

Annual Report

2024-25

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Acknowledgement of Country

In the spirit of reconciliation, North East Water acknowledges the Traditional Owners of Country throughout north-east Victoria and their connections to land, water, sky and community. We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander people today.

We acknowledge the continued cultural, social and spiritual connections that First Nations people have with the lands and waters and recognise and value that these groups have cared for and protected them for thousands of generations.

We are proud to work with the Aboriginal communities in our service region, including the two Registered Aboriginal Parties of Yorta Yorta and Taungurung. We are also committed to our relationships with the Duduroa Dhargal, Dhudhuroa Waywurru, Dalka Warra Mittung, Bangerang and Jaithmathang communities.

We remain committed to working in partnership with local First Nations communities to ensure their ongoing contribution to the future of the water management landscape.



North East Water's Board Chair, Stephen Brown and our Independent Aboriginal Delegate, Shayne Rodgers

North East Water 2024-25

Key statistics

Our vision: Healthy environment, thriving communities, prosperous region.

Our purpose: To deliver safe, sustainable water and wastewater solutions for our communities.



121,413

Population served



52,015

Residential properties



4,910

Business customers



21

Water treatment plants



22

Wastewater treatment plants



39

Towns



100%

Safe drinking water compliance



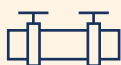
94%

Customer satisfaction



\$1,080

Average residential bill



1,337kms

Sewer mains



1,666kms

Water mains



208

Employees (FTE)

Figure 1 – North East Water 2024-25 key statistics



58.10%

Renewable energy



16,422

Megalitres sold



\$80.35M

Capital expenditure

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Section 1

Overview



About this report

North East Water's 2024-25 Annual Report is a summary of the corporation's performance during the 2024-25 financial year. It outlines our operational, social, environmental and financial performance in meeting our obligations and strategic ambitions.

The report provides customers, community, business and agency stakeholders and partners with information on our activities to meet statutory responsibilities under the *Financial Management Act 1994* and the directions of the Ministers for Finance and Water.

North East Water's report discloses a balanced and accurate view of performance and is structured to reflect the priorities and ambitions of our 2024-25 Corporate Plan and *Strategy 2040*.

North East Water's Chair, Stephen Brown and Managing Director Jo Murdoch with staff at the Wodonga raw water offtake following the completion of the flood levee.



Message from the Chair and Managing Director

We are pleased to present North East Water's 2024-25 Annual Report, providing highlights of our services, achievements and key milestones for the past year.

We are incredibly proud of the role our business has played in providing essential water and wastewater services to more than 121,000 customers across our 20,000 square kilometre service region which incorporates 39 cities and towns in north-east Victoria.

We are also deeply appreciative of our customers and key stakeholders for engaging with us throughout the year and for our employees who go above and beyond every day to deliver exceptional services.

The past year has seen us commence implementation of our new corporate Strategy 2040 which sets out North East Water's vision for the future being a **healthy environment, thriving communities** and a **prosperous region**.

It has also seen the continuation of our ongoing transformation program – now in its third year – aimed at structuring, supporting and equipping the organisation to meet the challenges and opportunities of the future.

These challenges include increased demand for water and wastewater infrastructure to support new housing, climate volatility, increased health, environmental and cyber security regulation, and rising costs of goods, services and construction.

In 2024-25, after three successive years of La Nina conditions, we experienced drier conditions which saw a drop in some water storages requiring us to undertake drought preparedness.

Despite these challenges there were many opportunities linked to our 'core business' which we embraced. We successfully completed stage 1 of a biochar trial looking at productive uses for North East Water's biosolids and other organic waste in partnership with Gippsland Water, Intelligent Water Networks and Wangaratta Council.

A definite highlight of our year was the extensive engagement we undertook with our customers and community for our draft 2026-31 price submission which we will submit to the independent Victorian regulator, the Essential Services Commission (ESC) by 1 October 2025.

Through this engagement we heard our customers want us to continue to be reliable, responsive, sustainable, local and fairly priced. They also told us they were concerned about housing shortages, cost of living and caring for the environment. We listened carefully and are incorporating this feedback into our draft submission.

Other highlights from 2024-25 were:

- 100% compliance with the Victorian Safe Drinking Water regulations.
- Our average bills remaining below the Victorian and national average.
- Assisting thousands of customers experiencing hardship to access grants, rebates, payment extensions and concessions.
- Achieving 94% customer satisfaction, noting we independently survey 2,000 customers annually.
- Delivering over \$80 million in new or upgraded capital infrastructure – the largest in the history of North East Water and continuing our master planning program in consultation with local government and developers.
- A \$1.77 million surplus, primarily due to increased water sales and continued strong developer activity, and total expenditure contained within 2.4% of prior year.
- Progressing gender equality, including reducing our gender pay gap of the annualised base salary from 10% in 2021 to -1.3% in 2024.
- Four meetings of our Customer and Community Advisory Committee.
- Key stakeholders visiting including the Ministers for Water and Emergency Services, Commissioners with the ESC, and the Commissioner of Emergency Management Victoria.

We extend our thanks to our employees, customers and key partners for the support and trust they have for North East Water. We also thank our board for their leadership and governance which continues to guide us as we plan and deliver for the future.

In accordance with the *Financial Management Act 1994*, we are pleased to present North East Water's Annual Report for the year ending 30 June 2025.



A handwritten signature in blue ink, appearing to read 'S. M. Brown'.

Stephen Brown
Chair



A handwritten signature in blue ink, appearing to read 'Jo Murdoch'.

Jo Murdoch
Managing Director

About us

North East Water was established on 1 July 1997 through a Government Order following the application under section 100(2) of the *Water Act 1989* by the Ovens Region Water Authority and the Kiewa Murray Water Authority. The Authority became a corporation on 1 July 2007.

Our core responsibilities, as mandated by the *Water Act 1989*, encompass a range of statutory functions. These include the collection, storage, treatment, and delivery of water, as well as the collection and treatment of sewage, trade waste, and water recycling.

We proudly serve an estimated population of approximately 121,000 people in north east Victoria. Our service area spans 39 towns, covering approximately 20,000 square kilometres. These diverse communities range from the bustling urban centre of Wodonga, with over 17,500 connections, to the small village of St James, with just 39.

While our customer base primarily consists of residential users, we also service major industries in larger towns and cities such as Wodonga, Wangaratta, Wahgunyah, Benalla and Myrtleford. Additionally, we serve commercial and rural customers, reflecting our commitment to meeting the varied needs of our region.

To provide these essential services, we operate 21 water treatment plants (WTPs) and 22 wastewater treatment plants (WWTPs) across the region. We supply reclaimed water to 17 schemes, servicing 29 third-party sites, including community benefit applications, and our own North East Water operated farms. Our infrastructure management adheres to agreed-upon performance standards, as well as all relevant legislation, compliance codes, and our Customer Charter.

We recognise the vital role of infrastructure management in achieving our business objectives and promoting community resilience. We focus on addressing customer service priorities, ensuring security of water supply and public health outcomes, maintaining business continuity, being responsible land and water stewards, and preserving biodiversity.

We manage a diverse portfolio of infrastructure assets, adhering to agreed-upon performance standards developed in consultation with our customers. Our current infrastructure replacement cost amounts to approximately \$1.61 billion, and we adopt a comprehensive whole-of-life management approach to optimise the performance and benefits from these physical assets.

In addition to our operational efforts, North East Water actively fosters and nurtures relationships with key stakeholders and partners. These include our valued customers, local communities, dedicated employees, valued business partners, reliable suppliers, Traditional Owners, other water corporations, developers, our bulk water supplier, regulators, the Victorian Government and its agencies, local government, and the media.

As a public utility, we were accountable to the Hon Harriet Shing MP, Minister for Water, during the reporting period from 1 July 2024 to 18 December 2024, and the Hon. Gayle Tierney MP, Minister for Water from 19 December 2024 to 30 June 2025. We take pride in serving our community and strive to fulfill our responsibilities with dedication and transparency.

Table 1 – Our business at a glance

Aspect	2024-25	Change (%)	Impact ¹	2023-24	2022-23	2021-22	2020-21
Population served (water) ²	121,413	1.6	F	119,559	117,367	116,121	114,076
Population served (sewerage) ²	112,812	1.8	F	110,821	108,817	107,111	105,143
Connected properties (water)	56,925	1.5	F	56,103	55,273	54,677	53,791
Connected properties (sewerage)	52,321	1.7	F	51,436	50,689	49,931	49,074
Water sold (megalitres) ³	16,960	8.8	F	15,585	14,451	14,098	15,237
Sewage treatment volumes (megalitres)	10,517	-10.9	F	11,799	12,552	11,280	10,002
Employee numbers ⁴	208.2	0.1	F	208.0	199.4	187.1	185.3
Total revenue (\$'000)	100,471	13.6	F	88,480	81,853	72,336	75,250
Net operating result - before tax (\$'000)	2,969	-143.9	F	-6,761	-9,620	-15,126	3,999
Total assets (\$'000)	1,124,571	6.0	F	1,061,414	1,039,514	919,725	898,707
Capital expenditure (\$'000)	78,269	93.8	F	40,383	31,848	27,956	24,670

Notes:

1. Favourable (F), neutral (N) or unfavourable (UF) impact on the Corporation's business.
2. Measure is calculated on revised household data from 2021 Census based on average occupancy rates
3. Includes reclaimed and raw water sales.
4. Measured as full time equivalent employees (FTE).

Figure 2 – Area of operations



Table 2 – Corporation-wide key performance indicators

Performance indicator	2024-25 Results	2024-25 Target	Target Met?	2023-24 Results	2022-23 Results	2021-22 Results
Restoration of water supply following unplanned interruptions						
% interruptions restored within 5 hours ²	93.5%	98%	N	95.8%	98.3%	98.5%
Drinking Water						
% volume of drinking water compliant with quality standards ³	100%	100%	Y	100%	99.9%	100%
Wastewater						
% wastewater complying with EPA licence ³	91.2%	93%	N	86.7%	84%	87%
Sewer blockages (including spills)						
Blockages / 100km main ³	11.1	12	Y	7.8	9.6	10.1
Containment of sewer overflows						
% spills contained within 5 hours ²	94.7%	100%	N	79.7%	81.8%	91.5%
Reliability of water supply service						
Unplanned interruptions/100km main ²	15	14	N	13	11.1	12.3

Notes:

1. Energy and Water Ombudsman of Victoria.
2. ESC service standard.
3. Internal Corporation key performance indicator.

Investing in our Future Together

During 2023-24 North East Water implemented year three of its dedicated 'Investing in our Future Together' internal transformation program. The program's objectives are to:

1. Structure, support and equip staff to meet the challenges and opportunities ahead of us
2. Lead through change – help everyone understand their role and how they can contribute to Strategy 2040 and our next price submission
3. Build an agile, adaptive and high performing culture which prioritises safety and with the mindset, skills and capabilities to embrace innovation, change, technology, business efficiency, collaboration and partnerships
4. Review and improve business practices to ensure consistency and to realise benefits and value for customers, community and all employees.

Some key achievements in the past 12 months have been:

- Our first full year of *Strategy 2040*
- Deep and genuine engagement with our customers for our 2026-31 price submission
- Maturing our new Enterprise Portfolio Management Office and procurement program
- Transforming our risk management framework
- All staff now having 'Career Manager' conversations about goals, performance and professional development
- Completing our leadership program with coordinators, managers and executive learning together
- Continued workforce planning for Planning & Infrastructure and Customer Experience teams.

More details on these can be found in the following pages.

The Managing Director, members of the North East Water Board and staff at the 2024 VicWater Conference.



Strategy 2040

Following extensive consultation with key stakeholders, regional leaders, First Nations communities, our Customer and Community Advisory Group, community service support agencies, major customers and developers, North East Water developed *Strategy 2040*, a roadmap designed to navigate the challenges in the local, national and global landscape.

As stewards of a vital resource – water – we recognise the need to not only continue to deliver our core water and wastewater services to the high standards our community expects, but also be proactive in planning for the future.

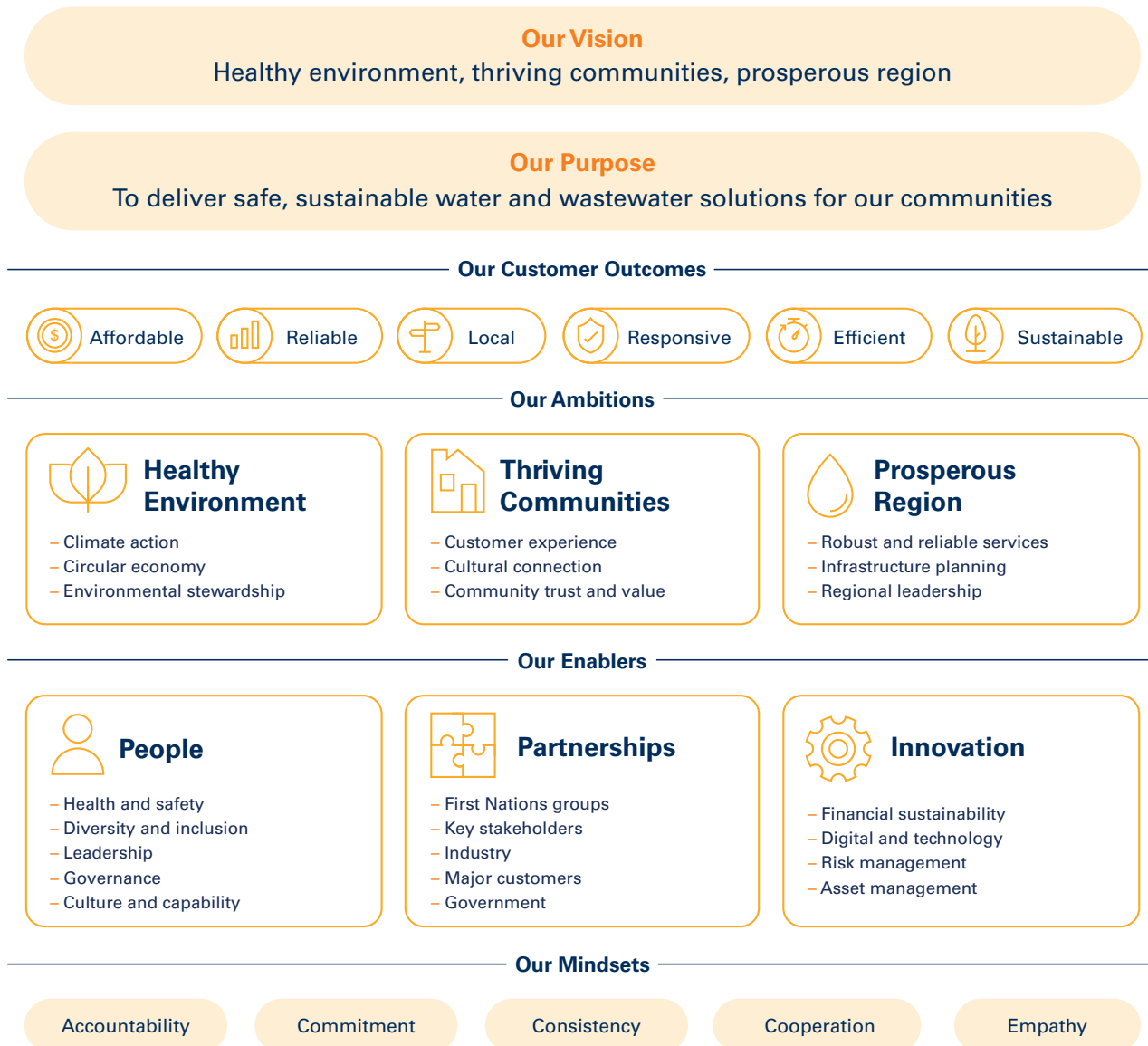
Strategy 2040 is North East Water's blueprint to achieving our vision of a **healthy environment**, **thriving communities** and a **prosperous region**. It guides our future endeavours, encapsulating our commitment to staying agile, being innovative, building resilience and ensuring service excellence.

Our approach centres on embracing a future where water is secure, waste is transformed into valuable resources, technology and data is enabling innovation, and partnerships and inclusive engagement are resulting in positive outcomes.

It's also a future where we are continually scanning the horizon to stay ahead of trends and emerging issues and leveraging our services and infrastructure to contribute to the economic, environmental, social and cultural prosperity of our region.

An overview of *Strategy 2040* is provided in Figure 3.

Figure 3 – Strategy 2040



Highlights and achievements

Healthy environment

Progress at West Wodonga

Significant progress was achieved in 2024-25 on the \$75.6 million West Wodonga Wastewater Treatment Plant (WWTP) capacity upgrade and emissions reduction project.

This transformative initiative will support the region's anticipated growth by expanding the capacity of Wodonga's wastewater treatment system. A key feature of the project is the integration of biogas recovery from incoming wastewater, enabling the generation of renewable electricity. This will help offset operational energy demands and advance our commitment to achieving net zero greenhouse gas emissions by 2035.

Following the commencement of early site works in July 2024, the past year saw major milestones reached, including the completion of detailed design work, procurement of critical equipment, and steady progress in construction activities.

Construction of the upgraded facility is expected to be substantially completed by the end of 2025, with commissioning and integration into existing infrastructure continuing into early 2026. The project remains on budget and is on track for full completion and commissioning before the end of the 2025–26 financial year.

Ryans Lagoon and Mullinmur Billabong

North East Water partnered with the Duduroa Dhargal Aboriginal Corporation, the North East Catchment Management Authority (NECMA) and the Victorian Environmental Water Holder to transfer 200 megalitres of cultural water at Ryans Lagoon in Wodonga.

This initiative not only demonstrated the ecological and cultural benefits of cultural watering but also helped restore the natural flooding and refreshing cycles of the lagoon – cycles that have been significantly disrupted by the construction of the Hume Dam.

North East Water supported the transfer by providing the pump, pipeline, and generator, with NECMA securing the water entitlement. The wetlands have since seen a notable increase in biodiversity, now hosting a thriving population of fish, frogs, turtles, and a diverse array of birdlife.

In November, we also supported an environmental project at Mullinmur Billabong in Wangaratta to aid the endangered freshwater eel-tailed catfish. Led by NECMA with support from North East Water, Wangaratta Landcare and Sustainability, and Bangerang Aboriginal Corporation, the project delivered 20 megalitres of environmental water over three days from the Ovens River to improve dissolved oxygen levels and wetland habitat.

These collaborative efforts highlight our commitment to protecting local ecosystems and embedding cultural values into water management.

Environmental partnerships

Upstream of the King River confluence in Wangaratta near the water treatment plant offtake is a hotspot for the invasive European carp, and in 2024-25, as part of an annual statewide program, we partnered with the Arthur Rylah Institute to conduct fish surveys along sections of the Ovens River.

The survey technique utilised electrofishing to stun the fish which then float to the surface to be captured and measured. While most fish caught during surveys are returned to the river, Wangaratta Landcare and Sustainability, in partnership with the program, ensures that carp and other non-native species, such as goldfish, are removed.

With further support from NECMA, this carp removal initiative directly contributed to improving biodiversity and water quality, supporting a healthier river ecosystem.

In 2024-25, we also participated in surveys as part of a Game Management Authority (GMA) study to determine the health and extent of the quail populations in Victoria.

The two most common species of quail in Victoria are the stubble quail and the brown quail, and our farms and the surrounding land of our wastewater treatment plants can provide ideal habitat that support populations of native birdlife.

Surveys were undertaken by Wildlife Unlimited on behalf of GMA at five sites with farming land in Yarrawonga and Wangaratta providing researchers with good sightings of stubble quail to indicate healthy populations in these areas.

Thriving communities

100% safe drinking water

North East Water is dedicated to supplying high-quality, safe drinking water and in 2024-25 we once again achieved 100% compliance with the Safe Drinking Water Regulations (2015) and *Safe Drinking Water Act (2003)*.

This was confirmed throughout the year through comprehensive and regular testing and verification of water quality, collecting over 71,000 data points in 2024-25 to ensure the consistent delivery of safe drinking water to our customers.

We continued to implement the upgrades required to meet the Australian Drinking Water Guidelines approach to microbial water safety. This included planning for the installation of ultraviolet technology at a further two water treatment plants to ensure drinking water delivered to customers is free of pathogens.

Our commitment to safeguarding drinking water quality has driven significant upgrades to key treated water storages, including facilities in Wangaratta, Devenish, and Corryong. These enhancements play a vital role in mitigating risks to safe drinking water and ensuring the long-term security and protection of water supplies for our communities.

We also completed the final year of our sample tap upgrade program. This initiative involved installing standalone connections on meter assemblies at customer sampling sites throughout our service region. These upgrades enhance our ability to collect representative samples of the drinking water supplied to customers, ensuring ongoing compliance.

The North East Water Board and executive team visit the West Wodonga WWTP capacity upgrade and emissions reduction project.



Price submission engagement

Our comprehensive engagement for the 2026 price submission continued throughout 2024-25.

Over the year, we actively engaged with customers and the broader community to help shape the submission. We created a range of opportunities for people to share their views including surveys, focus groups, pop-up kiosks and webinars. We also collaborated closely with key stakeholders, including local governments, First Nations communities, major customers and developers.

The engagement process culminated with the deliberative forum, which brought together 30 participants selected through an independent process to reflect the diversity of our customers and communities. The panel explored and deliberated on three key topics: tariffs, investment for growth and compliance, and the performance standards of our water and wastewater systems. Their recommendations were integral to our draft submission.

By listening closely to our customers, we've gained valuable insights into their expectations, preferences, and priorities. This feedback has been instrumental in ensuring our submission reflects what matters most to the communities we serve.

Webinar series

Throughout 2024-25, we delivered a series of 12 educational webinars designed to keep customers and our local communities informed about our key programs, projects, and strategic initiatives.

Topics ranged from drought preparedness and water conservation to our carbon reduction initiatives and customer support services. Sessions were also held on data security and customer privacy, our reconciliation journey and our price submission.

The response was overwhelmingly positive, with 350 participants attending live and a further 900 additional views via on-demand recordings. This high level of engagement reflects the community's interest in the work we do, and the value placed on accessible, transparent communication.

In addition to the educational webinars, we also hosted a dedicated master planning webinar series. This provided a detailed overview of our long-term infrastructure planning across the seven Local Government areas we serve, highlighting the challenges of population growth and our strategies to ensure sustainable water and wastewater services into the future.

Prosperous region

Master plans

In 2024-25 we completed our regional master planning program comprising of 15 infrastructure master plans covering towns and regional cities experiencing growth. Each master plan is a forward-looking strategy outlining water and sewer services for these communities over the next 50 years. Developed over the past two years, these plans summarise current water and wastewater systems, forecast future population growth, outline planned investments, and provide a guide to capital investment.

We worked closely with the seven local governments in our service area to develop 50-year growth forecasts that align with existing council regional growth strategies and township structure plans, with an emphasis on the State Government's housing targets.

Our medium and long-term capital program is guided by these infrastructure master plans. They enable us to plan future infrastructure needs, ensure water security and wastewater compliance, and foster improved social and environmental outcomes for our region. They build on other strategies such as the Urban Water Strategy and North East Water's Strategy 2040.

These plans are pivotal in supporting the wellbeing, prosperity and sustainability of our region.

Servicing Wangaratta

After securing a \$750,000 federal grant from the National Water Grid Authority, we have begun the first stage in a major project to explore Wangaratta's long-term water supply through groundwater.

In 2024-25, we undertook groundwater investigations at five locations on either side of the Ovens River to assess the quality and yield potential of the groundwater, as well as the thickness of the Calivil Formation aquifer (an underground formation composed of sands and gravels deposited by ancient rivers and streams) and the overlying aquitard (a geological layer that restricts groundwater flow).

This required drilling boreholes to depths of up to 125 metres. Once drilling and installation of monitoring bores was complete, pumping test investigations followed at each site with results scheduled for late 2025.

Progress also continued on enabling residential growth in Wangaratta's north-west, with the installation of detention tanks designed to store sewage from new housing developments. These tanks help maintain the

performance of the existing sewer network, particularly during peak flows and heavy rainfall events.

This is one of two growth areas identified by the Rural City of Wangaratta as the city's main residential development zones. The other – the southern growth area – is centred on Salisbury Street where detention tanks were installed in July 2024.

Developer Forums

North East Water continued to host a series of Developer Forums in 2024-25, fostering collaboration between developers, local government, and key stakeholders to support the State Government's housing targets.

In 2024-25, we presented our master plans and indicative 10-year capital program and how it will enable growth to continue in our region. We workshoped key questions around servicing growth and continued to discuss ways to address the opportunities and challenges facing north-east Victoria, our customers and our stakeholders.

Our second forum followed our price submission deliberative forum and provided the opportunity for a comprehensive overview of the submission process to date, as well as present the forum's recommendations with regard to the proposed changes to new customer contributions.

Wodonga Creek offtake flood levee

North East Water completed a major flood protection project in 2024-25 that strengthened the security of Wodonga's water supply in the face of extreme weather events.

The new \$2.2 million flood levee was constructed around the raw water offtake on Wodonga Creek that supplies water to the Wodonga Water Treatment Plant – the city's sole source of drinking water. This levee builds on our significant upgrade completed in 2024, where \$7.9 million was invested to enhance the city's drinking water infrastructure.

Together, these improvements increased the city's resilience in the face of a changing climate and catered for housing growth over the next 40 years. The project was supported by \$897,000 in funding provided by the Federal Government in partnership with the States and Territories under the National Partnership Agreement for Disaster Risk Reduction.

People

Leadership Program

Over 50 leaders, including executive, senior leaders and coordinators, completed the year-long 'Investing in Your Future' Leadership Program.

The program included modules on building trust, strategic insight, coaching and role modelling. It also included deep dives on problem solving, people management, communication and empathy.

Each full-day session included a range of learning opportunities, guest speakers, workbook resources, discussion panels and coaching circles to create a significant learning experience for all our leaders.

The next phase of the leadership program – to be delivered in 2025-26 – is aimed at emerging leaders within the business.

Workforce readiness initiatives

Following the successful workforce readiness initiative undertaken by our Operations team in 2023-24, the Planning and Infrastructure business unit followed suit in 2024-25.

Key drivers of the initiative included ensuring we are appropriately resourced to deliver an ever-increasing capital program, improving our planning capability, supporting the implementation of Strategy 2040, and underpinning succession planning and career development opportunities.

Following a period of stakeholder engagement and consultation with staff, the business unit was restructured, with management and their teams realigned with the unit's core functions of strategy and liveability, assets and infrastructure planning, urban growth, and capital delivery.

In late 2024-25 the Customer Experience business unit also completed a workforce readiness initiative. The initiatives already rolled out include an increase in cross-training of staff to provide opportunities for learning and development, the recruitment of an administrative officer and a new program of works aimed at proactively identifying and supporting customers who may be experiencing financial hardship.

Year 3 Gender Equality Action Plan initiatives

The third year of our current Gender Equality Action Plan (2022-25) continued with a range of initiatives that saw meaningful progress made against pay equity, gender composition at all levels of the workforce, reducing workplace sexual harassment, gendered work segregation, and leave and flexibility.

We have continued to undertake independent annual reviews of remuneration, reducing the gender pay gap of the annualised base salary from 10% in 2021 to -1.3% in 2024.

Supporting balanced decision-making and diverse leadership, we have gender balance at the executive level (three women and three men), and 44% of the senior leadership team are women, an increase from 21% in our base year of 2021.

We continued to provide accessible pathways to leadership roles, with a focus on a fair and equitable recruitment and secondment process, access to flexible work options, leadership development opportunities and participation in peer support networks.

Building on the success of our Women in Operations group, which is led by women in leadership positions within the Operations business unit, we have expanded this initiative into a national program with the backing of the Water Industry Operations Association of Australia. Now branded as the Women in Water Operations network, this initiative is being implemented across Australia to foster an industry culture that not only celebrates women but also connects them and their allies within the water sector.

As membership continues to grow and representation spans all states, the network is dedicated to ensuring that our industry attracts and retains female talent in operational roles through connection, collaboration, and development. By providing essential support, networking opportunities, and recognising the invaluable contributions of women, we aim to help water corporations reap the benefits that diverse organisations bring to the sector.

Partnerships

GHD STEM Partnership Program

In partnership with GHD Engineering, Wodonga Senior Secondary College and Catholic College Wodonga, we once again ran our STEM partnership program for six secondary students to explore a future where artificial intelligence helps us manage our water resources.

The students embarked on a week-long journey into the world of digital twins, AI, and predictive futures for the water industry. They received a behind-the-scenes tour of our water treatment plants and accessed our treatment and planning experts to delve further into bushfire considerations and town planning for growth.

The week culminated in their presentation at the Wodonga Water Treatment Plant, where the students showcased their project to an audience of parents, teachers, TVN On-Country and the media, along with representatives from both North East Water and GHD.

