



BUSSELTON WATER

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people of WA



ANNUAL REPORT 2023

busseltonwater.wa.gov.au



BUSSELTON WATER

To the Hon SIMONE MCGURK MLA
Minister for Water

In accordance with Sections 60 and Clauses 35 and 36 of Schedule 3 of the *Water Corporations Act 1995*, we hereby submit for your information and presentation to Parliament, the Annual Report of Busselton Water Corporation for the year ended June 2023.



Dr Robyn Paice
Chair
Busselton Water Corporation

Chris Elliott
Managing Director
Busselton Water Corporation

BUSSELTON WATER ANNUAL REPORT 2023

This report is a review of our performance for the financial year ending 30 June 2023. It informs our shareholder, customers, community and stakeholders about Busselton Water, our governance, the strategic priorities which have driven our activities during the year, and our operational and financial performance.

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Our year at a glance



Our water

6.06 billion litres
of groundwater extracted

5.96 billion litres
of drinking water supplied

104.79 kilolitres
per person per year
residential water use

100%
water health quality



Our assets

3 local water
treatment plants

9
bores

349 kilometres
of pipeline

5
storage tanks



Our people

36
employees

8 years
no lost time injury

735 hours
of training



Our community

211
new customer
connections

14,727
customers

7 new
community
partnerships



Our contribution

\$4.79 million
profit before tax

\$15.31 million
revenue

\$0.54 million
returned to Government
by way of net accruals

\$3.29 million
capital investment

Highlights



A new quality record

We produced 5.96 billion litres of drinking water and achieved 100 per cent compliance with the Australian Drinking Water Guidelines.



Ensuring *water for tomorrow*

We launched a new information and education campaign, *Water for Tomorrow*, to raise the water literacy of people in the Busselton region and engaging them to ensure we have water for tomorrow, and for generations to come.



Providing community support

We supported eight local groups and organisations, in the areas of sport, disability services, community services and the environment, through our Community Partnership Program.



Our Reflect RAP

Our Reflect Reconciliation Action Plan was finalised and submitted to Reconciliation Australia for formal endorsement.



Investing in the future

We invested \$3.29 million in key projects and activities to ensure our network and infrastructure continues to meet the needs of our growing region.

Building cyber safety

We continued to be the first water organisation in Australia to take part in a cyber defence pilot project aimed at building cyber safety capacity and countering cyber criminals.



Hearing from our customers

Our biennial customer survey revealed an overall customer satisfaction of 81 per cent of responders, up three per cent on the 2021 survey.

From the Chair



It is with pleasure that I present our Annual Report for the year ending 30 June 2023.

For 117 years Busselton Water has been supplying safe, sustainable, and affordable water to the Busselton community – a community that in 1911 comprised less than 700 people and is now more than 40,000.

As a local water corporation our primary role is to provide high-quality, fresh drinking water for our customers. We are guided by our vision to provide excellence and leadership in the provision of these water services – underpinned by our values of respect, integrity, sustainability, excellence and safety and wellbeing, which guide the way we do business.

As our region and our business continues to grow, climate change remains the biggest challenge as rainfall continues to decline in the state's South West, impacting groundwater recharge and increasing the risk of saltwater intrusion into our drinking water supply bore fields.

During the year, pre-work studies, investigations and approval works for the new inland bore and water treatment plant progressed. This project is critical

to future-proofing our drinking water supply and will be an essential part of overcoming the impacts of climate change on our water system, while also creating new opportunities in renewable energy, workplace safety and efficiency.

Increasing customer understanding of our precious water resources will be crucial to our planning for sustainable delivery of water services, and we are developing strong information resources to achieve this. We are also working on managing demand through waterwise initiatives – our goal is to reduce domestic water consumption to 100kL per person per year by 2030, and we're on track to do just that.

The Busselton community is at the heart of what we do. In 2022-23, we were pleased to extend our Community Partnership Program to more local groups and organisations and to further enhance our vulnerable customer assistance program.

2023 will see a leadership transition at Busselton Water – after a decade at the helm of Busselton Water and close to 50 years in the industry, Chris Elliott announced he would retire in July. On behalf of the Board, I wish to thank and acknowledge Chris – not only for another outstanding performance

over the past year but for his incredible contribution to, and leadership of Busselton Water and the wider water sector over more than a decade.

In May 2023 the Board appointed David Hughes-Owen as CEO, who will commence in September. David brings substantial and diverse water industry experience, and we look forward to working with David in pursuing our vision.

I also take this opportunity to remember former Chief Executive and Board member Geoffery Oddy who lost his long and courageous battle with MND in July 2023.

To my fellow Directors, I thank you for the commitment, professionalism, energy and wise counsel you bring to the Board. It is a privilege to work alongside you all and I look forward to another exciting year ahead.

Dr Robyn Paice
Chair

From the Managing Director

In 2022-23 Busselton Water continued delivering high quality water to its customers whilst planning to ensure we are well placed to meet the future water needs of the region.

Once again, our business achieved very positive results both in terms of financial returns and compliance, with all required standards and benchmarks for health and water quality being achieved.

Operationally, we delivered more than 5.9 billion litres of drinking water to our growing customer base, which reached 14,727 by year end. The quality of our water remains exceptional, achieving 100 per cent compliance with all water health requirements of the Australian Drinking Water Guidelines.

During the year we invested more than \$3.29 million in capital works to increase capacity, improve efficiency and future proof our network. We continued planning for the new inland borefield development and commenced a new project which will result in the installation of a new water storage tank and trunk main to help meet peak day demand in response to continued population growth in Busselton and Dunsborough.

We also launched *Water for Tomorrow*, an information and education campaign designed to raise the water literacy of people in the Busselton region so they have a better understanding about where our water comes from, how our water network operates and what actions they can take to be part of ensuring there is water for now, for tomorrow, and for generations to come.

We continued to invest in our people and are committed to providing a safe, inclusive and supportive workplace. A safety-first culture is firmly embedded in how we operate, with 735 hours of staff training across the year in a range of priority areas. The success of this program is evidenced by us maintaining a zero lost time injury record for the eighth year in a row.

Our biennial customer satisfaction survey was conducted during the year, and it was pleasing to see the positive results – with an increase in overall customer satisfaction to 81 per cent of responders, up three per cent from the 2021 survey.

I'm incredibly proud of what we have achieved in my time at Busselton Water, all of which has been possible because of the wonderful team, visionary Board and great partners I have had the pleasure to work with.

It has been my great privilege to lead the organisation through a decade of immense growth, to have had the opportunity to celebrate many milestones and achievements, and to have ridden the challenging wave of COVID-19 – it was certainly a time like no other.

I thank every member of the team for their commitment, dedication and contribution to Busselton Water – you are the driving force behind our success. I congratulate you all for your contribution to this year's strong performance.

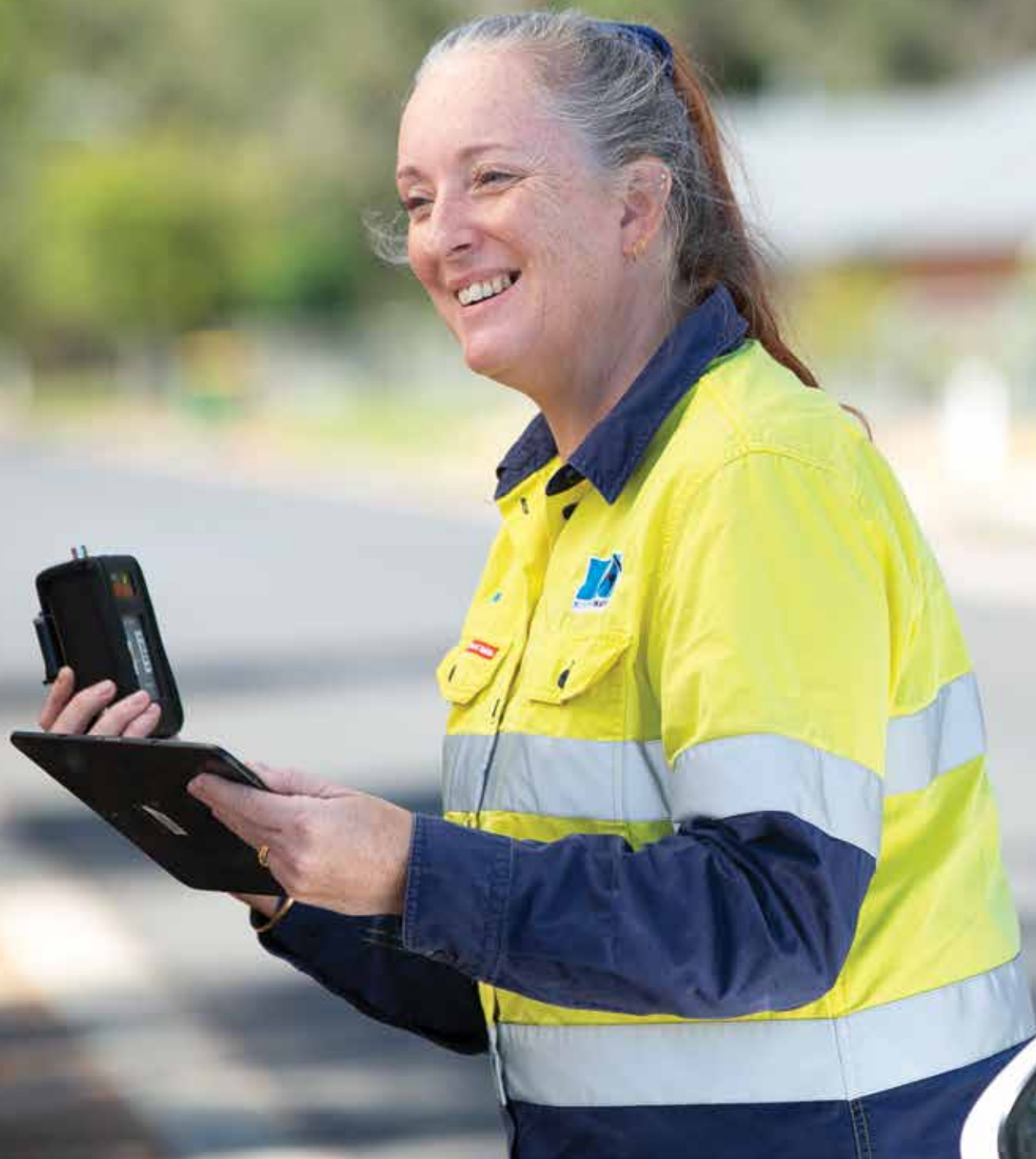
I would also like to thank my fellow Executive team members and the Board of Directors for their guidance and support – it has been an honour to work alongside you as CEO and Managing Director of this great organisation.

The future of Busselton Water is bright, and it is in good hands with incoming CEO, David Hughes-Owen.



Chris Elliott
Managing Director





Our business

Busselton Water is a local water provider based in Busselton, a major regional centre 220 kilometres south of Perth. We have proudly provided safe, sustainable and affordable water to our community and surrounds since 1906.

We are owned by the Western Australian Government and accountable to one sole shareholder, the Honourable Simone McGurk MLA, Minister for Water.

Our funding is generated from customer water sales, related services to customers (including land developers), interest on investments, reserve funding, borrowings and operating subsidies.

In 2013, Busselton Water was established as a water corporation under the *Water Corporations Act 1995* to further encourage opportunities to enhance our services and strengthen our financial sustainability and returns to Government.

Our operating area

Our operating licence (WL3, Version 10) is issued by the Economic Regulation Authority under the *Water Services Act 2012* and is valid until 1 June 2046. It authorises Busselton Water to provide potable water supply services to the area shown on the map.

We currently provide services to Busselton, and also to the residents of Dunsborough via a water supply agreement with the Water Corporation to supplement their source water.



Our services

Our water supply infrastructure comprises nine bores, three water treatment plants, five storage tanks, two booster pump stations and more than 345 kilometres of pipeline. We supply high-quality drinking water to a local population of more than 40,000 people, plus the Dunsborough-related demand. As one of the State's most popular tourist locations, demand also spikes significantly during peak holiday periods.

We service 14,727 customer accounts including residential, commercial, light industrial and special rural water users. We also sell bulk water to the Water Corporation to supplement their Dunsborough supply.

During the year, we assisted 3,896 residential customers with pensioner and senior rebates; concessions for leaks and bursts in the internal water reticulation system; exemptions in cases of special hardships; and discounts for concession card holders in private rental tenancies.

Our water

The majority of Busselton Water's raw groundwater is drawn from the Yarragadee aquifer, a major freshwater resource for the South West region. A smaller volume of water is also abstracted from the base of the shallower Leederville aquifer.

We filter and treat the raw groundwater at our three local treatment plants to remove impurities and disinfect it – ensuring the water meets Australian Drinking Water Guidelines – before distributing it to our customers.

Our groundwater abstraction is regulated in accordance with licences issued by the Department of Water and Environmental Regulation.

Our stakeholders

As a local service provider, we are committed to engaging with our customers and other stakeholders to ensure the business is informed and in touch with community opinions, concerns and issues.



We proactively engage with a range of stakeholders including customers, represented by the City of Busselton, local businesses, community and service organisations, schools, industry organisations, and various State and Federal Government agencies.

We value these relationships and continue to invest in our local community and raise awareness about our role and services through timely, targeted and relevant communication, education and partnership programs.

Our contractors, consultants and suppliers

We use a range of contractors, consultants and suppliers who support and enable our workforce to deliver services effectively and efficiently. Our tendering and contracting arrangements are comprehensive and range from panel contracts over several years to short-term assignments to meet specific needs. Particular attention is paid to supply chain impacts and providers' resource availability when selecting contractors, consultants and suppliers.



