

Minutes

Venue: Sydney Water City Office
Level 9, 420 George St, Sydney

Date and time: 7 August 2023
9:00am – 2:00pm

Meeting title:	Customer and Community Reference Group
Independent Chair:	Abigail Goldberg
Attendees:	<p>Customer and Community Reference Group Members</p> <p>Anna Bacik – Community Representative Narelle Brown – Community Representative Steven Collins – Community Representative Inaara Jindani – Community Representative Mary Karras – Ethnic Communities Council NSW Leigh Martin – Total Environment Centre Bruce McClelland – Business Western Sydney Douglas McCloskey – Public Interest Advocacy Centre Stephen McMahon – Urban Development Institute of Australia Donna Rogers – Community Industry Group (Illawarra) Graham Turner – Council on the Ageing Ross Williams – Local Government NSW</p> <p>Sydney Water</p> <p>Roch Cheroux – Managing Director (<i>part</i>) Stuart Wallace – General Manager, Customer & Stakeholder Engagement Josh Isben – Head of Customer & Strategic Insights Izzy Kerr – Customer Research Manager (<i>part</i>) Paul Higham – Head of Strategy & Enterprise Plan Paul De Sa – Strategic Planning Manager (<i>part</i>) Chris Gould – General Manager, Business Development (<i>part</i>) Monika Moutos – Head of Economics and Regulation (<i>part</i>) Simon Granville – Chair of RAP Committee and Head of Risk & Assurance (<i>part</i>) Sharon Bowyer – Senior Customer Governance Specialist</p> <p>Observers</p> <p>Dr Susan Petterson – Non Executive Director Prof Mary O’Kane – Non Executive Director (<i>part</i>) Jamie Hollamby – General Manager, Finance and Business Performance</p>
Apologies/absent:	<p>Clare Porter – Head of Strategic Comms & Corporate Social Responsibility Ben Newton – Manager Community Education and Corporate Social Responsibility Rose-Marie Siros – Manager Customer Advocacy Veronica Murphy – First Nations Inclusion Specialist</p>
Meeting purpose:	<p>Bi-monthly meeting according to CCRG Charter</p> <p>The CCRG works with Sydney Water at a strategic level to achieve the highest possible levels of customer focus within our practices. It supports Sydney Water to ensure that our business decisions, as set out in our strategy, enterprise plan and regulatory submissions, are in the best interests of all Sydney Water customers and the community and are shaped by them.</p>
Desired outcome:	Discussion and feedback from CCRG Members

Agenda items		
Item	Topic	Actions
1	<p>Welcome and Acknowledgement of Country</p> <p>The meeting was opened at 9:00am and the Chair welcomed participants.</p> <p>The Managing Director acknowledged country and paid respects to elders past and present.</p>	
2	<p>Introductions and apologies</p> <p>The Chair introduced Prof Mary O’Kane, Dr Susan Petterson (Non-Executive Directors) and Jamie Hollamby (General Manager Finance) as observers for this meeting.</p> <p>There were no apologies from CCRG members.</p>	
3	<p>Housekeeping</p> <p>Sydney Water advised of the building induction/evacuation requirements and other administrative aspects.</p> <p>The Chair confirmed the ground rules for the CCRG meeting which focus on respect, tolerance and ensuring equity for all participants.</p> <p>The Chair provided a recap regarding typical meeting structure, confirming that topics align to the CCRG’s core remit and are designed to build on each other. She noted however that today’s meeting is atypical and responds to topics raised by CCRG members, which are being addressed through a panel discussion format (infrastructure contributions), a paper regarding the UN and sustainability measures and a presentation regarding Sydney Water’s Reconciliation Action Plan (RAP).</p>	
4	<p>Minutes of previous meeting and review of actions / issues log</p> <p>Declaration of interests</p> <p>The Minutes and action/issues log of the June 2023 CCRG meeting, which had been transmitted inter-session and amended as noted, were accepted.</p> <p>No interests were declared.</p>	
5	<p>Managing Director update</p> <p>The Managing Director provided an update on the following:</p> <ul style="list-style-type: none"> • <i>Long term capital and operational plan</i> • <i>Infrastructure contributions</i> • <i>Price submission</i> <p><i>Key points of discussion initiated by CCRG Members:</i></p> <ul style="list-style-type: none"> • How are we solidifying partnerships for 2050? <p><i>Partnerships are part of our life at Sydney Water. We’re listening to understand customers through our customer engagement programs. We’re also working with industry on infrastructure development programs (construction and operations of assets is a long-term partnership with industry with long lead times) and we have various partnerships with universities and education organisations.</i></p>	

