

WSAA Water Services
Association of Australia

ANNUAL REPORT 2013-2014



WATER SERVICES
ASSOCIATION OF AUSTRALIA

VISION

CUSTOMER DRIVEN, ENRICHING LIFE

2013



OUTCOME 01

The most efficient, trusted and valued service providers in Australia.

OUTCOME 02

A compelling voice in national policy making.



OUTCOME 03

A valued partner in urban and land use planning to enrich communities.



OUTCOME 04

Providing stewardship of the urban water cycle.



2030

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ABOUT WATER SERVICES ASSOCIATION OF AUSTRALIA

MISSION

WSAA will advocate, collaborate and innovate to deliver for its members.

The Water Services Association of Australia (WSAA) is the peak industry body that supports the Australian urban water industry. Its members and associate members provide water and sewerage services to over 20 million Australians and many of Australia's largest industrial and commercial enterprises.

The Association facilitates collaboration, knowledge sharing, networking and cooperation within the urban water industry. It is proud of the collegiate attitude of its members which has led to industry-wide approaches to national water issues.

WSAA can demonstrate success in the standardisation of industry performance monitoring and benchmarking, as well as many research outcomes of national significance. The WSAA Executive retains strong links with policy makers and legislative bodies and their influencers, to monitor emerging issues of importance to the urban water industry. WSAA is regularly consulted and its advice sought by decision makers when developing strategic directions for the water industry.

WSAA was formed in 1995 as a non-profit organisation to foster the exchange of information relating to the provision of urban water services between industry, government and the community, and to promote sustainable water resource management.

The Association's main activities focus on four areas:

- > influencing national and state policies on the provision of urban water services and sustainable water resource management
- > promoting debate on environmentally sustainable development and management of water resources and the community health requirements of public water supplies
- > improving industry performance and establishing benchmarks and industry leading practices for water service processes; and
- > fostering the exchange of information on education, training, research, water and wastewater management and treatment and other matters of common interest.



Message from the WSAA Chair and Executive Director

I have enjoyed my first year as Chair of WSAA. Watching the projects and results from the collaboration across the urban water industry is rewarding.

One of the highlights was the release of the 'Improving economic regulation of urban water' Report. The Report is an excellent example of how WSAA, through facilitating collaboration in the industry, can deliver information that is relevant to our customers and stakeholders alike.

The Report provides a great platform for discussion on issues surrounding economic regulation, something that our industry, Government, customers and other stakeholders are keen to see evolve to meet future challenges. Already the Report has become the foundation of submissions including to the Victorian Government's review of economic regulation.

At the heart of the issue is the need to improve economic regulation of water to better meet the long term needs of customers. This aligns with WSAA's vision for the urban water industry of 'customer driven, enriching life' which highlights the industry commitment to anchor its services to customers' values. With this in mind, I hope the Report will continue to be used as a reference document for governments, regulators and water businesses to lead change over the years ahead and provide a catalyst for early action.

"We need to evolve to meet future challenges."

Louise Dudley
WSAA Chair

With a new Federal Government now firmly in the driving seat, WSAA has had a busy and productive year working with important stakeholders in Canberra to maintain continuity in national leadership for urban water management. There are some major changes in the pipeline including a transfer of responsibility of the National Performance Report to the Bureau of Meteorology and the potential demise of the National Water Commission. We will continue to keep a strong presence in Canberra to ensure policies and direction setting for urban water is sensible and well thought through.

