

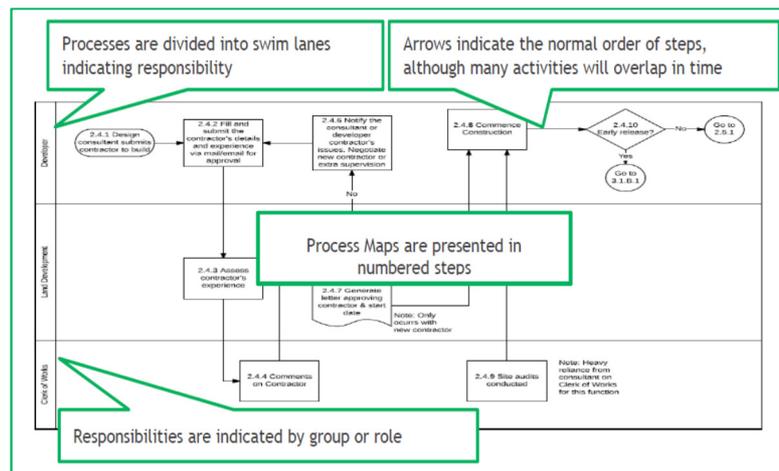
Western Water: Land Development Process Optimisation & Implementation

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 Western Water’s strategic plan has a core strategic theme that is optimisation, through which the business will promote commercial sustainability, operational efficiency and integration and collaborative innovation.

In November 2015, Western Water engaged MHC to review at a high level their Asset Creation processes and practices. Key recommendations related to the Development Services function identified a requirement to review the Land Development process due to observations surrounding poor gifted asset quality management systems and associated asset reliability, and overly complicated development approval and management processes.

MHC was subsequently engaged to undertake a Process Optimisation review of Western Water’s Land Development function in March 2016, and was furthermore engaged to implement resolution of the identified process challenges throughout May and June of 2016.

what Marchment Hill did To review the Land Development function, MHC undertook ‘As Is’ and ‘To Be’ process mapping (Figure 1), identifying fifteen process challenges for subsequent optimisation, as captured within a Challenges and Resolution Register.



¹ Western Water Water Plan 2013-2018 Highlights

Resolution of these fifteen challenges was identified to fundamentally require enhancement of Western Water’s Land Development governance systems, as aligned where suitable to the approach used by the Melbourne Retail Water Agencies (MRWAs), including associated supplier accreditation processes. MHC also identified process means to reallocate and separate the responsibilities of managing non-works development applications, and also general administrative burdens away from Project Managers.

In response, MHC worked with the Commercial Services Manager to develop and implement a three-tiered hierarchy of land development governance systems to govern subsequent developer 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 standardised templates and internal guides (Figure 2).

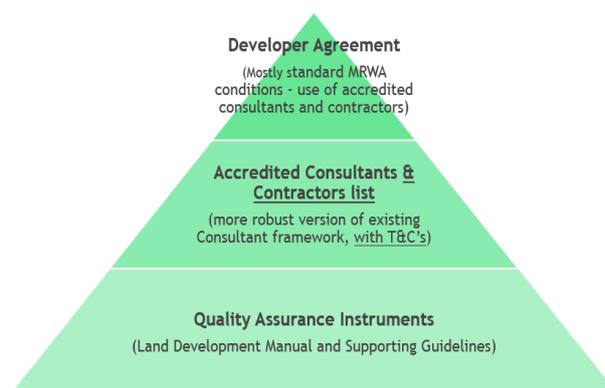


Figure 2 - Land
Development
governance
hierarchy

This governance system was modelled on a fit-for-purpose review of the land development governance systems of the MRWAs and other surrounding Victorian Water Authorities (e.g. Barwon Water, Central Highlands Water). A Developer Services Administration function was also introduced to the business to remove the burden of administration from the engineering tasks which Project Managers required increasing focus upon.

the benefit

The enhanced and more robust land development governance system delivered Western Water a framework to streamline the receipt and subsequent management interactions of developer information and improve quality management systems across gifted asset delivery.

MHC’s process re-design also delivered means to reallocate and separate the responsibilities of managing non-works development applications,

engagement profile

and also general administrative burdens away from Project Managers. This facilitated dedicated activity by the Land Development team in technical decision-making responsibilities.

As a result of MHC's work, Western Water can minimise exposure to asset failure risk through improved quality management systems, streamlined and standardised processes, and will ensure accurate and timely receipt and management of development stakeholder information as necessitated in meeting the projected growth outlook for their service area.