

# Our Water, Our Voice

## Customer Engagement Program

### Phase 2 Final Report

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# Welcome to Sydney Water's Customer Engagement Program: *Our Water, Our Voice*

Sydney Water is serious about listening to customers and planning for the future with customers at the heart of the process.

Starting in September 2022 and spanning 12 months, Sydney Water has been undertaking a thorough listening exercise to understand customer expectations and priorities, and customer willingness to pay for investments that align with these expectations. The program was named by customers: *Our Water, Our Voice* and runs alongside a wide range of other customer research currently being undertaken by Sydney Water.

This report summarises the findings from the second phase of the customer engagement program, including conversations with over 2,000 residential customers (both homeowners and renters) and over 40 stakeholders, including Major Business Customers (Service Critical High), Major Developers, Value Makers, local, state and other government stakeholders, small and medium enterprises, between September and December 2022.

This is a detailed document, designed for an internal Sydney Water audience, and an interested external audience. It is not intended to be distributed at a community level beyond those with a keen interest.

This report follows the customer engagement structure of Phase 2. To begin with, customers were tasked with grouping and naming 15 priorities identified by customers in Phase 1, to inform the key focus areas for the regulatory process. This report then explores and validates service-level metrics to inform Sydney Water's Regulatory Proposal and Customer Contract.

To supplement this document, a shorter summary-style version will be prepared –

designed to be published and promoted to keep customers informed of the knowledge gathered to date, how it is being used, and where it fits in the broader regulatory process.

*Our Water, Our Voice* aims to involve customers actively and genuinely in Sydney Water's decision-making process. Customers have selected the name for the program, and in Phase 1 they actively shaped the focus for Sydney Water's Regulatory Proposal.

Sydney Water has the target of reaching an 'Advanced' level for this customer engagement program, resulting in a customer-led and customer-supported Price Proposal.

I hope you find this an enjoyable and informative read and that it sets the scene for the remaining phases of the *Our Water, Our Voice* customer engagement program.



**Ash Moore**

**Co-Chief Executive Officer,  
Kantar Public Asia Pacific**



# Acknowledgement of Country

**Sydney Water and Kantar Public respectfully acknowledge the Traditional Custodians of the land and waters on which we work, live, and learn.**

Their lore, traditions and customs nurtured and continue to nurture the waters (bulingang or saltwater and muulii ngadyuung or sweetwater) in Sydney Water's operating area, creating well-being for all. We pay our deepest respect to Elders, past and present. We acknowledge their deep connections to land and waters. In the spirit of reconciliation, we remain committed to working in partnership with local Traditional Owners to ensure their ongoing contribution to the future of the water management landscape, learning from traditional and contemporary approaches, while maintaining and respecting their cultural and spiritual connections.



# Executive Summary

## Introduction

Sydney Water is Australia's largest water utility, providing safe, high-quality drinking water to nearly 5.3 million people in and around Greater Sydney every day, along with providing wastewater, stormwater, and recycled water services to many homes and businesses.

Recently, the Independent Pricing and Regulatory Tribunal (IPART) introduced a new regulatory framework for water businesses in NSW, which requires demonstration of pricing submissions being in the long-term interests of customers, evidenced by customer preferences and willingness and to pay for water services.

The *Our Water, Our Voice* program is a four-phase program conducted over one year (2022–23) that provides critical input to understanding customer preferences for these regulatory submissions. Phase 1 aimed to capture customer priorities and expectations of outcomes, understand the relative importance of each outcome, as well as customers' willingness-to-pay for these outcomes. This report presents the methods and findings of Phase 2 of the program.

## Methods

The purpose of Phase 2 was to help design performance metrics that can guide the evaluation of Sydney Water's service delivery. During this phase, we tested the current measures and settings of Sydney Water's existing service performance standards and how these align with customer expectations and priorities.

We conducted an in-depth exploration of customer expectations and preferences over 53 sessions of qualitative research, including five in-person customer forums, 14 online focus groups, and 34 individual in-depth interviews. Sessions were tailored to ensure ease of participation of different groups. For example, customers from culturally and linguistically diverse (CALD) backgrounds were offered in-language groups.

Following the qualitative research, a 15-minute online validation survey was conducted of 1,521 customers representative of the general population of Greater Sydney, including the Blue Mountains and Illawarra regions. The purpose of the validation survey was to strengthen the conclusions from the qualitative research by providing additional empirical evidence.

## Findings

Findings from the qualitative and quantitative research are presented below under the four key service level areas.

**Communication and Customer Service** refers to the level of responsiveness, helpfulness, and professionalism that customers expect from Sydney Water when they communicate with them. This includes response time, ease of communication, availability of channels, the quality of information received, and the resolution of issues.



### *Satisfaction with Sydney Water's customer service*

Less than one quarter of respondents (23%) recall having to contact Sydney Water for any reason over the last 5 years. Of those that did contact Sydney Water, 64% did so by phone, 27% through an online enquiry, and 23% via email. Common reasons for contacting Sydney Water included: reporting a leak in the street (27%), reporting a leak on their property (19%), paying a bill (19%), updating account details (18%), and querying their bill (15%).

Customers generally reported satisfaction with the level of service provided by Sydney Water.

### *Communication channel preferences*

Customers expect Sydney Water to offer multiple communication channels, enabling choice based on the type of enquiry. They also would like to be able to register their contact preferences with Sydney Water, although willingness-to-pay was not quantified for this. Customers preferred phone when contacting Sydney Water, but preferred email when Sydney Water contacts them.

The qualitative research clearly showed customers prefer human interactions when dealing with Sydney Water, even when communicating online, as they preferred personalised attention, the ability to ask questions, and felt more valued and heard. As a result, customers said they were open to interacting with Sydney Water via live chat but were not willing to engage with chatbots.

A suggestion raised frequently during the customer forums was a Sydney Water App, which customers suggested could be used to report outages, pay bills, compare usage over time, and access information such as water saving tips.

### *Information distributed by Sydney Water*

The majority of customers don't recall either receiving or reading Waterwrap or the Customer Contract. Of those that could recall Waterwrap, 58% preferred to receive it by email, 43% by post, and about one quarter prefer to access it through the Sydney Water website. For the Customer Contract, customers said they are comfortable to access this kind of information online and were generally supportive of Sydney Water ceasing postal distribution of the Customer Contract.

The validation survey also asked customers their preferences for receiving their water bill; 53% said only by email, 26% said the post as well as email, and 18% said the post only.

### *Customer service response times*

Customers greatly appreciated that, in urgent situations, Sydney Water can be contacted 24 hours a day, 7 days a week. Customers views on response times were based on the urgency of the situation, with most customers expecting a major leak or wastewater overflow to be responded to within 6 hours. Many customers said they would tolerate longer response times for less urgent scenarios, such as responding to a query about a higher-than-expected bill.

First Nations customers strongly criticised common call centre messages such as 'we are experiencing heavier volume calls' or 'your call is important, please hold' as being disingenuous and "aggravating".



### *Payment options for bills*

The validation survey showed that most customers paid their bills via Direct Debit, BPay, or using their credit card online. While only 5% said they pay at the post office, and no one said they paid their bills via cheque, customers were unsupportive of the idea of removing the post office and cheque options for making payments. Customers had very negative views of recouping costs of these methods by additional charges for customers who prefer to pay this way.

**Water Continuity and Outages** refers to the expectations that customers have for the reliability of their water supply. This includes aspects such as: frequency and duration of outages, availability of accurate and timely information about outages, and the speed and effectiveness of Sydney Water's response when restoring water services.

### *Planned outages*

For a planned outage, customers expect prior notification via SMS. People aged 70+ years were less likely to want to receive an SMS (55% compared with 69% of those under 70). First Nations customers suggested planned outage notices be put in local shops as community members interacted there and would help older community members who may rely on word of mouth.

The amount of notification required varied considerably; most customers need to know between 1 and 4 weeks in advance, with a reminder a couple of days prior to the outage. In CALD groups, the Arabic, Vietnamese, Mandarin, and Korean audiences needed notice three days to one week prior, while Greek and Cantonese groups needed an average of three weeks' notice.

With regards to the timing of planned outages, customers preferred they were not during the peak 'getting ready' or 'winding down' times of day, when customers may need to shower, prepare meals, etc. Service Critical High Business Customers requested that Sydney Water be strategic with timing of planned maintenance and work with them to minimise disruptions.



### *Unplanned outages*

Customers generally accept that unplanned outages will occur, with some customers saying 5-10% of properties experiencing an unplanned outage each year is acceptable. Tolerance was reduced when properties repeatedly experience unplanned outages due to a recurring issue.

The validation survey shows that 90% of customers want to be notified when there is an unplanned outage and expect to be told as soon as possible that Sydney Water are aware of the issue and are working on it; as well as be provided an estimated time that water will be restored. 84% of survey respondents preferred to be notified of an unplanned outage via SMS over other communication channels.

**Water Pressure** refers to customer expectations for the strength and consistency of their water supply. This includes aspects such as: minimum water pressure, uniformity of water pressure across different parts of the service area, and stability of water pressure over time.

Only a small number of customers we spoke with had experienced water pressure issues and so most customers felt unable to suggest standards for these incidents. When presented with Sydney Water's current water pressure standards, many customers said these standards exceeded their expectations. It is likely this reflects their lack of knowledge and experience with water pressure issues, rather than a high tolerance for them.



Most customers said they would trust the experts to make a judgement call on what is fair and reasonable for a water pressure standard for Sydney Water to strive for.

Sydney Water could consider regularly surveying customers who have experienced a water pressure issue, given they have some experience in this area, and seek their views on an acceptable standard. Alternatively, Sydney Water could draw on industry best practices and standards from other jurisdictions, or recommendations from relevant industry experts.

**Wastewater Overflows:** refer to customer expectations for the management and resolution of wastewater overflow incidents on their properties. This includes aspects such as: frequency and duration of overflows, availability of accurate and timely information about overflows, effectiveness of measures to prevent overflows, and speed and effectiveness of response to resolve overflows.

Similar to the findings about water pressure, only a small number of customers had experienced wastewater overflows in Greater Sydney. Customers expressed negative views about wastewater overflows due to community impacts such as personal inconvenience, environmental damage, unpleasant odour, and a public health risks. Customers felt it was important that Sydney Water to minimise the severity and frequency of wastewater overflows as much as possible. Both the qualitative research and the validation survey showed that customers viewed recurring issues as unacceptable and reflects that Sydney Water had not adequately fixed the problem the first time.

Despite recognising that indoor overflows are much worse for the customer, most customers did not expect that different standards should be set for indoor overflows vs. outdoor overflows. There was also some discussion about why this type of event happens, with acknowledgement that customers can be at fault e.g., blocking the toilet. Customers also recognised that overflows can be caused by events outside of Sydney Water's control, such as tree roots compromising piping.

When asked to give an opinion on what they feel is reasonable, most customers agreed that no one should have to experience more than one overflow per year, and there is no tolerance for multiple overflows linked to the same issue or fault. However, as with the water pressure standards, many customers said they would defer setting these standards to experts. Customers also said they trust Sydney Water to decide what is reasonable for wastewater overflow standards.

### **Next steps**

Phase 3 of this customer engagement program will explore customer sentiment towards Sydney Water's key strategic direction and business plans. The research will capture customer insights to inform the development of Sydney Water's Operating Licence and Price Proposal submissions, as well as core elements of the Customer Contract.





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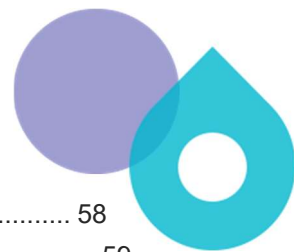


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# 1 Introduction: About Sydney

## Water and the regulatory process

### 1.1 About Sydney Water

Sydney Water is Australia's largest water utility, a world-class organisation delivering essential services in our great city. Sydney Water provides safe, high-quality drinking water to nearly 5.3 million people in and around Greater Sydney every day, along with providing wastewater, stormwater, and recycled water services to many homes and businesses.

Sydney Water has a long-term strategy and vision: 'Creating a better life with world-class water services'. The strategy has been built from customer insights and provides the foundation of Sydney Water's work every day.

### 1.2 Customer voices, supporting Sydney Water's Regulatory Submission



Sydney Water is a statutory corporation, wholly owned by the NSW Government. Sydney Water's Operating Licence is regulated by the Independent Pricing and Regulatory Tribunal (IPART), which sets minimum standards for customers and government expectations in key performance areas. IPART also regulates what Sydney Water can charge customers for water, wastewater and stormwater services, sets Sydney Water's system performance standards, and monitors compliance against those standards.

IPART has recently introduced a new regulatory framework for regulating water businesses in NSW. This framework puts the onus on water businesses to demonstrate that the services and outcomes proposed in their pricing submissions are in the long-term interests of customers, as evidenced by customer preferences, along with willingness to pay for the services they receive. It is important that Sydney Water engages meaningfully with customers to explore their values and preferences for outcomes and uses these insights to inform its pricing submission and long-term business strategy.

IPART's requirements in relation to customer engagement highlight the need for tailored and supportive engagement to assess the outcomes that customers expect, preferences for how the outcomes will be delivered, and overall willingness to pay for those outcomes and service levels. Research and engagement are to include, at a minimum, topics such as: changes to service standards, changes to price structures, and any proposal for expenditure on customer agreed outcomes (i.e., to achieve outcomes not covered by regulation).

IPART's expectation is that Sydney Water follow an established industry-leading customer engagement. The *Our Water, Our Voice* customer engagement program provides the insights needed to develop Sydney Water's Enterprise Plan, which is a precursor to the regulatory submissions to IPART. These regulatory submissions specifically incorporate the revised





Operating Licence and Customer Contract, to be issued by IPART by 1 July 2024, and the price proposal, due in September 2024. These submissions will help shape customers' water bill prices for the 2025-2030 period.

Sydney Water's submissions to IPART for changes to prices and the Operating Licence will be aligned with the Sydney Water strategy and plans at all levels. The *Our Water, Our Voice* program is a critical input to these regulatory submissions.

This one-year (2022-23) program of customer engagement covers a wide range of topic areas and gives customers an opportunity to tell Sydney Water what is important to them.

Customers are already at the heart of everything Sydney Water does. Sydney Water continually engages with customers to understand their experiences, through research studies tracking customer sentiment and satisfaction with products and services. Sydney Water also reviews customer interactions through their website and Customer Hub and are committed to continual customer engagement as this forms an integral part of the enterprise planning process.

**The *Our Water, Our Voice* customer engagement program takes a long-term view. The insights gathered from this program will help shape Greater Sydney, including the Illawarra and Blue Mountains, for generations to come.**



**Customers, moderators, Sydney Water staff and stakeholders attending a customer forum in the Sydney CBD on Wednesday 9<sup>th</sup> November 2022**

## 2 Engaging our customers in the regulatory process: program overview

*Our Water, Our Voice* is a multi-phase program divided into four distinct phases of customer consultation. This report summarises the findings from Phase 2 of the program.



### **PHASE 1: Capturing customer priorities**

Phase 1 aimed to capture priorities and the outcomes that customers expect Sydney Water to focus on over the next five to ten years. It also aimed to understand the relative importance of each outcome and customers' willingness to pay for these outcomes. The research measured customer appetite for engagement with the decision-making process, including what their expectations were regarding their role in assisting Sydney Water to reach decisions.



### **PHASE 2: Capturing customer service expectations**

Insights from Phase 2 will help design performance metrics that can guide the evaluation of Sydney Water's service delivery. This includes measuring customer satisfaction and understanding customer expectations of Sydney Water's future targets (over the next 10 years and beyond). During this phase, we tested the current measures and settings of Sydney Water's existing service performance standards and how these align with customer expectations and priorities. When different service expectations were raised by customers, we discussed how the desired outcomes impacted them, how they should be measured, and how they impact existing performance standards.



### **PHASE 3: Customer insight for better business planning**

This phase will explore customer sentiment towards Sydney Water's key strategic direction and business plans. The research will capture customer insights to inform the development of Sydney Water's Operating Licence and Price Proposal submissions, as well as core elements of the Customer Contract.



### **PHASE 4: Customer recommended Customer Contract and Price Proposal**

This phase will determine the 'customer recommended price proposal'. A package of recommended plans will be presented to customers for them to rank preferred performance settings and delivery options to support the preferred price proposal.



## Our Water, Our Voice timeline





# 3 How we listened: Phase 2 approach and methods

## 3.1 Objective

The primary objective of Phase 2 was to explore and validate service-level metrics to inform Sydney Water's Operating Licence, Price Proposal, and Customer Contract. To achieve this, a multi-method approach was used, with both qualitative and quantitative elements.

