Owned by the
people of WA

WATER
CORPORATION

Annual Report 2026

About this report

The 2025-26 Annual Report is a review of our performance for the financial year ended 30 June 2026. This report is produced in accordance with the provisions of the *Water Corporations Act 1995* (WA) and other relevant legislation, which governs our operations.

Provided to the Minister for Aboriginal Affairs, Water, Climate Resilience, South West, Hon Don Punch, MLA, this report is tabled in the Parliament of Western Australia.

The objective of this report is to provide our customers, community, stakeholders, as well as our owner, the Western Australian Government, with information about our operational and financial performance and our contribution to the state's economy for the 2025-26 financial year.

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

To provide feedback on this report please email us — email us

Previous annual reports can be found on our website — our website

For customer enquiries or feedback about our services, visit our website — contact

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Introduction

Acknowledgement of Country

In the spirit of reconciliation, Water Corporation acknowledges the Traditional Custodians of Country throughout Western Australia (WA) and their enduring connections to land, sea and community. We pay our respects to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

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

This artwork pays respect to 60,000 years of water wisdom through the eyes of First Nations people. Yamatji and Noongar Geraldton-based artist Carol Martin, teamed up with Whadjuk, Ballardong Noongar Perth-based artist Kaedisha Westerberg to create a piece that represents the significance of our statewide water sources to Aboriginal people and culture.

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

Waters of Creation by artists Carol Martin and Kaedisha Westerberg.

Year at a glance

More than **1.12 million** customer interactions

59 customers supported through our Family and Domestic Violence (FDV) pilot

15,000 WA school students engaged in Water in Aboriginal Culture program

Since 2008, approximately **1.59 billion litres** of water have been saved through the Waterwise Aquatic Centre program – the equivalent to approximately **707 Olympic sized swimming pools**

Through Kimberley Community grants scheme 13 groups shared in **$70,000** to deliver local community projects

18,752 lots cleared for new homes

26,038 services connected to new dwellings

103 billion litres of water produced at the Southern Seawater Desalination Plant

More than **10,000 homes** across Karratha, Wickham, Roebourne, and Point Samson are expected to benefit from the Dampier Seawater Desalination project (DSDP)

200 million litres saved through leak detection in West Pilbara

$10.7 million invested in Aboriginal Communities Water Services (ACWS) upgrades across four communities

28km of water reticulation mains replaced to improve water supply in Perth

$40.4 million Goldfields and Agricultural Water Supply Scheme (GAWSS) pipeline replacement project to support **more than 230 jobs** and inject $170 million into the WA economy

More than **$100 million** invested in renewing ageing water and wastewater infrastructure in Perth and Peel

129 apprenticeships/ traineeships delivered through the Alkimos Seawater Desalination Project (ASDP) project

Installed more than **14,000 digital meters** to modernise our operations and deliver greater value for our customers

Our **$2.2 billion Asset Investment Plan** funded new infrastructure and asset renewals across WA

Supporting the WA Government's priorities

Water Corporation is working to make WA a great place to live and invest. As well as being the principal supplier of water, wastewater, drainage and bulk irrigation services in WA to hundreds of thousands of homes, businesses and farms, we're creating a sustainable future and finding new ways to create value for the State.

Water Corporation supports the WA Government's priorities by delivering the essential water services and infrastructure that enable WA to grow and thrive. Through Thrive2035 and our strategic framework, we translate those priorities into long-term outcomes and near-term action: unlocking housing, supporting economic diversification, protecting public health and the environment, strengthening communities and delivering resilient, quality infrastructure across the State.

Diversifying the economy – Enabling industrial development, creating local jobs and strengthening WA's skills and supply chains through infrastructure investment.

Housing – Planning and delivering water, wastewater and drainage infrastructure to unlock land and service new homes.

Health – Protecting public health through safe drinking water, reliable wastewater services and improved services in remote communities.

Safe and inclusive communities – Supporting customers in vulnerable circumstances, engaging communities and building culturally safe and inclusive services and workplaces.

Environment – Securing climate-resilient water sources, increasing recycling and efficiency, protecting natural systems and reducing operational emissions.

Quality infrastructure – Renewing ageing assets and delivering reliable, resilient infrastructure to support population and economic growth.

Read more about our strategic framework on page 17.

Chair's report

Andrea Sutton

Water is fundamental to WA's future. It shapes our communities, supports our economy and sustains our environment. As a Government Trading Enterprise, Water Corporation plays a central role in delivering on this shared vision, working in partnership with the WA Government and stakeholders to ensure water continues to support a thriving and resilient State.

Water Corporation Board's focus remains on ensuring the organisation is strongly aligned to the WA Government's priorities, expectations, and vision for the water sector: *Made Possible by Water*. This includes supporting economic growth, enabling housing and infrastructure development, protecting public health, strengthening communities and contributing to environmental sustainability.

Delivering on these priorities requires a whole-of-state perspective. Water Corporation provides essential services to a broad and diverse customer base, from metropolitan households to regional towns, remote Aboriginal communities, and major industrial and commercial users. Ensuring these services are accessible, reliable and equitable across WA remains a key focus, recognising both the scale of our operations and the importance of water to every part of the State.

At the same time, the operating environment continues to evolve. Population growth, economic development and increasing expectations on environmental outcomes are placing greater demands on infrastructure, services and investment decisions. Water Corporation must be positioned to respond to these challenges in a way that balances short-term needs with long-term sustainability, while continuing to deliver value for customers and the State.

> A critical enabler of this is disciplined stewardship of resources. The scale and longevity of our asset base require careful prioritisation, strong financial management and a continued focus on efficiency. This has become increasingly important in the context of rising costs and the need to maintain and renew ageing infrastructure, while preparing for significant future investment.

In this regard, the 2026-27 State Budget represents a landmark investment in WA's water future. The State Government's commitment of $2.7 billion in water infrastructure next year reinforces the value of water in supporting economic growth, regional development and community wellbeing. This investment spans both metropolitan and regional WA, and when combined with significant uplift in operations and maintenance funding, it supports Water Corporation to plan for the future and manage our significant asset base.

> This approach reflects *Made Possible by Water*, which recognises water as a shared and finite resource requiring careful stewardship, innovation and collaboration. Projects such as the expansion of DSDP demonstrate how these partnerships are being put into practice, bringing together the community, government, industry and Traditional Custodians to deliver sustainable, resilient outcomes for the State.

Maintaining community trust is fundamental to delivering on this role, and we know our reputation is shaped in the moments that matter most: when customers experience disruption, when communities are affected by major works, or when essential services come under pressure. Responsiveness, transparency and strong engagement with our customers and stakeholders remain key principles in Water Corporation's approach.

Looking ahead, the scale of investment and the complexity of the operating environment will continue to grow. That's why we're focused on strong oversight of strategic and operational risks, investment governance, organisational performance, and the capability required to deliver the forward program safely and effectively. With the capable leadership of our Minister for Water, a clear strategic direction, strong alignment with Government, and a continued focus on customers and communities across the State, Water Corporation is well positioned to deliver on its responsibilities now and into the future.

A Sutton

Andrea Sutton

Chair

CEO's report

Pat Donovan

Providing safe, reliable and sustainable water services for the people of WA goes to the heart of who we are and what we do.

Every day, we focus on what matters most: securing our water sources, delivering reliable services for our customers, operating safely, managing demand, driving efficiency and financial discipline, and building the capability of our people. Together, these priorities guide how we perform today while preparing for tomorrow.

> This year, we strengthened the foundations needed to deliver one of the largest capital programs in the State's history while continuing to provide safe and reliable services across WA. We established a new three-year Corporate Plan, advanced major climate-resilient water projects, enabled new housing connections and invested in the people, systems and delivery capability required for the program ahead. Together, these achievements are improving service resilience today and positioning us to support WA's continued growth.

Key to this has been progressing the work needed to secure future water supplies. Across the State, major projects are underway to expand capacity and improve climate resilience, including the construction of ASDP in Perth and Onslow Seawater Desalination Plant (OSDP) in the Pilbara. Recycled water is also a key aspect of our future water supply mix, and the Kwinana Water Reclamation Plant (KWRP) will have the capacity to supply up to 27 million litres of recycled water to local industries every day thanks to expansion works currently underway. Targeted investments in locations such as Halls Creek and Jurien Bay are also improving the reliability and sustainability of water supplies for our regional communities. Meanwhile, we continue work to improve water services in some of our most remote communities in the State through the ACWS program.

While we invest for the future, we remain focused on delivering for our customers today. Maintaining reliable water and wastewater services across such a vast geographic service area requires disciplined operations and a strong focus on performance. Throughout the year, we have continued to strengthen how we manage our assets, respond to incidents and maintain continuity of service for households, businesses and communities across WA.

This focus on performance is supported by our commitment to safety. Our people and contractors operate in complex environments every day, and ensuring safe outcomes, not only for our workforce, but for the communities in which we operate, remains a priority.

Alongside safety and reliability, we are continuing to strengthen our efficiency as a business. Rising costs and increasing demand require us to be deliberate in how we prioritise and deliver our work. Across the organisation, we are improving productivity, optimising our network, and ensuring every dollar invested delivers the greatest possible value.

Importantly, this focus on efficiency extends beyond our own operations. Through our waterwise programs, we are working in partnership with local governments, businesses and industry to reduce water use and improve resilience. We are also engaging with the broader community to build understanding of water and its value, including education programs that reached thousands of students across WA this year. These initiatives continue to demonstrate that practical, coordinated action can deliver meaningful savings while supporting growth across the State.

Underpinning all of this is the capability of our people. Over the past year, we have continued to invest in building a skilled, adaptable workforce; strengthening technical expertise, embracing new ways of working and developing people at all levels of the business, including our apprentices, graduates and leaders. We take great pride in our world-class training facilities and award-winning and established career entry pathways.

> As we look ahead, we know that the scale of what we are preparing to deliver is significant, and we have a great responsibility ahead of us. This is a once-in-a-generation opportunity, which also brings heightened expectations for performance, discipline and leadership. However, with a clear focus on our priorities: operating safely and efficiently, delivering reliable services, securing water sources and strengthening our people and ways of working, we are well positioned to meet the needs of our customers and stakeholders now and into the future.

I would like to thank our people across the state for their continued dedication, and our customers, Minister for Water and Board for their ongoing support.

Pat Donovan

Pat Donovan

Chief Executive Officer

Challenges for the year ahead

We are entering a pivotal period of delivery. A record investment in water infrastructure and a major uplift in our capital program in 2026-27 will help secure climate-resilient water supplies, enable housing and economic growth, and strengthen services for communities across WA.

Delivering this program while maintaining safe, reliable and affordable services will require strong governance, disciplined prioritisation and a significant uplift in organisational and industry capability.

Over the year ahead, our focus will be on responding to the following challenges.

Securing water sources in a changing climate

Our most critical challenge is maintaining long-term water security in a drying climate. Since the 1970s, declining rainfall in the South West has resulted in an 80 per cent reduction in streamflow, while groundwater availability is being reduced to protect environmental values. Together, these changes are reducing the reliability of traditional sources and increasing our dependence on climate-resilient alternatives such as desalination, groundwater replenishment and recycled water. Without new sources, the consequences could be substantial, including increased water restrictions, constraints on housing and industry, and risks to liveability and economic growth.

Read more on how we're adapting how we source water on page 57.

Supporting population and economic growth

Population growth and economic expansion pressures are converging with climate impacts, increasing demand for water services while placing constraints on traditional sources. By 2035, Perth alone will require up to 125 billion extra litres of climate resilient water. We are also under increasing pressure to deliver new housing connections, as WA aims to build 130,000 new homes by 2029 and connect 150,000 households by 2030. Meanwhile, our economy continues to grow and requires significant water resources.

Demand for water is forecast to keep growing, driven by residential growth, economic diversification through emerging industries such as data centres, and climate-related increases in usage across the state. Forecast modelling shows that, without timely investment and greater water efficiency, demand for water across our Integrated Water Supply Scheme (IWSS), which services Perth, Peel, Kalgoorlie, and surrounding regions, could exceed supply in coming years.

Read more about how we're unlocking housing for a growing WA from page 50.

Managing ageing assets and system complexity

While demand is increasing, our infrastructure is ageing and operating under greater stress. Many of the assets that deliver water services across WA were built decades ago and are approaching the end of their operational life. Renewing this infrastructure while delivering the new assets required for future growth is one of the largest challenges facing our organisation.

In parallel, the IWSS is becoming more complex. New sources, particularly large-scale desalination, require significant upgrades to conveyance infrastructure to move water across a large and dispersed network. Delivering these upgrades in built-up areas introduces additional challenges, including land access, environmental approvals and community disruption.

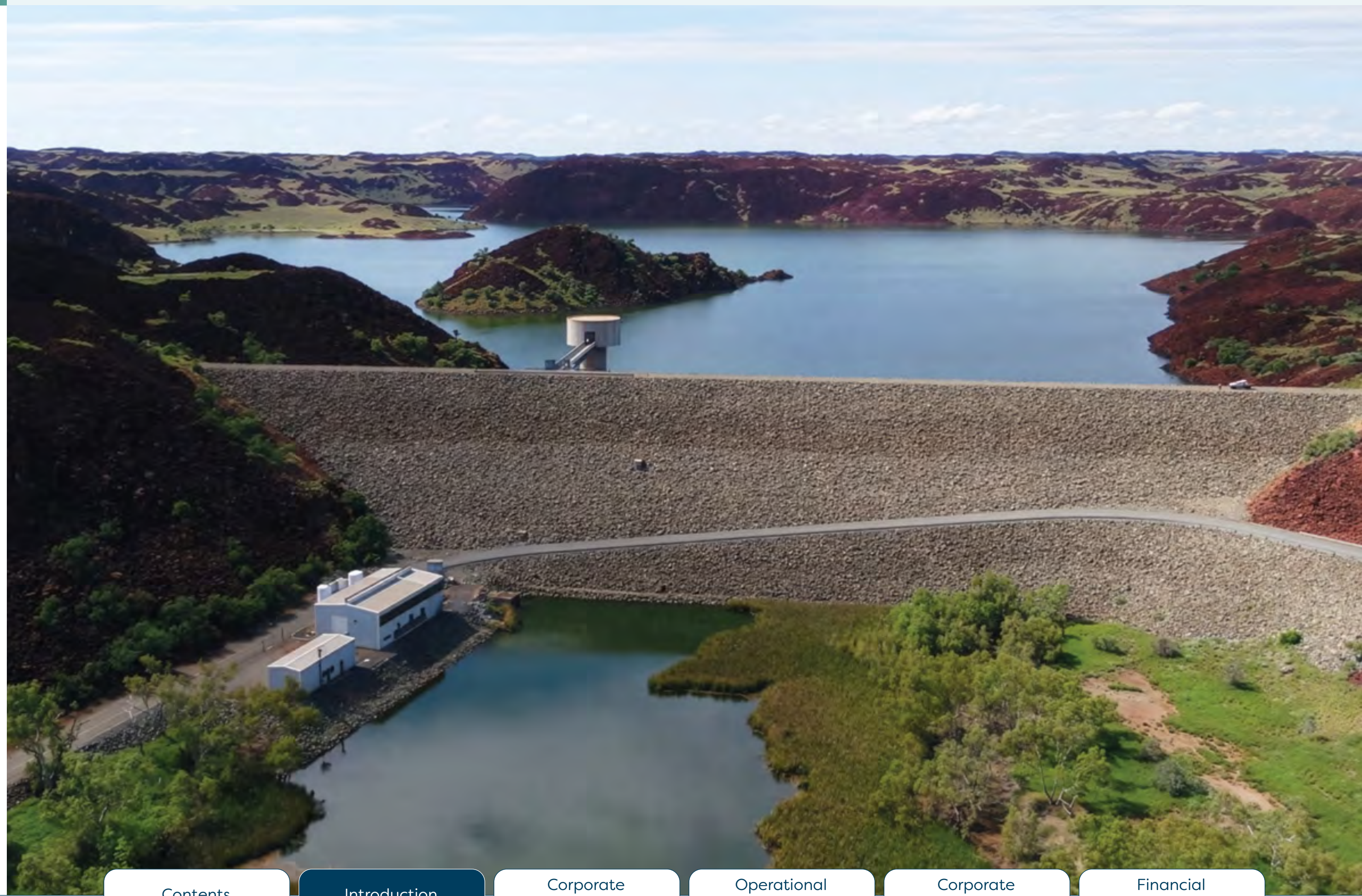
Read more about how we're maintaining and renewing our assets on page 64.

Adapting to the scale of change ahead

The size and complexity of our forward program requires a fundamental shift in how we operate. We must continue to deliver reliable services today, while preparing the organisation to deliver at a much larger scale in the future. Over the coming year we must continue to:

- Deliver a significant uplift in maintenance funding to improve asset performance and service reliability.
- Strengthen our capability in program delivery, planning and asset management.
- Invest in the skilled workforce needed to deliver current and future water infrastructure and services.
- Expand apprenticeship, graduate, Aboriginal employment and supplier participation pathways.
- Modernise our information technology, operational technology and cyber security capabilities.
- Explore new partnership and financing models to support the sustainable delivery of new water sources.

Harding Dam.



Corporate *snapshot*

A snapshot of our services

1 ML = 1 megalitre (1 million litres)
One Olympic-size swimming pool holds about 2.5 megalitres of water

Every day, millions of Western Australians rely on our water, wastewater, drainage and irrigation services. Directly employing more than 4,200 people, we provide a high level of expertise and strong commitment to our customers, communities and state. We manage $54.1 billion of assets* to deliver water services across more than 2.6 million square kilometres.

Customers

Across WA, we supply 419,682ML of water to nearly...

3 million people

Water sources

Our water supply is from main sources:

- Desalination
- Dams and surface water
- Groundwater
- Groundwater replenishment

Treatment

Water is treated at one of our...

112 Water treatment plants

Irrigation services

5,903ML of water delivered 2025-26

Water network

We service and maintain...

- 35,766km of water mains
- 18,362km of wastewater mains
- 2,537km of drains

Wastewater

We treat almost...

528 million litres of wastewater a day

Return to environment

After wastewater is treated, it can be used for a range of purposes including:

- industrial reuse
- public open space
- forest irrigation
- returned to long term drinking water resource by replenishing our groundwater

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

Delivering on our purpose

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

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

Our strategic framework connects long-term ambition with near-term delivery:

- ***Made Possible by Water*** is the shared vision for WA's water future.
- ***Thrive2035*** sets Water Corporation's long-term direction and the outcomes we are working to achieve.
- ***Our Corporate Plan*** translates that direction into the priorities and performance focus for the next three years.

Thrive2035

is our long-term vision and strategy.

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

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

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

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

Thrive2035 goals

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

Our values

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

Our values work in partnership with our six goals and lay the foundation for how we work together. They guide our decision-making and set the tone for how we interact with each other, our customers and our stakeholders. They are more than just words on a page; they are felt and lived every day.

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

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

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

We care for our communities and each other.

Corporate Plan

Approved by the Executive Team in June 2026, our Corporate Plan sets out our priorities over the next three years. Focused on what we need to achieve now, it has been developed to ensure our people are aligned, focused, and working together to deliver for our customers, communities, and the State. It reflects and supports our broader strategic direction by bringing clarity to our immediate priorities and maintaining a consistent focus on what matters most.

This is reflected by four connected and enduring themes: securing water services, improving scheme performance, delivering our services safely and efficiently, and building future-ready foundations.

Made Possible by Water

Released in March 2026, *Made Possible by Water* represents the State's new shared vision for WA's water future.

Thanks to this vision, the water sector in WA is aligned around a set of shared commitments to secure the state's water future, including:

- Embedding Aboriginal knowledge in water planning and management
- Engaging customers and communities so decisions reflect their needs and values
- Strengthening regulation, compliance and long-term climate adaptation
- Expanding waterwise programs to support sustainable water use
- Partnering with the Australian Government on climate-resilient water systems
- Increasing awareness of the true cost and value of water
- Supporting industry to innovate and reduce demand
- Developing new partnership models with industry, investors and local governments
- Continuing to invest in climate resilient infrastructure and new sources

Environmental, Social and Governance update

We continue to advance our Environmental, Social and Governance (ESG) priorities, embedding sustainability, resilience and responsible governance across our operations. Guided by our ESG Strategy and Thrive2035 ambitions, we delivered major infrastructure, community and climate initiatives that support WA's long-term prosperity.

Strengthening climate resilience and securing sustainable water supplies remains a focus. Significant progress was made on ASDP, which will provide 50 billion litres of climate-independent drinking water annually, while planning advanced for new desalination infrastructure in the Lower Great Southern and Pilbara regions. We also entered into long-term renewable energy agreements that will support 550 megawatts of new renewable energy capacity. The expansion of the KWRP further demonstrated our commitment to circular economy principles by increasing recycled water capacity for industry.

We also continued to deliver meaningful social outcomes across WA. Through the ACWS program, safe drinking water was restored to Kiwirrkurra, WA's most remote Aboriginal community, following major infrastructure upgrades. We also celebrated 30 years of partnership with the Department of Health (DoH) to safeguard drinking water quality, while internally strengthening employee wellbeing and inclusion through our Mental Health Champions program, Neurodiversity Inclusion Pilot and cultural capability initiatives. Workforce development remained a priority, with major projects including ASDP creating apprenticeship and trainee opportunities to build future industry capability.

Governance and risk management continues to mature. We further strengthened our climate-related risk assessment and reporting capabilities in alignment with the State Government's Climate Risk Reporting Framework, supporting the integration of climate considerations into strategic planning, infrastructure investment and operational decision-making. Continued investment in innovation, digital technologies and research partnerships, including award-winning collaborations with CSIRO, reinforced our commitment to transparency, resilience and long-term value creation.

Looking ahead, we're focused on advancing climate resilience, achieving net zero emissions by 2035, increasing water recycling and delivering sustainable outcomes for customers, communities and the environment.

Water Corporation Senior Leaders supporting our waterwise campaign.

How we're delivering on our ESG goals

SUSTAINABLE DEVELOPMENT GOALS

Environment

Climate change and asset resilience

Key milestones in delivering ASDP

Delivering Perth's next climate-independent water source through major desalination and pipeline infrastructure investments.

read more page 63

Energy transition and net zero (GHG emissions)

Powering a low-carbon water future

Securing renewable energy supply through major wind power investments to support net zero transition.

read more page 61

Treated wastewater discharge effects

Giving water a second life to power Kwinana industries

Recycling wastewater helps us to support growing demand for water within the Kwinana Strategic Industrial Area.

read more page 43

Social

Safety and wellbeing

Safety first at the Simulation Facility

Our simulation facility allows trainees to gain hands on experience in a safe and controlled environment before they make their mark on the WA community.

read more page 48

Water security and quality

Securing the Pilbara's water future

Expanding DSDP to strengthen water security and protect groundwater resources.

read more page 57

Aboriginal Communities Water Services

Restoring clean drinking water to WA's most remote Aboriginal community

Restoring safe drinking water to Kiwirrkurra through critical infrastructure upgrades and community partnerships.

read more page 47

Governance

Corporate governance, ethics and transparency

Building cultural capacity and awareness

Leadership-focused cultural learning strengthened accountability, cultural safety and understanding of First Nations peoples, Country and community.

read more page 55

Cyber security and data privacy

Protecting customer information through stronger cyber security

Strengthening our cyber security capability to help protect customer and corporate information.

read more page 66

Financial sustainability

Driving innovation through research and development

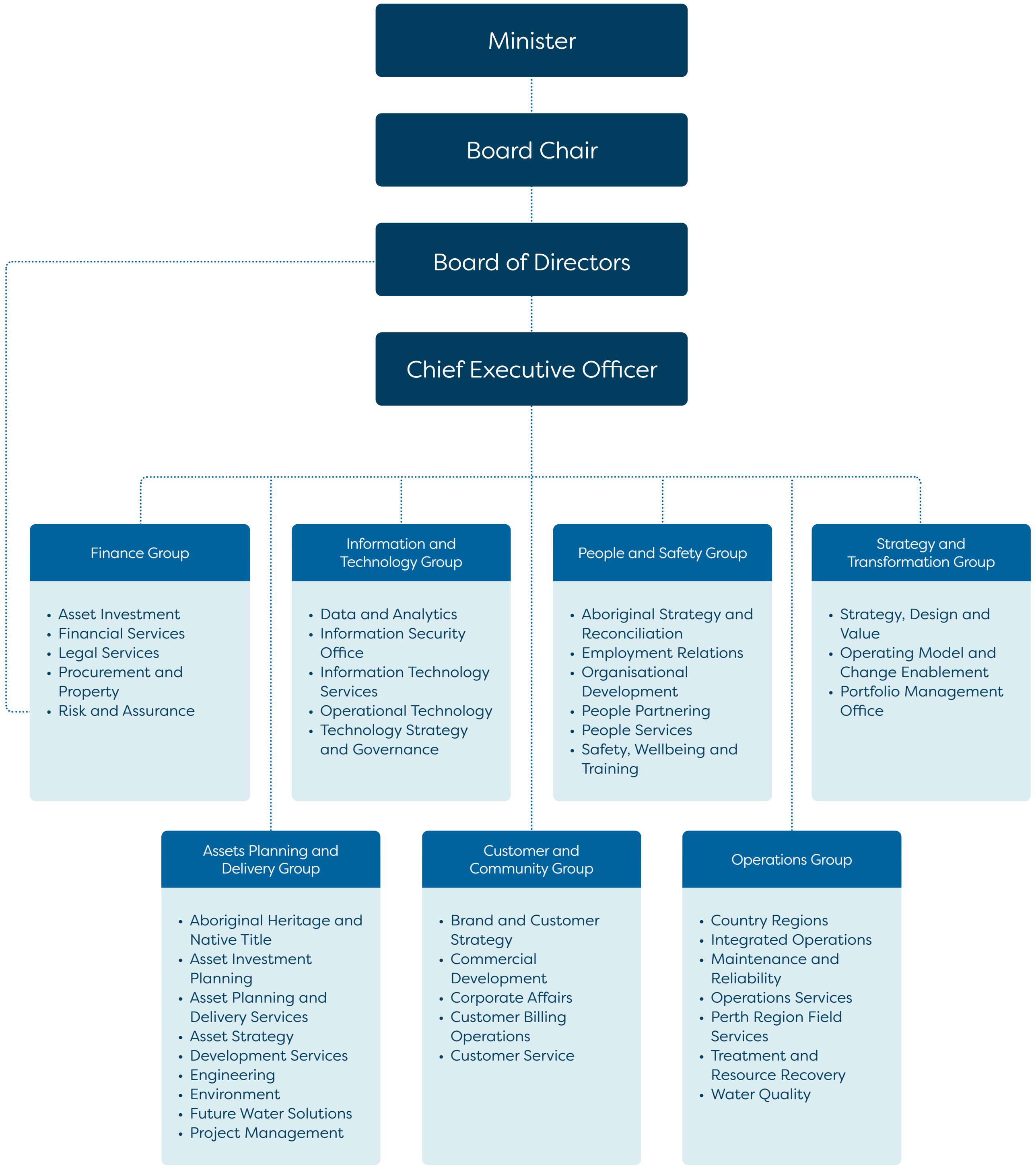
Investing in research and partnerships to drive innovation, strengthen resilience and secure WA's water future.

read more page 45

One year targets

		2025-26 Actual	2025-26 Target
Outcome: Reducing total recurring expenditure to fund our key priorities and provide socially equitable outcomes for communities:			
Efficient	Total Cost Per Property ($)	2,737	2,688
Outcome: Engaging and enabling our employees to perform at our best:			
Great place to work	Employee Experience Survey - Engagement (%)	67	68
Outcome: Providing safe and secure water to meet or exceed UN Sustainable Development Goal #6:			
Safe for all	Customers and communities we serve with access to safe water in line with UN SDG6 – Existing localities	99.2	99
Safe for all	Customers and communities we serve with access to safe water in line with UN SDG6 – ACWS	73.86	80
Outcome: Improving employee and public safety outcomes:			
Safe for all	Total Recordable Injury Frequency Rate (per million hours worked)	4.3	4
Outcome: Building trust among the communities we serve:			
Satisfied customers	Individual measurement of community trust, across regions and segments (% of customers who rate Water Corporation strongly (7-10))	68	68
Outcome: Accelerating to net zero for scope 1 and 2 greenhouse gas emissions:			
Environmentally sustainable	Reported greenhouse gas emissions (CO_2 equivalent kilotonnes)	603	549
Outcome: Educating the community on climate change impacts, driving waterwise outcomes and ramping up wastewater recycling:			
Environmentally sustainable	Wastewater recycled (%)	20.4	≥ 21

Organisational structure



Leadership team

Our Board of Directors

Ms Andrea Sutton

Chair

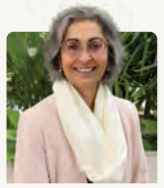
BEng Chemical (Hons), GradDipEcon, GAICD

Andrea has over 25 years' experience across a range of operational and corporate functions. She brings broad expertise, having held executive roles in health, safety and environment, human resources and infrastructure management.

Andrea was previously CEO and Managing Director of Energy Resources of Australia (ERA). Prior to this she held numerous roles across a 19-year career with Rio Tinto. Notably, Andrea held the position of General Manager of Infrastructure within Rio Tinto's Iron Ore business.

Andrea also has extensive experience as a non-executive director for ASX-listed, Government and not-for-profit organisations and currently serves as a board member of Australian Red Cross Society and Australian Naval Infrastructure. She is a non-executive Director of Perenti and Iluka Resources. Andrea was previously a non-executive Director of Red 5 Limited, Australian Nuclear Science, National Association of Women in Operations and Technology Organisation, DDH1 Limited, ERA and Infrastructure WA.

Appointed: 1 January 2024, term expires 31 December 2026.



