

Image: Perth Seawater Desalination Plant



Corporate governance report

Corporate governance report

Our corporate governance is underpinned by robust values and behaviours. Our commitment to strong governance enables our business to perform at its best and is essential to the sustainability of our operations.

This section includes a description of our main corporate governance practices, which form a framework to ensure we act with high standards of corporate behaviour and in the best interests of our owner.

The Board of Directors

The structure of the Board is subject to the following parameters:

- The Board must comprise at least six and not more than seven directors (the Chief Executive Officer is the only Executive Director).
- Directors are appointed for terms of up to three years and are eligible for reappointment.
- The Board should comprise directors with a broad range of skills and experience.
- Board meetings are generally held once a month at our head office in Perth.

Appointment of Directors

The Western Australian Governor appoints non-executive directors on the nomination of the Minister for Water. This is after consultation with, or on the recommendation of, the Board.

Appointments are typically staggered to ensure one third of the directors retire each year. Subject to reappointment, there is no limit on the time a director may serve on the Board. Their duties are not full-time.

Chief Executive Officer appointments are made by the Board, subject to the Minister's agreement. The Board can appoint a person to act in place of the Chief Executive Officer during a vacancy in that office.

Changes to the Board

- Mr David Rowe ceased as a Director on 11 November 2019.
- Mr Michael Hollett resigned as Chairman on 15 January 2020.
- Mr David Lock was reappointed as Deputy Chairman for a term expiring on 31 December 2020 and was appointed as acting Chairman on 16 January 2020.
- Dr Jemma Green was reappointed as Director for a term expiring on 31 December 2020.
- Mr Ross Holt was reappointed as Director for a term expiring on 31 December 2021.

- Ms Gningala Yarran-Mark was appointed Director for a term expiring on 30 September 2022.

There were no other changes to the composition of the Board during the year.

Board committees

Committees of the Board that operated during the year ended 30 June 2020 were:

- Audit and Risk
- People and Safety (from 1 January 2020)
- Safety and Wellbeing (until 31 December 2019)
- People and Culture (until 31 December 2019)

From time to time the Board convened working committees to deal with specific strategic issues.

Audit and Risk Committee

The Audit and Risk Committee was chaired by Mr David Lock and included Directors Ms Nicole Lockwood (until 31 December 2019), Dr Jemma Green and Mr Ross Holt (from 1 January 2020). Each member has substantial corporate and/or financial experience in private enterprise and the necessary skills to undertake the committee's responsibilities.

Whilst it is not preferred practice to have the Chair of the Board as the Chair of the Audit & Risk Committee, this non alignment with better practice has been agreed by the Board and is considered to be a temporary situation.

The Audit and Risk Committee invited management, auditors and other stakeholders to attend meetings and provide information as necessary. External attendees at various meetings during the year included staff of the Office of the Auditor General (OAG) and the external auditors appointed by the OAG to undertake our annual audit, which is presently KPMG.

The Audit and Risk Committee assists the Board with its oversight of the financial reporting process, the system of internal control, risk management, the audit process, and our process for monitoring compliance with applicable laws and regulations.

The committee oversees the internal audit function and liaises with the external auditor.

People and Safety Committee (from 1 January 2020)

The Safety and Wellbeing Committee and People and Culture Committee amalgamated to become the People and Safety Committee from 1 January 2020.

This change was approved at the November 2019 Board meeting.

The People and Safety Committee was chaired by Ms Nicole Lockwood, and included Directors Mr Michael Hollett (until 15 January 2020) and Ms Gningala Yarran-Mark. Each member has extensive experience in the corporate sector at a senior level and brings the skills necessary for the committee to undertake its role.

The committee supports and assists the Board to review and oversee organisational health and safety matters, people, culture, remuneration and benefit arrangements in line with strategic aims of the business, regulatory requirements and the requirements of our owner.

Safety and Wellbeing Committee (until 31 December 2019)

The Safety and Wellbeing Committee was chaired by Mr Michael Hollett and included Directors Mr David Rowe (until 11 November 2019) and Mr Ross Holt.

The committee supported and assisted the Board to review and oversee organisational health and safety matters, inclusive of mental health and wellbeing.

People and Culture Committee (until 31 December 2019)

The People and Culture Committee was chaired by Mr Michael Hollett and included Directors Mr David Lock, Ms Nicole Lockwood and Dr Jemma Green.

The committee supported and assisted the Board to ensure people, culture, remuneration and benefit arrangements aligned with the strategic aims of the business while complying with regulatory requirements and satisfying the requirements of our owner.

Directors' meetings

The number of Board meetings and committees of the Board held, and the number of meetings attended by each director during the 12 months ending 30 June 2020, are shown in the table below.