In addition to this partnership, we also hosted a secondary student for work experience with our IT and cybersecurity team. The student spent a week immersed in the Digital and Business Transformation business unit, exploring different departments, attending the sessions with the GHD STEM students, worked alongside our GIS team, and explored development and cyber software applications.

We continue to work on ways of providing these opportunities to local students, with a commitment to fostering regional talent and career pathways in the water industry.

First Nations Art Prize Retrospective

North East Water partnered with the City of Wodonga's Hyphen Gallery for a retrospective of North East Water's First Nations Art Prize. The exhibition showcased the 15 winning entries purchased by us and fellow sponsors NECMA, Australian Gas Infrastructure Group and DEECA, all of whom agreed to loan their works for the exhibition.

The exhibition brought the collection to a broader audience to showcase the works created by the extremely talented Aboriginal artists in our community and curated by one of our Elders-in-Residence, Glennys Briggs. It was also an exceptional opportunity to promote the biennial competition to prospective artists, with the next art prize scheduled for October 2025.

The exhibition ran from July 2024 to February 2025 and reached 60,000 visitors during its run.

Murray Mutual Aid MOU

In 2024-25, the Murray Mutual Aid Working Group was established to strengthen collaboration among five Victorian water corporations that rely on the Murray River system for their bulk water supply.

This partnership – comprising Coliban Water, Goulburn Valley Water, North East Water, Lower Murray Water, and Grampians Wimmera Mallee Water – aims to enhance the delivery of safe drinking water through shared knowledge and coordinated resilience-building efforts.

The formation of the group was a timely response to the increasing frequency of extreme climatic events in northern Victoria, including the widespread flooding in 2022 and the drought conditions now emerging in 2025. Recognising the need for a united approach, the corporations meet biannually to exchange research, insights, and strategies related to emergency management and water system resilience.

Over the past year, the group has focused on managing blue-green algae and taste and odour compounds – key challenges that affect water treatment processes. By sharing early warning data on upstream water quality, members are better equipped to anticipate and respond to potential outbreaks downstream, allowing for proactive adjustments to treatment operations.

This year saw the completion of a flood mitigation system at the Wodonga pump station levy, a direct learning from Coliban Water's Rochester Water Treatment Plant levee. This flood mitigation system ensured that the Rochester community maintained safe drinking water supply even when parts of the town were inundated with flood waters.

Wangaratta Mural

In partnership with the Rural City of Wangaratta, North East Water commissioned a mural artist for the south side of the water treatment plant on Parfitt Road in Wangaratta (see page 51).

After receiving over 30 tender submissions, the evaluation panel comprising of staff from North East Water and Wangaratta's Arts and Culture portfolio, whittled down to two, with the Managing Director of North East Water and the CEO of Rural City of Wangaratta making the final determination.

Renowned mural artist Julian Clavijo was the successful tender, creating 'Dawn of Gratitude' for the community (see photo page 50). It captures the vital role water plays as the lifeblood of the community, supporting not only our drinking water supply but also our recreational activities and the natural environment. It also stands as a vibrant reminder of the need to protect our natural environment and conserve our precious water resources.

The mural was completed in November 2024. Public response to the mural was and continues to be overwhelmingly positive.

Innovation

New solution to blue-green algae

In 2023–24, significant algal growth and the emergence of taste and odour compounds at Evanswood Basin – an off-river storage supplying raw water to the Yackandandah WTP – posed considerable treatment challenges.

Given that traditional algae treatment methods (such as powdered activated carbon) are not feasible at the Yackandandah site due to infrastructure limitations, the water treatment team implemented an innovative solution: the installation of floating hexagonal covers made from recycled plastic. These covers blocked sunlight from reaching the water's surface, effectively limiting algal growth. They also offer additional benefits, including reduced evaporation and lower *E. coli* levels.

A total of 231,616 Hexa-Covers were deployed across the surface of Evanswood Basin, creating a protective layer that has delivered impressive results. Over the summer of 2024–25, the covers successfully prevented large-scale algal blooms and associated taste and odour events.

This sustainable solution will help ensure the continued delivery of high-quality drinking water to the Yackandandah community for years to come.

Grants

North East Water successfully secured a range of competitive grants in 2024-25, with the additional funding used to support our strategic priorities and infrastructure investments without placing additional cost pressures on our customers.

These grants, sourced from both Federal and State Government programs, have contributed to key projects including the Wodonga raw water offtake flood levee, the biochar trial, groundwater investigations and portable sewage pump stations.

This financial year we secured grant funding of just over \$7 million, the highlight being \$5 million for the Rutherglen Wastewater Treatment Plant upgrade and reuse scheme. \$0.5 million of this grant was received this year with the remaining to be received in future years. A total of \$1.39 million of grant funding revenue was recognised during the year.

In addition, North East Water supported Barwon Water's successful \$3 million grant which will potentially benefit a future hydrogen/oxygen partnership. We also supported Jaithmatang's successful application seeking funding to employ an Aboriginal Water Officer, and Indigo Power's successful application to fund a Neighbourhood Battery for Wodonga.

Biochar trial

In partnership with the Intelligent Water Network and Gippsland Water, North East Water launched a pilot biochar trial to explore the pyrolysis of various biosolids stockpiles.

The primary objective of the trial was to determine which organic feedstocks – combinations of biosolids, green waste, lucerne hay, and woody biomass – possess sufficient calorific value to sustain the high temperatures required for pyrolysis. This process is critical for the effective destruction of contaminants of emerging concern (CECs), including PFOA, PFAS, and microplastics.

The pilot assessed the feasibility of converting North East Water's biosolids and other organic materials into biochar while also evaluating the emissions profile and quality of the resulting product. Feedstocks included lucerne hay sourced from North East Water-operated farms and green waste biomass from the Rural City of Wangaratta's composting facility.

The trial focused on identifying the most efficient and environmentally sustainable feedstock blend to produce high-quality biochar with minimal emissions. The results were highly encouraging, providing a clear understanding of the optimal conditions needed to achieve complete contaminant destruction.

These findings now inform the development of a business case for a full-scale pyrolysis unit. This future facility could process North East Water's 90,000 tonnes of stockpiled biosolids, along with regional councils' green waste, to produce a clean, effective biochar product suitable for agricultural use or carbon emissions reduction.

Insourcing maintenance works

In October 2023, as part of our internal transformation program, we moved several maintenance activities inhouse and established the Mechanical Maintenance team.

Consisting of three qualified mechanical fitters (and an adult apprentice), their ability to respond immediately to faults and failures – where previously we relied on specialist contractors from as far as Melbourne – meant issues were often addressed before they escalated into major disruptions. This rapid response helped restore services more quickly, minimised financial impacts, and reduced the impact on our customers.

Now completing their first full financial year, the team achieved approximately \$800,000 in total savings. The team also has a strong focus on preventative maintenance, which has significantly lowered the operating costs of our sewer pump stations – from

\$1.23 million in 2022-23 to \$970,000 in 2024-25. The significant savings on mechanical maintenance at sewer pump stations has allowed us to conduct extraordinary maintenance, such as track and building repairs associated with these sites, while still coming in 11 % under budget for the 2024-25 financial year, a saving of \$236,000.

Building on these successes, we are exploring further initiatives as part of our price submission. This includes the potential purchase of a vacuum truck, enabling us to bring sewer pump station cleaning in-house with the addition of maintenance operators. This expanded team would also manage emergency sewer spill flows and support water main flushing, sewer condition assessments, and CCTV inspections using existing equipment.

Community members and staff at our deliberative forum for our 2026 price submission.



Financial performance

Summary of financial results

Our core revenue streams performed strongly this year, achieving an operating surplus before tax of \$2.97 million. This marks a significant improvement from last year's operating loss of \$6.76 million before tax and our budgeted operating loss of \$8.32 million.

Favourable weather conditions resulted in a warm summer and autumn, resulting in an increase in volumetric water sales against budget and the previous year. Average residential consumption was 212 kilolitres per household, an increase of 9.3% on the prior year of 194 kilolitres per household.

An increase in total expenditure of \$2.26 million compared to the previous year was driven by an increase in financing costs of \$2.0 million, primarily to fund the construction of the West Wodonga capacity upgrade and emissions reductions project.

From a cash flow perspective, the corporation invested \$72.5 million in new and renewed capital infrastructure. This was primarily funded with additional borrowings of \$50.25 million during the year, along with the favourable net cash flows from operating activities of \$22.3 million, an increase of \$10.1 million on the prior year.

Table 3 provides the high level financial results for 2024-25 compared with the previous four years.

Table 3 – Summary of financial results 2020-21 to 2024-25

Financial Results	2024-25 \$'000	2023-24 \$'000	2022-23 \$'000	2021-22 \$'000	2020-21 \$'000
Core business revenue	80,249	73,901	65,732	60,398	61,826
Government contributions	1,398	75	318	55	55
Other revenue	18,824	14,505	15,803	11,883	12,425
Total Revenue	100,471	88,481	81,853	72,336	74,306
Operating expenditure	60,924	61,286	60,093	57,383	43,929
Depreciation expenditure	27,777	27,199	25,622	26,316	22,593
Finance costs	5,764	3,767	2,514	775	787
Environmental contribution	3,191	2,998	2,998	2,998	2,998
Other Economic Flows	-154	-9	246	-10	464
Total Expenditure	97,502	95,241	91,473	87,462	70,771
Net Result before tax	2,969	-6,760	-9,620	-15,126	3,535
Current assets	26,266	23,220	19,573	17,368	17,224
Non-current assets	1,098,305	1,038,194	1,019,941	902,357	881,483
Total Assets	1,124,571	1,061,414	1,039,514	919,725	898,707
Current liabilities	78,777	36,029	23,505	31,970	17,783
Non-current liabilities	281,357	262,661	248,420	187,824	178,459
Total Liabilities	360,134	298,690	271,925	219,794	196,242
Net cash flows from operations	22,338	12,222	5,341	6,099	21,886
Payments for infrastructure property, plant and equipment	72,591	34,962	31,848	27,866	24,670

Notes:

Comprehensive financial statements can be found at page 104.

Understanding our revenue

Total revenue for the year increased by \$12.0 million (or 14%) compared to the previous year and exceeded budget by \$13.5 million (or 15.5%).

This favourable increase is primarily due to warmer and drier summer and autumn periods compared to prior years that led to an increase in residential water consumption across our service area. Volumetric water charges were \$5.2 million (or 14%) above budget, and \$5.0 million (or 13%) higher than the previous year. Average residential consumption was 212 kilolitres per household compared to 194 kilolitres in the previous year.

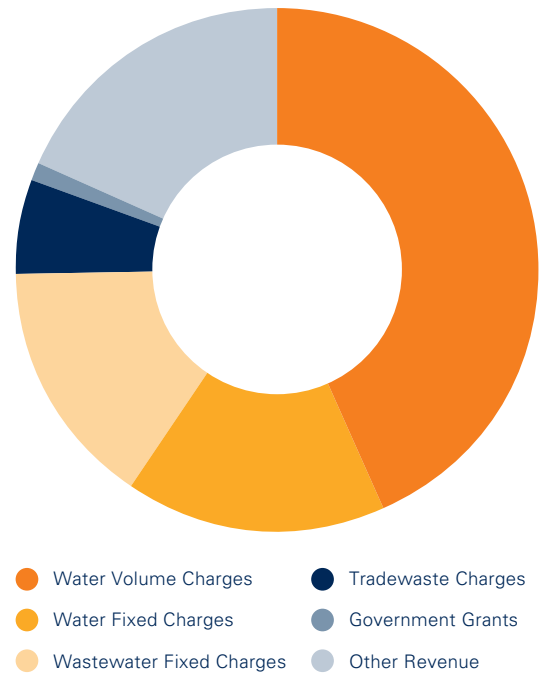
Developer contributions also contributed to the favourable result and were \$3.3 million (or 29%) higher than the previous year and \$5.4 million (or 56%) higher than budget. This is primarily associated with the value of gifted assets transferred to us from developers on completion of new subdivisions.

Consistent with our price and growth projections, water and wastewater service charges increased by 4.8% from the previous year and were in line with budget. This increase was driven by the application of the consumer price index of 3.6% and ESC approved real price path increase of 0.45%.

Government funding for operational and capital projects increased by \$1.3 million.

For an indication of the sources of income received the Corporation, see figure 4.

Figure 4 – Operating revenue 2024-25



Stakeholder briefing for our West Wodonga Wastewater Treatment Plant capacity upgrade and emissions reduction project.



Understanding our expenses

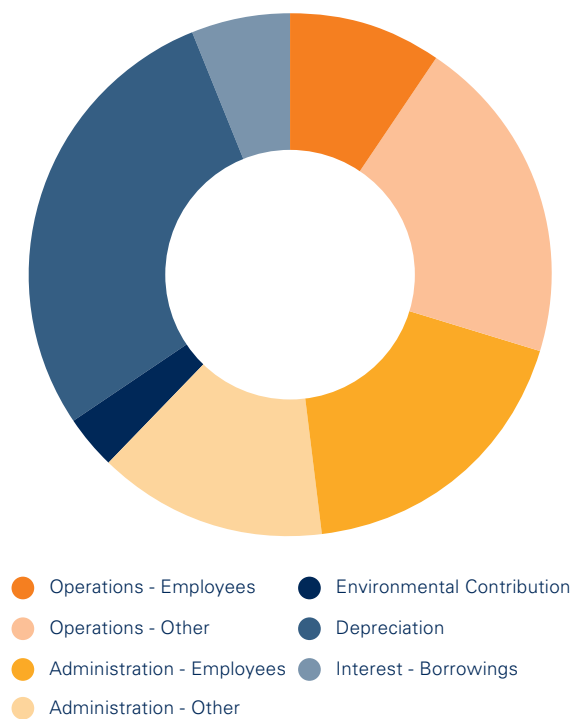
Total expenditure excluding income tax was \$2.26 million (or 2.4%) higher than the prior year. The majority of this increase is attributed to financing costs, increasing by \$2.0 million (or 53%) on the previous year. New borrowings of \$50.25 million were taken out during the year to fund a large portion of our capital expenditure program.

Pleasingly, direct operating expenditure marginally decreased by 1% compared to the prior year, however exceeded budget by \$4.2 million (or 7.5%). Electricity costs, chemical and sampling costs associated with water treatment and reactive maintenance associated with the reticulation networks contributed to this unfavourable result. Employee costs increased by \$0.9 million (or 3%) on the prior year however came in under budget with employee numbers remaining consistent with the prior year.

We also continued to invest in long term master planning across all of our service region, with \$1.4 million spent on professional engineering service partners as part of our three year master planning program which has substantially now finished.

Figure 5 provides a breakdown of expenditure type.

Figure 5 – Expenditure 2024-25



Performance against objectives

Income and expenditure before tax compared to budget is outlined in Table 4.

Table 4 – Total revenue and expenditure vs budget

	Actual 30 June 2025 \$'000	Corporate budget 2024-25 \$'000	Variance \$'000	Variance %
Total Revenue	100,471	86,993	13,478	15.5
Total Expenditure	97,502	95,316	2,186	2.3

Section 2

Operations Report





Capacity upgrades at our West Wodonga Wastewater Treatment Plant.



Climate change and energy

North East Water continues to focus on climate mitigation and adaptation, delivering tangible results across emissions reduction, renewable energy, and climate resilience.

Significant reductions in scope 2 emissions have been achieved through the West Wodonga Solar Farm and a wind power purchase agreement, positioning North East Water to reach 100% renewable energy supply by the 2025-26 financial year.

Further progress has been made in reducing scope 1 emissions with the commissioning of covered anaerobic lagoons and an energy generation system at the West Wodonga site. Once the corporation's largest carbon emitter, the site will soon be fully powered by behind-the-meter renewable energy.

As part of our ongoing commitment to climate adaptation, we completed the annual review of our Climate Adaptation and Resilience Plan (CARP), with a strong focus on drought preparedness. This included a targeted emergency exercise to refine community messaging and contingency planning ahead of another anticipated dry spring and summer.

North East Water also delivered key infrastructure projects to enhance community resilience to extreme weather events:

Wodonga raw water offtake flood levee

Completed in 2024-25, this critical infrastructure protects the raw water supply for Wodonga, Barnawartha, Chiltern, Springhurst, and Kiewa-Tangambalanga. The levee was identified as a priority following updated flood modelling for the Albury-Wodonga region, which revealed the vulnerability of the newly constructed pump station to inundation.

Houn Hill Water Treatment Plant upgrade

Enhancements to the plant's chemical dosing systems will improve resilience to blue-green algae outbreaks and post-fire water quality impacts, such as elevated iron and manganese levels in the Murray River downstream of the Hume Weir.

The flood levee, completed in 2024-25, to protect our raw water offtake in Wodonga from flooding events.



Emissions reduction

Scope 1

Scope 1 emissions in 2024-25 were 11,417 tCO₂-e, 1,371 fewer tonnes than the previous year. The main reduction in scope 1 emissions was brought about by less wastewater being treated likely caused in part by less wet weather and infiltration. Organic loading to

the plants that are the main contributors to emissions (Wodonga, Wangaratta, Wahgunyah and Benalla) were also recorded as being lower. Transport, office and depot Scope 1 emissions were largely on par with the previous year.

Table 5 – Scope 1 emissions by greenhouse gas

Service delivery category	Scope 1 Emissions by greenhouse gas (source greenhouse gas reported in t CO ₂ -e)			
	Carbon dioxide (CO ₂) in t CO ₂	Methane (CH ₄) in t CO ₂ -e	Nitrous oxide (N ₂ O) in t CO ₂ -e	Other in t CO ₂ -e
Water treatment and supply	0	0	0	0
Sewage collection, treatment, and recycling	0	7,504	2,955	0
Transport	847	0.1	6	0
Other (e.g. offices, depots, etc.)	105	0.02	1	0
Total	951	7,504	2,961	0

Total scope 1 and 2

North East Water recorded an emissions total of 19,817 tCO₂-e for 2024-25, a 15% reduction (or 3,566 tCO₂-e less) on the previous year.

The majority of reductions in emissions were scope 2 emissions brought about by favourable sunny conditions leading to higher electricity output (6,261 MWh) from the West Wodonga 3MW solar farm than the previous year.

The sourcing and surrendering of renewable energy through large-scale generation certificates (LGCs) adding 6,916 MWh. These two initiatives reducing Scope 2 emissions by over 10,000 tCO₂-e collectively (when using Victorian Location based emission factor of 0.77).

Table 6 – Total scope 1 and 2 emissions reporting

Service delivery category	Scope 1 and 2 Emissions (t CO ₂ -e)				Variance (%) between 2023-24 and 2024-25
	2023-24 Total Scope 1 and 2 emissions	2024-25 Scope 1 and 2 Emissions			
		Scope 1 emissions	Scope 2 emissions	Total emissions	
Water treatment and supply	4,652	0	3,983	3,983	-14%
Sewage collection, treatment, and recycling	17,586	10,459	4,313	14,772	-16%
Transport	915	852	0	852	-7%
Other (e.g. offices, depots, etc.)	230	105	104	209	-9%
Total emissions (after REC retirement)	23,383	11,417	8,400	19,817	-15%

Total scope 3

North East Water did not record scope 3 emissions in 2024-25.

In 2025-26, we will investigate scope 3 emissions to understand their material impact, identify key materials, contracts or activities, and assess areas we can most greatly influence. Scope 3 emissions necessitate large quantities of data and assumptions, and this exercise will better prepare the business for any future scope 3 emission reporting requirements or targets.

North East Water will also share and learn from others' experience and assist with helping to form any requirements with our regulators.

Progress towards five-year emissions target

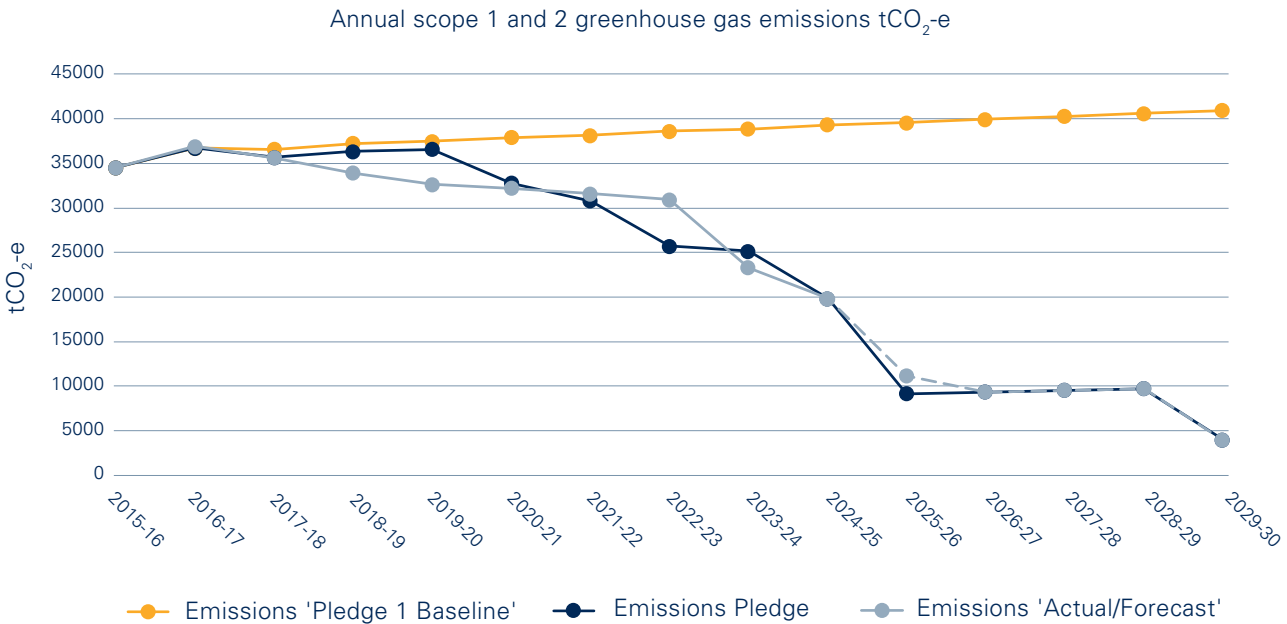
With our elimination of scope 2 emissions from 1 July 2025, we will significantly reduce our overall carbon emissions to approximately 12,000 tonnes per year.

We will, however, continue to focus on scope 1 emissions. Reducing these emissions must be undertaken through a multi-portfolio approach. For us, this includes:

- Participating in the VicWater carbon sequestration project
- Commissioning the West Wodonga WWTP capacity upgrade and emissions reduction project and exploring the use of pure oxygen, a by-product from AGIG's adjacent hydrogen plant, to assist aeration and help reduce nitrous oxide emissions during biological wastewater treatment
- Implementing phase 2 of our biochar project
- Exploring the conversion of biogas to biomethane to inject to the LPG grid or for use in vehicles.

The corporation remains on track to be carbon neutral by 2035.

Figure 6 – Progress towards upcoming five-year emissions target



Offsets

The corporation did not report any offsets in 2024-25.

North East Water is an active participant in the VicWater carbon sequestration project, which is investigating,

along with fellow Victorian water corporations, the large scale planting of trees to offset hard to abate emissions through proven and robust carbon sequestration methodologies.

Table 7 – Climate active eligible carbon offset units retired to reduce scope 1 emissions

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

Increasing renewable energy

Total electricity

Total electricity consumption for 2024-25 was 23,373 MWh, a 1% increase on the previous year. The increase is in line with growth whereby as the network connects water and wastewater services to new customers the proportionate amount of electricity for pumping and treating water and wastewater is applied.

There were no new projects implemented in 2024-25 that significantly reduced energy consumption as a whole, as more stringent treatment needs often require a greater input of energy. Though more efficient pumps, aeration and auxiliary equipment is being investigated.

Wastewater treatment assets required 1.08 MWh/ML increasing slightly from the 1.02 MWh/ML reported in 2023-24 and 0.8% less than the five-year average. Water treatment and supply assets required 0.50 MWh/L which is the equal highest over the past 5 years and 1.8% above the five-year average.

Energy use per ML of water treated is closely tied to raw water quality, with algae outbreaks, turbidity and other contaminants causing an increased need for backwashing. This boosts energy consumption per ML of water treated.

Table 8 – Total electricity consumption (segmented by service delivery category)

Service delivery category	2023-24 Total electricity consumption (MWh)	2024-25 Total electricity consumption (MWh)
Water treatment and supply ¹	9,081	9,943
Sewage collection, treatment, and recycling ²	13,544	12,895
Other (e.g. offices, depots, etc.) ³	475	535
Total (by service delivery category)	23,100	23,373

Commentary:

1. Includes behind-the-meter consumption
2. Includes behind-the-meter consumption
3. Diesel generator consumption excluded, includes behind-the-meter consumption

Electricity source

Though overall electricity usage increased slightly, the consumption from self-sourced electricity from the solar arrays at West Wodonga, our regional headquarters, and to a lesser extent the Yackandandah WTP, decreased slightly. The decrease, however, is in line with the varied nature of daylight-hour electricity generation and consumption patterns.

Table 9 – Total electricity consumption (segmented by source)

Electricity source ¹	2023-24 Total electricity consumption (MWh)	2024-25 Total electricity consumption (MWh)
Purchased directly through an electricity retailer ^{1, 3}	20,667	20,963
Not directly purchased but sourced from outside the organisation	0	0
Corporation led/self-sourced activities and initiatives ^{2, 4}	2,433	2,410
Total (all by source)⁵	23,100	23,373

Notes:

1. Including State Purchasing Contracts and other retail contracts.

2. Electricity consumed from behind-the-meter electricity generation, on-site generation and consumption of biogas.

Commentary:

3. Increase is in line with growth and treatment throughputs. Electricity use as a proportion of water and wastewater treated within the expected range of the past five years.

4. No new self-generation activities. Within the expected range of behind-the-meter consumption considering daylight hour consumption patterns.

5. In line with growth

Table 10 – Total energy usage per corporation Full Time Equivalent (FTE) employee

Total energy usage (fuels and electricity) in GJ	Total FTE employees	Energy usage (GJ) per FTE employee
97,961	208	471

Fuel use

Use of fuels for stationary equipment is predominantly attributed to diesel use on back-up generators and machinery such as pumps and farm equipment.

Table 11 – Total stationary fuel use in buildings and machinery

Fuel type	Total stationary fuel use (buildings and machinery)	
	in GJ	in t CO ₂ -e
Fossil gas	0	0
Biogas	0	0
Diesel ¹	1,425	99.6
LPG	0	0
Petrol ²	75	5
Other	0	0
Total	1,500	105

Commentary:

1. Predominantly used by machinery and back-up generators

2. Used by small machinery

Total renewable electricity

The West Wodonga Solar Farm continue to provide behind-the-meter to the West Wodonga Wastewater Treatment Plant, with total generation of 6,260 MWh.

We also continues to benefit from the inclusion of 3,233 MWh from a PPA for wind-sourced energy from Ararat.

Table 12 – Total renewable electricity consumption

Renewable electricity consumption categories	2023-24 renewable electricity consumption (MWh)	2024-25 renewable electricity consumption (MWh)	2024-25 renewable electricity consumption (% of total consumption)	Variance (%) between 2024-25 and 2023-24
Total renewable electricity consumption from grid-sourced electricity North East Water reported because of the Commonwealth Government's LRET				
Total grid-sourced: Mandatory	3,760	3,770	16.1%	0.3%
Total renewable electricity consumption from corporation led/self-sourced activities and initiatives				
Biogas	0	0	0.0%	0.0%
Hydroelectric	0	0	0.0%	0.0%
Solar ¹	6,295	6,577	28.1%	4.5%
Wind ²	3,298	3,233	13.8%	-2.0%
Other renewable	0	0	0.0%	0.0%
Total renewable electricity consumption	13,353	13,580	58.1%	1.7%

Commentary:

1. Self-generated from solar arrays
2. Renewable energy from retailer - wind contract

Table 13 – Total energy usage from fuels and electricity segregated by energy source

Total energy usage	Renewable (in GJ)	Non-renewable (in GJ)	Total (in GJ)
From fuels	0	13,822	13,822
From electricity	48,611	35,255	83,866
Total	48,611	49,076	97,687

Renewable energy certificates

Just under 7,000 large-scale generation certificates (LGCs) were voluntarily retired during the reporting year. This ensures we meet our emission target of 19,817 tCO₂-e. A further 4,034 LGCs were created and retired

to reconcile the previous financial years reporting, with the delay across financial years due to awaiting registration and accreditation through the Clean Energy Regulator.

Table 14 – Total Renewable Energy Certificate (REC) retirement to reduce scope 2 emissions

REC retirement method	2024-25 RECs retired: (1 REC = 1 MWh renewable electricity)
Voluntarily retired by North East Water ¹	10,950
GreenPower	0
Certified carbon neutral electricity purchased	0
Voluntarily retired on North East Water's behalf	0
Total RECs retired to reduce scope 2 emissions	10,950

Commentary:

1. 4,034 volunteered for previous financial year (2023-24), the remaining 6,916 for 2024-25

On-site renewable generations

The corporation does not have a large energy storage system.

