



WATER PERFORMANCE
INDICATOR REVIEW

WORKING GROUP 1 MINUTES

MAY 2012



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1. Working group members

Monday, 7 May 2012: 10:30am - 4.00pm	
<u>Attendees:</u> Colin Young (Central Highlands Water) Andre Kersting (City West Water) Danielle Roche (City West Water) Jarrah O'Shea (Coliban Water) Rob Carlesso (East Gippsland Water) Brett Millington (East Gippsland Water) Donna Bui (Melbourne Water) David Flower (Melbourne Water) Rob Yurisich (Melbourne Water) Alison Le Fevre (South East Water) Satish Sridharan (South East Water) Steve Kearns (Wannon Water) Vicki Pinder (Western Water) Judy Wignell (Western Water) Morris Hanratty (Yarra Valley Water) Rodney Dedman (DH) David Sheehan (DH) Binhur Sappideen (DSE) Belinda Crivelli (EWOV)	<u>ESC:</u> Marcus Crudden (Meeting Chair) Michael Duncan Victoria Hein Kerri Heron Chris Hutchins Ross Tsokas



2. Indicators proposed for removal

Current indicators – remove proposals

Identifier	Indicator	Outcome
Baseline explanatory data (BED)		
BED 13	Water treatment plants: Disinfection, unfiltered; Further treatment; Full treatment	ESC to present to NWC – delay change.
Water network reliability and efficiency (REW)		
REW 4	Bursts and leaks fully rectified	Remove as proposed.
REW 6	Water supply interruptions restored within 3, 5 & 12 hours	Remove as proposed. ESC to review definition of interruption.
REW 12	Water Pressure (Bulk Supplier)	Remove as proposed.
Sewerage network reliability and efficiency (RES)		
RES 5	Customers receiving 1, 2, 3, & 4+ sewer blockages in year	Remove as proposed ESC review alignment of REW 9.
Customer responsiveness and service (CRS)		
CRS 12	Property development agreements	Remove as proposed.
CRS 13	Information statements turned around in 5 days	Remove as proposed.
Water conservation, reuse and recycling (CRR)		
CRR 8	Trade wastes priority parameter	Remove as proposed.
Drinking water quality (DWQ)		
DWQ 1	Standards for drinking water quality [Melbourne Water only]	Remove with amendments to proposal as per working group. Remove as proposed.
	Remove 'disinfection by-products' from the definition	

Current indicators – remove proposals from the working group

Identifier	Indicator	Outcome
Baseline explanatory data (BED)		
BED 5	Permanent population served	Retain unchanged.
BED 18	Sewage treatment plants compliant	ESC to present to NWC – delay change.
Water network reliability and efficiency (REW)		
REW 14	Leakage	ESC to present to NWC – delay change.
Sewerage network reliability and efficiency (RES)		
RES 7	Sewer spills from reticulation and branch sewers fully contained within 5 hours	ESC take on notice and review.
Customer responsiveness and service (CRS)		
CRS 2	Calls connected to operator within 30 sec	See proposed indicators.
Water conservation, reuse and recycling (CRR)		
CRR 2	Effluent Reuse - Water Resource Management	DSE to follow up.



Baseline explanatory data

BED 13 - Water treatment plants: Disinfection, unfiltered; Further treatment

Action

- ESC to raise this issue with NWC for indicator A1 of the national framework and provide feedback so the indicators can be aligned.
- ESC to look at definition of sewer mining, recycling and accommodation of third pipe estates in all BED indicators.

Discussion

- General group concern about the wording of this indicator. Not all water sources need full treatment, for example UV treatment. Just because water is fully treated does not necessarily mean that it is safe.
- DSE suggested reword to “the appropriate level of treatment”.
- ESC to raise this issue with NWC, as this is a NWC indicator.
- Concerns were also raised about the potential future inclusion of a definition of sewer mining and recycled in the baseline explanatory data (BED) group.
- Do water treatment plants include sewer treatment plants?

Water network reliability and efficiency

REW 4 – Bursts and leaks fully rectified

Action

- Proceed with change.

Discussion

- All agreed to this change.

REW 6 – Water supply interruptions restored within 3, 5 & 12 hours

Action

- Proceed with change.
- ESC to review definition of interruption.

