

Introduction to the Performance Reporting Framework

Service providers in Queensland face significant challenges in delivering water and sewerage services. These challenges include impacts arising from climate, financial pressures, staff capacity and capability and population growth. It is essential that service providers invest in sound strategic and financial planning to ensure the delivery of safe and efficient delivery of services in this challenging environment. Public reporting is a powerful incentive for industry to maintain and improve performance.

Why have a performance reporting framework?

- Performance reporting frameworks provide a mechanism to drive continuous performance improvement of service providers with the aim of improving the quality and efficiency of services to Queensland customers.
- The performance reporting framework will provide information on financial sustainability, infrastructure investment and maintenance, customer complaints, water supply security and demand management.

What will it achieve?

- Improved openness will allow access to information for customers
- Service provider performance and industry challenges will be better understood by the State Government, allowing for targeted support programs
- Assists regulators to create incentives for better performance by targeting areas that represents a high risk to customers

Benefits for service providers?

- The ability to benchmark against similar providers. Benchmarking information is useful in that it assists service providers to target areas for improvement and budget appropriately.
- It also allows provider to identify performance outliers – ‘low performing areas or schemes’ for improvement
- The framework can improve collaboration between service providers and potentially reduce costs by sharing learnings and resources.
- The framework can improve customer service by keeping customers informed about their service and identifying target areas for providing public information

Benefits for customers?

- The framework provides a mechanism for accountability of service providers to their customers
- The framework will provide customers with access to information about their water and sewerage services and allow customers to compare their service to others in Queensland
- The kind of information available will include billing, customer complaints,
- Customers can use this information to engage with their service provider and make informed decisions about the kind of service they desire and the associated costs.

Where has this been done before and what were the effects?

Performance monitoring and public benchmarking have become widely accepted management tools in fostering improved performance in public utilities. They are used in Australian jurisdictions and internationally, and are strongly endorsed by other regulators. Annual public performance reporting reflects industry best practice and has been shown to provide an incentive to improve services. A summary of the framework used in New South Wales is provided below

NSW Office of Water

NSW has 105 local water utilities (excluding Sydney Water and Hunter Water). Ninety-six provide water services and 99 provide sewerage services. These utilities provide water for 1.81 million people and sewerage for 1.69 million people. Water is supplied through 834 000 connections with a total demand of 297 000ML per year. Water utilities in NSW are required to undertake annual performance monitoring under the NSW Best Practice Management of Water Supply and Sewerage Framework (the Framework). Each year since 1986 the NSW Office of Water has released a Water Supply and Sewerage Performance Monitoring Report and a Water Supply and Sewerage Benchmarking Report, based on the information provided under the Framework. The 2012/13 Performance Monitoring Report found that:

- 92% have sound strategic business and financial plans
- All utilities now achieve full cost recovery for water and 96% for sewerage
- The median typical residential bill has increased by only 12% over the last 18 years and is lower than all other states and capital cities except Melbourne

The average annual residential water supply is 166kL per property which is 50% lower

than in 1991. This trend is attributed to strong pay-for-use water pricing and implementation of demand management measures by utilities

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