Western Water Land Development Process Optimisation

the challenge

Western Water is experiencing a major period of growth, with its served population expected to increase from 155,000 people in 2013 to 194,000 by the end of the current water plan period in 2018. A longer range estimate of 500,000 people is forecast for 2030.[1]

In this regard, Western Water's strategic plan has a core strategic theme of optimisation, through which the business will promote commercial sustainability, operational efficiency and integration and collaborative innovation.

In November 2015, Western Water engaged Marchment Hill Consulting (MHC) to review at a high level their Asset Creation processes and practices. Concluded in December 2015, this initial review recommended several improvements spanning Strategy and Planning, Capital Delivery and Development Services.

Key recommendations related to the Development Services function identified a requirement to streamline the land development process, in terms of alleviating administrative and other non-technical burdens, to allow optimal resourcing and delivery of Land Development Services.

what Marchment Hill did

In order to optimise Western Water's Land Development Process, MHC conducted 'As Is' Land Development process mapping, 'To Be' Land Development process mapping based on a new and optimised approach, developed RACI matrices to complement the 'To Be' scenario, and produced a high level implementation plan. This information was all contained in a detailed Land Development Process Guide.

In total, fifteen process optimisation challenges were identified for resolution throughout the course of the Land Development process mapping and optimisation exercise.

Resolution of these challenges included a high-priority need for Western Water to strengthen the mechanisms that form the interface between Western Water and their Developers by means of formal agreements governing developer and also associated consultant and contractor interactions.

In response to this challenge, MHC recommended a three-tiered hierarchy of systems to govern subsequent interactions. This included a Developer Agreement that would set a standard relationship framework for each new Developer and Land Development Project, as supported by the mechanisms contained in the Consultant & Contractor Deeds and associated Business Policies, and quality assurance instruments of

engagement profile

[1] Western Water - Water Plan 2013-2018 Highlights

standardised templates and internal guides (refer **Error! Reference source not found.**).

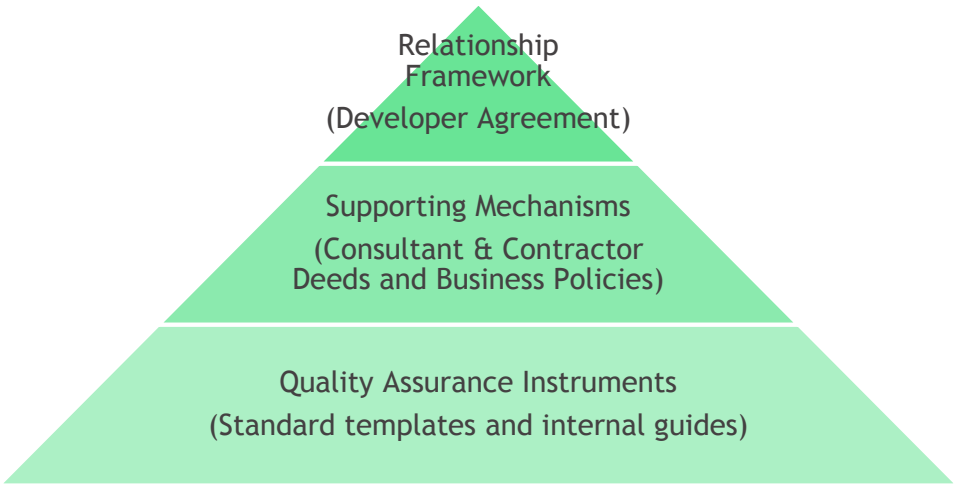

Figure 1 Land Development Relationship Hierarchy

the benefit

The creation of the three-tiered governance system through the implementation of the Land Development Process Guide provides benefits to Western Water in terms of streamlining the receipt and subsequent management interactions of developer information and asset capitalisation across broader business functions.

Through process re-design, MHC also identified means to reallocate and separate the responsibilities for managing non-works development applications, and divert general administrative burdens away from Project Managers. This will facilitate an increased level of focus on the Land Development team's technical decision-making responsibilities.

As a result of this process mapping and optimisation exercise, Western Water also gained an understanding of its process, resource and technology limitations and of improvements that could be implemented to improve customer experience, minimise exposure to risk, streamline and standardise processes, ensure accurate and timely information, improve quality and costs of projects and reduce technical audit demands.