



# ANNUAL REPORT 2023

OWNED BY THE  
PEOPLE OF W.A.





Aqwest is the trading name of the Bunbury Water Corporation.  
As “Your Local Water Supplier”, we have been providing safe and affordable drinking water to the Bunbury community since 1906.

---



## PURPOSE

Maximise value to the owner and customer by providing locally managed water services



## VISION

To work within a changing environment as an independent, viable and competitive water utility



## VALUES

Accountability  
Integrity  
Transparency  
Respect

---

## KAYA/WELCOME

### OVERVIEW

Highlights	5
CEO/Chair Report	8
The Aqwest Board	11
Corporate Structure	12

### PERFORMANCE

Corporate Outcomes	15
Financial Performance	16
Objectivess, Outcomes and Performance Information	18
10-Year Financial Summary	20
10-Year Operating Statistics	21

### OPERATIONS

Asset Investment Program	23
Work, Health and Safety	24
Customer Feedback	25
Reconciliation Action Plan	26
In Our Community	27

## CORPORATE GOVERNANCE

Corporate Governance Report	31
Disclosure Requirements	34
Directors' Report	35

## FINANCIAL REPORT

Financial Report 2022/23	38
--------------------------	----



**KAYA / WELCOME**

# Welcome to the Aqwest 2023 Annual Report

Aqwest acknowledges the Wardandi Noongar People, the Traditional Custodians of the land on which it operates and their continuing connection to the land, waters and local community. We pay our respects to the Wardandi Noongar People and their Elders past, present and emerging.

The 2023 Annual Report is a review of Aqwest's performance for the financial year ended 30 June 2023.

This report is produced in accordance with the provisions of the Government Trading Enterprises Act 2023 and other relevant legislation, which governs our operations.

It is provided to the Minister for Water the Hon Simone McGurk MLA and is tabled in the Parliament of Western Australia.

The objective of this report is to provide Aqwest's owner, customers, community and stakeholders with information about Aqwest's operational and financial performance for the 2022/23 financial year.

This report and past annual reports can be found at [www.aqwest.com.au](http://www.aqwest.com.au).

For customer enquiries or feedback about our services, email [aqwest@aqwest.com.au](mailto:aqwest@aqwest.com.au).





# OVERVIEW

## BUNBURY WATER RESOURCE RECOVERY SCHEME

As part of Aqwest's Greater Bunbury Integrated Water Management Strategy, a Proof of Concept study was commissioned to investigate the suitability of the local aquifers for groundwater replenishment or Managed Aquifer Recharge (MAR).

Scoping work was carried out during the year to determine the viability of a local MAR scheme in the Yarragadee Aquifer within the Bunbury area.

The study will estimate the volumes that could be injected and recovered to offset existing licenced abstraction and the volumes that can be directed for local use.

This is part of Aqwest's long term strategy to sustainably meet the water supply needs of the Greater Bunbury area well into the future.

This includes developing and maintaining adequate infrastructure and planning urban water services including potable water, non-potable water and wastewater.

## ACHIEVING NET ZERO BY 2030

Aqwest is maximising the efficiency of its operations and reducing its carbon footprint by changing the way it uses energy, while maintaining the high level of water delivery to customers.

Water treatment plants are now being operated during the Midday Saver and Off-Peak times from 9pm to 3pm when demand is lower, to take up excess solar power being supplied to the electricity grid.

In addition, Aqwest is purchasing green power which is part of a strategy to achieve net zero emissions by 2030.

## AQWEST OFFICE RELOCATION

Aqwest continued to grow its business in the post-COVID-19 pandemic climate and moved its office to a larger premises in Bunbury.

The building accommodates additional staff and resourcing for current and future projects.

Operations staff and warehousing functions were also relocated to existing Aqwest owned facilities.







Extracted **7.074 gigitalres (GL)** of groundwater



Achieved a profit before income tax of **\$1.8 million**



Delivered drinking water to **17,989** connected properties



Invested **\$3.130 million** in new infrastructure



Collected revenue of **\$19.428 million**



Invested **\$2.894 million** in the maintenance and renewal of existing infrastructure and corporate assets

The year started without many of the challenges we had experienced with the COVID-19 pandemic, but with some valuable learnings from this time that continue to benefit the organisation.

Aqwest further tested and improved its incident response and management systems, upgraded its information and communications functionality and embraced working from home as a more regular part of our working life.

The importance of comprehensive cyber security management became paramount as cyber-attacks began to make headlines as geo-political tensions increased around the world.

This led to the Board approving an increase in cyber security expenditure, including training which has resulted in Aqwest achieving high scores on the Essential Eight Maturity rating system, placing it ahead of the criteria standard set by government.

During the year we maintained our ISO accreditation following surveillance audits of our Health, Safety, Environment and Quality systems.

With the ongoing growth of our organisation, the administration and engineering functions of Aqwest were moved to a larger premises in Bunbury, while the operational and warehouse functions were relocated to existing Aqwest operational facilities.

Aqwest negotiated a new energy supply contract during the year allowing for up to 50% of its total energy use to be generated from accredited renewable sources.

Due to the supply chain and workforce issues associated with the COVID-19 pandemic which has impacted construction across WA and nationally, the Bunbury Water Resource Recovery Scheme was delayed and rescoping work has started.

Recycled water is considered a key future water source option in response to climate change impacts on local rainfall and water resources. Aqwest are progressing a proof-of-concept study to determine the suitability of local aquifers for groundwater replenishment or managed aquifer recharge. Early outcomes from this work are encouraging with further modelling to continue into the next year.

There were fundamental changes to the legislation Aqwest operates under with the introduction of the Government Trading Enterprises Act 2023. The Act consolidates the governance requirements of GTEs which were replicated across multiple Establishing Acts and aims to standardise governance and accountability and strengthen oversight.

Aqwest's financial performance was again strong throughout the year with an operating profit of \$1.8 million while keeping residential water tariffs to a 2.5 per cent increase.

Engaging with the community and providing support to local organisations through our sponsorship program is an important part of our business, along with reconciliation and Aboriginal engagement. We continued to deliver the actions of our Reflect Reconciliation Action Plan (RAP) while working through the next stage of our journey to develop our Innovate RAP. We look forward to advancing our reconciliation initiatives and further strengthening our relationships with our local Wardandi Noongar community.

A new enterprise agreement was negotiated with staff which provided many additional benefits including improvements to parental leave, inclusion of cultural leave and family and domestic violence leave, along with the provision of wellness days for staff.

Our people are central to the way we do business and to delivering a high level of service to our customers. Thank you to our staff and the Executive team for their dedication and hard work throughout the last year and for embracing change as our business activities and workforce continue to grow.

We farewelled Minister, Hon Dave Kelly MLA, and would like to thank him for his support and direction during his tenure. We welcome our new Minister for Water, Hon Simone McGurk MLA, and look forward to continuing what has already become a positive relationship.

The Aqwest Board provides valuable expertise in setting and guiding the organisation's strategic directions. We thank them for their ongoing dedication and support in ensuring that sustainable water services for the Greater Bunbury Region are a high and continuing priority.



A stylized, handwritten signature in black ink.

**Gary Hallsworth**  
Chief Executive Officer



A stylized, handwritten signature in black ink.

**Stan Liaros**  
Chair







**MR STAN LIAROS  
(CHAIR)**

Stan Liaros is the Chief Executive Officer of the Apprentice and Traineeship Company and a former Chair of Aqwest, the South West Development Commission and the South West Academy of Sport. He was also the Senior Vice President of the South West Football League.



**MRS TRESSLYN SMITH**

Tresslyn Smith is a councillor and Deputy Mayor of the City of Bunbury and has a particular interest in the consumer affairs aspects of water supply and delivering public services. She is a strong supporter of water conservation initiatives and has a keen interest in the long term security of supply of the Yarragadee Aquifer. She gives a high priority to the awareness of environmental factors such as the effect of climate change and its impact on rainfall and rising sea levels.



**MRS PATRICIA SCAFFIDI**

Patricia Scaffidi is a retired Certified Practising Accountant and has worked in a farming and property development business in Donnybrook and as the Financial Lead on business development and acquisition teams for Cristal Inorganic Chemicals and as the Chief Financial Officer for Bemax Mining Group. She is the Company Secretary for GP Down South.



**MRS RHONDA NORMAN**

Rhonda Norman has had a long and distinguished career in the Australian Public Service. She has advanced skills and experience in the areas of human resource management, training, stakeholder engagement, strategic planning and policy development. As a proud Noongar Wilman woman, she has held responsibility for the delivery of a range of cultural awareness and mentor training programs Australia wide.



**DR WENDY GILES**

Wendy Giles is a Bunbury City Councillor and the former Associate Dean of Edith Cowan University in Bunbury. She is a South Regional TAFE Governing Council member.



**MR MICK MURRAY**

Mick Murray is a former Member of Parliament, serving the Collier-Preston electorate, which includes Eaton, Dardanup, Australind and the outskirts of Bunbury, for 20 years before retiring in 2021. He is the former Minister for Seniors and Ageing; Volunteering; Sport and Recreation. He has lived in the South West all his life and is a passionate supporter of junior hockey and football.

# Corporate Structure

## MINISTER FOR WATER



Hon Simone McGurk MLA

## BOARD OF DIRECTORS



Stan Liaros (Chair)



Mick Murray



Patricia Scaffidi



Tresslyn Smith



Rhonda Norman



Wendy Giles

## EXECUTIVE MANAGEMENT



Gary Hallsworth

### CHIEF EXECUTIVE OFFICER



Claire Anderson  
GENERAL MANAGER  
BUSINESS SERVICES



Cristiano Carvalho  
GENERAL MANAGER  
WATER SERVICES



Annmarie Diamond  
GENERAL MANAGER  
FINANCIAL SERVICES

## CORPORATE STRUCTURE

Aqwest is owned by the Western Australian Government and accountable to the Minister for Training; Water; Youth the Hon Simone McGurk MLA, for the delivery of services.

The Board responds to the Minister for Water and has the legislative authority to perform the functions of the organisation. It is ultimately responsible for legal compliance, corporate governance and risk management. The Board also provides strategic direction and guidance to the Chief Executive Officer and Executive Management.

The Chief Executive Officer is appointed by the Board of Directors, with the concurrence of the Minister for Water.

The organisational structure consists of three streams, Water Services, Financial Services and Business Services. Each is headed by a General Manager who reports directly to the Chief Executive Officer.

Aqwest employs 57 team members and engages several local contracting and consulting businesses for support and expertise as required.