This meant conducting an in-depth exploration of customer expectations and preferences regarding service level areas. Across these service areas (further detailed below), the objective was to determine whether customers would like an increase, decrease, or no change in the minimum service standard levels that Sydney Water must meet under its Operating License and Customer Contract. In future phases, this will help to inform Sydney Water's price submission and development of the Outcome Delivery Incentives (ODIs).

### Service level areas

- **Communication and Customer Service:** refers to the level of responsiveness, helpfulness, and professionalism that customers expect from Sydney Water when they communicate with them. This includes aspects such as: response time, ease of communication, availability of channels, the quality of information received, and the resolution of issues.
- **Water Continuity and Outages:** refers to the expectations that customers have for the reliability of their water supply. This includes aspects such as: frequency and duration of outages, availability of accurate and timely information about outages, and the speed and effectiveness of Sydney Water's response when restoring water services.
- **Water Pressure:** refers to customer expectations for the strength and consistency of their water supply. This includes aspects such as: minimum water pressure, uniformity of water pressure across different parts of the service area, and stability of water pressure over time.
- **Wastewater Overflows:** refer to customer expectations for the management and resolution of wastewater overflow incidents on their properties. This includes aspects such as: frequency and duration of overflows, availability of accurate and timely information about overflows, effectiveness of measures to prevent overflows, and the speed and effectiveness of the response to resolve overflows.

## 3.2 An overview of research activities in Phase 2



Started with 15 customer recommended priorities



From Phase 1



Workshopped priorities into 4 themes



Chapter 5



Deep dive exploration into customer preferences for 4 specific service areas

### Service levels areas included

Communication and customer service



Chapter 6

Water continuity and outages



Chapter 7

Water pressure



Chapter 8

Wastewater overflows



Chapter 9



Exploring and summarising any differences that may exist within key sub groups



Chapter 4



## 3.3 Methodology – Qualitative

To ensure customer centricity, Sydney Water seeks to engage customers on what is most important to them by using a range of approaches. These approaches include:

- Seeking a deeper engagement by involving customers in setting the priorities that matter the most to them
- Choosing effective methods to provide all customers (including more difficult-to-reach customers) with an opportunity to influence how services are delivered. This included triangulating and testing responses against other information
- Including clear explanations of options (including price differences and any potential trade-offs) so that participants are able to provide meaningful and relevant feedback on the development of future plans.

Where possible, Sydney Water also aims to:

- Collaborate with customers (and/or customer representatives) to develop solutions that are in their long-term interests
- Continually seek to improve engagement methods and explore innovative methods.



Phase 2 qualitative research comprised 53 sessions, including in-person customer forums, standard focus groups (conducted online), and individual in-depth interviews. There was also an option of paired in-depth interviews for individuals living with disability, conducted either online or over the phone.

Target recruitment screeners were designed in consultation with our recruitment partners, Q&A and Cultural Partners, and approved by Sydney Water prior to their use. These are provided in Appendix A. The recruitment screeners were co-designed with recruitment partners and Sydney Water to ensure inclusivity of the customer base, incorporating both hard-to-reach and underrepresented audiences, and ensuring the communications methods recognised the ways in which customers prefer to engage in research. For example, and as noted in further detail below, the qualitative research incorporated tailored sessions for individuals living with a disability, with the offer of a paired interview with a carer or support worker, and in-language groups with culturally and linguistically diverse (CALD) customers to ensure ease of participation.

Discussion guides for all qualitative sessions were designed by Kantar Public and approved by Sydney Water prior to their use. These are provided in Appendix B.

All research was conducted in accordance with ISO20252:2019 standards.<sup>1</sup>

### 3.3.1 Customer forums

Three-hour customer forums (n=5) were facilitated in-person and were attended by residential customers from across Greater Sydney, including the Blue Mountains and Illawarra regions. Additional details on dates, locations, location coverage, and number of customers is provided in Table 1.

Each forum included a mix of age groups (all customers aged over 16 years old), genders, locations, homeowners, renters, financially vulnerable people, people living with disability, people from culturally and linguistically diverse backgrounds, and First Nations people.<sup>2</sup>

Appendix C includes a demographic breakdown of all forum participants, including detail on age, gender, location, and status as financially vulnerable, people living with disability, culturally and linguistically diverse, and First Nations.

In line with standard practice in this type of research, customers received an incentive of \$180 as a 'thank you' for their participation.

Forums were conducted by a team of experienced moderators from Kantar Public, with the session plan following the structure:

- Welcome and introductions (Kantar Public and Sydney Water)

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<sup>1</sup> Please note, the ISO20252:2019 standards are the international best practice standards established by SAI Global for service providers conducting market, opinion and social research, including insights and data analytics and used internationally to certify research suppliers who engage in legally compliant and independently audited market and social research methods.

<sup>2</sup> In this report, First Nations refers to people of Australia who associate as being a person of Aboriginal and/or Torres Strait Islander origin – see glossary.

- Theming the priorities identified in Phase 1 (September 2022)
- Communications
- Meal break
- Outages
- Water pressure
- Wastewater continuity
- Close.

Table 1 Residential customer forums

Date and Time	Location	Location coverage	Number of participants
Tuesday 8 November 2022 5:30PM – 8:30PM	Parramatta	Western Sydney	n=91
Wednesday 9 November 2022 5:30PM – 8:30PM	Sydney CBD	Inner Sydney	n=89
Thursday 10 November 2022 5:30PM – 8:30PM	Wollongong	Southern Sydney (including the Illawarra)	n=80
Tuesday 15 November 2022 5:30PM – 8:30PM	Penrith	Far Western Sydney (including the Blue Mountains)	n=72
Wednesday 16 November 2022 5:30PM – 8:30PM	Hornsby	Northern Sydney	n=78

Sydney Water staff, IPART, and other key stakeholders, including the NSW Environment Protection Authority (EPA), Department of Planning and Environment (DPE), and NSW Health, were invited to observe each session in person (strictly without participating).

Customer feedback was provided via feedback forms at the end of each customer forum. This feedback is being used to improve engagement practices for the remaining research phases. The feedback form is provided in Appendix D. A selection of aggregated feedback is provided below along with direct quotes from customers:

Figure 1 Customer feedback, on a five-point scale (combined results from five forums)



Mean score out of five – using an agreement scale. Base: Customer forum participants who completed feedback sheet (n=378)

It was good to have high level executives on site. Shows that Sydney Water is determined to show they take our feedback seriously and want to hear what public say. They want to appear accessible and open.

**Residential customer** | Sydney customer forum

Great opportunity to hear other people's concerns.

**Residential customer** | Sydney customer forum

Interesting session. I will definitely be more engaged with Sydney Water.

**Residential customer** | Sydney customer forum

### 3.3.1.1 Engagement preferences

Customers were also asked how they wanted to be involved in decisions relating to water and wastewater services, using a 'Future Engagement Preferences Worksheet'.

Across the 15 theme areas identified in Phase 1, customers were asked what level of involvement they would like in Sydney Water's decisions and planning. Response categories ranged from having no involvement to being empowered.

Across all theme areas.

- 85% wanted to be informed about at least one of the topics
- 62% wanted to be consulted for at least one of the topics

- 42% wanted to be involved for at least one of the topics
- 19% wanted to be empowered for at least one of the topics.

The following table is a summary of how people want to be engaged about each of the 15 topics identified in phase 1. This data comes from customer responses to a paper survey administered during the customer forums. Please note that while we asked them to provide a single response some picked multiple responses which means the row percentages do not add perfectly to 100%. They do however provide a clear indication of how people want to be engaged with

**Table 2 Residential customer forums**

Engagement topic	Empowered	Involved	Consulted	Informed	No involvement	Don't know/ unsure	Number of people
Reducing water loss by minimising leaks and breaks in Greater Sydney's pipe networks.	4%	14%	17%	60%	13%	2%	450
Reducing water loss to the ocean by improving stormwater management, storage and capture.	3%	13%	19%	61%	11%	2%	444
Enhancing the water network's resilience to drought through building more water recycling and/or desalination capacity.	5%	16%	21%	60%	8%	3%	458
Increasing water savings and reducing usage through community-based water saving programs.	6%	16%	21%	49%	9%	1%	415
Maintaining safe and clean drinking water.	7%	13%	22%	51%	9%	0%	411
Ensuring waterways and water recreation areas remain clean and safe to use by reducing wastewater pollution to rivers and the ocean.	4%	13%	23%	50%	9%	1%	410
Ensuring water and wastewater bills remain affordable.	7%	17%	27%	42%	7%	1%	410
Ensuring better informed customers by improving and modernising communications to assist them with managing their water use.	4%	13%	26%	48%	7%	1%	402
Minimising the impact of outages (both planned and unplanned).	3%	11%	27%	50%	8%	1%	408
Maintaining a standard of customer service that meets or exceeds your expectations.	5%	11%	27%	45%	11%	1%	401



Reducing the frequency and duration of severe water restrictions.	7%	11%	21%	56%	8%	0%	422
Contributing to a cooler environment and more pleasant green public spaces through the establishment/maintenance of trees and vegetation.	7%	15%	26%	44%	14%	2%	439
Improving natural waterways and habitats so as to protect the environment.	6%	16%	22%	50%	11%	1%	434
Reducing the chances of your drinking water occasionally smelling or tasting different after unplanned events (such as flooding, heatwave, fire or high wind events).	5%	14%	25%	54%	8%	0%	429
Reducing net carbon emissions to zero by 2050 or sooner through more energy-efficient operations and greater use of renewable energy.	7%	13%	21%	47%	15%	3%	434
<b>% That ticked this column for at least one of the above topics</b>	<b>19%</b>	<b>42%</b>	<b>62%</b>	<b>85%</b>	<b>32%</b>	<b>8%</b>	<b>NA</b>



The Future Engagement Preferences Worksheet is provided in Appendix B.

### 3.3.2 In-depth interviews and focus groups

In addition to the customer forums, online qualitative research was conducted with key audiences:

- n=6, 90-minute focus groups with culturally and linguistically diverse (CALD) customers
- n=2, 90-minute focus groups with First Nations customers
- n=10, 60-minute interviews with people living with disability, with the option of a paired interview (with carer or support worker – see glossary)
- n=6, 90-minute focus groups with owners of small and/or medium enterprises (SMEs) with medium and high criticality of water to business
- n=24, 45–60-minute interviews with stakeholders; Business Customers (Service Critical High; hereon Service Critical High Business Customers'), local and state government representatives, Major Developers (hereon 'Major Developers'), and Value Makers<sup>3</sup> In line with

<sup>3</sup> A value maker is a business/person interacting with Sydney Water regarding products and services to create valuable things for residents, businesses or developers – see glossary.



standard practice, CALD and First Nations customers and people living with a disability received an incentive of \$80 as a 'thank you' for their participation. SME customers received an incentive of \$140, and Value Makers received an incentive of \$120. These incentives are aligned to industry standards and consider factors such as time commitment to the research, requirements for in-person vs. virtual participation, and difficulty in recruiting specialised audiences. The final amounts were determined in consultation with our fieldwork partners, who liaise with participants directly.

Service Critical High Customers, local and state government representatives, and Major Developers were recruited from contact lists provided by Sydney Water and were not provided an incentive for their participation.

Individuals living with a disability self-reported their diagnosis and/or health concern in recruitment. Of those customers who participated in the interviews, they reported living with mental health conditions (n=3), recent surgery that impacted short term memory and mobility (n=1), mobility concerns (n=5), and chronic fatigue (n=1).

Sessions with people living with disability, owners and managers of SMEs, and stakeholders including Service Critical High Business Customers, local and state government representatives, Major Developers and Value Makers were conducted by a team of experienced moderators from Kantar Public.

Groups with CALD and First Nations audiences were recruited and moderated by our specialist research partner, Cultural Partners, via panel and community networks. Groups with CALD audiences were conducted in-language, specifically in Korean, Vietnamese, Mandarin, Cantonese, Greek, and Arabic. These moderators also contributed to the analysis and interpretation of findings, and reporting of results. These groups were selected as they are the top six languages spoken (other than English) in the Greater Sydney region, by population, as per the ABS 2021 Census.

Within the CALD groups, a total of 33 customers attended. The majority of the Arabic, Greek, Mandarin, and Vietnamese customers were born in Australia to migrant parents, while all Cantonese and Korean customers were migrants born overseas.

Within the First Nations groups, a total of 10 customers attended.

Appendix C includes a demographic breakdown of all additional qualitative participants. Please note, this demographic breakdown excludes Service Critical High Business Customers, local and state government representatives, Major Developers, Value Makers, and SMEs as these participants were not recruited based on demographic characteristics.

This additional qualitative research was conducted using telecommunications platforms Microsoft Teams and Zoom, and telephone.

All sessions were conducted between Wednesday 7 November and Friday 9 December 2022.



## 3.4 Methodology – quantitative

### 3.4.1 Validation survey

Following the qualitative research, a 15-minute online survey of n=1,521 customers representative of the general population of Greater Sydney, including the Blue Mountains and Illawarra regions.

A validation survey adds value by collecting quantitative data to either support or refute findings from the qualitative research. Ultimately, it aims to strengthen the conclusions from the qualitative research by providing additional empirical evidence to support them. More specifically, the objectives of this validation survey included:

- Verifying the validity and reliability of qualitative findings by testing the findings with a larger and more representative sample of participants
- Adding statistical rigour to qualitative findings, making the findings more credible
- Quantifying the prevalence of themes or patterns identified in qualitative research, allowing for a better understanding of their impact or significance
- Providing a comparison between qualitative and quantitative data to triangulate findings and increase the robustness of the research.

Key details of the validation survey include:

- The survey was conducted from Wednesday 14 December – Friday 23 December 2022
- The survey instrument was designed by Kantar Public and approved by Sydney Water prior to fieldwork. The instrument is provided in Appendix E
- The average time taken to complete the survey was 16 minutes.
- Broad non-interlocking quotas were set for demographic variables, as noted in Table 2
- All data was post-weighted to align with ABS 2021 data (based on age, gender, location, language other than English and whether respondents identified as Aboriginal and/or Torres Strait Islander (First Nations) Australian)<sup>4</sup>. Weighting was conducted by rim weighting technique. The final sample composition is shown in Table 2
- The data has a margin of error (at the 95% confidence level) of  $\pm 2.53\%$ .

All research was conducted in accordance with ISO20252:2019 standards.

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<sup>4</sup> Please note, references to language other than English and Aboriginal and/or Torres Strait Islander reflect that of the Australian Bureau of Statistics, which was used in determining and managing quotas. All other mentions of these demographic groups in this report are referred to as culturally and linguistically diverse (CALD) and First Nations, respectively.

Table 3 Quota targets and sample breakdown

Variable	Target (%)	Target (n)	Achieved (%)	Achieved (n)	Quota
<b>Total</b>	100%	1,500	100%	1,521	Hard
<b>Gender</b>					
Male	50%	750	50%	753	Soft
Female	50%	750	50%	767	Soft
Other / prefer not to say	<i>As falls</i>	<i>As falls</i>	0%	1	Soft
<b>Age</b>					
18-29	12%	185	13%	198	Soft
30-39	20%	300	17%	255	Soft
40-49	20%	300	18%	270	Soft
50-59	20%	300	20%	307	Soft
60-69	15%	230	18%	272	Soft
70+	12%	185	14%	219	Soft
<b>Location</b>					
Northern Sydney	20%	300	20%	304	Soft
Inner Sydney	25%	375	25%	373	Soft
Southern Sydney and Illawarra	20%	300	19%	294	Soft
Far Western Sydney and Blue Mountains	15%	225	15%	235	Soft
Western Sydney	20%	300	21%	315	Soft
<b>Cultural and language diversity</b>					
Language other than English	35%	525	26%	401	Soft
Primarily English speaking	65%	930	74%	1120	Soft
Aboriginal and/or Torres Strait Islander	3%	45	3%	48	Soft
<b>Financial hardship</b>					
Experiencing financial hardship	20%	300	19%	284	Soft
<b>Other</b>					
Living with a disability	15%	225	16%	237	Soft



### 3.5 Reporting notes

- Any mention of Greater Sydney includes the Blue Mountains and Illawarra regions
- Direct quotes from the qualitative research have been included to reflect findings in the report where relevant, with quote source provided.
- In reporting the qualitative research findings, unless otherwise stated the findings are consistent for all subgroups reported in that chapter
- Significance testing was carried out at the 95% confidence level. This means that there is a less than 5% probability that a difference occurred due to random chance alone. Where sample sizes allow (minimum  $n = 30$ ), significance testing was undertaken between total sample and subgroups such as male/female or within location. Subgroup analysis of key demographics, including gender, age, and location, have been reported in text, only where significant. Additional analysis of key demographic subgroups is attached in Appendix F data tables.

