

# 2017-18 South Australian Water Corporation **Annual Report**

For the year ending 30 June 2018



Government of  
South Australia



SA Water



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# Letter of Transmittal

28 September 2018

The Honourable David Speirs  
Minister for Environment and Water

Dear Minister

On behalf of the Board of SA Water, I am pleased to present the Corporation's Annual Report for the financial year ending 30 June 2018.

The report is submitted for your information and presentation to Parliament, in accordance with requirements of the *Public Corporations Act 1993* and the *Public Sector Act 2009*.

This report is verified as accurate for the purposes of annual reporting to the Parliament of South Australia.

Yours sincerely



**Andrew Fletcher AO**  
Chair of the Board



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# A message from the outgoing Chair



Providing essential services to more than 1.7 million people living across the length and breadth of the driest state in the driest continent is not without its challenges. SA Water is meeting these challenges on a daily basis, achieving the rigorous requirements of providing safe, clean drinking water and reliable sewerage services. I am particularly proud that this work has continued to be extended this past year to include more remote Aboriginal communities.

The Corporation has a clear vision and strategy with an increasingly customer-centric workforce that is adapting to meet the ever-evolving needs and expectations of its residential, small business, commercial and industry customers. The organisation is achieving this by maintaining a clear focus on improving services through getting the basics right and concentrating on those delivery aspects that matter most in contemporary South Australia.

This adaptive approach draws on 160 years of innovating to provide safe, clean water and reliable sewerage services to South Australians. This responsibility drives the Board and everyone who works at SA Water to strive to be the service provider of choice for customers, with an eye on continuous improvement. Further, the importance of world class services to the economic growth of South Australia is well understood with demonstrable actions being taken to grow prosperity.

Throughout 2017-18 the Board has been impressed by the positive energy and initiative that is building on the foundations set in the previous financial year. There are many highlights; the vast majority being customer service improvements, simplifying processes to create efficiencies, and an increasing and exciting use of relevant technology that is leading the way.

This progressive work has been recognised during the year across industry, with multiple awards received. SA Water won *Digital Utility of the Year* (jointly with Horizon Power), the *Water Industry Alliance Innovation Award* for its laboratory DNA testing technology, *Best Municipal Internet of Things (IoT) Project* and *Australian IoT Project of the Year* for the city of Adelaide smart water network. These achievements highlight the significant work underway in the business for the benefit of all South Australians.

In 2017-18, SA Water again worked with its economic regulator, the Essential Services Commission of South Australia, to meet customer service performance standards and its 2016-2020 Regulatory Business Proposal commitments. The Corporation also actively sought customer input into the next proposal through the Water Talks program with more than 5 000 people sharing what they value and want prioritised in the delivery of their water services.

The Corporation continued to work together with the Department of Health and Wellbeing and the Environment Protection Authority, and met public health and environmental standards and expectations.

Safety for everybody; in every job every day for all SA Water people, and the customers and wider communities it serves, remains the first priority. The Board continues to champion safety outcome improvements and empower all within the business to actively contribute to, and model, positive and effective workplace behaviours and practices.

The Board is proud of what the Corporation has achieved this financial year. I take this opportunity to wish the incoming Chair continued success as he works together with the leadership and wider team to grow the business through the provision of ever reliable and high quality services.

**Carolyn Pickles**  
Outgoing Chair of the Board

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# A message from the incoming Chair



Water is the foundation of all life and so a critical element for prosperity. Maintaining public health with reliable and efficient sewerage services is likewise a key part of enabling a better life.

I acknowledge the work of the former Chair and directors in guiding SA Water in its achievements to date. I look forward to building on this work and leading the Corporation into continued and even greater success.

As we look ahead to 2018-19, our continued adoption of technology to support greater service reliability will be an important part of enabling continued efficient work practices to provide real benefits for customers.

Meeting customers' evolving and varied needs and expectations – be that reliable services in metropolitan Adelaide, regional and remote communities, or enabling business growth and industry expansion – is central to sustainable business growth. This necessitates greater focus and effort on delivering beyond the expectation of today to tomorrow.

When addressing challenges, many of which are industry wide, new thinking will be the hallmark to leading the way and achieving long term success for the Corporation in the coming years.

As Chair, I look forward to working with the Board of directors as we lead the direction of the Corporation, oversee the financial performance and ensure legislated and regulated requirements are met. We will do this by working together with the Senior Leadership Team to deliver for the more than 1.7 million people invested in our collective corporate success.



**Andrew Fletcher AO**  
Chair of the Board

# A message from the Chief Executive



During 2017-18 we have made great progress towards our vision of providing world class water services for a better life.

Our vision, strategy and values are becoming continually embedded in our business with our people focused on delivering for our customers every day.

## **Customers at the heart of everything we do**

In line with our customer-first philosophy, we undertook a significant public engagement program to ensure the people we serve had the opportunity to shape the future of water services delivered in South Australia.

Our Water Talks program included face-to-face engagement activities and an online survey which more than 5 000 people completed. This was an important opportunity for our customers from across the state to have real input to the issues to be prioritised as we plan for 2020-24. It was pleasing to see the high level of interest and engagement from customers, with so many people taking the time to have their say about what they value from us.

The digital capabilities we offer customers have increased with improved online service options, to ensure we're responding to our customers' varied expectations. This has seen the introduction of an easy-to-navigate online map where customers can see all temporary service interruptions at a glance, featured prominently on our website. And our improved dedicated service continuity approach makes us best placed for quicker response to operational issues and customer needs.

## **Digital utility**

Our digital service options accelerated in 2017-18 with the implementation of a completely new online account management service *mySAWater* for residential customers, our pioneering work on the science of smart water networks, and technology enabling better flexibility to support our more agile and mobile workforce.

Our Adelaide CBD smart water network, in which we proudly partner with Adelaide University and industry experts, is leading the global water industry in the management of network demand, leaks and water quality.



## Inclusion and diversity

Another area of significant progress is our leading work on reconciliation. With a Reconciliation Action Plan designed to stretch activity through to 2020, we made a great start, completing 47 per cent of actions in the first year. All our people were involved through a training program to develop their knowledge in cultural issues and bring these topics to the forefront. This program received excellent feedback, as did a range of activities held during NAIDOC week. I am also very proud of the outcomes that were delivered, which support the United Nations Sustainable Development Goals, through collaborative work together with Aboriginal communities.

In late 2017 we assumed responsibility for the water supply services in four remote communities increasing the number of remote communities we supply drinking water to 21. We are now working with these four additional communities to improve their water services by investing in infrastructure, water quality treatment and education.

With much progress made, we are well placed to continue delivering on our commitments and become a reconciliation leader.

Gender equity is a social justice issue that impacts men, women and their families. We pay fairly and gender does not enter the equation. I am proud of our work underway to ensure we reflect the diversity of the community we serve.

With our customers at the heart of everything we do, we are fostering diversity of thought to find better ways of working to provide the services valued and expected. The roll out of our culture program in late 2017 has supported a positive shift towards a more constructive and collaborative workplace, with our people encouraged to challenge the way we work in order to improve the services we provide.

## Business performance

The safety and wellbeing of our people underpins our performance. This year we made an impact on musculoskeletal health. Our program to build the capacity of our people to adopt improved work postures and positioning resulted in a 48 per cent reduction in musculoskeletal injuries across our workforce. We are empowering our people to lead their own safety so everyone is taking responsibility for this critical issue.

Work to review and simplify processes is benefiting our customers and their experience with us. Keeping things simple is an important way for us to grow our customer-focus as well as be consistent and efficient. It also builds on our culture change and innovation programs.

In March 2018 the Bureau of Meteorology released their [National performance report 2016-17: urban water utilities](#) which analyses the performance of 85 organisations across Australia, including SA Water.

This independent report confirmed the rate of water main breaks and leaks within our network as one of the lowest in Australia, despite having the longest network in the country. This result indicates we are minimising the interruption and inconvenience for our customers and commuters.

## Creating a better life

Our work to create a better life contributes to the future of South Australia. Through the Northern Adelaide Irrigation Scheme, announced in late 2017, we will strengthen development of our state's important agribusiness sector, delivering 12 gigalitres of high quality recycled water to the Adelaide plains, helping to create 3 700 jobs and boost the state's economy by more than \$500 million. A new water treatment facility at the Bolivar Wastewater Treatment Plant will increase production of recycled irrigation water by 60 per cent to support this development. Projects like this show how central water services are to future development and growth.

Looking ahead, a cross-government taskforce has been formed to progress the future plans of opening reservoirs to the public. While our management of these sites will evolve to ensure continual quality and security of drinking water supplies, opening these special locations for everyone to enjoy will grow our ability to provide a better life for South Australians and our visitors.

As we farewell Carolyn Pickles from our Board, I thank her for her significant contribution and steady guidance as both a Director for five years, as well as Chair for 12 months. I look forward to working with Andrew Fletcher as Chair of the Board and directors as we continue to deliver world class water services for our customers.



**Roch Cheroux**  
Chief Executive



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# About SA Water

## Our vision

World class water services  
for a better life.

## Our values

Together we deliver safely and stand accountable, genuine and innovative every day.

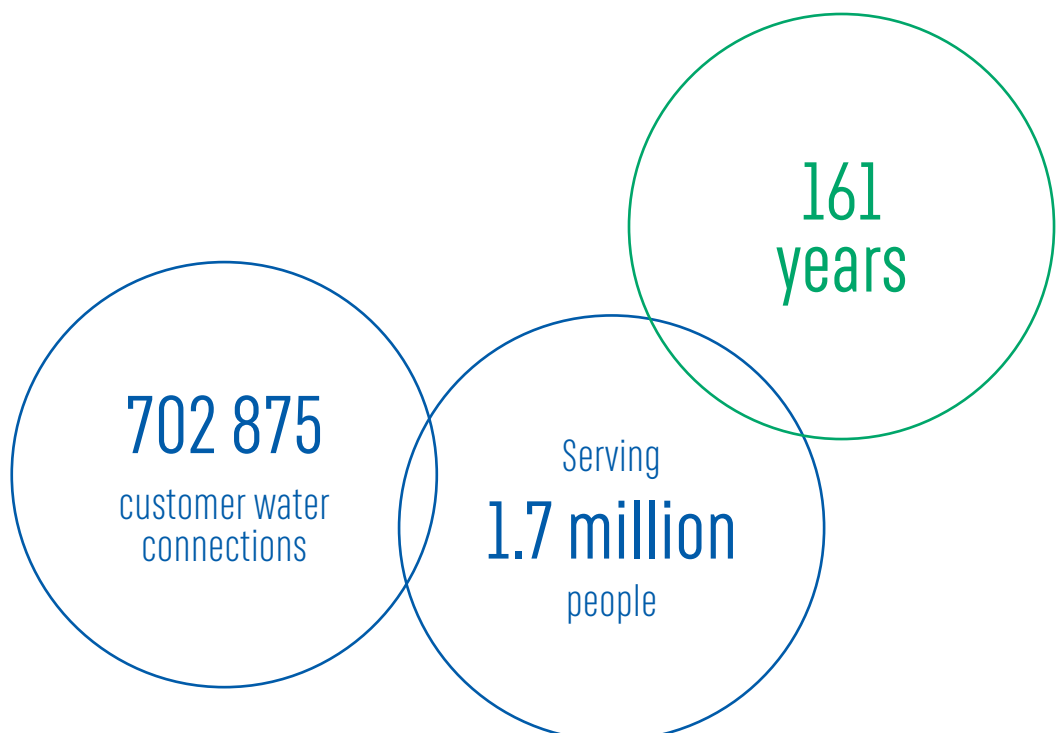
## Our organisation

We are South Australia's leading provider of water and sewerage services for more than 1.7 million people. For more than 160 years we have been working together with South Australians to ensure a reliable supply of safe, clean water and a dependable sewerage system. We are committed to ensuring our services represent excellent value.

