

Busselton Water

Annual Report

2008 - 2009



Our Vision

Busselton Water strives for the attainment of excellence in the supply, management and sustainability of water services

Your feedback on this Annual Report is important to us. It helps us to meet the needs of the reader as well as meeting our statutory obligations

Readers are invited to complete a short questionnaire on page 26 and return it to Busselton Water, PO Box 57, Busselton WA 6280 or by email to admin@busseltonwater.wa.gov.au



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BUSSELTON WATER BOARD STATEMENT OF COMPLIANCE

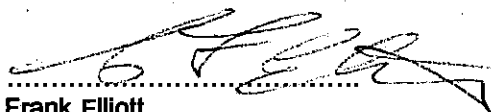
Honourable Dr Graham Jacobs MBBS FRACGP MLA
Minister for Water; Mental Health

On behalf of the Busselton Water Board, and in accordance with Section 63 of the Financial Management Act 2006, I have pleasure in submitting for your information and presentation to Parliament, the annual report of the Busselton Water Board for the financial year ended 30 June 2009.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006 and any other relevant written law.



David Reid
CHAIRMAN OF BUSSELTON WATER BOARD



Frank Elliott
MEMBER OF BUSSELTON WATER BOARD

Date: 4th SEPTEMBER 2009.

Date: 4th SEPTEMBER 2009.

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OVERVIEW SUMMARY

Busselton Water is an independent water authority that supplies water to domestic, commercial, light industrial and special rural consumers within the town of Busselton and its environs (the licensed area).

The areas population is around 17,900¹, but during weekends and holiday periods this can rise significantly. Being a sought after sea-change destination the population has been growing at a considerable rate and this trend is expected to continue into the foreseeable future.

Busselton's water supply differs from most other sources in Australia because of the deep artesian aquifers (Leederville and Yarragadee) that offer high microbiological integrity and very low organic carbon loadings. This means that Busselton's water supply is of the highest quality. From bores, the water is aerated and filtered to remove iron before it is stored in tanks at its operating plants and then pumped through approximately 281 kilometres of mains.

Busselton Water has access to a reliable, high quality water resource and is supported well by modern treatment plants, storage facilities and network capability.

Disinfection of the water supply is undertaken with ultra-violet (UV) irradiation in preference to methods such as chlorination. This method has offered Busselton excellent protection of its water supply for many years and with vigilant monitoring and controls in place, Busselton Water is well equipped to react quickly to any problems that may arise. Both the Board and customers, as represented in successive annual surveys, are strongly committed to this "chemical free" approach.

Backflow is always of concern and hence Busselton Water has continued with the installation of its data collection system utilising radio frequency (RF) technology which can quickly identify likely sources of contamination. The RF device was piloted in 2007 on 45 lots within the new Vasse Newtown subdivision and proved to be 100% accurate against the benchmark of physical meter reading. 1,159 RF devices have been fitted to date. The device provides Busselton Water with a comprehensive suite of real time information and once fully implemented, through a planned retrofitting program, will result in more efficient management, monitoring and control of water consumption within its licensed area. This project was recognised this year as a finalist in the Keep Australia Beautiful Sustainable Cities Awards as making a significant contribution to community and environmental sustainability.

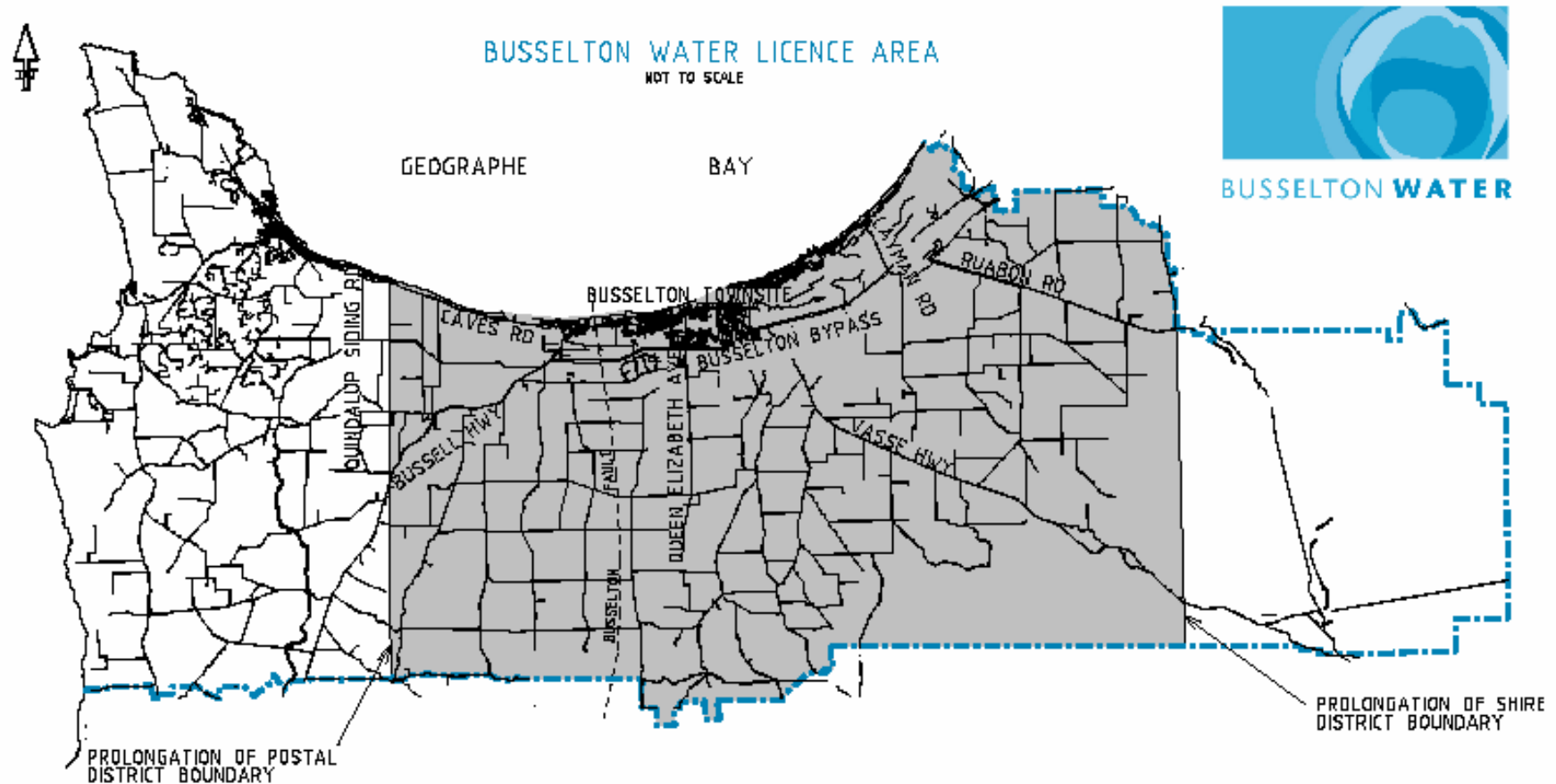
During the year under review the downturn in the economic climate impacted on Busselton Water. This resulted in only a nominal increase in its customer base and a large scale reduction in works done by Busselton Water staff on behalf of property developers. Additionally, interest earnings on funds held in reserves were significantly decreased.

Water Efficiency Measures continue to be embraced by the majority of the customer base with a 40.2% decrease in the number of reports received of customers breaching the 2 day per week watering roster and day time sprinkler ban. In the coming year Busselton Water will continue its community education program to ensure all are aware of the necessity and requirements for protecting our precious resource.

In a financial sense Busselton Water maintains a robust financial position with NIL indebtedness.

¹ Australian Bureau of Statistics 2006

MAP OF LICENCED AREA



LEGEND

- EXTENT OF LICENSE AREA
- - - - - EXISTING BUSSETON SHIRE BOUNDARY
- █ EXISTING WATER LICENSE AREA

NOTES

1. EXISTING LICENSE AREA SHOWN TAKEN FROM DRAWING NUMBER OWR-0A-085/2 B.
2. DRAWING NUMBER OWR-0A-085/2 B ADVERTISED IN THE GOVERNMENT GAZETTE ON THE 9TH OF JUNE 2000.

CHAIRMAN'S REPORT

During this year, despite the economic downturn, Busselton Water has maintained a strong commercial performance whilst providing the population of Busselton and surrounding environs with a high quality water service

I am pleased to present this year's Annual Report to our customers and stakeholders on behalf of Busselton Water.

The challenges facing the water industry in Western Australian as a result of a dry protracted summer and autumn continue to mount resulting in significant reductions in dam storage levels. Busselton Water is fortunate to have access to the high quality Yarragadee aquifer which insulates us somewhat from these seasonal rainfall variations.

As custodians of Busselton's residential and industrial water supply it is our responsibility to manage our water resource sustainably and in line with State Government direction.



During this year, despite the economic downturn, Busselton Water has maintained a strong commercial performance whilst providing the population of Busselton and surrounding environs with a high quality water service.

The Board's operating profit after tax for the reporting year was \$1,035,729 and has been achieved on a total revenue of \$8,384,848. This compared to a profit after tax of \$3,078,056 and revenue of \$10,452,007 in 2007/2008. Busselton Water has a strong underlying financial position with a NIL level of indebtedness.

Some of the highlights for the year under review included:

- Alignment with the Busselton Health Study
- Broadened its knowledge through attendance at the Oz Water Conference
- Endorsing a new brand for Busselton Water
- Entering into a new (and overall) Collective Workplace Agreement
- An excellent response from our Customer Survey

I would like to thank my fellow Board members, the management team and all the staff for their strong contribution during the year. I remain optimistic that the year ahead will provide significant opportunities for our organisation to improve both our level of service and supply to our current and new customers within the area.

A handwritten signature in black ink that reads "David Reid".

David Reid
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Busselton Water has enjoyed another robust year and it gives me great pleasure to outline the organisations activities and achievements within this Annual Report for 2008/2009.

The year has been notable given the considerable focus on Busselton Water by external agencies. The organisation has been involved in:-

- Implementation of the Australian Drinking Water Guidelines 2004 and the consequent negotiations of a Memorandum of Understanding with the Department of Health
- Participation in a water legislation reform process
- Assessment by the Economic Regulation Authority (ERA) of water tariffs to be recommended to government for use by Busselton Water
- A biennial operational and asset management review conducted by the ERA
- An ERA review titled Inquiry into Competition in the Water and Wastewater Services Sector – 2008

Pleasingly, I believe Busselton Water has acquitted itself well in all of the above processes.

Water quality is the organisation's highest priority and with a now more collective focus on water quality issues a number of accomplishments have occurred. These include:-

- The commissioning of a report into available and recommended disinfection regimes
- The acquisition of 3 portable chlorination units
- The appointment of a dedicated Water Quality Projects Co-ordinator

The year saw a change in the shape and focus of Busselton Water as the property development industry faltered under the global economic downturn. Busselton Water which historically had bid for and won many subdivisional reticulation projects, has now reshaped itself to a more 'core business' approach to both asset maintenance and customer service.

Whilst finances remain robust, the organisation is mindful of a raft of pending matters which could negatively impact upon its financial position.

