

Board meeting summary: October 2011

Managing Director's report

The items of note for the month were:

- Year to date residential consumption continues at a very low 139 L/p/day with total consumption being 177 L/p/day.
- Two incidents of low pressure were reported in Sunbury due to a storm event causing a pump to fail.
- Capital expenditure is on track.
- Greenhouse gas emissions of 7,773 tCO₂e are above the target of 4,644 tCO₂e due to the change in emissions factors announced by the Commonwealth.
- Reliance on Melbourne System Bulk Entitlement was less than the cap due to continued low water use and the use of local storages.
- Non revenue water losses are currently 8.6% falling from 8.7% in the previous billing period.
- 24 complaints were received during the month (14 water quality and 10 other). 7 compliments were received.
- There was one LTI in the past month.

Water supply security

Storage levels in local reservoirs have remained stable during the month. Melbourne storages have increased slightly.

Current storage levels as at 30 September 2011 are:

| Supply system | Volume in storage (bulk entitlement) ML | % full |
|--|---|--------|
| Rosslynne (Riddells Creek, Gisborne, Macedon, Mt Macedon, Sunbury) | 14,674 | 70 |
| Lake Merrimu (Melton and Bacchus Marsh) | 17,391 | 86.6 |
| Pykes Creek Reservoir (Myrning) | 21,998 | 99.8 |
| Kerrie, Foster and Wright Reservoirs (Romsey) | 388 | 100 |
| Garden Hut Reservoir and Basin (Lancefield) | 109 | 97.5 |
| Campaspe Reservoir (Woodend) | 354 | 97 |
| Anderson, McDonalds, Orde Hill, Willimigongon, Kitty English, Frank Mann Reservoirs (Macedon Storages) | 452 | 91 |
| Melbourne Storages (all towns excluding Lancefield and Romsey) | 1,147,000 | 63 |

Water Restrictions and Permanent Water Saving Rules

The Water Industry and the Department of Sustainability and Environment (DSE) have finalised all discussion papers

and the draft new Permanent Water Saving Rules and Water Restrictions. Public consultation has now commenced with information on all Water Corporation websites and the DSE.

Following public feedback the Minister will assess submissions and finalise the new documents. This is expected to occur in November.

Occupational Health and Safety

The proposed changes to the Victorian Occupational Health and Safety Legislation was presented to the Board. These new laws will eventually harmonise all national legislation. The key features of the new Act include:

- An expanded primary duty to ensure health and safety
- Due diligence obligations on Officers of Corporations
- An increase in penalties for severe breaches

A key aspect of the proposed changes is an increasing requirement for consultation on safety issues across the organisation and for improved documentation.

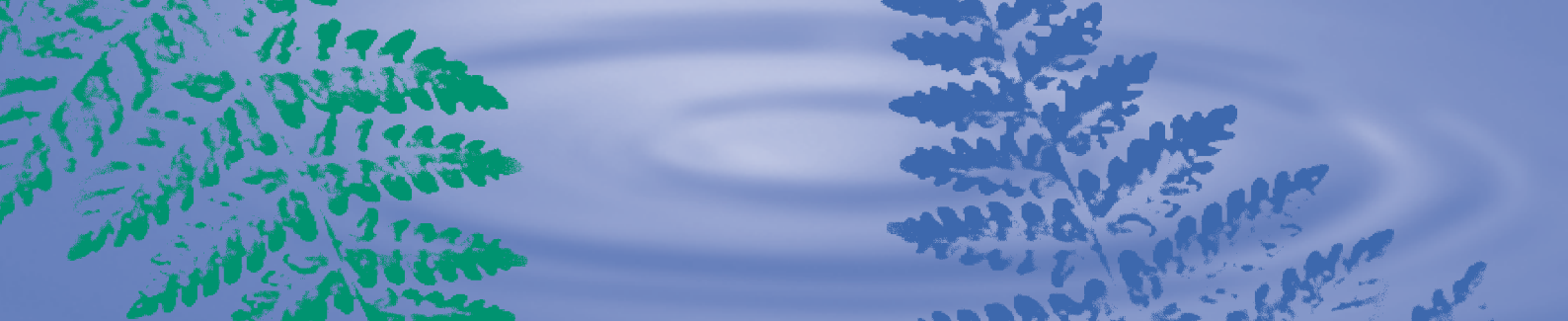
Human Resources Strategy

An update on the current Human Resources Strategy was provided to the Board. Items of note include:

- Continued work on the new Human Resources Management System
- Work being done to review the performance management system
- Leadership and organisational development progress
- The measurement and activities associated with staff culture.
- Workforce engagement surveys and assessment.
- The progress with the new EBA.
- The Health and Wellbeing program
- Training developments across the organisation
- Resourcing and structure under the new Growth Strategy.
- Progress on the development of the new People Strategy to cover the next Water Plan.

Aquifer Storage and Recovery

The board was provided with a report on the opportunities for Aquifer Storage and Recovery (ASR) across Western Water's region. ASR is useful as a means of augmenting local water supplies, particularly in times of drought with a minimal surface footprint.



Specialist hydrogeologists were engaged to assess aquifer storage capacity, water quality and accessibility. Based on an understanding of the geomorphology of the region and the work carried out by the Smart Water Fund, initial opportunities were assessed at Toolern in Melton, Surbiton Park, Parwan and Lancefield. These options will be considered as one of the options for future augmentation requirements.

Climate Change Strategy

A report was provided on the progress of the Climate Change Strategy. Key successful projects to date include the biogas capture and electricity cogeneration plant at Surbiton, the biodiesel filling station at Sunbury, the new energy efficient belt press at Sunbury and the installation of energy efficient blowers at Sunbury and Melton recycled water plants. The installation of a new bore in Romsey will also offset requirements to pump Melbourne Water to Romsey – further saving power.