

SA Water
2010-11
Highlights



Government
of South Australia



SA Water

A message from our Chairman and Chief Executive



Lew Owens
Chairman

Water supply has been a major challenge across the State for many years, and SA Water, along with other government and private agencies, has been tackling this challenge with energy, innovation and passion.

Securing water for the future has been forefront in these initiatives and, with the commissioning of the Adelaide Desalination Plant, some comfort can now be taken about long term supply.

However, all of these initiatives have come at a cost, and we are conscious of the need to manage expenditure and to demonstrate the use of best practices across our operations, with a focus on cost-effectiveness.

The landscape is about to change for us. New legislation and economic regulation are on the horizon. While we must continue to deliver the day-to-day services our customers expect, we also need to keep an eye to the future and ensure our business is resilient enough to address emerging challenges and embrace opportunities that arise.

The planned move to independent economic regulation presents SA Water with the opportunity to focus skills and energies on cost management, just as we have in recent years been focussed on water security.

In 2010-11 we started work on a new strategic plan for the business to ensure we are fit



John Ringham
Chief Executive



for the future. This plan will be underpinned by a series of strategies that will show how we can continue to deliver services today, while planning for a successful, sustainable and even more customer-focused future.

In early 2011, a new organisation structure was announced that better aligns our business to our stakeholders and ensures a more strategic focus on capital investment, asset management and business efficiency, allowing us to respond to the requirements of regulation.

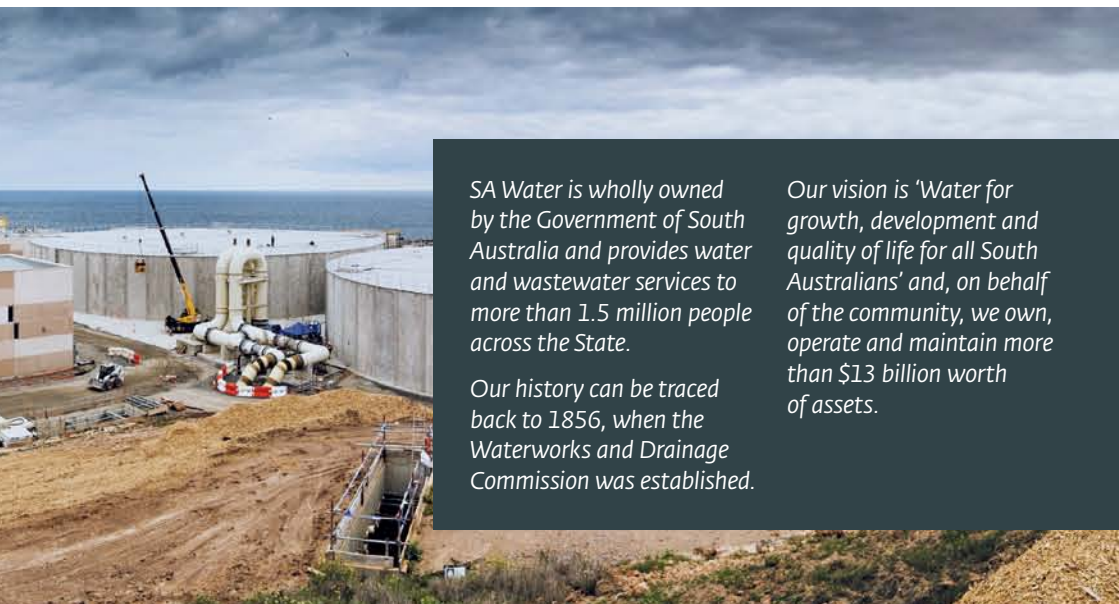
We are committed to continuing to work with all of our stakeholders to ensure SA Water is a safe, efficient, cost-effective and technically competent

organisation that meets South Australia's water and sewerage requirements.

As you will see in this highlights brochure, while we reshaped our business and set our sights on the future, our people forged ahead, delivering significant projects for the State, providing essential services to our communities and managing daily interactions with our customers.

This brochure provides just a snapshot of our performance for the 2010-11 year in each of our key strategic areas. We encourage you to read our full annual report, available on our website: www.sawater.com.au.

Below
Adelaide Desalination
Project at Port Stanvac



SA Water is wholly owned by the Government of South Australia and provides water and wastewater services to more than 1.5 million people across the State.

Our history can be traced back to 1856, when the Waterworks and Drainage Commission was established.

Our vision is 'Water for growth, development and quality of life for all South Australians' and, on behalf of the community, we own, operate and maintain more than \$13 billion worth of assets.

Customer Service and Water Quality

We will deliver quality water services and be responsive to our customers' needs.

In 2010-11, our Customer Service Centre responded in person, in writing or by phone to 471 338 enquiries and requests.

The SA Water Brainwave Learning Program for primary and secondary school students and teachers attracted a total audience of 18 556 students – 11 113 from metropolitan schools and 7443 from regional areas.

