



Owned by the
people of WA

Annual Report 2025



BUSSELTON WATER

Annual Report 2025

This report is a review of our performance for the financial year ending 30 June 2025. 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.



To the Hon Don Punch MLA
Minister for Water

In accordance with Sections 63, 81, 83, 84 of the *Government Trading Enterprises Act 2023*, we hereby submit for your information and presentation to parliament, the Annual Report of Busselton Water Corporation for the year ended 30 June 2025.

A handwritten signature in blue ink that reads "Robyn Paice".

Dr Robyn Paice
Chair
Busselton Water Corporation

A handwritten signature in blue ink that reads "David Hughes-Owen".

David Hughes-Owen
Chief Executive Officer
Busselton Water Corporation



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Our year at a glance



Our water

6.8 billion litres
of groundwater extracted

6.7 billion litres
of drinking water supplied

109.4 kilolitres
per person, per year
residential water use

100%
water quality
health compliance



Our assets

3
water treatment plants

9
bores

5
storage tanks (1 new)

363.2 kilometres
of pipeline (11.7km new)



Our people

44
employees

530
hours of training



Our community

15,436
residential and
business customers

310
new customer
connections

39%
customers now
receive e-bills

16
new community
partnerships



Our contribution

\$22.82 million
revenue

\$12.05 million
capital investment
in new water infrastructure

\$9.80 million
profit before tax

\$1.72 million
returned to Government
by way of net accruals

From our Chair and CEO

We are delighted to present our Annual Report for the year ending 30 June 2025.

We are proud to report that Busselton Water continues to deliver excellent quality drinking water to our expanding customer base in one of the nation's fastest-growing regions. This year we achieved very positive results in both financial and operational performance, meeting regulatory obligations and exceeding industry benchmarks.

We have strengthened our operations by aligning with new legislative requirements and further building the capability of our senior management team. This ensures we can deliver our growing capital works program effectively while maintaining a strong focus on the safety and wellbeing of our people.

As a local water corporation, Busselton Water delivers water services safely, sustainably, commercially, and in collaboration with our customers and key stakeholders. We are guided by our vision to provide excellence and leadership in the provision of water services – underpinned by our values of respect, integrity, sustainability, excellence, and safety and wellbeing, which shape the way we do business every day.

Meeting the challenges of climate variability and a drying climate remains a key priority. We invested more than \$12 million in capital works to increase capacity, improve efficiency, and future-proof our network. Significant initiatives include the Busselton Water Supply Improvement project as well as the Caves Road pipeline upgrade and new water tank installation at Plant 4 which are both required to augment water supply to Dunsborough. At the same time, we are actively investigating long-term water resource management options to ensure the security of supply for generations to come.

As a vital resource for our region, we are committed to engaging with our community through initiatives such as our Community Partnership Grants and the Water for Tomorrow program, which aims to increase understanding of the challenges and opportunities for our future water supplies.

We would like to thank our Senior Executive Group and the entire Busselton Water team. This year's performance is a reflection of the talent, expertise and hard work of our exceptional team who continue to deliver the best possible outcomes for our customers and stakeholders.

We also want to recognise the valuable contributions of the Board. It's a privilege for both of us to work with a highly skilled and committed group of Directors who are united in their dedication to shaping the organisation's strategic direction and ensuring Busselton's water needs are met for generations to come.



Dr Robyn Paice
Chair

David Hughes-Owen
Chief Executive Officer

About us

Busselton Water is a local drinking 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.

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

As a Government Trading Enterprise, we operate under the *Government Trading Enterprises Act 2023 (WA)*, in conjunction with the *Water Corporations Act 1995*, and other relevant legislation which governs our operations.

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 currently comprises nine bores, three water treatment plants, five storage tanks, two booster pump stations, two standpipes and more than 350 kilometres of pipeline.

We service close to 15,500 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.

Our water supply

The majority (96 per cent) 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 (4 per cent) 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 vision

Excellence and leadership in the provision of all water services.



Our purpose

To deliver all water services safely, sustainably, commercially and in collaboration with our customers and key stakeholders.



Our values

Our values are very important to us and describe the way we do business. They guide our approach to decision-making and how we interact with others.

Respect

We value differences and allow others to express themselves to support growth in our organisation. We celebrate the uniqueness that each of us brings and embrace individuality.

Integrity

We communicate openly, honestly, and are transparent, to ensure we deliver on our promises. We are courageous and put aside our fears, no matter what the challenges.

Sustainability

We are socially conscious and aim to reduce our environmental impact. We utilise our resources with the greatest efficiency, ensuring water for the future.

Excellence

We use our skills and adaptability to strive for excellence in everything we do. We are one team, encourage collaboration and innovation, and celebrate achievements no matter what the size.

Safety and wellbeing

Safety and wellbeing are part of who we are and the way we work. We value our own safety and wellbeing, as well as that of others. Nothing is more important.

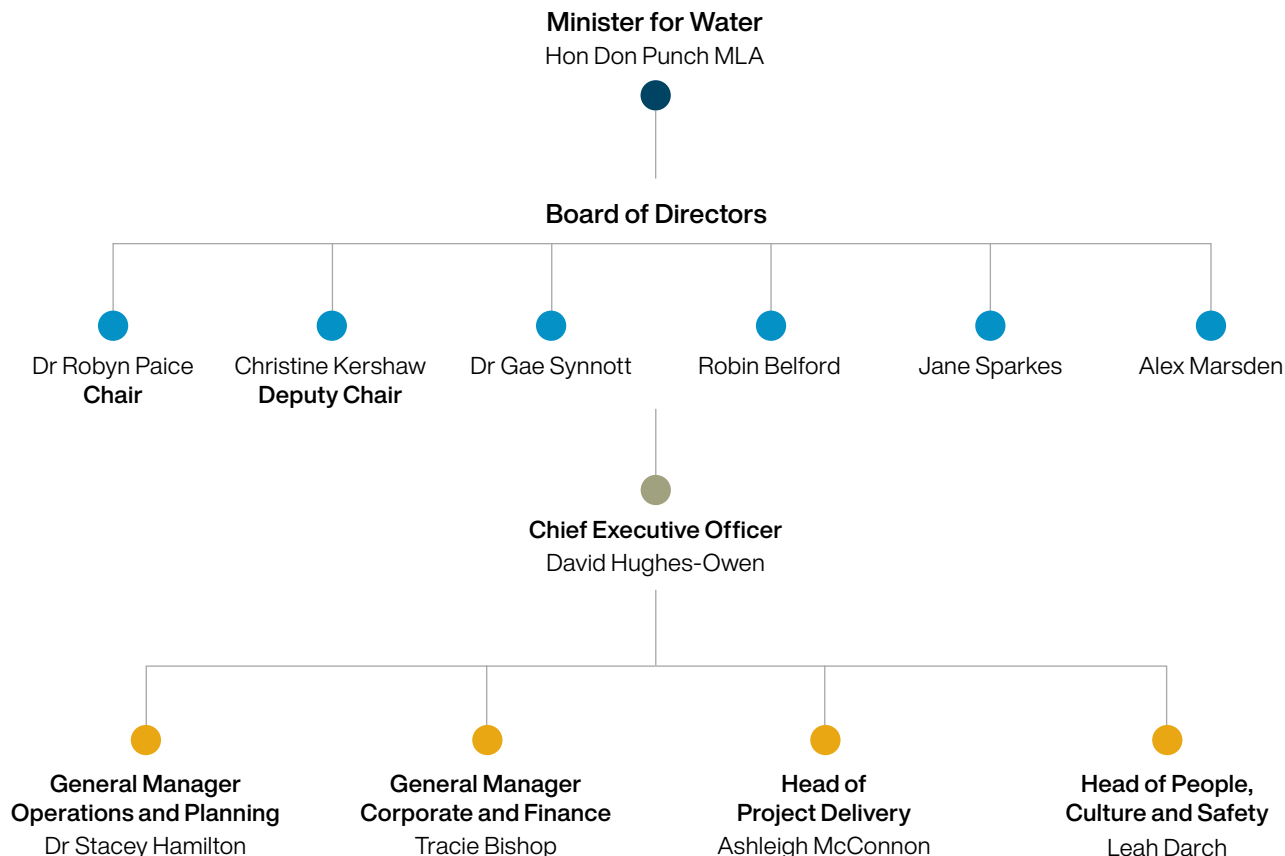
Corporate structure

Our core business activities are divided into four streams – Operations and Planning, Corporate and Finance, Project Delivery and People, Culture and Safety.

Our Chief Executive Officer 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 reports to the Minister for Water and provides strategic direction and guidance to the Chief Executive Officer and the Executive Leadership Team. It establishes the setting for our corporate culture which enables Busselton Water to achieve high levels of performance and compliance.

Busselton Water employs 44 team members, comprising 36 full-time employees, six part-time employees and two casual employees. We also engage external support and expertise as required.



Board of Directors



Dr Robyn Paice

BSc (Hons), PhD, GAICD

Chair

Dr Robyn Paice has been on the Busselton Water Board for almost seven years and Chair since June 2022. She has more than

25 years' experience in environmental management across government, academic, and consulting roles. Dr Paice brings expertise in aquatic systems and water policy, complemented by local networks and in-depth knowledge of regional waterways.

Appointed: September 2018

Term expires: May 2027

Member: Audit and Risk Committee



Christine Kershaw

BA, GradDipEd, GAICD

Deputy Chair

Christine Kershaw is a business consultant and educator, with a background in urban and regional development and

environmental management. She is also 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.