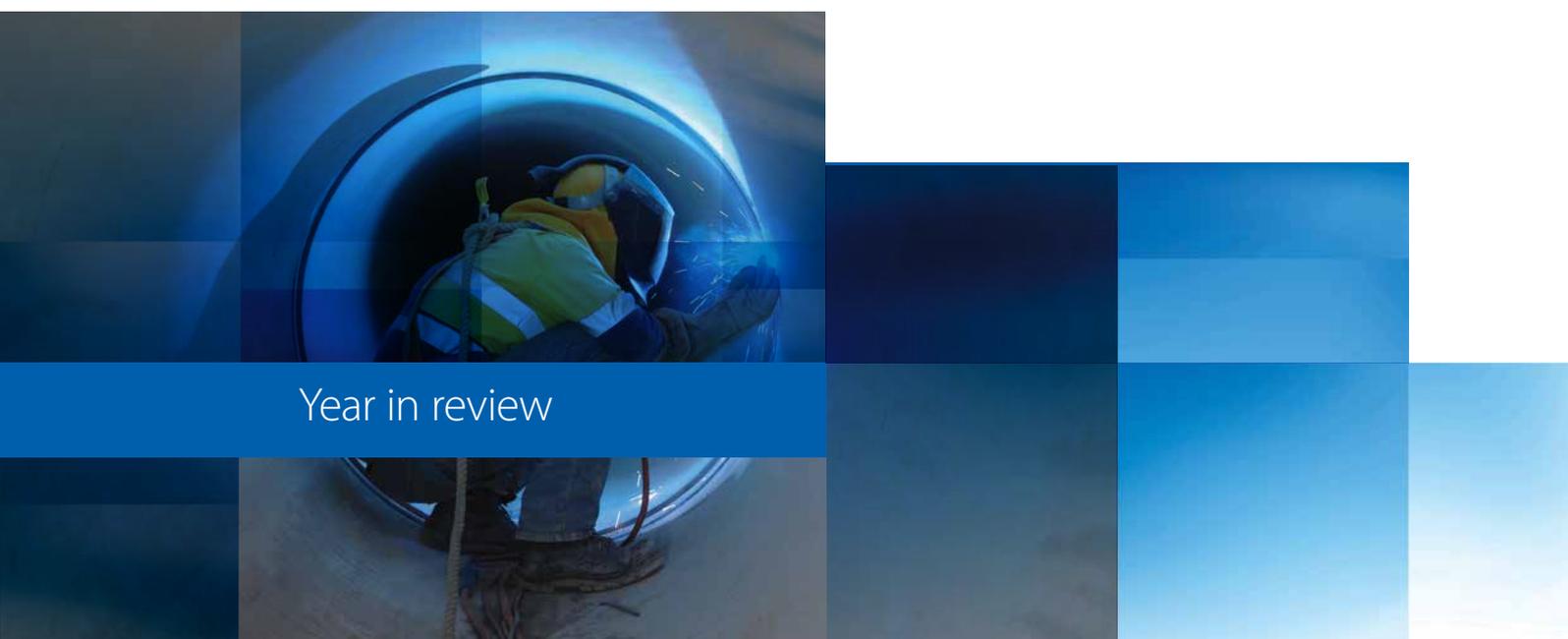
As the Association representing urban water utilities around Australia, WSAA has continued to advocate for independent, national, thought leadership for the water sector. With numerous Government reviews commenting on the role of state and commonwealth governments, WSAA sees a national approach as key to ensuring the industry maintains and improves its performance over the long term.

The challenges from 10 years ago that underscored the need for a national effort in managing water resources remain, and even more challenges have arisen.

As a result, we will continue to call for a reinvigoration of the National Water Initiative to include a focus on urban water as well as an independent custodian to promote collaborative, whole-of-government and leading edge management of Australia's most precious resource.

"As we approach future challenges, national leadership is needed."

Adam Lovell
WSAA Executive Director



Year in review

SIGNING MOU WITH QUEENSLAND WATER DIRECTORATE

WSAA and the Queensland Water Directorate (qldwater) signed a Memorandum of Understanding establishing a platform for enhancing value to members of both organisations and reinforcing their commitment to collaboration in the urban water industry.

WSAA STREAM AT OZWATER'14

The WSAA Stream 'Private participation, capital recycling and customer value' was held at Ozwater'14 on 30 April in Brisbane. The all-day event was well attended as the audience heard from Brendan Lyon, Infrastructure Partnerships Australia, Michael Hanna, IFM Investors and Dr Kerry Schott, Director Infrastructure Australia. They tackled the big picture challenges facing urban water in relation to capital recycling. The afternoon session focused on the view of the customer and how the industry can engage them in this discussion.