**PERFORMANCE**



Aqwest's corporate performance against financial outcomes and targets detailed in its 2022/23 Statement of Corporate Intent (SCI):

	2022/23 Target	2022/23 Actual
<b>Financial outcomes</b>	<b>\$'000s</b>	<b>\$'000s</b>
Total Operating Revenue	18,174	19,017
Less: Direct Operating Expenses	12,641	13,660
Less: Depreciation	3,486	3,818
<b>Earnings Before Interest and Tax (EBIT)</b>	<b>2,047</b>	<b>1,539</b>
Less: Interest Expense	89	168
Add: Developer Contributions	279	411
<b>Operating Profit Before Tax</b>	<b>2,237</b>	<b>1,782</b>
Less: Income Tax Expense	898	458
Less: Dividend	910	-
<b>Operating Profit After Tax and Dividend</b>	<b>429</b>	<b>1,324</b>
Capital expenditure	38,126	5,954
Borrowings taken (repaid)	9,702	(801)
Net debt	14,305	5,016
<b>Net accrual to Government</b>	<b>\$'000s</b>	<b>\$'000s</b>
Income Tax Equivalent	898	927
Local Government Rate Equivalent	96	89
Dividend	910	-
Operating subsidy	(1,232)	(1,586)
Contributed Equity	(11,050)	(11,050)
<b>Net accrual to Government</b>	<b>(10,378)</b>	<b>(11,620)</b>



### PROFIT

**\$1.782  
million**

#### Profitability

Aqwest's operating profit before tax in 2022/23 was \$1.782 million.



### ASSET INVESTMENT

**\$5.954  
million**

#### Infrastructure

Aqwest's asset investment program benefits the community and industry partners, which assists in construction, maintenance and operations works. A \$5.954 million asset investment program was delivered in 2022/23.



### DIVIDEND

**\$1.103  
million  
(retained)**

#### Supporting the Region

Dividends paid to the State Government contribute to a range of programs and initiatives that benefit the West Australian community. This year, under Government direction, Aqwest retained its dividend of \$1.103 million and used it to partially fund its Asset Investment Program.



## Financial Performance



**\$(11.620)  
million  
NATG**

### Returns to the State

Aqwest is required by the Australian Tax Office to lodge an income tax return and pay income tax equivalents to the State Government. In total \$0.927 million in tax will be paid for the 2022/23 year.

No dividend was paid during the 2022/23 year. The funds were retained under Government direction and used towards the Aqwest's Asset Investment Program.

Operating Subsidies from the State Government of \$1.586 million were received for the 2022/23 year. These were to cover the discounts provided to pensioners and seniors via rebates on their water bills and the shortfall between the cost of providing residential water services compared to tariff increases.

An \$11.050 million equity contribution was received from the State Government in 2022/23 to mainly fund the fluoridation of the Bunbury water supply project.

Net Accrual to Government (NATG) is the total of tax, dividend and local government rate equivalent payments to Government, offset by the operating subsidy and equity contribution received from the State Government. In 2022/23 Aqwest received a net payment from the State Government of \$11.620 million.

# Objectives, Outcomes and Performance Information

## Relationship to Government Goals

Broad Government goals are supported by Aqwest's objectives and outcomes.

The Aqwest Board developed several strategic priorities for the 2022/23 financial year. These strategies collectively focused on ensuring Aqwest addresses any long-term risk within the organisation, as it strives to deliver a high-quality service well into the future.

The following table illustrates the relationship between Aqwest's objectives and outcomes and the Government goal it contributes to. The key performance indicators measure the achievement of Aqwest's objectives.

Government Goals	Strategic Objective	Desired Outcomes
<b>Sustainable Finances:</b> Responsible financial management and better service delivery.	1. Utilise our assets to generate sustainable and responsible financial outcomes.  2. Maintain safe, reliable and affordable water services for our customers.	1. Long term financial viability.  2. Satisfied customers.
<b>Future Jobs and Skills:</b> Grow and diversify the economy, create jobs and supports skills development.	3. Support the Greater Bunbury economy.  4. Develop innovation opportunities within the circular economy.	3. Local jobs and local suppliers.  4. Highly skilled and diversified workforce.
<b>Strong Communities:</b> Safe communities and supported families.	5. Provide accessibility and support for employees, vulnerable customers and the Greater Bunbury community.	5. Strong supported community.
<b>Better Places:</b> A quality environment with liveable and affordable communities and vibrant regions.	6. Provide climate resilient, sustainable, fit for purpose water to the community.	6. Safe, reliable, high-quality drinking water.  7. Safe, reliable, recycled water available.  8. Environmentally sustainable operations.



# Objectives, Outcomes and Performance Information

Outcomes and Key Performance Indicators	2022/23 target	2022/23 actual	Outcome	Comment – where target not met
Outcome 1: Long term financial viability				
Economic Real Rate of Return	1.3%	0.7%	✗	Increase in operating expenses due to market conditions.
Outcome 2: Satisfied customers				
Overall customer satisfaction rating (Customer satisfaction survey)	85%	85%	✓	
Outcome 3: Local jobs and local suppliers				
Percentage of local suppliers (Buy Local Policy target)	70%	49%	✗	Aspirational target not met due to some core services unable to be sourced locally.
Outcome 4: Highly skilled and diversified workforce				
Increase jobs by >2% per annum	>2%	8%	✓	
Training expenditure per annum against wages and salaries	>3%	2.1%	✗	Some planned training expenditure postponed until 2023/24.
Safety Index	1.0	1.0	✓	
Outcome 5: Strong supported community				
Customer awareness of Aqwest services (Customer satisfaction survey)	85%	93%	✓	
Employee Diversity & Wellbeing Index	1.0	0.64	✗	This index includes multiple metrics. Some employee diversity programs and initiatives delayed due to market constraints.
Strong Communities Index	1.0	1.0	✓	
Outcome 6: Safe, reliable, high-quality drinking water				
Customers agree water is safe to drink (Customer satisfaction survey)	85%	81%	✗	Survey results lower than expected. Note: Aqwest maintains 100% health related drinking water quality compliance.
Microbiological compliance	100%	100%	✓	
Average frequency of an unplanned interruption (per 1,000 properties)	<250	185	✓	
Outcome 7: Safe, reliable, recycled water available				
Make available 2.0 GL of recycled water per annum	2 GL	0 GL	✗	Bunbury Water Resource Recovery Scheme project postponed due to market constraints.
Outcome 8: Environmentally sustainable operations				
Environmental Sustainability Index	1.0	0.94	✗	The Environmental Sustainability Index includes multiple metrics, including real water losses, which were higher than expected due to a major mains burst.

# 10-Year Financial Summary

Financial outcomes ('000s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Revenue	19,428	17,611	17,714	16,357	16,163	14,990	15,861	16,136	14,217	11,059
Operating Subsidy	1,586	856	786	768	738	703	703	811	480	-
Developer Contributions	411	566	539	162	363	224	658	727	993	428
Operating Costs	13,828	11,517	10,211	9,789	8,915	8,438	8,616	8,343	7,951	7,331
Depreciation	3,818	3,520	4,157	2,672	2,495	2,553	2,522	2,718	2,684	2,672
Total Expenses	17,646	15,036	14,368	12,461	11,410	10,991	11,138	11,061	10,635	10,003
Profit/(Loss) Before Tax	1,782	2,575	3,346	3,896	4,753	3,999	4,723	5,075	3,582	1,056
Current Income Tax	927	1,145	1,184	1,275	1,600	1,392	1,794	1,935	1,472	696
Dividend	-	-	2,110	2,614	1,940	1,898	1,983	1,281	-	-
Capital Expenditure	5,954	7,699	7,002	12,120	4,962	3,431	3,417	2,588	2,738	3,276
Total Debt	5,016	5,817	6,602	7,373	273	335	394	452	507	561

## 10-Year Operating Statistics

Operating outcomes	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Water production (gigalitres)	7.07	6.74	6.50	6.46	6.31	6.39	6.52	6.66	6.81	6.70
Residential consumption (gigalitres)	3.90	3.84	3.82	3.90	3.82	3.88	3.90	4.07	4.09	4.08
Non-residential consumption (gigalitres)	1.60	1.57	1.55	1.64	1.52	1.51	1.48	1.66	1.63	1.61
Total water consumption (gigalitres)	5.50	5.41	5.37	5.54	5.34	5.39	5.38	5.73	5.72	5.69
Residential services	16,405	16,279	16,197	15,987	15,899	15,831	15,758	15,610	15,442	15,270
Non-residential services	1,584	1,563	1,547	1,552	1,531	1,525	1,515	1,503	1,475	1,449
Total properties served	17,989	17,842	17,744	17,539	17,430	17,356	17,273	17,113	16,917	16,719
Growth in properties served (per cent)	0.8	0.6	1.2	0.6	0.4	0.5	0.9	1.2	1.3	0.6



# OPERATIONS





## Reservoir Integrity Program

The final stages of the improvement works to the Roberts Reservoir were started during the year, which included construction of improved slope stabilisation on the northern side of the site.

The works followed the purchase by Aqwest of the former GWN7 property next door in 2021 and the removal of the building, along with the decommissioned satellite dishes in April 2022 to allow for a more gradual slope gradient to be constructed.

The Roberts Reservoir is one of Aqwest's key water storage facilities in Bunbury.

## Mains and Valve Replacement

As part of Aqwest's ongoing renewal of water mains and valves, 2km of mains upgrades were completed on South Western Highway, the first part of a \$9.6 million State Government investment over the next 10 years to improve water supply reliability in the Bunbury region.

The \$800,000 project has delivered increased water supply and pressure to the Bunbury Airport to boost the firefighting capacity, Bunbury Regional Prison and meet future development needs.

Continued investment in this area aims to improve customer outage times and frequency by reducing mains failure and improving Aqwest's ability to manage failures when they do occur, by having properly functioning valves to shut down failed sections of the network.

Aqwest's water supply network consists of 392km of water mains controlled by around 2208 valves.

## Security Management Program

Aqwest continued to upgrade security across operational sites in the last year. The latest upgrades will ensure the security of assets, people and information and improve alignment with water industry standards.

### SCADA Upgrade Project

Aqwest has completed a two-year, \$1.5 million upgrade of the SCADA system which monitors the water supply scheme. These upgrades will provide staff with enhanced, real time data and information across a whole range of assets to deliver further operational efficiencies. This data will also contribute towards improving asset management and maintenance programs to position the business for the future.

## Tech Reservoir Improvements

Investment in our key water infrastructure assets continues to occur, including the replacement of the roof structure (purlins) of the Tech Reservoir, a key part of our water supply system.

