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Goulburn Valley Region Water Corporation

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Mr Andrew Chow
Director, Regulation
Essential Services Commission
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Dear Andrew

WATER PERFORMANCE INDICATORS REVIEW

I refer to the *Review of Water Performance Report Indicators – Staff Discussion Paper April 2012* and note that a working group of ESC staff and staff from water businesses has been formed to review and revise the performance data and indicators reported in the water performance report by the ESC.

Goulburn Valley Water (GVW) thanks you for the opportunity to make a submission to the working group to assist the group with this review.

The Corporation is pleased the working group is made up of participants from all industry sectors to ensure matters unique to different sector groups are identified and considered. Our submission will focus on some of the considerations unique to regional urban water businesses, particularly regarding the large area we provide services to via a large number of individual water and wastewater treatment facilities.

Further comment regarding specific indicators is as follows:

- **CRS2 - First Call Resolution**

There may be issues for smaller water corporations who do not operate call centres. Customer contact can be via a number of means (telephone, face to face) at a number of locations (billing services, property development services or operation centres across regions). Some water corporations may not capture and record all contacts.

- **CRS4 – Customer Satisfaction Survey**

Most water businesses currently use surveys to measure customer satisfaction and have developed trend data over periods of time. By changing the questions to a common set, individual businesses will lose the value of this historical data as it would not be cost effective to participate in two separate (but similar) surveys.

- **UPP7 – Physical Visits**

GVW questions the need for this indicator given that the level of complaints to EWOV, regarding water restriction for non-payment, is so low and the number of properties actually restricted is very low. Physical visits to properties for regional water businesses providing services over vast regions are impractical and not cost effective. Physical visits are only one of the means of contact incorporated in the GSL measure. Any data collected and reported may be confusing to users of the water performance report.

- **Financial Information**

GVW fully supports the financial data proposals via FIN1 to FIN5. The proposed indicators are relevant and should be meaningful to users of the water performance report.

- **SEC1 – Supply volume available to meet demand volume (ML)**

Is this indicator proposed to be an overall figure for a business or will it be broken down into individual water supply systems? Regional water businesses can have numerous separate supply systems; an overall figure may be misleading.

The working group will need to understand the different types of supply systems in regional Victoria. For example, run of river supply verses on-stream storage. They will also need to understand how bulk water entitlements operate as a year by year entitlement to take water from a system. Under our bulk water entitlements, our supply volume available on 30 June each year is effectively zero. We may then have restricted entitlement from 1 July for the following year which may increase to 100% of bulk water entitlement at some stage throughout the year and then reduces to effectively zero again at the end of the year.

Year by year supply systems versus owning and managing large storages will make this indicator very difficult to define and report and potentially confusing for users of the water performance report.

- **SEC2 – Demand versus sustainable yield**

Is this indicator intended to be an overall figure for a business or will it be broken down into individual water supply systems? Reporting this indicator either way may be misleading or confusing. Climate will be a big factor in determining sustainable yield. Data may need to be displayed for a range of climate and demand scenarios. Yield data is usually only updated every five years as part of the Water Supply Demand Strategy. Please also refer information regarding bulk water entitlements per SEC1 above.

- **SEC3 – Independent Supply Systems**

We are not sure of the value this indicator will provide to users of the water performance report. We have independent supply systems throughout our region, and then independent potable water supply sources for the different supply systems. We are not sure what information the performance measure will portray to users of the water performance report. Is a very secure supply from one source (river) better or worse than unreliable supply from numerous sources?

- **PRO1 – operation, maintenance and administration (OMA) costs per customer**

This indicator is impacted by the mix between residential versus very large industrial customers (with very large water use and wastewater flows and loads). Should the data be presented on a per ML basis as well? The proposed indicator includes a split between domestic and non-domestic customers. OMA is not recorded on this basis by water businesses.

- **PRO2 – cost to serve (\$ per customer)**

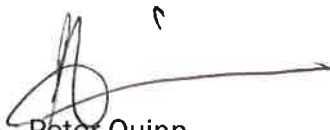
The mix of residential versus very large industrial customers will again impact this indicator. Cost will need to be very clearly defined and a number of water businesses may not capture cost at the required level - arbitrary allocation may be required. Cost data will not be captured split by domestic versus non-domestic customers.

- **TDW1– Number of Trade Waste sampling activities**

GVW is not sure all water businesses will have forecasts of number of trade waste samples for a year. There are minimum requirements, but sampling activity may change (above the minimum) for various reasons. Will this data be relevant or meaningful to the majority of users of the water performance report?

Thank you for the opportunity to contribute to the review of the water performance report indicators. Should you have any questions or seek clarification please contact GVW's General Manager-Financial Services, Graeme Jolly, on 58320441 or email graemej@gvwater.vic.gov.au.

Yours sincerely



Peter Quinn
MANAGING DIRECTOR