

# CORPORATE SNAPSHOT



*South Perth Splash of Colour asset by artist Peter Ryan*

# OUR YEAR AT A GLANCE

Safe for all



One hundred  
**Mental Health  
Champions**

**132,441**



Webex  
meetings

**760**



vehicles  
fitted with  
**In Vehicle  
Safety  
Systems**

**WEEKLY**

wastewater  
sampling for  
COVID-19  
at 17 WA sites



**40**

corporate  
incidents handled

Lowest  
total cost



5.4 billion litres  
of water

**saved**



through our leak  
detection program



**262**  
million  
invested  
in regions

**712**  
million  
invested  
in capital  
works

**5,334**  
**customers**

supported  
through  
financial  
care  
programs



Lowest  
environmental  
impact



**76** recycled  
water  
schemes

**75%**  
solid waste  
recovered  
for reuse



**820kW**  
solar PV installed



**78ha**  
revegetated

**78ha**  
vegetation  
cleared

## Satisfied customers



**374 billion litres**  
of water supplied



**814,166**

customer  
interactions  
by phone, email,  
and web chat



**105,088**

engagements  
through  
social media



**2,990,000**  
website  
visits



A record  
number of

**32,809**

students reached  
through our  
**Waterwise  
Schools Program**

## Value for WA communities



**11n 1n/ 11n**  
**WA Museum  
Boola Bardip**  
display installed



**9** **Splash of  
Colour**  
assets painted

**6 assets**

transformed for improved amenity



**22 WA**  
high schools  
took part in  
**Think Tank  
Challenge**

35,000 plants  
co-funded under  
**Waterwise  
Greening  
Scheme**



## Supportive workplace



**3,662**  
employees

**1,276**

female employees

**801**

flexible working arrangements

**446**

culturally diverse employees

**177**

Aboriginal employees

**140**

employees under 25

**58**

employees with a disability

**36.4%**

women in management

# Chair's Report



**As the state deals with the ongoing impacts of the COVID-19 pandemic, I am immensely proud of Water Corporation and its people for all that has been achieved over the past 12 months.**

Climate change continues to be the biggest single challenge facing Water Corporation. The combination of reduced rainfall and lower streamflow, together with longer, hotter summers and a growing population requires an adaptive approach to supply planning. In response, we have a clear plan to invest in climate-resilient water sources, innovate through re-use and sustainability initiatives and save water with efficient programs and community education.

In reflecting on the past year's achievements, I am reminded of the Corporation's important role in supporting the state's recovery from the COVID-19 pandemic. In partnership with the State Government, we were able to offer a variety of relief options and assistance measures to our residential and business customers across the state to help them through the difficult times. This is alongside an infrastructure project investment totalling some \$712 million that created jobs and directly supported local businesses across the state at a time they needed it most.

We take pride in knowing this contribution has made a positive difference to our suppliers, communities and customers across the state.

Among those projects delivered in FY2020-21 was the Denmark Pipeline - a \$25 million investment to secure long-term water supply in our Great Southern. Connecting Denmark to the Lower Great Southern Towns Water Supply Scheme, the pipeline promotes resilience in the face of climate change, which remains the single biggest challenge to the way we source and supply drinking water.

Indeed, the Denmark Pipeline reflects much of what Water Corporation stands for. The project created nearly 160 local jobs during construction and saw \$6.2 million invested into regional businesses, including with local Aboriginal contractors. On behalf of the Board, congratulations to all involved in the project's successful design and delivery.

Since becoming Board Chair in September 2020, I have been privileged to stand alongside my fellow Board members to help guide Water Corporation's corporate and strategic focus.

I would like to welcome newly appointed Board members, Dr Carla Boehl and Ms Helen Creed, whose expertise complements that of Deputy Chair Mr David Lock, Chief Executive Mr Pat Donovan and fellow directors Mr Ross Holt and Mrs Gningala Yarran-Mark. I would also like to thank Ms Nicole Lockwood and Dr Jemma Green for their valuable contributions to the Board and the Corporation over their terms.

On behalf of the Board, I would like to thank the Minister for Water, Hon. Dave Kelly MLA for his support, and all Water Corporation staff for the important role they play in supporting our customers and communities. I look forward to another successful and productive year ahead.