In interpreting data throughout the report, readers should note the following:

- Some percentages do not add up to 100%. This may be due to rounding (percentages are represented to the nearest integer), the exclusion of answers such as “don’t know” or “not applicable” or multiple response questions
- The base size below each figure describes the respondents who were eligible to answer the question and indicates the actual number ( $n$ ) who responded to the question (unweighted). Where the base is a subset of the total response, due to unique questionnaire ‘pathways’, the meaning of the base is explained
- In order to facilitate analysis, all charts and tables have been presented using percentages (as opposed to number of mentions).



## 4 Sub-group summaries

The following summaries provide an additional consolidated overview of customer engagement activities with key customer sub-groups. Commentary about each group is also included throughout the main body of the report. The primary focus of these summaries is to discuss differences from the general population or to call out findings that are unique to a particular subgroup. As such, not all engagement topics are covered in these summaries.

**NOTE:** While findings for key subgroups in this report are statistically significant, due to small base sizes (particularly for First Nations customers), data needs to be interpreted with caution.

### 4.1 Culturally and linguistically diverse customers

Six, 90-minute focus groups were held via Zoom with CALD customers, recruited, and conducted in-language, specifically in Korean, Vietnamese, Mandarin, Cantonese, Greek, and Arabic, by our specialist research partner, Cultural Partners. A total of 33 customers attended.

Findings for CALD customers are integrated into the body of this report, with significant differences against the general population highlighted in all sections. Non-significant differences are not included as these do not represent variations from the broader population. This section provides a brief summary of the key differences for collective review.

#### 4.1.1 Communications channels preferred to contact Sydney Water

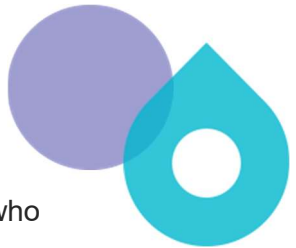

The Arabic, Greek, and Vietnamese customers' first preference for contact with Sydney Water was the telephone for enquiries and emergencies. This was because it is quicker and more convenient, and they get to resolve the issues raised in real-time by talking to a real person rather than a machine.

Korean, Mandarin, and Cantonese customers (to some degree) preferred online interactions with Sydney Water to submit forms. They preferred to use the Sydney Water website, a live chat service, email, or App to communicate about non-urgent matters, as these methods allowed them to keep records of all interactions for later reference, or to send email attachments of bills or photos of water interruption. The Korean customers reported they avoid using the phone due to language barriers.

Most CALD groups reported chatbot to be unsuitable for communication with Sydney Water.

#### 4.1.2 Bills

Payment preferences for bills varied between traditional payment methods and online methods. Of those customers in the CALD groups, Arabic and Greek customers (mainly older customers) preferred traditional payment methods (cheque / post office), whilst Vietnamese, Korean, Mandarin, and Cantonese customers preferred online methods such as BPay, credit cards, or direct debit. There was a consensus amongst all CALD groups that traditional post office payment



options without additional fees should remain available, particularly for older people who may be technologically disadvantaged.

#### **4.1.3 Water continuity and supply interruptions**

There was a general understanding across all CALD groups of what constitutes a planned and unplanned outage. The notification preferences for planned outages differed considerably amongst all language groups researched and situations depending on if the matter was urgent or non-urgent.

Overall, Arabic, Vietnamese, Mandarin, and Korean customers preferred an average timeframe of 3 days to 1 week to be notified about planned outages, while Greek and Cantonese customers preferred more notice, with an average of at least 3 weeks to be notified.

SMS was the preferred method of communication when being notified about any planned or unplanned outage or about work delays or completions. The next most preferred channels were emails and a letter mailed out.

All language groups agreed that the most convenient time of day for repairs to take place was overnight.

Most groups found it difficult to express what they thought was the acceptable number of households to experience an unplanned outage per year. Group responses also varied considerably. Arabic, Greek, and Korean communities accepted a maximum of around 10% per year, while the Cantonese, Mandarin, and Vietnamese accepted around 1% to 5% experiencing unplanned interruptions. For multiple outages, most felt that a much lower percentage than 5% was acceptable due to the inconvenient nature of repetitive unplanned outages.

#### **4.1.4 Water pressure**

There were no water pressure standard issues reported by any of the CALD groups.

#### **4.1.5 Continuity of wastewater services**

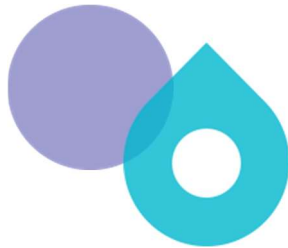

Customers cited a standard percentage of less than 1% of properties per year that can experience a wastewater overflow on their property, and the standard number that 1 property in 10,000 can be affected by 3 or more wastewater overflows per year.

Some of the Arabic and Korean customers indicated that 1% was an ideal number, while the rest of the groups felt strongly against it and thought 1% is too high and should go down to between 0% and 0.5%. This was stated to be due to significant health and hygiene concerns, and damage to property and belongings, leading to major disruption to normal life and insurance issues. No customers were happy to accept multiple wastewater overflows and expected Sydney Water to work on avoiding this happening at all costs. Similarly, none of the groups thought that wastewater overflows outside the house were more acceptable than inside the house, due to water quality posing risk to consumers' health.

## **4.2 First Nations customers**

Two, 90-minute focus groups were held via Zoom with First Nations customers. These customers were recruited by our specialist research partner, Cultural Partners, who also conducted the groups. A total of 10 customers attended.





Findings for First Nations customers are integrated into the body of this report, with significant differences against the general population highlighted in all sections. Non-significant differences are not included as these do not represent variations from the broader population. This section provides a brief summary of the key differences for collective review.

#### **4.2.1 Communications channels preferred to contact Sydney Water**

Many First Nations customers focused on significant damage or water supply issues as key reasons for contacting Sydney Water. The main reasons for engagement with Sydney Water related to small household or landlord-related issues such as leaking taps, mould, or water heater issues. Other issues mentioned included broken or damaged piping, overflowing gutters or drains, and loss of water supply. Several people also stated broken water meters as a reason to contact Sydney Water.

The preferred channel for contacting Sydney Water was telephone, particularly if relating to requests for information, emergencies and notifications of significant water supply issues (away from their property). There was also the expectation that telephone, internet, website, and text would be available to provide a range of options for customers.

Like the general population, First Nations customers feel that live chat was appropriate for non-urgent issues such as reporting an off-property water leak. They also agreed that live chat must be with a person, not a chatbot. They reported a preference for chatbot functions to be actively avoided, as these were universally regarded as annoying, unhelpful and impersonal.

There was a strong level of openness to online interactions and live chat. Several customers indicated that whilst they were unfamiliar with live chat interactions, they could rely on their children to provide guidance and technical assistance if needed.

A few customers, with regular access to computers at home and work, suggested that video conferencing via Zoom or Teams video chats would be one avenue they would consider using for live chat as a more human focused, person-to-person interaction.



#### **4.2.2 Bills**

The majority of First Nations customers used online methods (phone or computer) to pay household bills via BPay, Direct Debit, or scheduled fortnightly deposits.

The majority of First Nations customers were in some form of rental accommodation, including private rental housing and units, social or community housing (through various housing organisations) and management services. This resulted in most water billing, or anything related to water supply, sewage, and hot water supply, initially going through their landlord or real estate management processes.

Several customers noted challenges over recent years when Water Usage bills from their landlord had not been delivered and multiple periods became due at once as a result.

A small number of First Nations customers who owned their own homes reported higher use of online and direct bill management as this was their responsibility and was often associated with Council Rates, other bill payments, and regular financial practice. It was assumed by all that Sydney Water should offer and support payment options across all such mechanisms.



Any suggestion of additional fees for payments made by cheque or at post offices was roundly rejected as being unfair and discriminatory. Customers felt it would disadvantage those least able to afford it and was particularly problematic for older community members or those with low technical literacy.

SMS communication was supported by most First Nations customers as an appropriate and, in many cases, expected communication mechanism. At the same time many were extremely nervous at the potential for payment scams using SMS/text, with many reporting recent experiences receiving unsolicited SMS messages prompting payment for unbilled road tolls and tax refunds.

### 4.2.3 Water continuity and supply interruptions

First Nations customers had very clear delineations of what constituted ‘planned’ versus ‘unplanned’ outages. The majority noted that for them, planned issues include maintenance, repairs, and upgrades which interrupt water flow. Unplanned outages include unexpected issues like a burst water main, pipe damage and sewage blockages. Anything that limited or stopped the water supply was regarded as serious, and any issue relating to sewage problems was especially important to know about for these customers.

Most First Nations customers indicated that a minimum of one week’s notice for any planned outages or major works was acceptable. There were clear expectations that infrastructure should be implemented correctly up front, with repairs and maintenance being a last resort or something that should be planned over the long-term so that customers can be notified well in advance.



Preferences for how outages should be communicated varied, but the majority noted a combination of SMS/text, email, and hard copy mail.

- 4/10 customers indicated that they used the internet to get information about outages (websites primarily and local news).
- 3 /10 used Facebook occasionally to check for local updates or information, usually through their existing social and family networks in the local region.

The most frequently noted search issues by First Nations customers were for broken pipes affecting pressure or supply.

Local flyers and notices in community neighborhoods and organisations were also suggested as a useful way to remind customers and act as “discussion starters”. Inclusion of local pharmacies and shopping outlets were suggested as good locations for planned outage posters or notices as these were common community interaction locations, which would be particularly important for older community members who tend to rely on word of mouth.

Generally speaking, short outages would not require progress notifications, but any significant delays or extensions to supply interruptions should be notified “every couple of hours to give a heads up”. Many First Nations customers indicated a desire for a “work all done” or “work complete” message for major interruptions but did not expect it for planned outages that last less than 2 hours in duration.



There was a general understanding that accidents or emergencies did occur, but, in these instances, it was assumed that Sydney Water would actively notify customers across all possible channels, including local radio, and TV for major disasters.

The preferred frequency in which outage notifications were received varied widely across First Nations customers, however, in aggregate, most preferred to receive an update for urgent and significant interruptions at least “every two hours”.

There was no single time of the day that all customers considered “most convenient”, although there was broad agreement that the middle of day and on weekdays would cause the least disruption to people’s lives.

There was no consensus regarding an acceptable percentage of properties to experience an unplanned outage per year with estimates varying widely from 10% - 40%.

Multiple outages were, once again, difficult for most to quantify but there was an overall assumption that a much lower percentage of properties should experience repeated issues.

#### 4.2.4 Water pressure

Many First Nations customers indicated that water pressure issues had been of some concern to them, however, this was often related to their residential rental property, so direct engagement with Sydney Water was quite limited. Many were uncertain of the role Sydney Water played in water pressure and had regular issues with landlords about water heaters and general plumbing issues, which seemed to blur the lines of responsibility somewhat.

#### 4.2.5 Continuity of wastewater services



Most First Nations customers thought that no wastewater or sewerage issues should occur at all. However, there was a wide acceptance that Sydney Water’s 1% standard was a low rate. Renters were particularly concerned at the prospect of wastewater overflows, as it directly aligned with their experiences of poor or avoided rental repairs, landlord “cheapskates”, and limited tenancy rights. Internal overflows were regarded by all as a very serious issue leading to potential health hazards and dangerous situations, especially where small children are present. Participants were keen to have their say on this issue.

Several First Nations customers noted the importance of having more First Nations people working at Sydney Water.

#### 4.2.6 Acceptable wait times and customer service

Perceptions of acceptable wait times for telephone enquiries to be answered depended on the nature of the call and the urgency of the inquiry. Calls about emergencies (such as burst water pipes, and major disruptions) were generally expected to be answered very quickly, usually within 2 minutes. First Nations customers unanimously agreed that 5 minutes was outside an acceptable waiting period for serious emergencies and major issues. Most expected non-emergencies and general enquiries to be dealt with in a timely fashion and indicated that less than 15 minutes is expected in these situations.

Call progress updates (such as ‘you are now 4<sup>th</sup> in the queue’) were regarded as helpful for many who may not be able to stay on hold due to work or family pressures. Importantly, common call



centre messages along the lines of *'we are experiencing heavier volume calls'* or *'your call is important, please hold'* were strongly criticised as being disingenuous and *"aggravating"*.

Resolution of issues was extremely important for First Nations customers. It was not sufficient to simply have a complaint or query noted. Respect and customer service were important for these customers, even if a bill was not reduced or a complaint was unable to result in direct action.

Most customers indicated their *'reasonable expectation'* would be a few hours for emergencies to a few days for major repairs, as long as updates are provided in the interim.

Overwhelmingly, a telephone call or SMS was regarded as the best mechanism for communication. The experience of some customers in Western Sydney during recent flooding had made them aware of direct GEO-Text notifications and they were strongly supportive of this option for major disasters, supply breaks, or warnings.

### 4.3 Individuals living with a disability

Findings for customers living with disability are integrated into the body of this report, with significant differences against the general population called out in all sections. Non-significant differences are not included as these do not represent variations from the broader population. This section provides a brief summary of the key differences for collective review.

Ten, 60-minute interviews with individuals living with disability were conducted. Individuals self-reported they lived with one or more disability, including:



- Mental health (n=3)
- Recent surgery – affected short term memory and mobility (n=1)
- Mobility (n=5)
- Chronic fatigue (n=1)

#### 4.3.1 Communications channels preferred to contact Sydney Water

Amongst customers living with disability, there was a mix of those who had contacted Sydney Water previously and those who hadn't. Situations mentioned that would require contact with Sydney Water were:

- Water quality
- Burst water main
- Water leaks
- Billing queries
- Change of circumstances e.g., moving home
- Unexpected water outage
- Sewerage overflow

Contacting Sydney Water by phone was preferred for urgent matters needing a swift response. Some people also mentioned that contacting Sydney Water by phone gave them confidence that the issue had been acknowledged and was being dealt with, hopefully expediting the response.



However, there was a recognition that phone contact could be time consuming due to long wait times.

Some customers reported liking live chat, as they perceived this as a faster and more efficient communication channel. This was due to expectations of long wait times when they called Sydney Water. Although there was some openness to using live chat, it was also perceived as having limitations and perhaps being good 'in theory' but less so in practice.

The main reasons for preferring a website enquiry / email were that it was not considered to be an urgent situation requiring an immediate response and that email provided a record of the enquiry.

There was openness to SMS contact with Sydney Water. This was seen as a direct way to be contacted, which would get their immediate attention, in contrast with email, for example, which they might not check as regularly. SMS contact was considered to be especially well-suited to communication regarding outages and other matters affecting their personal water supply or quality, or billing reminders. However, people did not want to receive SMS communication with more general sales and marketing information.

#### **4.3.2 Bills**

Most customers living with disability were paying their water bills online via direct debit or credit card. Some had water costs included in their rent or apartment service charge bill.

Regarding payment options via Australia Post and cheque, people recognised that adding surcharges and / or removing these options would impact on more vulnerable groups such as older people and those on lower incomes.

#### **4.3.3 Water continuity and supply interruptions**

Expectations for advance notification of a planned outage ranged from a week to the day before the outage. There was a 'sweet spot' of advance notification being 1-2 weeks and a minimum of two days. Customers reported that greater notice than this risked some people forgetting about the outage, aside from a few people who were very organised and diarised things straight away.

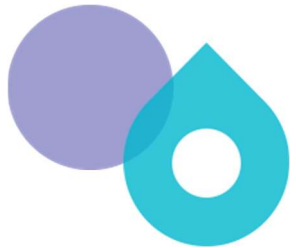

Preferred channels for notifications of outages were SMS, email or letter 1-2 weeks prior with a SMS reminder 1-2 days before. However, some felt the email could be missed / go into junk mail and it was also noted that letters could be expensive / environmentally wasteful.

Sufficient notice was considered especially important for families with young children.

Expectations for updates during a planned outage were minimal, with most people only wanting an update (via SMS) if there was a change or delay. Some people valued a message (via SMS) when the outage was complete, whereas others felt this was not important.

Expectations for notification of an unplanned outage were low, ranging from none at all to just as the outage was starting. Given that it is unplanned, people were grateful for any degree of advance notification – 'as soon as possible' – as it can be quite inconvenient when this happens.