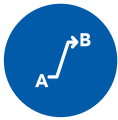
As a statutory corporation reporting to an independent Board, we are included in the portfolio of the Minister for Environment and Water.

We also work closely with a number of state government agencies including:

- Department of Premier and Cabinet
- Department of Treasury and Finance
- Department for Environment and Water
- SA Health
- Environment Protection Authority.







# Our Strategy



The world and our customers shape everything we do, and they are constantly changing and evolving, so we monitor global megatrends and explore the impact they may have on us and our customers, now and into the future. By anticipating future directions, we are best placed to deliver our vision of world class water services for a better life.

Our strategy sets our path as we work towards this vision, guiding the decisions we make each day. We listen to our customers to understand what matters to them, and include this insight in our strategic goals, outlined below.

## Getting the basics right every time

Customers expect us to get the basics right: the safety and availability of quality drinking water and dependability of sewerage services. We are responsive when things go wrong, fix faults quickly and meet our regulated responsibilities. Customers expect our prices to be low and stable.

## Working together

As a team, our productive, respectful relationships with our customers, regulators and stakeholders are key to delivering services our customers value. Understanding and supporting our customers is vital.

## Leading the way

We are leaders nationally and globally to give our customers confidence that we are innovating to achieve outcomes for them. We support the South Australian community and economy.

## Capable and committed team

Our experienced and capable team consistently lives our values with actions and behaviours to safely deliver for our customers every day. Our people are valued brand ambassadors.

## Keeping it simple

Simple, easy, customer friendly processes are important to create value for our customers.

## Supporting the Sustainable Development Goals

In 2015, the United Nations General Assembly adopted 17 [Sustainable Development Goals \(SDGs\)](#). These goals are part of a global development blueprint through to 2030. They are universal, transcend borders and apply across the workplace, marketplace and community. They seek to reduce poverty, inequality, unrest and environmental stress around the world.

We are a signatory to the [Australian water industry's commitment](#) to support the SDGs as a plan of action for people, planet and prosperity. We are doing our part to achieve these goals as we get on with the job of delivering world class water services for a better life.

# Year in Review

## GETTING THE BASICS RIGHT EVERY TIME

Customers expect us to get the basics right: providing safe quality drinking water, and dependable sewerage services.

We have the longest supply network of pipes of any Australian utility, with more than 27 000 kilometres of water mains. In 2017-18 we moved to ensure we fixed the majority of faults quickly and met our legislated responsibilities.

Delivering on customer expectations while keeping prices as low and stable as possible underpins all we do.

### Smart water network improves customer experience

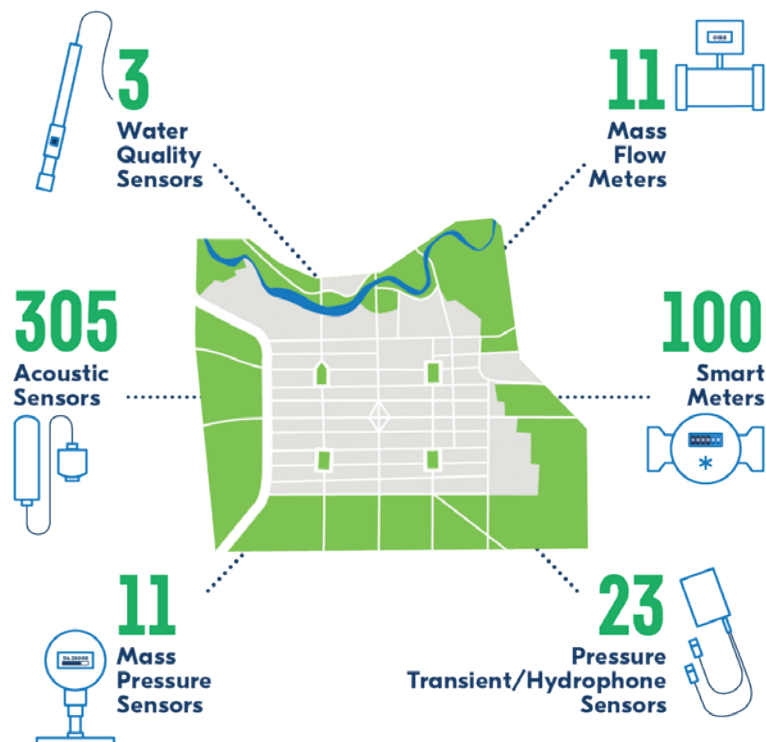
Improving the management of our water network supports four United Nations Sustainable Development Goals ensuring we provide:

1. clean water and sanitation
2. industry, innovation and infrastructure and develop:
3. sustainable cities and communities
4. responsible consumption and production.

The smart water network in Adelaide's central business district (CBD) provided significant water savings and service improvements for many of these customers. During 2017-18, we set a benchmark for the water industry by adopting and integrating smart technology on a broad scale to benefit customers by managing the water network in a new way, minimising service disruptions.

Our CBD smart water network has delivered on its objectives to:

- **Enable wise investment.** We now have a comprehensive understanding of the CBD water network, enabling the right infrastructure investment choices at the right time.
- **Reduce customer impact.** Data captured provides information to detect leaks as they arise, enabling pre-emptive repairs reducing temporary water supply interruptions for our customers and commuter delays. In 2017-18, the smart water network resulted in more than 15 leaks or faults proactively repaired before they became water main breaks.





- Improve customer satisfaction.** The smart water network provides real-time network performance information. Smart water meters empower businesses to better manage their water use and address issues before they cause bill spikes or damage to their property, resulting in smooth and more cost-effective business operations. At present, 70 of the CBD's largest water customers have smart meters, with this number set to increase as the technology is rolled out more widely.
- Improve economic growth and liveability.** Data collected provides improved information about both capacity and performance of the network. With new information daily, we can make better informed decisions enabling more accurate support for business growth and new CBD developments.

### New technology supporting our people in the field

Our Work Order App for field teams is enabling a continued shift away from a paper-based work system, to receive and therefore respond to field jobs faster. Following an initial rollout last financial year, the Work Order App was introduced to a further 150 network staff servicing metropolitan Adelaide plus our Community Support, and Production and Treatment teams. We now have about 650 people using the app, which equips our people with a paperless system to receive information and perform their work. Regular updates as part of our maintenance processes are ensuring it meets current and future demands.

In 2017-18, we developed an eMap to put geographical information system technology at our people's fingertips using the Work Order App. Field team training has ensured best use of this technology, which provides proactive service interruption information to our customers.

Building on this work was our new Click-Dispatch program, which automates the scheduling and dispatch of work to field teams. This new technology is now used by some field teams and in 2018-19 will be provided to our remaining maintenance teams across South Australia.

To improve safety for our most remote and isolated people, 450 vehicles were fitted with a new safety system, with the second stage of this safety project in 2018-19 to focus on wearable safety devices for our people.

As part of our mobile field office, we have also introduced an app giving our regional teams access to the incident and hazard management system. This has enabled them to have information at their fingertips, including procedures and Dial Before You Dig plans, as well as the ability to log incidents and potential risks.



### Improving water aesthetics

Interacting with our customers across the state continues to help us understand the drinking water aesthetics they value. This information guides how we develop water aesthetic improvements. Working together with customers has also provided valuable two-way knowledge and information-sharing opportunities.

Our Take the Tap Test program continued with 12 sessions held in metropolitan Adelaide, the Yorke Peninsula, Riverland, Mid-North, South East and Victor Harbor. More than 2 000 members of the public enthusiastically participated in these sessions, providing valuable information about their taste preferences, enabling face-to-face conversations between our people and members of the public and their families on a range of water service matters.

From these customer engagement activities we understand the water quality and aesthetics our customers value and use this feedback to guide our long term management of drinking water. The approach also considers our performance against the aesthetic targets in the Australian Drinking

Water Guidelines and will inform the development of Our Plan 2020-2024, with the goal of improving overall customer perception of water quality.

In 2017-18 we installed four community drinking water fountains in key regional areas: Port Augusta, Port Lincoln, Coonalpyn and Monarto Zoo. These water fountains are available for everyone to use, including their pets, making access to drinking water easy when people are travelling or out and about.

### Continuity of essential services and support when things go wrong

During 2017-18 we changed our management of faults to better coordinate our organisation-wide resources and ensure reliability of water and sewerage services. In this time we have developed and begun implementation of seamless service behind-the-scenes, focusing on processes, people and technology.

This project saw the alignment of our metropolitan and country dispatch functions and a range of other improvements, which will lead to a coordinated and efficient response and support service for customers who are temporarily affected by a network fault. Benefits from these changes will flow to customers in 2018-19.

Through focus groups we also engaged with customers to understand how and when they want to be kept informed when they are impacted by a fault. This work aligned with other customer experience activities to improve temporary service interruption notifications.

### Sustainable payment arrangements

We are making it easier for customers to pay their bills. By servicing our customers at the first point of contact and working with them to provide tailored solutions, we are ensuring sustainable payment arrangements are in place.



## Improved asset management

In 2017-18 we matured our asset management to meet ISO certification standards. Our integrated, organisation-wide asset management framework places customers at the heart of our decision-making.

Improving the way we manage our assets enables us to make infrastructure investment decisions without increasing our expenditure, while meeting our customers' and stakeholders' service expectations.

## Building organisational resilience

To mitigate the consequences of disruptive events and create opportunities to continually improve the services we provide to our customers, in 2017-18 we developed an Organisational Resilience Policy. In addition, we also completed:

- analysis of alternative power availability for our critical infrastructure during power supply interruptions
- a review of critical information technology systems and disaster recovery planning
- training in emergency management procedures for incident controllers
- training exercises with our Executive Incident Management and Incident Management teams, ensuring we are prepared for disruptive events
- participation in international research on real-life resilience through the Water Research Foundation, enabling greater knowledge about best practice in leading organisations worldwide.

