

Owned by the
people of WA

Think climate change
Be waterwise



Annual Report 2024

A large, dark blue graphic of a water droplet shape is positioned in the upper left corner of the page. In the background, a woman and a young girl are shown from the waist up, standing in a lush green garden. The woman, wearing a dark blue long-sleeved shirt, is smiling and holding a silver watering can. The young girl, wearing a light blue polo shirt, is also smiling and holding the watering can. They are both looking down at the plants they are watering. The scene is bright and sunny, with green trees and bushes in the background.

About this report

The 2023-24 Annual Report is a review of our performance for the financial year ended 30 June 2024.

This report is produced in accordance with the provisions of the *Water Corporations Act 1995*, *Government Trading Enterprises Act 2023 (WA)* and other relevant legislation, which governs our operations.

Provided to the Minister for Training and Workforce Development; Water; Industrial Relations; the Hon Simone McGurk MLA, the report is tabled in the Parliament of Western Australia.

The objective of this report is to provide our customers, community, stakeholders, as well as our owner, the Western Australian Government with information about our operational and financial performance, and our contribution to the state's economy for the 2023-24 financial year.

To provide feedback on this report please email corporate.communications@watercorporation.com.au

Previous annual reports can be found at watercorporation.com.au

For customer enquiries or feedback about our services visit watercorporation.com.au/contact

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Acknowledgment of Country

In the spirit of reconciliation, Water Corporation acknowledges the Traditional Custodians of Country throughout Western Australia and their enduring connections to land, sea and community. We pay our respects to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

*All life must have water.
Without it, life cannot exist.*

This artwork pays respect to more than 65,000 years of water wisdom through the eyes of First Nations people. Yamatji and Noongar Geraldton based artist Carol Martin, teamed up with Whadjuk, Ballardong Noongar Perth based artist Kaedisha Westerberg to create a piece, which represents the significance of our statewide water sources to Aboriginal people and culture.





Waters of Creation by artists Carol Martin and Kaedisha Westerberg.

Year at a glance



Safe for all

Aligning monitoring and reporting of water services for

137 

Aboriginal communities by 2030
101 in the Kimberley
22 in the Pilbara and Mid-West
14 in Goldfields and Central

p 30



Investigating

artificial intelligence

water screening solutions

p 31

Dealt with incidents



safely and efficiently

p 32

257 
mental health champions in our workforce

p 35



Environmentally sustainable

Commenced work

on Alkimos Seawater Desalination Plant



p 36

Completed a **major investment**

in Broome's wastewater and water infrastructure

p 37

Woodman Point upgrades

will reduce greenhouse gas emissions by around

5,600 tonnes CO₂-e annually



p 37

269 waterwise businesses saved

11.4 billion litres of water



p 39



Satisfied customers



32,113

school children participated in our waterwise schools program

p 42

1,982

irrigation checks delivered through our Irrigation Check Program



p 43

\$20 million provided in bill support



through our hardship programs over the last six years

p 44



\$80,000

donated to communities through our Kimberly Grants scheme

p 45



Supporting state development

Invested
\$41.7 million



to support housing projects this year

p 46



Working collaboratively across Government and Industry to support the

13 strategic industrial areas

p 47

\$15 million commitment



to upgrade our Goldfields and Agricultural Water Supply Scheme

p 48



Investigating future source options to

reduce reliance on groundwater

p 48



Efficient



First water-efficient
fibre optic technology
introduced

p 51

492 million litres of water

saved through our Waterwise Social Housing project, delivered in partnership with Department of Communities



p 51

Visited

837 sites



to enable an efficient transition from the 3G to 4G network

p 51



1,599

customers took up our weather-based irrigation controller rebate

p 51



Great place to work

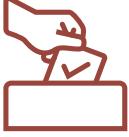


4

new corporate values launched

p 52

A successful

yes vote 

for our new Enterprise Agreement

p 52



Became a

FlexReady
employer

p 53

Top corporate donor for Red Cross through their Life Blood program -



1,405 donations

p 55

Chair's report

Andrea Sutton

Having just experienced one of our hottest and driest summers on record, the urgency to adapt to the impacts of climate change and shape a sustainable water future here in Western Australia has never been greater.

At Water Corporation, we have a critical role to ensure our state thrives for generations to come, and I'm confident we're up for the challenge. On 1 January 2024, I accepted the role as new Board Chair, one I am honoured to be in. I'm eager to see our state continue forward as a world leader in the delivery of climate-resilient water resources as we tackle these ongoing challenges together.

Perth recorded its driest six-month period on record this year, with just under 22mm of rain filling gauges across the city. It was a similar story in towns and communities across much of southern WA. While this story is not new, it tells us that right now the impact of climate change on our rainfall is more pronounced than nearly anywhere else on earth.

It has been many years since Perth and the south of our state could rely on rainfall alone to meet our water needs. The challenge of delivering safe and reliable water across our vast state has driven us to innovate. We're always searching for new, more efficient ways to enhance water resilience in the face of climate change. Cognisant of the challenges that lie ahead, Water Corporation is on a purposeful journey, laying the foundations to deliver on our goals. Through strategic initiatives such as desalination, water recovery, and recycling opportunities, we are working to ensure a sustainable future for all.

Our \$2.8 billion investment in the Alkimos Seawater Desalination Plant will provide 50 billion litres of climate-resilient drinking water from the Indian Ocean each year for 2.5 million Western Australians. The future Alkimos plant will have net zero greenhouse gas emissions during construction and operation, and will reduce our groundwater abstraction by 30 billion litres a year.

Regionally, our vast scale presents considerable challenges when it comes to providing our communities with clean, safe water. However, we're committed to meeting those head on. We have made significant investments to connect our regions to various water supply schemes. Therefore, in response to years of declining rain, certain towns no longer depend on rainfall alone for their drinking water.

This commitment extends to all Western Australians. On 1 July 2023, Water Corporation took over the responsibility for water services in 137 Aboriginal communities. Since then, we have begun upgrading infrastructure and enhancing water quality across these communities through our Aboriginal Communities Water Services program. Mowanjum, near Derby in the Kimberley region, was the first Aboriginal community in the state to have a licensed



wastewater treatment plant. I am extremely proud of our efforts to date. By fostering relationships and co-designing solutions, our aim is to build trust to ensure the program is sustainable and community-led. Over the next 10 years, our goal is to deliver on our promises to successfully upgrade water services to these communities.

Water recycling remains fundamental to our future supply planning and a key strategy to ensuring our state's climate resilience. Over the last decade, we have increased the total volume of recycled water by almost 70 per cent, and by 2035, we aim to recycle 35 per cent of all water used state-wide.

These efforts demonstrate the dedication shown by the people at Water Corporation to deliver Thrive2035 – our corporate strategy. I sincerely thank my fellow Water Corporation Board members, the Executive team, and employees for demonstrating the profound impact a passionate and aligned team can have in shaping WA's water future and supporting our journey to achieving our goals. It's been a privilege to witness how Water Corporation has responded to the significant environmental challenges we're currently facing with care, compassion, and commitment.

Finally, I would like to acknowledge a few changes to the Board this year. I extend my thanks to the outgoing Chair Ross Love, Deputy Chair David Lock, and Board member Carla Boehl, recognising their leadership and many years of service to the organisation. Joining the Board this year is David Smith, who has also taken on the position of chairing our Audit and Risk Committee. With the support of all our valued Board members, I believe we are well positioned to pursue our ambitious vision.

Together, with the strong leadership and guidance from our Minister for Water, Hon Simone McGurk MLA and CEO, Pat Donovan, I am confident Water Corporation will reach its goals by 2035 and create a thriving future for generations to come.

A handwritten signature in blue ink that reads "A Sutton".

Andrea Sutton

Chair

CEO's report

Pat Donovan

At Water Corporation, every employee understands the critical role they play in providing safe and reliable drinking water to our customers and communities across our diverse state. We take this responsibility very seriously and regularly engage with our customers to understand their needs, working together to find better solutions.

As one of the world's largest water utilities by area serviced, we're faced with unique challenges. At the same time, we have a duty to meet growing customer expectations, adapt to our changing environment, respond to escalating costs, and manage ageing assets.

It's therefore more important than ever we stay on track to deliver our Thrive2035 strategy. And, I can proudly say, we are establishing strong foundations to deliver on our promise of a thriving future.

Underpinning Thrive2035 are our environmental, social, and governance measures which reinforces our commitment to sustainable and responsible business practices. We have made significant progress in addressing some of our most pressing challenges and opportunities thanks to the support of our Minister for Water, the Hon Simone McGurk MLA, our Board, Executive Team, and our dedicated people.

We reached a notable milestone in the progress of our future seawater desalination plant in Alkimos; we secured the relevant approvals, awarded the contract to design and build, and began preparing the site for construction. Being one of the government's largest consumers of energy, we are on mission to ensure we achieve our net zero targets. Our future goal is for the Alkimos plant to have net zero greenhouse gas emissions, and this will support us in our journey to innovate and lead the transition towards a greener future for the state.

Of course, one of the most effective ways of protecting our future water supply is by encouraging the efficient use of existing resources. From households and businesses, to industry, government, and developers, we need to work together to reinforce the importance of water conservation.

Often overlooked is the role water plays in supporting a prosperous, diversified state economy. Our long-term corporate strategy includes unlocking development and supporting local industry. Across Perth, we have worked with key industry partners to develop water and wastewater infrastructure to support the creation of more than 15,000 new homes.



We continue to elevate the voices of the communities we serve, which is an important priority in our third Stretch Reconciliation Action Plan, released in April. At the same time, our Aboriginal Communities Water Services teams have engaged directly with communities, ensuring they are at the forefront of our decision making.

This year, we launched new values and repositioned our brand to align with our purpose, vision, and goals. After all, our services are essential, and our people all have a role to play in bringing our brand to life.

Spanning over 2.6 million square kilometres, our workplace touches every corner of Western Australia, supported by our diverse and dedicated teams. Whether working in the field, contact centre, depots, offices, or engaging directly with communities, our people bring unique skills, perspectives, backgrounds, and experiences into the mix. It is through this rich diversity, at each touchpoint, that our customers see our actions and behaviours and truly understand who we are and what we stand for. Together, we embody our values, embed safety into the heart of our operations, and inspire trust and confidence in every interaction.

I am genuinely thankful to our Minister for Water, Hon Simone McGurk MLA, the Water Corporation Board, Executive team, and Senior Leaders, for their ongoing support and driving our vision forward.

Finally, I would like to conclude by applauding our dedicated, caring, and passionate Water Corporation team. Our people continuously strive to achieve our ambitious strategy, embrace our new values, and are our biggest advocates for building a brighter, thriving future.

A handwritten signature in blue ink that reads "Pat Donovan".

Pat Donovan

CEO

Our purpose



Our purpose is to manage water services sustainably to make WA a great place to live and invest.

Our employees at a team building event, helping to create a waterwise garden.

Water Corporation is the principal supplier of water, wastewater, drainage, and bulk irrigation services in Western Australia (WA) to hundreds of thousands of homes, businesses and farms. Directly employing more than 4,000 people, we provide a high level of expertise and strong commitment to our customers, community and state.

We manage \$50 billion (replacement value) of assets to deliver water, wastewater, and drainage services across more than 2.6 million square kilometres.

Water sources

Today, our **water supply** is from **three** main sources



Desalination



Dams and surface water



Groundwater and groundwater replenishment

Treatment

Water is **treated** at one of our...



87

Water treatment plants



76

Recycled water schemes

Water network

We **service** and **Maintain**...

35,288 km of water mains

17,904 km of sewer mains

2,538 km of drains

Customers

Across **WA**, we **Supply water** to more than



2 million people

Wastewater

We **collect** almost

491 million litres of wastewater a day

Wastewater is **99.97 per cent water** and comes mostly from **baths, showers** and **washing machines**

Return to environment

After **wastewater** is **treated**, it can be used for a range of purposes including



Industrial reuse

Public open space



Woodlot irrigation

or be returned to the **water cycle** by replenishing our **groundwater**

Our vision



Our vision is for our
people, communities,
and state to thrive.



Thrive 2035

Thrive2035 is our long-term strategy, which is centred around our six ambitious goals. Launched last financial year, it guides our future direction and highlights the need to work together.

To thrive can mean different things to different people depending on their context. Whether it be our people thriving each day as they come to work, enabling a new hydrogen industry, providing water services to Aboriginal communities, or enabling a first home buyer to

establish their first home and garden. With water being so fundamental to life, we have a unique opportunity and obligation as the state's provider of water services to support our people, communities, and our state to thrive.

We are continuing to build strong foundations to meet the challenges of climate change, rapidly evolving community expectations around social and environmental outcomes, cost escalation pressures and a competitive labour market to deliver our vision.

Our drive to deliver this is woven into the work each of us do every day.



Safe for all

Advancing safety for our customers, communities and employees.



Environmentally sustainable

Accelerating environmental sustainability of the water cycle as our climate changes.



Satisfied customers

Developing local solutions in partnership with communities.



Supporting state development

Being the water services partner of choice for state development.



Efficient

Enabling us to sustainably finance our vision.



Great place to work

Empowering our people to achieve our best performance.

Our values

A photograph of two women standing in a hallway. The woman on the left is wearing a white shirt and dark jeans, holding a large blue heart-shaped balloon. The woman on the right is wearing a floral dress and holding a large blue number '1' balloon. They are standing in front of a whiteboard or sign that reads "Our values shape us".

Our values are the heartbeat of our business. They are central to our journey toward achieving our Thrive2035 goals.

Our employees on the launch day of our new corporate values.

Working as one

We make a bigger impact together, working towards a shared purpose to benefit all of WA.

Finding better solutions

We are curious to learn, with courage we challenge the status quo.

Delivering on our promises

We achieve our goals efficiently, delivering on what we say we will do.

Leading with care

We care for our communities and each other.

Our values work in partnership with our six goals and lay the foundation for how we work together. They guide our decision making and set the tone for how we interact with each other, our customers, and our stakeholders. They are more than just words on a page – they need to be felt and lived every day.

Find out more on page 52!



Our Environmental, Social, and Governance journey

Last year, we published our inaugural Environmental, Social, and Governance (ESG) materiality assessment, reflecting what matters most to our communities and stakeholders. Since then, we have progressed our ESG ambitions through a cohesive suite of projects, programs and initiatives.

This report and our continued success are thanks to the ideas, support and efforts of our people. Engaging with ESG topics has strengthened our operations and made us a more insightful, robust, and flexible organisation. We look forward to improving on our efforts in the coming years, using our ESG program to be better informed and prepare for material risks and opportunities we face.

For the last 12 months, Water Corporation has been one of 19 key government agencies and public corporations engaged in a pilot program aimed at assessing and enhancing the maturity of agency climate risk assessment, management, and reporting capability. The two-year pilot is a part of the Climate Risk Framework being developed by the State Government to inform a whole of government approach and will also assist the public sector in preparing to meet formal climate-related disclosure requirements in the future.



Environment



Climate change and asset resilience

Alkimos Seawater Desalination Plant

Adapting to climate change impacts and securing water supply for more than 2.5 million Western Australians.

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Energy transition & net zero (GHG emissions)

Woodman Point upgrades

Supporting our net zero emissions target by upgrading our largest water resource recovery facility whilst keeping pace with a growing population.

Page 37



Treated wastewater discharge effects

Broome case study

Actively managing treated wastewater discharge effects to protect an area of high conservation value and support future community development.

Page 37



Social



Safety and wellbeing

Equipping our people

Empowering the workforce with skills and knowledge needed to perform their jobs safely and effectively through a new approach to training.

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Water security and quality

Regional Water Security

Planning for future sources and managing demand to ensure safe, reliable and long-term water security in the regions.

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Aboriginal Community Water Services

Mowanjum Case Study

Working with Aboriginal communities to improve water services and support future population growth in the community.

Page 31



Governance



Corporate governance, ethics and transparency

Values refresh – drive to thrive

Introducing refreshed values to outline how we will work together to achieve Thrive2035 goals.

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Cyber security and data/privacy

Better connection across the state

Maintaining efficient connection with assets by upgrading our sites to the 4G network.

Page 50

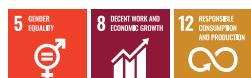


Financial sustainability

Strategic Industrial Areas

Optimising environmental and financial value of investment decisions by servicing Strategic Industrial Areas.

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One year targets

		2023/24 Target	2023/24 Actual
Outcome: Reducing total recurring expenditure to fund our key priorities and provide socially equitable outcomes for communities:			
	Efficient	Total cost per property (\$)	2,291 2,380
Outcome: Engaging and enabling our employees to perform at our best			
	Great place to work	Employee Experience Survey - engagement (%)	NA 70
Outcome: Providing safe and secure water to meet or exceed UN Sustainable Development Goal 6			
	Safe for all	Customers and communities we serve with access to safe water in line with UN Sustainable Development Goal 6 (%) ¹	>=70 95.94
Outcome: Improving employee and public safety outcomes			
	Safe for all	Total Recordable Injury Frequency Rate (TRIFR) (per million hours worked)	<3 5.6
Outcome: Driving value for money and customer satisfaction across all regions and segments			
	Satisfied customers	Individual measurement of value for money, across regions and segments (% of customers who rate Water Corporation strongly (7-10))	61 56
Outcome: Building trust among the communities we serve			
	Satisfied customers	Individual measurement of community trust, across regions and segments (% of customers who rate Water Corporation strongly (7-10))	71 68
Outcome: Accelerating to net zero for scope 1 and 2 greenhouse gas emissions			
	Environmentally sustainable	Reported greenhouse gas emissions (CO ₂ equivalent kilotons) ²	568 545
Outcome: Educating the community on climate change impacts, driving waterwise outcomes and ramping up wastewater recycling			
	Environmentally sustainable	Wastewater recycled (%)	21 19.1

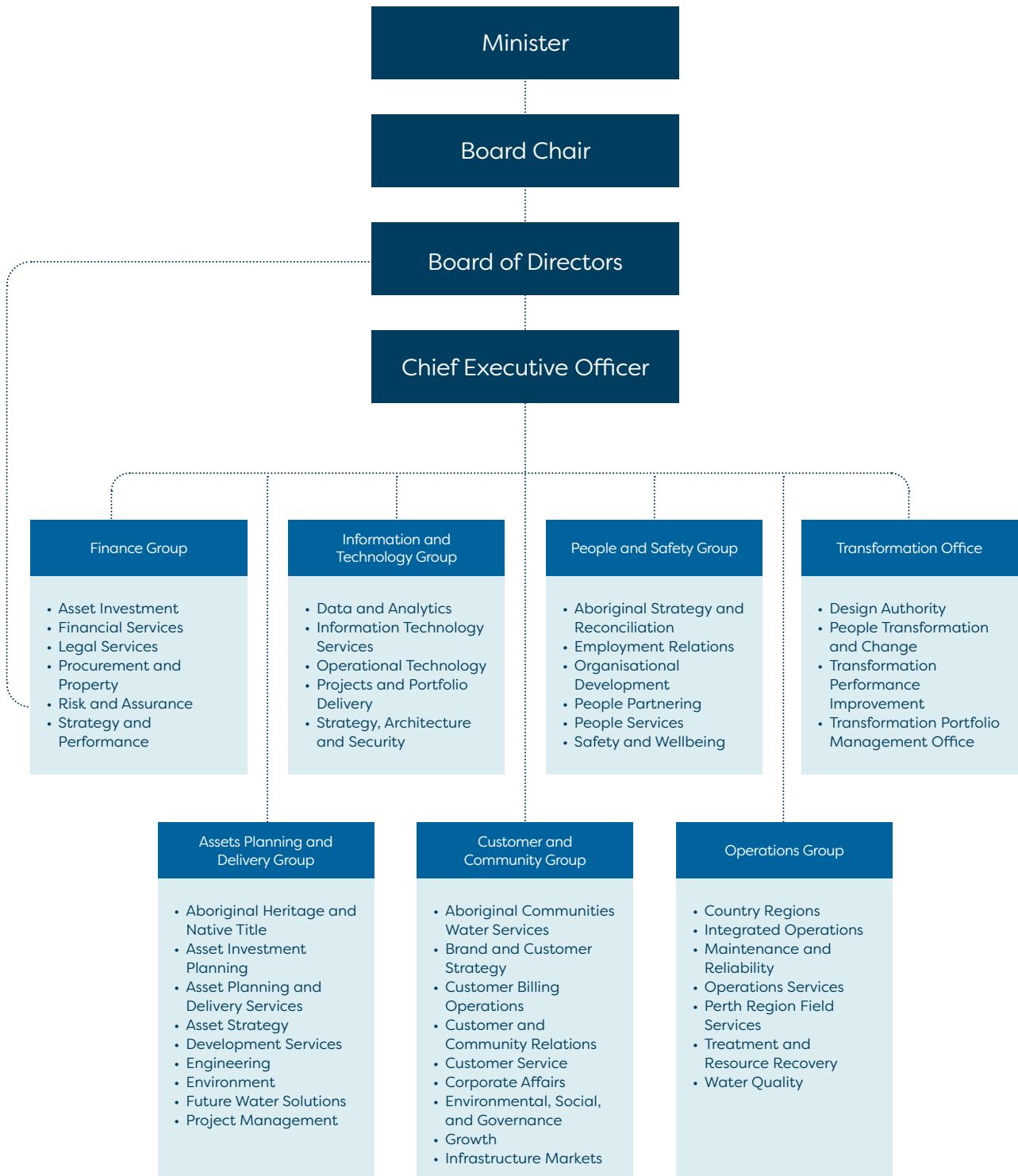
¹ SDP Goal 6: Ensure availability and sustainable management of water and sanitation for all. The target includes Aboriginal Communities' schemes transferred to Water Corporation in 2023. 2024-25 target is based on 2023-24 Estimated Actual, as the glidepath is still being finalised.

² Long-term target of net zero greenhouse gas emissions by 2035. Current measure is consistent with National Greenhouse Energy Reporting Scheme (NGERS) methodology (scope 1 and scope 2, does not include offsets).



Artist Mariah Yarran-Hill in front of the 200m mural that runs along the Vasse Diversion Drain.

Organisational structure





Left to right: Janine Freeman, Andrea Sutton, Pat Donovan, David Smith, Helen Creed and Gningala Yarran-Mark.

Board profiles

Andrea Sutton

Chair

BEng Chemical (Hons), GradDipEcon, GAICD

Andrea has over 25 years experience across a range of operational and corporate functions. She brings broad expertise, having held executive roles in health, safety and environment, human resources and infrastructure management.

Andrea was previously CEO and Managing Director of Energy Resources of Australia (ERA). Prior to this she held numerous roles across a 19-year career with Rio Tinto. Notably, Andrea held the position of General Manager of Infrastructure within Rio Tino's Iron Ore business.

Andrea also has extensive experience as a non-executive Director for ASX-listed, government and not-for-profit organisations and currently serves as a Board member of National Association of Women in Operations, Australian Nuclear Science and Technology Organisation and Australian Naval Infrastructure. She is a non-executive Director of Perenti, Iluka Resources and Red 5 Limited. Andrea was previously a non-executive Director of DDH1 Limited, ERA and Infrastructure WA.

**Appointed 1 January 2024,
term expires 31 December 2026.**

Member: People and Safety Committee

Helen Creed

Deputy Chair

BA/Dip Soc Studs

A social worker by background, Helen brings a wealth of experience to Water Corporation from her senior roles in state government, the non-government sector and in the union movement.

Helen has held various board and committee positions across these sectors and is currently a Board member of the Gaming and Wagering Commission. Helen is a recipient of several awards and in 2018 was inducted into the WA Women's Hall of Fame.

**Appointed 7 April 2021,
term expires 31 December 2025.**

Member: People & Safety Committee

Pat Donovan

Chief Executive Officer

Bachelor of Engineering (BA BAI) Mechanical Engineering (Trinity College, Dublin), FIEAust, GAICD

With more than 25 years' experience in the gas utility sector in Australia and Ireland, Pat brought a strong utility background to the role at Water Corporation. He previously served as President of ATCO Gas Australia where he led the delivery of safe, reliable and affordable energy to over 750,000 customers across the southwest of Western Australia. In addition, Pat has previously held senior executive roles at ATCO and Alinta.