Discussion

- Group agreed to proposed changes.
- Concerns that the definition of interruption is not sufficient.
- The group was concerned that businesses may rush to restore and interruption rather than ensure they do a good job if there are targets in place.
- Businesses agreed that they can still measure this internally if they desire.
- The word “interruption” needs to be more clearly defined – what if the business supplies bottled water or an alternative source of water? Is it only an “interruption” if it bothers/disturbs people?

REW 12 – Water pressure (bulk supplier)

Action

- Proceed with change.

Discussion

- All agreed to this change.



Sewerage network reliability and efficiency

RES 5 – Customers receiving 1, 2, 3, & 4+ sewer blockages in year

Action

- Remove 1, 2, and 4+ sewer blockages from this indicator.
- Look at also adjusting the Water indicator REW 9 - Customers receiving 1, 2, 3, 4, 5, and 6+ water supply interruptions in year.

Discussion

- The group agreed with removing 1, 2 and 4+ sewer blockages from this indicator.
- Wannon Water suggested that the same changes be made to the Water indicator (REW 9 - Customers receiving 1, 2, 3, 4, 5, and 6+ water supply interruptions in year).
- The group supports having fewer indicators.

Customer responsiveness and service

CRS 12 – Property development agreements

CRS 13 – Information statements turned around in 5 days

Action

- Proceed with change.

Discussion

- All agreed to this change.

Water conservation, reuse and recycling

CRR 8 – Trade wastes priority parameter

Action

- Proceed with change.

Discussion

- All agreed to this change.

Drinking water quality

DWQ 1 – Standards for drinking water quality

Action

- Proceed with removal of Melbourne Water from the 'coverage' section of the definitions.
- DH to report to ESC if the definition of Zones aligns between the NWC, ESC and DH.
- ESC will remove 'disinfection by-products' from definition.
- DH to report back if the ESC can source data from them within timeframes for release dates for both reports.
- ESC to change definition from "population receiving drinking water" to "per cent of connections receiving drinking water".

Discussion

- The group agreed with removing Melbourne Water from 'coverage' in the definition.



- The reporting of 'disinfection by-products' was questioned – this data is reported in the Department of Health (DH) reports. Do the businesses need to report it to the ESC as well or could it be sourced from DH? Issues of timing were raised if this were the case. Water businesses thought this issue would be best dealt with agency to agency.
- It was suggested that the processes be measured and not the results, for example measure the number of drinking quality risk audits completed.
- DH queried the terminology 'zones' in the definition - need the NWC, ESC and DH to align and also alignment for the definition of 'disinfection by-products'.
- Definition refers to % of population receiving water – does this mean connections?
- The group stressed the importance of ensuring that the data published by DH and ESC for the same time period was the same to maintain consistency and accuracy.

Indicators proposed for removal by the working group

Many of the proposed indicators for deletion from the group fall under the National Water Commission (NWC) framework and therefore do not fall under the scope of our review. However, they are raised below and will be forwarded to the NWC.

BED 5 – Permanent population served

Action

- No change.

Discussion

- Permanent population served – NWC indicator C1. This is a difficult indicator to report accurately by businesses. This data is used by DH and is a NWC indicator.

BED 18 – Sewage treatment plants compliant

Action

- ESC to take this change to NWC for review.

Discussion

- 'Sewage Treatment plants compliance' - this is NWC indicator E5. Coliban Water proposed that the proportion of pass and fails is essentially meaningless. Data should be aligned to the EPA result for compliance.

REW 14 - Leakage

Action

- ESC to contact WSAA for new definition details and raise with NWC.

Discussion

- Real water losses – NWC indicators A9, A10 and A11. Businesses raised the issue that the NWC definition is out of date. WSAA has an improved definition.
- The IWI measure seems like a poor measure in Australia. It is used successfully in the UK and once people in Australia used it correctly it would be very useful.

RES 7 – Sewer spills from reticulation and branch sewers fully contained within 5 hours

Action

- We will check – believe this used to be total spills; will take on notice as this may feed into a normaliser.



Discussion

- Sewer spills not caused by blockages – how can you tell the difference?

CRS 2 - Calls connected to operator within 30 sec

Action

- We will discuss this issue further in the Proposed Indicator Section.

Discussion

- Calls answered within 30 seconds is not a useful measure. First call resolution would be a better measure.
- This indicator is required by the NWC.

CRR 2 – Effluent Reuse - Water Resource Management

Action

- DSE to provide clarity on the definitions split items.

