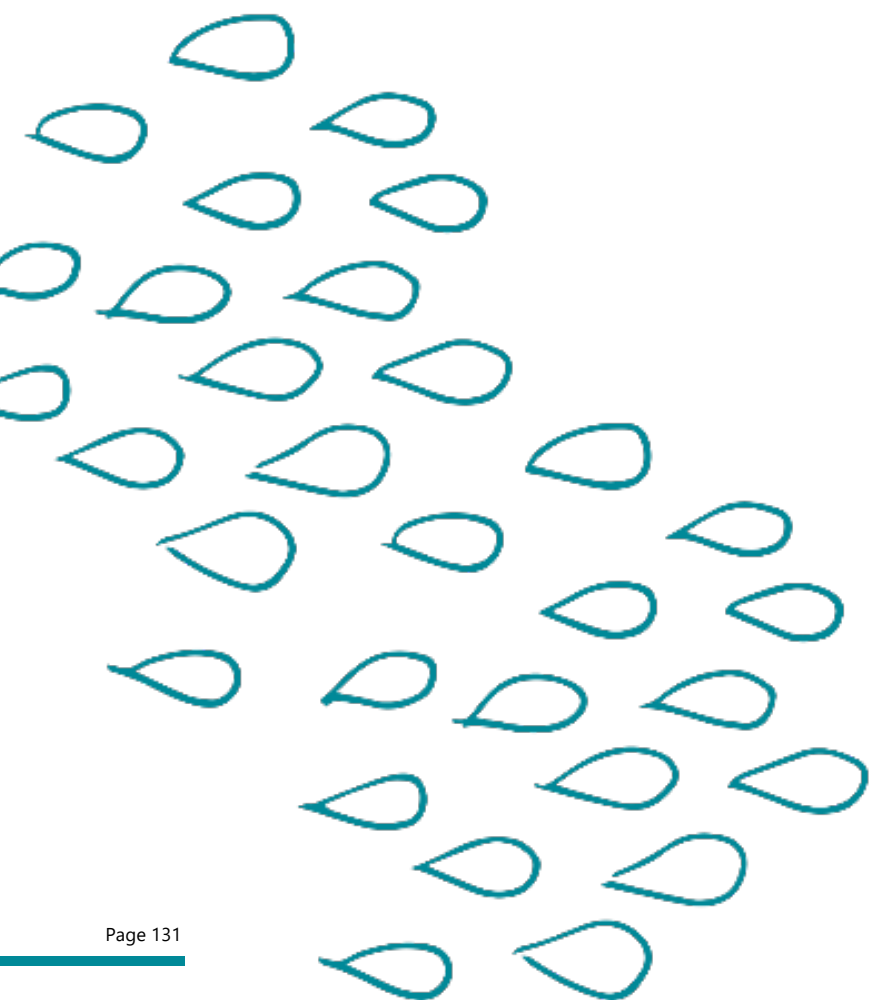
6.2 Cash flow information

For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and those highly liquid investments with original maturity of three months or less.

	2024	2023
	\$'000	\$'000
Cast at bank	12,564	14,273
Balance as per cash flow statement	12,564	14,273

6.2.1 Reconciliation of net result for the period to cash flow from operating activities

	2024	2023
	\$'000	\$'000
Net result for the period after income tax	9,529	6,076
Non-cash movements		
Depreciation, amortisation and impairment	82,887	78,128
(Gain)/loss on disposal of non-current assets	8,213	1,440
(Gain)/loss on disposal of assets held for sale	-	(416)
Non-cash capital contributions	(37,860)	(27,432)
Non-cash interest expense on finance lease	-	4
Increase/(decrease) in net deferred tax liabilities	4,033	2,489
Movements in assets and liabilities		
Increase/(decrease) in employee benefits provisions	143	526
Decrease/(increase) in other provisions	6,165	3,707
(Increase)/decrease in trade and other receivables	(2,551)	168
(Increase)/decrease in derivative financial instruments	1,908	5,440
(Increase)/decrease in contract assets	(1,394)	(1,154)
Decrease/(increase) in assets held for sale	(82)	2,820
(Increase)/decrease in inventories	(147)	(62)
(Increase)/decrease in prepayments	214	(1,157)
Decrease/(increase) in payables and contract liabilities	15,899	4,548
Decrease/(increase) in contract liabilities	(574)	(932)
Net cash flows from operating activities	86,383	74,193



6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from non-cancellable contractual sources.

These commitments are disclosed below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.3.1 Total commitments payable

	Notes	2024	2024	2023	2023
		\$'000	\$'000	\$'000	\$'000
		Nominal value	Present value	Nominal value	Present value
Total commitments payable					
Environment contribution commitments	8.2.1	40,924		9,598	
Operating commitments	6.3.2	30,762		14,437	
Capital commitments	6.3.3	126,561		65,323	
Service concession arrangement expenditure commitments - Biosolids drying facility	6.3.4	70,854	54,708	94,513	70,075
Commissioned SCA related liability	6.4	58,239	38,939	64,819	41,305
Total commitments (inclusive of GST)		327,340		248,690	
Less GST recoverable		(26,038)		(21,736)	
Total commitments (exclusive of GST)		301,302		226,954	

6.3.2 Operating commitments

	Less than 1 year	Between 1 and 5 years	Total
	\$'000	\$'000	\$'000
Nominal \$ - 30 June 2024			
Operating commitments payable			
External consultants	3,189	302	3,491
Maintenance and meter services	1,448	5,790	7,238
Other operating expenditure	8,653	11,380	20,033
Total operating commitments payable (inclusive of GST)	13,290	17,472	30,762
Less GST recoverable	(1,208)	(1,588)	(2,796)
Total operating commitments payable (exclusive of GST)	12,082	15,884	27,966
Nominal \$ - 30 June 2023			
Operating commitments payable			
External consultants	3,442	209	3,651
Maintenance and meter services	237	949	1,186
Other operating expenditure	4,701	4,899	9,600
Total operating commitments payable (inclusive of GST)	8,380	6,057	14,437
Less GST recoverable	(762)	(551)	(1,313)
Total operating commitments payable (exclusive of GST)	7,618	5,506	13,124

6.3.3 Capital commitments

Capital commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

	2024	2023
	\$'000	\$'000
Capital expenditure commitments payable		
Infrastructure, property, plant and equipment		
Less than 1 year	58,971	53,811
Longer than 1 year but not longer than 5 years	67,590	11,512
Total operating commitments payable (inclusive of GST)	126,561	65,323
Less GST recoverable	(11,506)	(5,938)
Total operating commitments payable (exclusive of GST)	115,055	59,385

6.3.4 Service concession arrangement expenditure commitments

	2024	2023
	\$'000	\$'000
Service concession arrangement expenditure commitments		
Less than 1 year	8,271	9,065
Longer than 1 year but not longer than 5 years	34,917	39,675
Longer than 5 years	27,666	45,773
Total commitments (inclusive of GST)	70,854	94,513
Less GST recoverable	(6,441)	(8,592)
Total commitments (exclusive of GST)	64,413	85,921

6.4 Service concession arrangements

The Group 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).

The Group 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, the Group 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.

The Group has taken up the SCA under the 'financial liability' model where the Group 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.

For arrangements within the scope of AASB 1059 that use the 'financial liability' model, the Group records the asset used in the SCAs at current replacement cost in accordance with the cost approach to Fair Value under AASB 13 *Fair Value Measurement*, with a related financial liability(s).

The thermal drying plant was commissioned on 3 September 2012, at which time a leased asset and leased liability were recognised in the balance sheet at \$49,316,314 respectively, while payments to the contractor for the operation of the facility also commenced at that time.

The terms and conditions of the financial liability consist of monthly repayments comprising a service charge associated with the throughput of the plant, recognised in the Consolidated Comprehensive Operating Statement, and a finance component incorporating both interest and principal repayments based on an implicit interest rate of 10.99% (2022-23 10.99%). Please refer to note 6.3.4 for SCA operating expenditure commitments.

The table below illustrates the financing commitments for the service concession arrangement.

	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Commissioned SCA related				
	Minimum future payments		Present value of minimum future payments	
Less than 1 year	6,745	6,580	6,376	6,221
Longer than 1 year but not longer than 5 years	28,708	28,008	20,989	20,477
Longer than 5 years	22,786	30,231	11,574	14,607
Minimum future payments	58,239	64,819	38,939	41,305
Less future finance charges	(19,300)	(23,514)	-	-
Present value of minimum payments	38,939	41,305	38,939	41,305
Included in the financial statements				
Current liabilities (Note 6.1)			2,799	2,366
Non-current liabilities (Note 6.1)			36,140	38,939
			38,939	41,305

7 Risks, contingencies and valuation judgements

The Group is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. 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 the Group related mainly to fair value determination.