Pat's qualifications in engineering and finance are complemented by his completion of the Ivey Business Executive Program at Western University in Canada. He is also an active member of the Australian Institute of Company Directors and currently serves on the board of the Water Services Association of Australia, where he chairs the Liveable Communities Committee.

Throughout his career, Pat's demonstrated a proven track record of leading customer focussed business strategies and achieving sustained commercial success and business growth. Pat is a passionate proponent of delivering service and operational excellence at a sustainable cost to customers and the community.

**Appointed 1 January 2019,
term expires 31 December 2028.**

Gningala Yarran-Mark

LLB MBL BSc (Hon)

Gningala is an experienced Board Director. Following an early legal career, Gningala moved into commercial roles with BHP and large contracting firms, where she managed Aboriginal engagement. Her remit was inclusive of employment outcomes, diversity in the supply chain, internal and external stakeholder partnerships and commitments under company reconciliation action plans. After 15 years of building and growing Aboriginal engagement across a number of industry players, Gningala is now undertaking a PhD with a focus on social procurement and Aboriginal contracting entities. Gningala has in-depth working knowledge of the execution and implementation of reconciliation action plans and is adept to the intricacies of Native Title and Traditional Owner negotiations.

Gningala has a deep understanding of diversity, cultural intelligence, change management, stakeholder relations and currently holds a Director position on the Edith Cowan University Council and is a member of Council Executive and other committees of the Edith Cowan University. Gningala's recent appointment has been to the Australian Wildlife Conservancy Board as a non-executive Director.

**Appointed 12 November 2019,
term expires 30 September 2025.**

Chair: People & Safety Committee

Janine Freeman

BEc, GradDipOH&S, CertIVFinServices, GAICD

Janine is a social equity advocate and former Member of WA Parliament who proudly served her diverse community for 13 years as the Member for Mirrabooka. Janine has spent her career representing working people and their families including the role of Assistant State Secretary of UnionsWA. Janine has extensive board and committee experience. Since joining her first board in 1993, she has filled roles such as Chair of the WA Legislative Assembly Education and Health Committee, has been a Member of the WA WorkCover Board and Deputy Chair of the industry superannuation fund, HESTA.

She is currently the independent chair of Fair Food WA (auspiced by WACOSS). Janine is also a Board member of Anglicare WA, a member Director of the Government Employees Superannuation Board and advisory member UWA School of Population and Global Health.

Appointed 9 March 2022, term expires 31 December 2024.

Member: Audit and Risk Committee.

David Smith

BComm(Melb), FCA

David has over 33 years' experience working for PricewaterhouseCoopers including as Assurance Lead Partner in Perth.

David is a chartered accountant with significant experience in audit and assurance, corporate governance and boards and committees. David brings broad business acumen, having worked with clients across mining and resources, media, agriculture and property, among others.

David is currently a member of the Audit, Risk and Finance Committee at the Royal Fremantle Golf Club Inc. David was previously a board member of Royal Fremantle Golf Club, St Bartholomew's House Inc, St Bartholomew's Foundation and Fremantle Port Authority. His board and committee experience has encompassed financial governance, strategy and risk management assessment.

**Appointed 1 January 2024,
term expires 31 December 2026.**

Chair: Audit and Risk Committee.

Executive profiles

Deb Evans

Chief Financial Officer

Term commenced May 2024

BA (Hons), Grad Dip (Applied Finance and Investment), CPA and GAICD

Sarah Bagshawe

General Manager People and Safety

Term commenced January 2023

BBus, CAHRI

Barry Ford

General Manager Operations

Term commenced December 2019

BEng, MBA, GAICD

Jane Mitchell

General Manager Information and Technology

Term commenced November 2023

BASc (Hons), GAICD

Karen Willis

General Manager Customer and Community

Term commenced April 2019

BA (Joint Hons), GradDip (Marketing) GAICD

Evan Hambleton

General Manager Assets Planning and Delivery

Term commenced April 2019

BEng (Hons), MBA, GAICD

Jacque Harding

General Manager Transformation Office

Term commenced May 2023



Left to right: Karen Willis, Deb Evans, Pat Donovan, Sarah Bagshawe, Barry Ford, Jane Mitchell, Evan Hambleton and Jacque Harding.

Key capital projects

Our capital investment program for 2023-24 totalled \$988.3 million.

Metro

- 1 Alkimos Seawater Desalination Plant stage 1
- 2 Woodman Point Wastewater Treatment Plant upgrade
- 3 Hazelmere and Helena Valley Water pipeline
- 4 Bullsbrook to Ellenbrook Wastewater pipeline
- 5 Gordon Road Water Resource Facility upgrades

Regional

- 6 Floating Dam Covers for southern WA (Ravensthorpe, Lake King and Salmon Gums)
- 7 Albany Ulster Road pipeline replacement (currently in construction – expected completion March 2025)
- 8 Ord Irrigation expansion (M1 channel upgrades)
- 9 Denmark Wastewater pipeline
- 10 Cranbrook Dam relining
- 11 Jerramungup Dam relining
- 12 Katanning - Kojonup underground pipeline replacements
- 13 Manjimup Karri Street pump station replacement
- 14 Cervantes Water Tank upgrade
- 15 Cranbrook Water Treatment Plant upgrades
- 16 Glenfield Beach wastewater upgrades
- 17 Broome North upgrades



KUBOTA

WATER

P943



Our employees onsite.

Financial highlights

We continue to make a significant contribution to the WA economy, stimulating and supporting the state's growth through the provision of water and wastewater infrastructure.

Our surplus for 2023-24 was influenced by solid revenue receipts from our core activities, combined with higher levels of land development and building activity due to a state economy that continues to perform strongly, driven by strong population and employment growth.

The results featured a total revenue of \$3.6 billion, but lower overall returns to the State Government of -\$170.7 million. This was due to the Government's decision for us to retain the dividends that were forecast to be paid in 2023-24 to contribute to funding the Alkimos Seawater Desalination Plant.

Our operating business delivered a surplus of \$1,059.7 million.

Operating revenue increased by 8.7 percent primarily due to increased water consumption, a rise in service charges, higher non-standard business activities, and greater reimbursement works.

Contributions from land developers towards infrastructure for new housing developments added a further \$278.6 million. These contributions were received either as cash (\$165.7 million) or infrastructure handed over such as pipes and pumps (\$112.9 million).

Total expenditure increased by 7.5 percent to \$2.1 billion, reflecting the cost of operating and maintaining our growing and diverse infrastructure. The increase includes the effects of inflation on materials and services, a labour market with intense competition, and increased depreciation for infrastructure and technology assets. Our total cost per property increased by 5.5 percent and our operating costs per property increased by 8.1 percent. Despite these rises, we remain one of the lowest cost businesses in the Australian water industry for large scale supply.

Over the year, we repaid \$638.7 million of fixed borrowings.

Investing in Infrastructure

We invested \$998.3 million in new capital projects to expand our water infrastructure. Our capital investment program benefits the community and leverages off a wide range of local private sector partners to assist us in our construction, maintenance, and operations activities. In doing so, we employ, both directly and indirectly, a significant number of Western Australians. The capital investment program for 2023-24 included \$399.3 million spent on our water business, \$267.7 million on our wastewater business with the remainder on a range of programs including irrigation, drainage, facilities management and Government sponsored work programs such as Metronet.

Aboriginal Communities Water Services

On 1 July 2023, Water Corporation officially took over the management and delivery of water and wastewater services to 137 Aboriginal communities, primarily located within the north west and goldfields and agricultural regions. The first year of the program has focused on operations, maintenance, and enhancing water quality issues across these communities. Key support activities have focused on community engagement, assessing the condition of water infrastructure in each community, planning programs to address significant water quality issues, and developing long-term upgrade options.

Net accrual to government

\$million	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Dividend	-	-	-	642	4	605
Tax equivalents	467	419	392	369	373	360
Operating subsidy	(606)	(614)	(519)	(469)	(431)	(420)
Less: RESP, RCF & RfR ⁽²⁾	(32)	-	-	-	-	-
NATG	(171)	(196)	(127)	543	(54)	545

Performance summary

Financial Outcomes

	Units	2023/24 Projected	2023/24 Actual
Operating Surplus before income tax			
Operating business	\$m	1,097	1,237
Developer asset handover before tax	\$m	57	113
Developer cash contributions before tax	\$m	157	166
Operating Surplus after income tax			
Operating business	\$m	768	886
Developer asset handover after tax	\$m	40	79
Developer cash contributions after tax	\$m	110	116
Capital expenditure (including capitalised interest)	\$m	1,131	988
Borrowings taken - (repaid)	\$m	206	639
Financial Performance Measures			
Return on equity	%	7.2	7.5
Return on assets	%	6.1	6.2
Debt to total assets ratio	%	28.9	22.8
Accruals to Government			
Indirect tax equivalents	\$m	8	8
Income tax equivalents (net of deferred tax adjustments)	\$m	436	459
Dividends provided	\$m	-	-
Total	\$m	445	467

Payments from Government

	Units	2023/24 Projected	2023/24 Actual
Operating Subsidies			
Country Water, Sewerage and Drainage Operations	\$m	431	411
Pensioner and Senior Concessions ⁽¹⁾	\$m	189	195
Metropolitan Operations	\$m	1	(0)
Total operating subsidies	\$m	621	606
Less: RESP, RCF and RfR ⁽²⁾		-	32
Net Accrual to Government	\$m	(176)	(171)

(1) Includes Pensioners and Senior concessions, and concessions provided for non-rated and exempt properties.

(2) RESP - Remote Essential Services Program
RCF - Remote Communities Fund
RfR - Royalties for Region



Operational *report*



Water is essential to life. We need this valuable resource for our survival, health outcomes, and economic prosperity. That is why we have 4,000+ employees working every day to deliver the huge responsibility of sustainably managing water, wastewater, and drainage services across the state.

Despite the backdrop of declining traditional water sources, climate change pressures, unpredictable weather events, and increasing industrial demand, we remain committed to delivering this service with dedication and resilience.

By focusing our efforts and using our values to guide our decisions, Water Corporation plays a vital role in helping our customer, communities, and state to thrive, now and well into the future.



We can all do our bit to be waterwise,
especially in our own backyards.



Safe for all

Safety for our customers, community, and employees is paramount.

The wellbeing and mental health of our people is at the forefront of our decision making, along with ensuring the physical safety of our employees, whether based in the office or the field. We understand it is the support from our people that uplifts our culture and embeds safety into the heart of our daily operations, so we can continue to supply safe and secure water services to the communities we serve.

Safe water from secure sources

We are on a mission to ensure clean drinking water is accessible, no matter where you live in the state. That's why we are now responsible for water and wastewater services in 137 Aboriginal communities through our Aboriginal Communities Water Services (ACWS) program and, staged over an initial 10 years, progressively upgrading their infrastructure. Underpinned by a collaborative, engagement-led approach, the first 12 months of the ACWS program has focused on community engagement, assessing the condition of existing water infrastructure and implementing enhanced water quality monitoring. This is to better understand community requirements, helping identify priority upgrades.

The **137 communities*** of varying sizes, are located in:

Kimberley
101
communities

Pilbara and Mid-West
22
communities

Goldfields and Central
14
communities

Major upgrades to water and wastewater services of the following operating expenditure, commenced or have been completed in five communities:

Ardyaloon **\$500,000**

Initial upgrades to the water reticulation network with new pipes, valves, and realignment of existing pipes to address poor pressure and leakage issues.

Jigalong **\$1.3 million**

Repurposing and decommissioning existing wastewater treatment ponds to support the efficient operation of a new wastewater treatment plant.

Djarindjin

New water bores and borefield access track to provide a new long-term water source for Djarindjin and Lombadina, and two co-designed liveability projects for a new community greenhouse and greening around community basketball courts.

Beagle Bay **\$264,000**

Installation of new water pipes and valves to improve reliability of the scheme.

Mowanjum **\$8.3 million**

Upgrades to the community's wastewater treatment plant, becoming the first licensed wastewater treatment plant in an Aboriginal community.

*At the time of transfer, Water Corporation and Horizon Power assumed responsibility for water and power services in 141 Aboriginal communities. As four of these communities self-manage water supply, Water Corporation is responsible for service provision in 137 communities.

Mowanjum – case study

Mowanjum, an Aboriginal community near Derby, was the first Aboriginal community through a transfer of ownership to have an upgrade completed under ACWS. Home to around 300 people, it became the first Aboriginal community in the state to have a licensed wastewater treatment plant. An Aboriginal contractor installed two new treatment ponds, re-lined existing ponds and replaced fencing. The work enhanced the operational and environmental performance of the plant, reducing potential for wastewater overflows, and will support future population growth in the community. Since the initial upgrades, we have continued to work with the Mowanjum community deliver a liveability project, greening a community space near their community centre, and upgrade their water and wastewater pipes.

Working with Aboriginal communities to improve water services and infrastructure to sustainably support future population growth in the community.



6
CLEAN WATER AND SANITATION



9
INDUSTRY, INNOVATION AND INFRASTRUCTURE



11
SUSTAINABLE CITIES AND COMMUNITIES

Artificial intelligence assisted water screening

Water Corporation is collaborating with the IBM Sustainability Accelerator pro bono social impact program. The project aims to deliver an artificial intelligence driven digital water quality testing system for Aboriginal communities. This innovative solution aims to complement our current water quality testing regime and would be performed by local Aboriginal community members and rangers using a handheld testing device. It aims to provide early warning of possible water quality issues, triggering rapid management intervention. The project aims to reduce the overall response time to possible health-related issues within the community. Water Corporation is one of the IBM Sustainability Accelerator recipients, and the first one in Australia.



CEO Pat Donovan (left) and Minister for Water, Hon Simone McGurk MLA (right) with members of the Mowanjum community.

Keeping the water flowing

We are no strangers to incidents, especially in the face of our changing climate. Our teams are committed to safely supporting each other, our customers, community, and state through challenges that are thrown our way.

Here are three incident case studies to highlight the tireless work of our teams.



In a bushfire emergency, we work tirelessly to support firefighters and residents with ample water supply.



Bushfires – Wanneroo

In November 2023, bushfires threatened Perth's north. They burnt through 2,000ha of land and destroyed 18 homes in the City of Wanneroo. Our Treatment and Resource Recovery (TARR) and Perth Region Field Services (PRFS) teams were quick to respond, supporting emergency services battling the bushfires.

We provided a suite of assistance measures to our customers affected by the fires. This included a water use allowance up to 50,000 litres, which was automatically applied to scheme water users within the fire warning area. Those not connected to scheme water had their domestic water tanks refilled at no cost. Damaged water meters were repaired or replaced without charge. Customers whose properties were destroyed had new and existing water use and service charges waived until 2024.

Despite direct impact to water supply infrastructure in and around Wanneroo, our crews maintained water supply to firefighters and the wider community throughout the emergency response. This was achieved in part by redirecting large volumes of water from suburbs north of the Perth CBD to reservoirs around Wanneroo. Our crews ensured ample water supply to those who needed it most, and worked as one to find better solutions during a difficult time.

Amplifying emergency preparedness
and response to natural disasters.



Weather conditions - goldfields and agricultural region

In January 2024, severe thunderstorms caused havoc in the goldfields and agricultural region (GAR), causing power outages across the central wheatbelt and goldfields. This impacted our assets, including the Mundaring Water Treatment Plant, and disrupted customer water supply.

As an emergency responder, we played a crucial role in dealing with this incident. Collaborating closely with Western Power and other agencies, our teams swiftly deployed generators to our main pumping sites to maintain operations. Throughout the incident, the Binduli reservoir and its permanent onsite generator functioned as intended, ensuring a continuous water supply.

Our dedicated crews from the GAR demonstrated exceptional efficiency and safety in managing the incident. Teams from PRFS and TARR also stepped up, working together to ensure the delivery of safe water to our customers.

The Water Operations team expertly navigated the complexities of moving and storing water through the Goldfields and Agricultural Water Supply Scheme. During this unprecedented event, they minimized the risk of water supply interruptions to key customers while safeguarding community supply. Throughout the operation, we prioritised the wellbeing of our staff and managed fatigue associated with dealing with such an event. With 7,800 km of pipeline across a vast area in the GAR, this was a logistical challenge that we overcame through working as one.

Working as one to support Wiluna.



Partnering to manage climate related incidents and maintain safe water supply

6



13



17



Invisible Incidents – Wiluna

For every high-profile incident we handle, there are many others resolved behind the scenes by our dedicated teams.

Earlier this year, our electrodialysis reversal (EDR) plant in Wiluna, crucial for the region's drinking water supply, experienced an operational issue. As repairs were underway, we quickly mobilised a temporary reverse osmosis (RO) plant to ensure continued water purification.

The situation became more challenging when storms hit the GAR region, causing power outages that complicated the RO plant's connection. Recognising the imminent risk to Wiluna's water supply, we promptly declared an incident and formed an Incident Management Team.

Our teams worked tirelessly, transporting water from Leonora to maintain supply while our operations team focused on installing the emergency RO plant. Despite the complexities, we successfully commissioned the RO plant with minimal disruption.

Our team's dedication ensured that the people of Wiluna continued to have access to clean drinking water. This coordinated response, from our operations team in the field, to the procurement team in our office, demonstrated our commitment to handling emergency responses safely and efficiently.

Finding innovative solutions to ensure safe drinking water supply to regions.

6



9



Equipping our people

Handling incidents is a significant responsibility, and ensuring our people are equipped for both daily operations and emergencies is crucial.

Over three years, we travelled across the state on a process improvement mission. Our purpose was to understand what our Operations Group needed to continue to perform their job safely and effectively. Feedback revealed the need to ensure both our new and existing employees were equipped with the same level of process information across the state. In response, we conducted a full training review, consulted hundreds of our people across the Operations Group and built a new training block program that launched in February.

Our employees now emerge from our new two-week program with 80 per cent of the knowledge required to do their job. This leaves only 20 per cent to be best taught and delivered on the ground with practical experience, followed by time in the ‘real world’ to hone into skills they’ve learned.

We are also working to upgrade our Shenton Park training facility where we will create an underground test network to conduct excavator training to further increase the capability of our employees.

Safety is at the heart of what we do

Under the Work Health Safety laws introduced in 2022, employers now have greater responsibility to protect both the mental and physical health and safety of their workers.

While we've been increasing our support for mental wellbeing for some time, we are now taking steps to strengthen our approach through proper identification, assessment, and management of our psychosocial hazards.

Psychosocial hazards are aspects of work which have the potential to cause psychological or physical harm. Following our initial workplace assessment conducted in 2023, we're now working towards further defining our risks and implementing a risk management approach that will eventually become part of our ongoing safety management.

Our mental health journey

Health and wellbeing programs

- Mental health champions
- Leader training
- EAP (Employee Assistance Program)
- MAP (Managers Assistance Program)

Safety essentials

- Healthy minds
- Mandatory training
- Leader and field guide

New WHS laws

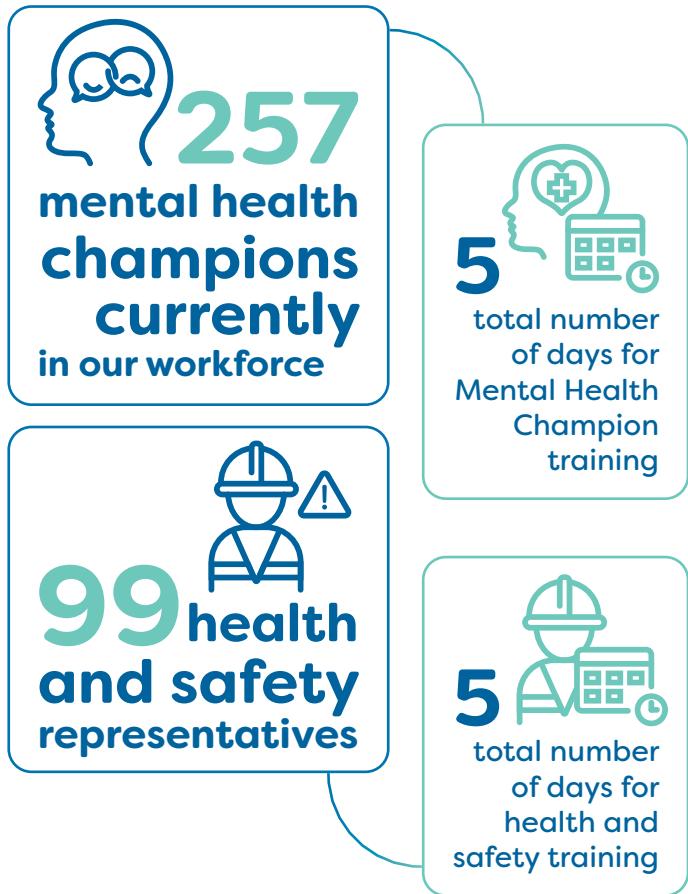
- New act, regulations and code of practice



Psychosocial risk management

- Risk management approach to psychosocial hazards

Mental Health and Safety Performance



The psychosocial safety of our people is just as important as their physical safety on our sites.

Continuing our digital journey in safety

As part of a greater need to empower our people to deliver their work in a safe manner, we have invested in a range of technological and digital solutions ensuring we remain up to date with the latest advancements, including:

- Our digital Health, Safety, and Environment management system – we invested in upgrading our HSE management IT system, including improvements to compliance tracking and permit management.
- In Vehicle Safety system – we are continuing with the installation and use of the In Vehicle Safety system which uses vehicle telematic technology that can gather, store, and transmit vehicle information.
- Digital job hazard analysis tool – we implemented the digital job hazard analysis tool which is designed to ensure that all relevant questions and controls are prompted for each task, while allowing the employee to have safety-lead and psychosocial discussions on site.
- Safe job planning - implementation of the digital safe contract pack and digital safe job planning tools has provided teams with the ability to safely manage and execute their work in a safe manner, while providing additional levels of assurance across the business. Real time reporting of our risks, safety conversations and behaviours on site allows clear line of site with some of our highest risk tasks across the state.





Environmentally sustainable

Think climate change, be waterwise

Adapting to climate change is not just a strategic imperative for us, but a moral responsibility. As one of the government's largest energy consumers, our commitment to sustainability and environmental responsibility is key in achieving our ambitious net zero targets.

From reducing our emissions through electric vehicles to investing in wind energy, we are on a journey to innovate and lead as we transition to a greener future, while ensuring reliable and resilient water services for the communities we serve.

How do we evaluate our sustainability?

We're committed to delivering sustainable infrastructure for our customers and community, we are a member of the Infrastructure Sustainability Council of Australia (ISC). ISC's Rating Scheme is Australia and New Zealand's only comprehensive system for evaluating sustainability across the planning, design, construction and operational phases of infrastructure projects. ISC independently evaluates the quadruple bottom line (Governance, Economic, Environmental and Social) sustainability performance of infrastructure projects. We currently use the ISC Rating Scheme to drive sustainable outcomes on projects valued greater than \$100 million, such as the Alkimos Desalination Plant (ASDP), Alkimos Trunk Main to Wanneroo Reservoir, and Goldfields and Agricultural Water Supply upgrade projects.

It takes a team to deliver a desalination plant

The delivery of the ASDP will future proof the water supply for more than 2.5 million Western Australians. When commissioned in 2028, ASDP will provide 50 billion litres of climate-resilient drinking water from the Indian Ocean each year, with a future second stage to double its capacity. It will support local businesses, facilitate land development, and enable economic growth.

This financial year, we secured environmental and development approval, awarded a contract to design, build, and operate the plant, and prepared the site for construction to begin. It will take a collaborative team of around 1,300 people to build a major asset of this size. The contract will also provide employment and development opportunities for at least 155 apprentices and trainees.