Table 15 – Total energy storage system (power capacity and total storage capacity)

Energy storage system	2023-24 Total energy storage system power capacity (MW)	2024-25 Total energy storage system storage capacity (MWh)
Total: energy storage systems¹	0	0

Commentary:

1. No large systems.

The table below includes the West Wodonga Solar Farm (3MW), our regional headquarters system (140kW), the Yackandandah Water Treatment Plant small-scale 40kw solar system and a small scale-system at Walwa.

Table 16 – Total on-site renewable electricity generation capacity and generation

Renewable electricity source	2024-25 Total on-site ¹ renewable electricity generation capacity (MW)	2024-25 Total on-site ¹ renewable electricity generated (MWh)			Total generated (By source)
		Consumed on-site	Exported	Other purposes	
Biogas	0	0	0	0	0
Hydroelectric	0	0	0	0	0
Solar	3.18	2,333	4,167	0	6,500
Wind	0	0	0	0	0
Other renewable	0	0	0	0	0
Total (renewable)	3.18	2,333	4,167	0	6,500

Notes:

1. This includes all on-site generation capacity and generation from large-scale renewable energy systems (those systems eligible for accreditation under the Commonwealth Large-Scale Renewable Energy Target), small-scale renewable energy systems (systems which do not meet the minimum system capacity limits required for accreditation under the Commonwealth Large-Scale Renewable Energy Target) and any other electricity generation systems.

The table below represents estimates for electricity generation provided by back-up diesel generators utilised during power outages based on the run hours recorded on individual generators.

Table 17 – Total other (non-renewable) on-site electricity generation capacity and generation

Non-renewable electricity source	2024-25 Total on-site non- renewable electricity generation capacity (MW)	2024-25 Total on-site electricity generated (MWh)			
		Consumed on-site	Exported	Other purposes	Total generated (by source)
Non-renewable sources (please categorise as appropriate) ¹	77	77	0	0	77
Total (non-renewable)	77	77	0	0	77

Commentary:

1. Estimate for use of backup generators based on backup generator load and average run hours

Adapting to climate change

This year's Climate Adaptation and Resilience Plan (CARP) review focused on the impacts of drought on our systems. This provided an opportunity to review all our assets to better understand their exposure to a prolonged drought. In June 2024, North East Water's annual exercise utilised this gap analysis to undertake a walk-through of drought scenarios that could play out across the region.

These reviews and exercises highlighted the need for early intervention and transparent communication with our communities and customers to conserve water, and to educate the communities that are exposed

to catchments that would have limited water in drought conditions.

This research will be supported over the next 12 months as we update our Urban Water Strategy (UWS). The UWS will determine treatments that ensure vulnerable towns are supported with an increase in resilience projects over a 50 year horizon.

Several projects from the 2023-24 CARP review – on supply chain interruptions – were implemented in 2024-25, including expansions of chemical storages and the introduction of a mobile sewerage pump station to our growing back-up generation fleet.

Transportation

North East Water uses many operational vehicles including tactical response trucks, hydrovac jetter trucks and 4WD utilities that operate on diesel.

Due to the large footprint that North East Water (approximately 9% of the state by area), diesel

consumption is a large contributor to transport fuel consumption and emissions. North East Water continues to operate hybrid pool vehicles successfully and will look to procure plug-in hybrid vehicles as conditions allow.

Yackandandah Water Treatment Plant solar panels.



Table 18 – Total number and proportion of transportation vehicles segmented by engine/fuel type and vehicle category

Transportation vehicle category	Transportation vehicle engine/fuel type						
	Petrol	Diesel	LPG	Petrol Hybrid	Diesel Hybrid	Battery Electric	Other
Passenger vehicles ¹	28	86	0	0	0	0	0
Goods vehicles ²	8	72	0	0	0	0	0
Category Total (Number)	36	158	0	0	0	0	0

Commentary:

1. Petrol includes 10 hybrid vehicles

2. Includes petrol goods vehicles that were not used but still registered.

Table 19 – Total energy use and greenhouse gas emissions of transportation vehicles segmented by engine/fuel type and vehicle category

Transportation vehicle category	Transportation total energy use by fuel type (GJ)							Fuel type totals	
	Petrol	Diesel	Biodiesel	Renewable Diesel	LPG	Electricity	Other	Total energy use (GJ)	Total emissions (t CO ₂ -e)
Passenger vehicles ¹	1,853	7,896	0	0	0	0	0	9,749	681
Goods vehicles	0	2,572	0	0	0	0	0	2,572	181
Total energy use (GJ)	1,853	10,469	0	0	0	0	0		
Total emissions (t CO₂-e)	125	732	0	0	0	0	0		

Commentary:

1. Petrol passenger vehicles includes hybrid vehicles



Customer & community engagement

At North East Water our customers and community are at the heart of everything we do.

In 2024-25, we provided high quality drinking water and sewerage services to approximately 121,000 people and built and maintained infrastructure that supports our growing region. Our average residential customer bill remained well below the Victorian average for regional water corporations and among the lowest in the state.

We continued to build on enhancing our customers' experience and continued to provide a number of customer support programs aimed at assisting our customers in need and those experiencing hardship or vulnerability.

We also sought our customers views through a variety of engagements, most notably for our 2026 price submission. Our engagement was designed to deeply and genuinely collaborate with our customers, communities and key stakeholders to ensure their voices were heard and their values and preferences for our water and wastewater services were understood.

We engaged with thousands of customers through surveys, focus groups, workshops, bill simulators, community webinars, town pop-ups and our website, and by the end of June 2025, we had engaged with over 6,800 people, or approximately 12% of our customer base.

We maintained robust relationships with our stakeholders and partners including government departments and agencies, local councils, catchment management authorities, Traditional Owners, other water corporations, as well as regulatory bodies such as the Essential Services Commission (ESC) and Environment Protection Authority (EPA).



Bills and support

Bills

North East Water’s average bill (based on 200kL) in 2024-25 was \$1,080 (in line with our commitment to customers in our 2018-26 price path) compared with

\$1,347 for the average regional Victorian water bill. Our water bills increased by 0.45% plus inflation, or approximately \$0.79 per week (or \$41 a year).

Table 20 – Total urban bills for 2024-25 (\$ actual)

Indicator	2024-25
Residential bill – owner occupier The actual bill for an owner-occupier with typical (average) water use in the year	\$1,080.58
Residential bill – tenant The actual bill for a tenant with typical (average) water use in the year	\$565.53
Non-residential bill – business The annual bill for a business using 3 ML per annum in the year	\$8,993.66

Customer support

North East Water has a dedicated customer support team with many easy-to-access programs and support services to ease the pressure for customers experiencing financial difficulty. This included help with concession card discounts, access to government relief and rebate schemes, payment extensions and payment plans, and referral to financial counselling.

In 2024-25 North East Water provided \$261,000 in rebates to 1,032 not-for-profit organisations and concessions to 17,038 customers.

We supported 2,604 customers (up from 1,693 last year and 1,275 the year before) to access a Federal Utility Relief Grant, with the overall financial assistance for this program increasing from \$463,000 in 2023-24 to \$696,000 this year.

An additional 205 customers accessed financial assistance through our residential and small business hardship programs with North East Water providing \$100,346 in support. We supported 154 customers through the Community Rebate Program along with a further 369 customers through our high usage leak rebate program, an increase from 262 in 2023-24.

We are committed to supporting customers experiencing, or at risk of, vulnerability due to family, economic or social circumstances, including family violence. In 2024-25 North East Water began enacting our *Customer Care Fair Practice Plan*, a plan co-designed by community support agencies and directly influenced by customers facing financial hardship.

We increased communication to all customers about support programs with tailored messaging on social media, flyers and bill envelopes to inform customers of support program availability. We also ensured community service agencies had a thorough understanding of North East Water’s support programs to help with early intervention.

Table 21 – Customer support

Community Service Obligations	2023-24 Total actual (or nominal) dollar amount of concessions provided in year (\$)'000	2023-24 Total number of customers provided concessions in year (No. of customers)	2024-25 Total actual (or nominal) dollar amount of concessions provided in year (\$)'000	2024-25 Total number of customers provided concessions in year (No. of customers)
Provision of Water and Sewerage Concessions	\$4,248	16,271	\$4,606	17,038
Rebates paid to not-for-profit organisations under the water and sewerage rebate scheme	\$261	1,119	\$261	1,032
Utility relief grant scheme payments	\$463	1,693	\$696	2,604
Water Concession on life support machines	\$1	9	\$4	9
Hardship Relief Grant Scheme (Water and Sewerage Connection Scheme)	\$7	1	\$0	0

Customer responsiveness

The number of customer complaints for both water quality and payment issues decreased this year and remain well under target.

Table 22 – Customer perception and satisfaction survey results

Customer Responsiveness and Bill Support Indicators	2023-24 Result	2024-25 Result	Variance to 2023-24	2024-25 Target	Variance to Target
Water bills – customers on flexible payment plans No. of customers with instalment plans	2,573	2,511	-2%	NA	NA
Water bills – customers awarded hardship grants No. of customers awarded hardship grants	168	201	19.6%	NA	NA
Water quality complaints No. of complaints per 100 customers	0.43	0.35	-22%	0.37	-5%
Customer Responsiveness – number of payment issue complaints No. of complaints per 100 customers	0.14	0.13	-7%	0.29	-54%
Customer Responsiveness – total complaints No. of complaints per 100 customers	1.00	0.77	-30%	0.96	-20%

Customer and community engagement

North East Water follows a well-established engagement approach grounded in the International Association for Public Participation (IAP2) model. This framework supports our core commitment to building community trust and earning social licence through integrated, collaborative engagement.

We recognise that our decisions – and the infrastructure and services we deliver – significantly influence the liveability and prosperity of the communities we serve. That’s why we proactively involve our communities in shaping the decisions that affect them.

We ran a comprehensive engagement program throughout 2024-25 as part of our 2026 price submission. This included town kiosks, stakeholder interviews, online focus groups and surveys, and a bill simulator. We engaged with Traditional Owners, regional leaders, vulnerable customers, support agencies, major customers, developers, and our Customer and Community Advisory Group.

A six-day deliberative forum brought together 30 diverse customers to explore key issues, share perspectives, and provide recommendations.

Other key engagement activities for 2024-25 included:

- Engagement with communities on capital project planning and delivery, including infrastructure upgrades and system enhancements
- Featuring 22 capital works and engagement projects on our ‘Have Your Say’ platform, using surveys, polls, and feedback forms
- Hosting biannual Developer Forums to strengthen relationships and address shared concerns
- Delivering multiple webinars showcasing new programs, projects, strategies, and master planning across our LGAs
- Holding four Customer and Community Advisory Group meetings covering the 2026 price submission, *Customer Care Fair Practice Plan*, *Strategy 2040*, engagement framework, grants, research, circular economy, and water quality.

We maintained regular communication through targeted updates and media releases on our website and digital channels, delivering clear messaging on key topics such as sewer protection and water use. Our customer newsletter, *Splash*, was distributed with bills to share updates on customer support programs, and available services.

We also engaged with key stakeholders including local government, the Department of Energy, Environment and Climate Action (DEECA), Regional Development Victoria (RDV), the Essential Services Commission (ESC), Environment Protection Authority (EPA), and Department of Health (DOH). We also actively engaged with water sector bodies including catchment management authorities, Water Services Association of Australia (WSAA), VicWater, Intelligent Water Network (IWN) and others.

Customer satisfaction

Since 2014, North East Water has undertaken an annual customer research program to track the experiences and perceptions of our customers. We remained committed to our six clear and consistent customer values of affordable, reliable, local, responsive, efficient and sustainable, and each year we measure our customers’ satisfaction with each.

In 2024-25, through our customer research program, North East Water surveyed 2,000 customers. The results (Table 23, below) demonstrate our continued delivery of high-quality services and products to meet our customer commitments.

North East Water publicly communicates its performance against these service outcomes on a six monthly basis through a report card published on our website.

Table 23 – Customer perception and satisfaction survey results

Survey attribute	2024-25	2023-24
1. Affordable Prices	92%	92%
2. Reliable Services	95%	94%
3. Responsive Services	91%	90%
4. Efficient Systems	95%	94%
5. Local Focus	87%	87%
6. Sustainable Practices	94%	93%
Overall	92%	92%

Minister for Water, Gayle Tierney MP with the Board of North East Water, Duduroa Dhargal Aboriginal Corporation and NECMA following the transfer of cultural water at Ryans lagoon, Wodonga.





Recognise Aboriginal values

During 2024-25, North East Water remained committed to reconciliation and building relationships, partnerships and practical outcomes with Traditional Owner and First Nations groups.

We continued our second Innovate Reconciliation Action Plan, and continued to provide staff with information about important Aboriginal matters such as *Water is Life*, Treaty, NAIDOC Week, Reconciliation Week and National Sorry Day.

We also undertook dedicated First Nations engagement seeking their input to our price submission and continued both our Independent Aboriginal Delegate program with the board and our two Elders-in-Residence.

We were invited by Hyphen Gallery, Wodonga to hold a retrospective exhibition of our First Nations Art Prize, helped implement Wodonga's First Nations Reference Group, and met with local Aboriginal stakeholders and organisations to develop the guiding principles for our First Nations Engagement Framework.

Representatives from Duduroa Dhargal Aboriginal Corporation, the North East Catchment Management Authority (NECMA) and North East Water start the pumps at Ryans Lagoon, Wodonga to supply 200ML of cultural water.



Water is Life

Supporting the principles of *Water is Life*, a pilot program in partnership with Duduroa Dhargal Aboriginal Corporation, the North East Catchment Management Authority (NECMA) and the Victorian Environmental Water Holder (VEWH) was completed to transfer 200ML of cultural water at Ryans Lagoon, Wodonga.

The delivery of cultural water into the lagoon showcased the environmental benefits of cultural watering and better reflected the flooding and refreshing of the lagoon that would have occurred before the construction of the Hume Dam (which significantly reduced natural flood events).

This cultural water program drew on the First Nations knowledge of Duduroa Dhargal, the environmental expertise of NECMA and the water pumping and transferring knowledge of North East Water.

This site will ultimately become an education experience for the broader community with cultural burns and watering leading to the wetlands now being home to fish, frogs, turtles and a wide array of birdlife.

The program will continue in 2025-26.

Cultural awareness training

Following a review of our cultural learning needs and supported by a cultural competence survey to establish our baseline, cultural awareness training was provided across the business in 2024-25.

The sessions included frank and open discussions around pre- and post-colonisation life for First Nations people, past policies and their continued impact, cultural safety and protocols, and how best to support our First Nations communities.

Supporting the program was the development of a First Nations induction module, an Acknowledgement of Country protocol document, and a schedule to develop ongoing learning and On-Country experiences.

Baranduda cultural burns

In collaboration with First Nation's group Duduroa Dhargal, a cultural burn was undertaken along the Kiewa River at our Baranduda conservation site.

Duduroa Dhargal shared their knowledge with our Environment team and other participants on traditional land management practices. It was also an introduction to cool and patchwork burn techniques to reduce weed load and promote native vegetation growth, and how best to manage the site in the future.

The afternoon also included a visit by students from a local college to hear from one of our Elders-in-Residence, Uncle Allan Murray, on his experiences with traditional land management methods.

Partnerships with Traditional Owners

With the launch of *Water is Life*, the corporation developed the Executive Nation Program, in which each of our executive established a relationship with one of the seven Aboriginal groups within our region to ensure each group has a dedicated senior leader as a point of contact.

As committed to in our 2025-26 Corporate Plan, North East Water will seek to formalise a partnership agreement with Taungurung Lands and Water Council, and further partnership discussions with the remaining six First Nations groups in our region, subject to each group's desire to engage. Not only will this create further opportunity for genuine engagement, but it will also formalise existing relationships and the material contribution each group can provide towards water planning and management.

This will also extend to ensuring Traditional Owner groups are informed of opportunities to access water entitlements or allocations within their Country, and partnership opportunities with Aboriginal community controlled organisations.

As noted earlier in the report (page 14), North East Water's commitment to practical partnerships is most evident in our partnership with Duduroa Dhargal Aboriginal Corporation is helping them secure 200ML of environmental water at Ryans Lagoon.

Supporting Aboriginal self-determination

North East Water is committed to meaningful engagement with First Nations' people and integrating Traditional Owner Values into water management.

In 2024-25, we further strengthened our relationship with one of our region's Registered Aboriginal Parties, Taungurung Land and Waters Council (TLaWC), and worked through the application of Land Use Activity Agreements (LUAAs).

Established in 2020 as part of a settlement package with the state of Victoria under the *Traditional Owner Settlement Act 2010*, the LUAA established procedural rights regarding public works on crown land. TLaWC is currently the only First Nations' group within our service area that has a LUAA.

Key activities over the last 12 months included:

- Identified opportunities for efficiently navigating the LUAA process while meeting Taungurung expectations
- Regular meetings to discuss upcoming construction projects with the TLaWC LUAA team
- Consultation regarding North East Water's price submission and capital works program
- Discussions regarding incorporating Traditional Owner Values into the options assessment for the Bright Wastewater Treatment Plant Upgrade project
- Archaeological field excavations to inform the Cultural Heritage Management Plan for the Benalla Raw Water Pipeline project.

Supporting Aboriginal procurement

In 2024-25, North East Water became a platinum partner with Kinaway, a Chamber of Commerce dedicated to the development of Aboriginal and Torres Strait Islander businesses in Victoria.

Through this partnership North East Water will increase our market engagement and provide a better understanding how our procurement profile aligns with supplier products and services available on the Kinaway supplier directory. We will be supported with a range of services including advice on the development of a procurement strategy to target First Nation owned businesses specific to our location and contracting needs.

Spend with First Nation owned businesses has increased over this financial year by 84%. Three First Nation businesses were engaged over the financial year with a combined value of \$83,601.46. These procurements included cultural awareness training, software licences and Cultural Heritage Management Plan development.



Recognise recreational values

The north-east region of Victoria boasts an exceptionally beautiful natural environment featuring stunning waterways, mountains and bushland that attract tourists year round. Protecting this environment is a mandate for North East Water, along with maintaining recreational and community facilities through the provision of recycled water.



Consideration of recreational values in business operations

Though North East Water does not have any Determined Recreational Areas under the *Water Act 1989*, we continue to support the recreational value of water at Lake Kerferd, the water reservoir that provides Beechworth's drinking water.

Lake Kerferd supports recreational fishing, and keen anglers have reported catching fish such as redfin, trout cod, golden perch and European perch. The lake has historically been stocked with different species of fish to encourage recreational fishing, and we regularly promote this via our social media channels.

In 2024-25, North East Water continued to support recreation for the broader community through the supply of recycled water to several greenspaces in Wodonga, Wangaratta, Rutherglen, Yarrawonga, Mount Beauty and Bright, including golf courses, sporting ovals, public parks and education facilities. We also secured a National Water Grid Fund grant to upgrade the wastewater treatment process at Rutherglen and expand the recycled water network, which will provide improved recycled water to recreational facilities including a golf course.

A new wastewater recycling facility is under consideration for Targoora Park in southern Wangaratta, situated in a sporting precinct and adjacent to Cathedral College. The recycled water from the facility is intended to irrigate the sports facilities during summer.

Engagement processes with community or stakeholders

North East Water, in collaboration with the Rural City of Wangaratta, demonstrated a strong commitment to community engagement and the integration of recreational and environmental values through the commissioning of a large-scale public mural on the Wangaratta water treatment plant.

The selected mural, created by renowned artist Julian Clavijo, depicts a child on the banks of the Ovens River – an image that marks the community's deep connection to water. The mural not only enhances the visual appeal of a key city gateway but also serves as a public statement about the importance of water in supporting both environmental health and recreational activities.

By transforming a functional infrastructure site into a vibrant cultural landmark, the project highlights the role of water in sustaining life, recreation, and the natural environment. It also reinforces the importance of protecting water resources and the ecosystems they support.

This project shows how creative partnerships can be used to promote awareness of waterway health and environmental stewardship, while also enriching public spaces and building a sense of place and belonging.

Improvements to information services

In 2024–25, we launched a dedicated webpage to showcase the recreational values of Lake Kerferd in Beechworth. The lake is the town's raw water storage and is our only public recreational site.

Open year-round, the reservoir offers a range of outdoor activities including walking trails, mountain bike tracks, and fishing. The new webpage highlights these opportunities, helping visitors explore and enjoy the natural surroundings. Anglers can fish for redfin, golden perch, trout cod, and rainbow trout, enhancing the site's appeal as a popular local destination.

This new webpage supports community engagement by promoting the site's recreational offerings and encouraging responsible enjoyment of the region's natural assets.

Collaboration with stakeholders

North East Water collaborates with local governments and community organisations to explore and support recreational objectives across the region.

In 2024-25, this commitment was reflected in the design options assessment for the Bright Wastewater Treatment Plant upgrade. The assessment process included extensive consultation with community members and key stakeholder organisations to ensure local values and priorities were considered.

The upgrade aims to enhance environmental performance and accommodate future growth in Bright. Key components of the project include a major treatment upgrade and the construction of a new treated water pipeline to the Ovens River.

A central consideration in the design process was the recreational use of the Ovens River. Insights were gathered through community surveys, stakeholder meetings, and a community pop-up event at the Bright Market.

Following this engagement, the preferred design option involves discharging treated water downstream of Porepunkah. This approach was chosen for its ability to minimise social and environmental impacts while supporting the ongoing recreational use of the river.



Resilient and liveable cities and towns

North East Water is committed to supporting a healthy and prosperous region, ensuring our region has a secure and safe water supply, and that we do everything we can to reduce our environmental footprint.

Climate volatility, extreme weather events and an ever-increasing demand on limited supply places pressure on this commitment. Regional resilience requires innovative service solutions, water efficiency and conservation, and a community educated on how they can contribute to this regional goal.

In 2024-25, North East Water continued to show demonstrable improvements in water and wastewater management and the assets that support it. We have planned ahead to ensure innovation is leading intergenerational solutions to ageing assets.

Adapting to population growth and changing customer expectations requires a collaborative approach, and North East Water remains committed to partnerships of purpose with state and local government, agencies, developers and the community.



Integrated Water Management

North East Water continued to provide leadership and support for Integrated Water Management (IWM) via the North East IWM Forum. We continued to host the IWM Champion role and advocated for a strategic approach that embeds IWM outcomes through policy frameworks, planning schemes, the statutory referral process and delivery of its services, and land development activities and assessments within north-east Victoria.

This year, the North East IWM Forum leadership team collaborated with NECMA to integrate the *Water Sensitive City Assessment and Transition Strategy* with the IWM's *Strategic Direction Statement* and its strategic programs, creating a single, cohesive IWM Program for the north-east region. This consolidated approach provides a clearer view of the forum's vision, strategies, and actions, highlighting how the regional IWM program functions by illustrating the relationships between resources, activities and outcomes.

In 2024-25, the Forum also endorsed the establishment of a 12-month fixed-term Community of Practice (CoP) focused on a key priority for all councils – stormwater management. The North East IWM Forum's Champion and Chair presented learnings from the region's collaborative governance reforms and the establishment of the CoP at the 2025 Stormwater Victoria Conference in Wangaratta. A working group has been established to progress an opportunity for north-east councils to work together to audit stormwater assets across the region, to establish their location, condition and priority areas for remediation and enhancement of amenity and liveability outcomes.

North East Water has secured funding from DEECA to collaboratively deliver the first phase of another region-wide project to enable IWM in development in north-east Victoria. The first phase will involve a regional review of how IWM is currently embedded in town planning systems across the north-east and identification of key opportunities and locations for improving IWM planning. The project will also identify locally relevant barriers, gaps, and opportunities to strengthen IWM integration through planning policy, statutory tools, planning scheme provisions and other codes and tools of practice.

IWM practitioners have reviewed the *Strategic Directions Statement* and identified projects that have a potential second phase. The forum explored potential for further activities to enhance critical greenspaces in Yarrawonga, Wodonga and Baranduda Fields. New place-based opportunities were also identified, including an initiative to improve the quality of stormwater in the Mount Beauty Pondage.

Water efficiency and water recycling

Urban water efficiency

Water efficiency

North East Water's Urban Water Strategy reaffirms our commitment to ongoing education and awareness initiatives, with a strong focus on promoting water efficiency across our communities.

In 2024-25, our flagship 'Water Wise' campaign continued to play a key role in encouraging sustainable water use. Through practical tips and conservation messaging, the campaign helped raise awareness of everyday actions that contribute to long-term water security.

We also delivered targeted communications via our social media platforms and our quarterly customer newsletter, *Splash*, ensuring consistent engagement and outreach to diverse audiences across the region.

We also continued our support for local schools through the Schools Water Efficiency Program (SWEP). This program provides schools with access to real-time water consumption data, helping them detect and address leaks promptly. By monitoring water use, schools can reduce waste and improve water efficiency on their campuses.

Water recycling

North East Water manages 17 recycled water schemes that use treated effluent from our wastewater treatment plants.

These schemes include agricultural irrigation on North East Water's farms, as well as third party agricultural and urban reuse schemes in Wodonga, Rutherglen, Mount Beauty, Bright and Wangaratta for golf courses, sporting ovals, public parks and education facilities.

Master plans for all systems that include reuse expansion were completed in 2024-25, identifying priority investments in Rutherglen, Corryong and Yarrawonga. Works were completed in April 2025 to install 10ha of subsurface irrigation in Corryong, significantly increasing the irrigation capacity of the site. Federal funding has been secured for a significant upgrade of the Rutherglen WWTP treatment process, including improvements to the recycled water system.

In addition to these active improvements, ongoing planning is underway for Targoora Park WWTP in southern Wangaratta. As part of an IWN initiative, the system would supply recycled water to an irrigation scheme that includes adjacent sporting fields and school grounds.

Water conservation

North East Water continued to actively engage with customers to promote the efficient use of drinking water and raise awareness about the benefits of recycled and alternative water sources. These efforts were supported by a series of targeted public awareness campaigns.

Our communication strategy included a mix of customer newsletters, social media outreach, traditional media advertising, and participation in community events to ensure broad and effective engagement.

We delivered our key messages through the following major public campaigns:

- **Water Wise** – Promoting water efficiency and reinforcing permanent water saving rules.
- **Choose Tap** – Supporting a national initiative that encourages the use of tap water over bottled water for both environmental and cost-saving benefits.
- **Services Promotion** – Sharing general information on topics of interest and value to our customers and communities.

In 2024–25, North East Water joined a state-wide water efficiency pilot program involving all Victorian water corporations. The Statewide Water Conservation Content Pilot Project, led by DEECA, is trialling a centralised approach to water efficiency communications. This initiative aims to promote water-efficient behaviours through the development of new materials and a shared platform and governance framework. The goal is to enable greater collaboration, achieve economies of scale, and ensure consistent messaging across Victoria.

Sustainable and resilient water services

North East Water supports the use of stormwater and other alternative water sources for community benefit through our participation in the IWM Forum and associated working groups. As noted earlier, we played a leading role in the DEECA project to establish a more consistent and effective approach to integrating IWM outcomes into strategic and statutory planning systems.

We are also actively involving our communities, Traditional Owners and a wide range of stakeholders in the development of our next Urban Water Strategy. This work will reassess the water security shortfalls in each of the towns we service, and develop ways to address those shortfalls, including water efficiency and options to reduce non-revenue water.

North East Water's master plans, have also been developed in close partnership with councils to ensure that they reflect a shared growth strategy for each of the towns. Community-facing webinars of these master plans were delivered in 2024-25 and are available on our website.

Our Climate Adaptation Resilience Plan is also an essential tool for resilience. This risk-based approach examines the resilience of all our assets and operations and is regularly reviewed and updated so that emerging risks are addressed. Given that the north-east is experiencing dry conditions, in 2024-25 the corporation chose to review the plan for resilience to drought, with experience over recent years informing the adaptation approach.

Community programs

In 2024-25, North East Water assisted 154 customers in receiving the Community Rebate Program. The program supports eligible customers to reduce drinking water use by improving the water efficiency of their homes. By reducing unnecessary water use through fixing leaks or replacing faulty or inefficient products, it helps to conserve water and to lower the cost of water bills.

North East Water was not a participant of the Community Housing Retrofit Program in 2024-25.

Table 24 – Community programs

Name of Program	Number of customers
Community Rebate Program	154
Community Housing Retrofit Program	0

Urban water consumption

In 2024-25, our residential customers’ consumption increased from an average of 194kL in 2023-24 to an average 212kL per connection in 2024-25. Total potable water consumed increased in 2024-25, driven by an extended dry summer period compared to previous years.