Appointed: September 2017

Term expires: May 2026

Member: Audit and Risk Committee (until March 2025)



Dr Gae Synnott

BA, MBA, PhD, GAICD

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.

Appointed: September 2018

Term expires: May 2027



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 is passionate about the delivery of sustainable public water services and possesses a deep understanding of the water sector with particular experience and expertise in water supply, water quality and asset management.

Appointed: May 2022

Term expires: May 2028

Member: Audit and Risk Committee



Jane Sparkes

B.Bus CA

Jane Sparkes is a Director of local accounting firm, STA Accountants, with more than 30 years of accounting and advisory experience. Mrs Sparkes

has expertise in budgeting and forecasting, high-level analysis of business performance and implementation of improvement strategies. She has strong local ties to the region having been born in Busselton and raised on a farm in Vasse.

Appointed: May 2022

Term expires: May 2028

Member: Audit and Risk Committee (from March 2025)



Alex Marsden

BEng, MBA, GDip Competition Policy, GAICD

Alex Marsden is a strategy and policy consultant with a background in environmental economics and environmental engineering. Mr Marsden is a

former member of the Water Corporation's Water Sensitive City Expert Panel and regularly advises a broad range of State and Commonwealth Departments.

Appointed: November 2024

Term expires: May 2026

Member: Audit and Risk Committee

Executive Leadership Team



David Hughes-Owen

BEng (Civil), MAICD, GLWA

Chief Executive Officer

David Hughes-Owen is a civil engineer with almost 30 years' experience in the water industry. He took up the role as CEO at Busselton

Water in September 2023 after three and a half years as General Manager Service Delivery at TasWater. Prior to that David spent more than two decades at the Water Corporation in roles including Head of Asset Investment Planning, and Regional Business Manager for the Great Southern Region of Western Australia. His experience covers the full gamut of industry operations including rural and metropolitan water source, treatment and networks, sewerage network and treatment, and urban and rural drainage conveyance systems.



Ashleigh McConnon

MEng (Building Services), CPEng, NER

Head of Project Delivery

Ashleigh McConnon has more than 15 years of engineering consultancy experience across Australia and the United

Kingdom. As a Chartered Professional Engineer, she has managed multidisciplinary projects across various sectors, including commercial, industrial, government, defence, education, and health.



Tracie Bishop

BBA, CPA, GAICD

General Manager Corporate and Finance

Tracie Bishop has 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, Tracie previously held a senior management role for a regional shire, overseeing its corporate and community services division.



Leah Darch

MHRMgt, MAHRI

Head of People, Culture and Safety

With more than 25 years' experience in human resources and workplace health and

safety, Leah is committed to creating an inclusive and safe work environment. She has successfully led teams in developing policies, maintaining legislative compliance, training programs, and safety and wellbeing initiatives. Known for her strategic approach, Leah balances employee needs with organisational goals, driving positive change towards fostering an engaging workplace culture.



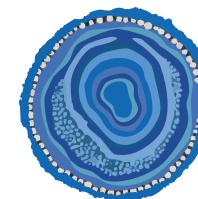
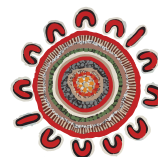
Dr Stacey Hamilton

CF, PhD (Chemistry)

General Manager Operations and Planning

Dr Stacey Hamilton joined Busselton Water in December 2024. Stacey is

the technical expert in Australia for the Groundwater Replenishment Scheme (GWR). She was awarded a Churchill Fellowship in 2022 and is also a fellow of the Peter Cullen Trust. With close to 20 years of experience in the water industry, Stacey's leadership skills in the delivery of water, wastewater and irrigation extends to optimising operational performance, and building and maintaining high-calibre, motivated and effective teams.



Key business results

Busselton Water continued to deliver strong results in all areas of its corporate performance in 2024-25.

Key performance outcomes

Strategic priority / outcome	2024-25 Target	2024-25 Actual	Result
Governance and Enterprise			
Annual Performance Statement (APS) submitted to Minister	By April 2025	Draft submitted 19 March 2025	On target
The Office of Digital Government's cyber security controls – minimum requirement achieved for all controls	1	1	On target
Business Excellence Index ¹	5.75	5.75	On target
Customer and Community			
Number of complaints per 1000 customers (rolling average)	<5	1.30	On target
Commercial and Economic			
Timely provision of new infrastructure required for land development and growth opportunities	100%	100%	On target
Water and Environment			
Drinking water quality compliance with health standards	100%	100%	On target
Energy efficiency monthly production (rolling year) kWh/kL	<=0.6	0.43	On target
Residential water efficiency kL/pp/year	106	109.36	Target not met ²
People, Culture and Safety			
Diversity ³	n/a	n/a	n/a
WorkSafe assessments	Gold level	Platinum level	On target

¹ The Business Excellence Index measures (scale 1-7) progress towards best practice across seven elements of the Business Excellence Framework.

² This result was impacted by the long, dry summer experienced in the South West in 2024-25.

³ This is a new measure based on the GTE guidance notes and collected annually initiated within this financial year. Future statements will include this data.

Our financial results

Financial results (\$m)	2024-25 original budget	2024-25 amended budget	2024-25 actual	Variance
Operating profit before income tax	6.15	8.75	9.80	1.05
Operating profit after income tax	4.56	6.51	7.35	0.84
Loan principal repaid	0.00	0.00	0.00	0.00
Capital expenditure	9.80	12.97	12.05	(0.92)
Accruals to Government (\$'000s)				
Income tax equivalents (NTER)	1.59	2.24	2.45	0.21
Local Government rate equivalents	0.07	0.07	0.07	0.00
Dividends provided	1.77	3.65	3.59	(0.06)
Total accruals to Government	3.43	5.96	6.11	0.15
Less: Payments from Governments (Operating subsidies)	(4.25)	(4.39)	(4.39)	0.00
NET ACCRUALS TO GOVERNMENT	(0.82)	(1.57)	1.72	3.29
Financial performance measures (%)				
Return on fixed assets	3.74%	5.16%	5.19%	0.03%
Return on equity	3.90%	5.32%	5.46%	0.14%
Debt to equity ratio	-	-	-	-
Debt to total assets ratio	-	-	-	-

Management trends

Key performance Indicator	2020-21	2021-22	2022-23	2023-24	2024-25
Properties served (per km of water mains)	41.8	42.0	42.2	42.98	42.5
Average annual residential water supplied (kL/property)	257.5	263.9	262	286.1	273.4
Total number of water main breaks	27	18	22	20	28
Water main breaks (per 100km of water main)	7.9	5.2	6.3	5.7	7.7
Total number of water quality complaints (per 1,000 properties)	1.2	1.0	0.9	0.9	1.0
Total number of water service complaints (per 1,000 properties)	0.1	0.1	0.1	0.8	0.1
Total number of account and billing complaints (per 1,000 properties)	0.3	0.2	0.4	0.1	0.1
Duration of unplanned water interruption (average minutes)	130.0	37.9	50.8	161.4	43.2
Incidence of unplanned water interruptions (average per 1,000 properties)	354.7	227.7	279.1	325.1	235.6
Economic real rate of return (% net water revenue/written down value of water assets)	6.4	6.6	5.9	7.0	8.39
Lost time injury frequency rate ¹ (LTI per million hours)	0.0	0.0	0.0	0.0	1.8
Workers compensation frequency rate	n/a	n/a	n/a	n/a	0

¹ One LTI recorded. To provide a more meaningful long-term perspective LTIFR trend modelled over a 7-year period assuming the same annual hours worked. With a over that period, LTIFR rate would be 1.81.



Strategic priority:

Water and environment

We are committed to providing secure water resources for our customers with minimal impact on the environment.

HIGHLIGHTS

Planning for the future

Our **Integrated Water Services Plan** was finalised during the year, providing a strategic framework for the delivery of water in a coordinated, sustainable and cost effective way.

Reducing our carbon footprint

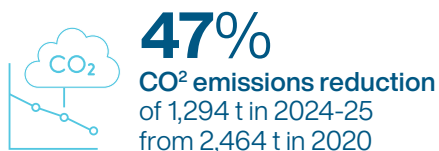
In 2024-25 we produced **47 per cent less CO₂ than in 2020** and are on target to achieve the target 80 per cent reduction by 2030.



Climate change – Understanding and addressing climate change

Busselton Water is committed to responding to climate change through mitigation actions and by adapting our operations to maintain business sustainability and meet the water needs of future generations.

We remain on track to meet the 2030 target of an 80 per cent reduction in emissions from the 2020 level – in alignment with the Western Australian Climate Policy.



During the year:

- Significant emissions savings were achieved through more efficient delivery pumpsets being installed and more efficient operation of existing assets.
- Busselton Water used 509 MWh of solar energy, increasing our solar power generation to 16 per cent of our total energy usage.
- A site renewable generation and storage review was undertaken with four additional sites identified for future solar installations.

- Furthermore, an Emissions Reduction Plan was developed and endorsed by the Board shortly after the end of the financial year, in July 2025. The plan identifies emission reduction strategies, provides an update on progress already made and forecasts future progress and overall emissions.

Environment – Reducing our footprint

We continue to progress towards the target of reducing system water losses to 10.5 per cent by 2030.



During the year:

Two new district metered areas (DMA's) were introduced at Yalyalup and on Caves Road, enabling real time measurement of water flows and pressures, and allowing water losses to be better calculated.

Night-time pressure reduction trials were carried out, during autumn and winter, achieving reductions in energy consumption and water losses. Further trials have been proposed for the year ahead.

A new smart meter trial program commenced, testing three different smart metering approaches which will continue throughout 2025-26. Key objectives of the trial include earlier notification to customers of leaks, reduction in network losses and the ability to provide customers with more visibility of their water usage in the future.