Ms Neema Premji

Deputy Chair

BEng (Civil), MBA, FAICD

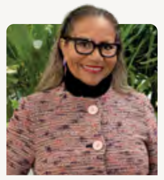
Neema is a professional Non-Executive Director and Independent Chair, with more than 25 years' experience across infrastructure, utilities, mining and resources, not-for-profit and government. Neema has extensive experience in business planning, integrating strategic planning, risk management and governance frameworks to accelerate organisational performance and success.

Neema is the Director of her own Board Advisory services firm and also delivers asset management, compliance audit and project management services.

Neema is currently Chair of the Vasse Taskforce, a Member of the WA Regional Development Trust and the Development Assessment Panel, is an independent Audit and Risk Committee Member of the Department of Creative Industries and Sports and is an independent non-executive Director on (Non Listed) APO/APB.

Appointed: 1 January 2026, term expires 31 December 2028.
Member: People and Safety Committee

Left to right: **Louise Pratt, Janine Freeman, Gningala Yarran-Mark, Andrea Sutton, Pat Donovan, Neema Premji, David Smith and Jane Muirsmith.**



Mrs Gningala Yarran-Mark

MBL LLB Bsc (Hon)

Gningala is an experienced Board Director. Following an early legal career, Gningala moved into commercial roles with BHP and large contracting firms, where she managed Aboriginal engagement. Her remit was inclusive of employment outcomes, diversity in the supply chain, internal and external stakeholder partnerships and commitments under company reconciliation action plans.

After 15 years of building and growing Aboriginal engagement across a number of industry players, Gningala is now undertaking a PhD with a focus on social procurement and Aboriginal contracting entities. Gningala has in-depth working knowledge of the execution and implementation of reconciliation action plans and is adept to the intricacies of Native Title and Traditional Owner negotiations.

Gningala has a deep understanding of diversity, cultural intelligence, change management, and stakeholder relations.

Appointed: 12 November 2019, term expires 30 September 2028.
Chair: People and Safety Committee

Janine Freeman

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

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

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

Appointed: 9 March 2022, term expires 31 December 2026.
Member: Audit and Risk Committee

Mr David Smith

BCom (Melb), FCA

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

David is a chartered accountant with significant experience in audit and assurance, corporate governance and boards and committees. David brings broad business acumen, having worked with clients across mining and resources, media, agriculture and property among others.

David was previously a Board Member of the Royal Fremantle Golf Club, St Bartholomew's House Inc, St Bartholomew's Foundation and Fremantle Port Authority. His board and committee experience has encompassed financial governance, strategy and risk management assessment.

Appointed: 1 January 2024, term expires 31 December 2026.
Chair: Audit and Risk Committee

Ms Jane Muirsmith

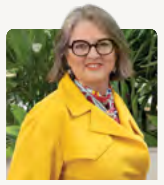
BCom (Hons), FCA, GAICD

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

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

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

Appointed: 1 December 2024, term expires 30 November 2027.
Member: Audit & Risk Committee



Ms Louise Pratt

BA History, GAICD

Louise is a skilled leader and communications professional with more than 20 years' experience spanning the community sector, state and federal government, and high-level political circles. Her background includes service as a Senator in Australia's National Parliament, extensive committee work, and significant advocacy in employment, skills, manufacturing and environmental policy.

Louise served as a Senator for WA from 2008 to 2014 and again from 2016 to 2025. She was previously also a member of the Western Australian Legislative Council from 2001 to 2007.

Louise has chaired and contributed to numerous parliamentary committees and played a key role in advancing law reform and social equity initiatives throughout her career.

Appointed: 1 January 2026, term expires 31 December 2028.
Member: People and Safety Committee

Our Executive Team

Meet our Executive Team. Together, they lead Water Corporation in achieving our vision. Each General Manager represents one of the seven groups across the business. They are responsible for their group's performance and make decisions that align to our vision, purpose and values.

Chief Executive Officer

Mr Pat Donovan – Term commenced January 2019

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

Chief Financial Officer

Mrs Deb Evans - Term commenced May 2024

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

General Manager Customer and Community

Mrs Karen Willis - Term commenced April 2019

BA (Joint Hons), GradDip (Marketing) GAICD

General Manager Information and Technology

Ms Jane Mitchell - Term commenced November 2022

BASc (Hons), GAICD

General Manager People and Safety

Ms Sarah Bagshawe - Term commenced January 2023

BBus, CAHRI

General Manager Operations

Mr Chris Young - Term commenced January 2026

MBA, GradDip (Management), MAICD

General Manager Assets Planning and Delivery

Mr Chris Davie - Term commenced May 2026

BEng, CPEng, GAICD

General Manager Strategy and Transformation

Abhinav Sarna – Term commenced July 2025

B.Com, MProf.Acc., MFin.Mgt., CA

Left to right: Chris Young, Jane Mitchell, Pat Donovan, Sarah Bagshawe, Chris Davie, Deb Evans, Karen Willis, Abhinav Sarna.

Contents | Introduction | Corporate snapshot | Operational report | Corporate governance report | Financial report

Our people

Our people are key to achieving our Thrive2035 strategy. When they thrive, so do our customers and communities.

Delivering the infrastructure required for WA's future depends on attracting, developing and retaining the skilled workforce needed to design, build, operate and maintain increasingly complex water systems. It also depends on creating a positive work environment where our people can do their best work, supported by strong leadership, engagement, and an inclusive and diverse culture.

North-West Region

Our people at DSDP.

Mid-West Region

Our people at a NAIDOC week celebration in Carnarvon.

ACWS

Since taking responsibility for the water services in 141 Aboriginal communities, the ACWS team has travelled to some of the most remote areas of WA, including this Mulan water tank.

ACWS

Our workplaces span from Exmouth to Esperance, Perth to Port Hedland, and everywhere in between.

Perth

CEO Pat Donovan (second from the right) with our people at a National Reconciliation Week broadcast in Leederville.

Goldfields and Agricultural Region

Our people in the Goldfields and Agricultural Region.

South West Region

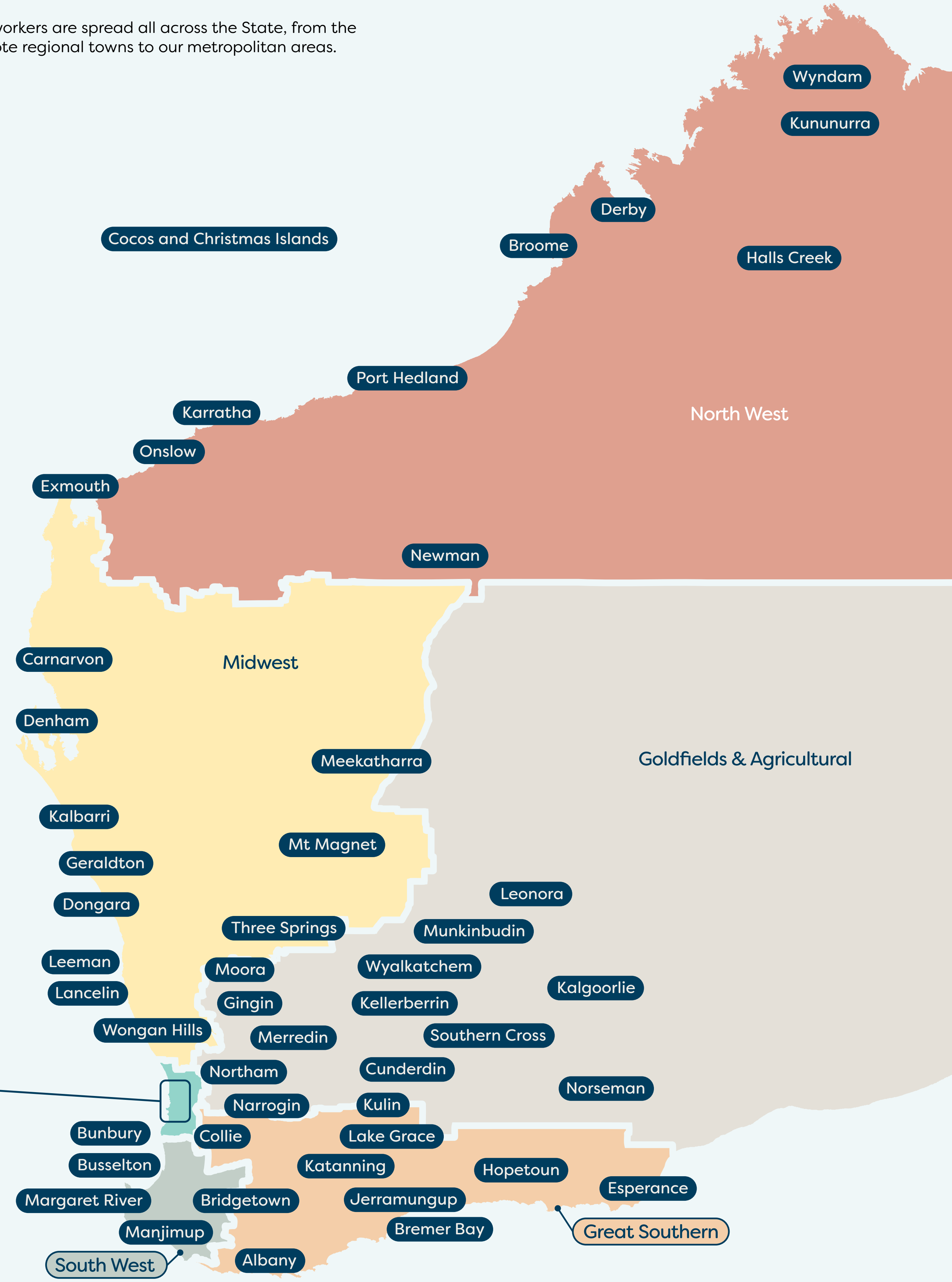
Our people conducting a bridge inspection in Bunbury.

Great Southern Region

Menang cultural tour provider Kurrah Mia held a smoking ceremony for Albany Depot staff in recognition of NAIDOC Week.

Where do we work?

Our field workers are spread all across the State, from the most remote regional towns to our metropolitan areas.



Developing our people

Our people are critical to delivering safe, reliable and sustainable water services for WA. The scale of investment required to secure WA's water future depends on attracting, developing and retaining skilled people across technical, operational and leadership roles. To meet this challenge, we continue to invest in early career pathways, leadership development, employee wellbeing and inclusion initiatives that help our people perform at their best.

Read more about how we're supporting safety and wellbeing at work on page 48.

Our people celebrating Christmas in July.

Building capability

As we prepare to deliver one of the largest infrastructure programs in our history, building and maintaining the workforce capability needed to design, construct, operate and maintain increasingly complex water systems has never been more important.

Early careers

Developing future talent is essential to building the skilled workforce required to deliver WA's future water infrastructure and services.

We invest in young professionals through a range of structured early career pathways that build capability across the water industry; because we know their fresh ideas, energy and future-focused thinking are key to tackling our industry challenges.

Our apprenticeships, graduate program, traineeships and vacation student program give emerging talent hands-on experience, nationally recognised qualifications, technical learning and exposure to different business areas and regions. These programs help young people build rewarding careers.

Read more on page 44.

Leadership Lab

Building capability extends beyond attracting new talent. We are also investing in the leadership, technical and professional skills of our existing workforce to ensure our people can continue to respond to changing customer, community and operational needs.

Leadership Lab is our leadership program designed to develop strong, adaptable leaders who can navigate complexity and lead with confidence. This year, the program was rolled-out through a structured, three-part journey, co-designed with leaders from across the organisation to reflect real organisational challenges, strengthen ownership of development, and improve the transfer of learning into action.

Mentoring Program

On the other end of the leadership spectrum is our Mentoring Program, a six-month experience designed to build capability, connection and development. Led by the mentors and mentees themselves, the program encourages ownership, flexibility and meaningful development conversations. More than 80 employees have completed the program to date, strengthening cross-organisational connection and supporting a culture of continuous learning.

Employee Experience Survey

Understanding how our people experience working at Water Corporation is an important part of building a high-performing organisation. Feedback from our Employee Experience Survey (EES) helps shape priorities and actions across the business. Our 2026 EES ran from 10-24 February, giving employees the opportunity to share their experiences working at Water Corporation. We had a strong response rate again this year with 80% of our people taking the time to complete the survey. New action plans are underway to continue driving meaningful change across the business as a result of the feedback.

Access and inclusion for our people and customers

Building a capable workforce also means creating an environment where people feel valued, supported and able to contribute their best. We know diverse perspectives strengthen decision-making, improve innovation and help us better reflect the communities we serve.

Read more about how we're creating a great place to work on page 55.

Access and inclusion plan

Our Access and Inclusion Plan (AIP) drives equity and inclusion, delivers accessible services, builds an inclusive workplace and strengthens relationships with stakeholders, customers, and the community. Our AIP Committee monitors nearly 70 outcomes, ranging from buildings and websites to recruitment and training.

This year, funding was allocated to deliver four AIP projects:

- Carer Friendly Employer accreditation from Carers WA
- Development of a disability confident training module for hiring managers
- Promotion of Water Corporation as a disability employer of choice on Instagram and Facebook
- Extension of our waterwise radio campaign in additional languages other than English.
- Workplace inclusion plan

We also launched a new Workplace Inclusion Plan this year, setting a five-year roadmap to strengthen equity and inclusion. Shaped by input from more than 260 employees and informed by data, industry insights and workforce feedback, the plan outlines eight objectives focused on areas such as clearer career pathways, improved diversity, equity and inclusion data and reporting, reduced psychosocial risks, and stronger inclusive leadership. It also introduces new priorities including knowledge transfer, leadership consistency and better understanding of diverse workforce needs.

Employee reference groups

Our Employee Reference Groups (ERGs) champion positive cultural changes for everyone. Our groups consist of the following:

- **Culturally and Linguistically Diverse**
- **Gender Balance For Better**
- **Inclusion, Disability, Equity and Access**
- **Young and Early Career Professionals**
- **Pride**

This year saw the highest level of working group member engagement in the history of our ERGs, demonstrating growing interest, participation and commitment across the business.

Over the past year, a stronger intersectional approach has been embedded across our ERGs, reflected in the increased number of awareness initiatives delivered collaboratively by two or more ERGs.

Our people celebrating National Reconciliation Week in Leederville.

Strengthening cultural capability

Strengthening cultural capability is also critical to delivering our strategy and supporting the commitments outlined in *Made Possible by Water*. Through our reconciliation and Aboriginal engagement initiatives, we continue to deepen understanding, strengthen relationships and embed First Nations perspectives across our organisation.

Read more about how we're raising cultural literacy in schools on page 53.

Reconciliation Action Plan

We remain firmly committed to advancing reconciliation and strengthening relationships with Aboriginal and Torres Strait Islander people, and our third Stretch Reconciliation Action Plan (RAP) is nearing completion. As at June 2026, 92 per cent of the 85 commitments outlined in the RAP had been completed. While a small number of deliverables remain outstanding, all are actively progressing and are expected to be finalised as part of the transition to our next Stretch RAP. The development of our next RAP will continue to align with our Corporate Plan and support *Made Possible by Water*.

Yesterday, Today, Tomorrow Strategy

We remain committed to our partnership with Aboriginal and Torres Strait Islander peoples of WA, continuing to embed the principles of co-design and ways of working that recognise and respect their knowledge, experiences, values and stories. Our Yesterday, Today, Tomorrow Aboriginal Engagement Strategy (YTT) will conclude in December 2026. As at June 2026, 11 of the 14 YTT workstreams had been completed, contributing to a significant uplift in our understanding and integration of First Nations perspectives across our operations.

Our community and stakeholders

Our communities and stakeholders are central to how we plan, deliver and improve water services across WA. The decisions we make can affect households, businesses, industry, Traditional Owners, government partners and the places where we operate, so strong relationships, open communication and meaningful engagement are essential to maintaining trust and delivering outcomes that reflect local needs.

We measure our performance with customers and stakeholders through a range of listening channels. Our Customer Perceptions Research (CPR) measures how well we are meeting customer needs across our services and highlights opportunities for improvement, while our Voice of the Customer (VoC) program provides ongoing insight into customer experiences with us.

This year, we also introduced a stakeholder research program to understand how we can continue to be a partner of choice for state development. Through independent, in-depth interviews with key stakeholders across the state, the program provided valuable insight into how stakeholders experience working with us today and where we can continue to strengthen relationships.

The following table provides a snapshot of our primary stakeholder groups, why they are important to us, what we engage with them on and how we seek to understand opportunities, challenges and expectations.

WHY WE ENGAGE	WHAT WE ENGAGE ON	HOW WE ENGAGE
Our customers		
• Our customers are at the heart of everything we do and rely on our services; they may be directly impacted by our operations and projects.	• Future water services planning, customer service delivery, customer service process improvements. • Supporting our customers to become more water efficient. • Understanding customer impacts and concerns around our operational service delivery and projects, incidents and emergencies, leaks and faults, and billing and property. • Meeting the evolving needs of our customers.	• Our CPR captures feedback from approximately 800 customers statewide each quarter. • We regularly run bespoke research utilising surveys and focus groups, particularly for capital projects. • Through our VoC, we continually seek to understand our current level of customer service delivery. • Website and digital channels, social and traditional media, direct communications (email, letters), 24/7 contact centre, community engagement (pop-ups, hubs, meetings) and surveys.
Our people		
• Our people and contractors are critical to delivering essential services and maintaining our infrastructure across WA.	• Attraction and retention, training and development, safety and wellbeing, industrial relations, diversity and inclusion.	• Workplace engagement (on-site and in person), intranet and internal communications, events and forums, surveys and performance discussions • Our EES tracks feedback on leadership, engagement and inclusivity.
Contractors and suppliers		
• Enable delivery of infrastructure projects and ongoing operations through a capable, diverse and sustainable supply chain.	• Procurement and contracting, payment processes, governance and compliance, industry opportunities, support for Aboriginal and local businesses.	• Industry forums and supplier engagement, contracts and panels, meetings on-site and in offices, targeted supplier initiatives (e.g. Aboriginal supplier engagement).

A rainbow appears over the ASDP construction site.

Read more about how we're engaging customers and communities on page 53.

WHY WE ENGAGE	WHAT WE ENGAGE ON	HOW WE ENGAGE
Regulators (e.g. DWER, DoH)		
• To meet statutory obligations and ensure safe, compliant and environmentally responsible water and wastewater services for WA.	• Approvals and regulation. • Sharing resources and technical experience. • Coordinating government advice. • Enabling major projects. • Separation of duties.	• Through our stakeholder research program, we seek to understand if we are a partner of choice for state development. • Strategic and governance forums. • Project-based interactions.
Other Government departments (e.g. Department of Treasury and Finance; Department of Planning, Lands and Heritage; Department of Premier and Cabinet; Department of Energy and Economic Diversification)		
• We operate at the direction of the WA Government to deliver whole-of-Government priorities and support policy outcomes across planning, environment, infrastructure and economic development.	• Strategic planning, policy development, environmental management, funding submissions and major project delivery.	• Senior-level engagement, cross-agency collaboration, formal briefings, workshops and ongoing advisory interactions. • Through our stakeholder research program, we seek to understand if we are a partner of choice for state development.

WHY WE ENGAGE	WHAT WE ENGAGE ON	HOW WE ENGAGE
Traditional Owners		
• To recognise cultural connections to land and waters, and meet legal and ethical obligations, including Native Title considerations.	• Cultural heritage, governance and protocols, cultural intellectual property, land access and cultural safety.	• Direct engagement with Traditional Owner groups, working groups, local forums, funding partnerships and knowledge sharing.
Developers and development industry (e.g. DevelopmentWA; Urban Development Institute of Australia; Hesperia; Cedar Woods; Stockland; Satterley; Mirvac; Peet; Parcel)		
• To enable housing supply and economic development through timely and coordinated infrastructure delivery.	• Land development planning, water and wastewater servicing, infrastructure delivery, funding and approvals.	• Project-based collaboration, regular meetings and forums, industry committees, direct engagement with project teams and account managers. • Through our stakeholder research program, we seek to understand if we are a partner of choice for state development.
Regional Development Commissions (e.g. South West Development Commission; Kimberley Development Commission; Mid West Development Commission; Pilbara Development Commission; Wheatbelt Development Commission; Goldfields Esperance Development Commission)		
• To support regional growth, housing and economic development by aligning infrastructure planning with local priorities.	• Regional infrastructure planning, growth forecasts, funding priorities, development constraints and advocacy.	• Regular informal catch-ups, project engagement, regional contacts, briefings and collaborative forums. • Through our stakeholder research program, we seek to understand if we are a partner of choice for state development.
Infrastructure and utility partners (e.g. Western Power; Main Roads WA; Infrastructure WA; National Water Grid Authority)		
• To coordinate infrastructure planning and delivery across the State and optimise shared outcomes for communities.	• Major infrastructure projects, planning alignment, proposal development and service coordination.	• Joint planning forums, workshops, project meetings and ongoing coordination between operational and strategic teams. • Through our stakeholder research program, we seek to understand if we are a partner of choice for state development.
Research bodies		
• To drive innovation and develop new technologies that support service delivery and long-term sustainability.	• Research collaboration, innovation, funding opportunities and intellectual property.	• Partnerships and collaborations through our Research and Development program, student engagement, knowledge sharing, conferences and memberships.
Media		
• To provide timely, accurate information to the community and maintain transparency and accountability.	• Public information, incidents, announcements, organisational updates and access to spokespersons.	• Media releases and events, proactive engagement, and direct responses to media enquiries.

Our customers

Our customers are at the centre of our work, and their experiences help shape how we deliver services today and plan for WA's future water needs.

A customer-centric ethos

When unexpected events impact homes, businesses or communities – such as burst water mains, internal sewer overflows, noise or odour concerns, or the impacts of planned maintenance and project works – our focus is on minimising disruption, providing timely information and ensuring our customers feel supported throughout the experience.

We know how we respond is just as important as resolving the issue itself. By combining operational expertise with empathy, clear communication and a strong focus on customer care, we help build trust and confidence when things do not go to plan.

To support customers when they need us most, we operate a 24/7 standby service with specially equipped, branded vehicles and field-based customer teams ready to respond at any time of the day or night.

Working alongside operational crews, these teams provide on-the-ground support, help customers understand what is happening, and ensure customer needs remain at the centre of our response and recovery efforts.

Customer interactions

We always aim to resolve our customers' primary and secondary needs at the first point of contact, whether through account enquiries to our Contact Centre or customer-reported asset faults through our Faults and Emergencies Call Centre.

We provide efficient and effective service across multiple channels, supporting our operating regions and customers to resolve complex network-related issues while maintaining strong relationships throughout the resolution process. Our team also manages customer complaints and assists with escalated and complex matters by working collaboratively across the business to achieve positive outcomes for all parties involved.

In 2025-26, we managed:

More than **1.12 million** customer interactions through our **Contact Centre and Faults and Emergencies Call Centre**, including:

634,289
calls answered

214,017
emails responded to

12% increase
in answered customer interactions **(total 848,306)** compared to the previous year

Customer complaints

We manage complaints in accordance with the Australian Standard for Complaint Management (AS/NZS 10002:2024) and the Water Services Code of Conduct (Customer Service Standards) 2024. We are committed to resolving complaints promptly, fairly and transparently, and provide customers with access to internal review processes where appropriate. Customers may also seek an independent review through the Energy and Water Ombudsman Western Australia.

Customer complaints provide valuable insights that help us improve our services, strengthen customer outcomes and identify emerging issues before they become systemic.

During 2025–26, our customer feedback and complaint trends helped identify an undetected network pressure issue affecting the Darling Downs area.

An increase in complaints from customers in the suburb enabled us to investigate the issue, mobilise operational crews and undertake corrective works before broader impacts were experienced by the community.

Operational *report*

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

That's why our commitment to make every drop count is stronger than ever.

With more than 4,000 passionate people working across the state, we are dedicated to keeping water, wastewater, and drainage services flowing smoothly across the state.

We're thinking smart, acting waterwise, and building climate resilience into everything we do, so our communities, industries, and environment are ready for whatever the future brings. In doing so, our day-to-day operations directly support the WA Government's priorities by enabling safe communities, supporting jobs and housing, protecting the environment and delivering reliable infrastructure and services.

We're here to help WA thrive — today, tomorrow, and for generations to come – creating a future made possible by water.

Key initiatives and projects

Statewide or multiple regions

1 Water efficiency offers across Perth and regional towns

2 Strategic Industrial Areas supporting industries and fostering economic growth

3 Housing Enabling Infrastructure Fund investing in priority locations across the State

4 Aboriginal communities water services program progressing upgrades across 141 remote communities over the next decade

5 Goldfields and Agricultural Water Supply Scheme upgrade to support economic growth

6 New water source investigations in Port Hedland, Karratha, Exmouth, Geraldton, Warren Blackwood, Albany, Esperance, Perth

Kimberley

7 Ord Irrigation Scheme upgrade increasing agricultural production in the Kimberley

Pilbara

8 OSDP to support economic growth

9 DSDP to help secure Pilbara's water supply

Perth-Peel

10 Kep Katitjin-Gabi Kaadadjan Waterwise Action Plan 3 supporting waterwise communities in Perth-Peel

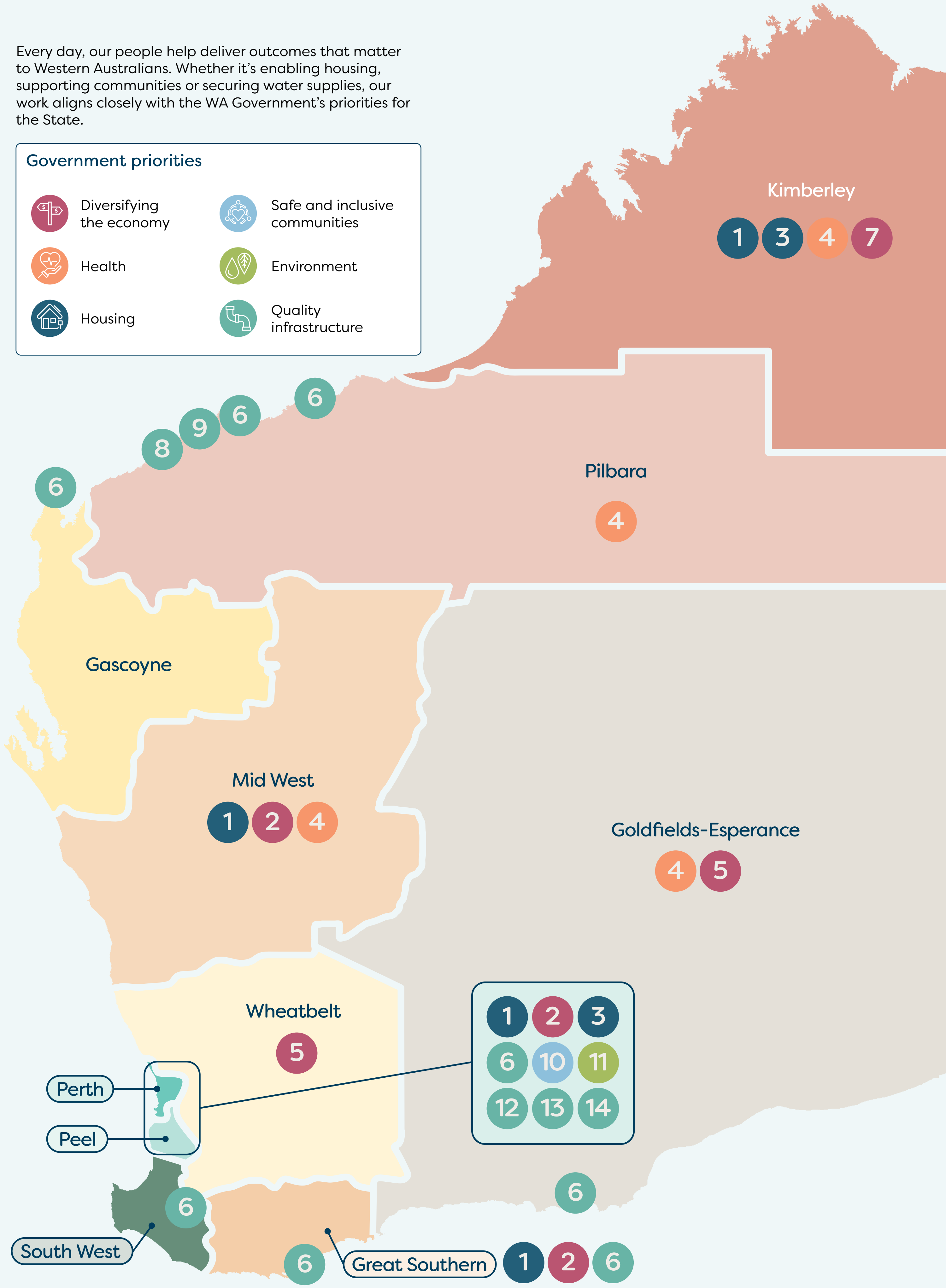
12 Gnangara allocation plan reducing abstraction from this aquifer to protect ecosystems dependent on this water source

12 ASDP: a major new water source in Perth

13 State water infrastructure program supporting METRONET

14 Renewal of existing assets including water mains across Perth

Every day, our people help deliver outcomes that matter to Western Australians. Whether it's enabling housing, supporting communities or securing water supplies, our work aligns closely with the WA Government's priorities for the State.



Diversifying the WA *economy*

Water underpins every part of WA's economy. From major industrial precincts and mining operations to emerging industries and growing regional communities, access to reliable water is critical to investment and growth.

As demand increases and the pace of development accelerates, we have been investing in the infrastructure, partnerships and workforce capability needed to support WA's future. In doing so, we're creating local jobs, strengthening supply chains and helping deliver the economic diversification priorities of the WA Government.