## Keeping information secure

Implementation of an Information Security Management System in accordance with ISO27001 has improved our corporate cyber security. The system combines management of cyber security risks, incidents and hazards with our existing corporate governance framework and has increased compliance.

In 2017-18 we developed incident response plans for nine cyber security scenarios and improved the way we manage digital identities and access to our technology systems. Cyber security training was also delivered to our people and key partners, ensuring everyone is actively contributing to the organisation's digital safety.

## Operations Control Centre enhancements

As our use of technology grows and develops we are ensuring new and future systems, tools and processes are integrated in our Operations Control Centre.

In 2017-18 we began incorporating Adelaide's CBD smart water network data and field worker safety systems into our Operations Control Centre, adding to our energy management which is already integrated and continues to be enhanced. The Supervisory Control and Data Acquisition system was upgraded to ensure version control and licence and alarm management.

Work was undertaken to improve our infrastructure outage management coordination processes and system. This contributes to more cost effective operations and helps plan temporary service interruptions, minimising risks and customer impact.

## Price increase held to CPI

We continued our commitment to keeping water and sewerage prices for South Australians as low and stable as possible, with 2018-19 price adjustments capped at 1.9 per cent, on average, to reflect the Consumer Price Index (CPI).<sup>1</sup>

For the average metropolitan residential customer, where we supply a water and sewerage service, that is an annual increase of around \$23.<sup>2</sup>

Our prices take into account a number of factors, including the cost to provide, sustain and improve the delivery of water and sewerage services across South Australia.

Under the state-wide pricing policy, most of our customers pay the same price per kilolitre of safe clean drinking water, regardless of where they live or the cost of providing the service to that location. Sewerage prices are also designed so average costs billed are as consistent as possible across the state.

We continue to perform favourably when compared to our interstate counterparts.

The Bureau of Meteorology's *National performance report (2016-17)* was released in March 2018 and presents an analysis of water utility performance across the country. This showed our annual residential combined water and sewerage bill (based on 200 kilolitres) was the eighth cheapest, among 14 comparably-sized utilities, and mid-range when compared to all organisations which reported against this measure.

<sup>1</sup> March Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australian Bureau of Statistics, to align to the Essential Services Commission of South Australia's 2016-20 revenue determination.

<sup>2</sup> Based on the average metropolitan residential water use of 184 kL and property value of \$447,000.



Mount Gambier's Blue Lake. Photo courtesy of the South Australian Tourism Commission.

### **Securing water services for the lower Eyre Peninsula**

In 2017-18 \$1.6 million was invested in new back-up generation to ensure continuity of water services for lower Eyre Peninsula residents, in the event of a sustained power outage.

Six new portable 110 kilo-volt-ampere (kVA) diesel generator units are now on hand for emergency deployment to power production bores in the Uley Basin bore field, the primary source of drinking water for the lower Eyre Peninsula.

Another 1 250 kVA unit will power the Uley South and Duckponds Pump Stations to help maintain reserve levels in storage tanks and water pressure across the distribution network.

### **Greening Mount Gambier's Blue Lake surrounds**

Locally sourced native trees and shrubs were planted near the Pioneer Memorial at the entrance to the Blue Lake at Mount Gambier, complementing existing vegetation and ensuring unobstructed views of the stunning tourist attraction were retained from the nearby lookout. This activity was undertaken in consultation with City of Mount Gambier and SA Heritage Council.

## Improving assets

To replace and upgrade water and wastewater assets and infrastructure across the state, \$430 million was invested, ensuring the delivery of reliable, high quality services to our customers.

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### Water main breaks in the metropolitan area

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1 693 main breaks\*

18.2 breaks/100km\*

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### Water main breaks in country South Australia

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2 168 main breaks\*

12.2 breaks/100km\*

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\* Estimated result.

## Managing the water network

Our ongoing water network management program focused on improving supply reliability for our customers. We installed 89 kilometres of new water mains: more than 51 kilometres in metropolitan Adelaide and 37 kilometres in country areas.

The Bureau of Meteorology's *National performance report (2016-17)*, confirmed our network as one of the best performing in Australia when it comes to managing water main breaks.

According to the Bureau, South Australian customers experienced 13.5 water main breaks per 100 kilometres of main, well below the national average of 21.1, and only bettered by four of 14 comparable water utilities nationally.

Our ongoing water main replacement program will see a further \$137 million invested to replace around 375 kilometres of water mains across South Australia through to 2020.

## Morgan Water Treatment Plant upgrade

An \$8.5 million upgrade to the Morgan Water Treatment Plant began in April 2018 to meet future demand growth and enhance the quality of drinking water we supply to more than 130 000 regional South Australians. As well as increasing the treatment plant's storage capacity to 42 megalitres, the project will upgrade the filtration and disinfection systems.

Water from the Morgan Water Treatment Plant is delivered to customers from Burra and Clare in the state's Mid North all the way to central Eyre Peninsula.

The project, due for completion in late 2018, is creating approximately 20 new jobs during construction and is being delivered by South Australian company Leed Engineering and Construction.

## South East wastewater treatment plants

To extend the service life and further secure reliability of sewerage services we provide our customers living in Millicent, Mount Burr and Nangwarry, we are investing \$4 million to upgrade three wastewater treatment plants. The upgrade work at Millicent began in February 2018, Nangwarry works started in March, and Mount Burr in May.

## Aldinga Wastewater Treatment Plant improvements

Upgrades to the capacity of the Aldinga Wastewater Treatment Plant began in March 2018. The \$15.7 million investment builds upon the facility's 2011 expansion and will take the site's total capacity to 3.2 million litres of wastewater inflow per day.

This project will ensure water used by the area's steadily growing population continues to be sustainable and managed safely. Work is due for completion in mid-2019.

New infrastructure including wastewater inlet screens, a primary sedimentation tank and sludge storage facilities will be built within the treatment plant precinct, with a range of additional works to be completed on existing assets to increase their functionality.

## Hope Valley Tank upgrade

Work was completed on a \$21.6 million upgrade of the water storage tank in Hope Valley, our largest storage tank that plays an important role in supplying water to more than 100 000 residents in Adelaide's north-east. This upgrade is part of a broader, \$89 million program to refurbish 111 water storage tanks across South Australia through to 2020.



*Bachelor's Bridge was exposed during works on the Kangaroo Creek dam upgrade.*

### **Kangaroo Creek Dam upgrade**

Works on the \$119.9 million Kangaroo Creek Dam project to meet updated safety guidelines are progressing and provided a rare sight to the community in March 2018 when Bachelor's Bridge was visible for the first time since 2001. Access to work on the dam wall and spillway necessitated lowering water in the reservoir with the controlled release supporting dilution flows into the Torrens as well as feeding into the Hope Valley Reservoir. Crews are halfway through the upgrade which is on track for completion in late 2019.

### **New Warooka and Point Turton pipeline**

A new pipeline connecting the lower Yorke Peninsula towns of Warooka and Point Turton is underway. The project is set to greatly benefit the local community with improved water quality and increased water security and is due to be completed in October 2018.

Warooka and Point Turton's water supply is sourced from a bore field which, according to our water security modelling, is not adequate to deliver water for future demand. The towns' new supply will come from the River Murray and treated through the Morgan or Swan Reach Water Treatment Plant, to produce safe, clean drinking water.

The new 38.5 kilometre pipeline will join Yorke Peninsula's existing network at Minlacowie and move water to Warooka before passing through the local distribution network to supply about 1 500 customer connections.

## WORKING TOGETHER

As a team, our productive, respectful relationships with customers, regulators and other stakeholders are central to delivering valued services. It is vital we understand and support our customers.



### Customer services online

Public expectations continue to evolve. Customers of today are seeking responsive service, accessible information and more opportunities to efficiently interact with us online. In September 2017 we launched *mySAWater*, a new online portal offering our customers the ability to:

- receive eBills
- pay their bills online
- view their bill and payment history
- update their account and personal details
- view their water use, with comparison data available
- manage payment extensions and direct debit
- use their preferred device, 24/7 to access their account
- be supported with our customer service team one-on-one through a new live webchat function.

In addition to providing a great new service for our account holding customers, this initiative has delivered business efficiencies such as lowered costs for printing and posting bills, all contributing to keeping prices low. As at 30 June 2018, 61 490 properties were registered with *mySAWater*.

During 2017-18, the following improvements were made to our online services:

- a new and prominent interactive online map giving the public information about current faults
- automated account balance checks were introduced, available 24 hours a day, seven days a week through our Customer Care Centre phone number
- SMS messages for customer satisfaction surveys and payment reminders
- customer refunds, when needed, provided by electronic funds transfer.

In addition, *mySmartWater* for business customers was released, helping more than 200 of our customers monitor and manage their water use and accounts online with real time data and average consumption rates in hourly, daily and weekly increments. Feedback has been overwhelmingly positive, with customers appreciating the new opportunity to make best use of their supply and better manage their water costs by identifying and addressing anomalies such as leaks or faulty infrastructure, as well as building more efficient water practices.



## Supporting customers with bill payments

Our Customer Assist Program helps residential customers experiencing short- and long-term financial difficulty. By working together with these customers to manage their service costs through staggered bill payments, we develop an agreed flexible plan and ensure regular review checks to provide support.

An average of 2 360 customers participated in our Customer Assist Program each month during 2017-18. Through additional incentive payment support, 1 571 customers completed the program by fulfilling their agreed payment plans and returning to paying their bills quarterly.

This program proudly aligns with the United Nations Sustainable Development Goals and is part of our commitment to reducing inequality, working in partnership, no poverty and providing clean water and sanitation.

## Talking all things water with our customers

Throughout the financial year we worked closely with our customers, through a comprehensive range of engagement activities, to gather their input about the future provision of water services to inform *Our Plan 2020-2024*, our operation and infrastructure investment plan.

Our economic regulator, the Essential Services Commission of South Australia (ESCOSA), requires provision of our business plan every four years. ESCOSA uses this to determine allowable revenue for that period, in effect revenue we are able to collect from our customers through charging for our water and sewerage services.

Together with our customers, we explored what they value and prioritise for the future of their water and sewerage services. During 2017-18 we:

- engaged with approximately 180 customers through workshops held from October to December 2017, as well as our business and residential Customer Advisory Groups
- launched our [Water Talks engagement-specific website](#), attracting 300 registrations from customers
- formed a representative 22-member Customer Working Group to help us as we prepare *Our Plan 2020-2024*. This group will work closely with us in the latter stages of developing this plan.

In April and May 2018, a public survey open to all South Australians asked *What matters to you?* and provided a range of service options with different cost impacts for customers to consider. More than 5 000 customers had their say about the future of water services by completing the survey.