DRIVING BUSINESS VALUE THROUGH WORKFORCE PRODUCTIVITY

On 22 May, WSAA hosted its first workshop dedicated to the people working in our industry. Over 60 people attended, spanning 24 WSAA members. The workshop presented an unparalleled networking opportunity for WSAA's People and Capability Committee to communicate its current activities and featured presentations and discussion workshops to build a better understanding of people productivity.

SUBMISSIONS

WSAA lodged 15 submissions to reviews and inquiries representing our members in providing a whole of urban water sector view. Submissions were made to the following: Renewable Energy Target (RET) Review; National Water Commission Triennial

Assessment; Competition Policy Review; Review of economic regulation, governance and efficiency in the Victorian water sector; Energy White (Issues) Paper; Productivity Commission inquiry into funding public infrastructure; Queensland Government Review of Infrastructure planning and charging framework; Emissions Reduction Fund Green Paper; IPART's draft decision on financeability tests in price regulation; Productivity Commission review of the National Access Regime.

NEW GROUPS AND NETWORKS

We are always looking for new ways to facilitate collaboration as it is one of the most valued aspects of WSAA membership. In 2013-2014, the following new groups were established to provide a forum for more collaboration: Dam Owners Group, Desalination Operators Group, Water Security and Supply Group, Human Capital Network, Customer and Community Network and Commercial Performance Network.

CODES AND STANDARDS

WSAA continued to provide members and the urban water industry with the opportunity for moving towards best practice by releasing a number of new and updated codes and standards. These included the Gravity Sewerage Code of Australia Version 3.1 and five National Metering Codes of Practice (developed with a federal regulator).

TAG

9 TAG forums showcasing 47 technologies that have led to collaborative and individual trials with 10 technologies progressing to commercial sales.

WATER EFFICIENCY

The Board approved the expansion of the WSAA Smart Approved WaterMark subscription project.

Members of the Board



LOUISE DUDLEY
CHAIR



JOHN RINGHAM
DEPUTY CHAIR



KEVIN YOUNG



ANNE BARKER



JIM GRAYSON

LOUISE DUDLEY, CHAIR

Louise is the Chief Executive Officer of Queensland Urban Utilities, and has been with the organisation since it was formed in 2010. Louise previously held the position of Chief Financial Officer and played a key role in the creation of Queensland Urban Utilities during her time as Executive Manager Water Retail, Brisbane City Council.

JOHN RINGHAM, DEPUTY CHAIR

John is the Chief Executive of SA Water. He has a Degree in Civil Engineering (Honours), a post graduate diploma in Geotechnics and an MBA. John has extensive water industry management experience in the UK, been involved in work in Poland and the Middle East, and a preparation of a wastewater services proposal for Adelaide. John is also Deputy Chair WaterAid Australia.

KEVIN YOUNG

Kevin is the Managing Director of Sydney Water and former Chair of WSAA. He has a Degree in Engineering (Honours), and a Masters of Business Administration. He is a fellow of the Institution of Engineers Australia, and a Member of the Australian Institute of Company Directors.

ANNE BARKER

Anne is the Managing Director of City West Water. Anne joined City West Water in 2003 and previously worked in a number of different industries including retail, banking, manufacturing and energy in a variety of roles from lawyer to heading up the pricing team in a regulated energy business. She is currently Chair of Whitelion and Open Family Australia, and Smart Water Fund.

JIM GRAYSON

Jim is the Chief Executive Officer of Gladstone Area Water Board (GAWB). Prior to joining GAWB Jim worked as a Solicitor in private legal practice and with the Australian Securities and Investments Commission. He is a Fellow of the Financial Services Institute of Australia and served on the Board of the Gladstone Economic Industry Development Board from 2006 to 2012.

SUE MURPHY

Sue is the Chief Executive Officer of the Water Corporation of Western Australia and former Chair of WSAA. She graduated as a Civil Engineer from the University of Western Australia in 1979. Sue is a Board Member of the University of WA Business School and was the Deputy Chairman of the Rottneet Island Authority from 2004 to 2010.



