



BUSSELTON **WATER**

Busselton Water

## STATEMENT OF CORPORATE INTENT 2022-23

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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 2022 - 23.

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 strategic key performance outcomes we achieve, across these strategic priorities, our financial performance and our operational key performance indicators.

As our business continues to grow, climate change remains the biggest challenge 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 2022-23 total accrual to government will be \$0.37 million consisting of Income Tax Equivalents (NTER) and Local Government rates equivalent. Our Asset Investment program will also be delivered, valued at \$4.4 million.



Helen Shervington, Chair



Chris Elliott, Managing Director

## Our business

Established in 1906, Busselton Water is a local water corporation that shares a 116-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.

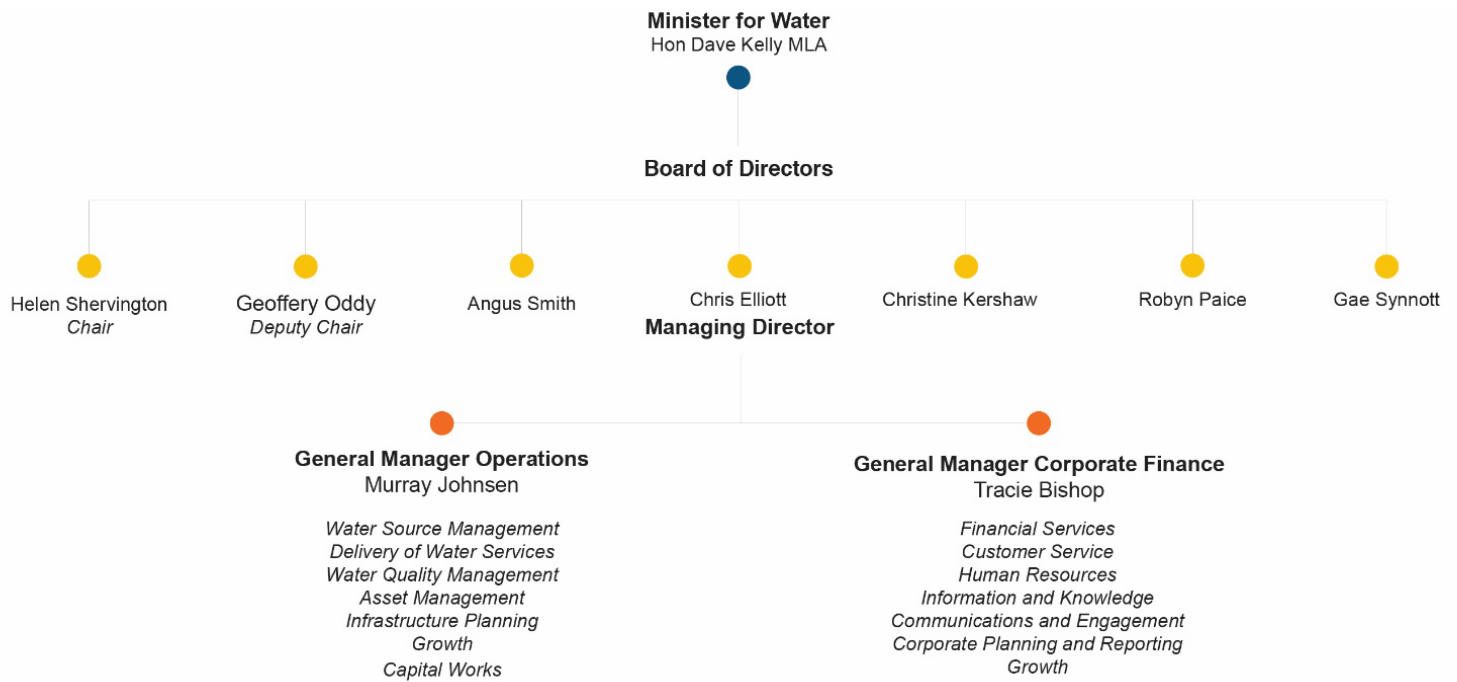
Busselton Water is responding directly to the challenges of declining rainfall and increased saltwater intrusion into our drinking water supply bore fields caused by climate change.

## 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 2022-23 we will:

- Progress the business case for Inland Borefield Transition (Plant 8) project
- Complete an annual review of our Governance Charter;
- Undertake our annual audit program;
- Partner with local community groups through our Community Partnership Program;
- Prepare and facilitate a water literacy program;
- Continue to champion water use efficiency including Intelligent Water Network (IWN) development;
- Prepare and implement an emission reduction strategy consistent with the Western Australian Climate Policy;
- Implement risk management improvements;
- Ensure effective engagement with Government and policy delivery;
- Continue effective engagement with Minister and Department of Water & Environment Regulation to advance water security;
- Prepare and implement our first Reconciliation Action Plan; and
- Maintain our Covid-19 response.