	Board		Audit and Risk		People and Safety ¹		Safety and Wellbeing ¹		People and Culture ¹	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Number of meetings held	23		4		2		2		2	
Mr David Lock (Acting Chairman)	23	23	4	4	0	0	0	0	2	2
Mr Pat Donovan (Chief Executive Officer)	23	23	4	4	2	2	2	2	2	2
Mrs Nicole Lockwood	23	23	2	2	2	2	0	0	2	2
Mr Ross Holt	22	23	2	2	0	0	2	2	0	0
Dr Jemma Green	21	23	3	4	0	0	0	0	1	2
Mrs Gningala Yarran-Mark ²	19	19	0	0	2	2	0	0	0	0
Mr David Rowe ³	4	4	0	0	0	0	0	1	0	0
Mr Michael Hollett (Chairman) ⁴	6	6	0	0	0	0	2	2	2	2

¹ The Safety and Wellbeing Committee and People and Culture Committee amalgamated to become the People and Safety Committee from 1 January 2020

² Mrs Gningala Yarran-Mark was appointed as a Director on 12 November 2019

³ Mr David Rowe ceased as a Director on 11 November 2019

⁴ Mr Michael Hollett resigned as Chair on 15 January 2020

Accountability and independence

As prescribed in the *Water Corporations Act 1995*, directors are to act honestly, exercise due care and diligence, and disclose all material personal interest in matters involving Water Corporation that are raised in Board meetings. The Board has complete independence to determine the policies and control the affairs of the business subject to restrictions imposed by the *Water Corporations Act 1995*. Ministerial approval is required for transactions that are above a prescribed amount (currently more than \$25 million) that will result in a major initiative, or are likely to be of significant public interest.

Ministerial directions

Under section 64 (1) of the *Water Corporations Act 1995*, the Minister may give directions in writing, generally with respect to the performance of our functions and, subject to section 65, we are to give effect to any such direction. If the Minister gives a direction, it must be tabled in Parliament. During the period under review, no directions were received from the Minister.

Directors' and senior executives' remuneration

For further disclosure of directors' and senior executives' remuneration please refer to the remuneration report on page 24.

Governance framework

The Board has legislative authority under the *Water Corporations Act 1995* to perform the functions and determine the policies that control our activities.

The Board is responsible for our overall corporate governance and approves strategic direction and budgets, ensuring legal compliance, ethical behaviour and proper risk management processes are in place and operate effectively. Comprehensive monthly reports are provided to the Board to allow it to monitor performance.

Internal control

The Board, through the Audit and Risk Committee, has oversight of the financial reporting process, the system of internal control, risk management, the audit process, and our process for monitoring compliance with applicable laws and regulations. These responsibilities assist in maintaining an effective internal control structure.

It consists, in part, of organisational arrangements with clearly defined lines of responsibility and delegation of authority, and comprehensive systems and control procedures. Management has the responsibility for establishing and maintaining the system of internal control that supports the achievement of our business objectives.

This system of internal control is designed to manage and mitigate rather than eliminate the risks of failure to achieve business objectives. It can only provide reasonable, not absolute, assurance of the effectiveness of the system of internal control implemented by management. An important element of the control environment is an ongoing internal audit program, delivered by Management Review and Audit.

Management Review and Audit

Our internal audit function is managed by the Risk and Assurance business unit's Management Review and Audit section, which has the authority to examine any matters referred to it by the Audit and Risk Committee, the Board of Directors or the Chief Executive Officer. The internal audit function supports the Audit and Risk Committee and senior executives by independently and objectively reviewing the adequacy, efficiency and effectiveness of the internal control and governance system with Water Corporation.

External auditors

In accordance with the *Water Corporations Act 1995*, Water Corporation must have the financial report for a financial year audited by the Auditor General. The Auditor General has outsourced the audit to KPMG for a three-year term. Total auditor remuneration is shown in Note 19 to the Financial Statements on page 50.

Risk management

Risk management is a key element of our governance framework. We have an established risk management framework that provides a common understanding of risk and a set of processes for managing risk aligned with the International Standard on Risk Management ISO 31000:2018. The framework ensures a formalised, structured and corporation-wide approach to the identification, evaluation and control of risks, which have the potential to threaten the achievement of our corporate objectives and our ability to provide services.

All managers are responsible for the identification and management of risks that will impact on their business processes and subsequent objectives. The management of risk within the business is embedded at all levels, with appropriate support and systems in place to ensure risks are managed to an acceptable level.

A comprehensive commercial insurance program is maintained covering insurable risks, which may have a significant impact on our assets, construction activities and legal liability.

Performance monitoring and reporting

We provide written quarterly reports and this annual report to the Minister for Water detailing our performance and progress made in fulfilling the Statement of Corporate Intent. A written annual report on compliance with the Water Services Licence was also provided to the Economic Regulation Authority. In addition, the Board and corporate executive received monthly performance reports covering a diverse range of financial and non-financial matters.