7.1 Financial instruments specific disclosures

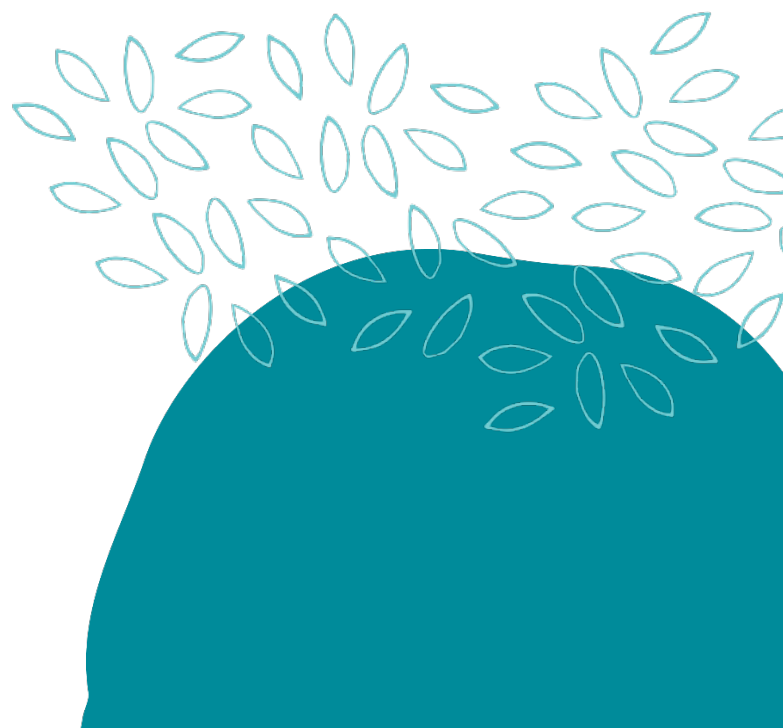
Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group 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 and/or recovered in full by the end of the 2023-24 reporting period.

These financial instruments include:

Financial Assets	Financial Liabilities
Cash and deposits	Payables:
Receivables:	<ul style="list-style-type: none"> · Trade creditors · Other payables
<ul style="list-style-type: none"> · Tariffs and sundry · Other receivables 	Interest bearing liabilities:
Investment in Zero Emissions Water (ZEW)	<ul style="list-style-type: none"> · Borrowings · Lease liabilities · Service concession arrangement
Derivative financial assets	Derivative financial liabilities



Categories of financial instruments

Financial Instrument	Initial measurement	Subsequent measurement
Financial assets at amortised cost		
Financial assets include: <ul style="list-style-type: none"> Loans and receivables; cash and deposits; receivables; 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: <ul style="list-style-type: none"> the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.
Financial assets at fair value through net results		
Derivative instruments	Fair value through net result.	Fair value through net result Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the Consolidated Comprehensive Operating Statement as an 'other economic flow' included in the net result.
Financial liabilities at amortised cost		
Financial liabilities include: <ul style="list-style-type: none"> payables (excl. statutory payables); borrowings (incl. lease liabilities); and Service concession assets. 	Fair value, plus or minus any directly attributable transaction costs subsequent to initial recognition.	Amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the profit and loss, over the period of the interest bearing liability using the effective interest rate method.
Derivative financial instruments		
	Fair value on the date on which a derivative contract is entered into.	Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the Consolidated Comprehensive Operating Statement as an 'other economic flow' included in the net result.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Group's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the Consolidated Comprehensive Operating Statement.

Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or Group of financial assets is impaired. Climate-related matters may be relevant in the calculation of expected credit losses if, for example, they impact the range of potential future economic scenarios or assessment of significant increases in credit risk. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The Group records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9's impairment assessment includes the Group's contractual receivables, statutory receivables and its investment in debt instruments. Although not a financial asset, contract assets recognised applying AASB 15 (refer to Note 5.2) are also subject to impairment. Equity instruments are not subject to impairment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

Impairment losses are recognised in the Consolidated Comprehensive Operating Statement.

Derivative financial instruments

Derivative financial instruments are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which all contractual obligations under Conditions Present are met and on subsequent measurement. The initial revenue recognised represents the fair value of the expected future settlements at initial recognition (refer note 2.3).

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in fair value of derivatives after initial recognition are recognised in the Consolidated Comprehensive Operating Statement as an 'other economic flow' included in the net result.

7.1.1 Financial instruments: Categorisation

30 June 2024	Notes	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	6.2	-	12,564	12,564
Receivables				
Service and usage charges	5.1	-	22,809	22,809
Other receivables	5.1	-	1,215	1,215
Investment in Zero Emissions Water (ZEW) Ltd	5.5	15	-	15
Derivative financial assets				
Financial assets designated at fair value through profit or loss	5.5	1,196	-	1,196
Total contractual financial assets		1,211	36,588	37,799
Contractual financial liabilities				
Payables				
Trade creditors	5.3	-	19,669	19,669
Accrued expenses	5.3	-	17,473	17,473
Other creditors	5.3	-	2,643	2,643
Borrowings				
Loans from Treasury Corporation of Victoria (TCV)	6.1	-	607,900	607,900
Lease liabilities	6.1	-	2,997	2,997
Financial liabilities - Service concession arrangements	6.1	-	38,939	38,939
Derivative financial liabilities				
Financial liabilities designated at fair value through profit or loss	5.5	645	-	645
Total contractual financial liabilities		645	689,621	690,266

30 June 2023	Notes	Financial assets / liabilities designated at fair value through profit/loss (FVTPL)	Financial liabilities at amortised cost (AC)	Total
		\$'000	\$'000	\$'000
Contractual financial assets				
Cash and deposits	6.2	-	14,273	14,273
Receivables				
Service and usage charges	5.1	-	19,679	19,679
Other receivables	5.1	-	1,096	1,096
Investment in Zero Emissions Water (ZEW) Ltd	5.5	15	-	15
Derivative financial assets				
Financial assets designated at fair value through profit or loss	5.5	3,680	-	3,680
Total contractual financial assets		3,695	35,048	38,743
Contractual financial liabilities				
Payables				
Trade creditors	5.3	-	8,754	8,754
Accrued expenses	5.3	-	13,007	13,007
Other creditors	5.3	-	2,128	2,128
Borrowings				
Loans from Treasury Corporation of Victoria (TCV)	6.1	-	557,900	557,900
Lease liabilities	6.1	-	90	90
Financial liabilities - Service concession arrangements	6.1	-	41,305	41,305
Derivative financial liabilities				
Financial liabilities designated at fair value through profit or loss	5.5	1,221	-	1,221
Total contractual financial liabilities		1,221	90,624	624,405

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

	Notes	Net holding gain / (loss)	Total interest income / (expense)	Total
		\$'000	\$'000	\$'000
30 June 2024				
Contractual financial assets				
Financial assets at amortised cost - other than on derecognition		-	-	-
Total contractual financial assets		-	-	-
Contractual financial liabilities				
Financial liabilities at amortised cost - other than on derecognition	9.2	(1,908)	-	(1,908)
Financial liabilities at amortised cost	6.1.2	-	(35,307)	(35,307)
Total contractual financial liabilities		(1,908)	(35,307)	(37,215)
30 June 2023				
Contractual financial assets				
Financial assets at amortised cost - other than on derecognition		-	241	241
Total contractual financial assets		-	241	241
Contractual financial liabilities				
Financial liabilities at amortised cost - other than on derecognition	9.2	(5,442)	-	(5,442)
Financial liabilities at amortised cost	6.1.2	-	(31,905)	(31,905)
Total contractual financial liabilities		(5,442)	(31,905)	(37,347)

7.1.3 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. This note presents information about the Group's exposure to each of these risks and the objectives, policies and processes for measuring and managing risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and ageing analysis.

Risk management is carried out under policies recommended by the Risk Management/Audit Committees and ratified by the Group's Board of Directors. The Group identifies and evaluates financial risks in close co-operation with the Group's operating units. The Group's Board provides written principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk, non-derivative financial instruments and investment of excess liquidity.