**Ross Love**  
Chair



# Chief Executive Officer's report



**With disruption seemingly becoming the new normal, the positive spirit, resilience, and commitment I witnessed from the Water Corporation team throughout the reporting year was phenomenal.**

This year we've had fires, floods and a once-in-50-years cyclone devastate the Mid-West – as well as more COVID-19 lockdowns. The weather events are harsh reminders of the climate change impacts we're experiencing, and why it's important we continue to sustainably manage water services to make WA a great place to live and invest.

Water is our most precious resource and we all have a role to play in being waterwise to meet the complex needs of a growing state impacted by climate change. It was wonderful to celebrate the water saving achievements made this year, and we thank our customers and Waterwise Partners for helping preserve our state's water resources.

Along with representatives from government and partner agencies involved in the Waterwise Perth Action Plan, we expanded our waterwise thinking to consider the fundamental role of water in healthy environments and thriving communities. So it was great to see our collective achievements and progress made towards Perth becoming a leading waterwise city by 2030.

Safety underpins every decision we make at the Corporation, so it was pleasing to hold our first Safety Summit to hear from, learn from and thank our safety representatives and leaders who work together with all at the Corporation to deliver services to the community that are safe for all.

During COVID we increased our mental health and wellbeing focus, and this past year we introduced a Mental Health Champions program. Designed to provide easy access to wellbeing support to meet personal circumstances, the program has inducted more than 100 people as Mental Health Champions.

Environmental stewardship is central to our values, and it's pleasing to see sustainability engrained in service delivery and planning. Among recent developments in this space was the renaming of 53 Wastewater Recovery Facilities, reflecting their true role and functionality. No longer plants to simply treat wastewater, innovation has allowed Water Corporation to produce fertilisers, energy, safe irrigation and drinking water from what was once waste. This is an exciting area of opportunity as part of circular economies of the future.

We joined with the State Government in announcing future investments in our state's water infrastructure, including \$38.9 million to accelerate upgrades to water and wastewater facilities in Aboriginal communities in the state. This project is vital for us to take steps on the journey towards equity in water services for many Aboriginal communities.

We again made strong progress on key focus areas of our Reconciliation Action Plan this year. A core element of our Reconciliation journey is to improve our relationship with Aboriginal communities, incorporating their input into planning decisions and, importantly, in the co-design of solutions for the communities we serve, and we're excited about the opportunities ahead.

Our organisation is proud of our commitment to diversity and inclusion. This year we announced Water Corporation's support for Pride in Water – a network for LGBTIQ+ people and allies working in the Australian water industry, and new employment pathways we offer people with disability.

Internally, we're moving from a functional operating model to a process-led operating model. By improving our way of working, we can better deliver core business and focus on the challenges and opportunities we have ahead as an economic and social enabler for the state.

While there is much to be proud of this year, we continue to work with governments, regulators, traditional owners, public and private partners, the community and our customers to deliver safe and reliable water services for the state long into the future.

