

# Corporate Snapshot



Celebrating International Day of Women in Science

## Our purpose

**Our purpose is 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 (WA) to hundreds of thousands of homes, businesses and farms. Directly employing more than 4,000 people, we provide a high level of expertise and a strong commitment to our customers, community and state.

We manage \$46 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

For our people, communities and state to thrive.

Today



## Need for change

We are experiencing...



Climate change



Increasing community expectations



Technological progress



Price and cost pressures



Demand for a future-ready workforce

This requires us to invest in our people, processes and assets so we can continue to deliver our services

Tomorrow



## Taking action



Create positive environmental impact as our climate changes

Accelerate our road to net zero, educate the community on climate change impacts and maximise efforts on waterwise outcomes and wastewater recycling



Secure assets and infrastructure

Invest in our digital and physical assets, to improve safety and future viability



Build meaningful relationships

Understand local customer needs and partner with communities to deliver value



Scale commercial capability

Identify opportunities and scale capabilities to develop new projects and customers



Drive efficiency to finance our vision

Optimise internal budgets and external spend to free up resources for our key priorities



Inspire and enable our organisation

Build capabilities and improve processes to jointly deliver the vision

2035



## Our goals



### Safe for All

Safety for our customers, communities and employees

- Providing safe and secure water to meet UN Sustainable Development Goal #6
- Improving employee and public safety outcomes

### Efficient

Enabling us to sustainably finance our vision

- Reducing total recurring expenditure to fund our key priorities
- Providing socially equitable outcomes for our communities



### Environmentally sustainable as our climate changes

Accelerating environmental sustainability of the water cycle as our climate changes

- Accelerating to net zero for scope 1 and 2 greenhouse gas emissions
- Educating the community on climate change impacts, driving waterwise outcomes and innovative wastewater recycling

### Supporting State Development

Water services partner of choice for state development

- Taking an active role in state development where water supply is a critical enabler
- Contributing to local communities and reduce locational marginal costs for small customers



### Satisfied Customers

Local solutions developed in partnership with communities

- Driving value for money and customer satisfaction across all regions and segments
- Building trust in the communities we serve

### Great Place to Work

Empowering our people to achieve our best performance

- Creating an inclusive workplace for a diverse workforce
- Engaging, leading and enabling our employees to perform at our best





Planting a waterwise garden

## ESG Material Topic Assessment

In line with our purpose and vision, we strive to deliver our services to improve the environmental, social, and governance (ESG) outcomes for Western Australia.

We must continually adapt our approach to future-proofing our water supply as we are increasingly impacted by climate change, population growth, cost pressures, emerging technologies and shifting community expectations.

In this current climate, it is crucial we apply a sustainability lens across all existing processes to ensure our customers, community and state thrive.

### Our ESG material topics

This financial year, we conducted our first ESG materiality assessment to identify the topics relevant to our business activities and stakeholders. We are working to integrate these into our Thrive2035 strategic planning, risk management, and reporting for 2023-24.

### Our approach

To ensure we can meet ESG goals, we worked with independent external experts to conduct a robust assessment broadly aligned to the Global Reporting Initiative (GRI).

This enabled us to identify ESG issues and develop a plan to address them.

A materiality framework was developed following a five-step process which included extensive internal and external stakeholder engagement:

1. **Define base criteria:** Define business priorities, key stakeholders and value chain
2. **Identify potential topics:** Create a long list of potential material topics based on Water Corporation documents
3. **Categorise topics:** Refine the long list of potential material topics into key categories
4. **Stakeholder engagement:** Engage with stakeholders to understand each material topic in detail and relevance to the business and stakeholders
5. **Prioritise:** Prioritise material topics based on the business priorities, key stakeholders, and impact on the value chain

A total of nine 'material topics' were identified as being most important to our business and our stakeholders. These material ESG topics provide us with a blueprint for future reporting and will be reviewed regularly to ensure continued relevance and value to our business.

