

Board meeting summary: February 2011

Managing Director's report

The items of note for the month were:

- With continued rain during the summer, regional reservoirs have significantly increased storage volume
- As the cooler summer progresses residential per person water consumption has risen to 157 l/p/d for the year to date. This is slightly below comparative levels in 2009/10 of 158 l/p/d.
- Greenhouse gas emissions were under the YTD target for the first time this year by 114 tonnes CO₂e. 38 tonnes of CO₂e abatement is due to the success of the WaterTight Program.
- Capital expenditure continues to be below target principally due to the wet weather.
- There was one lost time injury during the month.

Committee reports

Reports were provided by the Chairs for the:

- Customer Advisory Group
- Audit Committee, and;
- Remuneration Committee

Water supply security

Continued rains during the month continue to improve the storage levels in the local reservoirs around Woodend, Macedon, Romsey. Significant inflows have also occurred to the regional reservoirs of Rosslynne, Merrimu and Pykes Creek. Pykes Creek is currently spilling. Similarly Melbourne storages have also improved.

Current storage levels as at 31 January 2011 are:

Supply system	Volume in storage (bulk entitlement) ML	% full
Rosslynne (Riddells Creek, Gisborne, Macedon, Mt Macedon, Sunbury)	14,663	66.8
Lake Merrimu (Melton and Bacchus Marsh)	19,640	92.4
Pykes Creek Reservoir (Myrniong)	22,139	100
Kerrie, Foster and Wright Reservoirs (Romsey)	372	99.4
Campaspe Reservoir (Woodend)	366	100
Anderson, McDonalds, Orde Hill, Willimigongon, Kitty English, Frank Mann Reservoirs (Macedon Storages)	470	99
Melbourne Storages (all towns excluding Lancefield and Romsey)	972,600	53.7

The Board noted that Merrimu Water Filtration Plant is now operating and servicing the Melton high level system and Bacchus Marsh. Work is continuing on upgrades to the Rosslynne Water Filtration Plant to bring this plant on-line by mid 2011.

The Board also noted that the present levels of restrictions in Melbourne will remain in place until the review date of 31 March 2011.

Strategic Plan 2011

The Board reviewed the draft Strategic Plan 2011 determined noting the inputs from the Customer Advisory and Community Reference Groups. The Board endorsed the changes to the Balanced Scorecard Strategy Map, noting the addition of "To actively manage growth" as a key pathway for the future. The key strategic imperatives identified included the management of urban growth associated with Melbourne at 5 @ Million planning changes, managing the impacts of climate change, including drought and extreme events and introduces the iWater concept to identify "best for community" water solutions.

Enterprise Bargaining Agreement 2011

The Board noted the progress of the new Enterprise Bargaining Agreement. The Agreement will focus on building the current strong emphasis on continuous improvement in service standards and improve organisation resilience and culture in the face of the growth challenges.

Risk Management Review

The Board endorsed the report on Western Water's Strategic Risk Profile noting the risk controls and treatment plans in place and work required for the future.

Integrated Billing and Information System

Progress on the development of the new Integrated Billing and Information System was outlined to the Board. The Board noted that all development in Phase 1 is complete, key interfaces to other necessary systems is complete and staff training is well underway. Cutover plans are in place and "Go-Live" for the new system is scheduled for 1 March 2011.

Communications Strategy Update

The Board noted the policy direction of the new Government and the feedback from customers regarding value for money. The Board noted progress on the Customer Engagement Strategy, Corporate Social Responsibility Strategy, Social Media Policy and the Lancefield Customer Focus Groups.

Corporate Plan Tariff Approval 2011

The Board noted the Corporate Plan requirements for regional capital works, Melbourne wholesale water prices and other commitments of the organisation. The Board approved an overall real tariff increase of 7.7% which is in line with the approval from the Essential Services Commission for the current 5 year Water Plan.

Essential Services Commissions (ESC) Performance Report

The Board noted the outcomes of the ESC performance report on all Victorian water utilities. The report covered aspects of Customer Response and Service, Network Reliability and Efficiency, Drinking Water Quality, Environmental Performance and Delivery of major projects. The Board noted Western Water's relative improvement in the areas nominated by the Board as key service indicators.

Government Water Policy Implementation Plan

The Board noted the progress in achieving the various policies and strategies of the Government in relation to water.