### Water Loss Management Plan

A feasibility study to establish District Metered Areas was completed which will allow for sections of the water network to be assessed for water use and leaks.

This allows for better leak management and repairs and is part of Aqwest's Water Loss Management Plan.

## Work, Health and Safety

The Aqwest Work, Health and Safety framework is certified to the ISO 45001 international standard.

Our commitment to work, health and safety was demonstrated this year through:

- Monthly Safety Committee meetings which provide a consultative forum to effectively address health and safety matters. The Safety Committee is chaired by the Chief Executive Officer and membership includes the executive staff, health and safety representatives and committee advisers
- Monthly departmental safety meetings were held by the Administration and the Water Services teams, supported by four health and safety representatives from the Administration, Asset Management, Networks and Water Treatment departments
- March 2023 saw Aqwest successfully undertake the ISO 45001:2018 Occupational Health and Safety Management Systems Surveillance Audit. 100 per cent of the actions from the audit are on track to be completed by the nominated target dates
- 100 per cent achievement of Aqwest's Safety Incentive Scheme performance indicators

Aqwest complies with the injury management requirements of the Workers Compensation and Injury Management Act 1981, including the development of return-to-work plans.

Aqwest employees have access to a Health and Wellbeing program which includes physiotherapy, an employee assistance program and subsidised financial and health services.

Aqwest has implemented a program and training to support staff and customers who are affected by family and domestic violence.







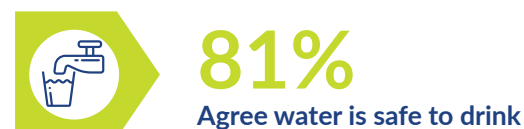
## Customer Feedback

Aqwest receives feedback from its customers via telephone, in writing, by email and in person. Any complaints are managed in Aqwest's complaints management system, which captures the nature of the complaint, status and outcome.

The complaint procedures meet the requirements of the Water Services Code of Conduct (Customer Service Standards) 2018. Aqwest aims to resolve all complaints within 15 business days and provides customers with information on how to apply to the Energy and Water Ombudsman for a review if they are unsatisfied with the outcome.

Aqwest carried out its annual Community Engagement Survey in July and August to seek feedback about its services.

Some of the results of the Customer Engagement Survey were:



# Reconciliation Action Plan

Aqwest launched its first Reconciliation Action Plan (RAP) in October 2021.

Throughout the year, Aqwest continued to build relationships with Aboriginal and Torres Strait Islander stakeholders and deliver against our commitments towards reconciliation by specifying actions and initiatives that are meaningful to our organisation and community.

Aqwest worked with the City of Bunbury to support local Reconciliation Week and NAIDOC Week events, including the Reconciliation Walk from the Koombana Bay Foreshore to the Graham Bricknell Music Shell.

The RAP Working Group oversaw the progress of the RAP actions. Most RAP actions were delivered on target. Some actions were impacted by COVID-19 and resourcing and those outstanding actions are being carried through to the next level of Innovate RAP.

In August 2022, Aqwest agreed to commence the Innovate RAP process. The RAP Working Group held workshops in early 2023 to explore strategies and targets for Aqwest's ongoing contribution towards reconciliation.

Aqwest is guided by the following reconciliation principles in implementing its RAP:

**SHARE Custodianship** – Aqwest shares the responsibility of custodianship, not only of the region's precious water resource but the community, land, flora and fauna and hopes to learn and work together to guard, protect and maintain these resources.

**BUILD Connections** – Building connections within the community and connections to culture.

**EMPOWER Community** – Caring for and empowering the community through activities that foster progress towards reconciliation.







### Reconciliation Week

Aqwest employees supported Reconciliation Week from May 27 to June 3 by taking part in the 2023 Reconciliation Bridge Walk, starting at the Wardandi Boodja sculpture on the Koombana Bay foreshore and continuing across the Koombana Bridge, along Koombana Drive to Bicentennial Square in Bunbury.

A stall and the Aqwest Rehydration Station were also set up at the Graham Bricknell Music Shell at Bicentennial Square.

Aqwest supported the Reconciliation Week Street Banner Program run by the Department of Local Government, Sport and Cultural Industries by sponsoring some of the colourful banners hung in Victoria Street in Bunbury.

### NAIDOC Week

Aqwest supported NAIDOC Week from July 2 to 9 by helping to promote local events being held in Bunbury including the Noongar Country Exhibition.

### International Women's Day

Aqwest staff joined many organisations in supporting International Women's Day in March and also took the opportunity to celebrate the achievements of Accounts Coordinator Deb Owens who celebrated 25 years of service this year and retired in July.







## Water Conservation

Aqwest continued the promotion of Water Conservation to customers.

Average residential water consumption was 245 kilolitres per household during the year, which is above last year's consumption of 240 kilolitres. Aqwest's target is to see this reduce each year.

Aqwest once again joined with the City of Bunbury to light up Bunbury's iconic landmarks in blue to promote "Our Water Stories" for National Water Week from October 17 to 23. Aqwest was delighted to provide prize packs to schools for a colouring in competition to promote the theme.

In November, staff raised awareness about water conservation and Aqwest's services at the Smart2Ask Community Expo at the Stirling Street Arts Centre.

Masters of Environmental Engineering students from Murdoch University visited the Ngoora Moolinap Water Treatment Plant in May to learn about how water is produced in Bunbury.

The Winter Switch-off campaign was widely promoted throughout WA, including a joint promotion in local media with Water Corporation in Bunbury.

## Photography Competition

The popular Aqwest Photography Competition was once again held to raise awareness of water conservation among school students. Students from throughout the Greater Bunbury region submitted photographs depicting the "Water Art" theme and entries were judged by professional photographers.

Prizes were awarded to Primary and Secondary School categories and the top photos appeared in the 2023 Aqwest calendar.

## Sponsorship

Local community groups were invited to share in \$50,000 in funding in the 2022/23 sponsorship pool.

In April, Aqwest staff attended the City of Bunbury's South West Grants Expo to chat to people about how to apply for sponsorship.

Aqwest has developed strong links with the community since the Bunbury Water Board started in 1906 and is proud to assist local educational, social, cultural and environmental initiatives.

Sponsorship is open to community based organisations providing a community





service or an educational, social, cultural or environmental activity which meets the required criteria.

## South West Future Jobs and Skills Forum

Aqwest staff spent a busy day chatting to students about local water industry career opportunities at the South West Careers Expo at Bunbury Catholic College in March.



It was a great opportunity to showcase the careers on offer at Aqwest and give students advice and options as they start to make decisions about their future career paths.

## Paperless Billing

A promotional campaign to encourage customers to “go paperless” and register to receive their bill by email or BPay View was run in March.

Over the three month campaign, many customers made the switch and a prize draw was held to award one entrant a waterwise washing machine.

## Communications

Aqwest keeps customers up to date about its activities by publishing the On Tap newsletter every four months, media releases and weekly Facebook, Instagram and LinkedIn posts. This ensures there are a number of mediums used to reach as many people in the community as possible.

Some of the news this year included the Photography Competition, appointment of Board Directors, community sponsorship opportunities, community sponsorship recipients and lighting up Bunbury landmarks for the 16 Days in WA – Stop Violence Against Women campaign.

Aqwest took the opportunity to highlight:

- Where Bunbury’s water comes from
- Waterwise tips
- The Winter Switch-off campaign
- How to keep your lawn healthy in winter
- How to read meters to detect leaks
- Leak assistance programs
- How to save water around the home
- The Noongar seasons
- Water network improvements being undertaken in Bunbury
- The watering roster

Aqwest sought feedback about its services from the community through a Community Engagement Survey.

## Rehydration Station

The Aqwest Rehydration Station was used for many community events during the year. The 500 litre tank has eight water dispensing points and an ice chest.



# CORPORATE GOVERNANCE



## Key Board Activities

The Aqwest Board of Directors provides leadership and direction to ensure Aqwest achieves excellence when providing services to its customers, completes regulatory and statutory compliance and operates in a responsible and ethical manner within the spirit of relevant legislation and the community it serves.

The Board develops an annual Statement of Corporate Intent (SCI), which outlines objectives and performance targets for the coming year. The Board prepares an annual Strategic Development Plan (SDP) which sets out the economic and financial objectives and operational targets over a five year period.

The Chief Executive Officer is responsible for the achievement of the objectives and targets, set out in the SCI and SDP.

The Board also prepares a Strategic Asset Plan (SAP) that identifies the top priority investment proposals and their strategic justification.

## Governance Framework

The Board has legislative authority under the Water Corporations Act 1995 to set Aqwest's policies. The Board is responsible for corporate governance, approving strategic direction and budgets.

The Board is provided with performance reports at monthly Board meetings to monitor progress against targets.

## Accountability and Independence

As prescribed in the Water Corporations Act 1995, Directors are to act honestly, exercise due care and diligence and disclose all material personal interest in matters involving Aqwest that are raised in Board meetings.

## Board Charter and Directors' Code of Conduct

The Board Charter incorporates relevant contemporary corporate governance principles and outlines the Board's rules and Directors' roles and responsibilities. The Board Charter includes a Director's Code of Conduct, which identifies the minimum standards of conduct required of all Directors of Aqwest when carrying out their duties and responsibilities.

Directors agree to be bound by the Charter and the Code.

The Board Charter and Director's Code of Conduct were reviewed in July 2023.

## Ministerial Directions

The Minister may give direction in writing to the Board of Directors about the performance of its function prescribed by legislation. No directions were received from the Minister during the year.

Ministerial approval is required for transactions that are above a prescribed amount (currently \$15 million) which will amount to a major initiative or are likely to be of significant public interest. No such transactions were made during the year.

## Performance Monitoring and Reporting

In addition to this Annual Report, Aqwest also provided three quarterly reports to the Minister for Water detailing its performance and progress made to fulfil its Statement of Corporate Intent.

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.

# Corporate Governance Report

## Changes to the Board

There were two terms extended:

Director	Appointments
Stan Liaros	Re-appointed to 31 May 2026
Patricia Scaffidi	Re-appointed to 31 May 2026

## Board Committees

Committees of the Board that operated during the year ending 30 June 2023 were:

- Audit and Risk Committee
- Salary Review Committee

The number of Board and Committee meetings held, and attended by each Director during this reporting period, is shown in the table below:

	Board Meetings		Audit and Risk Committee		Salary Review Committee	
	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend
Number of meetings held	12		4		1	
Stan Liaros (Chair)	11	12	4	4	1	1
Tresslyn Smith (Deputy Chair)	11	12	2	4	0	0
Wendy Giles	7	12	0	0	1	1
Patricia Scaffidi	10	12	4	4	1	1
Rhonda Norman	12	12	0	0	0	0
Mick Murray	10	12	0	0	0	0

## Salary Review Committee

The Salary Review Committee is chaired by the Board Chair Stan Liaros and included Directors Patricia Scaffidi and Wendy Giles. The Committee supports and assists the Board to ensure remuneration and benefit arrangements support the strategic aims of the business while complying with regulatory requirements and satisfying the requirements of Aqwest's owner.