Investing in our assets and people to boost local economy

Our approved 2025–26 Asset Investment Program totalled $2.2 billion, supporting the renewal of existing assets and delivery of new infrastructure across WA while creating ongoing opportunities for local businesses and supporting thousands of jobs across the State.

Beyond delivering critical water infrastructure in Perth and regional WA, these investments support local jobs, skills development, economic growth and long-term industrial capability. Building this capability goes hand in hand with investing in people; ensuring WA has the skilled workforce needed to support continued growth while our economy expands.

Case study

1,500 jobs through Perth's next desalination project

ASDP, delivered through the Alkimos Seawater Alliance (ASWA), is WA's next major climate-independent, sustainable drinking water source, with Stage 1 set to supply 50 billion litres of drinking water a year.

The $2.8 billion ASDP project also includes the WA-manufactured Alkimos to Wanneroo desalination pipeline, being delivered by the Alkimos Pipeline Alliance (APA).

In addition to securing WA's future drinking water supply, the construction of ASDP and the Alkimos pipeline is forecast to support the creation of more than 1,500 jobs, including more than 170 apprentice and trainee positions.

By prioritising training and local participation, the projects are helping to build critical skills and meaningful career pathways, ensuring WA has a capable and future-ready workforce.

The projects will inject $1.1 billion into the WA economy, with $65 million directed to Aboriginal businesses, delivering significant economic benefits across the State.

To read about other key milestones reached, see page 63.

ASDP project to date

129
apprenticeships/traineeships

Over 3 million
hours worked

33,000
concrete tunnel segments made in Midland, forming ocean pipelines

Steel pipelines
made in Kwinana

Pipes made from
Pilbara iron ore and Cockburn Cement concrete

Delivering local jobs, economic value and long-term water security for WA.

Case study

Supporting industrial development

We're supporting the development of several key DevelopmentWA strategic industrial land areas, with four projects underway in the Meridian Park, Orion and Flinders industrial precincts.

These projects have a combined value of $60.8 million and will enable the required delivery of land to support the Western Trade Coast, Westport and Neerabup innovation areas.

A further seven projects, valued collectively at $28 million, are also being delivered in the Perth Metropolitan area, Busselton and Bunbury.

Strategic water infrastructure supporting industrial growth, innovation precincts and long-term economic development.

Case study

Giving water a second life to power Kwinana industries

We're currently recycling more than a fifth of wastewater statewide. That number is set to rise, with the upcoming significant expansion to our KWRP. Once complete, the upgrade will result in a 60 per cent increase in production capacity.

KWRP has been operating for more than 20 years and currently has capacity to supply nearly 17 million litres of recycled water each day, which is used by industrial customers for cooling and industrial processing.

The expansion works are set to increase daily production by an additional 10 million litres of recycled water by late 2026. That's about four Olympic-sized swimming pools of recycled water every day powering our local industries. The upgrade will also extend the operational life of the plant by 25 years and help to support growing demand for water within the Kwinana Strategic Industrial Area.

Transforming wastewater into a valuable resource that supports sustainable industrial growth.

Case study

Upgrading Goldfields pipeline to support economic growth

We are expanding the Goldfields and Agricultural Water Supply Scheme (GAWSS) to support growing demand for water in the Wheatbelt and Kalgoorlie.

Since its commissioning in 1903, the 566km pipeline from Perth to Kalgoorlie has played a vital role in sustaining residential, agricultural, and industrial activities across the region. However, sustained economic growth means the scheme is now operating close to capacity during the peak summer months.

Stage one of the project will increase the GAWSS capacity by up to 7.2 million litres per day from 2027. Work will also include:

- Replacements and upgrades of 44.5km of ageing pipeline, mostly the original pipe, in the Shires of Merredin, Westonia, and Yilgarn, with new sections installed primarily below ground alongside the existing route
- Valve upgrades to improve network reliability
- Upgrades to the Binduli Reservoir in Kalgoorlie, doubling the water storage capacity

In December 2025, we also completed upgrades to a major water pipeline through Helena Valley, improving supply reliability for Perth's eastern suburbs and communities connected to the GAWSS.

The $38.7 million project involved manufacturing new pipe sections locally in Kwinana using Pilbara iron ore and Cockburn cement.

Measuring 1.4m in diameter, the new main replaced infrastructure first installed in 1951.

GAWSS project highlights

- Total project value: **$543 million**
- **Pipe manufactured** in Kwinana, made from WA iron ore and lined with Cockburn Cement concrete
- Pipeline replacement works will support more than **230 jobs** and inject **$170 million** into the WA economy
- **$12 million** to be invested in Wheatbelt and Goldfields communities and **$7 million** with Aboriginal businesses
- Pipeline works include **upgrade** and **replacement of local roads** in the Shires of Westonia and Yilgarn

Improving water security, reliability and regional resilience through strategic pipeline upgrades.

Driving innovation through research and development

Now more than ever, innovation is key to ensuring a resilient, sustainable water future for WA.

For 25 years, Water Corporation's Research and Development (R&D) Program has driven innovation, investing over $110 million in projects that help WA adapt to climate change, protect the environment, and deliver reliable water services.

These investments are helping attract new industries, build expertise and solidify WA as a hub for water innovation.

This includes advancements in water and wastewater treatment, resource recovery technologies, and strategies to reduce greenhouse gas emissions.

Many of our R&D innovations were developed at our Water Research and Innovation Precinct (WRIP) in Shenton Park.

In addition, the Alkimos Research Learning and Optimisation Hub is set to open in 2028, positioning WA as a national centre for innovation in desalination and advanced water treatment.

Read more about our award-winning research and development project, 'Safeguarding Water Quality through Predictive Pathogen Management', on page 47.

Case study

A hub for pioneering water innovations

Since opening in 2018, the team at our WRIP has assessed more than 190 projects, completed more than 50, and currently hosts more than 20 active trials and research projects.

Recent initiatives include producing green ammonia and hydrogen from wastewater, using freshwater mussels to improve drainage water quality, and trialling biofilm membranes to support nutrient breakdown.

Other projects have explored community-led water and energy strategies in Aboriginal communities and how Aboriginal water knowledge is passed across generations - highlighting the deep cultural connection to water.

Accelerating water innovation through research that advances circular economy and decarbonisation outcomes.

Case study

Creating workforce pathways for the future

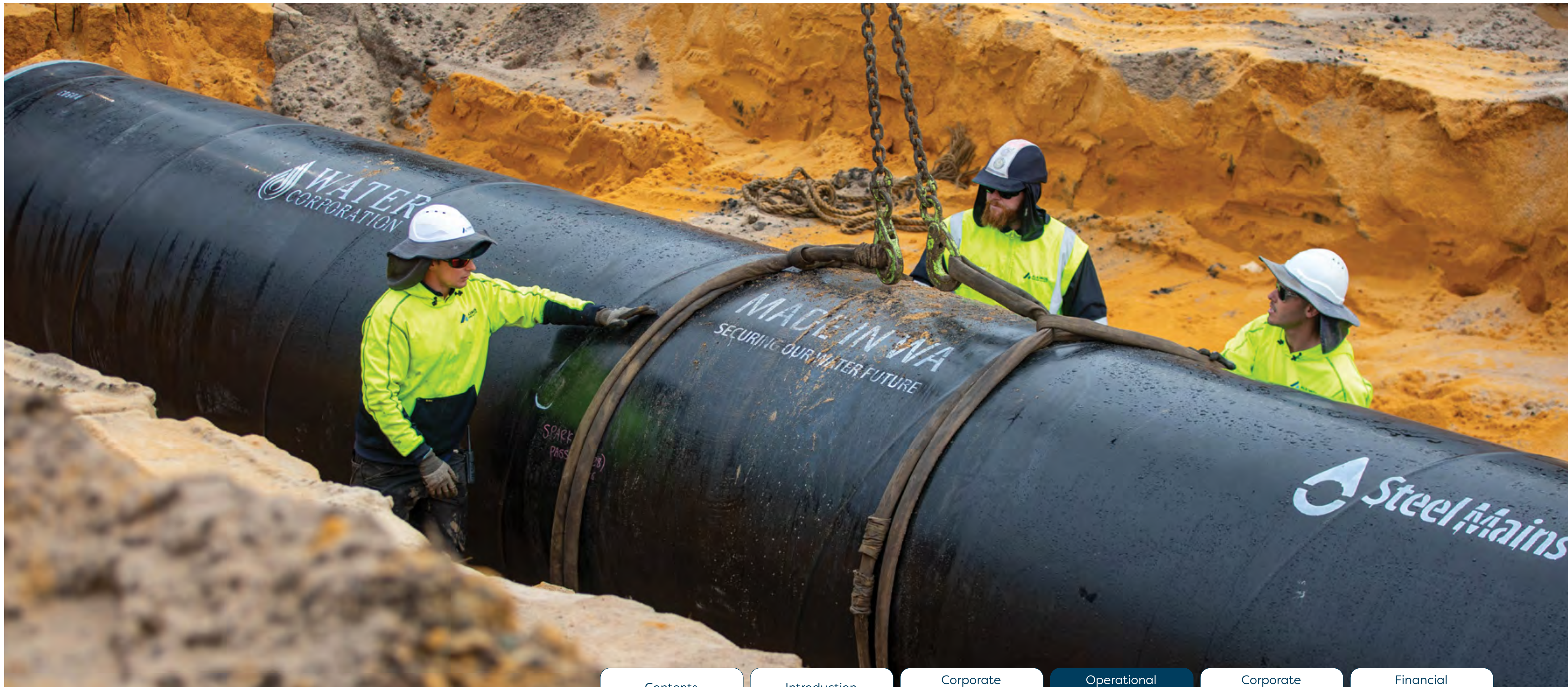
We invest in employment pathways to remain an employer of choice and ensure our current and future employees have the skills and capabilities needed to secure our water future.

Our programs continue to create meaningful pathways into the water sector, including:

- Apprenticeships and traineeships across technical and trade roles.
- Regional employment opportunities.
- A graduate program recognised as a leading government employer by the Australian Association of Graduate Employers, helping attract top talent for science, technology, engineering, and mathematics professionals.

Through these initiatives, we are building a diverse and future-ready workforce while contributing to statewide employment and skills development.

Building a future-ready workforce through training, apprenticeships and meaningful career development



Water for *healthy* communities

Safe, reliable water services are fundamental to healthy communities. Every time water flows from a tap, wastewater is safely managed, or a community gains access to improved services, we are helping protect public health, wellbeing and liveability across WA.

As our operating environment becomes more complex, maintaining these outcomes requires strong partnerships, rigorous monitoring and ongoing investment in the infrastructure and capabilities that underpin community wellbeing. Through this work, we continue to strengthen the systems that keep people safe and support thriving communities across the State.

Case study

Restoring clean drinking water to WA's most remote Aboriginal community

In our third year of the ACWS program, we have continued our mission to ensure safe water is accessible for all West Australians.

Following the completion of major upgrades to Kiwirrkurra's water treatment plant and pipe network, in February 2026 DoH endorsed lifting an ongoing water quality advisory that was in place due to elevated levels of naturally occurring fluoride and nitrate in the local groundwater source.

Located on Ngaanyatjarra lands, around 700km west of Alice Springs, Kiwirrkurra is the first community to have a water quality advisory lifted since we assumed responsibility for water services in Aboriginal communities in 2023.

The $6.5 million project, completed through our ACWS program, was partly delivered by an Aboriginal-owned contractor Pilbara Meta Maya.

We supported the Kiwirrkurra community as it transitioned back to drinking tap water and will be delivering additional pipe renewals and bore field upgrades to further strengthen the community's long-term water supply.

Delivering reliable drinking water infrastructure to reduce service inequalities in remote communities.

ACWS highlights as at 30 June 2026:

139	communities engaged to understand needs and aspirations*
114	asset condition assessments completed*
9,600	water samples taken from water sources, treatment plants and pipe networks
1	ongoing 'do not drink' notification lifted
$10.7m	total value of infrastructure projects completed across four communities
34 of 39	wastewater treatment plant environmental risk assessments completed*

* cumulative since program start

Delivering safe and reliable drinking water

Safe drinking water and wastewater services are an essential part of our service and fundamental to public health and wellbeing. This year, we celebrated a longstanding partnership with DoH to ensure rigorous water quality standards and public health protection. Meanwhile, we also continued our work to improve water quality outcomes in some of WA's most remote communities through our ACWS program.

Case study

A 30-year long partnership to deliver safe drinking water

On 29 January 1996, we signed our very first Memorandum of Understanding (MoU) with DoH. This important document, which is cited in our operating licence, laid out how we'd work together to uphold community health through our drinking water quality and meet all health requirements under the *Health Act 1911*.

Over the years, we've updated the document to reflect changing standards and new requirements, including our ACWS program, and have set the standard for other water service providers in WA.

The MoU, which celebrated its 30th anniversary in January 2026, reflects the open, collaborative, and public health-focused relationship we've built with DoH; enabling us to deliver safe, reliable drinking water to communities right across the state.

Supporting community wellbeing through long-term partnerships that safeguard drinking water quality.

Case study

A win for innovation in water safety

Maintaining safe drinking water isn't always straightforward, especially across regional WA.

Long, above-ground pipelines can warm up and support microbial growth, which can allow harmful organisms like *Naegleria fowleri* to develop, posing a potential public health risk. A comprehensive understanding of this microorganism through robust science is essential to manage this risk.

A team of CSIRO and Water Corporation representatives have developed innovative ways to tackle this issue using advanced monitoring, predictive tools, and climate-smart strategies, resulting in the national R&D Excellence Award at the Australian Water Awards in June.

This success builds on a long and productive partnership with CSIRO Environment under the expert guidance of world-renowned researcher Dr Geoff Puzon, with over two decades of collaboration focused on *Naegleria fowleri* and other microorganisms relevant to drinking water systems.

Together, we've contributed to research, method development, and industry knowledge that continues to shape best practice in water quality management.

Protecting public health through innovative water quality monitoring and scientific collaboration.

Celebrations at the Australian Water Awards.

Strengthening community health and wellbeing

Recognising that public health is closely tied to liveability, we continued to invest in initiatives that connect WA communities with water in meaningful ways. Our programs such as Assets for Liveability and Splash of Colour have shown how integrated planning can improve both environmental outcomes and community wellbeing.

Case study

Placemaking water project reaches major milestone

Through initiatives like Splash of Colour and Assets for Liveability, we're transforming local assets and areas around WA into vibrant community artworks; supporting community connection to water and liveability.

Our Splash of Colour program is a curated public art series celebrating water and WA's vital network of assets that deliver drinking water and wastewater services. To help our communities appreciate how important these assets are, we work with talented local artists to turn these assets into works of art, bringing them to life through vibrant paintings depicting the local water story, native environment and the importance of water.

In June, we completed our 100th Splash of Colour asset: a wastewater pump station on Norton Promenade, Dallyelup, painted by local artist Andrew Frazer. Andrew ran two workshops with students at Dallyelup College to help design a mural which layers water and community-inspired narratives, intentionally abstracted to encourage further enquiry and to provide ongoing engagement for those who view the artwork every day.

Meanwhile, in partnership with the DWER, our Assets for Liveability program also transformed 11 land and water assets into living streams, wetlands, nature corridors or parkland, providing increased access to green space for the community.

Promoting safety and wellbeing at work

We know we can't deliver any of our essential services without our people being supported to perform at their best. This starts with promoting safe practices at work and supporting the health and wellbeing of our people.

Case study

Supporting mental health in the workplace

Fostering a mentally healthy workplace takes commitment across the entire business, and our growing Mental Health Champions program plays a key role.

With 342 Mental Health Champions at Water Corporation, we're equipping our people to listen, support, and look out for one another.

By encouraging open conversations and support networks, we are helping create a safer and healthier workplace, recognising that employee wellbeing is fundamental to delivering safe services to the community.

Building a safer, healthier workplace by empowering employees to support one another

Case study

Safety first at the Simulation Facility

In May, our Shenton Park Training Centre and Simulation Facility was nominated as a finalist for the Water Industry Safety Excellence Award at Ozwater'26 in Brisbane.

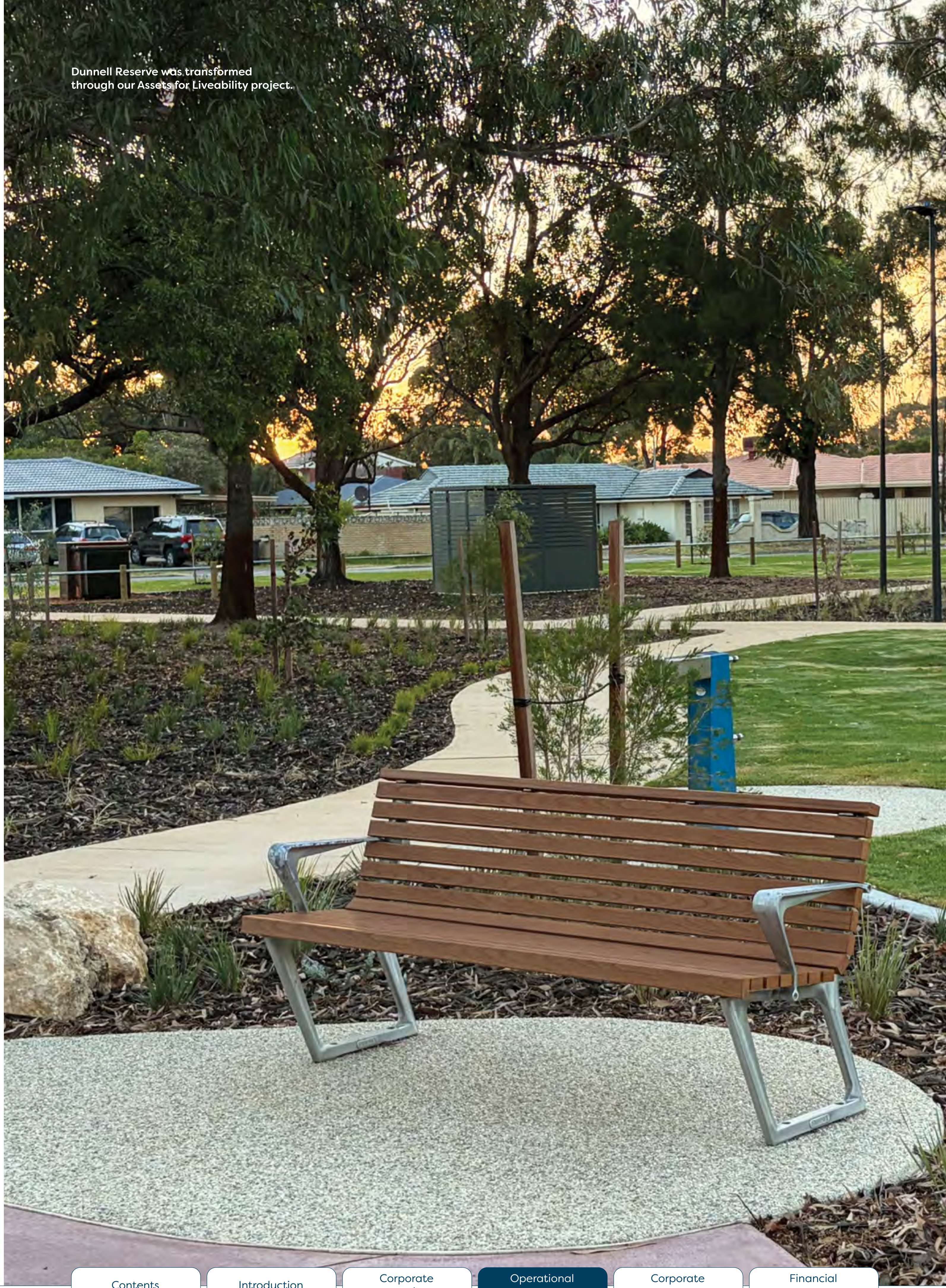
It is vital that our people are trained to perform their roles safely and competently, and the Simulation Facility is a multi-faceted training facility designed for this purpose.

The facility is unique among Australian training facilities due to its complexity and all-weather capability of its live, fully functional above ground pipe network.

The pipe network at the facility can replicate around 80 per cent of the most common tasks our operators face, helping our trainees gain hands on experience in a safe and controlled environment before they make their mark on the WA community.

We deliver a range of courses at the Hub as part of the Certificate II, III and IV in Water Industry Operations program, such as chlorine, self-contained breathing apparatus, drinking water and wastewater treatment, lab work, reverse osmosis and sampling.

Advanced simulation training improves employee safety, capability and operational readiness across water services.



Dunnell Reserve was transformed through our Assets for Liveability project.

Unlocking *housing* for a growing WA

Housing growth depends on essential services. Water, wastewater and drainage infrastructure are critical to unlocking land, enabling new homes and supporting the connected, liveable communities WA needs as its population grows.

The work we do in planning and delivering water, wastewater and drainage infrastructure and services has never been more important for WA. With increasing demand for housing across the State, we work closely with government, developers and local authorities to ensure infrastructure keeps pace with growth. Through long-term planning, targeted investment and coordinated delivery, we are helping unlock housing opportunities and support thriving communities for current and future generations.

Our work supports housing outcomes in several ways:

- Unlocking land for development by resolving complex water and drainage constraints
- Providing essential infrastructure to support new housing in growth areas
- Planning ahead to align water services with transport, land use and community development
- Partnering across government and industry to deliver coordinated outcomes at scale

Together, these efforts ensure water infrastructure supports not just housing supply, but the creation of sustainable, connected and thriving communities.

18,752
lots cleared

Lot clearances represent a
10% increase
on last year

26,038
water services connected to new dwellings across the State

Case study

Delivering new housing opportunities

Through targeted investment and long-term planning, we are helping to accelerate housing supply, support more diverse communities and enable growth across both metropolitan and regional areas.

In December 2024, the WA Government announced the $200 million HEIF. Through this support, we completed construction on four significant wastewater projects in Bullsbrook, Madora Bay, Wungong and Piara Waters, valued at $26.7 million. These projects have a potential to deliver around 11,000 additional lots over the coming years.

We also commenced construction of a further four projects in Armadale, North Mandurah, West Swan and Midland to the value of approximately $24 million, providing water services to approximately 6,700 lots.

We are actively progressing a further 30 water service projects at an approximate value of $152 million.

Alongside this, the $55 million Strategic Water Investment Program is enabling new housing opportunities in areas aligned to transport corridors and METRONET precincts, supporting more connected, accessible and liveable communities.

Strategic water infrastructure investment enables housing growth, creating connected, liveable and sustainable communities.

Case study

Connecting growth corridors from Ellenbrook to Wangara

This year we made significant progress on the Ellenbrook-Wangara wastewater pipeline, a complex project unlocking housing growth in Perth's northeast.

The 14.2km wastewater pipeline went into construction in August 2024. Reinstatements have been completed, and commissioning has commenced recently.

Delivered over two years, the pipeline connects growing communities to critical wastewater infrastructure, enabling ongoing residential development in the area.

By navigating environmental, technical and urban interface challenges, the project is enabling new housing and industry while ensuring wastewater services keep pace with demand.

New wastewater infrastructure enabling housing growth and supports sustainable, connected communities in Perth's northeast.

Supporting *safe and inclusive communities*

Safe and inclusive communities are built through trust, access and connection. We engage openly with communities, support customers through challenging circumstances and create a workplace where our people feel safe, respected and included.

Our role in this priority is both external and internal. We work with customers, community groups, schools and local organisations to strengthen connection to water and place, while also building an inclusive culture that supports our people to deliver essential services with care.

As community expectations continue to evolve, maintaining these relationships requires meaningful engagement, strong partnerships and a commitment to understanding the diverse needs of the people and communities we serve. Through this work, we are helping strengthen wellbeing, build trust and create positive social outcomes across WA.

Fostering thriving communities

Every person and community in WA should be empowered to thrive. From community grants schemes to water education programs, we're building cultural water literacy across the state while creating opportunities for people and grassroots community projects in the wider Kimberley region.

Kimberley Community Grants Scheme recipients.

Case study

Empowering the Kimberley Community for 10 years

This year marks 10 years of community impact delivered through our Kimberley Community Grants Scheme's impact, where local schools and not-for-profit organisations are encouraged to apply for grants of up to $10,000 to support projects that benefit their communities.

Since 2016, the grants scheme has invested nearly $750,000 in more than 140 grassroots initiatives across the Kimberley region. In the past year alone, 13 groups shared in $70,000 to deliver projects a facility upgrade at Derby Speedway Club, a community kitchen at Kununurra Campdraft and Rodeo Association, and a new early years' playground at Looma Remote Community School.

Delivered in partnership with the Lions Club of Broome, the scheme is funded through an innovative circular economy approach. Proceeds from the sale of Rhodes grass hay, grown using recycled water from the Broome North Water Resource Recovery Facility, is reinvested directly back into Kimberley communities.

Community grants empowering local initiatives through partnerships, education and innovative circular water reuse.

Case study

Raising cultural and water literacy in our schools

This year, our *Water in Aboriginal Culture* program continued to strengthen cultural understanding and connection to Country in schools across Noongar Country.

The program, delivered by our Aboriginal Education Officers, shares Aboriginal perspectives on water as life, spirit and connection to Country.

This year, we engaged with more than 15,000 students, introducing Noongar literacy and the responsibility to care for water, land and animals.

By reaching new schools each year, the program continues to broaden perspectives, strengthen social connections and foster more culturally-aware future generations.

More than education, the program helps build cultural literacy, respect and shared responsibility, which are key foundations for inclusive communities.

Strengthening cultural literacy and environmental responsibility through Aboriginal perspectives on water and Country.

Case study

Celebrating Waterwise innovation and collaboration

The Kep Katitjin-Gabi Kaadadjan Waterwise Perth Action Plan 2 (2022–24) received the State and national Organisational Excellence Award at the Australian Water Awards in June, recognising innovation and collaboration.

While a key focus is water efficiency, Kep Katitjin also focusses on planning the whole picture of a water sensitive city – a healthy place to live with green spaces to recreate, tree canopy for urban cooling, and connection to nature and Country.

Water Corporation delivers the Kep Katitjin program in partnership with DWER and eight other agencies. It was also co-developed with Traditional Aboriginal partners, Danjoo Koorliny and the Bindjareb Djilba Kaadadjan Bidi Yarning Circle.

Now, we've turned our focus to supporting the WA Government's Kep Katitjin-Gabi Kaadadjan (Waterwise Action Plan 3) through our own suite of waterwise programs – striving to deliver system-wide change in sustainable water management by integrating Aboriginal knowledge and innovative water-saving initiatives, shaping sustainable, liveable urban spaces for future generations.

Read more about our waterwise efforts page 58-59

Engaging with our customers and communities

From planning through to delivery, our project teams keep our community informed about upcoming projects and works through tailored engagement plans, encouraging two-way communication and feedback while addressing local concerns and promoting water education. Our commitment to community wellbeing extends beyond infrastructure projects. We also work with specialist support organisations to help customers facing complex circumstances access the assistance they need.

Case study

Engaging communities to shape our biggest desalination project

Community engagement has been central to the ASDP and APA projects, helping local residents, businesses and stakeholders stay informed, provide feedback and understand how the project will support WA's future water supply.

Through regular updates, briefings, Community Reference Group meetings and site tours, two-way communication has remained a focus throughout the construction of ASDP, helping manage impacts and minimise disruption.

Meanwhile, the APA team has also strengthened local connections through community partnerships, school engagement and support for local environmental initiatives, creating lasting social and environmental value alongside this critical water infrastructure.

Collaborating with stakeholders to deliver services while minimising community impacts.

Case study

Supporting customers experiencing family and domestic violence (FDV)

This year, we launched our FDV pilot, introducing a warm transfer process for customers disclosing FDV circumstances. This enables customers to be seamlessly connected to Customer Connect (Anglicare), where they can access specialised, wrap-around support services.

This initiative not only enhances outcomes for customers by providing immediate access to appropriate support but also helps reduce psychosocial risk for our frontline teams. It allows our people to remain focused on the customer's water-related needs, while still acknowledging and supporting those experiencing FDV in a meaningful and responsible way.

Between February and April, 59 customers were successfully warm transferred to the Customer Connect team. These referrals resulted in 129 connections to various support services. The 59 customers represent just under 50 per cent of those who disclosed experiencing FDV during this period.

It is important to note that participation in the warm transfer process is entirely customer-led. We do not apply any pressure; customers must feel ready and willing to engage. For those who are not in a position to accept a warm transfer at the time of contact, we also provide them with direct contact details for Customer Connect (Anglicare), enabling them to seek support at a time that feels safe and appropriate for them.

Connecting vulnerable customers to specialist support and improving wellbeing and safety outcomes through customer-led referrals.

Responding to incidents with safety first

We're committed to supporting our customers in the moments that matter most. During the year, we managed a range of events with our customers front of mind to ensure they were kept safe, supported and minimally disrupted.

Case study

Responding to Ex-Tropical Cyclone Narelle

When Severe Tropical Cyclone Narelle crossed the WA coast in March 2026, communities across the North-West and Mid-West regions faced destructive winds, flooding and widespread damage.

The cyclone caused significant impacts to Water Corporation infrastructure, including damage to a critical water main supplying Onslow and power outages that affected groundwater production in Exmouth.

In Onslow, approximately 30m of water main was washed away after floodwaters caused an embankment failure, placing the town's water supply at risk. At the same time, power outages in Exmouth interrupted water production from local bore fields, reducing storage levels and placing additional pressure on the region's water supplies.

Responding to the emergency required a coordinated effort from teams across the business, alongside support from local communities and industry partners. Crews worked around the clock to assess damage, restore infrastructure and maintain essential services, while targeted community communications encouraged residents to reduce water use and help manage demand.