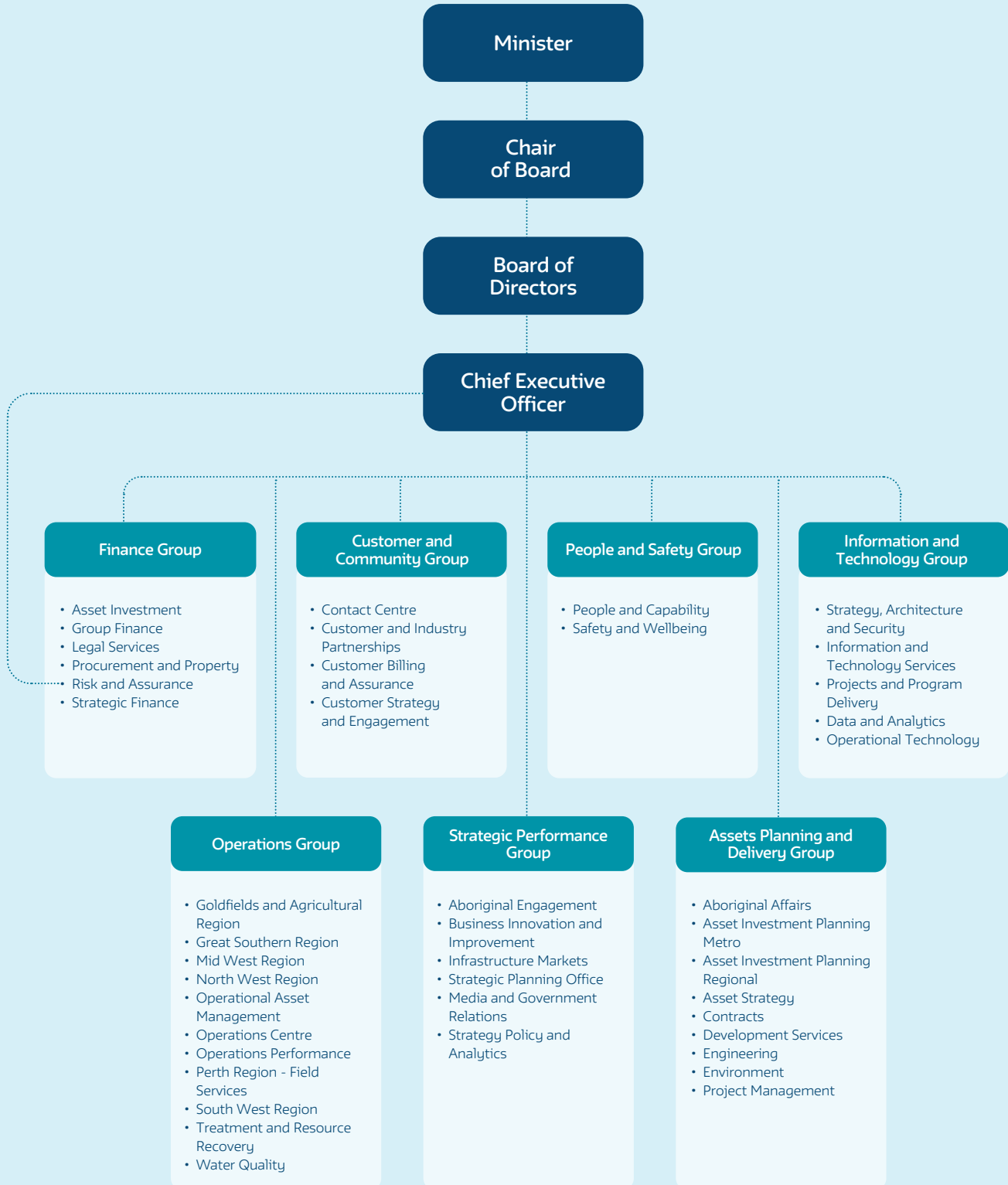
I'm enjoying working with Ross and the Board as we evolve our governance processes and long-term strategic plan, so we can deliver greater value for our customers, community, and owner.

I would like to thank the Minister for Water, Hon. Dave Kelly MLA and his staff for their support of Water Corporation during a busy and challenging year.

Ultimately, we could not have achieved what we have this year without the strong commitment from our people who deliver essential water services to the WA community, so my sincere thanks to you all.

**Pat Donovan**  
Chief Executive Officer

# Organisational structure







Wellington Dam wall artist - Guido Van Helten  
Image of Wellington Dam mural by Richard Krieder

## Organisational profile



### OUR PURPOSE

**We exist to sustainably manage water services to make WA a great place to live and invest.**

Water Corporation is the principal supplier of water, wastewater, drainage and bulk irrigation services in Western Australia to hundreds of thousands of homes, businesses and farms. Directly employing over 3,662 people, we provide a high level of expertise and a strong commitment to our customers, community and state.

We manage \$38 billion (replacement value) of assets to deliver water services across 2.6 million square kilometres.

As we continue to feel the impacts of climate change, we have adapted. We are working with government, partnering with businesses and supporting the community to take action and secure our water future.

## OUR VALUES

Guided by our values, it is our people who enable us to deliver on our purpose and vision.



## OUR VISION

Deliver greater value for our customers, community and owner by ensuring our operations are safe for all, with the lowest environmental impact and at the lowest total cost.