## Audit and Risk Committee

The Audit and Risk Committee provides an independent authority for Aqwest's external and internal auditors to report to, while also being tasked by the Board to oversee the following core areas:

- Audit
- Financial Management
- Risk Management
- Compliance

The Audit and Risk Committee Charter states that the committee is to meet quarterly, has three independent members who are not Aqwest management and ensures that the following key deliverables are maintained:

- Ensure the integrity of Aqwest's financial statements
- Ensure the Board's compliance with legal and regulatory requirements
- Review all audit reports and oversee the implementation of audit recommendations
- Monitor the performance of

Aqwest's internal audit function and independent internal auditors

- Effectively manage risk across the organisation
- Ensure adherence to Australian Accounting Standards (AAS) and Australian Risk Management Standards (AS/NZS/ISO 31000:2009)

The Audit and Risk Committee meets quarterly to review the periodic financial statements and performance against budget. The meetings are held between the Chair of the Audit and Risk Committee and the Executive Management Team, as well as being open to all Board members. Any findings are presented at the following Audit and Risk Committee meeting.

# Disclosure Requirements

## Record Keeping

Aqwest is committed to maintaining good record keeping practices and meeting the legislative requirements of Section 61 of the State Records Act 2000 and the State Records Commission Standards (Standard 2 - Principle 6). Aqwest's Record Keeping Plan was reviewed, and the amended plan was noted by the State Records Commission in August 2020. The next review is due for completion by April 2025.

Record keeping training is mandatory for all staff to gain an understanding of their responsibilities and obligations. New employees receive a records management induction and training for current employees is available as the need is identified. Requirements for record keeping training are reviewed annually as part of performance appraisal and internal auditing processes. Records training requirements within the organisation are also assessed via an annual staff survey.

## Public Interest Disclosure (PID)

The Public Interest Disclosures Act 2003 protects the privacy and confidentiality of both the individual making a public interest disclosure and the subject of that disclosure.

New employees are given relevant public interest disclosure information on commencement of employment, which is contained within the Staff Code of Conduct.

There were no public interest disclosures in this reporting period.

## Freedom of Information (FOI)

Aqwest met its obligations under the Freedom of Information Act 1992 in this reporting period. During the year, no official FOI applications were received, however one third party FOI request was received.

Under Section 96 of the Act, Aqwest is required to produce an Information Statement. Its purpose is to provide a description of Aqwest's procedures for giving members of the public access to documents, as well as the types of documents it holds. Aqwest maintained this Information Statement during this reporting period.

## Public Sector Standards and Ethical Codes

Aqwest's Staff Code of Conduct was developed in alignment with the Public Sector Commission guidelines. It details some of the required behaviours of all employees and defines the values for the way Aqwest undertakes its business and relates with each other.

## Reportable Expenditure

The Electoral Act 1907 (Section 175 ZE) requires the disclosure of certain categories of expenditure. Details of the organisations contracted by Aqwest and the amounts paid in the last year are summarised below:

- a) Advertising agencies:** None
- b) Market research organisations:** None
- c) Polling organisations:** None
- d) Direct mail organisations:** None  
(only used for billing of accounts)
- e) Media advertising organisations:** None



The Directors of Aqwest present their report for the 12 months ended 30 June 2023.

## Directors

The following were Directors of Aqwest at the date of this report:

- **Mr Stan Liaros (Chair)**  
Director since January 2018
- **Mrs Tresslyn Smith**  
Director since June 2018
- **Dr Wendy Giles**  
Director since January 2018
- **Mrs Patricia Scaffidi**  
Director since January 2018
- **Mrs Rhonda Norman**  
Director since July 2019
- **Mr Mick Murray**  
Director since June 2022

Directors' biographies are shown on page 11.

Directors' meetings and attendance are shown on page 32.

Directors' compensation details are shown on page 37.

## Principal Functions

The principal functions of Aqwest are to:

- Acquire, store, treat, distribute, market and otherwise supply drinking water
- Undertake, maintain and operate any works, system, facilities, apparatus or equipment required for this purpose

There has been no significant change in the nature of Aqwest's functions during this year.

## Operating Results

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

During the year, Aqwest supplied 6.5 million kilolitres of water.

Aqwest made a profit before income tax equivalent of \$1.782 million (2022: Profit \$2.575) million). On an after-tax equivalent basis, the profit was \$1.324 million (2022: \$1.929 million).

## Dividends

a) Dividends paid or declared by Aqwest since the end of the previous financial year:

Nil.

b) Dividends declared after end of year:

After the balance sheet date, the Directors have proposed a final dividend of \$0.586 million for the 2022/23 year, payable on or before 31 December 2023. The financial effect of the dividend has not been brought to account in the financial statements for the year ended 30 June 2023 and will be recognised in subsequent reports.

Aqwest's dividend payout ratio is 85 per cent.

## Remuneration Report

Key management personnel comprise the Directors of the Board and Executives who are responsible for planning, directing and controlling Aqwest's activities. The Directors' compensation is determined by the Public Sector Commission and is approved by the Minister.

There are four Executive staff employed by Aqwest as follows:

1. Chief Executive Officer
2. General Manager Water Services
3. General Manager Financial Services
4. General Manager Business Services

# Directors' Report

The names and positions of the Executives were:

Executives		Year ended 30 June 2023	Year ended 30 June 2022
Mr Gary Hallsworth	Chief Executive Officer	✓	✓
Mr Mark Crabtree	General Manager Water Services (a)		✓
Mr Chris McDonnell	General Manager Financial Services (b)		✓
Mrs Claire Anderson	General Manager Business Services	✓	✓
Mrs Annmarie Diamond	General Manager Financial Services (c)	✓	✓
Mr Cristiano Carvalho	General Manager Water Services (d)	✓	✓

(a) To 10 June 2022

(b) To 29 April 2022

(c) From 23 May 2022

(d) From 20 June 2022

Executive remuneration fell within the following bands, and is rounded to the nearest one thousand dollars:

Total remuneration band \$	Number of Staff	Total*
Year ended 30 June 2023		
280,001 - 290,000	1	281,000
180,001 - 190,000	2	373,000
170,001 - 180,000	1	179,000
Year ended 30 June 2022		
230,001 - 240,000	2	469,000
170,001 - 180,000	2	351,000
10,001 - 20,000	1	13,000
0,001 - 10,000	1	2,000

\*Includes post-employment benefits and long-term benefits.

The names and positions of the Directors during the year were:

Directors		Year ended 30 June 2023	Year ended 30 June 2022
Mr Stan Liaros	Chair (non-executive)	✓	✓
Mr Neville Eastman	Deputy Chair (non-executive) (a)		✓
Mrs Tresslyn Smith	Director (non-executive)	✓	✓
Dr Wendy Giles	Director (non-executive)	✓	✓
Mrs Patricia Scaffidi	Director (non-executive)	✓	✓
Mrs Rhonda Norman	Director (non-executive)	✓	✓
Mr Mick Murray	Director (non-executive) (b)	✓	✓

(a) To 23 June 2022

(b) From 24 June 2022

Remuneration fell within the following bands, and is rounded to the nearest one thousand dollars:

Total remuneration band \$	Number of Directors	Total*
Year ended 30 June 2023		
20,001 to 30,000	1	28,000
10,001 to 20,000	6	70,000
Year ended 30 June 2022		
20,001 to 30,000	1	28,000
10,001 to 20,000	5	68,000

\*Includes post-employment benefits.

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



Stan Liaros  
Chair  
11 September 2023



Patricia Scaffidi  
Director  
11 September 2023



# FINANCIAL REPORT



## Directors' Declaration

In the opinion of the Directors of Bunbury Water Corporation:

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

Signed in accordance with a resolution of the Directors:



**Stan Liaros**  
Chair  
11 September 2023



**Patricia Scaffidi**  
Director  
11 September 2023

# Statement of Comprehensive Income for the year ended 30 June 2023

	Note	2023 \$	2022 \$ *Restated
<b>Income</b>			
Revenue			
Water consumption	2.1	10,613,350	10,175,266
Water supply	2.2	5,407,215	5,191,165
Operating subsidy	2.3	1,586,000	856,000
Developer contributions	2.4	411,146	566,086
Interest income	2.5	964,426	74,382
Other revenue	2.6	445,750	715,637
<b>Gains</b>			
Gain on disposal of non-current assets	2.7	-	32,498
<b>Total income</b>		<b>19,427,887</b>	<b>17,611,034</b>
<b>Expenses</b>			
Cost of services	3.1	3,792,476	3,819,580
Employee benefits expense	3.2.1	5,945,053	4,726,955
Corporate expenses	3.3	3,522,199	2,824,058
Depreciation & amortisation expense	4.1.1, 4.2.1, 4.3	4,028,391	3,519,579
Finance costs	6.3	167,941	146,232
Net loss on disposal of non-current assets	2.7	189,854	-
<b>Total expenses</b>		<b>17,645,914</b>	<b>15,036,404</b>
<b>Profit before income tax</b>		<b>1,781,973</b>	<b>2,574,630</b>
Income tax equivalent expense	8.7.1	457,558	646,012
<b>Profit after income tax</b>		<b>1,324,414</b>	<b>1,928,618</b>
<b>Profit for the period</b>		<b>1,324,414</b>	<b>1,928,618</b>

	Note	2023 \$	2022 \$ *Restated
<b>Other comprehensive income</b>			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus*	8.5.1	4,944,378	10,084,454
Income tax expense on items of other comprehensive income*	8.5.1	(1,236,095)	(2,521,113)
<b>Total other comprehensive income*</b>		<b>3,708,283</b>	<b>7,563,341</b>
<b>Total comprehensive income for the period*</b>		<b>5,032,697</b>	<b>9,491,959</b>

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

\*Refer to Note 9 'Prior year restatement'.