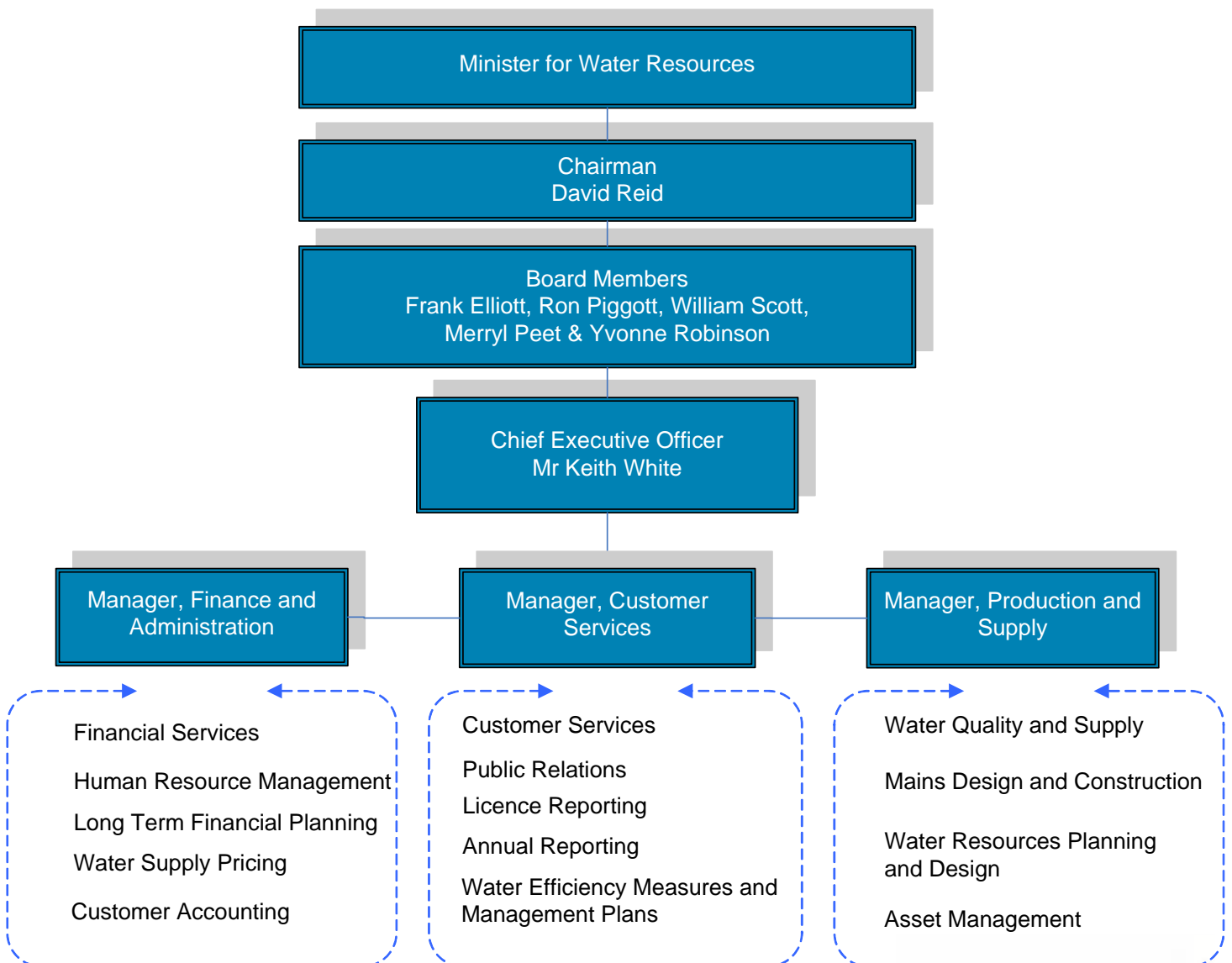
Our community embraced a renewed emphasis of the organisation over the past year as Busselton Water presented a new brand and improved communication opportunities which were all well received.

With clear direction and support from the Board we have been able to implement our strategies with confidence to achieve our goals and meet our targets. In this regard I would like to thank our employees, not only for their application to achieve our targets, but for their loyalty to the organisation. In the changing environment in which we operate, I believe Busselton Water is well equipped to meet any challenges put before us.



Keith White
Chief Executive Officer

ORGANISATIONAL STRUCTURE (ABRIDGED)



ANNUAL COMPLIANCE REPORTING TO COMMISSIONER FOR PUBLIC SECTOR STANDARDS

Busselton Water hereby reports having adopted policies, guidelines and processes which support the public sector standards in human resource management. Relevant documentation contained within the Busselton Water Management Directives and Board Policies is available for access by all staff and Board Members.

As a small independent utility, shortly to become a government owned corporation, it is considered that standards relating to transfer, secondment and redeployment of staff are not applicable. Considering the size of the organization it was also considered appropriate for the Chief Executive Officer to conduct the self-assessment of the public sector standards.

I have put in place procedures designed to ensure such compliance and conducted appropriate internal checks to satisfy myself that the statement made herein, is correct.

PUBLIC SECTOR STANDARDS IN HUMAN RESOURCE MANAGEMENT

Procedures include:

- Use of reviews conducted through “one on one” employee interviews.
- An annual review of policies adopted by the Board of Busselton Water, on staff issues.

Outcome

The standards in Human Resource Management and the Board's own policies have been complied with throughout the year.

CODE OF ETHICS AND CODE OF CONDUCT

Procedures include:

- Use of reviews conducted through “one on one” employee interviews.
- Discussion through senior management meetings.

Outcome

The ethical codes have been complied with throughout the year.

Busselton Water does have a Code of Conduct, which has been communicated to employees as follows:

- Advice given to new employees (Awareness Program)
- Intranet
- General circulars

There have been NIL complaints relating to non-compliance with the ethical codes lodged in 2008/2009.

The following positions covered by the Recruitment and Selection Standard were advertised during 2008/2009:

- Human Resource Officer
- Payroll /Creditors Officer

Keith White
Chief Executive Officer

30th July, 2009

REPORT ON OPERATIONS

AUTHORITY BY WHICH BUSSELTON WATER IS ESTABLISHED

Busselton Water is a public self-funding corporation and is administered by a Board, the Members of which are appointed by the Governor in Executive Council. Members serve on the Board for a three-year term and are eligible for reappointment at the conclusion of a term.

The functions and duties of Busselton Water are set out in the Water Board's Act 1904 (as amended) and the Reporting Standards are detailed in the Financial Management Act 2006.

Busselton Water holds an Operating Licence issued by the Economic Regulation Authority under the Water Services Coordination Act 1995. The licence is valid until 1 October 2021. Details of the area covered are recorded on Plan OWR-0A-085/2B.

The Board is responsible to the Hon. Minister for Water; Mental Health, Hon. Dr. Graham Jacobs, MLA

OBJECTIVES OF BUSSELTON WATER

The objectives of Busselton Water are:

- a) **Provision of Services**
To provide high quality water at a minimum long term cost to the customers within Busselton Water's area of responsibility (operating area).
- b) **Management of Water Board Resources**
To assess, plan and manage the use and protection of the resources purchased by and entrusted to Busselton Water for the continuing benefit of the customers of Busselton Water.
- c) **Management of Water Resources**
To plan, manage and conserve (in association with the Department of Water) all available water resources by:
 - Management of eight (8) Production Bores.
 - Monitoring of the Aquifer Performance.
 - Monitoring of the quality of water made available for the use and consumption by the community.

Busselton Water operates a continuous (viz 24 hour) emergency contact service in accordance with its operating licence requirements, and customers are able to be notified within one (1) hour of action the operations/maintenance staff will take to combat an emergency.

FINANCIAL OBJECTIVES

- To conduct the financial affairs of Busselton Water in accordance with sound business principles and comply with the requirements of the Water Board's Act 1904 (as amended) and the Financial Management Act 2006 and its Operating Licence, for the benefit of present and future customers.
- To meet Busselton Water's need for financial services information.
- To provide financial planning and management functions including budget planning and control.
- To control the levying and collecting of water tariff and other charges.
- To provide monthly and annual informative financial statements and performance reports.

CUSTOMER BASE

Busselton Water provides quality potable water services to approximately 20,000 customers within its operating area which includes the town of Busselton and the neighbouring environs of Port Geographe, Siesta Park and Wonnerup.

ADDRESS OF PRINCIPAL OFFICE

Administration Centre
1 Fairbairn Road
BUSSELTON WA 6280

PO Box 57
BUSSELTON WA 6280

Telephone : (08) 9781 0500
Website : www.busseltonwater.wa.gov.au



PUBLICATIONS

Listed below are the publications which are readily available upon request from the Administration Centre and without cost to customers. Many documents are also available on the website www.busselton.wa.gov.au

- Annual Report, including the Financial Statements and Key Performance Indicators.
- Annual Water Monitoring Report.
- Statement of Corporate Intent
- Customer Charter – a summary of the Customer Charter is forwarded to all customers annually with a copy of the complete charter available on request.
- Information on Water Tariff and Headwork's Contribution Charges.
- Budget for current financial year.
- Minutes of Board Meetings.
- By-Laws adopted by the Board.
- Strategic Development Plan. (Ten Year Financial Plan).

CUSTOMER GROUP OUTCOMES

- Disability Service Plan – The Board is not required to develop a Disability Service Plan, however the Board is aware of the key outcomes of such plans and adheres to the principles.
- Corruption Prevention – Busselton Water minimise the risk of misconduct and corruption by promoting its Code of Conduct to staff commencing with the induction process. Declarations of Interest are also actively promoted through meeting agenda structures.
- Equal Employment Opportunity Outcomes – Busselton Water embraces a Policy of Equal Opportunities in employment.
- Cultural Diversity and Language Service Outcomes – every effort is made to assist customer requests. None were received during 2008/2009.
- Youth Outcomes –Busselton Water has not considered programs or policies which specifically target young people within the age bracket of 12-25. However, it actively promotes participation by conducting school tours of its operations and National Water Week promotions.

REPORT ON OPERATIONS..

- Equity and Diversity Plan – As Busselton Water employs less than 50 employees, it is not required to provide numerical performance objectives, however Busselton Water is aware of the Government's commitment to developing an equitable and diverse public sector workforce which is representative of the Western Australian community at each level of employment and which enables employees to combine work and family responsibilities.
- Energy Smart Government Policy – Although Busselton Water is exempt from this requirement it actively pursues and adopts energy efficient practices.

EQUITY ACCESS

Busselton Water provides a general right of access to other documents and records in accordance with the Freedom of Information Act 1992.

Initial enquires can be made to the Chief Executive Officer who the Board has appointed as the Freedom of Information Co-ordinator.

MEDIA ADVERTISING

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

Total Expenditure for 2008/2009 \$66,642

Market Advertising Organisations	Amount (\$)
Adcorp Marketing Communications	86
Bay Signs	4,495
Festive Agencies	241
Gannaways Charters And Tours	218
Globe Sign Company	9,410
Gumption Communication by Design	16,752
Industrial Printing Company	10,324
Magwash IT	2,465
Mosman Glass Printer	650
Miscellaneous Cash	10
SW Precision Print	2,816
Prestige Products	168
Radio West Broadcasters	858
Rich Gro	234
Rotary Club of Busselton	65
Rural Press Regional Media	3,077
Soils Aint Soils Busselton	500
South West Printing & Publishing	1,816
Star Promotional Merchandise	2,650
Type Tamer	90
TOTAL	56,925

Market Research	Amount (\$)
Customer Focus Group	160
Strategic Marketing Research	7,831
TOTAL	7,991

Media Advertising	Amount (\$)
Rural Press Regional Media	672
South West Printing & Publishing	895
State Law Publisher	159
TOTAL	1,726

Poling Organisations	Amount (\$)
Nil	-

Direct Mailing Organisations	Amount (\$)
Nil	-

BUDGET

The Board approves a Draft Budget usually in April/May and the Draft Budget submission is then forwarded to the Minister for Water; Mental Health for formal approval, as the adopted Budget for Busselton Water.

MINISTERIAL DIRECTIVES

There were no Ministerial directives regarding the setting and achievement of operational objectives, investment activities or financial activities during the year under review.

RECORDKEEPING PLAN

In accordance with Section 19 of the State Records Act 2000 Busselton Water is required to have a Recordkeeping Plan. Busselton Water is also required to report on its compliance with the Act as required by Section 61 and State Records Commission Standard 2, Principal 6. The Registration Number assigned to Busselton Water's Plan is RKP2003087.

Busselton Water is committed to ongoing compliance of the State Records Act 2000 and to sound recordkeeping practises. During the 2008/2009 year Busselton Water:

- Reviewed long term storage options and capabilities for permanent records.
- Appraised, sentenced and disposed of old records appropriately.
- Ensured new staff were provided with adequate records management training.
- Continued to be a Member of the Records Management Association of Australia.

EMPLOYEES

Employees are recruited under Section 31 of the Water Board's Act 1904 and in accordance with recruitment policies.

Busselton Water maintains an induction program for all new employees, and continues ongoing training for its employees.

During the year under review, employees attended training courses relative to:

- Traffic Management
- Traffic Control
- First Aid
- Water Treatment
- Backflow

REPORT ON OPERATIONS..

- Work Safety at heights
- Microsoft Excel
- Microsoft Outlook
- Business Report and Letter Writing
- Mainpac
- Occupational Safety and Health
- Use of Chainsaw; Forklift and Skidsteer equipment
- Taxation and Payroll training
- Hanovia UV Systems

The number of employees by category is as follows:

CATEGORY (Permanent Staff)	FTE's THIS YEAR	FTE'S PREVIOUS YEAR COMPARISON
Senior Executives	4	4
Finance/Administration	8	8
Reception Staff	1.5	2
Meter Reading	0.5	.5
Purchasing	1.5	1
Construction/Maintenance	9.2	11
Water Treatment Plant Operation	4	3
TOTAL	28.7	29.5

CATEGORY (Casual Staff)	FTE's THIS YEAR	FTE'S PREVIOUS YEAR COMPARISON
Administration	0.8	0.8
Construction/Maintenance	1.0	1.0
TOTAL	1.8	1.8

INDUSTRIAL RELATIONS

A Collective Workplace Agreement with both Busselton Water's Operational and Administrative employees was in place. This new agreement runs until June 2011.



OCCUPATIONAL HEALTH, SAFETY AND RISK MANAGEMENT

Busselton Water maintains a commitment to health and safety standards and has adopted a number of policies to support this commitment.

