

Owned by the
people of WA

Think climate change
Be waterwise



Annual Report 2025





About this report

The 2024-25 Annual Report is a review of our performance for the financial year ended 30 June 2025.

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

Provided to the Minister for Aboriginal Affairs, Water, Climate Resilience, South West, Hon Don Punch, MLA, this 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 2024-25 financial year.

The mural pictured on the front cover of this report was painted by Guido Van Helten.

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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Warning. This report may contain the names and images of Aboriginal and Torres Strait Islander peoples now deceased.

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Acknowledgment of Country

In the spirit of reconciliation, Water Corporation acknowledges the Traditional Custodians of Country throughout WA 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 60,000 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 that represents the significance of our statewide water sources to Aboriginal people and culture.

Some of the patterns in this artwork have been used throughout the Annual Report to represent meeting places, travel, changing water, water ways and flow.

Waters of Creation by artists Carol Martin and Kaedisha Westerberg.

Year at a glance



Safe for all

Dealt with major incidents
safely and efficiently

p 32

Drilled

5 new bores in Djarindjin



& 7 in Beagle Bay

p 34

Over 300 Mental Health Champions

in our workforce



p 36

Improved our **family domestic violence** program



p 37



Environmentally sustainable

Received first-ever
Infrastructure Sustainability (IS)
rating for the Djarindjin – Lombadina Water Treatment Plant upgrade

p 38

Completed a
\$14.3 million
upgrade to Albany's wastewater network



p 39

Procuring up to
1.3 terawatt-hours
per year of renewable wind energy



p 39

Launched
Kep Katitjin – Gabi Kaadadjan

Waterwise Action Plan 3



p 40

114,984 waterwise plants
and **280 waterwise trees**
provided to the community



p 41

287 waterwise businesses
saved an estimated
9.6 billion litres of scheme water



p 43



Satisfied customers



1,143 total

customers helped between
1 Jul 2024 and 26 Jun 2025
through **Start Over** program

p 44



More than
1,000 Exmouth customers

benefiting from real-time water use data using **smart meters**

p 45



Over

2.1 billion litres
of water saved through **Waterwise Towns** program since 2013

p 46

431,000

students participated in our **Waterwise Schools program** since 1995

p 47



Supporting state development

Progressed
5 
investigations to secure future sources

p 48

Built
6km of a 33km
steel pipeline for
Alkimos Seawater
Desalination Plant

p 49


Welcomed more than
152,000
new customers

p 51

Working with state government to support an additional
60,000 potential future homes

p 51



Efficient



Network upgrades at

100+
regional sites

p 52

Saving 
\$6.3 million annually through groundwater optimisation

p 53

Over 
\$110 million invested in Research and Development

p 54

Innovative research into
reducing GHG emissions

p 54



Great place to work



Over **120** Aboriginal and Torres Strait Islander employees attended Kambarang Conference 2024

p 56



Listed among
2025 Top Intern Programs and #6 in our category in
2025 Top Graduate Employers

p 57



Invested in our leaders with
Leadership Lab

p 59



Launched new
Access and Inclusion Plan

p 59

Chair's report

Andrea Sutton

As we reflect on the past year, one thing is clear: the urgency to adapt to climate change and secure Western Australia's (WA) water future has never been greater. The challenges we faced this year have only intensified, requiring us to be more agile, responsive and forward-thinking than ever before. This evolving operating environment demands a proactive approach, and Water Corporation's Board remain focussed on ensuring the business maintains its commitment to sustainably managing water services, accessing the much-needed funding it needs to do so, while making WA a great place to live and invest.

We maintain one of the largest water and wastewater networks in the world and work incredibly hard to maintain and renew these networks to ensure they continue to reliably service the needs of our growing state. However, in doing so we continue to face increasingly significant challenges due to climate change, rapid population growth, ageing assets, increased maintenance costs and rising construction costs.

The WA Government has recognised the importance of renewing and maintaining this complex network with an uplift in our allocated funding for the year ahead. The strong ongoing investment in these ageing networks is absolutely vital to ensure WA's population of more than three million people receive reliable, efficient and sustainable water services into the future. Climate change, in particular, continues to pose the most significant challenge to the long-term security of our water sources. This year, water consumption rose significantly across households, mining, and industry, for the first time since 2008. Reduced rainfall, particularly in southern WA, has significantly impacted dam inflows and groundwater availability, with projections indicating a further 15 per cent decline by 2030.

"The increasing frequency and severity of extreme weather events are also testing the resilience of our ageing networks. Throughout this report, you'll see how Water Corporation has responded to these challenges and others, strengthening people, technology, and assets to ensure long-term sustainability and build climate resilience."

I am proud of the way our people have not only prioritised the safety of our employees and communities in every situation but also demonstrated great resilience and efficiency in restoring our services. Meanwhile, we must forge ahead to secure multiple new water sources across WA over the decade, while simultaneously expanding metropolitan wastewater treatment and disposal capacity.



Since the mid-2000s, Water Corporation, with support from the WA Government, has invested \$8.8 billion into infrastructure projects and programs across WA. This demonstrates the level of investment into new water sources and projects that support our rapidly growing state.

"We remain strongly aligned with Government priorities, including diversifying the state's economy, boosting housing supply and ensuring regional communities have access to the jobs, services, and infrastructure they need."

Our understanding of these priorities guides our approach to delivering projects that contribute to sustainable development across WA. We are committed to working collaboratively across all levels of government to identify and implement solutions that deliver the best outcomes for the entire state. Water remains central to economic growth and prosperity, and we will continue partnering with stakeholders to support WA's future.

On that note, I'd like to extend a warm welcome to our new Minister for Water, the Hon Don Punch MLA, and express my gratitude to our outgoing Minister, the Hon Simone McGurk MLA, for her leadership. Finally, I would like to acknowledge a change to the Board this year. We welcomed Jane Muirsmith, a highly accomplished digital and marketing strategist. Jane brings expertise in digital technology, artificial intelligence, and data literacy, critical areas as we continue to modernise our operations. Together, with the capable leadership of our new Minister for Water, the support of our valued Board members, and Chief Executive Officer (CEO) Pat Donovan, I believe Water Corporation is strongly positioned to achieve its goals by 2035, while tackling the significant challenges ahead of us.

A Sutton

Andrea Sutton

Chair

CEO's report

Pat Donovan

At Water Corporation, our vision is focussed on shaping a thriving future, and this year has reinforced the importance of adaptability and forward-thinking in managing one of the largest water, wastewater, drainage and bulk irrigation networks in the world.

Our customers remain at the heart of everything we do. Across the state, our people connect with thousands of Western Australians daily, whether out in the field or over the phone. Our reliability as a service provider is paramount, as our customers rightly expect affordable, safe, efficient and sustainable services.

Our operating environment continues to evolve rapidly, requiring us to respond with agility. Climate change is challenging the availability and security of our water sources, particularly in southern WA, where declining rainfall has significantly reduced dam inflows and is projected to further constrain groundwater access. At the same time, WA is experiencing record population growth, with 81,000 new residents last year, making it the fastest-growing state in Australia. These combined pressures have placed heightened demands on our Integrated Water Supply Scheme and regional schemes, requiring us to always maintain an eye to the future to ensure water security for all.

"Guided by our Thrive2035 strategy, we've continued to lay solid foundations for long-term sustainability. A key milestone this year was the ongoing construction of the Alkimos Seawater Desalination Plant (ASDP), set to become Perth's most critical future water source."

Designed to achieve net zero greenhouse gas emissions, ASDP supports WA's transition to a climate resilient water future. Beyond ASDP, we've also continued investing in regional WA. Projects are underway to expand the Goldfields and Agricultural Water Supply Scheme (GAWSS), valued at \$543 million, and construction has commenced on WA's first regional public drinking water desalination plant at Onslow thereby securing rainfall-independent solutions to more communities.

Protecting and optimising our existing network is equally important. With more than 35,000km of water mains and 17,000km of wastewater mains spanning 2.6 million square kilometres, our Operations and Maintenance program plays a vital role in ensuring safe, secure services. Supporting these efforts, our waterwise programs continue to inspire responsible water use across households, businesses, industry, government and developers. From smart metering and leak detection to water-efficient urban design and education, these initiatives reflect a growing community commitment to sustainability and highlight how we're leveraging technology to efficiently achieve our purpose.

This shared commitment to sustainability also underpins our role in enabling WA's economic growth. From residential housing projects to industrial initiatives like Westport, strategic industrial areas, mining and hydrogen, we continue to unlock development and support local industry. This year, we completed 96 per cent of development



applications within agreed timeframes, helping meet rising housing demand and deliver essential infrastructure. Our Research and Development program, now in its 25th year, continues to drive innovation and progress through national and international research collaboration.

While we drive development, we remain committed to reconciliation and respectful engagement with Traditional Owners. Across WA, our Aboriginal Communities Water Services (ACWS) program continues to make progress as we strive for equitable access to safe and reliable water services. This program remains a cornerstone of our Stretch Reconciliation Action Plan (RAP) and Yesterday, Today and Tomorrow (YTT) strategy. In addition, a key focus this year and future years is strengthening relationships with the Yindjibarndi people, partnering to monitor and reduce abstraction from Millstream National Park.

As we strengthen relationships on Country, we're also focussed on protecting our digital landscape, ensuring the systems that support our services, customers and stakeholders are secure, resilient, and future-ready. Rapid advancements in technology, cloud computing and data privacy require us to continually strengthen our defences. This year, we enhanced monitoring systems, implemented advanced threat detection and invested in new digital resilience initiatives to protect our services and data.

"In a year marked by the state election, our role in supporting WA's growth and sustainability has never been more important. I am incredibly grateful for the dedication of our people, who have worked tirelessly to drive our Thrive2035 strategy forward."

Their commitment to making Water Corporation a great place to work, with particular emphasis on fostering a safe workplace and investing in people development, has been instrumental in shaping WA's water future. I sincerely thank our people for their commitment, acknowledge the leadership of outgoing Minister for Water, the Hon Simone McGurk MLA, and welcome new Minister, the Hon Don Punch MLA. I also extend my thanks to our Board and Executive Team for their continued support.

With their guidance, and the expertise and dedication of our people, we will continue to make WA a great place to live and invest, while securing a thriving water future for generations to come.

Handwritten signature of Pat Donovan.

Pat Donovan

Chief Executive Officer



Corporate snapshot

A photograph of two female employees of Water Corporation. They are both wearing bright yellow high-visibility jackets over dark shirts, blue baseball caps with the Water Corporation logo, and dark sunglasses. The employee on the left has a name tag that reads "JACKIE". They are both smiling and appear to be outdoors in a sunny environment.

Our people lead with care in every interaction with our customers.

Our purpose

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



Minister for Water the Hon Don Punch MLA (centre left) attended the unveiling of our Splash of Colour mural in Manning with General Manager Customer and Community Group Karen Willis (left), Geoff Baker MLA (centre right), artist Jordan Andreotta (right), and students from Manning Primary School.

Services snapshot

Water Corporation is the principal supplier of water, wastewater, drainage and bulk irrigation services in WA to hundreds of thousands of homes, businesses and farms. Directly employing more than 4,200 people, we provide a high level of expertise and strong commitment to our customers, communities and state.

We manage \$51 billion of assets* to deliver water services across more than 2.6 million square kilometres.

* This amount represents the Total Asset Replacement Value of our asset base - excluding assets under construction and asset condition assessments.

Water sources

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...



90 Water treatment plants



76 Recycled water schemes

Water network

We service and maintain...



35,500 km of water mains



18,107 km of sewer mains



2,538 km of drains

Customers

Across WA, we supply water to more than



2 million people

Wastewater

We treat almost



502 million litres of wastewater a day

Wastewater is

99.97% 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



forest irrigation



returned to long term drinking water resource by replenishing our groundwater

Our vision, values and brand

Our vision defines what we need to deliver, our values guide how we work together to be successful, and our brand reflects how our customers and community see it all coming to life.



Our 2024 Kambarang Conference took place on 30 and 31 October in Boorloo (Perth), with the theme 'Building Leaders for the Future'.

Our vision

Thrive2035 is our long-term vision and strategy.

Thrive2035 and our six ambitious goals guide our future direction, highlighting the need to work together while enabling our people, our communities and state to thrive.

We are focussed on building strong foundations to meet the challenges of climate change, evolving community expectations around social and environmental outcomes, cost escalation pressures and a competitive labour market.

The drive to deliver our strategy and achieve our goals is woven into the work each of us does every day, including:

- Doing the basics safely, reliably, and efficiently.
- Making a positive impact on the environment, including accelerating progress to net zero emissions by 2035.
- Delivering safe and secure drinking water supplies to all communities across the state.
- Taking a proactive and commercial approach to becoming a partner of choice for water solutions that support state development opportunities.
- Partnering with customers and communities to develop local solutions that deliver sustainable economic, environmental, and social outcomes.
- Continuing to keep our people front of mind to make Water Corporation a great place to work.

Thrive 2035

 <p>Safe for all</p> <p>Advancing safety for our customers, communities and employees.</p>	 <p>Environmentally sustainable</p> <p>Accelerating environmental sustainability of the water cycle as our climate changes.</p>	 <p>Satisfied customers</p> <p>Developing local solutions in partnership with communities.</p>
 <p>Efficient</p> <p>Enabling us to sustainably finance our vision.</p>	 <p>Supporting state development</p> <p>Being the water services partner of choice for state development.</p>	 <p>Great place to work</p> <p>Empowering our people to achieve our best performance.</p>

Our values

Our values are the heartbeat of our business. They are central to our journey toward achieving our Thrive2035 goals and creating a workplace that is safe, diverse, equitable and inclusive.

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 are to be felt and lived every day.



Working as one

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



Delivering on our promises

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



Finding better solutions

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



Leading with care

We care for our communities and each other.



CEO Pat Donovan in front of our values wall at our Leederville office.



Senior leaders at Water Corporation.

Our brand

Our brand is more than our logo. It's the sum of every experience our customers have with us – every conversation, every phone call, and every project.

'Together we are shaping WA's water future' encourages our customers to value sustainable water services while translating our Thrive2035 corporate strategy to the broader community. Our brand helps to connect people to water to build a deeper appreciation for our valuable resource.

Each word has a specific meaning in relation to how we can sustainably deliver on our purpose.

- 'Together'** represents those who came before us, the Water Corporation of today and the Water Corporation of the future.
- 'We'** is about the collective us at Water Corporation, the communities of WA and the Traditional Owners who have over 60,000 years of water wisdom.
- 'Shaping'** is about changing, transforming, and finding better solutions to the challenges we face.
- 'WA'** we are a business servicing the whole State of Western Australia.
- 'Water future'** ensuring we have water services for future generations securing water sources and paving the way for a stronger future.

Working towards Thrive2035

During the 2024-25 financial year, Water Corporation made substantial progress in advancing our Environmental, Social, and Governance (ESG) Strategy, reaffirming our commitment to sustainable and responsible operations across WA. Building on the foundations of our inaugural ESG materiality assessment, we implemented initiatives addressing climate resilience, community engagement, and governance excellence. A key milestone was the continued development of ASDP, which will deliver 50 billion litres of climate-resilient drinking water annually by 2028, with net zero scope 1 and 2 greenhouse gas emissions during both construction and operation. This project exemplifies our leadership in environmental sustainability and alignment with our Thrive2035 strategy.

On the social front, we deepened our engagement with Aboriginal communities through the ACWS program. Since assuming responsibility for water services in 141 communities in July 2023, we have prioritised infrastructure upgrades, water quality improvements, and community-led solutions. Notably, Djarindjin and Beagle Bay, two Aboriginal communities on the Dampier Peninsula north-east of Broome, will be the first communities to have new water services delivered under the ACWS program. We also expanded our mental health and wellbeing initiatives,

onboarding more than 300 Mental Health Champions and launching a new training program for all employees to contribute to a work environment where everyone feels safe, valued, and supported.

Governance enhancements were equally robust, and the successful launch of our leadership development program emphasised our focus on adaptive, collaborative, and high-performing teams. Our participation in the State Government's Climate Risk Framework pilot program further strengthened our risk management and disclosure capabilities. Additionally, the bolstering of our IT systems and processes to enhance readiness to respond effectively to potential cyber incidents improved operational efficiency and cyber resilience.

Looking ahead, we remain focussed on achieving net zero by 2035, increasing wastewater recycling to 35 per cent, and embedding ESG principles into all facets of our operations. The integration of ESG into strategic planning, coupled with transparent reporting and stakeholder engagement, positions Water Corporation as a leader in sustainable water management and a trusted partner in WA's development.

Environment



Climate change and asset resilience

Building Perth's next desalination plant

Safeguarding sustainable water services through innovation, conservation, and adaptive strategies for climate resilience.

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Energy transition and net zero (GHG emissions)

Research tackles wastewater emissions

Leading the nation with measuring actual greenhouse gas emissions from our wastewater treatment plants, and setting a new industry standard for all to follow.

Page 54



Treated wastewater discharge effects

Setting the benchmark in sustainable wastewater treatment

Increasing recovery of treated wastewater and delivering positive environmental outcomes.

Page 50



Social



Safety and wellbeing

Safety is a state of mind

Bringing together our Health and Safety Representatives and Mental Health Champions to strengthen our shared commitment to creating a safe and supportive workplace.

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Water security and quality

Water source planning to secure future sources

Supporting the state's investment in climate resilient water sources to meet future demand.

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Aboriginal Communities Water Services

New borefields for Djarindjin and Beagle Bay

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

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Governance

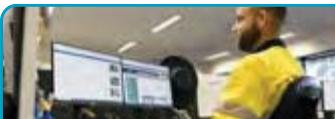


Corporate governance, ethics and transparency

Investing in our leaders

Leadership Lab empowers our leaders to drive Thrive2035 success - investing in them is investing in our future.