# Statement of Financial Position for the year ended 30 June 2023

	Note	2023 \$	2022 \$ *Restated
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6.4	3,538,635	17,721,908
Other financial assets	7.1	23,000,000	-
Receivables	5.1	2,966,531	2,689,859
Inventories	5.2	695,495	681,185
Other current assets	5.3	405,198	284,264
<b>Total current assets</b>		<b>30,605,859</b>	<b>21,377,216</b>
<b>Non-current assets</b>			
Property, plant and equipment*	4.1	144,619,270	137,660,381
Intangible assets	4.2	14,467	119,456
Right-of-use assets	4.3	1,381,203	-
<b>Total non-current assets*</b>		<b>146,014,940</b>	<b>137,779,837</b>
<b>Total assets*</b>		<b>176,620,799</b>	<b>159,157,053</b>

	Note	2023 \$	2022 \$ *Restated
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	5.4	2,140,105	2,223,592
Other current liabilities	5.5	-	86,047
Borrowings	6.1	744,063	807,789
Lease liabilities	6.2	279,210	-
Employee related provisions	3.2.2	923,790	804,279
<b>Total current liabilities</b>		<b>4,087,168</b>	<b>3,921,707</b>
<b>Non-current liabilities</b>			
Employee related provisions	3.2.2	69,844	22,191
Other provisions	5.6	13,000	-
Borrowings	6.1	4,271,814	5,009,240
Lease liabilities	6.2	1,125,546	-
Deferred tax liabilities*	8.7.2	13,691,943	12,925,128
<b>Total non-current liabilities*</b>		<b>19,172,147</b>	<b>17,956,559</b>
<b>Total liabilities*</b>		<b>23,259,315</b>	<b>21,878,266</b>
<b>Net assets*</b>		<b>153,361,484</b>	<b>137,278,787</b>
<b>Equity</b>			
Reserves*	8.5.1	70,643,164	66,934,881
Retained earnings	8.5.2	49,598,320	48,273,906
Contributed equity	8.5.3	33,120,000	22,070,000
<b>Total equity*</b>		<b>153,361,484</b>	<b>137,278,787</b>

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

\*Refer to Note 9 'Prior year restatement'.

# Statement of Changes in Equity for the year ended 30 June 2023

	Note	Contributed equity	Asset revaluation reserve	Retained profits	Total equity
		\$	\$ *Restated	\$	\$ *Restated
Opening balance at 1 July 2021		11,900,000	59,371,540	46,345,288	117,616,828
Profit/(loss) for the period		-	-	1,928,618	1,928,618
Other comprehensive income*		-	7,563,341	-	7,563,341
Total comprehensive income for the year*		11,900,000	66,934,881	48,273,906	127,108,787
Transactions with owners, recorded directly in equity					
Dividends paid	8.6	-	-	-	-
Capital appropriation	8.5.3	10,170,000	-	-	10,170,000
Total transactions with owners		10,170,000	-	-	10,170,000
<b>Closing balance at 30 June 2022*</b>		<b>22,070,000</b>	<b>66,934,881</b>	<b>48,273,906</b>	<b>137,278,787</b>
Opening balance at 1 July 2022		22,070,000	66,934,881	48,273,906	137,278,787
Profit/(loss) for the period		-	-	1,324,414	1,324,414
Other comprehensive income		-	3,708,283	-	3,708,283
Total comprehensive income for the year		22,070,000	70,643,164	49,598,320	142,311,484
Transactions with owners, recorded directly in equity					
Dividends paid	8.6	-	-	-	-
Capital appropriation	8.5.3	11,050,000	-	-	11,050,000
Total transactions with owners		11,050,000	-	-	11,050,000
<b>Closing balance at 30 June 2023</b>		<b>33,120,000</b>	<b>70,643,164</b>	<b>49,598,320</b>	<b>153,361,484</b>

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

\*Refer to Note 9 'Prior year restatement'.



# Statement of Cash Flows for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Sale of goods and services		16,292,933	15,429,281
Developer contributions		245,039	385,058
Interest received		361,400	71,327
GST receipts on sales		43,183	26,604
GST receipts from taxation authority		1,232,486	1,392,266
Other receipts		445,750	715,637
Supplies and services		(13,050,191)	(11,153,006)
GST payments on purchases		(1,347,506)	(1,291,013)
<b>Net cash provided by/(used in) operating activities</b>		<b>4,223,093</b>	<b>5,576,154</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of non-current physical assets		95,000	90,344
Purchase of non-current physical assets		(6,056,661)	(7,429,770)
Purchase of investments		(23,000,000)	-
<b>Net cash used in investing activities</b>		<b>(28,961,661)</b>	<b>(7,339,426)</b>

	Note	2023 \$	2022 \$
<b>Cash flows from financing activities</b>			
Interest paid		(124,855)	(146,232)
Repayment of borrowings		(801,152)	(785,032)
<b>Net cash used in financing activities</b>		<b>(926,007)</b>	<b>(931,264)</b>
<b>Cash flows to and from State Government</b>			
Income tax equivalent paid		(1,066,034)	(1,099,755)
Equity contribution	8.5.3	11,050,000	10,170,000
Local government rate equivalent paid		(88,665)	(89,331)
Dividend		-	-
Operating subsidy		1,586,000	856,000
<b>Net cash provided from State Government</b>		<b>11,481,301</b>	<b>9,836,914</b>
<b>Net increase in cash and cash equivalents</b>		<b>(14,183,273)</b>	<b>7,142,378</b>
Cash and cash equivalents at beginning of year		17,721,908	10,579,530
<b>Cash and cash equivalent assets at the end of period</b>	6.4	<b>3,538,635</b>	<b>17,721,908</b>

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 2023

## NOTE 1 – BASIS OF PREPARATION

Aqwest (Bunbury Water Corporation) is a not-for-profit entity incorporated under the Water Corporations Act 1995 and domiciled in Australia. A description of the nature of Aqwest's operations and its principal activities have been included in the 'Overview', which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Directors of Aqwest on 11 September 2023.

### Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

### Basis of preparation

These financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures.

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.

### 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 the:

(a) 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 item of expense; 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 by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been 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 from presenting comparatives for:

- Property, plant and equipment reconciliations;
- Intangible asset reconciliations; and
- Right-of-use asset reconciliations.

### 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.

# Notes to the Financial Statements for the year ended 30 June 2023

## NOTE 2 – OUR FUNDING SOURCES

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

	Note	2023 \$	2022 \$
Water consumption	2.1	10,613,350	10,175,266
Water supply	2.2	5,407,215	5,191,165
Operating subsidy	2.3	1,586,000	856,000
Developer contributions	2.4	411,146	566,086
Interest revenue	2.5	964,426	74,382
Other revenue	2.6	445,750	715,637
Net gain/(loss) on disposal of non-current assets	2.7	(189,854)	32,498

### 2.1 Water consumption

	2023 \$	2022 \$
Residential consumption	6,450,647	6,141,259
Commercial consumption	4,955,594	4,745,167
Rebates given (a)	(512,991)	(505,198)
Unexpected water use allowances (b)	(279,900)	(205,962)
<b>Total water consumption revenue</b>	<b>10,613,350</b>	<b>10,175,266</b>

Revenue from annual service charges and volume charges is recognised in the statement of comprehensive income once the performance obligations have been met during the

period, including interest on overdue amounts, less rebates/concessions allowed to entitled customers. Revenue also includes an estimate for the value of water consumed but not billed at reporting date.

- (a) Rebates are provided on consumption to pensioners and seniors.  
(b) Consumption charges written off under Aqwest's Unexpected Water Use Allowance policy.

### 2.2 Water supply

	2023 \$	2022 \$
Residential supply charges	4,402,747	4,269,305
Commercial supply charges	1,335,207	1,256,644
Rebates given (a)	(330,739)	(334,784)
<b>Total water supply revenue</b>	<b>5,407,215</b>	<b>5,191,165</b>

Revenue from supply (service) charges is shown as the amounts levied and billed for the period. Revenue is recognised and measured at the fair value of consideration received or receivable.

- (a) Rebates are provided on supply charges to pensioners and seniors.

### 2.3 Operating subsidy

	2023 \$	2022 \$
Operating subsidy	1,586,000	856,000
<b>Total operating subsidy</b>	<b>1,586,000</b>	<b>856,000</b>

Operating subsidies are received from State Government for:

- (a) Revenue foregone from rebates and concessions to pensioners and seniors on supply and consumption charges;  
(b) Shortfall between the cost of providing residential water services and the revenue generated (from 01 July 2022).

They are recognised in the period in which they are received.

### 2.4 Developer contributions

	2023 \$	2022 \$
Infrastructure contributions (a)	245,039	385,058
Gifted assets (b)	166,107	181,028
<b>Total developer contributions</b>	<b>411,146</b>	<b>566,086</b>

Developer's contributions are recognised as revenue at fair value when Aqwest takes control over the assets comprising the contributions. Aqwest receives capital contributions from external parties in the form of either cash or assets, which consist of:

- (a) Infrastructure contributions (commonly known as headworks) – developers are required to make standard cash contributions towards the cost of headworks necessary to provide reticulation services within a subdivision;  
(b) Gifted assets – as a condition of subdivision, developers are required to provide water services to individual blocks. These services are connected to Aqwest's existing reticulation system and handed over to Aqwest free of charge.

# Notes to the Financial Statements for the year ended 30 June 2023

## 2.5 Interest income

	2023 \$	2022 \$
Interest from cash and cash equivalents	227,682	41,704
Interest from receivables	28,637	14,278
Interest from other financial assets	708,107	18,400
<b>Total interest</b>	<b>964,426</b>	<b>74,382</b>

Interest income is recognised on an accruals basis.

## 2.6 Other revenue

	2023 \$	2022 \$
Operating lease income	63,912	64,600
Connections and building services	380,130	624,569
Other revenue (a)	1,708	26,468
<b>Total other revenue</b>	<b>445,750</b>	<b>715,637</b>

Other revenue is recognised on an accruals basis.

(a) Other revenue includes miscellaneous revenue received.

## 2.7 Net gain/(loss) on disposal of non-current assets

	2023 \$	2022 \$
Asset disposals	(189,854)	32,498
<b>Net gain/(loss)</b>	<b>(189,854)</b>	<b>32,498</b>

Assets disposed are non-current physical assets, which include vehicles, office equipment and mains replaced.

The gain/(loss) is as follows:

	2023 \$	2022 \$
Proceeds on disposal	95,000	90,344
Less: cost of disposal (written down value)	(284,854)	(57,846)
<b>Net gain/(loss) on disposal</b>	<b>(189,854)</b>	<b>32,498</b>

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).