Pending the outcome of these trials, a decision will be made on which smart meter type, connectivity and Meter Data Management platform will be rolled out across the network. This initiative will see Busselton Water be the first water utility in WA to operate an entire fleet of digital meters for its customer base.

Water security – Securing water for tomorrow

Water quality

In 2024-25, we produced 6.71GL 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:

2024-25 Water Quality Compliance

Incident management

Incidents reportable to the Department of Health	Nil
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Health related characteristics	Compliance
--------------------------------	------------

Escherichia coli	100%
Naegleria	100%
Chemical	100%
Pesticides	100%
Chlorine Disinfection	100%

Non-health characteristics	Compliance
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Aesthetic characteristics (excluding chlorine)	98.9
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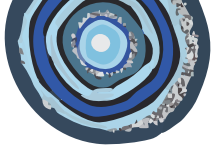


Our Memorandum of Understanding (MoU) with the Department of Health requires us to comply with the ADWG. Supporting the MoU is a Drinking Water Quality Management Plan, which documents each stage of the water supply chain from source to customer.

Rigorous procedures, hazard identification, and incident response processes are in place to ensure the safety of our water supply. More than 12,350 water quality tests were conducted throughout the year, with half analysed externally and half in-house.

There were 16 water quality complaints received and resolved during the year, relating to taste and odour, discoloured water and skin conditions.





Asset management

Delivering water now and for tomorrow

Busselton Water maintained, operated and managed nine bores, three water treatment plants, five storage tanks, two booster pump stations and 363.2 kilometres of distribution mains to supply high-quality water to our customers.

There were 310 new services added to the network in 2024-25 reflecting the increase in new housing development. As part of our meter replacement project 1,192 meters were replaced, as our meter fleet continues reaching their design life.

We extended our pipeline network by 11.7 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 undertake an annual asset management program so can conduct maintenance and optimise asset replacement with minimal impact of our customers and stakeholders.

Capital works program

Busselton Water Supply Improvement project

Funding of nearly \$60 million from the Australian Government through the National Water Grid Fund and the Western Australian Government for the Busselton Water Supply Improvement (BWSI) project was announced during the year.



Our most significant infrastructure project in decades, the BWSI project will result in the construction of a new water treatment plant and bore at Plant 8, approximately five kilometres inland, to connect to high quality drinking water, reduce the pressure on the coastal bores and increase supply capacity by 20 per cent.

Preliminary design was completed in May 2025, with design development commencing and bore construction work due to commence in the first half on 2025-26. The new plant and bore are scheduled to be operational by 2028-29.



Caves Road pipeline upgrade

Our Caves Road pipeline upgrade saw 1.2km of new water supply pipeline constructed along Caves Road from Lennox Drain to Marybrook Drain.

This was necessary to ensure we are able to meet the increased level of daily bulk water supply required by the Water Corporation, which we provide under a commercial agreement.

New storage tank at Plant 4

During the year, the installation of a second 4.5 megalitre water storage tank at Plant 4, which will double the water storage capacity to nine megalitres, commenced.

The increased water storage capacity will reduce the risk of customer supply disruption and reduce supply risks to the Caves Road pipeline.

It will allow more efficient operations throughout the year, operating bores and transfer pumps at nonpeak times of the day and year and it will also improve network reliability by allowing outages for essential maintenance on the other storage tank at Plant 4 and storage tanks at Plant 2.

Planning for the future

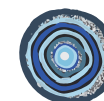
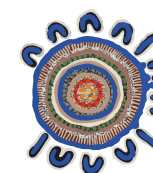
With increasing population growth, seasonal tourism demand, and climate variability placing pressure on local water resources, planning for the future has never been a more fundamental and important part of Busselton Water's role.

Busselton Water extracts groundwater within the Yarragadee and Leederville aquifers from eight bores – our annual groundwater extraction has already exceeded 90 per cent of our Yarragadee licence allocation and water demand projections forecast it will reach 100 per cent of current allocation by 2033-34.

Busselton Water's Integrated Water Services Plan (IWSP) was completed in April 2025, providing a strategic roadmap to ensure a resilient, sustainable, and climate-adaptive water supply for the Greater Busselton Area. The Plan focuses on optimising existing infrastructure, diversifying water supply sources, managing demand effectively, and integrating climate resilience measures.

These priorities align with state and national sustainability goals and will support Busselton's continued economic growth while ensuring the long-term security of its water resources. A review of all options provided in the IWSP is now underway.

A Source Development Plan was developed in conjunction with the IWSP which outlines a comprehensive strategy to enhance water supply and management in the Busselton area (including bulk water augmentation to Dunsborough). Discussions are ongoing with the Department of Water and Environmental Regulation regarding groundwater allocation in the future based on modelling produced within the report.



Strategic priority:

Customer and community

We are committed to providing high quality service to our customers and supporting the local community.

HIGHLIGHTS

Providing community support

We were pleased to provide more than **\$50,000 in funding** to a record 16 local groups and organisations through our Community Partnership Program.

Launching our Innovate RAP

Our **Innovate Reconciliation Action Plan** was endorsed by Reconciliation Australia and launched at a special event during National Reconciliation Week 2025.



Customer products and services – improving connection with our customers

Customer service

All staff attended the ‘Design, Deliver, Delight!’ professional development workshops which focused on delivering great customer experiences.

Our Customer Service team continues to focus on providing an outstanding level of service and is committed to resolving complaints as quickly and efficiently as possible.

 **20** customer complaints
100% resolved within
‘15 business day SLA’

Supporting vulnerable customers

Busselton Water’s Water Assist Program continued in 2024-25 with the aim of supporting vulnerable customers by improving education, awareness and engagement. We supported 414 customers with payment arrangements to pay their water charges over an extended period and arranged 80 short-term extensions through the MyBusseltonWater Portal.

Water literacy campaign

Our Water for Tomorrow water literacy campaign continued throughout the year – designed to educate the community about where our water supply comes from, what is impacting our water supply and what we all need to do to ensure there is high quality drinking water available for generations to come. Content was



created and distributed via social media, the website, Watersource newsletter and via a radio campaign to reach a wider audience.

Waterwise offers

In December 2024, we launched four limited time waterwise offers to help our customers save water, and money. Rebates were available for purchasing or upgrading Rainwater Tanks and Weather-Based Irrigation Controllers, and for replacing single flush toilets with Waterwise dual flush toilets. Customers could also swap their old showerheads for new water-efficient WELS 4-star models at our office – with 41 showerheads swapped during the promotion.

Billing and self-service options

The number of customers utilising self-service options continues to increase.



39%
customers registered
for e-billing

23% 
customers registered
for MyBusselton Water

Brand and reputation – building value in the community

Hearing from our customers

Our biennial Customer Survey was open to all Busselton Water customers for a six-week period in April and May 2025. This survey is designed to gather insight into how our customers feel about a range of areas including water supply services, account payments, communication with our customers, and service interruption.

There was a significant increase in the number of people who engaged with this year's survey – 721, up from 398 in 2023. The results showed:

- 77 per cent overall customer satisfaction
- 93.9 per cent satisfied with the reliability of water supply
- 83.9 per cent satisfied with the information on water accounts
- 80.2 per cent satisfied with the timeliness of water accounts

Reliable, professional and community-minded were the top three words selected to describe Busselton Water.



Launching our Innovate RAP

We launched our second Reconciliation Action Plan (RAP) during National Reconciliation Week 2025, marking a significant next step in Busselton Water's reconciliation journey and reinforcing our commitment to truth-telling, cultural respect and meaningful partnerships with First Nations peoples.

The new RAP sets out a two-year program of actions to embed reconciliation across the organisation's strategy, workforce, and operations. It includes commitments to cultural immersion, increased employment and procurement opportunities for Aboriginal and Torres Strait Islander peoples, and the integration of traditional ecological knowledge into Busselton Water's water management strategies.

Keip – The Element of Life

Local Wardandi/Bibbulman Noongar artist Natalie Clark of Djarliny Designs was commissioned to create our incredible RAP artwork, which will become part of a brand extension and be featured on uniforms and other corporate materials. The artwork 'Keip – The Element of Life', is a powerful piece which symbolises the interconnectedness of people, water, and the land.

Supporting the local community

A record 16 groups and organisations were provided with a total of \$50,000 in funding through our annual Community Partnership Program to support a range of initiatives which will benefit a broad cross section of ages, abilities, interests and diversity within the community.

Fostering strong networks

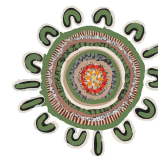
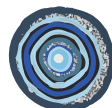
Throughout the year, we continued to build and foster our networks in the industry and with other stakeholders by:

- continuing to extend our working relationships with water utilities across Australia;
- engaging in regular meetings with key local, state and federal government stakeholders;
- participating in local, state and national committees;
- participating in a number of forums hosted by the Water Services Association of Australia;
- engaging actively with the Water Industry Operators Association, including hosting the WA Interest Day in March 2025 and attending the 2025 VIC Water Industry Operations Conference & Exhibition in Bendigo; and
- contributing to the Smart Water Networks Forum (SWAN).



Developing a new customer engagement framework

During the year a new community engagement framework was developed to guide the formation of two community groups – a Customer Reference Group and the Customer Insights Group will be established in the first half of 2025-26.



Strategic priority:

People, culture and safety

People are the core of our organisation, driving everything we do.

HIGHLIGHTS

Promoting career pathways

We promoted local career pathways through our own internship and trainee programs and by engaging local contractors.