To promote the survey and encourage participation from a good mix of our customer base we:

- hosted drop-in sessions with multicultural communities
- presented 11 community displays and drop-in sessions around the state to talk to people about the survey
- promoted the survey through social media, radio and print media across the state
- contacted approximately 80 000 customers directly, including business, trade waste and residential customers
- gathered qualitative feedback from Aboriginal elders and their communities across the state
- held focus groups to work with small, medium and large businesses to strengthen our understanding of the survey data.

The information gathered will be used in 2018-19 as we develop *Our Plan 2020-2024* ahead of its submission to ESCOSA in October 2019.



## Consistent customer claims management

This financial year we have improved our customers' experience in the event of damage caused by our infrastructure by simplifying our claims management process. Customers are assigned a case manager for their claim giving them a single point of contact with tailored support.

## Improved services for developers

South Australia's building and property development industry has particular needs and requirements for their water and sewerage services. Considerable engagement with our customers and stakeholders in this industry was undertaken during the financial year resulting in a range of improvements. We held 16 consultative workshops with stakeholders to gather their important feedback. As a result of this consultative work, we have:

- introduced a new interim contractual agreement for developers — known as the Development Agreement Formal Instrument — which enables them to secure approvals before starting construction works
- initiated 'kick-off' meetings to be held before a developer starts site works to introduce all relevant parties and enable open communication.

We also streamlined our charges which will deliver welcome savings for developers from 1 July 2018.

## Building our reputation in the community

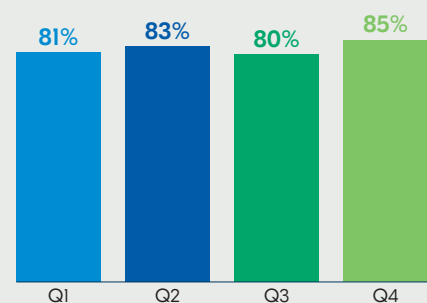
Significant work was undertaken during 2017-18 to improve how our customers and the communities in which we operate view and understand our organisation. A refresh of the brand for SA Water, Australian Water Quality Centre, and Water Engineering Technologies was completed to create clarity for the South Australian community. To reflect the change, we updated our online presence, uniforms, and customer communications. All new internal communications and signage now aligns with the refreshed brand and we continue to implement it across customer facing materials.

Demonstrating our deep respect for the connection that Aboriginal and Torres Strait Islander peoples have with the land and water, Aboriginal Connection Branding has also been developed in consultation with Aboriginal communities across the state.

We have prepared a blueprint for communications outlining our approach and principles to best communicate with our customers and our people. It maps the range, purpose and process for our communications channels used to talk and engage with our people, our customers and the public, including social media. This enables clear and consistent communication on our customers' channels of choice.

In 2017-18 an organisation-wide engagement framework was developed. It includes the principles, approach and support mechanisms to empower our people to consistently and effectively work with stakeholders and develop positive professional relationships.

## Satisfaction with our Customer Care Centre



Our Customer Contact Centre has maintained customer satisfaction with results remaining consistent across the financial year and a slight upward trend in the fourth quarter.

## ABW transforms our physical workplace

Activity based working (ABW) is a transformational change for organisations that provides people with a choice of different types of office furniture and work areas for use dependent on the task at hand. ABW has been adopted in our Adelaide office, bringing our CBD-based people into one building and in-step with established regional work practices.

In all, 240 people relocated and 1 250 adopted a new way of working which has increased collaboration, improved workplace culture and engagement, as well as delivered benefits to our customers through cost savings and improved services.

## Billing system modernisation

Our billing system continues to be maintained and upgraded and in 2017-18, we scoped our future billing capability requirements. System modernisation is part of our billing roadmap that reduces technology risks by ensuring we operate modern IT environments and applications.





### Better understanding our customers

To develop a deeper understanding of our customers and ensure we design and deliver services that respond to their expectations, we have further refined customer profile groups. This complements our direct engagement activity for our future business plan and strengthens ongoing and day-to-day decision-making across the organisation.

### Odour control technology at Port Adelaide

In May 2018 we installed an Australian-made system which uses three-stage odour control technology at the Port Adelaide Wastewater Pump Station, to give local residents a long-term solution for sewage smells detected around the facility.

The work to improve the pump station follows feedback from residents who live in the area. We worked with them as we developed the upgrade design, including the landscaping and colour scheme for the system.

Two biological processes, called biotrickling and bio filter, remove around 98 per cent of the sewage odours, while the third and final stage uses activated carbon to remove any other lingering smells. The project is due to be completed in 2018-19.

### Supporting our community

In October 2017 we became the first South Australian location sponsor for Orange Sky Australia, a homeless charity providing free laundry and social support services to people living on the streets.

In April 2018 we launched our new Community Partnership Program which offers grants of up to \$10 000 to support grassroots and community groups across South Australia.

The program is open to more than 4 700 hard-working South Australian community organisations whose activities have a link to water and complement our values of working together, delivering safely, and being accountable, genuine and innovative every day.

Applications were received in 2017-18 with grants available from July 2018.

### Planning Kangaroo Island's water future

Activity to refresh a long-term water supply plan for Kangaroo Island started in 2017-18. A Community Reference Group, comprising representatives from 18 community, business and industry associations, helped lead the first phase of planning by working with us to examine current issues and opportunities and act as a conduit to their stakeholders.

An updated long-term plan will consider the current and projected water supply and demand, as well as possible future upgrade options for a reliable and sustainable supply which meets residential and commercial purposes for the next 25 years and beyond.

Working together with the reference group, we used an analysis tool which balanced a wide range of influencing factors such as cost, environment and social impacts. Using the insights gained we developed several water supply options which were presented to the broader Kangaroo Island community at drop-in sessions during May 2018.

This activity will continue into 2018-19 as we work to finalise the updated long-term plan.

*Above photo courtesy of the South Australian Tourism Commission.*



*Show goes learnt about our network at the 2017 Royal Adelaide Show.*

## Community programs and events

Our involvement in community events and student learning programs continued throughout 2017-18. These included:

- 8 283 students and their teachers participating in our Brainwave program and learning about the importance of water as a resource, the water cycle, ways to overcome scarcity and how we can all contribute to sustainability
- 2 365 people toured the Adelaide Desalination Plant and Kauwi Interpretive Centre
- 1 177 people attended community presentations about water services and toured our treatment plants
- our popular Quench Benches providing drinking water to more than a million people at a range of public events throughout South Australia. More than 10 000 people had the chance to see and talk about water and sewerage science with us and ask us questions at events including the Royal Adelaide Show, regional Field Days, and the annual *Science Alive!* exhibition.

## LEADING THE WAY

To achieve our vision, we must become national and global leaders giving our customers confidence we are innovating to achieve outcomes for them. As a leader in South Australia, we support our local community and economy.

### Leading reconciliation

We want to be a leader in reconciliation; for our customers, our partners, our people and the communities in which we operate.

Our Stretch Reconciliation Action Plan 2017-2020 (RAP), aims to consolidate the achievements of our two earlier plans and stretch us further. This RAP is about embedding reconciliation so it is part of our business-as-usual activity, a significant step in becoming a reconciliation leader.

Among our commitments, we support Aboriginal communities to thrive by using innovative and sustainable solutions to provide safe, clean water. This work is directly related to these nine United Nations Sustainable Development Goals:

1. no poverty
2. good health and well-being
3. quality education
4. clean water and sanitation
5. affordable and clean energy
6. decent work and economic growth
7. industry, innovation and infrastructure
8. reduced inequalities
9. sustainable cities and communities.

In the first year of our RAP we have completed nearly half of our actions with the remaining 52 per cent on track to be finished by 2020.

Among the achievements this financial year was online cultural awareness training undertaken by more than 1 000 of our people. The program was designed to empower our people to be ambassadors for reconciliation. In addition, 235 people participated in a more comprehensive, face-to-face cultural competency training program.

Various events and activities were held to celebrate National Reconciliation Week and NAIDOC Week, ensuring these opportunities to learn more about Aboriginal culture and history were best used, and the work of our people and the South Australian Aboriginal community was recognised. These included a prominent exhibition at SA Water House in Victoria Square/ Tarntanyangga, featuring paintings by South Australian artists.

During 2017-18, at its peak, we achieved an Aboriginal employment rate of 2.28 per cent, our highest to date. We developed an Aboriginal and Torres Strait Islander workforce development plan and provided several major secondment opportunities for these workers across our business.

Our procurement policies were updated enabling greater access for Aboriginal businesses to be awarded work. Importantly, supplier proposals for Aboriginal employment and business opportunities have been included in procurement planning processes, documentation and tendering.

To formally acknowledge our commitment to reconciliation, a statement of commitment was endorsed and signed by the Chief Executive and Chair of the Board. Our people were educated on the importance of acknowledging country, and we provided guidelines on when and how to do this. Acknowledgement plaques have been installed at all of our regional sites.



Our Water Holes  
Aboriginal Connection  
Branding.



Along with these highlights, this financial year we have, in partnership with Aboriginal communities, delivered:

- approval for infrastructure replacements on three communities and one government facility in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands
- the continued water reuse project to green the Amata oval in the APY Lands
- a partnership with the Tia Tuckia Community to support their water service infrastructure
- an industry partnership with the Aboriginal Lands Trust to deliver community forums to discuss water and infrastructure opportunities and concerns in Aboriginal communities.

Our Aboriginal and Torres Strait Islander people have worked as mentors for Aboriginal students through the Aboriginal STEM Congress and links with Aboriginal schools across the state.

Kurna artist and traditional owner Paul Hertzich developed our Aboriginal Connection Branding — entitled *Water Holes* — which represents five regions of South Australia and pays homage to the Aboriginal connection to the waters and land on which we operate.

This financial year the water supply management for four more communities on the APY Lands was added to our supply service portfolio. Working in partnership with Kanpi, Nyapari and Watinuma Aboriginal communities, and government facilities at Murputja, we will upgrade their water supply facilities to ensure they comply with the *Australian Drinking Water Guidelines* (2011).

With these additional communities, we now manage water supplies for 21 remote Aboriginal communities and one government facility across the APY, Maralinga Tjarutja and Aboriginal Lands Trust lands.



Top left: Kurna Elder, Frank Wanganeen takes students on a tour of the Bush Tukka garden at the Kauwi Interpretive Centre.

Above, top to bottom:

Smoking ceremony at the launch of National Reconciliation Week 2018.

Allan Sumner, CE Roch Cheroux and Jeffrey Newchurch at the 2018 National Reconciliation Week smoking ceremony.



*Solar energy generation will help us achieve a zero cost energy future by 2020-21.*

## Fostering innovation

To lead the way in the water industry we are embedding innovation in our culture and providing opportunities for our people to improve the way they work to deliver outcomes for customers, by establishing a progressive, self-sustaining innovative environment.