Discussion

- Effluent reuse. Group questioned the definition of splits 2, 3 and 4 (Volume of raw water, Volume providing raw water substitution and the definition of 'new water' in split 4.)
- This indicator is not a NWC indicator.



3. Proposed indicator modification

Current indicators – modify proposals

Identifier	Indicator	Outcome
Water network reliability and efficiency (REW)		
REW 7	Water supply customer-interruptions (No.)	Businesses to provide written comments.
REW 10	Customers affected by planned water supply interruptions greater than 5 hours	Modify with amendments to proposal as per working group.
Usage, price trends and payment management (UPP)		
UPP 1	Instalment plans	Modify with amendments to proposal as per working group.
Customer responsiveness and service (CRS)		
CRS 7	Affordability complaints	Modify with amendments to proposal as per working group.
CRS 8	Billing complaints	Modify with amendments to proposal as per working group.
Water conservation, reuse and recycling (CRR)		
CRR 3	Volume of sewage spilt from emergency relief structures (ERS) and pumping stations (ML)	Modify with amendments to proposal as per working group.

Current indicators – modify proposals from the working group

Identifier	Indicator	Outcome
Water network reliability and efficiency (REW)		
REW 3	Time taken to rectify bursts and leaks	ESC to include 'safe' water in definition for potable supplies.
Water conservation, reuse and recycling (CRR)		
CRR 6	Biosolid reuse	ESC to align with EPA.



Water network reliability and efficiency

REW 7 – Water supply customer interruptions (No.)

Action

- Businesses to provide written comments regarding the change to this indicator.

Discussion

- Concerns were raised that this disincentives the business and encourages them to overestimate planned interruption times.
- Other businesses felt this was difficult to monitor and that there are many contributing factors that are often out of the businesses' hands. For example - developers get a set time frame to complete works, if they go over it is not within the businesses' control.
- This indicator may create the wrong incentives. For example, a water business may need to interrupt supply to ensure adequate maintained is complete to reduce the amount of emergencies that occur. If you are taking a proactive approach to maintained you do not want to be seen as doing poorly on this indicator.

REW 10 – Customers affected by planned water supply interruptions greater than 5 hours

Action

- Proceed with change but make amendments to 'domestic' in performance measure.

Discussion

- This indicator uses the term "domestic" where other indicators use the term "residential", this can cause confusion about what the indicator is looking at.
- Overall no strong views on this indicator.

Usage, price trends and payment management

UPP 1 – Instalment plans

Action

- Proceed with change with amendments to splits to domestic concession/non-concession.

Discussion

- Agreed this will add value.
- Split into domestic concession and domestic non-concession.

Customer responsiveness and service

CRS 7 – Affordability complaints

CRS 8 – Billing complaints

Action

- Proceed with change to combine affordability and billing complaints.
- Change the title of the indicator to something more specific.
- DH to report the number of blue water incidences in last 3 years and to work with ESC to align these indicator definitions.

Discussion

- Agreed to combine affordability and billing complaints.



- Should change the title from “complaints” to something more specific, for example “payment issues”.
- Group also discussed ‘blue water’ incidences and where to categorise them.

Water conservation, reuse and recycling

CRR 3 – Volume of sewage spilt from emergency relief structures (ERS) and pumping stations (ML)

Action

- Proceed with change.

Discussion

- General agreement to change indicator to include number of events as well as the volume of spills for each split in the indicator.

Indicators proposed for modification by the working group

REW 3 - Time taken to rectify bursts and leaks

Action

- ESC to propose new definition for indicator that includes the term ‘safe water’ for potable supplies.

Discussion

- Concerns were raised that the term ‘required level of service’ is not specific enough and should be ‘required level of service to safe water is reconnected’.
- The term safe water should be incorporated into any indicators similar indicators.
- The work order provided for jobs should have this on the check-list and auditors should review it.
- Safety should override all other measures.

CRR 6 – Biosolid reuse

Action

- ESC to change definition in line with EPA.

Discussion

- The NWC agreed to align the definition of biosolids to the EPA definition for each state in April. ESC proposes to align our definitions to the EPA definition in line with the NWC.



