

Minutes

Venue: Via MS Teams

Date and time:

20 April 2023
9:00 – 11:30am

Meeting title: CCRG Subgroup meeting: Customer Engagement Phase 4

Chair: Mary Karras – Ethnic Communities Council NSW

Attendees: CCRG Subgroup meeting: Customer Engagement Phase 4 Members

Narelle Brown – Community Representative
Inaara Jindani – Community Representative
Douglas McCloskey – Public Interest Advocacy Centre
Ross Williams – Local Government NSW

Sydney Water

Josh Isben – Head of Customer & Strategic Insights
Izzy Kerr – Customer Research Manager
Flavio Romano – Head of the 2024 IPART Price Proposal (*part 10-10.45am*).
Paul Higham – Head of Strategy & Enterprise Plan
Paul De Sa – Strategic Planning Manager
Sharon Bowyer – Senior Customer Governance Specialist

Research Partners

Kantar – Ash Moore, Damian Hampton
Synergies – Martin van Bueren

Apologies: Steven Collins – Community Representative

Meeting purpose:

- Follow up on action arising from April 2023 CCRG meeting.
- Customer Engagement for Phase 4

Item	Topic
1	<p>Welcome and Acknowledgement of Country The meeting was opened at 9am. The Chair began the meeting with an acknowledgment of country and welcomed the Members.</p>
2	<p>Background Sydney Water explained the purpose and objectives of the session for seeking input and guidance from the CCRG subgroup on how Sydney Water engages with customers and on what information is presented to customers and how it is presented as part of Phase 4 of the Customer Engagement program.</p>
3	<p>Methodology for Phase 4 Sydney Water Research Partners (Kantar and Synergies) gave an overview of the components of the Discrete Choice Experiment DCE, the choice modelling design principles and how the attributes, service levels and costings are decided and applied in the DCE. They also provided an overview of the qualitative component for Phase 4.</p> <p>The subgroup members asked/commented that:</p> <ul style="list-style-type: none"> • Will the Phase 4 deliberative forums, interviews, and workshops be with the same people or with different people?

	<ul style="list-style-type: none"> • The on-line survey appears to be the main component of phase 4, with the forums work as back up. Why? • A concern was raised by one of the members that there was not enough qualitative work conducted during Phase 3. <p>Sydney Water's Research partners explained that:</p> <ul style="list-style-type: none"> • largely a new set of customers will be selected for Phase 4. • the earlier qualitative work (deliberative forums in phases 1 -3) provided a great deal of customer insight ahead of this DCE. The qualitative work in Phase 4 is an opportunity to go back to the community on what might need to be clearly communicated with customers and is a final pressure check. • The Phase 3 work is not complete. Sydney Water and the Research partners are tightening up the quantitative validation survey for Phase 3 based on what they learnt during the Phase 3 workshops.
4	<p>Summary of Research to Date Sydney Water provided an overview of the Customer Engagement Program and the key findings received so far.</p>
5	<p>Key challenges and what we are seeking guidance on. Sydney Water:</p> <ul style="list-style-type: none"> • gave an overview of the 7 topics selected for Phase 4 • provided examples of the content and information to support customer choice • discussed the bill increase required to meet mandatory obligations (estimated to be approx. 5% per year over the next 5 years). This is the base case for necessary asset renewals and to meet statutory and regulatory requirements. • outlined feedback received from early engagement with IPART.
6	<p>Facilitated discussion Sydney Water lead a discussion with the members on the 7 topics selected for Phase 4.</p> <p><i>Key points of discussion</i></p> <p>Overall:</p> <ul style="list-style-type: none"> • In general, there was support for the topics selected though it was expressed that some topics could be combined and that certain topics are more pertinent to certain demographics and geographical areas. • Need to be clear on communication of the bill impact for the base case. Understanding the base case cost impacts is very important to all the topics to be discussed. • The cost impacts should be expressed in \$ terms (not as a %) and be described for different households. <p>Topic 1: Carbon Emissions</p> <ul style="list-style-type: none"> • A view was expressed that Sydney Water should not be engaging with customers on reaching net zero earlier than 2050 as this is a government target. This is the mandatory requirement and may raise customer expectations that they can pull levers beyond Government expectations. Also raises concerns on customer self-interest with respect to cost of living rather than taking a broader community view. There is a need to break down the topics for customer engagement between negotiable and not negotiable. People will not want to pay for things that the organisation is not obliged to do. • An alternative view was provided that it is appropriate for Sydney Water to be engaging with customers on this topic. Sometimes there is strong customer willingness to pay for service

levels beyond Government expectations even in the context of increasing cost of living. The date of achieving net zero may not be important. However, it is important to present to customers the principles on how Sydney Water will make decisions, for example will it reduce its own emissions before taking up carbon offsets. What will Sydney Water prioritise in achieving net zero (for example cost, increasing jobs, local habitats). There is a need for meaningful discussion on the principles behind the topics.

- There will be a spread of views on responses. Some customers will strongly feel about the impacts on them for today, while others will feel strongly for their children for the future.
- There is a need to be clear/transparent on what are the short, medium and long term commitments for Sydney Water. Need to see the current targets and performance levels and how these are linked to the broader strategic view. There is a need for sustainable development without compromising the future.
- Important to let customers know what are the impacts of reducing carbon emissions (eg cost, benefits, trade-offs). Through education to make it real & relevant so they can make informed decisions about trade offs ,willingness to pay etc.