The main risks the Group is exposed to through its financial instruments are as follows.

Credit risk

Credit risk is the risk of financial loss to the Group as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises principally from the Group's other receivables.

The Group's exposure to credit risk is influenced by the individual characteristics of each customer. The service and usage receivables balance consist of a large number of residential and business customers which are spread across a diverse range of industries. Receivable balances are monitored on an on-going basis to ensure that exposure to bad debts is not significant as the Group has in place a Billing and Collection Policy for the collection of overdue receivables.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. Refer Note 5.1. The Group is continuously monitoring and assessing its credit risk profile due to the current economic impacts affecting customers. As a result, the Group has adjusted the credit risk profile in assessing the expected loss allowance in 2023-24.

The Group's other credit risk arises from in-the-money receipts due from the Contracts for Difference derivative under the PPA's. The Group determines its maximum exposure to credit risk relating to the derivative financial instrument at reporting date as the sum of the nominal values of all forecasted net cash receipts where the floating price due by the proponent exceeds the fixed price payable by the Group over the remaining PPA term.

At 30 June 2024, the Group has no other significant credit risk. There has been no material change to the Group's credit risk profile in 2023-24.

Credit quality of financial assets

	Financial institution (triple-A credit rating)	Government agencies (A- 1 + rating) (a)	Other	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2024				
Financial assets with loss allowance measured at 12-month expected credit loss:				
Cash and deposits	12,564	-	-	12,564
Statutory receivables (with no impairment loss recognised)	-	4,833	-	4,833
Financial assets with loss allowance measured at lifetime expected credit loss:				
Contractual receivable applying the simplified approach for impairment	-	-	24,024	24,024
Investments and other financial assets	-	-	1,211	1,211
Total	12,564	4,833	25,235	42,632
30 June 2023				
Financial assets with loss allowance measured at 12-month expected credit loss:				
Cash and deposits	14,273	-	-	14,273
Statutory receivables (with no impairment loss recognised)	-	5,532	-	5,532
Financial assets with loss allowance measured at lifetime expected credit loss:				
Contractual receivable applying the simplified approach for impairment	-	-	20,775	20,775
Investments and other financial assets	-	-	3,695	3,695
Total	14,273	5,532	24,470	44,275

(a) Credit ratings sourced from Standard and Poor's

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities. The Group's liquidity risk is assessed to be immaterial. The Group obtains annual approval from the Treasurer of Victoria for new borrowings, borrowings to refinance maturing and non-maturing loans and temporary purpose borrowing facilities.

The table below illustrates the maturity analysis of the derivative financial assets/(liabilities):

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2024							
Derivative asset	1,196	2,033	62	180	(275)	(468)	1,697
Derivative liability	(645)	(722)	24	(6)	(202)	(421)	(40)
Total	551	1,311	86	174	(477)	(889)	1,657
30 June 2023							
Derivative asset	3,680	5,410	113	220	320	597	2,430
Derivative liability	(1,221)	(1,469)	(3)	(11)	(147)	(843)	(217)
Total	2,459	3,941	110	209	173	(246)	2,213

Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of the Group's financial instruments. Market risk comprises of foreign exchange risk, interest rate risk and other price risk. The Group's exposure to market risk is primarily through interest rate risk, there is no exposure to foreign exchange risk and insignificant exposure to other price risks.

Objectives, policies and process used to manage these risks are disclosed in the paragraphs below:

a) Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's long-term borrowings and funds invested on the money market. The Group minimises its exposure to interest rate changes on borrowings by holding fixed rate debt with an even spread of maturity profiles, at Board approved limits.

The Group has minimal exposure to interest rate risk through its holding of cash assets and other financial assets. Exposure to changes in interest rates has been deemed immaterial to the Group and no sensitivity analysis has been disclosed. The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the table that follows.

Disclosure is limited to financial instruments exposed to interest rate risks:

30 June 2024	Floating Int rate	Fixed interest maturing in						Total
		1 year or less	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets								
Cash and cash equivalents	12,564	-	-	-	-	-	-	12,564
Total financial assets	12,564	-	-	-	-	-	-	12,564
Contractual financial liabilities								
Borrowings	(16,000)	(56,000)	(60,000)	(60,000)	(54,900)	(60,000)	(301,000)	(607,900)
Service concession liability	-	(2,799)	(3,283)	(3,825)	(4,432)	(5,109)	(19,491)	(38,939)
Lease liabilities	-	(1,051)	(479)	(479)	(479)	(478)	(31)	(2,997)
Total financial liabilities	(16,000)	(59,850)	(63,762)	(64,304)	(59,811)	(65,587)	(320,522)	(649,836)
Net financial assets/liabilities	(3,436)	(59,850)	(63,762)	(64,304)	(59,811)	(65,587)	(320,522)	(637,272)
Weighted averages interest rate	4.27%	4.41%	4.13%	4.35%	4.67%	4.27%	4.02%	

30 June 2023	Floating Int rate	Fixed interest maturing in						Total
		1 year or less	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets								
Cash and cash equivalents	14,273	-	-	-	-	-	-	14,273
Total financial assets	14,273	-	-	-	-	-	-	14,273
Contractual financial liabilities								
Borrowings	(1,000)	(50,000)	(56,000)	(55,000)	(50,000)	(54,900)	(291,000)	(557,900)
Service concession liability	-	(2,366)	(2,799)	(3,283)	(3,825)	(4,433)	(24,599)	(41,305)
Lease liabilities	-	(9)	(9)	(10)	(10)	(11)	(41)	(90)
Total financial liabilities	(1,000)	(52,375)	(58,808)	(58,293)	(53,835)	(59,344)	(315,640)	(599,295)
Net financial assets/liabilities	13,273	(52,375)	(58,808)	(58,293)	(53,835)	(59,344)	(315,640)	(585,022)
Weighted averages interest rate	4.27%	4.41%	4.13%	4.35%	4.67%	4.27%	4.02%	

b) Foreign exchange risk

The Group has no exposure to changes in the foreign exchange rate.

c) Price Risk

The Group uses the Contract for Difference derivative financial instrument to manage energy related commodities purchased in the normal course of business, and therefore entered into this PPA to minimise a portion of the price risk to the Corporation

Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Refer to note 7.3 for accounting policy relating to disclosure of fair value measurement hierarchy.

Fair value of financial assets and liabilities not carried at fair value

Cash and cash equivalents, receivables, payables, service concession liabilities and lease liabilities carrying values approximate their fair values. The fair value of borrowings is \$593.2 million (\$530.1 million in 2022/2023) and is based on discounting the expected future cash flows at current market interest rates for liabilities with similar risk profiles.

The fair value of the service concession liability is \$38.9 million (\$41.3 million in 2022/2023).

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group had no contingent assets at 30 June 2024 (30 June 2023: \$Nil).

7.2.2 Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities of the Group are:	2024	2023
	\$'000	\$'000
Details and estimates of maximum amounts of possible contingent liabilities for which no provision is included in the financial report, are as follows:		
Claims or possible claims in relation to a rainwater tank rebates scheme in a subdivision in the Geelong region	1,482	1,430
Total Contingent liabilities	1,482	1,430

7.3 Fair value determination

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Group.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result or other comprehensive income; and
- land, buildings, infrastructure, plant and equipment.

Consistent with AASB 13 *Fair Value Measurement* and Financial Reporting Directions, the Group determines the policies and procedures for recurring fair value measurements such as infrastructure, property, plant and equipment and financial instruments.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- i) carrying amount and the fair value (which would be the same for those assets measured at fair value);
- i) which level of the fair value hierarchy was used to determine the fair value; and
- ii) in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a) a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - b) details of significant unobservable inputs used in the fair value determination.

The following section is divided between disclosures in connection with fair value determination for non-financial physical assets (refer to Note 7.3.1) and financial instruments (refer Note 0).

7.3.1 Fair value determination: non-financial physical assets

The fair value measurement hierarchy for non-financial assets at 30 June 2024 is presented below. Please note this does not reconcile to the table presented in note 0 as this only includes those assets measured at fair value, which excludes capital works in progress.