# Priority Material Topics



## Environment

Climate change and asset resilience

Energy transition and net zero (greenhouse gas emissions)

Treated wastewater discharge effect



## Social

Water security and quality

Aboriginal Communities Water Services

Safety and wellbeing



## Governance

Corporate governance, ethics and transparency

Cyber security and data/privacy

Financial sustainability



South Perth Splash of Colour by artist Peter Ryan

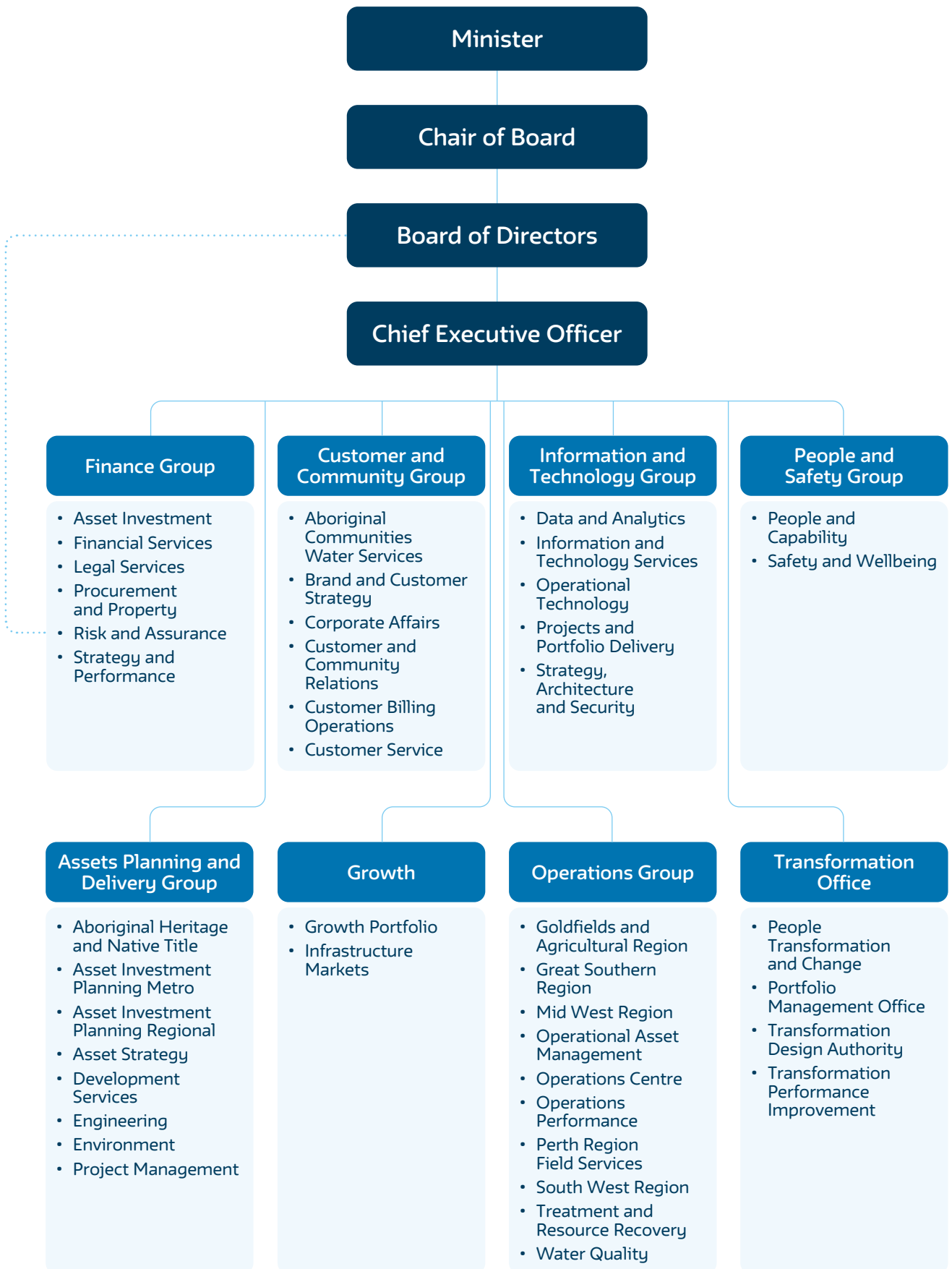
# One year targets

	2022/23 Target	2022/23 Actual
<b>Outcome: Keep total cost per property as low as possible over six years</b>		
 Total cost per property (\$)	2,067	2,229
<b>Outcome: Providing safe and secure water to meet or exceed UN Sustainable Development Goal #6</b>		
 Measure to be determined during 2023-24 year	N/A	N/A
<b>Outcome: Improving employee and public safety outcomes</b>		
 Total Recordable Injury Frequency Rate (rate)	3	4.4
<b>Outcome: Driving value for money and customer satisfaction across all regions and segments</b>		
 Individual measurement of value for money, across regions and segments (score out of 10)	6.5	6.6
<b>Outcome: Building trust among the communities we serve</b>		
 Individual measurement of community trust, across regions and segments (score out of 10)	6.9	7.0
<b>Outcome: Accelerating environmental sustainability of the water cycle as our climate changes</b>		
 Reported greenhouse gas emissions (CO2 equivalent kilotonnes)	N/A	450
<b>Outcome: Driving waterwise outcomes and ramping up wastewater recycling</b>		
 Wastewater recycled (%)	21	19.8