### Safe for all

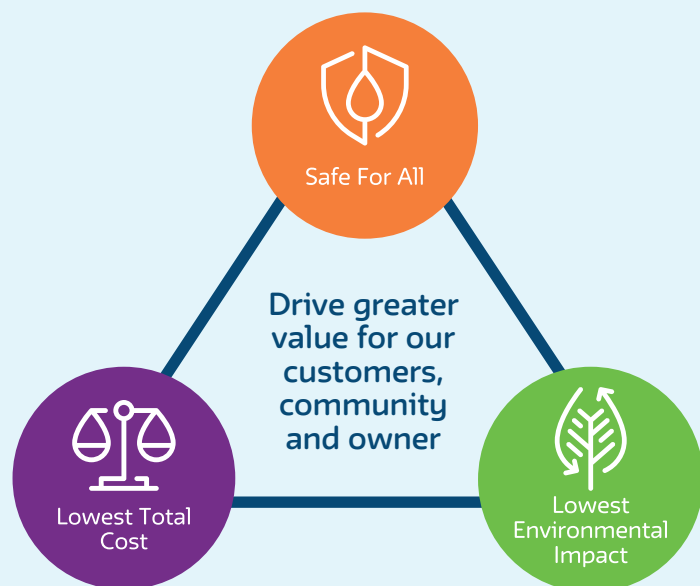
Our people and the community want our products, assets and operations to be safe for all, as no one should suffer harm from our business.

### Lowest total cost

Our customers and government want us to deliver services they value, at the lowest whole-of-life cost, while keeping bills affordable and contributing back to the state.

### Lowest environmental impact




Our community and government want us to reduce the impact our operations have on our environment to preserve it for future generations.

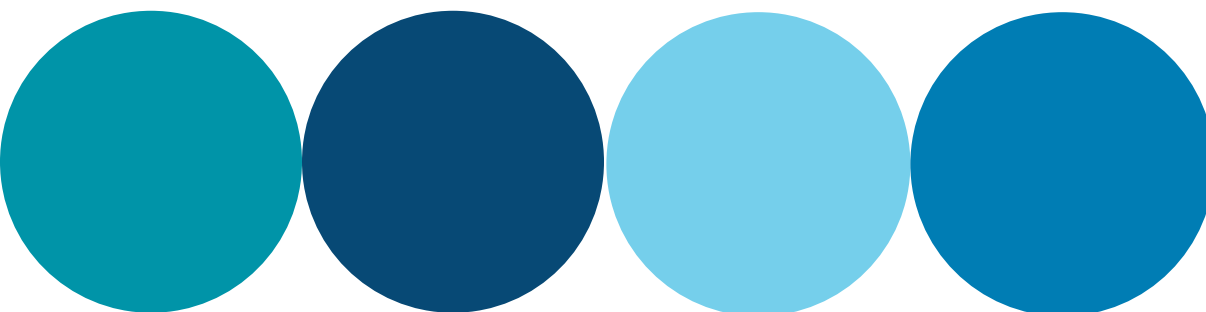




# One-year targets



Core KPIs and one-year targets		2020-21 Target	2020-21 Actual
<b>Reputation</b> 	Customer perception of water quality (score out of 10)	7.00	6.82
	Customer perception of communications (score out of 10)	7.10	6.67
	Community trust in Water Corporation (score out of 10)	7.03	7.29
	Brand perception (score out of 10)	7.33	7.50
<b>Safe</b> 	Number of public drinking water quality advisories	0	0
	Number of people with fatality or total permanent disability	0	0
	Total Recordable Injury Frequency (rate)	2.9	4.5
	Number of members of the public with fatality or total permanent disability	0	0
	Wellbeing measure (number of targets achieved)	5	5
<b>Reliable</b> 	Number of schemes at risk of temporary water restrictions	2	1
	Number of properties affected by unplanned interruptions (water)	325,000	393,981
	Number of properties affected by unplanned interruptions (wastewater)	1,100	1,265





From the left: Ross Holt, Carla Boehl, Ross Love, Pat Donovan, David Lock, Helen Creed, Gningala Yarran-Mark

## Board profiles



### Mr Ross Love

#### Chair

**BA (Hons), MPA2, ADP**

Mr Ross Love recently retired after 25 years with the Boston Consulting Group where he was most recently Managing Partner for New York. Prior to that, he held a number of positions in the WA Government, including Chief of Staff to the Premier, from 1990 to 1993. Ross's experience bridges both corporate and government sectors, including airlines and airports, commuter rail, retail and resources. His focus has been on strategy development and execution, including large-scale organisational transformations. He is currently the Chair of Fremantle Ports.