Policy # S004 - It is the objective of Busselton Water to ensure without compromise that all of its workplaces are safe, healthy and accident free for all employees and members of the public. The Board regards compliance with legislation as the minimum standard and is committed to improving safety performance throughout all its operations.

Understanding Occupational Health and Safety and Risk Management is a key issue, therefore policies which address these issues have been developed by Busselton Water. Regular meetings at employee level focus on the development of responsive action to issues that may affect employees and have an impact on the general public. The Occupational Safety & Health Committee meets quarterly to review all matters pertaining to OS&H.

MOD # 04.04 - Busselton Water has a Duty of Care to provide injury management support to all workers who sustain a work related injury or illness with a focus on a safe and early return to meaningful work and in accordance with the Workers' Compensation and Injury Management Act 1981

Courses in First Aid have assisted employees to maintain safe work practices. Busselton Water's Occupational Health and Safety Program are independently assessed periodically.

A report of performance for 2008/2009 is included below:

Financial Outcomes	Ministers Approved Target	2008/2009 Actual YTD
Our People		
Lost Time Injury Frequency Rate (LTI per 1 Mill Hours)	20.4	20.1
Lost Time Injury Incidence Rate (LTI for 100 Workers)	3.5	3.7
Duration (Average Days Lost)	2.0	92.2
Recorded Lost Time Injury's (YTD Incidents)	-	1.0

WORKER'S COMPENSATION CLAIMS

During the year one significant worker's compensation claim occurred. It is uncertain when this claim will be finalised.

BREACHES OF PRIVACY COMPLAINTS

There were no complaints received during the year with respect to Breaches of Privacy.

INDEMNIFICATION OF BOARD MEMBERS

During the period ended 30 June 2009 the Board paid insurance premiums in respect of Directors Liability amounting to \$8,240.60.

REPORT ON OPERATIONS..

MEETINGS OF THE BOARD

The Board's business is transacted at a monthly meeting which is usually held on the third Monday evening of each calendar month. The number of Board Meetings held and attended during the year by each Board Member holding office as at 30 June 2009 is depicted in the following table:

Member	Board of Directors Meetings	
	Number Held	Number Attended
David Reid	18	18
Frank Elliott	18	17
Ron Piggott	18	11
William Scott	18	17
Merryl Peet	18	14
Yvonne Robinson	18	16

Occasionally Special Meetings are convened if circumstances warrant.

When appropriate, Members record any declaration of a pecuniary interest in the Members' Interests Register. Nil declarations were made during the year.

REVENUE

Busselton Water pursues financial strategies that aim to recover the full cost of providing its services. This includes the utilisation of reserves together with the raising of water tariff charges to ensure the most equitable revenue source is acquired for the carrying out of the Board's responsibilities. Busselton Water remains debt free.

Busselton Water's objective in charging for services is to have a system which is fair and simple to understand and administer. To this end it actively pursues with both the Economic Regulation Authority (acting in an advisory capacity to the Minister) and the Minister for Water (who approves Busselton Water's charging structures), the streamlining of the water charging regime.

LICENCE COMPLIANCE

The results achieved during 2008/2009 indicate that Busselton Water has once again performed credibly and to an acceptable level. The major achievements of the year were:

- 100% compliance with all health related water quality guidelines.
- Achievement of a high level of customer satisfaction and 100% of Customer Complaints being resolved within the time frame permitted in the Operating Licence.

CONSUMPTION CHARGES

The cost per kilolitre of water consumed by "Pay As You Use" residential customers was assessed as follows:

1-150kl	47c
151-350kl	66c
351-550kl	73c
551-750kl	88c
751-1150kl	1.46c
1151-1550kl	2.07c
1551-1950kl	2.39c
Thereafter	2.78c

The cost per kilolitre of water consumed by non-residential customers was assessed as follows:

1-1000	85c
> 1000	1.21c

All pricing and related information was published in the Government Gazette dated 28/9/07 (page 4949) and in the Busselton-Margaret Times dated 28/9/07.

RADIO FREQUENCY (RF) DATA COLLECTION SYSTEM

Following the successful implementation of the pilot program in October 2007 within the Vasse Newtown subdivision Busselton Water has expanded the deployment of RF water meters to other broadacre subdivisions, including Provence and Port Geographe South.

In addition, retro fitting the meters to areas where safety, health benefits and work efficiencies can be gained have also been implemented. These areas include Siesta Park, Dumbarton, Ambergate Heights, Whitemoss, Light Industrial Area (LIA), Willow Grove and County Road.

This has increased the total amount of connected RF meters to 1,397 within Busselton Water's total network or 14% of all connected properties.

The system has improved the early detection of internal water leaks, and has reduced the time taken to read water meters. RF meters would be a direct contributor to the State Government's waterwise objectives in achieving water conservation and demonstrates Busselton Water's commitment to the National Water Initiative which includes the requirement to measure water loss.

RF metering has helped in the monitoring of backflow, through early detection, thus minimising contamination. It is now the Board's intention that the retrofitting program will continue for as long as it takes to implement within the entire licensed area.

It is also pleasing to note that Busselton Water's RF project was recognised as a finalist in the field of water conservation at the WA Sustainable Cities Awards in June, 2009.

CAPITAL WORKS PROGRAM

A Capital Works program amounting to \$3,932,000 was undertaken during the year. Among the significant projects undertaken were the following:

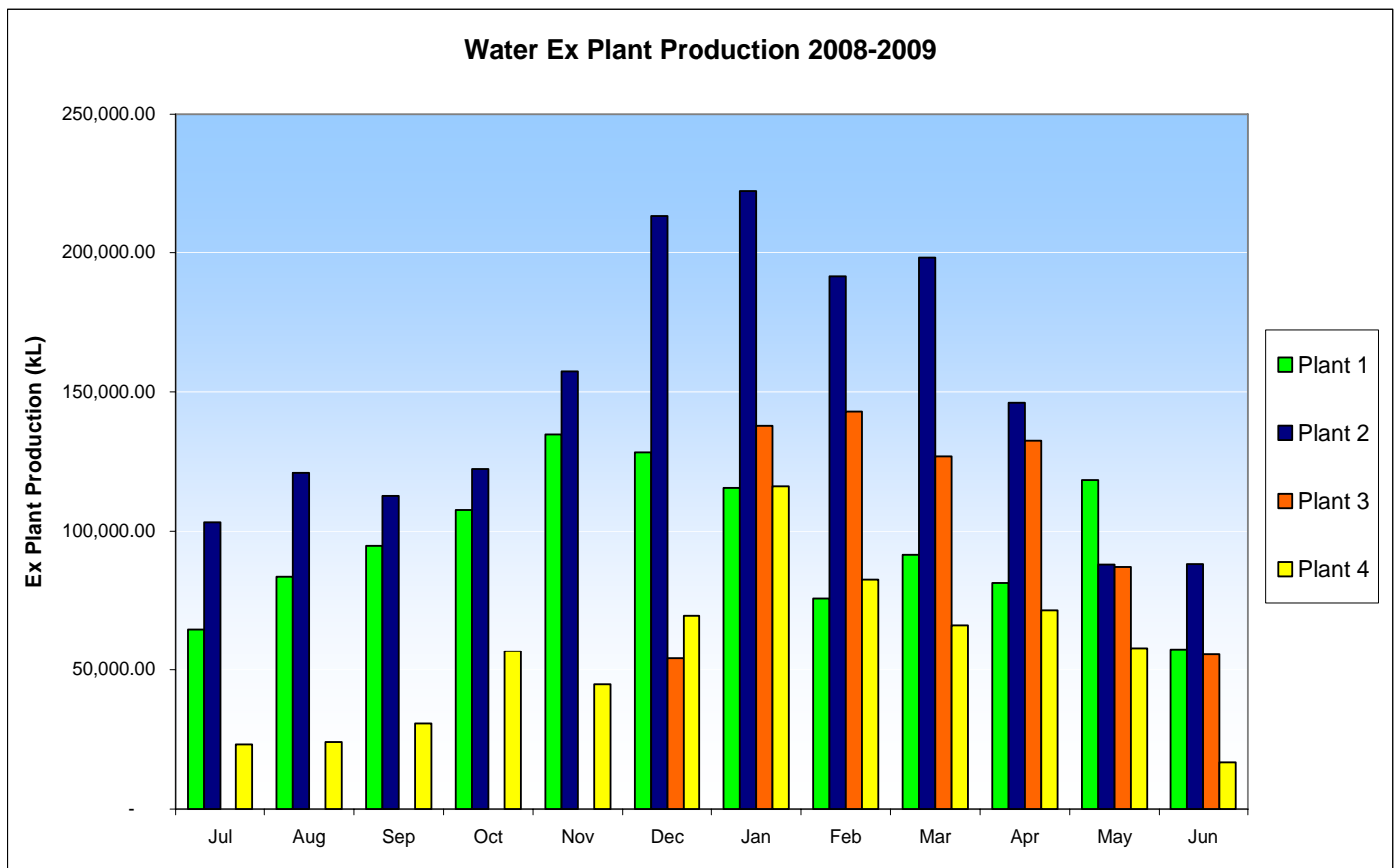
- Major mains extensions / improvements undertaken on behalf of developers for provision of water to new estates include:
 - The extension of water main along Beltonia Way and Rendezvous Road for the provision of water to lot 18 Rendezvous Road
- Replacement of Asbestos Cement (AC) with PVC mains located in Duchess Street and Queen Street.
- Installation of crossovers Plant 8 and 11 for the provision of vehicle access to develop future infrastructure.
- The upgrade of treatment facilities at Plant 3 including the completion of works to refurbish the storage tank.
- Progressive major mains extensions along Rendezvous (300mm PVC) and Vasse (300mm PVC) to increase the security of supply to major subdivisions and to allow the supply of water to existing and future storage tanks.

Items of operational equipment acquired during 2008/2009 included light vehicles, a forklift and commercial ride on lawn mower.

REPORT ON OPERATIONS..

WATER PRODUCTION (EX PLANT)

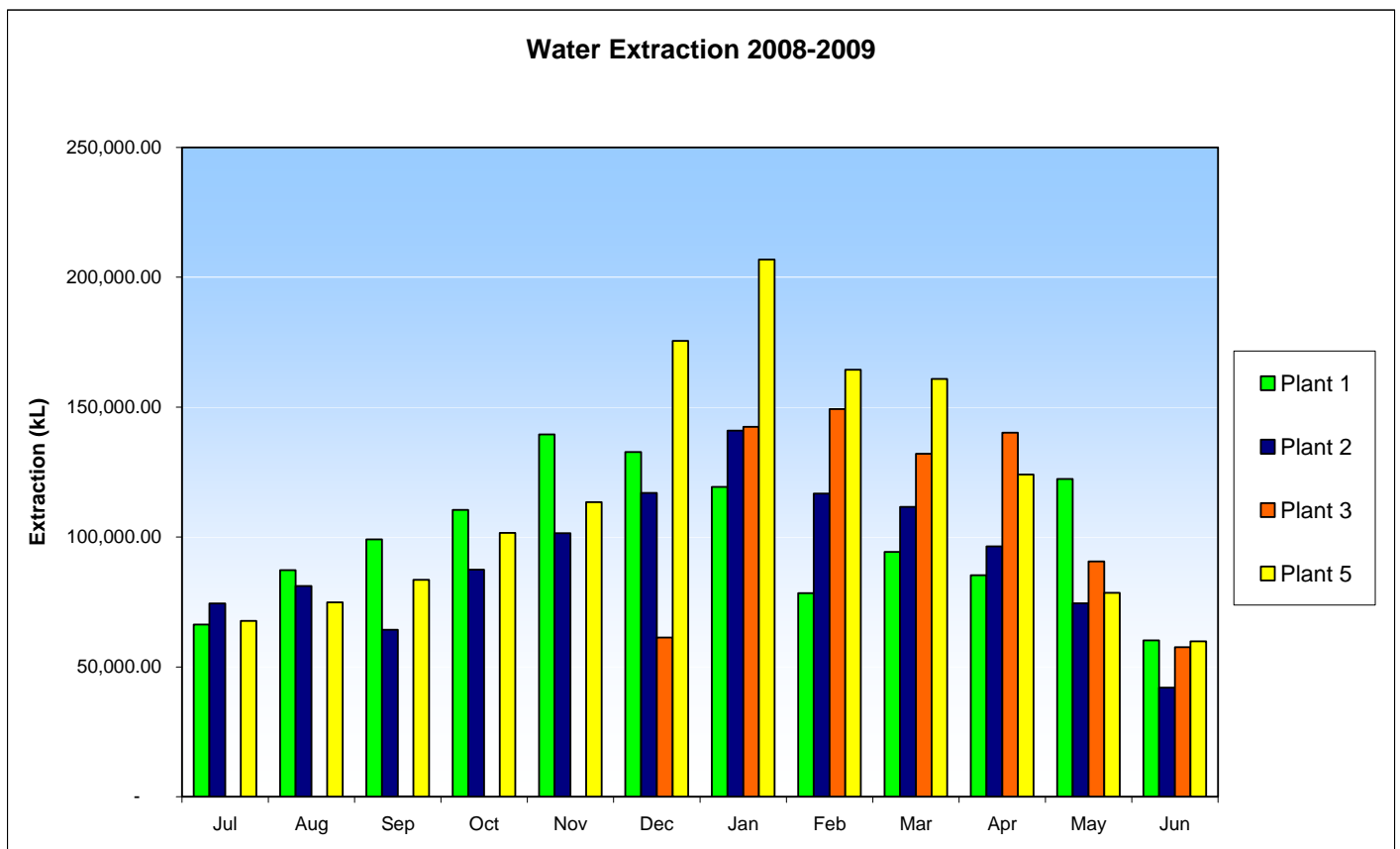
YEAR	PRODUCTION (kl)	INCREASE	DECREASE
2000/2001	3,822,262	4.21%	
2001/2002	3,485,137		8.82%
2002/2003	3,387,267		2.81%
2003/2004	3,690,233	8.94%	
2004/2005	3,740,844	1.37%	
2005/2006	3,724,307		.44%
2006/2007	4,042,759	8.55%	
2007/2008	3,824,270		5.40%
2008/2009	4,316,496	12.87%	