As part of Thrive2035, we're committed to accelerating to net zero for scope one and two greenhouse gas emissions. ASDP will have net zero scope one and scope two greenhouse gas emissions during construction and operation, and will reduce our groundwater abstraction by 30 billion litres a year. This ultimately helps to preserve healthy wetlands, parks, forests, and public open spaces in Perth's north.



Woodman Point WRRF.

Investing in wind energy

To enable us to reach our Thrive2035 objective of net zero by 2035, we acquired the development rights and became the owner of Flat Rocks Wind Farm Stage 2 Pty Ltd in the great southern region.

Around half of Perth's drinking water comes from the Indian Ocean, but treating seawater to remove salt and impurities is extremely energy intensive. Our desalination plants give us the unenviable role of being one of the highest electricity consumers on the grid. With our current seawater desalination plants, and the new ASDP currently under construction, we need to ensure we can sustainably meet these energy needs while continuing to protect the environment. Flat Rocks Wind Farm will support us on this journey.

Located between Kojonup and Broomehill, the wind farm development process involves ongoing engagement with landowners, local shires, the wider community, Synergy, and Western Power. This year, we undertook a Social and Economic Impact Assessment to better understand ways to limit the impacts on the local community, environment, and heritage. We will continue to work with stakeholders as the project progresses.

Setting the benchmark in sustainable wastewater treatment

No longer an unwanted by-product, wastewater is treated and recycled into clean water, renewable energy, biosolids, and other valuable resources across the state. As we strive to recycle up to 35 per cent of all wastewater in the Perth metro area by 2035, we have been focused this year on finding better solutions at our Water Resource Recovery Facilities (WRRF).

Broome – case study

In December 2023, we completed a major investment in Broome's wastewater and water infrastructure to support the town's future development.

Delivering environmental, community, and tourism benefits, the two-year project included the expansion of Broome North WRRF. Wastewater flows are now diverted to Broome North via a new 12km underground pipeline so that the plant treats all the town's waste.

The upgrade allowed the closure of Broome South WRRF to help protect the iconic Roebuck Bay - an area of high conservation value and national and international environmental significance.

To maintain Broome's 43.5ha of public open space, a replacement irrigation scheme now supplies non-potable water through new and repurposed infrastructure which previously used recycled wastewater from Broome South. This delivers a long term, environmentally sustainable solution for the community.

Investing in infrastructure to support environmental conservation and sustainable water services in regional towns.



Woodman Point – case study

Construction work began this year on an upgrade to our largest water resource recovery facility, Woodman Point WRRF. This upgrade has set a new standard in sustainably converting wastewater into clean water, renewable energy, and other valuable resources. The facility collects and treats 150 million litres of wastewater daily from around 900,000 homes and businesses in Perth's southern suburbs.

As part of the project, scheduled to be completed in 2027, the WRRF will soon treat 120 tonnes of organic matter daily, keeping pace with a growing population as well as catering for higher future inflows. Enhanced energy recovery technology will also be installed, allowing the facility to capture and reuse more biogas (mostly methane that is produced during the treatment process) as a renewable energy source.

To support our net zero emissions target, the upgrades will reduce greenhouse gas emissions by around 5,600 tonnes CO₂-e annually. This is because less power will need to be purchased from the electricity grid to run the plant.

Upgrading our infrastructure with innovative solutions to contribute to our net zero targets.



Our Waterwise programs help communities play their part in tackling climate change

Since the late 1970s, rainfall has declined by up to 20 per cent. At the same time, urban development and the demand for water continues to grow. A key challenge for us is determining how we can create and maintain highly liveable communities when natural water sources continue to decline.

To meet this challenge, our suite of waterwise programs work in partnership with local government, industry, and the community to make Perth a leading waterwise city – a city that is liveable, resilient, sustainable, and productive in a changing climate.

These initiatives are part of the Government of Western Australia's Kep Katitjin – Gabi Kaadadjan – Waterwise Perth Action Plan 2 to establish leading waterwise communities for Boorloo (Perth) and Bindjareb (Peel) by 2030.



Waterwise Council Program

Our Waterwise Council Program, delivered in partnership with the Department of Water and Environmental Regulation, supports local governments to improve water efficiency and help create waterwise communities.

For the second time in seven years, the City of Mandurah has won Platinum Waterwise Council of the Year 2024 for its innovation and leadership in embedding waterwise principles into their operations.

64 local governments

participating in Waterwise Council Program



100 per cent of metropolitan local governments are waterwise endorsed

31 local governments

achieved Gold status recognition

9 local governments

achieved Platinum status recognition

Waterwise Greening Scheme

Our Waterwise Greening Scheme works in partnership with local governments to transform urban environments to increase biodiversity.



The Waterwise Greening Scheme co-funded more than **116,000** waterwise plants, **167** verge transformations and **2,721** waterwise trees



Board Chair Andrea Sutton (left) with Water Corporation CEO Pat Donovan and the Demand Programs team.

Waterwise Business Program

The Waterwise Business Program provides water savings support to business customers that use more than 20 million litres of scheme water per annum.



269 Waterwise businesses saved
147 billion litres

of water saved since 2007

21 Waterwise Buildings

Waterwise Aquatic Centre Program

Our Waterwise Aquatic Centre Program works in partnership with the Leisure Institute of WA to enable aquatic centres across WA to be recognised for their commitment to water efficiency.



57 aquatic centres

are waterwise endorsed

Wanneroo Aquamotion

awarded Platinum Waterwise
Aquatic Centre of the Year

1.59 billion litres of water saved
by the aquatic industry since 2008

Waterwise Development Program

The Waterwise Development Program supports developers in building sustainable homes and communities by applying Water Sensitive Urban Design principles in their estates.



27 developments

endorsed as waterwise

East Village at Knutsford in the
City of Fremantle awarded
Waterwise Development of the Year

Gnangara Waterwise Councils Grants program – *case study*

The Gnangara Waterwise Councils Grants Program is a joint initiative between Department of Water and Environmental Regulation and Water Corporation. It focuses on the local governments with large groundwater entitlements that are most at risk of the urban heat island effect. The grant scheme was developed to support the affected local governments respond to the Gnangara groundwater allocation plan and reduce their groundwater use, without increasing reliance on scheme water or reducing greening or amenity.

The cities of Bayswater, Joondalup, Perth, Wanneroo, Vincent, Swan and Stirling, and the Towns of Bassendean and Cambridge submitted projects to help reduce their groundwater use. These have been approved, and the cities and towns received their first year of funding of close to \$1 million dollars collectively. Up to \$4 million is available and all projects will be finalised by 2028.

The State Government funding will support the redevelopment of parks to include waterwise principles and create resilient open spaces, increased tree cover, upgraded irrigation systems, installation of weather stations and smart irrigation control systems, as well as stormwater harvesting. Projects will also look at the potential for wastewater reuse as alternative water sources.



Partnering to promote responsible use of water, support urban greening and promote public health and wellbeing.

Drainage for liveability program – *case study*

This year, seven drainage assets were transformed into living streams, wetlands, and parks. Drainage for Liveability initiatives improve biodiversity and create healthier, more climate resilient local communities.

We also supported the City of South Perth-led project at Godwin Avenue, revegetating an old stormwater sump to support a more extensive program to extend one of their regional cycle paths. The project will improve water quality, enhance wildlife habitat, and create a new, family-friendly pathway connection, including a link from Canning Bridge Station to the local residential area and Curtin University.

Since 2016, the Drainage for Liveability program has increased community access to green space and improved biodiversity by transforming 41 land and water assets.



Adapting infrastructure to provide ecosystem services and cooler public open spaces through community partnerships.



Shire of Broome CEO Sam Mastroleombo, Minister for Water Simone McGurk, Kimberley MLA Divina D'Anna, and Water Corporation Regional Manager Sharon Broad at Broome North Water Resource Recovery Facility.



Largest valve manufactured in Australia for our
Sepia Depression Ocean Outlet Landline project.



Satisfied customers

Climate change means we need to act now to save water for the future.

We have a responsibility to help all Western Australians understand how small changes in household water use can make a big difference to the future security of our most valuable resource.

By instilling waterwise practices into our customers, we empower them to understand the importance of establishing lifelong habits that will benefit communities and ecosystems for generations to come.

Waterwise Education program

In WA, waterwise education begins at school. For nearly 30 years, our Waterwise Schools program has engrained waterwise behaviours in students of all ages. This financial year, 32,113 Perth school children participated in the free Water Corporation program. By 2030, we're aiming to take the waterwise message to 50,000 WA students each year.

This goal reflects our commitment to educating and inspiring a larger number of young minds about the importance of water conservation. Plans are in motion to expand our program to areas outside of Perth, making it accessible to even more students across the state.

Our children of today are our waterwise champions of tomorrow.





Water Minister Simone McGurk (second from the left) and Member for Victoria Park Hannah Beazley (second from the right) celebrated a record number of students in the Waterwise Schools Program this year.



Greener gardens using less water

Our popular Spring Irrigation Check program was offered again this year, with an increased focus on making irrigation systems as efficient as possible while educating customers on how to be water smart in their gardens. Between September 2023 and April 2024, customers in Perth and Peel had access to a free sprinkler check conducted by a Waterwise Irrigator. 1,982 services were delivered, with customers providing very positive feedback. The program was developed to help customers optimise the performance of their existing irrigation system in spring; providing the maximum opportunity for gardens to remain healthy during the hot summer months, while also minimising overwatering.

Waterwise garden workshops

A series of nine waterwise garden workshops were delivered with a range of our valued partners this year. These included workshops at events such as the Kings Park Festival and Perth Garden and Outdoor Living Festival as well as unique pop-up waterwise garden displays at inner city cafés. Each workshop delivered waterwise messaging to a range of engaged audiences, covering topics such as 'making your garden the biggest room of your home' and 'secrets of a beautiful waterwise garden paradise'. The workshops reached almost 1,000 people, with brochures and giveaways ensuring the waterwise messaging would stay front of mind long after each workshop was complete.

This year, we have continued to work closely with our customers to understand their current situation and challenges in order to give them more control over their bills. We have been using our customer insights to drive our decision making with projects that enable and support a better customer experience.

Keeping our customers informed

Our water supply alerts tool help keep our customers informed about outages, 24 hours a day, seven days a week. Our customers have the option to be alerted by email or SMS. Knowing when a water outage will occur has never been easier.

Employee case study:

Rohan, Operations Manager – Service Delivery, recently had a great experience with the tool!

Rohan had previously registered to receive supply alerts. He received a supply alert via text message, advising of an upcoming interruption to repair a leak on his verge. A card was also left in his letterbox letting him know a temporary reinstatement had been done and an inspection would occur by a contractor for final reinstatement of his verge.

The next day, he received an email letting him know that his verge reinstatement was underway, and he had a 20-kilolitre water allowance to help establish his new lawn.

Rohan's experience highlights how we are taking steps to achieve our Thrive2035 goal of satisfied customers by communicating with customers in the moments that matter. Our water supply alerts tool plays a big part in keeping in touch with customers and ensuring they are receiving up-to-date information.

Leading with care through our hardship programs

Since the launch of our Financial Care program in 2018, we have supported more than 12,000 individuals and families through our hardship programs. Thanks to these programs, we've helped to erase a staggering \$20 million in debt over the last six years. While our hardship programs have gained recognition as some of the best in WA, we have also uncovered a stark reality. With disposable incomes tightening, cost of living pressures continue to grow. We are on a constant journey to ensure we offer our customers sustainable solutions to the rising costs of living. We want to continue to deliver better value by proactively assisting those in need through our Start Over and Water Assist programs.



Staying in the know through our water supply alerts tool helped Rohan grow a tip-top verge.



One of our Splash of Colour projects.

Kimberley Community Grants Scheme – case study

We have an important role in empowering our customers and community to take an active role in improving their quality of life. Through many of the programs we deliver, we continue to foster community involvement and wellbeing to build an appreciation of nature and an awareness of the value of water.

Our Kimberley Community Grants Scheme provides individual grants of up to \$10,000 to not-for-profits and community groups for projects that make a positive contribution to life in the Kimberley. The grants scheme is funded through the sale of Rhodes Grass hay. The hay is produced at our Broome North WRRF as a way of recycling treated wastewater.

Together with Lions Club of Broome, we started the West Kimberley Community Grants Scheme in 2016. The scheme was so successful we opened it to the wider Kimberley community in 2019.

This year, 13 projects shared in nearly \$80,000 funded under the grants scheme. Among this year's recipients is the Kununurra Picture Gardens, a community-owned, volunteer-run outdoor cinema that has screened weekly movies since 1946. The group will use its \$10,000 grant to fix a broken projector, which hampered the beginning of its 2024 season.

Kimberley Action Sports also received a grant of \$8,000 to help upgrade the Kununurra BMX track to national standards. And the purchase of new song licences will ensure Broome Town Band can expand its repertoire and perform at a greater variety of community events.

What's most unique about this scheme is the way recycled water from homes and businesses in Broome is used to grow hay, with profits given back to the community. It's an example of a sustainable, circular economy and reflects the fact that wastewater is no longer something to be wasted.

Proactively taking initiatives to support economic growth and sustainability in regional communities.



Water Corporation General Manager Operations, Barry Ford, with a recipient of our Kimberley Grants Scheme.



Supporting state development

Our commitment to finding better solutions as we navigate the rapidly changing landscape demonstrates our commitment to deliver our supporting state development goal.

Recognising the importance of staying ahead in an increasingly dynamic environment, we proactively address emerging issues to drive positive impacts for the state. By collaborating with government, industry, and various sectors, we continuously explore opportunities to ensure that WA remains a great place to live and invest.

More places to call home

As a principal supplier of water, wastewater, and drainage services to homes across the state, we support the development and building industry to deliver houses. So, what are we doing to support the housing demands of our state?

Supporting land development and needs

Working closely with the development industry, we're delivering water infrastructure to connect land developments and support housing.

To support planned developments, we have committed \$125.3 million for 41 projects from 2024-25 through to 2026-27. These projects will be delivered by the development industry but are funded by Water Corporation, and will enable the delivery of 62,000 residential lots in the metro area and 6,000 lots in the regions.

To help expedite land development and mitigate the state's housing supply needs, we have looked at ways to understand and remove possible constraints by working collaboratively with both the Department of Planning, Lands and Heritage (DPLH) and industry. With an eye on the current landscape, we're always looking ahead with state and local government planners to ensure we can plan the assets, infrastructure and water sources needed to support future growth areas and the creation of houses across the state.

Supporting infill development

We are working with DPLH to facilitate the development of underused or vacant land in strategic areas to increase density and place new developments near existing resources and infrastructure. We are assisting with the delivery of DPLH's Infrastructure Development Fund initiative and have developed a Strategic Water Infrastructure Program to support infill development, a \$55 million eight-year project. It comprises of infrastructure projects in nine key Metronet redevelopment precincts that have the potential to help deliver up to 15,000 new homes.



Supporting the Strategic Industrial Areas

Alongside the Department of Jobs, Tourism, Science and Innovation and Development WA, we have worked closely with all 13 Strategic Industrial Areas (SIAs) across the state to support the investigation into servicing these areas.

Spotlight on Kwinana:

Kwinana is a strategic industrial gateway between WA's economy and the rest of the world and plays a key role in decarbonisation. We proudly showcase our circular economy credentials through the Kwinana Water Reclamation Plant (KWRP). We take wastewater from our Woodman Point treatment plant and turn it into highly valuable industrial quality water which is used by businesses in the area. This water is not of drinking quality, but more fit-for-purpose for these industrial sites – a win for us, a win for them, and a huge win for the environment. This year, we received approval to expand KWRP to support the SIA. The expansion will increase KWRP supply by ~ 10ml per day.

Our employees with Albany community members.



Addressing climate change in the regions

There's never a dull moment in our regions. The vast distance of the state means we service a land of weather extremes, which presents considerable challenges when it comes to water security.

A tale of two dams - *case study*

In January, the Ord Dam in the north west was overflowing due to unpredictably heavy rainfall. At one point, the level was at 97.5 metres, which is well above full capacity of 92.23 meters. This resulted in the dam flowing at 2.89 metres over the Lake Argyle spillway and discharging water at a rate of 780 cubic metres per second.

At the same time, Glen Mervyn Dam near Collie experienced its lowest levels since 2017. Usually sitting at about 39 per cent, it was at 6.2 per cent this year and is now one of the driest dams in the state.

Across the state, due to a drier than normal winter and the recent long hot summer, our drinking and non-drinking water dams were 29.8 per cent lower on average compared to last year in the south west.

Adapting to climate change impacts by taking actions to provide sustainable water services in regional towns.



Wellington Dam.



Secured for the future

With the increased extreme weather impacts we've seen this year, ensuring long-term water security for all Western Australians is at the forefront of our future source planning. We continue to invest in projects to connect communities to larger regional supply schemes where standalone surface water sources are no longer reliable.

In Denmark, we connected the community to the Lower Great Southern Towns Water Supply Scheme. This was in response to years of declining rainfall, and means the town no longer depends on rainfall alone for its drinking water.

Our Goldfields and Agricultural Water Supply Scheme, our largest scheme, stretches 9,601km from Mundaring Weir in the Perth Hills to Kalgoorlie and services more than 100,000 customers. Each year, we conduct extensive condition assessments of the pipeline network, guiding our efforts to replace and refurbish sections of the pipeline. Future upgrades to this vital scheme are being prioritised under an initial \$15 million commitment for critical planning and design work. This important project supports long-term economic development in the Goldfields and Wheatbelt regions.

Similarly, Kirup and Mallalup in the south west are now connected to the Warren-Blackwood Regional Supply Scheme following an upgrade to the pipeline.

In Albany and Exmouth, we are investigating future source options to reduce reliance on groundwater and support regional economic growth. This includes assessing the potential for localised desalination plants and ensuring groundwater abstraction does not come at the expense of the environment.

An aerial photograph of the Ord Dam, showing its concrete structure and the large amount of white water cascading down its spillway. The dam spans across a wide, blue lake. In the background, there are green hills and a clear sky.

The Ord Dam is part of the Ord Irrigation scheme and provides water to an iconic agricultural project, supports local tourism and sustains the unique Kimberly environment.



Efficient

Managing our finances sustainably is fundamental to deliver our goals by 2035.

As we navigate an ever-changing and dynamic landscape, we have continued to lay the foundations to set us up to achieve our vision, not only successfully, but efficiently too.

How are we being more efficient as a business?

Transformation Office

Our Transformation Office, established in 2022, exists to deliver transformation projects that will change the way we work and enable us to deliver Thrive2035.

Responsible for managing the portfolio of change required to deliver the operating model, they actively govern how we deliver on our targets to achieve our goals.

The Group's achievements this year have supported us to lay the foundations around what we need to focus on, including: prioritisation of workload; implementing a new set of behaviours; supporting the development and launch of our new Corporate Values; identifying performance gaps; using change management expertise; and supporting sub-strategy development and translation.

Better connection across the state

Being efficient means performing at our best and staying ahead of the curve. Earlier this year, we upgraded our sites to the 4G network as the 3G network was going to be switched off in mid-2024. This was no easy feat! The Operational Technology team visited 837 sites across the state, including some that were extremely remote and logistically challenging. From treatment plants to pumping stations, we upgraded our assets to ensure maintenance of connectivity, so that we would not be impacted when the network was turned off.

Detecting leaks before it's too late - case study

To improve resilience, efficiency and save water, we partnered with Terra15 Technologies to turn spare fibre optic cable in the Perth CBD into a giant acoustic leak detection network. It has been programmed to monitor for the distinctive sound of a leak in nearby water mains by pulsing laser light through a tiny strand of cable. The Terra15 equipment detects any minute interruptions in the signal due to vibration or sound. This enables us to proactively detect leaks before a pipe bursts, saving valuable water, money and preventing supply disruptions.

Applying technological innovation to provide an efficient solution to detect water leakage.



How are we helping our customers be more efficient?

Ensuring efficiency for our customers directly translates into significant cost savings. By implementing water-efficient technologies and practices, we enable our customers to minimise water usage without compromising productivity or quality. Whether it be through innovative irrigation systems or water-saving fixtures, our solutions not only reduce costs but also contribute to environmental conservation efforts.

Our team creating a waterwise garden.



Save water, save money

Through our Waterwise Social Housing Project, 1,361 government-owned properties have been retrofitted with water-efficient fixtures such as showerheads, toilets, and taps. This project has been delivered in partnership with the Department of Communities. Leaks were repaired, and advice was provided to help tenants make daily waterwise changes to their lives.

The program helped save 119 million litres of drinking water throughout 2023-24. Since its inception in 2019, the project has saved 492 million litres of precious water across the state and helped reduce household water bills substantially.

Rebates for weather-based irrigation controllers

This year, 1,599 customers took up our offer of rebates for weather-based irrigation controllers, making the latest technology in water-saving irrigation practices more accessible to customers. The rebates were available to those who purchased approved products from Waterwise irrigation and garden design shops. Controllers were professionally installed by a Waterwise irrigation specialist to ensure watering rosters, and other waterwise gardening practices, were considered.



Great place to work

Our success
starts with our
people!

We could not have achieved all the remarkable initiatives this year without the commitment of our 4,000+ employees across the state.

A key focus of our Thrive2035 strategy is to ensure our people feel they belong at work. When people feel like they can be themselves, they're happier, more productive and motivated to deliver their best performance.

Values refresh: drive to thrive

What does a 'great place to work' look like? We took the time to pause, reflect, and ask our people what they needed to thrive and deliver on our vision.

The next step, following the launch of our corporate strategy, was refreshing our values. While Thrive2035 and our six goals define what we need to deliver, our values outline how we will work together to achieve them.

In May 2023, we surveyed our people to understand their views on our previous values. This direct feedback provided a better understanding of the current culture, behaviours, and traits. Following the survey, over an eight-week period, we travelled over 8,500km from Albany to Broome, to deliver workshops and listen to more than 500 employees.

During the workshops, participants outlined their thoughts on Thrive2035, unpacked what a positive culture at Water Corporation could look like and shared stories that reinforced the important traits and behaviours we needed to get us to 2035 and beyond.

Participants created their own aspirational values and explained why they believed these would steer us in the right direction. Armed with pages of data from the focus groups, including hundreds of value statements, the values team analysed and distilled them into common themes. After six months of collecting data and hearing on-the-ground feedback, a new set of corporate values came to life.

In November 2023, we officially launched our new values.

- Working as one
- Finding better solutions
- Delivering on our promises
- Leading with care

Our new Enterprise Agreement

This financial year, we entered into a new Enterprise Agreement (EA). Negotiations of this nature are far from simple. Our EA bargaining team's hard work and dedication resulted in a fantastic outcome, with an overwhelming majority of our employees voting 'yes'! Some of the benefits in our new EA included an increase in parental leave and improved allowances for our trade and wages employees.

Embracing flexibility

In 2023, we were proudly recognised as a FlexReady Certified Employer. At the same time, we launched our Return-to-Work program, a program aimed at helping parents and carers return to work following a career break.

Sandra Eames, Project Leader – IT Projects and Portfolio Delivery, was a recent participant in the program.

"I saw my current position advertised on LinkedIn a few hours before the application deadline. I couldn't believe my luck. It felt like the job description and opportunity as a return-to-work candidate was written for me. I applied immediately."

I am now a project leader in Projects and Portfolio Delivery and started my contract at 20 hours per week. With the support of my manager and the project team, I have been able to increase my hours and I now work four days a week, enabling me to focus on my work deliverables, while still allowing me the flexibility to prioritise personal commitments and my family.

Thankfully, the flexibility and support I have received means that I am able to work from home for a portion of the time, allow me to do the school runs, complete my work assignments and still have a day a week where I can sort out my family admin."

Reconciliation Action Plan

Part of our Thrive2035 journey and being a great place to work is building a more culturally intelligent organisation. Our third Stretch Reconciliation Action Plan (RAP) 2023-2026 continues the journey of our previous RAPs and focuses on truth-telling to build respect, relationships, and opportunities between Aboriginal and non-Aboriginal Australians. It also aims to embed reconciliation initiatives into business strategies to become 'business as usual'. A focus in our RAP is equipping our workforce with the generational knowledge and lived experience of Aboriginal peoples in as many ways, voices and perspectives as possible. Together, we will learn to understand, incorporate and uncover millennia old best practices, and restore trust in the communities we serve. By celebrating key events like NAIDOC week and Reconciliation Week, we are building a more inclusive culture for our people to thrive in.





