



BUSSELTON **WATER**



# Statement of Corporate Intent **2018-19**

[busseltonwater.wa.gov.au](http://busseltonwater.wa.gov.au)



# Contents

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From our Chair and CEO	3
Our business	4
Our structure	5
Our drivers	6
Our strategic priorities	7
Asset Investment Program (AIP)	9
Key assumptions and notes	10
Our financial forecast	11
Our key performance outcomes	11





## From our Chair and CEO

Busselton Water's vision is to provide excellence and leadership in the provision of all water services.

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

Our values of Integrity, Respect and Courage guide the way we do business.

Our strategic priorities are:

- Leadership;
- Strategy and Planning;
- Information and Knowledge;

- People;
- Customers and Other Stakeholders;
- Process Management, Improvement and Innovation;
- Results and Sustainable Performance; and
- Growth.

We measure our success by the performance outcomes we achieve across these strategic priorities.

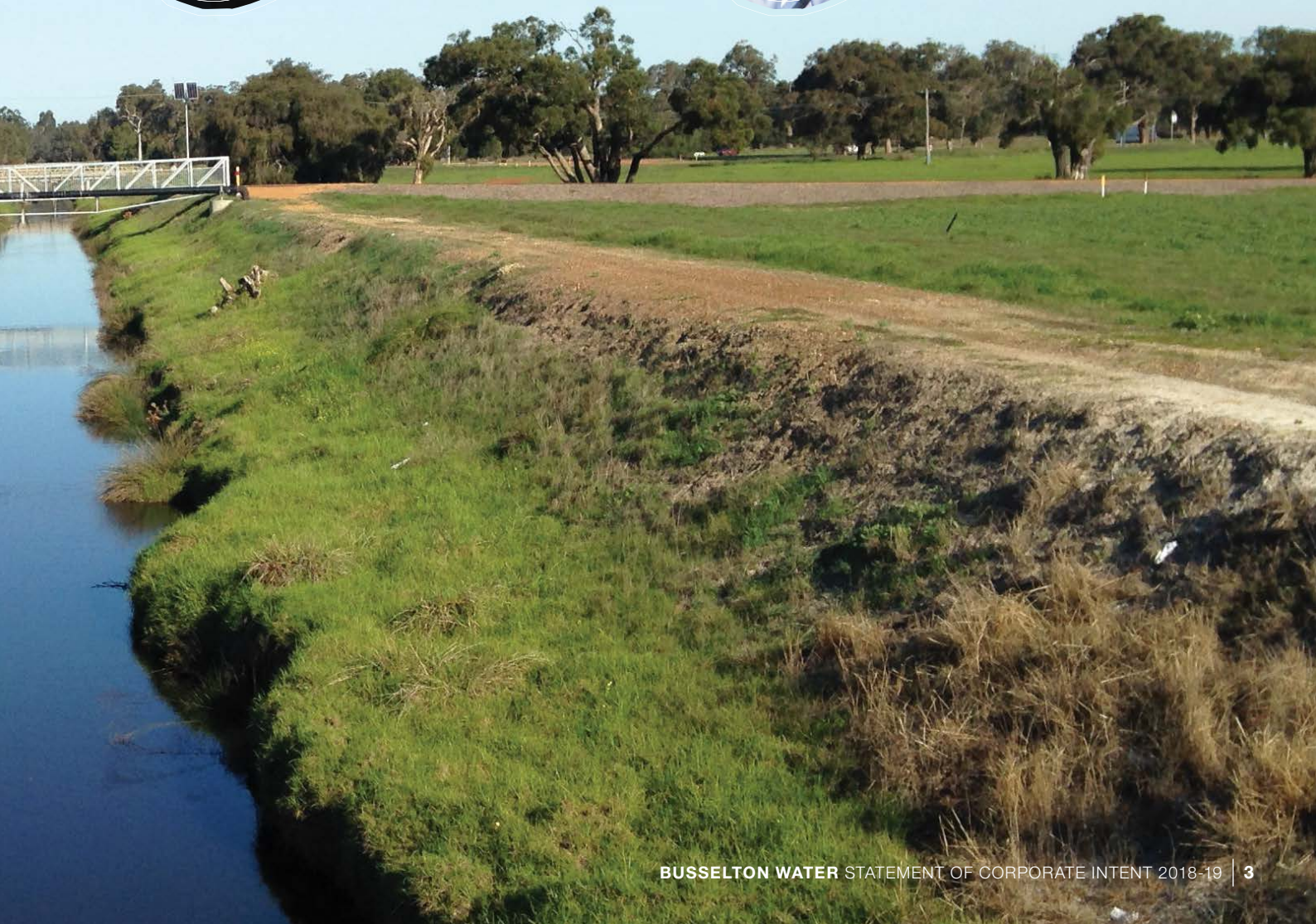
In 2018-19 we anticipate a profit after tax of \$1.45 million, a net accrual to Government of \$1.28 million and completion of a \$3.72 million asset investment program.