	<ul style="list-style-type: none"> • What financial partnerships are occurring with Government to obtain the financial commitments that are required? <i>Sydney Water keep Government informed however Government is not a financial partner in projects. Sydney Water is not a political organisation, but we work with Government in a transparent way.</i> • If Sydney Water was given a blank canvas how would it be different to what we have been doing. Would we just have more Desalination? <i>Our Long Term Capital and Operating plan is a new way of 'doing water'. The water system will be different. In the future it will be a more decentralised system so there is less reliance on single assets (e.g., Warragamba Dam). A key differentiator is that we will introduce reuse of wastewater as Purified Recycled Water within the system.</i> • How much is Sydney Water restricted by its history? <i>Sydney is growing. Growth gives us the opportunity to change and to move to achieve climate independent sources of water.</i> 	
	<p>Strategic planning</p>	
<p>6</p>	<p>Panel Discussion: What Infrastructure Contributions mean for stakeholders.</p> <p>The Chair introduced the panel discussion highlighting that this format is applying a Harvard technique called 'Stand in my Shoes' which enables participants to hear the views of different stakeholders, in this way assisting with broadening understanding of how an issue is perceived by various groups who may not be in alignment.</p> <p>The Chair invited Chris Gould, General Manager Business Development and five CCRG Members to provide their respective points of view from the following perspectives:</p> <ul style="list-style-type: none"> • Developer (Stephen McMahon) • Consumer and Illawarra (Anna Bacik) • Environment (Leigh Martin) • Business (Bruce McClelland) • Customer advocacy (Douglas McCloskey) <p><i>Key points included:</i></p> <p>Chris Gould explained that Sydney Water has had 135 years of growth but now needs sustainable growth for the next 135 years. By 2050 we will have a population of 8 million people, but our water and wastewater infrastructure are already at capacity. Chris explained the funding options to support growth and noted that each option, including developer contributions, has challenges.</p> <p>Stephen McMahon outlined that developers concerns over the proposed infrastructure contributions are about fairness and equity regarding how they are applied as there are different rates proposed for different areas where a flat rate is preferred and regarded as more equitable. In addition, developers need to contribute to Sydney Water but also to other utilities and government (e.g., transport, energy, biodiversity funds).</p> <p>Anna Bacik noted that in the past Sydney Water did charge developers an infrastructure contribution. Then in 2008, following the Global Financial Crisis, the Government directed that these infrastructure contributions be dropped in an attempt to encourage development and to make housing more affordable. However, there has been no evidence that housing has become more affordable, in fact it is worse.</p>	

