

Rural Modernisation

October 2023

Policy update

Whilst we are undertaking the investigations to prepare the Detailed Business Case for rural modernisation, interim policy positions have been put in place in relation to the following areas.

It is important to note that if we do not receive any further funding following the development of the Detailed Business Case and cannot progress with the modernisation project, these interim policy positions will be reviewed.

Water licence tenure

Under the Water Act 1989 section 51 rural licences can be issued or renewed for a period between 1-15 years. Our current practice is to renew them for the maximum of 15 years. Licences on restricted channels are currently renewed for 3 years only.

During this Detailed Business Case period and until there is clarity around rural modernisation funding, licences will only be renewed for a 5-year term. This is to create more flexibility and surety for customers and Coliban Water if significant changes are forecast or required.

This will only apply when prompted through a change of ownership or permanent transfer, and will not apply to pipeline customers in Harcourt, Eppalock or South Lockwood which can be renewed for 15 years.

Supply by Agreements for recycled water will only require renewal in the event of a change of ownership or a permanent increase in allocation, and will be renewed for 5 years. Existing agreements will remain unchanged.

Permanent water trading

Permanent trade will continue as normal. We have a formal review process and assessment criteria in place to ensure the integrity of all trade applications which highlights any unusual activity. This review process will continue.

We expect the licence tenure, as noted above, is the only likely impact to permanent trade applications during this period.

Temporary trade will not be affected and can continue 'as is' without triggering any changes to licence tenure.

Rural Modernisation timeline so far

Preliminary Business Case (PBC)

In August 2021 we secured \$370,000 of federal funding from the National Water Grid Authority for the preparation of a Preliminary Business Case (PBC) to modernise the Coliban Water Rural System.

The PBC outlined the opportunities and water savings that would result if the system was modernised.

Detailed Business Case (DBC)

In August 2023 we secured an additional \$3.7 million from the National Water Grid Authority to develop a Detailed Business Case (DBC). The DBC will build on the initial work carried out by the PBC through consultation with rural customers on the options identified to modernise the rural network. We need to understand what customers want in the future which will allow us to assess the viability of each channel system and refine the options available.

This customer feedback will be critical to building a strong business case for future funding to deliver the modernisation project. The DBC is due to be submitted by 31 May 2025.

Modernisation options

Each channel system will be thoroughly investigated, and when coupled with customer feedback, will fall into one of the following four categories:

1. No change – we do not receive any further funding and the system will remain as it is for the time being.
2. Modernisation – a rural piped supply will replace the existing channel system.
3. Rationalisation – if the system is not viable for modernisation, closure may need to be considered.
4. Potable supply – customers are converted to the town water supply.

We anticipate we will have a better understanding of where each channel system sits after the initial round of customer engagement. We will report back to customers when this is clearer to discuss next steps.

Sign up for updates

You can keep informed about the project by visiting our Rural Modernisation page at <https://connect.coliban.com.au/rural-modernisation> and register to receive updates via email.

Below is a channel regulator in the rural system.

