

ESC Review of Water Performance Report Indicators - April 2012								
NEW								
Category	Identifier	Indicator ID	Descriptor	Performance Measure	Definition	Status	Review Comments	WPW Comments on NEW performance measures
Baseline explanatory data	BED	BED 19	Volume of trade waste received (ML)	Total volume of trade waste (metered + est.) delivered to a wholesaler or treatment plant.	Vol. trade waste received wholesalers plant. Vol. of trade waste delivered water bus. Won treatment plant. Total vol. trade waste received into sewers (ML)	Proposed New Indicator		We support this measure in principle however we would need to understand how this may be used for benchmarking performance:
Customer responsiveness and service		CRS 1	Website mystery shopper	To be discussed	To be discussed	Proposed New Indicator	ESC to contract CS organisation to assess WC web site on arrange of criteria.	We do not support this measure for a number of reasons - Water corporations with smaller marketing budgets may be disadvantaged by this measure through financial constraints on website development and in comparison to the metros - WPW uses its Customer Satisfaction Survey to test usability of its website and would prefer feedback from "real" customers as opposed to an organisation trying to simulate the customer experience.
		CRS 2	First Call Resolution (FCR)	The number of customer issues resolved on first contact with call centre	Common FCR indicator = % of calls that are resolved during the first conversation	Proposed New Indicator		We supports this measure in principle but: - data capture can be problematic if measuring against the full suite of contact channels (i.e. telephone, visit, email, interaction with website) - the examples provided by the ESC to measure FCR may be costly to implement (quality assurance monitoring, IVR, surveys) - WPW may need to reprogram its CRM application to capture this data.
		CRS 3	Net Promoter score (NPS) or Customer effort score (CES)	The number of customer issues resolved on first contact with call centre	NPS measures customer loyalty via customer survey 0 to 10 rating scale. CES measures the customer experience with the business & effort to resolve service request.	Proposed New Indicator	Arguable that NPS no relevant as the likelihood that customers will promote the business is LOW. ESC seeking feedback on most appropriate method	We do not support this measure as we are unable to see the value to the customer in the introduction of this indicator. If high effort isn't an indicator of a bad experience for the customer or doesn't correlate to loyalty or some other important outcome, then it's value as metric is questionable. We similarly agree that an NPS is unlikely to be an effective measure. How is it proposed to collect data as it may not be as easy as suggested?
		CRS 4	Customer satisfaction survey	To be discussed. Proposed common set of customer questions to measure satisfaction.	To be discussed	Proposed New Indicator		We have been conducting Customer Sat Surveys for the past 8 years and has worked continually on refining the survey so that the experience is meaningful (and relevant) to both the customer and our organisation. In order to develop a "common set" of questions they may become so generic that the result only serves the purpose of being able to compare a metric across water corporations and little information or data is derived by the water corporation on what it needs to do to improve the customer experience.
		Usage, price trends and payment management (previously Affordability)	UPP	UPP 7	Physical visits	Total number of personal visits made by WC representatives associated with non-payment, hardship and legal actions.	Total number of personal visits made by WC representatives associated with non-payment, hardship and legal actions.	Proposed New Indicator
		FIN 1	Funds from Operations (FFO) interest cover times	(FFO + net interest)/net interest	Measures the extent of a buffer that the business has to meet its debt obligations	Proposed New Indicator	Emphasis on FIN indicators that reflect cash needs of the business	We do not support the introduction of these financial measures at this time. This is due to the impost on customers (costs to change systems). The timing for inclusion of KPI targets to be submitted with final WP3 is unreasonable to implement the required changes given the additional resources gathering data and reporting. This is a duplication of multiple versions of financial data currently provide to DSE / DTF / VAGO. Modification to financial template (Regulatory Accounts) to support these meaures would need to be presented in a easily structured format. Realistically these should be available now. Given the extra burden in reporting is this delivering value or captured by other
		FIN 2	Internal financing ratio %	(FFO - dividends)/net capital expenditure	Measures the extent to which an entity has cash remaining to finance a prudent portion of capital expenditure after making dividend payments.	Proposed New Indicator		

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General - not separate category	FIN	FIN 3	Net Debt payback (years)	(interest bearing liabilities - cash)/FFO	Indicates the time that it would take an entity to pay back all of its debts if all operating cash flow was used for this purpose. In effect it is a cash-based measure of gearing	Proposed New Indicator		sources?
		FIN 4	FFO/net debt	FFO/(interest bearing liabilities - cash)	Inverse of net debt payback, provides a measure of the extent to which the serviceability of debts is improving, remaining stable or declining.	Proposed New Indicator		
		FIN 5	Net debt/regulatory asset value	(Interest bearing liabilities - cash)/Regulatory asset value	Measures the debt component in regulatory capital structure	Proposed New Indicator		
	SEC	SEC 1	Supply volume available to meet demand volume (ML)	Number of days until supply cannot meet demand	The ability of WC to meet demand taking into account supply variations excluding demand variations. <b>Supply volume (ML)</b> is the amount of potable water from all sources available on the final date of the annual reporting period. <b>Average demand level (ML)</b> is the average demand of all customers over the period of the annual reporting period.	Proposed New Indicator	Based on WSDS. What are the strengths/weaknesses of this approach	We question the relevance of this measure where there are multiple internal & or external sources of supply. Eg Metropolitan pool, BE rivers and bores & dams which is detailed in the WSDS. This is also a duplication of monthly water supply reporting to DSE and BE quarterly 3 month outlooks. What value is there for a annual supply / demand position?
		SEC 2	Demand versus sustainable yield	The long term capacity of a water system to deliver a minimum volume of water each year.	<b>Average demand level (ML)</b> is the average demand of all customers over the period of the annual reporting period. <b>Sustainable yield</b> - criteria to be discussed.	Proposed New Indicator		We question the relevance and value of this measure. Sustainable yield is historical and doesn't change from year to year, hence this measure simply becomes a snap shot view at a point in time.
		SEC 3	Independent supply systems	Number of each type of discrete supply systems relied on for potable water.	Counts each discrete supply system i.e. there may be several surface water supply systems, groundwater systems or recycled water systems and each is counted as an independent supply source.	Proposed New Indicator	Independent systems of supply desalination / recycled water. Etc	The water supply systems are detailed within the WSDS. Updates potentially captured via the Corporate planning processes.
	PRO	PRO 1	Operation maintenance & administration costs (OMA) costs per customer	Relative changes in OMA (water & sewerage) costs over time	OMA costs defined consistent with NWI (F11, F12 - Operating cost - water , sewerage) DOM & Non-Dom water customers as per BED 1	Proposed New Indicator	Split between DOM/Non DOM, Water & Sewerage	The weakness of this measure is that it may cause a disincentive for businesses with long term on going preventative maintenance programs.
		PRO 2	Cost to serve (\$ per customer)	Cost to serve DOM & Non-DOM customers	Costs to include: office functions of finance, IT, HR, Communications, Customer Service etc. Dom water customers as per BED 1	Proposed New Indicator		As above

