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Ms Natalia Southern
Director Water Regulation
Essential Services Commission
2/35 Spring Street
MELBOURNE 3000

Dear Ms Southern

DRAFT PERFORMANCE REPORTING FRAMEWORK

Thank you for the opportunity to comment on the Draft Performance Reporting Framework released on 28 May 2004. Our response comprises 2 parts; Part 1 will address the specific questions detailed in Consultation Paper Number 2 and is detailed below.

Part 2 provides specific comment on each of the indicators and is contained within the attached document.

Our response to specific questions asked by the ESC in Consultation Paper Number 2 is as follows:

The Commission invites stakeholders to comment on whether there are other opportunities to minimise the costs of the proposed performance reporting framework.

The water industry currently provides a range of performance data to several agencies and organisations such as VicWater, WSAA, DHS, DTF, DSE & EPA. It would be appropriate that any reporting requirements that the ESC may have, do not duplicate existing arrangements.

Water businesses should only be required to produce this information once, and then serves the needs of the various bodies that require performance data. This is an issue that may benefit from further consideration by either the VicWater Performance Measurement Task Group or ESC Performance Indicator Working Group.

The Commission seeks comment from businesses about whether there are any performance indicators that they are unlikely to be able to collect from 1 July 2004. Please refer to the attached document; this details our capacity to report on the range of proposed performance indicators from 1 July 2004.

The Commission seeks comment from interested parties on whether undertaking research on affordability issues would be useful in contributing to the broader debate about affordability of water services.

We agree that there needs to be further research and discussion on the issue of affordability prior to agreeing to a range of performance indicators. Issues such as the benefit of collecting this data, its intended use, how affordability relates to economic regulation and pricing should be considered further.

The issue of affordability and appropriate performance measurement is one that would benefit from further industry wide consideration prior to agreeing to the proposed performance indicators. It may be appropriate for this matter to be considered during the year and for data collection and reporting to commence from July 2005, or other agreed date.

If you would like to further discuss the above matters, please do not hesitate to contact Tony Staley, Manager Economic Regulation and Pricing on (03) 5177 4719 or Peter Quigley, Manager Business Services on (03) 5177 4744.

Yours sincerely

John Mitchell

CHIEF EXECUTIVE OFFICER

Performance indicator	Split	Units	Definition	
				Gippsland Water Comments
Baseline Explanatory Da	ita			
1. Water customers	DomesticNon-domestic	Number	 For performance reporting purposes, a water customer is a property which, at the end of the reporting period: is connected to the water businesses water system; and receives a usage account. A tenanted property which is separately metered and in respect of which the tenant is liable for water usage counts as one water customer. The owner and the tenant are not separately counted as water customers. 	No issue for GW.
			 For performance reporting purposes a water customer does not include: a body corporate; or a property which is serviced but is not connected to the water business's water system. 	
2. Sewerage customers	Domestic Non-domestic	Number	 For performance reporting purposes, a sewerage customer is: a water customer which is connected to the sewerage system (hence is separately billed for sewerage services (rates and/or usage)); and any other property which, at the end of the reporting period, is connected to the sewerage system and is separately billed for sewerage services (rates and/or usage). A sewerage customer who is also a trade waste customer counts as one sewerage customer. 	No issue for GW.
3. Trade waste customers		No.	A trade waste customer means a customer who has entered into a trade waste agreement with the licensee, or has received the business's consent to discharge trade waste to sewer.	GW does not currently collect but have capacity to obtain from our customer information and billing system. Suggest adding "reticulation" into definition for clarification.
4. Population served		No.	Total population connected or able to be connected to the water business's system. Information should be derived from the most recently available census data.	No issue for GW.
5. Length of water main (km)		km	 Includes all the water business's mains in operation at the end of the reporting period. Does not include property service pipes. 	No issue for GW.