Connecting with culture

During National Reconciliation Week our staff spent a morning together with Wardandi custodian Josh Whiteland at the **Koomal Dreaming Meeting Place at Ngilgi Cave** listening, learning and connecting with the history and culture of our region.



Safety – providing a safe and supportive workplace

Busselton Water is committed to providing a safe and supportive workplace, with a number of initiatives and programs during the year, including:

- a confidential wellbeing app;
- support and resources to strengthen our holistic approach to physical and psychological safety;
- hazard management reporting;
- flexible working arrangements to improve our employee experience and organisational efficiency;
- conflict management skills training;
- complimentary flu vaccinations and annual skin checks; and
- planning for a new Work Health and Safety (WHS) system.

There was one Lost Time Injury (LTI) during the year, with an employee sustaining a minor back strain, resulting in one day off work. We continue to have a business-wide focus on workplace safety, health and wellbeing.

People – investing in our people

During 2024-25, Busselton Water established a standalone People, Culture and Safety function to strengthen our focus on safety, wellbeing, and ongoing improvement.

During the year, this included:

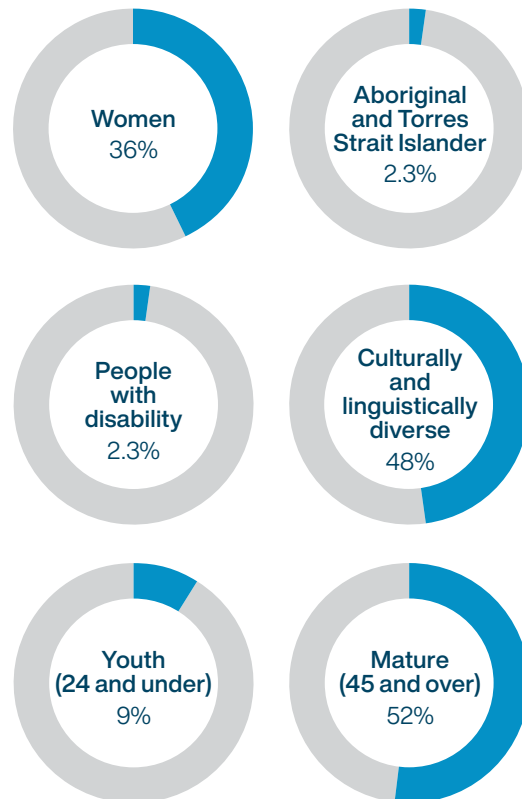
- increasing leadership depth and foster an environment primed for innovation;
- planning for a Human Resources Information System, and launching an intuitive staff intranet;
- developing our people strategy to support targeted development initiatives, enhanced collaboration, and staff engagement;
- making improvements to our recruitment and onboarding processes;
- providing a range of training and development opportunities, with courses including relationship management, conflict management and frontline leader training; and
- attending Ozwater 25 and the WIOA Water Industry Operations Conference & Exhibition.





Workplace – building a diverse and inclusive workforce

We continue to foster a workplace culture that values diversity, performance, and inclusivity with a coordinated suite of initiatives designed to foster a skilled, agile, and engaged workforce delivered during the year.



Code of Conduct and Integrity

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

Enterprise Agreement

As previously reported, a new Enterprise Agreement was put to a successful vote in June 2024. The 2024 Enterprise Agreement was subsequently endorsed by the Fair Work Commission on 9 July 2024.

Diversity, Equity, and Inclusion Plan

During the year, we prepared the first Busselton Water Diversity, Equity, and Inclusion Plan, establishing ongoing inclusive practices and providing comprehensive support for employees and contractors.

Workforce Planning

Work on our inaugural workforce plan began during the year, focusing on the identification of future workforce needs and a review of our current capabilities to ensure our approach remains forward-looking and adaptable.



Strategic priority:

Governance and enterprise

We deliver water services, safely, sustainably, commercially and in collaboration with our customers.

HIGHLIGHTS

Delivering digital transformation

We embarked on a **\$2.2 million, three-year digital transformation program** to modernise our systems, enhance service delivery, improve cyber security and support long-term operational efficiency.

Improving contract management

Significant project management and contract reform was achieved to enhance contract monitoring and ensure compliance with regulatory requirements.





Ownership – providing Board, Shareholder, Regulatory and Stakeholder assurance

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* and the *Government Trading Enterprises Act 2023*.

During 2024-25 we:

- delivered all governance charter obligations;
- delivered our annual audit program;
- implemented risk management improvements; and
- engaged effectively with Government and policy delivery.

Corporate strategic plan and reporting framework

In October 2024, Busselton Water finalised its Strategic Plan 2025-2028, adopting five new outcome-based strategic themes: Governance; People, Culture and Safety; Customer and Community; Water and Environment; and Commercial and Economic. The Plan sets out the three-year strategic goals, 2024-25 actions and milestones, and a corporate scorecard for each theme.

Financial modelling and analysis are completed before preparing our one-year Annual Performance Statement (APS) each year. The Board adopted the 2025-26 APS at its June 2025 Board meeting.

Risk management

Busselton Water maintains a risk management system, 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.

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.

During the year we:

- Introduced a new Risk Management Framework and revised our Risk Appetite Statement and Water Quality Incident Response Plan ensuring they align with the new Strategic Plan.
- Participated in a water quality mock event with the Department of Health to test our preparedness for a potential cyber security incident impacting our SCADA network. Updates to our emergency response and crisis communication documentation were made to reflect learnings from the exercise.
- Continued our representation at the Local Emergency Management Committee meetings, which are held biannually.

Enterprise security – acting to improve enterprise security

A new Enterprise Risk Management (ERM) system

Busselton Water made significant progress towards transitioning to a new ERM system. Following a comprehensive evaluation of available systems, RiskWare was selected as the preferred platform and implementation is expected to be complete during 2025-26.

Contract management

A comprehensive review of our Contract Management Framework as well as all associated policies and procedures was conducted during 2024-25. This led to significant project management and contract reform and a streamlining of processes to enhance contract monitoring and ensure compliance with regulatory requirements. This included:

- establishing a Capital Investment Committee; and
- updating project delivery and procurement documents.



Business improvement – building a better business

Busselton Water commenced a three-year digital transformation program to modernise our systems, enhance service delivery, and support long-term operational efficiency.

A digital strategist was engaged in November 2024 to support the development of our digital transformation strategy, which was subsequently endorsed by the Busselton Water Board in February 2025.

The \$2.2 million program, running from January 2025 to June 2027, is aligned with our strategic priorities and designed to future-proof the organisation by embracing innovation, automation, and customer-focused technologies.

Major projects include the replacement of finance and asset systems, replacement of HR, risk and safety systems, a trial of an integration platform, and a customer billing system upgrade.

Beyond technology, the transformation also supports cultural and organisational change. It will empower our workforce through improved digital tools, streamlined processes, and targeted training. Staff will benefit from reduced manual workloads, faster workflows, and better access to information. These outcomes are supported by robust cyber security, data governance, and risk management measures to ensure compliance and protect business continuity.

Cyber security – securing our information

During the year, Busselton Water boosted its cyber security, implementing several key initiatives, including:

- deployment of AirLock Digital for app control;
- isolation of internet-facing services;
- procurement of security training software to support mandatory employee compliance; and
- introduction of a managed Security Operations Centre (SOC)/Security Information and Event Management (SIEM) solution with existing cyber security policies and procedures being reviewed and updated. These actions aim to increase in our Essential Eight maturity level 2+ in 2025-26.

Audit and review

We completed a thorough Information Technology/Operational Technology (IT/OT) audit this year, which revealed the need to upgrade all legacy servers for improved disaster recovery. Most critical issues were quickly addressed. Moving forward, independent vendors will conduct annual IT/OT audits to identify risks early and support continuous improvement.

Furthermore, the Department of Premier and Cabinet's Cyber Division (DGov) will perform yearly penetration testing on internet-facing systems, further strengthening our cyber security.



Strategic priority:

Commercial and economic

We are committed to being a sustainable and viable commercial and economic water utility and government trading enterprise – providing value to our customers and our shareholder (the Western Australian Government).

HIGHLIGHTS

Investing in infrastructure

We invested more than **\$12 million in key projects and activities** to ensure our network and infrastructure continues to meet the needs of our growing region and adapts to the changing climate.

Buying local

There was a **significant increase in local procurement**, with more than a dozen contracts awarded to local businesses, contractors and Indigenous organisations.



Finance – returning value to our shareholder

Busselton Water continued to deliver strong results in all areas of its corporate performance in 2024-25.

Our financial results 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 \$9.80 million and revenue of \$22.82 million (from \$17.93 million in 2023-24).

Our water sales generated \$13.6 million in revenue in 2024-25 (\$13.16 million in 2023-24).

A further \$9.22 million in revenue (\$4.77 million in 2023-24) was received from developer contributions, operating subsidies, interest on investments and other miscellaneous income. For the first time, this included two operating subsidies provided by the State Government:

- \$3.5 million to support capital investment in projects that support growth and adaptation to climate change; and
- \$0.9 million for the provision of rebates to eligible pensioners and seniors within the community.

Operating expenditure in 2024-25 was \$13.02 million.

Net accruals to State Government

After 30 June 2024, the Directors proposed a final dividend payment of \$3.6 million for the 2023-24 financial year, which was paid to the State Government in December 2024.

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

- a National Taxation Equivalent Return (NTER) payment equivalent of \$2.45 million; and
- \$0.07 million being the equivalent of local government rates.

Payment received from the State Government is the operating subsidies totalling \$4.4 million.