Classification	Fair value measurement at end of reporting period using:		
	Level 1 (i) \$'000	Level 2 (i) \$'000	Level 3 (i) \$'000
30 June 2024			
Specialised land	-	-	201,318
Specialised buildings	-	-	53,089
Heritage Assets	-	-	24,481
Infrastructure - water distribution	-	-	1,322,559
Infrastructure - water harvesting	-	-	383,336
Infrastructure - water quality	-	-	110,024
Infrastructure - sewer collection	-	-	1,170,664
Infrastructure - sewer treatment (ii)	-	-	279,328
Plant and equipment	-	-	12,787
Total	-	-	3,557,586

Classification	Fair value measurement at end of reporting period using:		
	Level 1 (i) \$'000	Level 2 (i) \$'000	Level 3 (i) \$'000
30 June 2023			
Specialised land	-	-	203,695
Specialised buildings	-	-	54,237
Heritage Assets	-	-	24,481
Infrastructure - water distribution	-	-	1,309,863
Infrastructure - water harvesting	-	-	390,489
Infrastructure - water quality	-	-	112,720
Infrastructure - sewer collection	-	-	1,136,720
Infrastructure - sewer treatment (ii)	-	-	290,781
Plant and equipment	-	-	15,399
Total	-	-	3,538,385

Notes:

- (i) Classified in accordance with the fair value hierarchy, see Note 7.3
- (ii) Includes service concession assets

There have been no transfers between levels during the period.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

For all assets measured at fair value, the current use is considered the highest and best use. The Group's assets are subject to a revaluation model, as directed by the State's financial reporting directions. The Group records non-current assets at fair value, with revaluations completed every five years as required by FRD 103.

During the interim years, the Group, in conjunction with Valuer-General Victoria (VGV), monitors changes in the fair value of land and buildings, property, plant and equipment and infrastructure through relevant data sources to determine whether revaluation is required and to assist the assessment for impairment of these classes of assets. Management perform interim valuations when the triggers of FRD103 are met.

Specialised land and specialised buildings

For the majority of the Group's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered as significant unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

Land assets have been valued using a market based direct comparison approach by comparing properties to recent land sales and adjusting for points of difference to establish the fair value. A community service allowance (CSO) is applied to reflect the difference between unrestricted freehold land and assets held with constraints/restrictions.

The CSO adjustment is a reflection of the Valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

An independent valuation of the Group's specialised land and specialised buildings was performed by Liquid Pacific Asset Consultants on behalf of the VGV. The valuation was performed based on the depreciated replacement cost for non-land assets. The effective date of the valuation is 30 June 2021.

A fair value assessment for specialised land was undertaken using the compounded impact of the VGV land indices for the year ended 30 June 2024. The movement in the fair value of specialised land was assessed to have increased by 0.16 per cent cumulatively over a two-year period. As the accumulative movement was less than 10 per cent, no managerial revaluation was required.

A fair value assessment for specialised buildings was undertaken using the compounded impact of the VGV buildings indices for the year ended 30 June 2024. The movement in the fair value of specialised buildings was assessed to have increased by 3.65 per cent cumulatively over two-year period. As the accumulative movement was less than 10 per cent, no managerial revaluation was required.

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

Heritage assets

For the Group's heritage assets, the current replacement cost method is used, adjusting for the associated depreciation. This cost represents the replacement cost of the heritage asset after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. The cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

These assets are classified as level 3 fair value as the lowest level input, the absence of an active market, has a significant impact on the fair value which is unobservable.

An independent valuation of the Group's heritage assets was performed by the VGV using the current replacement cost method. The effective date of the valuation was 30 June 2021.

A fair value assessment for heritage assets was undertaken using the compounded impact of the ABS producer price index for the year ended 30 June 2024. The movement in the fair value was assessed to have increased by 4.65 per cent cumulatively over a one-year period. As the accumulative movement was less than 10 per cent, no managerial revaluation was required.

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

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. As depreciation adjustments are considered as significant unobservable inputs in nature, specialised plant and equipment are classified as Level 3 fair value measurements.

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

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

Water and sewer infrastructure and service concession assets

Infrastructure assets are valued using the current replacement cost method less all forms of obsolescence and depreciation. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the current replacement cost calculation.

Where it has not been possible to examine hidden works such as underground water and sewerage pipes and fittings, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction includes surface reinstatement works as applicable.

Due to the nature of the service concession arrangement (Biosolids treatment plant), the Group classifies this asset within the wastewater infrastructure asset category. 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.

An independent valuation of the Group's water and sewer infrastructure was carried out by KPMG on behalf of the VGV. These assets are classified as level 3 fair value as the lowest level input, the absence of an active market, has a significant impact on the fair value which is unobservable. The effective date of the valuation is 30 June 2021.

A fair value assessment for Water and sewer infrastructure and service concession assets was undertaken using the compounded impact of the ABS producer price index for the year ended 30 June 2024. The movement in the fair value was assessed to have increased by 4.65 per cent cumulatively over a one-year period. As the accumulative movement was less than 10 per cent, no managerial revaluation was required.

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

Climate related factors and fair value measurement

Climate change is a risk to the Group. 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. As at 30 June 2024, the Group considered climate-related risk in the preparation of the financial statements.

The Group'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. The Group has extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection. The Group has incorporated considerations for climate change into its risk management practices, such as the establishment and maintenance of flood management systems and increased monitoring during fire danger periods.

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.

Management have considered the impact of climate risk on the fair value of Level 3 categorised assets held at fair value. Based on what is currently known, there are no significant unobservable inputs into the Level 3 valuations.

Reconciliation of Level 3 fair value movements

A reconciliation from the opening balances to the closing balances for fair value measurements categorised within Level 3 of the fair value hierarchy, disclosing separately changes during the period.

	Specialised land	Specialised buildings	Heritage assets	Water distribution	Water harvesting	Water quality	Sewer collection	Sewer treatment	Plant, equipment and other
30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	203,695	54,237	24,481	1,309,863	390,489	112,720	1,136,720	290,781	15,398
Purchases, (sales) and adjustments	(2,377)	116	-	39,238	50	3,431	56,894	2,778	123
Depreciation	-	(1,264)	-	(26,314)	(7,074)	(6,114)	(21,864)	(14,229)	(2,734)
Impairment loss	-	-	-	(228)	(129)	(13)	(1,086)	(2)	-
Revaluation	-	-	-	-	-	-	-	-	-
Subtotal	(2,377)	(1,148)	-	12,696	(7,153)	(2,696)	33,944	(11,453)	(2,611)
Closing balance	201,318	53,089	24,481	1,322,559	383,336	110,024	1,170,664	279,328	12,787

	Specialised land	Specialised buildings	Heritage assets	Water distribution	Water harvesting	Water quality	Sewer collection	Sewer treatment	Plant, equipment and other
30 June 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	202,130	48,085	19,205	1,117,152	344,213	101,655	971,712	263,581	15,720
Purchases, (sales) and adjustments	1,902	258	3,405	52,221	1,493	3,430	42,215	4,988	2,588
Depreciation	-	(1,179)	-	(22,901)	(5,749)	(6,546)	(19,370)	(14,838)	(2,910)
Impairment loss	-	-	-	-	-	-	-	-	-
Revaluation	(337)	7,073	1,871	163,391	50,532	14,181	142,163	37,050	-
Subtotal	1,565	6,152	5,276	192,711	46,276	11,065	165,008	27,200	(322)
Closing balance	203,695	54,237	24,481	1,309,863	390,489	112,720	1,136,720	290,781	15,398

Description of significant unobservable inputs to Level 3 valuations

2024 and 2023	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Average cost per square metre adjusted for community service obligations
Specialised buildings	Current replacement cost	Average cost per asset Useful life of specialised buildings
Heritage Assets	Current replacement cost	Average cost per unit Useful life of heritage asset
Infrastructure - sewer collection		
Sewer Retic Mains	Current replacement cost	Average cost per square metre Useful life of the infrastructure
Sewer Rising Mains	Current replacement cost	Average cost per square metre Useful life of the infrastructure
Sewer Pump Station	Current replacement cost	Average cost per facility Number of pump stations Useful life of the infrastructure
Infrastructure - sewer treatment		
Wastewater Treatment Plants	Current replacement cost	Average cost per facility Number of treatment plants Useful life of the infrastructure
Wastewater Treatment Plants Mechanical/Electrical	Current replacement cost	Average cost per asset Useful life of the infrastructure
Specialised Buildings	Current replacement cost	Average cost per asset Useful life of the infrastructure
Infrastructure - water distribution		
Reticulation Mains	Current replacement cost	Average cost per square metre Useful life of the infrastructure
Service Basins and Tanks	Current replacement cost	Average cost per facility Number of facilities Useful life of the infrastructure
Infrastructure - water harvesting		
Channels	Current replacement cost	Average cost per facility Number of facilities Useful life of the infrastructure
Reservoirs	Current replacement cost	Average cost per facility Number of facilities Useful life of the infrastructure
Groundwater	Current replacement cost	Average cost per facility Number of facilities Useful life of the infrastructure
Infrastructure - water quality		
Specialised Buildings	Current replacement cost	Average cost per asset Useful life of the infrastructure
Water Treatment Plants	Current replacement cost	Average cost per facility Number of facilities Useful life of the infrastructure
Water Treatment Plants Mechanical/Electrical	Current replacement cost	Average cost per asset Useful life of the infrastructure
Plant and equipment		
Computer Hardware	Current replacement cost	Average cost per asset Useful life of the asset
Vehicles	Current replacement cost	Average cost per asset Useful life of the asset