Performance indicator	Split	Units	Definition	
				Gippsland Water Comments
6. Length of sewerage main (km)		km	 Includes all the water business's mains in operation at the end of the reporting period. Does not include house connection branches. 	No issue for GW.
7. Volume of water received (Ml)		Context & normalising measure	• The volume of water received by the water business from its head works (including its water treatment plants) and from any wholesaler of water.	No issue for GW.
8. Metered volume of water delivered to customers (MI)	Domestic Non-domestic	Context & normalising measure Average household consumption	The metered volume of water delivered to customers over the reporting period.	Current definition is Water consumed per property/average consumption per customer. Suggest ESC amend indicator to be consistent with WSAA.
9. Volume of sewage delivered (Ml)	WholesalerTreatment plants		• The total volume of sewage (including trade waste) delivered by the water business to any wholesaler of sewage treatment services or to its own sewage treatment plants.	No issue for GW.
10. Water treatment plants	 Disinfection, unfiltered Further treatment Full treatment 		Disinfected, unfiltered: water treatment plant providing disinfection via chlorine or ozone. May also include other minor processes such as aeration, pH correction, fluoridation, or coagulation. Further treatment: The water treatment plant provides additional processes to serve a particular purpose. While not meeting the requirements of full treatment (defined below), it may address some of the elements of full treatment. Full treatment: The water treatment plant includes processes to remove colour/and or turbidity as well as providing filtration and disinfection. In addition, it may include processes for taste and/or odour reduction, softening, pH correction and target removal of elements and compound such as iron, manganese, nitrates and pesticides	No issue for GW.
11. Volume of sewage treated (MI)	 Primary treatment Secondary treatment Tertiary treatment 	ML	 The volume of sewage treated at the water business's sewage treatment plants. primary treatment means the removal of settleable solids; secondary treatment means biological oxidation achieving typically 85%-90% reduction in biological oxygen demand (BOD); tertiary treatment means enhanced reduction of BOD and suspended solids from secondary treated sewage and significant nutrient reduction. 	No issue for GW.

Performance indicator	Split	Units	Definition	
				Gippsland Water Comments
12. Sewage treatment plants	Primary treatmentSecondary treatmentTertiary treatment		Number of sewage treatment plants in operation at the end of reporting period	No issue for GW.
Network reliability and	efficiency			
13. Bursts and leaks	 Priority 1 Priority 2 Priority 3 – not currently reported as a priority, but should be ok for GW to obtain. 	Burst and leaks per 100km of water main	 An unplanned event in which water is lost which is attributable to failure of a pipe, hydrant, valve, fitting or joint material (being the mains and trunk infrastructure, excluding the mains to meter connections) regardless of cause. Priority 1 means a burst or leak which causes, or has the potential to cause, substantial damage or harm to customers, water quality, flow rate, property or the environment (refer to clause 4.7.1 (a) in the benchmark contract). Priority 2 means a burst or leak which causes, or has the potential to cause, moderate damage or harm to customers, water quality, flow rate, property or the environment Priority 3 means a burst or leak which is causing no discernible impacts on customers, property or the environment (refer to clause 4.7.1 (b) in the benchmark contract). A burst or leak may not necessarily result in loss of supply. 	Don't currently collect Priority 3, but would be no issue for GW to undertake this requirement. More commonly referred to as Main breaks, for consistency in reporting terminology suggest ESC amend terminology. The terms "Substantial", "Moderate" and "Discernible"
14. Total minutes to respond to bursts and leaks	 Priority 1 Priority 2 Priority 3 	Average minutes to respond	The duration between the times the water business is first notified or becomes aware of a burst or leak to the time at which the water business arrives at the site of the burst or leak.	require more clarification. GW does not currently collect this data, but there is capacity in our asset management system to be able to do so.