	<p>Anna argued that there needs to be a more efficient business model to ensure that the right development occurs in the right areas. If it is not profitable then don't develop.</p> <p>Leigh Martin asserted the critical importance, regardless of who pays for it, that development minimises our ecological footprint, does not waste resources and is sustainable.</p> <p>Bruce McClelland outlined the challenges of the pressure of growth and the need for Sydney to be competitive nationally and internationally. He acknowledged that infrastructure contributions from developers may need to be part of the mix to fund investment into the system however, it also needs to be considered from the entire customer base.</p> <p>Douglas McCloskey explained that there are broader issues of water services and cost of water into the future. We need to take a consistent and principled approach to community engagement, affordability and growth. In development the beneficiary needs to pay. If there are multiple beneficiaries then they need to pay in the order of the benefit.</p> <p>Facilitated discussion:</p> <p>The Chair thanked the panel members for their views. CCRG Members raised additional points of discussion as follows:</p> <ul style="list-style-type: none"> • The importance of considering youth and future generations. • It would be helpful to compare infrastructure contributions to similar structures in the energy sector. • Timing and funding of growth are related. For instance, at the moment, Southwest Sydney areas are the new growth areas but in the future other new growth areas will emerge. • Could this issue be considered like joining a club? When a new member joins a club they are required to pay a membership joining fee. A new member joining a "club" is an equity approach. There has been a history of connection fees in existing areas. Existing customers will be impacted if new contributions are not made. An alternative view would be for every member to be charged increased subscription fee to fund the cost of the new members (however this might not be equitable). • What is the difference in costs between development for western Sydney and developed areas e.g., Sydney's eastern suburbs? Could this be explained by way of example? e.g. If a property in Vaucluse was subdivided into three would the infrastructure contributions be cheaper compared to a subdivision in the West? <p><i>Sydney Water explained that where the investment is made, the cost is borne by the beneficiary. It is not the same for each area as water assets are in place in existing areas. It does raise questions of how to support growth sustainably between brownfield (existing urban) and greenfield (new) development.</i></p> <p>Action: Sydney Water to share comments from the CCRG Panel discussion with the team responsible for managing the implementation of infrastructure contributions.</p>	<p>Action: Sydney Water to share comments from the CCRG Panel discussion with the team responsible for managing the implementation of infrastructure contributions.</p>
7	<p>Paper for noting: Long Term Capital and Operational Plan (LTCOP) submission.</p> <p>Paul De Sa joined the meeting and provided an update noting that the LTCOP has been submitted to Government. Sydney Water's Statement of Corporate Intent (our budget) was approved by Government last week. Now that the budget has been accepted, the LTCOP is able to become a public document. Sydney Water will present the LTCOP to the CCRG before it goes on public display.</p>	

8	<p>Paper for noting: United Nations Global Compact reporting and sustainability.</p> <p>The Chair introduced this item and explained that information on this topic had been requested by CCRG members.</p> <p>Stuart Wallace outlined that:</p> <ul style="list-style-type: none"> • this is the second time Sydney Water had reported against the UN goals, but it was the first time that the business has provided a full data set. • Sydney Water will no longer be reporting against the Global Reporting Initiative (GRI) and will now focus on the UN goals. This is a consistent approach to other water utilities. 	
Customer engagement		
9	<p>Paper for discussion: Our Water, Our Voice Customer engagement update</p> <p>Josh Isben provided the following update on Phase 5. This is a new phase being introduced that will enable customers to do a final 'close the loop'. This will be in the form of a Deliberative Panel held with a small group of customers to discuss complex topics on tariffs and price controls. The Phase will be held late Sept – early Oct. Phase 5 will also include a validation survey. Results will be available mid Nov and will be integrated into the Price Proposal.</p> <p>CCRG members were invited to be involved in a future subgroup to support Phase 5. The subgroup discussion will include a 3-hour workshop.</p> <p>The Chair invited CCRG members to share their feedback from observing the recent Phase 4 customer forums and the Small to Medium Enterprise on-line sessions.</p> <p><i>Key points of discussion:</i></p> <p>Concerns were raised regarding:</p> <ul style="list-style-type: none"> • Phase 4 was not achieving a meaningful conversation with customers, the sessions were more like informal focus groups (although still valuable) but not deliberative • There was an apparent lack of experience / confidence in the approach and the consultant appeared to lack experience in deliberative processes. • The use of language in the sessions, and whether technical terms were properly understood by participants, • In one of the Small to Medium Enterprise on-line sessions: <ul style="list-style-type: none"> - some of the participants selected were not using water as part of their business, so their feedback was skewed to a household perspective. CCRG members questioned who and how are Sydney Water were selecting participants for the online sessions? - some people on-line were getting cut off as they had to keep 'moving to the next item' - when participants had questions, the facilitator was not always able to provide answers, and a Sydney Water representative was not available online to provide a response. • The Chair queried whether CCRG Members had observed other utilities being better at operationalising deliberative forums. Members didn't cite examples, and some expressed that the area of deliberative forums is generally poorly understood and executed. 	<p>Actions: Sydney Water to remove references to 'deliberative'</p>