**Helen Shervington**  
Chair



**Chris Elliott**  
Chief Executive Officer



# Our business

Busselton Water shares a 110-year history and culture with our community.

We are owned by the Western Australian Government and are accountable to our sole shareholder, the Minister for Water.

Busselton Water is a water corporation, established by the *Water Corporations Act 1995* on 18 November 2013. The legislation provided increased scope for commercialisation and, as such, Busselton Water is well positioned for growth and diversification.

Our operating licence is issued by the Economic Regulation Authority and defines our current licence area. We currently provide potable water services to the city of Busselton and bulk water supplies to the neighbouring town of Dunsborough.

Our business is funded from customer water sales, related services from our customers (including land developers), interest on our investments, borrowings and operating subsidies.

Our water is sourced from the Yarragadee and Leederville aquifers which provide high quality groundwater. Our abstraction is regulated through licences issued by the Department of Water and Environmental Regulation.

The raw groundwater has turbidity and iron concentrations above the aesthetic drinking water guideline limits, so these are removed by oxidation and filtration processes at Busselton Water's treatment plants. The water is also disinfected using chlorine before being distributed through our network to customers.

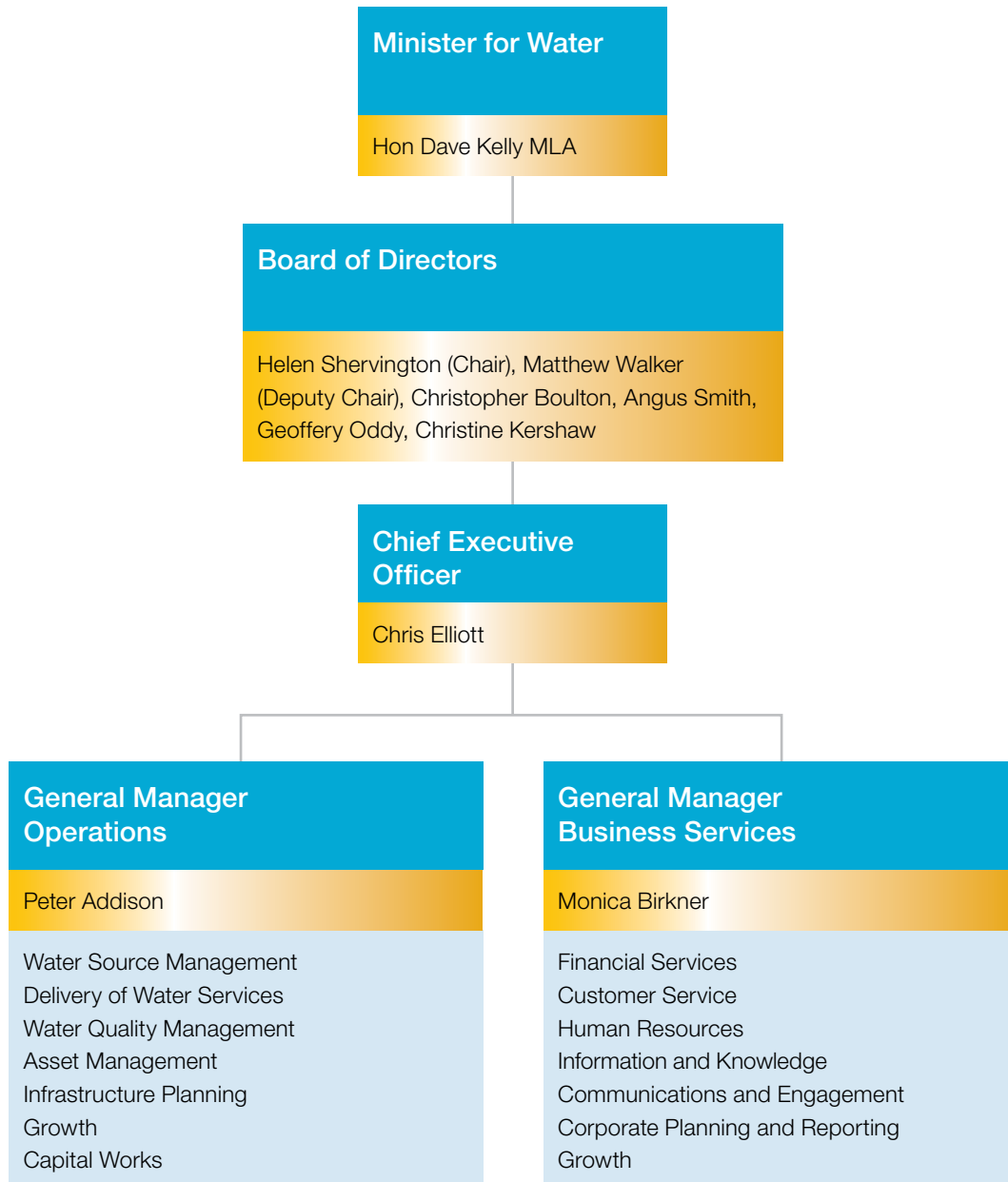
## Our operating area

Our operating licence (WL 3, Version 7) authorises Busselton Water to provide potable water supply services.



## Our structure

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# Our drivers

## OUR VISION

Excellence and leadership in the provision of all water services.

VISION

## OUR PURPOSE

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

PURPOSE

VALUES

## OUR VALUES

### Integrity

We are open and transparent in everything we do. We:

- act ethically;
- are accountable for our actions;
- contribute to a work environment free from harassment and discrimination; and
- understand that each individual is unique and recognise our differences.

### Respect

We value our people, our environment and our community. We:

- work with an uncompromised focus on safety;
- are aware of our impact on others and use it to build a positive work environment;
- act in an environmentally responsible way; and
- coach and develop each other in living our values.

### Courage

We embrace innovation, challenges and opportunity. We:

- have a positive and optimistic attitude towards goals;
- think differently about the future and how to get things done;
- are resilient and tenacious when faced with difficulty; and
- set and expect high standards of performance for ourselves and our teams.



# Our strategic priorities

## OUR EIGHT AREAS OF STRATEGIC PRIORITY SUPPORT OUR VISION AND PURPOSE:

- **Leadership**
- **Strategy and Planning**
- **Information and Knowledge**
- **People**
- **Customers and Other Stakeholders**
- **Process Management, Improvement and Innovation**
- **Results and Sustainable Performance**
- **Growth**

