

Minutes

Venue: Sydney Water Office
1 Smith St Parramatta

Date and time: 18 November 2022
10:30am - 3:30pm

Meeting title: Customer and Community Reference Group (CCRG)

Independent Chair: Abigail Goldberg (AG)

Attendees: **Customer and Community Reference Group (CCRG) Members**

Anna Bacik – Community Industry Group (Illawarra) (AB)
Narelle Brown – Community Representative (NB)
Steven Collins – Community Representative (SC)
Inaara Jindani – Community Representative (IJ)
Mary Karras – Ethnic Communities Council NSW (MK)
Leigh Martin – Total Environment Centre (LM)
Bruce McClelland – Business Western Sydney (BM)
Graham Turner – Council of the Ageing (GT)
Ross Williams – Local Government NSW (RW)

Sydney Water

Roch Cheroux – Managing Director (RC)
Stuart Wallace – General Manager, Customer & Stakeholder Engagement (SW)
Josh Isben – Head of Customer & Strategic Insights (JI)
Paul Higham – Head of Strategy & Enterprise Plan (PH)
Flavio Romano – Head of the 2024 IPART Price Proposal (FR)
Izzy Kerr – Customer Research Manager (IK)
Sharon Bowyer – Senior Customer Governance Specialist (SB)
Geoff Watson – Head of Customer Hub (GW)

Apologies/absent: Douglas McCloskey – Public Interest Advocacy Centre
Stephen McMahon – Urban Development Institute of Australia

Meeting purpose: Establishment of the Customer and Community Reference Group

Desired outcome: Induction / Orientation Meeting

Agenda items:

Item	Topic	Action
1	<p>Welcome and Acknowledgement of Country Corporate purpose and objectives of the CCRG The meeting was opened at 11am. The Chair welcomed the Members to the inaugural CCRG meeting. Apologies were noted.</p> <p>SW began the meeting with an acknowledgment of country and welcomed the Members. He also provided an overview of Sydney Water's objectives for the CCRG.</p>	
2	<p>Chair and Member introductions Members introduced themselves with a focus on the broad customer and community interest areas they are representing, and the perspectives they will bring to the CCRG.</p>	
3	<p>About Sydney Water Introduction to the CCRG – Purpose and Charter</p>	

	<p>JI provided an overview of the purpose and functions of the CCRG. JI outlined success of the CCRG from 3 perspectives:</p> <ol style="list-style-type: none"> 1. CCRG Members are satisfied with the CCRG process and outcomes. 2. Sydney Water gets value from the CCRG through collaboration and constructive challenges from the Members. 3. Sydney Water customers, stakeholders and regulators see the value that the CCRG brings to Sydney Water. 	
4	<p>CCRG Procedural elements</p> <p>The Independent Chair discussed the following items:</p> <ul style="list-style-type: none"> • Way of working • Conflict of interest management • Code of Conduct • Commitment • CCRG Forward Plan <p><i>Key points of discussion:</i></p> <ul style="list-style-type: none"> • How should the Members consult or report back to their representative groups while maintaining confidentiality for the CCRG? (Raised by MK, LM and RW). JI and the Chair discussed that this would need to be handled on a case by case basis; to assist, specific items will be marked “confidential” where needed. Sydney Water is also considering producing ‘key points’ as an outcome of meetings which can be shared more broadly. • Concerns that the media may make their own interpretations if they connect representative groups with the CCRG and/or Sydney Water. (Raised by MK). This was noted. It was further discussed that Members may make comments to the Media (except with regard to Confidential items) but must not purport to be representing either the CCRG or Sydney Water. Members were asked to keep the Chair informed of statements to the media. • Member organisations may prefer that their Member Representative not ‘endorse’ a Sydney Water position. The Chair observed that Members are providing strategic input, not endorsing decisions, although they may endorse a process. (Raised by AB and LM). JI explained that the CCRG is an advisory rather than a decision-making body. • What happens when the CCRG Members do not agree? (Raised by AB). The Chair noted that not everything will be by consensus, and a range of views will be reflected in the Minutes. There will be an opportunity for draft Minutes to be reviewed by the Members before being published. • Being a conduit back to representative groups (Raised by AB and SC). Noted and appreciated that several members are happy to act as a conduit and to engage with their networks about specific topics. • The Chair outlined that ways of working will be peer-to-peer and collaborative. The CCRG Forward Plan as presented at the meeting is subject to change and Members were invited to provide feedback. The Chair will contact individual Members over time to discuss the operation of the CCRG, and invite ideas regarding what is working well (and what poorly) is comparable groups. 	<p>CCRG Members to provide any feedback on the CCRG Forward Plan.</p> <p>Chair to contact CCRG Members to discuss the operation of the CCRG.</p>

