



## Attachment 4

### Customer outcomes and performance measures

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# Introduction to a scorecard 2025-2030

## Developing a scorecard for measuring the progress of delivering on the outcomes

In May and July 2024 Water Working Group participants and Customer Advisory Group (CAG) members were asked to provide feedback on how WaterNSW should measure its performance and report back to customers, stakeholders and the community. For ease of discussion, a straw person scorecard with component activities, possible measurements and metrics was presented for each outcome, as a starting point. The groups broadly agreed with much of the strawman, with some additions and important changes in data incorporated.

There was detailed discussion of the strawman activities with the Water Working Groups and CAGs. The activities below were agreed with customers, stakeholders and the community as the components of reporting they would like to see on reaching our performance measures. In the main, the performance measure arising from each outcome necessarily relate to customer perception. That is, we need to ask our customers if they think that, for example on Outcome 1, WaterNSW is doing what it can to keep costs low.

As a key guiding principle, participants noted across several discussions that creating the scorecard, including collating of the information, should not create an additional cost burden on WaterNSW. They suggested that WaterNSW use, wherever possible, the data they already have. As a result, Water NSW has checked that the metrics in the scorecard below will be captured and reported for a range of purposes, including Performance Standards in our Operating Licence. Secondly, all groups indicated caution with satisfaction surveys - customers are at a point of saturation, so this technique will be used thoughtfully.

## A commitment to communicating WaterNSW performance

The Water Working Groups and the CAGS examined how the information on the scorecard would be provided to WaterNSW stakeholders. Customers felt they were not currently receiving as much financial data and information as they had in the past. The approach to transparency and information provided by WaterNSW as part of this consultation process more strongly aligns with their preferences. In particular, CAG members stated they feel an increase in valley specific information is welcome and relevant to their business needs. They also encouraged information being available through a variety of channels. The use of audio files or simple homemade video explanations for reporting purposes is also useful to customers (a trial of this in the Water Working Groups was positively received).

The principles they wanted to see were:

- The scorecard or number of metrics should not create a cost burden or onerous reporting.
- It is clearer for customers when WaterNSW notes the exceptions in its reporting, where construction milestones have not been achieved or where a negative financial event has occurred.
- Clearly identify where reporting will be posted, the WaterNSW website should be the starting point
- Customer reporting will be in an easy to understand format (easy to navigate, simple, plain English) and provided through multiple channels eg to Customer Advisory Groups, newsletters, website.
- Put the information in a simple email/newsletter message to all customers and stakeholders.
- A simple format dashboard - in areas with poor internet fancy graphics make it hard to download.
- Report on significant issues that will affect the 2025-2030 period (that we don't know about now).
- What is important is that an efficient number of metrics provide customers and community reassurance about progress on the outcomes.

# The Priority Outcomes for 2025-2030













Outcomes to be achieved in 2025-2030 were derived from more than 2,500 conversations:

- wider customer and community engagement, and online surveys
- the 128 outcomes nominated by the Customer Advisory Groups (Phase 2 report)
- initial discussions with the Water Working Groups about future opportunities, and issues to resolve, and in addition
- feedback from customers through a variety of avenues in the years leading to this consultation.

A number of measures are Performance Standards in our Operating Licence. Where this is the case, we have represented this below with an (OL) marker.

**There was strong alignment in most conversations from all stakeholder groups about the strongest, or priority outcomes.** These outcomes achieve a range of services and activities to support the needs of the environment, customer and community, as outlined in the 3Cs. The matrix below indicates which outcomes can be attributed to delivering a focus on customers value, provide benefits to the community or have strong environmental objectives. Most outcomes relate to more than one, and some to all.

In summary these are:

Outcome	Customer	Environment	Community
<b>Outcome 1</b> WaterNSW to maintain downward pressure on costs to support customer affordability			
<b>Outcome 2</b> WaterNSW will provide secure and reliable water delivery			
<b>Outcome 3</b> WaterNSW will be open and transparent (about customer charges and WaterNSW expenditure)			
<b>Outcome 4</b> WaterNSW will drive sustainable water and land management			
<b>Outcome 5</b> WaterNSW will provide customer and community access to data and information			
<b>Outcome 6</b> WaterNSW will provide good customer experiences (enabling our customers to run their businesses)			

## Outcome 1 – WaterNSW to maintain downward pressure on costs to support customer affordability

### What is this outcome about?

WaterNSW is vigilant with its costs and revenue to slow the increase in customer bills through prudent planning, efficiency measures, investments, and finding other sources of revenue. It is concerned about supporting the ability of smaller farms to operate, creating regional community diversity and a diversity of produce.