SUE MURPHY



PAUL PRETTO



JOHN KNOX



ADAM LOVELL
EXECUTIVE DIRECTOR

PAUL PRETTO

Paul is the Acting Managing Director of Melbourne Water. He has a PhD in Environmental Engineering and more than 21 years engineering experience in the water industry. Paul has over 12 years of senior management experience at Melbourne Water. Paul has also spent time consulting in water resources engineering with Sinclair Knight Merz on a variety of projects.

JOHN KNOX

John is Managing Director of ACTEW Corporation. He is a member of the ActewAGL Joint Venture Partnerships Board and currently Chairman of ACTEW Distribution Limited and ACTEW Retail Limited Boards and a member of the Safety and Environment Committee. He was previously the Chief Finance Officer of ActewAGL, Ecowise Environmental and TransACT. John is a Fellow of CPA Australia.

ADAM LOVELL, EXECUTIVE DIRECTOR

Adam was previously WSAA's Science and Sustainability Manager, with extensive prior experience at Sydney Water. He has a BSc (Hons) in Chemistry and a Masters of Environmental Engineering Science from the University of Sydney. He is a Board member of the National Centre of Excellence for Desalination, and a member of the National Health and Medical Research Council Water Quality Advisory Committee.

ADDITIONAL BOARD MEMBERS

Ross Young

Sydney Catchment Authority

Shaun Cox

Melbourne Water

Mark Sullivan

ACTEW also served on the WSAA Board 2013-14



Highlights 2013-2014

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IMPROVING ECONOMIC REGULATION

Under WSAA's Commercial Performance Network, Frontier Economics was engaged to review economic regulation of the urban water industry in Australia and identify improvements that would be in the long term interests of customers and stakeholders.

The work culminated in the report "Improving economic regulation of urban water" which was launched by Senator Simon Birmingham, Parliamentary Secretary for the Environment at Parliament House in Canberra. At the launch WSAA was joined by customers and the private sector in the call for better economic regulation. The Report draws on experience from water and other industries both here and overseas and is a comprehensive assessment of best practice economic regulation in the urban water sector.

WSAA has called for a national urban water agreement through the Council of Australian Governments with clear minimum and agreed standards, backed by rewards and sanctions to be met by all jurisdictions regardless of the future reform path for the urban water industry.

BENCHMARKING

In 2013-14 the Asset Management Committee developed a benchmarking paper to provide coordination of all benchmarking activities across WSAA Board Committees. This benchmarking helps ensure a focus on strategic direction and addressing member needs.

The benefits of a coordinated benchmarking approach include:

- > enhanced ability of the urban water industry to understand and respond to external drivers
- > a common language and set of metrics with which to engage regulators
- > identifying possible synergies across WSAA members to drive efficiency, ensure collaboration, avoid duplication and improve WSAA member outcomes; and
- > assisting the WSAA Board Committees business planning processes.

This benchmarking work will be further explored in the next year.

PEOPLE AND PRODUCTIVITY PAPER

In a first for the urban water industry, utilities from around Australia have collaborated on the comprehensive paper 'Building our understanding of people and productivity'. The paper delivers accessible theoretical insights and practical perspectives and draws on:

- > Academic research and writings
- > Desktop research
- > Interviews with CEOs and senior HR executives
- > Case study development
- > WSAA's 2014 national workshop, 'Driving business value through workforce productivity'.



The urban water industry recognises it needs to focus on realising the productivity potential of current and future employees and the paper includes case studies from around Australia that showcase what WSAA members are focussing on in relation to people and productivity.

Going forward, the People and Capability Committee will be undertaking future initiatives to continue momentum in this emerging and important area.

HEALTH BASED TARGETS MANUAL

Following a discussion paper on the introduction of a health-based target (HBT) for microbial water quality in Australia by the National Health and Medical Research Council (NHMRC) back in 2009, WSAA recognised the need to work closely with its members and the NHMRC on the implications for the urban water industry in Australia.