Appointed 22 September 2020, term expires 31 December 2022

**Member:** People and Safety Committee

### Mr David Lock

#### Deputy Chair

**BComm, CA, FAICD**

Mr David Lock is the Chair of the Faculty of Business and Law at Curtin University and Odeum Produce Pty Ltd. He is a non-executive director of CBH Group and Interflour Group in Singapore, and he is a Trustee of the Marine Stewardship Council. He is the Chair of the audit and risk committees at Water Corporation, CBH Group and the Marine Stewardship Council. Mr Lock held managing director roles in public and private Australian food and agribusiness companies from 2004, prior to taking on a portfolio career in December 2017. He also held managerial positions with PriceWaterhouseCoopers in Australia, Canada and the

UK. In 2012, he was named NAB Agribusiness Leader of the Year and in 2013 he won the Australian Export Heroes Award. Mr Lock brings significant finance skills to the Board, as well as a deep understanding of the Australian agribusiness industry. He was previously Chair of Australian Pork Limited, the Western Australian Meat Industry Authority, the Food Industry Association of Western Australia, Mareterram Limited, Sea Harvest Australia Pty Ltd and a director of Food, Fibre and Land International Pty Ltd.

Appointed 1 January 2014, appointed Deputy Chair 1 January 2017, term expires 31 December 2021

**Chair:** Audit and Risk Committee

### Mr Pat Donovan

**BEng (BA BAI) Mechanical Engineering, FIEAust, GAICD, AICD**

Mr Pat Donovan joined Water Corporation after more than 25 years in the gas utility sector in Australia and Ireland. He was previously president of ATCO Gas Australia where he led the delivery of safe, reliable and affordable energy to over 750,000 customers across the south west of Western Australia. He also held senior executive roles at ATCO and Alinta.

Mr Donovan has qualifications in engineering and finance, and has completed an Ivey Business Executive Program at Western University in Canada. Mr Donovan is also a Board member of the Water Services Association of Australia. He has a proven track record of leading customer-focused business strategies and achieving sustained commercial success and business growth.

Appointed 1 January 2019, term expires December 2023

# Board profiles



## Mr Ross Holt

**BEcon (Hons)**

Mr Ross Holt has been an integral part of the WA State Government finance and development landscape for almost 40 years. Previously the Chief Executive Officer of the WA Land Authority (DevelopmentWA), Mr Holt retired in 2014. He is currently the Deputy Chancellor of Murdoch University, Chair of Forest Products Commission and Chair of Nudge.

Appointed 8 June 2016, term expires 31 December 2021

**Member:** Audit and Risk Committee

## Dr Carla Boehl

**FIEAust, CPEng, GAICD**

Dr Carla Boehl is a civil engineer with international work experience who moved to Australia in 2006 to work as a water engineer. Dr Boehl then specialised in asset management and worked in industries such as rail and mining. She is currently employed by Rio Tinto and is an Associate at Curtin University's WA School of Mines. Dr Boehl is also currently Chair of the Asset Management Council WA and Fellow of Engineers Australia.

Appointed 1 January 2021, term expires 31 December 2023

**Member:** Audit and Risk Committee

## Mrs Gningala Yarran-Mark

**MBL, LLB, Bsc**

Mrs Gningala Yarran-Mark is an experienced Board Director, focused on education and Aboriginal health governance. Following an early legal career she moved into commercial roles in large engineering and contracting firms, as the leader of Aboriginal engagement, coordination and liaison with BHP Iron Ore (Port Hedland); Sinclair Knight Merz working on the Rio Tinto Expansion Project; Jacobs and

currently United Group Ltd (UGL). Mrs Yarran-Mark's current role with UGL leads significant internal cultural change across workforce, supply chain and procurement partnerships. Mrs Yarran-Mark's experience in managing external stakeholder relations gave her exposure to Native Title and the sensitivities around Traditional Owner aspirations as well as in-depth working knowledge of the execution and implementation of reconciliation action plans (RAPs).