Clontarf students visiting Canning Dam.



Water Corporation Board member Gningala Yarran-Mark hosting an activity at the DSG leadership camp.

Channelling future career opportunities

Clontarf partnership

Proudly partnering with Clontarf since 2008, we're continuing our commitment in supporting young Aboriginal and Torres Strait Islander boys through improved education, self-esteem, and employment opportunities.

Each year, up to 20 Clontarf students have the chance to participate in our career day excursion. This includes opportunities for both regional and metropolitan students to visit our depots and learn about water and wastewater across WA.

Our partnership with Clontarf Foundation is a wonderful way to introduce students to the water industry and pave the way for future careers.

Mentoring is a key component in supporting our community partnership with Clontarf Foundation. This year, over 40 of our colleagues from across the state participated in mentoring Aboriginal and Torres Strait Islander Clontarf students. Their support assists in the student's development and highlights the rich and varied roles at Water Corporation across the state, while promoting us as a prospective employer of choice.

Waalitj Foundation and Deadly Sista Girlz partnership

We are continuing to make major strides in our partnership with the Waalitj Foundation and Deadly Sista Girlz (DSG), a partnership we have had since 2021 and are extremely proud of.

In June, we sponsored a three-day Deadly Sista Girlz (DSG) Year 10 leadership camp. Attended by 24 students across the state, the camp was our first sponsored event through DSG, which also featured an activity session hosted by some of our female Aboriginal employees and Board member Gningala Yarran-Mark. The session focused on enhancing the confidence, communication skills, and professional development of the Year 10 students, while showcasing the range of career opportunities and leadership roles enjoyed by our people.

This partnership is a fantastic way for us to work collaboratively with women across the state to identify future career opportunities.

Celebrating our successes

Throughout the year, there were several projects and people recognised for their incredible accomplishments through various industry awards, including:

Australian Water Association WA Awards:

- Organisational Excellence Award – Waterwise Perth Action Plan 2019 (jointly won with the Department of Water and Environmental Regulation and other contributing agencies)
- Infrastructure Project Innovation Award (Regional) – Horrocks Wastewater Treatment Plant Continuous Electrochlorination Upgrade
- Young Water Professional of the Year – Liz Duguid
- Water Professional of the Year – Cristiano Carvalho
- Water Sensitive Urban Design – Lake Street Urban Stream (contributor)

Engineering Australia Awards:

- Emerging Professional Engineer of the Year – Nicole Locke

2024 Australian Water Awards

- Customer Experience Award – School Education Waterwise Experience
- Organisational Excellence Award – Waterwise Perth Action Plan 2019 (jointly won with Department of Water and Environmental Regulation and other contributing agencies)

WA Earth Awards

- Belmont Park Optus Stadium DN500 Water Link project, entered jointly Rob Carr Pty Ltd and Water Corporation

A drop more precious than water

We encourage our people to give back to the communities we serve through our various support programs, such as our Employee Giving and STEM tutoring programs. We are proud of what our people do to give back. One specific program stands out this financial year – our work with the Red Cross through their Life Blood program.

Each year, one in 30 Australians donate blood, yet one in three need a blood donation in their lifetime. With some considering water the lifeblood of the earth, it's only fitting that we are supportive of Lifeblood Red Cross! In 2023, we made 1,405 blood donations across WA and we saved 4,215 lives. This made us one of the top corporate donors in WA! We even managed to increase our donations from 2022 by 13 per cent.

Roman Harasymow, Senior Principal, Infrastructure Markets, is proudly part of our Water Corporation Lifeblood team and has been rolling up his sleeves for over four decades.

"My dad was a blood donor, which got me interested. Once I started donating when I was 17, I realised the benefits it gave to people and society," Roman said.

Roman is on track to meet a milestone of 500 donations!

Together, our blood donor champions saved thousands of lives in 2023.



Our people

Our people are the heart of our business. We're passionate about ensuring our people are celebrated, enjoy coming to work and can get involved in activities that can make a real difference. We love to recognise causes and celebrate events that align with Thrive2035 and our values.

From a variety of internal events and activities to employee networks and committees enabling us to be a great place to work – here are some of the impressive things our people got up to this year!



National Sorry Day

"We have an incredible heart as an organisation – the care and compassion our people have, and the genuine 'goodness' of the people I get to work with makes it a joy."

- Head of Business Unit



Eid celebrations



Lunar New Year celebrations



Sustainability committee



Supporting the Blue Tree Project



"The organisation has really demonstrated the value of leading with care as my three supervisors and the wider team have been understanding and accommodating. I've enjoyed the flexible work adjustments, such as working two days a week from home, so I can continue to participate and grow professionally."

- Coordinator



"I have been a Mental Health Champion since the inaugural cohort. Water Corporation have been fantastic in supporting me to pursue this important role. I love the program, it's great to see the workplace culture change as we continue to improve the wellbeing of our colleagues."

- Team Leader



Corporate governance *report*



For our future generations, it's more important than ever to think
climate change, be waterwise.

Our approach to corporate governance is based on a set of values and behaviours that underpin our culture and business practices. This approach includes a commitment to robust governance standards that are fundamental to the sustainability of our operations and our performance.

This section includes a description of our main corporate governance practices, which form a framework to ensure we act with high standards of corporate behaviour and in the best interests of our owner.

The Board of Directors

The structure of the Board is subject to the following parameters:

- The Board must comprise of at least five and not more than nine Directors (the Chief Executive Officer is the only Executive Director).
- The Directors are appointed for terms of up to three years and are eligible for re-appointment but cannot hold office for more than nine consecutive years.
- The Board should comprise of Directors with a broad range of skills and experience.
- Board meetings are generally held once a month at our head office in Perth.

Appointment of Directors

The Minister for Water appoints the non-executive Directors to the Board. This is after consultation with, or on the recommendation of the Board and must consider the Board's skills matrix.

Appointments are typically staggered to ensure one third of the Directors retire each year in line with sound governance practices and our Board Charter. Their duties are not fulltime.

The Chief Executive Officer is appointed to the Board as an Executive Director by the Minister for Water, with the approval of the Treasurer or Minister for Finance.

Changes to the Board

Ross Love resigned as Chair on 20 October 2023.

David Lock was appointed as acting Chair on 21 October 2023 and then ceased as acting Chair and Director on 31 December 2023. David Lock was appointed as an independent member of the Audit and Risk Committee on 1 January 2024 for a term expiring on 31 December 2024.

Helen Creed was appointed as acting Deputy Chair on 21 October 2023, and was reappointed as Director for a term expiring on 31 December 2025 and as Deputy Chair until 31 December 2024.

Pat Donovan was re-appointed as Director for a term expiring on 31 December 2025.

Andrea Sutton was appointed as Chair for a term expiring on 31 December 2026.

David Smith was appointed as Director for a term expiring on 31 December 2026.

Dr Carla Boehl ceased as a Director on 31 December 2023.

There were no other changes to the composition of the Board during the year.

Board committees

Committees of the Board that operated during the year ended 30 June 2024 were:

- Audit and Risk; and
- People and Safety.

Audit and Risk Committee

The Audit and Risk Committee assists the Board with its oversight of the financial reporting process, the system of internal control, risk management, the audit process, and our process for monitoring compliance with applicable laws and regulations.

The Committee oversees the internal audit function and liaises with the Office of the Auditor General (OAG) and the external auditors appointed by the OAG to undertake our annual audit, which is presently RSM.

The Audit and Risk Committee was chaired by David Lock as Director (until 31 December 2023) and is now chaired by David Smith (from 1 January 2024) and included Directors Janine Freeman, Dr Carla Boehl (until 31 December 2023) and David Lock, as an independent member (from 1 January 2024). Each member has substantial financial, risk management, public sector or industry experience and the necessary skills to collectively undertake the Committee's responsibilities.

The Audit and Risk Committee invited management, auditors or others to attend meetings and provide information as necessary. External attendees at various meetings during the year included staff of the OAG and RSM.

People and Safety Committee

The Committee supports and assists the Board to review and oversee organisational health and safety matters, people, culture, remuneration and benefit arrangements to support the strategic aims of the business while complying with regulatory requirements and satisfying the requirements of our owner.

The People and Safety Committee was chaired by Gningala Yarran-Mark and included Directors Helen Creed, Ross Love (until 20 October 2024), and Andrea Sutton (from 1 January 2024). Each member has extensive experience in the corporate or public sector at a senior level and brings the skills necessary for the Committee to undertake its role.

Directors' meetings

The number of Board meetings and committees of the Board held, and the number of meetings attended by each Director during the 12 months ending 30 June 2024, are shown in the table below.

Number of Meetings held	Board		Audit and Risk		People and Safety	
	10		4		4	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Andrea Sutton ¹	5	5	0	0	2	2
Helen Creed	10	10	0	0	4	4
Gningala Yarran-Mark	9	10	0	0	4	4
David Smith ²	5	5	2	2	0	0
Janine Freeman	10	10	4	4	0	0
Ross Love ³	1	2	0	0	1	1
David Lock ⁴	5	5	4	4	0	0
Dr Carla Boehl ⁵	5	5	1	2	0	0
Pat Donovan (Chief Executive Officer)	10	10	4	4	4	4

1 Andrea Sutton was appointed as Chair on 1 January 2024

2 David Smith was appointed as Director on 1 January 2024

3 Ross Love resigned as Chair on 20 October 2023

4 David Lock ceased as a Director on 31 December 2023 and was then appointed as an independent member of the Audit & Risk Committee on 1 January 2024

5 Dr Carla Boehl ceased as a Director on 31 December 2023

Accountability and independence

As prescribed in the *Government Trading Enterprises Act 2023 (WA) (GTE ACT)*, Directors are to act honestly, exercise due care and diligence and disclose all material personal interest in matters involving the Corporation that are raised in Board meetings. The Board has complete independence to determine the policies and control the affairs of the business subject to restrictions imposed by the GTE Act. Consultation with and approval from the Treasurer and the Minister for Water is, with the exception of those transactions included in the Corporation's approved exclusions framework, required for transactions that are above a prescribed amount (currently over \$25 million). The Corporation must also inform and consult with the Treasurer and Minister for Water where it is considering undertaking a 'significant initiative' as defined in section 105 of the GTE Act.

Ministerial directions

Under section 108 (1) of the GTE Act, the Minister may give directions in writing, generally with respect to the performance of our functions and we are to give effect to any such direction. If the Minister gives a direction, it must be tabled before each House of Parliament within 14 sitting days of the House after the direction is given. During the period under review, no directions were received from the Minister.

Directors' and Senior Executives' remuneration

For further disclosure of Directors' and Senior Executives' remuneration please refer to the Remuneration report on page 66.

Governance framework

The Board has legislative authority under the *Water Corporations Act 1995* and section 11 of the GTE Act, to perform the functions and determine the policies that control our affairs.

The Board is responsible for our overall corporate governance and approves strategic direction and budgets, ensuring legal compliance, ethical behaviour and proper risk management processes are in place and operate effectively. Comprehensive reporting is provided to the Board to allow it to monitor performance.

Internal control

The Board, through the Audit and Risk Committee, has oversight of the financial reporting process, the system of internal control, risk management, the audit process, and our process for monitoring compliance with applicable laws and regulations. These responsibilities assist in maintaining an effective internal control structure.

It consists, in part, of organisational arrangements with clearly defined lines of responsibility and delegation of authority, with comprehensive systems and control procedures. Management has the responsibility for establishing and maintaining the system of internal control that supports the achievement of our business objectives.

This system of internal control is designed to manage and mitigate rather than eliminate the risks of failure to achieve business objectives. It can only provide reasonable and not absolute assurance of the effectiveness of the system of internal control implemented by management. An important element of the control environment is an ongoing internal audit program, delivered by Management Review and Audit.

To ensure the independence of the audit function, the reporting line is to the Chair of the Audit & Risk Committee

Management review and audit

Our internal audit function is managed by the Risk and Assurance Business Unit's Management Review and Audit section, which has the authority to examine any matters referred to it by the Audit and Risk Committee, the Board of Directors or the Chief Executive Officer. The internal audit function supports the Audit and Risk Committee and senior executives by independently and objectively reviewing the adequacy, efficiency and effectiveness of the internal control and governance system within the Corporation.

External auditors

In accordance with section 145 of the *Government Trading Enterprises Act 2023*, we must have the financial report for a financial year audited by the Auditor General. There was no indemnity given or insurance premium paid for the Auditor General for the year ended 30 June 2024 by the Corporation. Total auditor remuneration is shown in Note 25 to the Financial Statements on page 109.

Minster for Water Hon Simone McGurk MLA (left), Premier of Western Australia Hon Roger Cook (centre) and Water Corporation General Manager Karen Willis (right) at the Splash of Colour in Orelia.



Risk management

Risk management is a key element of our governance framework. We have an established Risk Management Framework that provides a common understanding of risk and a set of processes for managing risk aligned with the International Standard on Risk Management ISO 31000:2018. The Framework ensures a formalised, structured and corporation wide approach to the identification, evaluation and control of risks, which have the potential to threaten the achievement of our Corporate Objectives and our ability to provide services.

The risk appetite has been defined to guide decision making within agreed boundaries, as determined by the Board. All managers are responsible for the identification and management of risks that will impact on their business processes and subsequent objectives. The management of risk within the business is embedded at all levels, with appropriate support and systems in place to ensure risks are managed to an acceptable level.

A comprehensive commercial insurance program is maintained covering insurable risks, which may have a significant impact on our assets, construction activities and legal liability.

Performance monitoring and reporting

We are required under the GTE Act to produce an annual report and an interim report for the period 1 July to 31 December, which includes an operational report, statement of financial performance and a statement of achievement of key performance indicators. A written annual report on compliance with the Water Services Licence was also provided to the Economic Regulation Authority. In addition, the Board and Corporate Executive receive performance reports covering a diverse range of financial and non-financial matters.

Ethical standards

We require all Directors, employees and contractors to exercise high standards of ethical behaviour in carrying out their duties.

Our Code of Conduct is available on both the Corporation's external and internal websites. A report on compliance is forwarded to the Public Sector Commission annually.

The Board Charter, available on our website, sets out the roles and responsibilities of the Board and Management. Under the guidance of the Audit and Risk Committee the Charter was drafted using the GTE Act, Australian Standards and other corporate governance resources.

Managing financial exposures

We have a central Treasury function to manage financial exposures in accordance with our Treasury Risk Management Policy. Regular reporting ensures the Board can monitor financial risk management.

Information security management system

We maintain an enterprise information security management framework that utilises a risk-based approach based on the National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF).

State Records Act 2000

In accordance with section 61 of the *State Records Act 2000* and the State Records Commission Standards (Standard 2 – Principle 6), we have an approved Recordkeeping Plan. In accordance with s.28(5) of the Act, an updated Plan was submitted to the Minister and endorsed in September 2019. The Plan describes how records are created, maintained, managed and disposed of in accordance with our standards and principles. We regularly conduct audits of recordkeeping practices and system use by our staff and alliance partners.

We have an online induction process for all new staff, which includes information on employee roles and responsibilities and how they comply with the approved Recordkeeping Plan. It also includes 'Information on Record Keeping and Information Management Compliance for Water Corporation' and 'Information Security Awareness'.

Information management, including records management, is acknowledged as critical to the effectiveness and success of the business and we are committed to continuously improving its management.

Public Interest Disclosure Statement

The *Public Interest Disclosures Act 2003* was enacted to protect the privacy and confidentiality of both the individual making a public interest disclosure and the subject of that disclosure. Public Interest Disclosure Officers have been appointed. Internal procedures relating to our obligations under the Act have been implemented in accordance with the guidelines provided by the Public Sector Commission. There were no new public interest disclosures in 2023/24.

Conflicts of interest

We have established procedures to identify, prevent, manage or resolve conflicts of interest, which are outlined in our procurement standards and Code of Conduct.

All our personnel with duties related to the negotiation of contracts, must disclose current or prospective interests to their immediate supervisor. If known, they must also disclose the interests of members of their immediate family.

In such cases, our Legal Services team will assess the appropriateness of the situation and determine if the basis of that interest should be discontinued, if the person should cease the duties involved, or if it is proper and ethical to continue the transaction.

Competition and Consumer Act Compliance Program

In accordance with the standards and guidelines recommended by the Australian Competition and Consumer Commission (ACCC), we conduct a Competition and Consumer Act Compliance Program to manage the risk of breaching the Act. To ensure that all employees are aware of their obligations, a state-wide program is conducted that includes mandatory training.

Freedom of Information

We met our obligations under the *Freedom of Information Act 1992* (WA).

During 2023-24, we received 44 access applications, of which zero were transferred in full to another agency, 19 were provided full access, 12 were provided edited access, zero were withdrawn, one had access refused, zero had access deferred, documents were not found or do not exist for six of the applications, and six were on hand at the end of the year.

11 internal reviews were requested. Fees and charges totalling \$780 were received for processing these applications with 30 days being the average processing time.

Under section 96 of the *Freedom of Information Act 1992*, we are required to produce an Information Statement. Its purpose is to provide a description of our procedures to give members of the public access to our documents, as well as the types of documents we hold. This statement can be found at watercorporation.com.au

Advertising codes

We comply with the Communications Council's Code of Ethics. In addition, our advertising agencies have full compliance policies with the ACCC. There were no breaches or complaints recorded in the reporting year.

Reportable expenditure

The *Electoral Act 1907 (WA) (S. 175 ZE)* requires the disclosure of certain categories of expenditure. Details of the organisations contracted and the amounts paid for the financial year are as follows:

Advertising agency	Amount paid
The Brand Agency	\$1,171,789^

[^] This amount includes costs associated with Think Climate Change Be Waterwise campaign, Winter Sprinkler Switch-off campaign, Shaping WA's Water Future, Waterwise Towns, Irrigation Offers, Search Engine Optimisation (SEO), Search Engine Marketing (SEM), Values and Employee Value Proposition (EVP) projects.

Media advertising	Amount paid
Initiative	\$289,202>
The Brand Agency Media	\$298,538
Carat Media	\$693,788

> This amount includes costs associated with non-campaign advertising.

Market research	Amount paid
Painted Dog	\$ 584,022>

> These costs are associated with the delivery of market research projects to understand how Water Corporation is performing according to our customers, and to better understand our customer needs and expectations

Directors' report

The Directors of Water Corporation present their report for the 12 months ended 30 June 2024.

Directors

The following persons were Directors of Water Corporation at the date of this report:

Andrea Sutton (Chair)

Chair since 1 January 2024

Pat Donovan

Chief Executive Officer and Executive Director since 1 January 2019

Gningala Yarran-Mark

Director since 12 November 2019

Helen Creed

Director since 7 April 2021

Acting Deputy Chair from 21 October 2023 to 21 April 2024

Deputy Chair from 22 April 2024

Janine Freeman

Director since 9 March 2022

David Smith

Director since 1 January 2024

Ross Love

Chair from 22 September 2020 to 20 October 2023

David Lock

Director since 1 April 2014

Deputy Chair since 1 January 2017 to 15 January 2020 and from 22 September 2020 to 20 October 2023

Acting Chair from 16 January 2020 to 21 September 2020 and from 21 October 2023 to 31 December 2023

Independent member of Audit and Risk Committee from 1 January 2024

Dr Carla Boehl

Director since 1 January 2021 to 31 December 2023

Director biographies are shown on pages 21 and 22.

Director' meetings and attendance are shown on page 60.

Director compensation details are shown on page 66.

Principal activities

Water Corporation was established as a body corporate under the provisions of the *Water Corporations Act 1995* and is the principal water utility in Western Australia. Water, wastewater, drainage and irrigation services are provided under this Act and other legislation and subsidiary legislation, which control the water industry.

Our principal functions are:

- Acquire, store, treat, distribute, market and otherwise supply water for any purpose.
- Collect, store, treat, market and dispose of wastewater and surplus water.
- Undertake, maintain and operate any works, system, facilities, apparatus or equipment required for any of these purposes.

There has been no significant change in the nature of our activities during 2023-24.

Dividends

On 21 December 2023, the Minister advised the Corporation of the Cabinet endorsed Expenditure Review Committee (ERC) decision that all dividends to be paid in the 2023-24 year (being the final dividend for 2022-23 year and the interim dividend for 2023-24 year) be retained by the Corporation to be held as cash. This additional cash cannot be used to reduce borrowings in the short term. The total estimated value of the dividend that would have otherwise been paid is \$755.5 million (2022-23 Final - \$14.7 million & 2023-24 Interim - \$740.8 million). The Corporation has now retained dividends totalling \$2,855.2 million dating back to 2020-21, the funds will be utilised for the purposes of funding the ASDP and other Government directed projects.

Review of operations

We operate in a regulatory framework comprising the Economic Regulation Authority, and departments of Water and Environmental Regulation, Health, and Biodiversity Conservation and Attractions.

Clear commercial objectives and strict environmental targets and accountabilities have been established through the Statement of Corporate Intent and a system of licences through the various regulators.

During the year, we supplied 427 billion litres of water and treated 180 billion litres of wastewater.

Risk management

Our Risk Management Framework aims to improve the quality of information considered in delivering better informed assessments for the purpose of resource allocation, increasing transparency in decision making and clearly articulated accountability.

Remuneration report

Remuneration of key management personnel is referred to as compensation throughout this report. Key management personnel comprise the Directors of the Board and Executives who are responsible for planning, directing and controlling the activities of the Corporation.

Compensation levels for key management personnel are set at a level sufficient to attract and retain appropriately qualified and experienced Directors and Executives.

The compensation of the non-executive Directors of the Board is determined following independent advice from management remuneration consultants and the WA Government's Salaries and Allowances Tribunal (SAT) on an ad-hoc basis and is agreed by the Minister. The compensation is in the form of salary and superannuation contributions. Other than compulsory superannuation contributions and superannuation via salary sacrifice, Water Corporation does not pay any other post-employment benefits to non-executive Directors.

The compensation packages for the Chief Executive Officer and Executives consist of a total reward that is a mix of fixed and non-fixed compensation, in the form of salary, non-monetary benefits and superannuation contributions. Non-monetary benefits may include access to a fully maintained motor vehicle and fringe benefits tax. Other long-term benefits refer to long service leave. The compensation of all staff is reviewed annually.

In December 2016, the *Salaries and Allowances Act 1975* was amended providing that SAT is to determine the minimum and maximum remuneration that can be paid to the Corporation's Chief Executive Officer, which is reviewed annually.

The Chief Executive Officer, with the concurrence of the People and Safety Committee and the Board, sets Executive compensation based on annual salary survey data and advice from independent remuneration sources regarding compensation practices. Specifically, fixed compensation is benchmarked against comparative industry groups in order to remain competitive in the labour market.

Employees in management roles, including Executives, are employed on individual employment contracts under common law. The compensation structure of management employees is centred on the market median for the fixed compensation for each of the identified levels. The primary sources of remuneration data are Korn Ferry Group Australia and Mercer Consulting Australia. We use the Hay Group job evaluation methodology to provide assurance that remuneration is similar to that for comparable positions in other organisations.