Performance indicator	Split	Units	Definition	
				Gippsland Water Comments
15. Time taken to rectify bursts and leaks	Priority 1Priority 2Priority 3	Average hours taken to fully repair and rectify bursts and leaks	The total job duration, including time from receiving first notification, responding to, assessing and rectifying the fault and site clean-up.	GW does not currently collect this data, but there is capacity in our asset management system to be able to do so.
16. Bursts and leaks fully rectified	 12 hrs 24 hrs 120 hrs 	Bursts and leaks fully repaired and rectified within 12 hrs, 24 hrs and 120 hrs	Burst and leaks fully repaired and rectified within 12, 24 and 120hr. Includes time from receiving job, responding, assessing, rectifying fault and site clean-up.	GW does not currently collect this data, but there is capacity in our asset management system to be able to do so.
17. Water supply interruptions	PlannedUnplanned	Water supply interruptions per 100 customers or 100km of water main	 A water supply interruption is any event causing a total loss of water supply due to <i>any</i> cause. An unplanned interruption means an interruption which is caused by a fault in the water business's system or a fault which is the maintenance responsibility of the water business. A planned interruption means an interruption of supply to a customer for which the water business has provides 2 business days advanced notification. 	More commonly per 1000 customers. Suggest ESC amend indicator to be consistent with WSAA.
18. Water supply interruptions restored within 3, 5 & 12 hours	PlannedUnplanned	% of water supply interruptions restored within 3, 5 & 12 hrs	 Where the loss of water supply is due to the shutdown of a section of water main, the water supply interruption begins when the water supply is shut off and ends when the main is fully recharged. Otherwise, the water supply interruption begins when the water supply is lost and ends when it is fully restored. 	GW does not currently collect this data, but there is capacity in our asset management system to be able to do so.
19. Water supply customer-interruptions	PlannedUnplanned	Average customer interruption frequency (PER 1000 CUSTOMERS)	• A water supply customer-interruption is a loss of water supply to an individual customer due to a water supply interruption. For example, a water supply interruption which causes loss of supply to 100 customers is 100 customer-interruptions.	GW currently collects per 1000 customers, so adjustment to 100 would be possible.

Performance indicator	Split	Units	Definition	
	•			Gippsland Water Comments
20. Customer-minutes to restore water supply	PlannedUnplanned	Average duration of water supply interruptions Average customer minutes off supply	• The total duration of all water supply customer-interruptions. For example, a water supply interruption which causes loss of supply to 100 customers and lasts for 150 minutes counts as 15,000 customer-minutes to restore water supply.	No issue for GW.
21. Customers receiving 1, 2, 3, 4, 5 & 6+ water supply interruptions in year	Unplanned Planned	Number of customers receiving 1, 2, 3, 4, 5, & 6+ interruptions in a year as % of customers	• The number of water customers experiencing more than 1, 2, 3, 4, 5, & 6+ interruptions in the 12 months ending on the final date of the reporting period.	No issue for GW.
22. Unaccounted water		% unaccounted for water	Unaccounted water is the difference between the volume of bulk water supplied and the volume of water billed to the water businesses customers.	No issue for GW.
23. Leakage			 Current annual real losses divided by the unavoidable annual real losses. Indicator should be calculated in accordance with IWA methodology. 	No issue for GW.
Sewerage network reliab	ility and efficiency			
24. Sewer blockages		Sewer blockages per 100 km of sewer main	A confirmed partial or total blockage which causes an interruption to service and/or a spill. Includes all trunk and reticulation main blockages, but excludes blockages in the service connection or house connection branch and the property drain.	No issue for GW.
25. Total minutes to respond to reported blockage/spill		Minutes	Average number of minutes to attend and assess reported blockage/spill measured from the time notification is made	No issue for GW.
26. Total time taken to repair blockage or spill		Average number of hours taken to repair a blockage/spill	Average number of hours taken to repair a blockage/spill measured from the time notification is made.	No issue for GW.
27. Customers receiving more than 1, 2, 3, 3+sewer blockages in year		Average number of customers receiving 1, 2, 3, & 3+sewerage blockages in a year as a % of customers	 The number of sewerage customers experiencing more than 3 sewerage service interruptions in the 12 months ending on the final date of the reporting period. The same customer may be counted in several successive reporting periods in respect of the same interruptions. For example, a customer experiencing 4 interruptions in one month will be counted as exceeding the 12-month threshold in that month and in each of the following eleven months. (Multiple counting will, however, be eliminated by reporting the averaged results for the year.) 	No issue for GW.

