



BUSSELTON WATER



STATEMENT OF CORPORATE INTENT

2021-22

busseltonwater.wa.gov.au

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From our Chair and Managing Director

This *Statement of Corporate Intent* (SCI) provides direction for our business through clear objectives and performance targets for 2021 - 22.

As a local water corporation, Busselton Water aims to deliver water services safely, sustainably, commercially and in collaboration with our customers and key stakeholders.

Our vision is to provide excellence and leadership in the provision of these water services – underpinned by our values of integrity, respect, courage, excellence and well-being, which are very important to us and guide the way we do business.

Strategic plans for each of our eight business objectives bring together all strategies across the business and form the basis of this SCI. These 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 and our financial performance.

Climate change remains the biggest challenge to our business as rainfall continues to decline in the state's South West and rising sea levels increase saltwater intrusion into our drinking water supply bore fields.

In 2021-22 total accrual to government will be \$0.61 million consisting of Income Tax Equivalents (NTER) and Local Government rates equivalent. Our Asset Investment program will also be delivered, valued at \$3.8 million.



Helen Shervington, Chair



Chris Elliott, Managing Director

Our business

Established in 1906, Busselton Water is a local water corporation that shares a 115-year history and culture with our community. We provide potable water services to Busselton and bulk water supplies to the neighbouring town of Dunsborough.

Established by the *Water Corporations Act 1995* in 2013, Busselton Water is owned by the Western Australian Government and accountable to our sole shareholder, the Minister for Water.

Our operating licence is issued by the Economic Regulation Authority and defines our current licence area and performance levels to be provided to customers. Our groundwater licence operating strategy is agreed with the Department of Water and Environmental Regulation and defines the management of our water resource. Our memorandum of understanding with the Department of Health defines our commitment to providing safe drinking water.

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, with abstraction regulated through licences issued by the Department of Water and Environmental Regulation.

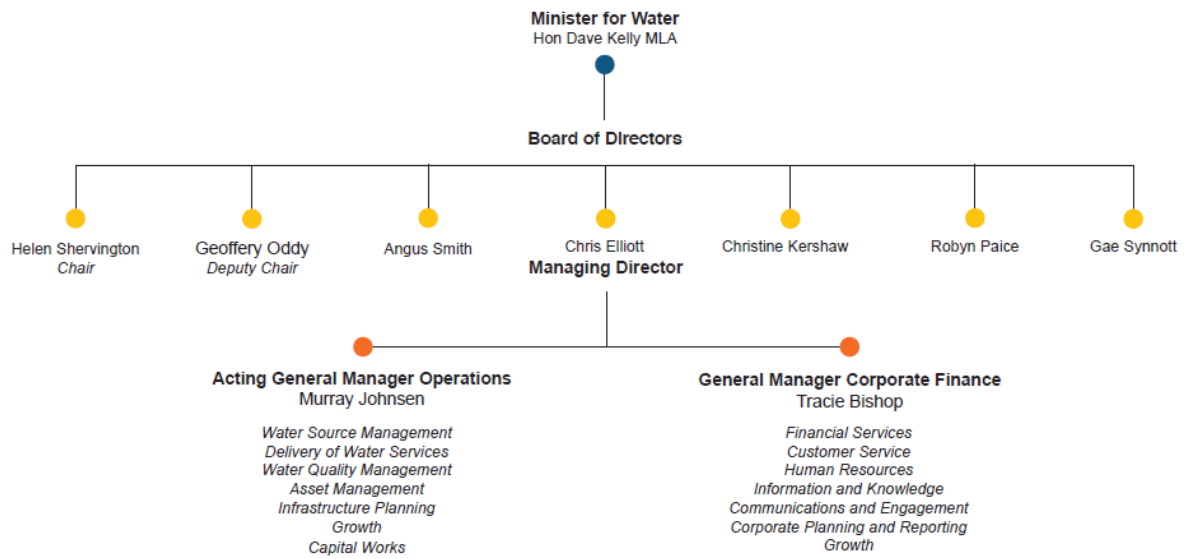
The raw groundwater has turbidity and iron concentrations above the aesthetic drinking water guideline limits, so these are removed by oxidation and filtration processes at Busselton Water's treatment plants. The water is also disinfected using chlorine before being distributed through our network to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

Our operating area

Our operating licence (WL 3, Version 10) authorises Busselton Water to provide potable water supply services. We currently operate in and provide water supply services to Busselton and surrounding areas.



