

Business Planning and KPIs

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22 to 26 September 2014

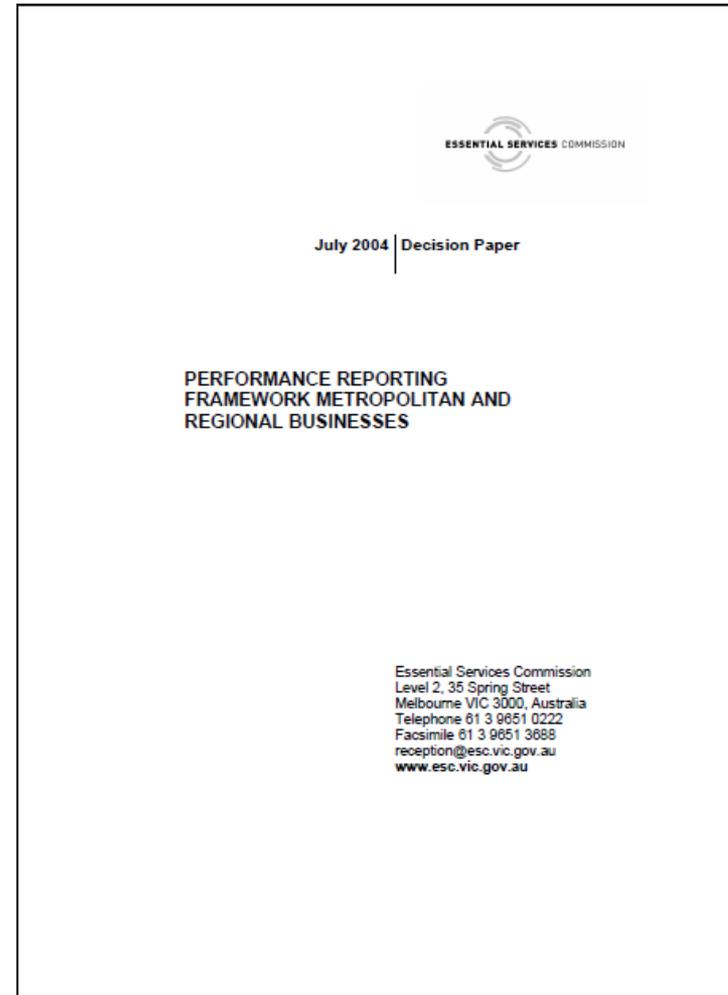
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City West Water

Performance Reporting

- Λ We are regulated by the Essential Services Commission (ESC)
- Λ The ESC is an Economic *and* Performance regulator
- Λ Performance Reporting Framework has been in place since 2004



Regulated KPIs

- Λ ESC approves our 'standards and conditions of service and supply' – i.e. regulated KPIs
- Λ Regulated KPIs are set out in the 'Customer Service Code'
- Λ CWW has 21 regulated KPIs:
 - Water supply reliability (14)
 - Sewerage service reliability (5)
 - Customer service (2)
- Λ 5 year time horizon



Water

City West Water

<i>Service standard</i>	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
Water					
Unplanned water supply interruptions (per 100km)	42.8	42.8	42.8	42.8	42.8
Average time taken to attend bursts and leaks (priority 1) (minutes)	23.2	23.2	23.2	23.2	23.2
Average time taken to attend bursts and leaks (priority 2) (minutes)	32.3	32.3	32.3	32.3	32.3
Average time taken to attend bursts and leaks (priority 3) (minutes)	209	209	209	209	209
Unplanned water supply interruptions restored within 5 hours (per cent)	95.1	95.1	95.1	95.1	95.1
Planned water supply interruptions restored within 5 hours (per cent)	95.4	95.4	95.4	95.4	95.4
Average unplanned customer minutes off water supply (minutes)	28	28	28	28	28
Average planned customer minutes off water supply (minutes)	8.4	8.4	8.4	8.4	8.4
Average frequency of unplanned water supply interruptions (number)	0.198	0.198	0.198	0.198	0.198
Average frequency of planned water supply interruptions (number)	0.06	0.06	0.06	0.06	0.06
Average duration of unplanned water supply interruptions (minutes)	140.1	140.1	140.1	140.1	140.1
Average duration of planned water supply interruptions (minutes)	137.4	137.4	137.4	137.4	137.4
Number of customers experiencing more than 5 unplanned water supply interruptions in the year (number)	0	0	0	0	0
Unaccounted for water (per cent)	8.6	8.6	8.6	8.6	8.6