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Cyber security and data privacy

Building cyber resilience

We are strengthening cyber resilience through system upgrades, simulations, and preparedness to protect operations and customer data.

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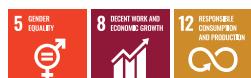


Financial sustainability

Ensuring the long-term reliability of our networks

Increased investment in asset inspections and renewals is strengthening long-term reliability across WA's water and wastewater networks.

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One year targets

2024/25 2024/25
Target Actual

Outcome: Reducing total recurring expenditure to fund our key priorities and provide socially equitable outcomes for communities:				
	Efficient	Total Cost Per Property (\$)	2,412	2,465
Outcome: Engaging and enabling our employees to perform at our best:				
	Great place to work	Employee Experience Survey - Engagement (%)	72	68
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 SDG 6 (%)	96	93.49
Outcome: Improving employee and public safety outcomes:				
	Safe for all	Total Recordable Injury Frequency Rate rate (per million hours worked)	3	4.7
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))	62	57
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	67
Outcome: Accelerating to net zero for scope 1 and 2 greenhouse gas emissions:				
	Environmentally sustainable	Reported greenhouse gas emissions (CO ₂ equivalent kilotonnes)	557	578
Outcome: Educating the community on climate change impacts, driving waterwise outcomes and ramping up wastewater recycling:				
	Environmentally sustainable	Wastewater recycled (%)	21	21.2

Onslow Seawater Desalination Plant construction site.



Organisational structure





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

Board profiles

Ms 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. 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 Tinto'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 and Australian Naval Infrastructure. She is a non-executive Director of Perenti and Iluka Resources. Andrea was previously a non-executive Director of Red 5 Limited, Australian Nuclear Science and Technology Organisation, DDH1 Limited, ERA and Infrastructure WA.

Appointed 1 January 2024,
term expires 31 December 2026.

Member: People and Safety Committee

Ms Helen Creed

Deputy Chair

BA/Dip Soc Studs

A social worker by background, Helen brings a wealth of experience to Water Corporation from 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 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 and Safety Committee

Mr Pat Donovan

Chief Executive Officer

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

Joining Water Corporation in 2018 as the General Manager Operations, Pat was appointed CEO in 2019. With over 25 years of experience in the gas industry in Ireland and Australia, Pat brings extensive experience in utilities to his role at Water Corporation. Before joining Water Corporation, Pat served as President of ATCO Gas Australia, delivering safe, reliable, and affordable energy across southwest WA. He also held senior executive roles at ATCO and Alinta.

Complementing his qualifications in engineering and finance, Pat has also completed the Ivey Business Executive Program at Western University in Canada. He is an active member of the Australian Institute of Company Directors, a Fellow of Engineers Australia, and currently serves on the board of the Water Services Association of Australia (WSAA), where he chairs the Utility Performance Committee (UPC). Pat is also a proud member of CEOs for Gender Equity, and the Advisory Board of Curtin University's Institute for Energy Transition (CIET).

Pat has a proven track record of leading customer-focussed business strategies while achieving sustained commercial success and growth. A passionate advocate for putting customers and the community first, he is driven to deliver Thrive2035, Water Corporation's strategy to enable its people, communities, and state to thrive.

Appointed 1 January 2019, term expires on 31 December 2025.[^]

Mrs Gningala Yarran-Mark

MBL LLB 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 at the intricacies of Native Title and Traditional Owner negotiations.

Gningala has a deep understanding of diversity, cultural intelligence, change management, stakeholder relations and is currently a non-executive director of the Australian Wildlife Conservancy Board.

Appointed 12 November 2019, term expires 30 September 2025.

Chair: People and Safety Committee

Ms Janine Freeman

BEc, GradDip OH&S, Cert IV FinServices, GAICD

Janine Freeman brings extensive governance experience, having served on boards since 1993. She is the Independent Chair of Fair Food WA (auspiced by WACOSS), a Board Member of Anglicare WA, a Member Director of the Government Employees Superannuation Board, a Council Member of the National Museum of Australia, and an Advisory Member to the UWA School of Population and Global Health.

As a social equity advocate and former Member for Mirrabooka in the WA Parliament, Janine has spent her career representing working people and their families, including Assistant Secretary UnionsWA.

Appointed 9 March 2022, term expires 31 December 2026.

Member: Audit and Risk Committee

Mr David Smith

BCom (Melb), FCA

David has over 33 years' experience working for PricewaterhouseCoopers (PwC) including as Assurance Lead Partner in Perth. Post his career with PwC, David has been a non-executive director for a number of organisations.

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 was previously a Board Member of the 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

Ms Jane Muirsmith

BCom (Hons), FCA, GAICD

An accomplished digital and marketing strategist, Jane has held several executive positions in Sydney, New York, Melbourne, Singapore and Perth.

Jane is currently the Managing Director of Lenox Hill, a digital strategy and advisory firm and is a non-executive Director of the Kids Research Institute Australia, Cedar Woods Properties and the Australian Finance Group.

Jane is an independent Member of Canberra Institute of Technology, Cloud Campus program, a Member of the Ambassadorial Council UWA Business School and is a former President of the Women's Advisory Council to the WA Government.

Appointed 1 December 2024, term expires 30 November 2027.

Member: Audit and Risk Committee

[^] While Mr Donovan's term as Director expires on 31 December 2025, his term as CEO expires on 31 December 2028.

Executive profiles

Mrs Deb Evans

Chief Financial Officer

BA (Hons), GradDip (Applied Finance and Investment), CPA and GAICD

| Term commenced May 2024

Mr Evan Hambleton

General Manager, Assets Planning and Delivery

BEng (Hons), MBA, GAICD

| Term commenced April 2019

Ms Jane Mitchell

General Manager

Information and Technology

BASc (Hons), GAICD

| Term commenced November 2022

Mr Barry Ford

General Manager Operations

BEng, MBA, GAICD

| Term commenced December 2019

Mrs Karen Willis

General Manager

Customer and Community

BA (Joint Hons), GradDip (Marketing), GAICD

| Term commenced April 2019

Ms Sarah Bagshawe

General Manager

People and Safety

BBus, CAHRI

| Term commenced January 2023

Ms 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.



The first pipe to be laid at Alkimos Seawater Desalination Plant.

Key capital projects

Our capital investment program for 2024–25 totalled \$1,425 million.

Metropolitan

- 1 Wastewater upgrades in Perth's north-east
- 2 Metro water reticulation renewals in Stirling, Joondalup, Belmont, Nedlands and Bayswater
- 3 Alkimos Seawater Desalination Plant Stage 1
- 4 Woodman Point Water Resource Recovery Facility upgrade
- 5 Hazelmere and Helena Valley water pipeline
- 6 Point Peron tower
- 7 Ellenbrook to Wangara wastewater pipeline
- 8 Alkimos Wastewater Treatment Plant upgrade
- 9 Gordon Rd Wastewater Treatment Plant upgrade
- 10 Alkimos to Wanneroo desalination pipeline

Regional

- 1 Exmouth Smart Meters
- 2 Albany Ulster Rd pipeline replacement
- 3 Onslow Desalination Plant
- 4 Djarindjin new water source
- 5 Denmark wastewater pipeline
- 6 Exmouth new water source
- 7 Ord irrigation upgrade
- 8 Burrup seawater scheme upgrade
- 9 Wellington Bridge replacement



For more information on these projects, visit watercorporation.com.au

Financial highlights

Beyond delivering essential water services, we continue to make a significant contribution to WA's economic growth. We achieve this by stimulating development and supporting the state's progress through strategic investment in water and wastewater infrastructure.

Our operating business delivered a surplus of \$1.1 billion. This surplus was driven by solid revenue receipts from our core activities, supported by increased land development and building activity. These sectors continue to perform strongly, underpinned by population and employment growth.

Total revenue reached \$3.7 billion. However, our overall returns to the Government were lower at -\$127.4 million due to the Government's decision for Water Corporation to retain the 2024-25 interim dividends as after-tax retained earnings. The final dividend for 2024-25 is due to be paid by 31 December 2025 and will be recognised in subsequent financial reports. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2025.

Net operating revenue increased by 2.4 per cent, equating to an increase of \$91.7 million. This growth was primarily driven by increased water consumption, a rise in service charges, and greater reimbursement works. At the same time, it was partially offset by a \$9.2 million reduction in operating subsidies received from the Government for the provision of non-profitable services. Lower operating subsidies were primarily driven by the country loss component which reflects a lower cost of service. This was due to higher service and water sales revenue, increased developers' contributions and greater Special Agreement revenue in 2023-24.

Land developer contributions added a further \$335.6 million to support new housing developments and related infrastructure. These contributions were received either as cash (\$206.1 million) or in the form of physical assets such as pipes and pumps (\$129.5 million).

Total expenditure increased by 2.9 per cent to \$2.2 billion, reflecting the cost of operating and maintaining our expanding and diverse infrastructure. This rise was driven by inflationary pressures on materials and services, intense competition in the labour market, and higher depreciation costs for infrastructure and technology assets. Our total cost per property increased by 3.3 per cent, while our

operating costs per property increased by 5.6 per cent. Despite these increases, we remain one of the lowest-cost businesses in the Australian water industry for large scale supply.[^]

Investing in infrastructure

We invested \$1.4 billion in new capital projects to expand our water and wastewater infrastructure. Our capital investment program benefits the community and draws on a wide range of local private sector partners to support construction, maintenance, and operational activities. In doing so, we employ a significant number of Western Australians both directly and indirectly. In 2024-25, our capital investment program included \$761.7 million invested in our water business, including:

- \$465.3 million on the ASDP.
- \$339.4 million on our wastewater business.
- A range of programs including irrigation, drainage, facilities management and Government-sponsored work programs such as Metronet.
- ACWS.

Supporting WA's growth

The water and wastewater services we provide enable the development of residential land, the growth of our towns and cities, and meet the needs of communities, commerce and industry across WA.

In 2024-25, the value of our regional assets exceeded \$9.2 billion. During the year, we invested more than \$255.4 million in major water and wastewater projects and programs for regional WA.

[^] According to the National Performance Report: Combined Operating Cost - Utility Comparison.

Net accrual to government

\$million	2024-25	2023-24	2022-23	2021-22	2020-21	2019-2020
Dividend	-	-	-	-	642	4
Tax equivalents	508	467	419	392	369	373
Operating subsidy	(597)	(606)	(614)	(519)	(469)	(431)
Less: RESP, RCF, RfR ⁽²⁾	(39)	(32)	-	-	-	-
NATG	(127)	(171)	(196)	(127)	543	(54)

Performance summary

Financial Outcomes

	Units	2024/25 Projected	2024/25 Actual
Operating Surplus before income tax			
Operating business	\$m	1,311	1,275
Developer asset handover before tax	\$m	121	130
Developer cash contributions before tax	\$m	162	206
Operating Surplus after income tax			
Operating business	\$m	918	893
Developer asset handover after tax	\$m	85	91
Developer cash contributions after tax	\$m	113	144
Capital expenditure (including capitalised interest)	\$m	1,727	1,425
Borrowings taken - (repaid)	\$m	292	(97)
Financial Performance Measures			
Return on equity	%	7.5	7.3
Return on assets	%	5.7	5.7
Debt to total assets ratio	%	25.3	21.0
Accruals to Government			
Indirect tax equivalents	\$m	9	8
Income tax equivalents (net of deferred tax adjustments)	\$m	497	500
Dividends provided	\$m	843	0
Total	\$m	1,348	508

Payments from Government

	Units	2024/25 Projected	2024/25 Actual
Operating Subsidies			
Country water, sewerage and drainage operations	\$m	475	397
Pensioner and senior concessions ⁽¹⁾	\$m	198	198
Metropolitan operations	\$m	8	1
Total operating subsidies	\$m	681	597
Less: RESP, RCF and RfR		34	39
Total	\$m	648	558

(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

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

That's why our commitment to make every drop count is stronger than ever. With more than 4,000 passionate people on the job, we are dedicated to keeping water, wastewater, and drainage services flowing smoothly across the state.

We're thinking smart, acting waterwise, and building climate resilience into everything we do, so our communities, industries, and environment are ready for whatever the future brings.

We're here to help WA thrive – today, tomorrow, and for generations to come.





Safe for all

Safety is our top priority, guiding everything we do. From delivering safe and reliable drinking water, responding swiftly in emergencies, to strengthening our cyber defences, we're committed to protecting our people, customers, and the communities we serve. We maintain some of the largest water and wastewater networks in the world, and continued investment in this extensive and ageing network is vital to ensure WA's population of over three million people receive safe, reliable, efficient and sustainable water services into the future.

Safety first in every incident

We are no strangers to incidents, especially in the face of our changing climate. Safety guides every single incident response, whether they be extreme weather events, infrastructure challenges, or public hazards. Our teams demonstrated this commitment across a diverse range of incidents this year, always prioritising the wellbeing of our people and the community to ensure every incident was resolved minimising harm and disruption. Each incident reflects the resilience, professionalism, and care of our people; united by a shared commitment to keeping Western Australians safe.

November 2024 - Heatwave in Southwest WA

An unseasonal and very hot heatwave swept across Southwest WA, driving up water demand and increasing the risk of bushfires and other threats. With both factors threatening our ability to produce and transfer water, our proactive approach to planning and coordination helped safeguard water availability and protect community wellbeing.

19 January 2025 – Cyclone Sean brought rain to the Pilbara

Tropical Cyclone Sean delivered heavy rainfall to the Pilbara, resulting in much-needed streamflow to Harding Dam, which reached its highest capacity since May 2024. Our teams monitored conditions closely to ensure infrastructure remained safe and operational.

January 2025 – Bushfires swept along the south coast

During the peak holiday season, bushfires swept along southern WA, challenging our teams in the Great Southern Region. Crews worked under pressure to maintain essential services and support emergency response efforts.

9 February 2025 – Fatberg caused wastewater overflows in Perth CBD

A large fatberg, which is a blockage of fat, grease, and rags, caused multiple wastewater overflows along Wellington Street in Perth. To maintain public safety, our crews worked urgently to clear the blockage and disinfect affected areas.

November 2024

January 2025

February 2025



Our people restoring services to the Port Hedland community following Tropical Cyclone Zelia.

14 February 2025 – Cyclone Zelia hit Port Hedland

Tropical Cyclone Zelia made landfall near Port Hedland, disrupting services across the region. Crews worked around the clock to efficiently and safely reinstate power to the De Grey borefield, securing continued water supply to the town.

14 March 2025 – Mega fatberg removed from Woodman Point

A 60-tonne mega fatberg, estimated to be the largest seen in WA, was extracted from the Woodman Point Wastewater Treatment Plant in Perth. The successful removal prevented potential overflows and environmental damage, highlighting the importance of responsible disposal by our customers.

June 2025 – Sewer main burst in Spearwood and Beaconsfield

A major sewer main burst along Hamilton Road in Spearwood and Caesar Street in Beaconsfield led to wastewater overflows affecting public parks and residential areas. Crews worked swiftly and safely to repair the damage, disinfect impacted areas, and coordinate restoration with local governments. A customer support caravan was also deployed on site to assist impacted residents.

Case study

Ensuring the long-term reliability of our networks

We maintain one of the largest networks of water and wastewater mains in the world, spanning across 2.6 million square kilometres of WA, and work hard to maintain these networks to ensure they continue to reliably service the needs of our growing state. Our Asset Condition Assessment (ACA) program helps keep our water and wastewater networks safe and reliable by prioritising renewals based on asset age and performance. Over the next five years, we expect to invest \$42 million in inspections across WA. Our ACAs support major renewal programs, including a \$79.9 million statewide pipeline upgrade. The current program, valued at \$40.4 million, will replace 23km of water mains across six Perth local government areas, ensuring long-term service reliability for our communities.

Proactively investing in sustainable water infrastructure to enhance community resilience and service reliability.





Kimberley MLA Divina D'Anna, previous Water Minister Simone McGurk, Djarindjin Cultural Advisor Vincent McKenzie and Water Corporation General Manager Customer and Community Karen Willis were taken to Djarindjin's original water source.

Case study

New borefields in Djarindjin and Beagle Bay

Djarindjin and Beagle Bay, two Aboriginal communities on the Dampier Peninsula north-east of Broome, will be the first to have new water services delivered under the ACWS program. In 2024, work began with the drilling of five new bores in Djarindjin and seven in Beagle Bay, designed for water production and monitoring. These bores mark a critical first step toward improving water quality and supply in both communities. Additional upgrades included the construction of a new borefield access track in Djarindjin, and water pipe improvements in both locations, to enhance the reliability of their water schemes. The next phase of work, scheduled to begin in 2026, will involve equipping the bores and building new water treatment plants. Along the way, we will continue working with community leaders to deliver these important upgrades.

Read more about the sustainability award we received for the Djarindjin – Lombadina Water Treatment Plant upgrade on page 38.

Working with Aboriginal communities to deliver improved water infrastructure and services that sustainably support community wellbeing and future growth.



Safe water from secure sources for Aboriginal communities

In our second year of the ACWS program, we have continued our mission to ensure clean water is accessible for all. We focussed on effective community and stakeholder engagement, assessing the condition of existing water infrastructure and enhanced water quality monitoring and processes. This work is informing how we prioritise infrastructure upgrades across ACWS communities, with a number of programs already underway to help deliver safer and more reliable water services.