In 2017-18 we launched our internal *Innovation Speaker Series*, bringing insights and approaches into our business to encourage new ways of thinking and working.

Design thinking tools have been introduced using experiential learning in our innovation learning labs. These have been applied to a range of initiatives to help people identify and solve problems that matter to our customers.

Innovation also provided a means for collaboration through our *Better Ways* platform, designed to capture ideas from our people to improve our business and the way we work.

An early outcome was the creation of our Energy Management Team, which has developed a plan to achieve zero net electricity costs by 2020-21. Trials for land- and water-based solar photovoltaic panels are planned, as well as innovative storage solutions such as silicon thermal storage and momentum flywheels. As one of the largest electricity users in the state, the positive effects of having a zero cost energy future will be significant.



*Right: Water for vineyard irrigation in the Barossa has increased.*

## Supporting state growth

The long-term future of South Australia's economy, society and environment guides all our decision making. Our support of state development means we actively contribute to the South Australian community by delivering commercial opportunities that benefit our customers and ensure our economic viability.

### Using more recycled water through the Northern Adelaide Irrigation Scheme

We are Australia's second largest recycler of water with 32 per cent of the state's wastewater re-used to irrigate wine and horticulture regions, city park lands and for many other uses. This saves money, water and contributes to gross state product.

A significant focus this year was the \$155.6 million Northern Adelaide Irrigation Scheme (NAIS) project, which will bring recycled water from Bolivar Wastewater Treatment Plant to the northern Adelaide Plains and will help grow our state's export horticulture industry, creating investment, jobs and earnings for South Australia.

In 2017-18 the first two design and construct contracts were awarded to the Leed/Valoriza Joint Venture, and we secured agreements totalling more than two gigalitres for purchase of NAIS water once the infrastructure is complete.

## Barossa water investment grows jobs and supports grapegrowers

In 2017-18, investment continued in Barossa Infrastructure Limited (BIL), a scheme supplying more than 300 vineyards with approximately 450 connections to help the region's wine industries grow and thrive. Together with BIL, we are co-investing \$24 million to deliver an extra three gigalitres per year of irrigation water.

Of this, \$10.6 million is being invested to upgrade our infrastructure and improve operational efficiency of the Mannum to Adelaide Pipeline which supplies metropolitan Adelaide. The additional supplementary irrigation water, mainly supplied to existing customers, assists their business sustainability by drought-proofing and providing capacity for additional plantings.

The project has created 17 jobs during construction with 84 permanent new vineyard jobs and 90 wine production roles estimated to result from the initiative. Work is nearing completion with some increased capacity made available to customers in the 2017-18 summer.

## Urban liveability

In 2017-18 our work on urban liveability solutions continued with the development of a transition plan to move Adelaide to a water sensitive city, which will now form the foundation for an integrated urban water plan.

Drawing on a successful stormwater capture and reuse scheme at Adelaide Airport, during the financial year we continued to gather evidence from the airport cooling project and urban cooling achieved through smart watering. This innovative work focuses on efficient water use, reducing wastage and quantifying the other benefits such as urban cooling and potential reduction in energy use. It has applications for customers through smart use of garden watering to reduce temperatures around households in hot South Australian summers.





*With the ION Chef, the AWQC is leading the application of DNA technology in the water industry.*

## Putting customer needs at the heart of decision-making

In 2017-18 we piloted a program designed to support and empower our people to respond to customers' needs in a tailored way when they have received a poor experience. This pilot proved beneficial for customers and our people, with planning underway to extend this program across customer facing teams in 2018-19.

Our customers are diverse and have different water needs and use requirements. In response, we actively consider the services we provide and their associated costs. This ensures we provide fit-for-purpose water services that meet the various needs of our customers, be that residential or industry.

## Growth in laboratory services

The Australian Water Quality Centre (AWQC), our national laboratory service, developed a capability and capacity plan to manage future growth of services from our Adelaide and Melbourne laboratories, and improve outcomes for our customers. In 2017-18 it secured new contracts which support the growth of both laboratories.

In an Australian water industry first, AWQC scientists integrated high-throughput DNA sequencing technology to their water quality analysis services in 2017-18. Using two new pieces of equipment — the ION Chef and the ION S5 — which create DNA chips and unique barcodes for organisms found in water samples, they were the first laboratory to apply this technology in the water industry.

DNA sequencing reduces the time required to perform the analysis of water samples for organisms present and provides far greater accuracy than traditional methods. It also enables a broad range of organisms, vertebrates and algae to be detected from a single sample. This molecular-based analytical technique has significant implications for public health, research, conservation efforts, and optimising processes and conditions within water and wastewater treatment plants.

In 2017-18, AWQC refreshed their branding and undertook a customer survey to improve the customer experience they deliver and ensure their services remain of value.

The AWQC exhibited in Brisbane at Australia's international water conference and exhibition, *Ozwater'18*. Involvement included a product pitch and poster about new molecular technology with strong interest in the use of this technology from many companies around Australia.



## Transfer of Virginia Pipeline Scheme ownership

The Virginia Pipeline Scheme (VPS) provides recycled water for horticultural irrigation in Virginia and its surrounds from the Bolivar Wastewater Treatment Plant. Working together with TRILITY, ownership of the scheme, and the supply to about 340 customers serviced by it, transferred to us on 1 January 2018.

Since the transfer of ownership, we have established a customer service office in Virginia and engaged TRILITY to operate and maintain the 142 kilometres of water mains delivering up to 20 gigalitres of recycled water each year.



## Morgan Water Treatment Plant wins state's top drop

In July 2017, water from the Morgan Water Treatment Plant was judged the best tasting tap water in South Australia for the second year in a row at the Water Industry Operators Association of Australia's 'Water Interest' day.

A panel of water industry experts from across the country judged samples from around South Australia at the event which showcases the quality of water produced in the state, and educates people about where their water comes from.

## Creating a zero cost energy future

In December 2017 we announced plans to invest in energy generation and storage with the aim of achieving zero net electricity costs by 2020-21. Sustainably reducing operational expenses such as electricity will help us keep water service charges as low and stable as possible for our customers.

The 2020 target is being progressed through a range of complementary initiatives that see mature technologies embraced for immediate impact, complemented by testing a range of emerging technologies in partnership with local and international providers.

## Solar and storage trial at Crystal Brook

A 100 kilowatt solar photo-voltaic and 50 kilowatt hour battery storage system was installed as a trial at our Crystal Brook depot to increase its energy self-sufficiency and reduce site running costs. The success of this \$500 000 trial will help determine whether to adopt this type of energy storage at other sites across the state.

## Predictive energy management

Also during the financial year, in light of no off-the-shelf solution being available worldwide, we developed a Predictive Data Analytics and Optimisation solution in-house that was implemented to optimise the performance of our energy assets and predict when to generate, store, sell, or buy.





## CAPABLE AND COMMITTED TEAM

Our experienced and capable team consistently lives our values to safely deliver for our customers every day.

### Safety and wellbeing of our people

Safety is taken very seriously in our business, with the wellbeing of our people considered in every decision we make. To ensure safety remains front of mind, we incorporated safety leadership in our two-day people workshops with a focus throughout the year on better identifying critical safety capabilities for our middle and frontline people leaders and ensuring leadership at all levels is equipped to support our people to work safely.

In 2017-18 we ran a musculoskeletal program, building the capability of our people to adopt improved work practices supporting the reduction of musculoskeletal risks. This resulted in a 48 per cent reduction in musculoskeletal injuries in our workforce during this 12-month period.

Safety frameworks are being developed by our field workgroups, enabling them to tailor their approach and proactively manage their risk factors. By empowering our people to lead their own safety, everyone can take responsibility.

Also during the financial year, education sessions were held to present our revised drug and alcohol program ahead of random and unannounced testing being implemented in the new financial year.

### Field worker safety

Technology is improving safety for field crews who work in remote or isolated areas and circumstances. An in-vehicle safety system has been implemented in more than 470 of our fleet vehicles supporting our remote and isolated workers to undertake their roles safely. The system has an in-built safety alert that automatically raises an alarm in the event immediate help is needed. Our Operations Control Centre in Adelaide monitors the system 24 hours a day, seven days a week.

### Inclusion and diversity

We embrace diversity and seek to create a broad organisational culture of inclusion, reflecting our customer base, and helping us improve our performance and deliver for our customers. In 2017-18 we revised policies and procedures to further foster fair treatment, anti-discrimination, harassment and working flexibly.

Our diversity programs encompass apprentices, technical cadets, graduates and water industry trainees and are designed to provide jobs for young people while enabling diversity among participants such as cultural, gender and thought diversity.

Measures and targets were set for all our diversity programs and we achieved improvements across most of these in 2017-18, including an increased representation of women in our apprentice and water industry trainee programs.

Support for our people who identify as Aboriginal and Torres Strait Islanders continued through career development plans and secondment opportunities.



Our 2017-18 graduates

## Building our customer-centric culture

A high performing and collaborative culture is critical to deliver our best for our customers. Our approach is driven by customer outcomes, in line with our strategy, as we strive to achieve excellence in what we do and how we do it.

To develop more constructive and effective behaviours across our organisation, between July and December 2017, 33 two-day interactive Ripple workshops were held, engaging our people and embedding our vision, strategy and values. More than 2 000 staff and contractors attended these sessions which have successfully enabled the start of our culture change program.

To support this, four people leader development sessions were held in June 2018. More than 270 leaders from across the business participated focusing on developing great leaders, the impact of our leadership group on our culture, and each individual's leadership impact.

This model is now being finalised as our in-house development program with our leadership and capability, and learning capability frameworks also being developed.

## Developing the capability of our people

In 2017-18 we reviewed our existing technical capability frameworks for operational teams and identified where capabilities play an important role in the life cycle of our people, such as recruitment and selection, development, talent management and workforce planning. People from across the business were engaged to identify and qualify core capabilities needed for us to deliver our strategy and live our values. Draft capability frameworks were developed for behavioural and leadership capabilities.

To achieve the required capabilities in our workforce, we also developed a learning framework which uses the 70:20:10 principles: 70 per cent learnt on the job, 20 per cent learnt from others (such as coaching), and 10 per cent learnt through formal training. This learning framework will be implemented from 2018-19.

## Enterprise Agreement

In March, employees voted in favour of our 2018 Enterprise Agreement.

The Agreement incorporates a number of new benefits including:

- the provision of 15 days' paid Family and Domestic Violence Leave, well above the five required by the Fair Work Commission, for our permanent employees experiencing family or domestic violence
- the ability to cash out Annual Leave and access the state government's injury and income protection policy that provides additional work-related injury or illness entitlements
- an adjusted Accommodation and Meals Allowance in recognition that our people are travelling more widely as we deliver reliable water services for our customers
- salary increases and a 1.5 per cent increase for a number of allowances.