	<ul style="list-style-type: none"> Overall, CCRG members asserted that the structure and timelines do not support a deliberative approach. It was suggested that Sydney Water consider renaming the sessions and reviewing the deliberative approach. <p>Actions: Sydney Water to remove references to 'deliberative' from the qualitative research for phases 1 to 4.</p> <p>Involve CCRG sub-group in design for Phase 5 to ensure it is a genuine deliberative approach.</p> <p>CCRG Members opting to participate in the subgroup were noted.</p>	<p>from any of the qualitative research for phases 1 to 4</p> <p>Involve CCRG sub-group in design for Phase 5 to ensure it is a genuine deliberative approach.</p>
10	<p>Paper for discussion: Draft Customer Charter</p> <p>Josh Isben provided the background to the development of the Customer Charter.</p> <p><i>Key points of discussion:</i></p> <ul style="list-style-type: none"> How do the Customer Promises relate to the charter? <p><i>Sydney Water explained that our Customer Promises were already in place as an internal document but have not been externally facing. This new customer charter aligns to the customer promises and includes a role for the customer.</i></p> How is Sydney Water going to promote the charter? How is the business going to measure performance on this charter? What will be considered to be the success of the charter? <p><i>Sydney Water explained that the business will be developing targets and metrics.</i></p> What does 'easy to deal' with mean? This doesn't translate well externally. We need to define what being 'easy to deal with' is for each process. There was support for including the 'help us by' section as this indicates partnership approach and shows that it is not all one way. It was suggested that 'affordability' be separated from 'reliable services'. Other amendments and suggestions from the CCRG were noted. <p>Action: Sydney Water to consider CCRG member feedback and review and update Customer Charter.</p>	<p>Action: Sydney Water to consider CCRG member feedback and review and update Customer Charter.</p>
11	<p>General Manager Update</p> <p>Stuart Wallace provided an update on the following items:</p> <ul style="list-style-type: none"> <i>Results of the 2023 Stakeholder Perception survey.</i> <p>Results were generally good, however feedback from water service coordinators council officers and developers highlighted that our communication, timeliness, procurement and invoicing processes could all be improved.</p> <p>Action: Sydney Water to include the results of the 2023 Stakeholder Perception survey on CCRG Forward Plan.</p> <i>Brand tracker results</i> <p>These results have improved since last quarter. While these results are still below our target we have maintained our position relative to benchmark organisations/ utilities. External factors such as the cost of living are key drivers.</p> 	<p>Action: Sydney Water to include the results of the 2023 Stakeholder Perception survey on CCRG Forward Plan.</p>