Sewerage, Customer

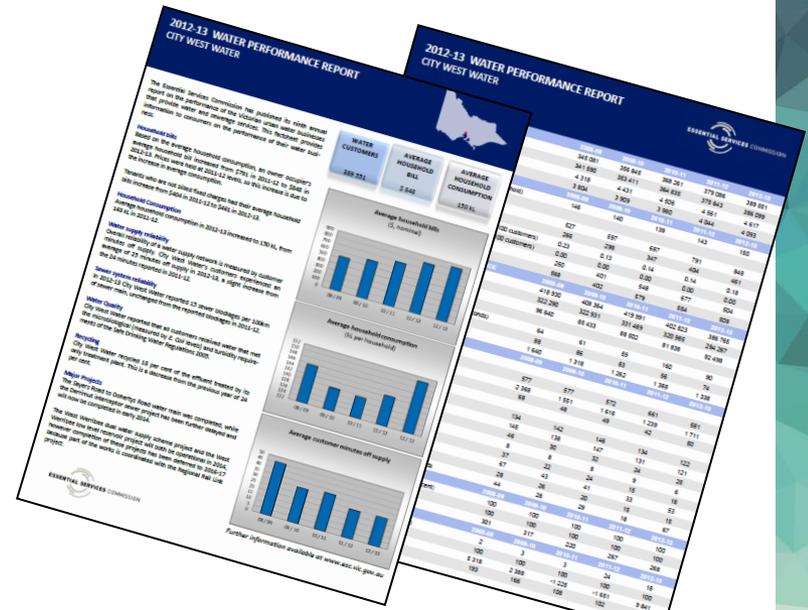
City West Water

<i>Service standard</i>	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
Sewerage					
Sewerage blockages (per 100km)	23.8	23.8	23.8	23.8	23.8
Average time to attend sewer spills and blockages (minutes)	27.5	27.5	27.5	27.5	27.5
Average time to rectify a sewer blockage (minutes)	126.1	126.1	126.1	126.1	126.1
Spills contained within 5 hours (per cent)	100	100	100	100	100
Customers receiving more than 3 sewer blockages in the year (number)	0	0	0	0	0
Customer Service					
Complaints to EWOV (per 1000 customers)	0.56	0.56	0.56	0.56	0.56
Telephone calls answered within 30 seconds (per cent)	80.6	80.6	80.6	80.6	80.6



Performance reporting Framework

- Λ Water businesses report KPI data annually
- Λ Performance data is independently audited
- Λ The ESC prepares and publishes:
 - Annual Statewide performance report
 - A summary document for each business



Guaranteed Service Level (GSL) Scheme

- ^ CWW has an ESC approved “GSL” Scheme
- ^ Payments made to customers when approved service levels are not met
- ^ We have 7 indicators under the scheme
- ^ Payments to customers are automatic

Guarantee



CWW GSLs

City West Water

<i>Approved service level obligation</i>	<i>Approved payment (\$)</i>
Unplanned water interruption restored within 5 hours of notification	50
No more than 5 unplanned water interruptions within any 12 month period	50
No more than 3 sewerage interruptions within any 12 month period	50
Sewerage interruptions restored within 5 hours	50
Sewage spill contained within 5 hours of notification	1000
Sewage spill in a house, caused by the business or a failure of the business' system(s), contained within 1 hour of notification	1000
Not restricting the water supply of, or taking legal action against, a residential customer prior to taking reasonable endeavours (as defined by the Essential Services Commission) to contact the customer and provide information about help that is available if the customer is experiencing difficulties paying	300

