

Appendix I

Service standards
and performance

Service standards are used to measure our performance against the commitments we make to our customers. They set minimum levels of service and accountability to ensure we are delivering our services to customers in a timely and efficient manner. Service standards form part of our regulatory determination process and are applicable for the full four-year regulatory period.

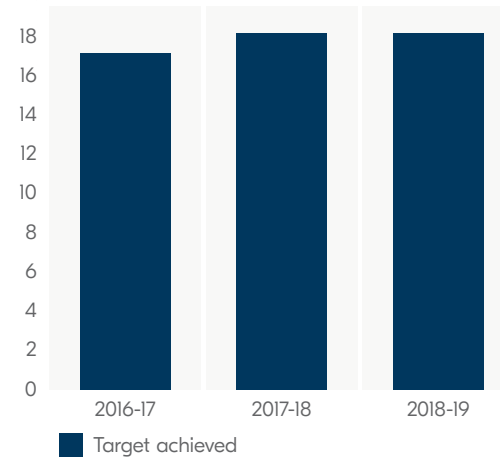
Our performance against service standards is monitored by the Essential Services Commission of South Australia (ESCOSA) quarterly, with a public report on our performance released annually. In assessing our performance, ESCOSA adopts a best endeavours approach. Where we can demonstrate we did everything in our control to meet a target, ESCOSA is satisfied that our performance levels have been met. This approach is used by ESCOSA to set the balance between delivering the service level customers expect with delivering it in the most cost-effective way.

This appendix sets out our proposed service standards for 2020-24. We will work with ESCOSA to ensure the service standards implemented for this period are valued by our customers and represent good value for money. The cost of delivering the levels of service will be a key consideration, along with the levels of service our customers want and expect from us.

Our performance 2016-20

There are 18 service standards for the current regulatory period (2016-20) and the graph below indicates overall targets achieved as at June 2019.

Figure I.1: Performance against service standards



Note: at the time of submission, 2018-19 performance data had not yet been assessed by ESCOSA. Indicative performance indicates 18 service standards met based upon best endeavours.

The following table shows the targets and our performance against each of the service standards as at June 2019. Targets met on best endeavours are indicated in blue and targets not met are indicated in grey.

Table I.1: 2016-20 regulatory period service standard performance

Service standard	Target	Performance		
		2016-17	2017-18	2018-19*
1 Telephone calls answered within 30 seconds.	85%	85%	85%	86%
2 Written complaints responded to within the required timeframes.	95%	99%	99%	96%
3 Water quality complaints in metropolitan Adelaide responded to within the required timeframes.	96%	97%	97%	97%
4 Water quality complaints in regional areas of South Australia responded to within the required timeframes.	99%	100%	100%	99%
5 Connection applications processed within 20 business days.	95%	84%	98%	97%
6 Water connections constructed within the required timeframes.	95%	97%	97%	96%
7 Sewerage connections constructed within the required timeframes.	90%	98%	98%	98%
8 Trade waste applications processed within 10 business days.	99%	99%	99%	100%
9 Water network breaks and leaks in the Adelaide metropolitan area attended to within the required timeframes.	99%	99%	98%	99%
10 Sewerage network overflows in the Adelaide metropolitan area attended to within the required timeframes.	99%	99%	98%	99%
11 Water network service restorations performed in the Adelaide metropolitan area within the required timeframes.	99%	98%	99%	99%
12 Sewerage network service restorations performed in the Adelaide metropolitan area within the required timeframes.	95%	95%	95%	95%
13 Sewerage network overflow clean-ups performed in the Adelaide metropolitan area within the required timeframes.	98%	97%	97%	98%
14 Water network breaks and leaks in regional areas of South Australia attended to within the required timeframes.	99%	99%	99%	99%
15 Sewerage network overflows in regional areas of South Australia attended to within the required timeframes.	99%	100%	99%	99%
16 Water network service restorations performed in regional areas of South Australia within the required timeframes.	99%	99%	99%	98%
17 Sewerage network service restorations performed in regional areas of South Australia within the required timeframes.	99%	100%	100%	99%
18 Sewerage network overflow clean-ups in regional areas of South Australia performed within the required timeframes.	99%	99%	99%	99%

Our performance is reported to ESCOSA quarterly, and ESCOSA then prepares an annual report which they publish.

* 2018-19 performance has not yet been assessed by ESCOSA at time of publication.

Our approach 2020-24

As part of our business planning process we review our service standards to ensure they reflect what is important to our customers. In 2017 and 2018 we worked closely with our customers to understand what they value and expect from the services we provide. Feedback and input from customers was gathered through focus groups, community drop-in sessions, online surveys, the Royal Adelaide Show, regional field days and our Water Talks website.

This comprehensive engagement program ensured service changes meet our customers' expectations. Only changes that our customers are willing to pay for have been included in *Our Plan 2020-24* (Our Plan).

From their feedback, we know customers want some changes to our services and they are willing to pay for them. Customers told us they were willing to pay for:

- improvements to the taste of the water supply in the Adelaide metropolitan area
- improvements to the water quality in areas of regional South Australia where aesthetics are an issue for customers
- the upgrade of regional water supplies where customers are receiving a non-drinking water service
- reducing the number of overflows from sewerage networks to the environment that occur as a result of failures in our network
- reducing the amount of water that leaks from our infrastructure as a result of minor cracks, fittings and other infrastructure-related reasons.