Communicating via SMS was deemed the most appropriate channel as it is direct, fast, and will be noticed quickly by most people. Customers reporting wanting to be provided with the following information in the SMS: how long the outage will last, the area affected and, for some, the reason



for it. Notification of completion of an unplanned outage (via SMS) was a little more important for unplanned outages, providing a sense of reassurance to customers.

It was common for people to go online to find updates when an outage occurs, in particular regarding the timeframes for the outage. Some also mentioned using social media for information - typically looking for updates from friends or messaging local friends to find out if they were affected too.

#### **4.3.4 Water pressure**

Water pressure was reported as being generally satisfactory across customers living with disability. Some had experienced a reduction in water pressure, although it wasn't a major concern. One person said that her water pressure had reduced following property development in the area. Another said her water pressure wasn't as strong as before because of water conservation.

#### **4.3.5 Optimum time for repairs**

Most customers living with disability said the best time for repairs was during standard business hours, as there would likely be less people at home. They identified mid-morning to early afternoon as the best window.

One person said that avoiding overnight repairs was important for his wife who has mobility issues. This is because she struggles to get up in the night to use the bathroom – which would be compounded if there was a lack of water – for example having to use a bucket of water to flush the toilet or having an inconvenient arrangement for handwashing. An individual with chronic pain that affects her sleep also preferred to avoid overnight repairs as she likes to have water available to make drinks and for other needs.

Everyone supported the idea of Sydney Water taking more time for repairs, as they would rather repairs be done properly and thoroughly, to avoid any future issues or disruptions.

#### **4.3.6 Unplanned outage service standards**

Some customers living with disability found it difficult to answer the question about the acceptable number of homes affected by an unplanned outage each year. Those who did answer had varying responses (there was no clear consensus) ranging from 1% of homes to 100% of homes if it was just once a year.

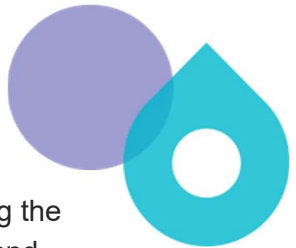

The current service standards for Sydney Water were seen as fair and reasonable and were typically far lower than people had expected. Again, some people found it hard to answer the question about acceptable numbers of homes affected by multiple unplanned outages each year. Those who did answer had varying responses ranging from zero to 25%.

#### **4.3.7 Standards for wastewater overflows**

Customers living with disability said they saw the standards for wastewater overflows affecting a property (either once or multiple times) as reasonable. However, the impact on the minority of households if affected was noted – it is described as 'disgusting', 'pretty revolting' and 'gross' – and a 'disaster' if it happens multiple times (which was the case for one respondent).

Most customers did not feel the standards should be set differently for indoor or outdoor overflows.





There was discussion about why this type of event happens, with some people feeling the consumer is at fault e.g., blocking the toilet and that tree roots can cause blockages and overflows.

## 4.4 Small Medium Enterprise customers (SMEs)

Findings for SME customers are integrated into the body of this report, with significant differences against the general population called out in all sections. Non-significant differences are not included as these do not represent variations from the broader population. This section provides a brief summary of the key differences for collective review.

Six, 90-minute focus groups were conducted with owners of SMEs with medium and high criticality of water to business.

In general, SME customers didn't have substantively different expectations of Sydney Water than residential customers, with the exception of:

- For businesses, 'Time is money' (lost trading time = lost revenue), and, therefore, outages also affect businesses on a financial dimension
- Lost trading time due to outages etc. could also negatively impact on businesses' reputation (e.g., if customer appointments need to be rescheduled at short notice).

There is an opportunity to reflect these unique requirements of SMEs in communications.

### 4.4.1 Communications service standards

There were no universally consistent preferences for contact channels among SME customers. However, generally SME customers preferred:

- Phone and live chat channels for urgent matters (e.g., water outages, water quality issues, significant water pressure issues, burst pipes)
- Live chat or email for non-urgent matters (e.g., billing enquiries, minor water pressure issues).

Chatbots were universally disliked by SME customers that had previously used them to interact with other businesses.

There was high variance in the amount of time that SME customers thought would be acceptable to wait before Sydney Water answers the phone (from 'a few minutes' to 30 minutes), and for how long they were prepared to wait (from 10 minutes to 'as long as it takes' – assuming that the contact was for an urgent matter).

Some SME customers noted that they would generally use multiple contact methods for an urgent matter, e.g., using live chat and/or sending an email while they were waiting on hold on the telephone.





#### 4.4.2 Bills

The preferred payment method for SME customers when paying their bills was via Bpay, EFT, and credit card.

SME customers stated they didn't think that anyone wanting to pay their bill at the Post Office or by cheque should be charged an additional fee, as this was thought to 'punish' elderly and vulnerable cohorts. Further, some SME customers noted that they didn't think that they should be financially penalised for using their business credit card.

SMS was seen as an appropriate method to contact SMEs for urgent matters, but not for the purposes of marketing or general, non-urgent, communications.

SMS scams were noted as a potential concern, particularly in light of recent data breaches (e.g., Optus, Medibank Private). SME customers identified a number of potential steps that Sydney Water could adopt to alleviate potential concerns of an SMS from Sydney Water being seen as a scam...

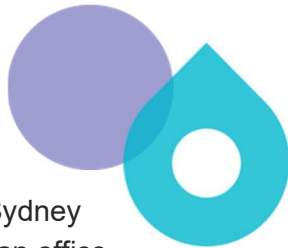

- Not including any links in the message
- Stating where on the Sydney Water website to confirm authenticity / find out further information (without providing a link)
- Providing a code that people can enter on the Sydney Water website to verify authenticity
- Including a customer reference number, or last bill reference number in the message, although some SME customers noted that this information could be hacked and, therefore, may not satisfy them of authenticity.

SME customers did not think that it would be appropriate for Sydney Water to provide an Account Manager given the nature and size of their businesses, and the relative infrequency of contact they have with Sydney Water.

While a small number of customers thought that they had previously seen one or more of the mandatory communications (Business update, Waterwrap and the Customer Contract), these three documents were generally not recalled, read (where recalled), or desired.

The Business update and Waterwrap were generally perceived as relating to residential customers. However, business-specific information in the Business update and Waterwrap was considered useful, particularly anything that had financial implications e.g., rebates or cashbacks for businesses.

SME customers were largely perplexed when asked whether they would be willing for Sydney Water to have their contact details, as it is assumed that Sydney Water already has such relevant information. Only personal information relevant to the individual's business relationship with Sydney Water was considered inappropriate for Sydney Water to hold. For example, details such as date of birth was seen as inappropriate.



There was a substantive difference in SMEs' expectations of, and relationship with, Sydney Water for businesses located on premises under a landlord arrangement, such as in an office tower. These SME customers indicated that they would expect contact with Sydney Water for all issues, except for billing, to be handled by their landlord, including urgent matters such as unplanned outages.

#### 4.4.3 Water and wastewater supply interruptions

The preferred notice period for a planned interruption differed greatly among SME participants, largely based on the nature of the business and the likely impact of the outage on revenue and the business' reputation.

The preferred notice period for an unplanned outage also differed based on likely impact on revenue and reputation:

- Initial notification around one month prior to the planned outage
- A reminder around one week prior to the outage
- A final reminder around 24 hours prior to the outage



Preferred notification methods also differed, but generally the optimal approach (for works to be conducted during both day or night) was

- Initial notification (one month prior) by email, letter and/or in-person visit. Many SME customers noted that multiple communication methods would be valued to ensure that the communication was not missed.
- First reminder (one week prior) by email, letter, and/or SMS
- Final reminder (24 hours prior) by email and SMS

Managing business customers' expectations before and during a planned outage – and during an unplanned outage – was considered critical among SME participants, reflecting the potential impact on revenue and reputation. SME customers expected to receive multiple notifications throughout any outage period, including

- Information provided initially on the estimated duration of the outage and time for completion (e.g., provided in the reminder 24 hours prior and via SMS at the commencement of the works)
- For works that are due to take more than half a day (approximately three to four hours), an update via SMS as to whether the works are on track to be completed at the previously estimated time or not
- Some SME customers saw value in another SMS update around 30 minutes or so before the works were due to be completed, to assist with planned reopening of their business
- Advice via SMS that the works have been completed, including any advice about what, if anything, the business needs to do e.g., run the taps for 5 minutes before using water.

For works that are completed overnight, a small number of SME customers want to receive updates throughout the evening via SMS. Such an approach could be enabled by asking business customers to opt in (e.g., by replying 'Y' to the final reminder 24 hours prior to the works commencing), which would ensure that these updates are only sent to business customers who want to receive them.



For unplanned outages, SMEs want to be advised of the outage as soon as possible, and ideally via multiple channels (particularly SMS and email) to ensure that the information is received by the business. This approach will also minimise inbound contacts to Sydney Water, particularly by phone, email, and live chat.

SMEs preferred that rectification works are undertaken outside their normal operating hours, which differs by business. General preferences were for works to be undertaken outside the hours of 9am to 5pm, or outside the hours of 6am to 9pm.

SME customers found it very difficult to engage meaningfully with the concept of identifying and articulating what proportion of business customers per year is acceptable or tolerable to experience an unplanned outage, with responses ranging from 'none' to 30%.

#### **4.4.4 Water pressure**

A small number of SME customers indicated that they had special requirements relating to water pressure. All SME customers were generally happy with their water pressure, except for a very small number of customers who had had a water pressure issue in the past (all of which had been rectified).

The concept of a potential commitment to water pressure was viewed in the same way as the potential commitment to minimising outages i.e., some SME customers thought this would be valuable, but the majority felt that this was redundant, as Sydney Water should already be doing this.

#### **4.4.5 Continuity of wastewater services**

There were mixed views about the standard of less than 1% of properties being affected by wastewater overflow on their property per year, with some indicating that this was acceptable, while others said that it should effectively be zero. This was the same for the standard of one property in every 10,000 being affected by three or more wastewater overflows per year. However, there was a much stronger feeling among many SME customers that no properties should have the same issue multiple times; the expectation was the issue should be resolved the first time.



## 4.5 Stakeholders (Service Critical High Business Customers, Government, Major Developers and Value Makers)

Findings for key customers are integrated into the body of this report, with significant differences against the general population called out in all sections. Non-significant differences are not included as these do not represent variations from the broader population. This section provides a brief summary of the key differences for collective review.

Twenty-four, 45–60-minute interviews were conducted with stakeholders including Service Critical High Business Customers, local and state government representatives, Major Developers, and Value Makers.

### 4.5.1 Communications service standards

Service Critical High Business Customers, SMEs with high water criticality, Major Developers, local government representatives, etc. have more complex relationships with Sydney Water that require additional support from a customer service perspective. Stakeholders that had an account manager or water service coordinator (WSC) were satisfied with the collaboration.

Government representatives that were interviewed reported a single point of contact would be helpful to help navigate through the organisation and find the right people. They reported frustration with finding the right person for the right issue.

Major Developers and Service Critical High Business Customers praised the relationship they had with their Water Service Coordinator (WSC) or account manager and generally described it as a successful collaboration. Although this depended on the individual relationship manager. Longevity in the role and a thorough understanding of customer's needs were critical traits of an effective customer manager. Where these relationships tended to suffer was when the relationship manager turnover leads to a lack of continuity while the new manager familiarises themselves with the customer's needs.



For Service Critical High Business Customers, planned outages occur in discussions with the account manager, which assists with operational planning.

Major Developers were generally positive about the assistance that relationship managers provide when it comes to development applications. However, this positive sentiment was eroded when developments experience considerable service connectivity delays. This was particularly pertinent for new greenfield developers in Western Sydney, where serviceability time estimates for new greenfield developments have been missed by several years. The financial impact of this is significant for these developers, who can have millions of dollars at risk or tied up in projects that cannot progress.

### 4.5.2 Bills

Many of the stakeholders interviewed were not directly involved in the payment of bills, particularly those from large organisations or government.

Major Developers typically lodged their applications through their Water Service Coordinator (WSC), who handled administration including receipt of a bill.



While a small number of Service Critical High Business and Value Maker Customers thought that they had previously seen one or more of the mandatory communications (Business update, Waterwrap and the Contract), these three documents were generally not recalled, read (where recalled), or desired.

The Business update and Waterwrap were generally perceived as relating to residential customers. However, business-specific information in the Business update and Waterwrap was considered useful, particularly anything that had financial implications e.g., rebates or cashbacks for businesses. Some Service Critical High Business Customers expressed interest in providing input into industrial publications or discussing innovation or problem solving in the trade waste or water treatment plant innovation.

#### **4.5.3 Water and wastewater supply interruptions**

For Service Critical High Business Customers and Value Makers, outages had a high impact on business and operations. These outages can be costly and difficult to manage logistically. Some customers wanted notification months in advance, with a minimum of 4 weeks' notice. Those with account managers had a general preference for their account manager to provide notifications and updates where possible, but recognised that this may not always be feasible.

If given enough notice, some Service Critical High Business Customers said they could organise a back-up water supply to continue operating. However, such back-up options were still limited and would only keep the business operational for a short amount of time, meaning longer outages would still be disruptive.

Service Critical High Business Customers requested that Sydney Water be strategic with the timing of planned maintenance and work with them to minimise disruptions. They also mentioned that certain times of the day or year could be more disruptive than others.

Preferred notification methods also differed, but generally the optimal approach (for both day or night works) was

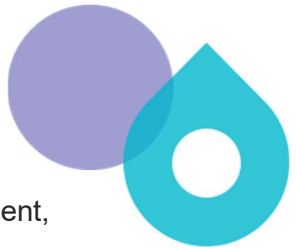

- Provide an initial notification (one month prior) by email, letter, and/or in-person visit. Many SME customers noted that multiple communication methods would be valued to ensure that the communication was not missed
- First reminder (one week prior) by email, letter, and/or SMS
- Final reminder (24 hours prior) by email and SMS.

#### **4.5.4 Water pressure**

Major Developers described a positive relationship with Sydney Water in delivering good water pressure to their developments, with Sydney Water often responsible for constructing infrastructure to increase water pressure at greenfield sites where it was needed.

#### **4.5.5 Conduits for community involvement**

Major Developers and government representatives are frequently the conduit for notifying community when there is an outage either through website community pages, social media, or direct contact from the public. Good communication from Sydney Water was mentioned as





assisting with outage communication and ancillary services, such as traffic management, signage, and associated council repairs.

#### **4.5.6 New development serviceability**

Often Sydney Water provide guidance around when new development areas are likely to be serviceable or when they will have access to water and wastewater services. For Major Developers and government representatives, it was important that Sydney Water achieve the estimated timeframes provided. If these timeframes were not adhered to, impact to their business was commercial and reputational with the knock-on effect to residential consumers.

The biggest challenge for Major Developers was the length of time for approvals through Sydney Water. Major Developers also mentioned other issues: Sydney Water's lack of willingness to listen to an alternative way of doing things, issues of approval requirements, and the technical interface is challenging.





# 5 What we heard: customer led themes shaping Sydney Water's regulatory focus areas

## In this section...

This chapter outlines the findings from a theming exercise undertaken at the beginning of each of the five customer forums, where customers took the priorities identified in Phase 1 and sorted them into common thematic groupings before naming them.

## 5.1 Context

Participants in each of the five customer forums were presented with the 15 customer recommended outcomes identified as priorities for Sydney Water as part of Phase 1. Participants were tasked with grouping and naming these priorities to inform the key focus areas for the regulatory process. Each table (of approximately 10 customers) was given the 15 customer priorities and were asked to put them into groups with a common underlying theme. Each table was asked to nominate the themes and assign names to each theme.

This process of asking customers to theme and name the priorities was Sydney Water's way to encourage customers to participate, own, and lead the future of water and wastewater in Greater Sydney. The task also encouraged customer involvement in Sydney Water's long-term vision. Sydney Water can use these groupings and names to understand where certain priorities fit together, and why, and to help with the initial building blocks of strategic implementation.

In Phase 3 of this research, these themes and groupings will influence the customer offers presented to customers for refinement.

Across the five customer forums, customers came up with a large number of priority theme groupings, names, and reasons for these groupings. These were distilled into four overarching themes.

The four customer-recommended themes listed below were developed through a process of thematic analysis and distillation, which involved consolidating the numerous priority theme groupings, names, and reasons gathered across five customer forums and 410 customers.