Management compensation information

The Directors during the financial year were:

Directors	
A Sutton	Chair (non-executive). Appointed 1 January 2024
H Creed	Director (non-executive). Appointed 7 April 2021, Acting Deputy Chair from 21 October 2023 to 21 April 2024 and Deputy Chair from 22 April 2024.
G Yarran-Mark	Director (non-executive). Appointed 12 November 2019.
J Freeman	Director (non-executive). Appointed 9 March 2022.
D Smith	Director (non-executive). Appointed 1 January 2024.
P Donovan	Chief Executive Officer and Director (executive) from 1 January 2019.
R Love	Chair (non-executive). Appointed 22 September 2020 to 20 October 2023
D Lock	Director (non-executive). Appointed 1 April 2014, Deputy Chair 1 January 2017 to 15 January 2020 and 22 September 2020 to 20 October 2023 and Acting Chair 16 January 2020 to 21 September 2020 and from 21 October 2023 to 31 December 2023. Independent member of Audit and Risk Committee from 1 January 2024
C Boehl	Director (non-executive). Appointed 1 January 2021 to 31 December 2023

The number of directors whose total remuneration was within the following bands is:

Total Remuneration Band (\$)	Number of directors *		Short-Term		Post-Employment		Long-Term Benefits		Total	
			Salary & Fees \$'000		Superannuation \$'000		Long Service Leave \$'000		\$'000	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023**
0-24,999	1	1	8		1		1		9	
25,000-49,999	2		35		4		4		38	
50,000 - 74,999	5	4	57	56	6	6	6		63	62
100,000-124,999		1		112		12				124
550,000-574,999		1		538		27				565
600,000-624,999	1		583		27				610	

* Where there is more than one Director in a remuneration band the average remuneration is shown.

** The previously reported figures reflected 51 weeks' pay owing to the timing of pay cycles. The figures above encompass remuneration provided over the full 52-week financial year.

Top five Executives by remuneration:

		Year ended 30 June 2024	Year ended 30 June 2023
B Ford	General Manager, Operations	✓	✓
E Hambleton	General Manager, Assets Planning & Delivery	✓	✓
K Willis	General Manager, Customer & Community	✓	✓
J Mitchell	General Manager, Information & Technology	✓	✓
S Bagshawe	General Manager, People & Safety	✓	
D Page	Chief Financial Officer		✓

* CEO's remuneration is included in the table of Directors.

Executive compensation bands:

Total Remuneration Band (\$)	Number of Employees*		Short-Term		Post-Employment		Other Long-Term Benefits**	Termination Benefits		Total		
			Salary \$'000		Superannuation \$'000			Long Service Leave \$'000		\$'000		
	2024	2023	2024	2023	2024	2023		2024	2023	2024	2023	
350,000-374,999	2	1	332	345	27	25				359	370	
375,000-399,999		2		353		27					380	
400,000-424,999	1	1	357	373	27	27	17			401	400	
425,000-449,000		1		404		27					431	
450,000-474,999	2		400		27		26			453		

* Where there is more than one Executive in a remuneration band the average remuneration is shown.

** Long service leave taken in service

*** The previously reported figures reflected 51 weeks' pay owing to the timing of pay cycles. The figures above encompass remuneration provided over the full 52-week financial year.

Variations in salary can be caused by a variety of factors such as the key management's leave arrangements and other adjustments.

Environmental compliance

The Corporation is subject to particular and significant environmental legislation under both Commonwealth and State laws; in particular:

- *Environment Protection and Biodiversity Conservation Act 1999 (Cth)*
- *Environmental Protection Act 1986 (WA)*
- *Contaminated Sites Act 2003 (WA)*
- *Biodiversity Conservation Act 2016 (WA)*

Additionally, we also track our compliance with various non-statutory commitments. With the significant volume of wastewater conveyed across the state, it is possible unplanned discharges will occasionally occur and some of these may affect the environment, public health and public amenity. Our incident management process provides a fast and effective response to these and other incidents. Consistent with the *Environmental Protection Act 1986*, we report any unplanned discharges of waste that have the potential to harm the environment.

Our environmental performance is underpinned by our Thrive2035 Strategy and its associated targets. We also maintain an Environmental Management System, certified under the internal standard ISO 14001 that provides the systematic identification and management of environmental risks, legal requirements and other obligations, to ensure environmental performance is improved and our activities are sustainable.

ESG reporting

Accountability for ESG oversight rests with the Audit and Risk Committee, our Chief Executive Officer, and the Executive Leadership Team. Regular performance updates are provided at this governance level.

Work continued this financial year to improve ESG reporting aligned with internationally recognised frameworks, to both meet emerging regulatory requirements and create value for the business (Appendix page 121).

State of affairs

There were no significant changes during the year ended 30 June 2024 in the state of our affairs not otherwise disclosed in this report, or the financial statements.

Events subsequent to balance date

Since the end of the financial year on 30 June 2024 and the date of the release of this report, the Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly, or may significantly, affect our operations, the results of those operations, or our state of affairs in subsequent financial periods.

Director interests and benefits

In the 12 months to 30 June 2024, Directors did not receive, or become entitled to receive, any benefit (other than a benefit included in the total amount of remuneration received or due and receivable by Directors) by reason of a contract made by the Corporation with the Director, or with a firm, of which the Director is a member, or with an entity in which the Director has a substantial interest.

Indemnification of Directors

The Corporation has entered into Deeds of Indemnity, Insurance and Access with Directors, to the extent provided for under the GTE Act and has paid insurance premiums to insure Directors and Officers against certain liabilities which arise out of their service while acting on behalf of the Corporation. This statement is made in accordance with a resolution of the Board.

This statement is made in accordance with a resolution of the Board.



Andrea Sutton

Chair



Pat Donovan

Chief Executive Officer

Performance summary

Performance against key indicators

Units	2024		2023	2022	2021	2020				
	Target	Actual								
SAFE FOR ALL										
Public Health - Safe Drinking Water										
Metropolitan localities meeting requirements for E.coli*	%	100	100	96	100	100				
Metropolitan localities meeting requirements for amoebae (Thermophilic Naegleria)	%	100	100	100	100	100				
Metropolitan localities meeting requirements for health-related chemical quality	%	100	100	100	100	100				
Metropolitan localities meeting requirements for radiological performance	%	100	100	100	100	100				
Country localities meeting requirements for E.coli*	%	100	99.5	100	100	100				
Country localities meeting requirements for amoebae (Thermophilic Naegleria)	%	100	100	100	100	100				
Country localities meeting requirements for health-related chemical quality	%	100	100	100	100	100				
Country localities meeting requirements for radiological performance*	%	100	99.08	99	100	100				
EFFICIENT										
Economic Performance										
Financial Efficiency										
Operating cost per property	\$	1,031.6	1,050.9	960.54	908.1	807.8				
Total cost per property	\$	2,291	2,380	2,229	2,076	2,028				
Surplus before income tax equivalent	\$m	1,404	1,515	1,349	1,255	1,253				
Return on assets	%	6.1	6.2	6.4	7.0	6.8				
Return on equity	%	7.2	7.5	7.2	7.2	7.3				
Interest cover	Times	6.3	7.3	6.67	7.7	6.7				
Debt to total assets	%	28.9	22.8	26.9	29.8	32.6				
ENVIRONMENTALLY SUSTAINABLE AS CLIMATE CHANGES										
Environmental Performance										
Ecosystem Protection										
Overflows to Swan-Canning - conveyance system	No.	0	5	3	0	2				
Overflows to Swan-Canning - pump stations only	No.	0	1	1	0	0				
Energy and Greenhouse Gases										
Electricity consumption per unit of output for water	MWh/ML	2.15	1.77	1.60	1.88	2.26				
Electricity consumption per unit of output for wastewater	MWh/ML	0.85	0.76	0.81	0.81	0.82				
Total energy consumption	TJ	na	4,024	3,461	3,559	4,148				
Reported greenhouse gas emissions (CO ₂ equivalent)	kT	568	545	450	645	760				
Materials Use Efficiency										
Biosolids re-use (Perth metro)	%	100	100	99.8	100	100				
Ethical & Governance Performance										
Compliance										
Number of legal sanctions for environmental breaches	No.	0	0	0	0	0				
% Environment Non-Compliances Addressed	%	95.0	96.3	96.4	96.9	94.5				
* Non-compliance associated with microbiological performance criteria from one assessable locality, as defined under the MoU with DoH. Response protocols implemented in accordance with DoH requirements demonstrated continuous supply of safe drinking water to the locality.										

Units	2024		2023	2022	2021	2020				
	Target	Actual								
SATISFIED CUSTOMERS										
Essential Service Provision										
Continuity – properties not affected by interruption > 1 hr	%	75.0	64.2	64.2	71.1	72.4				
Water pressure and flow standards	%	99.80	99.95	99.95	99.96	99.96				
Installation of new water connections	%	90.0	96.3	89.9	95.9	97.9				
Properties without wastewater overflow	%	99.80	99.93	99.95	99.9	99.9				
Demand-Supply Balance										
Number of waterwise schools	No.	na		587	582	580				
Drought response (number of schemes on temporary restrictions)	No.	na	0	0	0	1				
Demand-Supply Balance										
Environmental Performance - Demand-Supply Balance - water supplied per capita (Perth metro)	kL	127	132	126	130	125				
Asset Performance										
Blockages per 100km of sewer	No.	40.0	15.0	12.3	12.9	15.8				
Leaks and bursts per 100km of main	No.	20.0	15.3	14.3	13.6	14.2				
Drainage systems operating in accordance with guidelines	%	100	100	100	100	97				
Stakeholder Performance										
Customer Service										
Complaints (per 1000 properties) MTD	No.	0.4	0.1	0.1	0.1	0.1				
Written customer complaints (responsiveness) < 15 business days	%	90.0	85.1	90.4	100.0	98.1				
Telephone calls to '13' numbers first call resolution	%	90.0	93.6	92.7	92.1	91.8				
SUPPORTING STATE DEVELOPMENT										
Social Performance										
Employment and Workforce										
Employee initiated turnover	%	10.0	8.3	10.3	9.7	5.5				
Women in senior management - tier 2	%	40.0	71.4	50.0	33.3	42.9				
Women in senior management - tier 3	%	40.0	38.5	33.3	28.6	26.5				
People from culturally diverse backgrounds	%	14.8	13.8	13.2	12.6	12.3				
Indigenous Australians	%	6.6	4.9	5.2	5.3	4.8				
People with disabilities	%	4.0	1.4	1.6	1.6	1.7				
Youth (15-24)	%	5.6	5.2	5.4	4.7	3.8				
Total Recordable Injury Frequency Rate (TRIFR)	No.	<3.0	5.6	4.5	3.8	4.5				
Shareholder Accountability										
Responsiveness to priority one enquiries	%	90.0	88.0	90.0	90.0	95.0				

* These targets applied to our Operating Licence between 1 July 2013 - 17 November 2013. From 18 November 2013 the Licence was substituted by the introduction of the Water Services Act 2012.

Five-year statistical summary

Financial Data

	Units	2024	2023	2022	2021	2020
Total revenue	\$'000	3,624,338	3,310,491	3,061,511	2,948,499	2,850,305
Operating subsidy	\$'000	605,817	614,473	519,186	468,579	430,912
Direct operating expenses	\$'000	1,311,780	1,181,910	1,093,631	1,021,878	965,671
Depreciation / amortisation	\$'000	579,115	558,627	532,766	521,427	516,568
Net interest expense	\$'000	166,858	186,879	168,685	181,180	210,691
Income tax expense	\$'000	455,329	402,064	376,646	359,077	339,685
Operating surplus after tax	\$'000	1,059,694	946,778	878,513	844,996	807,849
Transfer to / (from) reserves	\$'000	-	-	0	0	0
Non-current borrowings	\$'000	4,605,724	5,068,418	5,644,394	6,003,994	6,207,303
New works investment (excluding developers take-over works)	\$'000	988,293	744,992	648,015	652,341	650,898
Current borrowings	\$'000	18,499	9,995	17,024	17,539	18,410
New borrowings	\$'000	(638,700)	(388,700)	-356,604	-194,350	0

Operating Data

Water Supply Services						
Annual volume of water supplied	ML	426,903	386,789	387,975	374,202	374,808
Number of properties served	No.	1,378,861	1,365,217	1,350,688	1,338,298	1,322,204
Number of properties connected	No.	1,195,269	1,181,035	1,167,415	1,154,501	1,135,221
Length of mains	km	35,288	35,122	34,917	34,947	34,842
Wastewater Services						
Average volume of wastewater treated daily	ML	491	486	480	466	452
Number of properties served	No.	1,126,800	1,114,625	1,103,173	1,091,581	1,076,665
Number of properties connected	No.	1,047,551	1,032,236	1,021,436	1,011,665	1,001,432
Length of sewers	km	17,904	17,701	17,526	17,397	17,280
Drainage Services						
Number of properties served (metropolitan)	No.	437,609	434,287	430,082	426,592	421,799
Length of drains	km	2,538	2,539	2,539	2,539	2,534
Irrigation Services						
Volume of water delivered	ML	6,082	5,941	6,057	5,539	6,300
Employees						
Total number of employees	No.	4,212	4,043	3,822	3,662	3,429
Total number of full-time equivalents (FTEs)	No.	4,019	3,843	3,627	3,499	3,277
Total number of FTEs (year-end average)	No.	3,943	3,727	3,583	3,421	2,856

Principal statistics

Water Supply

Region	Perth Metro	Mandurah-Murray	Perth Region ¹	Goldfields & Agricultural	Great Southern	Mid-West	North-West	South-West	Total
Properties served	1,069,545	65,678	1,135,223	43,794	48,588	50,562	43,420	57,274	1,378,861
Properties connected	923,734	57,240	980,974	39,639	43,176	42,483	36,142	52,855	1,195,269
Water supply services	792,439	51,616	844,055	43,209	42,244	38,885	29,994	48,595	1,046,982
Length of mains (kilometres)	14,799	1,245	16,045	9,660	4,077	2,166	1,536	1,805	35,288
Water supplied ² (megalitres)	291,302	15,932	307,234	26,588	14,031	18,382	42,843	17,733	426,811

1. Perth Region includes Mandurah-Murray District.

2. Water supplied is the quantity recorded by master meters from 1 July to 30 June.

Wastewater

Region	Perth Metro	Mandurah-Murray	Perth Region ¹	Goldfields & Agricultural	Great Southern	Mid-West	North-West	South-West	Total
Properties served	899,644	53,060	952,704	11,644	30,384	26,214	34,932	70,922	1,126,800
Properties connected	845,664	47,609	893,273	9,926	26,816	21,632	31,725	64,179	1,047,551
Total length of sewers (kilometres)	12,938	947	13,885	340	751	603	750	1,576	17,904
Number of pumping stations	659	87	746	42	86	70	83	170	1,197
Number of treatment plants	11	4	15	20	21	19	18	20	113
Average quantity of wastewater treated daily (megalitres)	403,138	17,919	421,057	3,830	11,972	8,166	17,401	28,806	491,232

Metropolitan sources of supply

Source	Area of Catchment (Square km)	Storage Capacity (Megalitres)	Storage at 30/06/2024 (Megalitres)	Percentage of Maximum Storage (%)	Output to 30/06/2024 (Megalitres)
Dams					
Stirling	252	57,404	25,229	43.9	12,142
Samson WTP	192	8,003	2,650	33.1	4,179
South Dandalup	313	138,345	23,453	17.0	8,529
North Dandalup	151	60,791	38,941	64.1	11,896
Serpentine and Serpentine Pipehead	693	140,292	46,790	33.4	54,159
Canning	128	90,353	49,554	54.8	22,186
Wungong	728	59,796	39,216	65.6	17,563
Churchman	18	2,241	701	31.3	544
Victoria	37	9,463	4,209	44.5	5,313
Total Hills Sources Output Gross		566,688	230,744	40.7	136,511
Total Hills Transfers Input					74,310
Total Hills Sources Output Nett					62,201
Groundwater					
Artesian Bores					31,938
Mirrabooka					16,940
Gwelup					13,087
Wanneroo					29,494
Jandakot					15,833
Neerabup					37,359
Lexia					2,610
Yançep/Two Rocks					902
Total Groundwater Output					148,163
Desalination					
Perth Seawater Desalination Plant					45,497
Southern Seawater Desalination Plant					74,050
Total Desalination Output					119,547
Water Received from Bulk Supplier					
GAWS supply to Perth					2,261
Total					2,261
Bulk Water Exported					
to Mundaring Dam for GAWS					15,604
Mandurah Murray					15,932
South-West Region					1,394
GSTWS					4,575
Total					37,505
Total Water Sourced					
Net Output from Surface Water					62,201
Groundwater					148,163
Desalination					119,547
Received from Bulk Supplier					2,261
Total Sources					332,173
Riparians (from Distribution System)					
Riparians from Distribution System					3,088
Total Potable Water Supplied					
Total Water Sourced					332,173
Bulk Water Exported					(37,505)
Riparians (from Distribution System)					(3,088)
Operational Use & Service Reservoir Vol Change					(278)
Total Water Supplied					291,302

Drainage

Region	Perth	Great Southern	South-West	Total
Properties Served	437,609	n/a	n/a	437,609
Length of Drains Controlled (Kilometres)	1,111	131	1,296	2,538

Irrigation

Region	Water Supplied (Megalitres)
Mid-West ¹	5,426
North-West ²	656
South-West ³	n/a
Total	6,082

1. Mid-West irrigation district was transferred to the Gascoyne Water Co-operative on 1 July 2003.
 2. North-West irrigation water supplied from the Ord dam to Water Corporation customers only. Previously reported amount included Ord Irrigation Cooperative customers.
 3. Water Corporation owns and maintains the dams that supply Harvey Water and Preston Valley Irrigation but they have the water allocation directly with the Department of Water.

Employees

Metropolitan	3,209	3,033
Country	810	810
Total	4,019	3,843

Our employees creating a waterwise garden.



A photograph of a young boy with short brown hair, wearing a white and blue striped t-shirt. He is looking down at a blue water bottle he is holding in his hands. The background is blurred, showing green trees and a blue sky.

Financial report

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Statement of comprehensive income

for the year ended 30 June 2024

		Group	Corporation		
	Note	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Revenue					
Annual service charges		1,523	1,464	1,523	1,464
Volume charges		987	833	987	833
Operating subsidies		606	614	606	614
Developers' contributions		279	244	279	244
Other revenue	5.2.1	192	136	194	136
Total revenue	5.2.2	3,587	3,291	3,589	3,291
Expenses					
Depreciation and amortisation	11, 12, 13 ,14	(580)	(559)	(579)	(559)
Employee benefits expense	6.1(a)	(472)	(392)	(472)	(392)
Hired and contracted services		(271)	(249)	(271)	(249)
Energy expenses	6.1(b)	(142)	(151)	(142)	(151)
Other expenses	6.1(c)	(444)	(405)	(444)	(405)
Total expenses		(1,909)	(1,756)	(1,908)	(1,756)
Results from operating activities		1,678	1,535	1,681	1,535
Net finance costs	7	(166)	(187)	(166)	(187)
Profit before income tax equivalent		1,512	1,348	1,515	1,348
Income tax equivalent expense	8	(454)	(402)	(454)	(402)
Profit for the year		1,058	946	1,061	946
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of defined benefits		3	(1)	3	(1)
Related income tax equivalent expense	8	(1)	-	(1)	-
Other comprehensive income/(loss), net of tax equivalent		2	(1)	2	(1)
Total comprehensive income for the year		1,060	945	1,063	945

The above Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

Statement of financial position

as at 30 June 2024

		Group	Corporation		
	Note	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Current assets					
Cash and cash equivalents		1,127	952	1,127	952
Trade and other receivables	9	331	371	331	371
Prepayments		57	37	57	37
Inventories		56	47	56	47
Total current assets		1,571	1,407	1,571	1,407
Non-current assets					
Trade and other receivables	9	29	28	29	28
Property, plant, and equipment	11	18,323	17,840	18,323	17,840
Right of use assets	12	38	36	38	36
Service concession asset	13	184	191	184	191
Intangible assets	14	112	117	89	93
Investment in subsidiary	15	-	-	24	24
Receivable from subsidiary		-	-	2	-
Other financial asset	30	1	-	1	-
Total non-current assets		18,687	18,212	18,690	18,212
Total assets		20,258	19,619	20,261	19,619
Current liabilities					
Trade and other payables	16	411	375	411	375
Service concession liability	13	7	7	7	7
Lease liabilities	17	11	10	11	10
Income tax equivalent payable		41	29	41	29
Provisions	18	8	10	8	10
Employee benefits	19	126	115	126	115
Other liabilities	20	61	12	61	12
Total current liabilities		665	558	665	558

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

Statement of financial position (continued)

as at 30 June 2024

			Group	Corporation
	Note	2024 \$M	2023 \$M	2024 \$M
Non-current liabilities				
Service concession liability	13	175	182	175
Lease liabilities	17	29	28	29
Interest-bearing loans and borrowings	21	4,402	5,040	4,402
Deferred tax equivalent liabilities	22	152	156	152
Provisions	18	35	38	35
Employee benefits	19	33	34	33
Other liabilities	20	21	36	21
Other financial liabilities	30	1	-	1
Total non-current liabilities		4,848	5,514	4,848
Total liabilities		5,513	6,072	5,513
Net assets		14,745	13,547	14,748
Equity				
Contributed equity	23	7,724	7,586	7,724
Retained earnings		7,021	5,961	7,024
Equity attributable to owners		14,745	13,547	14,748
Total equity		14,745	13,547	14,748
				13,547

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2024

Group	Note	Contributed equity \$M	Retained earnings \$M	Total equity \$M
Opening balance at 1 July 2023				
Opening balance at 1 July 2023		7,586	5,961	13,547
Total comprehensive income for the year				
Profit for the year		-	1,058	1,058
Other comprehensive expense (net of tax equivalent)		-	2	2
Total comprehensive income for the year		-	1,060	1,060
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to owners</i>				
Equity contributions	23	138	-	138
Total transactions with owners		138	-	138
Closing balance at 30 June 2024		7,724	7,021	14,745
Group	Note	Contributed equity \$M	Retained earnings \$M	Total equity \$M
Opening balance as at 1 July 2022				
Opening balance as at 1 July 2022		7,584	5,016	12,600
Total comprehensive income for the year				
Profit for the year		-	946	946
Other comprehensive expense (net of tax equivalent)		-	(1)	(1)
Total comprehensive income for the year		-	945	945
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to owners</i>				
Equity contributions	23	2	-	2
Total transactions with owners		2	-	2
Closing balance at 30 June 2023		7,586	5,961	13,547

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Statement of changes in equity (continued)

for the year ended 30 June 2024

Corporation

	Contributed equity \$M	Retained earnings \$M	Total equity \$M
Note			
Opening balance at 1 July 2023	7,586	5,961	13,547
Total comprehensive income for the year			
Profit for the year	-	1,061	1,061
Other comprehensive expense (net of tax equivalent)	-	2	2
Total comprehensive income for the year	-	1,063	1,063
Transactions with owners, recorded directly in equity			
<i>Contributions by and distributions to owners</i>			
Equity contributions	23	138	138
Total transactions with owners	138	-	138
Closing balance at 30 June 2024	7,724	7,024	14,748

	Contributed equity \$M	Retained earnings \$M	Total equity \$M
Note			
Opening balance as at 1 July 2022	7,584	5,016	12,600
Total comprehensive income for the year			
Profit for the year	-	946	946
Other comprehensive expense (net of tax equivalent)	-	(1)	(1)
Total comprehensive income for the year	-	945	945
Transactions with owners, recorded directly in equity			
<i>Contributions by and distributions to owners</i>			
Equity contributions	23	2	2
Total transactions with owners	2	-	2
Closing balance at 30 June 2023	7,586	5,961	13,547

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 30 June 2024

		Group	Corporation		
	Note	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Cash flows from operating activities					
Cash receipts from customers		2,547	2,337	2,547	2,337
Interest received		31	14	31	14
Interest paid		(221)	(210)	(221)	(210)
Cash paid to suppliers and employees		(1,431)	(1,273)	(1,431)	(1,273)
Income tax equivalents paid		(448)	(414)	(448)	(414)
Government grants		96	21	96	21
Operating subsidies		694	526	694	526
Developers' contributions		166	143	166	143
GST received		136	121	136	121
Other fees and charges		64	60	64	60
Net cash from operating activities	24.3	1,634	1,325	1,634	1,325
Cash flows from investing activities					
Acquisition of property, plant and equipment		(934)	(668)	(934)	(668)
Acquisition of intangible assets		(5)	(45)	(5)	(21)
Proceeds from sale of property, plant and equipment		2	4	2	4
Investment in subsidiary		-	-	-	(24)
Net cash used in investing activities		(937)	(709)	(937)	(709)
Cash flows from financing activities					
Proceeds from borrowings		250	470	250	470
Repayment of borrowings		(888)	(859)	(888)	(859)
Payment of lease liabilities		(22)	(13)	(22)	(13)
Equity contributions		138	2	138	2
Net cash used in financing activities		(522)	(400)	(522)	(400)
Net increase in cash and cash equivalents		175	216	175	216
Cash and cash equivalents at 1 July		952	736	952	736
Cash and cash equivalents at 30 June		1,127	952	1,127	952

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

Notes to the financial report

for the year ended 30 June 2024

Note 1 Reporting entity

Water Corporation (the “Corporation”) is a not-for-profit entity incorporated under the *Government Trading Enterprises Act 2023* and domiciled in Australia. Its registered office is at 629 Newcastle Street Leederville WA 6007. These financial statements cover the year ended 30 June 2024. The Corporation is primarily involved in the provision of water and wastewater services.