The net accrual to State Government when taking into account the dividend and accruals paid, less the operating subsidy, is a payment of \$1.72 million.

Cost of service – providing great customer and community value

Pricing

Significant work on Busselton Water's pricing strategy was undertaken during the year to ensure water rates remain affordable and comparable to other water providers, while also addressing the impacts of future infrastructure investments to secure long-term water security.

An agreement was reached with Water Corporation to achieve a cost reflective bulk water pricing model, with CPI increase.

Buying local

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 2024-25 for the delivery of services included:

- distribution network maintenance, civil works, pipelaying, electrical maintenance, plant control, system maintenance, drilling services, and CCTV.



WA procurement

84% of total spend

79% of suppliers

Contracts awarded to local Indigenous organisations included:

- distribution network maintenance (plumbing), drilling services, and administration building refurbishment.



First Nations procurement

1.2% of total spend

2.3% of suppliers



Asset investment

The Strategic Asset Plan, and Asset Renewal Plan were reviewed and updated, building on work from previous years and aligning further with State Government priorities and Busselton Water's Strategic Plan. Continuous improvement in asset management and increased focus on data driven decisions were key focus areas aligned with the digital transformation program.

To support regional growth and meet current and future demand, Busselton Water invested a record \$12 million in capital works during the year.

Key projects and activities during the year included (more details can be found on pages 17-19):

- Caves Road pipeline upgrade
- Installation of a second storage tank at Plant 4
- Planning and preliminary design for Stage 1 of the Busselton Water Supply Improvement project
- Improved safe access to the filters at Plant 2 and Plant 3
- Plant 6 Standpipe and access road
- CCTV and security upgrades to various plants
- Smart metering trials (x3)
- A new service truck and vacuum excavation trailer

Busselton Water continued to strive to deliver lowest whole of life asset costs while meeting our customer, community, stakeholder and environmental outcomes. During the year, such initiatives included:

- commissioning of new delivery pumpsets and bore variable speed drives allowed cost savings to be realised in electricity usage, whilst reducing carbon emissions and maintaining customer levels of services;
- investing in active leakage detection and district metered areas to reduce water losses, as well as starting smart metering trials, which will ultimately lead to lower whole of life costs, lower emissions and abstraction of water from the environment; and
- increasing use of on-site solar energy generation reduced the need to purchase grid supplied electricity.

A Capital Investment Committee (CIC) was established during the year, which will provide valuable oversight on investment decisions and project delivery.

Growth opportunity and diversification – planning for the future

This year, we reviewed business growth in our area and updated plans to support new developments and rising demand across Busselton. We also continue to monitor opportunities beyond our current network for alignment with Busselton Water's goals.

Corporate Governance Report

Busselton Water's strong corporate governance framework ensures all of the requirements contained within the *Government Trading Enterprises Act 2023* 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 between five and nine members appointed by the Minister for Water.

Directors are appointed for a term of three years and are eligible for reappointment for a maximum of three terms.

Changes to the Board

Robin Belford was reappointed as a member for a term expiring on 31 May 2028.

Jane Sparkes was re-appointed as a member for a term expiring on 31 May 2028.

Alex Marsden was appointed as a member in November 2024, for a term expiring on 31 May 2026.

Accountability and independence

As prescribed in Part 5 of the *Government Trading Enterprises Act 2023*, Directors have a duty to act with care and diligence, good faith and proper purpose, honestly and disclose all material personal interest in matters involving Busselton Water which are raised in Board meetings.

The Board has authority, subject to the *Government Trading Enterprises Act 2023*, 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 is 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 *Government Trading Enterprises Act 2023*.

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.

Conflicts of interest

The Board Charter and Busselton Water Code of Conduct and Integrity set specific standards in relation to conflicts of interest.

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 and Risk Committee undertake annual performance evaluations of the Board, Audit and Risk Committee and individual members to assess performance against the requirements of the Board and Audit and Risk Committee Charters, the *Government Trading Enterprises Act 2023* and *Water Corporations Act 1995*.

Governance framework

The Board is responsible for corporate governance and approves Busselton Water's Statement of Expectation (SOE), Annual Performance Statement (APS), 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 APS to provide direction for the coming 12-month period.

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.

Internal control

The Board, through the Audit and Risk 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.

Audit and Risk Committee

The Audit and Risk Committee provides an independent authority for Busselton Water's external and internal auditors to report to, while also being tasked by the Board to oversee all audit-related activities within the business, 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, risk management and other business processes and controls. The Audit and Risk Committee meets three times a year.

Internal audit and review

The Audit and Risk 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 and Risk Committee.

External auditors

The *Government Trading Enterprises Act 2023* 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 and Risk 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.

Performance monitoring and reporting

In addition to this Annual Report, Busselton Water also provides an interim report to the Minister for Water detailing its performance and progress made to fulfil its Annual Performance Statement. A written annual report on compliance with the performance standards specified in the operating licence is also provided to the Economic Regulation Authority. The Board is provided with monthly performance reports covering a range of performance indicators.

Ministerial directions

Under Section 108(1) of the *Government Trading Enterprises Act 2023*, 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.

There were no directions received from the Minister for Water during 2024-25.

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 2024-29 Plan was submitted to the Minister in October 2024 and approved on 19 August 2025. It describes how records are created, maintained, managed and disposed of in accordance with Standards and Principles. The next review is due for completion by October 2029.

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

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. Its purpose is to provide members of the public with information about how to access documents we may hold. The statement can be found at busseltonwater.wa.gov.au.

During the year, no requests for information were made.

Reportable expenditure

In accordance with the *Electoral Act 1907* (WA) (S. 175 ZE), Busselton Water incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

Total expenditure in 2024-25 was \$54,438.50.

Expenditure	Amount paid (\$, ex GST)
Media advertising organisations	
Marketforce Productions	24,534.52
Southern Cross Austereo Pty Ltd	10,779.00
Mills Wilson (Watersource)	12,720.00
Direct mail organisations	
Zipform	6,404.98



Directors' report

The Directors of Busselton Water present their report for the 12-month period ending 30 June 2025.

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 (Deputy Chair)

Director since September 2017
Deputy Chair since July 2022

Dr Gae Synnott

Director since September 2018

Robin Belford

Director since June 2022

Jane Sparkes

Director since June 2022

Alex Marsden

Director since November 2024

Details of the Directors' qualifications and experience can be found on page 10.

Directors' meetings

Attendance by Directors at meetings held during the financial year ended 30 June 2025 is set out in the following table:

Director	Board		Audit and Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended
Dr Robyn Paice	10	9	3	3
Christine Kershaw	10	8	3	3
Dr Gae Synnott	10	10	-	-
Robin Belford	10	9	3	3
Jane Sparkes	10	8	3	2
Alex Marsden	6	6	1	1

Board meetings were held monthly, excluding July and December 2024. The Audit and Risk 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 2025	Year ended 30 June 2024
David Hughes-Owen	Chief Executive Officer	✓	✓
Murray Johnsen	General Manager Operations		✓
Tracie Bishop	General Manager Corporate and Finance	✓	✓
Stacey Hamilton	General Manager Operations and Planning	✓	

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 6.71GL of drinking water.

Busselton Water made a profit before tax of \$9.80 million in 2024-25, (2023-24: \$6.48 million) and an after-tax profit of \$7.35 million (2023-24: \$4.86 million).

Dividends

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

Date of	Amount \$m	Date of payment
Final 2023-24	3.59	December 2024

Dividends declared after end of year

Busselton Water's dividend will be 85 per cent of the 2024-25 net profit after tax (\$5.23 million).

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 2024-25.

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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
\$			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
0-10,000	-	-	-	2	-	-	-	-	-	-
10,001-20,000	1	-	13	12	2	1	-	-	15	-
20,001-30,000		3		77		9	-	-		86
30,001-40,000	4	2	120	59	13	6	-	-	133	65
40,001-50,000	-	-	-	-	-	-	-	-	-	-
50,001-60,000	1	1	53	51	6	5	-	-	59	56

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 Chief Executive Officer also includes a variable component which is subject to performance assessed against the Chief Executive Officer Performance Agreement Framework adopted by the Board.

Compensation for Senior Executives is reviewed annually and adjustments in 2024-25 were consistent with the State Government Wages Policy.

In accordance with the *Government Trading Enterprises Act 2023* (S. 39), the Board obtains concurrence of the Minister for Water before setting or altering compensation for the Chief Executive Officer. Compensation for the Chief Executive Officer 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		Short-term remuneration ¹		Variable remuneration ²		Post-employment superannuation		Other-long term benefits ³		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
\$			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
0-50,000	1	-	52	-	-	-	5	-	(27)	-	29	-
50,001-100,000	1	-	82	-	-	-	10	-	7	-	99	-
100,001-150,000	2	-	226	-	-	-	27	-	15	-	268	-
150,001-200,000	-	2	-	284	-	27	-	23	-	19	-	353
200,001-250,000	1	2	178	391	-	-	25	43	-	24	203	458
250,001+	1	-	315	-	28	-	33	-	6	-	354	-

¹ Includes base remuneration and non-monetary benefits.

² Variable remuneration reported and paid in 2025-26 relates to the 2024-25 financial year.

³ 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 2025 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 2025 and the date of the release of this report, the Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly, or may significantly, affect 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 2025, 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 2025, 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 2025, 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, Busselton Water Corporation



Christine Kershaw

Deputy Chair, Busselton Water Corporation

Busselton, 18 September 2025

Financial report

for the year ended
30 June 2025

A photograph showing a worker in a high-visibility yellow and blue jacket standing next to a white van. The van has a blue circular logo and the text 'USSELTON WATER' on its side. The worker is looking into the open driver-side door of the van. The background is a bright, overcast sky.