Who we report to

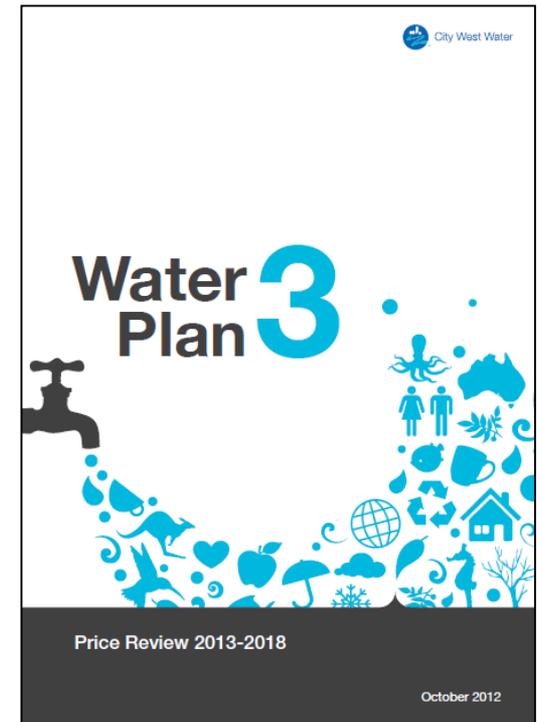
∧ In addition to the ESC, we report data to:

- Australian Bureau of Statistics
- Department of Primary Industries and Environment
- Department of Treasury and Finance
- Bureau of Meteorology
- National Water Commission
- State Parliament (annual report)



Water Planning

- Λ The ESC regulates our expenditure and prices
- Λ 5 yearly 'Water Plans' set out our proposed levels of service and expenditure to deliver those services
 - Includes proposed KPIs
- Λ We undertake extensive consultation



Water Planning

- Λ Relationship between cost to serve and level of service
- Λ Key concern is to optimize quality of service and cost to serve
- Λ We aim to maintain the same level of service at lower cost
- Λ We seek efficiencies where ever we can



Water Plan Consultation

△ Consultation Draft Water Plan 2012:

“Increasing our current level in service would add extra cost to the business which would be passed onto our customers in increased prices.

Rather than do this, our objective is to keep the level of service the same and focus on improving efficiency to keep our costs and hence prices as low as possible.”



Business Planning & KPIs

- ^ 5 Yearly Water Plan
- ^ Annual Corporate Plan with targets:
 - Regulated KPIs
 - Other business KPIs
 - Financial targets
- ^ CWW departmental budgets
- ^ Data collection and reporting



KPIs



Monthly Reporting of Performance

WHAT

- Selected measures in business areas of importance
- Operational Performance
- Customer Service Level Breaches
- Health and EPA Licence compliance
- Explanatory Notes for adverse performance



Key Financials
Water Services
Interruptions/100km
Response times
Interruption times
Non-Revenue Water
Sewerage Services
Blockages/100km
Response times
Spill containment
Customer Services
Call answering times
Complaints
Water Quality
OH&S
EPA Licences

HOW

- Performance against targets
- ESC (Essential Services Commission) agreed Water Plan targets
- CWW targets and tolerable over-target limits
- Colour coding for quick appreciation

WHEN

- Monthly, Quarterly and Annual
- Performance is reported as this month or YTD
- For the same period last year

Auditable



City West Water

Monthly Reporting of Performance

SECTION 1

BUSINESS OVERVIEW

2013-14 YTD Actual	KEY FINANCIAL RESULTS	YTD Actual	YTD Budget	Corporate Plan Target 2014-15
15.7	Gross Margin (\$m) (Operating revenue less bulk charges and environmental contributions)	10.0	11.2	202.1
3.4	Profit Before Tax (\$m)	(2.0)	(2.4)	33.6
0.4	Return on Equity (%)	(0.4)	(0.5)	3.3
58.0	Gearing - Debt/(Debt + Equity) (%)	58.4	60.6	61.2
2.2	Interest Cover (profit) (times)	0.6	0.6	1.5
7.8	Operating Costs (\$m)	7.6	8.6	103.8
7.3	Capital Expenditure (\$m)	4.7	6.8	105.0
2,360	Debt > 90 days (\$ '000)	3,806	3,900	3,600

✓ = Favourable against Target.

✗ = Unfavourable against Target.