Performance indicator	Split	Units	Definition	
	•			Gippsland Water Comments
28. Sewer spills from reticulation and branch sewers	• Priority 1&2	Number	 For the purpose of this indicator, a priority one or two sewer spill is a failure to contain sewage within the sewerage system, excluding: spills from emergency relief structures (a manhole is not an emergency relief structure); pump station spills; and spills due to house connection branch blockages. Priority I spill means, a spill that results in a public health concern; significant damage to property; a discharge to a sensitive receiving environment; a discharge from a sewer pipe that is 300mm diameter or greater; or the flow is >80l/min. Priority 2 spill means any minor failure to contain sewage within the sewerage system and any spill affecting several users which results in minor property damage or results in a surcharge outside a building which does not pose a health risk.	GW experiences some issues with reporting of spills (when to go to EPA etc). Suggest there needs to be further work with the EPA to better define reporting requirments.
29. Sewer spills from reticulation and branch sewers fully contained within 5 hours	• Priority 1&2	% of sewer spills contained within 5 hrs	 A sewer spill is to be regarded as: having taken place at the time the water business becomes aware of the spill; and being fully contained when there is no longer a discharge from the containment area. Containment means the sewage spill has ceased or has been alleviated by by-pass pumping, eductions or sand bagging. 	No issue for GW.
30. Sewer spills to customer's properties		Number of spills	 A sewer spill caused by a fault in the water businesses system that discharges to a customer's property. Excludes sewer spills caused by faults in the service connection or house connection branch and the property drain. 	No issue for GW.
Customer responsivenes	s and service	1	,	1
31. Call connect time to operator		Average time taken for call to be connected to operator	 The average time taken for a caller to be connected to an operator should they elect to, or be required to do so. It does not include calls that are resolved by an automated system, or hang ups. 	No issue for GW.
32. Calls connected to operator within 30 sec		% of calls connected to operator within 30	• The time in which a call connected to operator begins when the call is connected to the customer service operators' phone system and includes time spent in a phone queue.	No issue for GW.

Performance indicator	Split	Units	Definition	
				Gippsland Water Comments
		seconds		
33. Water quality complaints	· Colour · Taste & odour · Other	Complaints as % of customers	A complaint is a written or verbal expression of dissatisfaction about an action, proposed action or failure to act by the water business, its employees or contractors. Complaints from separate customers arising from the same cause count as separate complaints.	Currently reported by WSAA and VicWater indicators as Total number per 1000 properties. For consistency in reporting terminology suggest ESC amend for consistency.
				Would be no issue in GW obtaining this info.
34. Water supply reliability complaints		Complaints as % of customers	 Includes all complaints concerning bursts, leaks, and service interruptions. When a customer reports a service interruption, this is not counted as a complaint unless the customer expresses dissatisfaction about the interruption. 	No issue for GW. ESC could consider bringing measure into line with WSAA – reported as total number per 1000 properties
35. Sewerage service	Complaints as % of	Includes all complaints concerning sewer blockages and spills.	No issue for	
quality & reliability complaints		customers	• Complaints about trade waste services are <i>not</i> included in this category.	GW.
r			• When a customer reports a blockage or spill, this is not counted as a complaint unless the customer expresses dissatisfaction about the interruption.	
36. Affordability complaints		Complaints as % of customers	• Includes all complaints concerning: financial hardship, installment plans and capacity to pay,	No issue for GW.