# Organisational structure





Dr Carla  
Boehl

Mr David  
Lock

Mr Ross  
Love

Mr Pat  
Donovan

Ms Janine  
Freeman

Ms Helen  
Creed

Mrs Gningala  
Yarran-Mark

## Board profiles

### Mr Ross Love

#### Chair

*BA Hons, MPA2, ADP*

Mr Love is an experienced consultant and board member. He retired from the Boston Consulting Group (BCG) after a 25-year career where he was most recently the managing partner for New York. Prior to BCG, he held a number of positions in the WA Government, which included Chief of Staff to the Premier between 1990-93.

Mr Love'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, which includes large-scale organisational transformations. He is currently a non-executive director of Tellus Holdings and Executive Chair of Structural Monitoring Systems.

*Appointed 22 September 2020,  
term expires 31 December 2025.*

*Member: People & Safety Committee*

### Mr David Lock

#### Deputy Chair

*Bcomm, CA, FAICD*

Mr Lock is the Chairman of the Faculty of Business and Law Advisory Council at Curtin University, Odeum Produce Pty Limited and the Audit and Risk Committees at Water Corporation, CBH Group and Marine Stewardship Council.

He is a non-executive director of CBH Group, Interflour Group in Singapore, the Marine Stewardship Council in London, and is on the Advisory Board for Harvest Road.

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 Price Waterhouse Coopers 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 is a chartered accountant and brings significant finance skills to the board, as well as a deep understanding of the Australian agribusiness industry. He was previously Chairman of Australian Pork Limited, the West 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 Limited.

*Appointed 1 January 2014, appointed Deputy Chair  
1 January 2017, term expires 31 December 2023.*

*Chair: Audit and Risk Committee.*

### Mr Pat Donovan

#### Chief Executive Officer

*BEng (BA BAI), FIEAust, GAICD*

Mr Donovan joined Water Corporation with more than 25 years of experience in the gas utility sector in Australia and Ireland. He was previously the 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 focussed business strategies and achieving sustained commercial success and business growth. Mr Donovan is a passionate proponent of delivering service and operational excellence at a sustainable cost to customers and the community.

*Appointed 1 January 2019, term expires 31 December 2023.*

## Dr Carla Boehl

*FIEAust, CPEng, GAICD*

Dr Boehl is a civil engineer with international work experience who moved to Australia in 2006 to work as a water engineer. Dr Boehl specialised in asset management and has worked in industries such as rail and mining. She is currently employed as the manager of asset strategy and planning at the Fremantle Port Authority and is an advisory Board member at Curtin University's School of Civil and Mechanical Engineering. Dr Boehl is also a member of the Board's Nominations Committee of the Asset Management Council WA and a fellow member of Engineers Australia.

*Appointed 1 January 2021, term expires 31 December 2023.*  
*Member: Audit and Risk Committee.*

## Ms Helen Creed

*BA, Dip Soc Studs*

A social worker by background, Ms Creed brings a wealth of experience to Water Corporation from her senior roles in state government, the non-government sector and in the union movement.

Ms Creed has held various board and committee positions across these sectors, currently chairs Regional Early Education and Development and is a board member of the Gaming and Wagering Commission. She is currently a Senior Sessional Member at the State Administrative Tribunal and undertakes various work across the community sector. Ms Creed is a recipient of several awards, and in 2018 was inducted into the WA Women's Hall of Fame.

*Appointed 7 April 2021, term expires 19 April 2024.*  
*Member: People & Safety Committee*

## Mrs Gningala Yarran-Mark

*LLB MBL BSc (Hon)*

Mrs Yarran-Mark is an experienced board director. Following an early legal career, Mrs Yarran-Mark moved into commercial roles with BHP and other large contracting firms where she managed Aboriginal engagement. Her remit was inclusive of employment outcomes, diversity in the supply chain, internal and external stakeholder partnerships and commitments under company Reconciliation Action Plans (RAPs).