Ethical standards

We require all directors, employees and contractors to exercise high standards of ethical behaviour in carrying out their duties.

Our Code of Conduct is available on both Water Corporation's external and internal websites. A report on compliance is forwarded to the Public Sector Commission.

The Board Charter, available on our website, sets out the roles and responsibilities of the Board and management. Under the guidance of the Audit and Risk Committee, the charter was drafted using the *Water Corporations Act 1995*, Australian Standards and other corporate governance resources.

Managing financial exposures

We have a central treasury function to manage financial exposures in accordance with our Treasury Risk Management Policy. Regular reporting ensures the Board can monitor financial risk management.

Information security management system

We maintain an enterprise information security management framework that is based on the Australian Standard for Information Technology - Security techniques - Information security management systems AS/NZS ISO/IEC 27001:2013.

State Records Act 2000

In accordance with section 61 of the *State Records Act 2000* and the State Records Commission Standards (Standard 2 - Principle 6), we have an approved Recordkeeping Plan. In accordance with section 28 (5) of the Act, in December 2019, an updated plan was endorsed by the Minister. The plan describes how our records are created, maintained, managed and disposed of together with opportunities for continuous improvement over the next five years.

We have an online induction process for all new staff, which includes information on employee roles and responsibilities. We also provide mandatory training courses online, including 'Information on Record Keeping and Information Management Compliance for Water Corporation' and 'Information Security Awareness'.

Information and data management, including records management, is acknowledged as critical to the effectiveness and success of the business and we are committed to continuously improving its management and governance.

Public Interest Disclosure Statement

The *Public Interest Disclosures Act 2003* was enacted to protect the privacy and confidentiality of both the individual making a public interest disclosure and the subject of that disclosure. Public interest disclosure officers have been appointed. Internal procedures relating to our obligations under the Act have been implemented in accordance with the guidelines provided by the Public Sector Commission. There were no public interest disclosures in the period under review, and the disclosure outstanding from the previous period was resolved and closed out.

Conflicts of interest

We have established procedures to identify, prevent, or resolve conflicts of interest, which are outlined in our procurement standards and Code of Conduct.

All our personnel with duties related to the negotiation of contracts, must disclose current or prospective interests to their immediate supervisor. If known, they must also disclose the interests of members of their immediate family.

In such cases, we will assess the appropriateness of the situation and determine if the basis of that interest should be discontinued, if the person should cease the duties involved, or if it is proper and ethical to continue the transaction.

Competition and Consumer Act Compliance Program

In accordance with the standards and guidelines recommended by the Australian Competition and Consumer Commission (ACCC), we conduct a Competition and Consumer Act Compliance Program to manage the risk of breaching the Act. To ensure that all employees are aware of their obligations, a statewide program is conducted that includes mandatory training.

Freedom of Information

We met our obligations under the *Freedom of Information Act 1992*.

During 2019-20, we received 58 access applications, of which one was partially transferred in from another

agency, 14 were provided full access, 33 were provided edited access, none were withdrawn, four had access refused, none had access deferred, documents were not found or do not exist for two of the applications, and five were on hand at the end of the year.

Nineteen internal reviews were requested. Fees and charges totalling \$1,590 were received for processing these applications with 20 days being the average processing time.

Under Section 96 of the *Freedom of Information Act 1992*, we are required to produce an Information Statement. Its purpose is to provide a description of our procedures to give members of the public access to our documents, as well as the types of documents we hold. This statement can be found at watercorporation.com.au.

Advertising codes

We comply with the Communications Council's Code of Ethics. In addition, our advertising agencies have full compliance policies with the ACCC. There were no breaches or complaints recorded in the reporting year.

Reportable expenditure

The *Electoral Act 1907* (S. 175 ZE) requires the disclosure of certain categories of expenditure. Details of the organisations contracted and the amounts paid for the financial year are as follows:

Advertising agency	Amount paid
303MullenLowe	\$588,164*
The Brand Agency	\$1,824,343^

* This amount includes costs associated with Water for Life and education program.

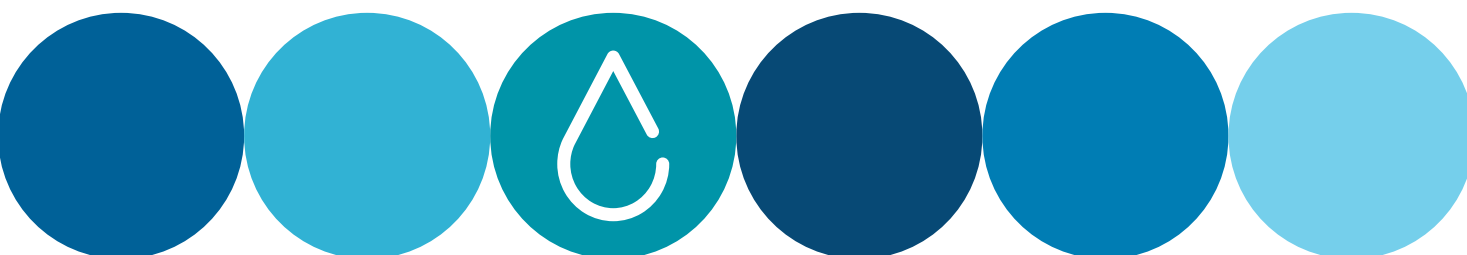
^ This amount includes costs associated with the Nature Knows Best, What Not to Flush, Water Watchers, Climate Change, COVID-19 and Winter Sprinkler Switch-off.