7.3.2 Fair value determination: derivative financial instruments

The fair value of derivative instruments is based on the discounted cash flow technique. The selection of variables requires significant judgement and assumptions in estimating the fair value of derivatives. In the absence of an active market, the fair value of the Group's CfD derivative is valued using unobservable inputs such as future wholesale electricity prices provided by Department of Energy, Environment and Climate Action's (DEECA) independent advisor and comparable risk-free rates of zero coupon government bonds obtained from the Reserve Bank of Australia. The assumptions underpinning the estimate of future wholesale electricity prices included factors influencing supply and demand fluctuations. In addition, assumptions are applied to forecast the renewable energy generation volumes over the life of the derivative instrument.

To the extent that the significant inputs are unobservable, the Group categorises these derivatives as Level 3 within the fair value hierarchy.

A reconciliation from the opening balances to the closing balances for fair value measurements is set out within the following table categorised within Level 3 of the fair value hierarchy for financial instruments, disclosing separately changes during the period.

30 June 2024	Carrying amount	Fair value measurement at end of reporting period using:		
	\$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Derivative financial assets/(liabilities) at fair value				
Derivative instrument - Barwon Region Renewable Energy Partnership ("B-REP")	1,196	-	-	1,196
Derivative instrument - Zero Emissions Water ("ZEW")	(645)	-	-	(645)
Total Derivative financial assets/(liabilities) at fair value	551	-	-	551
				Financial derivative at fair value through profit or loss
				\$'000
Opening balance				2,459
Subsequent measurement of BREP derivative financial instrument				(2,484)
Subsequent measurement of ZEW derivative financial instrument				576
Closing balance				551

Description of significant unobservable inputs to Level 3 valuations

30 June 2024	Valuation technique	Significant unobservable inputs	2024 range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Derivative financial instruments - ZEW	Income approach (discounted cash flow)	Wholesale electricity price forecasts	\$13.16/MWh to \$60.09/MWh (\$29.69/MWh)	An increase/ (decrease) in the wholesale electricity price forecasts of 10% would result in an increase/ (decrease) fair value by \$140,860.
		Discount rate – risk free rates of zero coupon government bonds	3.9520% to 4.3678 % (4.0475%)	An increase/ (decrease) in the discount rate of 1% would result in an increase/ (decrease) fair value by \$36,612.
		Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M	262.33	An increase/ (decrease) in the discount rate of 1% would result in an increase/ (decrease) fair value by \$36,612.
Derivative financial instruments – B-REP	Income approach (discounted cash flow)	Wholesale electricity price forecasts	\$29.77/MWh to \$89.20/MWh (\$58.08/MWh)	An increase/ (decrease) in the wholesale electricity price forecasts of 10% would result in an increase/ (decrease) fair value by \$1,832,335.
		Discount rate – risk free rates of zero coupon government bonds	3.9520% to 4.3678 % (4.0475%)	An increase/ (decrease) in the credit value adjustment of 1% would result in an increase/ (decrease) fair value by \$208,205.
		Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFCBBB10M	262.33	An increase/ (decrease) in the credit value adjustment of 1% would result in an increase/ (decrease) fair value by \$208,205.

8 Statutory obligations

Introduction

This section includes disclosures in relation to the Group's statutory obligations.

8.1 Tax

8.1.1 Income tax

The Group has formed an income tax consolidated Group consisting of Barwon Region Water Corporation and Barwon Asset Solutions Pty Ltd. Barwon Region Water Corporation is the head entity of the Group.

The Group 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.

The income tax expense or revenue for the period is the tax payable 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 income tax expense for the financial year differs from the amount calculated on the net result. The differences are reconciled as follows:

	2024	2023
	\$'000	\$'000
Income statement		
Current income tax expense	12,610	(18,833)
Deferred income tax expense	-	-
Temporary differences	(8,549)	21,311
Under/(over) provided in current year	(28)	11
Income tax on net result before tax	4,033	2,489
Tax reconciliation		
Net result before income tax	13,562	8,565
Tax at the Australian tax rate of 30% (2022: 30%)	4,070	2,568
Under/(over) provided in current year	(58)	(94)
Non-deductible items	-	-
Pre-CGT gains on properties and CGT indexation discounts*	-	1
Other	21	14
Income tax on net result before tax	4,033	2,489
Statement of changes in equity		
Net deferred tax - debited/(credited) directly to equity (refer Note 9.1.2)	403	124,829
Income tax reported in equity	403	124,829

*CGT - Capital Gains Tax

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, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. 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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group's deferred tax liabilities exceed the level of deferred tax assets and therefore a net deferred tax liability has been disclosed in the balance sheet.

The recoverability of the deferred tax asset has been assessed based on long term corporate planning cash flow projections. This assessment includes a consideration of the NTER taxation provisions.

Deferred tax assets

	2024	2023
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
Amounts recognised in consolidated operating statement		
Provisions and accrued expenditure not deductible	19,596	19,268
Tax losses	64,321	76,903
Deferred tax assets	83,917	96,171
Movements:		
Opening balance at 1 July	96,171	78,007
Credited/(charged) to the Comprehensive Operating Statement	328	(658)
(Under)/over provided in current year	-	-
Tax losses recognised/(utilised)	(12,582)	18,822
Closing balance at 30 June	83,917	96,171
Deferred tax asset to be recovered after more than 12 months	83,014	95,224
Deferred tax asset to be recovered within than 12 months	903	947
Ending balance at 30 June	83,917	96,171

Deferred tax liabilities

	2024	2023
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
Amounts recognised in consolidated operating statement		
Depreciation	159,488	164,815
Expenditure capitalised	31,242	33,795
CfD derivative financial asset	359	1,104
Amounts recognised directly in equity		
Asset revaluations	527,299	527,299
Deferred tax liabilities	718,388	727,013
Movements		
Opening balance at 1 July	727,013	581,530
Credited/(charged) to the Comprehensive Operating Statement	(8,222)	20,654
(Under)/over provided in current year	-	-
Other adjustment to asset revaluation	(403)	124,829
Closing balance at 30 June	718,388	727,013
Deferred tax liability to be recovered after more than 12 months	718,388	727,013
Deferred tax liability to be recovered within than 12 months	-	-
	718,388	727,013
Net deferred tax liability	634,471	630,842

8.2 Environmental contribution

	2024	2023
	\$'000	\$'000
Environmental contribution levy	9,598	9,598

The *Water Industry (Environmental Contributions) Act 2004* ("Act") amended the *Water Industry Act 1994* to make provision for environmental contributions to be paid by water supply authorities. The Act establishes an obligation for authorities to pay into the consolidated fund annual contributions for the first period, from 1 October 2004 to 30 June 2008 in accordance with the pre-established schedule of payments, which sets out the amounts payable by each corporation. The Victorian Government has committed to a sixth round or ('tranche') of the environmental contribution. The four-year tranche commenced on 1 July 2024.

The purpose for the environmental contribution is set out in the Act and the funding may be used for the purpose of financing initiatives that seek to promote the sustainable management of water or address water-related initiatives. The environmental contributions are disclosed separately within expenses.

The Group has a statutory obligation to pay an environmental contribution to DEECA. This contribution is recognised as an expense during the reporting period as incurred.

8.2.1 Environmental commitments

	Less than 1 year	1 and 5 years	Over 5 years	Total
30 June 2024	10,231	30,693	-	40,924
30 June 2023	9,598	-	-	9,598

9 Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

9.1 Equity

9.1.1 Contributed capital

	2024	2023
	\$'000	\$'000
Opening balance at 1 July	459,598	459,598
Contribution by the State in its capacity as owner	-	-
Closing balance at 30 June	459,598	459,598

Contributions by owners are treated as equity transactions where they have been designated as capital contributions by the owners. Additions to net assets that have been designated as contributions by owners are recognised as contributed capital.