## KEEPING IT SIMPLE

Simple, easy, and customer friendly processes are important to create value for our customers. Keeping it simple motivates our people to challenge the status quo, get involved and act on their ideas for improving how we work.

### Keeping our processes simple

During 2017-18, significant work got underway to simplify and improve the way we work making it easier for our customers and our people. We reviewed and simplified numerous activities across the business, including the following:

1. **Service continuity** – the ‘behind the scenes’ management and restoration of service interruptions end-to-end is now simpler and more effective with innovative technology being used to provide a better customer outcome.
2. **Customer growth** – simple and standardised processes have improved how we share customer requirements across the business resulting in better quality and timeliness of customer responses.
3. **Stakeholder engagement** – the implementation of a consistent approach to empower our people to effectively manage stakeholder interactions, improving these relationships.
4. **New business opportunities** – a consistent approach for evaluating new opportunities proposed to us enables us to make informed decisions to grow our business and deliver on our strategy.
5. **Customer collections** – a reviewed and simplified process to ensure sustainable payment arrangements is in place.

### Delivering new technology and digital capability

Technology is improving the way we do countless things across our organisation: delivery of services, engagement, customer service and communications with our people, our customers and our communities. During 2017-18 we developed an approach which enables faster implementation while appropriately managing risks.

In the financial year, 40 new digital capabilities were delivered within the business. The development and scaling of an agile framework continues with the approach being extended to our operational IT teams as well as in projects.

An IT services panel was established to consolidate and better manage our suppliers and will be operational from July 2018, while a new approach to project delivery aligned to business capabilities will deliver stronger project outcomes to benefit our people and customers.

## Integrating our management systems

Work to streamline and better coordinate our management system was undertaken in the 2017-18 financial year. Consolidating the tools and technology to support management systems and establishing roles and responsibilities for end-to-end execution of processes enables us to better respond to our customers.

In 2017-18:

- two enhancements of our risk management system were made to improve its useability and efficiency
- the audit management process was improved to better align with our internal audit process
- our Business Management System was expanded to include more team procedures and improve content access
- the annual external audit against the *Safe Drinking Water Act 2011* was completed successfully.

## Integrating risk management

A robust risk management culture is being developed across our organisation through the improvement of processes, systems and practices and by educating our people. In 2017-18 a business-wide assessment was undertaken, resulting in a number of actions being identified to lift the maturity of our risk management practices. Investigations of business processes were also conducted to identify opportunities to simplify and integrate risk management practices.

Training for our people on risk fundamentals is underway to ensure a standard baseline awareness of risk management across the organisation. Further, we developed a set of risk and opportunity decision criteria to support the development of *Our Plan 2020-2024*.

## Aligning the Adelaide Services Alliance

The Adelaide Services Alliance sees Allwater deliver water and sewerage services to customers in metropolitan Adelaide on our behalf. In 2017-18 we reviewed and updated the Alliance contract performance measurement framework to align it with our customer-centric strategy. The updated framework is designed to improve performance from July 2018.

## Organisational change readiness

Our change management approach has been developed to increase the level of change competency across SA Water and Alliance partner Allwater. Increasing our capability for organisational change will build a resilient, effective workforce able to adapt and respond to future challenges and also support the wider culture change focus.

Our change specialists and people leaders are using this approach. A leading change training module was piloted and refined, and an eLearning module was made available to help people develop their skills in leading and managing change.

Work to mature our change management approach will continue in 2018-19.

## Self-service analytics capability

Fit-for-purpose, accessible data has the power to improve the services we provide. To enable our people to access and use data, we have a Business Intelligence platform with advanced self-service capability now available. This was achieved in 2017-18 by integrating various systems, enabling access to data about incidents, hazards and risks, customer segmentation, and fault information. We have trained 'power users' to access, analyse and report on this data.

## WATER QUALITY

### SA Health statement

In 2017-18, SA Water complied with all requirements of the *Safe Drinking Water Act 2011* (the Act) and maintained supply of safe drinking water to South Australia.

SA Water collected 42 799 samples from drinking water supplies to test for health-related compliance. Compliance with the *Australian Drinking Water Guidelines* (2011) (ADWG) for *E. coli* was achieved in 99.97 per cent of metropolitan Adelaide samples, 99.99 per cent of country samples and 99.00 per cent of samples from remote Aboriginal communities. Overall compliance with the ADWG for health-related parameters was 99.94 per cent for metropolitan systems, 99.84 per cent for country areas and 98.73 per cent for supplies to remote Aboriginal communities.

Operation of the interagency Water/Wastewater Incident Notification and Communication Protocol was successfully maintained throughout the period. The total number of incidents reported by SA Water in 2017-18 was lower than in 2016-17. This was primarily due to a reduction in disinfection by-product and filtered water turbidity related incidents as a result of improved water quality in the River Murray.

Water quality incidents were notified by SA Water in a timely and prescribed manner. Appropriate responses and corrective actions were implemented in all cases and these prevented any risks to public health.

### Safe drinking water legislation

The Act commenced on 1 March 2013. The audit and inspection schedule started on 1 July 2014 and in February 2018 we successfully completed the fourth annual audit meeting all legislative requirements.

The Act provides the regulatory framework for drinking water providers in South Australia and is administered primarily by SA Health with assistance from local government. Provisions in the Act are underpinned by the ADWG and stipulate requirements for drinking water providers, including:

- registration of drinking water providers with SA Health
- development and implementation of risk management plans
- establishment of approved drinking water quality monitoring programs
- notification of incidents or non-compliance
- audits and inspections to determine compliance with the Act
- use of National Association of Testing Authorities accredited laboratories for sample testing
- reporting of water quality test results to SA Health and providing consumers with drinking water quality information.

We are registered as a drinking water provider and have approved monitoring programs and an incident notification protocol. SA Water provided water quality testing reports for metropolitan, country and remote Aboriginal communities water supplied on a monthly basis with results showing a very high level of compliance. A number of representative SA Water drinking water supplies were audited to satisfy the requirement of the Act. We met the legislative requirement for all metropolitan, country and remote Aboriginal communities supplies that we operate.

Further information on the Act can be found at: [sahealth.sa.gov.au/safedrinkingwateract](http://sahealth.sa.gov.au/safedrinkingwateract)

Additional water quality information is available on our [website](#).

### Remote Aboriginal communities

Water quality data has now been included for the 21 remote Aboriginal communities and one government facility across the Anangu Pitjantjatjara Yankunytjatjara (APY), Maralinga Tjarutja and Aboriginal Lands Trust lands that we manage. We commenced management of four additional communities from late 2017 which are also included in this data.





## Catchment to tap

We manage drinking water quality from catchment to tap in line with our Drinking Water Quality Management System to ensure a consistent and reliable supply of high quality, safe drinking water for our customers.

This management system is based on the Framework for Management of Drinking Water Quality outlined in the ADWG and endorsed by the National Health and Medical Research Council. The framework outlines good drinking water supply management, based on the best available scientific evidence that will assure drinking water quality and safety at the tap.

## Water quality achievements

The successful outcome of SA Health's annual *Safe Drinking Water Act 2011* (the Act) audit found:

- our Drinking Water Quality Management System is actively managed, there were no urgent observations or significant non-compliances and there is best practice water quality management in most areas
- the audited sites and systems demonstrated improved compliance relative to the 2014, 2015 and 2016 audits and demonstrated positive responses to findings from those previous audits
- our people and contractors consistently demonstrated compliance to the Act and regulations and an understanding of the need for such compliance.

The audit result demonstrates the good level of collaboration across our organisation, with our contract partners, and the Department of Health and Wellbeing.

Future improvements proposed for 2018-19 include:

- additional work to further reduce drinking water safety and quality risks associated with power failures
- accelerated program for inspecting bores to mitigate contamination risks
- continually improving our water quality monitoring program for catchment areas.

## Incident management

We are committed to applying the *Australian Drinking Water Guidelines* (2011) Framework for Management of Drinking Water Quality which includes two components for the management of incidents and emergencies:

- communication
- incident and emergency response protocols.

We have a Water Quality Incident and Emergency Management Protocol in place and a web-based incident management system to record and generate notification of water quality incidents. These are in line with the interagency Water/Wastewater Incident Notification and Communication Protocol that is maintained by SA Health to adopt the principles of the ADWG and satisfy requirements of the *Safe Drinking Water Act 2011* and *Safe Drinking Water Regulations 2012*.

SA Health defines three types of health related incident classifications based upon a precautionary approach:

- 1. Priority Type 1 incident notification**  
An incident that, without immediate appropriate response or intervention, could cause serious risk to human health and is likely to require immediate interagency meetings to consider responses. Procedures for Type 1 incident notifications also apply.
- 2. Type 1 incident notification**  
An incident that, without appropriate response or intervention, could cause serious risk to human health.
- 3. Type 2 incident notifications**  
An incident that, without appropriate response or intervention, represents a low risk to human health.

Following is a comparative summary of the Priority Type 1, Type 1 and Type 2 incident notifications reported against the interagency Water/Wastewater Incident Notification and Communication Protocol.

## State-wide supplies (metropolitan, country, and remote Aboriginal communities)

Reporting period	Priority Type 1	Type 1	Type 2
2017-18*	2	42	90
2016-17#	2	48	159
2015-16	4	32	74
2014-15	1	43	84
2013-14	3	34	87

Note: these notifications do not include wastewater, recycled water and non-drinking supplies.

\* Remote Aboriginal communities incidents included in our reporting, including six Type 1 and two Type 2 incidents.

# Impacted by River Murray blackwater event.

Priority Type 1 and Type 1 incidents are immediately reported to SA Health, while all Type 2 notifications are reportable within 24 hours, in line with the interagency Water/Wastewater Incident Notification and Communication Protocol. In 2017-18, the numbers of incident notifications decreased significantly when compared with 2016-17. This can be attributed to a reduction in disinfection by-products and water treatment plant filtered water turbidity incidents, primarily due to improved source water quality in the River Murray.

In 2017-18, we continued our focus on early detection and reporting to external agencies, briefing the Minister for Environment and Water, ensuring prompt corrective action and addressing the causes of preventable Type 1 notifications, such as disinfection failures and filtered water turbidity exceedances. Strategies employed to achieve this include optimisation of our drinking water quality monitoring program, ongoing capital improvements, and continuous improvement of our Drinking Water Quality Management System.

The proactive water quality management of targeted individual water supply systems and detection and management of risks continued during 2017-18. Changes in reporting criteria issued by SA Health in the interagency Water/Wastewater Incident Notification and Communication Protocol also occurred and contributed to a change in reporting requirements.

## Incident Response Index

The Incident Response Index (IRI) drives and guides correct responses when a Priority Type 1 or Type 1 incident is detected. The IRI is assessed against a number of criteria, with each component in the IRI designed to assist the management of water quality incidents, including reporting, initial response and longer term preventive measures. The overall 2017-18 strategic target for the IRI is 85 per cent compliance.