On 21 December 2022, the Corporation acquired a subsidiary, Flat Rocks Wind Farm Stage 2 Pty Ltd. The consolidated financial statements comprise the financial statements of the Corporation and its subsidiary (collectively the “Group”).

Note 2 Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the *Government Trading Enterprises Act 2023* and Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB). The financial report complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The financial report was approved in accordance with a resolution of the Directors on 27 August 2024.

The financial report is prepared on the historical cost basis.

Amounts in the financial report have been rounded off to the nearest whole number of millions of dollars, unless otherwise stated.

Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date at which the Group ceases to have control. The financial statements of subsidiaries are prepared using consistent accounting policies. All intercompany balances and transactions have been eliminated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Current and non-current classification

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group’s operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group’s normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or current liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Accounting standards and interpretations issued but not yet adopted

The following standards have been issued but are not mandatory for the 30 June 2024 reporting period. The Group has elected not to early adopt these standards. The Group's assessment of the impact of these new standards and interpretations is set out below:

Standard	Description	Application date	Implication
AASB 2022-10	Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	1 January 2024	Not expected to have a material effect
AASB 2022-6	Amendments to Australian Accounting Standards – Noncurrent Liabilities with Covenants	1 January 2024	Not expected to have a material effect
AASB 2022-5	AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	1 January 2024	Not expected to have a material effect
AASB 2014-10	AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025	Not expected to have a material effect

Comparatives

Where appropriate, comparative amounts have been re-presented and re-classified to ensure comparability with the current reporting year.

Note 3 Functional and presentation currency

The functional and presentation currency of the Group and its subsidiary is Australian dollars.

Foreign currency transactions

Transactions in foreign currencies are translated to Australian Dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in the Statement of Comprehensive Income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Note 4 Use of estimates and judgements

In preparing this financial report, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the year in which the estimate is revised, and any future years affected.

The areas where estimates and judgements are significant to the financial report, or a higher degree of judgement or complexity is involved, are listed below and described in more detail in the related notes:

- Note 9 Calculation of unbilled revenue
- Note 11 Carrying values, useful lives and impairment indicator assessment of property, plant and equipment
- Note 13 Valuation of service concession liabilities
- Note 14 Impairment of intangible assets with an indefinite useful life and useful lives assessment of intangible assets with a finite useful life
- Note 18 Provisions for site restoration and decommissioning
- Note 19 Measurement of long service leave and defined benefit obligations

Note 5 Revenue

5.1 Accounting policies

5.1.1 Regulated revenue

Revenue from annual service charges and volume charges is recognised in the Statement of Comprehensive Income when customers are billed. The underlying revenue recognition principle is to recognise revenue in the period it is consumed.

Annual service charges are raised based on the availability of the service to the property, and may include charges for water, wastewater and drainage services.

Volumetric water and wastewater charges are based on customer metered water use. Where a meter read is unable to be made, the bill is estimated based on previous meter read information. Volumetric water revenue includes recognition of water used by customers but not yet billed.

Most customers are billed on a two-monthly cycle that includes a share of the annual service charge based on the number of days in that two-monthly period plus volumetric charges. Bills are adjusted for any entitlement for discounts or concessions.

5.1.2 Operating subsidies

Operating subsidies are recognised as revenue to the extent that it is highly probable that a significant reversal would not occur and the Group has complied with the conditions attached to them. Operating subsidies are received from the State Government for:

- The difference between customer revenue and costs in respect of country water, sewerage, drainage and irrigation services;
- Metropolitan operations as approved by Cabinet; and
- Revenue foregone, plus agreed administration costs, from rebates and concessions to Pensioners, Seniors and Concessional Land customers on annual service charges, water consumption charges and other fees and charges.

5.1.3 Developers' contributions

Developers' contributions are recognised as revenue at fair value when received. The Group receives capital contributions from external parties in the form of either cash or assets handed over. These are commonly referred to as Developers' Contributions and consist of:

Subdivision Infrastructure contributions

Subdivision Infrastructure contributions are one-off charges payable by developers who apply to subdivide lands to create extra lots that require the Group's services. Infrastructure contributions help the Group cover the cost of ongoing upgrades to their infrastructure such as distribution mains, main drains or pumping stations. These charges are known as Standard Infrastructure Contributions (SIC) which refers to the base level service required by an average residential property in a typical urban location. Other properties with a higher level of service are assessed in multiples of this amount.

Building – Infrastructure contributions

Building stage Infrastructure contributions are one-off charges payable by builders/developers who submit a building application and the building development involves a change to the water services (e.g. installation of an additional water meter, or an upgrade to a water meter). This is different from subdivision infrastructure contributions such that the land will already have water and/or wastewater infrastructure in place. Drainage infrastructure contributions are not payable at building stage.

Assets Handed Over from Developers

Developers are required to construct and provide water, wastewater and drainage reticulation infrastructure when subdividing land. These reticulation assets are connected to the existing network owned by Water Corporation. Developers are required to hand over to Water Corporation these reticulation assets free of charge.

Special Agreements – Infrastructure contributions

Special agreements only apply to 'Major Consumers' in regional areas. These special agreements are based on terms and conditions agreed by the Group and the developer (Major Consumer). Hence, they are not based on fixed rates like the other types of Infrastructure contributions. These special agreements aim to recover the cost of providing water services to rural locations to ensure the risk of stranded assets is managed so that they support efficient water use.

These special agreement developers' contributions are different from other types of developer contributions such that charges are not based on a fixed price. Instead, the charges (known as capacity charges) are based on the daily peak entitlement and the location of the asset.

Capacity charges for Major Consumers are calculated so that they achieve full cost recovery of capital expenditures by using depreciation and a return on capital method.

5.1.4 Grant revenue

Where an enforceable agreement exists between the Group and the Government to transfer sufficiently specific goods or services to a customer, the Group recognises the grant income under AASB 15 *Revenue from Contracts with Customers*. Under AASB 15, revenue relating to such grant income is recognised based on the Group's total expenses incurred in relation to the total expected expenses to be incurred (i.e. cost input methodology). Where the Group has not yet met the performance obligations, any amounts received in advance is recognised as a contract liability in the Statement of Financial Position.

Grants that do not fall within the scope of AASB 15 are recognised:

- a. Where the grant does not relate to capital funding, when the Group's contractual right to the grant has been established.
- b. Where the grant relates to the acquisition/construction of a non-financial asset, over time as the non-financial asset is acquired/constructed.

5.1.5 Other revenue

Other fees and charges - Other fees and charges include design fees, building fees, industrial waste charges, plumbing inspection fees, sewerage testing fees, fire service charges and other miscellaneous revenue.

Gains and losses on the disposal of property, plant and equipment are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the Statement of Comprehensive Income.

The Group enters into lease agreements as a lessor with respect to some of its residential properties. Revenue relating to leases for which the Group is a lessor is classified as rental income and presented in other revenue.

5.2 Amounts recognised in the Statement of Comprehensive Income

5.2.1 Other revenue

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Other fees and charges	121	94	120	94
Government grants	59	30	59	30
Rental income	11	10	11	10
Net gain on disposal of property, plant and equipment	1	2	1	2
Administration income	-	-	3	-
	192	136	194	136

5.2.2 Timing of revenue recognition

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Over time	3,179	2,943	3,181	2,943
At a point in time	408	348	408	348
	3,587	3,291	3,589	3,291

Note 6 Expenses

6.1 Amounts recognised in the Statement of Comprehensive Income

Note 6.1(a) Employee benefits expense includes the following:

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Salaries, wages and other employee expenses	426	354	426	354
Superannuation expense	46	38	46	38
	472	392	472	392

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Comprehensive Income in the financial year during which services are rendered by employees.

Note 6.1(b) Energy expenses predominantly relate to procuring renewable and non-renewable energy used in the Group's desalination plants, water and wastewater treatment plants and for conveying water through the metropolitan and regional systems.

Note 6.1(c) Other expenses include the following:

	Group	Corporation	
	2024 \$M	2023 \$M	2024 \$M
Information technology	111	117	111
Equipment hire charges	26	25	26
Corporate charges	43	37	43
Materials	42	39	42
Chemicals	36	33	36
Retired assets	17	15	17
Payroll tax and workers compensation	35	34	35
Contract labour	28	25	28
Property expenses	34	40	34
Discontinued capital projects	47	20	47
Other	25	20	25
	444	405	444
			405

Note 7 Net finance costs

7.1 Accounting policies

7.1.1 Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

7.1.2 Finance costs

Finance costs comprise interest expense on borrowings calculated using the effective interest method. The interest expense component of finance lease payments is recognised in the Statement of Comprehensive Income using the effective interest method. Finance costs include guarantee fees on borrowings from the Western Australian Treasury Corporation (WATC).

Borrowing costs are expensed as incurred except where they relate to the financing of projects under construction, with an estimated cost of more than \$5 million, where they are capitalised up to the date of commissioning.

7.2 Amounts recognised in the Statement of Comprehensive Income

	Group	Corporation	
	2024 \$M	2023 \$M	2024 \$M
Finance income			
Interest income	34	19	34
Finance costs			
Interest and guarantee fee expense	221	223	221
Capitalised interest (Note a)	(21)	(17)	(21)
Total finance costs	200	206	200
Net finance costs	166	187	166
			187

	2024	2023
Note a) The average interest rate used to capitalise interest expenses related to major works was:	4.28%	3.86%

Note 8 Income tax equivalent expense

8.1 Accounting policies

8.1.1 Income tax equivalent

The Group is exempt from the Commonwealth of Australia's *Income Tax Assessment Act 1936* but makes income tax equivalent payments to the Western Australian Government. The Group entered into the National Taxation Equivalent Regime (NTER) environment on 1 July 2001 having previously operated under the state-based Taxation Equivalent Regime. While tax equivalent payments are remitted to the Department of Treasury, the Group's tax equivalent is subject to Australian Tax Office (ATO) administration. The calculation of the liability in respect of these tax equivalents is governed by the *Income Tax Assessment Act 1936* and the NTER guidelines as agreed by the NTER Working Party.

Income tax equivalent expense comprises current and deferred tax equivalents. Current tax equivalent and deferred tax equivalent is recognised in the Statement of Comprehensive Income.

Current tax equivalent is the expected tax equivalent payable on the taxable income for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustment to tax equivalent payable in respect of previous years.

Deferred tax equivalent is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax equivalent is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by reporting date.

In determining the amount of current and deferred tax equivalent the Group takes into account the impact of uncertain tax positions and whether additional tax equivalents and interest may be due. The Group believes that its accruals for tax equivalent liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax equivalent liabilities; such changes to tax equivalent liabilities will impact tax equivalent expense in the period that such a determination is made.

Deferred tax equivalent assets and liabilities are offset if there is a legally enforceable right to offset current tax equivalent liabilities and assets, and they relate to income tax equivalents levied by the same tax authority on the same taxable entity.

A deferred tax equivalent asset is recognised to the extent that it is probable that future taxable surpluses will be available against which the temporary difference can be utilised. Deferred tax equivalent assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax equivalent benefit will be realised.

8.2 Amounts recognised in the Statement of Comprehensive Income

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
<i>Current income tax equivalent expense</i>				
Current year	460	413	460	413
Adjustments from prior year	(2)	(3)	(2)	(3)
<i>Deferred income tax equivalent expense</i>				
Temporary differences	(6)	(8)	(6)	(8)
Adjustments from prior year	2	-	2	-
Total income tax equivalent expense	454	402	454	402

8.2.1 Recognised in other comprehensive income / (loss)

Group	Before tax 2024 \$M	Tax expense 2024 \$M	Net of tax 2024 \$M	Before tax 2023 \$M	Tax expense 2023 \$M	Net of tax 2023 \$M
Re-measurement of defined benefit liability	3	(1)	2	(1)	-	(1)
<i>Corporation</i>						
Corporation	Before tax 2024 \$M	Tax expense 2024 \$M	Net of tax 2024 \$M	Before tax 2023 \$M	Tax expense 2023 \$M	Net of tax 2023 \$M
Re-measurement of defined benefit liability	3	(1)	2	(1)	-	(1)

8.2.2 Numerical reconciliation of income tax equivalent expense and tax at statutory rate

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Profit for the year	1,058	946	1,061	946
Add back: income tax equivalent expense	454	402	454	402
Profit before income tax equivalent expense	1,512	1,348	1,515	1,348
Income tax equivalent using the Corporation's tax equivalent rate (30%)	453	405	453	405
Non-deductible expenses	1	1	1	-
Adjustment in respect of previous year	-	(3)	-	(3)
Total income tax equivalent expense	454	402	454	402

Note 9 Trade and other receivables

9.1 Accounting policies

9.1.1 Trade and other receivables

Trade and other receivables are stated at their amortised cost less expected credit loss and are normally settled within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on similar credit characteristics.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

9.1.2 Impairment

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.

Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate

9.2 Amounts recognised in the Statement of Financial Position

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Current				
Annual service charge and volume debtors (Note a)	291	256	291	256
Expected credit loss	(2)	(5)	(2)	(5)
Net current debtors	289	251	289	251
Other receivables	42	120	42	120
Total current	331	371	331	371
Non-current				
Pensioner rates deferrals (Note b)	29	28	29	28
Total non-current	29	28	29	28
Total trade and other receivables	360	399	360	399

- Note a) Annual service charge and volume debtors includes unbilled revenue of \$50 million (2023: \$45 million), which is calculated using a combination of actual and estimated monthly water usage and prices.
- Note b) In accordance with the *Rates and Charges (Rebates and Deferrals) Act 1992*, eligible pensioners are permitted to defer their annual service charges, which will be realised on sale of property or from the estate. Interest is not charged to customers on the deferred amounts, but is recouped from the State Government in the form of Operating Subsidies (see Note 5.1.2).

During the year ended 30 June 2024, the Group renegotiated the terms of trade and other receivables of \$21 million (2023: \$19 million) from customers. If it had not been for these renegotiations, the receivables would have been overdue by more than 90 days. There was no impairment loss recognised this financial year (2023: nil).

9.2.1 Impairment of trade receivables

An allowance account, in respect of trade and other receivables, is used to record impairment losses, unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the amounts considered irrecoverable are written off against the financial asset directly. At 30 June 2024, the provision for expected credit losses trade and other receivables was \$2 million (2023: \$5 million).

The Group provides for specific identified debt and then adopts a provision matrix disaggregated based on similar credit characteristics to measure the expected credit losses for trade receivables under the simplified approach. The expected credit loss provision is made up as follows:

	Group and Corporation			
	Expected credit loss rate		Allowance for expected credit loss	
	2024	2023	2024 \$M	2023 \$M
Specific identified debt	100%	100%	-	2
Perth region debt	1%	1%	1	-
Remote communities	100%	100%	1	2
Low value land debtors	1%	1%	-	1
			2	5

Note 10 Inventories

10.1 Accounting policy

10.1.1 Inventories

Inventories consist of consumable engineering supplies and spares required for maintenance and operation of systems and general construction works. Inventories are measured at the lower of cost and net realisable value.

An allowance is maintained for the diminution in the value of inventories due to obsolescence and items being surplus to requirements.

Note 11 Property, plant and equipment

11.1 Accounting policies

11.1.1 Recognition and measurement

Property, plant and equipment represent the capital works and plant required for the operation of the Group and comprises:

- (a) works carried out under the capital investment program, which are initially recorded at cost. Cost includes direct materials and labour together with a proportion of management expenses directly related to bringing the asset to its working condition, and capitalisation of interest directly attributable to major works;
- (b) works carried out by developers, which are taken over by the Group free of charge are recorded at deemed cost, being the fair value at the date of acquisition; and
- (c) other property, plant and equipment, which are initially recorded at cost of acquisition plus incidental costs directly attributable to the acquisition.

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

11.1.2 Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the following:

- (a) the cost of replacement parts of an item is included when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of those parts that are replaced are retired.
- (b) the cost of regular major inspection if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection is retired.

All other costs are recognised in the Statement of Comprehensive Income as an expense when incurred.

11.1.3 Depreciation

In order to recognise the loss of service potential of property, plant and equipment, depreciation is recognised in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, making allowance where appropriate for residual values. Asset lives are reviewed annually, taking into account commercial and technical obsolescence, as well as normal wear and tear. Land is not depreciated.

The estimated useful lives of the different classes of property, plant and equipment for current and comparative years are as follows:

	Life (years)
Tunnels - water	80 - 150
Dams and associated civil works	80 - 120
Pipes - water and wastewater (other than galvanised steel)	75 - 110
Ocean outfalls and associated pipes	40 - 100
Bridges	40 - 80
Reservoirs and tanks	40 - 70
Fire hydrants and reticulation valves	50 - 55
Valves	25
Civil works - pump stations and treatment plants	40 - 50
Civil works - minor	10
Buildings (other than temporary)	30 - 50
Buildings (temporary)	10 - 20
Pipes - water (galvanised steel)	30 - 60
Drains and channels (other than excavation)	20 - 50
Drains and channels (earth excavation)	150
Wells and bores	20 - 30
Mechanical and electrical installations	25
Telemetry equipment, instruments and revenue meters	10 - 12
Furniture, office and laboratory equipment	7
Vehicles and mobile plant	5 - 12
Computer equipment	3 - 5
Supervisory control and data acquisition (SCADA)	12
Asset condition assessment	4 - 5

11.2 Amounts recognised in the Statement of Financial Position

Group and Corporation	Cost 2024 \$M	Accumulated depreciation 2024 \$M	Carrying amount 2024 \$M
System assets	23,896	(8,323)	15,573
Land and buildings	1,182	(248)	934
Support assets	521	(335)	186
Works in progress	1,630	-	1,630
Carrying amount of property, plant and equipment	27,229	(8,906)	18,323

Comparative figures for 2023 are as follows:

Group and Corporation	Cost 2023 \$M	Accumulated depreciation 2023 \$M	Carrying amount 2023 \$M
System assets	23,194	(7,865)	15,329
Land and buildings	1,082	(231)	851
Support assets	474	(318)	156
Works in progress	1,504	-	1,504
Carrying amount of property, plant and equipment	26,254	(8,414)	17,840

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below.

Group and Corporation					
	System assets	Land and buildings	Support assets	Work in progress	Total
	2024	2024	2024	2024	2024
	\$M	\$M	\$M	\$M	\$M
Balance at 1 July 2023	15,329	851	156	1,504	17,840
Additions	133	-	-	918	1,051
Disposals	(17)	-	(1)	-	(18)
Depreciation expense	(503)	(19)	(26)	-	(548)
Transfers	631	102	57	(792)	(2)
Balance at 30 June 2024	15,573	934	186	1,630	18,323

Comparative reconciliation for 2023 is as follows:

Group and Corporation					
	System assets	Land and buildings	Support assets	Work in progress	Total
	2023	2023	2023	2023	2023
	\$M	\$M	\$M	\$M	\$M
Balance at 1 July 2022	15,228	784	112	1,474	17,598
Additions	121	-	-	665	786
Disposals	(15)	-	(2)	-	(17)
Depreciation expense	(479)	(18)	(28)	-	(525)
Transfers	474	85	74	(635)	(2)
Balance at 30 June 2023	15,329	851	156	1,504	17,840

There were no indicators of impairment for the year ending 30 June 2024 (2023: Nil).

Note 12 Right of use assets

12.1 Accounting policies

12.1.1 Right of use assets

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less).

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line-method to the end of the lease term.

Concessionary leases

Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives are referred to as 'concessionary leases'.

Right-of-use assets resulting from concessionary leases are measured at cost, at inception, in accordance with AASB 16 Leases.

12.2 Amounts recognised in the Statement of Financial Position

Reconciliations

Reconciliations of the carrying amounts at the beginning and end of the current and previous financial year are set out below.

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Balance at 1 July	36	33	36	33
Additions	15	16	15	16
Disposals	-	(1)	-	(1)
Depreciation expense	(13)	(12)	(13)	(12)
Balance at 30 June	38	36	38	36
Accumulated cost	78	71	78	71
Accumulated depreciation	(40)	(35)	(40)	(35)
Carrying amount	38	36	38	36

Note 13 Service concession asset and liability

13.1 Service concession asset – Mundaring Water Treatment Plant

Reconciliations

Reconciliations of the carrying amounts at the beginning and end of the current and previous financial year are set out below.

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Balance at 1 July	191	199	191	199
Depreciation expense	(7)	(8)	(7)	(8)
Balance at 30 June	184	191	184	191
Accumulated cost	267	267	267	267
Accumulated depreciation	(83)	(76)	(83)	(76)
Carrying amount	184	191	184	191

In 2012, the Corporation entered into a Public Private Partnership with Helena Water Pty Ltd (Helena Water) to privately finance, design, construct, own and operate the Mundaring Water Treatment Plant under a 35-year operating concession.

The Corporation supplies raw water to Helena Water and purchases the treated product water that is pumped to Sawyer's Valley tank at the flow rate specified by the Group's operation centre.

The agreement between the Corporation and Helena Water requires Helena Water to use reasonable endeavours to obtain the most favourable terms from existing or potential financiers when refinancing. Gains or losses will be allocated to each party on ratios determined by the agreement, with the next refinancing event scheduled for 2027.

The agreement allows for the review of goods and services costs at set intervals across the term of the agreement. This review process has the potential to impact the monthly service charge. The purpose of the review and benchmarking process is to ensure that both parties receive a degree of protection from volatile price increases/decreases (outside of CPI changes) on goods and services that are procured during the term of the agreement.

Termination options for the Corporation include convenience, force majeure, substantial damage to infrastructure, and default events. The Group may step-in to operate and maintain the infrastructure in certain circumstances. There were no changes to the arrangement during the reporting period (2023: Nil).

13.2 Service concession liability – Mundaring Water Treatment Plant

Reconciliations

Reconciliations of the carrying amounts at the beginning and end of the current and previous financial year are set out below.

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
As at 1 July	189	197	189	197
Payments	(7)	(8)	(7)	(8)
As at 30 June	182	189	182	189
Current	7	7	7	7
Non-current	175	182	175	182
Total included in the Statement of Financial Position	182	189	182	189

Note 14 Intangible assets

14.1 Accounting policies

14.1.1 Computer software

Computer software consists of software which is not integral to the hardware, such as the ERP and billing system. Computer software is stated at cost less accumulated amortisation and accumulated impairment losses.

Software-as-a-service (SaaS) expenses are recognised as incurred when the related services are delivered, unless they qualify for capitalisation as computer software because they are identifiable and controlled in a way that allows future economic benefits to be obtained, and others' access to those benefits can be restricted. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of the costs incurred are for the development of software code that enhances, modifies or creates additional capability to existing on-premise systems and meets the recognition criteria for an intangible asset.

14.1.2 Water entitlements

Water entitlements purchased by the Group have been recognised initially at the cost of acquiring the entitlements plus incidental costs directly attributable to the acquisition. These entitlements are considered to have an indefinite useful life and are tested annually for impairment.