Mrs Yarran-Mark has a deep understanding of diversity, cultural competencies, change management and stakeholder relationships. She currently holds the position of Aboriginal and Torres Strait Islander Co-ordinator, UGL, as well as being a Board Director on the Edith Cowan University Council.

Appointed 12 November 2019, term expires 30 September 2022

**Chair:** People and Safety Committee

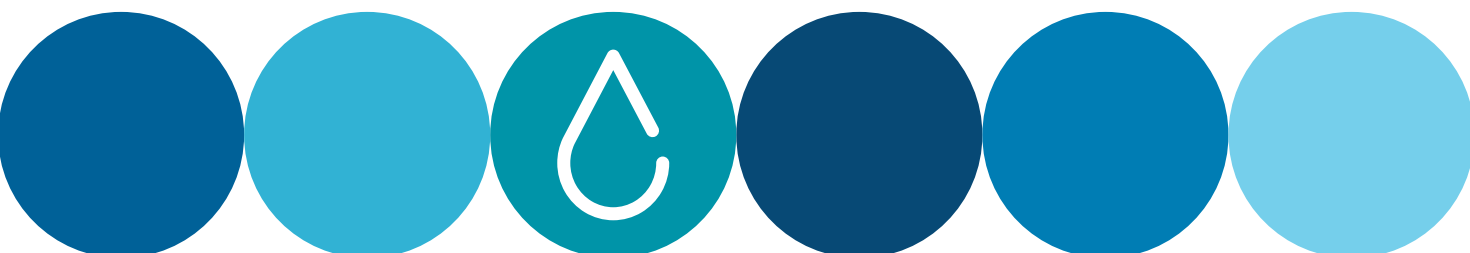
## Ms Helen Creed

**BA, Dip Soc Studs**

Ms Helen Creed is a senior sessional member on the State Administrative Tribunal. Ms Creed brings considerable experience as the former executive director of the Community Legal Centres Association of WA, and has held senior positions with the Western Australian Council of Social Services, Department of Communities, and Department of Consumer and Employment Protection. Ms Creed is also the current Chair of Regional Early Education and Development Inc and the Victoria Park Youth Accommodation, as well as a board member for Child Australia and Children Integrated Management Services.

Appointed 7 April 2021, term expires 19 April 2024

**Member:** People and Safety Committee





From the left: Karen Willis, Barry Ford, Dean Page, Pat Donovan, Elise Vervetjes, Evan Hambleton, Matthew Cronin, Fiona Smith



