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 2017-18 we anticipate a profit after tax of $2.8 million, a net accrual to Government of $1.7 million and completion of a $3.9 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 licensed 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 licenses issued by the Department of Water.

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 consumers.

OUR OPERATING AREA

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

ORGANISATIONAL CHART

MINISTER FOR WATER
Hon Dave Kelly MLA

BOARD OF DIRECTORS
Helen Shervington (Chair), Matthew Walker (Deputy Chair), Christopher Boulton, Angus Smith, Geoffrey Oddy, Christine Kershaw

CHIEF EXECUTIVE OFFICER
Chris Elliott

GENERAL MANAGER (OPERATIONS)
Peter Addison
- Water Source Management
- Delivery of Water Services
- Water Quality Management
- Asset Management
- Infrastructure Planning
- Growth
- Capital Works

GENERAL MANAGER (BUSINESS SERVICES)
Diane Depiazz (Acting)
- Financial Services
- Customer Service
- Human Resources
- Information, Communication and Technology
- Public Relations
- Corporate Planning and Reporting
- Growth
Our vision, purpose and values

**OUR VISION**
Excellence and leadership in the provision of all water services.

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

**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.

- **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 self and teams.

- **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.
Our strategic priorities

In support of our Vision and Purpose, our areas of strategic priority are shown below and are supported by strategies which intentionally target our key opportunities and challenges.

- 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.

**STRATEGIC PRIORITY: LEADERSHIP**
*We are committed to:*
Developing and using effective leadership systems and processes 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 2017-18 we will:*
- implement the 2017-18 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.

**STRATEGIC PRIORITY: 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 2017-18 we will:*
- review and update all elements of the Strategic Planning Framework; and
- implement the 2017-18 cycle of the Strategic Planning Process.

**STRATEGIC PRIORITY: INFORMATION AND KNOWLEDGE**
*We are committed to:*
The effective application of the information and knowledge required to achieve our business goals.

*In 2017-18 we will:*
- modify our information and knowledge systems and processes to align with new Customer Code requirements from 1 July 2018;
- continue development of our Intelligent Water Network (IWN) through meter and sensor trials;
- update our Information and Knowledge Strategy; and
- implement the Digital Policy and security audit.

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

*In 2017-18 we will:*
- implement new Enterprise Agreement commencing 2017-18; and
- undertake the next round of WorkSafe and Industrial Foundation for Accident Prevention (IFAP) assessments.
Our strategic priorities

**STRATEGIC PRIORITY: CUSTOMERS AND OTHER STAKEHOLDERS**
*We are committed to:*

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

**In 2017-18 we will:**
- improve customer access to data and information needed to better understand water services and usage via a new web page, a new customer portal and additional information provided on water invoices;
- strengthen our social media presence, including increasing the uptake of digital communications and engagement with key stakeholders, including the community; and

**STRATEGIC PRIORITY: PROCESS MANAGEMENT, IMPROVEMENT AND INNOVATION**
*We are committed to:*

Encouraging process innovation and improvement to deliver value to our customers and other stakeholders.

**In 2017-18 we will:**
- implement a new water quality database;
- implement a new works management system;
- complete high level documentation of key processes of water quality, asset management, operations and finance;
- leverage and integrate information management across the major information management systems; and
- implement process improvement plans.

**STRATEGIC PRIORITY: RESULTS AND SUSTAINABLE PERFORMANCE**
*We are committed to:*

Measuring and communicating organisational results and achieving sustainable performance.

**In 2017-18 we will:**
- review all business indicators to ensure continued relevance; and
- deliver all reporting framework requirements.

**STRATEGIC PRIORITY: GROWTH**
*We are committed to:*

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

**In 2017-18 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

The following asset investment program (AIP) is planned to be executed in 2017-18.

