

NSW Public Water Utilities

Customer Service Standards & Performance Indicators

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30 June 2011

Form of Regulation

- ▼ Our current form of licence regulation
 - ▼ Moving to a more integrated whole of business system based approach that is focused on outcomes
 - ▼ Annual risk based operating audits
 - ▼ Exception compliance reporting
 - ▼ Other licence compliance & performance reporting

Customer service standards

- ▼ With commenced our review of the standards back in 2006.
- ▼ New standards were adopted in 2008 (Sydney Water) & 2009 (Hunter Water)
- ▼ Standards apply for:
 - ▼ Water pressure
 - ▼ *Unplanned Interruption*
 - ▼ *Multiple unplanned interruption*
 - ▼ *Sewer overflows*
 - ▼ *Multiple sewer overflows*

General principles for setting targets within CSS

- ▼ 2 general principles were applied when setting targets:
 - ▼ the amended CSS should not provide for any diminution of standards but should provide an incentive for utilities to retain a strong focus on the efficiency and effectiveness of operations.
 - ▼ the targets should provide a buffer (headroom) against unforeseen adverse events above the levels of sustained recent performance.
- ▼ New targets should be cost-neutral if possible.

Performance Indicators

- ▼ NWI indicators and IPART indicators
- ▼ Performance indicators are used to monitor utility performance in the areas of
 - ▼ infrastructure operation
 - ▼ environmental management and
 - ▼ customer service
- ▼ We are finalising a review of performance indicators reported by metropolitan water utilities
- ▼ The review is also examining output measures that are use for our price regulation role

Objectives of the review of indicators

- ▼ The objectives of this review are to:
 - ▼ streamline and rationalise indicators to improve relevance to regulatory oversight
 - ▼ improve the consistency of indicators to allow comparison between utilities
 - ▼ reduce the burden of regulation by minimising the reporting overlap with other regulators (OEH and NSW Health) and
 - ▼ remove obsolete indicators and duplication, both within IPART's indicator set and between IPART indicators and NWI indicators

The process of our review

- ▼ Compiled a list of indicators from NWI, NSW & some other states
- ▼ Engaged specialist consultants in water quality, infrastructure, & environment to assist us with the review.
- ▼ Held a 2-day workshop in March.
- ▼ Produced a draft set of indicators and sought further comment
- ▼ Currently finalising our report

Number of Existing and Proposed IPART Indicators

	Existing Sydney Water Licence	Existing Hunter Water Licence	Proposed through this review
Water Quality	Nil	Nil	Nil (but subject to further review)
Infrastructure (system performance)	22	54	<20
Customer Service	26	29	12 + (10 hardship PI to be further review)
Environment	42	37	11

Water Quality

- ▼ The NWI indicator set includes only 7 water quality indicators – question whether these provide adequate insight into future performance
- ▼ The importance of water quality warrants the development of some form of leading indicators
- ▼ Our consultant suggested some indicators but agreement was not reached.
- ▼ Continue to rely on utilities' commitment to the comprehensive ADWG framework & our audit process
- ▼ Interagency working group to review the development of leading indicators in the next 12 months

Infrastructure

- ▼ This indicator set looks at data including:
 - ▼ Planned and unplanned water interruptions
 - ▼ Water pressure
 - ▼ Sewerage overflows
- ▼ Desk top review of approximately 230 infrastructure indicators
- ▼ 75 indicators were considered at the workshop
- ▼ <20 are being recommended for future use as performance indicators (others will form part of input measures/ reports used for our pricing determinations)

Environment

- ▼ This indicator set looks at data including:
 - ▼ Water quality in catchment areas
 - ▼ Electricity consumption used by water/ sewerage infrastructure
 - ▼ Waste reuse/ recycling
 - ▼ Native vegetation management
- ▼ More reliance on system based regulation with more report based reporting rather than less single data reporting
- ▼ Indicators removed where there was duplication with other regulatory reporting requirements or where outcomes were beyond the control of the utilities

Customer

- ▼ This indicator set looks at data including complaint resolution, call centre responsiveness, payment plans, disconnection/ flow restrictions and payment assistance vouchers
- ▼ The only point of contention with our proposals for customer indicators related to the introduction of hardship indicators
- ▼ Still intend to introduce hardship indicators but over the next 12 months will undertake further consultation



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