Our customers are not willing to pay an additional amount for:

- improvements in the time we take to respond to, and restore, temporary water and sewerage service interruptions
- fewer customers experiencing multiple water interruptions in a year.

Customers indicated a small willingness to pay for a reduction in the number of customers receiving more than three water service interruptions within a year, but support was not strong enough to fund any significant investment in water mains. But we used this information to inform our business planning and have developed an innovative approach to improve this service level for customers by 2024 without impacting their bills.

The *'Would you invest in this?'* survey, part of phase four of our customer engagement program, was conducted in consultation with ESCOSA and the Customer Negotiation Committee, as well as representatives from our Customer Working Group, to validate the changes customers wanted to some of our services. These changes are included in Our Plan.

In addition to these specific areas for investment, our engagement activities told us the following key themes are important to our customers:

- low and stable prices
- safe, clean drinking water
- minimal interruptions
- support, fairness and great customer service
- protecting the environment
- supporting the South Australian community and economy.

Where they could be managed through performance measures, these themes were used to guide development of the remaining service standards.

When considering the right service standards to drive and monitor the things most important to our customers, we looked to:

- what is currently being measured and reported to ESCOSA
- what other utilities are measuring and reporting in these areas
- what we are measuring and reporting internally in these areas
- any other measures that may drive the right behaviours and outcomes for customers.

After this exercise, we proposed the following service standards for 2020-24 to drive the outcomes our customers value: safe, clean drinking water; minimal interruptions; great service and support; and protecting the environment.

Table I.2: Proposed service standards

Service area	Measure	2018-19 performance against 2016-20 targets*	2016-20 target	2020-24 target
Customer service	Customer satisfaction	New measure	New measure	93%
	Telephone responsiveness	86% within 30 seconds	85% within 30 seconds	85% within 50 seconds for fault calls
	First contact resolution	New measure	New measure	85%
	Complaint responsiveness	96% (written complaints)	95% (written complaints)	95% (all complaints)
	Complaint escalation	11.2%	New measure	<15%
Reliability	Water service interruption frequency	2315	New measure	<1,750 by 2023-24**
	Water leakage performance	1.97	New measure	<2.06
	Sewer overflow frequency	32	New measure	<29
	Internal sewer overflow incidence	180	New measure	<190
Connections	Connection application responsiveness	97% within 20 working days	95% within 20 working days	95% within 15 working days
	Water network connection timeliness	96%	95%	95%
	Sewer network connection timeliness	98%	90%	90%
Response	Water quality responsiveness	97%	96% metropolitan Adelaide 99% regional	96%
	Water event responsiveness – high priority	98%	New measure	99%
	Water event responsiveness – low priority	New measure	New measure	95%
	Sewer event responsiveness	99%	99% metropolitan Adelaide 99% regional	99%
Restoration	Water service restoration timeliness	98%	99% metropolitan Adelaide 99% regional	99%
	Sewerage service restoration timeliness	96%	95% metropolitan Adelaide 99% regional	95%
	Sewer overflow clean-up timeliness	98%	98% metropolitan Adelaide 99% regional	98%

* Interim data and subject to final confirmation.

** This is an incremental target – <1,975 in 2020-21, reducing to <1,750 by 2023-24.

See Appendix J for details on how the proposed service standards will be measured.

Guaranteed service levels

In accordance with ESCOSA's guidance papers, we considered whether to implement a guaranteed service level scheme as part of our service offering to customers.

Guaranteed service levels provide an approach for utilities to compensate a customer who receives less than desirable levels of service rather than investing to provide the desirable level of service. This approach was developed on the basis that it can be more economically efficient than investing to provide certain levels of service.

There are many complexities with guaranteed service level systems such as:

- ensuring minimum levels of service are set appropriately
- economic calculations of costs and benefits to determine where it would be uneconomic to invest to provide a certain level of service
- customer attitudes about the fairness of this approach (particularly if they are one of the customers who receives a less than desirable level of service)
- customer values placed on service and the monetary payments they would receive.

In addition, payment levels need to be set appropriately to ensure the efficiency of this approach over the efficiency of investing to provide the desirable level of service.

The use of guaranteed service levels was considered. Drawing on insights from our extensive customer research and engagement program, as well as the knowledge and experience of our people we know:

- low and stable prices are important to our customers
- customers indicated they are satisfied with our current levels of services
- we are meeting current service levels
- customers value equity in service provision across the state.

From these insights we reviewed our service standards and where they had previously been divided into different levels of service for metropolitan and regional customers, we have provided one statewide service standard to ensure equity for our customers.

On balance, guaranteed service levels have not been proposed due to:

- potential for customer dissatisfaction with this approach
- customer preferences for a solution to their issue rather than a payment in lieu of a solution
- our focus on improving services for customers and responding as their expectations evolve
- our commitment to ongoing engagement with customers to ensure they have a say on the service levels they expect from us
- complexities in establishing this system which can potentially compromise its efficacy.