

Review of the Metropolitan Public Water Utilities Performance Indicators

The Independent Pricing and Regulatory Tribunal of New South Wales (IPART) determines the set of supplementary performance indicators to be reported by Sydney Water and Hunter Water (IPART indicators). These IPART indicators supplement the national water indicators (NWIs) administered by the National Water Commission (which the public water utilities must report on annually) in the areas of infrastructure performance, environmental management and customer service.

These indicators are used to:

- ▼ analyse utility operations by reviewing performance trends in relevant areas
- ▼ provide information to the public regarding utility operations
- ▼ provide data to other regulators for their legislative reporting and auditing requirements.

Over time, the suite of IPART indicators was extended and amended to meet different regulatory objectives and priorities. This resulted in reporting overlap with other regulators and some duplication with NWI indicators. Others simply became obsolete. As a result, we undertook a detailed review to rationalise the existing set of IPART indicators. The review involved extensive consultation with all stakeholders and included a 2-day workshop.

The main objectives of the review were to:

- ▼ rationalise the number of IPART indicators by removing duplication and obsolete indicators
- ▼ reduce the burden of regulation by minimising the reporting overlap with other regulators
- ▼ ensure that the remaining indicators are more diagnostic leading to decision-making about the effective assessment of the operation and key activities of utilities regulated by IPART, and
- ▼ improve the consistency of indicators to allow comparison between utilities.

As a result of our review, we significantly reduced the number of IPART indicators, resulting in a more focused indicator set that we could consistently apply to Sydney Water and Hunter Water. It is intended that the revised indicators will be applied to the Central Coast Water Corporation¹ when it is granted an operating licence (anticipated in 2015/16).

We consider that the revised IPART indicators, together with NWIs and our annual public water utility operating audits, provide a comprehensive framework for the assessment of water utility performance in New South Wales.

The report outlines the review process undertaken by IPART and presents our findings.

¹ The Central Coast Water Corporation is a corporation owned by Gosford and Wyong Councils that will provide water and sewerage services to the NSW Central Coast.