



BUSSELTON WATER

2017-18

STATEMENT OF CORPORATE INTENT

Contents

From our Chair and CEO	3
Our business	4
Our operating area	4
Our business structure	5
Our vision and purpose	6
Our values	6
Our strategic priorities	7
Asset investment program	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 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.



A blue ink signature of Helen Shervington.

Helen Shervington
Chair



A blue ink signature of Chris Elliott.

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.

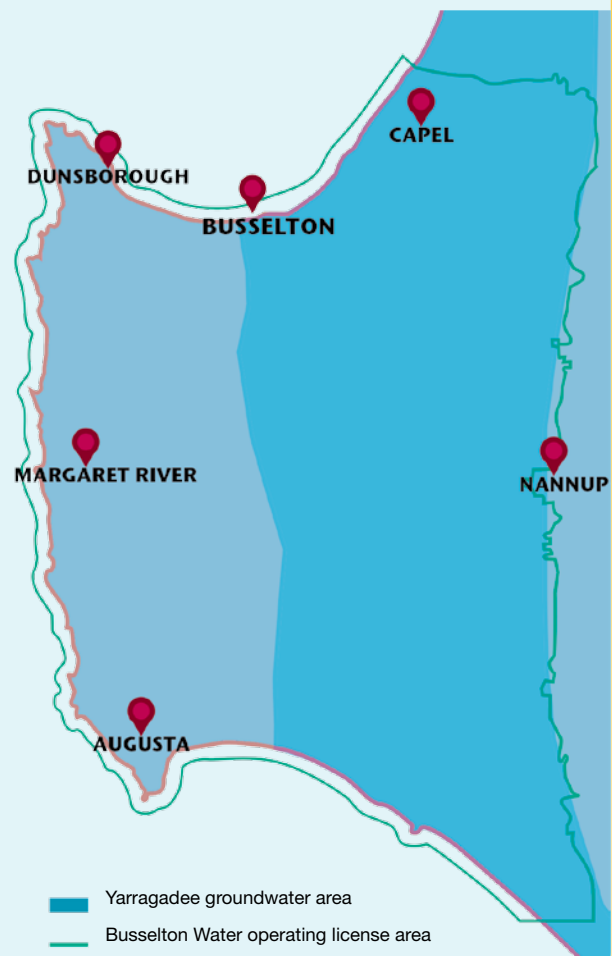
Our business is funded from customer water sales, related services from our customers (including land developers), interest on our investments, borrowings and operating subsidies.

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



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.

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 self and teams.

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 | ■ Customers and Other Stakeholders |
| ■ Strategy and Planning | ■ Process Management, Improvement and Innovation |
| ■ Information and Knowledge | ■ Results and Sustainable Performance |
| ■ People | ■ 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
- deliver our 2017 Customer Survey Response Plan.

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.

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

Key assumptions and notes

Growth

Busselton 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.

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 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.

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 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

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

Our key performance outcomes

Target Area	Measure	2017-18 Target
Leadership	Residential water efficiency kL/pp/year (rolling year)	115
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 hazards 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	\$2.8m



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