

Performance Monitoring &

Reporting

Workshop

19 March 2004

Overview

- Purpose
- Guiding Principles
- Scope and Coverage
- Summary of Key Issues
 - Peter Harford
 - Hamish Reid
- Draft Performance Indicators
- Auditing
- Next Step

Role of performance monitoring

- Inform customers
- Make comparisons between businesses
- Identify baseline performance and measure improvement over time
- Information regulatory standards (or targets) and assess compliance with such standards
- Inform the decision making processes of regulatory agencies, water businesses and government

Project Timing

- A number of respondent queried whether project could be delayed until after price review
- Commission consider project important and complementary to establishment of water plans
- Water plans need to address service outputs
 - need clarity about definitions
 - ongoing monitoring arrangements
 - consideration of monitoring cost within water plan

Guiding Principles

- Performance indicators need to be
 - Relevant
 - Meaningful, relate to key issues for both businesses and customers
 - Defined and collected on a consistent basis
 - Considered in light of costs associated with collecting information and data
 - Verifiable
 - Consistent with other indicators where possible

Indicator Scope

- Baseline explanatory data
- Quality
- Water and sewerage network reliability and efficiency
- Water consumption, reuse and recycling
- Other environmental and conservation initiatives
- Customer responsiveness and service
- Financial performance prices
- Audit findings

Coverage

- Performance indicators will cover
 - Metropolitan retailers
 - » Generally, supported
 - Regional urban
 - » Generally supported
 - Melbourne Water
 - » Melbourne Water offered limited support
 - » retailers believed monitoring should include Melbourne Water
 - Rural Businesses
 - » Subject of separate paper

Core Performance Indicators

- Appendix to Discussion Paper provided overview of indicators and some discussion points
- Range of performance indicators will be monitored
 - Bacterial water quality
 - Compliance with EPA licences
 - Reliability of water and sewerage services
 - » interruptions (blockages), duration & frequency, cmos, timeliness of response
 - Water usage and leakage
 - Recycling
 - Customer complaints
 - Customer satisfaction
 - Restrictions and legal actions for non payment

Key Issues

- Applicability of current performance indicators
 - Handout identifies current set of performance indicators
 - designed for Melbourne, generally appropriate statewide
 - additional coverage to measure performance of Melbourne Water
 - Some authorities identified difficulty in collecting a number of indicators
 - » Commission will consider these localised issues in implementing reporting arrangements
 - Number of agencies identified additional indicators that could be considered
 - Working group will advance the issue
 - » examine potential performance indicators against guiding principles
 - » develop definitions

Key Issues (continued)

- Overlap with other monitoring and reporting requirements
 - Most frequently raised concern
 - Commission working with EPA and DHS to minimise overlaps
 - Government agencies to be involved working groups
 - Aim to achieve consistency of definitions
 - Look at ways of streamlining information flows

Presentations

- Peter Harford, Harford Enterprises, former MD Yarra Valley Water
- Hamish Reid, EPA

Auditing

- WIRO provides for auditing information and compliance
- Audit approach may need to be modified to reflect industry circumstances
 - current approach may be costly for small authorities
 - consideration of
 - » frequency of audit, (eg biannual or triennial)
 - » targeted approach
 - » systems audit
 - overlap with audits by industry associations
 - » Commission has statutory obligation to perform this function
 - » need for industry association to also examine the issues
- Auditing issues to be examined in early 2005
- Key priority is to establish reporting framework

Approach & Timelines

■ Indicative Timelines

- Working group start (March 2004)
- Consultation Paper (May 2004)
- Finalise performance indicators (June 2004)
- Review audit framework (early 2005)
- First audits (Aug – Oct 2005)
- First Statewide performance report December 2005
 - » reporting in Melbourne continues as before

Further Questions?