The total per capita consumption across the corporation’s region was 246 litres per person per day. Table 25 provides connection and consumption data for residential and non-residential customers, and Appendix 3 sets out water consumption by town and customer type for 2024-25.

Appendix 3 also shows per capita daily residential water consumption for 2024-25 by town.

Average annual water consumption has been derived from metred volume of water delivered to customers, in accordance with the ESC’s Performance Indicator Definition. North East Water’s meter fleet primarily contains analogue meters with minimal digital meters in use.

Wangaratta Water Treatment Plant.



Table 25 – Water consumption for residential and non-residential connections 2024-25.

		ML/yr		
Residential Connections	(1) Number of residential connections.	52,015		
	(2) Potable water volume consumed by residential connections.	10,909		
	Per capita daily residential potable water consumption (litres/day/person)	246		
	(3) Recycled water volume used by residential connections.	N/A		
	(4) Treated stormwater volume used by residential connections.	N/A		
Non-Residential Connections	(5) Number of non-residential connections.	4,910		
	(6) Potable water volume consumed by non-residential connections.	5,424		
	(7) Recycled water volume (end use) used by non-residential connections. It is mandatory to provide the split below (per ESC performance indicators)	Commercial purposes	128	
		Industrial purposes	33	
		Agricultural purposes	327	
		Municipal purposes	27	
		Optional	Beneficial Allocation	N/A
			Within Process	213
		Total		728
		(8) Treated stormwater volume (end use) or harvested stormwater for beneficial use used by non-residential connections. It is optional to provide the split below (per ESC performance indicators).	Commercial purposes	N/A
	Industrial purposes		N/A	
	Agricultural purposes		N/A	
	Municipal purposes		N/A	
	Beneficial Allocation		N/A	
	Within Process		N/A	
	Total		N/A	
	(9) Total number of connections (1)+(5)	56,925		
	(10) Total potable water consumed (2)+(6)	16,333		
	(11) Total recycled water and stormwater volume (3)+(4) +(7)+(8)	728		
	(12) Total volume of water used by connections (10)+(11)	17,061		
	Average annual water consumption	15,314		
Non-Revenue Water	(13) Leakage (10)+(11)	N/A		
	(14) Firefighting (10)+(11)	N/A		
	(15) Other (10)+(11)	N/A		
	(16) Total non-revenue water (13)+(14)+(15) (10)+(11)	2,555		
	Total volume of water from all sources (12)+(16)		19,616	

Major non-residential users

Information on the North East Water’s major water customers during 2024-25 is provided in accordance with Section 122ZJ of the *Water Act 1989*.

Table 26 – Major non-residential water users’ volumetric range

Volumetric Range – ML per year	Number of customers
Equal to or greater than 50ML and less than 100ML	3
Equal to or greater than 100ML and less than 200ML	3
Equal to or greater than 200ML and less than 300ML	3
Equal to or greater than 300ML and less than 400ML	0
Equal to or greater than 400ML and less than 500ML	1
Equal to or greater than 500ML and less than 750ML	0
Equal to or greater than 750ML and less than 1000ML	0
Greater than 1000ML	0
Total no. customers	10

We received funding through the DEECA WaterSmart program during 2024-25 and rolled out loggers to nine sites from across the region. These loggers allow customers to understand their water use and identify efficiency options across their business. The loggers identify potential leaks in real time and report back to the customers daily.

We will continue to work with customers to install loggers and conduct water audits using the remaining funding from the government over 2025-26.

North East Water continued to support customers by providing options as required including the supply of treated reuse water to industrial customers.

Table 27 – Major non-residential water users' participation in water efficiency programs

Name of Customer	Participation in water efficiency program (Y/N)	Water Management Plan Developed (Y/N)
Wodonga Rendering Pty Ltd	Unknown	Since the Environmental and Resource Efficiency Plan (EREP) became voluntary for Victorian businesses, the corporation no longer keeps a record of customers that are participating in water efficiency programs
Vitasoy Australia Products	Unknown	
Australian Textile Mills	Unknown	
Mars Australia Pty Ltd	Unknown	
Clae Finance L.S.F	Unknown	
Carter Holt Harvey Wood Products Aust Ltd	Unknown	
Alpine MDF Industries P/L	Unknown	
Van Hessen Australia Pty Limited	Unknown	
Mckoy Street Properties P/L	Unknown	
The Murray Road Unit Trust	Unknown	

Non-revenue water

In 2024-25, we extracted 19,616 megalitres of water, treated 18,977 megalitres, and sold 16,333 megalitres of potable water to customers.

Potable water sales increased by 10% compared to the previous year, driven by higher customer demand due to prolonged dry conditions.

Non-revenue water for 2024-25 was 13.46% (2,555 megalitres), down from 14.90% (2,619 megalitres) the previous year. Our target is set at the industry benchmark of 12%, and efforts to achieve this are ongoing and guided by our Water Loss Reduction Plan.

This reduction in non-revenue water reflects a more targeted and collaborative approach across the business. Strengthened coordination between field operations, water systems, and other teams are driving a unified focus supported by the ongoing rollout of metered standpipes to better understand what proportion of water losses are due to operational flushing.

Access to more accurate data is enabling the development of strategic responses in key areas.

One such focus is the Bright cluster, where a range of targeted initiatives is underway to address persistent losses. Many leaks remain hidden from view, particularly in Bright, where steep terrain and disturbed alluvial soils allow water to seep underground, making proactive detection and focused intervention essential.

Over the last five years the corporation has engaged ultra sonic leak detection services and satellite mapping with very low success rates. Discussions with a new contractor and approach using gas to detect leaks will begin this year to better pinpoint the losses.

Rainwater

There are very few stormwater harvesting schemes operational in the North East Water region. All, including the scheme run by the Wodonga Council, are not metered, and therefore unable to track or report on volumes consumed by end users. Rainwater tanks are being installed in some new developments, but North East Water does not collect data on rainwater or greywater use in our operational area.

However, our newly implemented *Strategy 2040* sets an ambition to explore alternative water solutions to provide improved liveability, environmental and economic outcomes. This includes a 2030 outcome to have secured the resources to support the exploration of innovative alternate water solutions including potential stormwater harvesting schemes.

Through the Integrated Water Management Forum, North East Water continues to work collaboratively with other organisations in the north-east region, including councils and catchment management authorities, to support use of alternative water sources.

Drought response

North East Water's managed water storages remained above 80% for the winter and spring before starting to rapidly decline over the summer period reaching the lowest point of 51% in May 2025. A slight recovery was seen following late autumn rains which saw the storage level end 2024-25 at 57%.

Dry conditions across North East Water's catchments led to low inflows to the Benalla storages and saw raw water extraction ceased for extended periods to the Bright, Myrtleford and Beechworth storages. According to the Bureau of Meteorology, north-east Victoria experienced below average rainfall during summer and the driest autumn period since 2008, towards the end of the millennium drought. Combined with low rainfall, temperatures across the region were above average. The warmer and drier conditions led to increased water usage by customers, especially during the summer months.

Throughout the year, we made progress in securing more resilient water supplies for the Wangaratta systems by investigating and constructing groundwater options to supplement existing surface water sources. In addition, work was undertaken at the Myrtleford raw water storage to increase the amount of water available for treatment.

North East Water will continue collaborating with our bulk water supplier, Goulburn Murray Water, local communities, and water resource regulators to find solutions that improve supply security for each system.

The corporation did not invoke its *Drought Preparedness Plan* in 2024-25. However, during autumn a water conservation campaign was initiated for Myrtleford in consultation with DEECA, when levels in the raw water storage dropped below water restriction triggers. The campaign ran for a period of four weeks in May/June 2025 and encouraged customers to reduce the amount of water they were using. Water usage in town only really decreased following late autumn rainfall which decreased outdoor water usage and enabled raw water extraction to recommence.

Corporate water consumption

As we continue to transition back to pre-COVID levels of staff working in the office, our water consumption has increased.

Our annual usage remains consistent with the average recorded in 2019-20, a period marked by the successful implementation of rainwater utilisation for toilet flushing and outdoor watering. This sustainable initiative has played a pivotal role in maintaining our water usage within established benchmarks.

The corporation – specifically our regional headquarters and Wodonga Depot – used 73 kilolitres of rainwater in 2024-25 which represents approximately 11% of the total water consumed at these sites. The proportion of rain water utilised during 2024-25 was down 8% from 2023-24 due to drier conditions over the summer period.

North East Water does not currently meter individual depots separately from that used as part of its operations. We will investigate this to determine whether these functions could be separated for reporting in 2024-25.

Table 28 – Corporate water consumption per fulltime employee (kL)

Corporate water consumption	2024-25	2023-24	2022-23	2021-22	2020-21
kL per full time employee	4.2	2.6	2.1	2.8	2.0
Total head office KL used	590.5	372.1	272.3	367.1	260.0
FTE (head office)	140	140	131	131	130
5 year average	2.7	2.4	2.7	3.6	4.5

Circular economy outcomes

With the West Wodonga Wastewater Treatment Plant (WWTP) capacity upgrade and emissions reduction project nearing completion, the next phase of plant efficiencies has now started with a review of circular economy opportunities for the site to maximise the investment.

Three key projects have progressed over the last 12 months aligned to the ambition of *Strategy 2040* to better harness the reuse value of wastewater and byproducts to significantly reduce costs and environmental impact.

These three projects completed over the last 12 months are:

- A recycled water and brine waste study through grant funding from DEECA and delivered by Victoria University, highlighted the value of pre-treating recycled water from the West Wodonga WWTP for supply to the neighbouring AGIG hydrogen plant for hydrogen production
- The IWN and Gippsland Water partnership to investigate biosolids to biochar project that proved successful in removing contaminants of emerging concern and identified sustainable feedstocks including food organics and garden organics from the Rural City of Wangaratta
- The IWN Circular Economy Gas workshop, in partnership with Gippsland Water and Barwon Water, built a business model to understand the conversion of biogas to biomethane to offset natural gas in the gas grid instead of generating energy.

Biosolids

3,260 tonnes of stockpiled biosolids were reused in 2024-25 and applied to agricultural land for cropping. North East Water produced 4,102 tonnes of biosolids during this same time, equating to 80% reuse for the reporting year.

Environmental statutory obligations

Environmental obligations

We continue to be guided by *Strategy 2040*, with a healthy environment a core element of our vision, and ambitions centred on climate action, circular economy and environmental stewardship.

Partnerships with local and state organisations continue to help drive these ambitions, with North East Water hosting the annual North East IWM Forum and the Climate Change, Energy & Environment (CCEE) Network Meeting, as well as participating in the North East Natural Resource Management Group. These groups drive the implementation of *Water of Victoria*, the *Regional Catchment Strategy* and the *Victorian Waterway Management Strategy*, which helps to embed environmental principles into our actions.

In 2024-25 we continued to utilise our Environmental Management System (EMS), with an external audit undertaken in 2025 noting no non-conformances. The EMS is externally certified to the ISO14001:2015 standard and manages our legislative and regulatory obligations for environmental and climate risks, as well as driving business improvements.

Key environmental stewardship projects for 2024-25 included:

- Partnering in a research project with La Trobe University for the protection of turtle populations indigenous to north-east Victoria
- Assisting the Arthur Rylah Institute carp removal program to improve biodiversity and water quality along the Ovens River
- Tree planting of regional species at the Wodonga WTP.

Sustainable water use

North East Water continues to support the delivery of the *Northern Region Sustainable Water Strategy*, and all actions that the corporation participates in are complete.

Sustainable water supply, including securing extra entitlements to support growth in Bright, are considered through the Urban Water Strategy and the master plans. Our forward capital program also includes consideration of sustainable water use in the context of population growth, such as the groundwater trial underway in Wangaratta, which will inform the viability of managed aquifer recharge to augment water supply to support growth.

North East Water has commenced updating its Urban Water Strategy, due for completion in 2027, which involves reassessing the water security in each town and proposing demand management and/or augmentation options to maintain agreed levels of service to customers.

Housing Statement

Developer and council engagement

North East Water engages regularly with the development community, including developers, development consultants and councils. Formal engagement in 2024-25 included:

- Hosting two developer forums
- Quarterly meetings between planning staff from North East Water and each of the seven councils in our area of operations
- Briefing sessions with elected councillors in each of the seven councils
- Executive level meetings between North East Water and each of the seven councils.

In addition, North East Water staff meet as required with developers and development consultants on specific developments and servicing needs. We encourage anyone considering a development to contact North East Water as early as possible for a discussion about servicing requirements and to identify any potential constraints to their development.

North East Water includes information on our website about any limits on development in towns in our area of operations or parts of our networks.

In 2024-25 North East Water received approximately 72 servicing enquiries from developers (prior to submission of a planning permit). North East Water will deliver a developer portal in the coming year which will enable more accurate tracking and reporting of pre-planning permit enquiries.

Connection capacity

In 2024-25 North East Water issued Statements of Compliance for 1,005 new lots and approved 822 new water connections. The cumulative data since 2018-19 shows that as of 30 June 2025 there are 782 lots available to connect.

The average number of lots created each year (Statements of Compliance issued) by North East Water since 2018-19 is 906. The average number of new water connections approved each year over this same period is 795.

Across the region we saw 197 more lots created, and 29 more water connections approved than in the previous year.

Capital program

North East Water's capital program continues to grow as we reprioritise our investments to meet regional growth and the regulatory demands of current operating environment.

In 2024-25, total capital expenditure was \$78.27 million, the highest single-year investment in North East Water's 28-year history. As of 30 June 2025, a total of \$56.2 million of further work was committed, with \$38.5 million of this relating to the West Wodonga WWTP capacity upgrade and emissions reduction project.

In 2024-25, notable progress was made on our comprehensive 8-year program of 148 projects, with 67 projects successfully completed, and a further 63 projects in progress. These projects cover a broad range, highlighted by the successful completion of the Wodonga raw water offtake levee wall to protect the pumping station from flooding, the Wangaratta sewage pumping stations and detention tanks, the Devenish and Goorambat supply augmentations and the Tawonga rising main upgrade.

Further to this, contracts for the Wodonga WWTP outfall pipeline, South Bandida sewerage pumping station, the Myrtleford Nil Gully reservoir pumping station, the Wandiligong booster pumping station and the Wangaratta gravity sewers have been awarded along with \$5 million of grant funding being secured to upgrade the Rutherglen-Wahgunyah WWTP.

Our capital program also underscores our dedication to renewing our existing ageing assets. In 2024-25, this included the water main and sewer relining program, which play a crucial role in maintaining and enhancing the functionality of our infrastructure.

By employing a new prioritisation tool to guide the capital program, North East Water strives to continually improve service delivery, meet the increasing needs of our communities, and uphold the reliability and efficiency of our systems.

Table 29 – Capital expenditure 2020-21 – 2024-25

	2024-25 \$'000	2023-24 \$'000	2022-23 \$'000	2021-22 \$'000	2020-21 \$'000
Wastewater environmental improvements	52,804	16,560	15,184	13,828	5,835
Renewal of wastewater infrastructure	4,733	4,381	1,435	1,784	2,021
Water quality and reliability improvements	9,231	1,319	6,480	7,314	7,294
Renewal of water infrastructure	8,005	6,715	3,454	3,663	2,926
Corporate and fleet management	3,494	5,986	5,188	1,277	6,594
Total	78,269	34,961	31,741	27,866	24,670

Local Jobs First Act 2003

The *Local Jobs First Policy* comprises two key components: the *Victorian Industry Participation Policy* (VIPP) and the Major Projects Skills Guarantee (MPSG). At North East Water, we are obligated to adhere to the *Local Jobs First Policy* for all projects that meet the specified monetary value thresholds. For projects valued at \$1 million or more, the VIPP Policy requirements must be met. This threshold specifically applies to projects carried out in regional Victoria. Additionally, the MSPG comes into effect for all construction projects valued at \$20 million or more.

Under the *Local Jobs First Policy*, all projects subject to its provisions must have a Local Industry Development Plan. This plan outlines the commitments to engage local small to medium businesses from Australia or New Zealand as an integral part of the project's execution. Moreover, it stipulates the specific number of local jobs to be generated or preserved throughout the project's implementation phase.

Projects commenced – Local Jobs First Standard

During 2024-25, North East Water commenced six Local Jobs First Standard projects totalling \$26.58 million. These projects were located in north east Victoria and had an average commitment of 89% local content.

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

- An average commitment of 89% of local content was made
- A total of 27.7 jobs (annualised employee equivalent (AEE)) were committed, with 2.3 jobs created, and the retention of 18.5 existing jobs (AEE)

- 5.04 positions for apprentices, trainees and cadets were committed created, and retained
- There was one Major Project Skills Guarantee (MPSG) applicable project
- There were 5 small to medium sized businesses that prepared a Local Industry Development Plan (LIDP) for contracts successfully appointed as principal contractor.

Projects completed – Local Jobs First Standard

During 2024-25, North East Water completed ten Local Jobs First Standard projects, totalling \$36.59 million. These projects had an average local content commitment of 94%. The MSPG did not apply to these projects.

The outcomes expected from the implementation of the *Local Jobs First Policy* to these projects where as follows:

- A total average commitment of 94% local content was made
- A total of 75.39 jobs AEE were committed, including the creation of 28.07 new jobs and the retention of 39.50 existing jobs (AEE)
- There were 7.81 positions retained and created for apprentices, trainees and cadets
- A total of 468 small to medium sized businesses engaged through the supply chain on these projects.

Reporting requirements – Strategic projects

At the time of reporting there was one LIDPs active and none completed for a project within the monetary threshold exceeding \$50 million.

Major contracts

There were no contracts entered into greater than \$10m. There was one active being West Wodonga WWTP capacity upgrade and emissions reduction project with a value of at \$73.8 million. This project is due for completion in the 2025-26 reporting period.

Building Act 1993

North East Water ensures that all building and maintenance work it undertakes comply with the relevant sections of the *Building Act 1993*.

Social Procurement Policy

North East Water's Social Procurement Strategy identifies opportunities to utilise our procurement spend to generate social and environmental benefits for the community. We integrate social procurement into our procurement practices and embed those practices throughout the procurement lifecycle.

Social procurement is a mandatory evaluation criterion under the Victorian Government procurement policies for all procurements exceeding \$1 million. Procurements that may provide targeted opportunities to provide social procurement benefits are also considered on a case-by-case basis.

Achievements – direct engagement

North East Water directly engaged with two Victorian social benefit businesses and two Victorian Aboriginal-owned businesses, all with alignment to our Social Procurement Strategy Objectives (as summarised at Table 30). This list is generated by applying the Victorian Government ABN wash tool, that identifies Victorian social enterprises (opportunities for Victorians with a disability and priority jobseekers in Victoria) and Aboriginal-owned business.

As our corporation is based on the border between Victoria and NSW, we also engage local NSW based businesses including an Aboriginal-owned business for the provision of cultural awareness training.

The total spend across these businesses was \$105,744.10 (ex GST), a 110% increase on the previous year's spend.

Table 30 – Social benefit business' engagement

Social benefit business	Social Procurement Framework - objective alignment	2024-25 spend (inc GST)
Game Traffic & Contracting (Worktrainers Ltd)	Opportunities for Victorian Priority Job Seekers	\$18,148.84
Indie Education Ltd (Aware)	Opportunities for Victorians with disability	\$3,993.80
TLaWC	Sustainable Victorian social enterprise and Aboriginal business sector	\$40,212.25
Ethan Indigenous Pty Ltd	Sustainable Victorian social enterprise and Aboriginal business sector	\$27,025.57
Yulatji Cultural Consultancy (NSW supplier)	Aboriginal owned-business (not applicable - NSW supplier)	\$16,363.64

Case study

The West Wodonga WWTP capacity and emissions reduction project is the largest project being delivered by North East Water. The project is subject to the Building Equality Policy commitments, with targets for participation from women in the project workforce. There are also Major Skills Project Skills Guarantee commitments that will provide opportunities for traineeships and apprenticeships. The project also has a specific Social Procurement Plan which includes targets to provide training and

employment opportunities to Victorian priority jobseekers and First Nations people. The target to deliver 6% of total project hours as employment opportunities to these priority cohorts has been exceeded and is currently tracking at 11.2% of actual hours.

In addition, and in alignment with our environmental social procurement objective, there is a commitment to defer project-generated waste from landfill. At this stage of the project the target to direct 85% of construction waste away from landfill has been exceeded and is tracking at 99.95%.

Meter replacement



Emergency procurement

North East Water maintains an Emergency Procurement Manual which outlines our obligations when procuring goods under emergency provisions. The corporation is prepared to swiftly and responsibly address any potential emergencies that may arise and adhere to the established procedures and guidelines to safeguard efficient and best practice procurements in such circumstances.

There are also emergency financial delegations to ensure appropriate approvals for emergency procurements. Emergency procurement is activated with the standing up of an Incident Management Team (IMT). Low level emergencies managed within standard operating procedures are not included in this reporting. The table below details emergency procurement spend under an IMT.

Table 31 – Emergency financial delegations 2024-25

Nature of emergency	Date of activation	Summary of goods and services procured under new contracts	Total spend on goods and services in response to the emergency	Number of new contracts awarded valued at \$100 000 (incl. GST) or more
Repairs to address potential collapse of a wet well wall due to degrading structure integrity.	8-Oct-24	Works - manhole rehabilitation	\$98,100	None
Telstra turned off 3G network resulting in SCADA phone system failure leading to no operational alarms to phones.	4-Nov-24	Goods - purchase of Optus SIM cards	\$175	None
Water main under Benalla Link Island Bridge at risk of collapse due to the rapid movement of the bridge resting on the main. Relocation of the water main was required.	9-Dec-24	Works, services and goods - plumbing materials and pipes, boring services, project management and regulator liaison, plumbing services, pre and post survey drawings	\$122,859	None

Procurement complaints

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

North East Water did not receive any formal complaints through its procurement complaints management system in 2024-25.



Leadership, diversity and culture

North East Water supports an inclusive and diverse workplace and recognises that our people are at the centre of all we achieve. An empowered, flexible and accountable workforce is fundamental to fulfilling our commitment to our customers and communities.

Through the delivery of our 'Investing in Our Future Together' transformation program, our Gender Equality Action Plan, Reconciliation Action Plan, and our Health Safety and Wellbeing Plans, we have a strong focus on enhancing our diversity and inclusion, and our culture, across the corporation.

We are strongly committed to developing our people to ensure they have the skills and mindset to thrive in our workplace. In 2024-25, this leadership commitment was actioned with our 'Investing in Your Future' leadership program involving all executive, managers and coordinators. This unique journey provided opportunities for cross-collaboration, skill development and continuous improvement across all levels of leadership.

Our commitment to our culture extends to our *Ways of Working* plans, our employee support officers, our wellbeing program, and our connection to our strategies and plans.

We continue to be guided by our mindsets of accountability, commitment, consistency, cooperation and empathy which establish our expected behaviours and interactions with each other and the community.



Our leadership

Introduction

North East Water's leadership team is focused on sustaining our high-performance culture and driving decisions and actions that lead to better outcomes for our customers and community.

Our board comprises nine non-executive directors and one executive director (Managing Director). The non-executive directors are appointed by the Minister for Water and the Managing Director is appointed by the board in accordance with the *Water Act 1989*.

The board is responsible for the overall corporate governance of North East Water, including:

- Setting the strategic direction for the business
- Establishing goals and objectives
- Monitoring performance
- Setting the risk appetite
- Establishing and leading the culture of the organisation.

The board also establishes policies and procedures to ensure we meet our regulatory and legal responsibilities.

In 2024-25, directors oversaw the development of our price submission, met with a range of stakeholders including the Essential Services Commission and local government representatives, undertook cultural awareness training and conducted site visits ranging from regional growth corridors to our water and wastewater treatment plants.

Directors

Rosemary Bissett

Rosemary Bissett was appointed a director of North East Water in October 2015.

Rosemary Bissett is the Head of ESG Risk Management at National Australia Bank and a director and chair of the Risk Committee at the Business Council for Sustainable Development Australia. She is also a member of several advisory boards and committees including the Technical Advisory Panel for Environmental-Economic Accounting and the Melbourne University Sport Advisory Board. In 2023-24, Rosemary was included in the Financial Standard (FS) Sustainability ESGPower 50.

Rosemary has a Master of Business Administration, Master of Applied Science (Analytical Chemistry), Graduate Diploma in Outdoor Education and Bachelor of Education, as well as being a Graduate of the Australian Institute of Company Directors.

Rosemary is chair of the board's Opportunity and Risk Committee and a member of the People and Culture Committee and the Transformation and Major Projects Committee.

Stephen Brown

Stephen Brown was appointed a director of North East Water in October 2015. He has served as deputy chair and was appointed chair in October 2023.

Stephen has held senior executive positions in the banking and finance industry with KPMG, ANZ, Bendigo and Adelaide Bank, RSD Chartered Accountants and Rural Finance Corporation. He has held various other governance roles including being a director at Vision Super. Stephen is currently a director at VicWater and Bendigo Stadium Limited, and an independent Audit and Risk Committee member at City of Greater Bendigo, South Gippsland Water and Portable Long Service Authority.

Having completed a Bachelor of Business (Accounting), Stephen is a Chartered Accountant. He is a registered Company Auditor, a Fellow of the Institute of Chartered Accountants of Australia and New Zealand, and a graduate of the Australian Institute of Company Directors.

Stephen is a member of the board's Audit and Finance Committee, People and Culture Committee, Opportunity and Risk Committee and the Transformation and Major Projects Committee.

Jennifer Fraser

Jennifer Fraser was appointed a director of North East Water in October 2023.

Jennifer brings to the role significant board, public administration, planning, water and catchments experience. Following an extensive public sector career Jennifer has held a variety of governance roles, most recently as a commissioner with the Victorian Environmental Water Holder from 2019 until 2023.

Jennifer was a member of the Victorian Marine and Coastal Council, a former director of the East Gippsland Catchment Management Authority and a sessional member of Planning Panels Victoria. She has also consulted for EarthEon Pty Limited on strategic water policy, planning and management issues.

In a voluntary capacity she was a Council Member and then chair of Medley Hall (now Wilam Hall), a residential college at the University of Melbourne, and a director of Westside Circus (now Circus Nexus).

Jennifer is a member of the board's Audit and Finance Committee, Opportunity and Risk Committee and the Transformation and Major Projects Committee.

Jonathan Green

Jonathan Green was appointed a director of North East Water in October 2021.

Jonathan Green is the current board chair of Albury Wodonga Health, former director of Murrumbidgee Local Health District, and former chair of Northeast Health Wangaratta.

He is a Barrister and Solicitor of the Supreme Court of Victoria with a focus on commercial and property matters. Jonathan holds a Bachelor of Laws and Bachelor of Arts and is a Fellow of the Australian Institute of Company Directors.

Jonathan is a member of the board's People and Culture Committee, Opportunity and Risk Committee and chair of the Transformation and Major Projects Committee.

Leanne Mulcahy

Leanne Mulcahy was appointed a director of North East Water in October 2021.

Leanne holds a Master of Laws in Enterprise Governance, an MBA, and is a graduate of the Australian Institute of Company Directors. She brings extensive experience in governance, dispute resolution, and community-focused leadership.

Prior to her appointment to the board of North East Water, Leanne served as chair of the North East Catchment Management Authority for four years. Her professional background spans local government and the not-for-profit sector, with a strong focus on organisational governance and stakeholder engagement.

A nationally accredited mediator, Leanne provides conflict resolution and governance advisory services and contributes her expertise to several audit and risk committees across Victoria.

Leanne is a member of the board's Audit and Finance Committee, the Transformation and Major Projects Committee, and the Opportunity and Risk Committee.

John Murray

John Murray was appointed a director of North East Water in October 2023.

Previously appointed as the Independent Aboriginal Delegate to the North East Water Board in July 2022, John was appointed by the Minister as a director in October 2023.

John is a Yorta Yorta / Duduroa man born and raised on the border. He currently works as the Program Manager, Aboriginal Partnerships with DEECA. He has extensive experience working with First Nations community across Victoria, NSW and Queensland with a background in local and state government, education and working with young people.

He is a proud father and cultural man who leads a local Aboriginal dance troupe, holds an Advanced Diploma in Community Service Sector Management, Diploma in Community Service and a Certificate IV in Training and Assessment.

John is a member of the board's People and Culture Committee, Transformation and Major Projects Committee and Opportunity and Risk Committee.

Victoria Schmidt

Victoria Schmidt was appointed a director of North East Water in October 2019 and was appointed deputy chair in October 2023.

Victoria is a technology and transformation consultant specialising in system implementation projects, change management and culture initiatives, corporate services and customer engagement.

She has held previous board positions in the banking, public health and early childhood sectors.

Victoria holds a Bachelor of Science in Engineering and a GAICD qualification from the Australian Institute of Company Directors.