2013-14 YTD Actual	ESC REGULATED STANDARDS - Approved Service Standards	YTD Actual	ESC Target	CWW Target	Status
	Water				
3.2	Unplanned water supply interruptions (per 100km) (w)	2.2	3.3	4.2	✓
18.4	Average time taken to attend bursts and leaks (priority 1) (min) (w)	18.9	23.2	24.5	✓
26.6	Average time taken to attend bursts and leaks (priority 2) (min) (w)	28.7	32.3	36.7	✓
152.6	Average time taken to attend bursts and leaks (priority 3) (min) (w)	151.7	209.0	313.8	✓
98.7	Unplanned water supply interruptions restored within 5 hours (%) (w)	100.0	95.1	95.3	✓
100.0	Planned water supply interruptions restored within 5 hours (%)	98.9	95.4	93.2	✓
1.4	Average unplanned customer minutes off water supply (min) (w)	1.0	2.3	2.9	✓
0.9	Average planned customer minutes off water supply (min)	0.2	0.7	0.8	✓
0.012	Average frequency of unplanned water supply interruptions (number) (w)	0.009	0.016	0.023	✓
0.007	Average frequency of planned water supply interruptions (number)	0.001	0.005	0.006	✓
114.1	Average duration of unplanned water supply interruptions (min) (w)	113.6	140.1	131.9	✓
136.4	Average duration of planned water supply interruptions (min)	135.1	137.4	144.7	✓
0	No. cust. experiencing >5 unplanned water supply interruptions in a yr (w)	0	0	72	✓
9.2	Unaccounted for water (%) (w)	9.3	8.6	9.7	✓
	Sewerage				
1.9	Sewer blockages per 100km (w)	1.4	2.2	2.4	✓
24.3	Average time to attend sewer spills and blockages (min)	23.6	27.5	28.0	✓
121.9	Average time to rectify a sewer blockage (min)	125.5	126.1	136.2	✓
100.0	Spills contained within 5 hours (%)	100.0	100.0	100.0	✓
0	Number of customers receiving more than 3 sewer blockages in a year	0	0	0	✓
	Customer Service				
0.059	Complaints to EWOV (per 1,000 customers)	0.047	0.045	0.045	✗
91.2	Telephone calls to Contact Centre answered within 30 seconds (%)	86.2	80.6	80.6	✓
91.9	Telephone calls to CAMS answered within 30 seconds (%)	94.2	80.6	80.6	✓

2013-14 YTD Actual	ESC REGULATED STANDARDS - Additional Service Standards	YTD Actual	ESC Target	CWW Target	Status
100.0	Priority 1 bursts responded to within 1 hour (%) (w)	100.0	99.9	100.0	✓
0.6	Average time to rectify water faults (days) (w)	0.7	0.9	1.1	✓
3.4	Water main breaks (per 100km) (w)	3.3	3.7	4.6	✓
99.3	Interruptions to sewerage services restored within five hours (%)	100.0	97.4	97.0	✓
100.0	Sewer spills within a house contained within one hour of notification (%)	100.0	100.0	100.0	✓
92.1	Telephone calls to OCC answered within 30 seconds (%)	93.7	92.9	91.7	✓
100.0	Customer correspondence responded to within 10 working days (%)	100.0	100.0	100.0	✓
0.03	Sewer spills per 1000 properties (w)	0.06	0.07	0.12	✓
0.018	Water quality complaints (per 1,000 customers)	0.037	0.069	0.093	✓
2013-14 YTD Actual	BUSINESS STANDARDS	YTD Actual	ESC Target	CWW Target	Status
1	Number of customers receiving 3 sewer blockages in a year (w)	0	n/a	21	✓
0	No. cust. receiving 5 unplanned water supply interruptions in a year (w)	0	n/a	369	✓
100.0	Response to sewer spills (% within 1 hour)	100.0	n/a	100.0	✓
0	Spills due to pump station equipment failure (No.)	0	n/a	0	✓
1.17	Non-food waste customers non-compliant with trade waste agreements (%)	1.01	n/a	≤ 2.0	✓
0	Lost time injuries (No.)	0	n/a	0	✓
0.08	Uncofited leave	0.11	n/a	0.08	✗
100.0	ATP Compliance with EPA Licence discharge quality limits (%)	100.0	n/a	100.0	✓
2013-14 YTD Actual	SAFE DRINKING WATER STANDARDS	YTD Actual	ESC Target	CWW Target	Status
	Microbiological				
100.0	E. coli less than 1 organism per 100ml (%)	100.0	n/a	98.0	✓
	Disinfection by-products				
100.0	Chloroacetic acid ≤ 0.15mg/L drinking water (%)	100.0	n/a	100.0	✓
100.0	Dichloroacetic acid ≤ 0.10mg/L drinking water (%)	100.0	n/a	100.0	✓
100.0	Trichloroacetic acid ≤ 0.10mg/L drinking water (%)	100.0	n/a	100.0	✓
100.0	Trihalomethanes ≤ 0.25mg/L drinking water (%)	100.0	n/a	100.0	✓
	Aluminium based chemicals				
100.0	Aluminium ≤ 0.2 mg/L drinking water (acid soluble)	100.0	n/a	100.0	✓
	Other parameters				
100.0	Turbidity (95%ile of mean ≤ 5.0 NTU)	100.0	n/a	100.0	✓
2013-14 YTD Actual	RECYCLED WATER TARGETS - CLASS A Western Treatment Plant	YTD Actual	ESC Target	CWW Target	Status
100.0	Compliance with class A water quality targets (%) (Complied with 4/4 parameters)	n/a (offline)	n/a	100.0	✓
2013-14 YTD Actual	RECYCLED WATER TARGETS - CLASS B Sunshine Golf Club Treatment Plant	YTD Actual	ESC Target	CWW Target	Status
n/a (offline)	Compliance with class B EIP water quality targets (%) (Complied with 4/4 parameters)	n/a (offline)	n/a	100.0	✓