WaterNSW commenced a cost transformation program in the lead up to the price proposal process. This wide-ranging outcome was then supported by many of WaterNSW's investment proposals, and the levels of service selected during customer and community deliberations during consultation, seeking to drive efficiencies in WaterNSW's business operations which reduce the rate of cost increases to customers, over time.

This outcome covers improved transparency of costs and pricing, rethinking cost sharing, and tariffs. Reforms to pricing structures are aimed at assisting WaterNSW's cost recovery requirements, while also being at the heart of the challenges many customers face. Acknowledging that WaterNSW must do as much as it can to relieve the cost pressures on customers, sharing information about the efficiencies gained across the business will be critical for many smaller customers.

These metrics will allow us to be transparent with all customers about what is driving costs in their valley.

### Agreed activities to support achievement of this outcome:

- Report on our financial performance against the IPART determined regulatory outcomes, on a valley specific basis, on the following areas:
  - Operating expenditure each year.
  - Capital expenditure each year, including highlighting any variability from allocations.
  - Material changes to plans for capital projects by valley, and how we have pro-actively engaged with customers on major expenditure charges prior to finalising decisions, to keep them informed.
- Information for customers in hardship is clearly displayed and readily available.

### Our performance measures:

- Report on our performance against the efficiency targets proposed by WaterNSW (i.e. 1% compounding operating cost savings per annum).

## Outcome 2 – WaterNSW will provide secure and reliable water delivery

### What is this outcome about?

WaterNSW makes its management systems more robust, both physically and digitally, to ensure its essential water delivery functions are guaranteed. This outcome is supported by wide ranging investments to maintain and improve water delivery systems, data management, worker safety and cybersecurity to enable water to be delivered when and where it is needed, reliably.

Assurance of the delivery of allocations, an understanding of the delivery rules, accurate and flexible metering, and the costs involved with delivery and infrastructure are primary components of this outcome, which were discussed and agreed with customers. These are the core operational concerns regarding WaterNSW as a deliverer of water.

### Our performance measures:

#### Metrics regarding releasing water

- Meet the target to release 99% of customers' water orders within one day of the scheduled day of release. (OL)
- Meet the target to reschedule 100% of water orders in consultation with an affected customer within one day.
- Report operational water losses by valley (in both volumes and percentages). We aim for no more than 3% operational water losses. (OL)
- Service interruption target is met with 95% of affected rural valley customers notified no less than 7 days before Water NSW ceases to, or becomes unable to, release water. (OL)
- Avoid 100% of water quality incidents (non-compliance with our water quality management system) for all raw water supplied for the final end use as drinking water. (OL)
- Report on the progress against delivery of the maintenance plan – a simple progress metric/ traffic light, by valley.

### Our performance measures:

#### Metrics regarding interruptions to water supply to customers

- For direct water supply services (e.g. Fish River and Sydney Water)
  - Notify affected customers of 100% of planned service interruptions, e.g. asset maintenance, at least 7 days before commencement of the interruption. (OL)
  - Notify affected customers for 95% of unplanned service interruptions of the expected rectification time within 24 hours of WaterNSW becoming aware that an interruption has occurred. (OL)
  - Notify customers before rectification time finishes, if works will be longer.
- Meet our legislative obligations for cyber protection of data and critical infrastructure annually.

### Our performance measures:

#### Metrics regarding water conservation

- Implement actions according to the Drought Contingency Plans for each valley to conserve water if in drought.
- WaterNSW to develop a website page with a traffic light dashboard to show that these targets have been met, met in part (%), or not met.

## Outcome 3 – WaterNSW will be open and transparent (about customer charges and WaterNSW expenditure)

### What is this outcome about?

Customers expect transparency of costs and pricing on their bills; so too customers expect WaterNSW to be transparent about investment costs in the system that are funded by customer charges. WaterNSW will be transparent in itemising bills and providing clear information on pass-through charges. We will also be transparent about our future plans and expenditures so our customers can understand how customer charges are spent and better plan their bills and operations.