Media advertising	Amount paid
Carat	\$231,109
Initiative	\$528,679

Market research	Amount paid
Metrix	\$224,900*
Painted Dog	\$623,080#

+ This amount includes costs associated with Customer Value Survey.

This amount includes costs associated with the H₂OME Study



Directors' report

The Directors of Water Corporation present their report for the 12 months ended 30 June 2020.

Directors

The following persons were Directors of Water Corporation at the date of this report:

Mr David Lock (Acting Chairman)

Director since 1 January 2014
Deputy Chairman from 1 January 2017 to 15 January 2020
Acting Chairman since 16 January 2020

Mr Pat Donovan

Chief Executive Officer since 1 January 2019

Ms Nicole Lockwood

Director since 1 March 2016

Mr Ross Holt

Director since 8 June 2016

Dr Jemma Green

Director since 4 July 2017

Mrs Gningala Yarran-Mark

Director since 12 November 2019

Mr David Rowe

Director from 1 March 2016 to 11 November 2019

Mr Michael Hollett (Chairman)

Director since 1 January 2012
Chairman from 1 January 2017 to 15 January 2020

Directors' biographies are shown on pages 10 and 11.

Directors' meetings and attendance are shown on page 19.

Directors' compensation details are shown on page 24.

Principal activities

Water Corporation was established as a body corporate under the provisions of the *Water Corporations Act 1995* and is the principal water utility in Western Australia. Water, wastewater, drainage and irrigation services are provided under this Act and other legislation and subsidiary legislation, which control the water industry.

Our principal functions are:

- acquire, store, treat, distribute, market and otherwise supply water for any purpose
- collect, store, treat, market and dispose of wastewater and surplus water
- undertake, maintain and operate any works, system, facilities, apparatus or equipment required for any of these purposes.

There has been no significant change in the nature of our activities during 2019-20.

Dividends

Dividends paid or declared by Water Corporation since the end of the previous financial year were:

	Total amount \$M	Date of payment
Final 2018-19	4	16/12/2019
Interim 2019-20	-	

Dividend declared after end of year

After the balance sheet date, the directors have proposed a final dividend of \$642 million for the 2019-20 year, payable on or before 31 December 2020. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2020 and will be recognised in the subsequent financial reports.

Review of operations

We operate in a regulatory framework comprising the Economic Regulation Authority, and Departments of Water and Environmental Regulation, Health, and Biodiversity Conservation and Attractions.

Clear commercial objectives and strict environmental targets and accountabilities have been established through the Statement of Corporate Intent and a system of licences through the various regulators.

During the year, we supplied 375 billion litres of water and treated 165 billion litres of wastewater.

Risk management

Our risk management framework aims to improve the quality of information considered in delivering better informed assessments for the purpose of resource allocation, increasing transparency in decision making and clearly articulated accountability.

Remuneration report

Remuneration of key management personnel is referred to as compensation throughout this report. Key management personnel comprise the directors of the Board and executives who are responsible for planning, directing and controlling the activities of Water Corporation.

Compensation levels for key management personnel are set at a level sufficient to attract and retain appropriately qualified and experienced directors and executives.

The compensation of the non-executive directors of the Board is determined following independent advice from management remuneration consultants and the State Government's Salaries and Allowances Tribunal (SAT) on an ad-hoc basis and is agreed by the Minister. The compensation is in the form of salary and superannuation contributions. Other than compulsory superannuation contributions and superannuation via salary sacrifice, Water Corporation does not pay any other post-employment benefits to non-executive directors. Directors' remuneration has not increased since December 2014.

The compensation packages for the Chief Executive Officer and executives consist of a total reward that is a mix of fixed compensation, in the form of salary, non-monetary benefits and superannuation contributions. Non-monetary benefits may include access to a fully maintained motor vehicle and fringe benefits tax. Other long-term benefits refer to long service leave. The compensation of all staff is reviewed annually.

In December 2016 the *Salaries and Allowances Act 1975* was amended so that SAT can set the remuneration of Water Corporation's Chief Executive Officer.