WATER EXTRACTION

YEAR	EXTRACTION (kl)	INCREASE	DECREASE
2000/2001	4,070,316	6.62%	
2001/2002	3,638,492		10.61%
2002/2003	3,597,139		1.14%
2003/2004	3,896,927	8.33%	
2004/2005	3,922,277	.65%	
2005/2006	3,888,869		.85%
2006/2007	4,267,220	9.73%	
2007/2008	3,937,258		7.73%
2008/2009	4,487,068	13.96%	

There were an additional 240 properties connected to the Busselton Water supply network during 2008/2009, compared with 597 in the previous year.



REPORT ON OPERATIONS..

STATISTICS

The following statistics are of interest and therefore included in this report:-

Total above ground storage	21,000	kl
Total water treatment capacity per day	42,768	kl
Total bore capacity per day	67,997	kl
Total delivery capacity L/second	1,287	L/S
Length of Mains	281	kms

Monthly extraction and production figures for the year are depicted on the following graphs.

WATER QUALITY

Samples of water are regularly collected from Busselton Water's four Plants and other various locations throughout the Busselton townsite.

These samples are forwarded to the Health Department of WA for bacterial analysis and any remedial action considered necessary is carried out promptly by Busselton Water.

Four additional permanent bacteriological sampling points were installed this year within subdivisions on the extremities of the current reticulation network at sub-divisional estates Provence, Ambergate, Birchfield's and the Vasse LIA.

Busselton Water is progressively moving towards the adoption of the Australian Drinking Water Guidelines 2004 (ADWG 2004) and has formed an in-house Drinking Water Quality Committee and engaged consultants (Hunter Water) to help guide the committee on the requirements of ADWG 2004. In short, a quality assurance program has commenced.

Busselton Water and the Department of Health are currently negotiating a Memorandum of Understanding (MoU) and this is expected to be finalised early in the new financial year. The MoU is an agreement between the two parties that ensures co-operation and transparency when dealing with water related issues.

Additionally, and in accordance with the MoU and the ADWG 2004 Busselton Water will be implementing a more rigorous regime of sampling during 2009 / 2010. This will be phased in over time and it is anticipated that it will take approximately 12 to 18 months before the new sampling regime is settled and finalised.

Staff will continue to measure bore draw downs and monitor and evaluate pumpage rates, undertake electrical conductivity and pH measurements. This data is used to analyse the health of the aquifer. Busselton Water's hydrogeologists (Rockwater) compile and analyse this data on behalf of Busselton Water.

Quarterly, annual and triennial reports are then submitted to Department of Water for consideration.

METER READING AND TESTING

All meters are read three times per year, in October, February and June. Facilities are available for customers to keep tally of progressive consumption during the year.

Meter tests are undertaken as requested by customers on payment of the prescribed fee.

Busselton Water replaces domestic water meters once they have recorded in excess of 5,000kl for meters installed prior to March 2006. For meters installed after March 2006 replacement may take place after the meter registers 7,000kl.

ENERGY CONSERVATION

Busselton Water makes every effort to reduce its energy consumption, operational activities are rationalised to take advantage of off peak power which in turn minimises organisational costs.

Additionally Busselton Water will, within this financial year, undertake an audit of all activities associated with the use of power to further reduce costs. Minor items identified within the audit will be targeted and works undertaken to further reduce power outputs.

By undertaking activities such as audits Busselton Water is helping to decrease its carbon footprint and ultimately the costs associated with the delivery of water.

COMMUNITY RELATIONS

COMMUNITY SERVICE

Busselton Water continues to fund a rebate to both owner/occupiers of residential properties who hold a current Concession Card. The rebate is applicable to standard supply charges/rates and “Pay As You Use” water consumption costs and is assessed as follows:

Standard Supply Charge/Rates:

- Pensioners - up to 50% rebate
- Seniors - up to 25% rebate
- Commonwealth Seniors Health Card - up to a 50% rebate

Water Consumption:

- Pensioners and Commonwealth Seniors Health Card - up to 50% rebate on first 350kl's for the whole year.

COMMUNICATIONS

Busselton Water embarked on the beginning of a new era in customer communications during the year. The organisation sought to raise its profile by identifying and implementing communication solutions to better connect with its customer base and amongst industry peers.

This involved a re-branding, new education programs and opportunities in which the broader community could connect and engage with Busselton Water.

This new direction proved highly successful and saw Busselton Water recognised as a finalist in the Public Relations Institute of Australia's Golden Target Awards in the category of Community Relations. The outcome of the award will be known in coming financial year.

COMMUNITY ENGAGEMENT PROGRAM

As part of Busselton Water's new communication initiatives its Community Engagement Program was launched during the year.

The program focuses on Busselton Water's priority of striving for the attainment of excellence in the supply, management and sustainability of our water services, through community education and building community relationships.

The program, which was well received by the community, endeavours to provide support which encourages the adoption of good water conservation practices and promotes the vision of Busselton Water.



COMMUNITY RELATIONS..

CUSTOMER NEWSLETTER

Keeping our customers fully informed is a priority for Busselton Water.

The launch of our inaugural customer newsletter 'WaterSource' was well received, with 76.7% of customers surveyed recalling the publication.

The newsletter is delivered direct to customers twice per year.



CUSTOMER SURVEY

A customer survey was distributed in March 2008 to 1000 customers and returned with a higher than anticipated response rate of 36%. In order to ensure Busselton Water is fully aware of any changing trends within its customer base the survey is undertaken annually.

Key findings from the customer survey indicate that the satisfaction with Busselton's water supply is very high. More than 9 out of 10 respondents are either very or somewhat satisfied with all aspects of their water supply service.

The main area highlighted for improvement is education, particularly in the area of water conservation, although this was mentioned by significantly fewer respondents than in the previous year.

It is also worthy to note that customers re-iterated within the survey that they are firmly against the water supply being treated with chlorination, preferring to remain with the UV methods as it currently is.

WATER EFFICIENCY MEASURES

The Board of Busselton Water supports the State Government's Water Efficiency Measures, the requirements of which are reflected in its area by-laws. These measures include the two day per week watering roster and daytime sprinkler ban as well as the necessity to establish Water Efficiency Management Plans with high end commercial users.

Significant work has been undertaken to establish and implement education and support programs to ensure customers are fully conversant with their obligations. Water efficiency continues to be embraced by the majority of the community with a 40.2% decrease in the number of reports received this year of customers breaching the 2 day per week watering roster and day time sprinkler ban, compared to the previous year.

CUSTOMER COMPLAINTS

Busselton Water actively encourages customers to report to it when expectations are not met – thus Busselton Water uses complaints to grow its business. There is a growing surge of energy being directed towards effective complaints handling for research and the potential for improving services and products.

Busselton Water encourages its customers to express by letter, phone call or personal visitation, any concerns, which do not meet expectations and is committed to provide a positive response in a timely and professional manner – avoiding inconvenience wherever possible. During the year Busselton Water recorded a total of 28 concerns reported by customers, a decrease of 22% on the previous year. 100% of the concerns were satisfactorily resolved within the time frame permitted in the Busselton Water Operating Licence.

FORWARD PLANNING

Busselton Water has set out its ambitions for 2009/2010 in a document entitled “Busselton Water – Statement of Corporate Intent 2009/2010”. The document reflects the significant opportunities and challenges as perceived by the organisation for 2009/2010. Specifically, Busselton Water intends to:

- Continue to strongly interact with its customers
- Continue to react responsibly to government mandates and guidelines in terms of sustainable management of the State’s water resources
- Refocus its efforts for mains replacement programs
- Decrease its practice of being involved in the installation of new subdivisional mains
- Further improve asset management regimes, operating efficiency and the quality service provided to customers
- Work hard to meet new and ever more stringent regulatory requirements
- Enter into a Memorandum of Understanding with the Department of Health; and
- Enter into a bulk water supply agreement for the supply of water (for use in Dunsborough) with the Water Corporation.

For 2009/2010 and beyond Busselton Water has a Strategic Development plan which outlines projected revenues and expenses for a period of ten years. The plan attempts to address customer service needs in the context of infrastructure needs, growth in the district, economic circumstances, government compliance mandates and government policy.



ANNUAL REPORT FEEDBACK

Your feedback is important to us

What did you think?	Disagree	Neither Agree Nor Disagree	Agree
1. The information presented is reader friendly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The quality of information was of a good standard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The information was relevant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The presentation is of a high standard while reflecting the organisation's commitment to keeping production costs down	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you disagreed with any of the above, please tell us why

Do you have any suggestions for improvement?

Thank you for taking the time to provide your feedback on this year's Annual Report. Your input helps us to provide a publication that meets our reader's needs as well as meeting our statutory obligations. Your contact details are welcome but not essential.

Please forward your feedback to the Manager, Customer Services, Busselton Water, PO Box 57, Busselton WA 6280 or email admin@busseltonwater.wa.gov.au



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

BUSSELTON WATER BOARD FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009

I have audited the accounts, financial statements, controls and key performance indicators of the Busselton Water Board.

The financial statements comprise the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf.

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Busselton Water Board
Financial Statements and Key Performance Indicators for the year ended 30 June 2009

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Busselton Water Board at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Board provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the year ended 30 June 2009.



COLIN MURPHY
AUDITOR GENERAL
4 September 2009

CERTIFICATION OF FINANCIAL STATEMENTS

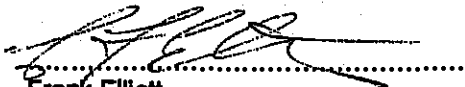
The accompanying Financial Statement of the Busselton Water Board has been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the year ended 30th June 2009 and the financial position as at 30 June 2009.

At the date of signing we are not aware of any circumstances, which would render the particulars included in the Financial Statement misleading or inaccurate.



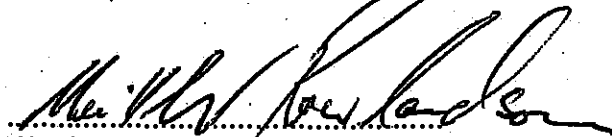
.....
D. Reid
Chairman
Busselton Water Board

Date: 4th SEPTEMBER 2009



.....
Frank Elliott
Member of the Busselton Water Board

Date: 4th SEPTEMBER 2009



.....
N.W. Rowlandson
Chief Finance Officer
Busselton Water Board

Date: 4th SEPTEMBER 2009



**BUSSELTON WATER BOARD
BALANCE SHEET
AS AT 30 JUNE 2009**

	Notes	<u>2009</u>	<u>2008</u>
ASSETS			
Current Assets			
Cash & Cash Equivalents	3 (a)	733,765	789,124
Other Financial Assets	3 (b)	8,250,000	9,160,000
Trade & Other Receivables	4	1,392,806	877,508
Inventories	5	370,063	348,382
Current Tax Assets	10	223,485	-
Total Current Assets		<u>10,970,119</u>	<u>11,175,014</u>
Non-Current Assets			
Property, Plant and Equipment	6	49,064,185	48,477,595
Total Non-Current Assets		<u>49,064,185</u>	<u>48,477,595</u>
TOTAL ASSETS		<u>60,034,304</u>	<u>59,652,609</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	423,019	785,395
Short Term Provisions	9	688,131	653,553
Current Tax Liabilities	10	-	160,340
Total Current Liabilities		<u>1,111,150</u>	<u>1,599,288</u>
Non-Current Liabilities			
Long Term Provisions	9	25,777	15,339
Deferred Tax Liabilities	11	9,655,413	9,831,746
Total Non-Current Liabilities		<u>9,681,190</u>	<u>9,847,085</u>
TOTAL LIABILITIES		<u>10,792,340</u>	<u>11,446,373</u>
NET ASSETS		<u>49,241,964</u>	<u>48,206,236</u>
Equity			
Reserve Fund	12.1	7,967,701	7,660,304
Asset Revaluation Reserve	12.2	23,324,503	23,324,503
Retained Earnings	24	17,949,760	17,221,429
TOTAL EQUITY		<u>49,241,964</u>	<u>48,206,236</u>

The Balance Sheet should be read in conjunction with the accompanying notes.