- Under the **Customer Experience** theme, customers included looking after the customer by meeting their needs with regards to service standards, minimising the impact of restrictions and outages, keeping bills affordable, and ensuring the community are informed and educated



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- Under the **Quality** theme, customers made comments relating to Sydney Water continuing to provide customers with a quality product. Examples included anything relating to the safety, cleanliness, smell and drinkability of the water that comes out of their taps, including during extreme events and unforeseen circumstances
  - Under the **Environmental Protection** theme, key priorities customers included were all things to do with clean and natural waterways, habitats, and recreational areas. They also included future-focused priorities, such as contributing to a cooler environment and reducing carbon emissions
  - Under the **Water Conservation** theme, customers included all things related to reducing water loss, such as minimising leaks and breaks, improving management of water resources. This included improving community usage through water saving programs and enhancing the network's resilience to drought.

Table 4 Customer identified outcome groupings

CUSTOMER EXPERIENCE	QUALITY	ENVIRONMENTAL PROTECTION	WATER CONSERVATION
<ul style="list-style-type: none"> <li>• Maintaining a standard of customer service that meets or exceeds your expectations.</li> <li>• Reducing the frequency and duration of severe water restrictions.</li> <li>• Ensuring water and wastewater bills remain affordable</li> <li>• Ensuring better informed customers by improving and modernising communications to assist them with managing their water use.</li> <li>• Minimising the impact of outages (both planned and unplanned).</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing the chances of your drinking water occasionally smelling or tasting different after unplanned events (such as flooding, heatwave, fire, or high wind events).</li> <li>• Maintaining safe and clean drinking water.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring waterways and water recreation areas remain clean and safe to use by reducing wastewater pollution to rivers and the ocean.</li> <li>• Contributing to a cooler environment and more pleasant green public spaces through the establishment/main tenance of trees and vegetation.</li> <li>• Reducing net carbon emissions to zero by 2050 or sooner through more energy-efficient operations and greater use of renewable energy.</li> <li>• Improving natural waterways and habitats so as to protect the environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing water savings and reducing usage through community-based water saving programs.</li> <li>• Reducing water loss by minimising leaks and breaks in Greater Sydney’s pipe networks.</li> <li>• Reducing water loss to the ocean by improving stormwater management, storage, and capture.</li> <li>• Enhancing the water network’s resilience to drought through building more water recycling and/or desalination capacity.</li> </ul>

Table 5 Customer identified theme names

CUSTOMER EXPERIENCE	QUALITY
<ul style="list-style-type: none"> <li>• Customer service</li> <li>• Customer experience</li> <li>• Customer first + affordability</li> <li>• Customer service delivery</li> <li>• Customer satisfaction</li> <li>• Pure and simple</li> <li>• Customer and community communications</li> <li>• Community value</li> <li>• Customer kudos</li> <li>• People matter</li> <li>• Customer service and community</li> <li>• Liquidity in the community</li> <li>• Great expectations</li> <li>• You come first</li> <li>• Education</li> <li>• Water economy</li> <li>• Focus on customers</li> <li>• Customer care</li> <li>• Caring for our community</li> <li>• Direct effect to households</li> <li>• Community</li> <li>• Keeping us flush (\$\$)</li> <li>• Household impact</li> <li>• Keeping it affordable.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality</li> <li>• Quality of product</li> <li>• Purity</li> <li>• Pure quality</li> <li>• Product quality</li> <li>• Essence</li> <li>• Water security</li> <li>• Water quality</li> <li>• Clean stream</li> <li>• Clean and clear</li> <li>• Pull your finger out</li> <li>• H2 More</li> <li>• Keeping it running / flowing</li> <li>• Water quality security</li> <li>• Water for life. Good enough to drink</li> <li>• Continuity of supply</li> <li>• Clean water</li> <li>• Keeping house</li> <li>• Keep it clean</li> <li>• It tastes better than wine</li> <li>• Get your finger out</li> <li>• Crystal clear</li> <li>• Keep the flow</li> <li>• Quality cares</li> <li>• Quality and safety</li> <li>• Getting the basics right</li> <li>• The fundamentals.</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Maintaining a standard of customer service that meets or exceeds your expectations.</i></li> <li>• <i>Reducing the frequency and duration of severe water restrictions.</i></li> <li>• <i>Ensuring water and wastewater bills remain affordable.</i></li> <li>• <i>Ensuring better informed customers by improving and modernising communications to assist them with managing their water use.</i></li> <li>• <i>Minimising the impact of outages (both planned and unplanned).</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Reducing the chances of your drinking water occasionally smelling or tasting different after unplanned events (such as flooding, heatwave, fire or high wind events).</i></li> <li>• <i>Maintaining safe and clean drinking water.</i></li> </ul>

## ENVIRONMENTAL PROTECTION

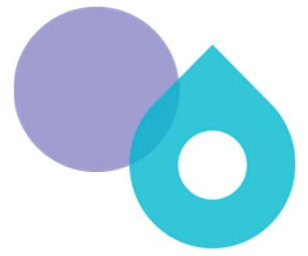
- Environment
- Sustainable future
- Environmental future
- Environmental
- Long term environmental goals
- Environment and sustainability
- Green ideas
- Captain planet
- Environmental protection
- Climate Control
- Operation earth
- Water 2050
- H2m0rrow
- Green water
- Environmental impact
- When green meets blue
- Clean2Green
- Operation earth
- There's no planet B!
- Climate control
- Projects for the future.

- *Ensuring waterways and water recreation areas remain clean and safe to use by reducing wastewater pollution to rivers and the ocean.*
- *Contributing to a cooler environment and more pleasant green public spaces through the establishment/maintenance of trees and vegetation.*
- *Reducing net carbon emissions to zero by 2050 or sooner through more energy-efficient operations and greater use of renewable energy.*
- *Improving natural waterways and habitats so as to protect the environment.*

## WATER CONSERVATION

- Water conservation
- Water efficiency
- Resource management
- Water bank
- Reduce water waste
- Water saving
- Keep it in the pipes
- Plug it, catch it, save it
- Flowing to the future
- Stop water loss
- Stop wasting our water
- Don't waste a drop
- Conservation
- Less loss
- Conserving water
- Projects for the future
- Water security
- Future focussed water management
- Loss mitigation
- Conserving water.

- *Increasing water savings and reducing usage through community-based water saving programs.*
- *Reducing water loss by minimising leaks and breaks in Greater Sydney's pipe networks.*
- *Reducing water loss to the ocean by improving stormwater management, storage and capture.*
- *Enhancing the water network's resilience to drought through building more water recycling and/or desalination capacity.*



## **6 What we heard: customer expectations communications and customer service**





## In this section...



This chapter explores customer expectations for service levels related to communications and customer service and outlines the findings from the qualitative and quantitative components of Phase 2. This includes feedback collected from the customer forums, focus groups, in-depth interviews and validation survey.

Key take-aways:

- Customers generally reported satisfaction with the level of service provided by Sydney Water, with some surprised at Sydney Water's current standards. It should be noted that customer expectations are often benchmarked against private companies operating in industries such as telecommunications, insurance, and banking, where levels of customer experience are lower than what is mandated for Sydney Water.
- Customers expect Sydney Water to have a range of both modern and more traditional channels for interacting with customers, enabling choice, depending on the nature of the enquiry.
- Phone was the preferred communication method for most customers when contacting Sydney Water.
- Email was the most preferred channel for Sydney Water contacting customers.
- Customers indicated that they would like to be able to register their contact preference with Sydney Water. However, this has not been quantified from a willingness to pay standpoint.
- Customers greatly appreciated that, in urgent situations, Sydney Water can be contacted 24 hours a day, 7 days a week.
- Customers expected to receive urgent or time critical information from Sydney Water via SMS, such as outage information (unplanned outage notification, updates throughout a planned outage). The preferred channel for less urgent communication was email.
- Customers are open to interacting with Sydney Water via live chat but not chatbots.
- Customers were not happy about the idea of removing the Post Office and payment via cheque as payment methods or charging on the cost of these methods to customers who prefer to pay in this way.
- The majority of customers don't recall either receiving or reading Waterwrap or the Customer Contract.

## 6.1 Context

Customer expectations for service levels related to communications and customer service refers to the level of responsiveness, helpfulness, and professionalism that customers expect from Sydney



Water when they communicate with them. This includes aspects such as response time, ease of communication, availability of channels, the quality of information received, and the resolution of any issues.

Sydney Water has an obligation to meet the standards set forth in its Operating License and Customer Contract. These documents set the standards and requirements that Sydney Water must meet in terms of communications and customer service, as well as other service delivery. IPART conducts an annual audit of Sydney Water's compliance to its Operating Licence and Customer Contract, and failure to comply with these standards can result in penalties. Understanding customer service expectations is an important part of planning and developing Sydney Water's strategic priorities. It allows Sydney Water to identify areas for improvement in the implementation of its processes and allocation of investment.

Phase 2 explores whether there have been any shifts in the expectations and priorities of customers in the past few years. Key lines of enquiry included exploring what situations prompt customers to contact Sydney Water, how they prefer to contact Sydney Water, and through what channels. Sydney Water were interested in knowing what interactions customers would like resolved online and how customers feel about communicating with Sydney Water via live chat or online bot.

Sydney Water also needed to understand what customers expect in terms of customer service levels during those interactions. For example, when contacting Sydney Water over the phone, how long do they expect to be on hold? And how does this differ for different interaction types? Are there situations where a resolution needs to be achieved straight away? And in what situations are call backs acceptable?

The research in Phase 2 explored these questions but excluded customer's willingness to pay as this is being explored in Phases 1 and 4 of the customer engagement program.

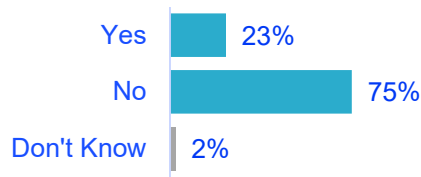
## 6.2 Customer interactions with Sydney Water

The first step in understanding customer expectations is understanding how many people contact Sydney Water and how they do so. Less than one quarter of respondents (23%) recall having to contact Sydney Water for any reason over the last 5 years. Given the current population of approximately 5.3 million people this should extrapolate out to approximately 1.22 million customers who have had to contact Sydney Water.

Some customer demographic groups were more likely to contact Sydney Water than others. For example:

- Males were more likely than females to have contacted Sydney Water (27% of males vs. 19% of females), as were those who pay a full water bill (30% of bill payers vs 11% of non-bill payers).

Figure 2 Recent customer contact with Sydney Water



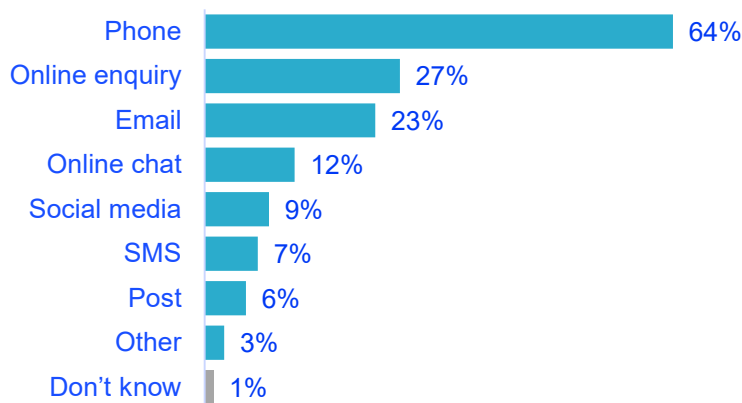
C1. Thinking about the last five years, have you ever had to contact Sydney Water for any reason? Base: Total sample validation survey validation survey (n=1,521)

### 6.2.1 Communication channels

Choice of communication channel is important for customers. While phone was generally preferred by most participants, having other contact options available is also generally expected. Ideally, however, most would like Sydney Water to “contact me the same way I contact you.”

The validation survey shows that contacting Sydney Water by phone remains the primary contact channel for customers, with 64% of respondents reporting they had contacted Sydney Water through this channel. Online and self-service are also important, with 27% of those who contacted Sydney Water doing so through an online enquiry and 23% doing so via email. Online chat was used by 12% of respondents, and 9% interacted with Sydney Water via social media. These findings reinforce the importance of maintaining and investing in phone-based customer service, but self-service and online customer service channels remain both relevant and important. Customers expect standards not to drop even if these channels are not always the first preferred option. The survey showed little variation by demographic.

Figure 3 Actual method of contacting Sydney Water



C2. Through what channel/s did you contact Sydney Water? Select all that apply if you contacted them on multiple occasions. Base: Those who have contacted Sydney Water in last 5 years (n=346)

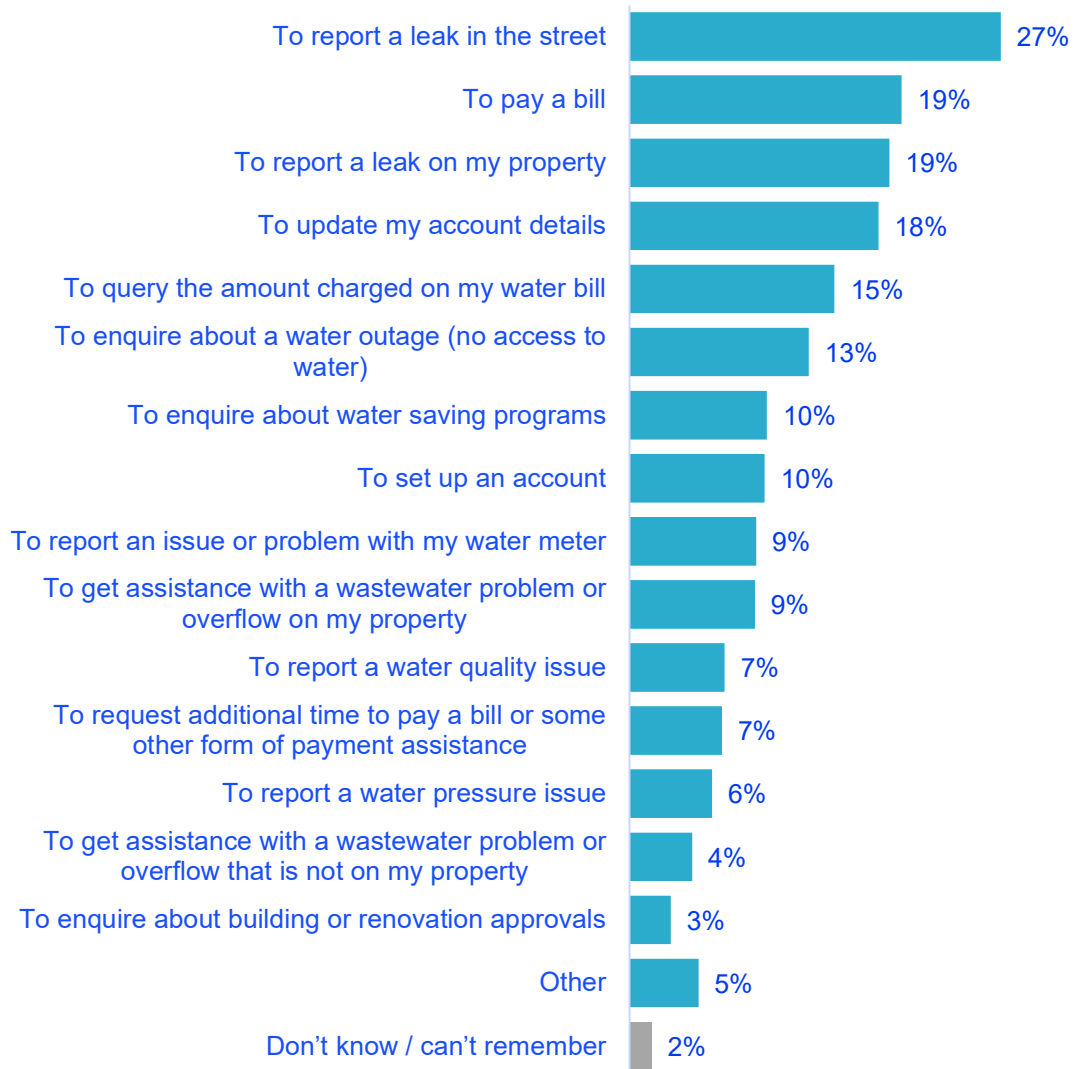


### 6.2.2 Reasons for interacting with Sydney Water

The validation survey shows that of those who contacted Sydney Water, the most common reason for doing so was to report a leak in the street (27% contacted Sydney Water for this reason). This also reflects the importance customers place on reducing water loss by minimising leaks and breaks – considered a top priority for Sydney Water in Phase 1. Reporting a leak on their property (19%) was also one of the top three reasons for contacting Sydney Water.