Legend:

✓	Within ESC target, CWW target and CWW range
✓	Within ESC target, within CWW range, outside the CWW target
✓	Outside ESC target, within CWW target and CWW range
✓	Outside ESC target and CWW target, within CWW range
✓	Within ESC target, outside CWW target and CWW range
✗	Outside ESC target, CWW target and CWW range
(w)	weather dependent KPI
o/l	offline



Monthly Reporting of Performance

SECTION 1

BUSINESS OVERVIEW

KEY FINANCIAL RESULTS

Gross margin

Gross margin was lower than expected due mainly to lower than expected sewage disposal charge revenue (from an over-accrual) as well as higher than expected bulk water purchased and bulk sewage discharged in July. This was partly offset by higher than expected water usage revenue and trade waste revenue.

Return on equity

While return on equity is above in July, it is forecast to be slightly lower than budget at year end due mainly to the revaluation increment associated with CWW's infrastructure assets as at 30 June 2014. Budget for 2014/15 was set prior to the finalisation of the revaluation.

ESC REGULATED STANDARDS – Approved Service Standards

Complaints to EWOV (per 1,000 customers)

EWOV complaints are those raised when customers are dissatisfied with City West Water's service. Assisted referrals which are approximately 90% of all EWOV complaints are those where a customer has alleged to have contacted CWW and is not satisfied with our response. EWOV refers the customer back to us for the chance to resolve the issue.

The top three reasons for complaints are:

- 1.) Policies and procedures – e.g. a customer not happy with a CWW process that would have been advised or followed during the customer's previous interactions with CWW.
- 2.) Metering – e.g. a customer disputing metering information.
- 3.) Charges and fees – e.g. a customer disputing service charges.