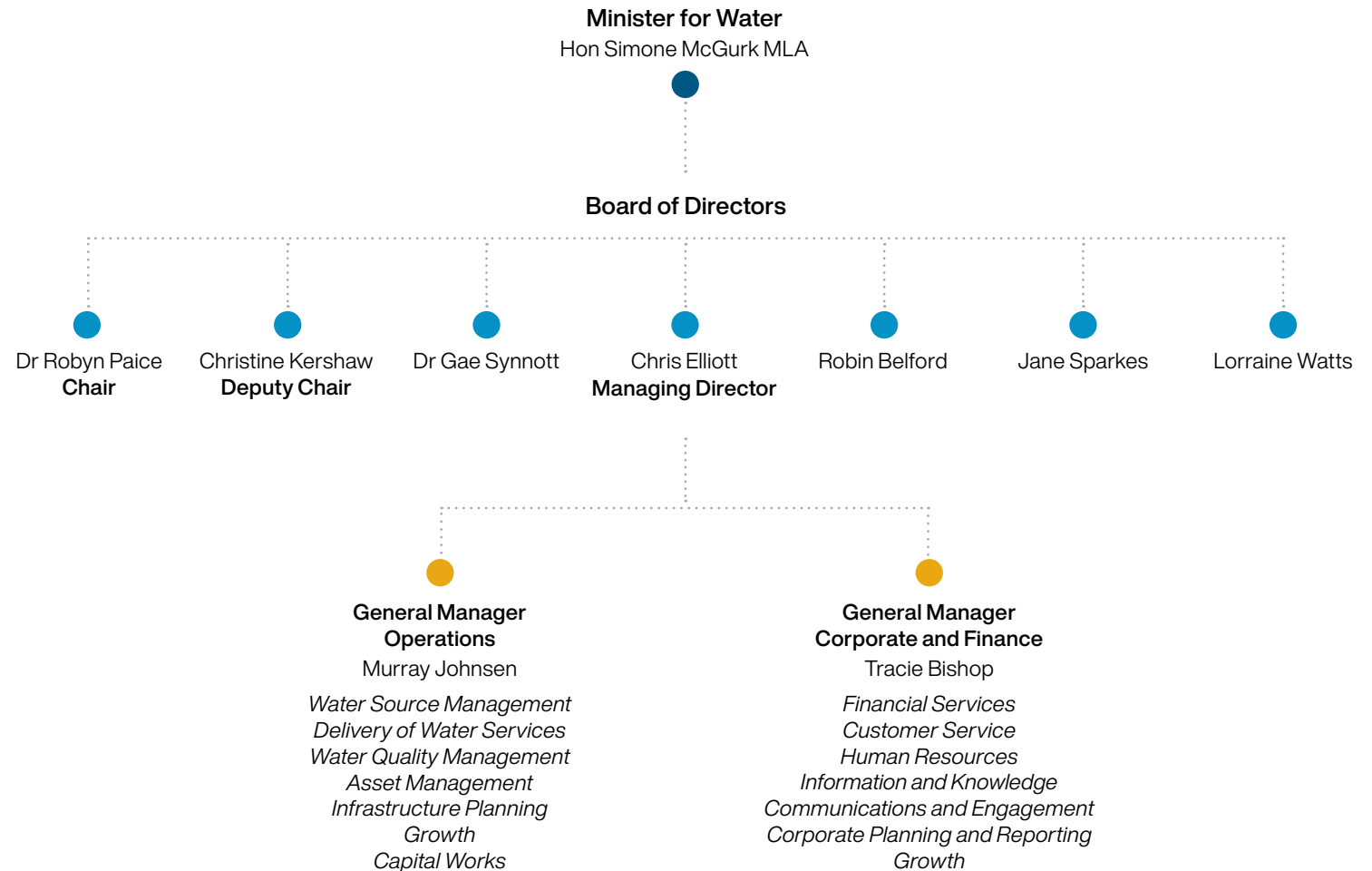
Our corporate structure

Our core business activities are divided into two distinct streams – Operations, and Corporate and Finance – each headed by a General Manager reporting directly to the Managing Director.

Our Managing Director is appointed by the Board of Directors, which has the legislative authority to perform the functions of the organisation and is ultimately responsible for legal compliance, corporate governance and risk management.

Our Board responds to the Minister for Water and provides strategic direction and guidance to the Managing Director and Senior Executive Group. It establishes the setting for our corporate culture which enables Busselton Water to achieve high levels of performance and compliance.

Busselton Water employs 37 team members, comprising 32 full-time employees, three part-time employees and two casual employees. We also engage external support and expertise as required.



Our Board



Dr Robyn Paice

BSc (Hons), PhD

Chair

Appointed to the Board in September 2018 and Chair from June 2022, Dr Robyn Paice has 25 years' experience in environmental science through roles in the public, private and university sectors. Dr Paice brings her valuable scientific understanding of water resources, with experience in water policy and expertise in aquatic ecology, together with extensive networks and knowledge of local waterways. She is an independent consultant and teaches in environmental management at Edith Cowan University. Dr Paice's term expires in May 2024.



Christine Kershaw

BA, GradDipEd

Deputy Chair

Christine Kershaw is a business consultant and educator, with a background in urban and regional development and environmental management. Christine is Chair of Cape Naturaliste College, former Chair of South West Catchment Council, a former Regional Landcare Steering Committee member, and Regional Development Australia (South West) Board member. She was appointed to the Board in 2017 and has been a member of the Audit Committee since 2018. Ms Kershaw is the Chair of the Audit Committee. Her term expires in May 2026.



Dr Gae Synnott

BA, MBA, PhD, GAICD

Appointed to the Board in September 2018, Dr Gae Synnott brings extensive experience as a management and communications professional. Dr Synnott has a social sciences background and has worked across state and local government and a broad range of sectors. Key areas of her expertise include strategy, communications and culture. She is also on the Board of Bunbury-based Forrest Personnel. Dr Synnott is a member of the Audit Committee. Her term expires in May 2024.



Robin Belford

BEng, GDip Eng, GDip Sci, MIE Aust, CP Eng

Robin Belford has extensive engineering and management experience within the water and construction industries across both the private and public sectors. He possesses a deep understanding of the water sector, and has particular experience and expertise in water supply, water quality and asset management. Appointed to the Board in 2022, Mr Belford is passionate about the delivery of sustainable public water services. Mr Belford's term expires in May 2025.



Jane Sparkes

B.Bus CA

Jane Sparkes is Director and Partner of local accounting firm STA Accountants and has more than 20 years of accounting and advisory experience. Appointed to the Board in 2022, Mrs Sparkes has expertise in business structures, budgeting and forecasting, high-level analysis of business performance and benchmarking of businesses. She also offers extensive business and industry networks across the South West, particularly within the agriculture sector. Ms Sparkes is a member of the Audit Committee. Her term expires in May 2025.



Lorraine Watts

GradCertMgt

Lorraine Watts was appointed to the Board on 26 July 2022. She is a Busselton resident whose breadth of experience includes community development, project management, program implementation and research. Ms Watts has held a diverse range of roles with the State Government, including as a Regional Employment Coordinator with the Department of Training in various regions throughout Western Australia and as a Senior Policy Officer with the Department for Communities. She is currently Chairperson of The People Place Busselton, was a former Councillor of the East Pilbara Shire and formerly held the position of Secretary for Naturaliste University of the Third Age Inc. Ms Watts term expires in May 2026.



Chris Elliott

BE (Hons), GDip Bus, MBA, MIE Aust, CPEng

Chris Elliott was appointed as Busselton Water's Chief Executive Officer in 2013 and joined the Board in September 2018 as Managing Director. Under Mr Elliott's leadership, Busselton Water successfully transitioned through corporatisation to become a Government Trading Enterprise and has achieved a range of business successes and innovations. With a passion for business excellence, Mr Elliott brings private and public sector experience and extensive knowledge of the water industry to the Board.

Our Executive



Chris Elliott

BE (Hons), GDip Bus, MBA, MIE Aust, CPEng

Managing Director

Chris Elliott has more than 40 years' experience in management and professional engineering roles within the water and construction industries, across both public and private sectors. Joining Busselton Water in 2013, his depth of water industry experience and passion for business excellence have combined to provide Busselton Water with the strong strategic leadership required to underpin its ongoing success. Mr Elliott is a member of the Busselton Water Board. In 2020, he was the Western Australian Water Professional of the Year and was a national finalist for the Australian Water Association award in 2021.



Murray Johnsen

BE (Civil), MIE Aust, CPEng, NER, GAICD

General Manager Operations

Murray Johnsen joined Busselton Water in 2018, bringing with him more than 40 years of engineering management and operational experience in the water industry across metropolitan, regional and remote areas of Western Australia. He is a Chartered Professional Engineer with senior leadership skills in the delivery of water, wastewater, irrigation, and drainage services. His experience also extends to optimising operational performance, and building and maintaining high-calibre, motivated and effective teams.



Tracie Bishop

BBA, CPA

*General Manager
Corporate and Finance*

Tracie Bishop joined Busselton Water in 2020, bringing extensive experience in local government and the private sector, predominantly in roles with a strong focus on finance and management. She is a Chartered Practising Accountant with particular strengths in strategy and integrated planning, finance, governance, human resources, occupational health and safety, and environmental compliance. A proven leader, Ms Bishop previously held a senior management role for a regional shire, overseeing its corporate and community services division.




BUSSELTON WATER

Key business results

Busselton Water excelled in its corporate performance in 2022-23.

To support regional growth and meet current and future demand, Busselton Water invested \$3.29 million in capital works during the year.

Water production achieved a record annual high of 6.06GL in 2022-23. Despite the strong demand, our water treatment capacity and distribution network were managed effectively, and we maintained full supply to customers.

During the year, new infrastructure required for subdivision and development activity was made available in a timely manner.

We produced 5.96 billion litres of drinking water and achieved 100 per cent compliance with the Australian Drinking Water Guidelines.

Our financial results also reflect our ability to meet customer requirements and service expectations while maintaining exceptional operational efficiencies. This year, Busselton Water achieved a profit before tax of \$4.79 million and revenue of \$15.31 million (from \$14.64 million in 2021-22).

Our water sales generated \$11.72 million in revenue in 2022-23 (\$11.39 million 2021-22).

A further \$3.59 million in revenue (\$3.25 million in 2021-22) was received from developer contributions, operating subsidies, interest on investments and other miscellaneous income.

Operating expenditure in 2022-23 was \$10.52 million.

Net accruals to Government

After 30 June 2022, the Directors proposed a final dividend payment of \$2.35 million for the 2022 financial year, which will be retained to fund future infrastructure investments following advice from Government.

In addition to the dividend payment, other accruals paid to the State Government included:

- a National Taxation Equivalent Return (NTER) payment equivalent of \$1.17 million; and
- \$0.65 million being the equivalent of local government rates.

Payment received from the State Government is an operating subsidy of \$0.7 million for the provision of rebates to eligible pensioners and seniors within our community.

The Net Accrual to State Government when taking into account the dividend and accruals paid, less the operating subsidy, is a payment of \$0.54 million.

Debt and borrowings

Our capital program in 2022-23 was self-funded and no additional borrowings were required.

Investing in assets

Capital expenditure for the year was \$3.29 million, invested across key projects and activities including:

- continuing pre-work studies, investigations and approval works for the Inland Borefield Transition (Plant 8) Project;
- upgrading bore and delivery pump sets to provide improved efficiency and pump capacity;
- commencing definition and design work for a new water storage tank and trunk main to help meet peak day demand in response to continued population growth in Busselton and Dunsborough;

- replacing approximately 590 metres of asbestos cement water mains, primarily in residential streets, and relining a bore that provides approximately 15 per cent of the total Busselton Water extraction; and
- refurbishing the Administration building to increase capacity and improve functionality.

Supply chain, contractor and consultant availability continued to impact the achievement of project milestones. Ongoing reassessment and reprioritisation to ensure effective business performance was undertaken.

Busselton Water's procurement policies award additional weighting to local contractors and suppliers in order to support the local economy wherever possible. Tenders awarded to local contractors in 2022-23 for the delivery of services included pipelines, electrical services, maintenance, variable speed drive installation and tank roof replacement.

Our key performance outcomes

Strategic priority / outcome	2022-23 Target	2022-23 Actual	Result
Leadership			
Residential water efficiency target kL/pp/year	109	104.9	On target
Energy efficiency monthly production (rolling year) kWh/kL	≤ 0.6	0.49	On target
Strategy and Planning			
SCI and SDP submitted to Minister	Meet Draft submitted 30 April 2023 26 April 2023 deadline		On target
Information and Knowledge			
DGov cyber security controls – minimum score of 1 achieved within all controls on schedule	1	1	On target
People			
WorkSafe	≥ Gold level	Platinum level	On target
Customer and Other Stakeholders			
Number of complaints per 1000 customers (rolling year average)	<10	1.35	On target
Process Management, Improvement and Innovation			
Business Excellence Index	5.25 by EOFY	5.25	On target
Results and Sustainable Performance			
Drinking water quality compliance with health standards	100%	100%	On target
Growth			
Timely provision of new infrastructure required for land development and growth opportunities	100%	100%	On target

All performance outcomes are on target for 2022-23.

Our financial results

Financial results (\$m)	2022-23 budgeted	2022-23 revised budget	2022-23 actual	Variance
Operating profit before income tax	1.12	0.97	4.79	3.82
Operating profit after income tax	0.57	0.45	3.62	3.17
Loan principal repaid	-	-	-	-
Capital expenditure	4.40	6.37	3.29	(3.08)
Net accruals to Government (\$'000s)				
Income tax equivalents (NTER)	557	520	1,174.62	654.62
Local Government rate equivalents	67	67	65.20	(1.80)
Dividends provided	437	-	-	-
Total accruals to Government	1,061	587	1,239.82	652.82
Less: Payments from Governments (Operating subsidies)	(688)	(700)	(700)	-
NET ACCRUALS TO GOVERNMENT	373	(113)	539.82	652.82
Financial performance measures (%)				
Return on fixed assets	1.00	0.44	3.27	2.83
Return on equity	1.08	0.44	3.22	2.78
Debt to equity ratio	-	-	-	-
Debt to total assets ratio	-	-	-	-

Management trends

Key performance Indicator	2018-19	2019-20	2020-21	2021-22	2022-23
Properties served (% per km of water mains)	40.7	41.4	41.8	42.0	42.2
Average annual residential water supplied (kl/Property)	265.0	261.0	257.5	263.9	262
Total number of water main breaks	30	25	27	18	22
Water main breaks (per 100 km of water main)	9.1	7.5	7.9	5.2	6.3
Total number of water quality complaints (per 1,000 properties)	1.1	1.8	1.2	1.0	0.90
Total number of water service complaints (per 1,000 properties)	0.5	0.3	0.1	0.1	0.07
Total number of account and billing complaints (per 1,000 properties)	0.4	0.5	0.3	0.2	0.42
Duration of unplanned water interruption (average minutes)	66.3	147.6	130.0	37.9	50.8
Incidence of unplanned water interruptions (average per 1,000 properties)	354.9	450.9	354.7	227.7	279.08
Economic real rate of return (% net water revenue/written down value of water assets)	3.5	1.5	6.4	6.6	5.9
Lost time injury frequency rate (LTI per million hours)	0.0	0.0	0.0	0.0	0.0
Lost time injury incidence rate (LTI per 100 workers)	0.0	0.0	0.0	0.0	0.0
% return on weighted balance of investments target AusBond Bank Bill (2.89%)	2.63	1.57	0.65	0.52	3.11

Properties served per kilometre of water main provides information on the spatial density of properties served. This year's outcome of 42.2 is consistent with the previous year's result and continues to be an indication of an ongoing increase in the density of development in the region.