5	<p>Tour of Customer Hub</p> <p>GW took the Members on a tour of the Sydney Water Customer Hub, and introduced members to the various areas of activity within the Hub, including faults tracking and monitoring, analytical reviews and forecasting, incident management and customer response. Interactive discussion took place during the tour, enabling Members to clarify activities and methods of working.</p>	
<p>Induction/onboarding</p>		
6	<p>Sydney Water Economic model and IPART Regulatory Framework Review</p> <p>FR provided an introduction to Sydney Water’s Economic Model and the IPART regulatory framework.</p> <p><i>Key points of discussion:</i></p> <ul style="list-style-type: none"> • Who also provides Stormwater services? (Raised by AB) – JI explained Local Councils provide stormwater services in some areas. • How does a 5 year price determination reflect forecasted demand for the longer term? (Raised by AB) – PH and FR explained forecast demand is part of broader planning (30 year plans) and is an important factor for inter-generational equity. • What is the proportion of Sydney Water’s revenue from fixed charges and water usage? (Raised by GT). Flavio highlighted the proportions of this revenue. • Is there a distinction between residential and business customer water charges? (Raised by NB). FR and JI explained that there are differences which are dependent on the size of the meter connection/pipe. • What is the impact of a loss of revenue, e.g., \$84M because of less water used? (Raised by MK). FR explained the demand risk and the need for moving to a new approach with revenue caps. • Revenue shortfalls and surplus across different price submission periods would need price adjustments (Raised by LM). FR confirmed that Sydney Water needs to adjust for revenue changes, but this can create ‘bill shock’ for customers, which needs to be appropriately managed. • Do we factor in bad debts? (Raised by the Chair). FR confirmed we do, but that Sydney Water are not aggressive debt recovery agents. JI explained that Sydney Water can restrict water supply for non-bill payment but does not totally cut off the water supply. Debt recovery activities were postponed during Covid but are being reintroduced. JI also explained as Sydney Water bills the property owner it has less bad debts than utilities that bill tenants. • NB relayed an example of a person who had water supply restricted but hadn’t contacted Sydney Water to see what support was available. NB had been able to help promote the support that Sydney Water provided. • What happened to Sydney Water prices before IPART? (Raised by AB). PH explained that this was prior to Sydney Water being corporatized, when the Government set the prices. • What is the political influence on SWC bills? (Raised by SC). SW explained that the Government defers to IPART. PH explained the Government can also exercise its policy instruments. • How do we factor in innovation eg for climate change? (Raised by the Chair and BM). PH explained that expenditure needs to be deemed prudent and efficient and innovation is often rejected because of this. However, an innovation fund is being devised which will assist with this in future. Examples 	

	<p>from UK utilities include running innovation competitions to solve problems faced by water utilities.</p> <ul style="list-style-type: none"> • What has been the feedback to the UK model? (Raised by GT). FR explained IPART is looking to various models including the UK model of performance. Performance will include customer outcomes on affordability, environment, waterway health, water resilience. 	
7	<p>Welcome from the Managing Director</p> <p>RC welcomed the Members and thanked them for their time to participate in the CCRG. He expressed delight that the CCRG is coming to life and that he is looking forward to working with the group. Regarding Sydney Water, RC outlined the following objectives:</p> <ul style="list-style-type: none"> • wants to be an organisation that engages with customers and listens to what customers say • wants to have conversation with customers about options, costs and environmental impacts and factor this into plans and submissions • is a community organisation that exists for its customers. It is important to be in-tune with customers • sees the CCRG having a critical role to play. It will help Sydney Water understand customers and inform the business when things are going both right and wrong. <p><i>Key points of discussion:</i></p> <ul style="list-style-type: none"> • What is the future for purified recycled water and how can the process be streamlined? (Raised by BM). <p>RC noted that this is a hard topic for the future, and a move in this direction needs to be a community decision. There are several options available and purified recycled water is just one of them. RC noted that purified recycled water already exists around the world. Sydney Water's suggested option for purified recycled water would be to treat this water and put it back into rivers, lakes and dams (indirect reuse). It would then be treated again as part of the water supply treatment. RC explained that Sydney Water does not want to impose a solution. Other options such as desalination also need to consider the full water cycle impact and consider the need for additional wastewater treatment investment as well. The purified recycled water option considers both water supply and wastewater investment needs.</p>	
8	<p>Sydney Water Strategic Framework, Strategy and blueprints</p> <p>PH gave an overview of the challenges facing Sydney Water, including customer expectations, climate change and growing cities, and provided an outline of Sydney Water's strategic outcomes. He discussed the role of water in cities and the importance of water in liveability and sustainability.</p>	
9	<p>Customer Engagement update</p> <p>IK provided an update on the recent Customer Engagement work. This included the 15 priorities identified by customers at deliberative forms held at Parramatta, Sydney CBD, Wollongong, Hornsby and Penrith and through smaller focus groups, mini groups and 1:1 interviews.</p> <p><i>Key points of discussion:</i></p> <ul style="list-style-type: none"> • How are young people involved in the forums? (Raised by IJ). IK explained that it includes over 18 years and the % of people in each of the age ranges are reflective of the ABS stats of the population. 	