The Chief Executive Officer, with the concurrence of the People and Safety Committee and the Board, sets executive compensation based on annual salary survey data and advice from independent remuneration sources regarding compensation practices. Specifically, fixed compensation is benchmarked against comparative industry groups in order to remain competitive in the

labour market.

Employees in management roles, including executives, are employed on individual employment contracts under common law and are referred to as Common Law Contract (CLC) employees. The compensation structure of CLC employees is centred on the market median for the fixed compensation for each of the identified levels.

The primary sources of remuneration data are Korn Ferry Group Australia and Mercer Consulting Australia. We use the Hay Group job evaluation methodology to provide assurance that remuneration is similar to that for comparable positions in other organisations.

In April 2017, Water Corporation was requested by the new State Government to adopt its Machinery of Government budget repair strategies comprising:

- freezing Chief Executive Officer salaries for four years
- capping non-executive annual salary increases to \$1,000 per employee
- reviewing all attraction and retention incentives and report outcomes to the Public Sector Commission by 31 August 2017.

Details of compensation provided to key management personnel

The directors during the financial year were:

Directors	
D Lock	Director (non-executive). Appointed 1 January 2014, Deputy Chairman 1 January 2017 and Acting Chairman 16 January 2020.
P Donovan	Chief Executive Officer from 1 January 2019
N Lockwood	Director (non-executive). Appointed 1 March 2016.
R Holt	Director (non-executive). Appointed 8 June 2016.
J Green	Director (non-executive). Appointed 4 July 2017.
G Yarran-Mark	Director (non-executive). Appointed 12 November 2019.
D Rowe	Director (non-executive). Appointed 1 March 2016 to 11 November 2019.
M Hollett	Chairman (non-executive). Appointed Director 1 January 2012, Deputy Chairman 1 January 2016 and Chairman 1 January 2017 to 15 January 2020.

The number of directors whose total remuneration was within the following bands is:

Total remuneration band (\$)	Number of directors **		Short-term				Post-employment		Long-term benefits		Total	
			Salary and fees \$'000		Non-monetary benefits*** \$'000		Super-annuation \$'000		Long service leave \$'000		\$'000	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
0-24,999	-	1	-	20	-	-	-	2	-	-	-	22
25,000-49,999	-	1	-	34	-	-	-	3	-	-	-	37
50,000-74,999	5	4	54	56	-	-	5	5	-	-	59	61
75,000 - 99,999	-	1	-	79	-	-	-	8	-	-	-	87
100,000-124,000	1	-	109	-	-	-	10	-	-	-	119	-
275,000-299,999	1	-	270	-	-	-	8	-	-	-	278	-
500,000-524,999	-	1	-	492	-	-	-	25	-	-	-	517
550,000-574,999	1	-	278	-	15	-	13	-	252	-	558	-

** Where there is more than one executive in a remuneration band the average remuneration is shown.

*** Private use of motor vehicle.

The names and positions of the five executives receiving the highest emoluments were:

Five highest paid executives*		Year ended 30 June 2019	Year ended 30 June 2020
A Vincent	General Manager, Assets Planning to 10 April 2019	✓	
B Ford	General Manager, Operations		✓
C Ferrari	General Manager, Customer and Community to 10 April 2019	✓	
D Johnston	General Manager, Strategic Performance to 30 September 2019		✓
D McDonald	General Manager, Digital Transformation to 10 April 2019	✓	
E Hambleton	General Manager, Assets Planning and Delivery		✓
K Willis	General Manager, Customer and Community		✓
M Leathersich	General Manager, Operations to 30 January 2020	✓	✓
R Hughes	Chief Financial Officer to 5 July 2019	✓	

* CEO's remuneration is included in the table of Directors.

The remunerations of the executives receiving the highest emoluments were within the following bands:

Total remuneration band (\$)	Number of staff *		Short-term		Post-employment		Other long-term benefits**		Termination benefits		Total	
			Salary \$'000		Super-annuation \$'000		Long service leave \$'000		\$'000		\$'000	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
225,000-249,999	-	1	-	234	-	7	-	-	-	-	-	241
275,000-299,999	-	1	-	271	-	24	-	2	-	-	-	297
325,000-349,999	-	2	-	217	-	22	-	15	-	84	-	338
350,000-374,999	1	-	298	-	34	-	23	-	-	-	355	-
400,000-424,999	2	-	330	-	27	-	17	-	50	-	424	-
450,000-474,999	1	-	264	-	26	-	110	-	72	-	472	-
600,000-624,999	-	1	-	236	-	43	-	175	-	168	-	622
700,000-724,999	1	-	285	-	31	-	36	-	371	-	723	-

* Where there is more than one executive in a remuneration band the average remuneration is shown.

** Long service leave taken in service

Variations in salary can be caused by a wide variety of factors such as the key management personnel's leave arrangements and other smaller adjustments.