In Onslow, a partnership with Chevron enabled additional water to be supplied through their local desalination plant, helping maintain water availability while repairs were completed. The Shire of Ashburton and Onslow Salt also assisted with their contractors to finalise the repairs to the main. Through the dedication of our people and strong collaboration with our partners and the community, permanent repairs were completed ahead of schedule and full service levels were restored.

The response to Cyclone Narelle demonstrated the importance of preparedness, collaboration and resilient infrastructure in maintaining essential services during extreme weather events, while helping keep communities safe and connected when they needed it most.

Collaborative emergency response restoring critical water services and strengthening community resilience after Cyclone Narelle.

A water supply main into Exmouth was washed out during Cyclone Narelle.

Creating a great place to work

Creating thriving communities across WA starts with creating a great place to work, where all our people can thrive. This means fostering a workplace that is inclusive, respectful and safe. We deliver this through our Great Place to Work strategy, and several other initiatives designed to support all our people.

Read more about how we support our people on page 32-33

Case study

Building cultural capacity and awareness

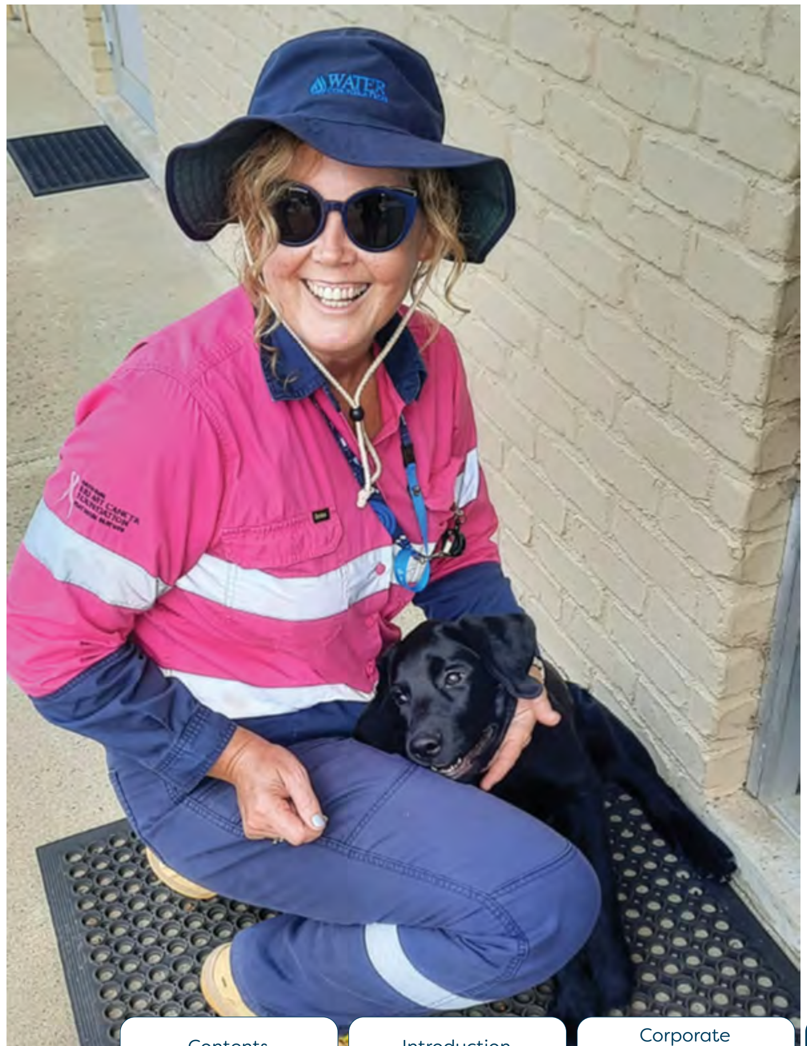
Our People, Country and Water series builds cultural capability among our employees and deepens understanding of Aboriginal and Torres Strait Islander peoples' connection to Country, water and community.

Delivered in partnership with Keogh Bay, the sessions were co-designed for leaders and employees, highlighting First Nations voices and lived experiences.

The learning topics include Aboriginal diversity, racism, workplace experiences and the spiritual connection to Country and water, using storytelling and scenario-based learning to foster understanding, respect and accountability.

A two-hour leader session was initially delivered to all formal people leaders, reinforcing their role in creating culturally safe workplaces. Monthly half-day sessions for leaders and employees continue to be delivered, reflecting strong engagement and commitment to reconciliation across the organisation.

Strengthening cultural awareness and accountability to create safer, more inclusive workplaces.



Case study

Neurodiversity Inclusion Pilot launches

We launched a Neurodiversity Inclusion Pilot this year to improve the workplace experience of our neurodivergent employees.

The pilot engaged eight employee-leader pairs in a structured program of education, workshops and mentoring over a six-month period, with additional complimentary education sessions offered.

A range of outcomes were evaluated, including leader confidence supporting neurodivergent employees, participants' sense of inclusion at work, and overall job satisfaction. Individual goal attainment, participant feedback on the program's value, and insights for future scaling were also sought along the way.

Interest in the program exceeded expectations, demonstrating a strong awareness of neurodiversity at Water Corporation, and a clear desire to support our people to excel at work.

Building understanding and support for neurodiversity to improve employee inclusion and wellbeing.

Our people supporting our furry customers.

Supporting climate resilience

We're committed to sustainable water services. As rainfall patterns shift and climate pressures increase, the way we source, use, reuse and protect water has never mattered more.

Responding to this challenge requires a combination of new climate-resilient water sources, greater water efficiency, environmental stewardship and a transition to lower-emissions operations. By balancing the needs of communities, industries and the environment, we are helping secure a sustainable and resilient water future for generations to come.

Millstream National Park.

Adapting how we source water in a changing climate

Historically, rainfall and dams were the primary sources of drinking water. Today, as rainfall has declined, we have diversified our sources to create a more climate-resilient system, including desalination and groundwater replenishment. This means our approach to water supply has been changing significantly over recent decades.

These investments are critical, but they also bring new challenges. Desalination is significantly more energy intensive than traditional water sources. As we continue to expand these climate-resilient supplies, we must also ensure they are delivered in a way that reduces environmental impact, while continuing other source security efforts such as customer education, leak detection and recycling.

Did you know?

Desalination provides around
half of Perth's drinking water

Groundwater replenishment returns up to
28 billion litres of purified recycled water
to our aquifers each year

Case study

A remarkable desalination milestone

Our Southern Seawater Desalination Plant (SSDP) in Binningup, north of Bunbury, has capacity for 100 billion litres of climate-resilient drinking water annually.

Operating efficiencies helped the plant produce a record 103 billion litres in FY25-26, which is more than any facility in the southern hemisphere and equivalent to around 103 Optus Stadiums filled to the brim.

SSDP and its sister plant, the Perth Seawater Desalination Plant in Kwinana, supply around half of the drinking water delivered to 2.5 million people in Perth, Peel, parts of the South West and as far east as Kalgoorlie-Boulder. This is expected to grow when ASDP comes online in 2028.

Desalination is crucial to water security across southern WA, helping combat the impacts of climate change on rainfall which has seen an 80 per cent reduction in streamflow to dams on the Darling Scarp.

While desalination remains a vital water source, it does not replace the need to stay waterwise, with water efficiency still the most effective and cost-efficient way of ensuring long-term water security.

Strengthening water security with climate-resilient desalination infrastructure serving Perth's growing population.

Case study

Securing water for the Lower Great Southern region

In the Lower Great Southern region, around 40,000 people rely on the region's water supply scheme. However, declining rainfall and growing demand mean supply is expected to fall short in coming years.

To address this, Nanarup, near Albany, has been identified as the preferred location for a proposed initial three billion litre seawater desalination plant; the first of its kind in the region.

The Nanarup location was chosen following detailed technical, environmental and economic assessments as well as community engagement, including a local Community Consultation Group.

The project will provide a climate-resilient, rainfall-independent water source to support the long-term needs of Albany and surrounding communities.

Investing in climate-independent water infrastructure to strengthen long-term regional water security.

Case study

Securing the Pilbara's water future

A fast-growing population and declining rainfall in the Pilbara region have reduced the reliability of Harding Dam, leading to an increased dependence on groundwater from the culturally significant Millstream aquifer.

In response, WA government invested $606 million to double the capacity of DSDP.

Stage 1 of DSDP is currently being built by Rio Tinto, and together with Stage 2 will double the plant's capacity to supply eight billion litres of drinking water to the Pilbara community and industry each year. The expanded desalination plant will help secure a reliable, climate-resilient water source for the Pilbara, while reducing reliance on groundwater abstraction.

More than 10,000 homes across Karratha, Wickham, Roebourne, and Point Samson are expected to benefit from the project.

Last year, $12.4 million was invested to support the long-term cultural and environmental sustainability of the Millstream aquifer through partnership with Yindjibarndi Aboriginal Corporation, and, with the support of DWER, to relocate or recommission groundwater bores to reduce reliance on the aquifer.

Supporting regional water security through desalination, cultural partnerships and environmental stewardship.

Our waterwise programs

While desalination remains a vital water source, it does not replace the need to stay waterwise, with water efficiency still the most effective and cost-efficient way of ensuring long-term water security.

Alongside new water sources, reducing demand for water remains a critical part of our approach to securing a thriving future.

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

Through our waterwise programs, we collaborate with businesses, developers, residents and local governments to improve water efficiency, climate resilience and liveability. This directly supports a key part of the WA Government's vision, *Made Possible by Water*, around the growing importance of water efficiency and the role of collaboration across sectors in ensuring a sustainable future.

Waterwise Councils program

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

45
Councils now endorsed

Platinum Waterwise Council of the Year
was awarded to:

- City of Karratha
- City of Gosnells

Waterwise Building program

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

There are currently
21
participants in the **Waterwise Building Program**.

Platinum Waterwise Building of the Year
was awarded to:

- 100 St Georges Terrace, Perth managed by CBRE on behalf of IFM Investors
- 240 St Georges Terrace, Perth managed by Dexus Funds Management LTD

Waterwise Development program

Our Waterwise Development program supports developers in building sustainable communities by applying Water Sensitive Urban Design principles in their estates. The program highlights the important role developers have in building waterwise communities.

35 developments
have been recognised as waterwise since **2014**.

Supporting developers to implement water efficiency principles in their estates **helps us work towards our long-term plan to provide a sustainable water future for generations** to come.

2
developments earned **Gold recognition** this year:

- Catalina Green - Catalina Regional Council
- Montario Quarter - DevelopmentWA

Waterwise Individual Champion Awards

The Waterwise Individual Champion Awards, now in its second year, celebrates the greatest advocates across Councils and Aquatic Centres in WA.

Riley Debney
from the City of Kwinana received the **2026 Waterwise Action Award**, recognised for transforming how water efficiency is implemented across council operations and the community.

Steve Reeves
from the City of Belmont was awarded the **2026 Individual Champion – Waterwise Leadership Award** for his strategic approach to water stewardship.

Waterwise individual champions Riley Debney and Steve Reeves, pictured with Board Chair Andrea Sutton and CEO Pat Donovan.

Our Waterwise Greening Scheme co-funds the City of Vincent garden competition.

Waterwise Aquatic Centre program

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

Since 2008, **approximately**

1.59 billion litres

of water have been saved – the equivalent to approximately 707 Olympic sized swimming pools.

61

program participants:

- **27** in the Perth metropolitan area
- **34** in regional WA

Platinum Waterwise Aquatic Centre of the Year

was awarded to:

- Cockburn ARC managed by the City of Cockburn.

Waterwise Business program

The Waterwise Business program helps large commercial and industrial businesses reduce their water consumption and demonstrate their commitment to water efficiency by completing a Water Efficiency Management Plan (WEMP).

- WEMP program achieved estimated scheme water savings of 8.9 billion litres of water in 2024–25
- Since 2007, the total cumulative estimated water savings from the program are 165 billion litres of water

Platinum Waterwise Business of the Year

was awarded to:

- Mid West Ports Authority

Gold recognition

was awarded to:

- Pan Pacific Perth
- Perth Zoo
- Ausco Modular – Kingfisher Stayover Village
- Discovery Parks Perth Airport
- Southern Cross Care
- St Lukes College

Waterwise Greening scheme

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

- **22 councils** participated in the program, each receiving a share of over $110,000 of funding
- **Participating councils:** City of Subiaco, City of Canning, City of Belmont, Shire of Serpentine Jarrahdale, City of Bayswater, Town of Bassendean, City of Cockburn, City of Stirling, City of Joondalup, City of Mandurah, City of South Perth, Town of Cottesloe, Town of East Fremantle, City of Armadale, Shire of Northam, Shire of Murray, City of Wanneroo, Town of Claremont, City of Gosnells, City of Perth, City of Karratha, and City of Albany

- In 2025-26, the scheme helped fund

210 waterwise verges

137,150 waterwise plants

15 gardening workshops

7 waterwise demonstration gardens

2 garden competitions

This initiative forms part of our ambition for Kep Katitjin-Gabi Kaadadjan Waterwise Action Plan 3 for Boorloo (Perth) and Bindjarep (Peel) to be a leading waterwise city.

Improving water efficiency in our own operations

While we strive to encourage greater water efficiency in our communities and industries, improving how our own assets perform is just as important. This includes renewing our critical infrastructure and using new and innovative technologies to detect water leaks that are not visible at the surface.

Case study

Finding better solutions to reduce water loss

Reducing water loss is about more than finding leaks; it's about understanding how water moves through our systems and ensuring every drop is accounted for.

This year, we combined innovative leak detection technology with detailed analysis of water use across our networks to identify opportunities to improve performance and reduce losses.

In the West Pilbara Water Supply Scheme, we used a combination of non-visible leak detection and network monitoring to identify areas where water was being lost. This work helped us find and repair leaks, saving around 200 million litres of water each year.

It also provided valuable insights into how water moves through the network, helping us target future investigations and improvements where they can have the greatest impact.

Innovative monitoring and leak detection to improved water efficiency.

Supporting our net zero transition

Desalination is around four times more energy intensive than groundwater and significantly more intensive than traditional dam sources. As our reliance on these sources grows, so too does the need to secure clean energy. We are committed to sourcing renewable energy to power our operations and support our journey to net zero.

Case study

Powering a low-carbon water future

In 2026, Water Corporation entered into long-term agreements to source renewable energy from large-scale wind farms located in the Mid-West.

These agreements will help reduce emissions while keeping water supplies secure, supporting 550 megawatts of new renewable energy capacity; enough to power over 400,000 homes each year.

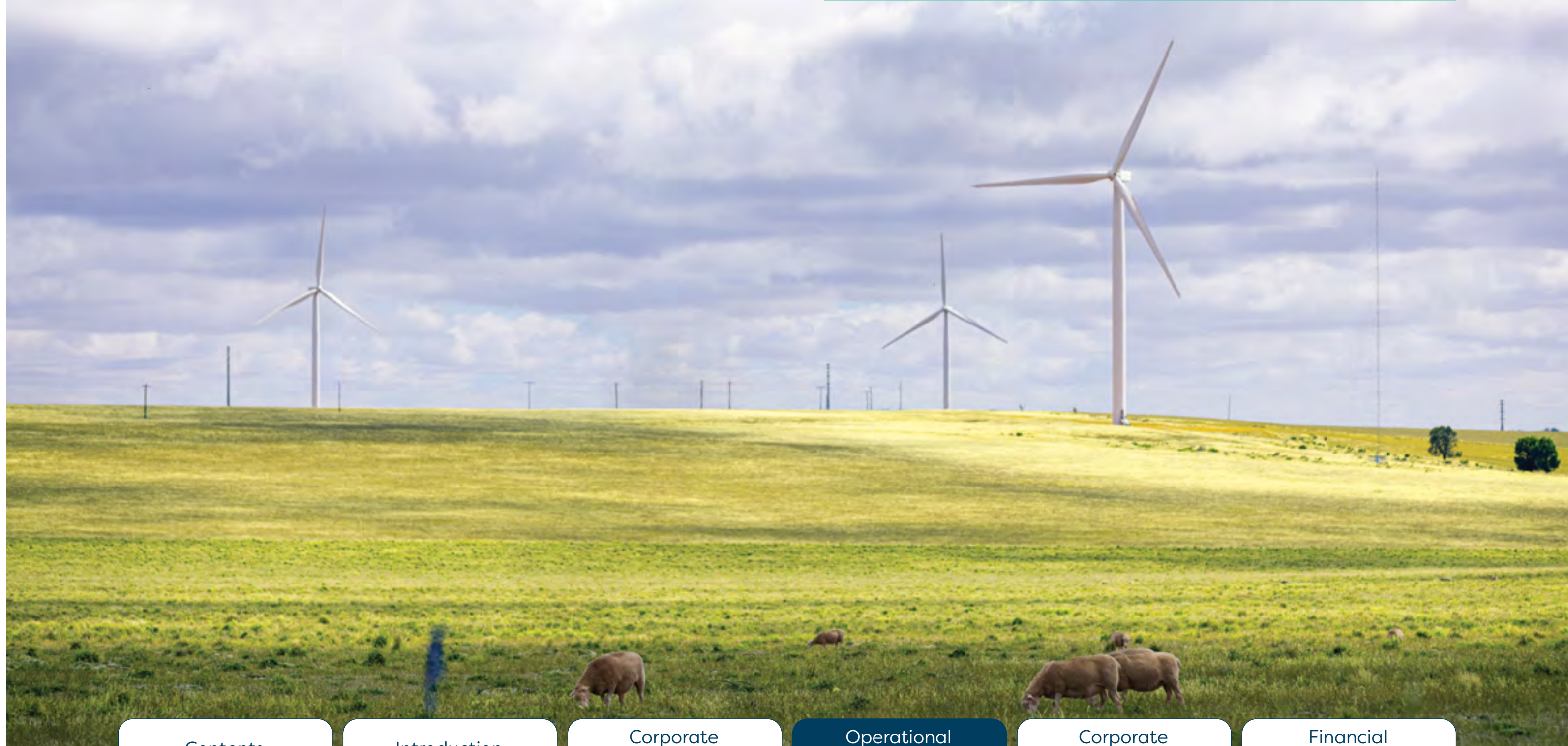
We will procure energy from the proposed Marri Wind Farm, helping offset energy-intensive operations, including desalination, with cleaner electricity.

By investing in renewable energy at this scale, we are helping to:

- Reduce emissions from energy-intensive water production
- Strengthen energy security for essential services
- Contribute to WA's transition to net zero

We are also continuing to explore further opportunities to support long-term renewable energy supply.

Powering water operations with renewable energy to reduce emissions and strengthen resilience.



Delivering *quality infrastructure*

Meeting WA's future water needs will require one of the largest infrastructure delivery programs in our history. At the same time, we must continue to maintain and renew an extensive network of ageing assets that communities rely on every day.

Balancing these priorities requires significant investment, careful planning and a relentless focus on delivering value for customers. Through major projects, asset renewals and operational improvements, we are strengthening the infrastructure that supports reliable services today while building the climate-resilient systems needed for the future.

Delivering state-shaping infrastructure

WA's growth and climate challenges are reshaping how we deliver infrastructure. This year, we progressed a portfolio of major projects across multiple regional locations, designed to achieve long-term water resilience while supporting industry, communities and economic development.

Together, these projects demonstrate how we are delivering the infrastructure needed to secure WA's water future.

Pipeline works in Helena Valley.

Case study

Key milestones in delivering ASDP

ASDP is delivering quality infrastructure to secure WA's future water supply, delivered in partnership with the ASWA. Designed as a reliable, climate-independent source, the project integrates complex engineering, innovation and long-term planning to support a growing population.

This year, we achieved significant progress across multiple fronts. Together, these milestones highlight a whole-of-system approach to delivering resilient, efficient and future-ready infrastructure, supporting sustainable growth benefiting communities for generations.

Marine work

Marine works continue towards forecast completion by late 2026.

The jack-up barge, Beverley, has now successfully completed all piling works at both the intake and outfall locations.

With piling now finished at the outfall, construction has moved into the next phase, focusing on installation of the outfall diffuser pipeline.

Tunnelling

Tunnel Boring Machine (TBM) Mary was launched in November 2025 and completed her 2.5km journey in just 196 days, tunnelling approximately 12m beneath the Indian Ocean seabed at the deepest point to reach her destination.

As the tunnel was excavated, a permanent lining was installed, with 1,937 concrete rings constructed using 11,622 precast segments which equates to around 5,862m^3 (14,303 tonnes) of concrete.

Meanwhile, a second TBM named Karli continues to make steady progress on the outfall tunnel and is expected to reach her final destination by late-2026.

Onshore

The administration, groundwater treatment plant, seawater pretreatment and reverse osmosis buildings started taking shape this year, with installation of steelwork and large concrete panels forming the walls.

Groundwork also started on the first of two drinking water storage tanks. These tanks, 50m in diameter, will store water ready to be delivered into the network.

Alkimos to Wanneroo Pipeline

Construction on the 33.5km Alkimos to Wanneroo pipeline began in July and has now reached the halfway mark in construction.

Once completed, the pipeline, delivered through the APA, will transfer drinking water from ASDP into the IWSS.

Powering the plant

We worked with Western Power to upgrade the power supply to the Alkimos Water Precinct – an important stage of the construction process. A 5km underground transmission line from Western Power's Yanchep Substation was installed in late-2025.

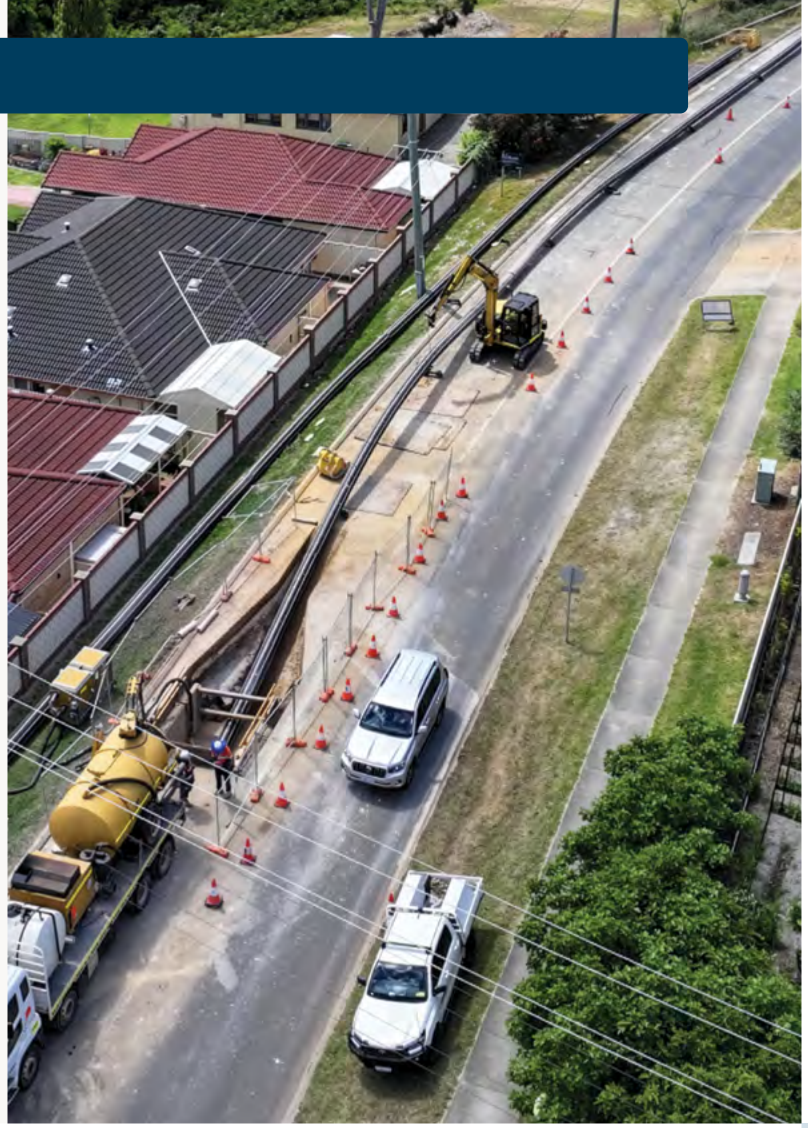
Building innovative water infrastructure that supports growth, resilience and long-term water security.

ASDP.

Maintaining and renewing our assets

Maintaining and upgrading existing infrastructure remains critical to delivering safe and reliable services; ensuring our networks remain resilient and capable of meeting future demand.

More than $100 million was invested in 2025-26 in renewing ageing water and wastewater infrastructure in Perth and Peel, from pipelines to reticulation mains; while committing a 17 per cent increase in proactive maintenance spend.



Case study

$40 million water supply upgrades flow across Perth

Thousands more households across Perth will benefit this year from improved water supply reliability under the second tranche of a $40.4 million program to upgrade water pipes.

We replaced approximately 28km of water reticulation mains in the Perth metropolitan area. Water reticulation mains are the smaller water supply pipes found along almost every street that are, in turn, connected to individual properties via a connection pipe.

The work forms part of wider $756.3 million investment in the Perth metropolitan water supply and network.

Supporting around 300 jobs during delivery, three WA-based contractors have been delivering the renewals works, with the program expected to be completed by late 2026.

Upgrading water infrastructure to improve reliability and support Perth's growing communities.

Case study

Maintaining safe and reliable bridges

Water Corporation maintains nearly 2,000 drainage crossings and bridges across WA.

Regular inspections ensure they meet Main Roads WA (MRWA) standards and remain safe for ongoing use. Where ageing structures require it, load limits are applied as a precaution to manage risk and extend asset life.

This year, several bridges across the South West were load limited following detailed assessments.

We are working closely with MRWA, local governments and communities to manage impacts, maintain access for essential services and plan longer-term solutions.

Ensuring safe and reliable transport infrastructure through proactive asset management and collaboration.

Strengthening regional reliability

Reliable water and wastewater services are essential for regional communities, where infrastructure challenges are often more complex and climate impacts more pronounced.

This year, we delivered projects in regional areas across the state, including Albany, Jurien Bay, Halls Creek, Esperance, Guilderton and throughout the Kimberley and South West regions.

Through these efforts, we are working hard to ensure all Western Australians, regardless of location, receive consistent access to reliable water services.

Case study

Connecting communities at Wellington Dam

The Wellington Dam Bridge replacement is improving safety, access and reliability at one of the South West's key regional destinations.

The already popular destination is home to the world's largest dam wall mural – the 8,000 square metre *'Reflections',* painted by Australian artist Guido van Helten.

The original single-lane bridge was closed in 2021 due to safety concerns, limiting access for visitors, local communities and tourism operators. In response, we are delivering a new dual-lane bridge with a pedestrian path, improving connectivity and supporting the growing number of visitors to the area.

We are working closely with a range of stakeholders, including the Department of Biodiversity, Conservation and Attractions, local government, Traditional Owners, tourism operators and emergency services, to minimise disruption and ensure the bridge meets the needs of the community.

Backed by a $37.2 million investment through the State Budget and Royalties for Regions fund, the new bridge will provide safer, more reliable access to Wellington Dam, supporting tourism, regional development and community connection.

Delivering safer transport infrastructure that strengthens community access and regional resilience.

Wellington Dam.

Driving operational excellence

We are improving how we operate by bringing several capabilities in-house, leveraging digital tools and harnessing data to deliver better outcomes for customers and keep their data safe. Together, these initiatives demonstrate how operational improvements translate into better outcomes for customers and the environment.

Case study

Protecting customer information through stronger cyber security

This year, we continued to strengthen our cyber security capability to help protect customer and corporate information.

Enhanced information classification and data loss prevention controls were introduced across the organisation, improving our ability to identify sensitive information and apply the appropriate safeguards. The initiative provides greater visibility of critical data while strengthening protection across email, cloud services and devices.

By improving how information is identified, handled and protected, we are reducing the risk of accidental data exposure and helping keep customer information safe in an increasingly complex digital environment.

Strengthening cyber security and data protection safeguards to keep customer information secure and trusted

Case study

Saving customer costs through digital metering

We've installed more than 14,000 digital meters across Perth this year, demonstrating our commitment to modernising our operations and delivering greater value for our customers through innovation.

This year, we introduced new features that allow our program customers to view their daily water use through their online account and receive close to real time water use insights, including SMS leak notifications.

Early results have shown strong benefits, with pilot customers finding and repairing leaks nearly 15 times faster than average, saving water and money thanks to the data provided by their digital meters.

As part of the pilot program, we also developed two new digital products to reduce customer water use. These new products helped identify and repair 320 leaks, saving customers over $200,000 or an average of $644 per leak.

Modernising water services through digital innovation that improves efficiency and customer benefits.

Case study

Unlocking savings by bringing electrical maintenance in-house

Reliable water services rely on critical infrastructure operating safely behind the scenes. This year, we strengthened our ability to maintain that infrastructure by creating an in-house high-voltage maintenance team.

We have around 6,000 critical pieces of high-voltage (HV) assets at 134 sites across the state, including switchgears, circuit breakers and protection relays to transmit electricity at high-voltage. To ensure the safety of our people, and to meet legislative requirements, these assets require specialised maintenance.

This year, we established an in-house HV maintenance team, enhancing safety, responsiveness and cost efficiency, improving our ability to manage critical electrical infrastructure while delivering measurable savings. With this in-house team, we launched a comprehensive four-year maintenance program to cover all 134 sites.

By bringing HV maintenance in-house, we're not only building internal capability but also unlocking potential savings of $3.2 million annually by reducing contractor costs.

Enhancing safety, efficiency and asset reliability through investment in internal technical expertise.

