

A NEW LINE OF SIGHT

AUSTRALIAN
GOVERNANCE
SUMMIT 2020

2 & 3 MARCH
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Digital transformation

A Sydney Water case study

Sydney
WATER

02/03/2020

3



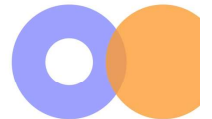
Acknowledgement of Country

02/03/2020

Sydney
WATER



What's ahead



01 About us and our digital transformation

Dr Abby Bloom FAICD
Non-Executive Director
Sydney Water Board of Directors

02 Chairman's perspective

Bruce Morgan FAICD
Chairman
Sydney Water Board of Directors

03 A deeper level of oversight

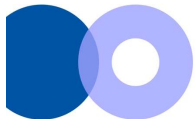
Greg Couttas MAICD
Chair, Audit and Risk Committee
Sydney Water Board of Directors

04 Management perspective

George Hunt
General Manager Digital and CIO
Sydney Water

05 Key takeaways for Directors

Dr Abby Bloom FAICD
Non-Executive Director
Sydney Water Board of Directors



Sydney
WATER

Dr Abby Bloom FAICD

Non-Executive Director, Sydney Water

About us and our digital transformation

About Sydney Water

Sydney
WATER



Australia's largest
water and wastewater
service provider

More than
5 million customers

Around \$2.9 billion
total annual
revenue

Regulated asset
value of around
\$19 billion

More than
2,600 employees



Our operating environment



State-owned corporation,
owned by NSW Government

Portfolio Minister



Minister for Water
Melinda Pavey

Our objectives, under the *Sydney Water Act 1994*, are to:



protect public health



protect the environment



be a successful business

Shareholding Ministers



Treasurer
Dominic Perrottet



Minister for Finance
Damien Tudehope

Our **Board of Directors** sets our overall strategy



Our
regulators



Digital transformation

Setting the scene



Complete transformation of our digital customer platform



Project of State Significance (\$200M+)



High reputational and delivery risk

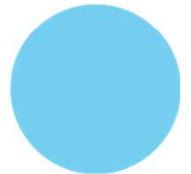
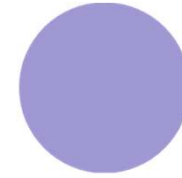


Most significant digital transformation in Sydney Water's history



**Higher level
of Board
oversight
required**

02/03/2020



Digital transformation

Our customer experience platform (CxP)



went live on time with zero customer impact



delivered within budget, with minimal defects



100+ million data records migrated with 99.99966% success rate



so far we've issued 7.5 million bills, and collected ≈ \$2 billion revenue

02/03/2020

2,000,000+
resource hours

500 people

two continents

one team



Bruce Morgan FAICD

Chairman, Sydney Water

Chairman's perspective

Greg Couttas MAICD

Chair, Audit and Risk Committee, Sydney Water

A deeper level of oversight

George Hunt

General Manager Digital and CIO, Sydney Water

Management perspective

Dr Abby Bloom FAICD

Non-Executive Director, Sydney Water

Key takeaways for Directors

Lessons and takeaways for Directors

Major digital transformation is extremely high risk. Success requires more than the usual level of board engagement.

Engage: elevate digital transformation to high priority in an 'active governance model'.

Expect to devote a lot of additional director time to make it a success.

A board that shows it is highly invested in a major digital transformation is likely to get a better result.

Make the project a standing item on every board agenda.

Include the project team in presentations and board discussion.

Co-design metrics and reporting dashboard aiming for transparency.

Lessons and takeaways for Directors

Today's boards may not have the skills among their directors to oversee complex digital transformation.

Boards can fill the expertise and wisdom gaps by engaging their own independent expert, an assurance partner.

Highly engaged directors inspire management to high performance. The 'people part' is extremely important throughout the process.

Be present, on site, show keen interest.

Focus on team's well-being; celebrate milestones.

Travel to your major offshore suppliers to encourage them to a higher level of commitment.

Lessons and takeaways for Directors

A digital transformation will affect virtually the entire organisation, so the scope must be designed as a “whole of business project”.

Ensure the project scope, budget and expertise are sufficient for the equally vital “non-IT” tasks – people change management.

Any digital transformation may have one or more ‘heart-stopping moments’. The Board may need to make some tough calls.

Courage.

Stay the course, work through the issues within the board, and with the management team.

Lessons and takeaways for Directors

Digital transformations involve a lot of ambiguity and unknowns at the outset.

Even a comprehensive business case can prove inaccurate, and contingency insufficient.

Keep a very close watch on financials

Don't sacrifice quality for time, and...

Run and repeatedly rerun a Monte Carlo analysis

Questions, please

Moderator: Dr Abby Bloom FAICD

Sydney
WATER