Our structure



Our vision, purpose and values



Our business objectives

Our business objectives 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; and
- Growth.

Our business objectives guide our actions and target our key risks and opportunities, with each business objective supported by its own strategic plan.

Leadership

We are committed to developing and using leadership concepts, business processes and management systems; to developing an organisational culture that is consistent with our values; and to supporting our community and environment.

In 2021-22 we will:

- Deliver our Board Charter (Governance Manual);
- Implement our 2021-22 Audit Program;
- Create value for our community through our Community Partnership Program;
- Implement water use efficiency initiatives;
- Progress emission reduction consistent with the Western Australian Climate Policy;
- Continue risk management improvement;
- Ensure effective engagement with Government and contribute to Whole of Government Policy delivery;
- Maintain COVID-19 response; and
- Respond to climate change and saltwater intrusion impacts on our groundwater sources.

Strategy and Planning

We are committed to establishing systems to set strategic direction (where we have come from, where we are going and how we will get there) and deploying plans to achieve our strategies.

In 2021-22 we will:

- Implement the 2021-22 cycle of the Strategic Planning Process; and
- Adopt Government Trading Enterprise (GTE) Reform Program outcomes.

Information and Knowledge

We are committed to the effective application of the information and knowledge required to achieve business objectives and the need for efficient and effective processes to acquire, analyse, apply, and manage the information and knowledge.

In 2021-22 we will:

- Continue to strengthen cyber security;
- Implement identified information and knowledge improvements; and
- Investigate Intelligent Water Network (IWN) options.

People

We are committed to valuing our people and creating a great place to work – including attracting the right people, developing their skills, engaging them and retaining them, as well as establishing appropriate policies, systems, processes and tools to ensure our people make a meaningful contribution to organisational improvement, goals and success.

In 2021-22 we will:

- Deliver planned workforce and diversity improvements;
- Progress our Reconciliation Action Plan;
- Continue Occupational Health and Safety improvements based on WorkSafe platinum assessment; and
- Prepare Busselton Water for the legislative changes and new regulations associated with the Work Health and Safety Act 2020.

Customers and Other Stakeholders

We are committed to analysing customer and other stakeholder requirements, using this knowledge, and managing relationships to deliver increasing value to customers and other stakeholders.

In 2021-22 we will:

- Further enhance assistance to vulnerable customers;
- Deliver our planned Communications and Engagement initiatives including building water literacy;
- Further improve our online portal to improve customer access to data and better understand water services and usage; and
- Strengthening our social media presence, including the uptake of digital communications and engagement with stakeholders including the community.

Process Management, Improvement and Innovation

We are committed to supply value to stakeholders through our processes and to encourage innovation and improvement to our processes and, therefore improve the quality of our outputs.

In 2021-22 we will:

- Deliver planned financial management improvements targeting systems integration and alignment with Treasury systems;
- Deliver planned water quality improvements, including new chlorination equipment, aimed at ensuring continuity of 100% compliance with health criteria;
- Deliver planned asset management improvements including ensuring continuity of water services, maintenance of assets and delivery of optimum services;
- Participate in triennial ERA Operating licence Audit and Asset Management Review; and
- Conduct innovation workshops and implement relevant innovations.

Results and Sustainable Performance

We are committed to exploring our results and the methods we use to monitor and demonstrate how well we are performing and how well we are likely to perform in the future. We aim to have clear and appropriate measures against our objectives and stakeholder requirements that enable us to undertake review and improvement.

