



BUSSELTON **WATER**

STATEMENT OF CORPORATE INTENT

2023-24

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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 2023 - 24.

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 respect, integrity, sustainability, excellence and safety and wellbeing, 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 and our financial performance.

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 2023-24 we anticipate an operating profit after income tax of \$3.1M. Our asset investment program will also be delivered, valued at \$8.6 million.



Robyn Paice, Chair



Chris Elliott, Managing Director

Our business

Established in 1906, Busselton Water is a local water corporation that shares a 117-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

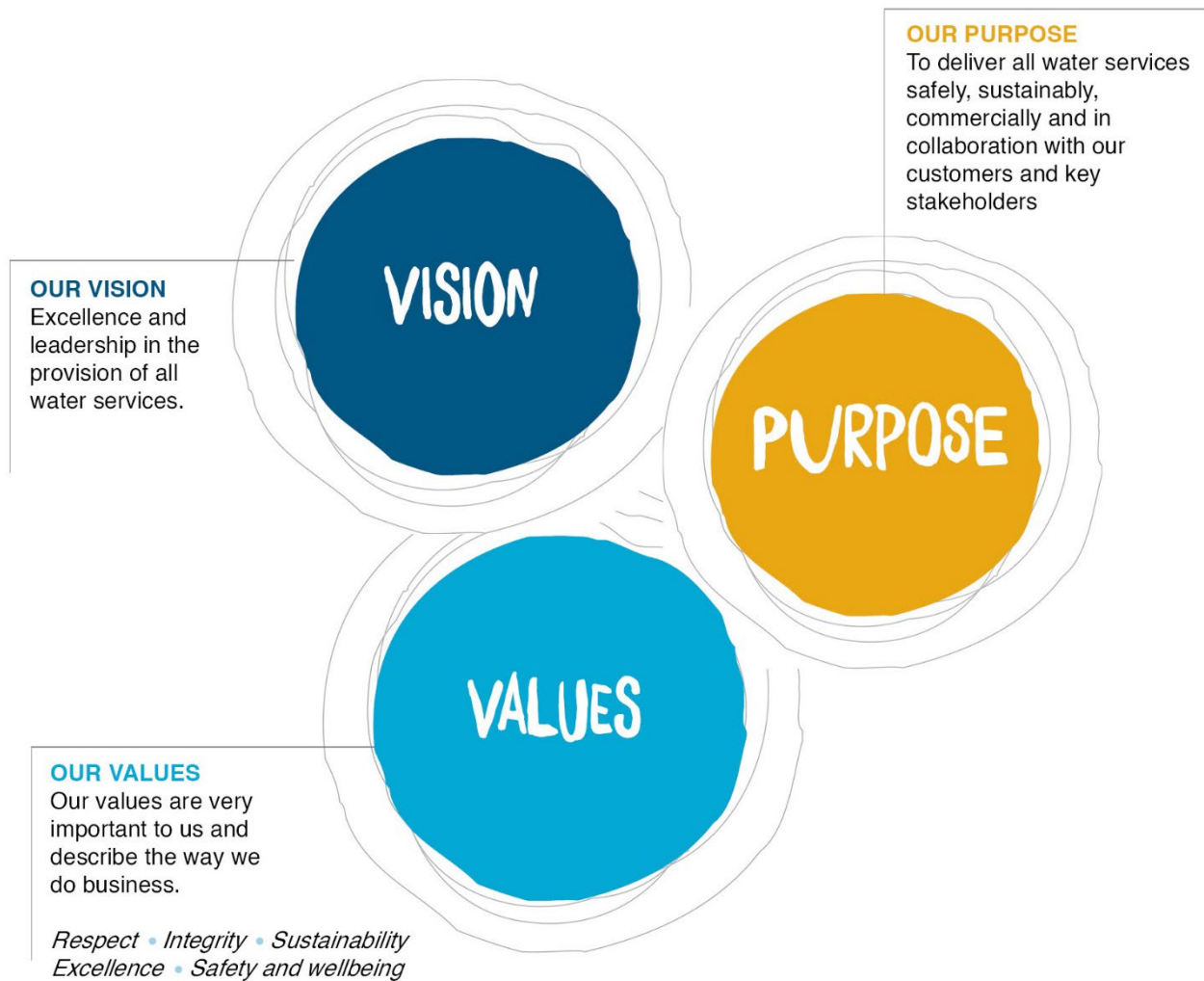
Our operating licence (WL 3, Version 10) authorises Busselton Water to provide potable water supply services. We currently operate in and provide water supply services to Busselton and surrounding areas.