9.1.2 Reserves

	2024	2023
	\$'000	\$'000
Opening balance at 1 July	1,218,066	926,797
Revaluation increment on non-current assets	-	416,098
(Impairment)/increment on non-current assets	(1,458)	-
Tax effect of impairment of assets/revaluation of non-current assets	404	(124,829)
Closing balance at 30 June	1,217,012	1,218,066

9.1.3 Accumulated funds

	2024	2023
	\$'000	\$'000
Opening balance at 1 July	736,618	730,542
Net result for the period	9,529	6,076
Closing balance at 30 June	746,147	736,618

9.2 Other economic flows included in net results

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates;
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets; and
- The revaluation gain or loss on the fair value of derivative financial instrument.

		2024	2023
	Notes	\$'000	\$'000
Net gain/(loss) on non-financial assets			
Net gain/(loss) on property realisation		-	416
Net gain/(loss) on disposal of infrastructure, property, plant and equipment (including intangible assets)	4.1.4	(8,442)	(1,440)
Total net gain/(loss) on non-financial assets		(8,442)	(1,024)
Net gain/(loss) on financial instruments			
Net gain/(loss) arising from revaluation of CfD financial derivatives at fair value through net result	7.1.2	(1,908)	(5,442)
Total net gain/(loss) on financial instruments		(1,908)	(5,442)
Other gains/(losses) from economic flows			
Net gain/(loss) arising from revaluation of long service leave liability	3.1.2	(23)	(124)
Unwinding of other provision	5.6.1	346	196
Total other gains/(losses) from economic flows		323	72
Total other gains/(losses) from other economic flows		(10,027)	(6,394)

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 the Group's electricity derivative in the PPA as a result of higher/lower floating electricity prices. Any gain/loss is recognised as another economic flow included in net result.

9.3 Events occurring after the balance date

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

9.4 Remuneration of executives

The number of executive officers, other than the Minister and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories:

- *Short-term employee benefits* - include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- *Post-employment benefits* - include superannuation contributions where the benefit is realised post-employment.
- *Other long-term benefits* - include long service leave paid.
- *Termination benefits* - include coaching support benefits paid or payable on a discrete basis when employment had ceased.

Executive remuneration

	2024	2023
Remuneration	\$'000	\$'000
Short-term employee benefits	4,369	4,594
Post-employment benefits	463	469
Other long-term benefits	84	109
Termination benefits	-	73
Total remuneration (a)	4,916	5,245
Number of executive officers	25	26
Total annualised employee equivalent (AEE) (b)	19.8	22.5

Notes:

- (a) No executive officers met the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and therefore not reported within the related parties note disclosure (Note 9.5).
- (b) Annualised employee equivalent is based on the time fraction worked over the reporting period. This is based on paid working hours of 38 ordinary per week over the 52 weeks for a reporting period.

9.5 Responsible persons

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

Name	Title	Period of appointment
The Hon. Harriet Shing MP	Minister for Water	1 July 2023 to 30 June 2024
J Plummer	Director – Chair *	1 July 2023 to 30 June 2024
E Carbines	Director - Deputy Chair	1 July 2023 to 30 September 2023
J Gavens	Director	1 July 2023 to 30 September 2023
B Walsh	Director *	1 July 2023 to 30 September 2023
D Powell	Director	1 July 2023 to 30 June 2024
A Lansberry	Director	1 July 2023 to 30 June 2024
C Eccles	Director	1 July 2023 to 30 June 2024
P Maddy	Director - Deputy Chair **	1 July 2023 to 30 June 2024
N Devidas	Director *	1 July 2023 to 30 June 2024
J Leonard	Director	1 October 2023 to 30 June 2024
J Kambovski	Director *	1 October 2023 to 30 June 2024
C Chesterfield	Director	1 October 2023 to 30 June 2024
S Cumming	Managing Director **^	1 July 2023 to 30 June 2024

* These responsible persons were also Directors for Barwon Asset Solutions Pty Ltd. As part of those responsibilities the non-executive directors collectively received a total remuneration of \$31,635 for the period 1 July 2023 to 30 June 2024 (1 July 2022 to 30 June 2023 \$34,425).

Deputy Chair from 1 October 2023

^Acting Managing Director from 1 July 2023 to 1 October 2023

Responsible persons remuneration

			2024	2023
\$	\$			
0	-	9,999	-	-
10,000	-	19,999	3	1
20,000	-	29,999	2	-
30,000	-	39,999	2	2
40,000	-	49,999	3	6
50,000	-	59,999	1	-
80,000	-	89,999	1	-
90,000	-	99,999	-	1
420,000	-	429,999	1	-
430,000	-	439,999	-	1
Total Numbers			13	11
Total Remuneration Amount			834,553	852,700

Remuneration received or receivable by the Accountable Officer in connection with the management of the Group during the reporting period was in the range: \$420,000 - \$429,999 (\$430,000 - \$439,999 in 2022-2023). Remuneration paid to the respective Minister is shown in the financial statements of the State of Victoria's Annual Financial Report.

9.6 Related parties

The Barwon Region Water Corporation is a wholly owned and controlled entity of the State of Victoria. Barwon Water wholly owns and controls BAS.

Related parties of the Group 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.

Significant transactions with government-related entities

During the year, the Group had the following government-related entity transactions:

Government-related entity receipts		2024	2023
Entity name	Brief description of main activity	\$'000	\$'000
Barwon Health	Barwon Region Renewable Energy Project contribution, services and minor project works	-	53
Central Highlands Water	Services and minor project works	318	629
Coliban Region Water Corporation	Employee entitlements transfer	10	-
Corangamite Catchment Management Authority	Services and minor project works	38	50
Department of Education and Training	Funding grants for major projects works and other services	-	1,263
Department of Energy, Environment and Climate Action	Anglesea River Project Operation	28	132
Department of Families, Fairness and Housing	Customer rebate reimbursements – water, sewerage and dialysis	14,499	11,051
Department of Health	Services and minor project works	35	41
Department of Jobs, Skills, Industry and Regions	Regional partnership funding	110	-
Department of Transport	Project Funding and reimbursement of legal fees	181	284
Goulburn Valley Region Water	Employee entitlements transfer	15	-
Greater Western Water	Pipeline access contribution for Melbourne-Geelong Pipeline (MGP)	291	289
South East Water	Biochar 2 Batteries Project	-	22
South West Healthcare	Services and minor project works	62	-
Southern Rural Water	Services and minor project works	-	115
The State of Victoria	Rental contribution (Highton high level tank site)	31	30
Treasury Corporation Victoria	Net borrowing drawn, Sale of large scale generation certificates, Net repayment during the year	51,027	44,638
Victorian Rail Track	Services and minor project works	30	-
Wannon Water	Services and minor project works	29	-
Yarra Valley Water Corporation	Services and minor project works	135	-

Government-related entity receivables		2024	2023
Entity name	Brief description of main activity	\$'000	\$'000
Barwon Health	Barwon Region Renewable Energy Project contribution	-	5
Central Highlands Water	Bungal Dam Monitoring Survey and minor project works	27	61
Department of Energy, Environment and Climate Action	Anglesea River Project Operation	-	28
Department of Transport	Licence fee, new customer contribution and other	-	17
Greater Western Water	Pipeline access financial contribution	313	291
Southern Rural Water	Provision of agreed services	48	-

Government-related entity payments		2024	2023
Entity name	Brief description of main activity	\$'000	\$'000
Central Highlands Water	Water usage fee	420	-
Coliban Region Water Corporation	Employee entitlements transfer	-	31
Corangamite Catchment Management Authority	River health programs, Citizen Science funding and service agreement, Living Moorabool project	1,028	241
Department of Energy, Environment and Climate Action	Environmental Contribution Levy, monitoring program, contractor services and other fees	10,572	10,496
Department of Health	License fee	32	-
Department of Transport	South Geelong to Waurin Ponds Rail Duplication Project	60	12,209
Department of Treasury and Finance	Financial Accommodation Levy	7,649	6,178
Environment Protection Authority	License fee	223	399
Essential Services Commission	Regulatory recovery fee	183	179
Gordon Institute of TAFE	Catering services	13	-
Great Ocean Road Coast and Parks Authority	Lease agreements	22	-
Greater Western Water	Water usage fee	53	32
Melbourne Water	Melbourne Geelong Pipeline water supply	6,549	5,590
Parks Victoria	Consent fee, lease fee, license fee, rental and employee entitlements transfer	15	42
South East Water Corporation	Services and minor project works	28	-
Transport Accident Commission	Employee entitlements transfer	158	-
Treasury Corporation Victoria	Finance costs (loan interest expense)	23,413	21,284
Victorian Public Sector Commission	Barring Djinang Internship program	11	11
Wannon Water	Employee entitlements transfer	36	-
Yarra Valley Water	Schools Water Efficiency Program and IWA workshop	-	13