Our average annual residential water supply was 262kL per property, marginally lower than in 2021-22 though still impacted by a dry summer period in 2022-23.

We experienced 22 mains breaks this year representing an increase of three from the previous year's total of 18. Mains breaks overall have been reducing due to our comprehensive mains replacement program, the introduction of variable speed drives and the increased knowledge and data collected from each break.

Water complaints continued to remain low overall. This can be attributed to our application of customer centric practices, our overall commitment to water quality and compliance with the Australian Drinking Water Guidelines. Water quality complaints, water service complaints and account billing complaints were respectively 0.9, 0.7 and 0.42 per 1,000 properties for the year.

The average duration of unplanned water interruptions increased slightly this year, to 50.8 minutes per outage (37.9 minutes in 2021-22). This continues to be a focus area with dedicated attention by field staff and field maintenance equipment to assist in these interruptions.

The rate of unplanned water interruptions also increased slightly during the year to 279.08 per 1,000 properties (from 227.7 in 2021-22).

The overall Economic Real Rate of return has exceeded budget expectations. This can be directly attributed to prudent financial policies, positive interest returns on investments, increased water sales and higher than anticipated developer contributions.

Both the lost time injury frequency rate (LTIFR) and lost time injury incidence rate (LTIIR) were maintained at zero for the entire year. Busselton Water's last lost time injury (LTI) was in July 2015. This sustained effort is attributed to an ongoing business-wide focus on workplace safety, health and wellbeing.

Busselton Water continues to assess its investment performance against the AusBond Bank Bill, achieving a performance of 3.11 per cent, which is slightly more than the target of 2.89 per cent.

Operating report

STRATEGIC PRIORITY:

Leadership

We are committed to developing and using leadership concepts, business processes and management systems to develop an organisational culture that is consistent with our values and to support our community and environment.

Leadership and governance

Governance

Busselton Water's Board Charter, which serves as our Governance Manual, describes how we discharge our functions, roles and responsibilities as defined in the *Water Corporations Act 1995*. It sets the framework to achieve best practice standards consistent with the Australian Institute of Company Directors' Guiding Principles of Good Governance and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

During 2022-23 we:

- refreshed our policy framework to ensure a clear line of sight between business objectives and policies;
- completed a review of all policies:
 - Leadership
 - Governance
 - Risk Management
 - Environmental Management
 - Fraud Control
 - Strategy and Planning
 - Information and Knowledge
 - Cyber Security
 - Records Management
 - People

- Health, Safety and Wellbeing
- Customers and Other Stakeholders
- Land Development
- Process Management, Improvement and Innovation
- Drinking Water Quality
- Asset Management
- Financial Management
- Results and Sustainable Performance
- Business Growth;
- developed a new Climate Change Policy; and
- ensured delivery of all obligations established in the Board Charter through effective management of our corporate calendar.

Audit program

A comprehensive audit program was completed, comprising:

- an annual external audit program undertaken by KPMG on behalf of the Office of the Auditor General in July and August 2023 for the 2022-23 financial year; and
- an internal audit undertaken by AMD in April 2023.

Risk management

Busselton Water maintains a robust risk management system, tailored to its needs, which conforms with AS/ NZS ISO 31000:2018 Principles and Guidelines, and the WA Government Risk Management Guidelines provided by RiskCover. It is consistently applied across all business activities to effectively identify, assess and control corporate and operational risks. The register of 103 risks is reviewed biannually through appropriate consultation. A full review of our corporate risk register was conducted in August 2022 and in February 2023.

We registered eight incidents this year ranging from graffiti vandalism to loss of water pressure to customers. A structured incident management system is in place to coordinate an emergency management response when a situation arises at any hour of the day or night.

A water quality mock event exercise, with participation from the Department of Health, was held in June 2023 with the objective of testing our emergency response plans against an act of sabotage.



During the year, two evacuation drills were carried out at the Administration building and two at the Plant 2 depot.

State Government protocols and internal procedures relating to the COVID-19 pandemic were maintained. Our teams can quickly invoke these, including working from home, to ensure business continuity for the production and supply of drinking water, should an outbreak occur.

The Water Quality Incident Response Plan, Risk Management Procedure and Risk Appetite Statement (which sets out the level of risk exposure we are willing to accept for headline risks in pursuit of our objectives) were revised during the reporting period.

We continued our representation at the Local Emergency Management Committee (LEMC) meetings, which are held biannually.

Society, community and environment

Water literacy

On World Water Day, 22 March 2023, we launched a new information and education campaign, *Water for Tomorrow*, to raise the water literacy of people in the Busselton region.

The campaign focuses on the six core themes of climate change; groundwater (a finite resource); the water supply system and how it works; saltwater intrusion; planning for growth and the cost of water. It aims to:

- improve awareness and understanding of climate change impacts in relation to water use, supply and efficiency;
- improve community awareness and understanding of the issues facing the water sector in the region;
- facilitate discussion and engagement about Busselton's water future by presenting positive, informative and fact-based content about all aspects of local water issues and water planning for the future;
- counter misinformation and misunderstandings about the drinking water network; and

- build awareness and understanding about infrastructure and other requirements.

Aboriginal business procurement

Busselton Water continues to look at ways to support the State's whole-of-government Aboriginal Procurement Policy. Seven contracts were issued to Aboriginal businesses during the year, though none were of a value over \$50,000. The contracts awarded were for cultural awareness training, including unconscious bias training, a cultural protocols workshop, a Welcome to Country information session and NAIDOC week activities.

Reconciliation Action Plan

Busselton Water remains committed to its Reconciliation Action Plan (RAP) as a means of ensuring greater understanding of the connection between water and the local Wadandi people.

Our 'Reflect' RAP, which commenced in 2020-21 in consultation with a local indigenous supplier, was finalised in June 2023 in preparation for submission to Reconciliation Australia for endorsement early in 2023-24. Local indigenous artist Cassandra Bynder created the artwork (pictured on page 6) for our RAP, which will also be used in other Busselton Water publications.



During the year, reconciliation and engagement activities included:

- A heritage walk through at Plant 8 as part of the pre-approvals process, which included a group of Traditional Owners and representatives from GHD, Brad Goode & Associates and Busselton Water.
- A cultural protocols workshop on 13 December 2022, attended by the RAP Working Group, which included information sessions about Welcome to Countries, Smoking Ceremonies and development of individual Acknowledgement of Country. Participants learnt what these ceremonies represent and why they are important.
- Unconscious bias training attended by all staff on 24 January 2023.
- A series of events and activities for staff during NAIDOC Week 2022 and National Reconciliation Week 2023 (read more on page 26).

NAIDOC Week

During NAIDOC Week 2022, from 3 to 10 July 2022, Busselton Water staff and our Board members came together for a special morning tea of homemade damper with jam and honey. IPS Indigenous Advisory & Engagement Lead Danie Zappa, and her mother Pat Clarke, facilitated the session with Pat delivering the Welcome to Country before the team explored the theme: Get Up! Stand Up! Show Up!

In other activities Busselton Water representatives attended the City of Busselton flag raising ceremony and community morning tea, and a group of six team members were hosted by Cassandra Bynder at her Polychrome exhibition at ArtGeo Gallery.



National Reconciliation Week

All staff and Board Members were invited to attend the Koomal Dreaming Aboriginal Food, Culture, Cave Didgeridoo Tour during National Reconciliation Week 2023, from 27 May to 3 June.

During the three-hour tour, the team was taken on a guided bushwalk to forage for seasonal native bush foods and medicines – discovering their cultural uses and learning about the six Noongar seasons and how they influence what is hunted and gathered.

The group then journeyed into Ngilgi Cave for storytelling and a unique didgeridoo experience. This was followed by a display of the art of traditional fire lighting and tool making before a feast of traditional foods around the campfire was enjoyed.



Water use efficiency

This year, the average water consumption per person was 104.79kL, down slightly on the previous year with the overall trend towards the 100kL per person per year target remaining positive.

Leakage remediation works and targeted mains replacement work continued during the year. We also improved response times, and outage duration for water service and mains breaks, resulting in reduced water losses.

Energy efficiency

Our strong focus on energy consumption efficiency was maintained during the year, with continued implementation of variable speed pumps and the ongoing assessment of asset condition to identify replacement priorities.

The prioritisation of our mains replacement program continues to prove beneficial in terms of energy efficiencies.

Our annual energy consumption for the year was 2,910,283kWh, compared with 3,517,397kWh in 2021-22. The reduction is attributed to a cooler year and asset efficiency improvements.

Electrical energy efficiencies of groundwater abstraction and treated water production were 0.48 kWh/kL and 0.49 kWh/kL respectively – both well below our annual target of 0.59kWh/kL.

A total of 127,662kWh (or 3.667 per cent) of this year's energy consumption was from renewable sources. Our Plant 2 solar scheme has now produced 752,327kWh since commissioning.



Environment and sustainability

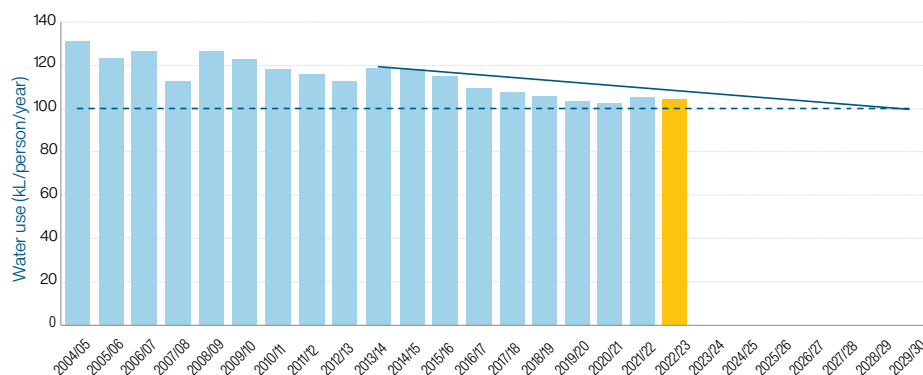
Our Environmental Management System (EMS) continued to provide the basis of our approach to achieving our Environmental Policy needs. Our alignment to international standard ISO 14001 affords us the confidence that appropriate actions and initiatives will be identified and prioritised. Our procedures also include crucial staff awareness training.

Our focus on managing the impacts of climate change to support the State Government's net zero greenhouse gas emissions reduction target of 80 per cent of the 2020 level by 2030 continued in 2022-23. Our strategies are informed by the WA Government's Western Australian Climate Projections and Western Australian Climate Policy, together with the draft Climate Change Risk Management Guide which we have used to identify key climate change risks and their potential impacts on our business continuity.

In addition, we:

- initiated a detailed assessment of solar energy and battery back-up initiatives for potential inclusion in future energy reduction efforts;
- installed solar panels at various production/pumping sites;
- established a contract for the supply of energy that includes the option of green power;
- consolidated our waste recovery and recycling program, in support of the WA Government's Waste Avoidance and Resource Recovery Strategy 2030;
- installed more efficient pumping systems;

**Reduction in residential water use to meet target
100kL/person/year**





- continued to focus on water use efficiency with our customers and with our management of assets; and
- remained focussed on managing the impacts of saltwater intrusion to our groundwater resources.

Supporting our local community

This year, our Community Partnership Program supported eight local programs in the areas of sport, disability services, community services and the environment. A total of 19 applications for funding were received, with the successful applicants awarded grants of between \$900 and \$4,600. This year's grant recipients were:

- **Disabled Surfers Association** – continuing our support for 'Let's Go Surfing' Days for the seventh consecutive year;
- **Busselton District Junior Football Club** – supporting the Starkick All Abilities Football Program;
- **West's Hockey Club** – becoming a premium sponsor for the 2023 season;
- **Geographe Bay Yacht Club** – enabling the purchase of equipment for the 'learn to sail' program;

- **Ray Village Aged Service** – supporting the installation of a sustainable garden and waterwise project for residents;
- **Geo Bay Wildlife Rescue Inc.** – enabling the purchase of soft release cages for Western Ringtail Possums;
- **Geographe Catchment Council Inc.** – supporting the installation of Bay OK Nature Verges; and
- **Be My Koorda Group** – supporting cultural activities for the Young Women's Group/Young Men's Group.



STRATEGIC PRIORITY:

Strategy and planning

We are committed to establishing systems to set strategic direction (where we have come from, where we are going and how we will get there) and deploying plans to achieve our strategies.

Strategic planning process

This year, as part of our annual strategic planning process, our Directors and Senior Executive Group participated in workshops designed to review and update our shareholder expectations, vision and purpose, strategic priorities, current performance, opportunities and challenges, core strategies and values.

As part of the strategic planning process, a workshop with all staff and Board members was undertaken to review our corporate values. 'Sustainability', was adopted as a new value, reflecting our continued commitment to the environment and climate change. 'Courage' was included under 'Integrity' and 'Health and Wellbeing' was renamed 'Safety and Wellbeing'.

Financial modelling and analysis were also completed before finalising our five-year Strategic Development Plan (SDP) and one-year Statement of Corporate Intent (SCI), upon which all inputs to the 2022-23 budget cycle were based.

Busselton Water's approved SCI was tabled in Parliament on 22 June 2023.



GTE reform

During the year, we continued to work with the Government Trading Enterprise (GTE) Governance and Oversight Unit within the Department of Treasury. In the lead up to Royal Assent of the new *Government Trading Enterprises Act 2023*, various in-person and Microsoft Teams meetings were held to ensure that Busselton Water was ready to transition on 1 July 2023.

Further requirements of the budget process and Treasury's Strategic Information Management System (SIMS) database were achieved and contributed to a smooth 2023-24 budget process.

Information and knowledge

Communications upgrades

Our operational technology (OT)/supervisory control and data acquisition (SCADA) communications network was upgraded as part of the renewal of our service-level agreement (SLA) with our carrier. Upgrades included new firewalls with 4G backup and fibre to the premises for the OT network.

Digital innovation

As part of our contribution to the delivery of the State Government's Digital Strategy for the Western Australian Government 2021-2025, during the year we further developed our digital maturity by:

- implementing a network and vulnerability scanning platform;
- rolling out multi-factor authentication;
- completing the roll-out of new firewalls for all sites with analytics available for threat detection and intrusion;



- completing the roll-out of new virtual private network (VPN) software for our Surface Pro device fleet to facilitate 100 per cent coverage for all staff to work from home, and to enable external supply chain vendors to access resources; and
- conducting cybersecurity training for all staff and Board members.

