

Minutes

Venue: Rydges Sydney Central (Riley Room)
28 Albion Street, Surry Hills NSW 2010

Date and time: 9 October 2023
9:00am – 2:00pm

Meeting title:	Customer and Community Reference Group – 9 October 2023
Independent Chair:	Abigail Goldberg
Attendees:	<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 Stephen McMahon – Urban Development Institute of Australia Donna Rogers – Community Industry Group (Illawarra) Graham Turner – Council on the Ageing (COTA) Ross Williams – Local Government NSW</p> <p>Sydney Water Stuart Wallace – General Manager, Customer & Stakeholder Engagement Josh Isben – Head of Customer & Strategic Insights Izzy Kerr – Customer Research Manager Paul De Sa – Strategic Planning Manager Mike Salter – Strategic Planning Manager Lyndall Pickering – Strategic Planning Manager (part) Glenda Stowell – Strategic Planning Manager (part) Persephone Rougellis – Strategic Planning Manager (part) Robbie Goedeke – Strategic Planning Manager (part) Monika Moutos – Head of Economics and Regulation Flavio Romano – Head of Price Proposal Andrew Turner – Regulatory Economics Specialist Sharon Bowyer – Senior Customer Governance Specialist</p> <p>Observers Kate Dryden – Non-Executive Director Jamie Hollamby – General Manager, Finance & Business Performance</p>
Apologies/absent:	Roch Cheroux – Managing Director Douglas McCloskey – Public Interest Advocacy Centre
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

Item	Topic	Actions
1	<p>Welcome and Acknowledgement of Country</p> <p>The meeting was opened at 9:00am and the Chair welcomed participants and noted apologies.</p> <p>Steven Collins acknowledged country and paid respects to elders past and present.</p>	

2	<p>Introductions and apologies</p> <p>The Chair introduced Kate Dryden (Non-Executive Director) and Jamie Hollamby (General Manager Finance & Business Performance) as observers for this meeting. Sydney Water’s Strategic Planning Managers were welcomed to the meeting.</p> <p>The Chair advised that she had attended the Sydney Water Board Meeting (27 September 2023) at the Board’s invitation along with CCRG member Mary Karras and Steven Collins to respond to questions about the CCRG. Comments were made on CCRG representation and diversity, the insightful and valuable input provided by the CCRG and Sydney Water’s response to CCRG feedback as positive and receptive to criticism.</p> <p>Non-Executive Director, Kate Dryden commented that the CCRG discussion at the Sydney Water Board meeting was positive.</p>	
3	<p>Housekeeping</p> <p>Sydney Water advised of the evacuation requirements and administrative aspects for the venue.</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 an overview of the meeting structure and confirmed that this meeting would focus on a deep dive for the price proposal with two workshops, one on customer outcomes and the second on affordability.</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 August 2023 CCRG meeting, which had been transmitted inter-session, were accepted.</p> <p>No interests were declared.</p>	
Customer Engagement		
5	<p>Phase 5 Customer Engagement – Verbal update</p> <p>Josh Isben and Izzy Kerr thanked the CCRG for their feedback on the Customer Engagement program (‘Our Water, Our Voice’) since the last meeting and provided the following update:</p> <ul style="list-style-type: none"> • Phase 5 is being redesigned following feedback from the CCRG, URA (Utilities Regulation Advisory, a third-party providing advice to Sydney Water price proposal) and IPART. • Sydney Water has responded to feedback that more time is needed with customers as part of the deliberative panels. • Revised Phase 5 session plans will be available in October 2023. <p>Action: Sydney Water to seek CCRG feedback on Phase 5 revised session plans.</p> <p><i>Key points of discussion:</i></p> <p>Sydney Water was advised to be cautious of using technical terms during customer sessions and advised to present information in different ways to support diverse ways of understanding, and to ask customers to provide a ‘playback’ to confirm their understanding of questions and issues.</p>	<p>Action: Sydney Water to seek CCRG feedback on Phase 5 revised session plans.</p>
Price Proposal Deep Dive – Part A		

