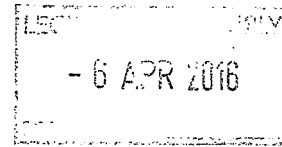




Minister for Water; Sport and Recreation; Forestry

Our ref: 52-05372

Hon Michael Sutherland MLA
Speaker of the Legislative Assembly
Parliament House
Harvest Terrace
PERTH WA 6000



THE SPEAKER

6 APR 2016

RECEIVED AT

Dear Mr Speaker

AMENDMENTS TO WATER CORPORATION ANNUAL REPORTS

I refer to the Water Corporation's 2013 and 2014 Annual Reports and write to advise that the Chief Executive Officer of the Water Corporation has informed me of errors in the reports.

The 2013 Annual Report contains an error on page 14 under the heading of *Supporting the state's growth*.

The 2014 Annual Report contains errors on page 16 under the heading of *Supporting the state's growth* and on page 48 in the table *Employees (FTEs as at 30 June 2014)*.

These errors were not detected by the Water Corporation in the quality assurance process of the reports prior to them being published.

Please find attached the errata to the reports. I seek your approval of these corrections and ask that you inform the Assembly of them in accordance with Standing Order 156.

Yours sincerely

Hon Mia Davies MLA
MINISTER FOR WATER

Att

- 6 APR 2016

Erratum to:

Water Corporation Annual Report 2013

Page 14, Supporting the State's growth:

We have more than 850 employees living and working in regional WA, providing water services to our regional customers.

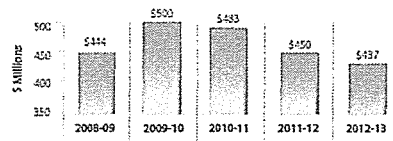
The number of employees living and working in regional WA should read more than 800.

P114

Annual Report 2013 Water Corporation

Investing in Infrastructure

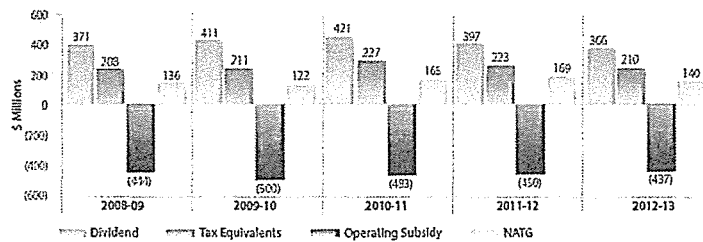
Our capital investment program benefits the community and the wide range of local private industry partners who assist us in our construction, maintenance and operations. In doing so, we employ, both directly and indirectly, a significant number of Western Australians. We were able to deliver a \$967 million capital investment program for 2012-13, including \$566 million in our water business and \$259 million in our wastewater business.



OPERATING SUBSIDY

Debt and borrowings

The capital investment program over recent years has resulted in a significant increase in our level of debt. As a consequence, net debt increased by \$449 million to \$5.1 billion. The additional borrowings resulted in an increase in our ratio of debt to total assets to 33.0 per cent, from 31.3 per cent in 2011-12. As a result, interest cover weakened slightly from 3.2 times to 2.9 times. However, this remains at a level where we are comfortably able to service our debt.



NET ACCRUAL TO GOVERNMENT (NATG)

The figures in the graph above have been rounded to the nearest whole number.

Supporting the state's growth

We have more than 850 employees living and working in regional WA, providing water services to our regional customers. In 2012-13, our regional asset value was in excess of \$4 billion. During the year we spent over \$266 million on the delivery of projects for regional WA.



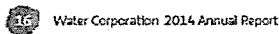
Erratum to:

Water Corporation Annual Report 2014

Page 16, Supporting the State's growth:

We have 869 employees living and working in regional WA, providing water services to our regional customers.

The number of employees living and working in regional WA should read more than 800.