Environmental performance

Water Corporation, in its operations, is subject to significant environmental legislation and regulation under both Commonwealth and State laws, in particular the:

- *Environment Protection and Biodiversity Conservation Act 1999 (Cth)*
- *Environmental Protection Act 1986 (WA)*
- *Contaminated Sites Act 2003 (WA)*

Additionally, we comply with more than 40 other pieces of environment-related legislation and track our compliance with various non-statutory commitments. With the significant volume of wastewater conveyed across the state, it is possible unplanned discharges will occasionally occur and some of these may affect the environment, public health and amenity. Our incident management process provides a fast and effective response to, and reporting of, any incident that has the potential to harm the environment. Our environmental performance is underpinned by our corporate objective of Lowest Environmental Impact, the programs included within that objective, and our Corporate Environment Policy. We also maintain an Environmental Management System, certified under the international standard ISO 14001, that provides for the systematic identification of environmental risks, setting of performance targets, and development of environmental improvement plans to reduce risks and ensure our activities are sustainable.

State of affairs

There were no significant changes during the year ended 30 June 2020 in the state of our affairs not otherwise disclosed in this report, or the financial statements.

Events subsequent to balance date

Since the end of the financial year on 30 June 2020 and the date of the release of this report, the Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly, or may significantly, affect our operations, the results of those operations, or our state of affairs in subsequent financial periods.

Director interests and benefits

In the 12 months to 30 June 2020, Directors did not receive, or become entitled to receive, any benefit (other than a benefit included in the total amount of remuneration received or due and receivable by Directors) by reason of a contract made by the Corporation with the Director, or with a firm, of which the Director is a member, or with an entity in which the Director has a substantial interest.

Indemnification of Directors

The Corporation has entered into Deeds of Indemnity, Insurance and Access with Directors, to the extent provided for under the *Water Corporations Act 1995* and has paid insurance premiums to insure Directors and Officers against certain liabilities which arise out of their service while acting on behalf of the Corporation.

This statement is made in accordance with a resolution of the Board.



David Lock
Acting Chair



Pat Donovan
Chief Executive Officer

Perth, 28 August 2020



Performance summary

	Units	2020 Target	Actual	2019	2018	2017	2016
SAFETY							
Public health - safe drinking water							
Metropolitan localities meeting requirements for E.coli	%	100	100	100	100	100	100
Metropolitan localities meeting requirements for amoebae (Thermophilic Naegleria)	%	100	100	100	100	100	100
Metropolitan localities meeting requirements for health-related chemical quality	%	100	100	100	100	100	100
Metropolitan localities meeting requirements for radiological performance	%	100	100	100	100	100	100
Country localities meeting requirements for E.coli	%	100	100	100	100	100	100
Country localities meeting requirements for amoebae (Thermophilic Naegleria)	%	100	100	100	100	100	100
Country localities meeting requirements for health-related chemical quality	%	100	100	100	100	100	100
Country localities meeting requirements for radiological performance	%	100	100	100	100	100	100
COST							
Financial efficiency							
Operating cost per property	\$	837.7	822.7	748.6	794	769	796
Total cost per property	\$	1,999	1,995	1,908	1,967	1,941	2,004
Surplus before income tax equivalent	\$m	1,195	1,148	1,140	931	920	1,053
Return on assets	%	7.3	7.1	7.1	6.0	5.8	5.8
Return on equity	%	7.7	7.2	7.4	6.2	6.2	7.2
Interest cover	Times	4.9	5.7	5	4.2	4.0	3.8
Debt to total assets	%	35.0	33.5	34.9	35.1	34.3	34.0
ENVIRONMENT							
Ecosystem protection							
Overflows to Swan-Canning - conveyance system	No.	0	0	3	4	4	3
Overflows to Swan-Canning - pump stations only	No.	0	1	0	0	1	0
Energy and greenhouse gases							
Electricity consumption per unit of output for water	MWh/ML	2.15	2.22	1.57	2.38	2.41	2.17
Electricity consumption per unit of output for wastewater	MWh/ML	0.85	0.84	0.84	0.91	0.87	0.81
Total energy consumption	TJ	-	4,023	3,072	4,105	3,863	3,633
Reported greenhouse gas emissions (CO ₂ equivalent)	kT	740	756	575	771	806	784
Materials use efficiency							
Biosolids re-use (Perth metro)	%	100	100	100	100	100	100