Performance indicator	Split	Units	Definition	
				Gippsland Water Comments
			prices and tariffs.	
37. Billing complaints		Complaint as % of customers	Includes all complaints concerning: account payment, financial loss or overcharging, billing errors.	No issue for GW.
38. Pressure complaints		Complaint as % of customers	Includes all complaints relating to pressure and/or flow rates.	Don't currently collect – would be capacity in asset management system to report this. As above, this is generally considered as a supply reliability complaint (as defined by DSE for Corp Plan).
39. Sewage odours complaints			Includes all complaints concerning sewage odors.	No issue for GW.
40. Other complaints		Complaints as % of customers	 Includes complaints of quality and timeliness of other services, e.g connections, account confidentiality, responding to correspondence, and staff behavior. Complaints about trade waste services are included in this category 	No issue for GW.
41. Property development agreements	 Prepared works Non-prepared works Prepared works turned around in 45 business days Non-prepared works turned around in 12 business days. 	 % of prepared works turned around in 45 business days % non-prepared works agreements turned around in 12 business days 	 Prepared works means an agreement between the water business and an owner for the provision of water and sewerage facilities to a proposed development requiring the construction by the water business of reticulation assets Non-prepared works means an agreement between the water business and an owner for the provision of water and sewerage facilities to a proposed development requiring the construction by the water business of reticulation assets Counting the day application received as day zero. Counted from the day that applicant satisfies all their responsibilities for application. 	Don't currently collect, but will not be an issue to obtain.
42. Information statements turned around in 3 days		% information statements applications turned	 Counting the day request received as day zero. Counted from the day that applicant satisfies all their responsibilities for statement. 	Don't currently collect. GW has a corporate KPI

Performance indicator	Split	Units	Definition	
				Gippsland Water Comments
Affordability		around within 3 days		of 5 day turnaround; therefore we have capacity to report on 3 days if required.
Alloruability				
43. Instalment plans	Domestic Non domestic	% of customers on instalment plans	 Total number of instalment plans entered into during the reporting period. An instalment plan is a written agreement between the customer and the water business stating the period over which the customer will pay by instalments, and specifying an instalment amount which will fully pay the customer's estimated use and/or arrears over that period. A verbal extension of the payment period does not constitute an instalment plan. 	No issue for GW. May need to be an amendment to the Definition as it is not clear as it is written.
44. Restrictions applied for non-payment of bill	Domestic Non-domestic	% of customers restricted	The total number of restrictions applied for non-payment of water bills in the reporting period	No issue for GW.
45. Legal action for non-payment of bill	Domestic Non-domestic	% of customers subject to legal action	The number of customer accounts forwarded to a solicitor for legal action, subjecting the customers concerned to additional costs. Cases in which accounts are forwarded to a solicitor for legal action and the legal costs to the customer are subsequently waived should be included.	No issue for GW.
46. Restriction duration (days)		% of restrictions restored within 3 days % restrictions still in place after 14 days.	 Number of restriction for non-payment that are removed within 3 days of the restriction being applied. Number of restriction for non-payment that are still in place 14 days after the restriction being applied. 	Don't currently collect, GW is currently in the process of installing a new customer information and billing system which will be able to report this information Would be available for July 1, 2005.
47. Debt levels for customer subject to		Average debt levels for customer subject	Customer debt levels are to be measured at the time action is take to recover the debt either by legal means or by the use of restriction.	Don't currently collect, GW is

Performance indicator	Split	Units	Definition	
				Gippsland Water Comments
restriction and legal action 48. Hardship grants		to restriction and legal action Number of hardship grants per 1000	 Number of assistance grant applications made under the water business's hardship policy. Number of assistance grants awarded under the water business's hardship policy. 	currently in the process of installing a new customer information and billing system which will be able to report this information Would be available for July 1, 2005. Don't currently collect, GW is
		customers and number of hardship grants awarded per 1000 customers	Number of assistance grants awarded under the water business's nardship poncy	currently in the process of installing a new customer information and billing system which will be able to report this information Would be available for July 1, 2005.
Water conservation, reu	se, recycling and environn	nent		
49. Effluent reuse	 Volume produced Volume reused for potable water substitution Raw water substitution Environmental flow 	% of effluent reused by category	 Volume reused means volume of sewage effluent reused. Volume of effluent reused means reuse undertaken in accordance with EPA published guidelines or exempted from EPA licensing on the basis of being recognised as a legitimate reuse activity. 	No issue for GW.