<table>
<thead>
<tr>
<th>Description and Purpose</th>
<th>2017-18 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New trunk mains</td>
<td>793,040</td>
</tr>
<tr>
<td>Mains replacement program</td>
<td>223,792</td>
</tr>
<tr>
<td>New/replace infrastructure</td>
<td>1,859,561</td>
</tr>
<tr>
<td>Land, building and offices</td>
<td>347,456</td>
</tr>
<tr>
<td>New service connections</td>
<td>316,051</td>
</tr>
<tr>
<td>Meter replacements</td>
<td>157,450</td>
</tr>
<tr>
<td>Vehicle and mobile plant replacements</td>
<td>68,650</td>
</tr>
<tr>
<td>Information, communication and technology</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>TOTAL ASSET INVESTMENT PROGRAM</strong></td>
<td><strong>3,866,000</strong></td>
</tr>
</tbody>
</table>
Key assumptions and notes

**Growth**
Busselelton Water has carefully reviewed population projections for the review period and also considered available planning information related to growth in water services. This information has been taken into account in the development of this Statement.

**Investment Interest Rates**
Projections are based on an annual interest rate of 2.6% throughout the term of this Statement.

**Consumer Price Index**
Projections are based on a 1.75% 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 2016-17 Annual Report.

Busselelton 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 during the forecast period.

**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 75%.

**Operating Subsidies**
An operating subsidy is an obligation to perform functions which are not in the commercial interests of the Corporation.

Busselelton 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 performance against the targets outlined within this Statement, along with information on our financial position and capital expenditure, 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.
Our financial forecast

<table>
<thead>
<tr>
<th>Financial Performance</th>
<th>2017-18 Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WATER TARIFFS (%)</strong></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>1.75</td>
</tr>
<tr>
<td>Commercial</td>
<td>1.75</td>
</tr>
<tr>
<td><strong>FINANCIAL RESULTS ($m)</strong></td>
<td></td>
</tr>
<tr>
<td>Operating Profit before Income Tax</td>
<td>3.99</td>
</tr>
<tr>
<td>Operating Profit after Income Tax</td>
<td>2.77</td>
</tr>
<tr>
<td>Loan Principal Repaid</td>
<td>0.27</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>3.87</td>
</tr>
<tr>
<td><strong>NET ACCRUALS TO GOVERNMENT ($'000s)</strong></td>
<td></td>
</tr>
<tr>
<td>Income Tax Equivalents (NTER)</td>
<td>1,227.00</td>
</tr>
<tr>
<td>Local Government Rate Equivalents</td>
<td>59.46</td>
</tr>
<tr>
<td>Dividends Provided</td>
<td>1,025.00</td>
</tr>
<tr>
<td>Total Accruals to Government</td>
<td>2,311.46</td>
</tr>
<tr>
<td>Less Payments from Government (Operating Subsidies)</td>
<td>647.00</td>
</tr>
<tr>
<td><strong>NET ACCRUALS TO GOVERNMENT</strong></td>
<td>1,664.46</td>
</tr>
</tbody>
</table>

Our key performance outcomes

<table>
<thead>
<tr>
<th>Target Area</th>
<th>Measure</th>
<th>2017-18 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Residential water efficiency kL/pp/year (rolling year)</td>
<td>115</td>
</tr>
<tr>
<td>Strategy and Planning</td>
<td>SDP/SCI submitted to Minister</td>
<td>By 30 April 2018</td>
</tr>
<tr>
<td>Information and Knowledge</td>
<td>Deliver year 1 of the Information and Knowledge five year program</td>
<td>&gt;85%</td>
</tr>
<tr>
<td>People</td>
<td>Number of reported hazards per month (rolling year average)</td>
<td>&gt;10</td>
</tr>
<tr>
<td>Customer and Other Stakeholders</td>
<td>Number of complaints/1000 customers (rolling year average)</td>
<td>&lt;10</td>
</tr>
<tr>
<td>Process Management, Improvement and Innovation</td>
<td>Drinking water quality compliance with health standards</td>
<td>100%</td>
</tr>
<tr>
<td>Results and Sustainable Performance</td>
<td>Operating profit after tax</td>
<td>$2.8m</td>
</tr>
</tbody>
</table>
For further information please contact Busselton Water at the address below:

**Busselton Water**
PO Box 57, Busselton
Western Australia 6280

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Email: admin@busseltonwater.wa.gov.au