**BUSSELTON WATER BOARD
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
REVENUE			
Water Sales Revenue	13	5,103,487	4,412,181
Cost of Sales	14	<u>3,215,947</u>	<u>2,527,046</u>
Gross Profit		<u>1,887,541</u>	<u>1,885,135</u>
Other Revenue			
Contributions from Developers - Headworks		526,023	1,976,264
Contributions from Developers - Mains		223,903	1,209,279
Interest on Investment Funds	15	524,877	671,350
Other Revenue from Ordinary Activities	16	119,017	296,766
Gain on disposal of non-current assets		-	1,032
Total Revenue		<u>3,281,361</u>	<u>6,039,826</u>
EXPENSES			
Administration Expenses	17	1,321,085	1,080,850
Other Expenses from Ordinary Activities	18	488,980	476,024
Loss on disposal of non-current assets		<u>56,883</u>	<u>76,366</u>
Total Expenses		<u>1,866,948</u>	<u>1,633,240</u>
Profit Before Income Tax Equivalent Expense		<u>1,414,413</u>	<u>4,406,586</u>
Income Tax Equivalent Expense	7	378,684	1,328,530
Profit After Income Tax Equivalent Expense		<u>1,035,729</u>	<u>3,078,056</u>

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



**BUSSELTON WATER BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
Balance of equity at start of year		48,206,236	45,064,068
RESERVES			
General Reserves			
Balance at start of year		7,660,304	5,352,464
Transfers from Retained Earnings		1,361,896	3,820,511
Transfers to Retained Earnings		(1,054,499)	(1,512,671)
Balance at end of year	12.1	<u>7,967,701</u>	<u>7,660,304</u>
Asset Revaluation Reserve			
Balance at start of year		23,324,503	23,260,391
Gains from asset revaluations		-	91,586
Tax Effect on Revaluations		-	(27,474)
Balance at end of year	12.2	<u>23,324,503</u>	<u>23,324,503</u>
RETAINED EARNINGS			
Balance at start of year		17,221,429	16,451,213
Profit for the period		1,035,729	3,078,056
Transfers from Reserves		1,054,499	1,512,671
Transfers to Reserves		(1,361,896)	(3,820,511)
Balance at end of year	24	<u>17,949,760</u>	<u>17,221,429</u>
Balance of equity at end of the year		<u>49,241,964</u>	<u>48,206,236</u>

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



**BUSSELTON WATER BOARD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Rates & Water Sales		4,619,121	4,427,249
Interest Received		477,479	679,381
Developers Contributions		749,926	3,185,543
GST Receipts on Sales		61,474	166,670
GST Receipts From Taxation Authority		301,905	184,229
Other Receipts		<u>138,475</u>	<u>246,470</u>
		6,348,380	8,889,542
Payments			
Payment to Suppliers & Employees		(4,016,244)	(2,738,311)
GST Payments on Purchases		(337,001)	(364,158)
Net cash provided by operating activities	3(c)	<u>1,995,135</u>	<u>5,787,073</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the Sale of Non-Current Physical Assets		93,536	171,737
Purchase of Non-Current Physical Assets		<u>(2,115,185)</u>	<u>(2,838,018)</u>
Net cash used in investing activities		<u>(2,021,649)</u>	<u>(2,666,281)</u>
CASH FLOWS TO STATE GOVERNMENT			
Taxation Equivalent		(938,845)	(1,533,138)
Net cash flows to State Government		<u>(938,845)</u>	<u>(1,533,138)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(965,359)</u>	<u>1,587,654</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>9,949,124</u>	<u>8,361,470</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	3(a)	<u>8,983,765</u>	<u>9,949,124</u>

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



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 1 Australian equivalents to International Financial Reporting Standards

General

Busselton Water Board's financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards ('AIFRS'), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements Busselton Water has adopted, where relevant to its operations, new and revised standards and interpretations from their operative dates as issued by the AASB.

Early Adoption of Standards

The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 "Application of Accounting Standards and Other Pronouncements". No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Authority for the annual reporting period ended 30 June 2009.

Note 2 Summary of significant accounting policies

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of the Australian Accounting Standards are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statement

(b) Basis of Preparation

These financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.



BUSSELTON WATER



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 2 Summary of significant accounting policies (continued)

(c) Reporting Entity

The reporting entity comprises Busselton Water.

Busselton Water operates in the one geographical segment, that being Busselton, Western Australia, and in the one business segment being water services.

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Revenue from the sale of goods and disposal of other assets and the rendering of services is recognised when Busselton Water Board has passed control of the goods or other assets or delivery of the service to the customer.

Gains

Gains may be realised or unrealised and are recognised on a net basis. These include the gains arising on the disposal of non-current assets.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

(e) Income Tax

Busselton Water operates within the national tax equivalent regime ("NTER") whereby an equivalent amount in respect to income tax is payable to the WA Treasury. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government.

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 2 Summary of significant accounting policies (continued)

for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction that at the time of the transaction did not affect either accounting, profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Property, Plant & Equipment and Infrastructure

Capitalisation/Expensing of Assets

Items of Property, plant and equipment and infrastructure that cost over \$1,000 and tools that cost over \$500 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure that cost less than \$1,000 are expensed directly to the Income Statement (other than where they form part of a group of similar items which are significant in total).

The current Operating License for Busselton Water expires on 1 October 2021. However, Busselton Water views useful life to relate to the full useful life over which the assets will be utilized.

Initial recognition and measurement

All items of property, plant and equipment and infrastructure are initially recognised at cost.

Land

Land recorded at fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), is on the basis of a valuation provided by the Department of Land Information completed during July 2007.

Property, Plant & Equipment and Infrastructure

Property, plant and equipment and infrastructure recorded at their fair value are based on independent valuations performed by AON International Valuation Consultants ("AON") during June 2007 adjusted for additions at fair value since this date, less accumulated depreciation. The fair values determined by AON were calculated with reference to depreciated replacement costs. Depreciated replacement cost is based on the estimated current cost of replacement of the asset with a similar installed asset that has a similar service potential and function, less an amount for depreciation. These classes of property, plant & equipment and infrastructure represent the fair values as determined by AON less accumulated depreciation from the date of the valuations.

The carrying amount of property, plant and equipment and infrastructure is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these

**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 2 Summary of significant accounting policies (continued)

assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The purchase method of accounting is used to account for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to the present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of assets are credited to the revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount.



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 2 Summary of significant accounting policies (continued)

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefit. An indication of the remaining useful life of each class of assets and the method of depreciation is reflected in the table below.

	<u>Life</u>	<u>Method</u>
Buildings	3 to 35 Years	Straight Line
Land Improvements	5 to 30 Years	Straight Line
Meters	8 to 10 Years	Straight Line
Mains and Services	50 Years	Straight Line
Motor Vehicles	3 to 20 Years	Straight Line
Office Equipment	3 to 20 Years	Straight Line
Plant	4 to 45 Years	Straight Line
Tools	2 to 30 Years	Straight Line

Land is not depreciated.

(g) Intangible Assets

Capitalisation/Expensing of Assets

Acquisitions of intangible assets costing \$1,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred of less than \$1,000 are immediately expensed directly to the income statement.

Computer Software

Software that is an integral part of the related hardware is treated as property, plant & equipment. Software that is not an integral part of the related hardware is treated as an intangible asset.

(h) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(i) Leases

The Board has entered into a number of operating lease arrangements for office equipment where the lessor effectively retains the entire risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.



BUSSELTON WATER



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 2 Summary of significant accounting policies (continued)

(j) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, with an intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date the Board assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognized in the income statement.

(k) Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents includes restricted cash and cash equivalents. These 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, and bank overdrafts.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first in, first out basis.

(m) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement no more than 30 days from date of recognition.



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 2 Summary of significant accounting policies (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollected are written off. A provision for doubtful receivables is established when there is objective evidence that Busselton Water will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(n) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to Busselton Water prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and vesting sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-vesting sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the Reserve Bank of Australia cash rate at the reporting date to match, as closely as possible, the estimated future cash outflows.

Retirement Benefit Obligations

Contributions are made to State superannuation funds which exist to provide benefits for employees and their dependents on retirements, disability or death.

Busselton Water's liability for superannuation charges is extinguished by monthly payments of employer contributions to the WA Local Government Superannuation Plan.

(p) Rounding of Amounts

Busselton Water presents amounts in the financial reports rounded to the nearest dollar.

(q) Goods & Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognized as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Note 2 Summary of significant accounting policies (continued)

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) Disclosure of Changes in Accounting Policies and Estimates

Busselton Water Board has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2009 that impacted on Busselton Water:

AASB 101: Presentation of Financial Statements, AASB2008-8: Amendments to Australian Accounting Standards arising from AASB101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB101 and redefine the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on liquidation [AASB 101, AASB 132 and AASB 139 and Interpretation 2] (applicable for annual reporting periods commencing 1 January 2009). These amendments introduce an exception to the definition of financial liability, to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro rata share of net assets only upon liquidation.

Busselton Water does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the group's financial statements.



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

3. NOTES TO THE CASH FLOW STATEMENT

	2009	2008
3 (a) Cash & Cash Equivalents		
(i) <u>Water Fund Cheque Account (at 2.90% average)</u> The Board has an overdraft limit of \$15,000 on this account.	214,964	162,920
(ii) <u>24 Hour Cash Call Account (at 2.90% average)</u>	517,701	625,304
(iii) <u>Cash on Hand</u>	1,100	900
	733,765	789,124
3 (b) Other Financial Assets comprise of:		
<u>Fixed Term Deposits</u>		
(i) Reserve Investments: (at 4.343% average)	7,950,000	7,660,000
(ii) Water Fund Investments: (at 4.30% average)	300,000	1,500,000
	8,250,000	9,160,000

Reconciliation of Cash

Cash at the end of the financial year, as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:-

	2009	2008
<u>Cash and cash equivalents</u>	733,765	789,124
<u>Other Financial Assets</u>	8,250,000	9,160,000
	8,983,765	9,949,124

3 (c) Reconciliation of operating profit after Income Tax to net cash provided by operating activities

	Notes	2009	2008
Operating Profit after Income Tax		1,035,729	3,078,056
Depreciation		1,378,176	1,069,107
(Profit) / Loss on Sale of Assets		56,883	75,334
Income Tax Expense		378,684	1,328,530
Net Cash provided by Operating Activities before changes in Assets & Liabilities		2,849,472	5,551,027
Changes in Assets & Liabilities			
(Increase) / Decrease in Receivables		(515,299)	3,664
Increase / (Decrease) in Payables		-362,376	100,549
(Increase) / Decrease in Inventories		(21,681)	27,123
Increase / (Decrease) in Provisions		45,016	104,710
Net cash provided by operating activities		1,995,132	5,787,073



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

4. TRADE AND OTHER RECEIVABLES

	Notes	<u>2009</u>	<u>2008</u>
Includes all amounts due to Busselton Water from operations.			
Rates/Std Supply Charge Debtors		388,673	256,347
Excess Water/Consumption Debtors		763,154	414,788
Deferred Rates/Charges		34,231	47,640
Meter Rentals Debtors		32,796	24,031
Late Payment Penalty		1,287	808
Fire Services		4,853	3,452
Settlement Reading Fees		1,745	1,030
Miscellaneous Fees		1,696	148
Sundry Debtors (Including Headworks)		33,281	58,208
GST (Net Receivable from ATO)		30,826	40,774
Miscellaneous Debtors		100,264	30,282
		<u>1,392,806</u>	<u>877,508</u>
Allowance for impairment of receivables		-	-
		<u>1,392,806</u>	<u>877,508</u>

Ageing of receivables past due but not impaired based on the information provided to senior management at the balance sheet date

Not more than 3 months	15,108	14,399
More than 3 months but less than 6 months	17,965	12,200
More than 6 months but less than 1 Year	-	-
More than 1 year	-	-
	<u>33,073</u>	<u>26,599</u>

There were no indications of impairment to Receivables.

Deferred Headworks have been included in the Accounts as the contributions from Developers are considered to be owing but payment has been delayed for 12 months as provided for in current Legislation.

Deferred Rates are those rates that are owed by a property owner but Legislation allows the owner to delay payments until the property is sold.