Victoria is the chair of the board's Audit and Finance Committee and a member of the Transformation and Major Projects Committee and the Opportunity and Risk Committee.

Maria Rigby

Maria Rigby was appointed a director of North East Water in October 2021.

Maria has held senior executive roles at Coles, Coles Financial Services/Wesfarmers, Winc and Origin Energy as well as positions in military research and software agencies in Australia and overseas. Maria is also a former refugee and migrant who is passionate about making a positive and sustainable social impact.

She was an independent board member of the Australian Red Cross, member of the Risk and Audit Committee, chair of the Technology and Cyber Subcommittee, as well as a member of the Risk Committee for the Australian Red Cross Lifeblood.

Maria has a Bachelor of Computer Sciences and Mathematics, a Master of Computer Sciences, is a Graduate of Mt Eliza Business School and the Australian Institute of Company Directors and is a certified Agile Professional.

Maria is a member of the board's Audit and Finance Committee, Transformation and Major Projects Committee and the Opportunity and Risk Committee.

Angela Verde

Angela Verde was appointed a director of North East Water in October 2019.

Angela has extensive executive level leadership experience within state government and the not-for-profit sector and is a former regional director of Regional Development Victoria in the Hume region.

She has worked in clinical, research, management, policy and governance roles and is currently the deputy chair of Albury Wodonga Health. She was also previously a director and deputy chair on Goulburn Ovens TAFE having served on the board from 2016 to 2022.

Angela's board roles have included membership of sub-committees responsible for primary care and population health, audit and risk, remuneration and succession, people and safety, finance, governance and quality.

Angela holds a Bachelor of Applied Science and a Diploma of Business Management and is a Graduate of the Australian Institute of Company Directors (GAICD).

Angela is chair of the board's People and Culture Committee and a member of the Transformation and Major Projects Committee and the Opportunity and Risk Committee.

Jo Murdoch

Jo Murdoch joined North East Water as Managing Director in January 2022.

An experienced senior executive, Jo has a proven record of driving business transformation, innovation and operational excellence.

Jo is a deputy chair of the Ovens Murray Regional Partnership, Chair of the Victorian Intelligent Water Network, deputy chair of the VicWater Managing Directors Forum and a member of the Water Services Association of Australia national Strategy and Policy Committee.

Prior to North East Water, Jo held executive roles at Barwon Water in Geelong and Yarra City Council in Melbourne. While in Geelong Jo was a member of the Committee for Geelong Board, and deputy chair of the G21 Geelong Region Alliance Health and Wellbeing Pillar. While in Melbourne, Jo served on the Board of LGPro and the Local Government Management Australia.

Jo has post graduate qualifications including an MBA, is an accredited Evolve Communities Ally, and is IAP2 certified. She was also recognised in the Institute of Public Administration Australia's Top 50 Public Sector Women Awards for 2022 for her leadership commitment and contribution during the COVID-19 crisis.

As a North East Water Director, she is also an ex-officio member of the People and Culture Committee, Transformation and Major Projects Committee, and Opportunity and Risk Committee.

Improving participation on boards by First Nations people

Consistent with *Water for Victoria's* policy of building capacity to increase Aboriginal participation in water management and improving participation by Traditional Owners at board and committee level, North East Water developed the Independent Aboriginal Delegate program to appoint a First Nations' delegate to work alongside the board.

For North East Water, the program provides directors (and by extension, the broader corporation) the opportunity to gain deeper insight into matters relating to the Aboriginal community and Traditional Owners.

The role also enables the incumbent to develop the skills and experience to be a candidate for a full directorship within the water sector.

We were proud to appoint our third Independent Aboriginal Delegate, Shayne Rodgers (Taungurung), to the North East Water Board for the 2024-25 financial year.

Board Committees

The board assumes overall responsibility for the corporate governance of North East Water. It monitors the performance of the corporation both directly and through its board committees.

In 2024-25, there were four board committees, being:

- Audit and Finance Committee
- Opportunity and Risk Committee
- People and Culture Committee
- Transformation and Major Projects Committee

Audit and Finance Committee

The Audit and Finance Committee assists the board in fulfilling its corporate governance responsibilities regarding financial reporting and audit and financial management.

This includes oversight and performance monitoring of the external and internal audit functions, the integrity of financial reporting, and oversight of the strategic direction and policy on financial sustainability and performance management. The committee also monitors the effectiveness of the internal control frameworks and ensures compliance with applicable laws, regulations, standards and guidelines.

Director Victoria Schmidt is the chair of the Audit and Finance Committee.

Opportunity and Risk Committee

The Opportunity and Risk Committee assists the board in exploring opportunities and fulfilling its corporate governance responsibilities of risk.

This includes ensuring that North East Water is responsive to current and emerging risks and trends, and oversight and monitoring of the Risk Management Framework and Risk Appetite.

Director Rosemary Bissett is the chair of the Opportunity and Risk Committee.

People & Culture Committee

The People and Culture Committee assists the board in fulfilling its corporate governance responsibilities by monitoring and overseeing various aspects related to people and culture, including the corporation's Gender Equality Action Plan, people performance and reporting, and the performance, development, and remuneration of the Managing Director.

Additionally, the committee oversees the customer experience and community engagement performance, First Nations relationships and engagement, stakeholder engagement and partnerships, board performance review, and industry insights related to people and culture.

Director Angela Verde is the chair of the People and Culture Committee.

Transformation and Major Projects Committee

The Transformation and Major Projects Committee was established in late 2022 to assist the board with fulfilling its corporate governance responsibilities regarding monitoring the performance of the corporation's transformation and major project programs, in particular the development of the price submission's capital program.

The committee has the responsibility of oversight and performance monitoring of the Capital Projects Delivery Plan, oversight of key enterprise programs, including the establishment of the Enterprise Portfolio Management Office, the regional master planning program, the emissions reduction roadmap, and the digital transformation and cybersecurity strategies.

Director Jonathan Green is the chair of the Transformation and Major Projects Committee.

Table 32 – Board members meeting attendance 2024-25

Member name	Board Meetings	Audit and Finance Committee	Opportunity and Risk Committee	People & Culture Committee	Transformation and Major Projects Committee
Stephen Brown	7 (of 7)	4 (of 4)	2 (of 2)	2 (of 2)	3 (of 3)
Rosemary Bissett	7 (of 7)		2 (of 2)	2 (of 2)	3 (of 3)
Victoria Schmidt	7 (of 7)	4 (of 4)	2 (of 2)		3 (of 3)
Angela Verde	7 (of 7)		2 (of 2)	1 (of 2)	3 (of 3)
Jonathan Green	7 (of 7)		2 (of 2)	2 (of 2)	3 (of 3)
Leanne Mulcahy	7 (of 7)	4 (of 4)	2 (of 2)		3 (of 3)
Maria Rigby	6 (of 7)	4 (of 4)	2 (of 2)		2 (of 3)
John Murray	5 (of 7)		2 (of 2)	0 (of 2)	2 (of 3)
Jennifer Fraser	7 (of 7)	4 (of 4)	2 (of 2)		3 (of 3)
Jo Murdoch	7 (of 7)	4 (of 4)	2 (of 2)	2 (of 2)	3 (of 3)
Total number of meetings	7	4	2	2	3

Organisational chart

Figure 7 – Organisational chart 2024-25



Executive Team

John Day

General Manager, Environment, Systems & Operations

As General Manager Environment, Systems & Operations, John oversees the critical functions of water and wastewater treatment systems (management and delivery), as well the mechanical and electrical planning and delivery teams.

John has more than 25 years of experience in water and wastewater operational and asset management roles, both in the water, pulp and paper, and petrochemical industries.

Additionally, John is a former director of the Water Industry Operators Association and is a member of the Institute of Water Administration, Australian Water Association.

John is the current lead for the VicWater Workforce Readiness project and the lead for Intelligent Water Networks Circular Economy Gas project investigating hydrogen and biomethane processes.

Marni Jones

General Manager, Customers & Culture

Marni has over 20 years of leadership and human resources experience, with the last 15 years in the government and water sector.

Leading the Customer and Culture units, Marni manages the teams responsible for customer service including billing, customer insights, hardship and support services, as well as the People and Culture unit including OHS, return to work, recruitment, employee and industrial relations, learning and development, payroll, and wellbeing.

A major focus for Marni is to ensure that our customers receive caring, effective and efficient services when interacting with North East Water and that our staff work, grow and develop in a safe and supportive workplace culture.

Marni holds tertiary qualifications in Human Resource Management, Training and Development, Management and Leadership and Health Science and is a member of the Australian Human Resources Institute (AHRI) and the Australian Institute of Company Directors (MAICD).

Nicholas Moore

General Manager, Corporate Strategy & Performance

Nicholas is responsible for the functions of finance, economic regulation, corporate strategy and governance, enterprise programs and procurement, risk and internal audit, industrial and commercial customers, community engagement, and business performance reporting.

Nicholas brings strong analytical and problem-solving skills to the business with over 20 years' experience in senior financial management roles in the water and government sector. Nicholas has implemented a number of key business initiatives to transform the way we work with a focus on driving business efficiencies.

Nicholas holds a Bachelor of Business (Accounting), is a Certified Practising Accountant (CPA) and a Graduate of the Australian Institute of Company Directors.

Lisa Ryan

General Manager, Digital & Business Transformation

Lisa has worked in executive leadership roles across the areas of digital transformation, innovation, cyber and data with a key focus on the needs of customer, corporation and community.

Within her role, Lisa focuses on the customer and user experience through understanding processes and enabling technology. This is done using a human-centred design approach, customer journeys, innovation methodologies, and data and analytics to drive better service offerings, continuous improvement and an engaged workforce.

She is a non-executive director on the board of Gateway Health, a local not-for-profit organisation that delivers health services across North East Victoria. and she is also a Member on the Advisory Board of the Victorian Skills Authority (VSA), that provides evidence-based planning and solutions to meet current and future skills needs in Victoria and independent advice to the Minister for Skills and TAFE.

Lisa holds a Master of Business Administration (MBA), a Postgraduate Diploma in Digital Business (PGDDB) and is a Graduate of the Australian Institute of Company Directors (GAICD).

Guy Wilson-Browne

General Manager, Planning & Infrastructure

Guy is a leader in public sector strategy, planning, policy and governance with a passion for environmental sustainability and building thriving communities.

Along with his role at North East Water, he is also a member of the Water Services Association of Australia (WSAA) Utility Excellence Committee and the VicWater Safety Executive Group.

He is a Fellow of the Australian Institute of Company Directors (FAICD) having been appointed on the basis as a person who has contributed greatly to Australian governance.

Guy has enhanced his public sector experience with non-executive director roles at Westernport Water and the Yarra Energy Foundation.

His qualifications include a degree in Civil Engineering and Graduate Diplomas in Business Administration and Commercial Law.

Staff attend an open day to learn more about the upgrades at our West Wodonga Wastewater Treatment Plant.



Diversity and inclusion

Workforce inclusion

North East Water is committed to fostering a positive organisational culture that prioritises safety, inclusion, and belonging. We invest in our leaders to ensure they are equipped with the skills to champion diversity and create psychologically safe environments across our workplaces.

In 2024-25, all leaders participated in our leadership development program, which focused on strengthening relationships, building trust, and promoting inclusive practices. The program placed a strong emphasis on psychological safety as a foundation for effective leadership.

To foster an even more inclusive and respectful workplace culture, respectful workplace behaviours training was provided to all staff, and cultural awareness training sessions were held to further cement our commitment to enhancing cultural awareness and safety among our teams.

In 2024-25, we engaged staff from across the organisation through a series of consultation sessions to co-design our new Belonging Plan. This plan is shaped by the lived experiences of our people and builds on the progress made through existing initiatives, including the Gender Equality Action Plan (2022-25), our progressive Reconciliation Action Plans, *Strategy 2040*, and the Health and Wellbeing Plan.

The Belonging Plan will be finalised and launched in 2025, accompanied by a suite of inclusion-focused learning modules. These modules will cover key topics such as First Nations cultures, LGBTIQ+ inclusion, gender equity, cultural and generational diversity, and more – supporting a deeper understanding and appreciation of diversity across our workforce.

All staff participate in annual professional development reviews through our Career Manager platform and use Ways of Working plans to support work-life balance. These plans focus on six core areas: safety, wellbeing, flexibility, performance, staying connected and caring, ensuring our people feel supported both professionally and personally.

Aboriginal employment

We continue to ensure we build pathways for First Nations people to employment at North East Water. As of June 30, 2025, 2% of our staff identify as Aboriginal or Torres Strait Islander. North East Water continues to pursue a stretch target of 3%.

We focus on strategic recruitment campaigns that attract and appeal to a culturally diverse range of applicants. Through advertising on a range of platforms including Indigenous Employment Australia, we're seeing a higher level of engagement and interaction from First Nations' people with regards to employment opportunities at North East Water.

We consult with staff to review workplace policies and procedures and identify actions in the Belonging Plan to continue to improve engagement and experiences for staff.

Workforce data

We're committed to attracting and retaining diverse talent in a supportive, inclusive culture of equity, trust and flexibility. We are proud to share that our executive is gender balanced, and our senior leadership team comprises nine men and seven women.

There has also been a significant increase of women joining the Planning and Infrastructure portfolio and men joining the Customer Experience team.

Table 33 – Workforce analysis disclosures

	30 June 2025							30 June 2024						
	All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
	Number (Headcount)	FTE	Full time (headcount)	Part time (Headcount)	FTE	Number (headcount)	FTE	Number (Headcount)	FTE	Full time (headcount)	Part time (Headcount)	FTE	Number (headcount)	FTE
Gender														
Women	85	79.05	61	17	73.36	7	5.68	87	81.67	57	12	65.41	18	16.26
Men	130	129.10	118	3	120.11	9	9.00	127	126.34	116	2	117.34	9	9.00
Self-described	0	0.00	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0.00
Total	215	208.15	179	20	193.47	16	14.68	214	208.01	173	14	182.75	27	25.26
Age														
15-24	3	3.00	2	0	2.00	1	1.00	6	6.00	3	0	3.00	3	3.00
25-34	43	42.10	38	3	40.10	2	2.00	43	42.18	36	3	38.18	4	4.00
35-44	62	58.45	50	9	56.03	3	2.42	59	55.96	46	7	50.88	6	5.09
45-54	60	58.77	52	4	55.14	4	3.63	58	56.97	49	3	50.97	6	6.00
55-64	41	39.99	33	3	35.36	5	4.63	43	42.34	35	1	35.72	7	6.63
65+	6	5.84	4	1	4.84	1	1.00	5	4.54	4	0	4.00	1	0.54
Total	215	208.15	179	20	193.47	16	14.68	214	208.01	173	14	182.75	27	25.26
Classification														
Executives	6	6.00	0	0	0.00	6	6.00	6	6.00	0	0	0.00	6	6.00
Senior Executive Officer	26	25.66	23	2	24.66	1	1.00	26	25.81	24	1	24.82	1	1.00
Enterprise Agreement	183	176.49	156	18	168.81	9	7.68	182	176.20	149	13	157.93	20	18.26
Total	215	208.15	179	20	193.47	16	14.68	214	208.01	173	14	182.75	27	25.26

Public Sector Values and Employment Principles

North East Water is a respondent to the *Public Administration Act 2004* which includes a set of public sector values and employment principles to which all public sector entities must comply.

We promote these values and principles in the workplace through a range of policies, procedures and statements adopted by the corporation.

For more information on the Code of Conduct, visit the Victorian Public Sector Commission website: vpsc.vic.gov.au/resources/codes-of-conduct/.

In addition, the corporation is committed to complying with the following:

- *Victorian Equal Opportunity Act 2010*
- *Commonwealth Sex Discrimination Act 1984*
- *Commonwealth Disability Discrimination Act 1992*
- *Commonwealth Racial Discrimination Act 1975*
- *Commonwealth Human Rights and Equal Opportunity Commission Act 1986*
- *Commonwealth Affirmative Action (Equal Employment Opportunity for Women) Act 1986*
- *Victorian Racial and Religious Tolerance Act 2001*
- *Gender Equality Act 2020*.

We regularly conduct equal opportunity, supervisor and management training to support the rights and obligations of employees and ensure compliance with legislative requirements and internal North East Water standards.

Health, safety and wellbeing

At North East Water, the health, safety and wellbeing of all employees, contractors and members of the public is paramount. We continue to embed health, safety and wellbeing (HS&W) practices in all our undertakings and actively seek opportunities to improve these practices.

To further this goal in 2024-25, we:

- Promoted ownership of HS&W through designated workgroups represented by elected health and safety representatives and employee support officers
- Enhanced the tools, equipment and training experiences to provide staff with increased safety interventions when undertaking fatal risk activities
- Utilised internal and external specialists to advise on safety design during the concept and planning stages of projects

- Utilised the Health & Safety Committees to continually improve and drive health and safety initiatives and improvements
- Worked alongside the Wellbeing Committee and employee support officers to continually improve and drive programs that support the mental and physical wellbeing of staff
- Conducted risk assessments, including job safety analysis and hazard identification for routine, non-routine and future works
- Used competency-based assessment criteria for non-regulated tasks to complement induction and learning and development processes.

Fatal Risk Management

Throughout the year, the Health, Safety and Wellbeing team worked closely with Operations staff to enhance the management of fatal risk activities. A key initiative involved the Health and Safety Advisor conducting on-site fatal risk audits alongside staff actively performing these tasks in the field.

This proactive, hands-on approach has significantly increased awareness of critical risks and reinforced the importance of applying the right controls to ensure tasks are carried out safely and efficiently.

North East Water remains committed to continuously improving how high-risk activities are managed and will continue to streamline processes to further strengthen safety outcomes in the future.

Wellbeing Programs

The corporation continued to deliver extensive wellbeing programs for staff across the business. These programs are designed to empower staff to prioritise their health and wellbeing and help prevent workplace injuries and illness.

In 2024-25 we saw increased staff engagement across several initiatives including on-site vaccination clinics and skin checks, musculoskeletal treatment reimbursement, prescription lens reimbursement, and our employee support program.

Positive Workplace Behaviours

To reinforce our commitment to a workplace culture that upholds zero tolerance for inappropriate behaviour, North East Water developed and implemented a comprehensive training program for staff across all areas of the organisation.

This training equips employees with the knowledge and skills to recognise and respond to inappropriate behaviours, including bullying, sexual harassment, and discrimination. It also reinforces their understanding of 'above and below the line' behaviours and refreshes awareness of the processes and procedures for reporting and managing workplace misconduct.

This initiative is a key part of our ongoing efforts to ensure every team member feels valued, respected, and supported. It also plays a vital role in maintaining a safe and inclusive environment for all staff.

Corporate health and safety objectives and targets

Our health and safety objectives and targets are set every year and endorsed by the North East Water Board.

The objectives and targets are developed through a consultative process that includes management and the Health and Safety Committees. The process also determines the measures and metrics to improve our occupational health and safety performance.

Objectives and targets in 2024-25 were developed giving consideration, but not limited, to:

- Improving safety leadership and capabilities
- Enhancing risk awareness and ownership
- Continuous safety system improvements.

The objectives and targets were tracked throughout the year with quarterly reporting to the board, management and Health and Safety Committees, and are shown in Table 34.

Table 34 – Corporate health and safety objectives and targets 2024-25

Risk Area / element	Objective	Status	Comments
Enact the strategic plan	Continued implementation of OHS Management System	Ongoing	The corporation continued to maintain and implement an OHS Management System which is externally certified against ISO 45001.
Improve safety leadership and culture	Develop and implement OHS leadership program for all coordinators, SLT and executive	Completed	The corporation undertook a leadership program across the organisation for coordinators, SLT and executive. As part of this leadership program, specific OHS leadership training, including psychological safety was included.
	SLT and executive regularly informed of changes impacting health, safety and wellbeing	Ongoing	The corporation utilised safety alerts as a means of communicating changes on matters impacting health, safety and wellbeing. In addition, OHS is a standard agenda item on all meetings of board, executive and senior management.
	Increase staff's OHS knowledge and awareness	Ongoing	The corporation continued to utilise site visits, banter boards, noticeboards, newsletters and safety alerts to further promote awareness of OHS activities
System innovation and growth	Enhance third party and contractor management	Ongoing	Through consultation between the Planning & Infrastructure, Procurement and People & Culture teams a review of contractor management tools commenced to enhance and streamline the management of risks associated with third parties
	Explore ways to increase the use of digital platforms to enhance the corporation's health, safety and wellbeing	Ongoing	The corporation continued it's transition from paper-based processes to electronic platforms and commenced exploring opportunities to further digitise OHS processes further

Risk Area / element	Objective	Status	Comments
Support wellbeing	Enhance strategies for identifying, reporting and managing unreasonable behaviours in the workplace	Completed	We have continued to foster a culture of zero tolerance to unreasonable behaviour in the workplace. This has included implementing positive workplace behaviour training for all staff across the business, enhancing the information provided to new starters through the induction process, further developing the skills of our employee support officers and streamlining psychological incident reporting
	Develop and implement a wellbeing plan for staff which focuses on the five pillars of health - physical activity, mental health and wellbeing, healthy eating, alcohol and other drug use, and smoking.	Ongoing	The corporation's Wellbeing and Injury Management Advisor continues to implement the corporation's five-year Health and Wellbeing Plan across the business

Safety incidents

North East Water is committed to maintaining an open and transparent reporting environment.

Reporting is actively encouraged for all incidents, including high potential incidents and close calls. Debriefs of incidents are carried out to determine the root cause and contributing factors in order to develop

control measures to eliminate identified hazards. Where hazards are identified, elimination is the priority. If elimination is not feasible, measures are introduced to reduce the risk to as low as reasonably practicable.

One new lost time injury occurred during 2024-25, with one historic injury requiring ongoing management.

Table 35 – Lost time injury frequency rate

Risk Area / element	FTE	No. of LTIs	LTI/100 FTE	No. of Incidents	Incident per 100 FTE
2022-23	199.4	0	0	11	5.51
2023-24	208.01	1	0.48	13	6.24
2024-25	208.15	2	0.96	14	6.73

The average claims cost has increased over the reporting period due to the ongoing management of a long-term historical claim as well as the new lost time injury that has occurred.

Table 36 – Average cost per claim

Year	Average cost per claim
2022-23	\$163,278
2023-24	\$174,172
2024-25	\$167,327

Section 3

Corporate governance





Good governance is crucial to ensure transparency, accountability, and effective decision-making. By adhering to robust governance practices, North East Water builds and maintains trust with stakeholders, including customers, regulators, and the community.

Good governance involves rigorous oversight and regular audits, which help to identify and mitigate risks, ensure compliance with legal and regulatory requirements, and promote ethical behaviour throughout the organization. These are well documented in our *Risk Management Framework* and *Governance Framework*, both of which are reviewed annually.

Our strong governance frameworks facilitate innovation and adaptability, enabling the corporation to respond proactively to emerging challenges such as climate change, population growth, and technological advancements. It is also essential for achieving the corporation's mission of providing reliable, safe, and sustainable water services to the community while safeguarding environmental and public health.

The Hon. Gayle Tierney MP, Minister for Water, and our Managing Director, Jo Murdoch view the capacity upgrades at the West Wodonga Wastewater Treatment Plant.

Freedom of Information

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by North East Water. The purpose of the 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 Act.

An applicant has a right to apply for access to documents held by North East Water. This comprises documents both created by North East Water or supplied to North East Water by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by North East Water is available on North East Water's website under Part II of its Information Statement.

The Act allows North East 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 North East Water in-confidence.

The Act was amended on 1 September 2017 to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 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 North East 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.

Making a request

FOI requests can be lodged online at <https://ovic.vic.gov.au>. An application fee of \$33.60 applies. 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 North East Water's Freedom of Information team, as detailed in s17 of the *Freedom of Information Act 1982*.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

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

Freedom of Information Officer
North East Water
PO Box 863 Wodonga, VIC 3690

FOI statistics/timeliness

During 2024-25, North East Water received seven applications. Of these requests:

- Seven requests were from the general public
- North East Water made six FOI decisions during the 12 months ended 30 June 2025
- One request was referred to another agency
- All decisions were made within a 30 to 45 day time period
- The average time taken to finalise requests in 2024-25 was 23 days.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and ovic.vic.gov.au.

Public Interest disclosures

Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* (PID Act) enables people to make a disclosure about corrupt or improper conduct by a public officer or a public body.

North East Water is a public body for the purposes of the PID Act.

What is a public interest disclosure?

A public interest disclosure is a complaint of corrupt or improper conduct or detrimental action by a public officer or a public body.

‘Improper or corrupt conduct’ involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.

‘Detrimental action’ is action taken against a person in reprisal for making a public interest disclosure.

How do I make a public interest disclosure?

You can make a public interest disclosure about North East Water or its board members, officers or employees by contacting IBAC (details below).

North East Water is not able to receive public interest disclosures.

North East Water has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about North East Water, its board members, officers or employees. You can access North East Water’s procedures on its website at newater.com.au.

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000.

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.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.

Privacy and Data Protection Act 2014

The corporation’s privacy statement, displayed on its website, is consistent with the requirements of the *Privacy and Data Protection Act 2014*. Staff receive training on privacy and its implications when they commence employment at North East Water and annually throughout the course of their employment.

Competitive Neutrality Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply because of government ownership, should be neutralised. North East Water continues to comply with the requirement of the *Competitive Neutrality Policy*.

Government advertising expenditure

North East Water did not reach the threshold of \$100,000 on government advertising expenditure during 2024-25.

Table 37 – Reviews and studies 2024-25

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)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL
P&I Workforce Readiness Consultant	Development of the most effective structure, system and processes to meet business needs and opportunities	Develop a revised structure to optimise efficiencies in delivering a larger capital program	Clearer accountabilities and maximising efficiency and effectiveness of portfolio	15,661	15,661	N
Biochar Trial	Development of biochar product from waste stream	To determine the waste combinations that will generate premium biochar	Commercially viable product that can be used for a range of industrial purposes	95,701	95,701	N
NEWater Capital expenditure review	Economic regulatory specialist to review the CAPEX element of the price submission preparation process	Manage the information requirements in relation to the ESC guidance paper	Independent audit of CAPEX program	32,900	32,900	N
Modla Pumps Asset Class Plan Development	Trial in the use of Modla software to prepare asset class plan for pumps across our network	Analysis of pump data to prepare renewal modelling investment options for pumps across our network	"Risks profile across the pump asset fleet and investment options to manage risk for the pump fleet "	15,000	15,000	N
Develop & update NEW's Asset renewal model	Update of potential renewals modelling funding gap	Update modelling for potential renewals funding gap	Use of updated modelling figures in the price submission	15,000	15,000	N
PFAS drinking water risk assessment	Update of pre-existing PFAS risk assessment	Identify catchment sources of PFAS and review of monitoring program	Recommended actions to improve PFAS risk management process to meet both current and future regulatory requirements	28,180	28,180	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)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL
NEWater Options Analysis Renewals	Inform the business of potential renewals funding gap and assist in identifying roadmap of improvements for the asset management system	Development of a strategic asset management framework, and identification of funding gaps, and understanding of its current renewal forecasts	Inform the business of potential renewals funding gap and assist in identifying roadmap of improvements for the asset management system	12,200	12,200	N
Wodonga Development Reviews	Provide technical reviews of servicing for development enquiries in Wodonga	Review of proposed servicing strategies, hydraulic modelling	Servicing growth, responding to development enquiries	23,711	23,711	N
Brine Management Project	Inform the corporation on the type of equipment and cost to provide the AGIG hydrogen plant with purified recycled water and any associated risks with waste brine management	DEECA sponsored review to inform the industry on costs and risks associated with purified recycled water for hydrogen production.	Delivery of a purified recycled water plant to supply AGIG's hydrogen plant with source water for hydrogen production	75,000	75,000	N
Carbon offsets project - build phase	Participate in the VicWater project to engage a developer to produce ACCUs to meet our carbon emissions obligations.	Create an SPV for the purpose of generating carbon offsets for the Victorian water industry	To support the corporation to meet its carbon emissions obligations	25,933	25,933	N
Review of Myrtleford WWTP options	Assessment of Myrtleford WWTP performance and operation	Complete a review of operational data and quality data pertaining to the Myrtleford WWTP with provision of minor capital options to enhance performance	Inform minor investment at the Myrtleford WWTP	9,600	9,600	N

Consultancies (under \$10,000)

In 2024-25, there were 26 consultancies where the total fees payable to consultants were less than \$10,000. The total expenditure incurred during 2024-25 in relation to these consultancies was \$0.14 million (excluding GST).

Consultancies (over \$10,000)

In 2024-25, there were 54 consultancies where the total fees payable to the consultant were \$10,000 or greater. The total expenditure incurred during 2024-25 in relation to these consultancies is \$4.12 million (excluding GST).

Details of these consultancies are outlined on the website newater.com.au.