Government-related entity payables		2024	2023
Entity name	Brief description of main activity	\$'000	\$'000
Central Highlands Water	Employee entitlements transfer	-	13
Corangamite Catchment Management Authority	River health program	17	200
Department of Energy, Environment and Climate Action	Other Operational funding grant	36	60
Department of Health	License fee	88	-
Melbourne Water	Melbourne Geelong Pipeline water supply	528	10
Treasury Corporation Victoria	Finance costs (loan interest expense)	6,355	5,386

Barwon Asset Solutions Pty Ltd

Barwon Asset Solutions Pty Ltd ("BAS") is a wholly owned subsidiary of Barwon Region Water Corporation ("Barwon Water"). During the financial year ended 30 June 2024 Barwon Water purchased goods and services and provided accounting and administrative assistance to BAS. All financial transactions between Barwon Water and BAS are eliminated upon consolidation. In addition, Barwon Water also provides BAS with a daily cash flow facility equivalent to a loan facility outlined in note 9.10.

Key management personnel

Key management personnel ("KMP") are those persons having authority and responsibility for planning, directing and controlling the activities of the Group (comprising the company and subsidiary), directly or indirectly, this comprises independent Directors and the Managing Director. Key management personnel (as defined in AASB 124) includes the Portfolio Minister and all Directors listed under responsible persons in note 9.4 and A Murray - Executive Director of BAS who have the authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly, during the financial year.

	2024	2023
	\$'000	\$'000
Compensation of KMP's		
Short-term employee benefits	997	1,070
Post-employment benefits	88	92
Total	1,085	1,162

Transactions with key management personnel and other related parties

Given the breadth and depth of the Group's activities, related parties transact with the Group in a manner consistent with other members of the public (e.g. water and sewerage fees and charges). Further employment of processes within the Group 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 the Group, the only related party transactions that involved key management personnel and their close family members are as follows:

Elaine Carbines - Barwon Water Director (Deputy Chair) during 2023-24	2024	2023
	\$'000	\$'000
Non-executive director (Deputy Chair) of G-Force Employment and Recruitment during 2023-24 and 2022-23.		
Barwon Water payments to G-Force Employment and Recruitment during the year were for recruitment services provided. These transactions were made on commercial terms and all being at arm's length in accordance with the Group's procurement policies and procedures.	19	311
Total payments made to related parties	19	311

Tracey Slatter - Barwon Water Managing Director during 2022-23	2024	2023
	\$'000	\$'000
Non-executive director of Institute of Public Administration Australia during 2022-23.		
Barwon Water payments to Institute of Public Administration Australia during the year included minor transactions which were commercial in nature.	-	6
Non-executive director of ZEW during 2022-23.		
Barwon Water net payments and (receipts) to Zero Emissions Water Pty Ltd. Refer to the entity related party disclose for detail	-	(85)
Non-executive director of Water Services Association of Australia during 2022-23.		
Barwon Water payments to Water Services Association of Australia during the year included membership fees, benchmarking services and other transactions being minor and commercial in nature.	-	106
Net payments / (receipts) made to related parties	-	27

Shaun Cumming - Barwon Water Managing Director during 2023-24	2024	2023
	\$'000	\$'000
Non-executive director of Water Services Association of Australia during 2023-24 & 2022-23.		
Barwon Water payments to Water Services Association of Australia during the year for other transactions being minor and commercial in nature.	352	8
Total payments made to related parties	352	8

John Gavens - Barwon Water Director during 2023-24	2024	2023
	\$'000	\$'000
Barwon Water payments to a related party of John Gavens were made in relation to the provision of specialised pipe fitting installation services during 2023-24 and 2022-23. These transactions were made on commercial terms and all being at arm's length in accordance with the Group's procurement policies and procedures, with recognition as either operating expenditure or capital works in progress at the time of payment.	31	325
Total payments made to related parties	31	325

Peta Maddy - Barwon Water Director during 2023-24	2024	2023
	\$'000	\$'000
Payments by the Group to Aither for technical consulting services were made during the previous financial year. Peta Maddy was a Senior Associate at Aither Pty Ltd during 2022-23. These transactions were made on commercial terms and all being at arm's length in accordance with the Group's procurement policies and procedures, with recognition as either operating expenditure or capital works in progress at the time of payment.	-	235
Net payments/(receipts) made to related parties	-	235

All other transactions that have occurred with KMP and their related parties have been trivial or domestic in nature. In this context, transactions are only disclosed when they are considered of interest to users of the financial report in making and evaluation decisions about the allocation of scarce resources.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Zero Emissions Water Pty Ltd ("ZEW") transactions

ZEW is a related party of the Group. Below is a summary of transactions and holdings with ZEW.

	2024	2023
	\$'000	\$'000
Payments	250	117
Receipts	35	202

9.7 Remuneration of auditors

	2024	2023
	\$'000	\$'000
Amounts received, or due and receivable, by the Victorian Auditor-General for auditing the financial report.	188,500	167,000

9.8 Ex-gratia expense

	2024	2023
	\$'000	\$'000
Forgiveness or waiver of debt (i)	461	367
Other (ii)	398	287
Total ex-gratia expense	859	654

- (i) Grants or forgiveness of debt provided under Barwon Water's various Customer Support (Hardship) programs. These programs assist customers who are in financial hardship by offering credits to reduce the value of their debt. Major grant programs include Arrange and Save (payment plans where a customer is provided a "bonus credit" of one instalment payment if they meet their payment plan for five consecutive instalments), Utility Relief Grant matching, and leak allowances for hardship reasons.
- (ii) Other ex-gratia expenses: Reductions of charges due to leaks or unexplained high consumption events experienced by customers who satisfy the requirements of our write-off policy (\$341k during 2023-2024). Compensation payments when there is no legal obligation or liability (\$51k during 2023-2024). Rebates offered to customers undertaking dialysis or suffering severe medical conditions that require higher than usual water consumption (\$6k during 2023-2024) offered over and above government funded rebates.

Ex-gratia expenses are recorded in the Services and Supplies expenditure line within the Consolidated Comprehensive Operating Statement.

9.9 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and 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 Consolidated Balance Sheet.

Cash flows arising from operating activities are included in the Consolidated Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

9.10 Controlled entity

The consolidated financial statements at 30 June 2024 include the following controlled entity. The financial reporting period for the controlled entity is 1 July 2023 to 30 June 2024.

Controlled Entity	Place of incorporation	Book value of parent entity's investment in \$		% shares held		Contribution to the results in \$'000	
		2024	2023	2024	2023	2024	2023
Barwon Asset Solutions Pty Ltd	Australia	2	2	100	100	376	485

The relevant activities of BAS include:

- For Barwon Water, the civil maintenance services for planned and unplanned water and sewerage systems and minor low cost capital works projects, and
- External to the Group, civil maintenance services for planned and unplanned.

9.11 Parent entity information – Barwon Region Water Corporation

	2024	2023
	\$'000	\$'000
Current assets	66,910	65,902
Non-current assets	3,726,481	3,644,381
Total assets	3,793,391	3,710,283
Current liabilities	147,817	113,487
Non-current liabilities	1,22,834	1,185,158
Total liabilities	1,373,651	1,298,645
Reserves	1,217,012	1,218,066
Contributed capital	459,598	459,598
Accumulated funds	743,130	733,973
Total equity	2,419,740	2,411,637
Net result after income tax of the parent entity	9,157	5,587
Comprehensive result of the parent entity	8,102	296,683

Contractual requirements

The funding agreement between Barwon Water and BAS is for Barwon Water to provide daily cash flow if requested. This is equivalent to a loan facility with BAS to pay Barwon Water interest if utilised. The interest rate payable by BAS on the funding balance will be the aggregate of the Treasury Corporation Victoria (TCV) 11am loan rate and Barwon Water's Financial Accommodation Levy (FAL) rate applicable on the date the interest accrues. The only borrowing limit that BAS is subject to is that total borrowings of Barwon Water do not exceed the Treasurer approved annual limit. This loan facility is repayable at call.