Despite extremely challenging water quality in the River Murray in 2010-11, we achieved 100% compliance with Australian Drinking Water Guidelines' health related parameters for our metropolitan drinking water supply systems and 99.5% for our country systems.

→ Other highlights included

→ Water restrictions were replaced with new Water Wise Measures across the State, continuing a focus on sensible and efficient water use.

→ More than 75 195 rebates for water efficient goods were processed, worth over \$11.5 million.
→ Our website attracted a record 1.29 million visits.

Clockwise from left

Todd Lowe, AWQC.
We have a national and international reputation for high quality water science and engineering, research and technical innovation

Customers continued to play a positive role in conserving water

Students participate in our school learning program

→ 99.8% of samples collected in country systems met the Australian Drinking Water Guidelines' aesthetic value for turbidity – the fourth straight year of improvement in this area.

→ A new method was developed for monitoring algal blooms in rivers and reservoirs, providing a faster and more reliable way of screening algal toxins.



→ We received about 55 000 certificates of compliance for plumbing work and conducted about 15 000 on-site inspections of plumbing installations.

→ A groundbreaking new test was developed to allow for rapid, precise testing of the two important types of *Cryptosporidium* which can cause gastroenteritis in humans.



System Performance

We will plan, develop, operate and maintain our infrastructure to consistently meet the needs of our customers and owner.

After significant planning, a new alliance contract to oversee the operation and maintenance of Adelaide's water and wastewater systems for 1.1 million customers commenced on 1 July 2011. The contract is with Allwater Alliance – a consortium of Transfield Services, Suez Environnement and Degrémont.

In the regions, our operations teams attended to 4064 service delivery events of which 99% were completed within required timeframes.

Work continued in earnest on the \$1.824 billion Adelaide Desalination Plant, with the full 100 gegalitres per annum project on track for delivery by the end of 2012.

→ **Other highlights included**



Clockwise from above

Reverse osmosis pipes at the Adelaide Desalination Project

Muller Road water trunk main upgrade

John Ringham with Jean-Louis Chaussade, CEO of Suez and Bruce James, CEO Transfield Services ANZ – at the Adelaide contract signing ceremony





→ Construction started on the \$403 million North South Interconnection System Project – a range of works to connect Adelaide’s northern and southern water supply networks.

→ The \$62.6 million Southern Urban Reuse Project started delivering recycled water to residential areas to the south of Adelaide.

→ The 4.83km water main renewal at Muller and Regency roads was completed – a world first due to the close-fit lining technique and insertion of 620 metre pipe lengths through bends of greater than 10 degrees.

→ A project to supply disinfected water to customers in Millicent was completed.

→ Work started on the \$8.15 million Barker Inlet Stormwater Reuse Scheme while planning continued on the Adelaide Airport Stormwater Scheme.

→ Leakage performance was again within target for both metropolitan and regional networks.

Sustainable Future

We will play a leading role in providing a sustainable and secure water supply for the community and minimise our impact on the environment.

Water consumption was kept below target throughout the year as a result of rainfall and the continuing water saving efforts of the community. The overall use for the year was just under 200 billion litres compared to the target of 248 billion litres.

We continued to achieve our greenhouse gas emissions reduction targets in line with South Australia's Strategic Plan and national and State climate change regulation.

→ Other highlights included

→ Our greenhouse gas emissions were about 44 tonnes below our target of 405 000 tonnes due to lower pumping rates and the purchase of renewable energy.



Clockwise from right

Shaun Kennedy and Sue Lefebvre from Land and Natural Assets at the Mount Bold planting day

Mount Bold Reservoir

A duckling in safe hands at Brown Hill Creek Crossing, Eastern Pipe Alignment, NSISP

Seedlings for our revegetation projects

→ 17 109 megawatt hours of renewable energy from wastewater treatment plant biogas was produced and used during 2010.

→ 70 hectares of the Little Para Reservoir Reserve was revegetated using 60 000 local native trees and shrubs.

→ We recycled about 22.5% of metropolitan treated wastewater and 20.1% of country treated wastewater.



→ We achieved 100% compliance with EPA licences, in relation to both extraction within allocation and compliance with licence conditions.

→ We signed a memorandum of understanding with the apriary industry to support bee keeping activities within SA Water reserves.

People and Culture

We will develop a high achieving culture with a talented and diverse workforce and aspire to a zero harm workplace.

Significant work was undertaken to develop SA Water's first Reconciliation Action Plan, which was launched in July 2011. The plan formalises SA Water's commitment to building stronger and mutually beneficial relationships between Aboriginal and Torres Strait Islander people and other Australians by identifying clear actions and realistic targets for 2011-12.

We achieved a favourable result for our target for professional women in the core water business and continued to implement a number of strategies to meet all of our diversity targets in the future.

→ Other highlights included

- We continued to take actions to address gaps identified in our 2009 staff satisfaction survey.
- We recruited 10 graduates, 39 apprentices and 25 trainees.

- We awarded scholarships to 205 recipients through our ongoing scholarship partners.