The WSAA Health Based Targets Group, made up of leading water experts in Australia, looked at how Health Based Targets could be introduced to the Australian water industry and the likely costs associated. Significant work by a dedicated team of experts saw the development of the Health Based Targets Manual for use by our members. The Manual is accompanied by case studies that inform its application.

The Manual is a living document and will be improved as new information comes to hand.

It is a valuable resource for assessing source risk and the adequacy of water treatment. WSAA is now working with members to pilot test the Manual to understand the financial and operational implications for a utility.

LIVEABILITY AND PLANNING OCCASIONAL PAPERS

In March 2014, WSAA released two occasional papers. Occasional Paper 29 'Urban water planning framework and guidelines' builds on and updates the previous 2005 framework. The paper outlines the need for the urban water sector to adopt a more outwardly focused approach to planning to reflect customer and community needs.

The companion Occasional Paper 30 titled 'The role of the urban water industry in contributing to liveability', reflects on the stronger integration of water and urban planning to ensure our water services secure the liveability of our cities and regions, now and into the future.

Both papers recognise the need for the urban water industry to continue to engage with its customers, communities, planners and all levels of government to build a stronger understanding of the role of water in planning and liveability. The Healthy Liveable Communities Committee is now focussed on applying the principles in the two papers through engagement with member utilities and key stakeholders.



WSAA Board Committees

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CUSTOMERS AND INDUSTRY POLICY (CIP) BOARD COMMITTEE

This committee supports the industry's desire to improve customer engagement and deliver value for money. It also assists the industry to influence and respond appropriately to government reform agendas, using transparent data and information to build well informed industry positions.

CIP Board Committee Members

- > Sue Murphy, Chair Water Corporation
- > Joe Adamski Barwon Water
- > Denise Dawson Queensland Urban Utilities
- > Ben Furmage Melbourne Water
- > Sandra Gamble Sydney Water
- > Jaimie Hollamby SA Water
- > Ross Hughes Water Corporation
- > Patt McCafferty Yarra Valley Water
- > Roslyn Wai Coliban Water
- > Dean Taylor Hunter Water
- > Stuart Wilson WSAA

CIP Board Committee Networks

- > Commercial Performance
- > Customer and Community

CIP Board Committee Projects

- > Survey of customer research and engagement by utilities
- > Improving economic regulation
- > Financial stocktake of urban utilities

- > Submissions to National Water Commission Triennial Assessment and review of the economic regulation, governance and efficient operation of the Victorian water sector.

HEALTHY LIVEABLE COMMUNITIES (HLC) BOARD COMMITTEE

The purpose of the HLC is to influence and advocate for the creation of communities (founded on the sound principles of water supply and sanitation) where resources are utilised sustainably and the water environment is managed to enhance quality of life.

HLC Board Committee Members

- > Jim Grayson, Chair Gladstone Area Water Board
- > John Anstey Coliban Water
- > Paul Belz Queensland Urban Utilities
- > Meredith Blais Water Corporation
- > Will Buchanan Barwon Water
- > Cameron Crawford Taswater
- > Peter Dennis Seqwater
- > Jamie Ewert Melbourne Water
- > Cameron Fitzgerald City West Water
- > Kaia Hodge Sydney Water
- > Greg Ingleton SA Water
- > Keith Johnson South East Water
- > Melita Stevens Melbourne Water
- > Evelyn Rodrigues WSAA

HLC Board Committee Networks

- > Water Quality and Health
- > Climate Change, Energy & Environment
- > Adaptive Planning & Integrated Water Management

HLC Board Committee Projects

- > Occasional Paper 29: The urban water planning framework and guidelines
- > Occasional Paper 29b: Case studies on urban water planning
- > Occasional Paper 30: The role of the urban water industry in contributing to liveability
- > Wastewater treatment plant energy benchmarking
- > Pumping station (water and sewage) energy benchmarking
- > Roll out of the Socio-Environment Tool
- > NGRS project – sludge lagoon methodology

ASSET MANAGEMENT (AM) BOARD COMMITTEE

Historically the industry has focused on securing urban water services for the community. The projects undertaken through the AM Board Committee formed part of the urban water industry's extensive response to variable rainfall in the past 10 years. More recently this committee has moved focus from building new infrastructure to making existing assets work harder and last longer.