Barwon Water has contractual obligations to BAS under the Maintenance Services Agreement including the provision of vehicles, plant and equipment.

BAS is a proprietary limited company and Barwon Water is the sole shareholder. Being a company limited by shares, it limits the liability of shareholders to the value of their shares. The value of the shares in BAS are \$2 (2 x \$1 shares).

There are no contingent assets or liabilities resulting from the contractual arrangements. Refer Note 7.2 for the Group's contingent assets and liabilities.

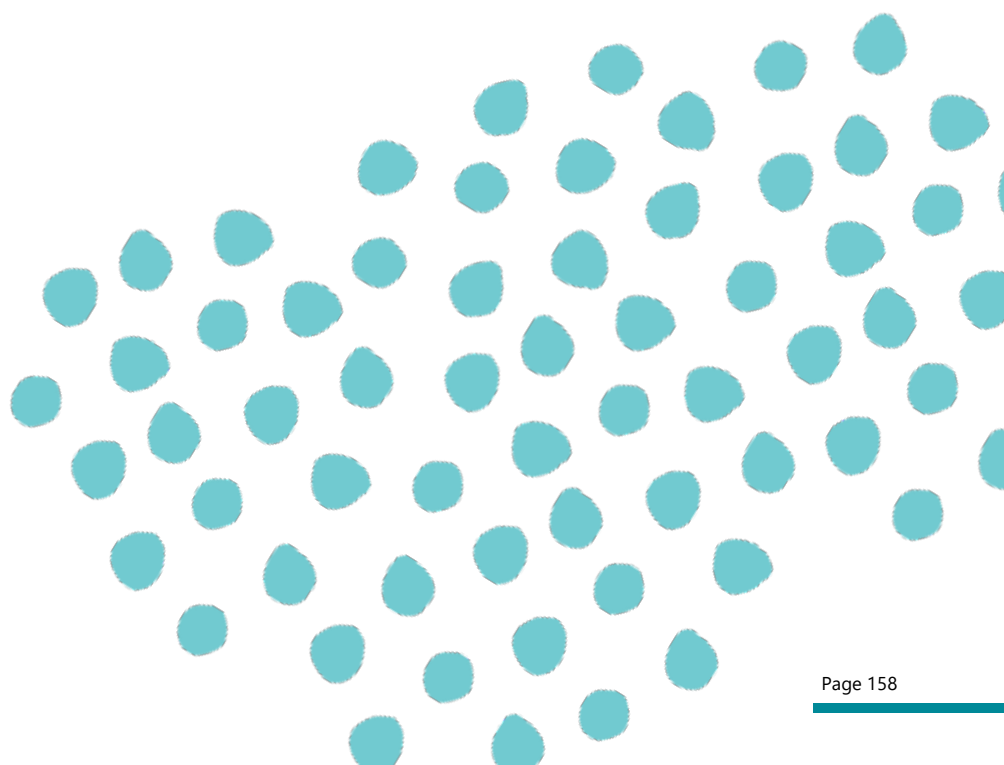
9.12 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after the operative dates stated. Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2024 reporting period. The following applicable standards and interpretations had been issued but were not mandatory for financial year ended 30 June 2024. The Group has not and does not intend to adopt these standards early.

Standard/Interpretation	Summary	Effective date	Estimated impact on the Group
AASB 2022-6 <i>Non-current Liabilities with Covenants</i>	Requires a liability be classified as a non-current liability if at the end of the reporting period the entity has a right to defer settlement of the liability for at least twelve months after the reporting period.	1 January 2024	The Group is reviewing the impact on adoption of this standard.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on the Department's reporting.

- AASB 17 *Insurance Contracts*.
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates*.
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*.
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*.
- AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 Comparative Information*



Barwon Region Water Corporation

Directors' and Chief Finance and Accounting Officer's declaration

The attached financial statements for the Group have been prepared in accordance with Standing Directions 5.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

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

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

We authorise the attached financial statements for issue on 19th September 2024.



Jo Plummer
Chair



Shaun Cumming
Managing Director



Melissa Stephens
General Manager People and Corporate
(Chief Finance and Accounting Officer)

Date this 19th Day of September 2024

Independent Auditor's Report



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of the Barwon Region Water Corporation

Opinion	<p>I have audited the consolidated financial report of the Barwon Region Water Corporation (the corporation) and its controlled entity (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> consolidated balance sheet as at 30 June 2024 consolidated comprehensive operating statement for the year then ended consolidated statement of changes in equity for the year then ended consolidated cash flow statement for the year then ended notes to the financial statements, including material accounting policies directors' and chief finance and accounting officer's declaration. <p>In my opinion, the consolidated financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the corporation as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the corporation is responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a consolidated financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the consolidated financial report, the Board is responsible for assessing the corporation and the consolidated entity'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.</p>

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

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

- identify and assess the risks of material misstatement of the consolidated 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 and the consolidated entity'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 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 and the consolidated entity'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 and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the consolidated financial report. I remain responsible for the direction, supervision and performance of the audit of the corporation and the consolidated entity. I remain solely responsible for my audit opinion.

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
1 October 2024



Paul Martin
as delegate for the Auditor-General of Victoria

Appendices



Barwon Water and the National Trust of Australia (Victoria) celebrate the new recycled water infrastructure installed and commissioned to irrigate farmland surrounding Barwon Park Mansion. A 1.8km underground pipeline connects the site to Winchelsea Water Reclamation Plant. Pictured (l to r) are Barwon Water Project Manager Gurvinder Kaur, Farmer Ewan Peel, National Trust Interim (EO) Philip Martin and Barwon Water General Manager Seamus Butcher.

Disclosure Index

The 2023-24 Annual Report of Barwon Water Region Water Corporation is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the authority's compliance with statutory disclosure requirements.

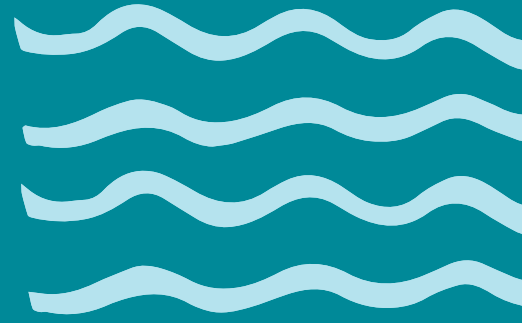
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<i>Local Jobs First Act 2003</i>		75
<i>Public Interest Disclosures Act 2012</i>		74
<i>Water Act 1989</i>		19, 41, 44, 53, 61, 82-92 & 109

At a glance – data table

	2023-24	Change (%)	2022-23	Change (%)	2021-22	Change (%)	2020-21	Change (%)	2019-20	Change (%)
Population served (water)	379,228	2.4	370,487	5.9	349,996	2.5	341,410	3.3	330,462	2.8
Population served (sewage)	350,241	2.3	342,239	5.8	323,367	2.6	315,055	3.5	304,411	2.8
Connected properties (water)	181,844	1.9	178,505	2.3	174,511	2.2	170,759	3.0	165,804	2.5
Connected properties (sewage)	165,946	2.0	162,725	2.4	158,879	2.3	155,238	3.2	150,417	2.8
Water treatment plant volumes (megalitres)	41,821	11.7	37,454	8.2	34,624	-3.3	35,807	-0.8	36,104	-7.0
Water reclamation plant volumes (megalitres)	33,586	-5.0	35,372	6.2	33,318	2.2	32,591	15.3	30,806	8.9
Employee numbers FTE	365	10.0	338	4.8	322	0	322	1.025	314	-0.1
Number of days lost to injury	0	0	0	0	0	0	0	-600	6	500
Total revenue (\$'000)	292,838	13.3	258,428	1.3	255,145	2.9	248,034	0.2	249,901	4.1
Net operating result (before income tax) (\$'000)	13,562	58.3	8,565	-65.9	25,109	-8.6	27,466	4.6	26,250	-2.2
Total assets (\$'000)	3,794,268	2.3	3,710,564	14.7	3,236,010	0.8	3,211,891	12.9	2,844,693	1.7
Capital expenditure (\$'000)	135,828	23.8	109,696	200.1	53,174	-19.2	65,840	-15.0	77,438	-4.4





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