General account administration and payments also featured prominently as common reasons for interacting with Sydney Water. Almost one in five (19%) indicated that they had contacted Sydney Water to pay a bill. A similar proportion contacted Sydney Water to update their account details (18%), query an amount charged on their water bill (15%), to enquire about a water outage (13%), water saving program (10%), or to set up an account (10%). The validation survey showed little variation by demographic for this question.

Figure 4 Reasons for contacting Sydney Water



C3. What are all the reasons that led you to contact Sydney Water? Base: Those who have contacted Sydney Water C3. What are all the reasons that led you to contact Sydney Water? Base: Those who have contacted Sydney Water in last 5 years (n=346)

The qualitative research clearly showed customers prefer human interactions when dealing with Sydney Water, even when communicating online. This is for a number of reasons, including the need for personalised attention, the ability to ask questions, and the desire to feel valued and heard. A number of customers also found self-servicing online difficult for reasons such as a lack of confidence in their technical proficiency and concerns about security. In urgent situations, customers seek an immediate channel, where their enquiry is prioritised over less urgent enquiries.

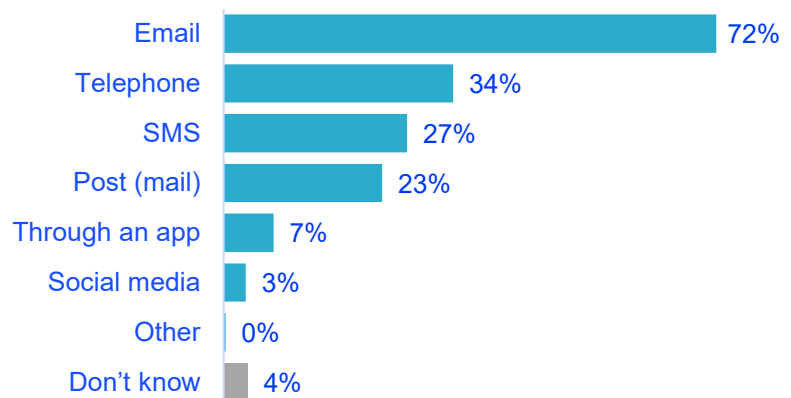
When self-serving or awaiting a response, customers seek accountability from Sydney Water, through reference numbers or documentation. Having to re-provide information they have already provided is a general source of frustration for many customers when dealing with contact centres.

Retaining the 'human element' at the centre of Sydney Water's customer service strategy (at least in the near term) remains of high importance to customers.

The validation survey shows that if Sydney Water needs to contact them, most customers would like to be contacted by email (72%). Only 34% would like to be contacted by telephone, 27% by SMS, and 23% would like to be contacted via a letter in the mail. There was some small variation by demographic, for example:

- Financially vulnerable customers were less likely to want to be contacted via email than financially comfortable customers (62% for financially vulnerable vs 75% for financially comfortable)
- People living with disability were less likely than those without disability to want to be contacted via email (68% for people with disability vs 75% for those without)
- People living in a flat or apartment were more likely than those living in a house to want to be contacted via email (80% of those living in a flat or apartment vs. 69% living in a house).

Figure 5 Channel preferences



C4. If Sydney Water were to contact you for some reason, through what channels would you prefer to be contacted by? (Please select all that apply). Base: Total sample validation survey (n=1,521)



## 6.3 Preferred channel across different enquiry types (prompted scenarios)

Preferred channels for interacting with Sydney Water were phone, email, or website enquiry or live chat (with a human), and this was generally the case across different scenarios. In more urgent situations (large break or wastewater overflow), phone is the most preferred channel. When an enquiry is less urgent or not directly impacting a customer (leak, bill comparison), live chat and an App are increasingly more likely to be used.

This was supported in the validation survey, where customers were asked how they would contact Sydney Water if they were faced with five different scenarios. In four of the five scenarios, phone was the preferred method of communication for the majority. One exception was for querying current bills over past bills, website enquiries or email interactions were the most preferred.

Like with the qualitative research, the preference for phone interactions also appeared stronger for the more urgent scenarios like reporting a major leak (where 84% would contact Sydney Water by phone) in the street or a wastewater overflow (where 87% would contact Sydney Water by phone).

Figures 6 – 10 show the channel preferences across the five scenarios. Table 5 shows the channel preferences compared across all five scenarios.

The five scenarios tested include:

1. If the customer needs to query a higher bill than expected
2. If the customer wants to report a small leak in the street
3. If the customer wants to report a major leak in the street
4. If the customer wants to compare their current bill to past bills
5. If the customer wants to report a wastewater overflow.

Table 6 Channel preferences for different scenarios tested

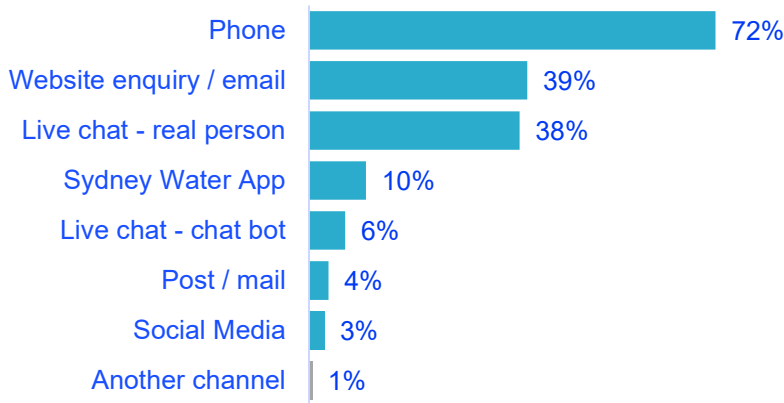
Scenario	Phone	Website enquiry/email	Live chat on Sydney Water's website with a real person	Live chat on Sydney Water's website through an automated online chat bot	Social media	Sydney Water app	Post/mail	Another channel
<b>Scenario 1</b>	72%	39%	38%	6%	3%	10%	4%	1%
<b>Scenario 2</b>	66%	39%	32%	10%	4%	16%	2%	1%
<b>Scenario 3</b>	84%	18%	26%	8%	3%	13%	1%	0%

**Scenario 4**      34%      65%      27%      11%      2%      23%      3%      1%

<b>Scenario 5</b>	87%	15%	28%	6%	3%	10%	1%	3%
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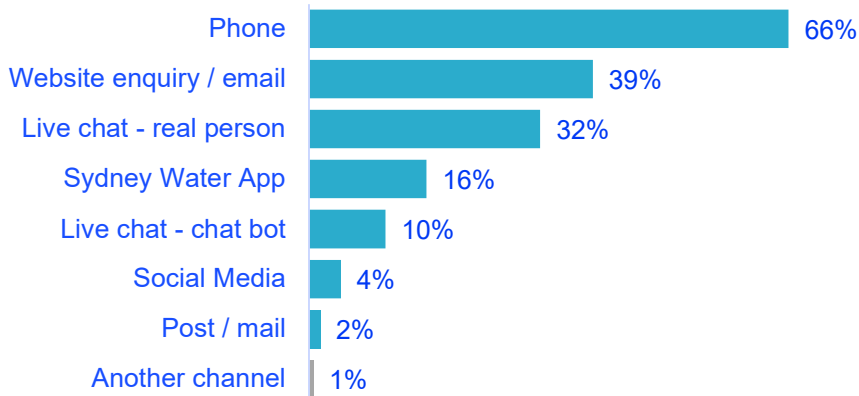
C5. Imagine each of the following scenarios happened to you, what are all the ways you might want to contact Sydney Water to get assistance? Base: Total sample validation survey (n=1,521)

Figure 6 Scenario 1 – Preferred channel/s: If the customer needed to query a higher bill than expected



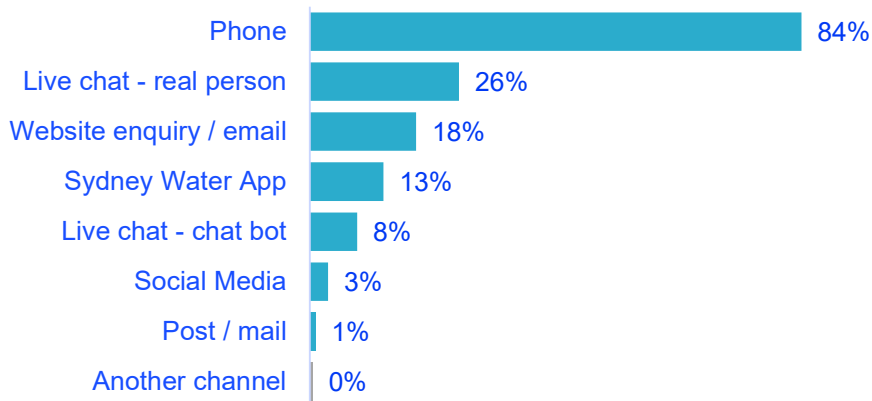
C5. Imagine each of the following scenarios happened to you, what are all the ways you might want to contact Sydney Water to get assistance? Base: Total sample validation survey (n=1,521)

Figure 7 Scenario 2 – Preferred channel/s: If the customer wanted to report a small leak in the street



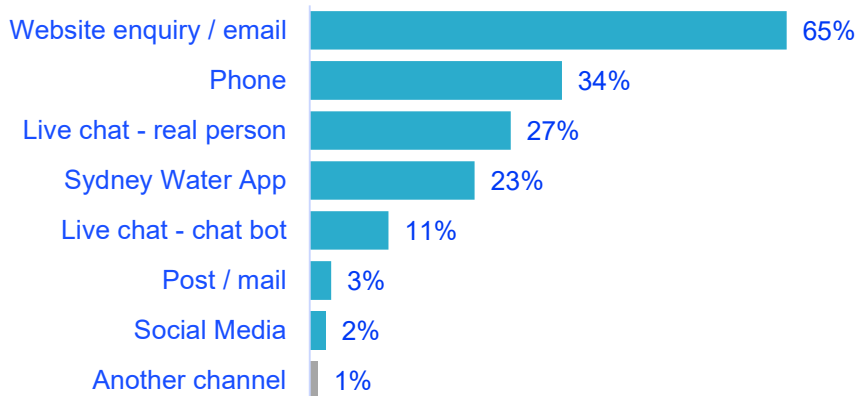
C5. Imagine each of the following scenarios happened to you, what are all the ways you might want to contact Sydney Water to get assistance? Base: Total sample validation survey (n=1,521)

Figure 8 Scenario 3 – Preferred channel/s: If the customer wanted to report a major leak in the street



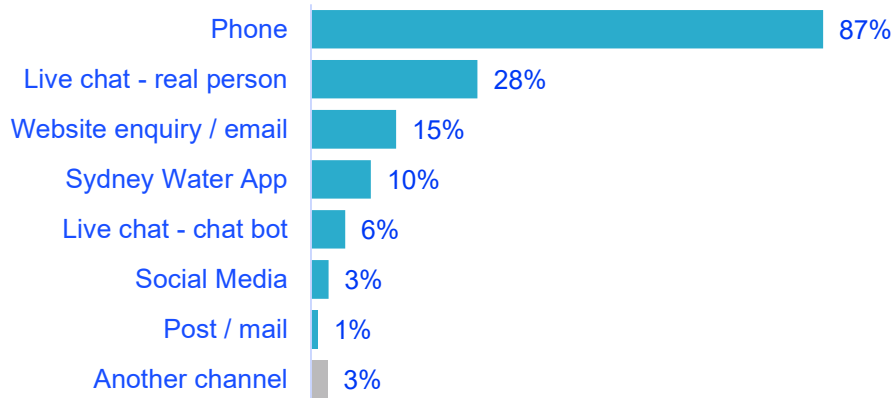
C5. Imagine each of the following scenarios happened to you, what are all the ways you might want to contact Sydney Water to get assistance? Base: Total sample validation survey (n=1,521)

Figure 9 Scenario 4 – Preferred channel/s: If the customer wanted to compare their current bill to past bills



C5. Imagine each of the following scenarios happened to you, what are all the ways you might want to contact Sydney Water to get assistance? Base: Total sample validation survey (n=1,521)

Figure 10 Scenario 5 – Preferred channel/s: If the customer wanted to report a wastewater overflow



C5. Imagine each of the following scenarios happened to you, what are all the ways you might want to contact Sydney Water to get assistance? Base: Total sample validation survey (n=1,521)

Table 6 summarises channel preferences for some of the key subgroups consulted during the qualitative research.

Table 7 Channel preferences: First Nations Customers

Telephone	Online	Chatbot	SMS
<p>There was an overwhelming preference for phone calls relating to any need for information, emergencies, and notifications of significant external water issues.</p>	<p>Little website usage or desire was indicated amongst most participants.</p> <p>The only exception was a few individuals with access and distinct personal preference for online interactions rather than in-person.</p> <p>Live chat was noted by approximately half of respondents for non-urgent issues such as reporting an external water leak.</p> <p>It was also noted for a few respondents (older customers generally with computer access and confidence) for bill comparisons.</p>	<p>First Nations Customers were adamant that live chat must be with a person not a chatbot</p>	<p>There was a preference for SMS communications in terms of notifications of any Sydney Water issues related to planned or unplanned works and updates only and not marketing materials.</p>

Table 8 Channel preferences: Culturally and Linguistically Diverse Customers

Telephone	Online	Chatbot	SMS
<p>Arabic, Greek, and Vietnamese customers first preference for contact with Sydney Water was the telephone for enquiries and emergencies. It was considered quicker and more convenient, and they get to resolve the issues raised instantly and in real-time by talking to a real person rather than a machine.</p>	<p>Korean, Mandarin, and Cantonese customers preferred online interactions with Sydney Water to submit forms using the Sydney Water website, live chat, email, or App to communicate non-urgent matters</p>	<p>The majority of CALD groups were adverse to using an online chatbot and found it very unhelpful and not suitable as a communication channel with Sydney Water.</p>	<p>There was a strong preference across all CALD groups for SMS communications in terms of notifications of any Sydney Water issues related to planned or unplanned works and updates only and not marketing materials. There were concerns about receiving scams via SMS notifications but that was addressed by advising Sydney Water to manage it using the expected genuine messages approach.</p>

Table 9 Channel preferences: SME and Value Maker Customers

Telephone	Online	Chatbot	SMS
<p>Phone and live chat channels for urgent matters (e.g., water outages, water quality issues, significant water pressure issues, burst pipes) Live chat or email for non-urgent matters (e.g., billing enquiries, minor water pressure issues).</p>		<p>Chatbots were universally loathed by SME customers that had previously used them to interact with other businesses.</p>	<p>There was a strong preference across SME/Value Maker groups for SMS communications in terms of notifications of any Sydney Water issues related to planned or unplanned works and updates only and not marketing materials. There were concerns about receiving scams via SMS notifications but</p>

that was addressed by advising Sydney Water to manage it using the expected genuine messages approach.

Table 10 Channel preferences: Individuals living with a disability

Telephone	Online	Live chat	SMS
<p>Contacting Sydney Water by phone was preferred for urgent matters needing a swift response. Some also preferred to speak to a person rather than navigating more impersonal technology.</p> <p>Some people also mentioned that contacting Sydney Water by phone gave them confidence that the issue had been acknowledged and was being dealt with, hopefully, expediting the response. However, there was a recognition that phone contact could be time consuming at the point of contact due to long wait times.</p>	<p>Online communication was deemed appropriate for less urgent situations or for seeking out local information on unplanned outages for example.</p>	<p>Some liked live chat, as they perceived this as a faster and more efficient communication channel. This was due to expectations of long wait times if they call Sydney Water.</p> <p>However, live chat could feel hard for some people to engage with, it felt unfamiliar or uncomfortable and they defaulted to using the phone.</p>	<p>There was a preference for SMS communications with issues related to planned or unplanned works.</p>



### 6.3.1 Customer service response times

Understanding customer expectations regarding customer service response times allows Sydney Water to set minimum standards for customer service delivery and inform its future investment strategy.

Customers expect Sydney Water to respond to them as fast as possible. Despite this, they also expect delays and the potential for long wait times – particularly during busy times and major events. These expectations tend to be influenced by their interactions with other organisations where, albeit frustrating, long wait times were considered the norm. For example, when customers were asked about their expectations for the amount of time they are prepared to wait on hold, the times mentioned were much longer than the current internal standard of 36 seconds.