Investing in infrastructure

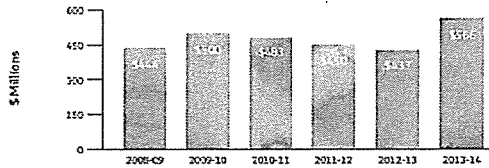
Our capital investment program benefits the community and the wide range of local private industry partners who assist us in our construction, maintenance and operations. In doing so, we employ, both directly and indirectly, a significant number of Western Australians. The \$984 million capital investment program for 2013-14 included \$447 million in our water business, \$162 million in our wastewater business, \$212 million to address the growth in the Fibra region and the remainder on irrigation, drainage, property and facilities.

Debt and borrowings

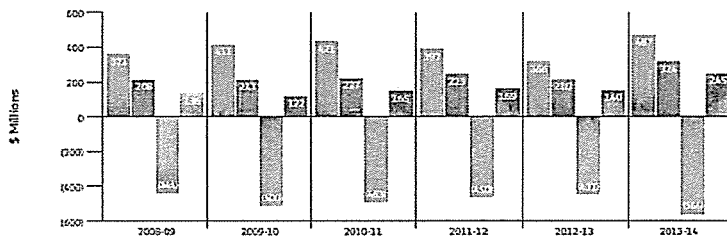
The capital investment program over recent years has resulted in a significant increase in our level of debt. In 2013-14, cash debt increased by \$65 million. Net debt increased by \$337 million to \$5.4 billion, inclusive of financing for the Mundaring Water Treatment Plant, procured under a Public-Private Partnership arrangement. The additional borrowings resulted in an increase in our ratio of debt to total assets to 33.6 per cent from 33.0 per cent in 2012-13. Our interest cover improved from 2.9 times to 3.3 times. This remains at a level where we are comfortably able to service our debt.

Supporting the state's growth

We have 869 employees living and working in regional Western Australia, providing water services to our regional customers. In 2013-14, the value of our regional assets was in excess of \$4 billion. During the year we spent over \$668 million on the delivery of projects for regional Western Australia.



Operating Subsidy



Legend: Dividend, Tax Expenditures, Operating Subsidy, NATG

Net Accrual to Government (NATG)
The figures in the graph above have been rounded to the nearest whole number



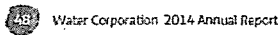
Page 48, Principal statistics:

Employees (FTEs as at 30 June 2014)

Metropolitan	2,065
Country	869
Total	2,934

The table should read:

FTEs (as at 30 June 2014)	
Metropolitan	2,158
Country	776
Total	2,934



Source	Area of Catchment (Square Km)	Storage Capacity (Megalitres)	Storage at 30/06/2014 (Megalitres)	Percentage of Maximum Storage (%)	Output to 30/06/2014 (Megalitres)
Bulk Water Exported					
GAWS					19,493
Mandurah Murray					12,010
South-West Region					1,314
Total					34,206
Total Water Sourced					
Net Output from Surface Water					49,025
Groundwater					124,659
Desalination					112,640
Received from Bulk Supplier					2,121
Total Sources					289,056
Riparians (from Distribution System)					
Riparians from Distribution System					2,476
Total Potable Water Supplied					
Total Water Sourced					289,056
Bulk Water Exported					34,206
Riparians (from Distribution System)					2,476
Total Water Supplied					252,374

Drainage Region	Properties Served	Length of Drains Connected (Kilometres)
Perth	387,833	1,136
Green Southern	n/a	129
South-West	n/a	1,280
Total	387,833	2,545

1. Perth figure includes Mandurah Murray District.

Irrigation

Region	Water Supplied (Megalitres)
Mid West	5,166
North-West	139,915
South-West	n/a
Total	135,651

1. Mid-West irrigation district was transferred to the Gascoyne Water Co-operative on 1 July 2002.

2. North-West irrigation is managed by the Ord Irrigation Co-operative (established in 2002). However, Water Corporation retains responsibility for a number of customers.

3. Water Corporation owns and maintains the dams that supply Harvey Water and Preston Valley Irrigation but they have the water standing directly with the Department of Water.



Employees (FTEs as at 30 June 2014)

Metropolitan	2,065
Country	869
Total	2,934