ACWS: highlights as at 30 June 2025

The **141 communities** of varying sizes, are located in:

Kimberley
105
communities

Pilbara and Mid-West
22
communities

Goldfields and Central
14
communities

communities engaged to understand their needs and aspirations



103

asset condition assessments completed to identify and inform potential upgrades



67

relationships established with Registered Native Title Body Corporates



48

more than
7,000

water samples taken from water sources, treatment plants and pipe networks



sampling programs created

\$8.9 million

total value of drinking water and wastewater infrastructure projects completed across 17 communities



Water Corporation General Manager Customer and Community Karen Willis, Djarindjin Heritage Monitor Andrew Sampi, previous Water Minister Hon Simone McGurk MLA, and Kimberley MLA Divina D'Anna at the new borefield.



Water Corporation employees at the 2024 Safety Summit.

Supporting a mentally healthy workplace

Fostering a mentally healthy workplace takes commitment across the entire business, and our growing Mental Health Champions program plays a key role. With over 300 Mental Health Champions (MHCs), we're equipping our people to listen, support, and look out for one another. This year, we've strengthened our approach by better identifying, assessing, and managing psychosocial hazards, and ensuring everyone at work has the knowledge to foster a safer, healthier work environment.

Promoting a mentally healthy workplace by empowering our people and strengthening psychosocial safety.



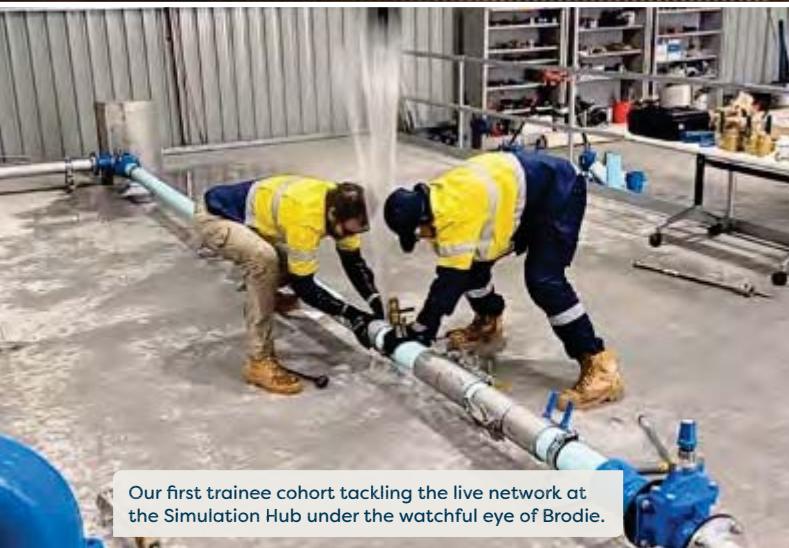
Case study

Safety is a state of mind

In July 2024, more than 200 employees came together for our third annual Safety and Wellbeing Summit for a powerful day of connection, learning, and recognition. The event brought together our dedicated Health and Safety Representatives and MHCs to strengthen our shared commitment to creating a safe and supportive workplace. With the theme 'Safety is a state of mind', the summit featured four sessions aligned with our corporate values. The day included inspiring talks from internal and external speakers, interactive workshops, and personal stories that highlighted the impact of our volunteer programs. CEO Pat Donovan opened the day, followed by a heartfelt Welcome to Country from Sharon Wood-Kenney. Guest speakers Dr Marni Lishman and Dr Nick Mabbott shared expert insights into mental wellbeing, burnout prevention, and fatigue risk management, reinforcing our holistic approach to safety.



2024 Safety Summit



Our first trainee cohort tackling the live network at the Simulation Hub under the watchful eye of Brodie.

Fostering a culture of respect and safety

Creating a safe, inclusive, and respectful workplace is fundamental to our culture. A new training program was rolled out in early-2025, empowering every employee to understand expected standards of workplace behaviour and to contribute to a work environment where everyone feels safe, valued, and supported. Water Corporation has taken proactive steps to meet its positive duty obligations with these initiatives, reinforcing critical updates to our Workplace Bullying, Harassment and Discrimination Policy and Code of Conduct, and highlighting our value of leading with care, that we all share at Water Corporation.

Building cyber resilience and safety

The risk of a cyber-attack or data breach is real - it just takes one successful attack to disrupt our organisation, our operations, and our customers. We take this risk seriously. In preparation, we have been bolstering our systems and processes while also undertaking rigorous preparation exercises, including IT and communications response simulations. These efforts have significantly enhanced our readiness to respond effectively to potential cyber incidents.

Strengthening our cyber resilience to protect critical infrastructure and ensure operational continuity.



Building skills for the future

In 2025, we opened the Simulation Hub (Hub) at our Shenton Park Training Centre in Perth, a purpose-built facility revolutionising how we train our operational workforce.

The Hub features a live, above-ground pipe network that replicates around 80 per cent of the tasks our operators face in the field. This all-weather, hands-on environment allows trainees to build confidence and competence before entering live worksites, significantly improving safety and work-readiness.

The facility reflects our investment in people, innovation, safety, and long-term capability, with future simulations to include training in reverse osmosis, vacuum sewers, locating devices, and high-pressure jetting systems.

The Hub is setting a new benchmark for operational excellence, reinforcing Water Corporation as a great place to work and grow a career.

Case study

Supporting those impacted by family and domestic violence

We believe we have a key role in supporting our employees who are victim-survivors of family and domestic violence (FDV). This year, we've completed a full review of our FDV program, and our support officer team has increased threefold. In doing so, we're ensuring employees are provided with a workplace environment that supports their safety and wellbeing and offers them flexibility to take action against family and domestic violence while maintaining their employment. Our FDV program is just one of a comprehensive program of safety and wellbeing initiatives designed to support and empower our people.

Supporting employees impacted by family and domestic violence by fostering a safe, flexible, and inclusive workplace.





Environmentally sustainable

We're committed to sustainable water services, not just for today, but for generations to come. As we work toward a net zero future, we are reimagining our role in the water cycle, from designing infrastructure that stands the test of time, to maintaining our assets in ways that promote sustainability. By investing in being environmentally sustainable amid a changing climate, we're securing a future where water remains reliable, resilient, and ready for generations to come.

How do we evaluate our sustainability?

We're committed to delivering sustainable infrastructure for our customers, community and the environment. We are a proud member of the Infrastructure Sustainability Council (ISC), which administers the Infrastructure Sustainability (IS) rating scheme. The IS 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 IS rating scheme to drive sustainable outcomes on projects valued greater than \$100 million, such as the ASDP Alkimos Trunk Main to Wanneroo Reservoir, and GAWSS upgrade projects.

Case study

Sustainability Award for Djarindjin – Lombadina

In a major step towards Thrive2035, we received our first-ever IS rating for the Djarindjin – Lombadina Water Treatment Plant upgrade. The project earned a Bronze IS Essentials Design Rating from the ISC for its strong environmental and community outcomes, including reduced greenhouse gas emissions through solar power and efficient design, and meaningful engagement with Traditional Owners. The project also supported local health initiatives by upgrading a community greenhouse to grow fresh produce.

This recognition marks a significant step forward in our sustainability journey. It reinforces our commitment to achieving IS Ratings on all Water Corporation projects with a capital value over \$100 million, helping to deliver sustainable outcomes for the environment, our customers and communities.

Delivering sustainable water infrastructure in Aboriginal communities to support community wellbeing and environmental outcomes.





We're committed to building climate-resilient communities through our waterwise programs.

Protecting Albany's environment through sustainable infrastructure

As part of a \$49.3 million investment in regional wastewater projects by the State Government, Water Corporation completed a \$14.3 million upgrade to Albany's wastewater network, an essential step in protecting the region's natural environment. Nearly 4km of ageing wastewater pressure main was replaced under Ulster and Lower King Roads, with an additional 300m of new infrastructure installed in the North Road verge.

This proactive project was designed to strengthen the resilience of Albany's wastewater system and, critically, to reduce the risk of overflows into the Yakamia Creek system, which discharges into Oyster Harbour, an ecologically sensitive area and vital aquaculture zone. The upgrades will help safeguard local waterways and marine life ensuring a cleaner, healthier environment for future generations.

Delivered over 10 months, the project navigated the complexities of working along one of Albany's busiest roads, which is home to schools, a hospital, and hundreds of residents. Water Corporation maintained strong community engagement throughout the project by collaborating with the City of Albany, local businesses, and residents to minimise disruptions through staged works and prioritising safety.

Reducing our carbon footprint

We are progressing the planning phase of the Flat Rocks Wind Farm Stage 2 project. We continue to engage with landowners and local government stakeholders regarding the proposed transmission line corridor. Discussions also include opportunities to expand the wind farm's capacity, which would improve economies of scale and deliver greater benefits to both Water Corporation and the State. The project is progressing through concept design, Western Power approvals and environmental studies.

Additionally, we are in the process of procuring up to 1.3 terawatt-hours per year of renewable wind energy through our Renewable Wind Request for Proposal. Strong proposals were received, and we are continuing to work towards contractually securing the new renewable energy.

Advancing renewable energy projects to reduce our carbon footprint and support future infrastructure needs.



Read more about how we're taking steps to reduce our carbon footprint by monitoring and assessing greenhouse gas emissions from our wastewater treatment sites on page 54.

Our waterwise programs

Our waterwise programs proudly support the WA Government's Kep Katitjin-Gabi Kaadadjan (Waterwise Action Plan 3) to establish leading waterwise communities for Boorloo (Perth) and Bindjareb (Peel) by 2030.

Through our waterwise programs, we collaborate with businesses, developers, residents and local governments to improve water efficiency, climate resilience and liveability. As the demand for water continues to rise, our efforts are more important than ever. We're committed to meeting the demand challenges as a result of economic and population growth, changing customer expectations, and the ever-increasing impacts of climate change.

Visit our website

[www.watercorporation.com.au/Waterwise/
Waterwise-programs](http://www.watercorporation.com.au/Waterwise/Waterwise-programs)



Water Corporation at the Perth Garden Festival 2025.



Leading the way in waterwise action

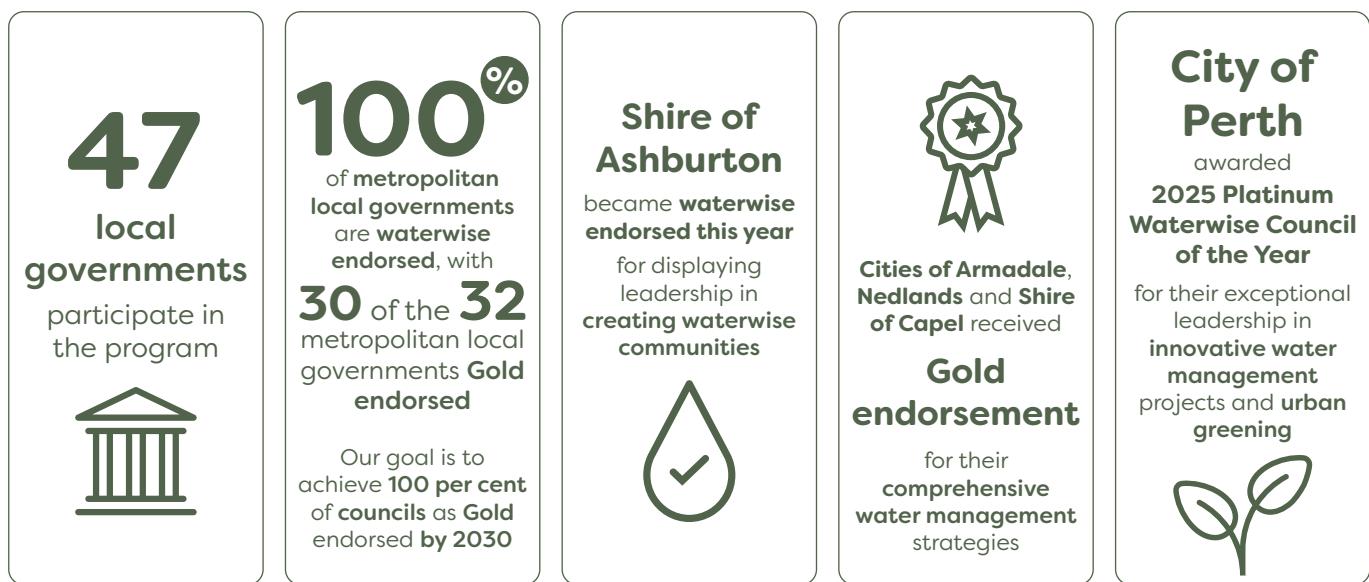
We're proud to lead the way in building climate-resilient communities through our waterwise programs.

A major milestone was the launch of the Kep Katitjin - Gabi Kaadadjan Waterwise Action Plan 3 by the WA State Government. This plan strengthens climate resilience in Boorloo (Perth) and Bindjareb (Peel) by embedding waterwise principles across planning, development, transport, sport, and community sectors. As a founding partner, we are proud to support this cross-sector collaboration, which aligns closely with our Thrive2035 strategy.

Our efforts were also recognised on the global stage. In October 2024, Perth was showcased as a 'best in class' waterwise city at an international congress in Poland. Using the Water Sensitive Cities Index, a tool used across Australia and overseas to benchmark water management performance, we demonstrated how cross-sector partnerships, education, demand reduction, and resource recovery have helped Perth become a global leader in water resilience.

Waterwise Councils program

In partnership with the Department of Water and Environmental Regulation (DWER), our Waterwise Councils program empowers local governments to lead by example in adopting waterwise practices in their operations and communities. In conjunction with building waterwise communities, it recognises how waterwise councils are leading by example and inspiring residents to save water. It's free to join for local governments in WA.



This year we launched the inaugural Waterwise Individual Award to recognise local government officers who implement innovative water efficiency solutions in their councils. We received eight exceptional nominations, with Rebecca Thomas from the City of Stirling and Martyn Glover from the City of Gosnells named joint winners of the award.

Waterwise Greening Scheme

Waterwise councils were eligible for up to \$10,000 of co-funding (\$20,000 for Platinum winning councils) under our Waterwise Greening Scheme, delivered in partnership with DWER. Funding can be used for a range of waterwise greening initiatives, including waterwise trees, verge transformations, and waterwise plants provided to the community.

18 councils

participated in the program,
each receiving a share of over
\$153,000 of funding

Participating councils:

City of Albany, City of Armadale, City of Bayswater,
City of Belmont, City of Canning, City of Fremantle,
City of Gosnells, City of Joondalup, City of Rockingham,
City of Mandurah, City of South Perth, City of Stirling,
City of Subiaco, City of Vincent, City of Wanneroo,
Shire of Murray, Shire of Serpentine-Jarrahdale
and Town of Bassendean

Program outcomes included the delivery of:



82

waterwise verge
transformations

114,984
waterwise plants and

280

waterwise trees provided
to community through plant
giveaways and subsidised sales



5

waterwise workshops



1

new waterwise
demonstration garden
in the City of South Perth

Waterwise Building program

Our Waterwise Building program recognises building owners' efforts and their ongoing commitment to water efficiency to significantly improve water savings. Free to participate in, this program helps owners benchmark their water efficiency while showcasing their commitment to a waterwise future.



We have recognised

19

waterwise buildings

151 Jull St

Armadale (Orchard House)



received endorsement for their
sustainable water efficiency practices

1 William St

Perth (The Quadrant) and

240 St Georges Terrace

Perth (Dexus Funds Management LTD)

both achieved **Gold endorsement** for
demonstrating **best practice water
management** in an office building



Waterwise Aquatic Centre program

The Waterwise Aquatic Centre program enables aquatic centres across WA to be recognised for their commitment to water efficiency. We run the program with the Leisure Institute of WA Aquatics (LIWA).



Approximately
1.59 billion litres
of water saved
since 2008



58
aquatic centres

waterwise
endorsed



27 of these are in the **Perth metropolitan** area and
31 in **regional WA**



Boyup Brook Swimming Pool

newly endorsed as a
Waterwise Aquatic Centre
this year



Swan Active Ballajura

awarded **Gold endorsement**
for demonstrating
best practice water
management



Mandurah Aquatic and Recreation Centre

awarded
2025 Platinum Waterwise Aquatic Centre of the Year
for implementing significant
water efficiency innovations



2025 Waterwise Aquatic Centre program award recipients and representatives from Water Corporation and DWER.

Waterwise Business program

The Waterwise Business program helps large commercial and industrial businesses reduce their water consumption and demonstrate their commitment to water efficiency.

In 2023-24, **287**

businesses participated in the program with estimated savings of

9.6 billion litres of scheme water



This can fill approximately

3,852

Olympic-sized swimming pools



Since 2007, waterwise businesses saved more than

157

billion litres of water



Karratha Airport (City of Karratha), Crown Metropol Perth, The Landing Resort, and BOC Australia awarded Gold status with each demonstrating strong, ongoing commitment to water efficiency.



Karratha Airport (City of Karratha), awarded 2025 Platinum Waterwise Business of the Year for their leadership in innovative water saving initiatives that helped halve water usage in the past 12 months.



In 2023-24 more than **2.3 billion litres of savings** achieved by analysing water consumption data and identifying leaks through the use of data loggers. This **exceeded the target** of 1.3 billion litres.

Celebrating waterwise champions across WA

We brought together local governments, businesses, and industry leaders through two major Waterwise Forums in 2024-25, highlighting the year's National Water Week theme, Accelerating Action.

At the Waterwise Councils Forum in October 2024, nearly 90 attendees explored topics such as tree canopy resilience, pest management, and leak detection

technologies. The Waterwise Business Forum in November welcomed over 70 participants and celebrated the achievements of RAAFA's Merriwa Estate, awarded 2024 Platinum Waterwise Business of the Year.

Together, these forums showcased innovation, shared knowledge, and celebrated the collective impact of our waterwise partnerships.