After fifteen years of building and growing Aboriginal engagement across a number of industries, Mrs Yarran-Mark is now undertaking a PhD with a focus on social procurement and Aboriginal contracting entities. She has in-depth working knowledge of the execution and implementation of RAP's and is adept to the intricacies of Native Title and Traditional Owner negotiations.

Mrs Yarran-Mark has a deep understanding of diversity, cultural intelligence, change management, stakeholder relations and currently holds a director position on the Edith Cowan University Council, is a member of Council Executive and other ECU committees.

*Appointed 12 November 2019,*  
*term expires 30 September 2025.*

*Chair: People & Safety Committee*

## Ms Janine Freeman

*BEC, GradDipOH&S, CertIVFinServices, GAICD*

Ms Freeman is a social equity advocate and former member of WA Parliament who proudly served her diverse community for 13 years as the Member for Mirrabooka. Ms Freeman spent her career representing working people and their families including the role of Assistant State Secretary of UnionsWA.

Ms Freeman has extensive board and committee experience. Since joining her first board in 1993, she has filled roles as Chair of the WA Legislative Assembly Education and Health Committee, been a Member of the WA WorkCover Board, and Deputy Chair of the industry superannuation fund, HESTA.

She is currently the A/CEO of Northern Suburbs Community Legal Centre, Board Member of Anglicare WA Board and Government Employees Superannuation and recently appointed to the UWA School of Population and Global Health Advisory Board.

*Appointed 9 March 2022, term expires 31 December 2024.*  
*Member: Audit and Risk Committee.*