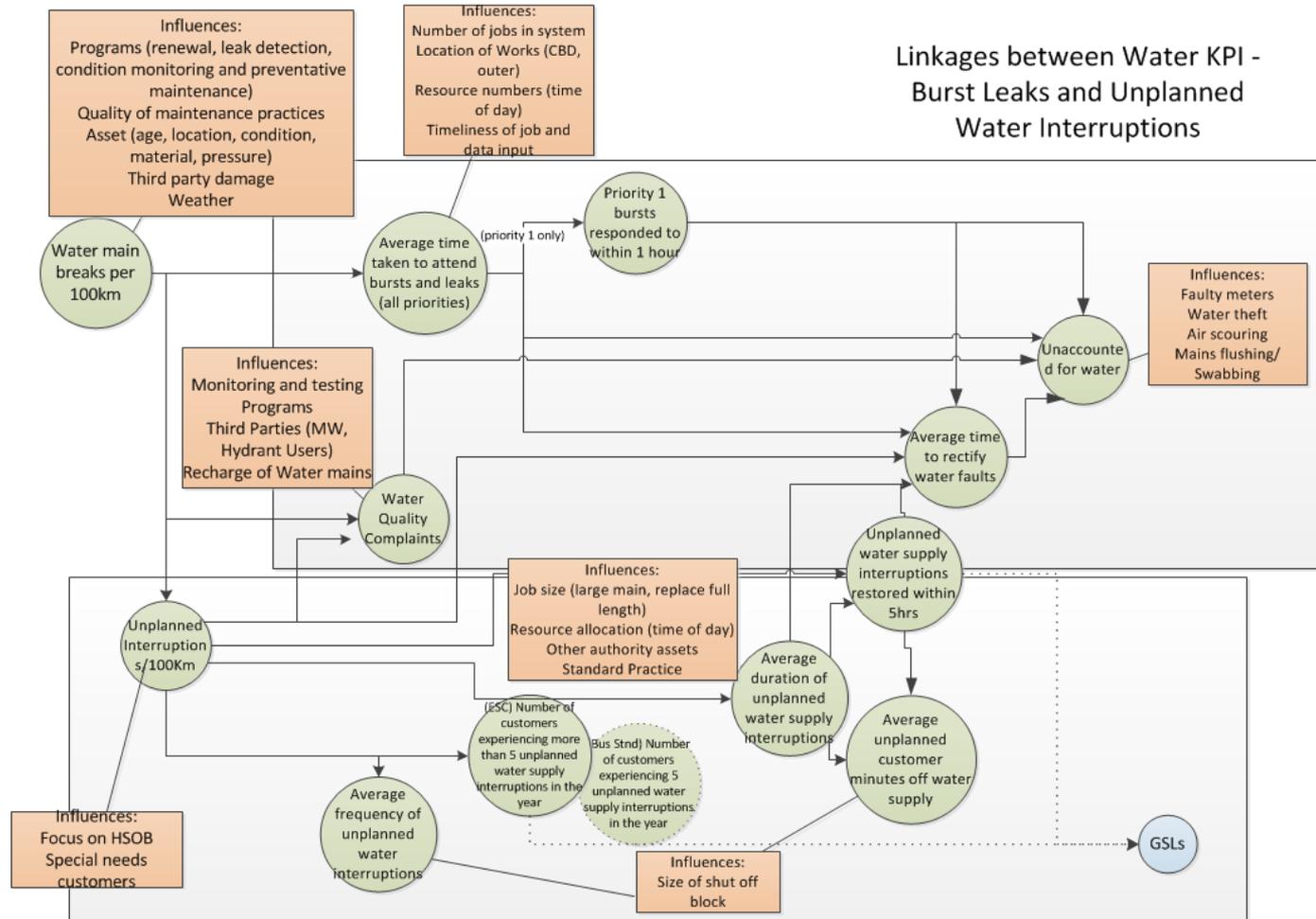
BUSINESS STANDARDS

Uncertificated leave

The number of sick leave days per employee without certificate for July is slightly over target. People Strategy and Change will continue to work with relevant managers and departments to monitor this target.