Satisfied customers

Water connects us all, and every day we help Western Australians understand, appreciate and get the most value out of this valuable resource. By educating our customers about our unique water cycle, the role of desalination, and the impacts of climate change, we're empowering people to make smarter, more sustainable choices.

Lending a hand when it's needed most

We're there to support our customers during tough times. In 2024-25, we expanded our Start Over program to make it easier for customers in financial hardship to get back on track. The eligibility threshold was lowered from \$5,000 to \$2,000 in outstanding debt, doubling the number of customers who can now access the program.

Co-designed with the WA Council of Social Services, Start Over offers a compassionate, structured pathway to move out of debt. Over two years, customers make regular payments toward their current bills while their overdue debt is paused. After the first 12 months, we match their payments as a credit toward their debt, and after two years of consistent payments, any remaining debt is waived.

This initiative complements our broader suite of hardship programs, including Water Assist, and reflects our commitment to treating every customer with fairness and dignity.

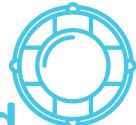
By listening to our customers and working with community partners, we're helping more Western Australians stay connected to essential water services, no matter their circumstances.

Start Over program

**651 new
Start Over customers**



**1,143 total
customers helped**



between 1 Jul 2024 and 26 Jun 2025

\$1,658,456

**in customer
financial support**
(dollars provided in bill support)



A wastewater pump station on Elder Way in Bellevue was given a colourful makeover thanks to local Noongar artist Justin Martin (back, right) with help from year 4 and 5 students at Clayton View Primary School.

Smarter services are reducing costs and driving good habits

We're making it easier for our customers to save water with smarter, more efficient services. In 2024-25, our smart meter roll-out continued across regional WA, including Exmouth, where more than 1,000 customers are now benefiting from near real-time water use data. These meters help detect leaks faster, reduce water loss, and empower customers to monitor and manage their consumption more effectively. The roll-out is currently being piloted across the Perth metropolitan area.

At the same time, we're encouraging customers to make the switch to e-billing. With around 650,000 paper bills mailed each month, printing and postage costs exceed \$6 million annually. By opting into e-billing through an online account, customers not only enjoy a faster, more convenient service, they also ultimately help us reduce operating costs and minimise environmental impact.

These initiatives deliver better value for our customers while supporting a more sustainable future.

Painting our water story

Art has the power to connect, inspire and educate, and we partner with local artists, schools, and community groups to bring our water story to life in public spaces.

From Cranbrook to Bellevue and Manning, six wastewater pump stations and electrical cabinets across WA have been splashed with colour this year, celebrating local flora, fauna, and the important role water conservation plays in shaping WA's water future.

These murals do more than beautify. They educate and spark conversations about sustainability, culture, and community pride. Each artwork is a unique reflection of place, created with input from local communities and often featuring native species and waterwise themes. We involve local primary schools in the initial design phase of each project to capture and reflect their connection to local water bodies, fauna, flora, and habitat.

By turning infrastructure into art and inspiration, we're connecting with communities in meaningful ways through the Splash of Colour program, and making our state's water story something everyone can see, share, and celebrate.

Supporting regional communities with waterwise solutions

In 2024-25, our Waterwise Towns program expanded to a record 56 regional towns, delivering tailored water-saving solutions to households reliant on independent surface and groundwater sources. From the Great Southern to the Goldfields and the Pilbara, residents have embraced a range of initiatives designed to ease pressure on local water supplies and reduce household bills.

Eligible customers across these regions accessed rebates and services including:

- Free showerhead swaps for water-efficient alternatives offered statewide in partnership with Local Government Authorities and Community Resource Centres.
- Weather-based irrigation controller rebates (up to \$300) in select towns in the Great Southern and South West.
- Rainwater tank rebates (up to \$1,000 for new installations) in the Great Southern and South West towns.
- Dual flush toilet rebates statewide.
- Free plumbing services using local contractors in select towns.

In the Great Southern region alone, communities saved 42 million litres of water through these initiatives.

Waterwise Plumbing services provided to seven schools in the South West towns of Bridgetown, Boyup Brook and Manjimup are estimated to deliver 13 million litres of water savings each year.

Over 4,000 households in the South West towns of Augusta, Dunsborough and Dallyellup received a series of comparative-use letters, helping them better understand and manage their water consumption, delivering water savings of 20 million litres.

These offers are not only helping households save water, but they're also building resilience in the face of hotter, drier conditions and supporting local businesses. Since launching in 2013, the Waterwise Towns program has saved over 2.1 billion litres of drinking water across WA.

By listening to our customers and responding with practical, region-specific solutions, we're ensuring that every drop counts, today and into the future.

Irrigation rebates in Perth and Peel save millions of litres of water

With more than 30 per cent of scheme water being used on the garden, making irrigation systems more efficient can achieve considerable water savings. This was our waterwise focus in metropolitan areas.

This year, a combined controller purchase and irrigation service offered customers in the Perth and Peel region a rebate of up to \$200. The Waterwise Irrigation Rebate focussed on:

- Fixing leaks in irrigation.
- Improving irrigation systems for increased water efficiencies.
- Explaining automatic irrigation controller operation and settings.
- Purchasing and setting up an eligible weather-based irrigation controller.

All eligible work was carried out by 129 Waterwise Garden Irrigators who have completed waterwise training and are members of Irrigation Australia.

Eligible residents throughout the state could also claim a \$400 rebate to cover the cost of replacing their old single flush with a new dual flush toilet. Yet another practical change that contributes to considerable water savings.

Metropolitan demand delivery programs



\$1,866
customer rebates
approved (or paid)
in 2024/25



22,531
metropolitan
customers

with **high water use** sent a series
of comparative-use letters **to help**
manage their water consumption



More than
\$3 million

has been put towards
assisting with water
efficiency in gardens
(since 2021)

Waterwise gardening for a sustainable future

Over the past two decades, Water Corporation has partnered with the Nursery and Garden Industry WA to deliver targeted waterwise programs across the garden industry. This long-term collaboration reflects our commitment to reducing water demand and promoting sustainable practices.

As part of this partnership, Water Corporation proudly presented the Perth Garden Show in May 2025, welcoming nearly 11,000 attendees. The event provided a valuable platform to engage with the gardening community and promote waterwise principles that support biodiversity, urban cooling, and community wellbeing.

With over 36 per cent of household water use occurring outdoors, the gardening sector has a significant role to play in strengthening our climate resilience. Green spaces are essential to the liveability of our cities and the wellbeing of our communities, but they must be supported by sustainable water use. Through initiatives like the Perth Garden Show and our ongoing partnership with the industry, Water Corporation is encouraging Western Australians to embrace waterwise gardening and contribute to a more resilient future.

30 years of waterwise learning

Since 1995, the Waterwise Schools program has been sparking curiosity and action in classrooms across WA, encouraging students to see water not just as a resource, but as something to respect, protect, and understand.

What began at Hillarys Primary School has evolved into a dynamic initiative that's reached more than 431,000 students. Today, the program blends curriculum-aligned resources with immersive experiences, from pop-up incursions and silent disco-style learning to digital tools and culturally inclusive workshops.

Spanning students in pre-primary to Year 10, Waterwise Schools supports learning across science, technology, engineering, maths, humanities, and social sciences, while also contributing to key cross-curriculum priorities such as Aboriginal and Torres Strait Islander histories and sustainability through the Caring for Country framework.

The impact goes beyond the classroom. Students take their learning home, influencing families and communities to adopt waterwise behaviours, creating a ripple effect that strengthens our collective water future.

In 2024 alone, the program engaged 40,000 students, and by 2030, aims to reach 50,000 annually as part of the WA Government's Kep Katitjin – Gabi Kaadadjan (Waterwise Perth Action Plan 3).

Assets for Liveability program

In 2024-25, the Assets for Liveability program continued to improve biodiversity and community resilience, transforming 11 land and water assets into living streams, wetlands, community gardens, nature corridors or parkland. A highlight was the revitalisation of Birkett Reserve in Bedford, delivered in partnership with the City of Bayswater and our Splash of Colour team.

Improvements included:

- A conservation-style fence replacing the standard perimeter to improve visibility and connection.
- Weed removal to support ecological health.
- A community mural on the pump station to enhance visual appeal and identity.
- The City of Bayswater complemented these upgrades with new garden beds, playground facilities, and seating. Further planting and maintenance are planned for winter 2025.

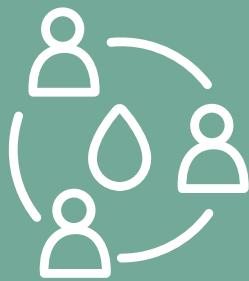
Supporting Thrive2035 and the WA Government's Kep Katitjin–Gabi Kaadadjan Waterwise Action Plan 3, the Assets for Liveability, previously Drainage for Liveability, program has transformed 52 assets, increasing local community benefits of green spaces and improving ecosystem health.



The pump station at Birkett Reserve, Bedford, before mural.



The pump station at Birkett Reserve, Bedford, after mural.



Supporting state development

We are working closely with government, industry, and communities to tackle emerging challenges head-on, such as ensuring climate resilience, and supporting sustainable housing growth. Our focus remains on creating long-term value for WA by aligning with state priorities and driving innovation that supports a strong economy, empowered regions, and a liveable environment. Through collaboration and forward thinking, we're helping shape a future where WA continues to thrive as a great place to live, work, and invest.

Securing our long-term water supply

Due to declining rainfall, we can't rely on our existing groundwater sources and dams to meet our long-term water needs. Climate resilient desalination remains key to responding to the growing pressure on our existing water sources, and meeting increased demand to support our state's population and economic growth.

Case study

Water Source Planning to secure future sources

WA's continued growth and economic prosperity depend on a safe, secure, and sustainable water supply. With strong population projections and the increasing impacts of climate change, we must find climate-resilient water sources to meet future demand. We are leading this effort through a comprehensive program of works across the state. In the Perth metropolitan area alone, more than 110 billion litres of new water sources will be required into the 2030s, with major investment required in metropolitan and regional areas, traditional groundwater options become less reliable.

To support this strategic infrastructure planning, Water Corporation is working with Infrastructure WA under the Major Infrastructure Proposal Assessment framework to consider new water sources across the state in areas

most likely to require alternative water sources into the future:

- Securing Perth's Water Supply
- West Pilbara Water Supply Scheme
- Port Hedland Water Supply Scheme
- Exmouth Water Supply and Wastewater Scheme
- Lower Great Southern Towns Water Supply Scheme (Albany).

This furthers our work to ensure water security for the communities of WA.

Delivering reliable water infrastructure for regional communities to enhance water security, support regional development, and promote sustainable resource use.





A bird's-eye view over the Alkimos Seawater Desalination Plant.

Case study

Building Perth's next desalination plant

Over the past year, the site of ASDP has transformed as we progress towards providing 50 billion litres of climate-resilient drinking water for customers supplied by the Integrated Water Supply Scheme.

With large tunnel boring machines, Karli and Mary, fully assembled, we're set to commence construction of the intake and outfall pipes beneath the Indian Ocean.

In addition to the plant's construction, we have built almost 6km of a 33km, WA-made, steel pipeline from Alkimos to Wanneroo, which will transfer water from the desalination plant to our customers.

Highlights include:

- Completion of essential earthworks to shield the surrounding community from the desalination plant, allowing construction of the desalination plant to commence.
- Early delivery of almost 6km of the Alkimos to Wanneroo pipeline.
- Announcement of the Alkimos Pipeline Alliance.

Delivering climate-resilient water infrastructure to support sustainable communities and future-focussed innovation.



Case study

Onslow Seawater Desalination Plant

We're securing Onslow's water future with the construction of the Onslow Seawater Desalination Plant which will see an additional 1.5 million litres of drinking water flow into the system from 2026.

This year, the site and buildings have taken shape, and we've begun work on the marine pipeline works for the intake and out take pipelines.

Highlights include:

- Completing earthworks.
- Progressing building works.
- Beginning marine pipeline construction.

Expanding climate-resilient water infrastructure to meet growing demand, strengthen regional communities, and support sustainable development.



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 metropolitan area by 2035, we have been focussed this year on finding better solutions at our Water Resource Recovery Facilities (WRRF).

Case study

Woodman Point Water Resource Recovery Facility (WRRF)

Construction work continues 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 over 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 early 2028, 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 CO₂e annually. This is because less power will need to be purchased from the electricity grid to run the plant.

Transforming wastewater into valuable resources to reduce environmental impact and protect marine ecosystems.



Construction of the Onslow Seawater Desalination Plant is underway.

Case study

Kwinana Water Reclamation Plant

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 WRRF 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 began early works to expand KWRP to support the strategic industrial area. The expansion will increase KWRP supply by ~10ML per day.



We will support the creation of more than 60,000 potential future homes for Western Australians in key urban growth corridors.

Supporting the development of our rapidly growing state

As WA's population surpasses three million, the need for reliable, future-focussed water infrastructure continues to grow. We play a vital role in enabling sustainable development across the state, working closely with government and industry to ensure growth is strategic and cost-effective.

Over the past decade, we've welcomed more than 152,000 customers, representing an average of 15,000 new service connections each year, or over 280 every week. This steady growth reflects both the pace of development and the trust placed in our services. On top of this, we're forecast to clear nearly 17,000 new lots this year, the highest number since 2015, including around 1,500 in regional WA. This has been achieved through our existing Asset Investment Program, highlighting our long-term commitment without the need for additional funding.

We're focussed on delivering efficient, high-quality outcomes. From 2020 to 2024, we delivered 20 per cent more lot clearances annually than the previous four years, while maintaining high service standards and processed 96 per cent of new service connections within 10 days, despite strong demand.

Alongside the Department of Energy and Economic Diversification, we have also worked closely with all 13 strategic industrial areas across the state to support the investigation into servicing these areas.

Case study

East Wanneroo Groundwater Drainage Scheme

Water Corporation has been confirmed as the operator for the new East Wanneroo Groundwater Drainage Scheme. This initiative will help unlock up to 50,000 new lots over the short, medium, and long-term, removing a major constraint to development and further reinforcing our role in delivering water services that shape the future of WA.

Case study

Investing in strategic water infrastructure

Looking ahead, our role in state development is only set to grow. We will support the creation of more than 60,000 potential future homes in key urban growth corridors with the support of the WA Government's \$200 million Housing Enabling Infrastructure Fund (HEIF). In addition to the HEIF, we are supporting the supply of more diverse, affordable housing through the \$55 million Strategic Water Investment Program (SWIP). Under the SWIP, water infrastructure will be installed around key transport nodes, including seven Metronet sites, providing 15,000 diverse, affordable homes in areas reserved for new or higher density development.



Efficient

Our focus is to make smarter, more efficient decisions that deliver real value for money, while improving service efficiency. One way to achieve this is by embracing artificial intelligence (AI), investing in research and development, and pursuing innovative technologies, to improve how we connect communities across the state.

Finding better solutions through our Hackathons

Over the past year, we brought together innovators from across Water Corporation to spark bold ideas and tackle real challenges through four dynamic, high-energy Hackathons. These events brought together over 240 people from across the organisation, united by a shared goal: to find smarter, more effective ways to work.

In the spirit of living our values of finding better solutions and working as one, the Hackathons tackled some of our most pressing challenges, from workplace safety and operational efficiency, to critical chemical supply chain challenges and value realisation. Teams worked to develop practical and scalable solutions, which are already making an impact across the business.

Winning ideas included a risk-informed dashboard for safer decision-making, customer-centric initiatives to close the supply-demand gap, and enhanced service delivery through smarter scheduling, proactive alerts, and strategic efficiency measures.

Modernising our systems

Over the last year, we've made major upgrades to our digital infrastructure, ensuring our systems are stronger, more secure and future-ready to support the delivery of safe, reliable and efficient water services across WA.

Highlights include:

- **Network upgrades** at 100+ regional sites through the Network Infrastructure Modernisation (NIM) project, improving connectivity, safety, and remote access.
- A **secure cloud migration** of 14 customer-facing apps, reducing risk and ensuring service continuity.
- **Improved Wi-Fi** across key sites, enhancing connectivity for employees.

These upgrades reflect our commitment to ensuring our systems are secure, dependable, future-ready, and built to support our people and customers across the state.



Our people coming together to find better solutions at Hackathon.



Smarter groundwater management through AI

We've been using AI at Water Corporation for many years. By leveraging AI to conduct advanced data analysis, we're developing smarter methods to meet network demand, minimise costs, comply with licence restrictions, and account for maintenance schedules across our schemes. Using self-service tools, our people can generate groundwater bore abstraction plans in minutes, execute scenarios, and conduct demand planning against water licences. Optimisation of groundwater enables us to use the most cost-effective water, saving us \$6.3 million annually.

Harnessing AI to optimise groundwater use, enhance operational efficiency, and support sustainable resource management.



Case study

Beenyup Water Resource Recovery Facility

We are improving the operational efficiency of our wastewater networks by using advanced analytics and operational technology to smooth inflows to treatment plants. In a current trial, we are seeing operational benefits with reductions in energy use in the region of 24 to 32 per cent. We expect to deploy these methods at Beenyup Water Resource Recovery Facility (WRRF) in Perth, where the smoother inflows to our adjacent Advanced Water Recycling Plant (AWRP) enables more efficient treatment and reduced energy use. Optimising flows at AWRP allows an estimated additional recharge of 2.7 billion litres per year, equivalent to 7.4 million litres per day, and \$2.3 million per year in cost savings.

Case study

Goldfields Pipeline

The GAWSS delivers water from Perth to Kalgoorlie -Boulder, supplying farmlands and industries along the way. This year marked the completion of a four-year project to implement the Smart Water Automation Network for the automated control and optimisation of this critical scheme, which has seen several benefits. This includes improved water quality and system availability, streamlined scheme planning, and significant energy cost savings at around \$1.2 million per annum.

