

## **Review**

# **Performance Indicators for State Water**

**121210**

## Introduction

NSW Irrigators' Council (NSWIC) represents more than 12,000 irrigation farmers across NSW. These irrigators access regulated, unregulated and groundwater systems. Our Members include valley water user association, food and fibre groups, irrigation corporations and community groups from the rice, cotton, dairy and horticulture industries.

NSWIC engages in advocacy, policy development and media relations. As an apolitical entity, we are available for the provision of advise to all stakeholders and decision makers.

This submission represents the view of the Members of NSWIC with respect to the IPART's review of State Water's Performance Indicators.

## Contents

Introduction.....	2
Comments .....	3
Specific Comments .....	4
1. Water Delivery Performance Indicators:.....	4
2. Policing Function Performance Indicators:.....	5
3. Fish River Scheme Performance Indicators:.....	6

## Comments

NSWIC welcomes the opportunity to comment on IPART's review of State Water's Performance Indicators. Given that we have raised concerns with State Water's Performance Indicators in our submission to IPART's *End of Term Review into State Water's Operating Licence*, we consider this an ideal opportunity to address these issues more specifically.

We continue to maintain the view that appropriate Performance Indicators for a monopoly operator like State Water are useful and effective in assessing State Water's operational performance and provide information to both IPART and water access licence holders in NSW.

After a careful assessment of State Water's current Performance Indicators, NSWIC supports the explicit continuation of all those performance indicators that directly relate to customer service. These include the current *Water Delivery Performance Indicators* and certain Performance Indicators under the *Policing Function* of State Water Corporation. Given the vulnerability of customers to a monopoly service provider like State Water, NSWIC considers it important that specific *Customer Service Performance Indicators* are incorporated into the new *Operating Licence* for State Water so that customers are given access to comprehensive and transparent information. The cost of maintaining these Performance Indicators should be low, whilst the benefits achieved in terms of information provision and transparency will be high.

Additionally, for all Performance Indicators that will be maintained as part of the new *Operating Licence*, NSWIC submits that requirements 8.1 - 8.4 of the current *Operating Licence* are carried forward. These requirements will ensure timely provision of information to both IPART and State Water's customers.

Finally, NSWIC would like to emphasize that NSW has agreed with the Commonwealth that the Commonwealth will be responsible for implementation costs associated with the Murray-Darling Basin Plan. NSWIC submits that this agreement must extend to State Water. Customers of State Water are not prepared to (and should not be expected to) bear the costs of Commonwealth Regulatory action that affects State Water Corporation.

## Specific Comments

Current Performance Indicators incorporated in State Water's Operating Licence;

### 1. Water Delivery Performance Indicators:

- a) percentage of customers contacted within one working day of a non-complying water order being placed;
- b) percentage of complying water orders identified as being delivered outside of +/- 1 day of the scheduled day of delivery, as measured by customer complaints;
- c) percentage of water orders rescheduled in consultation with Customers within one working day of a known shortage or delivery delay;
- d) percentage of time that daily minimum flow targets are met;
- e) percentage of complying intra-valley transfer processed within four working days of State Water's receipt of correctly completed application form and fee;

NSWIC concurs with IPART's assessment that the current *Water Delivery Performance Indicators* are more accurately termed *Customer Service Performance Indicators* and as such should be adjusted to reflect this. Given that these Performance Indicators provide a valuable source of information for water access licence holders and also offer transparency of State Water's operations, NSWIC strongly recommends to maintain these Performance Indicators under a new category of *Customer Service Performance Indicators*.

Furthermore, any non-compliance by State Water with respect to water delivery could have significant negative impacts on the day-to-day operation of water access licence holders. As such, these Performance Indicators should be maintained and possibly further extended to include other customer complaint channels. This would help balancing the monopoly powers of State Water and the vulnerability of State Water's customers.