In November 2022, Busselton Water representatives attended a Public Sector Network Conference to help us better navigate our digital future and cybersecurity posture for the ever-increasing challenges of modern security architecture.

Cyber security

Improving our cyber security and physical security continued to be a priority throughout 2022-23.

Multi-factor authentication (MFA) was deployed across our networks for remote staff and for computer logins. The roll-out of a password management system was also commenced. This system will ensure that all passwords are stored in an encrypted format and secure access to all password information is provided through the inclusion of a master password. These additions have become increasingly important in this current climate of cyber breaches.

In 2022-23, Busselton Water continued participating in the TrapX pilot program. This is a cyber defence project created by the Australian Active Defence Alliance (ACDA), which comprises a group of companies including Telstra, Honeytrace and others.

Busselton Water is the first water organisation in Australia to take part in the pilot program, which is aimed at promoting and experimenting with active defence technologies. Active defence technologies are cyber techniques, including deception and honeypots, aimed at luring in potential cybercriminals and then allowing greater scrutiny of what they do with the information gained through illegal entry into an organisation's servers.

Participation in the program has allowed Busselton Water to become proactive and have a greater understanding of where criminals are now focussing their attention and the methods being deployed. The program will continue to run on Busselton Water networks in 2023-24.

STRATEGIC PRIORITY:**People**

We are committed to valuing our people and creating a great place to work; attracting the right people, developing their skills, engaging them and retaining them; establishing appropriate policies, systems, processes and tools that ensure people are engaged and make a meaningful contribution to organisational improvement, goals and successes.

Ensuring a great place to work*Health, safety and wellbeing*

Programs and activities undertaken during 2022-23 to protect and strengthen the health and wellbeing of our people included:

- maintaining rigorous occupational health, safety and wellbeing systems to sustain our high levels of workplace safety and WorkSafe Plan Platinum status;
- complimentary flu vaccinations for our team, with almost two-thirds (60 per cent) of employees taking part;
- providing complimentary skin checks for staff, with 100 per cent of employees participating in the annual program, and
- provision of additional training in the areas of load restraint, asbestos handling, vehicle and plant maintenance and job hazard analysis.



Support for those experiencing family violence

The Department of Communities 16 Days in WA campaign commences each year on 25 November (International Day for the Elimination of Violence Against Women) and runs through to 10 December (Human Rights Day).

In 2022, to raise awareness of the campaign all staff wore orange shirts and attended a morning tea with a representative from local support provider Tuart House who shared insights into family violence in the community. The Administration office was also a collection point for Christmas presents, donated by our staff and the local community which were then delivered to Tuart House.



Enterprise agreement

As previously reported, an Enterprise Agreement negotiation was completed in 2021-22.

The proposed 2022 agreement was put to the vote on 29 June 2022. As a result of the revision to the State Wages Policy this was amended to a two-year agreement with a three per cent wage adjustment per annum and a one-off \$3,000 payment.

The 2022 Agreement was endorsed by the Fair Work Commission on 1 August 2022.

Code of Conduct and Integrity

There were no reported breaches against the Code of Conduct and Integrity during the year.

The Code of Conduct and Integrity was monitored for compliance by the Senior Executive Group and Code of Conduct training was delivered to all staff and Board members.

Building organisational capability

Workplace training and development

Part of the annual performance appraisals held between employees and Line Managers includes

identification of any areas for improvement and the steps that can be taken to develop the required skills. It also identifies any training that may be needed for the employee's current role and what development may be required in the future.

Training and development is supported through external training and in-house training and mentoring.

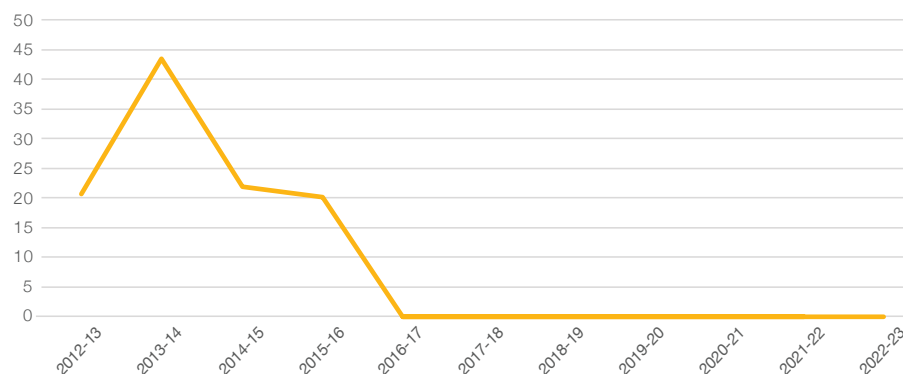
This year, 92 per cent of our training and development plan was delivered, enabling employees to build their competencies and skills.

Training undertaken during the year included:

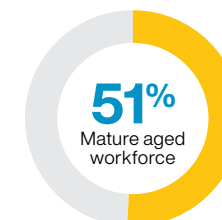
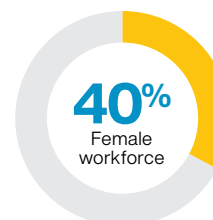
- finance matters, specifically fringe benefits tax (FBT), payroll and taxation;

- mental health first-aid for all Line Managers;
- unconscious bias;
- working at heights, in confined spaces and atmosphere gas testing;
- forklift and skid steer operation;
- pump operation;
- information technology, including cybersecurity;
- work health and safety (WHS) including first-aid, manual handling, removing non-friable asbestos, and load restraint; and
- industry awareness training at OzWater '23 and Vic Water.

Lost Time Injury (LTI) frequency rate



Workforce diversity





STRATEGIC PRIORITY:

Customers and other stakeholders

We are committed to analysing our customer and other stakeholder requirements, using this knowledge, and managing our relationships to deliver increasing value to customers and other stakeholders.

Meeting our customers' needs

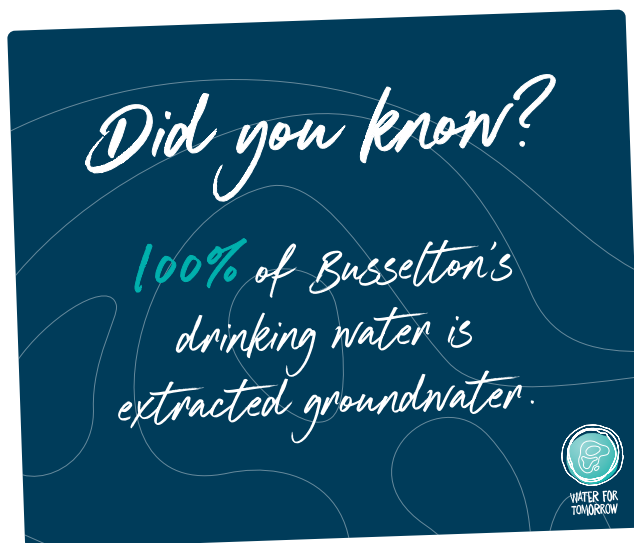
Social and digital

Our social and digital platforms continued to reach and update our community. In 2022-23:

- 130 posts were shared across our three owned channels – Facebook, LinkedIn and Instagram;
- our Facebook audience continued to grow, with page visits increasing by 83 per cent and content reaching over 32,000 people;
- our LinkedIn connections grew with 98 new followers, and the page was viewed 640 times and had 2,361 impressions;
- our Instagram page followers increased by 31 per cent;
- the Busselton Water website had an increase in visitor traffic, with more than 81,000 users visiting close to 92,000 times; and
- more than 9,700 SMS notifications were issued to customers, including those to advise of service outages and invoice reminders.

#WaterForTomorrow

We launched the *Water for Tomorrow* campaign during the year, aiming to raise the water literacy of people in the region – with easy-to-read fact sheets, blogs, infographics, video clips and school materials. There is also information available on the Busselton Water website and our social media channels.



E-billing campaign

An e-billing campaign was launched on 24 May 2023 to encourage customers to sign up to receive their bills electronically, with a \$5 cash incentive offered as an account credit. By 30 June, there was already a positive change as customers took up the offer through the campaign. This will have a positive impact on the environment, reducing not only the amount of paper used but also cutting the emissions and fossil fuels required to deliver bills via post.

Water use efficiency

Busselton Water Home Water Calculator continues to be a useful tool for customers interested in tracking and saving water in the home.

The dynamic tool guides householders through each area of their home and garden and calculates the household's daily water use. It also compares an individual household's water use to the average water use in households of a similar size – and, most importantly, offers a water use target.

Supporting those affected by family violence

Our commitment to raising awareness of domestic violence and providing support to local on-the-ground services continued in 2022-23. We were pleased to offer our Administration building as the community drop off point for the Tuart House Christmas Appeal, with the donations gratefully collected by the local support service for its clients.

To build awareness of the impacts of family and domestic violence, we also prepared community education content for our website and social media channels.

Supporting vulnerable customers

Busselton Water's Water Assist Program continued in 2022-23. Vulnerable customers do not always have the income or financial literacy to manage the payment of their water bills and avoid recovery actions. Similarly, they may not be aware how to seek support to stop high water consumption from continuing to occur. This program aims to close the gap for vulnerable customers by improving education, awareness and engagement through four key components:

- extended payment arrangements;
- the provision of water audits;
- plumber assist rebates; and
- water monitoring to provide valuable water consumption information.

In 2022-23, we provided payment extensions when requested through the MyBusseltonWater Portal and a further 222 negotiated payment arrangements.

Stronger networks

During the year, we continued to build and extend on our industry and stakeholder networks by:

- continuing our working relationships with other water providers, most notably the Water Corporation and Aqwest;
- engaging in quarterly meetings alongside key stakeholders such as the City of Busselton, Department of Treasury, and the Department of Water and Environmental Regulation;
- attending a number of the Busselton Chamber of Commerce networking events;
- participating in local and state committees, including the South West Water Industry Group, the quarterly Advisory Committee for the Purity of Water, the South West Infrastructure Group, the Southern Critical Infrastructure Security Collective, the Joint Interagency Working Party and others;
- participating in a number of forums hosted by the Water Services Association of Australia; and
- attending OzWater '23 and VicWater.

OzWater'23

Three staff and two Board members attended the highly-regarded water sector conference – Ozwater'23. Held in Sydney, the three-day conference and exhibition is the foremost water industry event in the country. Ozwater features a strong line-up of international and national keynote speakers, scientific and technical papers, case studies, workshops, panel sessions and poster presentations. Intel gathered by our representatives attending various sessions will help inform future planning for the business.





Engaging with our community

National Water Week

The theme for National Water Week 2022, running from 17 to 23 October 2022, was 'Our Water Stories'. To celebrate, Busselton Water launched a school art project in which local primary and secondary school students were encouraged to explore their own water stories through art over the course of a seven-week period.

Seven schools participated in the competition and 210 entries were received. The winning artworks from both the primary and secondary students have been used on the front covers of school exercise books which have been distributed to all the participating schools.

Busselton Water also ran a local and social media community 'Our Water Stories' campaign during National Water Week, inviting the local community to engage and share their own personal water stories and photos.

Customer survey

Launched on 1 March 2023, customers were invited to participate in a biennial survey about their experience with Busselton Water. Feedback is sought across a range of areas including water supply services, account payments, communication with our customers, and service interruptions. When the survey closed on 26 April 2023, a total of 362 surveys had been completed.



STRATEGIC PRIORITY:

Process management, improvement and innovation

We are committed to supplying value to our stakeholders through our processes and to encouraging innovation and improvement in our processes, therefore improving the quality of outputs.

Managing our water

Water quality

In 2022-23, we produced 5.96GL of drinking water.

Our commitment to achieving full compliance with health-related and non-health related water quality criteria in the Australian Drinking Water Guidelines (ADWG) is embedded in our operations and reflected in the exceptional water quality results achieved during the year:

Health related characteristics	% compliance with MoU
Escherichia coli	100
Naegleria	100
Chemical	100
Pesticides	100
Radiological	100

Our Memorandum of Understanding (MoU) with the Department of Health requires us to comply with the ADWG. Supporting the MoU is a Drinking Water Quality Management Plan, framed around ADWG requirements, which documents each stage of the water supply chain from source to customer. It details the hazard identification, incident response and critical control points and is a

comprehensive guide for the business on how to maintain and improve the safety of drinking water supply.

In accordance with MoU and ADWG requirements, we maintain rigorous processes to ensure the delivery of safe, high-quality drinking water to our customers. These processes include an extensive water sampling and analysis program which resulted in more than 10,000 water quality tests being taken throughout the year with approximately half being sent to NATA laboratory for analysis and reporting, with the remainder being analysed in-house.

Our Water Quality Committee met quarterly with the Department of Health to review water quality results and discuss any relevant matters. Busselton Water was also represented on the Advisory Committee for the Purity of Water. This is a non-statutory interdepartmental committee that operates under the chairmanship of the Department of Health. Amongst other functions, the Advisory Committee provides advice to the Ministers for Health and Water on protecting, monitoring and managing drinking water quality and fosters inter-agency co-operation on related matters.



There were 13 water quality complaints received during the year, relating to taste and discoloured water. This was one less than the previous year.

Operating licence

Busselton Water's water services licence (WL3 version 10) for the provision of potable water to the operating area defined in the licence remains current (expires 2046).

In Western Australia, the Environmental Regulation Authority administers the water licensing regime under the *Water Services Act 2012*. This involves issuing

licences and monitoring of licensees' compliance with conditions, ensuring they meet standards of water quality and ensuring appropriate customer service mechanisms are in place.

One of those conditions is the requirement for a Memorandum of Understanding (MoU) between Busselton Water and the Department of Health (which regulates drinking water quality in Western Australia). Our MoU remained current during the year.

Busselton Water met all of its water services licence conditions in 2022-23.

Capital works program

Water Production Upgrade Project

Busselton Water continued the pre-work studies, investigations and approvals for the construction of an additional bore and associated water treatment infrastructure at Plant 8. The project is designed to be operational by 2028-29, when the existing system is expected to no longer be able to meet demand. The project will be the first component of further inland borefield development and has an estimated capital cost of \$46.2 million.

Key stakeholder input and studies were carried out across various areas including Heritage, Environmental, Geotechnical, Fire and Risk.

Pump set upgrades, replacement and improved control

Work continued to improve the efficiency of our water pumping operations. Projects were completed during the year to replace units with more efficient models with improved control. Additional increased pumping capacity was added to our largest water treatment plant. As part of our asset management focus on optimising asset life and efficiency, improved flood protection to combat increasing future climate risks was also added.

Additional storage tank

Definition and design works commenced for a new water storage tank to provide additional water storage. The new tank will help meet peak day demand, particularly in the high-growth areas on the western side of Busselton.