## NOTE 3 – USE OF OUR FUNDING

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

	Note	2023 \$	2022 \$
Cost of services	3.1	3,792,476	3,819,580
Employee benefits	3.2.1	5,945,053	4,726,955
Employee related provisions	3.2.2	993,634	826,470
Corporate expenses	3.3	3,522,199	2,824,058

### 3.1 Cost of services

	2023 \$	2022 \$
Water storage (a)	53,412	140,865
Water treatment (b)	835,074	841,335
Water distribution (c)	1,167,539	1,227,210
Electricity	662,906	555,823
Engineering consultancy and secondment	793,039	641,324
Other (d)	280,506	413,023
<b>Total cost of services</b>	<b>3,792,476</b>	<b>3,819,580</b>

Expenses are recognised on an accruals basis.

(a) Materials and services relating to reservoir maintenance.

(b) Materials and services relating to treatment plant operations and maintenance, bore operations and maintenance, water sampling and chlorine costs.

(c) Materials and services relating to mains infrastructure and water services maintenance, new connection assets



# Notes to the Financial Statements for the year ended 30 June 2023

(under \$5,000) and a leak detection program.

(d) Includes fleet running costs and personal protective equipment expenditure.

## 3.2 Employee benefits

### 3.2.1 Employee benefits expense

	2023 \$	2022 \$
Salaries and wages	5,314,089	4,263,063
Superannuation	630,964	463,892
<b>Total employee benefits</b>	<b>5,945,053</b>	<b>4,726,955</b>

Salaries and wages – employee expenses include all costs related to employment including salaries and wages, leave entitlements and fringe benefits tax.

Superannuation - the superannuation expense of the defined contribution plans is recognised as and when the contributions fall due.

### 3.2.2 Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2023 \$	2022 \$
<b>Current</b>		
<b>Employee benefits provisions</b>		
Annual leave (a)	341,569	262,867
Long service leave (b)	259,692	272,832
Time in lieu (c)	40,269	27,958
Personal leave (d)	212,277	174,103

<b>Other provisions</b>		
Employment on costs (e)	69,983	66,519
<b>Total current provisions</b>	<b>923,790</b>	<b>804,279</b>

	2023 \$	2022 \$
<b>Non-current</b>		
<b>Employee benefits provisions</b>		
Long service leave (b)	59,101	18,790
<b>Other provisions</b>		
Employment on costs (e)	10,743	3,401
<b>Total non-current provisions</b>	<b>69,844</b>	<b>22,191</b>

Employer superannuation contributions relating to the employee benefits provisions are included within the leave provision. The associated expense is included in Note 3.2.1 'Employee benefits expense'.

Employee benefits provisions are liabilities of uncertain timing and amount. Aqwest recognises a provision where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably.

(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. Assessments indicate that actual settlement of liabilities will occur within 12 months of the reporting period, and the liability is measured at nominal value.

(b) **Long service leave** - liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. The provision for long service leave is calculated at present value as Aqwest 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 flows.

(c) **Time in lieu** - liabilities accumulate from flexible working arrangements and rostered days off. They have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur within 12 months of the reporting period, and the liability is measured at nominal value.

(d) **Personal 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. Personal leave entitlements for permanent employees are accumulating and partially vesting. The liability for personal leave is recognised only for the vesting component of entitlements.

(e) **Employment on-costs** - the settlement of annual leave, long service leave and time in lieu liabilities gives rise to the payment of employment on-costs including workers' compensation premiums and payroll tax. Employment on-costs are not employee benefits and are recognised as expenses and liabilities when the employment to which they relate has occurred. Employment on-costs are shown at Note 3.3 'Corporate expenses'. The related liability is included in 'Employment on-costs provision'.

# Notes to the Financial Statements for the year ended 30 June 2023

	2023 \$	2022 \$
<b>Employment on-costs provision</b>		
Opening balance	69,920	39,941
Additional/(reversal of) provisions recognised	(19,920)	4,129
Payments/other sacrifices of economic benefit	30,725	25,850
<b>Closing balance</b>	<b>80,725</b>	<b>69,920</b>

## Key sources of estimation uncertainty

In calculating Aqwest's long service leave and personal leave provision, several estimations and assumptions have been made. These include discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of these provisions.

## 3.3 Corporate expenses

	2023 \$	2022 \$
Information and communications technology	1,104,147	872,409
Insurance	189,114	184,595
Property expenses (a)	645,107	403,947
Payroll tax	328,792	251,119
Employee relations	624,237	368,080
Customer relations	387,092	391,789
Audit fees	90,770	54,300
Business improvement	22,971	42,355
Professional consultancy	7,562	123,356
Other	122,407	132,108
<b>Total corporate expenses</b>	<b>3,522,199</b>	<b>2,824,058</b>

(a) Includes office relocation expenses.

## NOTE 4 – KEY ASSETS

### Assets that Aqwest utilises for economic benefit or service potential

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

	Note	2023 \$	2022 \$ *Restated
Infrastructure, property, plant and equipment*	4.1	144,619,270	137,660,381
Intangible assets	4.2	14,467	119,456
Right-of-use assets	4.3	1,381,203	-

\*Refer to Note 9 'Prior year restatement'.

# Notes to the Financial Statements for the year ended 30 June 2023

## 4.1 Infrastructure, property, plant and equipment

	Gross carrying amount	Accumulated depreciation	Carrying amount at start of period	Additions	Disposals	Transfers between categories	Revaluation increments/ (decrements) to ARR	Other (a)	Depreciation	Carrying amount at end of period	Gross carrying amount	Accumulated depreciation
	\$ *Restated	\$ *Restated	\$ *Restated	\$	\$	\$	\$	\$	\$	\$	\$	\$
	01 July 2022										30 June 2023	
Land	8,079,186	-	8,079,186	-	-	332,128	85,435	-	-	8,496,749	8,496,749	-
Buildings	4,693,404	(1,158,586)	3,534,818	11,053	-	-	182,466	-	(120,908)	3,607,428	4,941,814	(1,334,386)
Mains	94,072,792	(33,954,842)	60,117,950	1,992,717	(238,758)	88,573	2,003,766	-	(1,030,915)	62,933,332	98,655,532	(35,722,200)
Treatment plants	41,509,116	(18,986,402)	22,522,714	472,347	-	257,408	1,032,696	-	(1,193,888)	23,091,277	44,304,361	(21,213,084)
Reservoirs	47,346,227	(20,902,036)	26,444,191	598,088	(38,941)	274,711	1,276,592	-	(749,350)	27,805,290	50,469,351	(22,664,061)
Bores and pumps	11,606,707	(3,911,762)	7,694,945	116,765	-	-	363,423	-	(306,798)	7,868,337	12,300,305	(4,431,968)
Services	445,275	(125,731)	319,544	38,251	-	-	-	-	(21,509)	336,286	483,526	(147,240)
Plant and equipment	2,229,592	(1,809,405)	420,187	-	-	-	-	-	(58,304)	361,883	2,229,592	(1,867,709)
Motor vehicles	1,272,025	(555,519)	716,506	68,167	(7,155)	-	-	-	(175,878)	601,640	1,197,110	(595,470)
Office equipment	427,067	(302,597)	124,470	55,400	-	75,000	-	-	(55,359)	199,511	557,467	(357,956)
Tools	22,775	(22,775)	-	-	-	-	-	-	-	-	22,775	(22,775)
Work in progress	7,685,870	-	7,685,870	2,794,987	-	(1,027,820)	-	(135,498)	-	9,317,537	9,317,537	-
<b>Totals</b>	<b>219,390,036</b>	<b>(81,729,655)</b>	<b>137,660,381</b>	<b>6,147,775</b>	<b>(284,854)</b>	<b>-</b>	<b>4,944,378</b>	<b>(135,498)</b>	<b>(3,712,909)</b>	<b>144,619,270</b>	<b>232,976,119</b>	<b>(88,356,849)</b>

(a) Items from opening work in progress that did not eventuate in an asset were expensed during the financial year.

\*Refer to Note 9 'Prior year restatement'.

### Initial recognition

Items of property, plant, equipment and infrastructure costing \$5,000 or more are recognised as assets. The cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant, 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).

For items of property, plant, equipment and infrastructure acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

### Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for measurement of land, buildings and infrastructure and historical cost for all

# Notes to the Financial Statements for the year ended 30 June 2023

other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation on buildings and infrastructure and accumulated impairment losses.

All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Where market evidence is available, the fair value of land and buildings is determined on the basis of current market buying values 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.

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost.

Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately. Land and buildings are independently valued when a property index indicates that the carrying amount may differ materially from the asset's fair value at the end of the reporting period, or at least every 5 years. An independent indexation exercise was completed for 30 June 2023, which resulted in a material increase in the fair value of land and buildings. This has been recognised at 30 June 2023.

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Independent valuations are obtained at least every 5 years for infrastructure, or when an assessment indicates that the

fair value may differ materially from the carrying amount. An independent indexation exercise was completed for 30 June 2023, which resulted in a material increase in the fair value of infrastructure. This has been recognised at 30 June 2023.

Land under infrastructure is included in Land at fair value, reported under note 4.1 'Infrastructure, property, plant and equipment', and is valued with reference to current market values. Independent valuations are obtained at least every 5 years.

## Significant assumptions and judgements

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

The desktop indexation assessment completed by the valuer used March 2023 observable market data and information provided by Aqwest to produce estimated index rates for 30 June 2023.

### 4.1.1 Depreciation

Charge for the period	2023 \$	2022 \$
Buildings	120,908	111,360
Mains	1,030,915	959,848
Treatment plants	1,193,888	1,094,318
Reservoirs	749,350	689,546
Bores and pumps	306,798	282,506
Services	21,509	19,984
Plant and equipment	58,304	44,467
Motor vehicles	175,878	151,626

Office equipment	55,359	36,044
Tools	-	592
<b>Total depreciation</b>	<b>3,712,909</b>	<b>3,390,291</b>

As at 30 June 2023, there were no indications of impairment to property, plant and equipment carried at cost.

## Finite useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual 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 class	Effective life (years)
Buildings at fair value	10 to 80
Mains at fair value	20 to 100
Treatment plants at fair value	5 to 80
Reservoirs at fair value	20 to 100
Bores & pumps at fair value	15 to 100
Service connections at cost	20 to 30
Plant & equipment at cost	3 to 20
Motor vehicles at cost	6 to 15
Office equipment at cost	3 to 25
Tools at cost	5 to 15

Land, which is considered to have an indefinite life, is not depreciated as its service potential has not, in any material sense, been consumed during the reporting period.