AM Board Committee Members

- > Kevin Young, Chair Sydney Water
- > Paul Freeman Sydney Water
- > Stuart Horvath Hunter Water
- > Andrew Moir Taswater
- > Darren Moore Logan City Council
- > Paul Northey Barwon Water
- > Russell Pascoe Water Corporation
- > Neville Pearce Coliban Water
- > Peter Seltsikas SA Water
- > Daniel Spiller Seqwater
- > Chris Watson Watercare Services
- > Tim Wood Melbourne Water
- > Rex Dusting South East Water
- > Teresa Morey ACTEW
- > Robin Lewis Queensland Urban Utilities
- > Greg Ryan WSAA

AM Board Committee Networks

- > Civil Assets
- > Disaster Recovery

- > Intelligent Water
- > Mechanical, Electrical & SCADA
- > Metering
- > Wastewater Source Management

AM Board Committee Projects

- > Asbestos safety and training
- > Business case development for critical assets
- > Ensuring a consistent approach to risk management and prioritisation
- > Identification of current practice systems for capturing asset register information (project handover)
- > Identification of common analytical methods and evaluation tools to assess asset performance
- > Mechanical and electrical benchmarking
- > SCADA standards
- > Water industry supply chain index
- > Water main renewal planning

PEOPLE AND CAPABILITY (PC) BOARD COMMITTEE

BOARD COMMITTEE

The role of the PCC is focused on the people who work in the urban water industry. It will develop sector wide initiatives to improve the workforce productivity of urban water services and provide strategic leadership and facilitate collaboration in health and safety programs.

PC Board Committee Members

- > Anne Barker, Chair City West Water
- > Peter Gaskin Watercare Services
- > Linda Heron Melbourne Water
- > Daniel Hunter Sydney Water
- > Danielle Jiranek SA Water
- > James Kingsland City West Water
- > Jeff Rigby Coliban Water
- > George Theo Unitywater
- > Jenny Thornton Water Corporation
- > Peter Gee WSAA

PC Board Committee Networks

- > Safety and Wellbeing

PC Board Committee Projects

- > Australian Water Occupation's Framework
- > Building understanding of people productivity
- > An assessment of training needs and training capacity
- > Workforce planning guide

WSAA Members



WA

WA MEMBER
Water Corporation

NT

NT MEMBER
Power and Water Corporation

SA

SA MEMBER
SA Water

QLD

NSW

NSW MEMBERS
Gosford City Council
Hunter Water
Shoalhaven Water
Sydney Water
Sydney Catchment Authority