	Units	2020 Target	Actual	2019	2018	2017	2016
ENVIRONMENT (continued)							
Compliance							
Number of legal sanctions for environmental breaches	No.	0	0	1	0	0	0
% Environment non-compliances addressed	%	95.0	100.0	96.2	100.0	99.0	94.9
CUSTOMER EXPERIENCE							
Essential service provision							
Continuity – properties not affected by interruption > 1 hr	%	75.0*	75.5	76.1	76.3	77.7	77.5
Water pressure and flow standards	%	99.80*	99.95	99.95	99.9	100	100
Water quality faults responsiveness	%	95.0	97.4	96.8	97.0	97.3	98.3
Installation of new water connections	%	90.0	99.1	99	97.4	97.2	98.6
Properties without wastewater overflow	%	99.80*	99.87	99.89	99.9	99.9	99.9
Demand-supply balance							
Number of Waterwise Schools ¹	No.	na	582	580	575	523	503
Drought response (number of schemes on temporary restrictions)	No.	na	1	0	0	0	1
Water supplied per capita (Perth metro)	kL	126	127	126	123	122	127
Asset performance							
Blockages per 100km of sewer	No.	40.0*	17.0	16.5	16.1	16.7	18.3
Leaks and bursts per 100km of main	No.	20.0*	16.4	15.9	16.2	17.9	17.8
Drainage systems operating in accordance with guidelines	%	100*	97.3	100	100	100	100
Customer service							
Complaints (per 1,000 properties) MTD	No.	0.4	0.1	0.1	0.2	0.1	0.07
Written customer complaints (responsiveness) < 15 business days	%	90.0	92.5	100	100	98.9	98.4
Telephone calls to '13' numbers abandoned after 30 seconds	%	5.0	4.4	3.6	2.9	1.7	1.7
Telephone calls to '13' numbers first call resolution	%	90.0	93.7	92.9	91.8	92.6	92.0
SUPPORT FOR COMMUNITY AND STATE							
Employment and workforce							
Employee initiated turnover	No.	7.00	5.6	6.8	7.8	5.5	6.2
Women in senior management - tier 2	%	32.00	42.80	25	28.57	22.2	22.2
Women in senior management - tier 3	%	32.00	22.60	25.8	27.78	32.2	27.5
People from culturally diverse backgrounds	%	16.50	12.02	12.91	12.8	13.7	13.6
Indigenous Australians	%	5.00	4.64	3.83	3.54	3.12	3.01
People with disabilities	%	2.50	1.57	1.92	0.91	0.91	1.05
Youth (15-24)	%	4.30	3.79	3.23	3.13	2.9	3.62
Total Recordable Injury Frequency Rate (TRIFR)	No.	3.5	3.4 ²	3.2	7.3	8.5	10.9
Shareholder accountability							
Responsiveness to priority one enquiries	%	90.0	90.0	95.5	97.5	98.4	96.2

1. Note from 2016 we are now including early childhood centres, primary schools, high schools, education support centres and secondary colleges.

2 TRIFR is reported for Total Workforce (including contractors) from 2019/2020 - all previous periods include Internal Workforce only

* These targets applied to our Operating Licence between 1 July 2013 - 17 November 2013. From 18 November 2013 the Licence was substituted by the introduction of the Water Services Act 2012.

Five-year statistical summary

	Units	2020	2019	2018	2017	2016
FINANCIAL DATA						
Total revenue	\$'000	2,850,305	2,761,367	2,608,254	2,549,288	2,714,630
Operating subsidy	\$'000	430,912	420,050	408,928	464,225	546,813
Direct operating expenses	\$'000	965,671	873,618	917,991	875,113	897,217
Depreciation / amortisation	\$'000	516,568	492,575	495,106	486,275	459,727
Net interest expense	\$'000	210,691	242,842	249,185	253,592	256,263
Income tax expense	\$'000	339,685	353,629	281,254	275,048	315,589
Operating surplus after tax	\$'000	807,849	786,591	649,856	645,383	736,885
Transfer to / (from) reserves	\$'000	0	0	0	0	(939,388)
Non-current borrowings	\$'000	6,207,303	6,194,213	5,253,312	4,959,000	5,679,437
New works investment (excluding developers' take-over works)	\$'000	650,898	695,504	775,845	805,594	579,365
Current borrowings	\$'000	18,410	8,094	887,723	926,000	7,000
New borrowings	\$'000	0	70,000	264,000	199,000	82,000
OPERATING DATA						
Water supply services						
Annual volume of water supplied	ML	374,808	366,820	363,038	360,930	370,001
Number of properties served	No.	1,322,204	1,308,558	1,293,887	1,274,089	1,251,490
Number of properties connected	No.	1,135,221	1,123,748	1,111,464	1,095,943	1,078,639
Length of mains	km	34,842	34,779	34,678	34,799	34,680
Wastewater services						
Average volume of wastewater treated daily	ML	452	452	448	449	446
Number of properties served	No.	1,076,665	1,065,505	1,052,983	1,035,809	1,017,699
Number of properties connected	No.	1,001,432	989,094	975,583	958,064	937,220
Length of sewers	km	17,280	17,193	17,051	16,903	16,693
Drainage services						
Number of properties served (metropolitan)	No.	421,799	416,253	411,803	406,724	398,844
Length of drains	km	2,534	2,545	2,547	2,549	2,546
Irrigation services						
Volume of water delivered	ML	6,300	5,142	5,234	5,731	139,268
Employees						
Total number of employees	No.	3,429	2,819	2,746	2,758	2,654
Total number of full-time equivalents (FTEs)	No.	3,277	2,679	2,609	2,622	2,533
Total number of FTEs (year-end average)	No.	2,856	2,637	2,599	2,576	2,520