Amendments and clarifications

Proposed indicator amendments and clarification - monthly data

Identifier	Performance indicator	Proposed Clarification / Action	Outcome
RES 3	Total time taken to repair blockage/ spill (Hr.)	Template indicates measure is in minutes – template will be amended to reflect hours.	Do not change from hours to minutes – ensure template aligns.
RES 6	Sewer spills from reticulation and branch sewers	Businesses should use definition as published for priority 1 and priority 2.	Businesses should use definition as published for priority 1 and 2 spills, alignment with the EPA definition.
RES 7	Sewer spills from reticulation and branch sewers fully contained within 5 hours	Businesses should use definition as published for priority 1 and priority 2.	businesses should use definition as published for priority 1 and 2 spills.
No reference	Sewer supply customer-interruptions restored within 4 hours (No.)	This indicator is included in the data templates but is not defined.	Change to 5 hours and note the number of hours must tie in with the businesses' individual GSL target.
No reference	Sewer spills not caused by blockages (No.)	This indicator is included in the data templates but is not defined.	Include in definitions. Action ESC to confirm if this measure is used in any indicators.
No reference	Sewer spills within a house (No. spills)	This indicator is included in the data templates but is not defined.	Include in definitions and define if monthly or annual number to be reported. Action ESC to include in definition if monthly or annual figure to be reported.



Indicator amendments and clarification - annual data

Identifier	Performance indicator	Proposed Clarification / Action	Outcome
BED 4	Trade waste customers	Split into industrial and commercial categories as per template. Define categories.	Agree to split industrial and commercial categories, a clear definition is to be developed and alignment is required for all businesses. Action ESC to draft definition for categories and circulate.
BED 14	Volume of sewage collected (ML)	Split between Wholesaler and Treatment plant in definition as per template. Define categories.	Define categories in definitions.
REW 9	Customers receiving 1, 2, 3, 4, 5, & 6+ water supply interruptions in year	Split into separate measures for each number of interruptions.	It would be very costly to separate these measures and it should not be changed.
RES 4	Water main breaks	This is in the incorrect category and has been relocated as REW 15.	Move to correct category, indicator proposed as REW 15.
No reference	Sewer spills from ERS and pumping stations (No.)	This indicator is included in the data templates but is not defined.	Include in definitions.
UPP 5	Debt levels for customer subject to restriction and legal action (\$)	Amend definitions to recognise split of legal action and restriction categories.	amend definitions to recognise split of restrictions.
UPP 6	Hardship grants	Businesses should report on their own hardship scheme, not the Department of Human Services scheme.	Clarify definitions to ensure businesses report own hardship scheme. This should just be a number and not per 100 customers.



4. Proposed new indicators and categories

The order of issues presentation differs from the Draft Recommendations Paper as:

- time constraints meant the discussion on productivity was deferred.
- time constraints meant the discussion on the proposed UPP 7 – physical visits was deferred.
- some working group members were participating only for a set time on set issues.

Proposed new categories and indicator

Identifier	Indicator	Outcome
Customer responsiveness and service (CRS)		
CRS 1	Website mystery shopper	Proceed as proposed.
CRS 2	First call resolution	Further consideration and research required. Discuss at next meeting.
CRS 3	Net promoter score (NPS) or Customer effort score (CES)	Further consideration and research required.
CRS 4	Customer satisfaction survey	ESC to review.
Financial information (FIN)		
FIN 1	FFO interest cover (times)	Further discussion and consideration required.
FIN 2	Internal financing ratio (%)	
FIN 3	Net Debt payback (years)	
FIN 4	FFO/net debt	
FIN 5	Net debt/Regulatory Asset Value	
Resource security (SEC)		
SEC 1	Supply volume available to meet demand volume (ML)	ESC and sector to work through DSE process. No changes proposed to current performance measures.
SEC 2	Demand versus sustainable yield	
SEC 3	Independent supply systems	
Productivity (PRO)		
PRO 1	Operation maintenance and administration (OMA) costs per customer	Discussion deferred.
PRO 2	Cost to serve (\$ per customer)	
Trade waste (TDW)		
TDW 1	Number of sampling activities	Include with amendments to proposal.
BED 19	Volume of trade waste received (ML)	Agreed.
Innovation (INN)		
	Businesses to provide feedback.	
Usage, price trends and payment management (IPP)		
UPP 7	Physical visits	Discussion deferred.



Customer responsiveness and service

CRS 1 – Website mystery shopper

Action

- Proceed with new indicator

Discussion

- General agreement with the idea of having a website review of customer satisfaction.
- Some noted that their customers may be older and do not use the website – this could mean that even if their website is good, it may not lead to the intended result of customer satisfaction.