Modernising regional water infrastructure through smart automation to improve water quality, reduce energy use, and enhance system resilience.



Advancing innovation in water research

As we celebrate the 25th anniversary of our research and development (R&D) program in July 2025, our legacy of innovation continues to shape the future of water services in WA.

Each year, we invest around \$4.5 million into research projects that span pilot trials, infrastructure innovation, and nature-based solutions. These initiatives help us transition from traditional practices to smarter, more sustainable ways of managing water and wastewater.

With more than 100 projects delivered annually, our R&D Program plays a vital role in achieving our Thrive2035 goals, supporting climate resilience, resource efficiency, and long-term infrastructure sustainability.

Highlights 2020-2025



Nearly
600
projects
over **\$110 million**
investment



21
strategic
partnerships



87
CEED students

(18 Co-operative Education for Enterprise Development (CEED) students have gone on to be employed by Water Corporation)



Partnered with

22
Australian
Universities



Partnered with

12
International
Universities



1:6
leveraging¹

¹ Leveraging means using funding from other sources to increase overall funding on the project. For every \$1 we invest in R&D, it attracts another \$6 from other sources to the project.



Each year we invest around \$4.5 million into various research projects, including research into the benefits of Carters freshwater mussels in improving water quality.

Case study

Research tackles wastewater emissions

Our R&D program is advancing our commitment to net zero by investigating GHG emissions from wastewater treatment; specifically scope one emissions like nitrous oxide and methane. We have been identifying all potential emission sources and installing permanent GHG measuring equipment at our largest sites to support targeted mitigation and optimisation. By acting now, we aim to reduce future reliance on carbon offsets. This research is shaping our emissions reduction strategy and guiding investment and innovation toward a more sustainable, low-emissions future, and setting a new national industry standard. Our technical paper on this research was runner-up for Best Paper at Ozwater 2025.

Advancing emissions research and innovation in wastewater treatment to support climate action and sustainable infrastructure.





Our award-winning R&D program's Water Smart Farms Project won two awards this year. Read more on page 60.



Great place
to work

When our people thrive, so do our customers and communities. We are fostering a positive work environment of engaged employees, effective leaders, and embracing an inclusive and diverse workforce. Our people are the key to achieving our Thrive 2035 strategy.

Planning for the workforce of the future

We are embedding Strategic Workforce Planning (SWP) into the core of our people strategy, so we can proactively shape our workforce and navigate the evolving world of work.

This structured, data-driven approach helps us understand our current workforce and anticipate emerging needs. By identifying existing gaps in capacity, capability, composition, and cost, we can implement targeted actions to ensure we have the right people, with the right skills, in the right roles.

Rolling out over the next 12-18 months, SWP is helping us build a workforce that's agile, efficient, and ready to deliver on our Thrive2035 goals.

Kambarang reaffirms our commitment to reconciliation

Our Kambarang Conference brings together Aboriginal and Torres Strait Islander employees from across the state for two days of connection, culture, and career growth.

In October 2024, more than 120 employees gathered in Boorloo (Perth) under the theme 'Building Leaders for the Future'. For over 40 per cent of attendees, it was

their first time experiencing the energy and inspiration of Kambarang, a testament to its growing impact.

Over the course of the event, participants engaged in:

- Thought-provoking sessions with internal leaders and guest speakers.
- Networking opportunities that fostered new relationships.
- Cultural learning experiences that deepened identity and belonging.
- Tailored development pathways to support career progression.

At its heart, Kambarang is about more than professional development - it's about strengthening community, building confidence, and creating a workplace where Aboriginal voices are heard, valued, and empowered. The feedback from this year's conference was overwhelmingly positive, offering fresh insights to enhance Water Corporation's reconciliation journey. It reaffirms our commitment to the [Stretch RAP](#) and the Yesterday, Today and Tomorrow Strategy, particularly the RAP goal to improve employment outcomes through increased recruitment, retention, and professional development of Aboriginal and Torres Strait Islander peoples.



Binar Futures performers welcomed Kambarang Conference attendees with a powerful performance.

Our graduate program: one of the best

Our young professionals are helping shape the future of water in WA, and the success of our graduate program is key to building a thriving, future-ready workforce.

In February 2025, Water Corporation was proudly named in the 2025 Top Graduate Employers list, ranking sixth in the medium program category (for intakes of 21 to 70 graduates). The rankings, compiled by the Australian Association of Graduate Employers, are based entirely on feedback from the graduates themselves.

An important feeder of talent to our graduate program, our vacation program was also recognised on the 2025 Top Intern Programs list.

This recognition reflects our ongoing commitment to creating a supportive, engaging, and purpose-driven environment for early career professionals, and reinforces our reputation as a great place to work for the next generation of talent.

Building a future-ready regional workforce

Building a future-ready regional workforce is critical to reducing business risk, enhancing service delivery, and improving customer experience. With regional WA being a highly competitive talent market, it's vital that we proactively raise awareness of the diverse roles we offer and the locations we operate in. To stay ahead, we must continuously adapt our sourcing and attraction strategies to connect with quality talent across key roles, demographics, and regions.

In June 2025, we launched our Employee Value Proposition (EVP) Regional Marketing campaign to strengthen Water Corporation's employer brand across regional WA. Communicating our EVP in an authentic and inclusive way is key to increasing awareness and advocacy, and to positioning Water Corporation as an employer of choice - including among Aboriginal and Torres Strait Islander jobseekers.

A comprehensive marketing strategy and tailored creative assets were deployed across multiple channels, including print and digital billboards, radio, digital and social media. While the campaign reached all WA regions, we focussed on Geraldton, Esperance, Bunbury, Albany, Northam, and Karratha.

Fostering belonging: Our commitment to diversity, equity and inclusion

A diverse, equitable, and inclusive workplace is not just a legislative requirement, it's the right thing to do. We know that attracting and retaining the best people, regardless of background, will guarantee our continued success in the future and ensure our workforce reflects the diverse community we serve.

In 2020, we launched our five-year Diversity and Inclusion Plan, which establishes robust systems to ensure we can continue striving towards ambitious goals.

Diversity focus	Our targets for 2025	FY19/20 actual	FY24/25 actual
Women in management	42 per cent of our leadership roles will be filled by women	34.8%	40.6%
Aboriginal and Torres Strait Islander people	7 per cent of our people will identify as Aboriginal or Torres Strait Islander	4.6%	4.7%
People with disability	5 per cent of our people will identify as having disability	1.6%	1.7%
Youth	5.8 per cent of our workforce will be aged under 25	3.8%	4.6%
Culturally and linguistically diverse employees	15.5 per cent of our people will have been born in a non-English speaking country	12.0%	14%

For example, our Employee Reference Groups champion positive cultural changes for everyone. Our groups consist of the following:



Culturally and Linguistically Diverse



Gender Balance For Better



Inclusion, Disability, Equity and Access



Pride

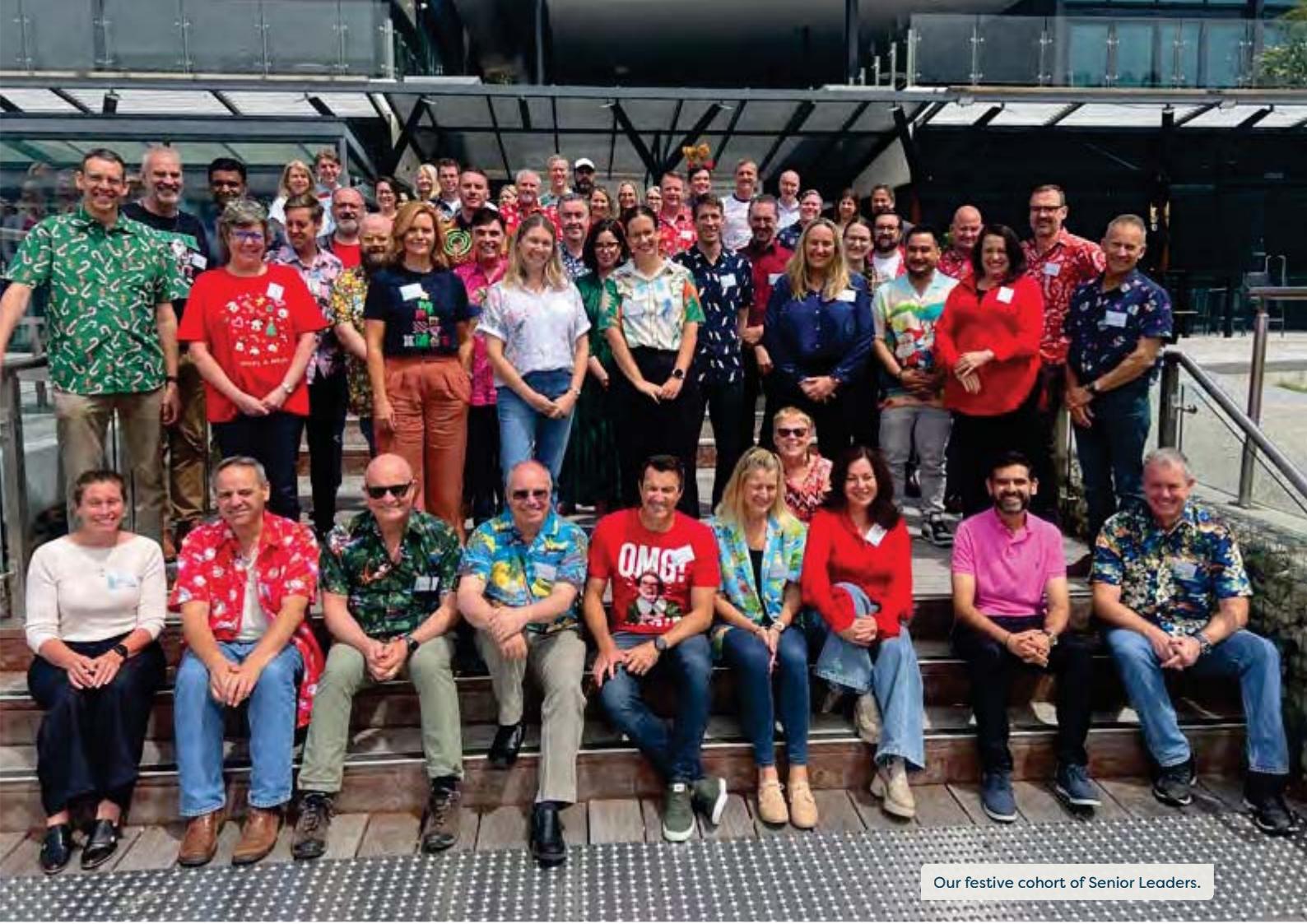


Young and Early Career Professionals

We also provide ongoing support to Aboriginal and Torres Strait employees and managers across the business.



Our Diversity, Equity and Inclusion team.



Our festive cohort of Senior Leaders.

Investing in our leaders

To enable Thrive2035 and help make Water Corporation a great place to work, we're building on our strengths and shifting how we lead. To do this, we've changed the way our leaders experience development through our new Leadership Lab program.

Just like a laboratory, this program provides space for leaders to explore, experiment, and innovate with new ideas and strategies through new learning offerings, including formal, social, experiential and on the job experiences.

It encourages active participation, collaboration, and practical application of knowledge, fostering an environment where leaders can test and refine their skills in real-world scenarios. These experiences are aligned to our new leader expectations, which give our leaders a common language and provide clarity on expected behaviours.

Following its launch, leaders from across the state participated in a leadership workshop, where they learnt about the collective shifts required to enable individual and organisational performance. Building on the foundation of leading collectively, leaders are now moving through a sequence of themes where they have access to our new range of learning offerings, including hearing from external guest speakers, participating in site tours and collaborating with peers in interactive online sessions.

At the end of this two-year program, we will have developed adaptive leaders that inspire and guide our people to thrive.

Investing in leadership development to foster adaptive, collaborative, and high-performing teams.



Our blueprint to building an inclusive and accessible future

Launched in January, our new [Access and Inclusion Plan \(AIP\) 2024-2029](#) was designed to ensure people of all abilities across WA can engage with our services, facilities, and opportunities while feeling valued and included in every interaction.

This five-year plan reflects our commitment to creating inclusive environments across our operations and aligns with state and national legislation. Developed in collaboration with stakeholders, accessibility experts, and community feedback, the AIP is designed to deliver real, meaningful outcomes that enrich our entire organisation and the communities we serve.

Highlighting our achievements

This year, we had plenty to celebrate. Our successful projects and incredible people have received recognition, including:

Australian Association of Graduate Employers

Listed as 2025 Top Intern Program and 2025 Top Graduate Employers.

Australian Water Association

State (2024) and National (Ozwater 2025) Winner for Organisational Excellence Award (formerly Program Innovation Award)

Watersmart Farms Water Security and Resilience in a Drying Climate (in partnership with DWER, Murdoch University, Department of Primary Industry and Regional Development and other contributing organisations).

Finalist for National Water Industry Safety Excellence Award

Aeration Engineering Research and Development project team.

Institute of Public Administration Australia

Winner for Organisational Excellence Award

Waterwise Perth Action Plan 2019 (jointly won with the DWER and other contributing agencies).

Winner for Moore Australia (WA) Award for Best Practice in Collaboration Between Government and any other Organisation (Category 1 Gold)

Horrocks Ground Water Treatment Plant Continuous Electrochlorination Capital Upgrade Project.

Winner for Best Practice in Innovation (Category 2)

The Continuous Electro Chlorination Project.

Water Industry Operations Australia (WIOA)

Winner for Operator of the Year
Joel Trainaos

Winner for Young Operator of the Year
Bethan Newman

Winner for Reece Civil + Viadux Main Tapping Competition
Cullen Black and Justin Burley

Finalist for Operator of the Year
Tarryn Graham

Finalist for Young Operator of the Year
Alex Fountain-Brooks

SEEK

Finalist for 2024 SEEK Talent Acquisition Recognition Award.



Images this page,
clockwise from top: 2025
Australian Water Awards,
and employees at our
Diwali event in 2024.

Images opposite page, clockwise from top: Harmony Day; Lunar New Year; Great Southern region: Our people at Rose Garden Caravan Park at Emu point encouraging visitors to be waterwise; Transgender Day of Visibility; Mid West Region: Mid West region team photo; Northam depot planting purple flowers for Sorry Day, and International Women's Day.



Corporate governance report

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 performance.



When our people thrive, so do our customers and communities.

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. Water Corporation is owned by the WA Government, and is accountable to the Minister for Water, the Treasurer and Government Trading Enterprise (GTE) Minister for delivery of consistent, high quality water services to our customers.

The Board of Directors

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

- The Board must comprise of at least five and no more than nine Directors (the Chief Executive Officer is the only Executive Director).
- 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.
- 10 Board meetings are held each year and the respective committee meetings are held quarterly.

Appointment of Directors

The Minister for Water appoints the 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 full-time.

The Chief Executive Officer has been appointed to the Board as an Executive Director by the Minister for Water, with the approval of the GTE Minister.

Changes to the Board

Ms Helen Creed was reappointed as Deputy Chair for a term expiring on 31 December 2025.

Ms Janine Freeman was reappointed as Director for a term expiring on 31 December 2026.

Ms Jane Muirsmith was appointed as Director for a term expiring on 30 November 2027.

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 2025:

- Audit and Risk.
- 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.

The Committee is chaired by Mr David Smith and included Directors Ms Janine Freeman, Mr David Lock as an independent member (until 31 December 2024), and Ms Jane Muirsmith (from 1 January 2025). Each member has substantial financial, risk management, public sector or industry experience and the necessary skills to collectively undertake the Committee's responsibilities.

The 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.

People and Safety Committee

The People and Safety 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 Committee is chaired by Mrs Gningala Yarran-Mark and included Directors Ms Helen Creed and Ms Andrea Sutton. 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 2025, 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
Ms Andrea Sutton	10	10	0	0	3	4
Ms Helen Creed	10	10	0	0	4	4
Mrs Gningala Yarran-Mark	9	10	0	0	4	4
Mr David Smith	10	10	4	4	0	0
Ms Janine Freeman	10	10	4	4	0	0
Ms Jane Muirsmith ¹	6	6	2	2	0	0
Mr David Lock ²	0	0	2	2	0	0
Mr Pat Donovan (Chief Executive Officer)	10	10	4	4	4	4

¹ Ms Jane Muirsmith was appointed as Director on 1 December 2024

² Mr David Lock ceased as an independent member of the Audit & Risk Committee on 31 December 2024

Accountability and independence

As prescribed in the *Government Trading Enterprises Act 2023* (WA), Directors are to act honestly, exercise due care and diligence and disclose all material personal interest in matters involving Water 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 *Government Trading Enterprises Act 2023* (WA). Consultation with and approval from the Minister for Water and Treasurer is, except for those transactions included in the Water Corporation's approved Exclusions Framework, required for transactions that are above a prescribed amount (currently over \$25 million). Water Corporation must also inform and consult with the Minister for Water and Treasurer where it is considering undertaking a 'Significant Initiative' as defined in section 105 of the *Government Trading Enterprises Act 2023* (WA).

Directors' and Senior Executives' remuneration

For further disclosure of Directors' and Senior Executives' remuneration, please refer to the Remuneration report on page 72.

Governance framework

The Board has legislative authority under the *Water Corporations Act 1995* (WA) and section 11 of the *Government Trading Enterprises Act 2023* (WA), to perform the functions, determine our policies and 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 the Risk and Assurance Business Unit's Management Review and Audit section.

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

Management review and audit

Our internal audit function is managed by the 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 our internal control and governance system within Water Corporation.