Performance highlights

Performance against key indicators

	Units	2026 Target	2026 Actual	2025	2024	2023	2022
SAFE FOR ALL							
Public Health - Safe Drinking Water							
Metropolitan localities meeting requirements for E.coli	%	100	100	100	100	96	100
Metropolitan localities meeting requirements for amoebae (Thermophilic Naegleria)	%	100	100	100	100	100	100
Metropolitan localities meeting requirements for health-related chemical quality	%	100	100	100	100	100	100
Metropolitan localities meeting requirements for radiological performance	%	100	100	100	100	100	100
Country localities meeting requirements for E.coli (1)	%	100	99.2	100	99.55	100	100
Country localities meeting requirements for amoebae (Thermophilic Naegleria) (2)	%	100	100	99.55	100	100	100
Country localities meeting requirements for health-related chemical quality	%	100	100	100	100	100	100
Country localities meeting requirements for radiological performance (3)	%	100	100	99.19	99.08	99	100

1. Non-compliance associated with Ecoli detection not meeting performance criteria from two assessable samples in the Margaret River and Collie distribution as defined under the MoU with DoH. Response protocols implemented in accordance with DoH requirements demonstrated continuous supply of safe drinking water to the locality.
2. Non-compliance associated with Naegleria detection not meeting performance criteria from one assessable sample in the Broome distribution as defined under the MoU with DoH. Response protocols implemented in accordance with DoH requirements demonstrated continuous supply of safe drinking water to the locality.
3. Non-compliance associated with Radon detection not meeting guideline level from one assessable sample in the Calingiri distribution as defined under the MoU with DoH. Response protocols implemented in accordance with DoH requirements demonstrated continuous supply of safe drinking water to the locality.

	Units	2026 Target	2026 Actual	2025	2024	2023	2022
EFFICIENT							
Economic Performance							
Financial Efficiency							
Operating cost per property	$	1,160.2	1,186.7	1,092.6	1,050.9	960.5	908.1
Total cost per property [1]	$	2,688.0	2,737.2	2,269	2,486	2,354	2,243
Surplus before income tax equivalent	$m	1,626.4	1,692.3	1,611	1,515	1,349	1,255
Return on assets	%	5.3	5.0	5.7	6.2	5.9	5.9
Return on equity	%	7.2	7.2	7.3	7.5	7.2	7.2
Interest cover	Times	7.4	7.6	7.8	7.3	6.7	7.7
Debt to Total Assets	%	25.6	20.5	21.0	22.8	26.9	29.8

1 Total Cost Per Property (TCPP) values have been amended to reflect a more accurate estimate of the full cost of providing services, including adjusted assumptions for Return on Asset (ROA) calculations.

	Units	2026 Target	2026 Actual	2025	2024	2023	2022
ENVIRONMENTALLY SUSTAINABLE AS CLIMATE CHANGES							
Environmental Performance							
Ecosystem Protection							
Overflows to Swan-Canning - conveyance system	No.	0	0	2	5	3	0
Overflows to Swan-Canning - pump stations only	No.	0	6	6	1	1	0
Energy and Greenhouse Gases							
Electricity consumption per unit of output for water	MWh/ML	2.15	2.13	2.03	1.77	1.60	1.88
Electricity consumption per unit of output for wastewater	MWh/ML	0.85	0.80	0.80	0.76	0.81	0.81
Total energy consumption	TJ	n/a	4.655	4.390	4.024	3.461	3.559
Reported greenhouse gas emissions (CO_2 equivalent)	kT	568	603	578	545	450	645
Materials Use Efficiency							
Biosolids re-use (Perth metro)%	%	100	100	100	100	99.8	100

	Units	2026 Target	2026 Actual	2025	2024	2023	2022
ENVIRONMENTALLY SUSTAINABLE AS CLIMATE CHANGES *(CONTINUED)*							
Ethical & Governance Performance							
Compliance							
Number of legal sanctions for environmental breaches	No.	0	0	0	0	0	0
% Environment Non-Compliances Addressed	%	95.0	91	92.2	96.3	96.4	96.9

	Units	2026 Target	2026 Actual	2025	2024	2023	2022
SATISFIED CUSTOMERS							
Essential Service Provision							
Continuity – properties not affected by interruption > 1 hr*	%	75.0	62.8	64.0	64.2	64.2	71.1
Water pressure and flow standards	%	99.80	99.95	99.95	99.95	99.95	99.96
Installation of new water connections	%	90.0	97.8	98.5	96.3	89.9	95.9
Properties without wastewater overflow	%	99.80	99.92	99.92	99.93	99.95	99.94
Demand-Supply Balance							
Number of schemes on temporary restrictions [1]	No.	n/a	1	0	0	0	0
Demand-Supply Balance							
Water supplied per capita (Perth region)	kL	127	124	127	132	126	130
Asset Performance							
Blockages per 100km of sewer	No.	40.0	12.8	13.8	15.0	12.3	12.9
Leaks and bursts per 100km of main [2]	No.	20.0	16.8	15.9	15.3	14.3	13.6
Drainage systems operating in accordance with guidelines [3]	%	100	100	100	100	100	100
Stakeholder Performance							
Customer Service							
Complaints (per 1000 properties) MTD	No.	0.4	0.3	0.2	0.1	0.1	0.1
Acknowledge a customer complaint within 10 business days *	%	100	100	100			
Respond to a complaint by addressing the matters in the complaint within 20 business days *	%	100	100	100			

1: City of Karratha (serviced by the West Pilbara Water Supply Scheme 1 April - 31 August 2026)
2 & 3: These targets applied to our Operating Licence between 1 July 2013 - 17 November 2013. From 18 November 2013 the Licence was substituted by the introduction of the Water Services Act 2012.
* These metrics replace the 'Written customer complaints (responsiveness) < 15 business day' metric, to reflect changes in the Water Services Act 2012 - Water Services Code of Conduct (Customer Service Standards) 2024, that came into effect on 1 July 2024

	Units	2026 Target	2026 Actual	2025	2024	2023	2022
SUPPORTING STATE DEVELOPMENT							
Social Performance							
Employment and Workforce							
Employee initiated turnover	%	10.0	8.1	7.8	8.3	10.3	9.7
Women in senior management - tier 2	%	42.0	66.7	71.4	71.4	50.0	33.3
Women in senior management - tier 3	%	42.0	37.5	39.5	38.5	33.3	28.6
People from culturally diverse backgrounds	%	15.5	14.4	14.0	13.8	13.2	12.6
Indigenous Australians	%	7.0	4.6	4.7	4.9	5.2	5.3
People with disabilities	%	5.0	1.9	1.7	1.4	1.6	1.6
Youth (15-24)	%	5.8	4.8	4.6	5.2	5.4	4.7
Total Recordable Injury Frequency Rate (TRIFR)	No.	3.0	4.3	4.7	5.6	4.5	3.8

Five year statistical summary

Financial Data

	Units	2026	2025	2024	2023	2022
Total revenue	$'000	4,005,193	3,778,316	3,624,338	3,310,491	3,061,511
Operating subsidy	$'000	668,228	596,630	605,817	614,473	519,186
Direct operating expenses	$'000	1,527,455	1,376,748	1,311,780	1,181,910	1,093,631
Depreciation / amortisation	$'000	590,049	590,879	579,115	558,627	532,766
Net interest expense	$'000	126,307	130,797	166,858	186,879	168,685
Income tax expense	$'000	533,902	484,790	455,329	402,064	376,646
Operating surplus after tax	$'000	1,158,364	1,125,960	1,059,694	946,778	878,513
Transfer to / (from) reserves	$'000	-	-	-	-	0
Non-current borrowings	$'000	4,541,643	4,495,528	4,605,724	5,250,758	5,644,394
New works investment (excluding developers take-over works)	$'000	2,180,937	1,424,591	988,293	744,992	648,015
Current borrowings	$'000	22,303	20,474	18,499	17,454	17,197
New borrowings	$'000	50,000	(97,175)	(638,700)	(388,700)	(356,604)

Operating Data

Water Supply Services						
Annual volume of water supplied	ML	419,682	424,090	426,811	386,789	387,975
Number of properties served	No.	1,417,347	1,399,952	1,378,861	1,365,217	1,350,688
Number of properties connected	No.	1,232,522	1,213,819	1,195,269	1,181,035	1,167,415
Length of mains	km	35,766	35,500	35,288	35,122	34,917
Wastewater Services						
Average volume of wastewater treated daily	ML	528.6	502	491	486	480
Number of properties served	No.	1,159,879	1,144,814	1,126,800	1,114,625	1,103,173
Number of properties connected	No.	1,082,339	1,066,474	1,047,551	1,032,236	1,021,436
Length of sewers	km	18,362	18,107	17,904	17,701	17,526
Drainage Services						
Number of properties served (metropolitan)	No.	446,795	442,391	437,609	434,287	430,082
Length of drains	km	2,537	2,538	2,538	2,539	2,539
Irrigation Services						
Volume of water delivered	ML	5,903	5,469	6,082	5,941	6,057
Employees*						
Total number of employees	No.	4,313	4,296	4,212	4,043	3,822
Total number of full-time equivalents (FTEs)	No.	4,176	4,155	4,019	3,843	3,627
Total number of FTEs (year-end average)	No.	4,188	4,148	3,943	3,727	3,583

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

Principal statistics

Water Supply

Region	Perth Metro	Mandurah-Murray	Perth Region [1]	Goldfields & Agricultural	Great Southern	Mid-West	North-West	South-West	Total
Properties served	1,101,986	68,652	1,170,638	44,494	49,084	50,946	43,674	58,511	1,417,347
Properties connected	953,755	60,584	1,014,339	40,089	43,723	43,254	36,651	54,466	1,232,522
Water supply services	819,170	54,966	874,136	43,549	42,897	39,684	30,571	50,063	1,080,900
Length of mains (kilometres)	15,136	1,293	16,429	9,664	4,083	2,182	1,583	1,825	35,766
Water supplied [2] (megalitres)	289,186	16,794	305,980	25,626	14,752	17,516	40,311	15,497	419,682

1. Perth Region includes Mandurah-Murray District.
2. Water supplied is the quantity recorded by master meters from 1 July to 30 June.

Wastewater

Region	Perth Metro	Mandurah-Murray	Perth Region [1]	Goldfields & Agricultural	Great Southern	Mid-West	North-West	South-West	Total
Properties served	927,778	55,817	983,595	11,693	30,529	26,342	35,140	72,580	1,159,879
Properties connected	874,372	50,481	924,853	10,056	27,039	21,989	31,964	66,438	1,082,339
Total length of sewers (kilometres)	13,268	982	14,249	354	755	606	802	1,596	18,362
Number of treatment plants	10	4	14	20	21	19	18	20	112
Average quantity of wastewater treated daily (megalitres)	432.7	19.3	452.0	4.3	12.7	8.8	19.7	31.1	528.6

1. Perth Region includes Mandurah-Murray District.

Metropolitan sources of supply

Source	Area of Catchment (Square km)	Storage Capacity (Megalitres)	Storage at 30/06/2026 (Megalitres)	Percentage of Maximum Storage (%)	Output to 30/06/2026 (Megalitres)
Dams					
Stirling	252	57,404	27,192	47.4	10,569
Samson WTP	192	8,003	3,572	44.6	2,947
South Dandalup	313	138,345	22,875	16.5	4,804
North Dandalup	151	60,791	40,589	66.8	12,668
Serpentine and Serpentine Pipehead	693	140,292	46,695	33.3	10,419
Canning	128	90,353	50,489	55.9	16,398
Wungong	728	59,796	31,902	53.4	15,608
Churchman	18	2,241	791	35.3	881
Victoria	37	9,463	4,798	50.7	5,871
Total Hills Sources Output Gross		**566,688**	**228,903**	**40**	**75,367**
Total Hills Transfers Input					**42,203**
Total Hills Sources Output Nett					**33,164**
Groundwater					
Artesian Bores					32,681
Mirrabooka					17,186
Gwelup					12,701
Wanneroo					31,216
Jandakot					15,356
Neerabup					38,199
Lexia					2,547
Yanchep/Two Rocks					1,007
Total Groundwater Output					**150,893**
Desalination					
Perth Seawater Desalination Plant					46,354
Southern Seawater Desalination Plant					103,285
Total Desalination Output					**149,639**
Water Received from Bulk Supplier					
GAWS supply to Perth					2,206
Total					**2,206**
Bulk Water Exported					
to Mundaring Dam for GAWS					21,142
Mandurah Murray					16,794
South-West Region					1,340
GSTWS					4,527
Total					**43,804**
Total Water Sourced					
Net Output from Surface Water					33,164
Groundwater					150,892
Desalination					149,639
Received from Bulk Supplier					2,206
Total Sources					**335,901**
Riparians (from Distribution System)					
Riparians from Distribution System					2,764
Total Potable Water Supplied					
Total Water Sourced					335,901
Bulk Water Exported					-43,804
Riparians (from Distribution System)					-2,764
Operational Use & Service Reservoir Vol Change					-148
Total Water Supplied					**289,186**

Drainage

Region	Perth	Great Southern	South-West	Total
Properties Served	446,795	n/a	n/a	446,795
Length of Drains Controlled (Kilometres)	1,109	132	1,296	2,537

Irrigation

Region	Water Supplied (Megalitres)
Mid-West [1]	4,651
North-West [2]	1,252
South-West [3]	n/a
Total	**5,903**

1. Mid-West irrigation district was transferred to the Gascoyne Water Co-operative on 1 July 2003.
2. North-West irrigation water supplied from the Ord dam to Water Corporation customers only. Previously reported amount included Ord Irrigation Cooperative customers.
3. Water Corporation owns and maintains the dams that supply Harvey Water and Preston Valley Irrigation but they have the water allocation directly with the Department of Water.

Employees*

	2026	2025	2024
Metropolitan	3,345	3,310	3,209
Country	831	845	810
Total	**4,176**	**4,155**	**4,019**

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

Splash of Colour artwork in the Shire of Capel by artist Andrew Frazer.

Financial highlights

Beyond delivering essential water and wastewater services, we continue to contribute to WA's economic growth through investment in infrastructure that supports development, housing and industry across the State.

Our operating business delivered a surplus of $1,158.4 million, supported by strong revenue from core operations and continued growth in land development and building activity, underpinned by population and employment growth.

Total revenue reached $4 billion. Net operating revenue increased by 4.5 per cent ($151.8 million), driven by higher water consumption, increased service charges, stronger water sales to industrial and mining customers under special agreements, and increased reimbursement works. Revenue was also supported by a $71.6 million increase in Government operating subsidies, primarily reflecting the economic cost of providing services to regional areas.

Land developer contributions totalled $418.7 million, comprising $237.3 million in cash and $181.4 million in contributed assets, including water and wastewater infrastructure, supporting new housing developments across the State.

Total operating expenditure increased by 6.7 per cent to $2.3 billion, reflecting the cost of operating and maintaining our growing asset base. The increase was driven by inflationary pressures on materials and services, together with ongoing competition for labour. Consequently, total cost per property[1] increased by 6.6 per cent, while operating costs per property[1] increased by 9.3 per cent.

Returns to Government were lower at $659.1 million, reflecting the Government's decision to retain the 2025-26 interim dividend as after-tax retained earnings. The final dividend for 2025-26 is payable by 31 December 2026 and will be recognised in the subsequent financial year. As a result, the financial effect of this dividend has not been recognised in the financial statements for the year ended 30 June 2026.

Investing in infrastructure

We invested $2,180.9 million in new capital projects to expand and enhance our water and wastewater infrastructure, supporting the delivery of safe, reliable and sustainable services across WA.

A key project during the year was the DSDP, a strategic investment being delivered in partnership with Rio Tinto to strengthen long-term water security in the Pilbara. The project will provide a climate-independent source of drinking water for communities and industry connected to the West Pilbara Water Supply Scheme, improving resilience to climate variability and supporting future regional growth.

Our capital investment program delivers significant economic and community benefits while supporting a broad network of local contractors, suppliers and service providers involved in construction, maintenance and operational activities. Through these investments, we continue to support employment opportunities for Western Australians both directly and indirectly.

In 2025-26, our capital investment program included:

- $1,514.2 million invested in our water business, including:
  - $859.2 million on the ASDP.
  - $289.3 million on the DSDP.
  - $384.9 million invested in our wastewater business.

Investment across a range of programs supporting irrigation, drainage, facilities management and Government-sponsored initiatives, including Metrnonet and Future Water Sources.

Continued investment in ACWS to improve essential water and wastewater services in remote communities.

Supporting the State's growth

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

In 2025-26, the value of our regional assets exceeded $9.2 billion. During the year, we invested more than $255.4 million in major water and wastewater projects and programs for regional WA.

1 Total Cost Per Property (TCPP) targets and values have been amended to reflect a more accurate estimate of the full cost of providing services, including adjusted assumptions for Return on Asset (ROA) calculations.

Net accrual to government

$million	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21
Dividend	818	-	-	-	-	642
Tax equivalents	555	508	467	419	392	369
Operating subsidy	(668)	(597)	(606)	(614)	(519)	(469)
Less: RESP, RCF, RfR (*)	(67)	(39)	(32)	-	-	-
NATG	641	(127)	(171)	(196)	(127)	543

Performance summary

Financial Outcomes

	Units	2025-26 Projected	2025-26 Actual
Operating Surplus before income tax			
Operating business	$m	1,318	1,274
Developer asset handover before tax	$m	129	181
Developer cash contributions before tax	$m	180	237
Operating Surplus after income tax			
Operating business	$m	922	865
Developer asset handover after tax	$m	90	127
Developer cash contributions after tax	$m	126	166
Capital expenditure (including capitalised interest)	$m	2,253	2,181
Borrowings taken - (repaid)	$m	1,080	50
Accruals to Government			
Indirect tax equivalents	$m	9	8
Income tax equivalents (net of deferred tax adjustments)	$m	507	547
Dividends provided	$m	1,614	818
Total Accrual to Government	**$m**	**2,130**	**1,373**
Less Operating Subsidy Received		(756)	(668)
Less RESP RCF and RfR (*)		(74)	(67)
Total NET Accrual To Government (NATG)		**1,300**	**638**

Payments from Government

	Units	2025-26 Projected	2025-26 Actual
Operating Subsidies			
Country water, sewerage and drainage operations	$m	-546	-460
Pensioner and senior concessions (1)	$m	-205	-203
Metropolitan operations	$m	-6	-4
		-756	**-668**

(1) Includes pensioners and senior concessions, and concessions provided for non-rated and exempt properties.
(*) RESP - Remote Essential Services Program
RCF - Remote Communities Fund
RfR - Royalties for Region

Corporate governance *report*

Board of Directors

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

- The Board must comprise of at least five and no more than nine Directors.
- Directors are appointed for terms of up to three years and are eligible for re-appointment but cannot hold office for more than nine consecutive years.
- The Board should comprise of Directors with a broad range of skills and experience.
- 10 regular meetings are held each year and the respective committee meetings are held quarterly.

Appointment of Directors

The Minister for Water appoints the Directors to the Board. This is after consultation with, or on the recommendation of, the Board and must consider the Board's skills matrix.

Appointments are typically staggered to ensure one third of the Directors retire each year in line with sound governance practices and our Board Charter. Their duties are not full-time.

The Chief Executive Officer has been appointed to the Board as an Executive Director by the Minister for Water, with the approval of the GTE Minister to 31 December 2025.

Changes to the Board

Ms Helen Creed ceased as Deputy Chair and Director on 31 December 2025.

Mr Pat Donovan ceased as Executive Director on 31 December 2025.

Mrs Gningala Yarran-Mark was re-appointed as Director for a term expiring on 30 September 2028.

Ms Neema Premji was appointed as Director on 1 January 2026, then as Deputy Chair on 22 April 2026, for a term expiring on 31 December 2028.

Ms Louise Pratt was appointed as Director for a term expiring on 31 December 2028.

There were no other changes to the composition of the Board during the year.

Board Committees

Committees of the Board that operated during the year ended 30 June 2026:

- Audit and Risk; and
- People and Safety.

Audit and Risk Committee

The Audit and Risk Committee assists the Board with its oversight of the financial reporting process, the system of internal control, risk management, the audit process, and our process for monitoring compliance with applicable laws and regulations.

The Committee oversees the internal audit function and liaises with the Office of the Auditor General (OAG) and the external auditors appointed by the OAG to undertake our annual audit.

The Committee is chaired by Mr David Smith and included Directors Ms Janine Freeman and Ms Jane Muirsmith. Each member has substantial financial, risk management, public sector or industry experience and the necessary skills to collectively undertake the Committee's responsibilities.

The Committee invites management, auditors or others to attend meetings and provide information as necessary. External attendees at various meetings during the year included staff from the OAG.

People and Safety committee

The People and Safety Committee supports and assists the Board to review and oversee organisational health and safety matters, people, culture, remuneration and benefit arrangements to support the strategic aims of the business while complying with regulatory requirements and satisfying the requirements of our owner.

The Committee is chaired by Mrs Gningala Yarran-Mark and included Directors Ms Helen Creed (until 31 December 2025); Ms Andrea Sutton (until 24 March 2026); Ms Neema Premji (from 25 March 2026) and Ms Louise Pratt (from 25 March 2026). Each member has extensive experience in the corporate or public sector at a senior level and brings the skills necessary for the Committee to undertake its role.

Directors' meetings

The number of Board meetings and committees of the Board held, and the number of meetings attended by each Director during the 12 months ending 30 June 2026, are shown in the table below.

	Board		Audit and Risk		People and Safety	
Number of Meetings held		12		6		4
	Attended	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**
Ms Andrea Sutton	10	10	0	0	3	3
Mrs Gningala Yarran-Mark	11	12	0	0	4	4
Mr David Smith	12	12	6	6	0	0
Ms Janine Freeman	12	12	6	6	0	0
Ms Jane Muirsmith	11	12	6	6	0	0
Ms Neema Premji [1]	5	5	0	0	1	1
Ms Louise Pratt [2]	5	5	0	0	1	1
Ms Helen Creed [3]	7	7	0	0	2	2
Mr Pat Donovan (Chief Executive Officer) [4]	6	7	0	0	0	0

1 Ms Neema Premji was appointed as Director on 1 January 2026
2 Ms Louise Pratt was appointed as Director on 1 January 2026
3 Ms Helen Creed ceased as Deputy Chair and Director on 31 December 2025
4 Mr Pat Donovan ceased as Executive Director on 31 December 2025

Accountability and independence

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

Directors' and Senior Executives' remuneration

For further disclosure of Directors' and Senior Executives' remuneration, please refer to the Remuneration report on page 86.

Governance framework

The Board has legislative authority under the *Water Corporations Act 1995* (WA) and section 11 of the *Government Trading Enterprises Act 2023* (WA), to perform the functions, determine our policies and control our affairs.

The Board is responsible for our overall corporate governance and approves strategic direction and budgets, ensuring legal compliance, ethical behaviour and proper risk management processes are in place and operate effectively. Comprehensive reporting is provided to the Board to allow it to monitor performance.

Left to Right: Minister for Water Don Punch, MLA Lorna Clarke, Premier Roger Cook, and MLA Sabine Winton at the halfway mark of the ASDP project.

Internal control

The Board, through the Audit and Risk Committee, has oversight of the financial reporting process, the system of internal control, risk management, the audit process, and our process for monitoring compliance with applicable laws and regulations. These responsibilities assist in maintaining an effective internal control structure.

It consists, in part, of organisational arrangements with clearly defined lines of responsibility and delegation of authority, with comprehensive systems and control procedures. Management has the responsibility for establishing and maintaining the system of internal control that supports the achievement of our business objectives.

This system of internal control is designed to manage and mitigate rather than eliminate the risks of failure to achieve business objectives. It can only provide reasonable and not absolute assurance of the effectiveness of the system of internal control implemented by management. An important element of the control environment is an ongoing internal audit program, delivered by the Risk and Assurance Business Unit's Management Review and Audit section.

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

Management review and audit

Our internal audit function is managed by the Management Review and Audit section, which has the authority to examine any matters referred to it by the Audit and Risk Committee, the Board of Directors or the Chief Executive Officer. The internal audit function supports the Audit and Risk Committee and senior executives by independently and objectively reviewing the adequacy, efficiency and effectiveness of our internal control and governance system within Water Corporation.

External auditors

In accordance with section 145 of the *Government Trading Enterprises Act 2023* (WA), Water Corporation must have the financial report for a financial year audited by the Auditor General. There was no indemnity given or insurance premium paid for the Auditor General for the year ended 30 June 2025 by the Water Corporation. Total auditor remuneration is shown in Note 26 to the Financial Statements on page 125.

Risk management

Risk management is a key element of our governance framework. We have an established Risk Management Framework that provides a common understanding of risk and a set of processes for managing risk aligned with the International Standard on Risk Management ISO 31000:2018. The framework ensures a formalised, structured and Corporation-wide approach to the identification, evaluation and control of risks, which have the potential to threaten the achievement of our Corporate Objectives and our ability to provide services.

The risk appetite has been defined to guide decision – making within agreed boundaries, as determined by the Board. All managers are responsible for the identification and management of risks that will impact on their business processes and subsequent objectives. The management of risks within the business is embedded at all levels, with appropriate support and systems in place to ensure risks are managed to an acceptable level.

A comprehensive commercial insurance program is maintained covering insurable risks, which may have a significant impact on our assets, construction activities and legal liability.

Performance monitoring and reporting

We are required under the *Government Trading Enterprise Act 2023* (WA) to produce an annual report and an interim report for the period 1 July to 31 December, which includes a statement of financial performance and a statement of achievement of key performance indicators. A written annual report on compliance with the Water Services Licence was provided to the Economic Regulation Authority. In addition, the Board and Corporate Executive receive performance reports covering a diverse range of financial and non-financial matters.

Ethical standards

We require all Directors, employees, and contractors to exercise high standards of ethical behaviour in carrying out their duties.

Our Code of Conduct is available on both our external and internal websites. A report on compliance is forwarded to the Public Sector Commission (PSC) annually.

The Board Charter, available on our website, sets out the roles and responsibilities of the Board and Management. Under the guidance of the Audit and Risk Committee, the Charter was drafted using the *Government Trading Enterprises Act 2023* (WA), Australian Standards and other corporate governance resources.

Managing financial exposures

We have a central Treasury function to manage financial exposures in accordance with our Treasury Risk Management Policy. Regular reporting ensures the Board can monitor financial risk management.

Information security management system

We maintain an enterprise information security management framework that utilises a risk-based approach based on the National Institute of Standards and Technology Cyber Security Framework in alignment with the *Security of Critical Infrastructure Act 2018* (Cth) and the Western Australian Government Cyber Security Policy.

State Records Act 2000

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

The Plan describes how records are created, maintained, managed and disposed of in accordance with our standards and principles. We regularly conduct audits of recordkeeping practices and system use by our employees and alliance partners.

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

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

Public Interest Disclosure Statement

The *Public Interest Disclosures Act 2003* (WA) was enacted to protect the privacy and confidentiality of both the individual making a public interest disclosure and the subject of that disclosure. Public Interest Disclosure Officers have been appointed. Internal procedures relating to our obligations under the Act have been implemented in accordance with the guidelines provided by the PSC. There were no new public interest disclosures in 2025-26.

Conflicts of interest

We have established procedures to identify, prevent, manage or resolve conflicts of interest, which are outlined in our procurement standards and Code of Conduct.

All Board members and employees must disclose actual, potential or perceived conflicts of interest to their immediate managers. In such cases, our Legal Services team will assess the appropriateness of the situation and determine whether the basis of that interest should be discontinued or whether the person should cease the duties involved.

Competition and Consumer Act Compliance Program

In accordance with the standards and guidelines recommended by the Australian Competition and Consumer Commission (ACCC), we conduct a Competition and Consumer Act Compliance Program to manage the risk of breaching the Act. To ensure that all employees are aware of their obligations, a statewide program is conducted which includes mandatory training.

Freedom of information

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

During 2025-26, we received 102 access applications, of which zero were transferred in full to another agency, 70 were provided full access, 14 were provided edited access, 2 were withdrawn, 6 had access refused, zero had access deferred, documents were not found or did not exist for 2 of the applications, and 8 were on hand at the end of the year.

Seven internal reviews were requested. Fees and charges totalling $2,520 were received for processing these applications with 34 days being the average processing time.

Under section 96 of the *Freedom of Information Act 1992* (WA), we are required to produce an Information Statement. Its purpose is to provide a description of our procedures to give members of the public access to our documents, as well as the types of documents we hold. This statement can be found at watercorporation.com.au.

Advertising codes

We comply with the Communications Council's Code of Ethics. In addition, our advertising agencies have full compliance policies with the ACCC. There were no breaches or complaints recorded in the reporting year.

The Electoral Act 1907 (WA) (S. 175 ZE) requires the disclosure of certain categories of expenditure. Details of the organisations contracted, and the amounts paid for the financial year, are as follows:

Advertising agency:

The Brand Agency	$1,437,542

Includes costs associated with *Break up with your Bad Habits* campaign, *Buckets* campaign, *Sprinkler Switch-off* campaign and West Pilbara sprinkler roster changes.

Media agency:

The Brand Agency Media	$1,202,307

Includes costs associated with *Break up with your Bad Habits* campaign, *Buckets* campaign, *Sprinkler Switch-off* campaign, West Pilbara sprinkler roster changes, Search Engine Optimisation (search engine optimisation, search engine marketing, Waterwise Towns, Irrigation Offers, Regional recruitment and Waterwise Schools campaign.

Carat Media	$1,788,507

Includes costs associated with the *Break up with your Bad Habits* and *Buckets* campaigns, *Sprinkler Switch-off* campaign, West Pilbara sprinkler roster changes and Irrigation offers.

Initiative	$72,039

Includes costs associated with non-campaign advertising such as recruitment, tenders and public notices.

Market research

Painted Dog	$269,730

Includes Customer Perceptions research, Exmouth Smart Meter Research, Brand Tracking, Bucket loads Campaign Testing, Regional Brand Perceptions and Water Knowledge.