Topic 2: Cool, Green Landscapes

- A view was expressed that some underlying assumptions, that are not true, are coming out in this topic. For example, customers thinking that using recycled water is cheaper.
- This topic should not just explore the outcome but how Sydney Water proposes to achieve it (for example will it seek cheap solutions, will it seek cheap local solutions, any solution.) The need for customers to understand the foundations of how decisions are going to be made about the topic.
- The levels of service in this topic do not need to be presented as a 'Take it or Leave it' approach. The options do not reflect current practises. A lot of work is already being done in this area (including by Local Councils in Sydney, but also broadly across NSW). There is already a customer expectation that water should be used wisely for cooling and greening. However, there are opportunities to do more (for example, local sewer mining and during times of drought).
- During the Phase 3 Customer Engagement sessions some customers did express misunderstandings on this topic particularly around potential double dipping on charges from Local Councils and Sydney Water on cost of keeping public spaces cool and green. Need to be clear on who pays for what.
- Cooling and greening will be more important to some customers depending on where they live (Greater need for trees and cooling in hotter Western Sydney). For other customers, this topic will not be a priority.
- A suggested way to describe the level of service could include 'Dont do it, do it but only if the beneficiary pays, do it and Sydney Water shares cost, do even if Sydney Water pays all of it'.

Topic 3: Resilience of our water supply system

- A view was expressed about being wary of using the term "Resilience" as this means different things to different people.
- Water restrictions are a valid part of being water resilient.
- Don't assume that customers know what restrictions apply too. Basic information on water restrictions needs to be included in any survey.
- Be clear on what Sydney Water can achieve and what are the limitations (for example there may still be need for restrictions during very severe drought, even if other water supply options are explored).

- It was noted that necessary investment hasn't happened in the past which has led to the situation we are now facing. What does it mean to "invest to maintain restrictions duration similar to now in future events?" What does "halve the restrictions" mean?
- The way we live has changed water use. Many customers now living in high rise units since the last significant drought. These customers have limited options for reducing water use (ie no garden) during restrictions. Restrictions may impact some customers in certain geographical areas with gardens or CALD residents with a vegetable patch.
- What is the future for Desalination or purified recycled water? How does that impact this topic?

Topic 4: Customer notifications of outages

- There was a view expressed that this was an operational matter. Suggestion that Sydney Water needs to go back to basics when incidents or problems occur. Cautioned Sydney Water against too much reliance on digital communication means. Use physical communication (letter box drops, face to face) during outages.
- Customers expect to be provided with information before and during outages. Rather than test on 'increasing the communication', it would be better to test on impacts of cost of providing additional/different communication channels. 'Increasing SMS communication' is a bit vague.
- Would be useful to test on 'have we got the level right'. This topic could be used as a performance measure to test. What are the targets? How will it be measured? Could complaints be used?
- Communication needs to be two way. What options do customers have to get back to Sydney Water? Can they talk to a real person?

Topic 5: Healthy waterways and

Topic 6: Swim Access

- Swimability is an aspect of waterway health and there is an opportunity to combine the topic on swim access.
- Waterway health could focus on what aspects of waterway health are important to customers (eg litter reduction, pollution reduction, recreational access, natural habitats, no change). This would give customers a choice on the focus areas for waterway health.
- Concept of poor, fair and good ratings can be difficult to understand. What is the basis for these ratings? Is this 'loaded language'?
- Sydney Water has mandatory requirements for discharges and has role and responsibility for waterway health. Need to be clear on what is mandatory and what choice can customers make on this topic. But this needs to relate to Sydney Water's responsibility for aspects on waterway health.
- Customers will have different views on willingness to pay for swim access. For example, some customers have own pool or easy access to swim sites, so why should they have to pay for this. Need to bring this back to the broader community outcome for healthy waterways/ecosystem health.

Topic 7: Water Continuity

- There is value to do this. This is a key aspects of Sydney Water performance. It is a fundamental level of service for the community. The question should be on 'how should Sydney Water make decisions on investment? Ask the community what they think are the important aspects to consider (eg total instances, instances per household or duration).
- Need to test the principles on how to make decisions and unpack what customers care about.
- There are licence rules that Sydney Water has to meet on this topic. This topic needs context. Need to present to the community on how Sydney Water is performing now (eg are we meeting current rules, if not, why not and what can be achieved).

	<ul style="list-style-type: none"> • Need to explore context of why customers should pay more if there are minimum standard requirements. • Raised the importance of taking customers on a journey to help themselves (eg advertising campaigns, importance of reporting leaks and breaks, how to report leaks not just on my property). The community also have a responsibility on this topic. How is Sydney Water helping customers to help themselves and the environment? • This topic requires education as there is a lack of education on how the water system works. New arrivals (eg renters) view water as freely available and is a continuous supply. Other customers see Sydney Water as a transactional service, they expect that when they pay for a product it is meant to be supplied. <p>During the discussion Sydney Water:</p> <ul style="list-style-type: none"> • agreed for the need to be clear on the price increase for the base case, what services are mandatory or not and where there are opportunities for movement beyond mandatory service levels if supported by customers' willingness to pay. • noted that Phase 4 is an opportunity to test with customers if there is support for aspirational outcomes in light of the base case and the total bill level. • explained that the intent of the topics is around intergenerational equity and level of service.
5	<p>Next steps including timeframes</p> <p>Sydney Water provided an outline of next steps. The subgroup was invited to provide additional feedback by Friday 28 April.</p> <p>Actions:</p> <ul style="list-style-type: none"> • Sydney Water to consider feedback raised by CCRG subgroup • CCRG subgroup to provide any additional feedback by Friday 28 April.
6	<p>Close</p> <p>The Chair thanked Sydney Water staff and partners and the members for the discussion. The meeting closed at 11.20am.</p>