REGULATORY AREA: **SERVICE QUALITY REGULATION** | **SQ1A**

OBJECTIVE SQ1

Define service requirements to be met by operators

ACTION CARD SQ1A

DEFINE SERVICE QUALITY STANDARDS AND INDICATORS FOR OPERATORS

COST: Low **FREQUENCY:** Regular

TARGET GROUPS: Regulators, service operators, consumer associations

DESCRIPTION

Regulating service quality entails the establishment of criteria that services should meet to adequately reflect consumer needs, and this requires the operators' full comprehension and acknowledgement. Some of these measures may include, for instance, reliability of services, quality of water delivered, interruption frequency and its duration, average time to restore the service, or the number of consumer complaints. This non-exhaustive list, open to be customized in different circumstances, becomes an essential tool for achieving the quality of service objectives and results associated with them. Each regulator, therefore, defines and calculates a set of performance indicators, which are then published, with results being compared in the sector annual assessment report.

EXPECTED OUTCOMES

- Clear and transparent sanitation and water service quality standards are measured on all service operators.
- Different performance trends are compared.
- Consumer associations actively participate and can access the established norms at any time.

EXAMPLE 1: ZAMBIA

In line with its mandate to inform the public on water supply and sanitation issues, the Zambian regulator NWASCO publishes an annual sector report on the performance and status of the sector. This sector report also highlights the performance of providers against set sector benchmarks derived from the Minimum Service Levels guidelines. Benchmarking induces competition among commercial units by motivating them to improve their own previous performance and to outperform others. Eight benchmarks have been set for major indicators, as follows.

Performance indicators and benchmarks

	Indicator	Benchmark
1	Water supply and sanitation coverage	80%
2	Unaccounted for water(UfW)	25%
3	Metering ratio	100%
4	Hours of supply	18
5	Water quality	98%
6	Staff per 1,000 connections	8
7	Collection efficiency	85%
8	Cost coverage by collections	100%

EXAMPLE 2: AUSTRALIA

In **Australia**, the Essential Services Commission (ESC), which is the multisector regulator in Victoria state, has adopted the following service quality indicators.

SERVICE QUALITY INDICATORS	
Domestic customers with instalment plans (100 customers)	Average customer interruption frequency (interruptions per customer) (number per customer)
Non-domestic customers with instalment plans (100 customers)	Planned water supply customer interruption frequency during peak hours (interruptions per customer)
Domestic restrictions for non-payment of bills (100 customers)	Average duration of planned interruptions (minutes)
Non-domestic restrictions for non-payment of bills (100 customers)	Average duration of unplanned interruptions (minutes)
Restrictions restored within three days (percent, domestic only)	Average customer minutes off supply (minutes)
Restrictions over 14 days (per cent, domestic only)	Bursts and leaks (per 100 km of water mains)
Domestic legal actions (per 100 customers)	Average response times to bursts and leaks – priority 1
Non-domestic legal actions (per 100 customers)	Average response times to bursts and leaks – priority 2
Average debt level – restrictions (€)	Average time to rectify bursts and leaks – priority 1 (minutes)
Average debt level – legal actions (€)	Average time to rectify bursts and leaks – priority 2 (minutes)
Hardship grants and applications (per cent)	Planned customer interruptions not restored within 5 hours (percent)
Average value of hardship grants (€)	Unplanned customer interruptions not restored within 5 hours (percent)
Customer responsiveness and service	Water losses
Average time taken to connect to an operator (seconds)	Wastewater service
Calls answered within 30 seconds (percent)	Sewer blockages (per 100 km of sewer main)
Complaints received by water businesses (percent)	Customers experiencing a single sewer blockage
Water quality complaints (percent)	Sewer spills from reticulation and branch sewers (per 100 km)
Information statements processed within 5 days (percent)	Containment of sewer spills within 5 hours (percent)

LINKS

Zambia's regulator (NAWASCO) web page: http://www.nwasco.org.zm/index.php/regulatory-tools/monitoring-performance-reporting

Australia's Essential Services Commission (ESC) web page: https://www.esc.vic.gov.au/water/sector-performance-and-reporting/water-performance-reports

INTERNAL CAPACITIES NEEDED AND THE ROLE OF PARTNERS

As much as some of these norms and standards could be universally applied, tailoring them to specific contexts or shaping new ones will require internal regulatory capacities, ranging from technical water engineering skills and financial capacity for monetization of these measures, to customer relations abilities. Whereas to a certain extent some of them could be supported by related ministries and service operators, much required capacity building and multi-stakeholder consultation around applicable standards could be supported by development partners and consumer associations. Regulators' staff must also be trained on basic service quality performance standards, and how to apply them in their own context.