In the validation survey, customers were asked about the timeframes in which they would expect a response/ resolution from Sydney Water if they contacted them after being faced with one of five different scenarios. The urgency of the situation was important with most customers expecting a major leak or wastewater overflow to be responded to within 6 hours (86% expect this for a major leak, 84% expect it for a wastewater overflow). This includes two thirds who expect a response within the hour (67% expect this for a major leak and 65% expect this for a wastewater overflow).

Many customers were prepared to tolerate longer response times for less urgent scenarios, such as responding to a query about a higher-than-expected bill. In this example, more than two-thirds (67%) would accept the query being resolved within 24 hours, including 9% that would accept waiting 3-4 days and 5% who would accept a 5 to 7-day wait. Despite this, 25% would expect a solution within the hour and 13% expect a solution within 3 hours.

There is minimal variation between the key demographic sub-groups when it comes to service expectations for scenario one, two and four. Exceptions included males and people living in Northern Sydney who could tolerate slightly longer resolution times for ‘if they reported a small leak in the street’ scenario.

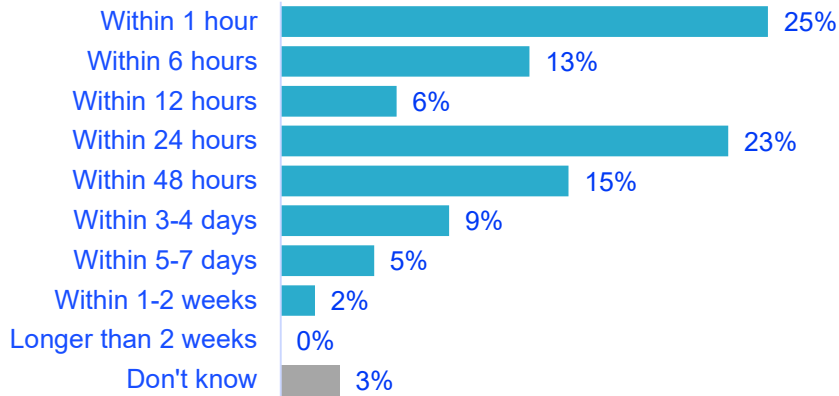
For the more urgent scenarios (major leak in the street and wastewater overflows), the following demographic differences were noted:

- People aged 18-29 were slightly less likely to require a response within 6 hours when compared to other age groups
- Northern Sydney Residents were more likely than other regions to expect a wastewater overflow to be resolved within this time frame.

Figures 11 – 15 show what customers believe to be fair and reasonable resolution times for each of the five scenarios.

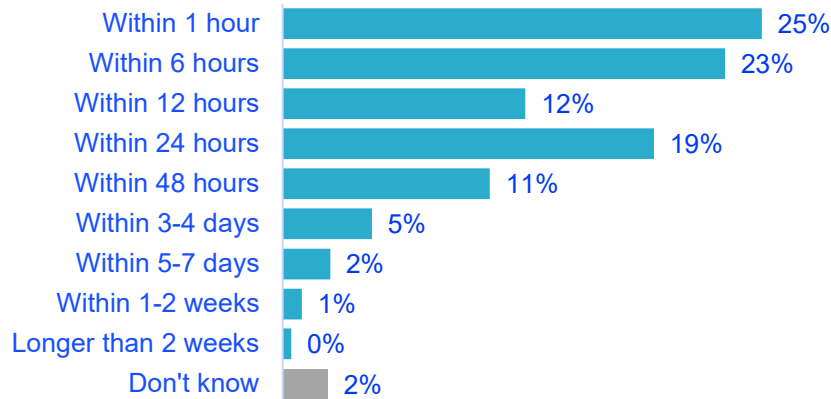


Figure 11 Scenario 1 – If the customer needed to query a higher bill than expected



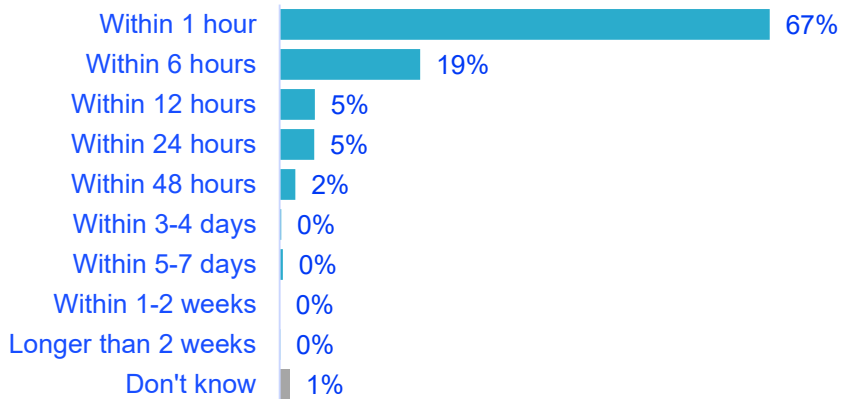
C6. Imagine each of the following scenarios happened to you; and thinking about what is fair or reasonable, in what timeframe do you expect Sydney Water to have resolved the issue? Base: Total sample validation survey (n=1,521)

Figure 12 Scenario 2 – If the customer wanted to report a small leak in the street



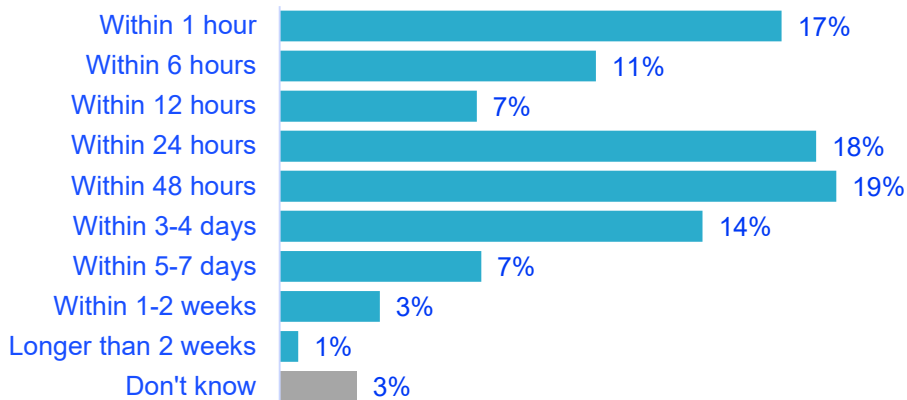
C6. Imagine each of the following scenarios happened to you; and thinking about what is fair or reasonable, in what timeframe do you expect Sydney Water to have resolved the issue? Base: Total sample validation survey (n=1,521)

Figure 13 Scenario 3 – If the customer wanted to report a major leak in the street



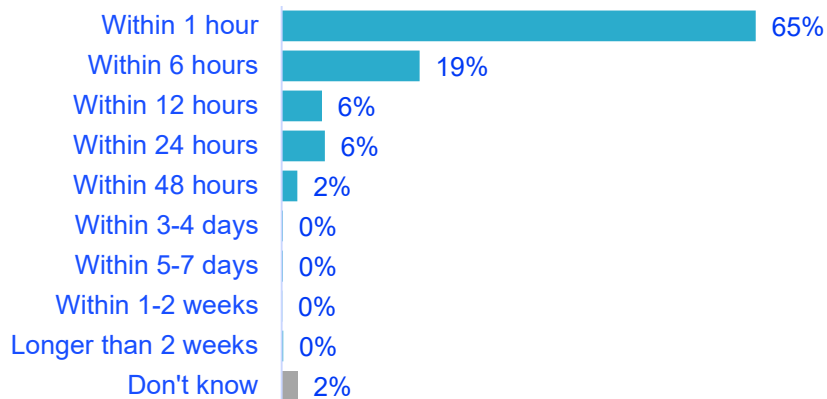
C6. Imagine each of the following scenarios happened to you; and thinking about what is fair or reasonable, in what timeframe do you expect Sydney Water to have resolved the issue? Base: Total sample validation survey (n=1,521)

Figure 14 Scenario 4 – If the customer wanted to compare their current bill to past bills



C6. Imagine each of the following scenarios happened to you; and thinking about what is fair or reasonable, in what timeframe do you expect Sydney Water to have resolved the issue? Base: Total sample validation survey (n=1,521)

Figure 15 Scenario 5 – If the customer wanted to report a wastewater overflow



C6. Imagine each of the following scenarios happened to you; and thinking about what is fair or reasonable, in what timeframe do you expect Sydney Water to have resolved the issue? Base: Total sample validation survey (n=1,521)

Resolution of issues was extremely important for all First Nations Customers. It was not sufficient to simply have a complaint or query noted. Resolution as a term was highly problematic for some as they related the process to other experiences lodging complaints or questioning bills and decisions (household bills, taxation, banking, councils, fines), which did not provide a satisfactory outcome. Most regarded resolution as “getting what I want” or “At least someone taking some time to go through it with me.”

Not enough to just have some stranger take down my name and problem. They need to do something and let me know they've actually done something.

**First Nations customer** | Focus group

Not I got just as much right to get good service as the next fella. Don't put me in some little box just because I live in the western suburbs.

**First Nations customer** | Focus group

### 6.3.2 Customer expectations for communicating by phone

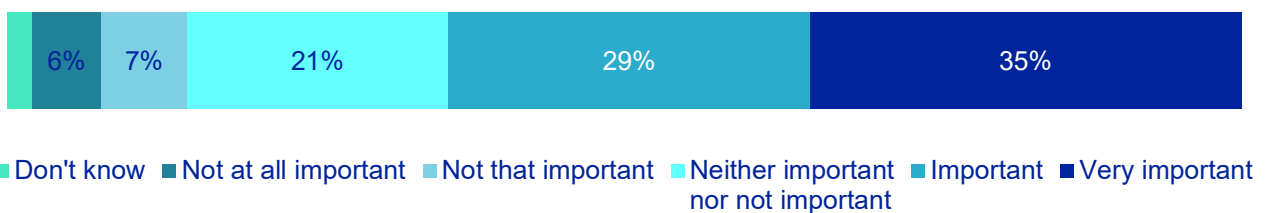
Telephone was the preferred communication method for most customers when contacting Sydney Water. Being able to speak to a person, in Sydney, regardless of the enquiry and its urgency was of the utmost importance to customers.

The ability for customers to contact Sydney Water via phone in an emergency situation (such as a major break) was crucial, and in situations like a major break or wastewater overflow, some customers believed that no other channel could replace a phone call.

Customers greatly appreciated that, in urgent situations, Sydney Water can be contacted 24 hours a day, 7 days a week. It was also reassuring for many to know that Sydney Water's call centres are located in Sydney.

Sydney Water currently has two call centres that are based in Parramatta and the validation survey shows that 64% of the population considers this to be important or very important, 21% have neutral views, while 13% do not think it is that important. These levels of importance were generally consistent across the region with minimal variation by demographics including age, gender, and cultural background.

Figure 16 Importance of location of Sydney Water call centre



C21. Sydney Water call centre staff are based in Parramatta? How important to you is it that these call centres are located in the Greater Sydney area? Base: Total sample validation survey (n=1,521)

Contact by telephone was also important for situations where human-to-human reassurance is required – specifically around some billing enquiries.

**For an urgent enquiry**, many customers felt these should be prioritised and many expect to have their call triaged (for example – press 1 if you wish to report a major break), to 'skip the queue' and ensure that urgent situations are dealt with faster than non-urgent situations. There was considerable variation in how long customers were prepared to wait on hold, with some customers willing to wait no longer than 2 minutes to report an urgent issue, while others were happy to wait up to 5 minutes. For individual customers, expectations were often influenced by experiences with other call centres.

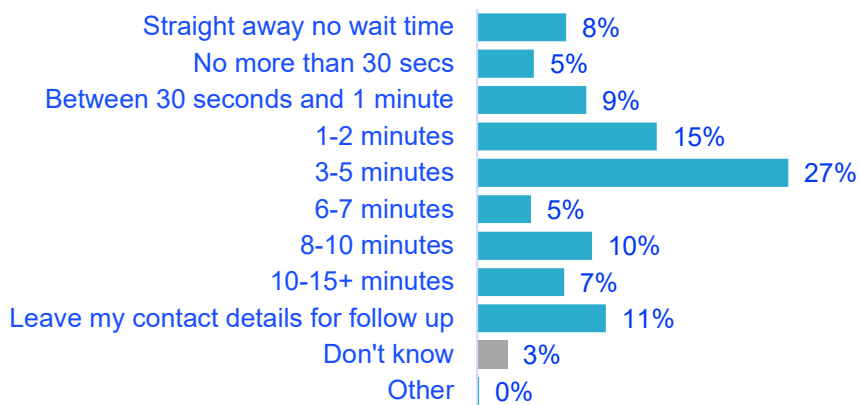
**For a non-urgent enquiry**, most customers were again happy to progress through a numbered menu system prior to reaching a Sydney Water representative, and reported being comfortable

waiting on hold for between 5 and 7 minutes, with some willing to wait up to 15 minutes before speaking with a Sydney Water representative.

There was high variance in the amount of time that SME customers thought would be acceptable to wait before Sydney Water answers the phone (from 'a few minutes' to 30 minutes), and for how long they were prepared to wait (from 10 minutes to 'as long as it takes' – assuming that the contact was for an urgent matter).

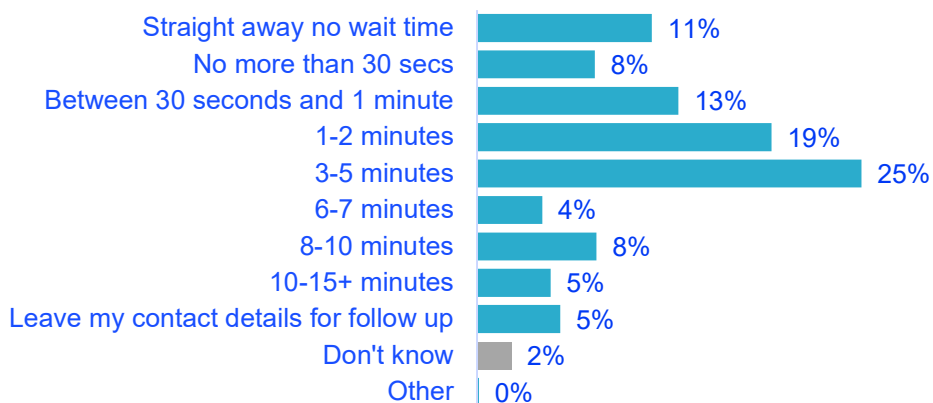
Figures 17 – 21 show what customers consider to be fair, with regards to time waiting on hold, for each of the five scenarios.