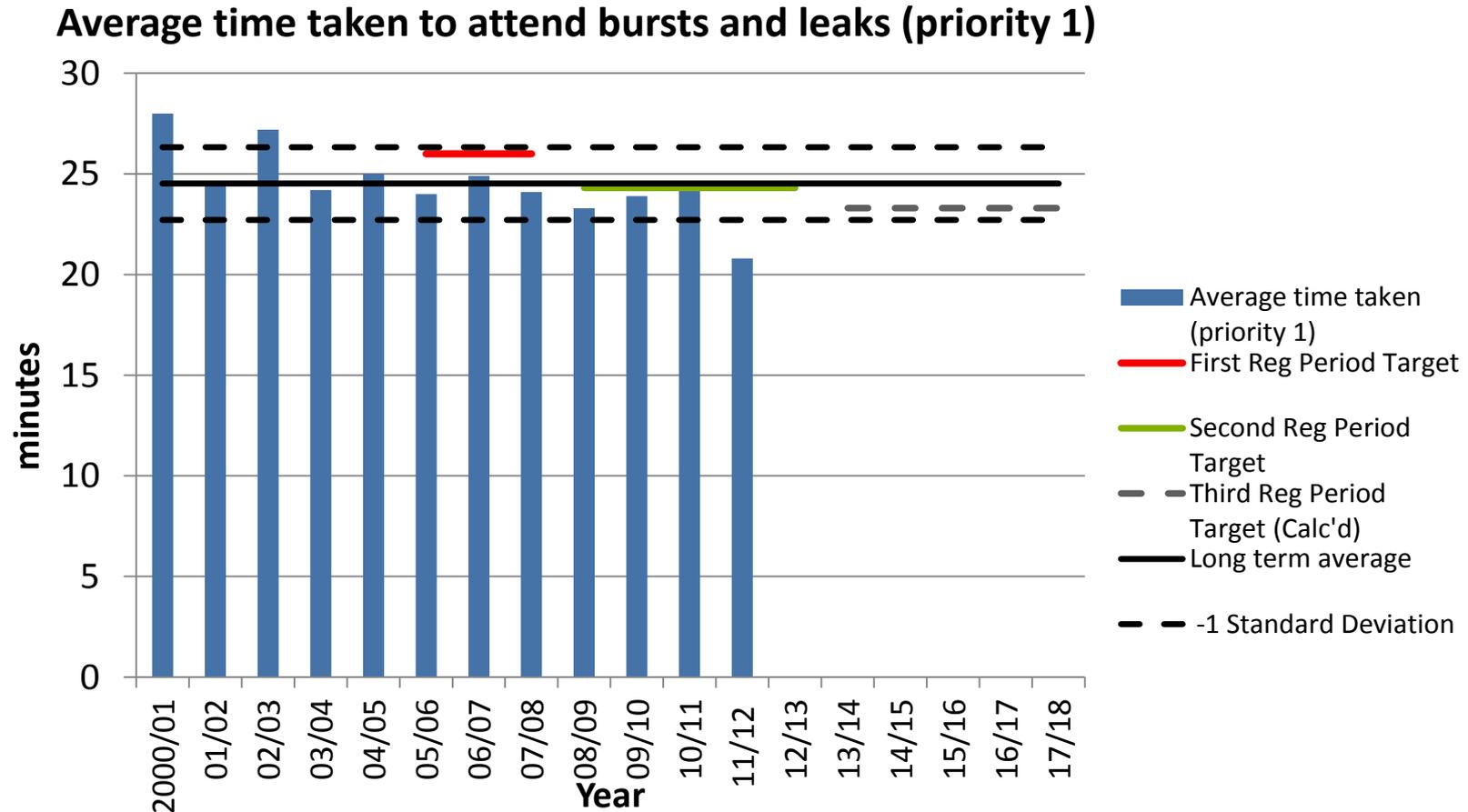


KPI's focus business activity, resourcing and performance



Setting Targets

ESC – targets set for each Water Plan & used for each year of the Water Plan
CWW-target and Tolerance – set annually based on long term average; sometimes there is a need to argue against the calculated value



Collecting data for reporting



Collecting data for reporting

Job details captured into Focus

634062

Main Notes Work Orders Related SRs Additional Callers Workflow Hist.

Print SR No. 634062 Hansen No. 864038

Unit # Street # Street Name Type Description
/ 25 PEARL ST burst in n/strip

Suburb / Town NIDDRIE Postcode 3042
water 3.00 offset
gas 2.1 opp side to water

Other Location
Melways Ref 28A2 Municipality MOON

Property Validate **Property validated** Reported SR Type BURST Burst Water Main
GIS Assessed SR Type BURST Burst Water Main

Customer ID 12181404110 Property ID 1814041 Project Code E1461 R - Repair Bur
Sensitivity Level Type SR Date / Time 5/08/2014 4:46:53 A
Parent SR Group Name

Workflow

Response Priority 1 (1 Hour) Assigned To Closed Jobs

Expected Resp. Time 5/08/2014 5:46:53 AM Actual Resp. Time 5/08/2014 5:05:28 AM

Expected Resol. Time 5/08/2014 9:46:53 AM Actual Resol. Time 5/08/2014 10:46:20 AM

Due Time 5/08/2014 5:46:53 AM Event Closed
Exp. Time in Event

634062

Main Notes Work Orders Related SRs Additional Callers **Workflow Hist.**
Questionnaires **Event Hist** Assign Hist Audit Hist

Total items: 15

Event	Actual Date ^	Due Date	Created By
Dispatched	5/08/2014 04:47:35 AM		cooleyc1
Accepted	5/08/2014 04:50:54 AM		trevord1
En Route	5/08/2014 04:51:03 AM		trevord1
On Site	5/08/2014 05:05:28 AM		trevord1
Assessed	5/08/2014 05:14:21 AM		trevord1
Dispatched	5/08/2014 05:21:01 AM		cooleyc1

Event
Field Unit Lat Long Live

Actual Event Date / Time
Time Due

Team

Note

Job activity date times capture

Collecting data for reporting

Reports from Focus are available through CWW's intranet, *The Tank*.