Verian	$150,000

Includes Esperance Social Licence research.

Core Data	$210,395

Includes Behaviour Change research.

Creative artwork from our Buckets waterwise campaign.

Directors' report

The Directors of the Board Committee of Water Corporation present their report for the 12 months ended 30 June 2026.

Directors

The following persons were Directors of Water Corporation during the financial year:

Ms Andrea Sutton (Chair)

Chair since 1 January 2024.

Mr Pat Donovan

Chief Executive Officer since 1 January 2019.

Ceased as Executive Director on 31 December 2025 and remains CEO.

Mrs Gningala Yarran-Mark

Director since 12 November 2019.

Ms Helen Creed

Director since 7 April 2021.

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

Deputy Chair from 22 April 2024 to 31 December 2025.

Ms Janine Freeman

Director since 9 March 2022.

Mr David Smith

Director since 1 January 2024.

Ms Jane Muirsmith

Director since 1 December 2024.

Ms Neema Premji

Director since 1 January 2026.

Deputy Chair from 22 April 2026.

Ms Louise Pratt

Director since 1 January 2026.

Directors' profiles are shown on pages 27 and 28.

Directors' meetings and attendance are shown on page 79. Directors' compensation details are shown on page 85.

Principal activities

Water Corporation was established as a body corporate under the provisions of the *Water Corporations Act 1995* (WA) and is the principal water utility in WA. Water, wastewater, drainage and irrigation services are provided under this Act and other legislation and subsidiary legislation, which control the water industry.

Our principal functions are:

- Acquire, store, treat, distribute, market and otherwise supply water for any purpose.
- Collect, store, treat, market and dispose of wastewater and surplus water.
- Undertake, maintain and operate any works, system, facilities, apparatus or equipment required for any of these purposes.

There has been no significant change in the nature of our activities during 2025-26.

Dividends

On 22 January 2026, the Assistant Under Treasurer advised the Corporation that on 24 November 2025 the Expenditure Review Committee approved the deferral of the Corporation's 2025-26 interim dividend payment to the 2026-27 financial year. This decision was subsequently approved by Cabinet on 1 December 2025. The Department of Treasury and Finance will liaise with the Corporation's Chief Financial Officer regarding the timing of the payment of the 2025-26 dividends during the 2026-27 financial year.

Review of operations

We operate in a regulatory framework comprising the Economic Regulation Authority, DWER, DoH and the Department of Biodiversity, Conservation and Attractions.

Clear commercial objectives and strict environmental targets and accountabilities have been established through the Annual Performance Statement, Statement of Expectations and a system of licences through the various regulators.

We supplied 419 billion litres of water across the year and treated 528.6 million litres of wastewater daily.

Risk management framework

Our Risk Management Framework aims to improve the quality of information considered in delivering better informed assessments for the purpose of resource allocation, increasing transparency in decision making and clearly articulated accountability.

Remuneration report

Remuneration of key management personnel is referred to as compensation throughout this report. Key management personnel comprise the Directors of the Board and Executives who are responsible for planning, directing and controlling the activities of Water Corporation.

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

The compensation of the non-executive Directors of the Board is set by the Minister for Water within the range specified by the determination published by the Salaries and Allowances Tribunal (SAT). The compensation is in the form of salary and superannuation contributions and members of the Audit and Risk Committee are entitled to an allowance. Other than compulsory superannuation contributions and superannuation via salary sacrifice, Water Corporation does not pay any other post-employment benefits to non-executive Directors.

The compensation packages for the Chief Executive Officer and Executives consist of a total reward that is a mix of fixed compensation, in the form of salary, non-monetary benefits and superannuation contributions. Other long-term benefits refer to long service leave. The compensation of all staff is reviewed annually.

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

The Chief Executive Officer, with the concurrence of the People and Safety Committee and the Board, sets Executive compensation based on annual salary survey data and advice from independent remuneration sources regarding compensation practices. Specifically, fixed compensation is benchmarked against comparative industry groups in order to remain competitive in the labour market with the aim of attracting and retaining appropriately qualified and experienced Executives.

Employees in management roles, including Executives, are employed on individual employment contracts under common law and are referred to as No Scale employees.

The compensation structure of No Scale employees is centred on the market median for the fixed compensation for each of the identified levels.

The primary sources of remuneration data are Korn Ferry Group Australia and Mercer Consulting Australia.

We use the Hay Group job evaluation methodology to provide assurance that remuneration is similar to that of comparable positions in other organisations.

Management compensation

The directors during the financial year were:

Directors	
A Sutton	Chair (non-executive). Appointed 1 January 2024
H Creed	Director (non-executive). Appointed 7 April 2021. Acting Deputy Chair from 21 October 2023 to 21 April 2024, and from 22 April 2024 to 31 December 2025.
G Yarran-Mark	Director (non-executive). Appointed 12 November 2019.
J Freeman	Director (non-executive). Appointed 9 March 2022.
D Smith	Director (non-executive). Appointed 1 January 2024.
P Donovan	Chief Executive Officer from 1 January 2019. Executive Director from 1 January 2019 to 31 December 2025.
J Muirsmith	Director (non-executive). Appointed 1 December 2024.
Neema Premji	Director (non-executive). Appointed 1 December 2024 and Deputy Chair from 22 April 2026.
Louise Pratt	Director (non-executive). Appointed 1 December 2024.

Director remuneration

The number of Directors whose total remuneration was within the following bands is:

			Short-Term		Post-Employment		Long-Term Benefits		Total Remuneration Band	
Total Remuneration Band ($)	Number of Directors *		Salary & Fees $'000		Superannuation $'000		Long Service Leave $'000		$'000	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
25,000-49,999	**3**	1	**32**	36	**4**	4			**35**	40
50,000-74,999	**3**	2	**61**	60	**8**	7			**69**	67
75,000-99,999	**1**	2	**69**	34	**8**	43			**77**	77
125,000-149,999	**1**	1	**116**	115	**14**	13			**130**	128
650,000-674,999		1		620		30			**-**	650
675,000-699,999	**1**		**662**		**30**				**692**	-

Top five executives by remuneration

Five highest paid Executives*		Year ended 30 June 2026	Year ended 30 June 2025
B Ford	General Manager, Operations		✓
D Evans	Chief Financial Officer	✓	✓
E Hambleton	General Manager, Assets Planning & Delivery	✓	✓
J Mitchell	General Manager Information & Technology	✓	✓
K Willis	General Manager, Customer & Community	✓	✓
S Bagshawe	General Manager, People and Safety	✓	

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

Executive compensation bands:

			Short-Term		Post-Employment		Other Long-Term Benefits**		Termination Benefits		Total Remuneration Band	
Total Remuneration Band ($)	Number of Employees*		Salary $'000		Superannuation $'000		Long Service Leave $'000		$'000		$'000	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
350,000-374,999	**1**		**193**		**15**		**50**		105		**363**	-
375,000-399,999	**2**	2	**338**	325	**30**	30	**14**	32			**382**	387
400,000-424,999	**2**	1	**358**	394	**30**	30	**32**	-			**420**	424
425,000-449,999		1		402		30		11			**-**	443
450,000-474,999		1		392		30		46			**-**	468

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

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

Environmental compliance

Water Corporation is subject to particular and significant environmental legislation under both Commonwealth and State laws; in particular:

- *Environment Protection and Biodiversity Conservation Act 1999* (Cth)
- *Environmental Protection Act 1986* (WA)
- *Contaminated Sites Act 2003* (WA)
- *Biodiversity Conservation Act 2016* (WA)

Additionally, we track our compliance with various non-statutory commitments. With the significant volume of wastewater conveyed across the State, it is possible unplanned discharges will occasionally occur and some of these may affect the environment, public health and public amenity. Our incident management process provides a fast and effective response to these and other incidents. Consistent with the *Environmental Protection Act 1986*, we report any unplanned discharges of waste that have the potential to harm the environment.

Our environmental performance is underpinned by our Thrive2035 Strategy and its associated targets. We also maintain an Environmental Management System, aligned to the International Standard *ISO 14001*, which provides for the systematic identification and management of environmental risks, legal requirements, and other obligations to ensure environmental performance is improved and our activities are sustainable.

ESG reporting

Accountability for ESG oversight rests with the Audit and Risk Committee, our Chief Executive Officer, and the Executive team. Regular performance updates are provided to these governance levels.

During the financial year, we continued to enhance ESG reporting aligned with internationally recognised frameworks to meet emerging regulatory requirements and create value for the business (Appendix page 136). As part of this commitment, we also participated in the Western Australian Climate Risk Framework Pilot Program, led by the Department of Treasury and Finance. This initiative supported our efforts to strengthen climate-related risk management and disclosure practices in line with evolving expectations.

State of affairs

There were no significant changes during the year ended 30 June 2026 in the state of our affairs not otherwise disclosed in this report, or the financial statements.

Events subsequent to balance date

Since the end of the financial year on 30 June 2026 and the date of the release of this report, the Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly, or may significantly, affect our operations, the results of those operations, or our state of affairs in future financial periods.

Director interests and benefits

In the 12 months to 30 June 2026, Directors did not receive, or become entitled to receive, any benefit (other than a benefit included in the total amount of remuneration received or due and receivable by Directors), by reason of a contract made by the Corporation with the Director, with a firm of which the Director is a member, or with an entity in which the Director has a substantial interest.

Indemnification of Directors

Water Corporation has entered into Deeds of Indemnity, Insurance and Access with Directors, to the extent provided for under the *Government Trading Enterprises Act 2023* (WA) and has paid insurance premiums to insure Directors and Officers against certain liabilities arising from their service while acting on behalf of the Corporation. This statement is made in accordance with a resolution of the Board.

Andrea Sutton

Chair

Pat Donovan

Chief Executive Officer

Financial *report*

Statement of comprehensive income

for the year ended 30 June 2026

	Note	Group 2026 $M	Group 2025 $M	Corporation 2026 $M	Corporation 2025 $M
Revenue					
Annual service charges		1,654	1,586	1,654	1,586
Volume charges		1,012	1,001	1,012	1,001
Operating subsidies		668	597	668	597
Developers' contributions		419	336	419	336
Other revenue	5.2.1	211	209	212	210
Total revenue	**5.2.2**	**3,964**	**3,729**	**3,965**	**3,730**
Expenses					
Depreciation and amortisation	12,13,14,15	(590)	(591)	(589)	(590)
Employee benefits expense	6.1(a)	(533)	(512)	(533)	(512)
Hired and contracted services		(340)	(296)	(340)	(296)
Energy expenses	6.1(b)	(195)	(154)	(195)	(154)
Other expenses	6.1(c)	(486)	(431)	(486)	(432)
Total expenses		**(2,144)**	**(1,984)**	**(2,143)**	**(1,984)**
Results from operating activities		**1,820**	**1,745**	**1,822**	**1,746**
Net finance costs	7	(128)	(133)	(128)	(133)
Profit before income tax equivalent		**1,692**	**1,612**	**1,694**	**1,613**
Income tax equivalent expense	8	(534)	(485)	(534)	(485)
Profit for the year		**1,158**	**1,127**	**1,160**	**1,128**
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefits		1	(1)	1	(1)
Other comprehensive income/(loss), net of tax equivalent		**1**	**(1)**	**1**	**(1)**
Total comprehensive income for the year		**1,159**	**1,126**	**1,161**	**1,127**

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

Statement of financial position

as at 30 June 2026

	Note	Group 2026 $M	Group 2025 $M	Corporation 2026 $M	Corporation 2025 $M
Current assets					
Cash and cash equivalents		490	1,434	490	1,434
Trade and other receivables	9	325	335	325	335
Prepayments	10	75	35	75	35
Inventories		64	62	64	62
Other financial assets	30	-	6	-	6
Total current assets		**954**	**1,872**	**954**	**1,872**
Non-current assets					
Trade and other receivables	9	34	31	34	31
Property, plant, and equipment	12	21,016	19,309	21,016	19,309
Right of use assets	13	41	35	41	35
Service concession asset	14	171	177	171	177
Intangible assets	15	72	76	51	54
Investment in subsidiary	16	-	-	24	24
Receivable from subsidiary		-	-	3	2
Other financial asset	30	-	2	-	2
Total non-current assets		**21,334**	**19,630**	**21,340**	**19,634**
Total assets		**22,288**	**21,502**	**22,294**	**21,506**
Current liabilities					
Trade and other payables	17	734	491	734	491
Service concession liability	14	8	8	8	8
Lease liabilities	18	15	13	15	13
Income tax equivalent payable		74	60	74	60
Provisions	19	34	22	34	22
Employee benefits	20	143	132	143	132
Other liabilities	21	83	66	83	66
Total current liabilities		**1,091**	**792**	**1,091**	**792**

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

Statement of financial position (continued)

as at 30 June 2026

		Group		Corporation	
	Note	2026 $M	2025 $M	2026 $M	2025 $M
Non-current liabilities					
Service concession liability	14	159	167	159	167
Lease liabilities	18	28	24	28	24
Interest-bearing loans and borrowings	22	4,354	4,304	4,354	4,304
Deferred tax equivalent liabilities	23	151	138	151	138
Provisions	19	56	35	56	35
Employee benefits	20	31	33	31	33
Other liabilities	21	54	29	54	29
Total non-current liabilities		**4,833**	**4,730**	**4,833**	**4,730**
Total liabilities		**5,924**	**5,522**	**5,924**	**5,522**
Net assets		**16,364**	**15,980**	**16,370**	**15,984**
Equity					
Contributed equity	24	7,876	7,824	7,876	7,824
Retained earnings		8,488	8,147	8,494	8,151
Reserves		-	9	-	9
Equity attributable to owners		**16,364**	**15,980**	**16,370**	**15,984**
Total equity		**16,364**	**15,980**	**16,370**	**15,984**

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2026

Group	Note	Contributed equity $M	Retained earnings $M	Reserves $M	Total equity $M
Opening balance at 1 July 2025		**7,824**	**8,147**	**9**	**15,980**
Total comprehensive income for the year					
Profit for the year		-	1,158	-	1,158
Other comprehensive expense (net of tax equivalent)		-	1	-	1
Total comprehensive income for the year		**-**	**1,159**	**-**	**1,159**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Equity contributions	24	52	-	-	52
Reserves hedges		-	-	(9)	(9)
Dividends paid	24.2	-	(818)	-	(818)
Total transactions with owners		**52**	**(818)**	**(9)**	**(775)**
Closing balance at 30 June 2026		**7,876**	**8,488**	**-**	**16,364**

	Note	Contributed equity $M	Retained earnings $M	Reserves $M	Total equity $M
Opening balance at 1 July 2024		**7,724**	**7,021**	**-**	**14,745**
Total comprehensive income for the year					
Profit for the year		-	1,127	-	1,127
Other comprehensive expense (net of tax equivalent)		-	(1)	-	(1)
Total comprehensive income for the year		**-**	**1,126**	**-**	**1,126**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Equity contributions	24	100	-	-	100
Reserves hedges		-	-	9	9
Total transactions with owners		**100**	**-**	**9**	**109**
Closing balance at 30 June 2025		**7,824**	**8,147**	**9**	**15,980**

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Statement of changes in equity (continued)

for the year ended 30 June 2026

Corporation

	Note	Contributed equity $M	Retained earnings $M	Reserves $M	Total equity $M
Opening balance at 1 July 2025		**7,824**	**8,151**	**9**	**15,984**
Total comprehensive income for the year					
Profit for the year		-	1,160	-	1,160
Other comprehensive expense (net of tax equivalent)		-	1	-	1
Total comprehensive income for the year		**-**	**1,161**	**-**	**1,161**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Equity contributions	24	52	-	-	52
Reserves hedges		-	-	(9)	(9)
Dividends paid	24.2	-	(818)	-	(818)
Total transactions with owners		**52**	**(818)**	**(9)**	**(775)**
Closing balance at 30 June 2026		**7,876**	**8,494**	**-**	**16,370**

	Note	Contributed equity $M	Retained earnings $M	Reserves $M	Total equity $M
Opening balance at 1 July 2024		**7,724**	**7,024**	**-**	**14,748**
Total comprehensive income for the year					
Profit for the year		-	1,128	-	1,128
Other comprehensive expense (net of tax equivalent)		-	(1)	-	(1)
Total comprehensive income for the year		**-**	**1,127**	**-**	**1,127**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Equity contributions	24	100	-	-	100
Reserves hedges		-	-	9	9
Total transactions with owners		**100**	**-**	**9**	**109**
Closing balance at 30 June 2025		**7,824**	**8,151**	**9**	**15,984**

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 30 June 2026

		Group		Corporation	
	Note	2026 $M	2025 $M	2026 $M	2025 $M
Cash flows from operating activities					
Cash receipts from customers		2,743	2,674	2,743	2,674
Interest received		47	45	47	45
Interest paid		(206)	(211)	(206)	(211)
Cash paid to suppliers and employees		(1,510)	(1,446)	(1,510)	(1,446)
Income tax equivalents paid		(504)	(480)	(504)	(480)
Government grants		88	85	88	85
Operating subsidies		668	597	668	597
Developers' contributions		237	206	237	206
Non-developers contributions		3	-	3	-
GST received		260	135	260	135
Other fees and charges		75	72	75	72
Net cash from operating activities	25.3	**1,901**	**1,677**	**1,901**	**1,677**
Cash flows from investing activities					
Acquisition of property, plant and equipment		(1,994)	(1,343)	(1,994)	(1,343)
Investment in unincorporated joint venture		(113)	-	(113)	-
Acquisition of intangible assets		-	-	-	-
Proceeds from sale of property, plant and equipment		2	(1)	2	(1)
Net cash used in investing activities		**(2,105)**	**(1,344)**	**(2,105)**	**(1,344)**
Cash flows from financing activities					
Proceeds from borrowings		874	856	874	856
Repayment of borrowings		(824)	(954)	(824)	(954)
Payment of lease liabilities		(24)	(28)	(24)	(28)
Dividends paid		(818)	-	(818)	-
Equity contributions		52	100	52	100
Net cash used in financing activities		**(740)**	**(26)**	**(740)**	**(26)**
Net (decrease)/increase in cash and cash equivalents		**(944)**	**307**	**(944)**	**307**
Cash and cash equivalents at 1 July		**1,434**	**1,127**	**1,434**	**1,127**
Cash and cash equivalents at 30 June		**490**	**1,434**	**490**	**1,434**

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

Notes to the financial report

for the year ended 30 June 2026

Note 1 Reporting entity

Water Corporation (the "Corporation") is a not-for-profit entity incorporated under the *Government Trading Enterprises Act 2023* and domiciled in Australia. Its registered office is at 629 Newcastle Street Leederville WA 6007. These financial statements cover the year ended 30 June 2026. The Corporation is primarily involved in the provision of water and wastewater services.

On 21 December 2022, the Corporation acquired a subsidiary, Flat Rocks Wind Farm Stage 2 Pty Ltd. The consolidated financial statements comprise the financial statements of the Corporation and its subsidiary (collectively the "Group").

Note 2 Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the *Government Trading Enterprises Act 2023* and Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB). The financial report complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The financial report was approved in accordance with a resolution of the Directors on 24 August 2026. The financial report has been prepared on a historical cost basis.

Amounts in the financial report have been rounded off to the nearest whole number of millions of dollars, unless otherwise stated.

Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date at which the Group ceases to have control. The financial statements of subsidiaries are prepared using consistent accounting policies. All intercompany balances and transactions have been eliminated.

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control such that decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. Water Corporation participates in an Unincorporated Joint Venture (UJV) with Hamersley Iron Pty Limited to jointly pursue the development of the Dampier Seawater Desalination Plant. The arrangement meets the definition of a Joint Operation under AASB 11 Joint Arrangements, as each party has direct rights to the assets and obligations for the liabilities of the arrangement. Water Corporation recognises its share of the assets, liabilities, revenue and expenses of the UJV directly in its financial statements, in accordance with AASB 11 Joint Arrangements. Refer to Note 31.

New or amended Accounting Standards and Interpretations adopted

There were no new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Current and non-current classification

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or current liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Accounting standards and interpretations issued but not yet adopted

The following standards have been issued but are not mandatory for the 30 June 2026 reporting period. The Group has elected not to early adopt these standards. The Group's assessment of the impact of these new standards and interpretations is set out below:

Standard	Description	Application date	Implication
AASB 7 Financial Instruments: Disclosures AASB 9 Financial Instruments	AASB 2024-2 - Classification and Measurement of Financial Instruments AASB 2024-2 amends requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features. AASB 2024-2 also amends disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.	Period beginning on or after 1 January 2026	Not expected to have a material effect
AASB 18 Presentation and Disclosure in Financial Statements	AASB 18 Presentation and Disclosure in Financial Statements will replace AASB 101 Presentation of Financial Statements. AASB 18 will enable companies to tell their story better through their financial statements. Investors will benefit from greater consistency of presentation of the income and cash flow statements, and more disaggregated information. Companies' net profit will not change.	Period beginning on or after 1 January 2028 (as a NFP public sector entity)	It is expected that there will be a significant change to the layout of the statement of comprehensive income.
AASB 10 Consolidated Financial Statements AASB 128 Investments in Associates and Joint Ventures	AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The AASB issues an amendment to clarify that any gain or loss is recognised on a transfer to an associate or joint venture, is dependent on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combination.	Period beginning on or after 1 January 2028	Not expected to have a material effect

Comparatives

Where appropriate, comparative amounts have been re-presented and re-classified to ensure comparability with the current reporting year.

Note 3 Functional and presentation currency

The functional and presentation currency of the Group and its subsidiary is Australian dollars.

Foreign currency transactions

Transactions in foreign currencies are translated to Australian Dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in the Statement of Comprehensive Income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Note 4 Use of estimates and judgements

In preparing this financial report, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the year in which the estimate is revised, and any future years affected.

The areas where estimates and judgements are significant to the financial report, or a higher degree of judgement or complexity is involved, are listed below and described in more detail in the related notes:

- Note 9 Calculation of unbilled revenue
- Note 12 Carrying values, useful lives and impairment indicator assessment of property, plant and equipment
- Note 14 Valuation of service concession liabilities
- Note 15 Impairment of intangible assets with an indefinite useful life and useful lives assessment of intangible assets with a finite useful life
- Note 19 Provisions for site restoration and decommissioning
- Note 20 Measurement of long service leave and defined benefit obligations

Note 5 Revenue

5.1 Accounting policies

5.1.1 Annual service and volume revenue

Revenue from annual service charges and volume charges is recognised in the Statement of Comprehensive Income when customers are billed. The underlying revenue recognition principle is to recognise revenue in the period it is consumed.

Annual service charges are raised based on the availability of the service to the property, and may include charges for water, wastewater and drainage services.

Volumetric water and wastewater charges are based on customer metered water use. Where a meter read is unable to be made, the bill is estimated based on previous meter read information. Volumetric water revenue includes recognition of water used by customers but not yet billed.

Most customers are billed on a two-monthly cycle that includes a share of the annual service charge based on the number of days in that two-monthly period plus volumetric charges. Bills are adjusted for any entitlement for discounts or concessions.

5.1.2 Operating subsidies

Operating Subsidies are recognised as revenue to the extent that it is highly probable that a significant reversal would not occur and the Group has complied with the conditions attached to them. Operating Subsidies are received from the State Government for:

- The difference between customer revenue and costs in respect of country water, sewerage, drainage and irrigation services;
- metropolitan operations as approved by Cabinet; and
- revenue foregone, plus agreed administration costs, from rebates and concessions to Pensioners, Seniors and Concessional Land customers on annual service charges, water consumption charges and other fees and charges.

5.1.3 Developers' Contributions

Developers' contributions are recognised as revenue at fair value when received. The Group receives capital contributions from external parties in the form of either cash or assets handed over. These are commonly referred to as Developers' Contributions and consist of:

Subdivision Infrastructure contributions

Subdivision Infrastructure contributions are one-off charges payable by developers who apply to subdivide lands to create extra lots that require the Group's services. Infrastructure contributions help the Group cover the cost of ongoing upgrades to their infrastructure such as distribution mains, main drains or pumping stations. Standard Infrastructure Contributions (SIC) are charged using Single Residential Equivalents (SREs), a statewide measure of the demand a single residential dwelling places on water and wastewater. Properties with higher service demands are assessed at multiples of the SRE rate. Drainage infrastructure contributions only apply to subdivisions in urban declared drainage areas in the Perth Metropolitan area.

Building – Infrastructure contributions

Building stage Infrastructure contributions are one-off charges payable by builders/developers who submit a building application, and the building development involves a change to the water services (e.g. installation of an additional water meter, or an upgrade to a water meter). This is different from subdivision infrastructure contributions such that the land will already have water and/or wastewater infrastructure in place. Drainage infrastructure contributions are not payable at building stage.

Assets Handed Over from Developers

Developers are required to construct and provide water and wastewater infrastructure when subdividing land in accordance with the Network Infrastructure Funding Model. Reticulation assets are connected to the existing networks owned by Water Corporation. Developers hand over reticulation, temporary headworks and all relocated existing assets to Water Corporation free of charge

Special Agreements – Infrastructure contributions

Special agreements only apply to 'Major Consumers' in regional areas. These special agreements are based on terms and conditions agreed by the Group and the developer (Major Consumer). Hence, they are not based on fixed rates like the other types of Infrastructure contributions. These special agreements aim to recover the cost of providing water services to rural locations to ensure the risk of stranded assets is managed so that they support efficient water use.

These special agreement developers' contributions are different from other types of developer contributions such that charges are not based on a fixed price. Instead, the charges (known as capacity charges) are based on the daily peak entitlement and the location of the asset.

Capacity charges for Major Consumers are calculated so that they achieve full cost recovery of capital expenditures by using depreciation and a return on capital method.

5.1.4 Grant revenue

Where an enforceable agreement exists between the Group and the Government to transfer sufficiently specific goods or services to a customer, the Group recognises the grant income under AASB 15 Revenue from Contracts with Customers. Under AASB 15, revenue relating to such grant income is recognised based on the Group's total expenses incurred in relation to the total expected expenses to be incurred (i.e. cost input methodology). Where the Group has not yet met the performance obligations, any amounts received in advance is recognised as a deferred revenue, classified as trade and other payables and presented in the Statement of Financial Position.

Grants that do not fall within the scope of AASB 15 are recognised:

a. Where the grant does not relate to capital funding, when the Group's contractual right to the grant has been established.

b. Where the grant relates to the acquisition/construction of a non-financial asset, over time as the non-financial asset is acquired/constructed.

5.1.5 Other revenue

Other fees and charges - Other fees and charges include design fees, building fees, industrial waste charges, plumbing inspection fees, sewerage testing fees, fire service charges and other miscellaneous revenue.

Gains and losses on the disposal of property, plant and equipment are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised as profit or loss in the Statement of Comprehensive Income.

The Group enters into lease agreements as a lessor with respect to some of its residential properties. Revenue relating to leases for which the Group is a lessor is recognised as rental income classified as other revenue and presented in the Statement of Comprehensive Income.

5.2 Amounts recognised in the Statement of Comprehensive Income

5.2.1 Other revenue

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Other fees and charges	125	116	125	116
Government grants	74	81	74	81
Rental income	11	11	11	11
Net gain on disposal of property, plant and equipment	1	1	1	1
Administration income	-	-	1	1
	211	**209**	**212**	**210**

5.2.2 Timing of revenue recognition

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Over time	3,409	3,267	3,410	3,268
At a point in time	555	462	555	462
	3,964	**3,729**	**3,965**	**3,730**

Note 6 Expenses

6.1 Amounts recognised in the Statement of Comprehensive Income

Note 6.1(a) Employee benefits expense includes the following:

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Salaries, wages and other employee expenses	476	458	476	458
Superannuation expense	57	54	57	54
	533	**512**	**533**	**512**

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Comprehensive Income in the financial year during which services are rendered by employees.

Note 6.1(b) Energy expenses predominantly relate to procuring renewable and non-renewable energy used in the Group's desalination plants, water and wastewater treatment plants and for conveying water through the metropolitan and regional systems.

Note 6.1(c) Other expenses include the following:

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Information technology	106	110	106	110
Equipment hire charges	29	27	29	27
Corporate charges	46	43	46	43
Materials	49	44	49	44
Chemicals	41	39	41	39
Retired assets	27	19	27	19
Payroll tax and workers compensation	41	37	41	37
Contract labour	23	28	23	28
Property expenses	48	48	48	48
Discontinued capital projects	54	14	54	14
Other	22	22	22	23
	486	**431**	**486**	**432**

Note 7 Net finance costs

7.1 Accounting policies

7.1.1 Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

7.1.2 Finance costs

Finance costs comprise interest expense on borrowings calculated using the effective interest method. The interest expense component of finance lease payments is recognised in the Statement of Comprehensive Income using the effective interest method. Finance costs include guarantee fees on borrowings from the Western Australian Treasury Corporation (WATC).

Borrowing costs are expensed as incurred except where they relate to the financing of projects under construction, with an estimated cost of more than $5 million, where they are capitalised up to the date of commissioning.

7.2 Amounts recognised in the Statement of Comprehensive Income

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Finance income				
Interest income	41	48	41	48
Finance costs				
Interest and guarantee fee expense	209	210	209	210
Capitalised interest (Note a)	(40)	(29)	(40)	(29)
Total finance costs	169	181	169	181
Net finance costs	**128**	**133**	**128**	**133**

		2026	2025
Note a)	The average interest rate used to capitalise interest expenses related to major works was:	4.68%	4.22%

Note 8 Income tax equivalent expense

8.1 Accounting policies

8.1.1 Income tax equivalent

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

Income tax equivalent expense comprises current and deferred tax equivalents. Current tax equivalent and deferred tax equivalent is recognised in the Statement of Comprehensive Income.