5. INVENTORIES

	Notes	<u>2009</u>	<u>2008</u>
Current			
Raw Materials and Stores (at cost)		<u>370,063</u>	<u>348,382</u>



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

6. <u>PROPERTY, PLANT AND EQUIPMENT</u>	Notes	2009	2008
Land at Fair Value		3,195,787	3,156,000
Capital Works in Progress		0	39,787
		<u>3,195,787</u>	<u>3,195,787</u>
Freehold Land Improvements at Fair Value		570,118	548,489
Plant & Machinery at Fair Value		9,854,161	9,505,196
Buildings at Fair Value		2,117,246	2,177,490
Motor Vehicles at Fair Value		940,469	953,311
Mains and Services at Fair Value		31,104,945	30,741,759
Meters at Fair Value		1,038,028	1,095,738
Tools at Fair Value		104,413	110,282
Office Equipment & Furniture at Fair Value		139,018	149,543
TOTAL PROPERTY, PLANT AND EQUIPMENT		<u>49,064,185</u>	<u>48,477,595</u>

Land recorded at fair value is on the basis of a valuation provided by the Department of Land Information completed during July 2007. No land acquisitions were made during the 2007-2008 year.

All other classes of property, plant and equipment recorded at their fair value are based on independent valuations performed by AON International Valuation Consultants ("AON") in June 2007 plus assets acquired during the 2007-2008 and 2008-2009 years at fair value, less depreciation expense for the year. The fair values determined by AON were calculated with reference to depreciated replacement costs.

There were no indications of impairment to property, plant and equipment and Infrastructure assets at 30 June 2009.

Depreciated replacement cost is based on the estimated current cost of replacement of the asset with a similar installed asset that has a similar service potential and function, less an amount for depreciation. These classes of property, plant & equipment represent the fair values as determined by AON less accumulated depreciation from the date of the valuations.



BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

6 (a) Reconciliation of Carrying Amount

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

	<u>Carrying Amt At</u> <u>Beginning of Year</u>	<u>Additions</u>	<u>Reclassifications</u>	<u>Disposals/ W/downs</u>	<u>Depreciation</u>	<u>Revaluation Adjustment</u>	<u>Carrying Amt at end of year</u>
2009							
Land at Fair Value	3,156,000	-	39,787	-	-	-	3,195,787
Freehold Land							
Improvements	548,489	55,525	-	-	(33,896)	-	570,118
Capital Works	39,787	-	(39,787)	-	-	-	0
Plant & Machinery	9,505,196	710,534	-	-	(361,569)	-	9,854,161
Buildings	2,177,490	16,393	-	-	(76,637)	-	2,117,246
Motor Vehicles	953,311	214,779	-	(149,445)	(78,176)	-	940,469
Mains & Services	30,741,759	1,006,561	-	-	(643,375)	-	31,104,945
Meters	1,095,738	90,619	-	-	(148,329)	-	1,038,028
Tools	110,282	7,035	-	(974)	(11,930)	-	104,413
Office Equipment	149,543	13,739	-	-	(24,264)	-	139,018
	<u>48,477,595</u>	<u>2,115,185</u>	<u>-</u>	<u>(150,419)</u>	<u>(1,378,176)</u>	<u>-</u>	<u>49,064,185</u>
2008							
Land at Fair Value	3,156,000	-	-	-	-	-	3,156,000
Freehold Land							
Improvements	-	158,496	335,582	-	(37,175)	91,586	548,489
Capital Works	42,369	-	(2,582)	-	-	-	39,787
Plant & Machinery	9,619,700	284,982	(74,600)	-	(324,886)	-	9,505,196
Buildings	2,497,900	26,423	(268,500)	(2,500)	(75,833)	-	2,177,490
Motor Vehicles	635,300	600,297	-	(214,072)	(68,214)	-	953,311
Mains & Services	29,625,000	1,551,398	-	-	(434,639)	-	30,741,759
Meters	1,058,000	129,639	-	-	(91,901)	-	1,095,738
Tools	125,000	-	10,100	(11,100)	(13,718)	-	110,282
Office Equipment	104,900	86,783	-	(19,399)	(22,741)	-	149,543
	<u>46,864,169</u>	<u>2,838,018</u>	<u>-</u>	<u>(247,071)</u>	<u>(1,069,107)</u>	<u>91,586</u>	<u>48,477,595</u>

7. INCOME TAX EQUIVALENT

Notes

2009

2008

Major components of income tax expense for the years ended 30 June 2009 and 2008 are:

Income statement

Current income

Current income tax charge

555,017

1,464,435

Adjustments in respect of current income tax of previous years

-

-

Deferred income tax

Relating to origination and reversal of temporary differences

(176,333)

(135,905)

Income tax expense reported in income statement

378,684

1,328,530

Statement of changes in equity

Deferred income tax

Unrealised gain on available for sale financial assets

-

(27,474)

Income tax benefit reported in equity

-

(27,474)

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the organisation's effective income tax rate for the years ended 30 June 2009 and 2008 is as follows:



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

7. INCOME TAX EQUIVALENT (CONTINUED)

Accounting profit before tax from continuing operations	1,414,413	4,406,586
Profit before tax from discontinued operations	-	-
Accounting profit before income tax	<u>1,414,413</u>	<u>4,406,586</u>
At the statutory income tax rate of 30% (2008: 30%)	424,324	1,321,976
Adjustments in respect of current income tax of previous Year	(6,469)	5,733
Expenditure not allowable for income tax purposes	2,190	821
Adjustment in relation to investment allowance deductions	<u>(41,361)</u>	-
At effective income tax rate of 30.1% (2008: 30.1%)	<u>378,684</u>	<u>1,328,530</u>
Income tax expense reported in income statement	378,684	1,328,530
Income tax attributable to discontinued operations	-	-
	<u>378,684</u>	<u>1,328,530</u>



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2009	2008	2009	2008	2009	2008
Fair value adjustments of assets			9,607,549	9,607,549	9,607,549	9,607,549
Income not yet assessable for taxation purposes						
Developers Contributions			340,707	430,735	340,707	430,735
Interest Receivable			21,706	7,486	21,706	7,486
Expenses not yet deductible for taxation purposes						
Employee Entitlements	(214,172)	(200,668)			(214,172)	(200,668)
Accrued Superannuation	(5,288)	(1,052)			(5,288)	(1,052)
Accounting/tax depreciation differences	(93,859)	(12,304)			(93,859)	(12,304)
Prepayments	(1,230)				(1,230)	
Tax (assets) liabilities	(314,549)	(214,024)	9,969,962	10,045,770	9,655,413	9,831,746
Set off of tax	314,549	214,024	(314,549)	(214,024)	-	-
Net tax liabilities	-	-	9,655,413	9,831,746	9,655,413	9,831,746

Movement in temporary differences during the year

	Balance 1 July 2007	Recognised In Income	Recognised In Equity	Balance 30 June 2008
Fair value adjustments of assets	9,580,075		27,474	9,607,549
Income not yet assessable for taxation purposes				
Developers Contributions	520,762	(90,027)	-	430,735
Interest Receivable	10,003	(2,517)	-	7,486
Expenses not yet deductible for taxation purposes				
Employee Entitlements	(169,255)	(31,413)	-	(200,668)
Accrued Superannuation	(1,408)	356	-	(1,052)
Accounting/tax depreciation differences	-	(12,304)	-	(12,304)
	9,940,177	(135,905)	27,474	9,831,746

Movement in temporary differences during the year

	Balance 1 July 2008	Recognised In Income	Recognised In Equity	Balance 30 June 2009
Fair value adjustments of assets	9,607,549		-	9,607,549
Income not yet assessable for taxation purposes				
Developers Contributions	430,735	(90,028)	-	340,707
Interest Receivable	7,486	14,220	-	21,706
Expenses not yet deductible for taxation purposes				
Employee Entitlements	(200,668)	(13,504)	-	(214,172)
Accrued Superannuation	(1,052)	(4,236)	-	(5,288)
Accounting/tax depreciation differences	(12,304)	(81,555)	-	(93,859)
Prepayments	-	(1,230)	-	(1,230)
	9,831,746	(176,333)	-	9,655,413



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

8. TRADE AND OTHER PAYABLES

Notes

2009

2008

Payables for goods and services received. The carrying amounts of payables approximate their net fair values.

Trade Creditors	321,628	613,830
Payroll Creditors	61,771	78,424
Miscellaneous Creditors	6,915	47,496
Sundry Liabilities	-	-
Monies in Trust	20,388	20,133
Customer Payments in Advance	9,309	24,521
GST Payable	3,008	991
	<u>423,019</u>	<u>785,395</u>

Trade and other payables are expected to be paid as follows

Less than 6 months	402,631	765,262
6 months to 1 year	20,388	20,133
1 - 5 years	-	-
	<u>423,019</u>	<u>785,395</u>

9. PROVISIONS

Current

Annual leave (a)	163,397	174,760
Long service leave (b)	118,967	111,130
Sick leave (c)	<u>297,848</u>	<u>265,167</u>
	580,212	551,057
Employment on-costs (d)	<u>107,919</u>	<u>102,496</u>
	<u>688,131</u>	<u>653,553</u>

Non-current

Long service leave (b)	21,734	12,933
Employment on-costs (d)	<u>4,043</u>	<u>2,406</u>
	<u>25,777</u>	<u>15,339</u>

Aggregate employee benefit liability	<u>713,908</u>	<u>668,892</u>
Number of employees at year end	<u>29</u>	<u>30</u>

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of liabilities will occur as follows:

Within 12 months of balance sheet date	141,261	161,227
More than 12 months after balance sheet date	<u>22,136</u>	<u>13,533</u>
	<u>163,397</u>	<u>174,760</u>



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

9. PROVISIONS (CONTINUED)

Notes 2009 2008

(b) Long service leave liabilities that have been classified as current are where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of total liabilities will occur as follows:

Within 12 months of balance sheet date	54,657	78,487
More than 12 months after balance sheet date	64,310	32,642
	<u>118,967</u>	<u>111,129</u>

(c) Sick leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of liabilities will occur as follows:

Within 12 months of balance sheet date	-	-
More than 12 months after balance sheet date	297,848	265,167
	<u>297,848</u>	<u>265,167</u>

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

10. CURRENT TAX ASSET/LIABILITIES

Income Tax Equivalent Refundable	-	-
Income Tax Equivalent Payable	(223,485)	160,340

11. DEFERRED TAX LIABILITIES

Provision for Deferred Income Tax Equivalent	9,655,413	9,831,746
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12. RESERVE FUNDS

12.1 General Reserve Fund

Opening Balance	7,660,304	5,352,464
Less: Transfers to Retained Profits	(1,054,499)	(1,512,671)
	6,605,805	3,839,793
Add: Transfers from Retained Profits	1,361,896	3,820,511
Closing Balance	<u>7,967,701</u>	<u>7,660,304</u>

Eric Ripper MLA, Deputy Premier and Treasurer approved the amalgamation of all prior reserve accounts and fund balances into a single new Reserve Account, in a letter addressed to Busselton Water dated May 2006. The funds are reserved for staff liabilities, infrastructure funding, buildings and plant funding, contingencies and other future projects.

12.2 Asset Revaluation Reserve Fund

Opening Balance	23,324,503	23,260,391
Asset Revaluations		91,586
Tax effect on Revaluation		(27,474)
Closing Balance	<u>23,324,503</u>	<u>23,324,503</u>



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	<u>2009</u>	<u>2008</u>
13. WATER SALES REVENUE			
Meter Rentals		162,129	146,042
Rates		117,368	218,907
Water Consumption		2,802,260	2,170,097
Connection Fees		138,520	417,836
Standard Supply Charge		1,831,635	1,414,925
Meter Reading Charges		14,207	11,643
Other Water Sales		37,368	32,731
		<u>5,103,487</u>	<u>4,412,181</u>
14. COST OF SALES			
Pumping		333,596	208,920
Maintenance: General Production Plant		680,850	629,516
Mains & Meters		548,754	444,083
Depreciation		1,352,803	1,046,367
Net Vehicle Running Expenses		(6,772)	790
Net Public Works Overhead		135,391	133,743
Net Stock Allocated		(718)	(55,809)
Meter Reading Costs		23,932	21,339
Water Sampling & Monitoring Fees		148,112	98,097
		<u>3,215,947</u>	<u>2,527,046</u>
15. INTEREST ON INVESTMENT FUNDS			
Busseton Water Board invested excess funds and received the following interest:			
Interest on Water Fund		89,666	208,675
Interest on Reserves		435,212	462,675
		<u>524,877</u>	<u>671,350</u>
16. OTHER REVENUE			
Backflow Prevention Device Testing Fees		15,542	13,667
Insurance Recoveries		24,136	28,677
Private Works & Sundry Income		21,957	150,830
Other Receipts & Services		57,382	103,592
		<u>119,017</u>	<u>296,766</u>



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	<u>2009</u>	<u>2008</u>
17. ADMINISTRATION EXPENSES			
Salaries		737,025	539,690
Salary on Costs & Staff Expenses		208,052	185,416
Office Expenses		255,390	239,240
Stationery & Printing		26,848	16,337
Advertising		2,023	2,736
Bank Charges		19,132	22,416
Audit Fees		43,857	50,195
Legal Expenses		3,384	2,079
Depreciation		25,373	22,741
		<u>1,321,085</u>	<u>1,080,850</u>
18. OTHER EXPENSES			
Members Expenses		152,722	73,800
Pensioner Rate Rebate		199,804	174,274
Consulting Fees		117,282	39,848
Private Works		14,928	168,290
Sundry Expenditure		4,244	19,812
		<u>488,980</u>	<u>476,024</u>
19. DEPRECIATION			
Depreciation charged:		1,378,176	1,069,107
Freehold Land Improvements		33,896	37,175
Plant, Machinery and Buildings		438,206	400,719
Motor Vehicles		78,176	68,214
Mains and Services		643,375	434,639
Meters		148,329	91,901
Tools		11,930	13,718
Office Equipment		24,264	22,741
		<u>1,378,176</u>	<u>1,069,107</u>
20. REMUNERATION OF AUDITOR			
Remuneration payable to the Auditor General in respect to the audit for the current financial year is as follows			
Auditing the accounts, financial statements and performance indicators		<u>29,400</u>	<u>27,000</u>
		<u>29,400</u>	<u>27,000</u>



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	<u>2009</u>	<u>2008</u>
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21. REMUNERATION OF SENIOR OFFICERS

The total of fees, salaries, superannuation and other non-cash benefits received or due and receivable for the financial period by senior officers.

