



DIRECTOR SHIRE SERVICES REPORT

13th June 2006

**DSS4 NSW PERFORMANCE MONITORING
REPORTS – MACLEAY WATER RESULTS
FOR 2003/04
FILE: 588 TAK {Folio No. * }**

SUMMARY:

Reporting Macleay Water's results for 2003/04.



DESCRIPTION:

Macleay Water received its results for the 2003/04 NSW Performance Monitoring Reports in late 2005 [Appendix D](#). The Department of Energy, Utilities and Sustainability (DEUS) compile these Performance Monitoring Reports annually following the water utility's completion of a comprehensive survey. The survey is completed the August after the financial year being assessed. The reports take a triple bottom line approach and are conducted across all regional water utilities.

Upon receiving its results, the water utility is to then undertake a Review of Performance to identify issues and create action plans for improvement. The Macleay Water Review of Performance for the 2003/04 financial year can be seen in [Appendix E](#). The concerning aspect of this process is that the review and action plans are occurring effectively two years later. However, the timeframes for the Performance Monitoring Reports is improving.

Macleay Water's performance trends for water supply in the 2003/04 financial year are very good. It shows a balanced number of employees per 1000 properties to the state-wide median. The number of employees had reduced from the previous year (2002/03) and is a reasonable number in view of Council's 39 groundwater bores and 17 pumping stations. Microbiological compliance is good at 100%. Water quality complaints and main breaks are consistent with the state-wide medians and this was a considerable reduction on 2002/03 results. The operating and management costs are consistent with a ranking at about the best

20% of water utilities. Pumping costs were consistently higher than the state-wide median and these are considered reasonable in view of Council's infrastructure (very long run of mains from source) and demographics (low density of properties per kilometre, particularly in rural areas).

Macleay Water's performance trends for sewerage services in the 2003/04 financial year are promising. A higher number of employees per 1000 properties compared to the state-wide median was identified, however this has reduced from the previous year (2002/03) and is a recognisable number in view of Council's 6 sewerage treatment works providing advanced secondary and tertiary processes. 100% compliance for 100 sampling days at treatment works with Total Nitrogen and Total Phosphorus is good. There were no major malfunctions of the treatment processes. The operating costs (OMA) per 100km main are extremely cost effective against the state median for this financial year. The high sewer main operation and maintenance costs per property are considered reasonable in view of Council's infrastructure (age, form and location) and demographics (a low density of properties per kilometre of main).

A comprehensive review of the NSW Water and Sewerage Performance Reporting System is currently being carried out for the Minister for Water Utilities. The aim of the review is to identify improvements to the report to satisfy regulatory requirements such as the National Competition Policy (NCP), the National Water Initiative (NWI) management requirements of individual Local Water Utilities (LWU) and public accountability. The review commenced on 16th March 2006 with a target completion date of late June 2006.

DEUS held a National Benchmarking Framework Consultation meeting on 9th March 2006. This meeting had steering committee representation from the National Water Commission and the Local Government Association and the Shires Association. Macleay Water was represented as an interested stakeholder alongside many other NSW water utilities. Many common issues were identified and addressed with all suggested outcomes being forwarded directly to the Benchmarking Roundtable Group for consideration in the finalisation of this national review. Macleay Water has remained involved in the current DEUS correspondence and surveys with regards to the final determinations from this review.

REPORT IMPLICATIONS:

- ***Environmental***

Macleay Water's environmental performance in the 2002/03 financial year has been shown as very good for water supply. Sewerage services were also very good on all but the minor incidents. This is reflective of the need for mains

renewals and measures to remedy this have been progressively planned and budgeted for in the ensuing years.

There are no Environmental implications arising from this report.

- *Social*

There are no Social implications arising from this report.

- *Economic (Financial)*

Means to remedy poor rankings and maintain good ranking have been addressed in ensuing year's budgets.

- *Policy or Statutory*

There are no Policy or Statutory implications arising from this report

- *Director's Review*

The performance trend for Macleay Water for 2003/04 is very good and good for water supply and sewerage services respectively. Most of the areas of concern identified in the report have either been addressed or are currently being addressed.

RECOMMENDATION:

That the report be received and noted.

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**A P Vermeulen
DIRECTOR SHIRE SERVICES**