Sarah Bagshawe

Karen Willis

Barry Ford

Dean Page

Pat Donovan

Evan Hambleton

Jane Mitchell

Jacque Harding

## Executive profiles

### Mr Dean Page

**Chief Financial Officer**

*Term commenced February 2020*  
BComm, GradDip AppFin, FCPA, MAICD

### Mr Barry Ford

**General Manager Operations**

*Term commenced December 2019*  
BEng, MBA, GAICD

### Mr Evan Hambleton

**General Manager, Assets Planning and Delivery**

*Term commenced April 2019*  
BEng (Hons), MBA, GAICD

### Ms Sarah Bagshawe

**General Manager People and Safety**

*Term commenced January 2023*  
BBA, CAHRI

### Ms Karen Willis

**General Manager Customer and Community**

*Term commenced April 2019*  
BA (Hons), GradDip (Marketing), GAICD

### Ms Jacque Harding

**General Manager Transformation Office**

*Term commenced May 2023*

### Ms Jane Mitchell

**General Manager Information and Technology**

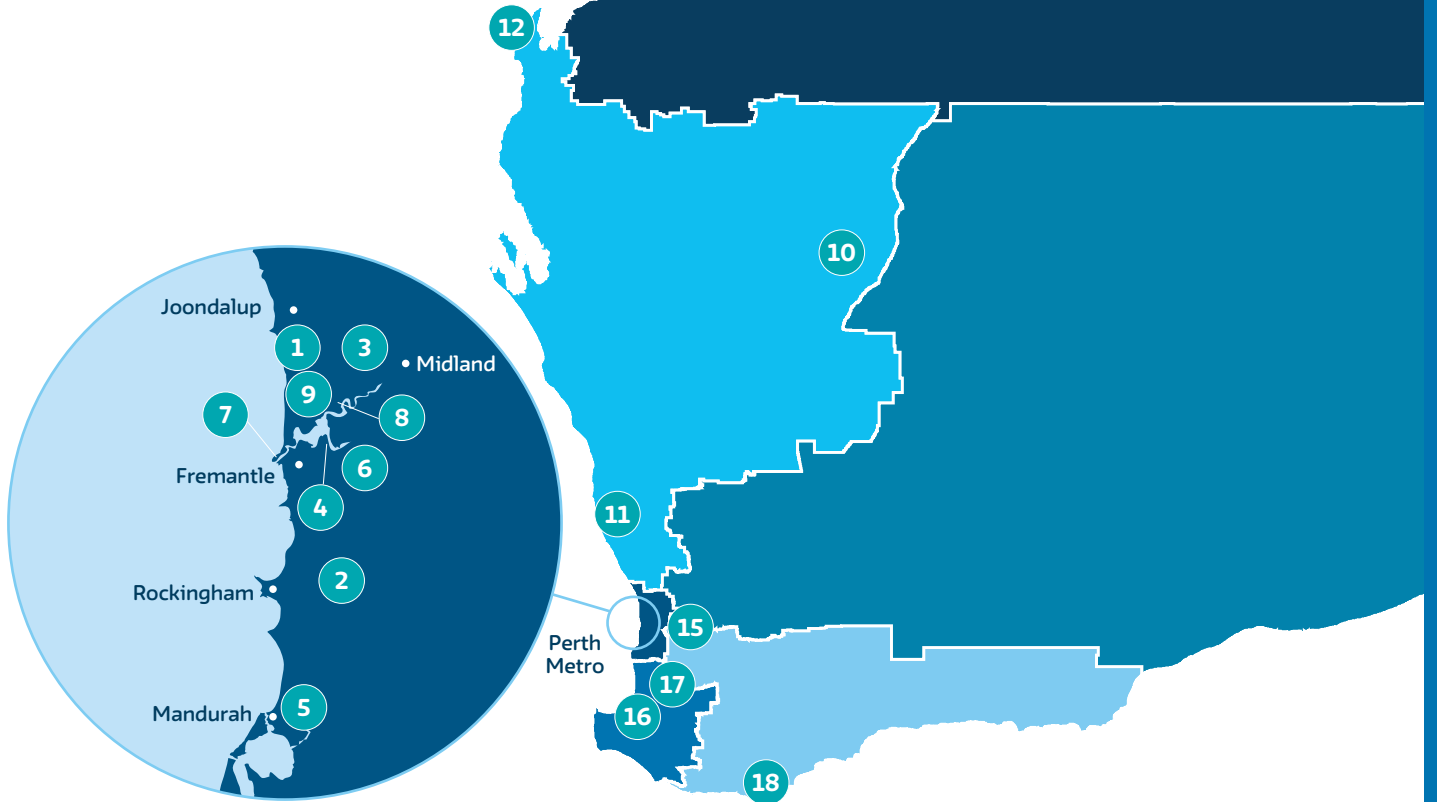
*Term commenced November 2022*  
BASc (Hons)



Employees testing an asset

# Key Capital Projects

Our capital investment program for 2022-23 totalled \$745 million. Key projects completed and underway are highlighted below:



## Metro

- 1 Clarkson wastewater upgrade
- 2 Baldivis wastewater upgrade
- 3 Bullsbrook to Ellenbrook wastewater pipeline
- 4 Mount Pleasant wastewater upgrade
- 5 Mandurah Water Resource Recovery Facility upgrade
- 6 Canning wastewater upgrade
- 7 Pipes for Perth East Fremantle
- 8 Pipes for Perth Beaufort Street
- 9 Pipes for Perth Kings Park

## Regional

- 10 New advanced water treatment plant in Meekatharra
- 11 Cervantes tank replacement
- 12 Exmouth solar eclipse temporary water and wastewater tank
- 13 Fitzroy River sewer main replacement
- 14 Mowanjum Wastewater Treatment Plant - Aboriginal Community Water Services Program
- 15 Wungong Dam remedial works
- 16 Busselton Bridge replacement
- 17 Boyanup water tank repair
- 18 Water main upgrades across 18 towns in South West and Great Southern Region

# Financial highlights

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

We also provided innovative energy solutions to support the state's aspirational target of zero emissions by 2050. Our surplus for 2022-23 was influenced by solid revenue receipts from our core activities, combined with higher levels of land development and building activity. This is due to a state economy that continues to perform strongly, with strong population growth leveraging off the Federal and State Governments' policies designed to drive economic activity in the residential building industry.

The results featured total revenue of \$3.3 billion but lower overall returns to the State Government of -\$195.9 million. This is because of the Government's decision for us to retain the interim dividends that were forecast to be paid in 2022-23 to contribute to funding the Alkimos Seawater Desalination Plant.

Our operating business delivered a surplus of \$946.8 million.

Operating revenue increased by 6.6 per cent primarily due to a rise in service charges, water consumption and higher operating subsidies received from the Government for the provision of non-profitable services.

Contributions from land developers towards infrastructure for new housing developments added a further \$243.6 million. These contributions were received either as cash (\$143.1 million) or infrastructure handed over such as pipes and pumps (\$100.5 million).