Upgrade of Dunsborough trunk main

Definition and design works commenced on a section of the trunk main to provide increased flow to boost the Water Corporation's water supplies in Dunsborough.

Asbestos cement mains replacement

Each year, the number of leaks within the ageing asbestos mains in the system requiring reactive repairs grows. Sections of pipeline that have reached their nominated asset life are assessed and prioritised for replacement to ensure the integrity of our supply network.

This year, approximately 590 metres of asbestos cement water mains was replaced, primarily in residential streets.

Bore 16 relining

The Bore 16 relining project was completed during the year. This bore provides approximately 15 per cent of the total Busselton Water extraction and is one of two primary production bores at Plant 3.

Administration building refurbishment

The Administration building was refurbished to increase capacity and improve functionality, while also providing the facility with a general refresh. To ensure various needs were met, input from staff was sought and their suggestions incorporated into the refurbishment. Contractors and staff worked flexibly so that the works could be completed with limited disruption to members of the public and staff.

Capital Works Program	2022-23 Actual \$'000
Office Equipment / Information and Knowledge	191
Building, Land and Land Improvement	304
Plant and Machinery	1,569
Motor Vehicles	356
Meters	554
Mains and Services – New Developments	73
Mains and Services – Upgrade Existing	239
Total	3,286

Managing our assets

Asset maintenance

Busselton Water maintained, operated and managed nine bores, three water treatment plants, five storage tanks and 349 kilometres of distribution mains to supply high-quality water to our customers.

We extended our pipeline network by 3.7 kilometres this year and carried out maintenance and upgrades to our water treatment plants, ensuring our water treatment system was fully available and reliable.

To ensure our infrastructure is maintained in top condition we implemented annual programs including:

- acoustic and optical inspections of bores;
- corrosion inspections and cathodic protection of water tank assets;
- asbestos cement pipe replacements;
- leak detection on our underground pipe network;
- above-ground pipe condition assessments;
- valve condition assessments;
- plant condition assessments; and
- electrical assets condition assessments.

During the year, all three treatment plants operated normally.

The adverse impacts of COVID-19 on supply lead times for spares, consumables and project components are still being felt, but were managed effectively in conjunction with contractors, with no adverse customer impacts. Project alternatives and options were assessed on an as-needs basis.

Driving innovation

Mapping system improvements

Our online mapping system continued to provide up-to-date spatial infrastructure data for users on their electronic devices, which is particularly useful to the network team and for incident management.



During the year, improved functionality for our asset data and customer data was developed, incorporating new pipe installations, treatment plant pipes, updated meter information, the location of Department of Water and Environmental Regulation (DWER) registered contaminated sites, contour lines, DWER floodway and floodplain areas, and the latest aerial photography and cadastral information from Landgate. We also developed an offline distribution network map that can be used on devices when the internet is not available.

Our updated spatial infrastructure data is periodically submitted to Dial Before You Dig Australia for asset protection, and to our hydraulic consultants for system analysis.

Intelligent Water Network

In 2022-23, specialist hydraulic planning works continued to provide information to support better configuration and management of our water network and facilitate the scheduling of system changes (including new and upgraded mains and metering) to accommodate ongoing growth in demand and enable improved operational monitoring.

Improvements were also made to our control computer software to improve functionality and data to aid operational decisions.



STRATEGIC PRIORITY:

Results and sustainable performance

We are committed to achieving excellent results and using effective methods to monitor and demonstrate performance, and review and improve performance.

Reporting requirements

Busselton Water delivered on all reporting framework requirements in 2022-23.

We provided quarterly and annual reports to the Minister for Water detailing performance and progress towards the commitments set out in our Statement of Corporate Intent. Monthly management reports informed the Senior Executive Group on performance and progress towards our objectives, with this information also used by the Managing Director in reports to the Board of Directors.

Our 2021-22 Annual Report was tabled in Parliament on 18 April 2023. Our 2022-23 Statement of Corporate Intent was tabled in Parliament on 14 June 2023. We also submitted our annual report on our compliance with performance standards set out in our operating licence to the Economic Regulation Authority.

The Key Business Results section of this report provides results for our Financial Performance, Business Performance and Management Trends in 2022-23. The results show targets were met at a consistently high level, with no significant variances.

Measuring and communicating organisational results

Our performance against our key measures was reviewed monthly at the business, Executive and Board levels, with appropriate improvement decisions occurring at all three levels. Key performance indicators address our strategic priorities, key supporting processes and measures required by regulation.

Achieving sustainable performance

Our asset capability continued to be regularly reviewed, and our operating and capital expenditure forecasts became major inputs to financial modelling. An estimated value has been prepared for each element of income and expenditure over five, 10 and 20-year periods.

Scenario analysis was undertaken to assess the impacts on customer tariffs, income, expenditure, balance sheet (including reserves) and return on investment. The results were reviewed by the Executive and Board, after which a single scenario was selected for adoption in next year's Strategic Development Plan and Statement of Corporate Intent.



Strategic Asset Plan

Our Strategic Asset Plan was updated and submitted to the Department of Treasury. Input was sourced from all relevant internal corporate planning documents, which were rigorously reviewed. A highlight of the capital works program is the continuing development of a new inland borefield and associated water treatment infrastructure at Plant 8. This is our most significant capital project and critical to ensuring our ability to respond sustainably to the water production growth needs of the Busselton water scheme.



STRATEGIC PRIORITY:

Growth

We are committed to growing our business by expanding and diversifying our existing water services.

System growth and water demand from high visitor numbers reduced slightly in 2022-23 from the previous year, helped by the milder summer weather. Medium-term growth remains strong.

More broadly, residential growth trends for the Busselton region continued, with the residential population now more than 40,000 people and long-term forecasts predicting the Busselton population will reach up to 70,000 people by 2050.

The highest areas of new subdivision development were Vasse, Geographe and Yalyalup. Busselton Water continues to work with the City of Busselton and planning agencies to ensure the water network can meet the needs of new developments.

This population growth, coupled with continued business growth of more than seven per cent over the past five years, has seen demand for water services grow.

We connected 211 new customer properties to our network this year (226 in 2021-22) and supplied 5.96GL of water (5.97GL in 2021-22).

We also continued our long-term agreement with the Water Corporation to augment the Dunsborough water supply scheme, resulting in 388,659kL of water being exported to the area, an increase of 15.8 per cent (or 53,000kL) from last year.

During 2022-23, Busselton Water also identified and evaluated a number of business development opportunities aimed at expanding and diversifying our existing water services. None of these opportunities were selected for commercial development.



Corporate governance report

CORPORATE GOVERNANCE

Busselton Water's strong corporate governance framework ensures all of the requirements contained within the *Water Corporations Act 1995* are addressed in our Board Charter. Our annual review of policies, procedures, controls, and risk management processes also makes certain that we deliver on the commitments set out within it.

Our corporate governance framework is outlined below.

Board of Directors

Busselton Water is required to have a Board that comprises six or seven persons appointed by the Governor on the Minister for Water's nomination.

In the case of nomination for appointment to the Board, the nominee must ordinarily reside within Busselton Water's operating area, so far as is necessary for the majority of directors to be locally-based at the time of the appointment.

Directors are appointed for a term of three years and are eligible for reappointment. The terms of appointment are staggered so that one-third of the Directors retire

each year, which ensures continuity of knowledge and experience on the Board.

The Governor, on the Minister's nomination, appoints a director of Busselton Water to be Chairperson and another to be Deputy Chairperson of the Board.

Changes to the Board

Christine Kershaw was appointed Deputy Chair on 26 July 2022, for a term expiring on 31 May 2026.

Lorraine Watts was appointed as a member on 26 July 2022, for a term expiring on 31 May 2026.

Accountability and independence

As prescribed in Schedule 2 of the *Water Corporations Act 1995*, Directors have a duty to act honestly, exercise reasonable care and diligence, not make improper use of information or position, act with loyalty and in good faith, and disclose all material personal interest in matters involving Busselton Water which are raised in Board meetings.

The Board has authority, subject to the *Water Corporations Act 1995*, to perform the functions, determine the policies and control the affairs of Busselton Water.

Ministerial approval is required for transactions that are above a prescribed amount, amount to a major initiative or are likely to be of significant public interest.

Ethical standards

The Board Charter describes how the Board discharges its functions, roles and responsibilities as defined in the *Water Corporations Act 1995*.

The Board has adopted the Code of Conduct for directors produced by the Australian Institute of Company Directors, and Busselton Water's Code of Conduct and Integrity.

Busselton Water's Code of Conduct and Integrity is reviewed annually. Staff training sessions are held thereafter. A report on the observance of the Code of Conduct and Integrity is provided to the Minister for Water annually, with a copy of the report provided to the Public Sector Commission.

Conflicts of interest

The Board Charter and Busselton Water Code of Conduct and Integrity set specific standards in relation to conflicts of interest. Conflicts may be perceived, potential or actual.

Procedures are in place to identify, declare and manage conflicts of interest where private or personal interests conflict with Busselton Water duties.

Related party disclosures

The Board Charter and Busselton Water Code of Conduct and Integrity require key management personnel (Board Directors and Senior Executives) to provide details of any controlled (or jointly controlled) entities, and details of any transactions, to the best of their knowledge, between themselves or related parties.

The objective is to ensure that Busselton Water's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and financial performance may have been affected by related party disclosures.

Board performance

The Board and Audit Committee undertake annual performance evaluations of the Board, Audit Committee and individual members to assess performance against the requirements of the Board and Audit Committee Charters, the *Water Corporations Act 1995* and any relevant achievement goals.

An external review of the Board's performance was completed this year by Alison Gaines. Outcomes of this report will be incorporated into the Director Development Program, including training opportunities.

Governance framework

The Board is responsible for corporate governance and approves Busselton Water's Strategic Development Plan (SDP), Statement of Corporate Intent (SCI), Strategic Asset Plan (SAP), budgets and policies. It ensures legal compliance and risk management are effectively managed.

Each year the Board, in consultation with the Senior Executive Group, develops the SCI to provide direction for the coming 12-month period (the SCI is available to the public). The five-year SDP is updated each year to provide longer term direction. Both plans for the reporting period were presented to the Minister for Water.

The Board also prepares a SAP that identifies the top priority investment proposals and their strategic justification.

At its monthly meetings, the Board monitors financial and operational performance through comprehensive

reporting. They consider progress towards our vision in each of the strategic priority areas – Leadership; Strategy and Planning; Information and Knowledge; People; Customers and Other Stakeholders; Process Management, Improvement and Innovation; Results and Sustainable Performance; and Growth.

Internal control

The Board, through the Audit Committee, has oversight of the financial reporting process, the system of internal controls, and the internal and external audit processes.

Busselton Water's internal control structure includes clear lines of accountability and delegation of authority. The Senior Executive Group has responsibility for maintaining internal controls in the delivery of Busselton Water's strategic objectives.

Strategic plans are monitored monthly to ensure the risk of not achieving organisational objectives is identified and appropriately managed and mitigated.

Audit Committee

The Audit Committee was chaired by Christine Kershaw and included Gae Synnott and Jane Sparkes.

Each member has considerable corporate and financial experience and the skills to undertake the Committee's responsibilities.

The Committee oversees the internal audit function and liaises with the external auditor.

The Audit Committee scope includes all audit-related activities within the business. The Committee assists the Board in adding value and improving the organisation's operations. It helps Busselton Water accomplish its objectives by bringing a planned, systematic and disciplined approach to evaluate and improve the effectiveness of financial and other business processes and controls.

The Audit Committee invites input and attendance from the Managing Director, Chief Finance Officer and Senior Executive Group members. External attendees during the year included internal auditors.

Teleconference meetings are held with the audit staff of the Office of the Auditor General, Board Chair, Audit Committee, Managing Director and the General Manager Corporate and Finance.

Internal audit and review

The Audit Committee, in discussion with the Senior Executive Group, sets the scope of the internal audit program for a rolling three-year period. The quality of our internal controls and audits is improved by referencing ad-hoc audit reports from the Office of the Auditor General.

Internal audits are outsourced within a three-year agreement and conducted annually. Internal audit findings are actioned and closed under the direction of the Audit Committee.

External auditors

The *Water Corporations Act 1995* requires Busselton Water's financial reports for each financial year to be audited by the Office of the Auditor General. Any audit findings are actioned and closed out under the direction of the Audit Committee.

Managing financial exposures

The Board meets on a regular basis to analyse financial risk exposure and to evaluate Treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist Busselton Water in meeting its financial targets, while minimising potential adverse effects on financial performance.

Busselton Water operates under policies and a delegation approved by the Board. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

Ministerial directions

Under Section 64(1) of the *Water Corporations Act 1995*, the Minister for Water may give directions in writing to Busselton Water generally with respect to the performance of its functions and, subject to Section 65, Busselton Water is to give effect to any such direction.

During the year, no directions were received from the Minister for Water.

State Records Act 2000

In accordance with Section 61 of the *State Records Act 2000* and the State Records Commission's Standard (Standard 2 – Principle 6), Busselton Water has an approved Record Keeping Plan. In accordance with Section 28(5) of the Act, the Plan was submitted to the Minister

and approved in October 2019. It describes how records are created, maintained, managed and disposed of in accordance with Standards and Principles.

Record keeping training is provided for new employees that includes familiarisation with the document management policy and procedures.

Busselton Water continues to work with Information Proficiency, our record keeping partner, on creating statistical information that can be used for monthly reporting.

Public interest disclosure statement

The *Public Interest Disclosures Act 2003* facilitates the disclosure of public interest information and provides protection for those making such disclosures and those who are the subject of disclosures.

Busselton Water has appointed a Public Interest Disclosure Officer and has internal procedures to support disclosures.

There were no public interest disclosures during the reporting period.

Freedom of Information

In accordance with section 96 of the *Freedom of Information Act 1992*, Busselton Water has published a Freedom of Information statement. The statement can be found at www.busseltonwater.wa.gov.au. Its purpose is to provide members of the public with information about how to access documents we may hold.

During the year, no requests for information were made.

Reportable expenditure

In accordance with section 175ZE of the *Electorate Act 1907*, Busselton Water incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

Total expenditure in 2022-23 was \$44,115. Expenditure was incurred in the following areas:

Expenditure	Amount paid (\$, ex GST)
Media advertising organisations	
Marketforce Productions	26,611
Direct mail organisations	
Zipform	17,504

DIRECTORS' REPORT

The Directors of Busselton Water present their report for the 12-month period ending 30 June 2023.