The screenshot shows the 'The Tank' intranet interface. On the left is a navigation menu with categories like 'Engineering Overview', 'Office of the General Manager', 'Alternative Water Operations', etc. The main area is titled 'Report Explorer' and shows a list of reports under 'Home > OCC Month End Reporting'. One report, 'CWWRPT007 Bursts And Leaks', is highlighted. A 'Report Viewer' window is open, displaying the 'City West Water Customer Contract & Water Performance Report' for the period '01 Aug 2014 to 31 Aug 2014'. The report includes a table of KPIs and a 'Bursts And Leaks Summary Data' table.

City West Water Customer Contract & Water Performance Report
 01 Aug 2014 to 31 Aug 2014
 All Data 12 Sep 2014

KPI's	Response	Repaired
Priority 1	26.3	720
Priority 2	42	1440
Priority 3	357.9	7200

Bursts And Leaks Summary Data

Priority	No# Jobs	No Jobs With Exceptions	Jobs With Response Achieved	Response Total Minutes	Response Average Minutes	Repaired Total Minutes	Repaired Average Minutes	Repaired in 0 - 12 Hours	Repaired in 0 - 24 Hours	Repaired in 0 - 120 Hours
1	23	13	13	719.36	31.28	10995.89	478.08	19	22	23
2	18	8	12	674.38	37.47	7089.26	393.85	17	17	18
3	80	25	61	21590.59	269.88	150776.22	1884.70	22	34	80

Breakdown of Bursts & Leaks

	No# Jobs
Leak	70
Bursts	51

Report data is transferred to management reports.

Developing new KPIs

Draft Discussion Paper on Energy and Greenhouse Gas KPI inclusion in the Melbourne Metropolitan Framework Submission by the IWA Energy & Greenhouse Special Interest Group

Introduction

The Victorian Water Energy and Greenhouse Special Interest Group (Energy SIG) supports the inclusion of a suite of energy related Key Performance Indicators (KPIs) in Melbourne's Metropolitan Framework. The Energy SIG has representation of energy and greenhouse specialists from 13 Victorian Water Utilities and meets bi-annually.

For a number of years the Energy SIG has been pursuing opportunities to measure and manage energy and greenhouse gas emissions, and has developed a number of learnings relevant to a KPI metric. Notably, preferred KPI metrics depend on the intended purpose of the KPI. The Energy SIG proposes either a "top down" or "bottom up" KPI and discusses benefits and limitations of each in this discussion paper.

Urban water use indirectly influences 13% of Australia's electricity and 18% of Australia's natural gas use, corresponding to 9% of greenhouse gas emissions (Kenway 2011). Energy KPI development will facilitate management of this nexus, which presents both opportunities to capitalise on measures which improve water and energy use simultaneously, as well as challenges to avoid problem shifting between water and energy (PMSEIC (2010)).



Developing new KPIs

Why: In response to a change in business conditions.
Consider a KPI on Energy Consumption.

- Higher energy tariff
- Higher consumption
- Climate Change initiatives

Research

What are our peers doing?

What are similar industries doing?

Developing Measures

What makes sense to measure?

What would be the “over-time” impact on the measure?

How would we make the measure time-independent?

Could energy sources change?

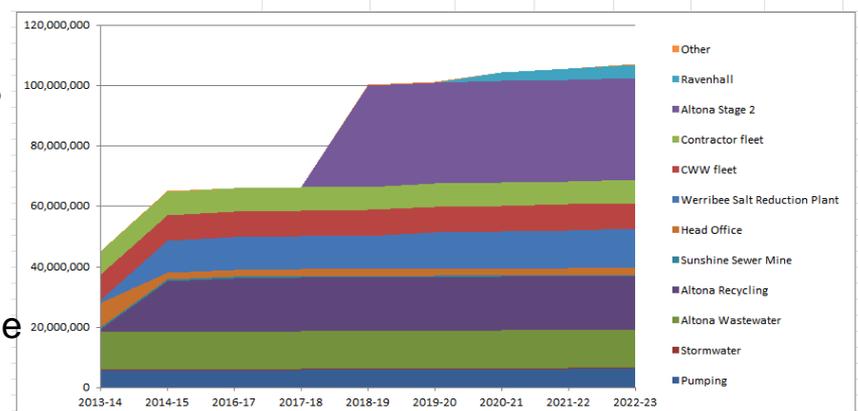
Consider/Propose

A measure based on energy equivalent units per volume
for each total end-use group

Energy generated as proportion of energy consumed

Can it be measured?

What systems are required to capture, store and report



Thank You



City West Water