	<u>397,792</u>		<u>302,868</u>
--	----------------	--	----------------

Fringe Benefit Tax expense incorporated in the above is based on the period 1st April 2008 to 31 March 2009 and not the financial year. The impact of this is considered as not material.

The number of senior officer positions whose total fees, salaries, super, and other non cash benefits received, or due and receivable, for the year ended 30 June 2009, fall within the following bands are:

\$40,001 - \$50,000			
\$50,001 - \$60,000			
\$60,001 - \$70,000			
\$70,001 - \$80,000			
\$80,001 - \$90,000	1		2
\$90,001 - \$100,000	2		
\$100,000 and over	1		1

No personnel who are presently employed are members of the Superannuation and Family Benefits Act Scheme.

22. REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY

The total of fees, wages, allowances, superannuation and other non-cash benefits received or due and receivable for the financial period by Board Members

	<u>29,910</u>		<u>25,775</u>
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The number of positions on the Board whose total fees, allowances, super, and other non-cash benefits received, or due and receivable, for the year ended 30 June 2009 fall within the following bands:

\$0 - \$10,000	6		7
\$10,001 - \$20,000	1		1

No Board Members who are presently employed are members of the Superannuation and Family Benefits Act Scheme.



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	<u>2009</u>	<u>2008</u>
23. SUPPLEMENTARY FINANCIAL INFORMATION			
<u>Write Offs</u>			
Public Property written off by the Accountable Authority during the financial year.		-	-
<u>Losses Through Theft, Defaults & Other Causes</u>			
Losses of public moneys & other property through theft or default.		-	-
<u>Gifts of Public Property</u>			
Gifts of public property provided by Busselton Water.		-	-
		<u>-</u>	<u>-</u>
24. RETAINED EARNINGS RECONCILIATION			
Retained Earnings at Beginning of Year		17,221,429	16,451,213
Net Profits from Ordinary Activities			
After Income Tax Equivalent Expenses		1,035,729	3,078,056
Add Transfers From Reserves		1,054,499	1,512,671
Less Transfers to Reserves		<u>(1,361,896)</u>	<u>(3,820,511)</u>
Retained Earnings at End of Year		<u>17,949,760</u>	<u>17,221,429</u>



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

25. EXPLANATORY STATEMENT

(a) Comparisons of Actual Results with those of the Preceding Year

Details and reasons for significant variations between actual Revenue and Expenditure and the corresponding item of the preceding year are detailed below.

Significant variations are those considered to be in excess of either 15%, or \$5,000 if considered appropriate in the circumstances

<u>REVENUE ITEMS</u>	<u>VARIANCE</u>	<u>ACTUAL 2009</u>	<u>ACTUAL 2008</u>
	\$	\$	\$
<u>Rates</u> The decrease is due to the ongoing phasing out of rates, applicable to commercial properties.	(101,539)	117,368	218,907
<u>Water Consumption</u> The Increase is due, in part, to a particularly dry Autumn and early winter compared to the previous year.	632,163	2,802,260	2,170,097
<u>Connection Fees</u> The decrease is due to a substantial decline in the number of properties connected to the water scheme due in part to the global economic crisis.	(279,316)	138,520	417,836
<u>Standard Supply Charge</u> The increase is due to the progressive substitution of supply charges in lieu of rates in the commercial sector.	416,710	1,831,635	1,414,925
<u>Private Works Income</u> The decrease is the result of a substantial decline in development works in general due in part to the global economic crisis.	(128,526)	20,419	148,945
<u>Interest On Investment Fund</u> The decrease is due to a significant drop in interest rates on	(146,473)	524,877	671,350
<u>Contributions from Developers - Headworks</u>	(1,450,241)	526,023	1,976,264
<u>Contributions from Developers - Mains</u> These decreases are due to a substantial decline in the number of new land developments as a result of the global economic crisis.	(985,376)	223,903	1,209,279



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

25. (a) EXPENDITURE ITEMS

	VARIANCE	ACTUAL 2009	ACTUAL 2008
<u>Water Plant Maintenance</u> Due in part to a significant increase in power costs applicable from December 2008 and ad-hoc maintenance requirements.	187,914	1,054,311	866,397
<u>Water Monitoring Programs</u> Elevated costs due to the increase in analysed water samples on a routine basis for compliance reasons and annual quarterly reports of compliance.	50,016	148,112	98,096
<u>Public Relations</u> Due wholly to the design and implementation of new corporate branding and community engagement programs.	58,831	71,987	13,156
<u>Salaries</u> Represents an increase in staff costs due to added C.W.A. benefits.	197,335	737,025	539,690
<u>Salary On Costs - Admin</u> Represents an increase in staff costs due to added C.W.A benefits.	33,060	154,120	121,060
<u>Consultancies/Special Projects</u> Significant cost were incurred in the preparation of the Dunsborough Bulk Water Supply Agreement and submission of a Private Tax Ruling.	91,699	113,602	21,903
<u>Mains & Meters Maintenance</u> Planned expansion of general maintenance and AC to PVC pipe replacement.	108,243	552,326	444,083
<u>Private Works Expenditure</u> The decrease is the result of a substantial decline in development works in general due in part to the global economic crisis. Refer also Private Works Income referred to above.	(160,813)	15,002	175,815



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

25. (b) Comparison of Estimates and Actual Results

Section 40 of the Financial Management Act 2006 requires Statutory Authorities to prepare Annual Budget Estimates. Treasurer's Instruction 945 requires an explanation of significant variations between these estimates and actual results.

Significant variations are those considered to be in excess of either 15%, or \$5,000 if considered appropriate in the circumstances

	VARIANCE	ACTUAL	BUDGET
		2009	2009
<u>REVENUE ITEMS</u>			
<u>Connection Fees</u>	(190,480)	138,520	329,000
The decrease is due to a substantial decline in the number of properties connected to the water scheme due in part to the global economic crisis.			
<u>Private Works Income</u>	(35,381)	20,419	55,800
The decrease is the result of a substantial decline in development works in general due in part to the global economic crisis.			
<u>Interest On Investment Fund</u>	(175,423)	524,877	700,300
The decrease is due to a significant drop in interest rates on			
<u>Contributions from Developers - Headworks</u>	(942,177)	526,023	1,468,200
<u>Contributions from Developers - Mains</u>	(21,797)	223,903	245,700
Reflects the inherent difficulty in budgeting for development activity within the district, which is not under the control of Busselton Water.			



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

25. (b) Comparison of Estimates and Actual Results (Continued)

<u>EXPENDITURE ITEMS</u>	<u>VARIANCE</u>	<u>ACTUAL 2009</u>	<u>BUDGET 2009</u>
<u>Monitoring Programs</u> Elevated costs due to the increase in analysed water samples on a routine basis for compliance reasons and annual quarterly reports of compliance.	40,132	148,112	107,980
<u>Consultancies/Special Projects</u> Significant cost were incurred in the preparation of the Dunsborough Bulk Water Supply Agreement and submission of a Private Tax Ruling.	63,602	113,602	50,000
<u>Mains & Meters Maintenance</u> Due to the reduction in new developments, greater emphasis was placed on this planned AC to PVC pipe replacement.	176,726	552,326	375,600
<u>Private Works Expenditure</u> The decrease is the result of a substantial decline in development works in general due in part to the global economic crisis. Refer also Private Works Income referred to above.	(35,798)	15,002	50,800
<u>Consultants/Special Projects</u> Containment of costs within budget limits.	(41,528)	60,722	102,250

26. PROGRAM INFORMATION

The Busselton Water Board was established under the Water Board's Act 1904 and operates under a licence issued by the Economic Regulation Authority for the provision of water services within the Busselton Operating Area.

The Board considers that there is one program within its function and that is the provision of water services and therefore these financial statements reflect this program.

27. COMMITMENTS FOR EXPENDITURES

OPERATING LEASES

Busselton Water has entered into a number of operating lease arrangements for office equipment where the lessors effectively retain some of the risks and benefits incident to ownership of the items held under the operating leases. The Board is responsible to insure the items with Flexirent and National Rental Corp; and to maintain the equipment in good working order. Equal instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

	<u>2009</u>	<u>2008</u>
Lease Commitments		
At balance date, the Board had the following		
Operating lease Commitments:		
Not later than one year	50,605	57,987
Later than one year and not later than two years	36,984	19,503
Later than two years and not later than five years	20,691	8,709
	<u>108,280</u>	<u>86,199</u>



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

27. COMMITMENTS FOR EXPENDITURES (CONT)

There are no capital commitments at 30 June 2009.

28. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or assets to report at 30 June 2009.

29. EVENTS OCCURRING AFTER REPORTING DATE

No significant events have occurred after the reporting date that require disclosure in the financial statements.



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

30 FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

Busselton Water's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases.

Busselton Water does not have any derivative instruments at 30 June 2009.

i. Treasury Risk Management

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

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

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

ii. Financial Risk Exposures and Management

The main risks Busselton Water is exposed to through its financial instruments are detailed below:

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of Busselton Water's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting

	Carrying Amount \$	- 1% change		+ 1% change	
		Profit \$	Equity \$	Profit \$	Equity \$
2009					
<u>Financial Assets</u>					
Cash & cash equivalents	733,765	(7,338)	(7,338)	7,338	7,338
Other financial assets	8,250,000	(82,500)	(82,500)	82,500	82,500
<u>Financial Liabilities</u>					
Bank overdraft		-	-	-	-
Total Increase/(Decrease)		<u>-89,838</u>	<u>-89,838</u>	<u>89,838</u>	<u>89,838</u>
2008					
<u>Financial Assets</u>					
Cash & cash equivalents	789,124	(7,891)	(7,891)	7,891	7,891
Other financial assets	9,160,000	(91,600)	(91,600)	91,600	91,600
<u>Financial Liabilities</u>					
Bank overdraft		-	-	-	-
Total Increase/(Decrease)		<u>-99,491</u>	<u>-99,491</u>	<u>99,491</u>	<u>99,491</u>



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk

Busselton Water is not exposed to fluctuations in foreign currencies.

Liquidity risk

Busselton Water manages liquidity risk by budgeting and monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no amounts of collateral held as security at 30 June 2009.

Credit risk is reviewed by the Board. It arises from exposures to customers and deposits with financial institutions.

Busselton Water's management monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with ratings as outlined within the investment policy are utilised; and
- customers that do not pay on a timely basis are subject to recovery actions in accordance with Board policy and may ultimately have services restricted.

Busselton Water does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into.

The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counter parties with external credit ratings. Customers credit worthiness is monitored monthly and actions taken where applicable in accordance with Board policy.

Price risk

Busselton Water is not exposed to any material commodity price risk.

(b) Financial Instrument Composition and Maturity Analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.