Directors

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

Dr Robyn Paice (Chair)

Director since: September 2018

Chair since: June 2022

Christine Kershaw

Director since: September 2017

Deputy Chair since: July 2022

Dr Gae Synnott

Director since: September 2018

Christopher Elliott

Director since: September 2018

Robin Belford

Director since: June 2022

Jane Sparkes

Director since: June 2022

Lorraine Watts

Director since: July 2022

Please also see details of the Directors' qualifications and experience on pages 15 and 16.

Directors' meetings

Attendance by Directors at meetings held during the financial year ended 30 June 2023 is set out in the following table:

Director	Board		Audit Committee	
	Eligible to attend	Attended	Eligible to attend	Attended
Dr Robyn Paice	11	11		
Christine Kershaw	11	10	2	2
Dr Gae Synnott	11	11	2	2
Christopher Elliott	11	10		
Robin Belford	11	9		
Jane Sparkes	11	11	2	2
Lorraine Watts	10	10		

Board meetings are held monthly, excluding December. The Audit Committee meets three times per year.

Senior Executive

The Senior Executives of Busselton Water at the date of this report were:

Three highest paid employees	Title	Year ended 30 June 2023	Year ended 30 June 2022
Christopher Elliott	Managing Director	✓	✓
Murray Johnsen	General Manager Operations	✓	
Tracie Bishop	General Manager Corporate and Finance	✓	✓

Principal activities

Busselton Water was established as a Corporation in November 2013 under the provisions of the *Water Corporations Act 1995*. The organisation's principal activity is to acquire, store, treat, distribute and supply drinking water to the Busselton area. In addition, we undertake, maintain and operate any works, system, facilities, apparatus or equipment required for these purposes. These services are provided under this Act and subsidiary legislation which control the water industry.

There has been no significant change in the nature of our activities during the reporting period.

Operating results

During the year, Busselton Water supplied 5.96GL of drinking water.

Busselton Water made a profit before tax of \$4.79 million in 2022-23, (2021-22: \$3.88 million) and an after-tax profit of \$3.62 million (2021-22: \$2.89 million).

Dividends

Dividends paid by Busselton Water since the end of the previous financial year were:

Date of	Amount \$m	Date of payment
Final 2021-22	2.348	Retained*

* After 30 June 2022, the Directors proposed a final dividend payment of \$2.348 million for the 2022 year, which was retained to fund future infrastructure investments following advice from Government.

Dividends declared after end of year

Following direction received from the Minister for Water, no dividend will be payable for the 2021-22 financial year. Instead, 85 per cent of net profit after tax (\$2.348 million) will be retained to fund future infrastructure investments.

Review of operations

Busselton Water operates within a regulatory framework comprising the Economic Regulation Authority, Department of Water and Environmental Regulation, Department of Health, and Department of Treasury.

The Busselton Water Statement of Corporate Intent (SCI) provides clear direction through objectives and performance targets. Busselton Water performed well against all targets set out in the SCI 2022-23.

Remuneration report

Directors' remuneration

The Minister for Water determines the remuneration of the Board of Directors.

Total remuneration band	Number of Directors		Short-term remuneration		Post-employment superannuation		Other-long term benefits		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
\$			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
0-10,000	-	2	-	2	-	-	-	-	-	2
10,001-20,000	5	5	62	66	6	1	-	-	68	67
20,001-30,000	1	1	25	23	3	2	-	-	28	25

Executive remuneration

The compensation packages for 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 package for the Managing Director also includes a variable component which is subject to performance assessed against the Managing Director Performance Agreement Framework adopted by the Board.

Compensation for executives is reviewed annually and adjustments in 2022-23 were consistent with the State Government Wages Policy.

In accordance with S13 (3) of the *Water Corporations Act 1995*, the Board obtains concurrence of the Minister for Water before setting or altering compensation for the Managing Director. Compensation for the Managing Director and Senior Executives is benchmarked against local industry standards and is set to attract and retain the talent and experience required to deliver strategic objectives. The number of employees whose total remuneration falls within the following bands is:

Total remuneration band	No. of Staff ¹		Short-term remuneration ²		Variable remuneration ³		Post-employment superannuation		Other-long term benefits ⁴		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
\$			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
0-50,000	-	-	-	-	-	-	-	-	-	-	-	-
50,001-100,000	-	-	-	-	-	-	-	-	-	-	-	-
150,001-200,000	1	1	153	144	-	-	16	14	12	-	181	158
200,001-250,000	1	1	187	181	-	-	20	23	-	16	207	220
250,001+	1	1	286	280	27	26	32	28	4	2	349	336

1. Where there is more than one employee in a remuneration band, the average remuneration is shown.

2. Includes base remuneration and non-monetary benefits.

3. Variable remuneration reported and paid in 2022-23 relates to the 2021-22 financial year.

4. Other long-term benefits e.g. movement in accrued leave provision.

Environmental performance

Busselton Water operates within Commonwealth and State environmental laws including the *Environment Protection and Biodiversity Conservation Act (Cth) 1999* and the *Environmental Protection Act 1986 (WA)*.

Under the Environmental Protection Act, we are registered to discharge backwash water to the environment. Should an unplanned discharge with potential to harm the environment occur, our incident management process ensures a fast and effective response to these and other incidents.

Environmental performance is underpinned by our Environment Policy which enables systematic identification of environmental risks and development of environmental improvement plans to reduce risks and ensure our activities are sustainable.

State of affairs

There were no significant changes in the state of affairs during the year ended 30 June 2023 not otherwise disclosed in this report, or the financial statements.

Events subsequent to balance date

Since the end of the financial year ending 30 June 2023 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 Busselton Water's operations, the results of those operations or Busselton Water's state of affairs in subsequent financial periods.

Directors' interest and benefits

In the 12 months to 30 June 2023, no Director received, or became 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 Busselton Water with the Director, or with a firm, of which the Director is a member, or with an entity in which the Director has a substantial interest.

Indemnification of Directors and auditors

In the 12 months ending 30 June 2023, Busselton Water has not indemnified against a liability, a person who is, or has been, a Director or auditor of Busselton Water. During the period ended 30 June 2023, Busselton Water paid insurance premiums in respect of Director's and Officer's liability insurance for any past, present or future, Director, Board/Committee member, Executive Officer or employee of Busselton Water.

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

Dr Robyn Paice
Chair

Christine Kershaw
Director

Busselton, 13 November 2023



FINANCIAL REPORT

for the year ended 30 June 2023

SSK6 01025

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Directors' Declaration

In the opinion of the Directors of Busselton Water Corporation:

- (a) the financial statements and notes are in accordance with the *Government Trading Enterprises Act 2023*, including section 176 and the Government Trading Enterprises Regulations 2023; and
 - (i) giving a true and fair view of the Corporation's financial position as at 30 June 2023 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) there are reasonable grounds to believe that Busselton Water will be able to pay its debts as and when they become due and payable.

The Directors have been given the declaration by the Chief Executive Officer and General Manager Corporate and Finance for the reporting year ended 30 June 2023.

Signed in accordance with a resolution of the Directors:

Robyn Paice
Chair, Busselton Water Corporation

Christine Kershaw
Member, Busselton Water Corporation



Date: 13 November 2023

Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

Busselton Water Corporation

To the Parliament of Western Australia

Opinion

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

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- notes to the financial report, including a summary of significant 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*, including section 176 and the *Government Trading Enterprises Regulations 2023*, and:

- gives a true and fair view of the financial position as at 30 June 2023 and of its performance for the year then ended
- in accordance with Australian Accounting Standards and the Corporations Regulations 2001.

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 2022, 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.

Page 1 of 3

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

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

Responsibilities of the directors for the financial report

The directors of the Corporation are responsible for:

- keeping proper records
- preparation of the financial report in accordance with the *Government Trading Enterprises Act 2023*, including section 176 and the *Government Trading Enterprises Regulations 2023* that gives a true and fair view in accordance with Australian Accounting Standards and Corporations Regulations 2001
- 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.au/auditors_responsibilities/ar4.pdf.

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Corporation for the year ended 30 June 2023 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
16 November 2023

Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
EXPENSES			
Expenses			
Employee benefit expenses	2.1.1	1,539,381	1,372,448
Cost of sales	2.2	4,278,506	4,386,741
Depreciation and amortisation expenses	4.1.1, 4.2.1, 4.3	2,128,168	2,792,096
Finance costs	6.1	2,140	15,932
Administration expenses	2.3.1	934,248	886,879
Other expenses	2.3.2	1,548,615	1,212,357
Loss on disposal of non-current assets	2.3.3	85,118	88,030
Total cost of services		10,516,176	10,754,483
INCOME			
Revenue			
Water sales revenue	3.1	11,716,982	11,389,576
Grants and contributions	3.2	700,000	761,000
Developer contributions - headworks	3.3	1,846,324	1,997,343
Developer contributions - mains	3.3	267,269	181,320
Interest revenue	3.4	547,624	53,599
Other revenue	3.5	232,649	253,417
		15,310,848	14,636,255
Profit before income tax		4,794,672	3,881,772
Income tax equivalent expense	8.6.1	(1,174,622)	(987,330)
Profit after income tax		3,620,050	2,894,442
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.5.3	8,002,739	2,401,117
Income tax expense on items of other comprehensive income	8.6.1	(2,000,685)	(600,279)
Total other comprehensive income		6,002,054	1,800,838
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		9,622,104	4,695,280



The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$	2022 *Restated \$
ASSETS			
Current Assets			
Cash & Cash Equivalents	6.2	2,267,263	2,309,397
Other Financial Assets (Restricted) *	6.3	4,549,816	2,201,483
Other Financial Assets	6.3	10,798,517	10,500,000
Trade and Other Receivables	5.1	4,223,683	4,185,598
Inventories	5.2	736,938	569,969
Other Current Assets	5.3	169,213	146,829
Current Tax Assets		-	120,665
Total Current Assets		22,745,430	20,033,941
Non-Current Assets			
Infrastructure Property, Plant and Equipment	4.1	110,393,182	101,193,637
Intangible Assets	4.2	171,289	209,405
Right-of-use Assets	4.3	91,794	123,138
Total Non-Current Assets		110,656,266	101,526,180
TOTAL ASSETS		133,401,695	121,560,121
LIABILITIES			
Current Liabilities			
Payables	5.4	956,522	849,718
Employee Related Provisions	2.1.2	914,035	753,384
Lease Liabilities	6.4	40,845	87,525
Other Current Liabilities	5.5	155,079	136,255
Total Current Liabilities		2,066,481	1,826,882
Non-Current Liabilities			
Employee Related Provisions	2.1.2	54,237	21,907
Deferred Tax Liabilities	8.6.2	18,670,931	16,719,708
Lease Liabilities	6.4	41,189	44,871
Total Non-Current Liabilities		18,766,357	16,786,486
TOTAL LIABILITIES		20,832,838	18,613,368
NET ASSETS		112,568,857	102,946,753
EQUITY			
General Reserve Fund	8.5.1	17,864,514	14,479,707
Asset Revaluation Reserve	8.5.3	59,804,737	53,802,683
Retained Earnings	8.5.4	34,899,606	34,664,363
TOTAL EQUITY		112,568,857	102,946,753

The Statement of Financial Position should be read in conjunction with the accompanying notes.

* Refer to Note 9 'Prior year restatement'



Statement of Changes in Equity

for the year ended 30 June 2023

	Notes	General reserve fund \$	Asset revaluation reserve \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2021		11,894,258	52,001,845	34,355,370	98,251,473
Profit/(loss) for the period		-	-	2,894,442	2,894,442
Other comprehensive income		-	1,800,838	-	1,800,838
Transfers to reserves	8.5.1	4,096,901	-	(4,096,901)	-
Transfers from reserves	8.5.1	(1,511,452)	-	1,511,452	-
		14,479,707	53,802,683	34,664,363	102,946,753
Transactions with owners, recorded directly in equity					
Dividends paid	8.5.2	-	-	-	-
Total transactions with owners		-	-	-	-
Balance at 30 June 2022		14,479,707	53,802,683	34,664,363	102,946,753
Balance as at 1 July 2022		14,479,707	53,802,683	34,664,363	102,946,753
Profit/(loss) for the period		-	-	3,620,050	3,620,050
Other comprehensive income		-	6,002,054	-	6,002,054
Transfers to reserves	8.5.1	5,574,001	-	(5,574,001)	-
Transfers from reserves	8.5.1	(2,189,194)	-	2,189,194	-
Total Comprehensive Income for the period		17,864,514	59,804,737	34,899,606	112,568,857
Transactions with owners, recorded directly in equity					
Dividends paid	8.5.2	-	-	-	-
Total transactions with owners		-	-	-	-
Balance at 30 June 2023		17,864,514	59,804,737	34,899,606	112,568,857



The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2023

	Notes	2023 \$	2022 *Restated \$
Cash flows from operating activities			
Receipts			
Receipts from rates and water sales		11,842,017	10,317,264
Interest received		410,147	30,339
Developers contributions		1,906,307	1,897,657
GST receipts on sales		32,380	37,029
GST receipts from taxation authority		622,325	492,227
Other receipts		242,579	260,515
		<u>15,055,754</u>	<u>13,035,031</u>
Payments			
Payment to suppliers and employees		(8,208,775)	(8,704,067)
Finance Costs		(2,140)	(15,931)
GST payments on purchases		(666,797)	(536,608)
		<u>6,178,042</u>	<u>3,778,425</u>
Net cash provided by operating activities			
Cash flows from investing activities			
Proceeds from the sale of non-current assets		173,772	33,318
Purchase of non-current assets		(3,286,134)	(1,827,193)
Transfer to/from Investments *		(2,646,850)	(2,160,918)
		<u>(5,759,212)</u>	<u>(3,954,792)</u>
Net cash used in investing activities *			
Cash flow from financing activities			
Repayment of borrowings		-	(240,040)
Lease principal repayments (right-of-use assets)		(90,412)	(127,000)
		<u>(90,412)</u>	<u>(367,040)</u>
Net cash provided by financing activities			
Cash flows from and to State Government			
Operating subsidy contributions		700,000	761,000
Income tax		(1,070,552)	(1,261,495)
		<u>(370,552)</u>	<u>(500,495)</u>
Net cash provided to State Government			
Net increase/(decrease) in cash and cash equivalents *		(42,133)	(1,043,902)
Cash and cash equivalents at the beginning of period *		2,309,397	3,353,299
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD *	6.2	<u>2,267,263</u>	<u>2,309,397</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

* Refer to Note 9 'Prior year restatement'



Notes to the Financial Statements

for the year ended 30 June 2023

1 Basis of preparation

Busselton Water Corporation (Busselton Water) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Agency is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities has been included in “Our Business” section which does not form the part of these financial statements.