USSELTON WATER

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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*, 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 2025 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations).
- (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 2025.

Signed in accordance with a resolution of the Directors:



Dr Robyn Paice
Chair, Busselton Water Corporation



Jane Sparkes
Member, Busselton Water Corporation

Date: 18 September 2025

Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Busselton Water Corporation

To the Parliament of Western Australia

Opinion

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

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies
- the directors' declaration.

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

- gives a true and fair view of the financial position as at 30 June 2025 and of its performance for the year then ended
- is in accordance with Australian Accounting Standards.

Basis for opinion

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

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

Other information

The directors are responsible for the other information. The other information is the information in the Corporation's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

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

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

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7th Floor Albert Facey House 409 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* and the *Government Trading Enterprises Regulations 2023* that gives a true and fair view in accordance with Australian Accounting Standards
- such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial report

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.aasb.gov.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 Busselton Water Corporation for the year ended 30 June 2025 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.



Carly Meagher
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 September 2025

Statement of Comprehensive Income

for the year ended 30 June 2025

	Notes	2025 \$	2024 \$
EXPENSES			
Expenses			
Employee benefit expenses	2.1.1	2,125,470	1,708,053
Cost of sales	2.2	5,239,895	5,002,022
Depreciation and amortisation expenses	4	2,536,649	2,354,940
Finance costs	6.1	5,897	2,013
Administration expenses	2.3.1	1,314,414	1,062,648
Other expenses	2.3.2	1,430,073	1,204,012
Loss on disposal of non-current assets	2.3.3	364,217	116,139
Total cost of services		13,016,615	11,449,827
INCOME			
Revenue			
Water sales revenue	3.1	13,598,343	13,161,972
Grants and contributions	3.2	5,030,653	752,000
Developer contributions - headworks	3.3	1,822,718	2,141,007
Developer contributions - mains	3.3	1,225,774	719,975
Interest revenue	3.4	888,179	911,490
Other revenue	3.5	252,032	239,591
		22,817,699	17,926,035
Profit before income tax		9,801,084	6,476,208
Income tax equivalent expense	8.6.1	(2,450,271)	(1,619,051)
Profit after income tax		7,350,813	4,857,157
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.5.3	15,331,963	2,649,156
Income tax expense on items of other comprehensive income	8.5.3	(3,832,991)	(662,289)
Total other comprehensive income		11,498,972	1,986,867
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		18,849,785	6,844,024



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

Statement of Financial Position

as at 30 June 2025

	Notes	2025 \$	2024 \$
ASSETS			
Current Assets			
Cash & cash equivalents	6.2	5,424,307	3,479,687
Cash & cash equivalents (restricted)	6.2	1,105,347	-
Other financial assets (restricted)	6.3	3,954,524	7,454,524
Other financial assets	6.3	5,160,267	8,900,000
Trade and other receivables	5.1	5,306,774	5,583,562
Inventories	5.2	723,869	795,989
Other current assets	5.3	614,263	276,617
Total Current Assets		22,289,351	26,490,379
Non-Current Assets			
Infrastructure & property, plant and equipment	4.1	141,092,435	115,433,924
Intangible assets	4.2	98,602	120,985
Right-of-use assets	4.3	418,794	43,873
Total Non-Current Assets		141,609,831	115,598,782
TOTAL ASSETS		163,899,182	142,089,161
LIABILITIES			
Current Liabilities			
Payables	5.4	3,423,330	1,454,801
Employee related provisions	2.1.2	858,202	927,366
Lease liabilities	6.4	90,964	28,280
Current tax liability	5.5	174,542	805,725
Contract liability	6.6	1,105,347	-
Other provisions	6.7	33,228	-
Other current liabilities	5.6	166,786	144,154
Total Current Liabilities		5,852,399	3,360,326
Non-Current Liabilities			
Employee related provisions	2.1.2	60,213	63,626
Deferred tax liabilities	8.6.2	22,988,701	19,239,420
Lease liabilities	6.4	329,813	12,909
Total Non-Current Liabilities		23,378,727	19,315,955
TOTAL LIABILITIES		29,231,126	22,676,281
NET ASSETS		134,668,056	119,412,880
EQUITY			
General reserve fund	8.5.1	13,902,447	20,938,074
Asset revaluation reserve	8.5.3	73,290,576	61,791,604
Retained earnings	8.5.4	47,475,033	36,683,202
TOTAL EQUITY		134,668,056	119,412,880



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

Statement of Changes in Equity

for the year ended 30 June 2025

Notes	General reserve fund \$	Asset revaluation reserve \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2023	17,864,514	59,804,737	34,899,606	112,568,857
Profit/(loss) for the period	-	-	4,857,157	4,857,157
Other comprehensive income	-	1,986,867	-	1,986,867
Transfers to reserves	8.5.1 6,660,438	-	(6,660,438)	-
Transfers from reserves	8.5.1 (3,586,878)	-	3,586,878	-
	20,938,074	61,791,604	36,683,203	119,412,881
Transactions with owners, recorded directly in equity				
Dividends paid	8.5.2 -	-	-	-
Total transactions with owners	-	-	-	-
Balance at 30 June 2024	20,938,074	61,791,604	36,683,203	119,412,881
Balance as at 1 July 2024	20,938,074	61,791,604	36,683,203	119,412,881
Profit/(loss) for the period	-	-	7,350,812	7,350,812
Other comprehensive income	-	11,498,972	-	11,498,972
Transfers to reserves	8.5.1 4,411,112	-	(4,411,112)	-
Transfers from reserves	8.5.1 (11,446,739)	-	11,446,739	-
Total comprehensive income for the period	13,902,447	73,290,576	51,069,642	138,262,665
Transactions with owners, recorded directly in equity				
Dividends paid	8.5.2 -	-	(3,594,609)	(3,594,609)
Total transactions with owners	-	-	(3,594,609)	(3,594,609)
Balance at 30 June 2025	13,902,447	73,290,576	47,475,033	134,668,056



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 2025

Notes	2025 \$	2024 \$
Cash flows from operating activities		
Receipts		
Receipts from rates and water sales	14,079,726	11,933,164
Interest received	1,044,422	829,213
Developers contributions	1,780,021	2,229,069
GST receipts on sales	23,905	27,406
GST receipts from taxation authority	1,407,997	730,836
Other receipts	231,079	241,325
	<u>18,567,150</u>	<u>15,991,013</u>
Payments		
Payment to suppliers and employees	(9,444,125)	(8,077,371)
Finance Costs	(5,897)	(2,013)
GST payments on purchases	(1,646,967)	(815,879)
	<u>7,470,161</u>	<u>7,095,750</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from the sale of non-current assets	68,610	18,182
Purchase of non-current assets	(12,049,010)	(4,154,416)
Transfer (to)/from Investments	7,239,733	(1,006,191)
	<u>(4,740,667)</u>	<u>(5,142,425)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Repayment of lease liability principal	(47,195)	(40,845)
	<u>(47,195)</u>	<u>(40,845)</u>
Net cash provided by financing activities		
Cash flows from and to Government		
Operating subsidy contributions received	4,386,000	752,000
Government grant funded contributions	1,750,000	-
Income tax paid	(2,100,053)	(1,383,891)
Local Government rates equivalent paid	(73,670)	(68,165)
Dividend paid to Government	(3,594,609)	-
	<u>367,668</u>	<u>(700,056)</u>
Net cash received from/(provided to) Government		
Net increase/(decrease) in cash and cash equivalents	3,049,967	1,212,424
Cash and cash equivalents at the beginning of period	3,479,687	2,267,263
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.2 6,529,654	3,479,687



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

Notes to the Financial Statements

for the year ended 30 June 2025

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 18 September 2025.

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*; and
- *Government Trading Regulations 2023*; and
- 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 T1 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

2.1.1 Employee benefits expenses

	2025	2024
	\$	\$
Employee benefits	1,757,697	1,501,184
Termination payments	113,277	-
Superannuation expenses	254,496	206,869
Net employee benefits	2,125,470	1,708,053

Notes to the Financial Statements

for the year ended 30 June 2025

^(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) and Infrastructure, Property, Plant & Equipment (Note 4.1).

^(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) and Infrastructure, Property, Plant & Equipment (Note 4.1).

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.

	2025 \$	2024 \$
Current		
<u>Employee benefits provisions</u>		
Annual leave ^(a)	259,552	251,828
Long service leave ^(b)	254,901	284,296
Sick leave ^(c)	292,294	335,892
	806,746	872,016
<u>Other provisions</u>		
Employment on-costs ^(d)	51,456	55,350
Total current employee related provisions	858,202	927,366
	2025 \$	2024 \$
Non-current		
<u>Employee benefits provisions</u>		
Long service leave ^(b)	56,885	60,147
<u>Other Provisions</u>		
Employment on-costs ^(d)	3,328	3,479
Total non-current employee related provisions	60,213	63,626
Total employee related provisions	918,415	990,992
Number of employees at year end	44	40

^(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.

Movements in other provisions

	2025 \$	2024 \$
<u>Employment on-cost provision</u>		
Carrying amount at start of period	58,828	47,163
Additional/(reversals of) provisions recognised	15,644	32,935
Payments/other sacrifices of economic benefits	(19,687)	(21,270)
Carrying amount at end of period	54,784	58,828

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.