WaterNSW will improve transparency in financial and operational information in ways that provide useful oversight of where customers' money goes. This is supported by more robust expenditure reporting and itemised bills.

### Agreed activities to support achievement of this outcome (expenditure)

Financial performance is reported annually to customers and will include:

- Reporting by valley, and against budget allocations.
- Categorisation by expenditure type.
- Capital reporting by project and profitability, including major capital project cost variations and reasons why by revenue type, including grants and any Australian Government funding
- Annual dividend paid to the NSW Government.
- Forward plans will be provided on capital projects, identifying where significant valley specific maintenance projects need to be implemented.

### Agreed activities to support achievement of this outcome (customer charges)

- Customer charges are itemised in every bill
- Customer charges are reported annually to show customers how their fees are spent.

### Our performance measures:

- Survey CAG members and their organisation members annually in each valley to determine their satisfaction levels of financial reporting and whether they perceive WaterNSW has been open and transparent regarding customer charges and expenditure.

## Outcome 4 – WaterNSW will drive sustainable water and land management

### What is this outcome about?

WaterNSW is a good neighbour and acts responsibly with respect to renewable energy investments, environmental flows, First Nations commitments and stewardship of its lands and water. Ranging from drought management and planning to recovery from flood events, sustainable water and land management encompasses the preservation of quality water for customers, the community and the environment.

Water quality is critical to this outcome. This outcome led to investments in bolstering land-based pest and weed management, and bushfire management on WaterNSW lands, to investments in renewables that work towards WaterNSW's net zero by 2050 commitments.

### Activity towards achieving this outcome:

WaterNSW is currently in the process of completing an assessment of its managed lands. The assessment will be completed in early 2025 and a land management program will be developed and will set baseline data and appropriate targets year on year for delivery from July 2025.

### Agreed activities to support achievement of this outcome

- Publish, and report on implementation progress of the 2025-2030 WaterNSW land management plan, once metrics defined.
  - Provide metrics against targets (to be set) on the hectares of land treated for pests/weeds annually, and for what issue.
- Report on targets set in our climate adaptation plan, including land secured for biodiversity and carbon sequestration.
- In partnership with the Environmental Water Holder, provide transparency of environmental water utilisation by valley

**NOTE:** Once targets have been set following the development of the WaterNSW land management plan, reporting will be identified by valley, where possible.

### Our performance measure:

- Once program, baseline and targets are set, report via traffic light dashboard to show that program target have been met, met in part (%), or not met. This information will be made publicly available through a variety of channels.



## Outcome 5 – WaterNSW will provide customer and community access to data and information

### What is this outcome about?

WaterNSW provides easy and transparent access to information through an improved and consolidated source of truth for data, and more customer service resources to access this. WaterNSW investments to bolster customer experiences include ongoing consolidation of information and digital services into a 'single source of truth', improving WaterInsights and providing easier, faster access to relevant information, and investing more in local engagement. The modelling, datasets, and data management regimes across water agencies underpin customer-relevant information and are critical to this outcome.

### Agreed activities toward achievement of this outcome:

#### Wider community engagement

- Develop and maintain a strategy for ongoing customer and community engagement.
- Attend field days and events in NSW to increase our reach with customers and communities.
- Attend water user association meetings to hear feedback and to promote the work of WaterNSW.
- Create new opportunities for customers and communities to engage with WaterNSW.
- Work with our CAGs to agree on what local customers and communities require from WaterNSW and respond accordingly.

### Agreed activities toward achievement of this outcome:

#### Customer focused information (WaterInsights)

- Actively promote WaterInsights where possible, including through:
  - regional field days
  - CAGs and membership organisations, and water user association meetings
  - local councils
  - online communications
  - customer newsletters and bills

### Our performance measures:

#### Metrics regarding wider community engagement:

- Survey customers annually to understand whether they have been provided suitable opportunities for engagement with WaterNSW.
- WaterNSW to record the number of meaningful engagements and to collect qualitative evidence supporting our efforts to invest in more local engagement.