## Executive profiles



### Chief Financial Officer

**Mr Dean Page** – Term commenced February 2020

BComm, GradDip AppFin, FCPA, MAICD

### General Manager Assets Planning and Delivery

**Mr Evan Hambleton** – Term commenced April 2019

BEng (Hons), MBA, GAICD

### General Manager Customer and Community

**Ms Karen Willis** – Term commenced April 2019

BA (Hons), GradDip (Marketing) GAICD

### General Manager Information and Technology

**Ms Elise Vervetjes** – Term commenced April 2020

BBusEcon, GradCert PubMgmt, M.GenMgmt, GAICD

### General Manager Operations

**Mr Barry Ford** – Term commenced December 2019

BSc, MBA, PEng GAICD

### General Manager People and Safety

**Ms Fiona Smith** – Term commenced October 2019

BEcon, GradCert PubSecMgmt

### General Manager Strategic Performance

**Mr Matthew Cronin** – Term commenced November 2019

BAG (Econ), GradDip AppFin

# Key capital projects



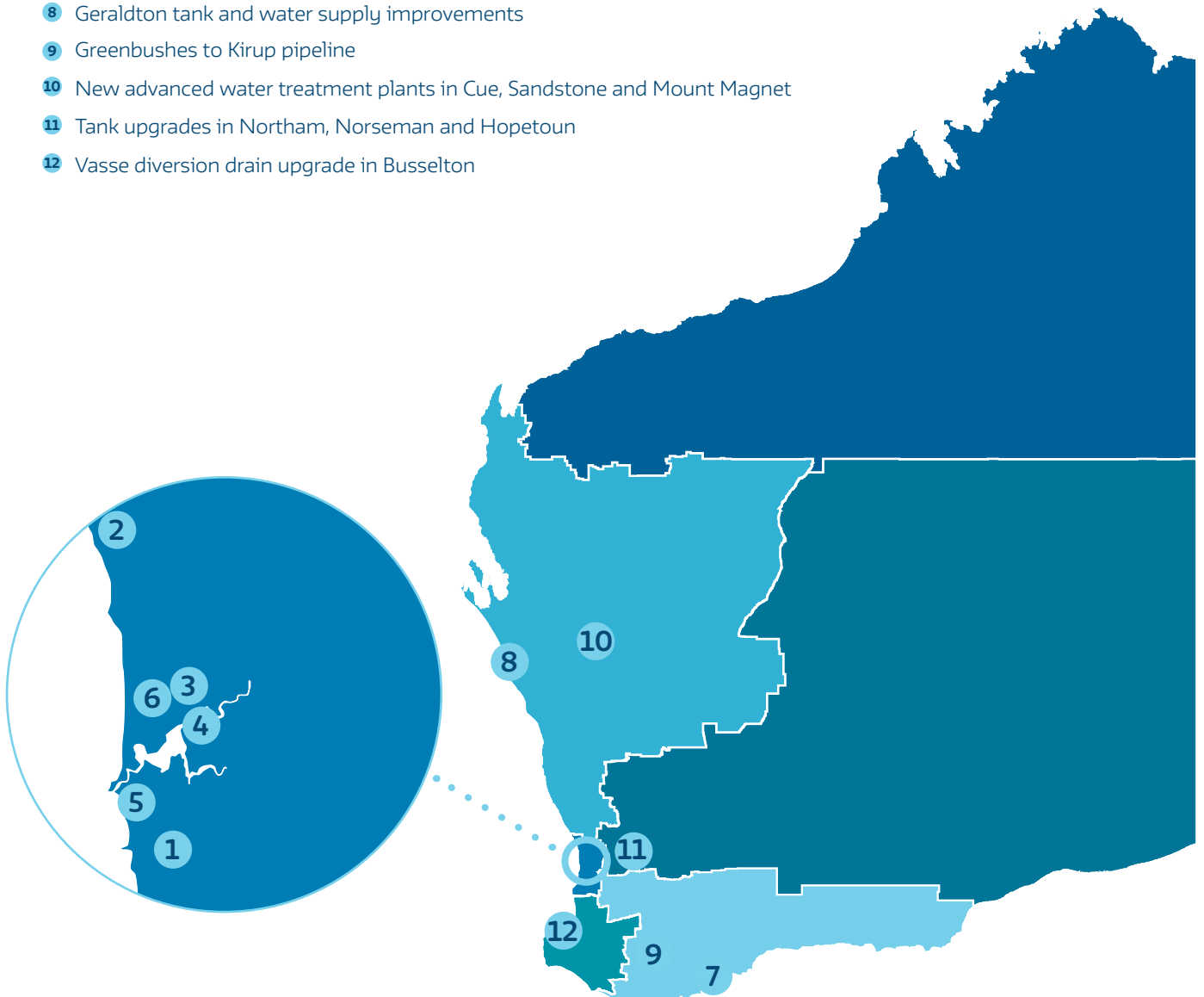
Our key capital investment program for 2020-21 totalled \$712 million. Key projects completed and underway are highlighted below.

## Metro

- 1 Beeliar pipeline to Banjup, Yangebup and Hammond Park areas
- 2 Eglinton Marmion Avenue pipeline extension
- 3 Osborne Park drainage upgrades
- 4 Pipes for East Perth and Victoria Park renewals
- 5 Pipes for Fremantle renewals – Stage 2
- 6 Pollutant traps in Herdsman Lake to remove litter from stormwater drains

## Regional

- 7 Denmark pipeline to secure drinking water supply
- 8 Geraldton tank and water supply improvements
- 9 Greenbushes to Kirup pipeline
- 10 New advanced water treatment plants in Cue, Sandstone and Mount Magnet
- 11 Tank upgrades in Northam, Norseman and Hopetoun
- 12 Vasse diversion drain upgrade in Busselton







**Kapi Pulk**  
**(Big Rain) North West**

**Emily Hunter**  
**(Ngikina/NguliNgul)**

The colours are inspired by my father's Country in the North West Kimberley region, representing the salt water and fresh water of my ancestral homeland.