Principal statistics

WATER SUPPLY					
Region	Properties served	Properties connected	Water supply services	Length of mains (kilometres)	Water supplied ² (megalitres)
Perth metro	1,020,606	874,888	748,599	14,392	257,324
Mandurah-Murray	62,306	52,982	47,410	1,188	13,692
Perth region ¹	1,082,912	927,870	796,009	15,580	271,016
Goldfields & Agricultural	43,450	38,854	42,523	9,647	23,880
Great Southern	47,865	41,935	41,178	4,055	12,050
Mid West	50,102	41,038	37,649	2,297	16,387
North West	42,832	35,397	29,356	1,500	37,755
South West	55,043	50,127	45,825	1,763	13,720
Total	1,322,204	1,135,221	992,540	34,842	374,808

WASTEWATER					
Region	Properties served	Properties connected	Length of sewers (kilometres)	Number of pumping stations	Number of treatment plants
Perth metro	857,030	807,985	12,514	668	11
Mandurah-Murray	50,061	44,711	901	87	4
Perth region ¹	907,091	852,696	13,415	755	15
Goldfields & Agricultural	11,395	9,706	324	34	21
Great Southern	29,972	26,083	737	86	21
Mid West	25,771	20,735	593	70	19
North West	34,389	31,131	679	78	17
South West	68,047	61,081	1,533	168	20
Total	1,076,665	1,001,432	17,280	1191	113

DRAINAGE			
Region	Properties served	Length of drains controlled (kilometres)	
Perth	421,799	1,108	
Great Southern	n/a	131	
South West	n/a	1,295	
Total	421,799	2,534	

IRRIGATION	
Region	Water supplied (megalitres)
Mid West ³	5,395
North West ⁴	905
South West ⁵	n/a
Total	6,300

1. Perth Region includes Mandurah-Murray District.

2. Water supplied is the quantity recorded by master meters from 1 July to 30 June.

3. Mid West irrigation district was transferred to the Gascoyne Water Co-operative on 1 July 2003.

4. North West irrigation water supplied from the Ord dam to Water Corporation customers only. Previously reported amount included Ord Irrigation Cooperative customers.

5. Water Corporation owns and maintains the dams that supply Harvey Water and Preston Valley Irrigation but they have the water allocation directly with Department of Water and Environmental Regulation.

METROPOLITAN SOURCES OF SUPPLY					
Source	Area of catchment (square km)	Storage capacity (megalitres)	Storage at 30/06/2020 (megalitres)	Percentage of maximum storage	Output to 30/06/2020
DAMS					
Stirling	252	57,404	21,876	46.3	9,251
Samson WTP	192	8,003	3,031	31.7	2,849
South Dandalup	313	138,345	22,753	20.5	5,767
North Dandalup	151	60,791	36,786	64.6	14,148
Serpentine and Serpentine Pipehead	693	140,292	66,324	46.7	40,182
Canning	128	90,353	54,379	58.6	14,857
Wungong	728	59,796	41,668	65.8	11,361
Churchman	18	2,241	727	41.7	848
Victoria	37	9,463	4,310	30.6	2,666
Total hills sources output gross		566,688	251,855	44.4	101,929
Total hills transfers input					81,395
Total hills sources output nett					20,534
GROUNDWATER					
Artesian Bores					31,167
Mirrabooka					15,754
Gwelup					12,822
Wanneroo					28,253
Jandakot					16,661
Neerabup					26,895
Lexia					2,636
Yanchep/Two Rocks					1,328
Total groundwater output					135,517
DESALINATION					
Perth seawater desalination plant					46,332
Southern seawater desalination plant					93,715
Total desalination output					140,048
WATER RECEIVED FROM BULK SUPPLIER					
GAWS supply to Perth					1,938
Total					1,938
BULK WATER EXPORTED					
to Mundaring Dam for GAWS					19,861
Mandurah Murray					13,692
South West Region					1,188
GSTWS					2,861
Total					37,602
TOTAL WATER SOURCED					
Net output from surface water					20,534
Groundwater					135,517
Desalination					140,048
Received from bulk supplier					1,938
Total sources					298,037
RIPARIANS (FROM DISTRIBUTION SYSTEM)					
Riparians from distribution system					2,748
TOTAL POTABLE WATER SUPPLIED					
Total water sourced					298,037
Bulk water exported					(37,602)
Riparians (from distribution system)					(2,748)
Operational use & service reservoir vol change					(363)
Total water supplied					257,324