- **Current Tax Equivalent**
  Current tax equivalent represents the expected amount payable on taxable income for the financial year, using tax rates enacted or substantively enacted at the reporting date. It also includes adjustments to tax equivalent liabilities in respect of prior years.
- **Deferred Tax Equivalent**
  Deferred tax equivalent is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred tax equivalent is measured using the tax rates expected to apply when the temporary differences reverse, based on legislation enacted or substantively enacted at the reporting date.

A deferred tax equivalent asset is recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax equivalent assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax equivalent benefit will be realised. Such reductions are reversed when realisation again becomes probable.

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

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

8.2 Amounts recognised in the Statement of Comprehensive Income

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Current income tax equivalent expense				
Current year	552	495	552	495
Adjustments from prior year	(5)	5	(5)	5
Deferred income tax equivalent expense				
Temporary differences	(42)	(11)	(42)	(11)
Adjustments from prior year [1]	29	(4)	29	(4)
Total income tax equivalent expense	**534**	**485**	**534**	**485**

(1) Reflects modifications to historical tax opening balances.

8.2.1 Recognised in other comprehensive income / (loss)

Group	Before tax 2026 $M	Tax expense 2026 $M	Net of tax 2026 $M	Before tax 2025 $M	Tax expense 2025 $M	Net of tax 2025 $M
Re-measurement of defined benefit liability	1	-	1	(1)	-	(1)

Corporation	Before tax 2026 $M	Tax expense 2026 $M	Net of tax 2026 $M	Before tax 2025 $M	Tax expense 2025 $M	Net of tax 2025 $M
Re-measurement of defined benefit liability	1	-	1	(1)	-	(1)

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

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Profit for the year	1,158	1,127	1,160	1,128
Add back: income tax equivalent expense	534	485	534	485
Profit before income tax equivalent expense	**1,692**	**1,612**	**1,694**	**1,613**
Income tax equivalent using the Corporation's tax equivalent rate (30%)	508	484	508	484
Non-deductible expenses	2	-	2	-
Adjustment in respect of previous year [1]	24	1	24	1
Total income tax equivalent expense	**534**	**485**	**534**	**485**

(1) Reflects modifications to historical tax opening balances.

Note 9 Trade and other receivables

9.1 Accounting policies

9.1.1 Trade and other receivables

Trade and other receivables are stated at their amortised cost less expected credit loss and are normally settled within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on similar credit characteristics.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

9.1.2 Impairment

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.

Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

9.2 Amounts recognised in the Statement of Financial Position

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Current				
Annual service charge and volume debtors (Note a)	268	265	268	265
Expected credit loss	(2)	(2)	(2)	(2)
Net current debtors	266	263	266	263
Other receivables	59	72	59	72
Total current	**325**	**335**	**325**	**335**
Non-current				
Pensioner rates deferrals (Note b)	34	31	34	31
Total non-current	**34**	**31**	**34**	**31**
Total trade and other receivables	**359**	**366**	**359**	**366**

Note a) Annual service charge and volume debtors include unbilled revenue of $56 million (2025: $53 million), which is calculated using a combination of actual and estimated monthly water usage and prices.

Note b) In accordance with the *Rates and Charges (Rebates and Deferments) Act 1992*, eligible pensioners are permitted to defer their annual service charges, which will be realised on sale of property or from the estate. Interest is not charged to customers on the deferred amounts but is recouped from the State Government in the form of Operating Subsidies (see Note 5.1.2).

During the year ended 30 June 2026, the Group renegotiated the terms of trade and other receivables of $22 million (2025: $20 million) from customers. If it had not been for these renegotiations, the receivables would have been overdue by more than 90 days. There was no impairment loss recognised this financial year (2025: nil).

9.2.1 Impairment of trade receivables

An allowance account, in respect of trade and other receivables, is used to record impairment losses, unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the amounts considered irrecoverable are written off against the financial asset directly. At 30 June 2026, the provision for expected credit losses trade and other receivables was $2 million (2025: $2 million).

The Group provides for specific identified debt and then adopts a provision matrix disaggregated based on similar credit characteristics to measure the expected credit losses for trade receivables under the simplified approach. The expected credit loss provision is made up as follows:

Group and Corporation	Expected credit loss rate		Allowance for expected credit loss	
	2026	2025	2026	2025
			$M	$M
Specific identified debt	100%	100%	-	-
Perth region debt	1%	1%	1	1
Remote communities	100%	100%	1	1
Low value land debtors	1%	1%	-	-
			2	**2**

Note 10 Prepayments

10.1 Accounting policy

10.1.1 Prepayments

Prepayments represent payments made in advance for goods or services to be received in future periods, as well as expenditure incurred in the current financial year that relates to periods beyond the reporting date. Prepayments also include the Unincorporated Joint Venture cash call payments made in excess of or below the required funding amount, resulting in overpaid or underpaid cash call balances.

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Prepayments	28	35	28	35
Prepayments - unincorporated joint venture	47	-	47	-
Total prepayments	**75**	**35**	**75**	**35**

Note 11 Inventories

11.1 Accounting policy

11.1.1 Inventories

Inventories consist of consumable engineering supplies and spares required for maintenance and operation of systems and general construction works. Inventories are measured at the lower of cost and net realisable value.

An allowance is maintained for the diminution in the value of inventories due to obsolescence and items being surplus to requirements.

Note 12 Property, plant and equipment

12.1 Accounting policies

12.1.1 Recognition and measurement

Property, plant and equipment represent the capital works and plant required for the operation of the Group and comprises:

(a) works carried out under the capital investment program, which are initially recorded at cost. Cost includes direct materials and labour together with a proportion of management expenses directly related to bringing the asset to its working condition, and capitalisation of interest directly attributable to major works;

(b) works carried out by developers, which are taken over by the Group free of charge are recorded at deemed cost, being the fair value at the date of acquisition; and

(c) other property, plant and equipment, which are initially recorded at cost of acquisition plus incidental costs directly attributable to the acquisition.

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

12.1.2 Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment in the following ways:

(a) the cost of replacement parts of an item is included when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of those parts that are replaced or retired.

(b) the cost of regular major inspection if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection is retired.

All other costs are recognised in the Statement of Comprehensive Income as an expense when incurred.

12.1.3 Depreciation

In order to recognise the loss of service potential of property, plant and equipment, depreciation is recognised in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, making allowance where appropriate for residual values. Asset lives are reviewed annually, taking into account commercial and technical obsolescence, as well as normal wear and tear. Land is not depreciated.

The estimated useful lives of the different classes of property, plant and equipment for current and comparative years are as follows:

	Life (years)
Tunnels - water	80 – 150
Dams and associated civil works	80 – 120
Pipes - water and wastewater (other than galvanised steel)	75 – 110
Ocean outfalls and associated pipes	40 – 100
Bridges	40 – 80
Reservoirs and tanks	40 – 70
Fire hydrants and reticulation valves	50 – 55
Valves	25
Civil works - pump stations and treatment plants	40 – 50
Civil works – minor	10
Buildings (other than temporary)	30 – 50
Buildings (temporary)	10 – 20
Pipes - water (galvanised steel)	30 – 60
Drains and channels (other than excavation)	20 – 50
Drains and channels (earth excavation)	150
Wells and bores	20 – 30
Mechanical and electrical installations	25
Telemetry equipment, instruments and revenue meters	10 – 12
Furniture, office and laboratory equipment	7
Vehicles and mobile plant	5 – 12
Computer equipment	3 – 5
Supervisory control and data acquisition (SCADA)	12
Asset condition assessment	4 – 5

12.2 Amounts recognised in the Statement of Financial Position

Group and Corporation	Cost 2026 $M	Accumulated depreciation 2026 $M	Carrying amount 2026 $M
System assets	25,350	(9,262)	16,088
Land and buildings	1,231	(284)	947
Support assets	601	(382)	219
Works in progress	3,470	-	3,470
Works in progress - unincorporated joint venture	292	-	292
Carrying amount of property, plant and equipment	**30,944**	**(9,928)**	**21,016**

Comparative figures for 2025 are as follows:

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

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below.

Group and Corporation	System assets 2026 $M	Land and buildings 2026 $M	Support assets 2026 $M	Work in progress 2026 $M	Work in progress unincorporated joint venture 2026 $M	Total 2026 $M
Balance at 1 July 2025	**15,887**	**1,009**	**195**	**2,218**	**-**	**19,309**
Additions	206	-	-	1,798	292	2,296
Disposals	(26)	(2)	-	-	-	(28)
Depreciation expense	(514)	(15)	(32)	-	-	(561)
Transfers	535	(45)	56	(546)	-	-
Balance at 30 June 2026	**16,088**	**947**	**219**	**3,470**	**292**	**21,016**

Comparative reconciliation for 2025 is as follows:

Group and Corporation	System assets 2025 $M	Land and buildings 2025 $M	Support assets 2025 $M	Work in progress 2025 $M	Total 2025 $M
Balance at 1 July 2024	**15,573**	**934**	**186**	**1,630**	**18,323**
Additions	151	1	-	1,390	1,542
Disposals	(18)	-	-	-	(18)
Depreciation expense	(516)	(20)	(28)	-	(564)
Transfers	697	94	37	(802)	26
Balance at 30 June 2025	**15,887**	**1,009**	**195**	**2,218**	**19,309**

There were no indicators of impairment for the year ending 30 June 2026 (2025: nil).

Note 13 Right of use assets

13.1 Accounting policies

13.1.1 Right of use assets

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less).

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line-method to the end of the lease term.

Concessionary leases

Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives are referred to as 'concessionary leases'.

Right-of-use assets resulting from concessional leases are measured at cost, at inception, in accordance with AASB 16 Leases.

13.2 Amounts recognised in the Statement of Financial Position

Reconciliations

Reconciliations of the carrying amounts at the beginning and end of the current and previous financial year are set out below.

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Balance at 1 July	**35**	**38**	**35**	**38**
Additions	1	10	1	10
Disposals	(1)	(1)	(1)	(1)
Depreciation expense	(15)	(12)	(15)	(12)
Transfer	21	-	21	-
Balance at 30 June	**41**	**35**	**41**	**35**
Accumulated cost	93	80	93	80
Accumulated depreciation	(52)	(45)	(52)	(45)
Carrying amount	**41**	**35**	**41**	**35**

Note 14 Service concession asset and liability

14.1 Service concession asset – Mundaring Water Treatment Plant

Reconciliations

Reconciliations of the carrying amounts at the beginning and end of the current and previous financial year are set out below.

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Balance at 1 July	**177**	**184**	**177**	**184**
Depreciation expense	(6)	(7)	(6)	(7)
Balance at 30 June	**171**	**177**	**171**	**177**
Accumulated cost	267	267	267	267
Accumulated depreciation	(96)	(90)	(96)	(90)
Carrying amount	**171**	**177**	**171**	**177**

In 2012, the Corporation entered into a Public Private Partnership with Helena Water Pty Ltd (Helena Water) to privately finance, design, construct, own and operate the Mundaring Water Treatment Plant under a 35-year operating concession.

The Corporation supplies raw water to Helena Water and purchases the treated product water that is pumped to Sawyer's Valley tank at the flow rate specified by the Group's operation centre.

The agreement between the Corporation and Helena Water requires Helena Water to use reasonable endeavours to obtain the most favourable terms from existing or potential financiers when refinancing. Gains or losses will be allocated to each party on ratios determined by the agreement, with the next refinancing event scheduled for 2027.

The agreement allows for the review of goods and services costs at set intervals across the term of the agreement. This review process has the potential to impact the monthly service charge. The purpose of the review and benchmarking process is to ensure that both parties receive a degree of protection from volatile price increases/decreases (outside of CPI changes) on goods and services that are procured during the term of the agreement.

Termination options for the Corporation include convenience, force majeure, substantial damage to infrastructure, and default events. The Group may step-in to operate and maintain the infrastructure in certain circumstances. There were no changes to the arrangement during the reporting period (2025: Nil).

14.2 Service concession liability – Mundaring Water Treatment Plant

Reconciliations

Reconciliations of the carrying amounts at the beginning and end of the current and previous financial year are set out below.

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
As at 1 July	175	182	175	182
Payments	(8)	(7)	(8)	(7)
As at 30 June	**167**	**175**	**167**	**175**
Current	8	8	8	8
Non-current	159	167	159	167
Total included in the Statement of Financial Position	**167**	**175**	**167**	**175**

Note 15 Intangible assets

15.1 Accounting policies

15.1.1 Computer software

Computer software consists of software which is not integral to the hardware, such as the ERP and billing system. Computer software is stated at cost less accumulated amortisation and accumulated impairment losses.

Software-as-a-service (SaaS) expenses are recognised as incurred when the related services are delivered, unless they qualify for capitalisation as computer software because they are identifiable and controlled in a way that allows future economic benefits to be obtained, and others' access to those benefits can be restricted. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of the costs incurred are for the development of software code that enhances, modifies or creates additional capability to existing on-premise systems and meets the recognition criteria for an intangible asset.

15.1.2 Water entitlements

Water entitlements purchased by the Group have been recognised initially at the cost of acquiring the entitlements plus incidental costs directly attributable to the acquisition. These entitlements are considered to have an indefinite useful life and are tested annually for impairment.

15.1.3 Investment in wind farm development rights

Wind farm development rights include project studies, project drawings, wind data, environmental approvals and development approvals and other intellectual property obtained through the acquisition of Flat Rocks Stage 2 Pty Ltd.

Wind farm development rights purchased by the Group have been recognised initially at the cost of acquiring the rights plus incidental costs directly attributable to the acquisition. Development rights are stated at cost less accumulated amortisation and accumulated impairment losses.

15.1.4 Amortisation

Amortisation is calculated using the cost of the asset, or its deemed cost, less its residual value.

Amortisation of computer software, intellectual property and wind farm development rights is recognised in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. Intangible assets with indefinite useful lives are not amortised and are systematically tested for impairment at each reporting date.

Intangible assets are amortised over the following useful lives:

	Life (years)
Computer software	3 – 10
Intellectual property	10
Investment in wind farm development rights	30

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

15.1.5 Impairment

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax equivalent assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use for not-for-profit entities is determined using the depreciated replacement cost of the asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Group would, if deprived of the asset, replace its remaining future economic benefits.

15.2 Amounts recognised in the Statement of Financial Position

Group	Cost 2026 $M	Accumulated amortisation 2026 $M	Carrying amount 2026 $M
Computer software	335	(328)	7
Intellectual property	3	(3)	-
Water entitlement	31	-	31
Property easements	13	-	13
Investment in wind farm development rights	24	(3)	21
Total intangible assets	**406**	**(334)**	**72**

Comparative figures for 2025 are as follows:

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

Corporation	Cost 2026 $M	Accumulated amortisation 2026 $M	Carrying amount 2026 $M
Computer software	335	(328)	7
Intellectual property	3	(3)	-
Water entitlement	31	-	31
Property easements	13	-	13
Total intangible assets	**382**	**(331)**	**51**

Comparative figures for 2025 are as follows:

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

Reconciliations

Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the current and previous financial year are set out below.

Group	Computer Software 2026 $M	Water Entitlement 2026 $M	Property Easements 2026 $M	Investment in wind farm development rights 2026 $M	Work in Progress 2026 $M	Total 2026 $M
Balance at 1 July 2025	**11**	**31**	**12**	**22**	**-**	**76**
Amortisation expense	(7)	-	-	(1)	-	(8)
Transfers	3	-	1	-	-	4
Balance at 30 June 2026	**7**	**31**	**13**	**21**	**-**	**72**

Comparative reconciliation for 2025 is as follows:

Group	Computer Software 2025 $M	Water Entitlement 2025 $M	Property Easements 2025 $M	Investment in wind farm development rights 2025 $M	Work in Progress 2025 $M	Total 2025 $M
Balance at 1 July 2024	**15**	**31**	**12**	**23**	**31**	**112**
Amortisation expense	(9)	-	-	(1)	-	(10)
Transfers	5	-	-	-	(31)	(26)
Balance at 30 June 2025	**11**	**31**	**12**	**22**	**-**	**76**

Corporation	Computer Software 2026 $M	Water Entitlement 2026 $M	Property Easements 2026 $M	Work in Progress 2026 $M	Total 2026 $M
Balance at 1 July 2025	**11**	**31**	**12**	**-**	**54**
Amortisation expense	(7)	-	-	-	(7)
Transfers	3	-	1	-	4
Balance at 30 June 2026	**7**	**31**	**13**	**-**	**51**

Comparative reconciliation for 2025 is as follows:

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

There were no indicators of impairment for the year ending 30 June 2026 (2025: nil).

Impairment test for water entitlements

The Group acquired a number of water entitlements from a third party between 2006 and 2010. These entitlements are recorded at historical cost, less any impairment expense. They are considered to have an indefinite life and are therefore not amortised but tested annually for impairment by comparing the carrying value with the recoverable amount. The recoverable amount has been determined by assessing the current replacement cost of the asset with reference to the cost of other current potential water sources, such as bore extraction, desalination or water catchment.

To calculate the current replacement cost of the water entitlements, the Group has determined what it would cost to obtain the water from an alternative source. In doing so, the Group has estimated the following:

Expected volume – the Group has estimated the volume of water that it will continue to take on the basis of past usage and availability of the water. The Group considers factors such as long term rainfall data and climate-related events in making its estimates.

Expected unit cost – the Group has estimated the expected unit cost on the basis of the Group's adjusted Long Run Marginal Cost (LRMC) for new sources of water. An adjustment is made to the LRMC to reflect the cost of pumping water from the southern dams to Perth.

The Group's LRMC of new sources of water is used to calculate the notional current replacement cost of the water entitlements.

The entitlements are then valued under two scenarios, using an appropriate discount rate. The Group's long-term nominal cost of capital of 7.2% (2025: 7.2%) has been used as the discount rate.

The scenarios considered are:

(i) Average volume of water taken during the last three financial years

(ii) Average volume of water taken during the last 10 financial years.

The following table details the assumptions used as inputs in the impairment

Input	Description of input	2026	2025
Adjusted cost of new sources of water	LRMC less average conveyance cost	$5.00 per kilolitre	$3.30 per kilolitre
Discount rate	The Group's long-term cost of capital	7.2%	7.2%

Investment in wind farm development rights

See Note 16.3 for details of the acquisition of the wind farm development rights.

Note 16 Investment in subsidiary

16.1 Accounting policies

16.1.1 Recognition and measurement

Investment in subsidiary is recognised from the date on which control is obtained by the Group.

A subsidiary is an entity over which the Group has the power over the investee such that the Group is able to direct the relevant activities, has exposure, or rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns.

Investment in subsidiary is measured at cost.

16.2 Information relating to subsidiary

The financial statements of the Group include the following:

	Principal activity	Country of incorporation	% Equity interest	
			2026	2025
Flat Rocks Wind Farm Stage 2 Pty Ltd	Renewable energy development	Australia	100%	100%

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

	Corporation	
	2026 $M	2025 $M
Balance at 1 July	**24**	**24**
Additions	-	-
Balance at 30 June	**24**	**24**

16.3 Acquisition of Flat Rocks Wind Farm Stage 2 Pty Ltd

In December 2022, the Corporation acquired Flat Rocks Wind Farm Stage 2 Pty Ltd from Moonies Hill Energy.

The acquisition of Flat Rocks Wind Farm Stage 2 Pty Ltd does not meet the definition of a business combination. Therefore, the Group has accounted for the underlying assets and liabilities acquired, as an asset acquisition in accordance with relevant Australian Accounting Standards that apply. The underlying assets and liabilities acquired comprised of wind farm development rights that include project studies, project drawings, wind data, environmental approvals and development approvals.

16.4 Financial statements and support of Flat Rocks Wind Farm Stage 2 Pty Ltd

The financial statements of Flat Rocks Wind Farm Stage 2 Pty Ltd have been prepared on a going concern basis using historical cost convention and a support letter dated 17 August 2026 for the fiscal year ended 30 June 2026 has been signed by the Corporation.

Note 17 Trade and other payables

17.1 Accounting policies

17.1.1 Trade and other payables

Trade and other payables are stated at amortised cost and are normally settled within 30 days.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

17.2 Amounts recognised in the Statement of Financial Position

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Trade payables	486	465	486	465
Other payables	22	20	22	20
Other payable - unincorporated joint venture	209	-	209	-
Accrual - unincorporated joint venture	13	-	13	-
Contract liabilities (Note a)	4	6	4	6
Trade and other payables	**734**	**491**	**734**	**491**

Note (a) Contract liabilities

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Reconciliation of changes in contract liabilities				
As at 1 July	6	2	6	2
Revenue recognised in the reporting period	(4)	(2)	(4)	(2)
Funds received	2	6	2	6
As at 30 June	**4**	**6**	**4**	**6**

Note 18 Lease liabilities

18.1 Accounting policy

18.1.1 Leases - as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these short-term leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date using the Western Australian Treasury Corporation's incremental borrowing rate. The liability is remeasured when there is a change in the future lease payment.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

18.1.2 Leases - as a lessor

The Group enters into lease agreements as a lessor with respect to some of its residential properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

18.2 Amounts recognised in the Statement of Financial Position

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Current				
Lease liabilities (Note a)	15	13	15	13
	15	**13**	**15**	**13**
Non-current				
Lease liabilities (Note a)	28	24	28	24
	28	**24**	**28**	**24**
Total lease liabilities	**43**	**37**	**43**	**37**

Note a) *i. Lease liabilities*

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Maturity analysis – contractual undiscounted cash flows				
Less than one year	16	13	16	13
One to five years	30	24	30	24
More than five years	1	3	1	3
Total undiscounted lease liabilities at 30 June	**47**	**40**	**47**	**40**
Lease liability movements				
As at 1 July	35	40	35	40
Additions	20	11	20	11
Accretion of interest	2	2	2	2
Payments	(14)	(16)	(14)	(16)
As at 30 June	**43**	**37**	**43**	**37**
Current	15	13	15	13
Non-current	28	24	28	24
Total lease liability included in the Statement of Financial Position	**43**	**37**	**43**	**37**

ii. Assets pledged as security

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Assets pledged as security				
The carrying amounts of non-current assets pledged as security are:				
Right of use assets	41	35	41	35
Total assets pledged as security at 30 June	**41**	**35**	**41**	**35**

The Group has secured the right of use assets against the related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

Note 19 Provisions

19.1 Accounting policies

19.1.1 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

19.1.2 Workers' compensation

The Group self-insures for risks associated with workers' compensation for claims relating to pre-1 July 1997 events. Outstanding claims are recognised when an incident occurs that may give rise to a claim and are measured at the cost that the Group expects to incur in settling the claims, discounted using a government bond rate with a maturity date approximating the terms of the Group's obligation.

19.1.3 Site restoration

A provision for site restoration costs is recognised when: there is either a legal or constructive obligation to restore a site; the land is contaminated; it is probable a restoration expense will be incurred; and the costs can be estimated reasonably.

19.1.4 Decommissioning

The Group has a constructive obligation to decommission and dispose of aspects of the water, wastewater and drainage network. A provision has been recognised for the present value of the estimated expenditure required to remove existing infrastructure.

19.2 Amounts recognised in the Statement of Financial Position

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Current				
Site restoration	9	10	9	10
Decommissioning	2	7	2	7
General provision	23	5	23	5
	34	**22**	**34**	**22**
Non-current				
Workers compensation	3	3	3	3
Site restoration	28	18	28	18
Decommissioning	23	14	23	14
Decommissioning - unincorporated joint venture	2	-	2	-
	56	**35**	**56**	**35**
Total provisions	**90**	**57**	**90**	**57**

Note 20 Employee benefits

20.1 Accounting policies

20.1.1 Long service leave and annual leave

Provisions for long service leave and annual leave are maintained to provide for employee benefits which are assessed on the basis of calculated leave liabilities for employee service to the reporting date.

Annual leave provisions are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

Long service leave provisions are classified as current liabilities as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Group has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Group does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and discounted using market yields at the end of the reporting period on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

20.1.2 Purchased leave

A provision for purchased leave is maintained to provide for purchased leave benefits which are assessed on the basis of calculated leave entitlements at reporting date.

This scheme allows employees to purchase up to 12 additional weeks leave per annum by agreeing to a reduced salary rate over 52 weeks of the year. The minimum amount of leave available to be purchased is 1 week.

This scheme also allows employees to take reduced salary of eighty per cent for four years and have paid leave for the whole of the fifth year at eighty per cent of their salary. Values are calculated at undiscounted amounts based on wage and salary rates that the Group expects to pay as at reporting date including related on-costs.

20.1.3 Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

20.1.4 Non-monetary benefits

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

20.2 Amounts recognised in the Statement of Financial Position

The provision for employee benefits comprises:

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Current				
Long service leave (Note a)	73	69	73	69
Annual leave (Note b)	58	55	58	55
Other employee benefits	10	6	10	6
Defined benefit superannuation (Note c)	2	2	2	2
	143	**132**	**143**	**132**
Non-current				
Long service leave (Note a)	6	7	6	7
Defined benefit superannuation (Note c)	25	26	25	26
	31	**33**	**31**	**33**
Total employee benefits	**174**	**165**	**174**	**165**

Note (a) Long service leave

Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Within 12 months of the end of the reporting period	12	12	12	12
More than 12 months after the end of the reporting period	67	64	67	64
	79	**76**	**79**	**76**

Note (b) Annual leave

Annual leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Within 12 months of the end of the reporting period	37	35	37	35
More than 12 months after the end of the reporting period	21	20	21	20
	58	**55**	**58**	**55**

Note (c) Defined benefit superannuation

The Group sponsors the following defined benefit plans:

- State Superannuation Pension Fund (Pension Scheme), which closed to contributory members on 15 August 1986; and
- Gold State Superannuation Scheme (GSSS) lump sum scheme, which was opened to contributory members on 1 July 1987 and closed on 29 December 1995.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined liability, which comprise actuarial gains and losses, are recognised immediately in Other Comprehensive Income. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period, to the net benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plans are recognised in profit or loss.

Nature of the benefits provided by the Schemes

Pension Scheme – The employer-financed benefit is a pension benefit payable on retirement, death or invalidity, or a lump sum benefit on resignation.

GSSS – Some former Pension Scheme members transferred to the GSSS. In respect of their transferred benefit, the members receive a lump sum benefit at retirement, death or invalidity which is related to their salary during their employment and indexed during any deferral period after leaving public sector employment.

Description of the regulatory framework

The schemes operate under the *State Superannuation Act 2000 (Western Australia)* and the *State Superannuation Regulations 2001 (Western Australia)*. Although the schemes are not formally subject to the Superannuation Industry Supervision (SIS) legislation, the Western Australian government has undertaken (in a Heads of Government Agreement) to operate the schemes in accordance with the spirit of the SIS legislation. As exempt public sector superannuation schemes (as defined by the SIS legislation), the schemes are not subject to any minimum funding requirements. As constitutionally protected schemes, the schemes are not required to pay tax.

Description of other entities' responsibilities for the governance of the Schemes

The Government Employees Superannuation Board (GESB) is the schemes' trustee and is responsible for the governance of the schemes. As trustee, GESB has a legal obligation to act solely in the best interests of scheme beneficiaries. GESB has the following roles:

- Administration of the schemes and payment to the beneficiaries when required in accordance with the scheme rules;
- Compliance with the Heads of Government Agreement referred to above.

Description of risks

There are a number of risks to which the Schemes expose the Group. The more significant risks relating to the defined benefits are:

- Legislative risk – The risk is that legislative changes could be made which increases the cost of providing the defined benefits.
- Pensioner mortality risk – The risk is that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period.
- Inflation risk -
  - *Pension Scheme* - The risk that inflation is higher than anticipated, increasing pension payments, and the associated employer contributions.
  - *GSSS* - The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, and/or that inflation (which affects the indexation of deferred benefits) will be higher than assumed, increasing the defined benefit amounts and the associated employer contributions.

Description of significant events

There were no scheme amendments affecting the defined benefits payable, curtailments or settlements during the year.

Reconciliation of the net defined benefit liability

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Pension Scheme	25	27	25	27
GSSS	2	1	2	1
Net defined benefit liability	**27**	**28**	**27**	**28**

Reconciliation of the defined benefit obligation

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Present value of defined benefit obligations at beginning of the year	28	28	28	28
Interest cost	1	1	1	1
Actuarial (gains)/losses arising from changes in financial assumptions	-	1	-	1
Actuarial (gains)/losses arising from liability experience	-	-	-	-
Benefits paid	(2)	(2)	(2)	(2)
Present value of defined benefit obligations at end of the year	**27**	**28**	**27**	**28**

Fair value of scheme assets

There are no assets in the Pension Scheme to support the state share of the benefit or in the GSSS for current employees to support the transferred benefits.

Significant actuarial assumptions at the reporting date

Pension Scheme

Group and Corporation	2026 $M	2025 $M
Assumptions to determine start of year defined benefit obligation and defined benefit cost for the current year		
Discount rate (pensioners and active members)	3.95% pa	4.35% pa
Expected pension increase rate	3.0% for 2025-26, and then 2.5% pa	3.0% for 2024-25, and then 2.5% pa
Assumptions to determine defined benefit obligation at the valuation date		
Discount rate (pensioners and active members)	4.90% pa	3.95% pa
Expected pension increase rate	6.0% for 2026-27, 3.25% for 2027-28, and then 2.5% pa	3.0% for 2025-26, and then 2.5% pa

GSSS

Group and Corporation	2026 $M	2025 $M
Assumptions to determine start of year defined benefit obligation and defined benefit cost for the current year		
Discount rate (active members)	3.95% pa	4.35% pa
Salary increase rate	3.5% pa	3.5% pa
Consumer Price Index	2.8% for 2025-26, and then 2.5% pa	3.4% for 2024-25, and then 2.5% pa
Assumptions to determine defined benefit obligation at the valuation date		
Discount rate (pensioners and active members)	4.90% pa	3.95% pa
Salary increase rate	3.5% pa	3.5% pa
Consumer Price Index	4.9% for 2026-27, 5.5% for 2027-28, 3.0% for 2028-29, and then 2.5% pa	2.8% for 2025-26, and then 2.5% pa

The discount rate is based on the Government bond maturing in December 2030. The decrement rates used (e.g. mortality and retirement rates) are based on those used at the last actuarial valuation for the Schemes.