External auditors

In accordance with section 145 of the *Government Trading Enterprises Act 2023 (WA)*, Water Corporation 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 2025 by the Water Corporation. Total auditor remuneration is shown in Note 25 to the Financial Statements on page 116.



The Ord River flowing through the Kimberley.

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 risks 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 *Government Trading Enterprise Act 2023* (WA) to produce an annual report and an interim report for the period 1 July to 31 December, which includes a 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 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 our external and internal websites. A report on compliance is forwarded to the Public Sector Commission (PSC) 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 *Government Trading Enterprises Act 2023* (WA), 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 Cyber Security Framework in alignment with the *Security of Critical Infrastructure Act 2018* (Cth) and the Western Australian Government Cyber Security Policy.

State Records Act 2000

In accordance with section 61 of the *State Records Act 2000* (WA) and the *State Records Commission Standards (Standard 2 – Principle 6)*, we have an approved Recordkeeping Plan. In accordance with section 28(5) of the Act, an updated Plan was submitted to the Minister and endorsed in December 2024. 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 employees and alliance partners.

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

Information and records management are recognised as critical to the organisation’s effectiveness and we are committed to improving the way both are managed to support business outcomes.

Public Interest Disclosure Statement

The *Public Interest Disclosures Act 2003* (WA) 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 PSC. There were no new public interest disclosures in 2024-25.

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 Board members and employees with duties related to the negotiation of contracts, must disclose current or prospective interests to their immediate manager. 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 whether the basis of that interest should be discontinued, whether the person should cease the duties involved, or whether 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 statewide program is conducted which includes mandatory training.

Freedom of information

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

During 2024-25, we received 63 access applications, of which zero were transferred in full to another agency, 34 were provided full access, 13 were provided edited access, zero were withdrawn, two had access refused, zero had access deferred, documents were not found or did not exist for eight of the applications, and six were on hand at the end of the year.

Five internal reviews were requested. Fees and charges totalling \$1,380 were received for processing these applications with 31 days being the average processing time.

Under section 96 of the *Freedom of Information Act 1992 (WA)*, 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.

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	\$1,668,980^

[^] 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	\$184,604>
The Brand Agency Media	\$557,734
Carat Media	\$898,012

> This amount includes costs associated with non-campaign advertising such as recruitment, tenders and public notices.

Market research	Amount paid
Painted Dog	\$456,475
Metrix Consulting	\$21,500
Thinkfield	\$5,250
WSAA/Insync	\$7,000

Directors' report

The Directors of a Board Committee of Water Corporation present their report for the 12 months ended 30 June 2025.

Directors

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

Ms Andrea Sutton (Chair)

Chair since 1 January 2024.

Mr Pat Donovan

Chief Executive Officer and Executive Director since 1 January 2019.

Mrs Gningala Yarran-Mark

Director since 12 November 2019.

Ms Helen Creed

Director since 7 April 2021.

Acting Deputy Chair from 21 October 2023 to 21 April 2024.

Deputy Chair from 22 April 2024.

Ms Janine Freeman

Director since 9 March 2022.

Mr David Smith

Director since 1 January 2024.

Ms Jane Muirsmith

Director since 1 December 2024.

Directors' profiles are shown on pages 23 and 24.

Directors' meetings and attendance are shown on page 65.

Directors' compensation details are shown on page 71.

Principal activities

Water Corporation was established as a body corporate under the provisions of the *Water Corporations Act 1995* (WA) and is the principal water utility in WA. 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 2024-25.

Dividends

On 10 June 2025, the Minister informed Water Corporation that the Government had decided, on 12 May 2025, Water Corporation would retain the 2024-25 dividends as after-tax retained earnings.

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 Annual Performance Statement, Statement of Expectations and a system of licences through the various regulators.

During the year, we supplied 424 billion litres of water and treated 184 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 Water Corporation.

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

The compensation of the non-executive Directors of the Board is set by the Minister for Water within the range specified by the determination published by the Salaries and Allowances Tribunal (SAT). The compensation is in the form of salary and superannuation contributions and members of the Audit and Risk Committee are entitled to an allowance. 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 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.

The remuneration of the Chief Executive Officer must be determined by the Board within the range specified by the determination published by the SAT.

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 with the aim of attracting and retaining appropriately qualified and experienced Executives.

Employees in management roles, including Executives, are employed on individual employment contracts under common law and are referred to as no scale employees. The compensation structure of CLC 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.
J Muirsmith	Director (non-executive). Appointed 1 December 2024.

Director remuneration:

Total Remuneration Band (\$)	Number of Directors *		Short-Term		Post-Employment		Long-Term Benefits		Total Remuneration Band	
			Salary & Fees \$'000		Superannuation \$'000		Long Service Leave \$'000		\$'000	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
0-24,999		1		8		1				9
25,000-49,999	1	2	36	35	4	4			40	38
50,000 - 74,999	2	5	60	57	7	6			67	63
75,000 - 99,999	2		34		43				77	-
125,000-149,999	1		115		13				128	-
600,000-624,999		1		583					-	610
650,000-674,999	1		620		30				650	

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

Top five Executives by remuneration*:

	Year ended 30 June 2025	Year ended 30 June 2024
General Manager, Operations	✓	✓
Chief Financial Officer	✓	**
General Manager, Assets Planning & Delivery	✓	✓
General Manager Information & Technology	✓	✓
General Manager, Customer & Community	✓	✓
General Manager, People and Safety		✓

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

** There was a transition of the CFO role, therefore no one individual in the Top 5 for this reporting period.

Executive compensation bands:

Total Remuneration Band (\$)	Number of Employees*		Short-Term		Post-Employment		Other Long-Term Benefits**		Termination Benefits		Total Remuneration Band	
			Salary \$'000		Superannuation \$'000		Long Service Leave \$'000		\$'000		\$'000	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
350,000-374,999		2	332		27						-	359
375,000-399,999	2		325		30		32				387	-
400,000-424,999	1	1	394	357	30	27	-	17			424	401
425,000-449,999	1		402		30		11				443	-
450,000-474,999	1	2	392	400	30	27	46	26			468	453

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

** Long service leave taken in service.

Variations in salary can be caused by a wide variety of factors, such as leave arrangements and other smaller adjustments.

Environmental compliance

Water 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 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 (WA)*, 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 International Standard ISO 14001, which provides for 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 team. Regular performance updates are provided to these governance levels.

During the financial year, we continued to enhance ESG reporting aligned with internationally recognised frameworks to meet emerging regulatory requirements and create value for the business (see appendix). As part of this commitment, we also participated in the WA Climate Risk Framework Pilot Program, led by the Department of Treasury. This initiative supported our efforts to strengthen climate-related risk management and disclosure practices in line with evolving expectations.

State of affairs

There were no significant changes during the year ended 30 June 2025 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 2025 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 future financial periods.

Director interests and benefits

In the 12 months to 30 June 2025, 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 Water Corporation with the Director, 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

Water Corporation has entered into Deeds of Indemnity, Insurance and Access with Directors, to the extent provided for under the *Government Trading Enterprises Act 2023 (WA)*, and has paid insurance premiums to insure Directors and Officers against certain liabilities arising from their service while acting on behalf of Water Corporation. 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	2025		2024	2023	2022	2021				
	Target	Actual								
SAFE FOR ALL										
Public Health - Safe Drinking Water										
Metropolitan localities meeting requirements for E.coli	%	100	100	100	96	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	100	99.55	100	100				
Country localities meeting requirements for amoebae (Thermophilic Naegleria) ⁽¹⁾	%	100	99.55	100	100	100				
Country localities meeting requirements for health-related chemical quality	%	100	100	100	100	100				
Country localities meeting requirements for radiological performance ⁽²⁾	%	100	99.19	99.08	99	100				
EFFICIENT										
Economic Performance										
Financial Efficiency										
Operating cost per property	\$	1,045.3	1,092.6	1,050.9	960.5	908.1				
Total cost per property	\$	2,412	2,465	2,380	2,229	2,076				
Surplus before income tax equivalent	\$m	1,594	1,611	1,515	1,349	1,255				
Return on assets	%	5.7	5.7	6.2	6.4	7.0				
Return on equity	%	7.5	7.3	7.5	7.2	7.2				
Interest cover	Times	8.1	7.8	7.3	6.7	7.7				
Debt to Total Assets	%	25.3	21.0	22.8	26.9	29.8				
ENVIRONMENTALLY SUSTAINABLE AS CLIMATE CHANGES										
Environmental Performance										
Ecosystem Protection										
Overflows to Swan-Canning - conveyance system	No.	0	2	5	3	0				
Overflows to Swan-Canning - pump stations only	No.	0	6	1	1	0				
Energy and Greenhouse Gases										
Electricity consumption per unit of output for water	MWh/ML	2.15	2.03	1.77	1.60	1.88				
Electricity consumption per unit of output for wastewater	MWh/ML	0.85	0.80	0.76	0.81	0.81				
Total energy consumption	TJ	na	4,390	4,024	3,461	3,559				
Reported greenhouse gas emissions (CO2 equivalent)	kT	568	578	545	450	645				
Materials Use Efficiency										
Biosolids re-use (Perth metro)	%	100	100	100	99.8	100				
Ethical & Governance Performance										
Compliance										
Number of legal sanctions for environmental breaches	No.	0	0	0	0	0				
% Environment Non-Compliances Addressed	%	95.0	92.2	96.3	96.4	96.9				
(1) Non-compliance associated with Naegleria detection not meeting performance criteria from one assessable sample in the Broome distribution 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.										
(2) Non-compliance associated with Radon detection not meeting guideline level from one assessable sample in the Calingiri distribution 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	2025		2024	2023	2022	2021				
	Target	Actual								
SATISFIED CUSTOMERS										
Essential Service Provision										
Continuity - properties not affected by interruption > 1 hr*	%	75.0	64.0	64.2	64.2	71.1				
Water pressure and flow standards*	%	99.80	99.95	99.95	99.95	99.96				
Installation of new water connections	%	90.0	98.5	96.3	89.9	95.9				
Properties without wastewater overflow*	%	99.80	99.92	99.93	99.95	99.94				
Demand-Supply Balance										
Drought response (number of schemes on temporary restrictions)	No.	na	0	0	0	0				
Demand-Supply Balance										
Environmental Performance - Demand-Supply Balance - Water supplied per capita (Perth metro)	kL	127	127	132	126	130				
Asset Performance										
Blockages per 100km of sewer*	No.	40.0	13.8	15.0	12.3	12.9				
Leaks and bursts per 100km of main*	No.	20.0	15.9	15.3	14.3	13.6				
Drainage systems operating in accordance with guidelines*	%	100	100	100	100	100				
Stakeholder Performance										
Customer Service										
Complaints (per 1000 properties) MTD	No.	0.4	0.2	0.1	0.1	0.1				
Acknowledge a customer complaint within 10 business days*	%	100	100							
Respond to a complaint by addressing the matters in the complaint within 20 business days#	%	100	100							
SUPPORTING STATE DEVELOPMENT										
Social Performance										
Employment and Workforce										
Employee initiated turnover	%	10.0	7.8	8.3	10.3	9.7				
Women in senior management - tier 2	%	42.0	71.4	71.4	50.0	33.3				
Women in senior management - tier 3	%	42.0	39.5	38.5	33.3	28.6				
People from culturally diverse backgrounds	%	15.5	14.0	13.8	13.2	12.6				
Indigenous Australians	%	7.0	4.7	4.9	5.2	5.3				
People with disabilities	%	5.0	1.7	1.4	1.6	1.6				
Youth (15-24)	%	5.8	4.6	5.2	5.4	4.7				
Total Recordable Injury Frequency Rate (TRIFR)	No.	3.0	4.7	5.6	4.5	3.8				

* 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.

These metrics replace the 'Written customer complaints (responsiveness) < 15 business day' metric, to reflect changes in the Water Services Act 2012 - Water Services Code of Conduct (Customer Service Standards) 2024, that came into effect on 1 July 2024.

Five year statistical summary

Financial Data

	Units	2025	2024	2023	2022	2021
Total revenue	\$'000	3,778,316	3,624,338	3,310,491	3,061,511	2,948,499
Operating subsidy	\$'000	596,630	605,817	614,473	519,186	468,579
Direct operating expenses	\$'000	1,376,748	1,311,780	1,181,910	1,093,631	1,021,878
Depreciation / amortisation	\$'000	590,879	579,115	558,627	532,766	521,427
Net interest expense	\$'000	130,797	166,858	186,879	168,685	181,180
Income tax expense	\$'000	484,790	455,329	402,064	376,646	359,077
Operating surplus after tax	\$'000	1,125,960	1,059,694	946,778	878,513	844,996
Transfer to / (from) reserves	\$'000	-	-	-	0	0
Non-current borrowings	\$'000	4,495,528	4,605,724	5,068,418	5,644,394	6,003,994
New works investment (excluding developers take-over works)	\$'000	1,424,591	988,293	744,992	648,015	652,341
Current borrowings	\$'000	20,474	18,499	9,995	17,024	17,539
New borrowings	\$'000	(97,175)	(638,700)	(388,700)	(356,604)	(194,350)

Operating Data

Water Supply Services						
Annual volume of water supplied	ML	424,090	426,811	386,789	387,975	374,202
Number of properties served	No.	1,399,952	1,378,861	1,365,217	1,350,688	1,338,298
Number of properties connected	No.	1,213,819	1,195,269	1,181,035	1,167,415	1,154,501
Length of mains	km	35,500	35,288	35,122	34,917	34,947
Wastewater Services						
Average volume of wastewater treated daily	ML	502	491	486	480	466
Number of properties served	No.	1,144,814	1,126,800	1,114,625	1,103,173	1,091,581
Number of properties connected	No.	1,066,474	1,047,551	1,032,236	1,021,436	1,011,665
Length of sewers	km	18,107	17,904	17,701	17,526	17,397
Drainage Services						
Number of properties served (metropolitan)	No.	442,391	437,609	434,287	430,082	426,592
Length of drains	km	2,538	2,538	2,539	2,539	2,539
Irrigation Services						
Volume of water delivered	ML	5,469	6,082	5,941	6,057	5,539
Employees*						
Total number of employees	No.	4,296	4,212	4,043	3,822	3,662
Total number of full-time equivalents (FTEs)	No.	4,155	4,019	3,843	3,627	3,499
Total number of FTEs (year-end average)	No.	4,148	3,943	3,727	3,583	3,421

* Commencing in FY24/25, the methodology for Full-Time Equivalent (FTE) reporting was refined to incorporate employees on unpaid leave. This enhancement provides a more comprehensive and accurate representation of our workforce.

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	1,087,707	67,293	1,155,000	43,908	48,874	50,656	43,507	58,007	1,399,952
Properties connected	938,652	58,849	997,501	39,858	43,554	42,853	36,375	53,678	1,213,819
Water supply services	804,656	53,263	857,919	43,370	42,558	39,262	30,271	49,369	1,062,749
Length of mains (kilometres)	14,954	1,272	16,226	9,654	4,079	2,175	1,552	1,814	35,500
Water supplied ² (megalitres)	291,776	16,404	308,180	25,745	13,369	17,343	41,704	17,748	424,090

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	914,793	54,633	969,426	11,660	30,518	26,257	34,981	71,972	1,144,814
Properties connected	861,570	48,962	910,532	9,997	27,017	21,771	31,820	65,337	1,066,474
Total length of sewers (kilometres)	13,094	966	14,060	340	752	602	763	1,590	18,107
Number of pumping stations	663	87	750	44	86	69	84	172	1,205
Number of treatment plants	11	4	15	20	21	19	18	20	113
Average quantity of wastewater treated daily (megalitres)	410	19	429	4	12	8	19	30	502

Metropolitan sources of supply

Source	Area of Catchment (Square km)	Storage Capacity (Megalitres)	Storage at 30/06/2025 (Megalitres)	Percentage of Maximum Storage (%)	Output to 30/06/2025 (Megalitres)
Dams					
Stirling	252	57,404	29,717	51.8	10,405
Samson WTP	192	8,003	4,031	50.4	2,874
South Dandalup	313	138,345	19,788	14.3	8,266
North Dandalup	151	60,791	46,754	76.9	7,266
Serpentine and Serpentine Pipehead	693	140,292	41,389	29.5	49,381
Canning	128	90,353	46,138	51.1	17,219
Wungong	728	59,796	37,462	62.6	13,535
Churchman	18	2,241	742	33.1	638
Victoria	37	9,463	7,335	77.5	4,327
Total Hills Sources Output Gross		566,688	233,356	41.2	113,912
Total Hills Transfers Input					67,081
Total Hills Sources Output Nett					46,830
Groundwater					
Artesian Bores					30,864
Mirrabooka					16,545
Gwelup					13,206
Wanneroo					30,229
Jandakot					14,801
Neerabup					38,055
Lexia					2,501
Yançep/Two Rocks					965
Total Groundwater Output					147,165
Desalination					
Perth Seawater Desalination Plant					45,495
Southern Seawater Desalination Plant					95,738
Total Desalination Output					141,233
Water Received from Bulk Supplier					
GAWS supply to Perth					2,119
Total					2,119
Bulk Water Exported					
to Mundaring Dam for GAWS					20,143
Mandurah Murray					16,404
South-West Region					1,316
GSTWS					3,662
Total					41,525
Total Water Sourced					
Net Output from Surface Water					46,830
Groundwater					147,165
Desalination					141,233
Received from Bulk Supplier					2,119
Total Sources					337,347
Riparians (from Distribution System)					
Riparians from Distribution System					3,235
Total Potable Water Supplied					
Total Water Sourced					337,347
Bulk Water Exported					(41,525)
Riparians (from Distribution System)					(3,235)
Operational Use & Service Reservoir Vol Change					(810)
Total Water Supplied					291,776

Drainage

Region	Perth	Great Southern	South-West	Total
Properties Served	442,391	n/a	n/a	442,391
Length of Drains Controlled (Kilometres)	1,111	131	1,296	2,538

Irrigation

Region	Water Supplied (Megalitres)
Mid-West ¹	4,722
North-West ²	747
South-West ³	n/a
Total	5,469

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*

	2025	2024
Metropolitan	3,310	3,209
Country	845	810
Total	4,155	4,019

* Commencing in FY24/25, the methodology for Full-Time Equivalent (FTE) reporting was refined to incorporate employees on unpaid leave. This enhancement provides a more comprehensive and accurate representation of our workforce.