**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

30 FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Financial Instrument Composition and Maturity Analysis (Cont'd)

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Fixed Interest Rate Maturing 1 to 5 Years		Non-interest Bearing		Total	
	2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Financial Assets:												
Cash and cash equivalents	2.90	6.49	733,765	789,123	-	-	-	-	-	-	733,765	789,123
Receivables			-	-	-	-	-	-	1,392,806	877,508	1,392,806	877,508
Investments	4.34	7.94	-	-	8,250,000	9,160,000	-	-	-	-	8,250,000	9,160,000
Total Financial Assets			733,765	789,123	8,250,000	9,160,000	-	-	1,392,806	877,508	10,376,571	10,826,631

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Fixed Interest Rate Maturing 1 to 5 Years		Non-interest Bearing		Total	
	2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Financial Liabilities:												
Trade and other payables			-	-	-	-	-	-	423,019	785,395	423,019	785,395
Total Financial Liabilities			-	-	-	-	-	-	423,019	785,395	423,019	785,395



**BUSSELTON WATER BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

c. Net Fair Values

Busseton Water has no listed investments at balance date. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date

	2009		2008	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial assets				
Loans and receivables	1,392,806	1,392,806	877,508	877,508
	<u>1,392,806</u>	<u>1,392,806</u>	<u>877,508</u>	<u>877,508</u>
Financial liabilities				
Trade and other payables	423,019	423,019	785,395	785,395
	<u>423,019</u>	<u>423,019</u>	<u>785,395</u>	<u>785,395</u>

Fair values are in line with carrying values.

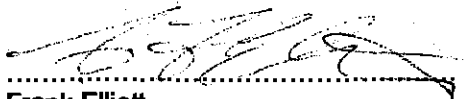
CERTIFICATION OF PERFORMANCE INDICATORS

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess Busselton Water Board's performance, and fairly represent the performance of the Busselton Water Board for the financial year ended 30th June, 2009.



.....
D. Reid
Chairman
Busselton Water Board

Date: 4th SEPTEMBER 2009



.....
Frank Elliott
Member of the Busselton Water Board

Date: 4th SEPTEMBER 2009



In the following documentation it is to be noted that all Performance Indicators highlighted in BOLD print, have been subject to Audit. Those not in BOLD have not been subject to Audit.

REGULATORY PERFORMANCE

Description	Formula	Note	Target	2009	2008	2007	2006	2005	2004	2003	2002
Continuity of Supply - Mains length	Leaks and bursts per 100km Mains	1a	<20/100km								
	Major Nil							0	0	0	0
	Minor 30			10.68	14.87	12.65	6.65	5.56	9	7.1	6.16
	Total 30			10.68	14.87	12.65	6.65	5.56	9	7.1	6.16
Continuity of Supply - Services	Leaks and bursts per 1000 services	1b	<20/1000 Services								
	Major Nil							0	0	0	0
	Minor 246			20.64	24.62	18.87	7.42	4.1	2.85	5.09	9.89
	Total 246			20.64	24.62	18.87	7.42	4.1	2.85	5.09	9.89
Water Quality - Health											
Total Coliforms	% of routine samples meeting standard	2a	>90%	100%	99%	100%	100%	100%	100%	100%	100%
Thermo Tolerant Coliforms	% of routine samples meeting standard	2b	>95%	100%	100%	100%	100%	100%	100%	100%	100%
Amoeba Naegleria Fowlerii	% of routine samples meeting standard	2c	>95%	100%	100%	100%	100%	100%	100%	100%	100%
Water Quality Aesthetic	% of routine samples meeting target	3a	>95% (Fe)	100%	100%	100%	100%	100%	100%	100%	100%
		3b	>95% (Mn)	100%	100%	100%	100%	100%	100%	100%	100%



REGULATORY PERFORMANCE (CONT.)

Description	Formula	Note	Target	2009	2008	2007	2006	2005	2004	2003	2002
Water Pressure	Complaints per 1,000 services	4	<5/1000	2.35	1.25	0	0	0	0.01	0.88	100%
Water Production	Water Production (Ex Plant)	5a	Demand driven	4,316,486 kl	3,824,270 kl	4,042,759 kl	3,724,307 kl	3,740,844kl	3,690,233kl	3,387,267kl	3,485,137kl
	Water Consumption Billed	5b	Demand driven	3,924,785 kl	3,164,566 kl	3,453,507 kl	3,282,424				
Water Resource Management	Water Extracted compared to Licence allocation	6	18GI	4.49GL	3.94 GI	4.27GI	3.88GI	3.92GI	3.90GI	3.59GI	3.64GI
Energy Management	Power costs per kl Water Extracted	7	<6.5c	7.43C	5.31c	5.08c	5.12c	5.01c	5.15c	5.40c	6.74c

HUMAN RESOURCES

Description	Formula	Note	Target	2009	2008	2007	2006	2005	2004	2003	2002
Accidents in the Work place	Lost time due to injury	8	<100 hrs	701.0 hrs	130.0 hrs	129.5 hrs	286.1 hrs	368 hrs	33.2hrs	12.2hrs	38hrs
Return on Capital Investment	Fixed Assets/ Megaliters of water extracted	9 See Note Below	<\$5.00	\$10.93	\$12.31	\$10.98	\$3.58	\$5.05	\$3.41	\$3.94	\$3.90
	No. of Connected Services/Employee	10	>300	397	347	394	376	376	361	350	375
	Total operating costs of all work programs/ service employee	11	\$240,000	\$248,855	\$193,939	\$198,481	\$194,107	\$196,307	\$203,107	\$134,701	\$145,466



FINANCE

Description	Formula	Note	Target	2009	2008	2007	2006	2005	2004	2003	2002
Water Supply Operation	Operation and maintenance costs/ number of connected services	12	\$290/Service	\$269.77	\$242.99	\$229.56	\$240.04	\$224.85	\$236.31	\$262.96	\$276.74
	Total overhead costs/ number of connected services	13	\$110/Service	\$91.76	\$99.19	\$100.47	\$105.90	\$109.39	\$101.78	\$134.42	\$129.14
	Total expenditure/number of connected services	14	\$320/Service	\$426.38	\$400.03	\$374.92	\$396.59	\$380.84	\$367.28	\$389.94	\$387.66
	Operation and maintenance costs/total water extracted	15	\$0.50/Kl	\$0.72	0.64/Kl	0.53/Kl	\$0.58/Kl	\$0.52/Kl	\$0.50/Kl	\$0.59/Kl	\$0.60/Kl
	Total overhead costs/ total water produced ex plant	16	\$0.25/Kl	\$0.25/Kl	\$0.27/Kl	\$0.24/Kl	\$0.26/Kl	\$0.25/Kl	\$0.22/Kl	\$0.30/Kl	\$0.28/Kl
	Total expenditure/ total water produced ex plant	17	\$0.75/Kl	\$1.18	\$1.09/Kl	\$0.91/Kl	\$0.96/Kl	\$0.88/Kl	\$0.78/Kl	\$0.86/Kl	\$0.84/Kl
	Operation and maintenance costs/total water produced ex plant	18	\$0.60/Kl	\$0.75	\$0.66/Kl	\$0.56/Kl	\$0.61/Kl	\$0.54/Kl	\$0.53/Kl	\$0.63/Kl	\$0.63/Kl
Recovery of Debts	Water revenue overdue x 100/water revenue billed	19	<5%	0.59%	1.21%	2.33%	1.18%	0.76%	2.43%	0.58%	0.89%



FINANCE (continued)

Description	Formula	Note	Target	2009	2008	2007	2006	2005	2004	2003	2002
Water Tariff Fixed Income Structure	Total water revenue x 100/total revenue less developers contributions	20	<75%	67.21%	81.17%	84.33%	91.01%	90.10%	84.30%	94.05%	92.22%
Recovery of Costs	Total revenue less developers contributions x 100/total expenditure	21	100%	147.88%	129.35%	136.01%	111.71%	113.78%	76.72%	85.28%	76.89%
Capital Structure	Total debt x 100/WDV of total fixed assets	22	<5%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Interest expense x 100/total expense	23	<2.5%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Total assets/total liabilities	24	5:1	5.39:1	5.21:1	4.95:1	14.31:1	11.67:1	9.8:1	12.5:1	12.5:1
	Current assets/current liabilities	25	2:1	8.74:1	6.99:1	6.64:1	6.22:1	4.5:1	12:01	9:01	9:01



Note	Output Measure	Performance Indicator Description	Target	Actual Result	Relationship to Outcome/Output	Standard Utilised to set Target
1	Effectiveness	Continuity of supply	<20/100 km <20/1000 Services	10.68 20.64	Utilise Asset Management practices to achieve long term Asset Performance	Performance Indicator used by the Water Services Ass'n. of Australia to COAG
2	Effectiveness	Water Quality – Health	Total Coliforms >90%	100%	To achieve water quality compliance within 1987 NHMRC guidelines	1987 National Health and Medical Research Council (NHMRC) guidelines
			Thermo Tolerant Coliforms > 95%	100%		
			Amoeba Naegleria Fowlerii > 95%	100%		
3	Effectiveness	Water Quality – Aesthetic	> 95% (Fe) > 95% (Mn)	100% 100%	To achieve water quality compliance with 1987 NHMRC guidelines	1987 National Health and Medical Research Council (NHMRC) guidelines
4	Efficiency	Water Pressure – complaints per 1,000 services	<5/1000	2.35	Operating Licence and Customer Charter	Measure of Busseton Water Board's ability to provide water at the level set by the Operating Licence
5	Efficiency	Water Production Ex Plant	Demand Driven	4,316,496 kl	a) Water conservation awareness b) Clause 3.12 of the Operating Licence	Average domestic consumption per service in other areas of the South West of WA is 470 kl. The target is considered to be achievable for consumption per residential property for consumers in the Busseton Water Area
		Water Consumption Billed	Demand Driven	3,924,785 kl		
6	Effectiveness	Water Resource Management - Water Extraction compared to Licence	Demand Driven	4.49GL	Compliance with the requirements of the Water and Rivers Commission	The Dept. of Water has set a maximum production allocation of 9.45 GI
7	Cost	Energy Management	<6.5c	7.43C	Provide sustainable, high quality water services at minimum long term cost	Energy Management system developed internally

Note	Output Measure	Performance Indicator Description	Target	Actual Result	Relationship to Outcome/Output	Standard Utilised to set Target
8	Quality	Accidents in the Workplace	<100 hrs	0	Commitment to providing a safe working environment and to encourage staff to observe safe working practices	Target considered to be reasonable and achievable
9	Cost	Return on Capital Investment	<\$5.00	\$10.93		
10	Quality	No. of Connected Services / Service Employee	>300	397.00	Commitment to encouragement of staff to be innovative and to respond in an equitable manner to their needs	Continuous improvement in staff efficiency
11	Efficiency	Total Operating Costs in all Work Programs/Service Employee	\$240,000	\$248,855		
12	Efficiency	Operation & Maintenance Cost/No. of Connected Services	\$290/Service	\$269.77	Commitment to financial strength and accountability	Historical
13	Efficiency	Total Overhead Costs/No. of Connected Services	\$110/Service	\$91.76	Commitment to financial strength and accountability	Historical
14	Efficiency	Total Expenditure/ No. of Connected Services	\$320/Service	\$426.38	Commitment to financial strength and accountability	Historical
15	Efficiency	Operation & Maintenance Costs / Total Water Extracted	\$0.50/Kl	\$0.72	Commitment to financial strength and accountability	Historical
16	Efficiency	Total Overhead Costs / Total Water Produced Ex Plant	\$0.25/Kl	\$0.25/Kl	Commitment to financial strength and accountability	Historical
17	Efficiency	Total Expenditure / Total Water Produced Ex Plant	\$0.75/Kl	\$1.18	Commitment to financial strength and accountability	Historical
18	Efficiency	Operation & Maintenance Costs/ Total Water Produced Ex Plant	\$0.60/Kl	\$0.75	Commitment to financial strength and accountability	Historical
19	Efficiency	Recovery of Debts Water Revenue overdue x 100/Water Revenue billed	<5%	\$0.01	Commitment to financial strength and accountability	Requirement for a high standard of debit control



Note	Output Measure	Performance Indicator Description	Target	Actual Result	Relationship to Outcome/Output	Standard Utilised to set Target
20	Efficiency	Water Tariff – Fixed Income Total Water Revenue x 100/Total Revenue less Developers Contribution	>75%	0.00%	Commitment to financial strength and accountability	Historical
21	Efficiency	Recovery of Costs Total Revenue less Developers Contribution x 100 / Total Expenditure	>100%	147.88%	Commitment to financial strength and accountability	Historical
22	Efficiency	Capital Structure Total Debt x 100 / WDV of Total Fixed Assets	<5%	0.00%	Commitment to financial strength and accountability	Historical
23	Efficiency	Interest Expense x 100 / Total Expense	<2.5%	0.00%	Commitment to financial strength and accountability	Historical
24	Efficiency	Total Assets/Total Liabilities	5:1	5.39:1	Commitment to financial strength and accountability	Historical
25	Efficiency	Current Assets/Current Liabilities	2:1	8.74:1	Commitment to financial strength and accountability	Historical

NOTE:

1) Reference Note (9) above - Value of Fixed Assets. Due to a mandatory revaluation of fixed assets as at 30 June 2007 the fair value of fixed assets was increased by 236.9%