# Financial highlights



## **We continue to make a significant contribution to the WA economy by stimulating and supporting the state's growth through the provision of water infrastructure.**

Our surplus for 2020-21 was influenced by solid revenue receipts from our core activities and significantly higher levels of land development and building activity. This was a direct result of the Federal and State Governments' Homebuilder and Building Bonus packages, designed to drive economic activity in the residential building industry.

The results featured total revenue of \$2.9 billion but lower overall returns than budget to the State Government by \$583 million due to the deferral of our 2020-21 interim dividend payment.

Our operating business delivered a surplus of \$879 million.

Operating revenue increased by 1.7 per cent, primarily due to an increase in service charges, water consumption and higher operating subsidies received from the government for the provision of non-profitable services – offset by lower government grants.

Contributions from land developers towards infrastructure for new housing developments added a further \$206 million. These contributions were received either as cash (\$139 million) or infrastructure handed over, such as pipelines and pumps (\$67 million).

Total expenditure marginally decreased by 0.6 per cent to remain at \$1.7 billion, largely due to lower interest rates throughout the year (2.89 per cent in 2020-21 versus 3.23 per cent in 2019-20). Our total cost per property decreased by 0.4 per cent and our operating cost per property dropped by 2.4 per cent. This remains one of the lowest in the Australian water industry for large scale supply.

## **Investing in infrastructure**

We invested \$712 million in new capital projects to expand our water infrastructure. Our capital investment program benefits the community and leverages off a wide range of local private sector partners to assist us in construction, maintenance and operations activities. In doing so, we directly and indirectly employ a significant number of Western Australians.

The capital investment program for 2020-21 included \$335 million spent on our water business, \$132 million on our wastewater business and the remainder on a range of programs including irrigation, drainage, and facilities management.

## **Returns to the state**

In response to the COVID-19 pandemic the Government approved several economic measures, including the deferral of the Corporation's 2019-20 interim dividend payment to December 2020, a zero increase in residential rates and charges and the waiving of some charges for business customers.

The actual dividend paid during the year was \$642 million, which reflected the interim and final dividend components relating to the 2019-20 period. We paid tax equivalents, inclusive of local government rates, of \$385 million.

We received an operating subsidy from the government of \$469 million for the provision of non-profitable services and concessions. This was mostly in regional and remote areas of WA and concessions (pensioner and senior) to customers. When operating subsidies were offset against the dividends and taxes paid, returns of \$558 million were delivered to government.



Net accrual to government						
\$million	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Dividend	642	4	605	528	483	567
Tax equivalents	385	373	360	289	304	342
Operating subsidy	(469)	(431)	(420)	(409)	(464)	(547)
NATG	558	(54)	545	408	323	362

## Summary of performance

	Units	2020/21 Projected	2020/21 Actual
<b>Financial outcomes</b>			
<b>Operating surplus before income tax</b>			
Operating business	\$m	996	1,048
Developer asset handover before tax	\$m	40	67
Developer cash contributions before tax	\$m	89	139
<b>Operating surplus after income tax</b>			
Operating business	\$m	697	735
Developer asset handover after tax	\$m	28	47
Developer cash contributions after tax	\$m	62	97
Capital expenditure (including capitalised interest)	\$m	715	712
Borrowings taken (repaid)	\$m	(114)	(194)
<b>Financial performance measures</b>			
Return on equity	%	7.0	7.2
Return on assets	%	7.0	7.5
Debt to total assets ratio	%	34.7	32.4
<b>Accruals to government</b>			
Indirect tax equivalents	\$m	8	8
Income tax equivalents (net of deferred tax adjustments)	\$m	341	377
Dividends paid	\$m	1,258	642
<b>Total</b>	<b>\$m</b>	<b>1,607</b>	<b>1,027</b>
<b>Payments from government</b>			
<b>Operating subsidies</b>			
Country water, sewerage and drainage operations	\$m	298	297
Pensioner and senior concessions <sup>(1)</sup>	\$m	167	170
Metropolitan operations	\$m	2	2
<b>Total operating subsidies</b>	<b>\$m</b>	<b>467</b>	<b>469</b>
<b>Net accrual to government</b>	<b>\$m</b>	<b>1,141</b>	<b>558</b>

(1) Includes pensioner and senior concessions, and concessions provided for non-rated and exempt properties.