CRS 2 – First call resolution

Action

- Customer service managers to submit details on how they currently measure first call resolution.
- ESC to research how the United Kingdom/OFWAT define and measure this indicator.
- Discuss at next meeting

Discussion

- First call resolution; general agreement that this indicator would provide value, but no resolution on the parameters and definition of it.
- If we use calls on faults there is no way that the operator can resolve an issue on a fault over the phone – follow up is required with a technician.
- There will be a struggle to get consistency across the State.

CRS 3 – Net promoter score (NPS) or Customer effort score (CES)

Action

- Business customer service managers to submit details on how they measure first call resolution currently (if they do).

Discussion

- General consensus that the Customer Effort Score (CES) is a better measure than the Net Promoter Score (NPS).
- Concerns with implementation, privacy issues and sample size where raised.

CRS 4 – Customer satisfaction survey

Action

- ESC to facilitate the development of this indicator with businesses.

Discussion

- General agreement that the Customer Satisfaction Survey would add value for all businesses. Common measures would be needed to implement.
- Many Water businesses already use the customer satisfaction survey and even compare results against other businesses.
- The results are generally very high, so might not actually indicate anything about the performance of the business.
- If there are too many questions on the survey the participant no longer wants to answer. It is therefore important to keep the call under 20 minutes long.



Financial information

FIN 1 – FFO interest cover (times)

FIN 2 – Internal financing ratio (%)

FIN 3 – Net Debt payback (years)

FIN 4 – FFO/net debt

Action

- ESC to consider submissions and feedback from the working group.

Discussion

- These indicators are a duplication of data collected by other agencies ie VAGO, DTF and DSE. Do they add value when already published? In addition, these reports are published at different times and may confuse the reader.
- If we do report them, the definitions should be the same across all agencies.
- If we do report these indicators they should be simple with no complex side calculations required.
- FIN3 and FIN 4 duplicate (one is the inverse of the other).
- As these indicators are from regulatory accounts they will produce a different set of numbers to statutory accounts which may confuse stakeholders.
- The ESC considers these important indicators that will add value to the performance reports.

Resource security

SEC 1 – Supply volume available to meet demand volume (ML)

SEC 2 – Demand versus sustainable yield

SEC 3 – Independent supply systems

Action

- Department of Sustainability and Environment to advance development of the indicator.

Discussion

- Resource security is a complex issue that requires input from a variety of stakeholders. Working groups need to be set up to work through issues.
- DSE is developing measure.
- Living Victoria report cites the ESC to carry out this work.
- SEC 3 Independent supply systems were considered baseline explanatory data and not a measure of resource security.
 - 'Recycled water' split needs to be removed from the definition.
 - This data is reported to DH and can be sourced from them.
 - This is explanatory rather than a performance measure.



Trade Waste

TDW 1 – Number of sampling activities BED 19 – Volume of trade waste received (ML)

Action

- The working group members will provide written feedback to the ESC.
- ESC to amend definition in TDW 1.

Discussion

- Trade waste was seen more as a compliance measure than a key performance indicator.
- These indicator's require further clarity on terminology and methodology.
- Should measure if the business is meeting all of their sampling requirements. It should be changed to "is the business complying with the agreements they made with all their trade waste customers in relation to sampling".

Innovation

Action

- All businesses to provide comment on how innovation could be measured and provide a possible framework to apply it.

Discussion

- Idea put forward to have an innovation section of performance report that showcased innovative ideas businesses have developed. It would allow businesses to see what other businesses have implemented.
- The ESC would need to evaluate ideas using a framework of measures. Group discussed how to measure innovation and that this would be difficult to define.
- The ESC noted that they reported innovation and ceased publishing this as it was difficult to measure and created difficulties between businesses.
- Could be called "best practices" rather than innovation.

Productivity

Discussion

- It was suggested that there could be new possible indicators that measure energy usage per mega litre of water distributed.

Usage, price trends and payment management

Action

- Deferred – discussion on measure of total number of personal visits made by water business representatives associated with non-payment, hardship and legal actions.



General discussion on the performance report

Action

- ESC to consider proposal.
- Businesses to provide data on number of third pipe customers.

Discussion

- Third pipe data could be reported separately across the whole report.
- Group discussed value of this, was the total length of pipes sufficient to incorporate into whole report, only relevant to a small number of businesses.

Other items to clarify raised by working group

Action

- ESC to consider items.

Discussion

- Does interruption to a third pipe count as an interruption for indicator REW 5?
- Clarification around the definition of a treatment plant and UV treatment.