<p>6</p>	<p>Workshop: Linking our Strategic Planning Framework to Customer Outcomes</p> <p>Paul De Sa provided an overview of work to date on the customer outcomes, which has already factored in CCRG inputs. He outlined:</p> <ul style="list-style-type: none"> • the strong relationship with the Customer Engagement program. • that Sydney Water is seeking feedback from the CCRG (from a customer perspective) on how to present the customer outcomes to customers. • the customer outcomes requirements will be used to build up Sydney Water’s activities and budgets. <p>The Chair outlined a workshop approach for this item and the intention for CCRG members to work through a series of questions in small groups. Sydney Water facilitated and supported ‘kiosks’ related to three customer outcomes and CCRG groups rotated through each ‘kiosk’. Feedback was written on flip charts for each of the customer outcomes.</p> <p>The Sydney Water facilitators provide a report-back from the discussions held for each of the customer outcomes.</p> <p>The Chair provided an overall sum up of the session as:</p> <ul style="list-style-type: none"> • Language – needs to be easy to understand and inclusive. • Measures – should not just be the same as those required by the regulators or from a Sydney Water perspective but should be measures that customers want to see. • Education – the importance of educating customers, not just informing them, for example providing support related to financial literacy and budgeting. • Communication and responsibility – need to be two ways with customers i.e. customers as much as Sydney Water are responsible for taking action e.g. in relation to water conservation. • Partnering – the importance of working together with the community and customers. • Affordability – a critical issue for customers that is becoming increasingly important as market conditions tighten, particularly for those customers who have no budget elasticity e.g. pensioners. <p>Action: Sydney Water to incorporate CCRG feedback into the developing Customer Outcomes which will be presented to customers in Phase 5 of the Customer Engagement and ultimately integrated into the Price Proposal submission.</p>	<p>Action: Sydney Water to incorporate CCRG feedback into the developing Customer Outcomes which will be presented to customers in Phase 5 of the Customer Engagement and ultimately used for the Price Proposal submission.</p>
<p>Price Proposal Deep Dive – Part B</p>		
<p>7</p>	<p>Affordability presentation</p> <p>Monika Moutos and Flavio Romano provided background on Sydney Water’s revenue, expenditure and regulatory context, and shared Sydney Water insights on customer affordability measures across local government areas.</p> <p><i>Key points of discussion on the presentation:</i></p> <p>CCRG members commented on:</p> <ul style="list-style-type: none"> • issues impacting water usage, customer bills and affordability across different local government areas. • opportunity to review affordability indicators applied by organisations such as COTA and to compare to Sydney Water’s insights on affordability and to findings obtained from the current Customer Engagement research (including 	

<p>Willingness to Pay studies). Potential to use multiple datapoints to look at affordability patterns.</p> <ul style="list-style-type: none"> • various social advocacy organisations support customers with affordability/hardship issues across multiple utilities and services. Sydney Water is reportedly one of the easiest organisations to deal with compared to other organisations. • some customers still have difficulties accessing hardship support services as a result of on-line portals and / or phone services presenting something of a hurdle to them. • Sydney Water insights on affordability by local government area generally reflect observations made by Local Government NSW. • potential for Sydney Water to investigate customer journey mapping or human centred design reviews on customers going through the hardship journey. <p>Sydney Water:</p> <ul style="list-style-type: none"> • noted that digital meters could help with water affordability in new strata buildings through individual water usage metering. • advised that Sydney Water had conducted research on affordability during the Covid-19 epidemic. • outlined that customers can opt to have their water bills 'smoothed' into monthly payments, rather than quarterly (noting that this does not apply to tenants). • agreed that there is merit in doing customer journey mapping regarding the hardship experience. <p>Action: Sydney Water to share 'Exploring Financial Hardship' research report conducted in November 2020 following Covid-19 and the economic downturn.</p> <p>Customer Q&A: Affordability</p> <p>The Chair introduced a Customer Q&A session to enable participants to hear the views from different customer perspectives. The Chair invited three CCRG Members and Andrew Turner (Sydney Water) to provide their respective points of view from the following customer perspectives:</p> <ul style="list-style-type: none"> • Narelle Brown (low income) • Graham Turner (seniors, pensioners) • Steven Collins (First Nations people) • Andrew Turner (renters) <p>Key points included:</p> <p>Narelle Brown has experience in financial counselling, supporting customers in hardship and customer complaint management.</p> <p>Narelle explained that there is much more to financial distress than may be apparent superficially such as crisis situations, grief, health, and wellbeing. She described how customers in distress may choose unhelpful solutions (e.g. additional credit cards or the sale of a car) out of lack of knowledge or because of their emotional distress making clarity of thought difficult.</p> <p>Narelle outlined how education is critical in supporting customers – for example in financial literacy and in the management of bills including water and other utility bills. Customers often do not know that there are free financial counselling services available, or that there is help available for paying utility bills. Tenants do not always understand their rights when landlords pass on entire water bills (not just the water usage amount). Customers don't always know how to manage water use, read water meters or water bills, or check for water leaks.</p>	<p>Action: Sydney Water to share 'Exploring Financial Hardship' research report conducted in November 2020 following Covid-19 and the economic downturn.</p>
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<p>Narelle complimented Sydney Water for their wonderful customer hardship assistance program. However, she noted that customer information, awareness and education needs to be ongoing and more far-reaching in order to be effective.</p> <p>Graham Turner provided statistics gathered by COTA which indicated that one third of Sydney are over 50 years of age, and that this is forecast to increase. This age group also crosses over with low income people, renters, culturally and linguistically diverse and First Nations people.</p> <p>Graham explained that COTA use 5 key indicators of financial vulnerability:</p> <ul style="list-style-type: none"> • Income less than \$30,000 per annum • Domestic violence • Homelessness • Cultural and linguistically diverse community • First Nations community. <p>In a recent COTA survey of older people, 18% reported overdue bills (up from 12% in 2018) and 59% reported financial distress (up from 39% in 2018). Seniors need certainty, but this is impacted by inflation. As they are often no longer working, they have no other options to source additional income and there can be lags in support payments.</p> <p>Seniors are concerned with intergenerational equity and fairness when determining utility bills but question ‘what is fair to pay for’ and ‘how much is fair to pay forward’ (essential services such as maintenance or discretionary services such as environment).</p> <p>Payment assistance needs to be relevant to seniors (e.g., an extension to pay bills doesn’t help if you don’t have an income).</p> <p>Graham noted that COTA had reviewed the Greater Sydney Water Strategy and noted that many of the requirements were political objectives, not consumer driven, and queried this emphasis.</p> <p>Steven Collins outlined that only 1 in 10 First Nations people are financially secure. Only 2 in 5 have access to \$2,000 at any time. These communities often don’t talk about financial situations or have the skills to be able to share information about financial literacy.</p> <p>Financial literacy for customers goes hand in hand with the broader social responsibility that organisations like Sydney Water have. Organisations need to be culturally aware, supportive and work to build trust with customers.</p> <p>Like Narelle, Steven emphasized the importance of education in supporting First Nations people. He proposed that Sydney Water consider specialised First Nations responders within customer support teams in order to provide more effective, tailored support.</p> <p>Steven outlined his knowledge of how working to support marginal communities ‘at the edges’ can be of benefit to all customers, including more average customers ‘at the centre’, as service is improved and refined overall and to the benefit of everyone.</p> <p>Andrew Turner is a renter and shared his experience. 30% of Sydney are renters. He outlined that for renters there are two key challenges: a lack of agency i.e. uncertainty regarding actual water bills (tenants often don’t see the actual Sydney Water bill) and confusion regarding potential actions (e.g. payment assistance and water efficiency options).</p> <p>If there are any credits on the water usage, Andrew noted that tenants are unlikely to get this back. Tenants often don’t receive water usage amounts in a timely</p>	
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fashion from their real estate agent which then impacts affordability. Andrew quoted an example of not finding out about a leaking hot water system until two quarters later when the water usage bill was provided by the real estate agent.