ICT expenditure

For the 2024-25 reporting period, North East Water had a total ICT expenditure of \$8.83 million with details outlined in Table 38.

Table 38 – Information communication and technology (ICT) expenditure

Business As Usual (BAU) Total (\$) 'mill	Non-Business As Usual (non-BAU) Total (\$) 'mill = Operational Expenditure + Capital Expenditure	Operational Expenditure (\$) 'mill	Capital Expenditure (\$) 'mill
6.77	1.03	0.03	0.99

Subsequent events

The corporation is not aware of any events that have occurred after the balance date which materially affect the financial position disclosed as at 30 June 2025.

Availability of other information

The following information (to the extent applicable) is available or available in part on request, subject to the *Freedom of Information Act 1982*:

- Statement that declarations of pecuniary interests have been duly completed by all relevant officers
- Details of shares held by a senior officer as nominee, or held beneficially in a statutory authority or subsidiary¹
- Details of publications produced by the corporation
- Details of changes in prices, fees, charges, rates and levies charged by the corporation
- Details of any major external reviews carried out on the corporation
- Major research and development activities undertaken by the corporation
- Overseas visits undertaken, including a summary of the objectives and outcomes of each visit²
- Details of major promotional, public relations and marketing activities undertaken by the Corporation to develop community awareness of the entity and its services
- Details of assessments and measures undertaken to improve the occupational health and safety of employees
- A general statement on industrial relations within the agency, and details of time lost through industrial accidents and disputes
- A list of major committees; the purposes of each committee; and the extent to which the purposes have been achieved, and
- Details of all consultancies and contractors including consultants/contractors engaged; services provided; and expenditure committed to for each engagement.

The information is available on request from:

Nicholas Moore
General Manager Corporate Strategy and Performance
North East Water Phone: 1300 361 622
Email: info@newater.com.au

Information that is not applicable to North East Water:

¹ No shares have ever been issued at North East Water

² No board members or senior executives took overseas work-related trips

Further information

Further information on North East Water's economic, social and environmental performance are available from the following current and/or earlier documents:

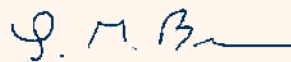
- Annual Reports
- Corporate Plans, including the corporation's Strategic Intent and Urban Water Strategy
- Price Submissions to the Essential Services Commission (ESC)
- Wastewater treatment plant performance reports
- Drinking water quality performance reports
- Customer Report Cards and Performance Reports.

These reports can be accessed on the corporation's website (newater.com.au) or hard copies are available on request.

Information relevant to Financial Reporting Direction 22H of the *Financial Management Act 1994* is available on request from North East Water located at 83 Thomas Mitchell Drive, Wodonga, or by calling 1300 361 622. This information is subject to the *Freedom of Information Act 1982*.

Financial Management Compliance Attestation

I, Stephen Brown, on behalf of the Responsible Body, certify that North East Water has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Stephen Brown
Chair

26 August 2025

Section 4

Performance Report



Introduction

Our Performance Report is prepared pursuant to section 51 of the *Financial Management Act 1994* under the direction from our Minister, the Hon. Gayle Tierney MP.

As part of the report of operations, the Performance Report details actual results achieved compared with targets for specified performance indicators and prior year results. Where there is a significant variation between a corporate plan target, the prior year and the actual performance, a variation explanation stating the reasons for the difference is included.

Detention tanks being installed in South Wangaratta to support community growth.

Financial Performance

KPI Number	Indicator	2023-24 Result	2024-25 Result	2024-25 Target	Variance to prior year	Notes	Variance to target	Notes
Financial Performance Indicators								
F1	Cash interest cover (times) Net operating cash flows before net interest and tax/net interest payments	4.76	5.52	2.84	16.0%	1	94.4%	1
F2	Gearing ratio Total debt (including finance leases)/total assets x 100	8.54%	12.49%	16.00%	46.3%	2	-21.9%	2
F3	Internal financing ratio Net operating cash flow less dividends/net capital expenditure x 100	35.46%	30.03%	13.96%	-15.3%	3	115.1%	3
F4	Current ratio Current assets/current liabilities (excluding long-term employee provisions and revenue in advance)	74.86%	35.60%	58.85%	-52.4%	4	-39.5%	4
F5	Return on assets Earnings before net interest and tax/average assets x 100	-0.33%	0.72%	-0.22%	-318.2%	5	-427.3%	5
F6	Return on equity Net profit after tax/average total equity x 100	-0.62%	0.27%	-0.77%	-143.5%	6	-135.1%	6
F7	EBITDA margin Earnings before interest, tax, depreciation and amortisation/total revenue x 100	26.78%	35.52%	30.18%	32.6%	7	17.7%	7

Indicator Notes

To simplify reporting all indicators relating to Performance Reporting now sit under the Minister's Letter of Expectations (LOE) 7 *Performance and Financial Sustainability*. Where possible Essential Services Commission (ESC) and Department of Treasury and Finance indicators and definitions have been used to reduce duplication. A number of existing indicators have also had definitions amended to bring in line with ESC definitions.

The following notes provide explanations for significant variations from target. For financial performance

indicators, a significant variation is defined in accordance with Letter of Expectation (LoE) 7 – Performance and Financial Management. For financial indicators a significant variation is ten percent. For operational performance indicators, a significant variation is one where the actual result varies from the corporate plan target by more than five percent.

- A **red** variance indicates a negative result for North East Water
- A **green** variance indicates a positive result for North East Water

Financial Performance Indicators

Note 1

The cash interest cover ratio is favourable compared to the prior year and target. This is attributed to significant additional cashflows from increased water sales of \$5.2 million above budget driven by generally warmer and drier summer and autumn period compared to prior years leading to favourable water consumption. Customer cash contributions of \$4.16 million above budget for new infrastructure also contributed to the favourable result. Net interest payments also increased compared to the prior year, however, were less than budget. This was driven by a reduction in required borrowings from budget attributed to a reduction in net capital expenditure.

Note 2

The gearing ratio is unfavourable compared to prior year due to the increase in new borrowings required to help fund the capital expenditure program. New borrowings increased by \$50.25 million in 2024-25.

The favourable result compared to target is attributed to a reduction in actual borrowings compared to the Treasury approved budgeted borrowings of \$81 million. Actual borrowings were lower than budget due to a reduction in the capital expenditure program compared to budget.

Note 3

The internal financing ratio has decreased compared to the prior year but is favourable compared to target. Whilst the cashflows from operations increased favourably compared to the prior year and target, net capital expenditure also increased compared to the prior year, reducing the internal financing ratio. Refer to note 1 for details regarding the favourable increase to cashflows from operations.

Note 4

The current ratio has deteriorated compared to the prior year and is unfavourable to budget. This is attributed to an increase in current liabilities associated with an increase in the Corporation's borrowings as described in note 2. Trade payables have also significantly increased at 30 June 2025 compared to the prior year, attributed to an increase in accrued capital expenditure incurred in the current financial year.

Note 5

The return on assets ratio is favourable to both prior year and target. This is attributed to a favourable operating surplus before interest and tax compared to an operating loss in the prior year and budget. This favourable result is attributed to an increase in water sales of \$5.2 million compared to the budget as described in note 1 above and higher than budgeted developer contributions. Average total assets have also favourably increased on the prior year, attributed to the large capital expenditure program undertaken during 2024-25.

Note 6

The return on equity ratio is favourable compared to both prior year and target. This is attributed to a favourable operating surplus before interest and tax compared to an operating loss in the prior year and budget. This favourable result is attributed to an increase in water sales of \$5.2 million compared to the prior year as described in note 1 above and higher than budgeted developer contributions.

Note 7

The EBITDA margin is favourable compared to prior year and to target due to an increase in the total revenue base. This is largely attributed to an increase in water sales of \$5.2 million compared to budget and the prior year and developer contributions of \$5.3 million above budget.

Operational Performance

KPI Number	Key Performance Indicator	2023-24 Result	2024-25 Result	2024-25 Target	Variance to prior year	Notes	Variance to target	Notes
Water and Sewerage Network Reliability								
WS1	Water service – minutes off supply (planned and unplanned) How many minutes on average a customer was without water supply during a year	130	134	195	3.1%	8	-31.3%	8
WS2	Unplanned water supply interruptions Percentage of customers receiving 2 or more unplanned interruptions in the year	0.69%	2.00%	0.60%	189.9%	9	233.3%	9
SS1	Sewerage service – Sewer blockages Number of sewer blockages reported per 100 kilometres of sewer main	7.8	10.8	10.3	38.5%	10	4.9%	10
SS2	Sewerage service – Sewer spills Number of sewer spills reported per 100 kilometres of sewer main	4.5	5.5	5.0	22.2%	11	10.0%	11
SS3	Containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours/total sewer spills from reticulation and branch sewers x 100	79.7%	94.6%	100%	18.7%	12	-5.4%	12

Note 8

The water service – minutes off supply for planned and unplanned interruptions of 134 minutes is slightly unfavourable compared to the prior year of 130 minutes and favourable to target of 195 minutes. Continued improvement and investment in maintenance equipment has helped to maintain interruptions times to customers.

Note 9

The percentage of customers receiving 2 or more unplanned interruptions was unfavourable compared to both the prior year and to target. North East Water experienced a significant increase in the number of customers receiving 2 or more interruptions in 2024-25, increasing from 387 in 2023-24 to 1,140 in 2024-25. The target is based on 305 customers resulting in the unfavourable variance to target. A large portion of the increase is attributed to approximately 500 customers in Killara where multiple water shut downs were required to isolate a service to undertake critical repairs. During this event, a second feed valve to supply the estate was inadvertently turned off, shutting down water to the estate. North East Water continues to invest in water main renewals to reduce the impact of interruptions on customers.

Note 10

The number of sewer blockages per 100 km is unfavourable compared to the prior year and to target. The number of sewer blockages increase from 101 in 2023-24 to 145 in 2024-25. The target is based on 134 blockages per 100 km of sewer main. The 2024-25 result of 145 blockages represents the shift back to drier than average weather patterns after three years of wetter than average patterns. As subsurface ground dries out during the warmer months, blockages tend to increase due to tree root intrusion. North East Water continues to invest in sewer maintenance activities and sewer main renewals through the capital program

Note 11

The number of sewer spills reported per 100 km is unfavourable compared to the prior year and to target. The number of sewer spills from the reticulation network increased from 59 in 2023-24 to 74 in 2024-25. The target is based on 63 spills. Similar to blockages, the increase in spills can be attributed to a shift back to drier than average weather patterns after three years of wetter patterns. The Corporation continues to invest in CCTV and preventative maintenance in high risk areas to reduce the occurrence and impact of sewer spills to our customers.

Note 12

The containment of sewer spills indicator is favourable compared to prior year and unfavourable to target. 4 of the 74 sewer spills exceeded the 5 hour threshold, an improvement on the 12 reported in the prior year that included several events attributed to a storm event in Wangaratta in October 2023, where 86mm of rain fell in a short period of time, overloading and infiltrating the sewer reticulation network causing spills at several pump stations and maintenance structures. Significant capital projects have been undertaken during the year to improve capacity of this system which is currently under pressure to support growth.

Water Reuse

KPI Number	Key Performance Indicator	2023-24 Result	2024-25 Result	2024-25 Target	Variance to prior year	Notes	Variance to target	Notes
Water Reuse								
E1	Recycled water - effluent treatment and reuse Proportion of water recycled as a percentage of the volume of effluent produced	27.9%	32.5%	20.3%	16.5%	13	60.1%	13

Note 13

Wastewater re-use was favourable compared to both prior year and to target. Whilst total wastewater volumes treated reduced from the prior year, there was a 3% increase in the volume of wastewater reuse produced, favourably increasing the percentage of effluent reused. This favourable increase is largely attributed to more reuse water used by third party reuse customers in Tallangatta and Yarrawonga and North East Water’s own irrigation system to grow pasture on our farming properties, particularly in Wangaratta.

North East Water

Certification of Performance Report for 2024-25

We **certify** that the accompanying Performance Report of North East Water in respect of the 2024-25 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 and as set out in the 2024-25 Corporate Plan, the actual and comparative results achieved for the financial year against predetermined performance targets and these indicators, and an explanation of any significant variance between the actual results and performance targets and/or between the actual results in the current year and the previous year.

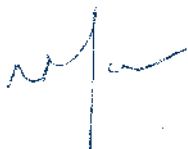
As at the date of signing, we are not aware of any circumstances which would render any particulars in the Performance Report to be misleading or inaccurate.



Stephen Brown
Chair
North East Water



Jo Murdoch
Managing Director
North East Water



Nicholas Moore
Chief Finance and Accounting Officer
North East Water

23 September 2025

Independent Auditor’s Report

To the Board of North East Water

Opinion	I have audited the performance report of North East Water (the corporation) for the year ended 30 June 2025, which comprises the: - financial performance indicators - water and sewerage network reliability performance indicators - water reuse performance indicator - notes to the performance report - certification of the performance report. In my opinion, the performance report of the corporation for the year ended 30 June 2025 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the <i>Financial Management Act 1994</i>.
Basis for opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s responsibilities for the audit of the performance report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the performance report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the performance report	The Board is responsible for the preparation and fair presentation of the performance report in accordance with the performance reporting requirements of the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance report

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

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
- evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
6 October 2025



Timothy Maxfield
as delegate for the Auditor-General of Victoria

Section 5

Financial Statements



North East Water (the Corporation) presents its audited general-purpose financial statements for the financial year ended 30 June 2025.



Wangaratta Wastewater Treatment Plant.

Annual financial statements

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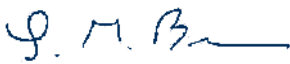
Directors', Accountable Officer's and Chief Finance Officer's Declaration

The attached financial statements for North East Water has been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under 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 comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2025 and the financial position of the Corporation at 30 June 2025.

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.

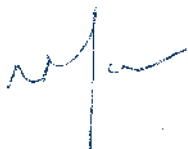
We authorise the attached financial statements for issue on 23 September 2025.



Stephen Brown
Chair
North East Water



Jo Murdoch
Managing Director
North East Water



Nicholas Moore
Chief Finance Officer
North East Water

23 September 2025

Independent Auditor's Report

To the Board of North East Water

Opinion	I have audited the financial report of North East Water (the corporation) which comprises the: • balance sheet as at 30 June 2025 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • Directors', Accountable Officer's and Chief Finance Officer's declaration. In my opinion, the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards - Simplified Disclosures.
Basis for opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's responsibilities for the audit of the financial report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
6 October 2025


Timothy Maxfield
as delegate for the Auditor-General of Victoria

Comprehensive operating statement for the financial year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1	99,018	88,359
Government grants and contributions	2.2	1,398	75
Total revenue and income from transactions		100,416	88,434
Expenses from transactions			
Depreciation	4.1.2 , 6.2.3	27,123	26,548
Amortisation	4.2	654	651
Employee benefits	3.1.1	27,450	26,540
Repairs and maintenance	3.3	5,426	5,555
Environmental contribution		3,191	2,998
Direct operational expenses	3.2	14,593	14,112
Other operating expenses	3.4	13,455	15,079
Total expenses from transactions		91,892	91,483
Finance income		55	47
Finance expense		(5,764)	(3,767)
Net finance costs	3.5	(5,709)	(3,720)
Net result from transactions (net operating balance)		2,815	(6,769)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	9.1	144	(29)
Other gains/(losses) from economic flows	9.1	10	38
Total other economic flow included in net result		154	9
Net result before income tax		2,969	(6,760)
Income tax (expense)	8.1	(894)	2,022
Net result for the period		2,075	(4,738)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus		(433)	(182)
Deferred income tax relating to these items		130	55
Other comprehensive loss for the period, net of tax		(303)	(127)
Total comprehensive result for the year		1,772	(4,865)

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance sheet as at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
ASSETS			
Current assets			
Cash	6.3	399	1,306
Receivables	5.1	23,687	19,883
Biological assets	5.2	1,398	984
Other non-financial assets	5.4	782	1,047
Total current assets		26,266	23,220
Non-current assets			
Receivables	5.1	82	98
Other non-financial assets	5.4	76	76
Infrastructure, property, plant and equipment	4.1	1,085,715	1,024,635
Intangible assets	4.2	10,582	11,031
Right-of-use assets	6.2.2	1,850	2,354
Total non-current assets		1,098,305	1,038,194
TOTAL ASSETS		1,124,571	1,061,414
LIABILITIES			
Current liabilities			
Trade and other payables	5.3	28,595	18,115
Interest bearing liabilities	6.1	44,000	11,750
Lease liabilities	6.1	278	293
Employee benefits provision	3.1.2	5,904	5,871
Total current liabilities		78,777	36,029
Non-current liabilities			
Trade and other payables	5.3	711	442
Interest bearing liabilities	6.1	94,250	76,250
Lease liabilities	6.1	1,937	2,366
Employee benefits provision	3.1.2	470	378
Net deferred tax liabilities	8.2	183,989	183,225
Total non-current liabilities		281,357	262,661
TOTAL LIABILITIES		360,134	298,690
NET ASSETS		764,437	762,724
EQUITY			
Contributed capital		265,257	265,316
Physical asset revaluation reserve		364,189	364,492
Accumulated surplus		134,991	132,916
TOTAL EQUITY		764,437	762,724

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity for the financial year ended 30 June 2025

	Contributed capital \$'000	Physical Asset Revaluation Reserve \$'000	Accumulated Surplus \$'000	Total \$'000
Balance at 1 July 2023	265,316	364,619	137,654	767,589
Net result for the period	-	-	(4,738)	(4,738)
Other comprehensive loss	-	(127)	-	(127)
Total comprehensive income	-	(127)	(4,738)	(4,865)
Balance at 30 June 2024	265,316	364,492	132,916	762,724
Balance at 1 July 2024	265,316	364,492	132,916	762,724
Net result for the period	-	-	2,075	2,075
Other comprehensive loss	-	(303)	-	(303)
Total comprehensive income	-	(303)	2,075	1,772
Transactions with the State in its capacity as owner				
Capital contribution	500	-	-	500
State efficiency dividend payment	(559)	-	-	(559)
Balance at 30 June 2025	265,257	364,189	134,991	764,437

The statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows for the financial year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts			
Service and usage charges/Revenue from contracts with customers		78,834	71,230
Interest received		55	48
Goods and services tax received from the ATO		9,584	6,556
Other receipts		2,526	3,230
Developer contribution fees		7,713	3,869
Receipts from government		1,034	1,137
Total receipts		99,746	86,070
Payments			
Payments to suppliers and employees		(67,690)	(66,711)
Goods and Services Tax paid to the ATO		(553)	(176)
Interest and other cost of finance paid		(5,780)	(3,747)
Environmental contribution levy paid		(3,191)	(2,998)
Payments for low-value asset leases		(194)	(216)
Total payments		(77,408)	(73,848)
Net cash flows from/(used in) operating activities		22,338	12,222
Cash flows from investing activities			
Payments for infrastructure, property, plant and equipment		(72,015)	(33,998)
Payments for intangible assets		(576)	(964)
Payments for biological assets		(110)	(51)
Proceeds from sale of infrastructure, property, plant & equipment		74	492
Net cash flows from/(used in) investing activities		(72,627)	(34,521)
Cash flows from financing activities			
Repayment of borrowings		(6,500)	(4,000)
Proceeds from borrowings		56,750	27,750
Repayment of principal element of lease liability		(309)	(297)
State efficiency dividends payment		(559)	-
Net cash flows from/(used in) financing activities		49,382	23,453
Net increase/(decrease) in cash held		(907)	1,154
Cash and deposits at the beginning of the financial year		1,306	152
Cash and deposits at the end of the financial year	6.3	399	1,306

The cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1 | Basis of Preparation

1.1 Basis of preparation

A description of the nature of operations and the Corporations principle activities is included in the report of operations, which does not form part of these financial statements.

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

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

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

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

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Corporation. Capital grants which have been designated as contributions by owners are recognised as contributed capital. Other

transfers that are in the nature of distributions to or contributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

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

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

The financial statements were prepared on a going concern basis. The Board considered this view notwithstanding the net current asset deficiency as at 30 June 2025 of \$52.5 million (2024: \$12.8 million). The net deficiency includes \$44 million of short term borrowings, \$32 million of which is sitting the Corporation's short term on call facility with TCV. This debt will be transferred into fixed term loans within the first quarter of 2025-26. The deficiency also includes \$5.9 million of current employee leave provisions of which \$0.9 million is expected to be settled in the

2025-26 financial year. Operating budgets prepared for the 2025-26 Corporate Plan indicate that the entity is expected to achieve an operating deficit of \$4.9 million for 2025-26. Despite this, the Corporation is forecasting to maintain cashflows from operations of \$16.5 million for 2025-26. The Corporation is also monitoring key financial sustainability cash and borrowing related indicators as part of its corporate performance scorecard. In addition, the Corporation has borrowing approval from Department of Treasury and Finance to help fund the capital expenditure program. On this basis the Board believe the going concern basis is appropriate for preparation of the financial statements.

Compliance information

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

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

2 | Funding delivery of our services

Introduction

This section provides additional information about how North East Water is funded and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

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

Structure

- 2.1** Revenue from contracts with customers
 - 2.1.1** Revenue from service, usage and trade waste charges
 - 2.1.2** Developer contributions
 - 2.1.3** Other revenue
- 2.2** Government grants and contributions

2.1 Revenue from contracts with customers

North East Water 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 contract liability. Where the performance obligations are satisfied but not yet billed, a contract asset is recorded.

		2025 \$'000	2024 \$'000
Revenue from contracts with customers			
Service, usage and trade waste charges	2.1.1	80,249	73,901
Developer contributions	2.1.2	14,934	11,611
Other revenue	2.1.3	3,835	2,847
Total revenue from contracts with customers		99,018	88,359

2.1.1 Revenue from service, usage and trade waste charges

		2025 \$'000	2024 \$'000
Service, usage and trade waste charges			
Water service charges		16,007	15,313
Wastewater service charges		15,483	14,722
Water usage charges		43,051	38,008
Trade waste charges		5,708	5,858
Total service, usage and trade waste charges revenue		80,249	73,901

Revenue from service, usage and trade waste charges is determined to be in accordance with AASB 15 *Revenue from Contracts with Customers* (AASB 15).

North East Water has an ongoing obligation to provide a continuous supply of water and sewerage services to our customers in our service area and so, customers simultaneously receive and consume benefits in line with North East Water performing its obligation. Therefore, service and usage charges are recognised over time.

Service charges are billed quarterly in arrears based on a fixed charge for access to water and wastewater services provided to customers. Revenue is recognised over time as the customer simultaneously receives and consumes the services provided by North East Water.

Usage charges are billed quarterly in arrears and revenue is recognised over time as North East Water has the right to receive an amount of consideration based on the unit of water consumed by and trade waste disposed of during the financial year and the regulated price.

At balance date, any portion of service charges that is billed in advance and the performance obligation is not satisfied, is recognised as contract liabilities (refer Note 5.3). The charges for fully satisfied performance obligations that are unbilled at year end that are estimated and contract assets are recognised (refer Note 5.1).

2.1.2 Developer contributions

	2025 \$'000	2024 \$'000
Developer contributed assets	10,650	7,742
New customer contributions	4,284	3,869
Total developer contributions	14,934	11,611

Developer contributed assets arise where developers pay for the cost of construction of new assets and subsequently gift these assets to North East Water, which maintains them in perpetuity. Revenue from developer contributed assets is recognised at a point in time when North East Water has satisfied its performance obligation. Depending on the type of developer application, this can result in the performance obligation being satisfied:

- when the Statement of Compliance is issued to the customer, or
- when the customer is connected to the Corporation's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued.

Revenue is recognised at the fair value of the gifted assets by assessing the value of the works using schedule of rates.

All performance obligations were satisfied during the financial year and therefore no corresponding contract assets or liabilities have been recognised at balance date.

New customer contributions represent charges levied on developers to recover the costs of augmenting or constructing infrastructure assets to meet the future demands of urban growth. Developers are required to make a fair and reasonable contribution towards the cost of developing North East Water's water supply distribution systems and wastewater disposal systems.

Revenue is recognised at the point in time when North East Water has satisfied its performance obligation when either:

- a Statement of Compliance is issued to the customer, or
- the customer is connected to North East Water's network for the provision of water and wastewater services, or
- the customer receives consent from North East Water to connect to the Corporation's network.

The point in time when the Corporation satisfies its performance obligation will vary depending on the type of application submitted by the customer.

Rates applicable to developer cash contributions are regulated by the Essential Services Commission.

All performance obligations were satisfied during the financial year and therefore no corresponding contract assets or liabilities have been recognised at balance date.

2.1.3 Other revenue

	2025 \$'000	2024 \$'000
Lucerne hay and biological asset sales	1,205	1,058
Temporary water sales	898	106
Water and wastewater plumbing fees	965	949
Other administration fees	767	734
Total other revenue	3,835	2,847

Revenue from the sale of produce and biological assets is recognised at a point in time when the trade occurs, triggering the performance obligation by North East Water.

Revenue from temporary water sales is recognised at a point in time when the trade occurs, triggering the performance obligation by North East Water.

Revenue from water and wastewater plumbing fees is recognised at a point in time when North East Water

has completed its performance obligation. These fees and charges represent a variety of services provided by North East Water such as making new connections or alterations to the Corporation's water and wastewater network.

Other administration fees are recognised as revenue at a point in time on completion of North East Water's contractual obligations and consist mainly of one-off charges for services provided.

2.2 Government grants and contributions

	2025 \$'000	2024 \$'000
Revenue recognised as revenue from contracts with customers		
Other specific purpose grants	1,398	75
Total government grants and contributions	1,398	75

Grants recognised under AASB 15

North East Water has determined that all grant revenue is recognised as revenue from contracts with customers in accordance with AASB 15 and have enforceable and sufficiently specific performance obligations. 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.

Grants recognised under AASB 1058

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised under AASB 1058 when North East Water has an unconditional right to receive cash which usually

coincides with receipt of cash. On initial recognition of the asset, North East Water recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004 Contributions;
- 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 Asset.

3 | The cost of delivering our services

Introduction

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

Structure

- 3.1** Employee benefits
 - 3.1.1** Employee benefits – comprehensive operating statement
 - 3.1.2** Employee benefits provision - balance sheet
- 3.2** Direct operational expenses
- 3.3** Repairs and maintenance
- 3.4** Other operating expenses
- 3.5** Net finance costs

3.1 Employee benefits

3.1.1 Employee benefits – comprehensive operating statement

	2025 \$'000	2024 \$'000
Employee benefits expense		
Salary and wages	21,788	20,894
Annual leave	1,632	1,645
Long service leave	464	567
Payroll tax	471	523
Employer superannuation contributions	2,536	2,455
Other	559	456
Total employee benefit costs	27,450	26,540

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

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

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

members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Corporation is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.1.2 Employee benefits provision - balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, 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.

	2025 \$'000	2024 \$'000
Current provisions:		
Employee benefits		
Annual leave		
Unconditional and expected to settle within 12 months	282	320
Unconditional and expected to settle after 12 months	1,560	1,530
Long service leave		
Unconditional and expected to settle within 12 months	505	430
Unconditional and expected to settle after 12 months	2,760	2,821
Provisions for on-costs		
Unconditional and expected to settle within 12 months	123	113
Unconditional and expected to settle after 12 months	674	657
Total current provisions for employee benefits	5,904	5,871
Non-current provisions:		
Long service leave - conditional	407	328
On-costs	63	50
Total non-current provisions for employee benefits	470	378
Total provisions for employee benefits	6,374	6,249

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are all recognised in the provision for employee benefits as 'current liabilities', because North East Water does not have an unconditional right to defer settlements of these liabilities.

The components of this liability are measured at:

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

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

On-costs

On costs, such as payroll tax, superannuation and workers' compensation insurance, are recognised as liabilities when the employment to which they relate has occurred. They are not employee benefits and are to be disclosed separately from provisions for employee benefits.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL (representing 7 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability, even where North East Water does not expect to settle the liability within 12 months because it will 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 - if North East Water expects to wholly settle within 12 months; or
- Present value - if North East Water does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

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

3.2 Direct operational expenses

	2025 \$'000	2024 \$'000
Water purchases	1,067	1,038
Electricity	5,154	4,433
Chemicals	2,191	2,363
Water testing and sampling	1,007	1,053
Mobile plant running costs	935	994
Other operating items	4,239	4,230
Total direct operational expenses	14,593	14,112

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

3.3 Repairs and maintenance

	2025 \$'000	2024 \$'000
Direct water	2,855	3,085
Direct wastewater	2,571	2,470
Total repairs and maintenance	5,426	5,555

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated.