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$	2024 \$
Pumping	642,129	662,853
Maintenance: General production plant	1,376,000	1,235,692
Mains and meters	1,441,187	1,432,461
Net vehicle running expenses	78,678	38,968
Net operations overhead	1,011,938	987,323
Net stock allocated	3,031	(9,376)
Meter reading costs	21,027	16,534
Water sampling & monitoring fees	665,905	637,567
	<u>5,239,895</u>	<u>5,002,022</u>

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

	2025 \$	2024 \$
Office expenses	948,433	773,909
Stationery and printing	35,302	41,133
Advertising	16,170	-
Bank charges	32,636	30,732
Audit fees	151,560	97,762
Legal expenses	81,641	74,196
Other administration expenses	48,672	44,916
	<u>1,314,414</u>	<u>1,062,648</u>

2.3.2 Other expenses

	2025 \$	2024 \$
Board members expenses	285,904	276,107
Other governance	287,143	149,328
Consulting fees	374,887	383,068
Private works	2,445	7,776
Payroll tax	119,486	102,443
Advertising / recruitment	59,344	21,634
Conferences and training	35,385	43,944
Increase in leave provisions	95,901	43,268
Other costs and staff expenses ^(a)	169,578	176,444
	<u>1,430,073</u>	<u>1,204,012</u>

^(a) 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.

Administration expenses and other expenses are recognised as an expense in the reporting period in which they are incurred.

2.3.3 Loss on disposal of non-current assets

	2025 \$	2024 \$
<u>WDV of disposal on non-current assets</u>		
Plant, equipment, motor vehicles & infrastructure	432,827	134,320
<u>Proceeds from disposal on non-current assets</u>		
Plant, equipment, motor vehicles & infrastructure	(68,610)	(18,182)
Net loss	<u>364,217</u>	<u>116,138</u>

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).

Notes to the Financial Statements

for the year ended 30 June 2025

3 OUR FUNDING SOURCES

How we obtain 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

	2025 \$	2024 \$
Water consumption	9,548,314	9,031,134
Connection fees	235,997	489,389
Standard supply charge	3,726,474	3,557,712
Meter reading charges	18,638	20,055
Other water sales	68,920	63,682
	<u>13,598,343</u>	<u>13,161,972</u>

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

	2025 \$	2024 \$
Operating subsidy contributions - pensioner rebates	892,000	752,000
Operating subsidy contributions - tariffs	3,494,000	-
Commonwealth grant - National Water Grid Authority	644,653	-
	<u>5,030,653</u>	<u>752,000</u>

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.

The Tariff subsidy is received from State Government and addresses the gap between Busselton Water's tariff revenue and the cost of providing services to residential and non-residential customers

Operating subsidies are recognised as income at the fair value of consideration received in the period in which Busselton Water gains control of the appropriated funds. Busselton Water gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury.

Commonwealth grant funding has been approved by the National Water Grid Authority to fund 50% of the cost of the development of a new water treatment plant as part of Busselton Water's Supply Improvement Program. The first milestone payment was received in 2024-25.

Income from grants to acquire or construct a recognisable non-financial asset to be controlled by Busselton Water is recognised when Busselton Water satisfies its obligations under the transfer. Busselton Water satisfied the obligations under the transfer over time as the non-financial assets are being constructed. Busselton Water typically satisfies the obligations under the transfer when it achieves milestones specified in the grant agreement and amounts received in advance of obligation satisfaction are reported at note 6.6 Contract liability.

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:

	2025 \$	2024 \$
Headworks contributions - cash	1,822,718	2,141,007
	<u>1,822,718</u>	<u>2,141,007</u>
Developer mains contributions - cash	29,948	91,770
Developer mains contributions - non-cash	1,195,826	628,205
	<u>1,225,774</u>	<u>719,975</u>

3.4 Interest income

	2025 \$	2024 \$
Interest on water fund	188,262	89,662
Interest on reserves	699,917	821,828
	<u>888,179</u>	<u>911,490</u>

Interest income is recognised as interest accrues.

Notes to the Financial Statements

for the year ended 30 June 2025

3.5 Other revenue

	2025	2024
	\$	\$
Private works and sundry income	2,906	9,024
Operating lease revenue	26,186	25,370
Meter reading	91,749	86,062
Penalties raised	19,030	17,945
Hydrant (application) hire	28,739	19,732
Geothermal recoups	19,284	19,081
Insurance recoveries	2,181	25,344
Sale of scrap	20,239	9,750
Diesel fuel rebate	5,656	10,287
Electricity generation rebate	10,901	-
Other receipts and services ^(a)	25,161	16,996
	<u>252,032</u>	<u>239,591</u>

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

Other revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised when Busselton Water transfers control of the service to customers or when a performance obligation is met.

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 2025

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:

2025	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 2024	Gross carrying amount	Accumulated depreciation
Land at Fair Value	4,750,000	-	4,750,000	-	-	-	-	-	810,425	5,560,425	5,560,425	-
Freehold Land Improvements	729,500	-	729,500	571,734	(15,621)	-	(45,962)	-	(35,951)	1,203,700	1,203,700	-
Capital Works in Progress	2,012,298	-	2,012,298	6,698,679	(705,885)	-	-	-	-	8,005,092	8,005,092	-
Plant and Machinery	21,125,412	(25,094)	21,100,318	143,821	434,785	(149,973)	(821,791)	-	3,035,539	23,742,699	23,742,700	-
Buildings	3,707,968	(2,406)	3,705,562	475,850	(63,981)	-	(155,166)	-	207,135	4,169,400	4,169,400	-
Motor Vehicles	1,181,403	(150,959)	1,030,444	196,968	-	(70,919)	(120,981)	-	31,988	1,067,500	1,067,500	-
Mains and Services	80,737,592	(1,027,165)	79,710,427	4,478,896	341,702	-	(1,041,890)	-	10,876,715	94,365,850	94,365,850	-
Meters	2,132,034	-	2,132,034	443,022	-	(211,767)	(200,737)	-	368,748	2,531,300	2,531,300	-
Tools	35,150	(9,046)	26,104	6,120	9,000	(167)	(4,335)	-	6,615	43,337	43,920	(583)
Office Equipment	310,499	(73,264)	237,235	195,091	-	-	(59,943)	-	30,749	403,132	446,192	(43,061)
Total	116,721,856	(1,287,934)	115,433,922	13,210,181	-	(432,826)	(2,450,805)	-	15,331,963	141,092,435	141,136,079	(43,644)

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 2025

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 2025. The valuation amounts were recognised at 30 June 2025.

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.

A revaluation assessment of assets was undertaken by an external valuer as at 30 June 2025. This assessment was used to assess the validity of the fair value for each class of assets and these valuations were recognised at 30 June 2025.

4.1.1 Depreciation

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:

	2025 \$	2024 \$
Charge for the period		
Freehold land improvements	45,962	41,235
Plant and machinery	821,791	729,630
Buildings	155,166	139,306
Motor vehicles	120,981	102,500
Mains and services	1,041,890	1,027,165
Meters	200,737	167,961
Tools	4,335	4,593
Office equipment	59,943	44,325
Right-of-use assets	51,863	47,921
Total depreciation	<u>2,502,668</u>	<u>2,304,636</u>

As at 30 June 2025, there were no indications of impairment to infrastructure, property, plant and equipment (2024: Nil).

Finite useful lives

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.

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 50 years
Freehold Land Improvements	2 to 50 years
Meters 20mm & 25mm	8 to 12 years
Meters 40mm and above	20 to 25 years
Mains and services	70 to 80 years
Motor vehicles	4 to 25 years
Office equipment	2 to 20 years
Plant and machinery	2 to 60 years
Tools	3 to 20 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 2025

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 amounts 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

	2025 \$	2024 \$
Computer software		
Gross carrying amount	707,697	696,100
Accumulated amortisation	(609,095)	(575,115)
	<u>98,602</u>	<u>120,985</u>
Reconciliations:		
Carrying amount at start of period	120,985	171,289
Additions	11,597	0
Amortisation expense	(33,980)	(50,304)
Carrying amount at end of period	<u>98,602</u>	<u>120,985</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

	2025 \$	2024 \$
Charge for the period		
Computer software	33,980	50,304
	<u>33,980</u>	<u>50,304</u>

As at 30 June 2025 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.

4.3 Right-of-use assets

	2025 \$	2024 \$
Office equipment		
Gross carrying amount	466,833	101,874
Accumulated depreciation	(48,039)	(58,001)
Carrying amount at end of period	<u>418,794</u>	<u>43,873</u>
Reconciliations:		
Carrying amount at start of period	43,873	91,794
Additions	426,784	0
Depreciation expense	(51,863)	(47,921)
Disposals	(61,825)	(100,535)
Depreciation on disposals	61,825	100,535
Carrying amount at end of period	<u>418,794</u>	<u>43,873</u>

Notes to the Financial Statements

for the year ended 30 June 2025

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.

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. Busselton Water did not hold any short term leases during the financial year.

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.

Amounts recognised in profit or loss

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

	2025 \$	2024 \$
Depreciation - office equipment	51,863	47,921
Interest lease expense	5,897	2,013

The total cash outflow for leases for the year ended 30 June 2025 was \$53,093 (2024: \$42,858).

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.

	2025 \$	2024 \$
Rates/standard supply charge debtors	1,071,684	1,049,609
Water/consumption debtors	2,944,886	3,382,094
Deferred rates/charges ^(a)	2,031	2,031
Late payment penalty	14,070	13,732
Fire services	19,722	20,759
Settlement reading fees	3,585	3,291
Miscellaneous fees	16,638	15,566
Sundry debtors	142,858	72,178
GST (net receivable from ATO)	356,266	141,202
Accrued supply charge and water consumption debtors	589,785	626,321
Miscellaneous debtors	145,248	256,779
	<u>5,306,774</u>	<u>5,583,562</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.