No information is provided about water efficiency from landlords or real estate agents and there is lack of opportunity to install water efficient shower heads or taps. Tenants are dependent on real estate agents and landlords to be fair and reasonable. Tenants don't want to be evicted for complaining.

Andrew also related how he recently received a letter from Sydney Water saying that the water service to the premise would be restricted as the water bill had not been paid. This had happened to multiple tenants using the same real estate agent. Tenants had paid their water usage bills to the real estate agent, but the agent had not paid Sydney Water.

On behalf of renters, Andrew queried whether Sydney Water could provide information more directly to tenants. Also, whether Sydney Water could do more to understand the customer experience for tenants.

Facilitated discussion

The Chair thanked the Customer Q&A participants for their perspectives, following which a broader discussion ensued regarding the multiple levers that Sydney Water can use to manage affordability.

Key points raised by CCRG members about each of the levers were:

Managing expenditure – reduce the amount of money we need

- It is important to manage customer expectations and build trust.
- Customers want to know where their money is being spent and that it is being spent wisely.
- Can Sydney Water produce a document outlining where the revenue from a Sydney Water bill is being spent? (This would be similar to the summary provided by the Tax Office on where taxes are spent).

Long-term price path - we can smooth prices over a longer period

- On intergenerational equity and smoothing bills over multiple years, where does it end? Who pays the price?
- IPART are thinking about intergenerational equity. How do we communicate with youth on these issues?

Water tariff reform - ensure that customer prices are set to balance sending efficient price signals and affordability and ensure customers who use more pay more

- There is a need to consider if single tariff sends the right signals to users.
- Digital metering and metering in strata buildings may support this.
- Saving water means Sydney Water receives less income on water usage charges. Higher fixed charges provide Sydney Water with a guaranteed revenue, but customers can't control their bills. How do we get the balance right?
- Affordability does need to link to customer control over the bill.