14.1.3 Investment in wind farm development rights

Wind farm development rights include project studies, project drawings, wind data, environmental approvals and development approvals and other intellectual property obtained through the acquisition of Flat Rocks Stage 2 Pty Ltd.

Wind farm development rights purchased by the Group have been recognised initially at the cost of acquiring the rights plus incidental costs directly attributable to the acquisition. Development rights are stated at cost less accumulated amortisation and accumulated impairment losses.

14.1.4 Amortisation

Amortisation is calculated using the cost of the asset, or its deemed cost, less its residual value.

Amortisation of computer software, intellectual property and wind farm development rights is recognised in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. Intangible assets with indefinite useful lives are not amortised and are systematically tested for impairment at each reporting date.

Intangible assets are amortised over the following useful lives:

	Life (years)
Computer software	3 - 10
Intellectual property	10
Investment in wind farm development rights	30

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

14.1.5 Impairment

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax equivalent assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use for not-for-profit entities is determined using the depreciated replacement cost of the asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Group would, if deprived of the asset, replace its remaining future economic benefits.

14.2 Amounts recognised in the Statement of Financial Position

Group	Cost 2024 \$M	Accumulated amortisation 2024 \$M	Carrying amount 2024 \$M
Computer software	327	(312)	15
Intellectual property	3	(3)	-
Water entitlement	31	-	31
Property easements	12	-	12
Investment in wind farm development rights	24	(1)	23
Works in progress	31	-	31
Total intangible assets	428	(316)	112

Comparative figures for 2023 are as follows:

	Cost 2023 \$M	Accumulated amortisation 2023 \$M	Carrying amount 2023 \$M
Computer software	327	(302)	25
Intellectual property	3	(3)	-
Water entitlement	31	-	31
Property easements	10	-	10
Investment in wind farm development rights	24	-	24
Works in progress	27	-	27
Total intangible assets	422	(305)	117

Corporation	Cost 2024 \$M	Accumulated amortisation 2024 \$M	Carrying amount 2024 \$M
Computer software	327	(312)	15
Intellectual property	3	(3)	-
Water entitlement	31	-	31
Property easements	12	-	12
Works in progress	31	-	31
Total intangible assets	404	(315)	89

Comparative figures for 2023 are as follows:

	Cost 2023 \$M	Accumulated amortisation 2023 \$M	Carrying amount 2023 \$M
Computer software	327	(302)	25
Intellectual property	3	(3)	-
Water entitlement	31	-	31
Property easements	10	-	10
Works in progress	27	-	27
Total intangible assets	398	(305)	93

Reconciliations

Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the current and previous financial year are set out below.

Group	Computer Software	Intellectual property	Water Entitlement	Property Easements	Investment in wind farm development rights	Work in Progress	Total
	2024 \$M	2024 \$M	2024 \$M	2024 \$M	2024 \$M	2024 \$M	2024 \$M
Balance at 1 July 2023	25	-	31	10	24	27	117
Additions	-	-	-	-		5	5
Amortisation expense	(11)	-	-	-	(1)	-	(12)
Transfers	1	-	-	2	-	(1)	2
Balance at 30 June 2024	15	-	31	12	23	31	112

Comparative reconciliation for 2023 is as follows:

	Computer Software	Intellectual property	Water Entitlement	Property Easements	Investment in wind farm development rights	Work in Progress	Total
	2023 \$M	2023 \$M	2023 \$M	2023 \$M	2023 \$M	2023 \$M	2023 \$M
Balance at 1 July 2022	30	-	31	9	-	14	84
Additions	-	-	-	-	24	21	45
Amortisation expense	(13)	(1)	-	-	-	-	(14)
Transfers	8	1	-	1	-	(8)	2
Balance at 30 June 2023	25	-	31	10	24	27	117

Corporation	Computer Software	Intellectual property	Water Entitlement	Property Easements	Work in Progress	Total
	2024 \$M	2024 \$M	2024 \$M	2024 \$M	2024 \$M	2024 \$M
Balance at 1 July 2023	25	-	31	10	27	93
Additions	-	-	-	-	5	5
Amortisation expense	(11)	-	-	-	-	(11)
Transfers	1	-	-	2	(1)	2
Balance at 30 June 2024	15	-	31	12	31	89

Comparative reconciliation for 2023 is as follows:

	Computer Software	Intellectual property	Water Entitlement	Property Easements	Work in Progress	Total
	2023 \$M	2023 \$M	2023 \$M	2023 \$M	2023 \$M	2023 \$M
Balance at 1 July 2022	30	-	31	9	14	84
Additions	-	-	-	-	21	21
Amortisation expense	(13)	(1)	-	-	-	(14)
Transfers	8	1	-	1	(8)	2
Balance at 30 June 2023	25	-	31	10	27	93

There were no indicators of impairment for the year ending 30 June 2024 (2023: Nil).

Impairment test for water entitlements

The Group acquired a number of water entitlements from a third party between 2006 and 2010. These entitlements are recorded at historical cost, less any impairment expense. They are considered to have an indefinite life and are therefore not amortised but tested annually for impairment by comparing the carrying value with the recoverable amount. The recoverable amount has been determined by assessing the current replacement cost of the asset with reference to the cost of other current potential water sources, such as bore extraction, desalination or water catchment.

To calculate the current replacement cost of the water entitlements, the Group has determined what it would cost to obtain the water from an alternative source. In doing so, the Group has estimated the following:

Expected volume – the Group has estimated the volume of water that it will continue to take on the basis of past usage and availability of the water. The Group considers factors such as long term rainfall data and climate-related events in making its estimates.

Expected unit cost – the Group has estimated the expected unit cost on the basis of the Group's adjusted Long Run Marginal Cost (LRMC) for new sources of water. An adjustment is made to the LRMC to reflect the cost of pumping water from the southern dams to Perth.

The Group's LRMC of new sources of water is used to calculate the notional current replacement cost of the water entitlements.

The entitlements are then valued under two scenarios, using an appropriate discount rate. The Group's long-term nominal cost of capital of 7.2% (2023: 7.2%) has been used as the discount rate.

The scenarios considered are:

- (i) Average volume of water taken during the last three financial years
- (ii) Average volume of water taken during the last 10 financial years.

The following table details the assumptions used as inputs in the impairment test performed.

Input	Description of input	2024	2023
Adjusted cost of new sources of water	LRMC less average conveyance cost	\$3.60 per kilolitre	\$3.06 per kilolitre
Discount rate	The Group's long-term cost of capital	7.2%	7.2%

Investment in wind farm development rights

See Note 15.3 for details of the acquisition of the wind farm development rights.

Note 15 Investment in subsidiary

15.1 Accounting policies

15.1.1 Recognition and measurement

Investment in subsidiary is recognised from the date on which control is obtained by the Group.

A subsidiary is an entity over which the Group has the power over the investee such that the Group is able to direct the relevant activities, has exposure, or rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns.

Investment in subsidiary is measured at cost.

15.1.2 Information relating to subsidiary

The financial statements of the Group include the following:

	Principal activity	Country of incorporation		% Equity interest	
				2024	2023
Flat Rocks Wind Farm Stage 2 Pty Ltd	Renewable energy development	Australia	100%	100%	100%

The movement in the net carrying value of the subsidiary is shown below:

	Corporation	
	2024 \$M	2023 \$M
Balance at 1 July	24	-
Additions	-	24
Balance at 30 June	24	24

15.3 Acquisition of Flat Rocks Wind Farm Stage 2 Pty Ltd

In December 2022, the Corporation acquired Flat Rocks Wind Farm Stage 2 Pty Ltd from Moonies Hill Energy.

The acquisition of Flat Rocks Wind Farm Stage 2 Pty Ltd, does not meet the definition of a business combination. Therefore, the Group has accounted for the underlying assets and liabilities acquired, as an asset acquisition in accordance with relevant Australian Accounting Standards that apply. The underlying assets and liabilities acquired comprised of wind farm development rights that include project studies, project drawings, wind data, environmental approvals and development approvals.

Flat Rocks Wind Farm Stage 2 Pty Ltd is expected to have up to 24 wind turbines and export up to 100MW of renewable energy into the South West Interconnected System, with the potential to upgrade the capacity to in excess of 150MW. The wind farm is expected to be located 30 kilometres south of Kojonup in the State's Great Southern region. Approvals for 24 wind turbines were received from the Joint Development Assessment Panel in 2021.

15.4 Financial statements and support of Flat Rocks Wind Farm Stage 2 Pty Ltd

The financial statements of Flat Rocks Wind Farm Stage 2 Pty Ltd have been prepared on a going concern basis using historical cost convention and a support letter dated 15 August 2024 for the fiscal year ended 30 June 2024 has been signed by the Corporation.

Note 16 Trade and other payables

16.1 Accounting policies

16.1.1 Trade and other payables

Trade and other payables are stated at amortised cost and are normally settled within 30 days.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

16.2 Amounts recognised in the Statement of Financial Position

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Trade payables	386	333	386	333
Other payables	23	37	23	37
Contract liabilities (Note a)	2	5	2	5
	411	375	411	375

Note (a) *Contract liabilities*

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Reconciliation of changes in contract liabilities				
As at 1 July	5	15	5	15
Revenue recognised in the reporting period	(3)	(10)	(3)	(10)
As at 30 June	2	5	2	5

Note 17 Lease liabilities

17.1 Accounting policy

17.1.1 Leases - as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these short-term leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date using the Western Australian Treasury Corporation's incremental borrowing rate. The liability is remeasured when there is a change in the future lease payment.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

17.1.2 Leases - as a lessor

The Group enters into lease agreements as a lessor with respect to some of its residential properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

17.2 Amounts recognised in the Statement of Financial Position

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Current				
Lease liabilities (Note a)	11	10	11	10
	11	10	11	10
Non-current				
Lease liabilities (Note a)	29	28	29	28
	29	28	29	28
Total lease liabilities	40	38	40	38

Note a) i. Lease liabilities

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Maturity analysis – contractual undiscounted cash flows				
Less than one year	13	11	13	11
One to five years	23	20	23	20
More than five years	14	15	14	15
Total undiscounted lease liabilities at 30 June	50	46	50	46
Lease liability movements				
As at 1 July	38	35	38	35
Additions	15	15	15	15
Accretion of interest	2	1	2	1
Payments	(15)	(13)	(15)	(13)
As at 30 June	40	38	40	38
Current	11	10	11	10
Non-current	29	28	29	28
Total lease liability included in the Statement of Financial Position	40	38	40	38

ii. Assets pledged as security

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Assets pledged as security				
The carrying amounts of non-current assets pledged as security are:				
Right of use assets	38	36	38	36
Total assets pledged as security at 30 June	38	36	38	36

The Group has secured the right of use assets against the related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

Note 18 Provisions

18.1 Accounting policies

18.1.1 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

18.1.2 Workers' compensation

The Group self-insures for risks associated with workers' compensation for claims relating to pre-1 July 1997 events. Outstanding claims are recognised when an incident occurs that may give rise to a claim and are measured at the cost that the Group expects to incur in settling the claims, discounted using a government bond rate with a maturity date approximating the terms of the Group's obligation.

18.1.3 Site restoration

A provision for site restoration costs is recognised when: there is either a legal or constructive obligation to restore a site; the land is contaminated; it is probable a restoration expense will be incurred; and the costs can be estimated reasonably.

18.1.4 Decommissioning

The Group has a constructive obligation to decommission and dispose of aspects of the water, wastewater and drainage network. A provision has been recognised for the present value of the estimated expenditure required to remove existing infrastructure.

18.2 Amounts recognised in the Statement of Financial Position

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Current				
Site restoration	8	10	8	10
	8	10	8	10
Non-current				
Workers compensation	4	4	4	4
Site restoration	12	16	12	16
Decommissioning	19	18	19	18
	35	38	35	38
Total provisions	43	48	43	48

Reconciliations of the carrying amount of provisions for 2024 are set out below:

	Group and Corporation			
	Workers' Compensation \$M	Site Restoration \$M	Decom- missioning \$M	Total \$M
Carrying amount at 1 July 2022	4	19	18	41
Provisions made during the year	-	10	-	10
Provisions utilised during the year	-	(3)	-	(3)
Carrying amount at 30 June 2023	4	26	18	48
Provisions made during the year	-	2	1	3
Provisions utilised during the year	-	(8)	-	(8)
Carrying amount at 30 June 2024	4	20	19	43

Provision for site restoration

The provision for site restoration costs is calculated based on a probability weighted estimate of costs to investigate and remediate each site. The timing and extent of restoration work required is based on the classification allocated by the Department of Water and Environmental Regulation and the findings of preliminary and detailed investigations.

Provision for decommissioning

The Group has recognised a provision for decommissioning obligations associated with facilities no longer utilised or scheduled for closure by the Group. Recognition of a provision is consistent with the Group's legal requirements.

Note 19 Employee benefits

19.1 Accounting policies

19.1.1 Long service leave and annual leave

Provisions for long service leave and annual leave are maintained to provide for employee benefits which are assessed on the basis of calculated leave liabilities for employee service to the reporting date.

Annual leave provisions are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

Long service leave provisions are classified as current liabilities as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Group has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Group does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

19.1.2 Purchased leave

A provision for purchased leave is maintained to provide for purchased leave benefits which are assessed on the basis of calculated leave entitlements at reporting date.

This scheme allows employees to purchase up to 12 additional weeks leave per annum by agreeing to a reduced salary rate over 52 weeks of the year. The minimum amount of leave available to be purchased is 1 week.

This scheme also allows employees to take reduced salary of eighty percent for four years and have paid leave for the whole of the fifth year at eighty percent of their salary.

Values are calculated at undiscounted amounts based on wage and salary rates that the Group expects to pay as at reporting date including related on-costs.

19.1.3 Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

19.1.4 Non-monetary benefits

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

19.2 Amounts recognised in the Statement of Financial Position

The provision for employee benefits comprises:

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Current				
Long service leave (Note a)	63	57	63	57
Annual leave (Note b)	55	50	55	50
Other employee benefits	6	5	6	5
Defined benefit superannuation (Note c)	2	3	2	3
	126	115	126	115
Non-current				
Long service leave (Note a)	7	5	7	5
Defined benefit superannuation (Note c)	26	29	26	29
	33	34	33	34
Total employee benefits	159	149	159	149

Note (a) Long service leave

Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Within 12 months of the end of the reporting period	12	11	12	11
More than 12 months after the end of the reporting period	58	51	58	51
	70	62	70	62

Note (b) Annual leave

Annual leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Within 12 months of the end of the reporting period	34	31	34	31
More than 12 months after the end of the reporting period	21	19	21	19
	55	50	55	50

Note c) Defined benefit superannuation

The Group sponsors the following defined benefit plans:

- State Superannuation Pension Fund (Pension Scheme), which closed to contributory members on 15 August 1986; and
- Gold State Superannuation Scheme (GSSS) lump sum scheme, which was opened to contributory members on 1 July 1987 and closed on 29 December 1995.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined liability, which comprise actuarial gains and losses, are recognised immediately in Other Comprehensive Income. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period, to the net benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plans are recognised in profit or loss.

Nature of the benefits provided by the schemes

Pension Scheme – The employer-financed benefit is a pension benefit payable on retirement, death or invalidity, or a lump sum benefit on resignation.

GSSS – Some former Pension Scheme members transferred to the GSSS. In respect of their transferred benefit, the members receive a lump sum benefit at retirement, death or invalidity which is related to their salary during their employment and indexed during any deferral period after leaving public sector employment.

Description of the regulatory framework

The schemes operate under the *State Superannuation Act 2000 (Western Australia)* and the *State Superannuation Regulations 2001 (Western Australia)*. Although the schemes are not formally subject to the Superannuation Industry Supervision (SIS) legislation, the Western Australian government has undertaken (in a Heads of Government Agreement) to operate the schemes in accordance with the spirit of the SIS legislation. As exempt public sector superannuation schemes (as defined by the SIS legislation), the schemes are not subject to any minimum funding requirements. As constitutionally protected schemes, the schemes are not required to pay tax.

Description of other entities' responsibilities for the governance of the Schemes

The Government Employees Superannuation Board (GESB) is the schemes' trustee and is responsible for the governance of the schemes. As trustee, GESB has a legal obligation to act solely in the best interests of scheme beneficiaries. GESB has the following roles:

- Administration of the schemes and payment to the beneficiaries when required in accordance with the scheme rules;
- Compliance with the Heads of Government Agreement referred to above.

Description of risks

There are a number of risks to which the Schemes expose the Group. The more significant risks relating to the defined benefits are:

- Legislative risk – the risk is that legislative changes could be made which increases the cost of providing the defined benefits.
- Pensioner mortality risk – the risk is that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period.
- Inflation risk –
 - Pension Scheme – the risk that inflation is higher than anticipated, increasing pension payments, and the associated employer contributions.
 - GSSS – the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, and/or that inflation (which affects the indexation of deferred benefits) will be higher than assumed, increasing the defined benefit amounts and the associated employer contributions.

Description of significant events

There were no scheme amendments affecting the defined benefits payable, curtailments or settlements during the year.

Reconciliation of the net defined benefit liability

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Pension Scheme	27	30	27	30
GSSS	1	2	1	2
Net defined benefit liability	28	32	28	32

Reconciliation of the defined benefit obligation

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Present value of defined benefit obligations at beginning of the year	32	32	32	32
Interest cost	1	1	1	1
Actuarial (gains)/losses arising from changes in financial assumptions	(3)	(1)	(3)	(1)
Actuarial (gains)/losses arising from liability experience	-	1	-	1
Benefits paid	(2)	(1)	(2)	(1)
Present value of defined benefit obligations at end of the year	28	32	28	32

Fair value of scheme assets

There are no assets in the Pension Scheme to support the state share of the benefit or in the GSSS for current employees to support the transferred benefits.

Significant actuarial assumptions at the reporting date

Pension Scheme Group and Corporation	2024 \$M	2023 \$M
<i>Assumptions to determine start of year defined benefit obligation and defined benefit cost for the current year</i>		
Discount rate (pensioners and active members)	3.55%	3.35%
Expected salary increase rate	3.5% pa	3.5% pa
Expected pension increase rate	3.0% for 2023/24, 3.0% for 2024/25, and then 2.5% pa	3.0% for 2022/23, 3.0% for 2023/24, 3.0% for 2024/25, and then 2.5% pa
<i>Assumptions to determine defined benefit obligation at the valuation date</i>		
Discount rate (pensioners and active members)	4.35%	3.55%
Expected salary increase rate	3.5% pa	3.5% pa
Expected pension increase rate	3.0% for 2024/25, and then 2.5% pa	5.8% for 2023/24, 3.0% for 2024/25, and then 2.5% pa

GSSS
Group and Corporation

	2024 \$M	2023 \$M
<i>Assumptions to determine start of year defined benefit obligation and defined benefit cost for the current year</i>		
Discount rate (active members)	3.55%	3.35%
Expected salary increase rate	3.5% pa	3.5% pa
CPI	5.8% for 2023/24, 3.0% for 2024/25, and then 2.5% pa	3.0% for 2022/23, 3.0% for 2023/24, 3.0% for 2024/25, and then 2.5% pa
<i>Assumptions to determine defined benefit obligation at the valuation date</i>		
Discount rate (pensioners and active members)	4.35%	3.55%
Expected salary increase rate	3.5% pa	3.5% pa
CPI	3.4% for 2024/25, and then 2.5% pa	5.8% for 2023/24, 3.0% for 2024/25, and then 2.5% pa

The discount rate is based on the Government bond maturing in December 2030. The decrement rates used (e.g. mortality and retirement rates) are based on those used at the last actuarial valuation for the Schemes.

Sensitivity analysis

The defined benefit obligation as at 30 June 2024 under several scenarios is presented below.

Pension Scheme

Scenarios A and B relate to discount rate sensitivity. Scenarios C and D relate to expected pension increase rate sensitivity.

- Scenario A: 0.5% pa lower discount rate assumption
- Scenario B: 0.5% pa higher discount rate assumption
- Scenario C: 0.5% pa lower expected pension increase rate assumption
- Scenario D: 0.5% pa higher expected pension increase rate assumption

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
	-0.5% pa discount rate	+0.5% pa discount rate	-0.5% pa pension increase rate	+0.5% pa pension increase rate	
Discount rate	4.35% pa	3.85% pa	4.85% pa	4.35% pa	4.3% pa
Pension increase rate	2.5% pa	2.5% pa	2.5% pa	2.0% pa	3.0% pa
Defined benefit obligation (\$M)	27	28	25	25	28

GSSS

Scenarios A and B relate to discount rate sensitivity. Scenarios C and D relate to expected salary increase rate and indexation sensitivity.

- Scenario A: 0.5% pa lower discount rate assumption
- Scenario B: 0.5% pa higher discount rate assumption
- Scenario C: 0.5% pa lower expected salary increase rate and indexation rate assumption
- Scenario D: 0.5% pa higher expected salary increase rate and indexation rate assumption

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
	-0.5% pa discount rate	+0.5% pa discount rate	-0.5% pa increase rate & indexation rate	+0.5% pa increase rate & indexation rate	
Discount rate	4.35% pa	3.85% pa	4.85% pa	4.35% pa	4.35% pa
Salary increase rate	3.5% pa	3.5% pa	3.5% pa	3.0% pa	4.0% pa
Defined benefit obligation (\$M)	1	1	1	1	1

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other obligations.

Funding arrangements

The employer contributes, as required, to meet the benefits paid.

Expected contributions

Expected employer contributions for the financial year ending 30 June 2024 are \$2m (2023: \$2m).

Maturity profile of defined benefit obligation

- Pension Scheme - The weighted average duration of the Group's defined benefit obligation is 11.2 years (2023: 12.2 years).
- GSSS - The weighted average duration of the Group's defined benefit obligation is 2.0 years (2023: 2.3 years).

Note 20 Other liabilities

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Current				
Developers' deferred liabilities (Note a)	8	2	8	2
Deposits	12	10	12	10
Capital grant liabilities	39	-	39	-
Grant Deposits	2	-	2	-
	61	12	61	12
Non-current				
Developers' deferred liabilities (Note a)	18	34	18	34
Deposits	3	2	3	2
	21	36	21	36
Total other liabilities	82	48	82	48

Note (a) Developers' deferred liabilities

Developers' deferred liabilities are the amounts payable to developers as reimbursements for the costs of headworks, constructed under Developer Constructed Work Agreements, where developers have self-funded the construction of certain headworks to enable a development, at a time that was earlier than planned by the Group.

Note 21 Interest-bearing loans and borrowings

21.1 Accounting policies

21.1.1 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are recognised at amortised cost with any difference between cost and redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowings on an effective interest basis.

21.2 Amounts recognised in the Statement of Financial Position

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Non-current				
Unsecured:				
Western Australian Treasury Corporation Term Fixed Rate Lending (Note a)	2,779	3,167	2,779	3,167
Western Australian Treasury Corporation Term Floating Rate Lending (Note a)	1,623	1,873	1,623	1,873
Total interest-bearing loans and borrowings	4,402	5,040	4,402	5,040

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Interest-bearing borrowings movements				
As at 1 July	5,040	5,429	5,040	5,429
Borrowings advanced	250	-	250	-
Capital repayments	(888)	(389)	(888)	(389)
As at 30 June	4,402	5,040	4,402	5,040

Note (a) Western Australian Treasury Corporation Term Fixed & Floating Rate Lending

The non-current amount of the Term Fixed Rate Lending of \$2,779 million (2023: \$3,167 million), includes \$389 million (2023: \$389 million) with an original contractual maturity in the 2024-25 year. The non-current amount of the Term Floating Rate Lending of \$1,623 million (2023: \$1,873 million), includes \$468 million (2023: \$500 million) with an original contractual maturity in the 2024-25 year. The loans have been classified as non-current as a result of the following:

- i. The Group has an agreement with the Western Australian Treasury Corporation (WATC), an entity owned by the Western Australian State Government, to refinance loans at regular intervals; and
- ii. The Group's forecast borrowing requirements for the next four years have been approved within the 2024 Western Australian State Budget, including no requirement for repayment of the amounts classified as non-current above.

