

18. RESULTS OF THE 2003/04 NATIONAL WATER SUPPLY INDUSTRY REVIEW

Officer responsible City Water and Waste Manager	Author Bruce Henderson, Asset Manager Water and Wastewater, DDI 941-8324
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The purpose of this report is to inform the Committee of the results of the seventh Price Waterhouse Coopers survey of the Councils performance in the delivery of water supply service compared with other supply authorities in New Zealand.

BACKGROUND

Benchmarking of water supply and wastewater services in New Zealand was initially undertaken for the 1996/97 year by Coopers Lybrand for the NZ Water and Waste Association. Christchurch has participated in the survey every year and the results are reported to this Committee. Participation in the survey is voluntary and each participant receives a report comparing its performance with the average of all participants.

The supply authorities that participated in this year's water supply survey were:

Supply Authority	Number of Customers
Christchurch	132,242
North Shore City Council	69,169
Wellington City Council	66,420
Tauranga District Council	40,459
Palmerston North City Council	27,465
New Plymouth District Council	24,881
Kapiti Coast District Council	18,988
Wanganui District Council	16,764
Franklin District Council	11,307

Once again Christchurch is the only South Island authority taking part.

RESULTS FOR YEAR ENDING 30 JUNE 2003

A copy of the full report is tabled and available to Councillors.

A summary of the key findings of the report showing how Christchurch compares is shown in attachment 1 including some specific comments.

As with previous years, a degree of care is needed in the interpretation of some results, notably with water treatment costs/volume delivered, where Christchurch's extremely pure water source gives this Council a huge comparative cost advantage. In the few areas where it would appear at first glance that the Christchurch system performs unfavourably, such as costs of customer service/customer, analysis of the spending shows that it is investment in service improvement that has caused a rise in costs and not a decline in efficiency.

FUTURE PARTICIPATION IN SURVEY

As indicated above only seven authorities took part this time, and the size and nature varies considerably. Christchurch is the largest (132,242 customers) then North Shore with 69,169 customers reducing to the smallest with 11,307. This has reduced the benchmarking validity of the results. Accordingly it is not intended that Christchurch will participate in future surveys unless the dwindling number of supply authorities increase significantly, including more of a similar size and/or nature to Christchurch.

SUMMARY

The results of the most recent benchmarking review for our water supply are pleasing. The strategic planning done by staff is focussed on forecasting future internal and external challenges to maintaining a quality water supply in Christchurch and this benchmarking provides valuable insights on how to enhance the water supply system. However, the dwindling number and nature of supply authorities involved with the survey has reduced the benchmarking validity of the results to the point where participation is no longer considered worthwhile.

Chairman's

Recommendation: That the information be received.