# Rural Water Efficiency Project

## Policy update – May 2026

Coliban WATER

## Rural water policy update

### Review

Now that we have secured funding and are moving ahead with the project to make the rural system more efficient, interim policy positions have been reviewed and updated in relation to the following areas. These interim policy positions will continue to be reviewed as the project progresses through the various planning, design and delivery phases.

### No new rural licences

We will not be accepting any new rural licence applications until further notice. This is to give us consistency throughout the planning and design process, and focus on the needs and options for existing customers.

### Water licence tenure

Under the Water Act 1989 section 51 rural licences can be issued or renewed for a period between 1-15 years. Now that the project has been funded licences will only be renewed for a 2-year term, this includes licences on restricted channels. This is to create more flexibility and surety for the project 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 and Eppalock which can be renewed for 15 years. Supply by Agreements for recycled water will require renewal in the event of a change of ownership or a permanent increase in allocation and will be renewed for 2 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.

### Project funding

On 15 April 2026, the Australian Government announced a funding commitment of $120 million with up to $40 million from Coliban Water, bringing the total project budget to $160 million. This announcement marks the formal start of the project, which is a large and complex project that will be delivered in stages over several years.

We are now bringing together a dedicated project team to plan and deliver the Rural Water Efficiency Project. As the project progresses, we are committed to keeping customers and stakeholders informed with clear, timely updates and information.

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### Reconfiguration options

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

1. No change – some of the more efficient channels may remain operable.
2. Modernisation – a rural piped supply will replace the existing channel system.
3. Rationalisation – if an area is not viable for modernisation, closure may need to be considered.
4. Alternate supply – customers may be converted to the town water supply or recycled water if it is available.

We will have a better understanding of where each channel system sits after further planning and engagement with customers.

Further policy reviews will occur at key phases of the project refer to the project page for more information - connect.coliban.com.au/rural-water-efficiency