## 2. Policing Function Performance Indicators:

- a) liaise with DWE to determine the volume of water taken in excess of access licence conditions under the *Water Management Act 2000* (ML) and number of licences and licence breaches involved; and report to IPART the data so determined;
- b) value of penalties imposed by State Water for taking of water in excess of licence conditions under the *Water Management Act 2000* and *Water Act 1912*;
- c) volume of penalties imposed by State Water for taking water in excess of access licence conditions under the *Water Management Act 2000*
- d) number of water supply works audited for compliance with metering conditions and the proportion of those works that comply with metering conditions
- e) number of 'alleged breach reports' forwarded to the Department of Water and Energy
- f) number of licences and entitlements suspended under the *Water Management Act 2000* or the *Water Act 1912*; and
- g) number of approvals suspended under the *Water Management Act 2000*;

While NSWIC agrees that certain *Policing Function Performance Indicators* are delegated from other agencies, we do not share IPART's assessment that all of the above mentioned Performance Indicators should be removed from the new *Operating Licence* of State Water Corporation.

Performance Indicators 2(a) and 2(e) are delegated from other agencies and could be incorporated into the *Memorandum of Understanding* (MoU) between State Water Corporation and the NSW Office of Water. As such, it will be necessary to update the reference to DWE in all of the above mentioned Performance Indicators to reflect the transition of responsibilities in this respect to the NSW Office of Water. Furthermore, by including these Performance Indicators in the MoU between State Water and the NSW Office of Water these particular Performance Indicators do not need to be listed and reported on separately as part of the annual compliance audit of State Water's *Operating Licence*.

Performance Indicator 2(d) should be removed from State Water's *Operating Licence* in line with NSWIC's submission to the *End of Term Review into State Water's Operating Licence*. NSWIC is of the opinion that metering should not be a component of the new *Operating Licence* and as such any Performance Indicators that makes reference to metering should be also be removed.

Performance Indicators 2(b) and 2(c) closely relate to the current *Water Delivery Performance Indicators* and should therefore be included in a new *Customer Service Performance Indicator* category. These two performance indicators are of great interest to water access licence holders and should be maintained on the basis of information provision to customers. However, NSWIC would like to question whether the value and volume of penalties imposed under the *Water Management Act 2000* or the *Water Act 1912* are imposed by State Water Corporation or the NSW Office of Water. While NSWIC

believes these penalties should be imposed by the NSW Office of Water, any penalties imposed and obtained by State Water should be partially kept by State Water to offset any costs involved in monitoring cases of non-compliance.

Performance indicators 2(f) and 2(g) are of no direct benefit to water access licence holders and are further indirectly covered through the current *Water Delivery Performance Indicators*. While those indicators provide a good source of information for water access licence holders, NSWIC submits that performance indicators 2(f) and 2(g) should be a function of the NSW Office of Water and not State Water Corporation.

### **3. Fish River Scheme Performance Indicators:**

#### **1. Asset Management**

- a. the average response time for unplanned supply interruptions;**
- b. number of planned water supply interruptions;**
- c. number of unplanned water supply interruptions;**
- d. average duration of planned water supply interruptions;**
- e. average duration of unplanned water supply interruptions.**

#### **2. Water Delivery**

- a. percentage of time that daily minimum flow targets are met.**

#### **3. Water Quality;**

- a. percentage of treated water samples that comply with Australian Drinking Water Guidelines (2004) at the Fish River Scheme's water sampling locations for e-coli, colour, turbidity, iron, manganese, aluminium and pH.**

As outlined in NSWIC's submission to the *End of Term Review of State Water's Operating Licence*, issues relating to *Fish River Supply Scheme* fall outside the expertise of NSWIC are not directly relevant to our Members. We will therefore refrain from commenting on the necessity of these Performance indicators.

However, NSWIC agrees with IPART that the *Asset Management Performance Indicators* are better assessed through the licence requirements and annual audit review rather than through the current *Operating Licence*. As such NSWIC has no objections to removing these particular Performance Indicators from the *Operating Licence* as long as they are featured elsewhere and can be addressed more efficiently and effectively.