

# ESC Seminar on Service Standards

A CWW perspective

Anne Barker Managing Director

# Service Standards

- CWW's approach to Service Standards
- ESC Service Standards
- Trade-offs between Costs and Service Standards
- The important things there is no standard for

# CWW approach

## Water Plan

- Set our own service level targets to achieve maximum utilisation rate of our resources – best deal for customer \$
- Service level target usually based on last 10 years
- Base budget on “average year” – temperature, rainfall, evaporation

## Corporate Plan

- Track performance
- Adjust spend if sufficient evidence, eg two good years water main breaks  $\Rightarrow$  reduce \$1m from responsive and preventive maintenance budget next year

# CWW approach cont'd

- We never aim to improve service standards
- Customers very happy with service (>90% satisfaction every year)
- Focus is on delivering our services at lower cost

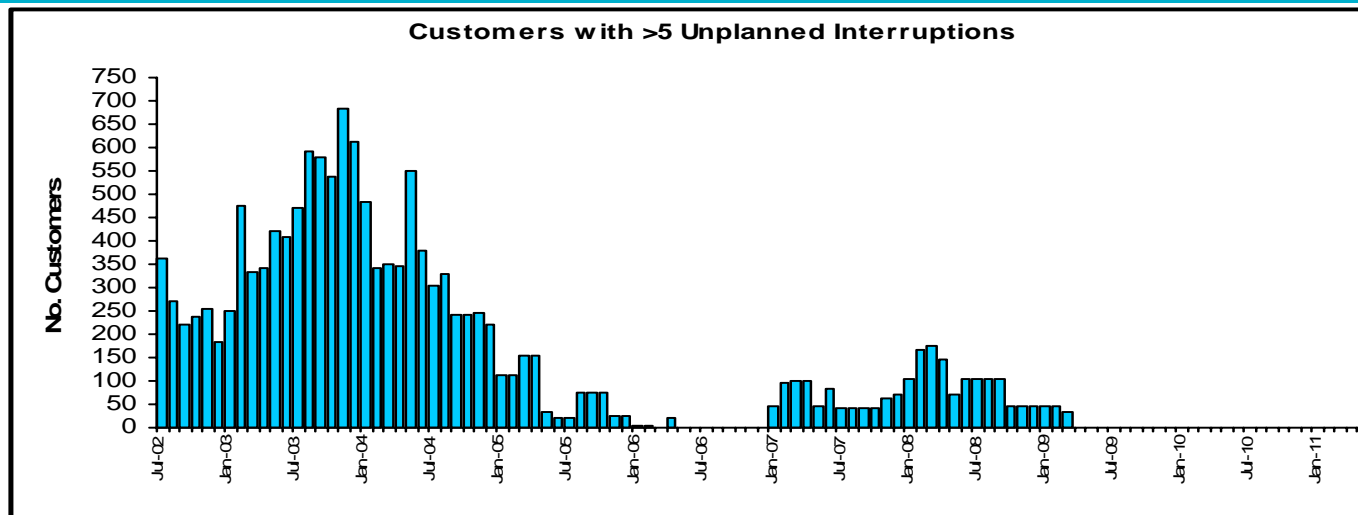
## Example - Water main breaks per 100k

- “Leakiest in the land”
- Driver to reduce cost by smarter leak detection and renewals spend, and by better analysis of better data
- 5<sup>th</sup> leakiest in 2009-10, with no increase in cost

# ESC Service Standards

- ESC uses 3 year average to determine level of service. Potentially drives costs up
- “One size fits all” approach  $\Rightarrow$  every water business has the same measures whether or not they are important to their customers
- ESC should allow water authorities to be more innovative with setting levels of service

# Average of last three years = 0



- Clearly we are spending too much somewhere in our business
- Don't set KPI at zero for the next five years

<b>WATER</b>	<b>YTD Actual</b>	<b>ESC YTD Target</b>	<b>CWW YTD Target</b>
Unplanned water supply interruptions (per 100km) (w)	34.00	55.50	59.80
Av. time to attend bursts/leaks (priority 1) (min) (w)	24.30	24.30	25.60
Av. time to attend bursts/leaks (priority 2) (min) (w)	33.60	34.20	39.30
Av. time to attend bursts/leaks (priority 3) (min) (w)	194.30	233.80	252.40
Unplanned water supply inter'ns restored in 5 hours (%) (w)	94.30	86.10	90.40
Planned water supply inter'ns restored in 5 hours (%)	95.80	93.30	91.20
Av. unplanned customer minutes off water supply (min) (w)	22.80	43.60	43.30
Av. planned customer minutes off water supply (min)	7.86	7.15	9.53
Av. freq. of unplanned water supply inter'ns (number) (w)	0.150	0.280	0.310
Av. freq. of planned water supply inter'ns (number)	0.052	0.055	0.064
Av. duration of unplanned water supply inter'ns (min) (w)	147.60	175.50	158.70
Av. duration of planned water supply interruptions (min)	147.00	137.20	149.30
No. cust. >5 unplanned water supply interruptions in a yr (w)	0	64	183
Unaccounted for water (%) (w)	8.90	9.20	8.70

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# Important things that have no standard

- Most important issue for CWW from 2002-2009 was water conservation
- Had to reinvent the business to do this
- Customer usage is reported in annual performance report -

### ***Household Consumption***

*Average household consumption in 2009-10 of 140 kL continued a downward trend evident over the last five years. Water restrictions remained in place over 2009-10 in the metropolitan area*

- Should have said –

### ***Water Conservation***

City West Water has continued its stellar performance in water conservation. Not only have their residential customers reduced their water usage by 36% compared to 1990's average, but non-residential customers have gone from 57GL to 39GL, absorbing growth! **Wow!!**

# More important things

- Very hard to find a customer who knows they have 1 water interruption, let alone >5 – is it important to customers?
- Very easy to find a customer who knows they had sewage all over their back yard – why do we insist they should have >3 such experiences?
- Resource utilisation - % we use field units (crews, trucks etc) – need specialist systems to have this data

# More important things

In the **Victorian Liberal Nationals Coalition Plan for Water**, the focus is on establishing “Victoria as a **world leader in liveable cities** and **integrated water cycle management** with a visionary plan to **make our urban landscapes more sustainable and liveable**”

Principles include:

- wherever possible using water more than once
- cities becoming more self-sufficient in their water supply and in the process becoming more liveable and attractive places to live
- giving communities a say in planning decisions around water
- strong focus on alternative water sources

# Possible measures

## Using water more than once

- *% of water sales recycled water*
- *% of water used by customers recycled (internally or externally sourced)*

## Cities becoming more self-sufficient in their water supply

- *% of water sales sourced within Melbourne's boundary*

## More liveable and attractive places to live

- *% licence area with Healthy Urban Habitat servicing strategy*

## Giving communities a say in planning decisions around water

- *No. of community forums run*
- *Accessibility of performance and planning data to community*

## Strong focus on alternative water sources

- *% of water sales non-potable water*
- *GLs of non-potable water projects on the drawing board*

# Thank you