Our strategic priorities guide our actions and target our key opportunities and challenges, with each priority area directed by its own strategic plan.

## Leadership

### We are committed to:

Developing and using effective systems and processes of leadership based on business excellence, developing a culture that is consistent with our values and contributing to the liveability and sustainability of our local community and environment.

### In 2018-19 we will:

- implement the 2018-19 Audit Program;
- create value for our community through our Community Partnership Program; and
- deliver our Society, Community and Environmental Responsibility Plan including water efficiency and energy management plans.

## Strategy and Planning

### We are committed to:

Using systems and processes to establish and communicate our purpose, vision, values and strategies and to turn strategic decisions and imperatives into actionable plans.

### In 2018-19 we will:

- review and update all elements of the Strategic Planning Framework; and
- implement the 2018-19 cycle of the Strategic Planning Process.

## Information and Knowledge

### We are committed to:

The effective application of the information and knowledge required to achieve our business goals.

### In 2018-19 we will:

- implement our Digital Security Policy;
- implement the new Water Services Code of Conduct (Customer Services Standards) 2018; and
- establish an updated ICT five-year plan.

## People

### We are committed to:

Attracting, developing and retaining a highly skilled and motivated workforce and to creating a great place to work where our people are safe and make a meaningful contribution to organisational improvement, goals and success.

### In 2018-19 we will:

- enhance our workforce and succession plans; and
- continue our occupational safety and health improvement plans based on WorkSafe and Industrial Foundation for Accident Prevention (IFAP) assessments.

# Our strategic priorities

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## Customers and Other Stakeholders

### We are committed to:

Analysing our customer and other stakeholder requirements and to using this knowledge to manage these relationships to deliver increasing value.

### In 2018-19 we will:

- provide customers with a new online portal to improve their access to data and better understand their water services and usage;
- strengthen our social media presence, including increasing the uptake of digital communications and engagement with key stakeholders, including the community; and
- undertake a Customer Survey.

## Process Management, Improvement and Innovation

### We are committed to:

Encouraging innovation and improvement to all of the processes we use to supply value to stakeholders.

### In 2018-19 we will:

- implement process improvement plans for our Tier 1 processes, namely Drinking Water Quality, Asset Management and Financial Management.

## Results and Sustainable Performance

### We are committed to:

Measuring and communicating organisational results and achieving sustainable performance.

### In 2018-19 we will:

- review all business indicators to ensure continued relevance; and
- deliver all reporting framework requirements.

## Growth

### We are committed to:

Growing our business by expanding and diversifying our existing water services.