## Criteria used in the Incident Response Index (based on total reportable SA Health Priority Type 1 and Type 1 incident notifications)

Incident reported to relevant agencies by phone immediately (less than one hour)	Overall strategic 2017-18 target: 85%
Incident entered into the incident management system in less than two hours	
Initial effective response taken within three hours	
Written report to Minister for Environment and Water by 3pm next business day	
Root cause analysis completed within 10 working days	
Preventive actions implemented within agreed timeframes	

The continual review and improvement of our incident management processes has positively impacted our overall water quality incident response and performance, maintaining an overall score well above our target.

## The Incident Response Index achieved in metropolitan, country and remote Aboriginal communities and overall for 2017-18 compared to 2016-17

System	IRI 2017-18	IRI 2016-17
Metropolitan	97%	99%
Country	92%	92%
Remote Aboriginal communities*	65%	
Overall* (weighted combined metropolitan, country and remote Aboriginal communities)	90%	93%

\* For 2017-18, remote Aboriginal communities incident response is included in our reporting.

## Focus for 2018-19

In 2018-19 we will:

- continue to improve our online incident management system for reporting and management of water quality incidents and hazards
- conduct refresher training on the Water Quality Incident and Emergency Management Protocol for country, metropolitan and remote Aboriginal communities incident managers
- continue to work collaboratively with SA Health in the review and update of the interagency Water/Wastewater Incident Notification and Communication Protocol
- maintain our high level of incident response performance
- streamline reporting to the Minister for Environment and Water.

## Water quality monitoring and testing

To ensure the quality of our product, we perform extensive water quality monitoring across metropolitan, country and remote Aboriginal communities of South Australia, from catchment to tap, including field and laboratory tests.

We monitor for health and aesthetic compliance and to optimise water quality. Samples are collected by our trained field workers to ensure they are taken correctly and field results have a high degree of integrity. Laboratory analyses are carried out by our Australian Water Quality Centre in accordance with ISO 9001 Quality Systems and the requirements of the National Association of Testing Authorities.

The following table summarises routine monitoring and testing activities in our water supply systems in 2017-18.

### Number of sample taps and test analytes – metropolitan, country and remote Aboriginal communities water supply systems, 2017-18

Drinking water systems	Metropolitan	Country	Remote Aboriginal Communities	Total
Supply systems	8	60	20	88
Customer taps	188	291	20	499
Catchment to tap sample taps*	373	950	117	1 440
Catchment to tap routine test analytes	79 102	288 743	5 104	372 949

\* Includes drinking water customer taps

## Drinking water quality and performance

In 2017-18, we demonstrated robust management of water quality by consistently providing safe, clean drinking water to our customers.

The following table summarises our performance for health-related parameters of routine samples at customer taps.

### State-wide, metropolitan, country and remote Aboriginal communities drinking water supply systems health related performance, 2017-18

Health related parameters	State-wide systems (number of test analytes)	Metropolitan systems (number of test analytes)	Country systems (number of test analytes)	Remote Aboriginal Communities (number of test analytes)
Samples free from <i>E. coli</i>	99.97% (11 086)	99.97% (3 314)	99.99% (7 672)	99.00% (100)
Samples compliant with ADWG health parameters*#	99.85% (42 799) Target: 99.90%	99.94% (12 558) Target: 100%	99.84% (29 769) Target: 99.80%	98.73% (472) Target: 99.80%

\* Percentage of routine results at customer taps within drinking water systems which comply with the ADWG health limits (including *E. coli*).

# Direct exceedances of the ADWG were used rather than the 95th percentiles for compliance of individual chemical parameters.

# Prior to calculating % compliance for health related chemicals individual results are rounded to the same number of significant figures as the guideline value in the ADWG (as prescribed in the ADWG and agreed with SA Health).

We analysed 42 799 routine test analytes from our drinking water supplies throughout South Australia to determine health related compliance.

- We achieved 99.97 per cent *E. coli* compliance across customer taps with one exception each in metropolitan, country and remote Aboriginal communities systems.
- Compliance with ADWG Health related parameters across customer taps was marginally below target at 99.85 per cent.

Although we aim for 100 per cent compliance, the ADWG recognises that occasional exceedances may occur. In accordance with the guidelines and the interagency *Water/Wastewater Incident Notification and Communication Protocol*, all detections were immediately communicated to SA Health, investigated by us and corrective actions implemented as agreed with SA Health.

SA Health has confirmed that drinking water provided to customers by us was safe and appropriate responses and corrective actions were implemented in all cases and these prevented any risks to public health.

The greatest challenge for metropolitan and country compliance is disinfection by-products due to a number of South Australian source waters containing large amounts of natural organic matter. We have identified these systems and are proactively implementing management strategies to address these situations.

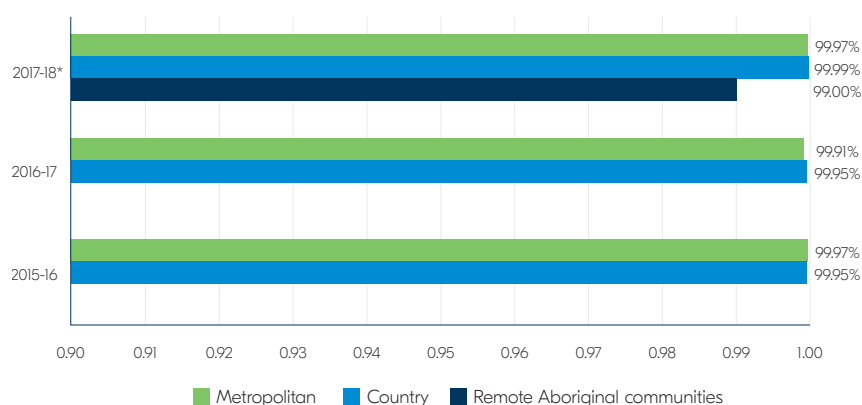
In 2017-18 we commissioned a granular activated carbon filtration plant within the Barossa Water Treatment Plant system. We continued to actively manage chlorine residuals in our drinking water systems without compromising disinfection, and optimised treatment processes and the length of time water is in pipes or tanks before it is used.



We also finalised planning for a staged conversion of the Myponga Water Treatment Plant system from chlorine to chloramine over 24 months starting with the Myponga township in October 2018.

In 2017-18, three of the four additional supplies we took on in remote Aboriginal communities do not currently meet all process requirements and health objectives of the *Safe Drinking Water Act 2011*. Having taken on the management of these supplies, and with planned investments in infrastructure upgrades during the coming three years, we are planning to improve the compliance and reliability of drinking water for the people living in these remote communities. As an interim step, in Nyapari we are now supplying cask water for drinking.

***E. coli* compliance at metropolitan, country and remote Aboriginal communities drinking water supply system customer taps since 2015 (customer tap samples free from *E. coli*).**



\* For 2017-18, compliance in remote Aboriginal Communities is included in our reporting.



# Effective Governance

## Legislation

SA Water was established as a Public Corporation on 1 July 1995 under the *South Australian Water Corporation Act 1994*. SA Water's operations are guided by legislation, the most significant include:

- *South Australian Water Corporation Act 1994*
- *Public Corporations Act 1993*
- *Water Industry Act 2012*
- *Safe Drinking Water Act 2011*
- *South Australian Public Health Act 2011*
- *Work, Health and Safety Act 2012*
- *Environment Protection Act 1993*
- *Natural Resources Management Act 2004*.

## Key regulators

The Essential Services Commission of South Australia is the independent economic regulator for the water industry. It sets service standards and revenue levels for water and sewerage services provided by us.

SA Health sets and monitors standards for drinking water quality and regulates recycled water use in the state.

The Office of the Technical Regulator sets standards and requirements for water and sewerage infrastructure, and the operation of that infrastructure, to ensure public safety.

The Environment Protection Authority sets standards for acceptable discharge from SA Water's used water treatment facilities and monitors our operations and activities to minimise impact on the environment.

The Department for Environment and Water regulates access to natural water sources, protects water catchments and native vegetation and is the state body responsible for the River Murray as part of the Murray-Darling Basin.

## The Board

The Board is appointed under the *South Australian Water Corporation Act 1994* to govern the business on behalf of the South Australian Government, reporting to the Minister for Environment and Water. The Board sets the strategic direction and monitors performance, driving efficiency and protecting our long-term viability in accordance with the *Public Corporations Act 1993*.

The following Board directors, appointed by the Governor of South Australia, served during 2017-18:

- Sybella Blencowe
- Sue Filby
- Ian Stirling
- Hon. Carolyn Pickles (appointed Chair 28 November 2017 to 30 June 2018)
- Hon. Karlene Maywald
- Roch Cheroux.

Day-to-day management of the business is delegated by the Board through the Chief Executive to the Senior Leadership Team. Pursuant to section 18 of the *South Australian Water Corporation Act 1994*, the Minister has delegated authority to the Board of SA Water to approve procurements of up to \$10 million and expenditure up to \$4 million on any one project.

A charter prepared by the Minister and the Treasurer, in consultation with the Board, was in place for 2017-18 in accordance with section 12 of the *Public Corporations Act 1993*. The charter guided the Board in seeking to balance community service with prudent commercial principles.

## Directors' interests and benefits

For 2017-18, no director had an interest in any contract or proposed contract with SA Water, other than contracts in the ordinary course of business. No benefits were received by any director of SA Water by virtue of a contract that was made with SA Water, other than in normal course of business as set out in the financial statements.

## Board committees

The Board has established a committee structure to assist it in meeting its responsibilities. Each committee has a charter that guides its functions and duties and is reviewed annually.

### Governance, Finance and Risk

**Committee** – supports and assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to our financial planning and reporting, internal and external audit functions, internal control processes, risk management systems, legal compliance, and fraud control.

**Policy and Strategy Committee** – assists the Board's oversight of the long-term strategy of the corporation to ensure it remains a valuable, relevant and effective water and sewerage service provider with high levels of customer, community and stakeholder service and support.