### Our performance measures:

#### Metrics regarding customer focused information:

- Report usage performance metrics for WaterInsights (portal and app) on increase in total subscriptions:
  - Baseline: 2024 numbers
  - Target: Year 1 - Target no decrease on baseline
  - Year 2 - 3% Increase on baseline
  - Year 3 - 5% Increase on baseline
  - Year 4 - 8% Increase on baseline
  - Year 5 - 10% Increase on baseline
- Publicly report WaterInsights subscriptions against the targets

**NOTE:** Additional customer-focused key performance indicators may be introduced after further analysis.

## Outcome 6 – WaterNSW will provide good customer experiences (enabling our customers to run their businesses)

### What is this outcome about?

WaterNSW enables customers by ensuring their data is secure, communicating operations-relevant events such as planned maintenance, and bolsters its customer services to ensure customer and stakeholder businesses can operate smoothly. Similar to Outcome 5, WaterNSW works to ensure customer businesses have intuitive, plain English and responsive customer services available to them through improved digital services, such as its online portal. Good customer experiences extend to proactively assisting with the resolution of confusion regarding agency roles and the complexity of rules. Customer information and educative tools, clearer distinctions between the WAMC agencies and who to go to for help, are major customer goals.

### Agreed activities to support achievement of this outcome:

- Demonstrate how feedback has informed the establishment of the customer and community engagement policy (OL).
- Identify and publish the proportion of problems solved by call centre on first call (first contact resolution) with a target metric of 80%.
- Report on data trends by topic through the complaints and compliments register for customer services.

### Our Performance Measures

#### Metrics regarding our early warning system

- 100% persons registered for advance notifications are notified in accordance with the early warning system (OL)

#### Metrics regarding the customer portal

- Report usage performance metrics for the Customer Portal on:
  - Increase in total subscriptions to Customer Portal
  - Increase in statistics on website traffic (captured by Google Analytics)
  - Increase in number of downloads

#### Metrics regarding water trading

- Approve or reject no less than 90% of complying trade applications for temporary trades within the State within five business days of Water NSW's receipt of the application. (OL)
- Approve or reject no less than 90% of complying trade applications for interstate temporary trades (except to South Australia) within 10 business days of Water NSW's receipt of the application. (OL)
- Approve or reject no less than 90% of complying trade applications for interstate temporary trades to South Australia within 20 business days of Water NSW's receipt of the application. (OL)
- Contact at least 95% of customers who place a non-complying trade application to rectify that application within 5 business days. (OL)

#### Metrics regarding data security

- Notify customers within 72 hours if there is a notifiable data breach of their personal information in line with legislative obligations.

#### Metrics regarding customer experience

- WaterNSW participates in an annual Voice of Customer Insights Report where there are four Key Performance Indicators (KPIs) which we measure and benchmark:
  - Easy to do business
  - Trustworthy
  - Provides valuable service
  - Deliver water, when and where it matters
- WaterNSW to remain within the Target Zone for each KPI throughout the determination period and report annually on our website.

# Closing the loop on customer priorities

The table below lists the top list of priorities raised by CAG members in 2023 and shows how the final WaterNSW outcomes capture each of these priorities.

Outcome	How these CAG member priorities were captured in the Outcomes
Transparency of costs and pricing	Outcome 3
Water security and assurance of allocations being delivered	Outcome 2
Better drought planning, priorities for water restrictions and water conservation are clear	Outcome 2
Water infrastructure and other delivery costs to be as efficient as possible	Outcome 1
Ongoing information flow	Outcome 5
The cost of water and the ability for small farms to operate	Outcome 1 and affordability themes in this submission
Environmental water – public information on the flow, timing, allocation, rule flexibility	Outcome 5 – Water Insights to have new information on environmental flows
Early warning systems for floods	Outcome 5
Ease of doing business including flexibility in water ordering, post order trading	Outcome 6
Asset maintenance management and communication with licence holders	Outcome 6
Customer confusion regarding the regulatory roles of WaterNSW and NSW DCCEEW, NRAR resolved	Outcome 6
Environmental accountability and responsibility to increase	Outcome 4
Transparency of the costs that WaterNSW invests into the system	Outcome 3
Re-examine the structure of tariffs in 2025-2030 Reconsider the cost share arrangement between Government and customer	Achieved as part of this process. WaterNSW has worked with customers across NSW on the issues relating to cost sharing, the timing of system improvements and customer pricing structures
Improving the current lack of field staff and local knowledge	A re-examination of field staff resourcing occurred in the lead up to this price proposal engagement. The new resourcing arrangements are part of operating expenditure 2025-2030
Information to help businesses operate	Outcome 6
Improved customer service in the shift to digital tools	Outcome 5
Improved engagement and relationships	Outcome 6