Total expenditure increased by 8.5 per cent to \$2.0 billion, reflecting the cost of operating and maintaining our increasing, ageing and diverse infrastructure. The rise encompassed the effects of inflation on materials and services, a labour market with intense competition, elevated borrowing costs due to interest rate hikes by the Reserve Bank of Australia throughout the year, and increased depreciation for infrastructure and technology assets. Our total cost per property increased by 4.0 per cent and our operating costs per property increased by 6.1 per cent. Despite these rises we remain one of the lowest cost businesses in the Australian water industry for large scale supply.

Over the year we repaid \$388.8 million of fixed borrowings.

## **INVESTING IN INFRASTRUCTURE**

We invested \$745.0 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 our construction, maintenance, and operations activities. In doing so, we employ, both directly and indirectly, a significant number of Western Australians. The capital investment program for 2022-23 included \$316.3 million spent on our water business, \$227.9 million on our wastewater business with the remainder on a range of programs including irrigation, drainage, and facilities management.

## **FLAT ROCKS WIND FARM STAGE 2 PTY LTD**

We are a significant energy consumer due to our desalination plants and other operational requirements. In order to minimise our environmental footprint and achieve our goal of net zero greenhouse gas emissions by 2035, we have proactively pursued renewable energy solutions. We have acquired the rights to develop the 92.4-megawatt Flat Rocks Wind Farm Stage 2, a prominent wind energy project in Western Australia. This will enable us to generate around 25 per cent of the renewable energy required to meet our emissions target. The windfarm was registered as a company under the Federal Corporations Act 2001 on 29 July 2022 and is wholly owned by Water Corporation. We entered into an agreement to purchase the entire share capital of the wind farm from Moonies Hill Energy Pty Ltd, which was finalised on 11 November 2022. The transfer of shares was completed on 22 December 2022.

## **ABORIGINAL COMMUNITIES WATER SERVICES**

Prior to 30 June 2023, the Department of Communities (DoC) was responsible for providing essential services, such as water and power, to 141 remote communities through the Remote Essential and Municipal Services (REMS) Program. To ensure optimal long-term arrangements for water services, DoC and the Corporation collaborated on a proposal to transfer water and wastewater service responsibilities to the Corporation. A similar proposal for power services was also prepared by Horizon Power. As of 30 June 2023, assets worth \$5.3 million for the Mowanjum Community were transferred to the Corporation under the Aboriginal Communities Water Services Program. The Corporation officially took over management and service delivery responsibilities for the remaining 140 communities on 1 July 2023.

Net accrual to government						
\$million	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Dividend	-	-	642	4	605	528
Tax equivalents	419	392	369	373	360	289
Operating subsidy	(614)	(519)	(469)	(431)	(420)	(409)
NATG	(196)	(127)	543	(54)	545	408

## Summary of performance

	Units	2022/23 Projected	2022/23 Actual
<b>Financial Outcomes</b>			
<b>Operating Surplus before income tax</b>			
Operating business	\$m	1,152	1,105
Developer asset handover before tax	\$m	55	101
Developer cash contributions before tax	\$m	126	143
<b>Operating Surplus after income tax</b>			
Operating business	\$m	806	774
Developer asset handover after tax	\$m	39	70
Developer cash contributions after tax	\$m	88	100
Capital expenditure (including capitalised interest)	\$m	663	745
Borrowings taken - (repaid)	\$m	7	(389)
<b>Financial Performance Measures</b>			
Return on equity	%	7.4	7.2
Return on assets	%	7.4	6.4
Debt to total assets ratio	%	29.4	26.9
<b>Accruals to Government</b>			
Indirect tax equivalents	\$m	8	8
Income tax equivalents (net of deferred tax adjustments)	\$m	406	411
Dividends provided	\$m	728	-
<b>Total</b>	<b>\$m</b>	<b>1,142</b>	<b>419</b>

<b>Payments from Government</b>			
<b>Operating Subsidies</b>			
Country Water, Sewerage and Drainage Operations	\$m	339	433
Pensioner and Senior Concessions (1)	\$m	185	180
Metropolitan Operations	\$m	2	2
Total operating subsidies	\$m	526	614
<b>Net Accrual to Government</b>	<b>\$m</b>	<b>616</b>	<b>(196)</b>

(1) Includes Pensioners and Senior concessions, and concessions provided for non-rated and exempt properties.