	<ul style="list-style-type: none"> • <i>Water literacy tracker results</i> Tracks our customers' understanding of water and the level of support for desalination and purified recycled water. The results of water literacy feed into our education, communications, campaigns, media and social media and launch of our Purified Recycled Water demonstration plant. • <i>Malabar Treatment plant project</i> Sydney Water has engaged with the First Nations community as part of works at our Malabar Treatment plant. This includes building a yarning circle and improving vegetation. Sydney Water teams worked with First Nations groups to propagate the native 'Five Corners' tree, which is difficult to grow. <p>Action: Sydney Water to provide a picture and information about 'Five corners' tree planted at Malabar.</p> <p><i>Key points of discussion:</i></p> <ul style="list-style-type: none"> • There is a need for Frequently Asked Questions for why we can't have new dams and this information needs to be easily available. People know we need more water but just ask why we can't have two dams. <p><i>Sydney Water explained the need to focus on rainfall independent supply and dams are no good in dry times, in changing climate dam levels drop quickly and there's also a question of where to build them.</i></p> <p>Action: Sydney Water to check what information and FAQs relating to dams and rainfall independent supply is on the website and promote its availability to customers.</p>	<p>Action: Sydney Water to provide a picture and information about 'Five corners' tree planted at Malabar.</p> <p>Action: Sydney Water to check what information and FAQs relating to dams and rainfall independent supply is on the website and promote its availability to customers.</p>
12	<p>Paper for Discussion: Reconciliation Action Plan (RAP)</p> <p>Simon Granville joined the meeting and provided an update on the RAP:</p> <ul style="list-style-type: none"> • Sydney Water are in the process of drafting a new RAP. • The new plan will reflect Sydney Water's passion, desire and focus for making our support for First Nations more overt, for example by new personal protective clothing with First Nations artwork in the same way that Qantas support for First Nations is very visible including artwork on planes. • Sydney Water has embarked on a new program of First Nations cultural awareness training. • We have an Aboriginal Participation Procurement plan to make it easy to engage with First Nations businesses and to make it easy to deal with us. • Our cultural burning in the Warragamba catchment area is a good example of how we are working proactively and progressively with First Nations groups. <p><i>Key points of discussion:</i></p> <ul style="list-style-type: none"> • Could the water bill include an acknowledgement of country or First Nations artwork? <p><i>Sydney Water noted that an acknowledgement of country has been discussed but opportunity for artwork could be considered.</i></p> <ul style="list-style-type: none"> • Is there a place in Sydney that connects people as a meeting place and to achieve a physical connection with Sydney Water? NZ Māori culture all have dedicated places for connection to land and water. Could the Tank Stream be that connection? 	

	<p><i>Sydney Water noted the suggestion and observed that the business is investigating how to improve access to the Tank Stream for example, if it could be used during Vivid.</i></p> <ul style="list-style-type: none"> • Could Sydney Water help intervene with National Parks to promote cultural burn practices? This work by Sydney Water shows that First Nations are not sidelined and being involved. <p><i>This suggestion was noted.</i></p> <ul style="list-style-type: none"> • Could Western Sydney be considered as a location for a yarnning circle? As Sydney water is now the stormwater owner for South Creek there is an opportunity to explain the story of South Creek and the First Nations connection? <p><i>Sydney Water noted that we are working to include information around First Nations at the Purified Recycled Water demonstration site.</i></p> <p>Action: Sydney Water to consider/follow up other opportunities for First Nations and community connection to place and country.</p> <ul style="list-style-type: none"> • Other religious and cultural communities see themselves as First Nations indigenous people. What is the definition of First Nations? <p><i>In Australia, the First Nations were not one people but many. It is hard to find the best terminology. For Sydney Water's Customer Engagement, the reference to First Nations is in line with the definition from the Australian Bureau of Statistics.</i></p> <ul style="list-style-type: none"> • What is Sydney Water doing in regard to the referendum on the 'Voice to Parliament'? <p><i>Sydney Water explained the primary focus will be on wellbeing of staff. Sydney Water will be raising understanding and awareness on the referendum on a fact basis.</i></p> <ul style="list-style-type: none"> • There is an ongoing opportunity to be visible and to build trust with our customers. • The next version of the RAP could also consider aligning with Sydney Water's Customer Charter and could also promote involvement of First Nations people in the CCRG and Sydney Water's Customer Engagement program. <p><i>Sydney Water advised that First Nations employment opportunities are not just with Sydney Water but also with our contractors.</i></p> <ul style="list-style-type: none"> • What is the Tank Stream's original name? <p>Action: Sydney Water to investigate the original name of the Tank Stream.</p>	<p>Action Sydney Water to consider/follow up other opportunities for First Nations and community connection to place.</p> <p>Action Sydney Water to investigate the original name of the Tank Stream.</p>
Price proposal		
13	<p>Paper for noting: Price proposal update.</p> <p>Monika Moutos joined the meeting and outlined the key activities to date as:</p> <ul style="list-style-type: none"> • the Customer Engagement program • the Forecast Expenditure workstream • a Water Conservation Plan has been developed and shared with the Department of Planning and Environment. Work is being completed to propose an approach to drought pricing and drought demand-side response costs. • Self-Assessment against IPART new 3Cs framework Rubric for an Advanced Grading. 	