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 2023-24 we will:

- Implement and further develop our climate change response plan;
- Progress the Inland Borefield Transition (Plant 8) project;
- Deliver all governance charter obligations;
- Deliver our annual audit program;
- Deliver our annual Community Partnership Program;
- Deliver our Water For Tomorrow water literacy program;
- Implement risk management improvements;
- Deliver identified water use efficiency and energy efficiency initiatives;
- Deliver our Reconciliation Action Plan; and
- Engage effectively with Government and policy delivery.

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 2023-24 we will:

- Undertake our annual strategic planning process and framework; 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 2023-24 we will:

- Build Busselton Water's cyber security maturity;
- Maintain, implement and improve security controls aligned with DGov;
- Conduct business process mapping exercise with all business units; and
- Improve operational effectiveness through penetration testing of our network.

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 2023-24 we will:

- Deliver our workforce and diversity plan;
- Continue our work health and safety improvements based on WorkSafe assessments;
- Implement work health and safety improvements following 2022-23 WorkSafe Audit; and
- Enhance work force planning.

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 2023-24 we will:

- Complete customer centricity training;
- Deliver an annual communications and engagement plan;
- Develop our Disability Access Inclusion Plan;
- Strengthen our social media presence, including the uptake of digital communications and engagement with stakeholders including the community;
- Integrate GIS Mapping for planned and unplanned water outages; and
- Implement monthly customer feedback survey via SMS;

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 2023-24 we will:

- Deliver identified water quality improvements;
- Deliver identified asset management improvements;
- Comply with Water Services Licence (WL 3 version 7) and meet all other regulatory requirements;
- Deliver identified financial management improvements including use of a new enhanced financial model to support all aspects of the business; and
- Promote and recognise innovation.

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 2023-24 we will:

- Deliver our 2023-24 performance outcomes;
- Deliver our 2023-24 financial targets; and
- Effectively report results and performance.

Growth

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

In 2023-24 we will:

- meet projected water supply service growth for the Busselton Water Scheme; and
- evaluate and progress selected business development opportunities.

Asset Investment Program (AIP)

The following AIP is planned to be executed in 2023-24.

Description and purpose		2023-24 (\$'000)
Programs		
Building Land and Land Improvements		100
ICT		235
New Connections and Meters		747
New Mains and Services		2,161
Plant, Mobile and Other Purchases		483
Water Treatment Plants		4,884
Total AIP		8,610

Note: The program includes an approved carry forward from 2022/23.

Key assumptions and notes

Growth

Growth in water demand is assumed at 2.4% for the SCI period.

Consumer Price Index (CPI)

Projections are based on previous forecast CPI increase of 2.5%. At Mid-Year review, Treasury revised this rate to 3.25% however as modelling had already been completed this is not included within the ERC approved budget.

Investment interest rates

Projections are based on an annual interest rate of 2.5%.

Accounting policy

Details of significant accounting policies can be found in the notes accompanying the financial statements in our 2021-22 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 2023-24.

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 subsidy

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.

In 2023/24 Operating Subsidies expected from Government include a subsidy to cover shortfall in Pensioner Rebate Scheme.

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	2023-24 budgeted
WATER TARIFFS (%)	
Residential	2.50
Commercial	3.75
FINANCIAL RESULTS (\$m)	
Operating Profit before Income Tax	2.68
Operating Profit after Income Tax	1.75
Loan Principal Repaid	0.00
Capital Expenditure	8.61
ACCRUALS TO GOVERNMENT (\$,000)	
Income Tax Equivalents (NTER)	924
Local Government Rate Equivalents	69
Dividends Provided	230
TOTAL ACCRUALS TO GOVERNMENT	1,223
Less: Payments from Govt (CSO)	(700)
NET ACCRUALS TO GOVERNMENT	523

Our strategic key performance outcomes

Target area	Measure	2023-24 target
Leadership	Residential water consumption per person (goal 100kL/person by 2030)	107
	Energy efficiency monthly production (rolling year) kWh/kL	≤ 0.6
Strategy and Planning	SDP (SOE) and SCI (APS) submitted to Minister on time.	Meet legislated 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	< 5
Process Management, Improvement and Innovation	Business excellence index ¹	5.5 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%

¹ The Business Excellence Index measures (1-7 scale) progress towards best practice across 8 elements of the Business Excellence Framework.