Performance indicator	Split	Units	Definition	
				Gippsland Water Comments
50. Biosolids reuse (tonne)	Mass producedMass reusedMass stored	% of biosolids reused	 Mass produced means the mass dry weight of sludge produced by the water business's sewage treatment plants. Mass reused means the mass dry weight of sludge reuse undertaken in accordance with EPA published guidelines or exempted from EPA licensing on the basis of being recognised as a legitimate reuse activity. Mass stored means the mass dry weight of sludge stored by, or on behalf of, the water business. 	No issue for GW.
Environmental perform	ance			
51. Sewer spills from emergency relief structures (ERS) and pumping stations	BlockageHydraulicExtreme wet weatherSystem failure		 Blockages: spills due to tree roots, grease and fats, or object within sewer; Hydraulic deficiency: spills due to storm events with an average return period less than 5 years or for regional urban water authorities, a comparable performance measure agreed with EPA; Extreme wet weather: spills due to storm events with an average return period equal to or greater than 5 years or for regional urban water authorities, a comparable performance measure agreed with EPA; 	Sewer spills from pump station can be measured, only an estimate can be taken from spills at an ERS.
52. Volume of sewage spilt from emergency relief structures (ERS) and pumping stations (Ml)	BlockageHydraulicExtreme wet weatherSystem failure	Volume of sewage spilt as a % of the volume of sewage transported.	System failure: spills due to pump station failure or sewer failure including rising mains.	Sewer spills from pump station can be measured, only an estimate can be taken from spills at an ERS.
53 . Sewage Treatment Standards		Number of analyses complying with licence agreements as % of samples	 Analyses performed means the total number of EPA license compliance analyses performed on the treated effluent for all treatment plants. Analyses complying means the number of analyses complying with EPA license limits for all treatment plants. Non-compliance means the water business has not met a quantitative standard prescribed by an EPA licence (or equivalent). 	No issue for GW.
54. CO2 Emissions	 Water treatment and supply; Sewerage treatment and management; Transport (i.e. 	Net tonnes CO2 - equivalents	 Net tonnes of CO₂ equivalent emissions for the whole business and their activities. Conversion factors to be based on those provided by the Australian Greenhouse Office (AGO) specific to the utilities location 	No issue for GW.

Performance indicator	Split	Units	Definition	T	
				Gippsland Water Comments	
	vehicles);				
	• Other (i.e. office buildings)				
55. Trade waste volume received	Industrial Commercial	% of influent volume	The aggregated volumes of trade waste received by the water business and reported separately as a percentage of treatment facility influent for customer categories of: Industrial; and -commercial customers	No issue for GW.	
56. Trade wastes priority parameter		Annual load of priority parameters	The annual loads of priority parameters for individual sewage treatment plants are reported. Priority parameters relevant to individual facilities are agreed with EPA at the beginning of the reporting period. Priority parameters are established on a prioritised, case by case basis where: the parameter poses a risk to STP compliance with EPA licence; the parameter impacts on opportunities for water recycling or biosolids recycling; or the parameter significantly exceeds domestic sewerage quality and has a potential environmental impact associated with discharge from the STP.	This is a new development under the ESC, and GW will be required to negotiate this with the EPA.	
Water Quality					
57. Standards for drinking water quality		% of population receiving water not meeting standards	 Population receiving drinking water that complies with the standard for [<i>E. coli</i> or turbidity], expressed as a proportion of population receiving drinking water from that supplier. Non-potable (regulated) supplies are excluded from calculations. "Complies with the standard" means each zone whose annual compliance results comply with the standards for <i>E. coli</i> and turbidity, then the zone is weighted for population. For Melbourne Water supplies to metropolitan businesses. 	No issue for GW.	
			Water quality test meeting requirements at interface points for: - E. coli (microbiological) - Turbidity (physical) - Aluminium (acid soluble) - Trihalomethanes - Monochloroacetic acid - Dichloroacetic acid - Trichloroacetic acid.		