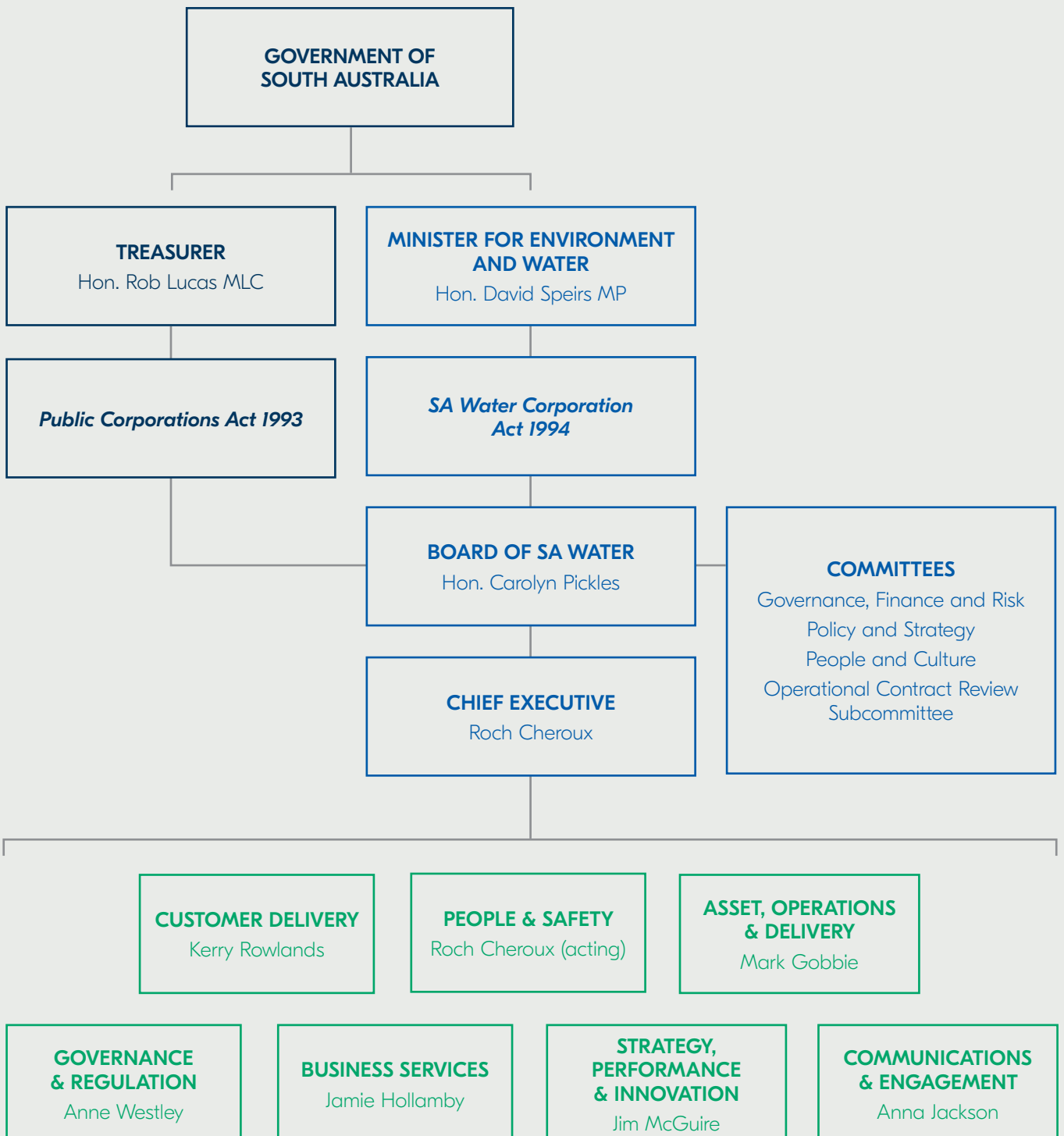
**People and Culture Committee** – supports and assists the Board on matters associated with workforce planning, remuneration and corporate culture, taking into account the strategy, government policy, relevant Board policies, business needs and regulatory requirements.

### Operational Contract Review

**Subcommittee** – reporting to the Governance, Finance and Risk Committee, the subcommittee assisted the Board to assess approaches to operational services and capital delivery to ensure they continue to meet our vision and strategy.

## Organisation structure

As at 30 June 2018









# Financial Performance

## Financial performance summary

The following is a brief summary of our overall financial performance.

The year-end profit before tax result is \$201.6 million which is \$7.1 million lower than the original budget. Excluding the \$38.0 million write-off relating to seasonal water allocations no longer available to us, the year-end result was \$239.6 million, an increase of \$30.9 million against original budget.

This result can be attributed to a number of factors including:

- higher operating revenues from an increase in water sales of \$12.5 million and an increase in fees and connections revenue of \$7.9 million
- other revenue considerations of \$42.0 million including sale of surplus renewable energy certificates, augmentation revenue and sale of surplus water allocations
- underlying operating expenditure savings of \$6.0 million; offset by
- accelerated depreciation and asset write offs of \$35.0 million relating to plant and equipment, infrastructure and capital work-in-progress, partially due to the accelerated capital works on the pipe network renewals
- other movements in revenue and expenditure of \$2.5 million.

## Consultants

The following is a summary of external consultants engaged, and the nature and cost of the work undertaken.

Consultant	Amount	Description/purpose
<b>Less than \$10 000</b>		
Hender Careers	1 900.00	Outplacement services
SARDI – Department of Primary Industries and Regions	2 500.00	Project contribution to Northern Adelaide Plains Management Framework
Geomotion Australia	5 227.00	Pneumatic Piezos Investigations – field services
Communikate Et Al	7 875.00	Communications consultation services
Mercer Consulting (Australia)	9 600.00	Annual remuneration review and independent job classification
<b>Between \$10 000 and \$50 000</b>		
Marchmont Hill Consulting	10 144.45	Civil maintenance benchmarking program – analysis and comparison of reactive and planned maintenance activities
Due Diligence Consultants Pty Ltd	12 790.09	TRILITY Group change in control due diligence report
AMCL Pty Ltd	20 800.00	Asset management maturity review
Business Models Inc	32 000.00	Integrated utility model and corporate business planning
Turner & Townsend	40 459.00	Capital delivery process efficiency review
<b>Greater than \$50 000</b>		
Hudson Howells	57 851.82	Mount Barker agribusiness district/waste
Symbiosis Australia Pty Ltd	98 200.00	Asset inspections, mechanical and electrical, and Civil Structural Level 1 condition inspections, headworks and major pipelines asset management planning and sponsor support
Yellowscope Pty Ltd	165 687.18	Asset information change management planning and implementation support, integration of asset maintenance requirements into broader asset planning process
<b>Total</b>	<b>465 034.54</b>	

See also [tenders.sa.gov.au/tenders/index.do](https://tenders.sa.gov.au/tenders/index.do) for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance at [treasury.sa.gov.au](https://treasury.sa.gov.au) for total value of consultancy contracts across the SA Public Sector.



# Supplementary Reporting Items

## Fraud

There was one instance of alleged fraud detected in 2017-18. The matter was reported to the appropriate authorities.

## Strategies implemented to control and prevent fraud

We have a zero tolerance to fraud.

We perform a range of activities to control and prevent fraud. Key to these activities is:

- senior executive oversight of our Fraud and Corruption Control Policy by the General Manager, Governance and Regulation
- investigations of all allegations of fraud made under the policy
- data analytic reviews of all payroll, accounts payable and corporate purchasing transactions by Internal Audit
- regular communications and reminders to our people of the need to report matters of concern and to act in accordance with our values and Code of Conduct.

## Whistleblowers disclosure

Pursuant to section 7 of the *Public Sector Act 2009*, we have appointed Responsible Officers for the purposes of the *Whistleblowers Protection Act 1993*.

We received one whistleblower-related allegation during 2017-18.

## Summary of complaints

We regard complaints as an opportunity to build and maintain customer confidence and trust, as well as improve our customer experience performance and operational efficiency.

We have a comprehensive approach to dealing with complaints, which includes a focus on first contact resolution with a dedicated team. Our Customer Advocacy and Resolution team is responsible for investigating and responding to complaints which were not able to be resolved on first contact.

In 2017-18, we registered 2.24 complaints per 1 000 customers. This is a decrease compared to 2.46 complaints per 1 000 customers in 2016-17. We continue to track below the national benchmark of 3.4, based on *2016-17 National performance reporting* data for major utilities. We will continue our focus on reducing this further in the coming year.

The most common complaint types relate to water quality, repairs and maintenance of infrastructure in the metropolitan area, and costs incurred for high water consumption.

In 2017-18, 196\* complaints were made about us to the Energy and Water Ombudsman of South Australia (EWOSA) on a range of issues. Costs incurred for high water use continued to top the list of escalated concerns.

When compared to 2016-17, EWOSA complaints have seen a significant reduction of approximately 26 per cent from 264 complaints to 196\*.

Our Customer Advocacy and Resolution team completes root cause analyses, post-complaint reviews and case studies, which is an important step in our complaint management process. Case studies include details of the complaint, a summary of the investigation, the outcome and process improvement recommendations.

In 2017-18, our Customer Advocacy and Resolution team provided customer insights from complaint management which initiated three large scale process improvement reviews with the view to improve the customer experience. Further formal case studies were presented to relevant business unit managers with process improvement recommendations.

## Operations four year comparison data 2014-18

Data tracking our operations over the past four years is now available online through [data.sa.gov.au](http://data.sa.gov.au), or via our website at [sawater.com.au](http://sawater.com.au).

\* The number of EWOSA complaints referred to us may differ between our reporting and EWOSA's due to variances in reporting practices.

**DIRECTION TO THE SOUTH AUSTRALIAN WATER CORPORATION**  
**PURSUANT TO SECTION 6 OF THE PUBLIC CORPORATIONS ACT 1993**

**BACKGROUND:**

1. Pursuant to section 6 of the *Public Corporations Act 1993*, and sections 6 and 7(2)(f) of the *South Australian Water Corporation Act 1994*, the South Australian Water Corporation (SA Water) is subject to the control and direction by its Minister, and has the functions conferred on it by its Minister.
2. The *South Australian Water Corporation Act 1994* is committed to the Minister for Water and the River Murray (the Minister) by way of *Gazettal* notice dated 21 October 2011 (p. 4289).
3. The Minister considers it appropriate, in the interests of transparency, to direct SA Water to:
  - (a) provide common water treatment and delivery infrastructure necessary for Stage 1 of the Northern Adelaide Irrigation Scheme.

**DIRECTION:**

I, Ian Hunter, Minister for Water and the River Murray, direct SA Water to purchase or provide the following services, facilities and contributions from 1 July 2017 and until further notice, subject to and in accordance with the following provisions:

**A. The Northern Adelaide Irrigation Scheme**

To provide common water treatment and delivery infrastructure necessary to supply up to 12 gigalitres (GL) per year of additional recycled water from the Bolivar Water Treatment Plant to a new irrigation area north of the Gawler River.

Infrastructure required includes upgrade of the tertiary treatment plant to increase capacity by 12GL, the construction of the full capacity trunk pipe and pump systems for 2GL, managed aquifer recharge, and surface storage.

SA Water will fund capital expenditure in relation to such cost in each financial year:

2017-18	2018-19	2019-20	2020-21
\$40 100 000	\$45 000 000	\$22 300 000	\$2 600 000



**The Hon Ian Hunter MLC**  
**MINISTER FOR WATER AND THE RIVER MURRAY**

23/8 / 2017