Note 22 Deferred tax equivalent liabilities

22.1 Recognised deferred tax equivalent assets and liabilities

Deferred tax equivalent assets and liabilities are attributable to the following:

Group and Corporation	Assets 2024 \$M	Liabilities 2024 \$M	Net 2024 \$M
Property, plant and equipment	-	277	277
Right of use assets	(10)	-	(10)
Intangible assets	(7)	-	(7)
Provisions	(60)	-	(60)
Accrued expenses	(52)	-	(52)
Other items	-	4	4
Deferred tax equivalent (assets) / liabilities	(129)	281	152
Set off of tax equivalents	129	(129)	-
Net deferred tax equivalent liabilities	-	152	152

	Assets 2023 \$M	Liabilities 2023 \$M	Net 2023 \$M
Property, plant and equipment	-	288	288
Right of use assets	(10)	-	(10)
Intangible assets	(7)	-	(7)
Provisions	(58)	-	(58)
Accrued expenses	(57)	-	(57)
Other items	-	-	-
Deferred tax equivalent (assets) / liabilities	(132)	288	156
Set off of tax equivalents	132	(132)	-
Net deferred tax equivalent liabilities	-	156	156

The Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

22.2 Movement in temporary differences during the year

Group and Corporation	Balance 1 July 2023 \$M	Recognised in income \$M	Recognised in other comprehensive income \$M	Balance 30 June 2024 \$M
Property, plant and equipment	288	(11)	-	277
Right of use assets	(10)	-	-	(10)
Intangible assets	(7)	-	-	(7)
Provisions	(58)	(2)	-	(60)
Accrued expenses	(57)	5	-	(52)
Other items	-	4	-	4
	156	(4)	-	152

Comparative figures for 2023 are as follows:

	Balance 1 July 2022 \$M	Recognised in income \$M	Recognised in other comprehensive income \$M	Balance 30 June 2023 \$M
Property, plant and equipment	291	(3)	-	288
Right of use assets	(9)	(1)	-	(10)
Prepayments	(1)	1	-	-
Intangible assets	(7)	-	-	(7)
Provisions	(55)	(3)	-	(58)
Accrued expenses	(55)	(2)	-	(57)
Other items	(1)	1	-	-
	163	(7)	-	156

Note 23 Equity

23.1 Contributed equity

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Reconciliation of movements in contributed equity				
As at 1 July	7,586	7,584	7,586	7,584
<i>Contributions in the year</i>				
Metronet	85	-	85	-
Ord Channel	31	-	31	-
Remote Communities	19	1	19	1
Perdaman	3	-	3	-
Oyster Harbour Ulster Road	-	1	-	1
As at 30 June	7,724	7,586	7,724	7,586
Owner's initial contribution (Note a)	7,327	7,327	7,327	7,327
Equity contributions (Note b)	397	259	397	259
Total contributed equity included in the Statement of Financial Position	7,724	7,586	7,724	7,586

Note (a) Owner's initial contribution

Owner's initial contribution is the portion of the residual interest in the Water Authority of Western Australia's assets, after deducting the liabilities that were transferred from the Water Authority of Western Australia to the Water Corporation on 1 January 1996.

Note (b) Equity contributions

Equity contributions represent assets and amounts received from the State Government in relation to funding for the construction of projects and have been designated as equity contributions by the State Government.

Note 24 Cash and cash equivalents

24.1 Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the Statement of Cash Flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the Statement of Financial Position.

24.2 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks.

Cash held at bank earns interest at rates determined by the Department of Treasury.

The Group's exposure to interest rate risk for financial assets and liabilities is disclosed in Note 30.

The Group retained a forecast 2023-24 dividend payment of \$803 million for investment in the next major water source (2023: \$732 million for investment in the next major water source).

24.3 Reconciliation of cash flows from operating activities

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Profit for the year	1,060	946	1,063	946
Gain on disposal of assets	(1)	(2)	(1)	(2)
Retired assets	17	15	17	15
Developers' contributions (non-cash)	(99)	(89)	(99)	(89)
Non-Developers' contributions (non-cash)	(14)	(11)	(14)	(11)
Capitalisation of interest expense	(21)	(17)	(21)	(17)
Reversal of credit loss on receivables	(3)	-	(3)	-
Employee benefits:				
Superannuation	(3)	(1)	(3)	(1)
Long service leave	7	3	7	3
Annual leave	4	2	4	2
Other	1	-	1	-
Depreciation and amortisation	580	559	580	559
GST paid for property, plant and equipment	64	39	64	39
(Increase)/decrease in trade and other receivables	21	(118)	18	(118)
Increase/(decrease) in income tax equivalent	8	(12)	8	(12)
(Increase)/decrease in inventories	(9)	(1)	(9)	(1)
Increase/(decrease) in trade and other payables and other liabilities	26	5	26	5
Increase/(decrease) in provisions	(4)	7	(4)	7
Net cash from operating activities	1,634	1,325	1,634	1,325

24.4 Non-cash investing and financing activities

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Additions to right of use assets	15	16	15	16

Note 25 Auditor's remuneration

The total fees paid or due and payable to the Office of the Auditor General for the year are as follows:

	Group		Corporation	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Audit of financial reports	450	409	450	409

Note 26 Related parties

Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. This comprises all Ministers, the Directors and the General Managers who lead the various groups of the Group. The Group is not obligated to compensate the Minister for Water and therefore disclosures in relation to the Minister's compensation are not disclosed in this report but they are included in the Annual Report on State Finances.

The compensation paid to key management personnel during the year comprised:

	Group		Corporation	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Short-term employee benefits	3,421	3,208	3,421	3,208
Post-employment benefits	271	226	271	226
Other long-term benefits	224	191	224	191
	3,916	3,625	3,916	3,625

Other transactions with key management personnel and related entities

Related parties of the Group include:

- all Ministers, their close family members and their controlled or jointly controlled entities;
- all Directors, General Managers, their close family members and their controlled or jointly controlled entities;
- Western Australian government departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

The Ministers and Directors of the Group, or their related entities, conduct transactions with the Group within normal employee and customer relationships, on terms and conditions no more favourable than those that it is reasonable to expect the Group would have adopted if dealing with a Minister, Director or related entity at arm's length in similar circumstances.

There are no reportable related party transactions in relation to Ministers, the Directors or the General Managers of the Group this financial year (2023: nil).

The Group transacts with a number of Western Australian State Government authorities, agencies and government trading enterprises. Transactions with these entities include, but are not limited to: depositing and borrowing money; sales and purchases of goods, property and other assets; use of utilities; other government fees and charges.

Total annual transactions with these entities, in excess of \$10 million, include:

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Transactions with Department of Treasury, Department of Finance and Western Australian Treasury Corporation				
Receipts				
Department of Treasury – Operating Subsidies	694	526	694	526
Western Australian Treasury Corporation				
- Proceeds from borrowings	250	470	250	470
- Foreign currency	3	3	3	3
Payments				
Department of Treasury				
- Dividends	-	-	-	-
- Income tax equivalent	448	414	448	414
- Local government rates equivalent	8	8	8	8
Department of Finance				
- Pension reimbursements	1	1	1	1
- Land tax	8	9	8	9
- Payroll tax	27	26	27	26
Western Australian Treasury Corporation				
- Repayment of borrowings	888	859	888	859
- Interest on borrowings	166	152	166	152
- Guarantee fees	34	37	34	37
- Purchase of foreign currency	2	3	2	3
Other Western Australian Government Related Entities				
Receipts				
Department of Jobs, Tourism, Science, and Innovation	25	14	25	14
Department of Communities ¹	48	9	48	9
Payments				
Government Employees' Superannuation Board	11	14	11	14
Horizon Power	14	15	14	15
Western Power	23	37	23	37
Landcorp	12	-	12	-

¹ The Corporation entered into the Essential Services Transfer Deed effective 1 July 2023, “to reallocate responsibility and funding from the Department of Communities for the delivery of, water and wastewater services in 141 Remote Aboriginal Communities”. The Corporation may be required at a point in the future to decommission some existing infrastructure within these Remote Aboriginal Communities. The Corporation anticipates receiving government funding to meet the costs of any such activities. (Refer Note 28).

The above list excludes annual service charges and volume charges received by the Group.

Note 27 Capital commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are as follows:

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Within 1 year	303	277	303	277
Later than 1 year and not later than 5 years	1,854	366	1,854	366
	2,157	643	2,157	643

Note 28 Contingent liabilities

Currently the Group is a party to, or is potentially affected by, a number of legal claims. Until proceedings relating to these claims are finalised, uncertainty exists regarding the impact, if any, on the operations of the Group.

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

The following identifiable contingent liabilities exist at 30 June:

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Bank guarantees	12	12	12	12

The Group is a market customer in the Western Australian Wholesale Electricity Market (WEM), which is administered by the Australian Energy Market Operator (AEMO). The Group's participation and subsequent electricity purchases in the WEM are subject to meeting the prudential support requirements. The level of credit support required is equivalent to the maximum net amount the Group is expected to owe the AEMO over any 70-day period, based on actual electricity purchases.

ACWS Program

On 1 July 2023, the Group had officially assumed responsibility for the management of water services in 137 regional aboriginal communities as part of the Aboriginal Communities Water Services (ACWS) program. Water services will continue to be delivered by Aboriginal-owned service providers.

Prior to 1 July 2023, these services have been managed by Department of Communities with the exception of Mowanjum community which the Corporation assumed responsibility for from 1 April 2023.

Note 29 Events after the reporting period

There are no other matters or circumstances arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Note 30 Financial risk management

30.1 Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, objectives, policies and processes for measuring and managing risk, as well as quantitative disclosures.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group has a disciplined and constructive control environment in which all employees are clearly advised of their roles and obligations.

The Group's Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Compliance Committee is assisted in its oversight role by the Risk and Assurance Business Unit, which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Group's Audit and Risk Committee.

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Financial assets				
Cash and cash equivalents	1,127	952	1,127	952
Financial assets at amortised cost	360	399	360	399
Derivative Financial Asset	1	-	1	-
Total financial assets	1,488	1,351	1,488	1,351
Financial liabilities				
Financial liabilities at amortised cost	5,034	5,642	5,034	5,642
Derivative Financial Liability	1	-	1	-
Total financial liabilities	5,035	5,642	5,035	5,642

Derivative financial instruments

Forward exchange contracts

When the Group has expected foreign currency denominated purchases, foreign exchange forward contracts are entered into and designated as hedging instruments. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates. The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises which would otherwise require recognition through the statement of profit or loss.

Hedging

Derivatives that are designated within qualifying hedge relationships are initially recognised at fair value on the date the contract is entered into.

For relationships designated as fair value hedges, subsequent fair value movements are recognised in the statement of profit or loss. For relationships designated as cash flow hedges, subsequent fair value movements for the effective portion of the hedge are recognised in other comprehensive income and accumulated in reserves; fair value movements for the ineffective portion are recognised immediately in the statement of profit or loss.

Fair value

Fair value is the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When the fair values cannot be measured using quoted prices in active markets, it is measured using valuation techniques considered appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs.

Fair value of derivative financial instruments

Fair values of foreign exchange forward contracts are determined using the deal rates and the forward curve rates to maturity, discounted using the base currencies discount curve.

Key operating and financial risks

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's capital expenditure. The currency giving rise to this risk include the European Euro (EUR), United States Dollar (USD) and the UK Pound Sterling (GBP).

The Group manages its foreign currency risk by hedging transactions. The Group hedges its exposure to fluctuations by using foreign currency forward exchange contracts. At 30 June 2024, the Group hedged 100% of its foreign currency purchases for which highly probable forecasted transactions existed at the reporting date; the average deal rates were EUR 0.6061, USD 0.6757 and GBP 0.5300.

30.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on a regular basis. The credit risk on financial assets, which have been recognised on the Statement of Financial Position, other than cash and other financial assets is generally the carrying amount, net of any impairment loss for expected credit loss. Most receivables relating to water service charges are the responsibility of and are recoverable from the owner of the property. Under legislation, the Group may lodge and register a memorial and appropriate endorsements on the title of properties in arrears, which when in place restricts any instrument affecting that property from being registered without the Group's consent. Other receivables are regularly reviewed and allowance is made for expected credit loss.

The Group has established an expected credit loss that represents its estimate of incurred losses in respect to its financial assets, primarily trade and other receivables, and comprises individually significant exposures.

At reporting date, there were no significant concentrations of credit risk.

Cash held at bank earns interest at rates determined by the Department of Treasury. For the year ended 30 June 2024, the weighted average interest rate was 4.03% (2023: 2.53%).

Exposure to credit risk

The Group is not materially exposed to any individual customer.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the nature and location of each customer. In monitoring customer credit risk, customers are grouped according to their geographical locations as well as their account category. It is noted that in the majority of cases, the Group has security over the properties of the customers and as such has a very low credit risk. The Group adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning.

30.3 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

On an annual basis, the Board approves the forward five-year forecast of cash flows incorporated in the Strategic Development Plan (SDP). On an annual basis, the Board also approves the projected cash flows, for the current and next financial years, derived from the Statement of Corporate Intent (SCI). The SDP and SCI convey the liquidity risk by reporting projected net debt levels with committed facilities. During the financial year, any significant divergence from the projected cash flows is reported to the Board.

The Corporation ensures that it maintains a liquidity buffer of \$4 million on a daily basis in approved liquidity instruments to cover cash flow volatility over the short-term and to provide time to arrange additional funding facilities in the event of a cash flow emergency. Funds held in excess of liquidity requirements may be used to retire debt in a manner consistent with the approved liquidity and funding strategy.

The Corporation has in place arrangements for Western Australian Treasury Corporation (WATC) to provide finance, with total facility limits set by the State Treasurer through the annual State Budget, or as amended from time-to-time by a formal process including the Mid-year Review or via letters of amendment.

For 2023/24, the borrowing limit was set at \$4,788 million (2023: \$5,472 million) for the repayment of maturing debt and ongoing capital expenditure. Included in the limit of \$4,788 million is a liquidity facility that can be drawn down, within the constraints of the total limit, to meet short-term financing needs, and a working capital facility currently limited to \$80 million (2023: \$80 million) to assist with cash flow management.

As at 30 June 2024, \$4,402 million (2023: \$5,040 million) was drawn under the total debt facility. The remaining amount available under the total debt facility, with the relevant approval was \$386 million (2023: \$432 million). For 2024-25, the facility limit has initially been set at \$5,079 million (Facility limit for 2023-24: \$5,678 million) providing available borrowings of \$677 million up to 30 June 2025.

Outstanding lines of credit are regularly discussed and agreed with WATC. The type, currency and term of any new finance are determined at the time of draw-down between the Corporation and WATC.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

Group and Corporation		Weighted average interest	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
30 June 2024					\$M			
Non-derivative financial liabilities								
Trade and other payables	-		411	(411)	(411)	-	-	-
Interest-bearing loans and borrowings:								
- WATC Term Floating Rate Lending	4.71%		1,623	(1,829)	(545)	(487)	(797)	-
- WATC Term Fixed Rate Lending	2.92%		2,779	(3,253)	(484)	(469)	(1,432)	(868)
Lease liabilities	3.42%		40	(50)	(11)	(10)	(13)	(16)
Service Concession Arrangements	10.41%		182	(402)	(25)	(25)	(69)	(283)
			5,035	(5,945)	(1,476)	(991)	(2,311)	(1,167)

Group and Corporation		Weighted average interest	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
30 June 2023					\$M			
Non-derivative financial liabilities								
Trade and other payables	-		375	(375)	(375)	-	-	-
Interest-bearing loans and borrowings:								
- WATC Term Floating Rate Lending	4.20%		1,873	(2,083)	(581)	(525)	(977)	-
- WATC Term Fixed Rate Lending	3.01%		3,167	(3,760)	(500)	(484)	(1,467)	(1,309)
Lease liabilities	2.47%		38	(46)	(11)	(7)	(13)	(15)
Service Concession Arrangements	10.41%		189	(427)	(26)	(25)	(72)	(304)
			5,642	(6,691)	(1,493)	(1,041)	(2,529)	(1,628)

Details of the lending arrangements are contained in Note 21.

30.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

The Group enters into derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out in line with risk management policies. Generally, the Group seeks to apply hedge accounting in order to manage volatility in surplus or deficit.

30.4.1 Currency risk

The Group makes purchases that are denominated in currencies other than Australian dollars. The currencies in which these transactions primarily are denominated in are Euro and USD.

In accordance with risk management policies, non-material exposures to an aggregate value of \$100,000 for any one project may be left unhedged. At any one-time, unhedged exposures in all foreign currencies cannot exceed an aggregate value of \$1,000,000.

The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from reporting date. When necessary, forward exchange contracts are rolled over at maturity.

The Group has no material exposure to foreign currency risk.

30.4.2 Interest rate risk

The Group is exposed to interest rate risk through financial liabilities and adopts a policy of ensuring the majority of its exposure to changes in interest rates on borrowings is on a fixed rate basis.

Profile

At reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Group		Corporation	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Fixed rate instruments				
WATC Term Floating Rate Lending	1,623	1,873	1,623	1,873
WATC Term Fixed Rate Lending (Note a)	2,779	3,167	2,779	3,167
Total financial liabilities	4,402	5,040	4,402	5,040

The fair value of the WATC Term Floating Rate Lending and Fixed Rate Lending respectively as at 30 June 2024 was \$1,623 million, and \$2,779 million (2023: \$1,873 million and \$3,167 million).

Note (a) The fixed debt portfolio is structured with 30 lines spread of 10 year fixed rate debt with a fairly regular quarterly maturity cycle and with 4 lines of 20 year fixed rate debt which was entered into during 2021/22.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate the forward points component of derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at reporting date would not affect equity.

Cash flow sensitivity analysis for floating rate instruments

Borrowings under the Term Floating Rate Lending facility are structured into various debt lines, with maturities between 2 years and 5 years. Interest rates under the Term Floating Rate facility are reset every 3 months or 6 months. Of the total \$1,623 million under this facility, \$468 million will mature in the next 12 months, with interest rates fixed for either 3 months or 6 months. An increase of 100 basis points in interest rates at the reporting date would have increased interest expense (before capitalised interest) by \$15 million. A decrease of 100 basis points in interest rates at the reporting date would have decreased interest expense (before capitalised interest) by \$15 million. This analysis assumes that all other variables remain constant.

Directors' declaration

In the opinion of the Directors of the Water Corporation (the "Corporation"):

- (a) the financial statements and notes are prepared in accordance with the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023*, and:
 - (i) gives a true and fair view of the Corporation and Group's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and
 - (ii) in accordance with Australian Accounting Standards.
- (b) there are reasonable grounds to believe that the Corporation and Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Andrea Sutton

Board Chair



Pat Donovan

Chief Executive Officer

PERTH, 27 August 2024



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Water Corporation

To the Parliament of Western Australia

Opinion

I have audited the financial report of Water Corporation (the Corporation) and its subsidiary (the Group) which comprises:

- the statements of financial position as at 30 June 2024, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended
- notes comprising a summary of material accounting policies
- the directors' declaration.

In my opinion, the financial report of the Corporation and the Group is prepared in accordance with the *Government Trading Enterprises Act 2023* and the Government Trading Enterprises Regulations 2023, and:

- gives a true and fair view of the Corporation's and the Group's financial position as at 30 June 2024 and of its performance for the year then ended
- in accordance with Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial report section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The directors are responsible for the other information. The other information is the information in the Group's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the directors for the financial report

The directors of the Corporation are responsible for:

- keeping proper records
- preparation of the financial report in accordance with the *Government Trading Enterprises Act 2023* and the Government Trading Enterprises Regulations 2023 that gives a true and fair view in accordance with Australian Accounting Standards
- such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for:

- assessing the Corporation's and Group's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Corporation and the Group.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. 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.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Corporation for the year ended 30 June 2024 included in the annual report on the Corporation's website. The Corporation's management is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on the website, they are advised to contact the Corporation to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
30 August 2024

Appendix: Global Reporting Initiative index

Water Corporation is committed to reporting in line with the Global Reporting Initiative (GRI) Standards.

Our 2023-2024 Annual Report includes an overview of the GRI requirements we currently report to the public, aligning with a 'GRI-referenced' claim. As we mature our ESG capabilities, we will expand our reporting on our material topics (see page 17) against existing and emerging recognised frameworks – we are actively working towards increased data availability and readiness for enhanced reporting in future years.

WATER CORPORATION ANNUAL REPORT 2023-2024 – GRI INDEX

Disclosure #	Year of standard	Level	Topic	Page number
2-1	2021	Full	Organisational details	2, 82
2-2	2021	Full	Entities included in the organisation's sustainability reporting	82
2-3	2021	Full	Reporting period, frequency and contact point	2
2-6	2021	Full	Activities, value chain and other business relationships	10-15, 24, 28-57
2-7	2021	Partial ¹	Employees	70, 73
2-9	2021	Full	Governance structure and composition	20, 21-23, 59-61, 64-65
2-10	2021	Full	Nomination and selection of the highest governance body	59
2-11	2021	Full	Chair of the highest governance body	21, 64
2-12	2021	Full	Role of the highest governance body in overseeing the management of impacts	60, 64
2-13	2021	Full	Delegation of responsibility for managing impacts	23, 59-62
2-15	2021	Full	Conflicts of interest	63, 67
2-19	2021	Full	Remuneration policies	65-66
2-20	2021	Partial ²	Process to determine remuneration	59, 65-66
2-22	2021	Full	Statement on sustainable development strategy	8-9, 13
2-27	2021	Partial ³	Compliance with laws and regulations	68
2-28	2021	Full	Membership associations	33, 54
201-3	2016	Full	Defined benefit plan obligations and other retirement plans	102-106
201-4	2016	Full	Financial assistance received from government	2, 27, 81, 84-85, 106-107, 111-116
403-6	2016	Full	Promotion of worker health	34-35
403-9	2016	Partial ⁴	Work-related injuries	69
201-1	2016	Full	Direct economic value generated and distributed	76-80
302-1	2016	Partial ⁵	Energy consumption within the organisation	68
303-3	2016	Partial ⁶	Water withdrawal	72
305-1	2016	Partial ⁷	Direct (scope 1 GHG emissions)	68
305-2	2016	Partial ⁷	Energy indirect (scope 2) GHG emissions	68
401-1	2016	Partial ⁸	New employee hires and employee turnover	69-70, 73
416-2	2016	Partial ⁹	Incidents of non-compliance concerning the health and safety impacts of products and services	68

1 Total number of employees, total FTE, year-end average are reported, and partly reported by region (country or metropolitan). Gender breakdowns for the entire workforce have not been provided but can be reported in future years.

2 The role of the People and Safety Committee is described and reported, as well as the use of remuneration consultants and their independence.

3 Number of legal sanctions for environmental breaches, % environment non-compliance addressed reported. Non-environmental sanctions have not been publicly reported to date, but are reported internally through our governance channels.

4 Total Recordable Injury Frequency Rate per 1,000,000 hours work, for all employees and contractors is reported. Further detail is recorded and reported internally through our governance channels.

5 Total energy consumption in TJ is provided and included and prepared in accordance with the requirements of the annual National Greenhouse & Energy Reporting scheme.

6 Total water withdrawal from all areas by surface water, groundwater, seawater, and third-party water, in ML, are reported. Water Corporation uses different definitions of water stress and fresh/other water sources. We will work to align these definitions where appropriate for our business.

7 The sum of gross direct (scope 1) GHG emissions and location-based energy indirect (scope 2) in metric tons of CO₂ equivalent has been provided. These figures are prepared in accordance with the requirements of the annual National Greenhouse & Energy Reporting scheme.

8 The rate of employee turnover during the reporting period is reported. The breakdown of new hires specifically, and break down by age group, gender, and region, is measured but not reported.

9 Per cent of metropolitan and country localities meeting specific water quality requirements are reported. Specific incidents of non-compliance have not been reported.

watercorporation.com.au