These financial statements were authorised for issue by the Board of Directors of Busselton Water on 13th November 2023.

Statement of Compliance

Busselton Water is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with:

- *Government Trading Enterprises Act 2023*;
- Australian Accounting Standards (Simplified Disclosure Requirements); and
- Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Judgements and estimates

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

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that:

- (a) the amount of GST incurred by the Agency as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an expense item; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However 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.

Contributed Equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and will be credited directly to Contributed Equity.

Comparative Information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief for presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations.

2 Use of funding

Expenses incurred

This section provides additional information about how Busselton Water expenses are applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by Busselton Water in achieving its objectives and the relevant notes are:

	Notes
Employee benefits expenses	2.1.1
Employee related provisions	2.1.2
Cost of sales	2.2
Other expenditure	2.3
Administration expense	2.3.1
Other expenses	2.3.2
Loss on disposal of non-current assets	2.3.3

Notes to the Financial Statements

for the year ended 30 June 2023

2.1.1 Employee benefits expenses

	2023 \$	2022 \$
Employee benefits	1,354,056	1,197,344
Superannuation expenses	185,325	175,104
Net employee benefits	1,539,381	1,372,448

^(a) Employee benefits are employee expenses including all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, and termination payments. This figure does not include total salary expense as labour expenses to Busselton Water infrastructure are costed to Cost of Sales (Note 2.2).

^(b) Superannuation expenses comprises employer contributions paid to superannuation funds. Busselton Water does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. This figure does not include total superannuation expense as labour expensed to Busselton Water infrastructure are costed to Cost of Sales (Note 2.2).

2.1.2 Employee related provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

	2023 \$	2022 \$
Current		
<u>Employee benefits provisions</u>		
Annual leave ^(a)	233,729	198,384
Long service leave ^(b)	315,568	239,199
Sick leave ^(c)	320,594	275,012
	869,890	712,595
<u>Other provisions</u>		
Employment on-costs ^(d)	44,145	40,789
Total current employee related provisions	914,035	753,384

Non-current

	2023 \$	2022 \$
<u>Employee benefits provisions</u>		
Long service leave ^(b)	51,219	20,694
<u>Other Provisions</u>		
Employment on-costs ^(d)	3,018	1,213
Total non-current employee related provisions	54,237	21,907
Total employee related provisions	968,272	775,291
Number of employees at year end	37	33

^(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after 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.

^(b) Long service leave liabilities that have been classified as current as Busselton Water does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities as Busselton Water 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 Busselton Water 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 national government bonds with terms to maturity that match as closely as possible, the estimated future cash outflows.

^(c) Sick leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period.

^(d) The settlement of annual leave, long service leave and sick leave gives rise to the payment of employment on-costs including workers' compensation premiums and payroll tax. The provision is measured at the present value of future payments.

Employment on costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of Other Expenses, note 2.3.2. The related liability is included in Employment on-costs provision.

Notes to the Financial Statements

for the year ended 30 June 2023

Movements in other provisions

	2023 \$	2022 \$
<u>Employment on-cost provision</u>		
Carrying amount at start of period	42,002	67,248
Additional/(reversals of) provisions recognised	12,022	84,720
Payments/other sacrifices of economic benefits	(6,860)	(109,966)
Carrying amount at end of period	47,163	42,002

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating Busselton Water's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefit expense.

2.2 Cost of sales

	2023 \$	2022 \$
Pumping	568,314	577,204
Maintenance: General production plant	1,259,068	1,193,293
Mains and meters	1,122,448	1,462,478
Net vehicle running expenses	89,816	91,390
Net operations overhead	649,881	478,425
Net stock allocated	3,316	(25)
Meter reading costs	12,813	22,646
Water sampling & monitoring fees	572,850	561,330
	4,278,506	4,386,741

Cost of sales represents the costs incurred for water treatment, operation of bores, maintenance of mains and meters, water quality, and the related materials, labour and depreciation expenses related to these processes. Salary and superannuation expenses for water workers are expensed to the cost of sales.

2.3 Other expenditure

2.3.1 Administration expenses

	2023 \$	2022 \$
Office expenses	684,753	650,774
Stationery and printing	36,835	36,652
Bank charges	30,007	27,549
Audit fees	131,893	46,623
Legal expenses	31,997	90,945
Other administration expenses	18,763	23,746
Pandemic protection measures	-	10,590
	934,248	886,879

2.3.2 Other expenses

	2023 \$	2022 \$
Board members expenses	173,062	133,203
Other governance	152,233	118,894
Pensioner rate rebate ^(a)	715,204	690,751
Consulting fees	111,012	52,583
Private works	14,310	13,518
Payroll tax	84,503	77,789
Advertising / Recruitment	59,059	20,820
Increase in Leave Provisions	123,383	896
Other costs and staff expenses ^(b)	115,849	103,903
	1,548,615	1,212,357

^(a) Pensioner rebates are rebates and concessions provided to pensioners, seniors and various exempt bodies on annual service charges and water consumption charges.

^(b) Other costs and staff expenses include employee on-cost provision movements, staff insurances, training costs and other staff related expenses for the day-to-day running costs incurred in normal operations.

Other expenses are recognised as an expense in the reporting period in which they are incurred.

Notes to the Financial Statements

for the year ended 30 June 2023

2.3.3 Loss on disposal of non-current assets

	2023 \$	2022 \$
<u>Cost of disposal on non-current assets</u>		
Plant, equipment, motor vehicles & infrastructure	258,890	121,348
<u>Proceeds from disposal on non-current assets</u>		
Plant, equipment, motor vehicles & infrastructure	(173,772)	(33,318)
Net loss	85,118	88,030

Gains and losses on the disposal of non-current assets 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 (from the proceeds of sale).

3 Our funding sources

How we obtained our funding

This section provides additional information about how Busselton Water obtains its revenue and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by Busselton Water and the relevant notes are:

	Notes
Water sales revenue	3.1
Grants and contributions	3.2
Developer contributions	3.3
Interest income	3.4
Other revenue	3.5

3.1 Water sales revenue

	2023 \$	2022 \$
Water consumption	7,504,231	7,162,373
Connection fees	409,004	329,866
Standard supply charge	3,721,921	3,813,337
Meter reading charges	20,612	22,995
Other water sales	61,214	61,005
	11,716,982	11,389,576

Revenue is recognised and measured at the fair value of consideration received or receivable.

Revenue from water usage is based on water consumed by customers and other rates and charges are based on amounts levied and billed for the period, plus estimated unbilled water consumption and service charges at reporting date.

3.2 Grants and contributions

	2023 \$	2022 \$
Operating subsidy contributions	700,000	761,000
	700,000	761,000

Operating subsidies are received from State Government for revenue foregone from rebates and concessions to pensioners and seniors on supply and consumption charges. They are recognised in the period in which they are received.

3.3 Developer contributions

Developer contributions are recognised at fair value when Busselton Water obtains control over the assets comprising the contributions. Busselton Water receives capital contributions from external parties in the form of either cash or assets, which consists of;

	2023 \$	2022 \$
Headworks contributions - Cash	1,846,324	1,997,343
	1,846,324	1,997,343
Developer mains contributions - Cash	64,524	49,622
Developer mains contributions - Non-Cash	202,745	131,698
	267,269	181,320

3.4 Interest income

	2023 \$	2022 \$
Interest on water fund	55,251	2,687
Interest on reserves	492,373	50,912
	547,624	53,599

Interest income is recognised as interest accrues.

Notes to the Financial Statements

for the year ended 30 June 2023

3.5 Other revenue

	2023	2022
	\$	\$
Backflow prevention device testing fees	-	2,460
Private works and sundry income	14,062	12,427
Operating lease revenue	24,547	24,113
Meter reading	75,075	104,234
Penalties raised	16,885	16,128
Hydrant (application) hire	17,168	14,521
Geothermal recoups	17,756	15,724
Insurance recoveries	38,424	22,959
Sale of Scrap	6,156	7,262
Other receipts and services ^(a)	22,576	33,589
	<u>232,649</u>	<u>253,417</u>

^(a) Other receipts and services includes revenue from miscellaneous income, credit card fees and sale of scrap.

Other revenue is recognised and measured at the fair value of consideration received or receivable.

4 Key assets

This section includes information regarding the key assets Busselton Water utilises to gain economic benefits or provide service potential. This section sets out both the key accounting policies and financial information about the performance of these assets.

	Notes
Infrastructure, property, plant and equipment	4.1
Intangible assets	4.2
Right-of-use assets	4.3

Notes to the Financial Statements

for the year ended 30 June 2023

4.1 Infrastructure, property, plant and equipment

Reconciliations of the carrying amounts for each class of infrastructure, property, plant and equipment between the beginning and the end of the reporting period are set out below:

2023

	Gross carrying amount	Accumulated depreciation	Carrying amount at beginning of period	Additions	Transfers	Disposals/ write downs	Depreciation	Impairment losses	Revaluation increment/ (decrements)	Carrying amount at 30 June 2023	Gross carrying amount	Accumulated depreciation
Land at Fair Value	3,515,000	-	3,515,000	-	-	-	-	-	585,000	4,100,000	4,100,000	-
Freehold Land Improvements	664,500	-	664,500	-	-	-	(41,235)	-	-	623,265	664,500	41,235
Capital Works in Progress	917,437	-	917,437	662,480	(526,609)	-	-	-	-	1,053,308	1,053,308	-
Plant and Machinery	16,371,650	-	16,371,650	1,081,354	488,582	-	(631,718)	-	1,047,359	18,357,227	18,369,278	12,051
Buildings	3,202,800	-	3,202,800	355,918	23,502	-	(130,516)	-	-	3,451,704	3,582,220	130,516
Motor Vehicles	722,600	-	722,600	356,230	-	(160,592)	(60,637)	-	-	857,601	910,830	53,229
Mains and Services	73,978,000	-	73,978,000	361,064	-	-	(949,102)	-	6,479,938	79,869,900	79,869,900	-
Meters	1,601,400	-	1,601,400	552,259	-	(84,320)	(157,582)	-	(109,557)	1,802,200	1,802,200	-
Tools	35,150	-	35,150	-	-	-	(4,452)	-	-	30,698	35,150	4,452
Office equipment	185,100	-	185,100	107,519	-	(13,977)	(31,363)	-	-	247,279	276,219	28,940
Carrying amount at 30 June 2023	101,193,637	-	101,193,637	3,476,824	(14,525)	(258,889)	(2,006,604)	-	8,002,739	110,393,182	110,663,605	270,423

Non-cash developer contributed infrastructure assets

Non-cash developer contributed infrastructure assets are measured initially at cost based on the contractual value of the works transferred to Busselton Water. Subsequent to initial recognition these assets utilise the revaluation model for measurement.

Notes to the Financial Statements

for the year ended 30 June 2023

4.1 Infrastructure, property, plant and equipment (continued)

Initial Recognition

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land, buildings, infrastructure and all other property, plant and equipment. The assets are independently valued every 3 years. All asset classes were independently revalued by Australian Valuation Advisory as at 30 June 2023. The valuation amounts were recognised at 30 June 2023.

Land, buildings, infrastructure and all other items of property, plant and equipment are carried at fair value less accumulated depreciation on buildings, infrastructure and other items of property, plant and equipment. Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Significant assumptions and judgements

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

4.1.1 Depreciation and impairment

	2023 \$	2022 \$
Charge for the period		
Freehold land improvements	41,235	52,878
Plant and machinery	631,718	1,071,286
Buildings	130,516	148,421
Motor vehicles	60,637	74,020
Mains and services	949,102	971,242
Meters	157,582	255,048
Tools	4,452	2,485
Office equipment	31,363	28,829
Right-of-use assets	-	126,367
Total depreciation	2,006,604	2,730,576

As at 30 June 2023, there were no indications of impairment to infrastructure, property, plant and equipment (2022: Nil).

Finite useful lives

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line basis, at rates that allocate the asset's value over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful Life
Buildings	3 to 40 years
Freehold Land Improvements	2 to 30 years
Meters 20mm & 25mm	8 to 10 years
Meters 40mm and above	20 to 25 years
Mains and services	70 to 80 years
Motor vehicles	7 to 20 years
Office equipment	2 to 13 years
Plant and machinery	2 to 60 years
Tools	3 to 16 years
Land	Not depreciated

The estimated useful lives and depreciation method are reviewed at the end of each annual reporting period and adjustments made where appropriate. Land which is considered to have an indefinite life, are not depreciated.

Notes to the Financial Statements

for the year ended 30 June 2023

4.1 Impairment of assets

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As Busselton Water is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/ amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

4.2 Intangible assets

Computer software

Gross carrying amount
Accumulated amortisation

	2023 \$	2022 \$
Gross carrying amount	696,100	684,046
Accumulated amortisation	(524,810)	(474,641)
	<u>171,289</u>	<u>209,405</u>
Reconciliations:		
Carrying amount at start of period	209,404	263,356
Additions	12,055	7,570
Amortisation expense	(50,170)	(61,521)
Carrying amount at end of period	<u>171,289</u>	<u>209,405</u>

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below \$5,000 are immediately expensed directly to the Statement of Comprehensive Income.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

4.2.1 Amortisation and impairment

	2023 \$	2022 \$
Charge for the period		
Computer software	<u>50,170</u>	<u>61,521</u>

As at 30 June 2023 there were no indications of impairment to intangible assets.

Busselton Water held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by Busselton Water have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for intangible assets are 2 to 13 years.

Impairment of intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 4.1.

Notes to the Financial Statements

for the year ended 30 June 2023

4.3 Right-of-use assets

	2023 \$	2022 \$
Office equipment		
Gross carrying amount	202,409	369,644
Accumulated depreciation	(110,615)	(246,506)
	<u>91,794</u>	<u>123,138</u>
Reconciliations:		
Carrying amount at start of period	123,138	187,681
Additions	40,050	61,825
Depreciation expense	(71,394)	(126,368)
Carrying amount at end of period	<u>91,794</u>	<u>123,138</u>

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

This includes all leased assets other than investment property right-of-use assets, which are measured in accordance with AASB 140 'Investment Property.'

Busselton Water has elected not to recognise right-of-use assets and lease liabilities for short term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to Busselton Water at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.

The following amounts relating to leases have been recognised in the Statement of Comprehensive Income:

	2023 \$	2022 \$
Depreciation - office equipment	71,394	126,368
Interest lease expense	2,140	3,086

The total cash outflow for leases for the year ended 30 June 2023 was \$92,551 (2022: \$130,086)

Busselton Water has leases for information technology equipment.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.4.

5 Other assets and liabilities

This section sets out those assets and liabilities that arose from Busselton Water's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations.