Local Noongar artist Fiona Reidy-Carroll is pictured next to her Splash of Colour mural in Peppermint Grove.



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Statement of comprehensive income

for the year ended 30 June 2025

		Group	Corporation		
	Note	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Revenue					
Annual service charges		1,586	1,523	1,586	1,523
Volume charges		1,001	987	1,001	987
Operating subsidies		597	606	597	606
Developers' contributions		336	279	336	279
Other revenue	5.2.1	209	192	210	194
Total revenue	5.2.2	3,729	3,587	3,730	3,589
Expenses					
Depreciation and amortisation	11,12, 13, 14	(591)	(580)	(590)	(579)
Employee benefits expense	6.1(a)	(512)	(472)	(512)	(472)
Hired and contracted services		(296)	(271)	(296)	(271)
Energy expenses	6.1(b)	(154)	(142)	(154)	(142)
Other expenses	6.1(c)	(431)	(444)	(432)	(444)
Total expenses		(1,984)	(1,909)	(1,984)	(1,908)
Results from operating activities		1,745	1,678	1,746	1,681
Net finance costs	7	(133)	(166)	(133)	(166)
Profit before income tax equivalent		1,612	1,512	1,613	1,515
Income tax equivalent expense	8	(485)	(454)	(485)	(454)
Profit for the year		1,127	1,058	1,128	1,061
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of defined benefits		(1)	3	(1)	3
Related income tax equivalent expense	8	-	(1)	-	(1)
Other comprehensive income/(loss), net of tax equivalent		(1)	2	(1)	2
Total comprehensive income for the year		1,126	1,060	1,127	1,063

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

Statement of financial position

as at 30 June 2025

		Group	Corporation		
	Note	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Current assets					
Cash and cash equivalents		1,434	1,127	1,434	1,127
Trade and other receivables	9	335	331	335	331
Prepayments		35	57	35	57
Inventories		62	56	62	56
Other Financial Assets	30	6	-	6	-
Total current assets		1,872	1,571	1,872	1,571
Non-current assets					
Trade and other receivables	9	31	29	31	29
Property, plant, and equipment	11	19,309	18,323	19,309	18,323
Right of use assets	12	35	38	35	38
Service concession asset	13	177	184	177	184
Intangible assets	14	76	112	54	89
Investment in subsidiary	15	-	-	24	24
Receivable from subsidiary		-	-	2	2
Other financial asset	30	2	1	2	1
Total non-current assets		19,630	18,687	19,634	18,690
Total assets		21,502	20,258	21,506	20,261
Current liabilities					
Trade and other payables	16	491	411	491	411
Service concession liability	13	8	7	8	7
Lease liabilities	17	13	11	13	11
Income tax equivalent payable		60	41	60	41
Provisions	18	22	14	22	14
Employee benefits	19	132	126	132	126
Other liabilities	20	66	61	66	61
Total current liabilities		792	671	792	671

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 2025

	Note	2025 \$M	2024 \$M	Group 2025 \$M	Corporation 2024 \$M
Non-current liabilities					
Service concession liability	13	167	175	167	175
Lease liabilities	17	24	29	24	29
Interest-bearing loans and borrowings	21	4,304	4,402	4,304	4,402
Deferred tax equivalent liabilities	22	138	152	138	152
Provisions	18	35	29	35	29
Employee benefits	19	33	33	33	33
Other liabilities	20	29	21	29	21
Other financial liabilities	30	-	1	-	1
Total non-current liabilities		4,730	4,842	4,730	4,842
Total liabilities		5,522	5,513	5,522	5,513
Net assets		15,980	14,745	15,984	14,748
Equity					
Contributed equity	23	7,824	7,724	7,824	7,724
Retained earnings		8,147	7,021	8,151	7,024
Reserves		9	-	9	-
Equity attributable to owners		15,980	14,745	15,984	14,748
Total equity		15,980	14,745	15,984	14,748

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 2025

Group

		Contributed equity \$M	Retained earnings \$M	Reserves \$M	Total equity \$M
	Note				
Opening balance at 1 July 2024		7,724	7,021	-	14,745
Total comprehensive income for the year					
Profit for the year		-	1,127	-	1,127
Other comprehensive expense (net of tax equivalent)		-	(1)	-	(1)
Total comprehensive income for the year		-	1,126	-	1,126
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>					
Equity contributions	23	100	-	-	100
Reserves Hedges		-	-	9	9
Total transactions with owners		100	-	9	109
Closing balance at 30 June 2025		7,824	8,147	9	15,980

		Contributed equity \$M	Retained earnings \$M	Reserves \$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		-	1,058	-	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

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 2025

Corporation

	Note	Contributed equity \$M	Retained earnings \$M	Reserves \$M	Total equity \$M
Opening balance at 1 July 2024		7,724	7,024	-	14,748
Total comprehensive income for the year					
Profit for the year		-	1,128	-	1,128
Other comprehensive expense (net of tax equivalent)		-	(1)	-	(1)
Total comprehensive income for the year		-	1,127	-	1,127
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>					
Equity contributions	23	100	-	-	100
Reserves Hedges		-	-	9	9
Total transactions with owners		100	-	9	109
Closing balance at 30 June 2025		7,824	8,151	9	15,984

	Note	Contributed equity \$M	Retained earnings \$M	Reserves \$M	Total equity \$M
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

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 2025

		Group	Corporation		
	Note	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Cash flows from operating activities					
Cash receipts from customers		2,674	2,547	2,674	2,547
Interest received		45	31	45	31
Interest paid		(211)	(221)	(211)	(221)
Cash paid to suppliers and employees		(1,446)	(1,431)	(1,446)	(1,431)
Income tax equivalents paid		(480)	(448)	(480)	(448)
Government grants		85	96	85	96
Operating subsidies		597	694	597	694
Developers' contributions		206	166	206	166
GST received		135	136	135	136
Other fees and charges		72	64	72	64
Net cash from operating activities	24.3	1,677	1,634	1,677	1,634
Cash flows from investing activities					
Acquisition of property, plant and equipment		(1,343)	(934)	(1,343)	(934)
Acquisition of intangible assets		-	(5)	-	(5)
Proceeds from sale of property, plant and equipment		(1)	2	(1)	2
Net cash used in investing activities		(1,344)	(937)	(1,344)	(937)
Cash flows from financing activities					
Proceeds from borrowings		856	250	856	250
Repayment of borrowings		(954)	(888)	(954)	(888)
Payment of lease liabilities		(28)	(22)	(28)	(22)
Equity contributions		100	138	100	138
Net cash used in financing activities		(26)	(522)	(26)	(522)
Net increase in cash and cash equivalents		307	175	307	175
Cash and cash equivalents at 1 July		1,127	952	1,127	952
Cash and cash equivalents at 30 June		1,434	1,127	1,434	1,127

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 2025

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 2025. 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 26 August 2025.

The financial report is prepared on the historic data.

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

There were no 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 2025 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 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	
	2025 \$M	2024 \$M	2025 \$M
Other fees and charges	116	121	116
Government grants	81	59	81
Rental income	11	11	11
Net gain on disposal of property, plant and equipment	1	1	1
Administration income	-	-	1
	209	192	210
			194

5.2.2 Timing of revenue recognition

	Group	Corporation	
	2025 \$M	2024 \$M	2025 \$M
Over time	3,267	3,179	3,268
At a point in time	462	408	462
	3,729	3,587	3,730
			3,589

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	
	2025 \$M	2024 \$M	2025 \$M
Salaries, wages and other employee expenses	458	426	458
Superannuation expense	54	46	54
	512	472	512
			472

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Information technology	110	111	110	111
Equipment hire charges	27	26	27	26
Corporate charges	43	43	43	43
Materials	44	42	44	42
Chemicals	39	36	39	36
Retired assets	19	17	19	17
Payroll tax and workers compensation	37	35	37	35
Contract labour	28	28	28	28
Property expenses	48	34	48	34
Discontinued capital projects	14	47	14	47
Other	22	25	23	25
	431	444	432	444

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Finance income				
Interest income	48	34	48	34
Finance costs				
Interest and guarantee fee expense	210	221	210	221
Capitalised interest (Note a)	(29)	(21)	(29)	(21)
Total finance costs	181	200	181	200
Net finance costs	133	166	133	166

		2025	2024
Note a)	The average interest rate used to capitalise interest expenses related to major works was:	4.22%	4.28%

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. On 1 July 2001, the Group entered the National Tax Equivalent Regime (NTER), having previously operated under a state-based taxation equivalent framework. While tax equivalent payments are remitted to the Department of Treasury, administration of the Group's tax equivalent obligations is undertaken by the Australian Taxation Office (ATO). The calculation of tax equivalent liabilities is governed by the *Income Tax Assessment Act 1936* (cth), *Income Tax Assessment Act 1997*(cth), other Federal Income Tax laws and the NTER guidelines, as endorsed 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**

Current tax equivalent represents the expected amount payable on taxable income for the financial year, using tax rates enacted or substantively enacted at the reporting date. It also includes adjustments to tax equivalent liabilities in respect of prior years.

- Deferred Tax Equivalent**

Deferred tax equivalent is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred tax equivalent is measured using the tax rates expected to apply when the temporary differences reverse, based on legislation enacted or substantively enacted at the reporting date.

In determining current and deferred tax equivalent amounts, the Group considers the impact of uncertain tax positions and the potential for additional tax equivalent liabilities and interest. The Group believes its provisions for tax equivalent liabilities are adequate for all open tax years, based on its assessment of relevant factors including interpretations of tax law and historical experience. This assessment involves significant judgement and may be revised as new information becomes available. Any changes to tax equivalent liabilities are recognised in the period in which the reassessment occurs.

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

A deferred tax equivalent asset is recognised only to the extent that it is probable that future taxable surpluses will be available to utilise the deductible temporary differences. Deferred tax equivalent assets are reviewed at each reporting date and are adjusted where it is no longer probable that the associated tax equivalent benefit will be realised.

8.2 Amounts recognised in the Statement of Comprehensive Income

	Group		Corporation	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
<i>Current income tax equivalent expense</i>				
Current year	495	460	495	460
Adjustments from prior year	5	(2)	5	(2)
<i>Deferred income tax equivalent expense</i>				
Temporary differences	(11)	(6)	(11)	(6)
Adjustments from prior year	(4)	2	(4)	2
Total income tax equivalent expense	485	454	485	454

8.2.1 Recognised in other comprehensive income / (loss)

Group	Before tax 2025 \$M	Tax expense 2025 \$M	Net of tax 2025 \$M	Before tax 2024 \$M	Tax expense 2024 \$M	Net of tax 2024 \$M
Re-measurement of defined benefit liability	(1)	-	(1)	3	(1)	2
Corporation						
Corporation	Before tax 2025 \$M	Tax expense 2025 \$M	Net of tax 2025 \$M	Before tax 2024 \$M	Tax expense 2024 \$M	Net of tax 2024 \$M
Re-measurement of defined benefit liability	(1)	-	(1)	3	(1)	2

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

	Group		Corporation	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Profit for the year	1,127	1,058	1,128	1,061
Add back: income tax equivalent expense	485	454	485	454
Profit before income tax equivalent expense	1,612	1,512	1,613	1,515
Income tax equivalent using the Corporation's tax equivalent rate (30%)	484	453	484	453
Non-deductible expenses	-	1	-	1
Adjustment in respect of previous year	1	-	1	-
Total income tax equivalent expense	485	454	485	454

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Current				
Annual service charge and volume debtors (Note a)	265	291	265	291
Expected credit loss	(2)	(2)	(2)	(2)
Net current debtors	263	289	263	289
Other receivables	72	42	72	42
Total current	335	331	335	331
Non-current				
Pensioner rates deferrals (Note b)	31	29	31	29
Total non-current	31	29	31	29
Total trade and other receivables	366	360	366	360

Note a) Annual service charge and volume debtors include unbilled revenue of \$53 million (2024: \$50 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 Deferments) 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 2025, the Group renegotiated the terms of trade and other receivables of \$20 million (2024: \$21 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 (2024: 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 2025, the provision for expected credit losses trade and other receivables was \$2 million (2024: \$2 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	
	2025	2024	2025	2024
			\$M	\$M
Specific identified debt	100%	100%	-	-
Perth region debt	1%	1%	1	1
Remote communities	100%	100%	1	1
Low value land debtors	1%	1%	-	-
			2	2

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 or 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 2025 \$M	Accumulated depreciation 2025 \$M	Carrying amount 2025 \$M
System assets	24,685	(8,798)	15,887
Land and buildings	1,276	(267)	1,009
Support assets	553	(358)	195
Works in progress	2,218	-	2,218
Carrying amount of property, plant and equipment	28,732	(9,423)	19,309

Comparative figures for 2024 are as follows:

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

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
	2025	2025	2025	2025	2025
	\$M	\$M	\$M	\$M	\$M
Balance at 1 July 2024	15,573	934	186	1,630	18,323
Additions	151	1	-	1,390	1,542
Disposals	(18)	-	-	-	(18)
Depreciation expense	(516)	(20)	(28)	-	(564)
Transfers	697	94	37	(802)	26
Balance at 30 June 2025	15,887	1,009	195	2,218	19,309

Comparative reconciliation for 2024 is as follows:

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

There were no indicators of impairment for the year ending 30 June 2025 (2024: 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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Balance at 1 July	38	36	38	36
Additions	10	15	10	15
Disposals	(1)	-	(1)	-
Depreciation expense	(12)	(13)	(12)	(13)
Balance at 30 June	35	38	35	38
Accumulated cost	80	78	80	78
Accumulated depreciation	(45)	(40)	(45)	(40)
Carrying amount	35	38	35	38

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Balance at 1 July	184	191	184	191
Depreciation expense	(7)	(7)	(7)	(7)
Balance at 30 June	177	184	177	184
Accumulated cost	267	267	267	267
Accumulated depreciation	(90)	(83)	(90)	(83)
Carrying amount	177	184	177	184

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 (2024: 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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
As at 1 July	182	189	182	189
Payments	(7)	(7)	(7)	(7)
As at 30 June	175	182	175	182
Current	8	7	8	7
Non-current	167	175	167	175
Total included in the Statement of Financial Position	175	182	175	182

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 2025 \$M	Accumulated amortisation 2025 \$M	Carrying amount 2025 \$M
Computer software	332	(321)	11
Intellectual property	3	(3)	-
Water entitlement	31	-	31
Property easements	12	-	12
Investment in wind farm development rights	24	(2)	22
Total intangible assets	402	(326)	76

Comparative figures for 2024 are as follows:

	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

Corporation	Cost 2025 \$M	Accumulated amortisation 2025 \$M	Carrying amount 2025 \$M
Computer software	332	(321)	11
Intellectual property	3	(3)	-
Water entitlement	31	-	31
Property easements	12	-	12
Total intangible assets	378	(324)	54

Comparative figures for 2024 are as follows:

	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

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
	2025 \$M	2025 \$M	2025 \$M	2025 \$M	2025 \$M	2025 \$M	2025 \$M
Balance at 1 July 2024	15	-	31	12	23	31	112
Amortisation expense	(9)	-	-	-	(1)	-	(10)
Transfers	5	-	-	-	-	(31)	(26)
Balance at 30 June 2025	11	-	31	12	22	-	76

Comparative reconciliation for 2024 is as follows:

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

Corporation	Computer Software	Water Entitlement	Property Easements	Work in Progress	Total
	2025 \$M	2025 \$M	2025 \$M	2025 \$M	2025 \$M
Balance at 1 July 2024	15	31	12	31	89
Amortisation expense	(9)	-	-	-	(9)
Transfers	5	-	-	(31)	(26)
Balance at 30 June 2025	11	31	12	-	54

Comparative reconciliation for 2024 is as follows:

	Computer Software	Water Entitlement	Property Easements	Work in Progress	Total
	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

There were no indicators of impairment for the year ending 30 June 2025 (2024: 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% (2024: 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

Input	Description of input	2025	2024
Adjusted cost of new sources of water	LRMC less average conveyance cost	\$3.30 per kilolitre	\$3.60 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.

15.2 Information relating to subsidiary

The financial statements of the Group include the following:

Principal activity	Country of incorporation	% Equity interest	
		2025	2024
Flat Rocks Wind Farm Stage 2 Pty Ltd	Renewable energy development	Australia	100% 100%

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

	Corporation	
	2025 \$M	2024 \$M
Balance at 1 July	24	24
Additions	-	-
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.