In 2021-22 we will:

- Deliver our 2021-22 performance outcomes; and
- Deliver our 2021-22 financial targets.

Growth

We are committed to growing our business by expanding and diversifying our existing water services.

In 2021-22 we will:

- meet projected water supply service growth for the Busselton Water Scheme; and
- evaluate and progress selected business development opportunities.
- Pre work studies and investigations for the development of new inland borefield development to cater for the region's growing demand whilst also managing the impending issue of saltwater intrusion on our water abstraction.

Asset Investment Program (AIP)

The following AIP is planned to be executed in 2021-22.

Description and purpose		2021-22 (\$'000)
Programs		
Building Land and Land Improvements		115
ICT		184
New Connections and Meters		334
New Mains and Services		345
Plant, Mobile and Other Purchases		133
Treatment Plants;		
Energy	659	
Water Sources	720	
Water Storage and Delivery	436	
Water Treatment – Existing Plants	832	
Water Treatment – Inland Plant	40	
Total Water Treatment Plants		2,687
Total AIP		3,798

Key assumptions and notes

Growth

Projections are based on an indexed growth factor of 0.7%.

Consumer Price Index (CPI)

Projections are based on Treasury's forecast CPI increase of 1.75%.

Investment interest rates

Projections are based on an annual interest rate of 0.5%.

Accounting policy

Details of significant accounting policies can be found in the notes accompanying the financial statements in our 2020-21 Annual Report.

Initial recognition of all classes of assets over \$5,000 is measured at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Assets with a value less than \$5,000 are expensed immediately through the Statement of Comprehensive Income.

Subsequent to initial recognition of an asset, the revaluation model is used. All asset classes are independently revalued every three years. This is in accordance with the Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB).

Borrowings

No new borrowings are proposed in 2021-22.

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%. In 2021/22 Busselton Water will retain its dividend payment to instead contribute to funding future infrastructure investment.

Operating subsidies

As per Section 52(4) of the *Water Corporations Act 1995*, an operating subsidy is an obligation to perform functions that 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.

Operating subsidies received are to cover rebates for service & volume charges for eligible concession card holders and ex gratia allowances for customers who experience a water loss events caused by failure of internal plumbing. In 2021/22 Operating Subsidies expected from Government \$768,000.

Reporting to the Minister

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

In addition, the Board and Managing Director 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 busseltonwater.wa.gov.au.

Our financial forecast

Financial performance	2021-22 budgeted
WATER TARIFFS (%)	
Residential	1.75
Commercial	2.50
FINANCIAL RESULTS (\$m)	
Operating Profit before Income Tax	1.28
Operating Profit after Income Tax	0.73
Loan Principal Repaid	0.24
Capital Expenditure	3.80
ACCRUALS TO GOVERNMENT (\$,000)	
Income Tax Equivalents (NTER)	551
Local Government Rate Equivalents	61
TOTAL ACCRUALS TO GOVERNMENT	612

Our key performance outcomes

Target area	Measure	2021-22 target
Leadership	Residential water consumption per person (goal 100kL/person by 2030)	110
	Energy efficiency monthly production (rolling year) kWh/kL	≤ 0.6
Strategy and Planning	SDP and SCI submitted to Minister	Meet 30 April deadline
Information and Knowledge	Information and knowledge index ¹	4
People	People index ²	4
	WorkSafe	≥ Gold level
Customer and Other Stakeholders	Number of complaints/1000 customers	< 10
Process Management, Improvement and Innovation	Business excellence index ³	5 by EOFY
Results and Sustainable Performance	Drinking water quality compliance with health standards	100%
Growth	New water services	100

¹ Information and Knowledge Index comprises the following elements: FOI requests completed on time, ICT support tickets logged and closed out, ICT budget/forecast achieved and Cyber Security controls enforced - breach reporting.

² People Index comprises the following elements: Code of Conduct grievances; Performance Management; Learning and Development; and Staff Turnover.

³ The Business Excellence Index measures progress towards best practice across 7 elements of the Business Excellence Framework.