

Officer responsible Water Services Manager	Author Bruce Henderson
Corporate Plan Output: Water Supply	

The purpose of this report is to inform Councillors of the results of the third survey of this Council's 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 PricewaterhouseCoopers (previously Coopers & Lybrand) with the support of the NZ Water & Wastes Association. Christchurch has participated in the survey each year and the results reported to this Committee. Participation is voluntary, and each participant receives a report comparing its performance with that of the average of all the participants. This ensures confidentiality and avoids one organisation making statements about others.

On this occasion 16 organisations took part in the water supply survey. They were:

Christchurch City Council	New Plymouth District Council
Dunedin City Council	North Shore City Council
Franklin District Council	Palmerston North City Council
Gisborne District Council	Porirua City Council
Hutt City Council	Tauranga District Council
Kapiti Coast District Council	Watercare Services Ltd
Manukau City Council	Wellington Regional Council
Napier City Council	Whangarei District Council

Two of the participants (Watercare Services, and Wellington Regional Council) only supply bulk water to other organisations and thus the comparisons in the full report are given both with these two organisations included, and excluded.

RESULTS FOR YEAR ENDING 30 JUNE 1998

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

A summary of the key findings of the report are shown in the following bar chart. This chart shows how Christchurch compares with the survey average, and gives an indication of the degree of difference. Most of the indicators excludes the two Bulk Water Suppliers because the comparison is inappropriate, but others show the result with the Bulk Suppliers.

When making comparisons, with some of the indicators it is important to bear in mind the nature of the Christchurch Supply compared with more typical supplies. A very obvious example of this is with water treatment, where our naturally high water quality results in a large comparative advantage. This in turn partly explains some of the advantage shown with total cost per volume of water delivered.

Key Performance Indicators

However, even when taking such factors into account, it is clear that Christchurch compares very well. The following points are worth making:

Response to Customer Complaints. The survey indicates that we attend to fewer than average complaints received (reports of leaks, low water flow, quality issues, location of shut off valve etc) within the same day, but our clearance rate after three days is considerably better than average. This is a reflection of the way our reactive maintenance contract is structured. Requests for the contractor to respond immediately to a complaint attract a penalty payment to compensate the costs the contractor incurs to close up and make safe one job, attend to the urgent task, and then return and finish the original job. All complaints received are categorised into one of three groups; urgent (respond within one hour), respond within one working day, or respond within three working days. Thus unless there is a good operational reason (eg commercial customers are affected by a required shut down, and notification and negotiation is required) all customers' complaints are required to have been attended to within three working days. Discussions with our maintenance contractor indicate that to change from this arrangement to achieve a faster initial clearance of complaints would require additional staff (and plant) to be employed, who would not be fully utilised. That is contractors staff, would to some extent, be idly waiting to respond to complaints as they are received, rather than being fully gainfully utilised. Thus our maintenance costs would increase.

Metered Customers/total customers. Although this indicator shows this Council to be higher than average, this is not a disadvantage. It indicates that this Council has meters installed on virtually all customer connections, while this is not so for the majority of the participating authorities.

Water Charges. Not surprisingly the indicators that show that this Council's charges for water are considerably lower than average for all customer types.

Unaccounted for Water. This indicator has improved compared with last year, presumably as a result of the active Water Loss Reduction programme that has been put in place.

Capital Expenditure as a proportion of value of assets employed. This Council is a little lower than the average. However a closer look at the data shows this Council's renewals work to be a higher proportion of capital expenditure than average. This indicator may be reflection of the higher rate of growth in some of the North Island Districts.

Customer Services operating cost per customer. The apparent high cost of this activity is largely explained by this Council's active water conservation and publicity programme.

Days until disconnection. This indicator reflects that a number of authorities have a policy of disconnecting, or severely restricting, a customer's supply if water charges are not paid. This Council does not have such a policy.

Distribution operating costs per volume , and per customer. While these two indicators show this Council's to be close to average, the situation changes when energy costs are taken into account. With energy costs subtracted from both figures, this Council's distribution advantages (excluding bulk suppliers) changes to 30% on a volume basis, and 20% on a per customer basis. Energy costs in Christchurch, are high because of the flat nature of the city, and thus all water is pumped. Many authorities are able to utilise gravity to reduce energy costs.

System Planning cost per volume delivered. This indicates that this Council is spending less than average on planning. This may be a reflection of the relative ease at which we are presently able to obtain extra water from the underground aquifers. However extra costs will occur in the future during the consultation phases of the Regional Council's preparation of the Water Resources Management Plan.

Recommendation: That the information be received.

The Deputy Chairman comments:

This Council's performance when compared with other councils is very favourable even taking into account the city's naturally high water quality and water treatment required in other centres. The higher customer services costs relate to the Council's policy of encouraging water use management through publicity programmes. The results are more pleasing when the improvements on last year are noted.

Deputy Chairman's

- Recommendation:**
1. That the information be received.
 2. That the Water Services Unit be congratulated on this excellent result.