# Notes to the Financial Statements for the year ended 30 June 2023

## Impairment

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 Aqwest is not-for-profit, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/ amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

## 4.2 Intangible assets

	Computer Software \$
1 July 2022	
Gross carrying amount	1,173,282

Accumulated amortisation	(1,053,826)
<b>Carrying amount at start of period</b>	<b>119,456</b>
Additions	-
Transfer between categories	-
Amortisation expense	(104,989)
<b>30 June 2023</b>	
Gross carrying amount	1,173,282
Accumulated amortisation	(1,158,815)
<b>Carrying amount at end of period</b>	<b>14,467</b>

### Initial recognition

Software that is an integral part of the related hardware is treated as intangible assets. Software that is not an integral part of the related hardware and cost less than \$5,000 is expensed in the year of acquisition.

### Subsequent measurement

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

#### 4.2.1 Amortisation

	2023 \$	2022 \$
Software	104,989	129,288
<b>Total amortisation for the period</b>	<b>104,989</b>	<b>129,288</b>

Aqwest does not have any intangible assets with an indefinite useful life, or that are not yet available for use.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset class	Effective life (years)
Software	4 to 10

## 4.3 Right-of-use assets

	2023 \$
<b>Carrying amount at start of period</b>	<b>-</b>
Additions	1,591,696
Depreciation	(210,493)
<b>Carrying amount at end of period</b>	<b>1,381,203</b>

Aqwest has a lease for commercial office accommodation. The lease contract is for a fixed period of 5 years with an option to renew the lease after that date.

### Initial recognition

At the commencement date of the lease, Aqwest recognises a right-of-use asset and a corresponding lease liability. The right-of-use asset is measured at cost comprising of:

- 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.

The corresponding lease liability in relation to the right-of-use asset has been disclosed in note 6.2

Aqwest 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.

# Notes to the Financial Statements for the year ended 30 June 2023

## 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.

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.

## NOTE 5 – OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from Aqwest's operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Note	2023 \$	2022 \$
Receivables	5.1	2,966,531	2,689,859
Inventories	5.2	695,495	681,185
Other current assets	5.3	405,198	284,264
Payables	5.4	2,140,105	2,223,592
Other current liabilities	5.5	-	86,047

### 5.1 Receivables

	2023 \$	2022 \$
Current		
Trade debtors (a)	2,197,204	2,442,491
GST receivable	74,892	128,878
Sundry debtors	52,012	83,867
Accrued interest	607,964	4,938
Deferred debtors (b)	34,459	29,685
<b>Total receivables</b>	<b>2,966,531</b>	<b>2,689,859</b>

(a) Trade debtors includes unbilled income.

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

Debtors are recognised and carried at original invoice amount.

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

Management has a credit policy in place and the exposure to credit risk is monitored on a regular basis. The credit risk on financial assets is generally the carrying amount, net of any impairment loss for doubtful debts. Most receivables relating to water service charges are the responsibility of and are recoverable from the owner of the property. Under legislation, Aqwest may lodge and register a memorial and appropriate endorsements on the title of properties in arrears, which when in place restricts any instrument affecting the property from being registered without Aqwest's consent.

Other receivables are regularly reviewed, and allowance is only made for debts deemed to be doubtful.

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

### 5.2 Inventories

	2023 \$	2022 \$
Inventories	695,495	681,185
<b>Total inventories</b>	<b>695,495</b>	<b>681,185</b>

Inventories mainly consist of consumable engineering supplies and spare materials for use in the maintenance and operation of distribution and water treatment assets. They are measured at the lower of cost and net realisable value, using the weighted average cost method.

# Notes to the Financial Statements for the year ended 30 June 2023

## 5.3 Other current assets

	2023 \$	2022 \$
<b>Current</b>		
Prepayments	352,049	284,264
Current tax asset	53,149	-
<b>Total other current assets</b>	<b>408,198</b>	<b>284,264</b>

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

## 5.4 Payables

	2023 \$	2022 \$
<b>Current</b>		
Trade creditors	1,273,128	1,849,420
Accrued expenses	575,051	197,259
Accrued salaries and wages (a)	254,785	141,058
Income in advance (b)	37,141	35,855
<b>Total payables</b>	<b>2,140,105</b>	<b>2,223,592</b>

Payables are recognised when Aqwest 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 20 days.

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

(b) Aqwest receives income for long term operating leases for telecommunications tower sites located at its facilities.

Low value lease payments are received on scheduled dates and are indexed annually by contractual amounts. The portion of lease income received in advance relating to a future financial year is shown as income in advance.

## 5.5 Other current liabilities

	2023 \$	2022 \$
<b>Current</b>		
Current tax liability	-	86,047
<b>Total other liabilities</b>	<b>-</b>	<b>86,047</b>

## 5.5 Other provisions

	2023 \$	2022 \$
<b>Non-current</b>		
Restoration (make good) provision	13,000	-
<b>Total other provisions</b>	<b>13,000</b>	<b>-</b>

Under Aqwest's office accommodation lease, there is a legal obligation to restore the premises at the end of the lease. The estimated future obligations include the costs of removing furniture (not fixed), repairs and maintenance to walls and carpet steam cleaning.

The provision for future restoration costs is the best estimate of the future value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the value of the restoration provision at each reporting date.

## NOTE 6 – FINANCING

This section sets out the material balances and disclosures associated with the financing and cashflows of Aqwest:

	Note	2023 \$	2022 \$
Borrowings	6.1	5,015,877	5,817,029
Lease liabilities	6.2	1,404,756	-
Finance costs	6.3	167,941	146,232
Cash and cash equivalents	6.4	3,538,635	17,721,908
Other financial assets	7.1	23,000,000	-
Capital expenditure commitments	6.5	6,362,464	3,267,371

## 6.1 Borrowings

	2023 \$	2022 \$
<b>Current</b>		
Borrowings	737,426	797,620
Accrued interest	6,637	10,169
	<b>744,063</b>	<b>807,789</b>
<b>Non-current</b>		
Borrowings	4,271,814	5,009,240
	<b>4,271,814</b>	<b>5,009,240</b>
<b>Total borrowings</b>	<b>5,015,877</b>	<b>5,817,029</b>

'Borrowings' refer to interest bearing liabilities raised from public borrowings through the Western Australian Treasury Corporation (WATC).

# Notes to the Financial Statements for the year ended 30 June 2023

Borrowings are classified as financial instruments. All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

The measurement basis subsequent to initial recognition is amortised cost using the effective interest method.

## 6.2 Lease liabilities

	2023 \$	2022 \$
Not later than one year	279,210	-
Later than one year and not later than five years	1,125,546	-
Later than five years	-	-
	<b>1,404,756</b>	<b>-</b>
Current	279,210	-
Non-Current	1,125,546	-
	<b>1,404,756</b>	<b>-</b>

At the commencement date of the lease, Aqwest recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the historical 5 year borrowing rate provided by WATC.

Lease payments included by Aqwest 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; and
- periods covered by extension or termination options are only included in the lease term by the Agency if the lease is reasonably certain to be extended (or not terminated).

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.

## 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.

This section should be read in conjunction with note 4.3.

	2023 \$	2022 \$
<b>Lease expenses recognised in the Statement of Comprehensive Income</b>		
Lease interest	43,086	-

## 6.3 Finance costs

	2023 \$	2022 \$
Interest expense	124,855	146,232
Lease interest	43,086	-
<b>Total finance costs</b>	<b>167,941</b>	<b>146,232</b>

Interest on borrowings from WATC and lease liability.

## 6.4 Cash and cash equivalents

	2023 \$	2022 \$
<b>Current</b>		
Cash and cash equivalents	3,538,635	17,721,908
<b>Balance at end of period</b>	<b>3,538,635</b>	<b>17,721,908</b>

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash at bank and cash floats.

## 6.5 Capital expenditure commitments

	2023 \$	2022 \$
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows and exclude GST;		
Within 1 year	6,454,773	3,267,371
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
<b>Total payable</b>	<b>6,454,773</b>	<b>3,267,371</b>



# Notes to the Financial Statements for the year ended 30 June 2023

## NOTE 7 – FINANCIAL INSTRUMENTS AND CONTINGENCIES

	Note
Financial instruments	7.1
Contingent assets	7.2
Contingent liabilities	7.3

### 7.1 Financial instruments

	2023 \$	2022 \$
The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:		
<b>Financial assets</b>		
Cash and cash equivalents	3,538,635	17,721,908
Receivables (a)	2,891,639	2,560,981
Held to maturity investments	23,000,000	-
	<b>29,430,274</b>	<b>20,282,889</b>
<b>Financial liabilities</b>		
Payables (b)	2,102,964	2,187,737
Borrowings	5,015,877	5,817,029
	<b>7,118,841</b>	<b>8,004,766</b>

(a) The amount of receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable).

(b) The amount of payables excludes income received in advance.

### 7.2 Contingent assets

As at 30 June 2023, there are no material contingent assets to report.

### 7.3 Contingent liabilities

As at 30 June 2023, there are no material contingent liabilities to report.

## NOTE 8 - OTHER DISCLOSURES

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

	Note
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related party transactions	8.3
Remuneration of auditors	8.4
Equity	8.5
Dividends	8.6
Income tax equivalent	8.7

### 8.1 Events occurring after the end of the reporting period

There have been no events subsequent to reporting date which would have a material effect on Aqwest's financial statements at 30 June 2023.

### 8.2 Key management personnel

Aqwest has determined that key management personnel include the responsible Minister, board directors and senior officers of Aqwest. However, Aqwest 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.

Total compensation for key management personnel, comprising directors and senior officers of Aqwest for the reporting period are presented within the following bands:

#### a) Compensation of directors

	2023 \$	2022 \$
<b>Compensation band (\$)</b>		
0 - 10,000	1	-
10,001 - 20,000	5	5
20,001 - 30,000	1	1
	<b>7</b>	<b>6</b>
<b>Total compensation</b>	<b>97,431</b>	<b>95,813</b>

#### b) Compensation of senior officers

	2023 \$	2022 \$
<b>Compensation band (\$)</b>		
0 - 10,000	-	1
10,001 - 20,000	-	1
170,001 - 180,000	1	2
180,001 - 190,000	2	-
230,001 - 240,000	-	2
280,001 - 290,000	1	-
	<b>4</b>	<b>6</b>
<b>Total compensation</b>	<b>833,728</b>	<b>835,048</b>

# Notes to the Financial Statements for the year ended 30 June 2023

## 8.3 Related party transactions

Aqwest is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, Aqwest is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of Aqwest include:

- (a) All Ministers and their close family members, and their controlled or jointly controlled entities;
- (b) All senior officers and their close family members, and their controlled or jointly controlled entities;
- (c) Other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements; and
- (d) Associates and joint ventures that are included in the whole of government consolidated financial statements.