	<p><i>Key points of discussion:</i></p> <ul style="list-style-type: none"> • What is 'Cost pass through'? <p><i>These are costs arising from things that are not in our control.</i></p>	
14	<p>Paper for discussion: Sydney Water's Operating Licence Review.</p> <p>Monika Moutos highlighted the key aspects of IPART's Issues Paper on the Sydney Water Operating Licence (as outlined in the paper) and also noted that the Customer Contract is not finalised yet but will be circulated to the CCRG out of session.</p> <p>Action: Sydney Water to share the proposed Customer Contract with the CCRG.</p> <p><i>Key points of discussion:</i></p> <p><i>Removing redundancy</i></p> <ul style="list-style-type: none"> • What does 'removing redundancy' for the review mean? <p><i>Sydney Water explained that this is around the things that are no longer relevant for example other legislation now surpasses the requirements of the Operating Licence.</i></p> <p><i>Service standards for development</i></p> <ul style="list-style-type: none"> • What are the service standards that Sydney Water works towards for forward development? What are the service standards for growth? Sydney Water needs to plan for growth and deliver a level of service that is workable for developers. <p><i>Sydney Water has a lot of work to do in the developer space, however the Operating Licence service standards are more operational, related to supply of water and wastewater services.</i></p> <p><i>Water Pressure Service Standards for Fire and Rescue</i></p> <ul style="list-style-type: none"> • How formal is Sydney Water's cooperation with NSW Fire and Rescue? It is important that the Operating Licence service standards on water pressure are suitable for fire protection and that there is cooperation between Sydney Water and Fire and Rescue on this. <p><i>Tenant billing</i></p> <ul style="list-style-type: none"> • What is the position on dealing directly with Tenants for billing. What is the progression of this debate to start billing tenants directly? <p><i>Sydney Water advised that the organisation is not ready to commit to tenant billing.</i></p> <ul style="list-style-type: none"> • Tenants have an implicit contract with Sydney Water as users of water. Tenants are an increasing percentage of the population and so Sydney Water should have a direct relationship with this segment. This is a real opportunity for Sydney Water to gain a better direct relationship with 30 to 40% of the population. • Does Sydney Water need appropriate legislation to support billing of tenants? • Legislation does need to catch up and direct relationships between the user and the provider established. <p><i>Sydney Water advised that it could champion that change. We could build a case to change our billing.</i></p> <p><i>Stormwater and aerotropolis</i></p> <ul style="list-style-type: none"> • Sydney Water has an operating role for the aerotropolis and stormwater. What is the waterways quality aspect of this in the Operating Licence? 	<p>Action: Sydney Water to share the proposed Customer Contract with the CCRG.</p>

16	<p>Next meeting and forward plan</p> <p>Next meeting is October 9 October and will be a Deep Dive on the Price Proposal.</p> <p>Douglas McCloskey provided advance notice that he would not be able to attend the October meeting but would be happy to provide comments out of session.</p> <p>The 2024 CCRG meeting dates were noted.</p> <p>Action: Sydney Water to send out the 2024 CCRG meeting appointments.</p>	<p>Action: Sydney Water to send out the 2024 CCRG meeting appointments.</p>
17	Meeting closed at 2pm.	

2023 CCRG Meeting dates/times (subject to change)

Monday 9 October 2023 9am-2pm* <i>City Office</i>
Monday 27 November 2023 9am-2pm* <i>City Office</i>

2024 CCRG Meeting dates/times (Draft - subject to change)

Monday 19 February 2024 9am- 2pm*
Monday 8 April 2024 9am-2pm*
Monday 3 June 2024 9am-2pm*
Monday 5 August 2024 9am-2pm*
Monday 30 September 2024 9am-2pm*
Monday 18 November 2024 9am-2pm*

*Length of CCRG meetings to be confirmed.