3.4 Other operating expenses

	2025 \$'000	2024 \$'000
Decommissioning costs	46	529
Credit loss allowance	385	211
Consultancies	4,536	5,879
Licence fees	3,010	2,802
Staff training and travel	496	498
Postage and account printing	639	542
Meter reading and replacement	775	713
Low-value asset lease payments	172	186
Other supplies and services	3,396	3,719
Total other operating expenses	13,455	15,079

Other operating expenses are recognised as an expense in the reporting period in which they are incurred. Short-term leases with a lease term of less than 12 months and low-value leases with an underlying assets fair value of less than \$10,000 are recognised as an expense in the reporting period in which they are incurred.

3.5 Net finance costs

	2025 \$'000	2024 \$'000
Interest income	55	47
Interest on loans	(4,934)	(3,224)
Financial accommodation levy	(767)	(465)
Interest on lease liability	(63)	(78)
Net finance costs	(5,709)	(3,720)

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

Finance costs includes costs incurred in connection with the borrowing of funds including interest on bank overdrafts, short term and long-term borrowings and lease charges.

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

Financial accommodation levy is a levy applied to the Corporation to remove the market advantage that government entities may experience in borrowings as a result of being guaranteed by the State of Victoria. The financial accommodation levy is a commercial rate charged for new borrowings based on the Corporation's underlying credit rating and is paid into the State's Consolidated Fund in accordance with section 40N of the *Financial Management Act 1994* in respect of financial accommodation provided to the Corporation by the State Government of Victoria.

Interest expense is recognised in the period in which it is incurred and measured at fair value.

4 | Key assets available to support output delivery

Introduction

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

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

- 4.1** Total infrastructure, property, plant and equipment
 - 4.1.1** Depreciation and impairment
 - 4.1.2** Reconciliation of movements in carrying value of infrastructure, property, plant and equipment
- 4.2** Intangible assets

4.1 Total infrastructure, property, plant and equipment

	2025 \$'000	2024 \$'000
Land		
At Fair Value	48,456	48,456
At Cost	5,692	5,334
	54,148	53,790
Buildings		
At Fair Value	13,348	13,348
At cost	744	59
Less: Accumulated depreciation	(826)	(423)
	13,266	12,984
Water infrastructure		
At Fair Value	187,763	188,602
At cost	22,834	14,602
Less: Accumulated depreciation	(13,151)	(6,883)
	197,446	196,321
Water reticulation		
At Fair Value	289,496	290,255
At cost	20,631	13,420
Less: Accumulated depreciation	(11,544)	(5,872)
	298,583	297,803
Wastewater infrastructure		
At Fair Value	142,612	145,199
At cost	42,532	27,552
Less: Accumulated depreciation	(9,846)	(5,448)
	175,298	167,303
Wastewater reticulation		
At Fair Value	242,029	242,064
At cost	27,630	18,510
Less: Accumulated depreciation	(10,466)	(5,190)
	259,193	255,384
Plant, equipment and motor vehicles		
At Fair Value	23,030	21,350
Less: Accumulated depreciation	(16,053)	(15,052)
	6,977	6,298

	2025 \$'000	2024 \$'000
Work in progress		
At Cost	80,804	34,752
Total infrastructure, property, plant and equipment	1,085,715	1,024,635

Right-of-use assets have not been included in the table above. Refer to section 6.2.

Initial recognition

Infrastructure, property, plant and equipment represent non-current physical assets comprising land, buildings, water and sewerage infrastructure, plant, equipment and motor vehicles used by North East Water in its operations. Items with a cost or value in excess of \$1,000 (2024: \$1,000) and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

Items of infrastructure, property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction.

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

The accounting policy relating to right-of-use assets have been disclosed in section 6.2.

Subsequent measurement

Infrastructure, property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. 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). Refer to Note 7.3 for fair value disclosures.

Revaluation of infrastructure, property, plant and equipment

Revaluations are conducted in accordance with Financial Reporting Direction 103 Non-Financial Physical Assets (FRD 103). Scheduled revaluation is undertaken every five years with an annual assessment of fair value to determine if it is materially different to the carrying value. If the difference to carrying value is greater than 10 per cent, a management revaluation is undertaken while a movement greater than 40 per cent will normally involve an Approved Valuer (usually the Valuer General of Victoria - VGV) to perform detailed assessment of the fair value. The Corporation assets relating to land, buildings and infrastructure assets were independently valued by the VGV as at 30 June 2021.

The Corporation conducted a fair value assessment using the land and building indices provided by the Valuer General Victoria as at 30 June 2025. No material movement was identified in respect to building and infrastructure assets, compared to the 2024 valuation.

Revaluation increments are credited directly to equity in the asset revaluation reserve surplus/(deficit), except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in determining the net result, the increment is recognised as revenue in determining the net result.

Revaluation decrements are recognised immediately as an expense in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited to the asset revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class of infrastructure, property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

An asset revaluation surplus is not transferred to accumulated funds on de-recognition of the related asset.

4.1.1 Depreciation and impairment

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life, commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

The accounting policy relating to right-of-use assets has been disclosed in section 6.2.1.

Typical estimated useful lives for the different asset classes are included in the table below:

	Useful life: years 2024-2025	Useful life: years 2023-2024
Buildings		
Buildings	25-60 years	25-60 years
Buildings - Leasehold improvements	10 years	10 years
Infrastructure		
Water		
Storages	15 – 350 years	15 – 350 years
Reticulation network	50 – 110 years	50 – 110 years
Pump stations	10 – 75 years	10 – 75 years
Treatment plants	10 – 120 years	10 – 120 years
Wastewater		
Storages	15 – 350 years	15 – 350 years
Reticulation network	50 – 100 years	50 – 100 years
Pump stations	10 – 75 years	10 – 75 years
Treatment plants	10 – 80 years	10 – 80 years
Plant & Equipment		
Equipment	5 – 30 years	5 – 30 years
Machinery	10 years	10 years
Furniture & computers	1 – 10 years	1 – 10 years
Motor vehicles	5 years	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. The impacts of the current economic climate and climate-related emerging risks were considered when estimating the useful life of these assets.

Impairment

Non-financial assets, including items of Infrastructure, Property, Plant and Equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off, except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

4.1.2 Reconciliation of movements in carrying value of infrastructure, property, plant and equipment

	Land	Buildings and leasehold improvements	Water infrastructure	Water reticulation	Wastewater infrastructure	Wastewater reticulation	Plant, equipment and motor vehicles	Work in progress	Total
Balance at 1 July 2024									
Gross carrying amount at cost	5,334	59	14,602	13,420	27,552	18,510	-	34,752	114,229
Gross carrying amount at fair value	48,456	13,348	188,602	290,255	145,199	242,064	21,350	-	949,274
Accumulated depreciation	-	(423)	(6,883)	(5,872)	(5,448)	(5,190)	(15,052)	-	(38,868)
Opening net book value at 1 July 2024	53,790	12,984	196,321	297,803	167,303	255,384	6,298	34,752	1,024,635
Additions	-	-	-	-	-	-	-	78,065	78,065
Disposals / Derecognition	-	-	(109)	(2)	(282)	-	(26)	-	(419)
Transfers between categories	358	685	8,233	3,314	14,476	2,872	2,075	(32,013)	-
Contributed assets	-	-	-	3,896	506	6,248	-	-	10,650
Impairment of assets	-	-	(183)	(227)	-	(23)	-	-	(433)
Depreciation	-	(403)	(6,816)	(6,201)	(6,705)	(5,288)	(1,370)	-	(26,783)
Carrying amount at 30 June 2025	54,148	13,266	197,446	298,583	175,298	259,193	6,977	80,804	1,085,715
Total as at 30 June 2025 represented by:									
Cost	5,692	744	22,834	20,631	42,532	27,630	-	80,804	200,867
Fair value	48,456	13,348	187,763	289,496	142,612	242,029	23,030	-	946,734
Accumulated depreciation	-	(826)	(13,151)	(11,544)	(9,846)	(10,466)	(16,053)	-	(61,886)
Net book value as at 30 June 2025	54,148	13,266	197,446	298,583	175,298	259,193	6,977	80,804	1,085,715

4.2 Intangible assets

	Permanent water entitlements	Computer software	Large scale generation certificates	Total
Balance at 1 July 2024				
Cost of fair value	8,529	10,185	19	18,733
Accumulated amortisation	-	(7,702)	-	(7,702)
Opening net book amount	8,529	2,483	19	11,031
Additions	-	205	-	205
Impairment of assets	-	-	-	-
Amortisation	-	(654)	-	(654)
Other movements	-	-	-	-
Carrying amount	8,529	2,034	19	10,582
Total as at 30 June 2025 represented by:				
Cost of fair value	8,529	10,390	19	18,938
Accumulated amortisation	-	(8,356)	-	(8,356)
Carrying amount	8,529	2,034	19	10,582

Recognition

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

Subsequent expenditure

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

Large-scale Generation Certificates

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

Permanent water entitlements purchased after June 2004 are treated as an intangible asset on the Balance Sheet at cost (in accordance with AASB 138 Intangible Assets and FRD 109 Intangible Assets), and will not be subject to amortisation, as the permanent water entitlements have an indefinite life. Permanent entitlements purchased after June 2004 will be tested annually for impairment. Bulk permanent water entitlements prior to June 2004 are not recorded on the Balance Sheet as an intangible asset, as they cannot be reliably measured.

Software costs

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

Amortisation

Intangible assets with finite useful lives are amortised as an expense on a systematic basis (typically straight-line), commencing from the time the asset is available for use (when it is in the location and condition necessary for it to be capable of operating in the manner intended by management). The amortisation periods are reviewed and adjusted if appropriate at each balance date. Intangible assets with indefinite useful lives are not amortised.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

	Useful life: years
Intangible assets	
Software	3 – 5 years

There have been no changes to typical estimated useful lives for the above assets classes since June 2024.

Impairment of intangible assets

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

Software as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Corporation with the right to access the cloud provider’s application software over the contract period. As such the Corporation does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier’s software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others’ access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as other expense (Note 3.4) over the term of the service contract	• Fee for use of application software
Recognise as other expense (Note 3.4) as the service is received	• Configuration costs • Data conversion and migration costs • Testing costs • Training costs

The Corporation made the following key judgements that may have the most significant effect on the amounts recognised in the financial statements.

Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud provider’s application software are recognised as operating expenses as the costs do not meet the recognition criteria under AASB 138 *Intangible Assets*.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software.

1. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront).
2. Non-distinct configuration and customisation costs are recognized as prepayments then expensed over the SaaS contract term.

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, the Corporation has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

5 | Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from North East Water operations.

Structure

- 5.1 Receivables
- 5.2 Biological Assets
- 5.3 Trade and other payables
- 5.4 Other non-financial assets

5.1 Receivables

	2025 \$'000	2024 \$'000
Current		
Contractual		
Service and usage charges	10,417	8,931
Loans to third parties	9	12
Allowance for expected credit losses	(663)	(486)
Other receivables	554	472
Contract assets	11,511	10,141
	21,828	19,070
Statutory		
GST input tax credit recoverable	1,859	813
Total current receivables	23,687	19,883
Non-current		
Contractual		
Loans to third parties	82	98
Total non-current receivables	82	98
Total receivables	23,769	19,981

The contract assets primarily relate to the Corporation's rights to consideration for work completed but not billed at the reporting date.

Contractual receivables are classified as financial assets at amortised cost. They are initially recognised at fair value plus any directly attributable transaction cost. The Corporation holds the contractual receivables with the objective to collect the contractual cash flows and

therefore subsequently measures them at amortised cost using the effective interest method, less any impairment.

Statutory receivables are not classified as financial instruments as they do not arise from contracts. They are recognised and measured similar to contractual receivables.

Contract assets represents an estimation of unbilled service and usage charges, calculated by multiplying the number of days since the last reading by each customer's average service usage. This estimation is made at the end of each accounting period in respect of meters which have not been read at balance date and will be billed in the following accounting period. 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 Corporation issues a bill to the customer.

Impairment of contractual receivables

The loss allowances for trade receivables and contract assets are based on assumptions about risk of default and expected loss rates. The expected loss rates applied as at 30 June 2025 vary from 0.94% for receivables that are more than 30 days past due to 16.77% for receivables that are more than 120 days past due (2024: 1.3% to 15.2%)

Contractual receivables at amortised cost

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

Credit loss allowance is classified as other economic flows in the net result (refer to Note 9.1). Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Statutory receivables at amortised cost

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

5.2 Biological assets

Biological assets comprise produce and livestock. Their quantities and measurement bases are disclosed below.

Biological asset	Measurement basis	Quantities		Carrying amount	
		2025	2024	2025 \$'000	2024 \$'000
Produce	Tonne	357	375	69	64
Livestock	Headcount	1,953	1,385	1,329	920
Total carrying amount				1,398	984

Biological assets are measured at fair value less costs to sell, with any changes recognised in the comprehensive operating statement- other economic flows. Costs to sell include all costs that would be necessary to sell the assets, including freight and direct selling costs.

The fair value of a biological asset is based on its present location and condition. If an active market exists for a biological asset in its present location and condition, the quoted price in that market is the

appropriate basis for determining the fair value of that asset. Where access exists to different markets then the most relevant market is referenced.

In the event that market determined prices or values are not available for a biological asset in its present condition, the present value of the expected net cash flows from the asset, discounted at a current market determined rate is utilised to determine fair value. Refer to Note 7.3 for fair value disclosures.

Reconciliation of movement in carrying amounts

	2025 \$'000	2024 \$'000
Livestock		
Carrying amount at beginning of period	920	1,006
Increases due to natural increase	319	242
Increases due to purchases	109	51
Increase due to fair value adjustment	486	336
Decreases attributable to deaths	(23)	(39)
Decreases attributable to sales	(482)	(676)
Carrying amount at end of period	1,329	920

5.3 Trade and other payables

	2025 \$'000	2024 \$'000
Current		
Contractual		
Trade creditors	12,048	6,025
Accrued expenses	8,918	6,791
Deposits and retentions	884	1,119
Contract liabilities	6,745	4,180
Total current payables	28,595	18,115
Non-current		
Contractual		
Deposits and retentions	711	442
Total non-current payables	711	442
Total trade and other payables	29,306	18,557

Trade and other payables consist of:

- Contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to North East Water prior to the end of the financial year that are unpaid; and
- Statutory payables, that 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 contracts.
- Contract liabilities primarily relate to service and usage charges and grant funding paid in advance where the performance obligation is yet to be performed by the Corporation to settle the terms of receipt of revenue. The Corporation will recognise these advance payments as revenue once it has performed the performance obligation associated with the payment.

Payables for supplies and services have an average credit period of 30 days.

5.4 Other non-financial assets

	2025 \$'000	2024 \$'000
Current other assets		
Prepayments	782	1,047
Total current other non-financial assets	782	1,047
Non-current		
Security deposits	76	76
Total non-current other non-financial assets	76	76
Total other assets	858	1,123

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period. This primarily includes IT software maintenance agreements and operating lease payments.

Security deposits represents North East Water's contribution in a Virtual Generation Agreement for electricity produced at the Ararat Wind Farm.

6 | How we financed our operations

Introduction

This section provides information on the sources of finance utilised by North East Water during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of North East Water.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional financial instrument disclosures.

Structure

- 6.1** Interest bearing liabilities
 - 6.1.1** Maturity of borrowings
- 6.2** Leases
 - 6.2.1** The Corporation's leasing activities and how these are accounted for
 - 6.2.2** Right-of-use assets
 - 6.2.3** Amounts recognised in the comprehensive operating statement
 - 6.2.4** Future lease payments
- 6.3** Cash flow information and balances
- 6.4** Commitments for expenditure

6.1 Interest bearing liabilities

	2025 \$'000	2024 \$'000
Current interest-bearing liabilities		
Loans from Treasury Corporation Victoria ⁽ⁱ⁾	44,000	11,750
Lease liabilities ⁽ⁱⁱ⁾	278	293
Total current interest-bearing liabilities	44,278	12,043
Non-current interest-bearing liabilities		
Loans from Treasury Corporation Victoria ⁽ⁱ⁾	94,250	76,250
Lease liabilities ⁽ⁱⁱ⁾	1,937	2,366
Total non-current interest-bearing liabilities	96,187	78,616
Total interest-bearing liabilities	140,465	90,659

⁽ⁱ⁾ In accordance with the Borrowing and Investment Powers Act 1987, borrowings are sourced from the Treasury Corporation of Victoria and secured by the Treasurer in the form of government guarantee.

⁽ⁱⁱ⁾ Secured by the assets leased.

Loans are sourced from the Treasury Corporation of Victoria (TCV) and secured by the Treasurer in the form of a government guarantee. They are classified as a financial instrument and are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the initial amount recognised (net of transaction costs) and the redemption amount is recognised in the comprehensive operating statement over the period of the interest bearing liabilities, using the effective interest method.

North East Water has classified borrowings which mature within 12 months as non-current liabilities on the basis that the entity will and has discretion to refinance or rollover these loans with the TCV, pursuant to section 8 of the *Borrowings and Investment Powers Act 1987*. Borrowings known as 11am debt are classified as current borrowings.

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

6.1.1 Maturity of borrowings

	Carrying amount	Nominal amount	Maturity dates				
	\$'000	\$'000	Less than 1 month \$'000	1-3 month \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	5+ years \$'000
30 June 2025							
Loans from TCV ⁽ⁱ⁾	138,250	138,250	32,000	2,000	10,000	48,000	46,250
Lease liabilities	2,215	2,848	29	45	204	628	1,309
Total interest bearing liabilities	140,465	141,098	32,029	2,045	10,204	48,628	47,559
30 June 2024							
Loans from TCV ⁽ⁱ⁾	88,000	88,000	5,250	-	6,500	36,000	40,250
Lease liabilities	2,659	3,445	22	51	220	759	1,607
Total interest bearing liabilities	90,659	91,445	5,272	51	6,720	36,759	41,857

⁽ⁱ⁾ Loans from TCV payable within less than 1 month represent borrowings in the Corporation's short term 11am facility. These borrowings were not repaid and remained in this facility until transferred into fixed term loans.

6.2 Leases

6.2.1 The Corporation's leasing activities and how these are accounted

Recognition and measurement of leases as a lessee

North East Water leases various parcels of land, buildings and equipment. Rental contracts are typically made for fixed periods of 3 to 10 years, but may have extension options as described below. Leases for IT equipment typically have contract periods of 3 years. North East Water has elected not to recognise leases of IT equipment with low-value assets of less than \$10,000.

At 30 June 2025 the Corporation was committed to short term and/or leases of low value assets and the total committed to that date was \$261,000.

Contracts may contain both lease and non-lease components. North East Water allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Corporation is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Corporation applies the revaluation model in AASB 116 to right-of-use assets that relate to a class of infrastructure, property, plant and equipment. The revaluation model is applied to all of the right-of-use assets that relate to that class of infrastructure, property, plant and equipment.

Short-term leases and leases of low-value assets

The Corporation has elected to account for short-term leases and leases of low-value assets using the practical expedients. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the comprehensive operating statement. Short-term leases are leases with a lease term of 12 months or less and low-value assets have individual values less than \$10,000 when new.

Extension and termination options

Extension and termination options are included in a number of North East Water leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by North East Water and not by the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, North East Water considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was nil.

Peppercorn leases and asset valuation

In December 2018, the Australian Accounting Standards Board provided temporary relief from the requirement to measure right-of-use assets from peppercorn (or "concessionary") leases to fair value at initial recognition and subsequent measurement. Entities that apply this temporary exemption may recognise right-of-use assets at cost. North East Water does not have any peppercorn leases.

Definition of a lease

For any new contracts entered into on or after 1 July 2019, the Corporation considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Corporation assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Corporation and for which the supplier does not have substantive substitution rights;
- Whether the Corporation has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Corporation has the right to direct the use of the identified asset throughout the period of use; and
- Whether the Corporation has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Lease Liability – initial measurement

Assets and liabilities arising from a lease are initially measured at the present value of the lease payment unpaid at the commencement date, discounted using the interest rate implicit in the lease if the rate is readily determinable or the Corporation's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Each lease payment is allocated between the liability and interest expense. The interest expense is charged to the comprehensive operating statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease payments are discounted using the interest rate implicit in the lease or the Corporation's incremental borrowing rate. Treasury Corporation of Victoria (TCV)/Department of Treasury's (DTF) calculator is used to determine incremental borrowing rate.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification or to reflect revised in-substance fixed lease payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the asset is already reduced to zero.

North East Water is exposed to future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising from:

- variable lease payments;
- extension options and termination options;
- residual value guarantees; and
- leases not yet commenced to which the lessee is committed.

6.2.2 Right-of-use assets

The following tables are subsets of land, building, plant and equipment and vehicles by right of use assets.

	Land	Buildings	Equipment	Infrastructure	Total
Year ended 30 June 2025					
Balance at 1 July 2024					
Cost	2,376	858	124	219	3,577
Accumulated depreciation	(677)	(318)	(95)	(133)	(1,223)
Carrying amount at beginning of year	1,699	540	29	86	2,354
Depreciation expense	(141)	(149)	(23)	(27)	(340)
Other movements	(157)	(8)	-	1	(164)
Carrying amount at end of year	1,401	383	6	60	1,850
Total as at 30 June 2025 represented by:					
Cost	2,219	850	68	219	3,356
Less: Accumulated depreciation	(818)	(467)	(62)	(159)	(1,506)
Carrying amount at end of year	1,401	383	6	60	1,850

6.2.3 Amounts recognised in the comprehensive operating statement

	2025 \$'000	2024 \$'000
Interest expense on lease liabilities (included in finance costs)	63	78
Depreciation of Right of Use assets	340	312
Expense relating to low-value leases	172	186

6.2.4 Future lease payments

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

	2025 \$'000	2024 \$'000
Less than one year	401	393
One to five years	1,311	1,400
More than five years	1,742	1,998
Total future lease payments	3,454	3,791

6.3 Cash flow information and balances

	2025 \$'000	2024 \$'000
Cash on hand	3	3
Cash at bank	396	1,303
Balance as per cash flow statement	399	1,306

Cash including cash equivalents, comprise cash on hand and cash at bank and deposits at call which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

6.4 Commitments for expenditure

Commitments for future expenditure shown below include operating and capital commitments arising from contracts. These 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.

Total commitments payable

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Nominal Amounts: 2025				
Capital expenditure commitments	56,234	-	-	56,234
Right-of-use asset lease commitments payable	401	1,311	1,742	3,454
Other commitments payable	1,697	3,776	-	5,473
Total commitments (inclusive of GST)	58,338	5,087	1,742	65,161
Less GST recoverable	5,303	462	158	5,924
Total commitments (exclusive of GST)	53,029	4,625	1,584	59,237
	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Nominal Amounts: 2024				
Capital expenditure commitments	87,474	28,294	-	115,768
Right-of-use asset lease commitments payable	393	1,400	1,998	3,791
Other commitments payable	1,617	3,655	-	5,272
Total commitments (inclusive of GST)	89,484	33,349	1,998	124,831
Less GST recoverable	8,135	3,032	182	11,348
Total commitments (exclusive of GST)	81,349	30,317	1,816	113,483

7 | Risks, contingencies and valuation judgements

Introduction

North East Water 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 high level of judgement to be applied, which for North East Water related mainly to fair value determination.

Structure

- 7.1** Financial instruments specific disclosures
 - 7.1.1** Financial instruments: Categorisation
- 7.2** Contingent assets and contingent liabilities
- 7.3** Fair value
 - 7.3.1** Fair value determination

7.1 Financial instruments specific disclosure

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.

These financial instruments include:

Financial assets	Financial liabilities
Cash and cash equivalents	Payables: Supplies and services Deposits and retentions
Receivables: Service and usage charges Loans to third parties Other receivables	Borrowings: Loans from TCV Lease liabilities

Due to the short-term nature of the financial assets and liabilities held by North East Water, their carrying value is assumed to approximate their fair value.

Classification of financial instruments under AASB 9

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market.

Financial assets are initially measured at fair value plus or minus any direct transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest

The following assets are held with the objective to collect the contractual cash flows:

- cash and cash equivalents
- receivables (excluding statutory receivables)

Financial liabilities are initially recognised at fair value, plus or minus any directly attributable transaction costs subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount

and the redemption value being recognised in the comprehensive operating statement, over the period of the interest bearing liability, using the effective interest rate method. North East Water recognises the following liabilities:

- Payables (excluding statutory payables)
- Borrowings (including lease liabilities).

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
- North East Water retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- North East Water has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where North East Water has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of North East Water's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

7.1.1 Financial instruments: Categorisation

All financial assets and financial liabilities of North East Water are measured at amortised cost in line with AASB 9 Financial Instruments.

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

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.

A number of Victorian water corporations engaged with the ATO in 2023 seeking an administrative ruling on the taxation treatment of gifted assets as a result of *Victoria Power Networks Pty Ltd v Commissioner of Taxation* [2020]. In May 2025 the ATO issued a tailored compliance engagement (TCE) arrangement letter to the participating Water Corporations that the proposed tax treatment and the amendment approach in relation to the historical tax position of the Victorian water authorities disclosed in their relevant NTER returns presents a low tax risk. A number of administrative arrangements are required before this change is adopted therefore no adjustment to the historical tax position has been made in these accounts and the treatment of gifted assets is consistent with the prior year approach.

At reporting date, North East Water is aware of the following material contingent assets not recorded or disclosed in the accounts.

	2025 \$'000	2024 \$'000
Contingent assets		
Contribution of assets to be built by developers in new land subdivisions	4,976	7,152
Total contingent assets	4,976	7,152

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 obligation cannot be measured with sufficient reliability.

At reporting date North East Water have identified a biomass stockpile at the Wangaratta trade waste treatment plant that will require future remediation works. North East Water has previously submitted an Environmental Management Plan (EMP) for the site, which was accepted by the EPA resulting in the revocation of an improvement notice for the site. The Corporation continues to work with the EPA appointed Auditor to manage the risks of the site, which includes additional groundwater monitoring and biosolids stockpile containment. North East Water have engaged a consultant to update the EMP and develop alternative options for containment and disposal of the biomass which will be assessed by the EPA for approval. The final solution and costs for future remediation are not yet known.

7.3 Fair value

Significant judgement: Fair value measurements of assets and liabilities

This section sets out information on how the Corporation determines fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Corporation determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

7.3.1 Fair value determination

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

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

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

2025 and 2024	Valuation technique	Significant unobservable inputs
Specialised Land	Market approach	Community Service Obligations (CSO) Adjustment
Specialised buildings	Current replacement cost	Direct cost per square metre Useful life of specialised buildings
Equipment and office furniture	Current replacement cost	Cost per unit Useful life of equipment an office furniture
Vehicles and major plant	Current replacement cost	Cost per unit Useful life of vehicles
Water infrastructure		
Water mains	Current replacement cost	Cost per metre Useful life of the infrastructure
Water treatment plants	Current replacement cost	Cost per unit Useful life of the infrastructure
Pump stations	Current replacement cost	Cost per unit Useful life of the infrastructure
Tanks	Current replacement cost	Cost per unit Useful life of the infrastructure
Storage basins	Current replacement cost	Cost per unit Useful life of the infrastructure
Reservoirs	Current replacement cost	Cost per unit Useful life of the infrastructure
Wastewater infrastructure		
Wastewater mains	Current replacement cost	Cost per metre Useful life of the infrastructure
Wastewater treatment plants	Current replacement cost	Cost per unit Useful life of the infrastructure
Sewer pump stations	Current replacement cost	Cost per unit Useful life of the infrastructure

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

8 | Statutory obligations

Introduction

This section includes disclosures in relation to North East Water's statutory obligations.

Structure

- 8.1** Income tax
- 8.2** Deferred tax assets and liabilities
- 8.3** Dividends

8.1 Income tax

North East Water is subject to the National Tax Equivalent Regime (NTER), which is administered by the Australian Taxation Office.

The income tax expense or revenue for the period is the expected tax payable or receivable on the current period's taxable income based on the national corporate income tax rate of 30%, adjusted by changes

in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The income tax expense for the financial year differs from the amount calculated on the net result. The differences are reconciled as follows:

	2025 \$'000	2024 \$'000
Comprehensive Operating Statement		
Current tax payable	-	-
Deferred tax relating to temporary differences	894	(2,022)
Income tax reported in the Comprehensive Operating Statement	894	(2,022)
Deferred income tax expense (revenue) included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (refer note 8.2)	3,908	927
(Decrease)/increase in deferred tax liability (refer note 8.2)	(3,014)	(2,949)
Total tax expense	894	(2,022)
Tax reconciliation		
Net result before income tax expense	2,969	(6,760)
Tax at the Australian tax rate of 30% (2024: 30%)	890	(2,028)
Expenditure not allowed for tax purposes	4	5
Income tax reported in Comprehensive Operating Statement	894	(2,022)
Tax expense (income relating to items of other comprehensive income)		
Change in physical asset revaluation surplus	130	55
	130	55

8.2 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. The relevant tax rates are applied to the cumulative amounts deductible and taxable temporary differences to measure the deferred tax asset or liability. 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 these temporary differences and losses.