### In 2018-19 we will:

- meet projected water supply service growth for the Busselton Water Scheme; and
- deliver our Growth Strategy by progressing selected opportunities.



# Asset Investment Program (AIP)

The following AIP is planned to be executed in 2018-19:

## **New trunk mains**

A program of new trunk mains is planned to meet growth requirements and improve network performance.

## **Mains replacement program**

A mains replacement program is planned to replace ageing pipes.

## **New/replacement infrastructure**

A program of infrastructure projects is planned to address growth, climate change, compliance and asset management drivers.

## **Land, buildings and offices**

A program of improvements related to our land, building and office assets is planned.

## **New service connections**

A provision for expected new service connections has been included.

## **Radio frequency meter replacements**

A program of planned radio frequency meter replacements is proposed.

## **Vehicles and mobile plant replacements**

A program of vehicle and mobile plant replacements is planned.

## **Information and knowledge program**

Continued implementation of our Information Communication and Technology Plan and digital security initiatives is included.

Description and Purpose	2018-19 (\$)
New trunk mains	157,071
Mains replacement program	197,401
New/replacement infrastructure	2,403,956
Land, building and offices	40,000
New service connections	306,886
Meter replacements	224,840
Vehicle and mobile plant replacements	286,182
Information and knowledge program	100,000
<b>Total AIP</b>	<b>3,716,336</b>

# Key assumptions and notes

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## Growth

Busselton Water has carefully reviewed population projections for the review period and also considered available planning information related to growth in water services.

## Investment interest rates

Projections are based on an annual interest rate of 2.56% throughout the term of this Statement.

## Consumer Price Index (CPI)

Projections are based on a 1.5% CPI increase throughout the term of this Statement.

## Accounting policy

Details of significant accounting policies can be found in the notes accompanying the financial statements in our 2017-18 Annual Report.

Busselton Water's financial statements are prepared on the accrual basis of accounting using the historical cost convention, except for land, buildings and infrastructure which have been measured at fair value. They are prepared in accordance with the *Water Corporations Act 1995* and Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB).

## Borrowings

Nil new borrowings are proposed in 2018-19.

## Dividend policy

Dividends will be considered in accordance with the *Water Corporations Act 1995*, Part 5, Division 2, section 79. In line with Government requirement, the dividend rate used in this plan is 85%.

## Operating subsidies

An operating subsidy is an obligation to perform functions which are not in the commercial interests of the corporation.

Busselton Water provides these services and is compensated by the Government for the shortfall between customer revenue and the cost of providing the services.

## Reporting to the Minister

Reports which monitor our key performance outcomes against the targets outlined within this Statement, along with information on our financial performance, are provided to the Minister on a quarterly basis.

In addition, the Board and Chief Executive Officer advise the Minister of any significant variations in the performance of Busselton Water. Reporting of operational performance to authorities and departments of Government occurs in addition to this reporting to the Minister. An Annual Report is provided to the Minister within the timeframe specified by the *Water Corporations Act 1995*.

Copies of Busselton Water's major public documents including the Annual Report and Quarterly Performance Reports can be accessed at **[www.busseltonwater.wa.gov.au](http://www.busseltonwater.wa.gov.au)**.

## Our financial forecast

Financial Performance	2018-19 budgeted
<b>WATER TARIFFS (%)</b>	
Residential	6.00
Commercial	6.00
<b>FINANCIAL RESULTS (\$m)</b>	
Operating Profit before Income Tax	2.23
Operating Profit after Income Tax	1.45
Loan Principal Repaid	0.28
Capital Expenditure	3.72
<b>NET ACCRUALS TO GOVERNMENT (\$'000s)</b>	
Income Tax Equivalents (NTER)	779.08
Local Government Rate Equivalents	62.29
Dividends Provided	1,130.00
Total Accruals to Government	1,971.37
Less Payments from Government (Operating Subsidies)	696.00
NET ACCRUALS TO GOVERNMENT	1,275.37

## Our key performance outcomes

Target Area	Measure	2018-19 Target
Leadership	Residential water efficiency kL/pp/year (rolling year)	113
Strategy and Planning	SDP/SCI submitted to Minister	By 30 April 2018
Information and Knowledge	Deliver Year 1 of the Information and Knowledge five-year program	>85%
People	Number of reported hazard per month (rolling year average)	>10
Customer and Other Stakeholders	Number of complaints/1000 customers (rolling year average)	<10
Process Management, Improvement and Innovation	Drinking water quality compliance with health standards	100%
Results and Sustainable Performance	Operating profit after tax	\$1.45m
Growth	Number of new water services	150





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