	Notes
Trade and other receivables	5.1
Inventories	5.2
Other current assets	5.3
Payables	5.4
Other current liabilities	5.5

5.1 Trade and other receivables

Includes all amounts due to Busselton Water from operations.

	2023 \$	2022 \$
Rates/standard supply charge debtors	923,617	952,018
Water/consumption debtors	2,388,827	2,454,793
Deferred rates/charges ^(a)	2,193	2,392
Late payment penalty	14,844	12,093
Fire services	17,937	18,170
Settlement reading fees	3,163	4,451
Miscellaneous fees	21,898	15,928
Sundry debtors	64,350	60,552
GST (Net receivable from ATO)	83,564	71,471
Miscellaneous debtors	<u>703,290</u>	<u>593,730</u>
	<u>4,223,683</u>	<u>4,185,598</u>

^(a) Deferred rates are those rates that are owed by a property owner but legislation allows the owner to delay payments until the property is sold.

Notes to the Financial Statements

for the year ended 30 June 2023

5.1 Trade and other receivables (continued)

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment).

The collectability of trade receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (expected credit loss) is raised when there is objective evidence that Busselton Water will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

There were no indications of impairment to receivables.

5.2 Inventories

	2023 \$	2022 \$
Inventories held for distribution	736,938	569,969

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being valued on a weighted average cost basis.

5.3 Other current assets

	2023 \$	2022 \$
Prepayments	169,213	146,829

Prepayments represents payments in advance of receipt of goods or services or that part of the expenditure made in one accounting period covering a term extending beyond that period.

5.4 Payables

	2023 \$	2022 \$
Trade creditors	826,738	667,881
Current Tax Liability	5,565	-
Accrued salaries	83,237	71,040
Accrued expenses	40,982	110,797
	956,522	849,718

Trade creditors and accruals are recognised at the amounts payable when Busselton Water becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement is generally within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. Busselton Water considers the carrying amount of accrued salaries to be equivalent to its fair value.

5.5 Other current liabilities

	2023 \$	2022 \$
Monies in trust	43,853	34,782
Income in advance	111,226	101,473
	155,079	136,255

6 Financing

This section set out the material balances and disclosures associated with the financing and cashflow of Busselton Water.

	Notes
Finance costs	6.1
Cash and cash equivalents	6.2
Other financial assets	6.3
Lease liabilities	6.4
Commitments	6.5
Capital commitments	6.5.1

6.1 Finance costs

	2023 \$	2022 \$
Loan guarantee fee	-	5,470
Interest expense	-	7,376
Lease interest expense	2,140	3,086
	2,140	15,932

Finance costs include the interest component of lease liability repayments.

6.2 Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise 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 a known amount of cash and which are subject to insignificant risk of changes in value.

	2023 \$	2022 * Restated \$
Cash and cash equivalents	2,267,263	2,309,397
	2,267,263	2,309,397

* Refer to Note 9 'Prior year restatement'

Notes to the Financial Statements

for the year ended 30 June 2023

6.3 Other financial assets

	2023 \$	2022 * Restated \$
<u>Fixed Term Deposits Held to Maturity</u>		
Other financial assets (Restricted) *	4,549,816	2,201,483
Reserve investments	4,198,517	8,100,000
Water fund investments	6,600,000	2,400,000
	<u>15,348,333</u>	<u>12,701,483</u>

* Refer to Note 9 'Prior year restatement'

6.4 Lease liabilities

	2023 \$	2022 \$
Not later than one year	40,845	87,525
Later than one year and not later than five years	41,189	44,871
Later than five years	-	-
	<u>82,034</u>	<u>132,396</u>
Current	40,845	87,525
Non-current	41,189	44,871
	<u>82,034</u>	<u>132,396</u>

Initial measurement

Busselton Water measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, Busselton Water uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by Busselton Water as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options (where these are reasonably certain to be exercised);
- payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by Busselton Water if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by Busselton Water in profit or loss in the period in which the condition that triggers those payments occurs.

This section should be read in conjunction with note 4.3

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

6.5 Commitments

6.5.1 Capital commitments

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

	2023 \$	2022 \$
Within 1 year	1,344,542	622,867
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>1,344,542</u>	<u>622,867</u>

7 Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of Busselton Water.

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2
Contingent assets	7.2.1
Contingent liabilities	7.2.2

Notes to the Financial Statements

for the year ended 30 June 2023

7.1 Financial Instruments

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

	2023 \$	2022 \$
Financial assets		
Cash and Cash Equivalents	2,267,263	2,309,397
Receivables ^(a)	4,140,120	4,114,127
Reserve Fund Investments (Restricted)	4,549,816	2,201,483
Reserve Fund Investments (Unrestricted)	10,798,517	10,500,000
Total financial assets	21,755,716	19,125,007
Financial liabilities		
Payables	956,522	849,718
Other Financial Liabilities	195,924	223,782
Total financial liabilities	1,152,446	1,073,500

^(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed and, if quantifiable, are measured at the best estimate. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

Busselton Water has no contingent assets.

7.2.2 Contingent liabilities

Busselton Water has no contingent liabilities.

8 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related parties	8.3
Remuneration of auditors	8.4
Equity	8.5
Income tax	8.6

8.1 Events occurring after the end of the reporting period

No significant events have occurred after the reporting date which would have a material effect on the financial statements.

8.2 Key management personnel

Busselton Water has determined that key management personnel include the responsible Minister, board members, and senior officers of Busselton Water. However, Busselton Water is not obligated to compensate the responsible Minister and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of Busselton Water for the reporting period are presented within the following bands:

Compensation for board members

Compensation Band (\$)	2023	2022
0 - 10,000	-	2
10,001 - 20,000	5	5
20,001 - 30,000	1	1
	\$	\$
Total compensation of board members	99,963	97,134

Notes to the Financial Statements

for the year ended 30 June 2023

Compensation of senior officers

Compensation Band (\$)	2023	2022
300,001 - 350,000	1	1
250,001 - 300,000	-	-
200,001 - 250,000	1	1
150,001 - 200,000	1	1
	<u>3</u>	<u>3</u>
	2023	2022
	\$	\$
Short-term employee benefits	656,350	631,452
Post-employment benefits	67,772	65,272
Other long-term benefits	13,665	18,052
Termination payments	-	-
Total compensation of senior officers	<u>737,787</u>	<u>714,776</u>

Total compensation includes the superannuation expense incurred by Busselton Water in respect of senior officers.

8.3 Related parties

Busselton Water is a wholly owned and controlled entity of the State of Western Australia.

Related parties of Busselton Water include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly owned public sector entities); and
- associates and joint ventures of a wholly owned public sector entity.

Material transactions with related parties

Outside of normal citizen type transactions with Busselton Water, there are no other related party transactions that involve key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

Significant transactions with government related entities

Notes	2023	2022
	\$	\$
Income tax equivalents (NTER)	8.6.1 1,174,622	987,330
Dividends	8.5.2 -	-
Payroll tax	84,503	170,590
Operating subsidies	3.2 700,000	761,000
Loan repayments (WATC)	-	240,040
Insurance	127,076	93,963
Local government rates equivalent	65,199	63,965
Bulk water supply agreement - water sales	475,551	434,059
Bulk water supply agreement - infrastructure	811,094	767,979

8.4 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect to the audit for the current financial year is as follows:

	2023	2022
	\$	\$
Auditing the accounts, financial statements and controls	80,750	62,600
	<u>80,750</u>	<u>62,600</u>

8.5 Equity

The Government holds the equity interest in Busselton Water on behalf of the community. Equity represents the residual interest in the net assets of Busselton Water. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

8.5.1 General reserve fund

	2023	2022
	\$	\$
Balance at start of period	14,479,707	11,894,258
Less: Transfers to retained earnings	(2,189,194)	(1,511,452)
Add: Transfers from retained earnings	5,574,001	4,096,901
Balance at end of period	<u>17,864,514</u>	<u>14,479,707</u>

Notes to the Financial Statements

for the year ended 30 June 2023

8.5.2 Dividends

The following dividends were declared and paid by the Corporation for the year ended 30 June 2023.

	2023 \$	2022 \$
Final dividend payment for the prior year ^(a)	-	-

^(a) No dividend was paid for the year ended 30 June 2023 or the year ended 30 June 2022.

The amount was retained under direction from the Government, to be used for asset investment.

Dividends not recognised at year end

Dividends are recognised as a liability in the period in which they are declared. Busselton Water pays a dividend of 85% on operating profit after tax (less gifted assets income). Since year end no dividend has yet been declared to be paid.

Advice has subsequently been received from Government that the dividend for the 2022-23 year, normally paid in the December after year end, is to be retained by Busselton Water to be used for asset investment.

8.5.3 Asset revaluation reserve

	2023 \$	2022 \$
Balance at start of period	53,802,683	52,001,845
Gains from asset revaluation	8,002,739	2,401,117
Tax effect of revaluation increments	(2,000,685)	(600,279)
Balance at end of period	59,804,737	53,802,683

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 4.1 'Infrastructure, property plant and equipment'.

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation reserve.

8.5.4 Retained Earnings

	2023 \$	2022 \$
Balance at start of period	34,664,363	34,355,370
Result for the period	3,620,050	2,894,442
Transfers from general reserve fund	2,189,194	1,511,452
Transfers to general reserve fund	(5,574,001)	(4,096,901)
Dividends paid	-	-
Balance at end of period	34,899,606	34,664,363

8.6 Income Tax

8.6.1 Income tax equivalents

	2023 \$	2022 \$
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(a) Recognised in profit and loss

Current

Current income tax charge	1,224,083	1,121,606
Adjustments in respect of current income tax of previous years	(24,045)	-

Deferred income tax

Reduction in tax rate	-	-
Relating to origination and reversal of temporary differences	(25,416)	(134,276)

Total income tax expense	1,174,622	987,330
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(b) Amounts recognised in other comprehensive income

Deferred income tax

Fair value adjustments to property, plant and equipment	2,000,685	600,279
Total income tax expense	2,000,685	600,279

	2023 \$	2022 \$
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(c) Reconciliation of income tax expense to prima facie tax payable

Profit/(loss) before income tax equivalents	4,794,670	3,881,772
Tax at the statutory income tax rate of 25.0% (2022: 25.0%)	1,198,667	970,443
Under/(over) provisions in prior periods	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	(24,045)	16,887
Reduction in tax rate	-	-
Total income tax expense reported in Statement of Comprehensive Income	1,174,622	987,330

Busselton Water operates within the National Tax Equivalent Regime (NTER) whereby an equivalent amount in respect of income tax is payable to the Department of Treasury. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government.

As a consequence of participation in the NTER, Busselton Water is required to comply with AASB 112 'Income Taxes'.

Notes to the Financial Statements

for the year ended 30 June 2023

The income tax expense equivalent, or income for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

8.6.2 Deferred tax liability

2023

Deferred tax assets and liabilities are attributable to the following:

	Assets \$	Liabilities \$
Provisions - employee benefits	(242,068)	-
Accrued superannuation	(866)	-
Prepaid expenses	-	4,348
Revaluation of land, property, plant and equipment	-	18,877,328
Property, plant and equipment at cost	-	11,360
Lease liabilities	-	(20,508)
Interest receivable	-	41,337
Tax (assets)/liabilities	(242,934)	18,913,865
Set-off of tax	242,934	(242,934)
Net tax liabilities	-	18,670,931

2022

Deferred tax assets and liabilities are attributable to the following:

	Assets \$	Liabilities \$
Provisions - employee benefits	(193,823)	-
Accrued superannuation	-	-
Prepaid expenses	3,639	-
Revaluation of land, property, plant and equipment	-	16,898,303
Property, plant and equipment at cost	-	6,935
Lease liabilities	-	(2,314)
Interest receivable	-	6,968
Tax (assets)/liabilities	(190,184)	16,909,892
Set-off of tax	190,184	(190,184)
Net tax liabilities	-	16,719,708

Deferred tax assets and liabilities are recognised for temporary differences at the tax rate expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probably that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Movement in temporary differences during the year:

	Balance 1 July 2022 \$	Recognised in income \$	Recognised in equity \$	Balance 30 June 2023 \$
Provisions - employee benefits	(193,823)	(49,111)	-	(242,934)
Prepaid expenses	3,639	708	-	4,348
Infrastructure, Property Plant & Equipment	16,936,022	(48,019)	2,000,685	18,888,688
Lease liabilities	(33,099)	12,591	-	(20,508)
Interest receivable	6,968	34,369	-	41,337
Total movement	16,719,707	(49,462)	2,000,685	18,670,931

Notes to the Financial Statements

for the year ended 30 June 2023

9 Prior year restatement

During the year ended 30 June 2023, the following misstatements were identified relating to the prior financial year. The misstatements have been corrected by restating each of the affected financial statement line items for the prior year. The mistatement impacts Statement of Financial Position and the Statement of Cash Flows.

9.1

During the year it was identified that term deposits held for restricted use with maturities greater than three months in the prior year were incorrectly classified as Cash and Cash Equivalents (Restricted). Such deposits should have been classified as Other Financial Assets in the Statement of Financial Position.

The following table summarises the impacts on the financial statements:

30 June 2022

Statement of Financial Position	As previously reported \$	Adjustment \$	Restated \$
Current assets			
Cash and Cash Equivalents (Restricted)	2,201,483	(2,201,483)	-
Other Financial Assets (Restricted)	-	2,201,482	2,201,482

9.2

Cash and cash equivalents in the Statement of Cash Flows at 30 June 2022 was overstated due to the following:

- Other Financial Assets (Restricted) was classified as Cash and Cash Equivalents instead of being a cash flow from investing activities (see Note 9.1 for more details).
- Other Financial Asset was included in the closing Cash and Cash Equivalent balance instead of being a movement in the cash flow from investing activities.

The following table summarises the impacts on the financial statements:

30 June 2022

Statement of Cash Flows	As previously reported \$	Adjustment \$	Restated \$
Cash flows from investing activities			
Transfer (to) / from Investments	-	(2,160,918)	(2,160,918)
Net cash used in investing activities	(1,793,874)	(2,160,918)	(3,954,792)
Net increase / (decrease) in Cash and Cash Equivalents	1,117,016	(2,160,918)	(1,043,903)
Cash and Cash Equivalents at beginning of period	13,893,864	(10,540,565)	3,353,299
Cash and Cash Equivalents at end of the period	15,010,880	(12,701,483)	2,309,397

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1 Fairbairn Road
Busselton WA 6280
PO Box 57 Busselton WA 6280
+61 (8) 9781 0500
admin@busseltonwater.wa.gov.au
busseltonwater.wa.gov.au

  @Busselton Water