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.

Notes to the Financial Statements

for the year ended 30 June 2025

5.2 Inventories

	2025	2024
	\$	\$
Inventories held for distribution	723,869	795,989

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

	2025	2024
	\$	\$
Prepayments	614,263	276,617

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

	2025	2024
	\$	\$
Trade creditors	3,150,659	1,157,541
Accrued salaries	136,731	101,310
Accrued expenses	135,939	195,950
	<u>3,423,330</u>	<u>1,454,801</u>

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 Current tax liability

	2025	2024
	\$	\$
Current tax liability	174,542	805,725
	<u>174,542</u>	<u>805,725</u>

5.6 Other current liabilities

	2025	2024
	\$	\$
Monies in trust	41,853	49,602
Income in advance	124,933	94,552
	<u>166,786</u>	<u>144,154</u>

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
Contract liability	6.6
Other provisions payable	6.7

6.1 Finance costs

	2025	2024
	\$	\$
Loan guarantee fee	-	-
Interest expense	-	-
Lease interest expense	5,897	2,013
	<u>5,897</u>	<u>2,013</u>

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.

	2025	2024
	\$	\$
Cash and cash equivalents	5,424,307	3,479,687
Cash and cash equivalents (restricted)	1,105,347	-
	<u>6,529,654</u>	<u>3,479,687</u>

Notes to the Financial Statements

for the year ended 30 June 2025

6.3 Other financial assets

	2025 \$	2024 \$
Fixed term deposits held to maturity		
Other financial assets (restricted)	3,954,524	7,454,524
Reserve investments	5,160,267	8,900,000
	<u>9,114,791</u>	<u>16,354,524</u>

6.4 Lease liabilities

	2025 \$	2024 \$
Not later than one year	90,964	28,280
Later than one year and not later than five years	329,813	12,909
Later than five years	-	-
	<u>420,777</u>	<u>41,189</u>
Current	90,964	28,280
Non-current	<u>329,813</u>	<u>12,909</u>
	<u>420,777</u>	<u>41,189</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:

	2025 \$	2024 \$
Within 1 year	<u>2,856,381</u>	<u>659,456</u>
	2,856,381	659,456

6.6 Contract liability

Contract liabilities are recognised for the excess of the initial carrying amount of a financial asset received in a transfer to enable the Busselton Water to acquire or construct a recognisable non-financial asset that is to be controlled by Busselton Water. When (or as) the obligations of the contract liability are satisfied under the transfer, the income will be recognised in profit or loss.

	2025 \$	2024 \$
Contract liability	<u>1,105,347</u>	-
	1,105,347	-

6.7 Other provisions

Other provisions are recognised when there is a reliably measurable obligation for a future cost. As at 30 June 2025 Busselton Water had an obligation to pay the below amount for settlement.

	2025 \$	2024 \$
Other provisions payable	<u>33,228</u>	-
	33,228	-

Notes to the Financial Statements

for the year ended 30 June 2025

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

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:

	2025 \$	2024 \$
<u>Financial Assets measured at amortised cost</u>		
Cash and cash equivalents	5,424,307	3,479,687
Cash and cash equivalents (restricted)	1,105,347	-
Receivables ^(a)	4,950,508	5,442,360
Reserve Fund Investments (restricted)	3,954,524	7,454,524
Reserve Fund Investments (unrestricted)	5,160,267	8,900,000
Total financial assets	<u>20,594,952</u>	<u>25,276,571</u>
<u>Financial Liabilities measured at amortised cost</u>		
Payables	3,423,330	1,454,801
Other financial liabilities	620,791	172,434
Total financial liabilities	<u>4,044,121</u>	<u>1,627,235</u>

^(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 (\$)	2025	2024
0 - 10,000	-	-
10,001 - 20,000	1	-
20,001 - 30,000	-	3
30,001 - 40,000	4	2
40,001 - 50,000	-	-
50,001 - 60,000	1	1
	<u>\$</u>	<u>\$</u>
Total compensation of board members	<u>206,936</u>	<u>212,013</u>

Notes to the Financial Statements

for the year ended 30 June 2025

Compensation of senior officers

Compensation Band (\$)	2025	2024
350,001 - 400,000	1	-
300,001 - 350,000	-	-
250,001 - 300,000	-	-
200,001 - 250,000	1	2
150,001 - 200,000	-	2
100,001 - 150,000	2	-
50,001 - 100,000	1	-
1 - 50,000	1	-
	<u>6</u>	<u>4</u>

	2025	2024
	\$	\$
Short-term employee benefits	852,429	625,340
Post-employment benefits	99,147	65,470
Other long-term benefits	1,056	15,999
Termination payments	556	104,595
Total compensation of senior officers	<u>953,188</u>	<u>811,404</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	2025	2024
		\$	\$
Income tax equivalents (NTER)	8.6.1	2,450,272	1,619,051
Dividends	8.5.2	3,594,609	-
Payroll tax		272,302	222,460
Operating subsidies	3.2	4,386,000	752,000
Insurance		161,530	152,160
Local government rates equivalent		73,670	68,165
Bulk water supply agreement - water sales		1,625,760	621,755
Bulk water supply agreement - infrastructure		901,454	863,823
OAG Audit fees		96,901	88,900

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:

	2025	2024
	\$	\$
Auditing the accounts, financial statements and controls	96,901	88,900
	<u>96,901</u>	<u>88,900</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

	2025	2024
	\$	\$
Balance at start of period	20,938,074	17,864,514
Less: Transfers to retained earnings	(11,446,739)	(3,586,878)
Add: Transfers from retained earnings	4,411,112	6,660,438
Balance at end of period	<u>13,902,447</u>	<u>20,938,074</u>

8.5.2 Dividends

The following dividends were declared and paid by the Corporation for the year ended 30 June 2025.

	2025	2024
	\$	\$
Final dividend payment for the prior year ^(a)	3,594,609	-

^(a) No dividend was paid for the year ended 30 June 2024.

Notes to the Financial Statements

for the year ended 30 June 2025

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

Busselton Water currently has \$3.95m in retained dividends which is restricted as it requires Expenditure Review Committee approval prior to utilisation.

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.

8.5.3 Asset revaluation reserve

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.

	2025 \$	2024 \$
Balance at start of period	61,791,604	59,804,737
Gains from asset revaluation	15,331,963	2,649,156
Tax effect of revaluation increments	(3,832,991)	(662,289)
Balance at end of period	73,290,576	61,791,604

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

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.

	2025 \$	2024 \$
Balance at start of period	36,683,202	34,899,605
Result for the period	7,350,813	4,857,157
Transfers from general reserve fund	11,446,739	3,586,878
Transfers to general reserve fund	(4,411,112)	(6,660,438)
Dividends paid	(3,594,609)	-
Balance at end of period	47,475,033	36,683,202

8.6 Income Tax

8.6.1 Income tax equivalents

	2025 \$	2024 \$
(a) Recognised in profit and loss		
Current		
Current income tax charge	2,533,981	1,712,852
Adjustments in respect of current income tax of previous years	-	-
Deferred income tax		
Reduction in tax rate	-	-
Relating to origination and reversal of temporary differences	(83,710)	(93,801)
Total income tax expense	2,450,271	1,619,051

(b) Amounts recognised in other comprehensive income

Deferred income tax		
Fair value adjustments to property, plant and equipment	3,832,991	662,289
Total income tax expense	3,832,991	662,289

	2025 \$	2024 \$
(c) Reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax equivalents	9,801,087	6,476,208
Tax at the statutory income tax rate of 25.0% (2024: 25.0%)	2,450,271	1,619,051
Under/(over) provisions in prior periods	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	-	-
Reduction in tax rate	-	-
Total income tax expense reported in Statement of Comprehensive Income	2,450,271	1,619,051

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 2025

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

2025	Assets \$	Liabilities \$
Deferred tax assets and liabilities are attributable to the following:		
Provisions - employee benefits	(229,604)	-
Accrued superannuation	(1,287)	-
Prepaid expenses	-	5,229
Revaluation of land, property, plant and equipment	-	23,192,011
Infrastructure, property, plant and equipment	-	104,699
Lease liabilities	(105,194)	-
Interest receivable	-	22,846
Tax (assets)/liabilities	(336,085)	23,324,785
Set-off of tax	336,085	(336,085)
Net tax liabilities	-	22,988,700

2024	Assets \$	Liabilities \$
Deferred tax assets and liabilities are attributable to the following:		
Provisions - employee benefits	(247,748)	-
Accrued superannuation	(1,004)	-
Prepaid expenses	-	5,143
Revaluation of land, property, plant and equipment	-	19,444,414
Infrastructure, property, plant and equipment	(12,995)	-
Lease liabilities	(10,297)	-
Interest receivable	-	61,907
Tax (assets)/liabilities	(272,044)	19,511,464
Set-off of tax	272,044	(272,044)
Net tax liabilities	-	19,239,420

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.

	Balance 1 July 2024 \$	Recognised in income \$	Recognised in equity \$	Balance 30 June 2025 \$
Movement in temporary differences during the year:				
Provisions - employee benefits	(248,752)	17,861	-	(230,891)
Prepaid expenses	5,143	86	-	5,229
Infrastructure, property, plant and equipment	19,431,419	32,300	3,832,991	23,296,710
Lease liabilities	(10,297)	(94,897)	-	(105,194)
Interest receivable	61,907	(39,061)	-	22,846
Total movement	19,239,420	(83,711)	3,832,991	22,988,700







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