	<ul style="list-style-type: none"> • How are First Nations communities involved? (Raised by SC). IK explained we are using a specialised company to support engagement with First Nations. • Are forums being held 'In language'? (Raised by BM). IK explained that the larger Deliberative Forums are held in English (not 'In language') but that there are smaller focus groups that are held 'in language' in the top 6 languages from the ABS stats. • What is the definition of Willingness to Pay and Capacity to Pay for this customer engagement work? (Raised by NB). IK explained the definition and approach to this work. NB offered to provide some suggested contacts that could be used for future customer engagement. • MK asked/commented on: <ul style="list-style-type: none"> • How do we engage with new and emerging communities not necessarily reflected in the top 6 ABS language groups? • How do we reach out to CALD in small/medium businesses? • Should the customers be informed customers so that they can be responsive and ensure authentic engagement? • In language workshops shouldn't have to cost as much? • There is an opportunity to engage CALD Community Leaders and community influencers (note they are not often the same) to run groups and to have more conversations? • Need for getting ambassadors within the community? • Ethnic Communities Council would be willing to assist. • IK explained that research groups are based on the ABS stats for demographics and includes focus groups with business groups. General information on the research topic is provided at the forums. However, it is important to meet customers where they are at and to be reflective of the general customer population that may not be informed. JI also explained that the CCRG will be informed customers and stakeholders so that we can have deeper conversations with this group). 	<p>NB to provide suggested contacts for future customer engagement work.</p> <p>Post the CCRG meeting a follow-up discussion on the Customer Engagement research was offered to the group. It is suggested that members report back to the CCRG at the next meeting.</p>
10	<p>Q&A General Session <i>Key points of discussion:</i></p> <ul style="list-style-type: none"> • What is the relationship between Sydney Water and Water NSW? Could WaterNSW provide an update at a future CCRG meeting? (Raised AB). • Suggested that an item on Sydney Water's approach to Internet of Things, Digitisation, and innovation investment be added to the CCRG Forward Plan (Raised by BM) • Suggested that it would be useful for the CCRG to hear from other comparable groups, e.g. Melbourne Water, on their challenges, economic model and costs to customers. What are the similarities and differences to Sydney Water. (Raised by GT). • CCRG Members were invited to email the Chair or Sydney Water with any additional questions or suggestions. 	<p>PH to provide an outline of this relationship and also the different water entities and regulators at future meeting or out of session.</p> <p>SB to include suggested items on Forward Plan register.</p> <p>PH to share water utility benchmarking results at future meeting or out of session.</p>

		SB to distribute email address for Chair to Members.						
11	<p>Next meeting and meeting close The 2023 meeting dates were noted.</p> <table border="1" data-bbox="199 481 880 674"> <tr><td>Monday 13 February 2023 10:30am- 3:30pm*</td></tr> <tr><td>Monday 3 April 2023 9am-2pm*</td></tr> <tr><td>Monday 5 June 2023 9am-2pm*</td></tr> <tr><td>Monday 7 August 2023 9am-2pm*</td></tr> <tr><td>Monday 9 October 2023 9am-2pm*</td></tr> <tr><td>Monday 27 November 2023 9am-2pm*</td></tr> </table> <p>*Times to be confirmed.</p> <p>The Chair:</p> <ul style="list-style-type: none"> • Noted that Member names will be published on the Sydney Water website and in the Meeting Minutes. • Invited Members to share a short Bio for the website. • Informed the group that the Sydney Water Annual Report had been tabled in Parliament and that Members will be provided a link to the report when available. <p>The meeting was closed at 3:15pm.</p>	Monday 13 February 2023 10:30am- 3:30pm*	Monday 3 April 2023 9am-2pm*	Monday 5 June 2023 9am-2pm*	Monday 7 August 2023 9am-2pm*	Monday 9 October 2023 9am-2pm*	Monday 27 November 2023 9am-2pm*	<p>SB to send 2023 meeting invites.</p> <p>SB to provide template for Member Bio.</p>
Monday 13 February 2023 10:30am- 3:30pm*								
Monday 3 April 2023 9am-2pm*								
Monday 5 June 2023 9am-2pm*								
Monday 7 August 2023 9am-2pm*								
Monday 9 October 2023 9am-2pm*								
Monday 27 November 2023 9am-2pm*								