## Significant transactions with government related entities

Aqwest considers significant transactions to be those above \$50,000. Significant transactions include:

	2023 \$	2022 \$
Income tax equivalent payment	1,066,034	1,099,755
Operating subsidy receipt	1,586,000	856,000
Equity contribution receipt	11,050,000	10,170,000
Local government rate equivalent payment	88,665	89,331
Payroll tax payment	320,884	251,119
Insurance payment	189,114	184,595

## Material transactions with other related parties

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

## 8.4 Remuneration of auditors

	2023 \$	2022 \$
Remuneration payable to the Office of the Auditor General (OAG), in respect of the audit for the current financial year is as follows:		
Auditing the accounts and financial statements	91,300	87,670
	91,300	87,670

## 8.5 Equity

### 8.5.1 Asset revaluation reserve

	2023 \$	2022 \$ *Restated
Balance at start of period	66,934,881	59,371,540
Gains from asset revaluation	4,944,378	10,084,454
Tax effect of revaluation increments	(1,236,095)	(2,521,113)
<b>Balance at end of period</b>	<b>70,643,164</b>	<b>66,934,881</b>

\*Refer to Note 9 'Prior year restatement'.

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.

## 8.5.2 Retained earnings

	2023 \$	2022 \$
Balance at start of period	48,273,906	46,345,288
Result for the period	1,324,414	1,928,618
Dividends paid (a)	-	-
<b>Balance at end of period</b>	<b>49,598,320</b>	<b>48,273,906</b>

(a) No dividend was paid for the years ended 30 June 2022 and 30 June 2023. The amount was retained under direction from the Government, to be used for asset investment.

## 8.5.3 Contributed equity

	2023 \$	2022 \$
Equity contributions (a)	33,120,000	22,070,000
	33,120,000	22,070,000

(a) Represents an amount received from the State Government in relation to funding for the construction of projects.

# Notes to the Financial Statements for the year ended 30 June 2023

## 8.6 Dividends

	2023 \$	2022 \$
The following dividends were declared and paid by Aqwest for the year ended 30 June:		
Final dividend payment for the prior year (a)	-	-
	-	-

(a) No dividend was paid for the years ended 30 June 2022 and 30 June 2023. The amount was retained under direction from the Government, to be used for asset investment.

### Dividends not recognised at year end.

Dividends are recognised as a liability in the period in which they are declared. Aqwest 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. The aggregate amount of the proposed dividend expected to be paid by 31 December 2023 out of retained profits at 30 June 2023 is \$0.586 million, but not recognised as a liability at year end.

## 8.7 Income tax equivalent

### 8.7.1 Income tax expense

#### a) Recognised in profit or loss

	2023 \$	2022 \$
<b>Current</b>		
Current income tax charge	926,838	1,144,792
<b>Deferred</b>		
Relating to origination and reversal of temporary differences	(469,280)	(498,780)
<b>Total income tax expense</b>	<b>457,558</b>	<b>646,012</b>

#### b) Recognised in comprehensive income

	2023 \$	2022 \$ *Restated
<b>Deferred</b>		
Fair value adjustments to property, plant and equipment	1,236,095	2,521,113
<b>Total income tax expense</b>	<b>1,236,095</b>	<b>2,521,113</b>

\*Refer to Note 9 'Prior year restatement'.

### c) Reconciliation of income tax expense to prima facie tax payable

	2023 \$	2022 \$
Profit before income tax equivalents	1,781,973	2,574,630
Tax at the statutory rate of 25%	445,491	643,658
Tax effects of amounts which are not deductible in calculating taxable income	12,067	2,354
<b>Income tax expense reported in Statement of Comprehensive Income</b>	<b>457,558</b>	<b>646,012</b>

Aqwest 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, Aqwest is required to comply with AASB 112 'Income Taxes'.

The income tax expense or revenue 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.

# Notes to the Financial Statements for the year ended 30 June 2023

## 8.7.2 Deferred tax liability

	Assets \$	Liabilities \$	Net \$
<b>2023</b>			
Deferred tax assets and liabilities are attributable to the following:			
Infrastructure, property, plant and equipment	-	13,743,512	13,743,512
Interest receivable	-	151,992	151,992
Deferred developer contributions	-	44,848	44,848
Employee entitlements	(248,409)	-	(248,409)
<b>Tax (assets)/liabilities</b>	<b>(248,409)</b>	<b>13,940,352</b>	<b>13,691,943</b>
Set-off of tax	248,409	(248,409)	-
<b>Net tax liabilities</b>	<b>-</b>	<b>13,691,943</b>	<b>13,691,943</b>

	Assets \$	Liabilities \$ *Restated	Net \$ *Restated
<b>2022</b>			
Deferred tax assets and liabilities are attributable to the following:			
Infrastructure, property, plant and equipment	-	13,080,216	13,080,216
Interest receivable	-	1,236	1,236
Deferred developer contributions	-	50,294	50,294
Employee entitlements	(206,618)	-	(206,618)
<b>Tax (assets)/liabilities</b>	<b>(206,618)</b>	<b>13,131,746</b>	<b>12,925,128</b>
Set-off of tax	206,618	(206,618)	-
<b>Net tax liabilities</b>	<b>-</b>	<b>12,925,128</b>	<b>12,925,128</b>

\*Refer to Note 9 'Prior year restatement'.

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 probable 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 2022 \$ *Restated	Recognised in income \$	Recognised in equity \$	Balance 30 June 2023 \$
<b>Movement in temporary differences during the year:</b>				
Infrastructure, property, plant and equipment	13,080,216	(572,799)	1,236,095	13,743,512
Interest receivable	1,236	150,756	-	151,992
Deferred developer contributions	50,294	(5,446)	-	44,848
Employee entitlements	(206,618)	(41,791)	-	(248,409)
<b>Total movement</b>	<b>12,925,128</b>	<b>(469,280)</b>	<b>1,236,095</b>	<b>13,691,943</b>

\*Refer to Note 9 'Prior year restatement'.



# Notes to the Financial Statements for the year ended 30 June 2023

## NOTE 9 - PRIOR YEAR RESTATEMENT

During the year ended 30 June 2023, the following misstatement was identified relating to the prior financial year. This misstatement has been corrected by restating each of the affected financial statement line items for prior year. This misstatement has no impact on the Statement of Cash Flows and is described below.

### 9.1 Asset revaluation reserve

The asset revaluation reserve has been restated to recognise the correct revaluation increment associated with the valuation of property, plant & equipment and infrastructure at 30 June 2022.

The revaluation increment was calculated incorrectly due to two reasons;

- (a) The increment did not allow for annual depreciation for the fair value assets, thus understating the fair value and revaluation increment associated with the revaluation.
- (b) One asset class was not indexed correctly, as it omitted a number of assets from the calculation of the valuation increment. The fair value increment for these assets was therefore shown as a decrement as it did not factor in the original fair value of those assets

The deferred tax impact disclosed in the Statement of Other Comprehensive Income has also been restated to recognise the correct tax impact associated with changes in the asset revaluation surplus for 30 June

2022. Consequently, the asset revaluation reserve was understated, deferred tax liability was understated and income tax expense on items of other comprehensive income was understated.

The following tables summarise the impacts on the financial statements:

Statement of Financial Position	Original \$	Impact 9.1 \$	Restated \$
<b>30 June 2022</b>			
Property, plant & equipment	132,860,252	4,800,129	137,660,381
<b>Total non-current assets</b>	<b>132,979,708</b>	<b>4,800,129</b>	<b>137,779,837</b>
<b>Total assets</b>	<b>154,356,924</b>	<b>4,800,129</b>	<b>159,157,053</b>
<b>Net assets</b>	<b>133,678,689</b>	<b>3,600,098</b>	<b>137,278,787</b>
Deferred tax liabilities	11,725,097	1,200,031	12,925,128
<b>Total non-current liabilities</b>	<b>16,756,528</b>	<b>1,200,031</b>	<b>17,956,559</b>
<b>Total liabilities</b>	<b>20,678,235</b>	<b>1,200,031</b>	<b>21,878,266</b>
Reserves	63,334,783	3,600,098	66,934,881
<b>Total equity</b>	<b>133,678,689</b>	<b>3,600,098</b>	<b>137,278,787</b>

Statement of Comprehensive Income	Original \$	Impact 9.1 \$	Restated \$
<b>30 June 2022</b>			
<b>Other comprehensive income</b>			
Changes in asset revaluation surplus	5,284,325	4,800,129	10,084,454
Income tax on items of other comprehensive income	(1,321,082)	(1,200,031)	(2,521,113)
<b>Total other comprehensive income</b>	<b>3,963,243</b>	<b>3,600,098</b>	<b>7,563,341</b>
<b>Total comprehensive income for the period</b>	<b>5,891,861</b>	<b>3,600,098</b>	<b>9,491,959</b>

# Independent Auditor's Report for the year ended 30 June 2023



## Auditor General

To the Parliament of Western Australia

### BUNBURY WATER CORPORATION

#### *Opinion*

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

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies
- the directors' declaration.

In my opinion, the financial report of the Corporation is prepared in accordance with *Government Trading Enterprises Act 2023*, including section 176 and the *Government Trading Enterprises Regulations 2023*, and:

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

#### *Basis for opinion*

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

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

#### *Emphasis of matter*

I draw attention to Note 9 to the financial report, which states that amounts reported in the previously issued 30 June 2022 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

#### *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 2023, but not the financial report and my auditor's report.

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

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

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

#### *Responsibilities of the directors for the financial report*

The directors of the Corporation are responsible for:

- keeping proper records
- preparation of the financial report in accordance with the *Government Trading Enterprises Act 2023*, including section 176 and the *Government Trading Enterprises Regulations 2023* that gives a true and fair view in accordance with Australian Accounting Standards and Corporate Regulations 2001
- such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement,

# Independent Auditor's Report for the year ended 30 June 2023

whether due to fraud or error.

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

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

## ***Auditor's responsibilities for the audit of the financial report***

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

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

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.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 Corporation for the year ended 30 June 2023 included in the annual report on the Corporation's website. The Corporation's management is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report is concerned with the inherent risks arising from publication on the website, they are advised to contact the Corporation to confirm the information contained in the website version.

**Grant Robinson**  
**Assistant Auditor General**  
**Financial Audit**  
**Delegate of the Auditor General for Western Australia**  
**Perth, Western Australia**  
**18 September 2023**



P: (08) 9780 9500  
E: [aqwest@aqwest.com.au](mailto:aqwest@aqwest.com.au)  
[www.aqwest.com.au](http://www.aqwest.com.au)

**OUR PURPOSE:** Maximise value to the owner and customer by providing locally managed water services  
**OUR VISION:** To work within a changing environment as an independent, viable and competitive water utility