Clockwise from left

Some of our new graduates, Alyson and Heath and one of our apprentices, Todd

The Paitya Dancers perform at the launch of our 2011-12 Reconciliation Action Plan





→ A new Leadership Fundamentals program was developed and implemented, while there were more than 30 participants involved in our Frontline Management programs.

→ Employees voted in favour of a new SA Water Enterprise Agreement, inclusive of a new single classification structure for the Corporation.

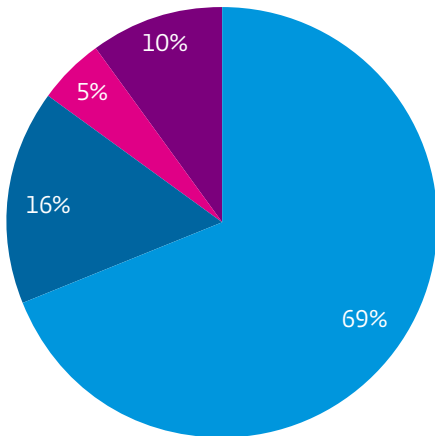
→ Security upgrades were completed and commissioned at a number of SA Water pumping and chlorine stations.

Commercial Success

We will drive operating and capital efficiency and meet the financial expectations of our owner.

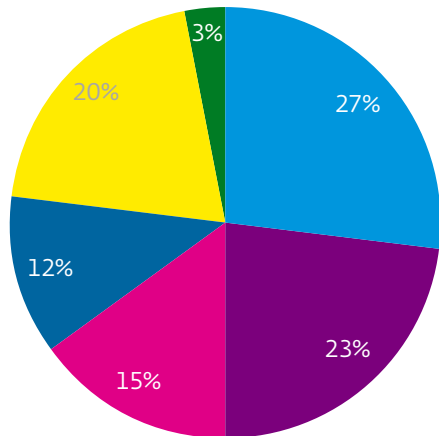
In 2010-11, we achieved a profit before tax of \$258 million – about \$13 million less than last year but 55% above budget.

Revenue



- Water and wastewater 69%
- Community Service Obligations 16%
- Contributed assets 5%
- Other revenue 10%

Expenditure



- Depreciation and amortisation 27%
- Finance costs 23%
- Operational services and contracts 15%
- Salaries and benefits 12%
- Services and supplies 20%
- Electricity 3%

Top to bottom

Adelaide Desalination Project
at Port Stanvac

Beachport Iron Removal
Plant Upgrade for backwash
wastewater handling



→ **Other highlights included**

- Capital expenditure for the year was \$693 million.
- We returned net cash of \$67 million to the South Australian Government consisting of dividend, tax equivalent amounts and Community Service Obligations.
- 96.47% of invoices were paid within 30 days of the receipt of GST compliant invoices against a target of 90%.



- A formal assessment from State Records showed our records management performance is well above target in a number of areas.

Legislation & regulation

Through *Water for Good*, the South Australian Government communicated its commitment to introducing economic regulation of the water industry in South Australia.

The Minister for Water tabled a draft Water Industry Bill in November 2010 for public comment. The Water Industry Bill includes provision for independent regulation of water and sewerage pricing, ensuring the safety and quality of services, ongoing technical regulation and for a report on third party access.

When passed, the new legislation will replace the current *Waterworks Act 1932*, *Sewerage Act 1929* and *Water Conservation Act 1936*.

SA Water has been supporting other government agencies in their roles to develop the legislation and the broader regulatory framework.

To ensure we are prepared for the introduction of economic regulation, we have commenced evaluating internal processes to ensure they will be compliant with future regulatory obligations. This work will continue during 2011-12, as the detail of the regulatory framework becomes clearer.

Water for Good

SA Water is the lead agency on 13 of the current actions in the State Government's *Water for Good* plan to guarantee South Australia's future water security to 2050.

Progress in 2010-11 for these actions included:

- Construction continued on the Adelaide Desalination Project. The first production of desalinated water from the 50 billion litres per annum plant occurred in July 2011.
- The North South Interconnection System Project to allow the transfer of large volumes of water between Adelaide's southern and northern supply systems was approved and work began.
- A new electronic toolkit has been developed and released to 48 customers using more than 25ML of water a year to help with their water efficiency planning.

→ Length of mains

26 552km

→ Length of sewer mains

8703km

→ Length of recycled water mains

136km

→ Population served (wastewater)

1 239 000

→ Water sources
– River Murray 46%
– Surface water 48%
– Ground water 6%
– Sea water <0.1%

→ Total water delivered Statewide

196 665ML

→ Statewide average residential consumption per household

164.3kL

→ Total employees at 30 June 2011

1567

→ Population served (water)

1 557 000

→ Accounts billed

776 172

→ Total water reuse

21.3%

→ Total capital expenditure

\$693M

For a full copy of our annual report, or for further information about SA Water and copies of past reports, visit www.sawater.com.au.

We welcome your feedback on our publications. Please email any feedback to customerservice@sawater.com.au or phone 1300 650 950.



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