ACT

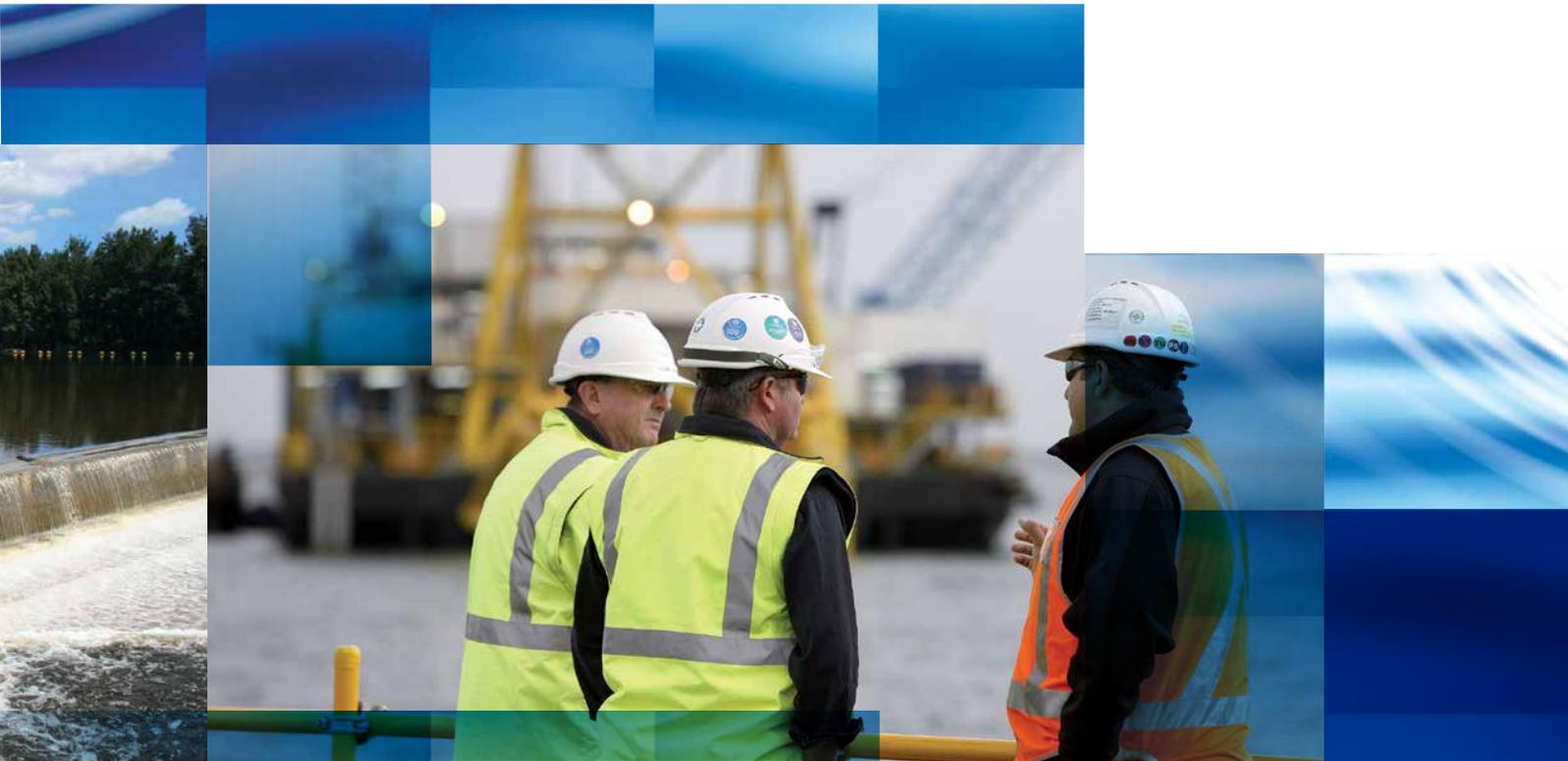
VIC

TAS

TAS MEMBERS
TasWater

NZ





QLD MEMBERS

City of Gold Coast
Gladstone Area Water Board
Logan City Council
Queensland Urban Utilities
Redland City Council
Seqwater
City of Townsville
Toowoomba Regional Council
Unitywater

ACT MEMBERS

ACTEW Water

VICTORIA MEMBERS

Barwon Water
Central Highlands Water
City West Water
Coliban Water
Gippsland Water
Goulburn Valley Water
Melbourne Water
South East Water
Western Water
Yarra Valley Water