### 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 2022-23 we will:

- Ensure annual implementation of our Strategic Planning Framework; and
- Adopt the 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 2022-23 we will:

- Continue to provide effective Information, Communication and Technology (ICT); and
- Build Busselton Water's cyber security maturity through increased technology improvements.

## 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 2022-23 we will:

- Progress workforce and diversity planning;
- Prepare and implement a new improved Enterprise Agreement aimed at ensuring Busselton Water remains competitive within the labour market.
- Continue to include occupational safety and health improvements based on WorkSafe assessments; 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 2022-23 we will:

- Further enhance our Vulnerable customer assistance program;
- Prepare and implement our annual communications and engagement plan;
- Develop and enhance our online portal to improve customer access to data and information and to better understand water services and usage; and
- Strengthen 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 2022-23 we will:

- Continue to improve financial management processes;
- Maintain water quality performance;
- Build information system interfaces within asset management processes;
- Ensure compliance with Water Services Licence (WL 3 version 7) and meet all other regulatory requirements; and
- Complete innovation workshops.

## 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 2022-23 we will:

- Deliver our 2022-23 performance outcomes,
- Deliver our 2022-23 financial targets; and
- Ensure reports are delivered in line with our reporting framework.

## Growth

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

In 2022-23 we will:

- Meet projected water supply service growth for the Busselton Water Scheme; and
- Evaluate and progress selected business development opportunities.
- Undertake 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 2022-23.

Description and purpose		2022-23 (\$'000)
		Programs
Building Land and Land Improvements		120
ICT		350
New Connections and Meters		409
New Mains and Services		496
Plant, Mobile and Other Purchases		265
Water Treatment Plants		2,758
<b>Total AIP</b>		<b>4,398</b>

## Key assumptions and notes

### Growth

Projections are based on an indexed growth factor of 0.8%.

### Consumer Price Index (CPI)

Projections are based on Treasury's forecast CPI increase of 2.50%.

### 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 2022-23.

## 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

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. In 2022/23 Operating Subsidies expected from Government \$688k.

## 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](https://busseltonwater.wa.gov.au).

## Our financial forecast

Financial performance	2022-23 budgeted
<b>WATER TARIFFS (%)</b>	
Residential	2.50
Commercial	3.75
<b>FINANCIAL RESULTS (\$m)</b>	
Operating Profit before Income Tax	1.12
Operating Profit after Income Tax	0.57
Loan Principal Repaid	0.00
Capital Expenditure	4.40
<b>ACCRUALS TO GOVERNMENT (\$,000)</b>	
Income Tax Equivalents (NTER)	557
Local Government Rate Equivalents	67
Dividends Provided	437
<b>TOTAL ACCRUALS TO GOVERNMENT</b>	<b>1,061</b>
Less: Payments from Government (Operating Subsidies)	(688)
<b>NET ACCRUALS TO GOVERNMENT</b>	<b>373</b>

## Our strategic key performance outcomes

Target area	Measure	2022-23 target
Leadership	Residential water consumption per person (goal 100kL/person by 2030)	109
	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	DGov cyber security controls - minimum score of 1 achieved within all controls	100%
People	WorkSafe	≥Gold level
Customer and Other Stakeholders	Number of complaints/1000 customers	< 10
Process Management, Improvement and Innovation	Business excellence index <sup>1</sup>	5.25 by EOFY
Results and Sustainable Performance	Drinking water quality compliance with health standards	100%
Growth	Timely provision of new infrastructure required for land development and growth opportunities	100%

<sup>1</sup> The Business Excellence Index measures (1-7 scale) progress towards best practice across 7 elements of the Business Excellence Framework.

## Our operational key performance indicators

Key performance indicator
Properties served (%per km of water mains)
Average annual residential water supplied (kl/Property)
Total number of water main breaks
Water main breaks (per 100 km of water main)
Total number of water quality complaints (per 1,000 properties)
Total number of water service complaints (per 1,000 properties)
Total number of account and billing complaints (per 1,000 properties)
Duration of unplanned water interruption (average minutes)
Incidence of unplanned water interruptions (average per 1,000 properties)
Economic real rate of return (% net water revenue/written down value of water assets)
Lost time injury frequency rate (LTI per million hours)
Lost time injury incidence rate (LTI per 100 workers)
% return on weighted balance of investments target AusBond Bank Bill