Infrastructure contributions - by fully re-introducing infrastructure contributions from 2024, developers will pay for most of the costs their development adds to the network

	<ul style="list-style-type: none"> • There is a need to be clear on communication with residential customers that their bills are still going to go up, even when Infrastructure Contributions to developers are re-introduced. Customers should expect a decrease in the bills as they have been funding development since 2008 when the previous Infrastructure Contributions were ceased. • Infrastructure contributions should follow postage stamp pricing (as in the case of water bills), so there is equity across regions. <p>Hardship programs and rebates - continue to uplift and target our programs</p> <ul style="list-style-type: none"> • IPART may be interested to see what Sydney Water are doing to educate customers on financial literacy as well as water literacy. • Education needs to be provided 'in language' and through different media. • There is a need for cultural appropriateness in customer journeys. Does Sydney Water have a First Nations customer lens at the Contact Centre or in Payment Assistance teams to provide appropriate support? What staff training is available? • Hardship programs and rebates don't help tenants. Tenants are not aware of what they are entitled to. • There is a need for broader communication with the Tenancy Rights Board and also with landlords and real estate agents. It was suggested that Sydney Water may be able to discuss these issues with the new NSW Rental Commissioner. • Hardship programs need to be proactive not just reactive. • Clearly explain eligibility criteria for programs such as PlumbAssist. Do all customers understand the criteria? • There is a need to be mindful of the whole community not just those in hardship. However, if we make things better for those in hardship, it can make things better for all. • There is a need to continually educate customers on the support that is available and to promote with other service providers. • What financial assistance support is being provided for business? <p>Shareholder support - Discuss options with our shareholders</p> <ul style="list-style-type: none"> • Acknowledged by CCRG members, but not discussed in detail during the meeting. <p>Action: Sydney Water to consider CCRG feedback and to update the CCRG at a future meeting on how the feedback is being incorporated.</p>	<p>Action: Sydney Water to consider CCRG feedback and to update the CCRG at a future meeting on how the feedback is being incorporated.</p>
	<p>Sydney Water update</p>	
<p>8</p>	<p>General Manager Update</p> <p>Stuart Wallace provided an update on the following items:</p> <ul style="list-style-type: none"> • CCRG Showcase item to the Sydney Water Board meeting (with Abigail, Mary and Steven) was well received. • National Water Week coming up. • New campaign about to kick off with Jess Fox (Olympic kayaker). • Summer campaign with Shane Jacobson will screen over summer with a focus on water conservation and youth. • EA negotiations underway with some content in the media. • Thanked CCRG members for their suggestions that Sydney Water attend NSW Seniors Expo and Bella Vista Farm Open Day. 	

	<p><i>Key points of discussion:</i></p> <ul style="list-style-type: none"> • How are Sydney Water campaigns accessed by multicultural communities? <p>Sydney Water explained:</p> <ul style="list-style-type: none"> • various campaigns are done 'in language' and shared through various media (e.g., translated printed material, social media channels, community radio etc). • work is underway with Multicultural NSW to work with key language groups and to help with translating material for the Purified Recycled Water demonstration plant. 	
	Other business	
9	<p>General business</p> <p>Josh Isben provided an update on the following:</p> <ul style="list-style-type: none"> • <i>Customer Charter</i> - has been updated following input from the CCRG and approved by the Sydney Water Executive. It will be published on the website and communicated with customers. • <i>Sydney Water's proposed Customer Contract</i> – thanked the CCRG for comments received out of session. Confirmed that this is not a document that is signed by customers. It is a contract effectively entered into as soon as the customer utilises our services. The Customer Contract is supported by a shorter summary document called 'Our Contract with You'. • <i>Youth Advisory group</i> – Sydney Water intend to seek views of the NSW Youth Panel with the assistance of CCRG Member, Inaara Jindani regarding young people's perspectives. Currently working out timing for this engagement. <p><i>Key points of discussion:</i></p> <p>Multicultural NSW are wanting to set up multicultural youth advisory groups. This could be an opportunity for Sydney Water to discuss with Multicultural NSW.</p> <p><i>Member updates</i></p> <p><i>DPE consultation on recreation at Prospect Reservoir</i> - CCRG members that had participated in this consultation provided feedback on their interviews.</p> <p><i>Q&A general session</i></p> <p>There were no other questions.</p>	
10	<p>Next meeting and forward plan</p> <p>Next meeting is November 27 and will likely include a visit to the Purified Recycled Water Demonstration and Discovery Centre (Quakers Hill). If this is the case, a later start will be notified to accommodate travel time.</p> <p>The 2024 CCRG meeting dates were noted.</p>	
11	Meeting closed at 2pm.	

2023 CCRG Meeting dates/times (subject to change)

Monday 27 November 2023 10:00am - 2pm - <i>Purified Recycled Water Demonstration and Discovery Centre (Quakers Hill)</i>
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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 11 November 2024 9am - 2pm*

*Length of CCRG meetings to be confirmed.