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 19 August 2025 for the fiscal year ended 30 June 2025 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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Trade payables	465	386	465	386
Other payables	20	23	20	23
Contract liabilities (Note a)	6	2	6	2
Trade and other payables	491	411	491	411

Note (a) *Contract liabilities*

	Group		Corporation	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Reconciliation of changes in contract liabilities				
As at 1 July	2	5	2	5
Revenue recognised in the reporting period	(2)	(3)	(2)	(3)
Funds received	6	-	6	-
As at 30 June	6	2	6	2

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Current				
Lease liabilities (Note a)	13	11	13	11
	13	11	13	11
Non-current				
Lease liabilities (Note a)	24	29	24	29
	24	29	24	29
Total lease liabilities	37	40	37	40

Note a) i. Lease liabilities

	Group		Corporation	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Maturity analysis – contractual undiscounted cash flows				
Less than one year	13	13	13	13
One to five years	24	23	24	23
More than five years	3	14	3	14
Total undiscounted lease liabilities at 30 June	40	50	40	50
Lease liability movements				
As at 1 July	40	38	40	38
Additions	11	15	11	15
Accretion of interest	2	2	2	2
Payments	(16)	(15)	(16)	(15)
As at 30 June	37	40	37	40
Current	13	11	13	11
Non-current	24	29	24	29
Total lease liability included in the Statement of Financial Position	37	40	37	40

ii. Assets pledged as security

	Group		Corporation	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Assets pledged as security				
The carrying amounts of non-current assets pledged as security are:				
Right of use assets	35	38	35	38
Total assets pledged as security at 30 June	35	38	35	38

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Current				
Site restoration	10	8	10	8
Decommissioning	7	6	7	6
General provision	5	-	5	-
	22	14	22	14
Non-current				
Workers compensation	3	4	3	4
Site restoration	18	12	18	12
Decommissioning	14	13	14	13
	35	29	35	29
Total provisions	57	43	57	43

Reconciliations of the carrying amount of provisions for 2025 are set out below:

Group and Corporation	Workers' Compensation \$M	Site Restoration \$M	Decommissioning \$M	General Provision \$M	Total \$M
Carrying amount at 1 July 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
Provisions made during the year	-	11	5	5	21
Provisions utilised during the year	(1)	(3)	(3)	-	(7)
Carrying amount at 30 June 2025	3	28	21	5	57

Provision for site restoration

The provision for site restoration costs is calculated based on an 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.

19.4.4 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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Current				
Long service leave (Note a)	69	63	69	63
Annual leave (Note b)	55	55	55	55
Other employee benefits	6	6	6	6
Defined benefit superannuation (Note c)	2	2	2	2
	132	126	132	126
Non-current				
Long service leave (Note a)	7	7	7	7
Defined benefit superannuation (Note c)	26	26	26	26
	33	33	33	33
Total employee benefits	165	159	165	159

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Within 12 months of the end of the reporting period	12	12	12	12
More than 12 months after the end of the reporting period	64	58	64	58
	76	70	76	70

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Within 12 months of the end of the reporting period	36	34	36	34
More than 12 months after the end of the reporting period	20	21	20	21
	56	55	56	55

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Pension Scheme	27	27	27	27
GSSS	1	1	1	1
Net defined benefit liability	28	28	28	28

Reconciliation of the defined benefit obligation

	Group		Corporation	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Present value of defined benefit obligations at beginning of the year	28	32	28	32
Interest cost	1	1	1	1
Actuarial (gains)/losses arising from changes in financial assumptions	1	(3)	1	(3)
Actuarial (gains)/losses arising from liability experience	-	-	-	-
Benefits paid	(2)	(2)	(2)	(2)
Present value of defined benefit obligations at end of the year	28	28	28	28

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	2025 \$M	2024 \$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)	4.35%	3.55%
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 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)	3.95%	4.35%
Expected salary increase rate	3.5% pa	3.5% pa
Expected pension increase rate	3.0% for 2025/26, and then 2.5% pa	3.0% for 2024/25, and then 2.5% pa

GSSS

Group and Corporation	2025 \$M	2024 \$M
<i>Assumptions to determine start of year defined benefit obligation and defined benefit cost for the current year</i>		
Discount rate (active members)	4.35%	3.55%
Expected salary increase rate	3.5% pa	3.5% pa
Consumer Price Index	5.8% for 2023/24, 3.4% for 2024/25, and then 2.5% pa	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)	3.95%	4.35%
Expected salary increase rate	3.5% pa	3.5% pa
Consumer Price Index	2.8% for 2025/26, and then 2.5% pa	3.4% 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 2025 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 -0.5% pa discount rate	Scenario B +0.5% pa discount rate	Scenario C -0.5% pa pension increase rate	Scenario D +0.5% pa pension increase rate
Discount rate	3.95% pa	3.45% pa	4.45% pa	3.95% pa	3.95% 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 -0.5% pa discount rate	Scenario B +0.5% pa discount rate	Scenario C -0.5% pa increase rate & indexation rate	Scenario D +0.5% pa increase rate & indexation rate
Discount rate	3.95% pa	3.45% pa	4.45% pa	3.95% pa	3.95% 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 2025 are \$2m (2024: \$2m).

Maturity profile of defined benefit obligation

- Pension Scheme** - The weighted average duration of the Group's defined benefit obligation is 10.7 years (2024: 11.2 years).
- GSSS** - The weighted average duration of the Group's defined benefit obligation is 3 years (2024: 2.0 years).

Note 20 Other liabilities

	Group		Corporation	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Current				
Developers' deferred liabilities (Note a)	4	8	4	8
Deposits	10	12	10	12
Capital grant liabilities	47	39	47	39
Grant Deposits	5	2	5	2
	66	61	66	61
Non-current				
Developers' deferred liabilities (Note a)	24	18	24	18
Deposits	5	3	5	3
	29	21	29	21
Total other liabilities	95	82	95	82

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Non-current				
Unsecured:				
Western Australian Treasury Corporation Term Fixed Rate Lending (Note a)	2,681	2,779	2,681	2,779
Western Australian Treasury Corporation Term Floating Rate Lending (Note a)	1,623	1,623	1,623	1,623
Total interest-bearing loans and borrowings	4,304	4,402	4,304	4,402

	Group		Corporation	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Interest-bearing borrowings movements				
As at 1 July	4,402	5,040	4,402	5,040
Borrowings advanced	856	250	856	250
Capital repayments	(954)	(888)	(954)	(888)
As at 30 June	4,304	4,402	4,304	4,402

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

The non-current amount of the Term Fixed Rate Lending of \$2,681 million (2024: \$2,779 million), includes \$389 million (2024: \$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 (2024: \$1,623 million), includes \$435 million (2024: \$468 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 2025 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 2025 \$M	Liabilities 2025 \$M	Net 2025 \$M
Property, plant and equipment	-	263	263
Right of use assets	(10)	-	(10)
Intangible assets	(8)	-	(8)
Provisions	(65)	-	(65)
Accrued expenses	(46)	-	(46)
Other items	-	4	4
Deferred tax equivalent (assets) / liabilities	(129)	267	138
Set off of tax equivalents	129	(129)	-
Net deferred tax equivalent liabilities	-	138	138

Comparative figures for 2024 are as follows:

	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

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 2024 \$M	Recognised in income \$M	Recognised in other comprehensive income \$M	Balance 30 June 2025 \$M
Property, plant and equipment	277	(14)	-	263
Right of use assets	(10)	-	-	(10)
Intangible assets	(7)	(1)	-	(8)
Provisions	(60)	(5)	-	(65)
Accrued expenses	(52)	6	-	(46)
Other items	4	-	-	4
	152	(14)	-	138

Comparative figures for 2024 are as follows:

	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)
Prepayments	(7)	-	-	(7)
Intangible assets	(58)	(2)	-	(60)
Provisions	(57)	5	-	(52)
Accrued expenses	-	4	-	4
Other items	288	(11)	-	277
	156	(4)	-	152

Note 23 Equity

23.1 Contributed equity

	Group 2025 \$M	Group 2024 \$M	Corporation 2025 \$M	Corporation 2024 \$M
Reconciliation of movements in contributed equity				
As at 1 July	7,724	7,586	7,724	7,586
<i>Contributions in the year</i>				
Metronet	59	85	59	85
Ord Channel	-	31	-	31
Remote Communities	-	19	-	19
Perdaman	-	3	-	3
Oyster Harbour Ulster Road	6	-	6	-
Residential Lands	32	-	32	-
Rio Tinto	3	-	3	-
As at 30 June	7,824	7,724	7,824	7,724
Owner's initial contribution (Note a)	7,327	7,327	7,327	7,327
Equity contributions (Note b)	497	397	497	397
Total contributed equity included in the Statement of Financial Position	7,824	7,724	7,824	7,724

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. On 10 June 2025, the Minister advised the Corporation that on 12 May 2025 the Expenditure Review Committee approved the Corporation not recommend a 2024-25 interim dividend payment, and instead holding its 2024-25 profit after tax as retained earnings until it is considered as part of the recommended 2024-25 final dividend amount to be paid by 31 December 2025.

24.3 Reconciliation of cash flows from operating activities

	Group		Corporation	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Profit for the year	1,127	1,058	1,128	1,061
Gain on disposal of assets	(1)	(1)	(1)	(1)
Retired assets	19	17	19	17
Developers' contributions (non-cash)	(121)	(99)	(121)	(99)
Non-Developers' contributions (non-cash)	(9)	(14)	(9)	(14)
Capitalisation of interest expense	(29)	(21)	(29)	(21)
Reversal of credit loss on receivables	-	(3)	-	(3)
Employee benefits:				
Superannuation	(1)	(3)	(1)	(3)
Long service leave	6	7	6	7
Annual leave	1	4	1	4
Other	-	1	-	1
Depreciation and amortisation	591	580	590	580
GST paid for property, plant and equipment	70	64	70	64
(Increase)/decrease in trade and other receivables	88	21	88	18
Increase/(decrease) in income tax equivalent	(5)	8	(5)	8
(Increase)/decrease in inventories	(7)	(9)	(7)	(9)
Increase/(decrease) in trade and other payables and other liabilities	(66)	28	(66)	28
Increase/(decrease) in provisions	14	(4)	14	(4)
Net cash from operating activities	1,677	1,634	1,677	1,634

24.4 Non-cash investing and financing activities

	Group		Corporation	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Additions to right of use assets	10	15	10	15

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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Audit of financial reports	497	450	490	450

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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Short-term employee benefits	3,544	3,421	3,544	3,421
Post-employment benefits	355	271	355	271
Other long-term benefits	135	224	135	224
	4,034	3,916	4,034	3,916

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 (2025: 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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Transactions with Department of Treasury, Department of Finance and Western Australian Treasury Corporation				
Receipts				
Department of Treasury – Operating Subsidies	597	694	597	694
Western Australian Treasury Corporation				
- Proceeds from borrowings	857	250	857	250
- Foreign currency	48	3	48	3
Payments				
Department of Treasury				
- Income tax equivalent	468	448	468	448
- Local government rates equivalent	8	8	8	8
Department of Finance				
- Pension reimbursements	2	1	2	1
- Land tax	8	8	8	8
- Payroll tax	34	27	34	27
Western Australian Treasury Corporation				
- Repayment of borrowings	954	888	954	888
- Interest on borrowings	158	166	158	166
- Guarantee fees	30	34	30	34
- Purchase of foreign currency	48	2	48	2
Other Western Australian Government Related Entities				
Receipts				
Department of Jobs, Tourism, Science, and Innovation	27	25	27	25
Department of Communities ⁽¹⁾	-	48	-	48
Department of Treasury	94	-	94	-
Department of Transport – Westport	1	-	1	-
Payments				
Government Employees' Superannuation Board	12	11	12	11
Horizon Power	16	14	16	14
Western Power	33	23	33	23
Landcorp	3	12	3	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	
	2025 \$M	2024 \$M	2025 \$M
Within 1 year	354	303	354
Later than 1 year and not later than 5 years	1,457	1,854	1,457
	1,811	2,157	1,811
			2,157

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	
	2025 \$M	2024 \$M	2025 \$M
Bank guarantees	14	12	14
			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.

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Financial assets				
Cash and cash equivalents	1,434	1,127	1,434	1,127
Financial assets at amortised cost	366	360	366	360
Derivative Financial Asset	8	1	8	1
Total financial assets	1,808	1,488	1,808	1,488
Financial liabilities				
Financial liabilities at amortised cost	5,038	5,034	5,038	5,034
Derivative Financial Liabilities	-	1	-	1
Total financial liabilities	5,038	5,035	5,038	5,035

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 2025, 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 0.6010, USD 0.6770 and GBP 0.5308.

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 2025, the weighted average interest rate was 4.62% (2024: 4.03%).

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 2024/25, the borrowing limit was set at \$4,304 million (2024: \$4,788 million) for the repayment of maturing debt and ongoing capital expenditure. Included in the limit of \$4,304 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 (2024: \$80 million) to assist with cash flow management.

As at 30 June 2025, \$4,304 million (2024: \$4,402 million) was drawn under the total debt facility. For 2025-26, the facility limit has initially been set at \$5,385 million (Facility limit for 2024-25: \$5,079 million) providing available borrowings of \$1,081 million up to 30 June 2026.

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.

Group and Corporation

30 June 2025	Weighted average interest	Carrying Amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
				\$M	\$M	\$M	\$M
Non-derivative financial liabilities							
Trade and other payables	-	491	(491)	(491)	-	-	-
-WATC Term Floating Rate Lending	4.22%	1,623	(1,834)	(506)	(530)	(798)	-
-WATC Term Fixed Rate Lending	3.09%	2,681	(3,174)	(484)	(470)	(1,434)	(786)
Lease liabilities	4.59%	37	(40)	(13)	(10)	(14)	(3)
Service Concession Arrangements	10.41%	175	(377)	(25)	(24)	(66)	(262)
		5,007	(5,916)	(1,519)	(1,034)	(2,312)	(1,051)

Exposure to liquidity risk

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

30 June 2024	Weighted average interest	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
				\$M	\$M	\$M	\$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)

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	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Fixed rate instruments				
WATC Term Floating Rate Lending	1,623	1,623	1,623	1,623
WATC Term Fixed Rate Lending (Note a)	2,681	2,779	2,681	2,779
Total financial liabilities	4,304	4,402	4,304	4,402

The fair value of the WATC Term Floating Rate Lending and Fixed Rate Lending respectively as at 30 June 2025 was \$1,623 million, and \$2,681 million (2024: \$1,623 million and \$2,779 million).

Note (a) The fixed debt portfolio is structured with 31 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, \$435 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 next reporting date is expected to increase interest expense (before capitalised interest) by \$20 million. A decrease of 100 basis points in interest rates at next reporting date is expected to decrease interest expense (before capitalised interest) by \$20 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 2025 and of their 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 their debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



A. Sutton

Board Chair



P. Donovan

Chief Executive Officer

PERTH, 26 August 2025



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Water Corporation

To the Parliament of Western Australia

Opinion

I have audited the financial report of the Water Corporation (the Corporation) which comprises:

- the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement 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 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 financial position as at 30 June 2025 and of its performance for the year then ended
- is 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 Corporation's annual report for the year ended 30 June 2025, 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 have nothing to report in this regard.

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 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.

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.

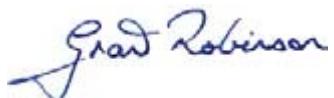
A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/media/apzlwn0y/ar3_2024.pdf.

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 Water Corporation for the year ended 30 June 2021 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
2 August 2021

Appendix: Global Reporting Initiative index

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

Our 2024-2025 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 19) 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 2024-2025 – GRI INDEX

Disclosure #	Year of standard	Level	Topic	Page number
2-1	2021	Full	Organisational details	2, 12-17, 88
2-2	2021	Full	Entities included in the organisation's sustainability reporting	88
2-3	2021	Full	Reporting period, frequency and contact point	2
2-4	2021	N/A	Restatements of information	N/A
2-6	2021	Full	Activities, value chain and other business relationships	12-17, 27, 30-61
2-7	2021	Partial ¹	Employees	58, 75, 79
2-9	2021	Full	Governance structure and composition	22, 23-25, 59-61, 64-65
2-10	2021	Full	Nomination and selection of the highest governance body	64
2-11	2021	Full	Chair of the highest governance body	24, 69
2-12	2021	Full	Role of the highest governance body in overseeing the management of impacts	65, 69
2-13	2021	Full	Delegation of responsibility for managing impacts	25, 64-67
2-15	2021	Full	Conflicts of interest	68, 73
2-19	2021	Full	Remuneration policies	71-72
2-20	2021	Partial ²	Process to determine remuneration	64, 71-72
2-22	2021	Full	Statement on sustainable development strategy	8-9, 15, 18-19
2-27	2021	Partial ³	Compliance with laws and regulations	74
2-28	2021	Partial ⁴	Membership associations	40-41, 43, 46-47, 54, 60
201-3	2016	Full	Defined benefit plan obligations and other retirement plans	107-11
201-4	2016	Full	Financial assistance received from government	2, 29, 87, 90-91, 112-113, 118-121
403-6	2016	Full	Promotion of worker health	6, 32, 36-37
403-9	2016	Partial ⁵	Work-related injuries	75
201-1	2016	Full	Direct economic value generated and distributed	82-87
302-1	2016	Partial ⁶	Energy consumption within the organisation	74
303-3	2016	Partial ⁷	Water withdrawal	78
305-1	2016	Partial ⁸	Direct (scope 1 GHG emissions)	20, 74
305-2	2016	Partial ⁷	Energy indirect (scope 2) GHG emissions	20, 74
401-1	2016	Partial ⁹	New employee hires and employee turnover	75
416-2	2016	Partial ¹⁰	Incidents of non-compliance concerning the health and safety impacts of products and services	74

1 Total number of employees, total FTE, year-end average are reported, and partly reported by region (country or metropolitan). Our performance against diversity targets is also provided.

2 The role of the People and Safety Committee is described and reported, and remuneration report is provided.

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 The report includes most partnerships and some memberships.

5 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.

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

7 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.

8 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.

9 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.

10 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