Sensitivity analysis

The defined benefit obligation as at 30 June 2026 under several scenarios is presented below.

Pension Scheme

Scenarios A and B relate to discount rate sensitivity. Scenarios C and D relate to expected pension increase rate sensitivity.

- Scenario A: 0.5% pa lower discount rate assumption
- Scenario B: 0.5% pa higher discount rate assumption
- Scenario C: 0.5% pa lower expected pension increase rate assumption
- Scenario D: 0.5% pa higher expected pension increase rate assumption

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-0.5% pa discount rate	+0.5% pa discount rate	-0.5% pa pension increase rate	+0.5% pa pension increase rate
Discount rate	4.9% pa	4.4% pa	5.4% pa	4.9% pa	4.9% pa
Pension increase rate	2.5% pa	2.5% pa	2.5% pa	2.0% pa	3.0% pa
Defined benefit obligation ($M)	25	26	24	24	26

GSSS

Scenarios A and B relate to discount rate sensitivity. Scenarios C and D relate to expected salary increase rate and indexation sensitivity.

- Scenario A: 0.5% pa lower discount rate assumption
- Scenario B: 0.5% pa higher discount rate assumption
- Scenario C: 0.5% pa lower expected salary increase rate and indexation rate assumption
- Scenario D: 0.5% pa higher expected salary increase rate and indexation rate assumption

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-0.5% pa discount rate	+0.5% pa discount rate	-0.5% pa increase rate & indexation rate	+0.5% pa increase rate & indexation rate
Discount rate	4.9% pa	4.4% pa	5.4% pa	4.9% pa	4.9% pa
Salary increase rate	3.5% pa	3.5% pa	3.5% pa	3.0% pa	4.0% pa
Defined benefit obligation ($M)	1	1	1	1	1

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other obligations.

Funding arrangements

The employer contributes, as required, to meet the benefits paid.

Expected contributions

Expected employer contributions for the financial year ending 30 June 2026 are $2 million (2025: $2 million).

Maturity profile of defined benefit obligation

- *Pension Scheme* - The weighted average duration of the Group's defined benefit obligation is 9.9 years (2025: 10.7 years).
- *GSSS* - The weighted average duration of the Group's defined benefit obligation is 2.6 years (2025: 3.0 years).

Note 21 Other liabilities

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Current				
Developers' deferred liabilities (Note a)	-	4	-	4
Deposits	10	10	10	10
Capital grant liabilities	57	47	57	47
Grant Deposits	16	5	16	5
	83	**66**	**83**	**66**
Non-current				
Developers' deferred liabilities (Note a)	46	24	46	24
Deposits	8	5	8	5
	54	**29**	**54**	**29**
Total other liabilities	**137**	**95**	**137**	**95**

Note (a) Developers' deferred liabilities

Developers' deferred liabilities are the amounts payable to developers as reimbursements for the costs of headworks, constructed under Developer Constructed Work Agreements, where developers have self-funded the construction of certain headworks to enable a development, at a time that was earlier than planned by the Group.

Note 22 Interest-bearing loans and borrowings

22.1 Accounting policies

22.1.1 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are recognised at amortised cost with any difference between cost and redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowings on an effective interest basis.

22.2 Amounts recognised in the Statement of Financial Position

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Non-current				
Unsecured:				
Western Australian Treasury Corporation Term Fixed Rate Lending (Note a)	2,800	2,681	2,800	2,681
Western Australian Treasury Corporation Term Floating Rate Lending (Note a)	1,504	1,623	1,504	1,623
Northern Australia Infrastructure Facility (NAIF) Loan (Note b)	50	-	50	-
Total interest-bearing loans and borrowings	**4,354**	**4,304**	**4,354**	**4,304**

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Interest-bearing borrowings movements				
As at 1 July	4,304	4,402	4,304	4,402
Borrowings advanced	874	856	874	856
Capital repayments	(824)	(954)	(824)	(954)
As at 30 June	**4,354**	**4,304**	**4,354**	**4,304**

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

The non-current amount of the Term Fixed Rate Lending of $2,800 million (2025: $2,681 million), includes $389 million (2025: $389 million) with an original contractual maturity in the 2026-27 year. The non-current amount of the Term Floating Rate Lending of $1,504 million (2025: $1,623 million), includes no amount (2025: $435 million) with an original contractual maturity in the 2026-27 year. The loans have been classified as non-current as a result of the following:

i. The Group has an agreement with the Western Australian Treasury Corporation (WATC), an entity owned by the Western Australian State Government, to refinance loans at regular intervals; and

ii. The Group's forecast borrowing requirements for the next four years have been approved within the 2026 Western Australian State Budget, including no requirement for repayment of the amounts classified as non-current above.

Note (b) Northern Australia Infrastructure Facility NAIF

i. The non-current amount of the Fixed Rate Lending of $50 million (2025: nil), includes no amount (2025: nil) with an original contractual maturity in the 2026-27 year.

Note 23 Deferred tax equivalent liabilities

23.1 Recognised deferred tax equivalent assets and liabilities

Deferred tax equivalent assets and liabilities are attributable to the following:

Group and Corporation	Assets 2026 $M	Liabilities 2026 $M	Net 2026 $M
Property, plant and equipment	-	267	267
Right of use assets	(1)	-	(1)
Intangible assets	13	-	13
Provisions	(78)	-	(78)
Accrued expenses	(54)	-	(54)
Other items	3	-	3
Prepayments	1		1
Deferred tax equivalent (assets) / liabilities	(116)	267	151
Set off of tax equivalents	116	(116)	-
Net deferred tax equivalent liabilities	**-**	**151**	**151**

Comparative figures for 2025 are as follows:

	Assets 2025 $M	Liabilities 2025 $M	Net 2025 $M
Property, plant and equipment	-	263	263
Right of use assets	(10)	-	(10)
Intangible assets	(8)	-	(8)
Provisions	(65)	-	(65)
Accrued expenses	(46)	-	(46)
Other items	-	4	4
Deferred tax equivalent (assets) / liabilities	(129)	267	138
Set off of tax equivalents	129	(129)	-
Net deferred tax equivalent liabilities	**-**	**138**	**138**

The Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

23.2 Movement in temporary differences during the year

Group and Corporation	Balance 1 July 2025 $M	Recognised in income $M	Recognised in income for opening balance adjustment $M	Recognised in income for reclassification $M	Recognised in other comprehensive income $M	Balance 30 June 2026 $M
Property, plant and equipment	263	30	-	(26)	-	267
Right of use assets	(10)	-	9	-	-	(1)
Intangible assets	(8)	-	-	21	-	13
Provisions	(65)	(16)	3	-	-	(78)
Accrued expenses	(46)	(18)	10	-	-	(54)
Other items	4	(5)	-	4	-	3
Prepayments	-	-	-	1	-	1
	138	**(9)**	**22**	**-**	**-**	**151**

Comparative figures for 2025 are as follows:

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

Note 24 Equity

24.1 Contributed equity

	Group 2026 $M	Group 2025 $M	Corporation 2026 $M	Corporation 2025 $M
Reconciliation of movements in contributed equity				
As at 1 July	7,824	7,724	7,824	7,724
Contributions in the year				
Metronet	18	59	18	59
Royalties for Regions	32	-	32	-
Oyster Harbour Ulster Road	-	6	-	6
Residential Lands	-	32	-	32
Rio Tinto	2	3	2	3
As at 30 June	**7,876**	**7,824**	**7,876**	**7,824**
Owner's initial contribution (Note a)	7,327	7,327	7,327	7,327
Equity contributions (Note b)	549	497	549	497
Total contributed equity included in the Statement of Financial Position	**7,876**	**7,824**	**7,876**	**7,824**

Note (a) Owner's initial contribution

Owner's initial contribution is the portion of the residual interest in the Water Authority of Western Australia's assets, after deducting the liabilities that were transferred from the Water Authority of Western Australia to the Water Corporation on 1 January 1996.

Note (b) Equity contributions

Equity contributions represent assets and amounts received from the State Government in relation to funding for the construction of projects and have been designated as equity contributions by the State Government.

24.2 Dividend Paid

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

	Group 2026 $'000	Group 2025 $'000	Corporation 2026 $'000	Corporation 2025 $'000
Final dividend payment for the prior year	818	-	818	-

Note 25 Cash and cash equivalents

25.1 Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the Statement of Cash Flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the Statement of Financial Position.

25.2 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks. Cash held at bank earns interest at rates determined by the Department of Treasury and Finance (DTF). The Group's exposure to interest rate risk for financial assets and liabilities is disclosed in Note 30. On the 24 November 2025 the Expenditure Review Committee approved the Corporation does not recommend a 2025-26 interim dividend payment, and instead holding its 2025-26 profit after tax as retained earnings until it is considered as part of the recommended 2025-26 final dividend amount to be paid by 31 December 2026 or such other time as may be agreed between the Treasurer and the Board.

25.3 Reconciliation of cash flows from operating activities

		Group		Corporation
	2026 $M	2025 $M	2026 $M	2025 $M
Total comprehensive income for the year	**1,159**	**1,127**	**1,161**	**1,128**
Gain on disposal of assets	(1)	(1)	(1)	(1)
Retired assets	27	19	27	19
Developers' contributions (non-cash)	(177)	(121)	(177)	(121)
Non-Developers' contributions (non-cash)	3	(9)	3	(9)
Capitalisation of interest expense	(40)	(29)	(40)	(29)
Employee benefits:				
Superannuation	-	(1)	-	(1)
Long service leave	4	6	4	6
Annual leave	6	1	6	1
Depreciation and amortisation	590	591	589	590
GST paid for property, plant and equipment	125	70	125	70
(Increase)/decrease in trade and other receivables	140	88	140	88
Increase/(decrease) in income tax equivalent	15	(5)	15	(5)
(Increase)/decrease in inventories	(4)	(7)	(4)	(7)
Increase/(decrease) in trade and other payables and other liabilities	27	(66)	26	(66)
Increase/(decrease) in provisions	27	14	27	14
Net cash from operating activities	**1,901**	**1,677**	**1,901**	**1,677**

25.4 Non-cash investing and financing activities

		Group		Corporation
	2026 $M	2025 $M	2026 $M	2025 $M
Additions to right of use assets	22	10	22	10

Note 26 Auditor's remuneration

The total fees paid or due and payable to the Office of the Auditor General for the year are as follows:

		Group		Corporation
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Audit of financial reports	515	497	507	490

Note 27 Related parties

Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. This comprises all Ministers, the Directors and the General Managers who lead the various groups of the Group. The Group is not obligated to compensate the Minister for Water and therefore disclosures in relation to the Minister's compensation are not disclosed in this report but they are included in the *Annual Report on State Finances*.

The compensation paid to key management personnel during the year comprised:

		Group		Corporation
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Short-term employee benefits	3,073	3,544	3,073	3,544
Post-employment benefits	254	355	254	355
Other long-term benefits	195	135	195	135
Termination benefits	105	-	105	-
	3,627	**4,034**	**3,627**	**4,034**

Other transactions with key management personnel and related entities

Related parties of the Group include:

- all Ministers, their close family members and their controlled or jointly controlled entities;
- all Directors, General Managers, their close family members and their controlled or jointly controlled entities;
- Western Australian government departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

The Ministers and Directors of the Group, or their related entities, conduct transactions with the Group within normal employee and customer relationships, on terms and conditions no more favourable than those that it is reasonable to expect the Group would have adopted if dealing with a Minister, Director or related entity at arm's length in similar circumstances.

There are no reportable related party transactions in relation to Ministers, the Directors or the General Managers of the Group this financial year (2025: nil).

The Group transacts with a number of Western Australian State Government authorities, agencies and government trading enterprises. Transactions with these entities include but are not limited to: depositing and borrowing money; sales and purchases of goods, property and other assets; use of utilities; other government fees and charges.

Total annual transactions with these entities, in excess of $10 million, include:

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Transactions with Department of Treasury and Finance and Western Australian Treasury Corporation				
Receipts				
Department of Treasury & Finance – Operating Subsidies	668	597	668	597
Western Australian Treasury Corporation				
- Proceeds from borrowings	824	857	824	857
- Foreign currency	57	48	57	48
Payments				
Department of Treasury & Finance				
- Dividend	818	-	818	-
- Income tax equivalent	504	468	504	468
- Local government rates equivalent	8	8	8	8
- Pension reimbursements	2	2	2	2
- Land tax	4	8	4	8
- Payroll tax	35	34	35	34
Western Australian Treasury Corporation				
- Repayment of borrowings	824	954	824	954
- Interest on borrowings	152	158	152	158
- Guarantee fees	30	30	30	30
- Purchase of foreign currency	57	48	57	48
Other Western Australian Government Related Entities				
Receipts				
Department of Jobs, Tourism, Science, and Innovation	-	27	-	27
Department of Treasury & Finance	80	94	80	94
Payments				
Government Employees' Superannuation Board	10	12	10	12
Horizon Power	20	16	20	16
Western Power	38	33	38	33

The above list excludes annual service charges and volume charges received by the Group.

Note 28 Capital commitments

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

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Within 1 year	666	354	666	354
Unincorporated joint venture - within 1 year	67	-	67	-
Later than 1 year and not later than 5 years	675	1,457	675	1,457
Unincorporated joint venture - later than 1 year and not later than 5 years	1	-	1	-
	1,409	**1,811**	**1,409**	**1,811**

Note 29 Contingent liabilities

Currently the Group is a party to, or is potentially affected by, a number of legal claims. Until proceedings relating to these claims are finalised, uncertainty exists regarding the impact, if any, on the operations of the Group.

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

The following identifiable contingent liabilities exist at 30 June:

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Bank guarantees	15	14	15	14

The Group is a market customer in the Western Australian Wholesale Electricity Market (WEM), which is administered by the Australian Energy Market Operator (AEMO). The Group's participation and subsequent electricity purchases in the WEM are subject to meeting the prudential support requirements. The level of credit support required is equivalent to the maximum net amount the Group is expected to owe the AEMO over any 70-day period, based on actual electricity purchases.

Note 30 Financial risk management

30.1 Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, objectives, policies and processes for measuring and managing risk, as well as quantitative disclosures.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group has a disciplined and constructive control environment in which all employees are clearly advised of their roles and obligations.

The Group's Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in its oversight role by the Risk and Assurance Business Unit, which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Group's Audit and Risk Committee.

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

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Financial assets				
Cash and cash equivalents	490	1,434	490	1,434
Financial assets at amortised cost	359	366	359	366
Derivative Financial Asset	-	8	-	8
Total financial assets	**849**	**1,808**	**849**	**1,808**
Financial liabilities				
Financial liabilities at amortised cost	5,297	5,038	5,297	5,038
Total financial liabilities	**5,297**	**5,038**	**5,297**	**5,038**

Derivative financial instruments

Forward exchange contracts

When the Group has expected foreign currency denominated purchases, foreign exchange forward contracts are entered into and designated as hedging instruments. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates. The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises which would otherwise require recognition through the statement of profit or loss.

Hedging

Derivatives that are designated within qualifying hedge relationships are initially recognised at fair value on the date the contract is entered into.

For relationships designated as fair value hedges, subsequent fair value movements are recognised in the statement of profit or loss. For relationships designated as cash flow hedges, subsequent fair value movements for the effective portion of the hedge are recognised in other comprehensive income and accumulated in reserves; fair value movements for the ineffective portion are recognised immediately in the statement of profit or loss.

Fair value

Fair value is the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When the fair values cannot be measured using quoted prices in active markets, it is measured using valuation techniques considered appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs.

Fair value of derivative financial instruments

Fair values of foreign exchange forward contracts are determined using the deal rates and the forward curve rates to maturity, discounted using the base currencies discount curve.

Key operating and financial risks

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's capital expenditure. The currency giving rise to this risk includes the European Euro (EUR) and the United States Dollar (USD).

The Group manages its foreign currency risk by hedging transactions. The Group hedges its exposure to fluctuations by using foreign currency forward exchange contracts. At 30 June 2026, the Group hedged 100% of its foreign currency purchases for which highly probable forecasted transactions existed at the reporting date; the average deal rates were EUR 0.5958 and USD 0.6657.

30.2 Credit risk

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

Management has a credit policy in place and the exposure to credit risk is monitored on a regular basis. The credit risk on financial assets, which have been recognised on the Statement of Financial Position, other than cash and other financial assets is generally the carrying amount, net of any impairment loss for expected credit loss. Most receivables relating to water service charges are the responsibility of and are recoverable from the owner of the property. Under legislation, the Group may lodge and register a memorial and appropriate endorsements on the title of properties in arrears, which when in place restricts any instrument affecting that property from being registered without the Group's consent. Other receivables are regularly reviewed, and allowance is made for expected credit loss.

The Group has established an expected credit loss that represents its estimate of incurred losses in respect to its financial assets, primarily trade and other receivables, and comprises individually significant exposures.

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

Cash held at bank earns interest at rates determined by the Department of Treasury and Finance (DTF). For the year ended 30 June 2026, the weighted average interest rate was 4.42% (2025: 4.62%).

Exposure to credit risk

The Group is not materially exposed to any individual customer.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the nature and location of each customer. In monitoring customer credit risk, customers are grouped according to their geographical locations as well as their account category. It is noted that in the majority of cases, the Group has security over the properties of the customers and as such has a very low credit risk. The Group adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning.

30.3 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

On an annual basis, the Board approves the forward five-year forecast of cash flows incorporated in the Strategic Development Plan (SDP). On an annual basis, the Board also approves the projected cash flows, for the current and next financial years, derived from the Statement of Corporate Intent (SCI). The SDP and SCI convey the liquidity risk by reporting projected net debt levels with committed facilities.

During the financial year, any significant divergence from the projected cash flows is reported to the Board. The Corporation ensures that it maintains a liquidity buffer of $4 million on a daily basis in approved liquidity instruments to cover cash flow volatility over the short-term and to provide time to arrange additional funding facilities in the event of a cash flow emergency. Funds held in excess of liquidity requirements may be used to retire debt in a manner consistent with the approved liquidity and funding strategy.

The Corporation has in place arrangements for Western Australian Treasury Corporation (WATC) to provide finance, with total facility limits set by the State Treasurer through the annual State Budget, or as amended from time-to-time by a formal process including the Mid-year Review or via letters of amendment.

For 2025-26, the borrowing limit was set at $5,229 million (2025: $4,304 million), this value excludes any borrowings associated with the Northern Australian Infrastructure Facility (NAIF). Included in the limit of $5,229 million is a liquidity facility that can be drawn down, within the constraints of the total limit, to meet short-term financing needs, and a working capital facility currently limited to $80 million (2025: $80 million) to assist with cash flow management.

As at 30 June 2026, $4,354 million (2025: $4,304 million) was drawn under the total debt facilities, of this amount, $50 million is related to borrowings from NAIF. For 2026-27, the facility limit has initially been set at $7,156 million excluding NAIF (Facility limit for 2025-26: $5,385 million) providing available borrowings of $2,852 million up to 30 June 2027.

Outstanding lines of credit are regularly discussed and agreed with WATC. The type, currency and term of any new finance are determined at the time of draw-down between the Corporation and WATC.

Group and Corporation

30 June 2026	Weighted average interest	Carrying Amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
		$M	$M	$M	$M	$M	$M
Non-derivative financial liabilities							
Trade and other payables	-	734	(734)	(734)	-	-	-
Interest-bearing loans and borrowings:							
- WATC Term Floating Rate Lending	4.84%	1,505	(1,756)	(82)	(544)	(904)	(226)
- WATC Term Fixed Rate Lending	3.46%	2,800	(3,493)	(494)	(561)	(1,309)	(1,129)
- Northern Australia Infrastructure Facility (NAIF) Loan	6.84%	50	(87)	(3)	(6)	(16)	(62)
Lease liabilities	5.05%	41	(42)	(14)	(11)	(17)	-
Service Concession Arrangements	10.41%	167	(353)	(24)	(23)	(64)	(242)
		5,297	**(6,465)**	**(1,351)**	**(1,145)**	**(2,310)**	**(1,659)**

Exposure to liquidity risk

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

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

Details of the lending arrangements are contained in Note 22.

30.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

The Group enters into derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out in line with risk management policies. Generally, the Group seeks to apply hedge accounting in order to manage volatility in surplus or deficit.

30.4.1 Currency risk

The Group makes purchases that are denominated in currencies other than Australian dollars. The currencies in which these transactions primarily are denominated in are Euro and USD.

In accordance with risk management policies, non-material exposures to an aggregate value of $100,000 for any one project may be left unhedged. At any one-time, unhedged exposures in all foreign currencies cannot exceed an aggregate value of $1,000,000.

The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from reporting date. When necessary, forward exchange contracts are rolled over at maturity.

The Group has no material exposure to foreign currency risk.

30.4.2 Interest rate risk

The Group is exposed to interest rate risk through financial liabilities and adopts a policy of ensuring the majority of its exposure to changes in interest rates on borrowings is on a fixed rate basis.

Profile

At reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	Group		Corporation	
	2026 $M	2025 $M	2026 $M	2025 $M
Fixed rate instruments				
WATC Term Floating Rate Lending	1,504	1,623	1,504	1,623
WATC Term Fixed Rate Lending (Note a)	2,800	2,681	2,800	2,681
Northern Australia Infrastructure Facility (NAIF) Loan	50	-	50	-
Total financial liabilities	**4,354**	**4,304**	**4,354**	**4,304**

The fair value of the WATC Term Floating Rate Lending and Fixed Rate Lending respectively as at 30 June 2026 was $1,504 million, and $2,800 million (2025: $1,623 million and $2,681 million). The fair value of the NAIF borrowings was $50 million (2025: nil).

Note (a) The fixed debt portfolio is structured with 31 lines spread of 10-year fixed rate debt with a fairly regular quarterly maturity cycle and with 4 lines of 20-year fixed rate debt which was entered into during 2021/22.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate the forward points component of derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at reporting date would not affect equity.

Cash flow sensitivity analysis for floating rate instruments

Borrowings under the Term Floating Rate Lending facility are structured into various debt lines, with maturities between 2 years and 6 years. Interest rates under the Term Floating Rate facility are reset every 3 months or 6 months. Of the total $1,504 million under this facility, no amount will mature within the next 12 months. An increase of 100 basis points in interest rates at the next reporting date is expected to increase interest expense (before capitalised interest) by $28 million. A decrease of 100 basis points in interest rates at next reporting date is expected to decrease interest expense (before capitalised interest) by $28 million. This analysis assumes that all other variables remain constant.

Note 31 Interest in unincorporated joint venture

31.1 Accounting Policy

31.1.1 Recognition and measurement

Water Corporation recognises its share of the assets, liabilities, revenue and expenses of the UJV directly in its financial statements, in accordance with AASB 11 Joint Arrangements. The pre-agreement contributions made by Water Corporation are initially recognised as prepayments, based on the Initial Funding Agreement entered into by Water Corporation. Upon execution of the UJV, the prepayment is reclassified to Asset Under Construction (AUC). Subsequent cash calls by Water Corporation are capitalised to AUC. Expenditure that does not meet capitalisation requirement are expensed as incurred.

31.1.2 Information relating to Joint Operations

Company	Country of incorporation/ operation	Principal activities	Group interest (%) 2026	2025
Dampier Seawater Desalination Plant	Australia	Water Supply	50%	-

Nature of Arrangement:

Water Corporation participates in an Unincorporated Joint Venture (UJV) with Hamersley Iron Pty Limited to jointly pursue the development of the Dampier Seawater Desalination Plant (DSDP 1 & 2). Under the UJV signed on 23 December 2025, both parties hold 50% participating interest and share joint control over the joint venture key decisions. The arrangement meets the definition of a Joint Operation under AASB 11 Joint Arrangements, as each party has direct rights to the assets and obligations for the liabilities of the arrangement.

Note 32 Events after the reporting period

On 27 July 2026, the State Government announced they had signed a non-binding agreement with Yindjibarndi WaterCo for a proposed sale of Dampier Seawater Desalination Plant, to acquire Water Corporation's interest in the unincorporated joint venture with Hamersley Iron Pty Limited. At the time of signing, no binding agreements have been reached, and an estimate of the financial effect cannot be made.

There were no other significant events after the balance sheet date requiring disclosure.

Directors' declaration

In the opinion of the Directors of Water Corporation (the "Corporation"):

(a) the financial statements and notes are prepared in accordance with the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023*, and:

   (i) gives a true and fair view of the Corporation and Group's financial position as at 30 June 2026 and of their performance, for the financial year ended on that date; and

   (ii) in accordance with Australian Accounting Standards.

(b) there are reasonable grounds to believe that the Corporation and Group will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

A. Sutton

Board Chair

P. Donovan

Chief Executive Officer

PERTH, 24 August 2026

Auditor General

INDEPENDENT AUDITOR'S REPORT

2026

Water Corporation

To the Parliament of Western Australia

Opinion

I have audited the financial report of the Water Corporation (the Corporation) and its subsidiary (the Group), which comprises:

- the consolidated statement of financial position as at 30 June 2026, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies
- the directors' declaration.

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

- gives a true and fair view of the financial position as at 30 June 2026 and of its performance for the year then ended
- is in accordance with Australian Accounting Standards.

Basis for opinion

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

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

Other information

The directors are responsible for the other information. The other information is the information in the Group's annual report for the year ended 30 June 2026, but not the financial report and my auditor's report.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Corporation are responsible for:

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

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

- assessing the Group's and 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 the Group.

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/ar3.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 Group for the year ended 30 June 2026 included in the annual report on the Corporation's website. The Corporation's management is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on the website, they are advised to contact the Corporation to confirm the information contained in the website version.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
28 August 2026

Appendix: Global Reporting Initiative

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

Our 2025-2026 Annual Report includes an overview of the GRI requirements we currently report to the public, aligning with a 'GRI-referenced' claim. As we mature our ESG capabilities, we will expand our reporting on our material topics (see page 23) against existing and emerging recognised frameworks – we are actively working towards increased data availability and readiness for enhanced reporting in future years.

WATER CORPORATION ANNUAL REPORT 2025-2026 – GRI INDEX

Disclosure #	Year of standard	Level	Topic	Page number
2-1	2021	Full	Organisational details	2, 84, 96
2-2	2021	Full	Entities included in the organisation's sustainability reporting	96
2-3	2021	Full	Reporting period, frequency and contact point	2
2-6	2021	Full	Activities, value chain and other business relationships	8-9, 16-20, 30-31, 38-66
2-7	2021	Partial [1]	Employees	69-70, 72
2-9	2021	Full	Governance structure and composition	26-29, 78
2-10	2021	Full	Nomination and selection of the highest governance body	78-79
2-11	2021	Full	Chair of the highest governance body	26-27, 84
2-12	2021	Full	Role of the highest governance body in overseeing the management of impacts	79, 84
2-13	2021	Full	Delegation of responsibility for managing impacts	78-79
2-15	2021	Full	Conflicts of interest	82, 87
2-19	2021	Full	Remuneration policies	85-86
2-20	2021	Partial [2]	Process to determine remuneration	78, 85-86
2-22	2021	Full	Statement on sustainable development strategy	10-13, 20, 22
2-27	2021	Partial [3]	Compliance with laws and regulations	68-69
2-28	2021	Partial [4]	Membership associations	42-43, 46, 52-54, 58, 60, 74
201-3	2016	Full	Defined benefit plan obligations and other retirement plans	116-120
201-4	2016	Full	Financial assistance received from government	2, 35, 70, 75, 84, 95, 99, 121, 126-130
403-6	2016	Full	Promotion of worker health	48, 55, 78
403-9	2016	Partial [5]	Work-related injuries	69
201-1	2016	Full	Direct economic value generated and distributed	90-94
302-1	2016	Partial [6]	Energy consumption within the organisation	68
303-3	2016	Partial [7]	Water withdrawal	72
305-1	2016	Partial [8]	Direct (scope 1 GHG emissions)	24, 68
305-2	2016	Partial [8]	Energy indirect (scope 2) GHG emissions	24, 68
401-1	2016	Partial [9]	New employee hires and employee turnover	69
416-2	2016	Partial [10]	Incidents of non-compliance concerning the health and safety impacts of products and services	68

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

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

3 Number of legal sanctions for environmental breaches, % environment non-compliance addressed reported. Non-environmental sanctions have not been publicly reported to date but are reported internally through our governance channels.

4 The report includes most partnerships and some memberships.

5 Total Recordable Injury Frequency Rate per 1,000,000 hours work, for all employees and contractors is reported. Further detail is recorded and reported internally through our governance channels.

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

7 Total water withdrawal from all areas by surface water, groundwater, seawater, and third-party water, in ML, are reported. Water Corporation uses different definitions of water stress and fresh/other water sources. We will work to align these definitions where appropriate for our business.

8 The sum of gross direct (scope 1) GHG emissions and location-based energy indirect (scope 2) in metric tons of CO_2 equivalent has been provided. These figures are prepared in accordance with the requirements of the annual National Greenhouse & Energy Reporting scheme.

9 The rate of employee turnover during the reporting period is reported. The breakdown of new hires specifically, and break down by age group, gender, and region, is measured but not reported.

10 Per cent of metropolitan and country localities meeting specific water quality requirements are reported. Specific incidents of non-compliance have not been reported.

WATER CORPORATION

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