

The Director

Essential Services Commission

Mr. C. Wilson



Dear Sir/Madam

Thank you for the opportunity to submit the following discussion points, relating to the CHW water plan, for your attention.

You were able to send in a contract team to ascertain if all the proposed capital works could be completed as scheduled and they reported that they believed that with current resources etc the works could not be completed. I wonder if it is within your powers to also look at the costs and possible savings of the current operation of CHW to offset some savings against the proposed future works. I believe that this could happen using outsourced contractors. I don't believe that the Board of Directors need to be 9 members for only 128000 customers and that it seems they have not been active in solving the problems of water supply. It really only requires 3 people – one financial expert, one technical guru and one humanitarian type person. Evidently the Government appoints these Board members which have probably been nominated by 'friends' and not necessarily for their expertise. Any reduction at this level would impact on staff levels further down the chain. I wonder if they spend more time reviewing KPI's than the nitty gritty of meeting customer requirements, because at the recent information session there seemed to be many dissatisfied customers, which to some degree indicated that the relevant KPI may have been incorrect. How many staff would be required to establish, monitor and report on the different KPI's as their time is probably unnecessary.

I am also concerned that it seems nobody took any action when the report showed that at the commencement of the 5 year plan, water storages, as per the report were already at 50% capacity, surely at this stage, alarm lights should have been flashing etc. I wonder why nothing was done 5 - 10 years ago as weather reports and practical assumptions, population growth and reports indicated that drought conditions prevailed and would likely continue into the future.

Further, the KPI for fault repairs needed to be reviewed as the community continued to report a massive water leak at a storage facility that took a very long time and a second attempt to complete the work and stop the loss of water.

I wonder if the problem involves having to spend time, labour and other resources to create and submit this 5 year plan and report results at Board meetings taking valuable time and perhaps the biggest problem is that the CHW people feel that they are locked into their 5 year submission and don't look into the future until the next 5 year plan is due. The 5 year plan system may be inhibitive for the staff believing that they have to work within those guidelines that have been approved.

I strongly believe that a 'private' company would not let this happen and would monitor costs, Board numbers and staff levels for the benefit of the community who expect a better outcome for their

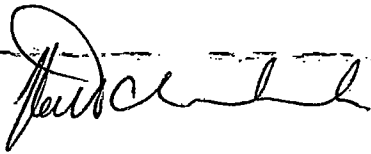
continued regular increases in costs and reported 55% future increase to cover the belated works needed for the survival of their customers

What has been happening and why?

Perhaps the CHW could merge with the Council, as many machinery, billing, infrastructure and customer resources would be similar

Thank you again for the opportunity

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Keith Murdoch', written over a horizontal dashed line.

Keith Murdoch

16-05-08

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