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

North East Water'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.

Deferred tax assets

	2025 \$'000	2024 \$'000
Amounts recognised in the comprehensive operating statement		
Prior and current tax losses	13,009	17,009
Provisions	1,912	1,875
Trade and other payables	25	23
Trade and other receivables	199	146
Total deferred tax assets	15,145	19,053
Movements:		
Opening balance at 1 July	19,053	19,980
Charged to the comprehensive operating statement	(3,908)	(927)
Charged to equity	-	-
Closing balance at 30 June	15,145	19,053

Deferred tax liabilities

	2025 \$'000	2024 \$'000
Amounts recognised in the comprehensive operating statement		
Property, plant, equipment and infrastructure	45,139	48,266
Livestock	327	214
	45,466	48,480
Amounts recognised directly in equity		
Revaluation of property, plant, equipment and infrastructure	153,668	153,378
Total deferred tax liabilities	199,134	202,278
Movements		
Opening balance at 1 July	202,278	205,282
Charged to the comprehensive operating statement	(3,014)	(2,949)
Charged to equity	(130)	(55)
Closing balance at 30 June	199,134	202,278
Net deferred tax liability	183,989	183,225

8.3 Dividends

North East Water made a capital repatriation payment of \$0.56 million to the Department of Environment, Energy and Climate Action in July 2024, in accordance with the determination made by the Treasurer of Victoria under the *Public Authorities (Dividend) Act 1983*, based on a prescribed percentage of the previous years' adjusted net profit. An obligation to pay a dividend only arises after consultation with the portfolio Minister and the Treasurer and a formal determination is made by the Treasurer.

Refer to note 9.5 for details of a capital repatriation payment to occur subsequent to year end.

9 | Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 9.1** Other economic flows included in net results
- 9.2** Responsible persons
- 9.3** Related Parties
- 9.4** Remuneration of auditors
- 9.5** Events occurring after balance date
- 9.6** Ex-gratia expense
- 9.7** Changes in accounting policies
- 9.8** Australian Accounting Standards issued that are not yet effective

9.1 Other economic flows included in net results

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- the net gain/loss arising from changes in fair value of biological assets

	2025 \$'000	2024 \$'000
Net gain/(loss) on non-financial assets		
Net gain/(loss) arising from changes in fair value of biological assets	486	(5)
Net gain/(loss) on disposal of property, plant and equipment	(342)	(24)
Total gain/(loss) on non-financial assets	144	(29)
Other gains/(losses) from economic flows		
Net gain/(loss) arising from revaluation of long service liability	10	38
Total other gains/(losses) from economic flows	10	38
Total other gains/(losses) from other economic flows	154	9

9.2 Responsible persons

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

Name	Title	Period of appointment
Minister for Water	The Hon. Harriet Shing	1 July 2024 – 18 December 2024
Minister for Water	The Hon. Gayle Tierney	19 December 2024 – 30 June 2025
Managing Director	Joanne Murdoch	1 July 2024 – 30 June 2025
Chair	Stephen Brown	1 July 2024 – 30 June 2025
Acting Chair	Victoria Schmidt	3 October 2024 – 18 October 2024
Acting Chair	Victoria Schmidt	6 May 2025 – 17 May 2025
Director	Rosemary Bissett	1 July 2024 – 30 June 2025
Director	Angela Verde	1 July 2024 – 30 June 2025
Director	Victoria Schmidt	1 July 2024 – 30 June 2025
Director	Maria Topfner-Rigby	1 July 2024 – 30 June 2025
Director	Jonathan Green	1 July 2024 – 30 June 2025
Director	Leanne Mulcahy	1 July 2024 – 30 June 2025
Director	Johnny Murray	1 July 2024 – 30 June 2025
Director	Jennifer Fraser	1 July 2024 – 30 June 2025

Remuneration

Remuneration received or receivable by the Accountable Officers in connection with the management of North East Water during the reporting period is reported in the table below.

	2025	2024
\$10,000 - \$19,999	-	2
\$20,000 - \$29,999	-	2
\$30,000 - \$39,999	6	5
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	1	-
\$350,000 - \$359,999	-	1
\$360,000 - \$369,999	1	-
Total numbers	9	11
Total remuneration (\$'000)	690	669

9.3 Related parties

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

Related parties of North East Water include:

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

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of North East Water directly or indirectly. These persons include the Portfolio Minister the Hon. Gayle Tierney MP, the board of directors, managing director and members of the senior executive team, which included during the year:

- Chair, Stephen Brown
- Director, Rosemary Bissett
- Director, Angela Verde
- Director, Victoria Schmidt
- Director, Maria Topfner-Rigby
- Director, Jonathan Green
- Director, Leanne Mulcahy
- Director, Johnny Murray
- Director, Jennifer Fraser
- Managing Director, Joanne Murdoch
- General Manager Corporate Strategy & Performance, Nicholas Moore
- General Manager Planning and Infrastructure, Guy Wilson-Browne
- General Manager Environment, Systems & Operations, John Day
- General Manager Customers, Community & Culture, Marni Jones
- General Manager Digital & Business Innovation, Lisa Ryan

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

	2025 \$'000	2024 \$'000
Short-term employee benefits	1,930	1,890
Post-employment benefits	220	181
Other long-term benefits	38	39
Total remuneration ^{(a)/(b)}	2,188	2,110

^(a) Note that some Key Management Personnel are also reported in the disclosure of remuneration of executive officers (Note 9.2)

^(b) Executive officer remuneration does not relate to any staff acting on a temporary basis in executive roles, while the substantive executive officer is on paid leave or secondment.

Transactions with key management personnel and other related parties

Given the breadth and depth of North East Water activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. quarterly water bills and other North East Water regulated fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Water Industry Award 2010 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 North East Water, there were no related party transactions that involved key management personnel and their related parties. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Significant transactions with government-related entities

The Corporation received funding and made payments to the following government related entities:

Government entity related payments

		2025 \$'000	2024 \$'000
Entity Name	Description of transaction		
Department of Energy, Environment and Climate Action	Environmental Contribution	3,191	2,998
Department of Energy, Environment and Climate Action	Licensing, monitoring, leasing and valuation fees	162	199
Department of Treasury and Finance	Financial Accommodation Levy	767	405
Department of Treasury and Finance	Other fees and charges	3	3
Essential Service Commission	Water and sewer recovery fee	48	44
Environmental Protection Agency	Wastewater license fees	172	112
Environmental Protection Agency	Other fees and charges	-	72
Treasury Corporation of Victoria	Interest on borrowings	4,955	3,181
Department of Health and Human Services	Safe Drinking Water Levy	29	29
State Revenue Office Victoria	Payroll tax	523	519
State Revenue Office Victoria	Other fees and charges	27	-
Goulburn Murray Water	Bulk entitlement charges	1,080	1,038
Goulburn Murray Water	Other fees and charges	38	34
South East Water	After hours emergency call centre management	98	72
Vic Roads	Registration fees	107	91

Government entity related receipts

		2025 \$'000	2024 \$'000
Entity Name	Description of transaction		
Department of Energy, Environment and Climate Action	Community Rebate Program Funding	75	75
Department of Energy, Environment and Climate Action	Brine Management Project	-	75
Department of Energy, Environment and Climate Action	Aquifer Recharge Project	370	330
Department of Energy, Environment and Climate Action	Flood Recovery Grant	-	210
Department of Energy, Environment and Climate Action	Other Receipts	-	1
Department of Energy, Environment and Climate Action	Enabling IWM in Development	80	-
Emergency Management Victoria	Wodonga Offtake Flood Levee	449	449
Department of Families, Fairness and Housing	Concession rebate reimbursements	4,878	4,954
Gippsland Water	Biochar Trial	27	-
State Revenue Office Victoria	Not-for-profit rebate reimbursements	261	187

Government entity related payables at 30 June 2025

		2025 \$'000	2024 \$'000
Entity Name	Description of transaction		
Department of Energy, Environment and Climate Action	Environmental Contribution	820	750
Department of Treasury & Finance	Financial Accommodation Levy	222	134
Treasury Corporation of Victoria	Floating and fixed term borrowings	138,250	88,000
Environment Protection Authority	License fee	1	-
South East Water	After hours emergency call centre management	7	4

Government entity related receivables at 30 June 2025

		2025 \$'000	2024 \$'000
Entity Name	Description of transaction		
Department of Families, Fairness and Housing	Concession rebate reimbursements	300	278
State Revenue Office Victoria	Not-for-profit rebate reimbursements	261	199

Government entity related treasury activities

		2025 \$'000	2024 \$'000
Entity Name	Description of transaction		
Treasury Corporation of Victoria	Repayment of fixed-term borrowings	(3,750)	(4,000)
Treasury Corporation of Victoria	New fixed-term and on-call borrowings drawn down	50,250	27,750

9.4 Remuneration of auditors

	2025 \$'000	2024 \$'000
Auditor-General's Office – Audit of the financial statements	81	78
Crowe Horwath – Internal audit program	8	50
RSM Australia - Internal audit program	59	-
Moore Australia – Regulatory audit	23	22
Total remuneration of auditors	171	150

9.5 Events occurring after balance date

At balance date, the Corporation was aware of a payment to the value of \$1.12 million to be made to DEECA in October 2025 relating to the Victorian Government's State Efficiency Payment. This payment will be treated as a capital repatriation payment in the 2025-26 financial statements, recognised in contributed capital.

9.6 Ex-gratia expense

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

	2025 \$'000	2024 \$'000
Forgiveness of waiver of debt ^(b)	573	503
Other voluntary payments ^(c)	86	93
Total ex-gratia expenses ^(a)	659	596

^(a) Includes ex-gratia expenses for both individual items and in aggregate that are greater than or equal to \$5,000.

^(b) Includes trade receivable write-offs.

^(c) Includes payments to third party contractors for connection to North East Water sewerage infrastructure and payments towards water saving initiatives.

9.7 Changes in accounting policies

The Corporation applied for the first-time certain standards and/or amendments, which are effective for annual periods beginning on or after 1 July 2024 (unless otherwise stated). The impact has been disclosed in the table below.

Topic	Key requirements	Impact	Effective Date
Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities (AASB 2022-10)	AASB 2022-10 amends AASB 13 <i>Fair Value Measurement</i> to modify the application of AASB 13 in relation to non-financial assets of NFP public sector entities not held primarily for their ability to generate net cash inflows. The highest and best use is presumed to be the asset's current use unless it is classified as held for sale or highly probable the asset will be used for an alternative purpose. A use is financially feasible if market participants would be willing to invest in an asset's service capacity. The Corporation is allowed to use its own assumptions as a starting point when measuring the fair value of the asset if both the market selling price of a comparable asset and market data are unobservable. The standard also provides guidance on the nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence.	Under FRD 103, Appendix F of AASB 13 will be applied in the next full revaluation cycle, scheduled for the 2025-26 reporting period. At this point in time, North East Water is unable to reliably determine the future impact of this amendment. North East Water considers its assets' current use is its highest and best use. During the scheduled revaluation, consideration will be given to economic obsolescence of its infrastructure assets and application of the cost approach, including additional replacement costs such as site demolition and restoration costs.	1 January 2024

9.8 Australian Accounting Standards issued that are not yet effective

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

AASB 17 Insurance Contracts, AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.

The Corporation is currently in the process of assessing the potential impact of these standards and amendments.

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

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

Topic	Key requirements	Effective date	Estimated impact
AASB 2023-5	Amendments to Australia Accounting Standards – Lack of Exchangeability	1 January 2025	Nil
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128	1 January 2025	Nil
AASB 2024-2	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026	Nil
AASB 18	Presentation and Disclosure in Financial Statements	1 January 2027	Initial impact assessment indicates reclassification of revenue and expenses will be required to comply with the directed categories along with statement subtotals on the operating statement. The business will also need to consider the inclusion of management-defined performance measures (MPMs) to be disclosed in the notes to the financial statements.
AASB 2022-8	Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	1 January 2027	Nil
AASB 2022-9	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	1 January 2027	Nil
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128	1 January 2025	Nil

Section 6

Appendix



North East Water's Annual Report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the corporation's compliance with statutory disclosure requirements.



One of North East Water's farms that produces lucerne hay using recycled water. These farms reduce the need to release treated water directly into our waterways.

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Report of operations

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Appendix 2 – Services provided by North East Water

Town	Population	Household factor ¹	Water treatment process	Sewerage treatment process
Baranduda	4,269	3.0	Full treatment (from Wodonga supply)	Pumped to Wodonga
Barnawartha	718	2.5	Full treatment (from Wodonga supply)	Pumped to Wodonga
Beechworth	3,727	2.2	Full treatment	Lagoons and phosphorus removal
Bellbridge	453	2.5	Full treatment	Lagoons - primary aerated
Benalla	11,486	2.2	Full treatment	Lagoons - primary aerated
Bright	3,527	2.2	Full treatment	Pumped to Porepunkah
Bundalong	1,018	2.4	Full treatment (from Yarrawonga supply)	Lagoons
Chiltern	1,241	2.2	Full treatment (from Wodonga supply)	Lagoons
Corryong	1,336	2.0	Full treatment	Lagoons - primary aerated
Cudgewa	118	2.1	Full treatment (from Corryong supply)	No service
Dartmouth	202	2.0	Full treatment	Lagoons
Devenish	103	2.2	Full treatment (from Yarrawonga supply)	No service
Eskdale	119	2.2	Full treatment	No service
Glenrowan	432	2.4	Full treatment (from Wangaratta supply)	Rotating biological contactor, lagoon
Goorambat	134	2.4	Full treatment (from Yarrawonga supply)	No service
Harrietville	478	2.3	Full treatment	No service
Kiewa	400	2.7	Full treatment (from Wodonga supply)	Pumped to Wodonga
Milawa	280	2.5	No service	Partly serviced - pumped to Wangaratta
Mt Beauty	1,144	2.0	Full treatment	Tertiary treatment
Moyhu	259	2.4	Full treatment	STEG with lagoons
Myrtleford	3,500	2.2	Full treatment	Lagoons - primary aerated and phosphorus removal
Oxley	541	2.6	Full treatment	Partly serviced - pumped to Wangaratta

Town	Population	Household factor ¹	Water treatment process	Sewerage treatment process
Porepunkah	998	2.4	Full treatment (from Bright supply)	Lagoons - primary aerated and phosphorus removal
Rutherglen	2,755	2.3	Full treatment (from Wahgunyah supply)	Pumped to Wahgunyah
Springhurst	195	2.5	Full treatment (from Wodonga supply)	No service
St James	86	2.2	Full treatment (from Yarrawonga supply)	No service
Tallangatta	1,023	2.2	Full treatment	Lagoons
Tangambalanga	1,047	2.8	Full treatment (from Wodonga supply)	Pumped to Wodonga
Tawonga	455	2.3	Full treatment (from Mount Beauty supply)	Partly serviced - pumped to Mount Beauty
Tawonga South	1,291	2.2	Full treatment (from Mount Beauty supply)	Pumped to Mount Beauty
Tungamah	416	2.2	Full treatment (from Yarrawonga supply)	Lagoons
Wahgunyah	1,139	2.3	Full treatment	Lagoons - primary aerated
Walwa	102	1.7	Full treatment	STEG with lagoons
Wandiligong	556	2.7	Full treatment (from Bright supply)	No service
Wangaratta	21,804	2.3	Full treatment	Lagoons - primary aerated and phosphorus removal
Whitfield	118	2.1	Full treatment	No service
Wodonga ²	41,734	2.4	Full treatment	Tertiary treatment
Yackandandah	1,135	2.5	Full treatment	Lagoons - primary aerated and phosphorus removal
Yarrawonga	11,355	2.3	Full treatment	Lagoons - primary aerated

Notes:

1. The Household factor represents the average number of persons occupying each domestic dwelling in the town, based on 2021 ABS Census data. The population for each town is based on this factor multiplied by the number of residential water connections.
2. Includes Bandiana, Bonegilla, Ebdon, Killara, Logic and Leneva.

Appendix 3 – Water consumption by town 2024-25

Town	Residential Customers				Non-residential Customers			Total Number of Connections	Total Potable Water Volume ⁴ (ML)	Total Non-potable Water Volume ⁵ (ML)	Total Water Volume ⁶ (ML)	Average Annual Consumption 2020-25 (ML)	Population
	Number of Connections ¹	Potable Water Volume ² (ML)	Raw Water Volume (ML)	Per Capita Daily Residential Consumption ³ (L)	Number of Connections	Potable Water Volume (ML)	Recycled Water Volume (ML)						
Baranduda	1,423	389	0	250	58	440	0	1,481	829	0	829	653	4,269
Barnawartha	287	68	0	260	27	98	0	314	166	0	166	107	718
Beechworth	1,694	332	0	244	181	204	0	1,875	536	0	536	473	3,727
Bellbridge	181	42	0	255	5	6	0	186	49	0	49	42	453
Benalla	5,221	1,010	15	244	525	446	0	5,746	1,456	15	1,471	1,322	11,486
Bright	1,603	267	0	207	236	215	12	1,839	482	12	494	436	3,527
Bundalong	424	65	24	239	5	4	0	429	69	24	93	76	1,018
Chiltern	564	125	0	277	57	34	0	621	160	0	160	137	1,241
Corryong	668	114	7	250	142	45	0	810	160	7	167	154	1,336
Cudgewa	56	11	0	258	14	2	0	70	13	0	13	10	118
Dartmouth	101	14	0	193	10	7	0	111	22	0	22	18	202
Devenish	47	8	0	219	11	1	0	58	9	0	9	8	103
Eskdale	54	11	0	256	16	5	0	70	16	0	16	12	119
Glenrowan	180	36	0	227	39	35	0	219	70	0	70	56	432
Goorambat	56	10	0	207	10	1	0	66	11	0	11	9	134
Harrietville	208	31	0	179	29	19	0	237	50	0	50	50	478
Kiewa	148	44	0	302	6	5	0	154	50	0	50	41	400
Mt Beauty	572	68	0	163	75	29	6	647	97	6	103	98	1,144
Moyhu	108	21	0	218	21	6	8	129	26	8	35	35	259
Myrtleford	1,591	276	13	226	223	231	0	1,814	507	13	519	479	3,500
Oxley	208	46	0	231	5	2	0	213	48	0	48	40	541
Porepunkah	416	68	6	203	32	31	0	448	99	6	105	100	998
Rutherglen	1,198	319	0	317	144	96	22	1,342	415	22	438	392	2,755
Springhurst	78	17	0	234	8	3	0	86	20	0	20	18	195
St James	39	10	0	330	10	2	0	49	12	0	13	10	86
Tallangatta	465	86	0	229	105	81	110	570	166	110	276	256	1,023

Town	Residential Customers				Non-residential Customers			Total Number of Connections	Total Potable Water Volume ⁴ (ML)	Total Non-potable Water Volume ⁵ (ML)	Total Water Volume ⁶ (ML)	Average Annual Consumption 2020-25 (ML)	Population
	Number of Connections ¹	Potable Water Volume ² (ML)	Raw Water Volume (ML)	Per Capita Daily Residential Consumption ³ (L)	Number of Connections	Potable Water Volume (ML)	Recycled Water Volume (ML)						
Tangambalanga	374	95	0	248	32	5	0	406	100	0	100	81	1,047
Tawonga	198	35	0	208	15	8	0	213	43	0	43	37	455
Tawonga South	587	88	0	186	36	20	0	623	108	0	108	102	1,291
Tungamah	189	39	1	261	23	6	10	212	45	11	56	51	416
Wahgunyah	495	125	0	302	38	68	0	533	193	0	193	178	1,139
Walwa	60	9	0	243	21	5	3	81	14	3	17	15	102
Wandiligong	206	36	0	177	10	3	0	216	39	0	39	38	556
Wangaratta	9,480	1,941	0	244	1,062	951	8	10,542	2,892	8	2,900	2,732	21,804
Whitfield	56	13	0	305	19	6	0	75	20	0	20	18	118
Wodonga	17,389	3,830	0	251	1,174	2,055	149	18,563	5,886	149	6,035	5,302	41,734
Yackandandah	454	88	3	218	71	39	0	525	127	3	130	122	1,135
Yarrawonga	4,937	1,122	10	273	415	207	208	5,352	1,329	218	1,547	1,559	11,355
Total	52,015	10,909	79	246	4,910	5,424	538	56,925	16,332	617	16,950	15,264	121,413

Notes:

1. Includes vacant allotments.
2. All volume figures are derived from water sold as measured at customer water meters. All figures have been rounded to the nearest whole number.
3. See Appendix 2 for town population data.
4. Total potable water volume is the sum of residential and non-residential potable water volumes and does not include non-revenue water.
5. Total non-potable water volume is the sum of residential and non-residential raw and recycled water volumes and does not include non-revenue water.
6. Total water volume is the sum of total potable water and total non-potable water volumes and does not include non-revenue water.

Appendix 4 – Bulk water entitlements 2024-25

In 2024-25, North East Water extracted a total of 19,616 megalitres of water from surface water and groundwater sources. The corporation extracted water in accordance with the conditions contained in bulk entitlements (BEs) and groundwater and surface water Take and Use Licences.

We complied with 18 of 19 BE conditions, failing to meet one condition of the Bright bulk entitlement. Bright extraction exceeded the 870 ML entitlement by 2.5 ML (0.3%). A metering discrepancy was identified in June 2025 between the expected extraction volume and the actual volume extracted. Raw water extraction was ceased as soon as the discrepancy was noticed. North East Water worked with DEECA and Goulburn-Murray Water (GMW) following the non-compliance, with 3.0 ML of allocation transferred from the Myrtleford bulk entitlement to the Bright bulk entitlement.

There were two bulk entitlement amendments granted during 2024-25 for the following systems:

- Consolidated bulk entitlement (Broken System – Tungamah, Devenish and St James – North East Water) Conversion Order 2004
- Consolidated bulk entitlement (Ovens System – Moyhu, Oxley and Wangaratta – North East Water) Conversion Order 2004

Both bulk entitlements were for the reappointment of GMW as the storage manager for the Ovens and Broken. In addition, the Ovens System (Moyhu, Oxley and Wangaratta) was amended to combine the annual extraction volumes from the Oxley and Moyhu offtakes. This amendment addressed the non-compliance reported for over extraction at the Oxley offtake seen in 2022-23 and 2023-24.

North East Water has bulk entitlement metering and environmental programs in place.

A summary of our bulk entitlement extractions and compliance can be found below.

Bulk Entitlement/Licence Name/ Licence number	Specified Extraction Point(s)	Entitlement Volume (ML)	Annual amount taken from specified point(s) (ML)	Any Amendment to Bulk Entitlement	Any Failure or difficulties in complying	Temporary transfers (ML)	Reporting Clause
Bulk Entitlement (Beechworth) Conversion Order 2001 WSE000085	Beechworth (Nine Mile Creek, Frenchmans Creek)	1,100	587	No	No	0	Clause 12.1
Bulk Entitlement (Bright) Conversion Order 2000 WSE000154	Freeburgh (Ovens River)	870	872	No	Yes ¹	+ 3.0 ML ¹	Clause 12.2
Consolidated Bulk Entitlement (Broken System – Tungamah, Devenish and St James – North East Water) Conversion Order 2004 WSE000036	Benalla (Broken River)	135	0	Yes ²	No	0	Clause 11.1 ³ 11.1(f)
Bulk Entitlement (Chiltern) Conversion Order 2000 WSE000155	Chiltern (Barambogie Creek)	180	0	No	No	0	Clause 13.1
Bulk Entitlement (Corryong) Conversion Order 2000 WSE000130	Corryong (Nariel Creek)	680	249	No	No	0	Clause 12.1

Bulk Entitlement/Licence Name/ Licence number	Specified Extraction Point(s)	Entitlement Volume (ML)	Annual amount taken from specified point(s) (ML)	Any Amendment to Bulk Entitlement	Any Failure or difficulties in complying	Temporary transfers (ML)	Reporting Clause
Bulk Entitlement (Cudgewa) Conversion Order 2000 WSE000131	Cudgewa (Cudgewa Creek)	29	0	No	No	0	Clause 12.1
Bulk Entitlement (Dartmouth) Conversion Order 2000 WSE000132	Dartmouth (Mount Tabor Creek)	60	0	No	No	0	Clause 13.1
Bulk Entitlement (Glenrowan) Conversion Order 1999 WSE000156	Glenrowan (Fifteen Mile Creek)	90	0	No	No	0	Clause 13.14 13.1(e)
Bulk Entitlement (Harrietville) Conversion Order 1999 WSE000157	Harrietville (Ovens River, Simmons Creek)	91	59	No	No	0	Clause 12.1
Bulk Entitlement (Kiewa – Tangambalanga) Conversion Order 1999 WSE000087	Kiewa (Kiewa River)	179	0	No	No	0	Clause 12.1
Bulk Entitlement (Loombah McCall Say) Conversion Order 2001 WSE000037	Benalla (Ryans Creek)	2,324	1,783	No	No	0	Clause 15.1
Bulk Entitlement (Mount Beauty – Tawonga) Conversion Order 1997 WSE000088	West Kiewa River		461	No	No	0	Clause 11.1 ⁵ 11.1(d), 11.1(e) & 11.1(f)
	Simmonds Creek		5				
	Diversion Tunnel		0				
	Total	718	466				
Bulk Entitlement (Myrtleford) Conversion Order 2001 WSE000158	Myrtleford (Buffalo Creek)	1,212	578	No	No	- 3ML ¹	Clause 12.1 ⁶ 12.1(e)
Consolidated Bulk Entitlement (Ovens System – Moyhu, Oxley and Wangaratta – North East Water) Conversion Order 2004 WSE000160	Wangaratta	7,720	3,186	Yes ^{1,7}	No	0	Clause 12.1 12.1 (e) ³
	Oxley	112	71				
	Moyhu		36				
	Total		107				

Bulk Entitlement/Licence Name/ Licence number	Specified Extraction Point(s)	Entitlement Volume (ML)	Annual amount taken from specified point(s) (ML)	Any Amendment to Bulk Entitlement	Any Failure or difficulties in complying	Temporary transfers (ML)	Reporting Clause
Consolidated Bulk Entitlement (River Murray – North East Water) Conversion Order 1999 WSE000143	Bellbridge		54	No	No	962 ⁸	Clause 20.1 ^{8,9} 20.1 (d)
	Bundalong		72				
	Dartmouth (Mitta Mitta)		31				
	Eskdale		16				
	Tallangatta		234				
	Wodonga		7,947				
	Wahgunyah / Rutherglen		734				
	Yarrawonga		1,798				
	Total	14,540	10,886				
Bulk Entitlement (Springhurst) Conversion Order 1999 WSE000161	Springhurst (Diddah Diddah Creek)	36	0	No	No	0	Clause 13.1
Bulk Entitlement (Walwa) Conversion Order 2000 WSE000146	Walwa (Murray River)	61	17	No	No	0	Clause 12.1
Bulk Entitlement (Whitfield) Conversion Order 1999 WSE000162	Whitfield (Musk Gully Creek)	34	0	No	No	0	Clause 12.1
Bulk Entitlement (Yackandandah) Conversion Order 2001 WSE000089	Yackandandah (Nine Mile Creek)	209	196	No	No	0	Clause 11.1

Notes:

- Bright BE was over extracted by 2.5ML due to a discrepancy between the expected and actual volume extracted. 3.0ML of entitlement was transferred from the Myrtleford BE.
- Bulk Entitlement Amendment for the reappointment of Goulburn-Murray water as the storage manager for the Ovens and Broken Systems was approved on 3 April 2025.
- No periods of restrictions were in place during 2024-25.
- No volume was added to the Glenrowan carryover account in 2024-25. The account currently holds the maximum permitted carryover volume of 40 ML.
- Seasonal volumes taken at Mt Beauty: Diversion Tunnel 0 ML (Winter), 0 ML (Spring), 0 ML (Summer) and 0 ML (Autumn). West Kiewa River 101 ML (Winter), 116 ML (Spring), 142 ML (Summer) and 101 ML (Autumn). Simmonds Creek 2 ML (Winter), 2 ML (Spring), 3 ML (Summer) and 0 ML (Autumn)
- Myrtleford annual extraction (578ML) and two year extraction (1,052 ML).
- Bulk Entitlement Amendment for the combination of the annual extraction volumes for Oxley and Moyhu offtakes was approved on the 3 April 2025.
- During 2024-25, 7,000 ML of Zone 6 Murray River water was sold. In addition 907 ML of allocation was traded from water shares held by North East Water and 55 ML of allocation from Moira Shire Council as part of the Victorian Park irrigation water supply agreement to the River Murray BE.
- Allocation available to the River Murray BE reached 100% on 11 November 2024 and 2,386 ML of return flow credits were also allocated in 2024-25.



Contact Us

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