NEW ZEALAND MEMBERS

Watercare Services

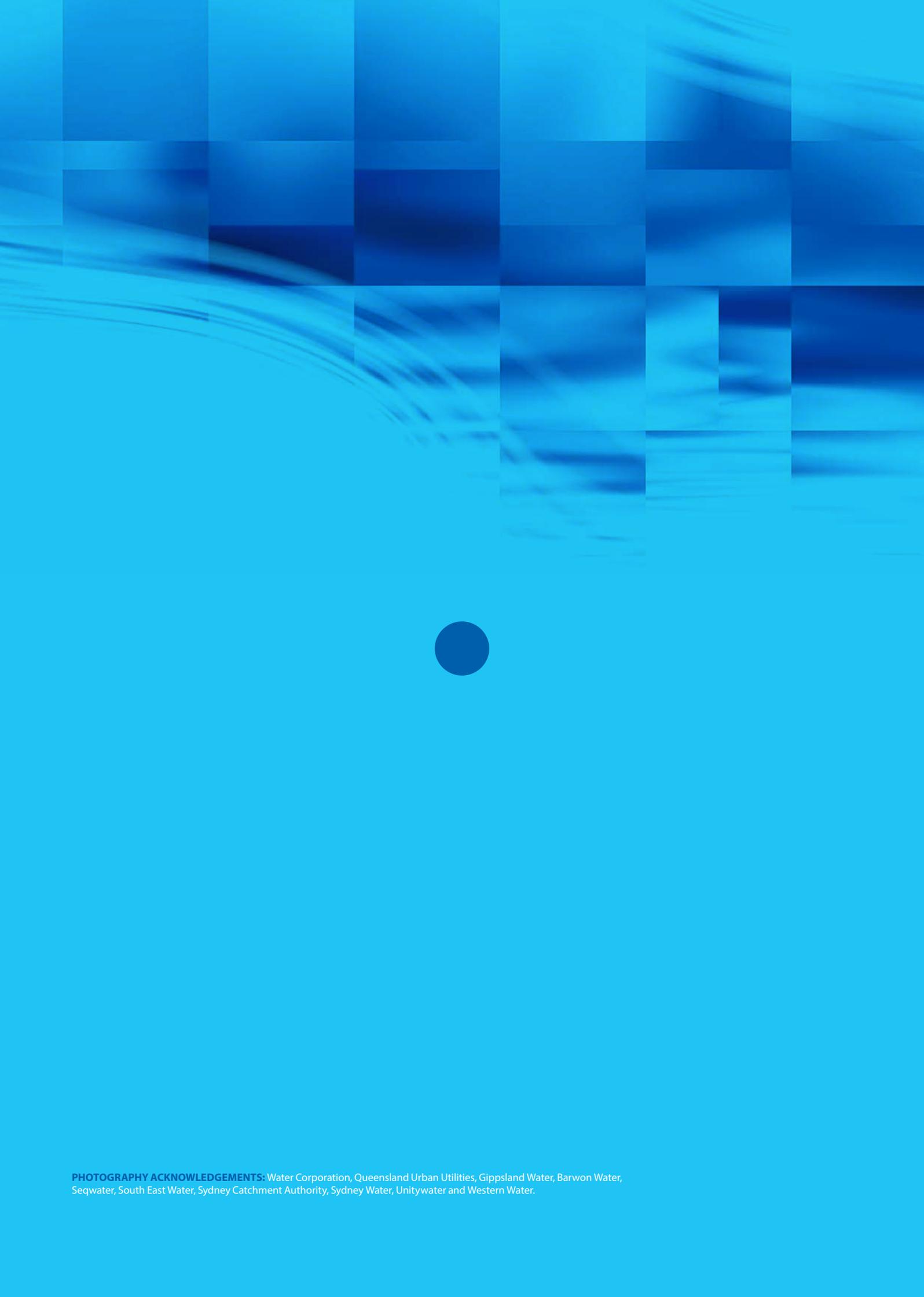
ASSOCIATE MEMBERS

AECOM
Aurecon
Banana Shire Council
Cairns Regional Council
Degrémont
Department of Health Victoria
Department of Energy & Water Supply
East Gippsland Water
Essential Water
Eurobodalla Shire Council
Fitzroy River Water
GHD Pty Ltd
GWM Water
Kellogg Brown & Root Pty Ltd
Lower Murray Region Water Authority
Mackay Regional Council
MidCoast Water
North East Water
NSW Office of Water
NSW Water Directorate
Port Macquarie - Hastings Council
Programmed Group
Queensland Water Directorate
Southern Downs Regional Council
South Gippsland Water
Sydney Desalination Plant Pty Ltd
Tweed Shire Council
Veolia Water Australia
VicWater
Wannon Region Water Corporation
Western Downs Regional Council
Westernport Water
Wide Bay Water

WSAA Members

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