Figure 17 Scenario 1 – If the customer needed to query a higher bill than expected



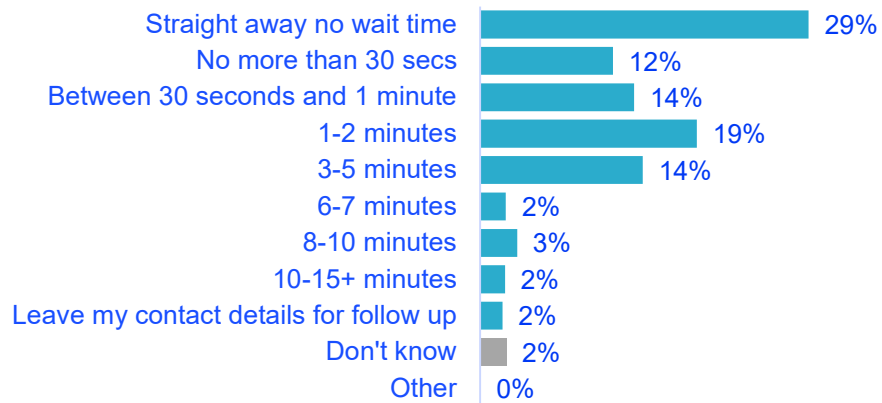
C7. Imagine if you were to call Sydney Water (via telephone) for each of the following scenarios? How long is a fair amount of time to be waiting on hold for your call to be answered? Base: Total sample validation survey (n=1,521)

Figure 18 Scenario 2 – If the customer wanted to report a small leak in the street



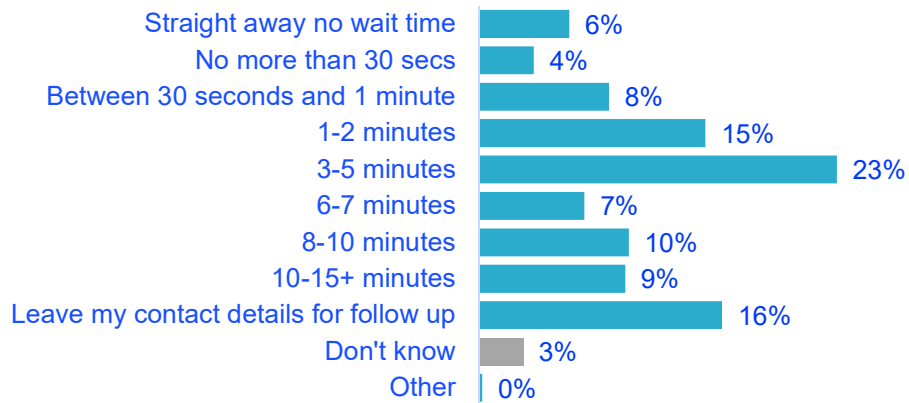
C7. Imagine if you were to call Sydney Water (via telephone) for each of the following scenarios? How long is a fair amount of time to be waiting on hold for your call to be answered? Base: Total sample validation survey (n=1,521)

Figure 19 Scenario 3 – If the customer wanted to report a major leak in the street



C7. Imagine if you were to call Sydney Water (via telephone) for each of the following scenarios? How long is a fair amount of time to be waiting on hold for your call to be answered? Base: Total sample validation survey (n=1,521)

Figure 20 Scenario 4 – If the customer wanted to compare their current bill to past bills



C7. Imagine if you were to call Sydney Water (via telephone) for each of the following scenarios? How long is a fair amount of time to be waiting on hold for your call to be answered? Base: Total sample validation survey (n=1,521)

Figure 21 Scenario 5 – If the customer wanted to report a wastewater overflow



C7. Imagine if you were to call Sydney Water (via telephone) for each of the following scenarios? How long is a fair amount of time to be waiting on hold for your call to be answered? Base: Total sample validation survey (n=1,521)

Some additional considerations:

- While waiting on hold to speak with Sydney Water, customers were open to providing additional information to support with identification and resolution of the enquiry (account number, reason for call, etc)
- While on hold, customers wanted to know what number they were in the queue and how long they would have to wait until their call would be answered
- First Nations customers strongly criticised common call centre messages such as ‘we are experiencing heavier volume calls’ or ‘your call is important, please hold’ as being disingenuous and “aggravating”
- A call back function was appealing to many, particularly time-poor customers, provided they were guaranteed a response and that the callback would come at an appropriate time of day and via a suitable channel, within 24-48 hours from a recognisable Sydney Water number. Several SME customers noted that other providers they interact with offered a ‘call back’ function in the event of long wait times
- If a customer is following up a previous enquiry, they generally expect notes to be recorded from previous interactions, so they do not have to repeat themselves or re-explain the situation.

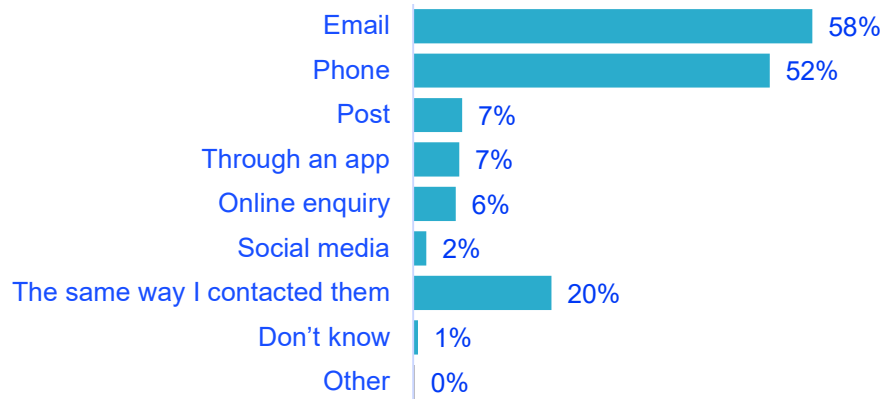
With respect to follow up interactions, customers had similar preferences to their initial interactions, although phone calls were slightly preferred once a relationship had been established. Again, it was important that whoever contacted the customer was familiar with the outcome of any previous interactions.

The validation survey shows that if Sydney Water needs to contact a customer to follow up a previous interaction, email is the most preferred method of contact (58% of respondents), followed closely by phone (52% of respondents). One in five (20%) reported they would like Sydney Water



to use the same contact method that the customer used, which was also mentioned frequently in the customer forums. There were minimal variations by demographic for this question.

Figure 22 Preferred channel for follow up on a previous interaction



C8. If Sydney Water needed to contact you to follow up a previous interaction, how would you like to be contacted? (Please select all that apply). Base: Total sample validation survey (n=1,521)

I tell you what Sydney Water they should do should look at how I contact them and then contact me the same way.

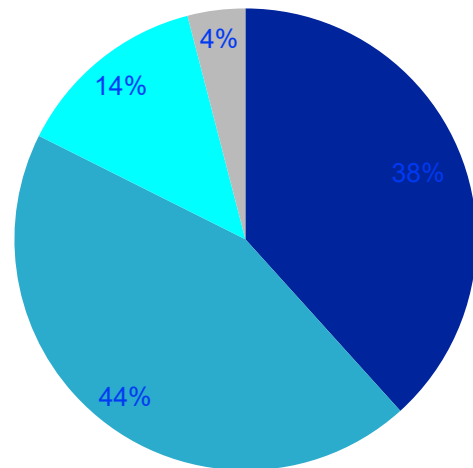
**Residential customer** | Hornsby customer forum

### 6.3.3 Contact preferences

During the customer forums, a number of customers indicated they would like the option to register their contact preferences with Sydney Water to reduce contact method ambiguity. Sydney Water hoped to validate how prominent this view was. This would mean customers could register their preferred method of contact with Sydney Water. In the validation survey, 38% of customers indicated that it is very important that they have the option to select how Sydney Water contacts them, 44% said that it was somewhat important, and only 14% said that it was not important. There was little variation in the responses to this question by demographic, although CALD audiences were more likely to say that it is very important to them (47% CALD vs 36% primarily English speaking).

Figure 23 Contact preferences

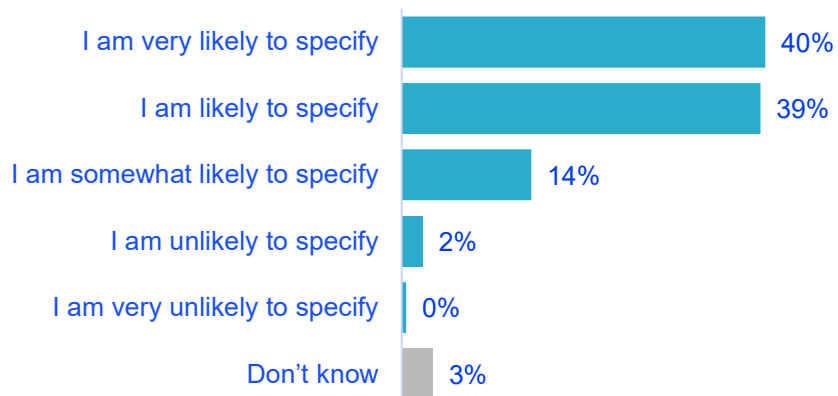
- It is very important that I have the option to select how Sydney Water contact me
- It is somewhat important that I have the option to select how Sydney Water contact me
- It is not important that I have the option to select how Sydney Water contact me
- Don't know



C9. Thinking about your preferences for how Sydney Water contact you, which of the following statements best describes you. Base: Total sample validation survey (n=1,521)

In the validation survey, Sydney Water also hoped to ascertain whether people would actually make use of the option to specify contact preferences, if it were made available. Most said they would, with 40% indicating that they are very likely to do so, and a further 39% indicating that they are likely to. Only 3% said they are unlikely or very unlikely to do so. Again, this varied little by demographic. Note that while these results show a reasonably strong preference for customers wanting to register contact preferences with Sydney Water, their willingness to pay for such an option has not been quantified.

Figure 24 Likelihood of specifying method of contact



C10. If you had the option of specifying how Sydney Water contacts you, how likely would you be to do that? Base: Total sample validation survey (n=1,521)



### 6.3.4 Customer expectations for communicating by SMS

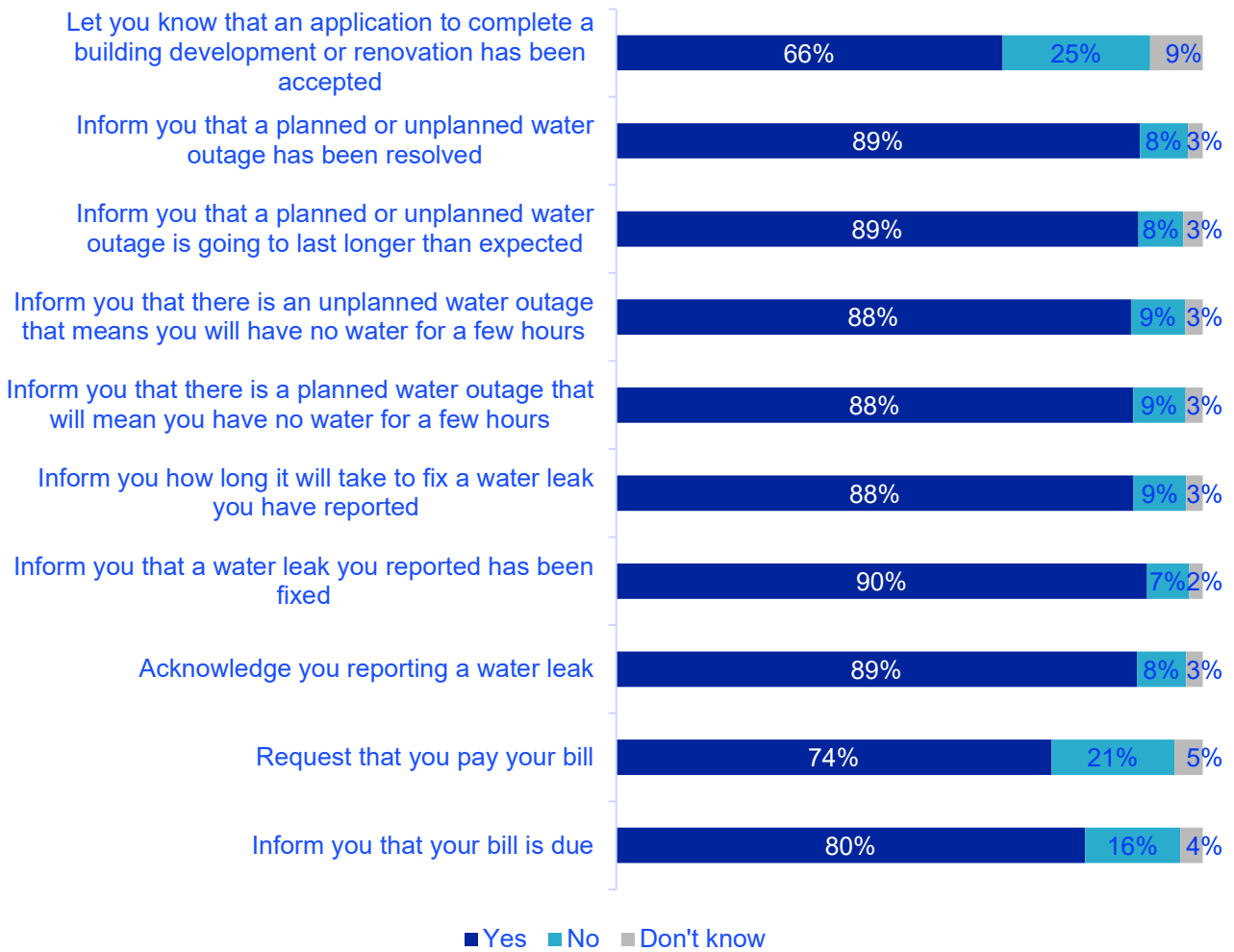
SMS is an effective way to communicate targeted information with a large or geographically bound group of people. Customers were accepting of receiving information via text message or SMS and were happy to receive such messaging for multiple purposes.

With SMS being such an immediate and targeted communication channel, **customers were willing to receive urgent or time critical information from Sydney Water**, such as:

- Outage information (unplanned outage notification, updates throughout a planned outage)
- Water contaminant information or where a boil water notice is in place
- To inform customers that a water leak they reported has been fixed or how long it will take to be fixed
- When water restrictions are on
- When there is a new message in the Sydney Water App
- Billing reminders, although there were mixed reactions to this, particularly if a bill is overdue – there was some hesitation about being asked to pay a bill via SMS
- Communicating about building development or renovation application decisions via SMS was deemed to be appropriate by some but not all.

Results from the validation survey support these findings, as can be seen in Figure 25. The results varied little by demographic, although customers aged 18-29 were more open to being told their bill is due by SMS than those aged 60+ (89% of customers aged 18-29 said this was appropriate vs. 74% of customers aged 60+).

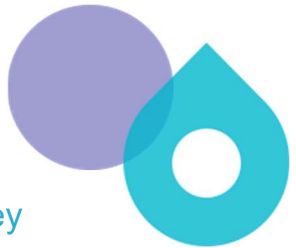

Figure 25 Appropriateness of text message / SMS in specific scenarios



C11. In the following situations is it appropriate for Sydney Water to contact you via text message/SMS? Base: Total sample validation survey (n=1,521)

Customers are used to receiving important information from Government authorities and utility providers via SMS. Some examples include missing person alerts from the police and emergency updates during natural disasters. However, with the rise of scam messages, Sydney Water need to use this channel carefully and strategically to communicate key information to customers, while maintaining trust in Sydney Water.

Critically, residential customers as well as customers across all focus groups stressed that these messages must only be sent when essential, and that using SMS as a channel for marketing information or non-urgent communications will quickly erode trust and frustrate customers. People did not want to feel bombarded with information or to receive too many SMSs about the same issue.



I want my water on when I need it, not a close relationship with Sydney Water. I mean why would they need to contact you: ‘hi, we’re still supplying you with water’.

**SME customer** | Focus group

It was also important that Sydney Water reassure customers that SMS messages received are legitimately from Sydney Water. This could be achieved by:

- Avoiding including links in SMSs
- Including a customer reference number, or last bill reference number in the message (although some SME customers noted that this information could be hacked and, therefore, may not satisfy them of authenticity)
- Mentioning “refer to the Sydney Water App or your account for more information”
- Sticking to the key point – what’s happened, when it will be resolved, what customers need to do, and where to find more information
- Ensuring the contact name/sender is Sydney Water
- Providing a code that people can enter on the Sydney Water website to verify authenticity.

### 6.3.5 Customer openness to online interactions and live chat

While interacting by phone is the preferred method of communication, customers expect Sydney Water to provide additional channels for customers to interact with them digitally, or online.

Digital channels that customers reported expecting to be able to interact with Sydney Water through, included:

- Email
- Website enquiry / web form
- Facebook / Facebook Messenger
- Sydney Water App.



A small number of First Nations Customers who have regular access to computers at home and work suggested that video conferencing via Zoom or Teams video chats would be one avenue they would consider using due to its person-to-person interaction.

**Video, Zoom or Teams gives a more personalised experience.**

**First Nations customer** | Focus group

Customers are open to interacting with Sydney Water via live chat. Live chat is an online customer service channel that involves human operators assisting customers via text-based chat in real-time.

Customers were comfortable with, and open to, interacting with Sydney Water via live chat provided that:

- 
- 
- They are speaking with a real person, and they are preferably Sydney based
  - The Sydney Water representative responds in real time, with no delays
  - Customers are able to leave and re-join the chat, and do not have to stay 'active' to avoid timing out (multitasking is important to customers)
  - Records of conversations are retained to speed up any future interactions.

A key benefit of live chat cited by customers was the ability to have a real-time back-and-forth conversation, which allows for more complex issues to be resolved efficiently. Some drawbacks reported included the potential for long wait times, low user confidence amongst older people or those who are less technically proficient, and frustration when conversations are recorded but nevertheless must re-explain an enquiry.

### 6.3.6 Chatbots as a form of communication

A customer service chatbot is an artificial intelligence-powered tool designed to interact with customers and help resolve their enquiries through automated, text-based conversational interfaces. The goal of these chatbots is to provide 24/7 assistance to customers and improve the overall efficiency and effectiveness of customer service operations.

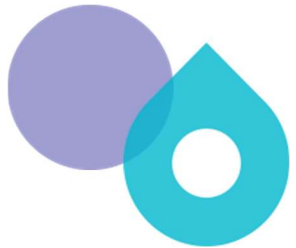

There is very low support for interacting with Sydney Water via chat-bots, primarily from a user experience perspective. Many customers had trialled chat bots with other organisations (typically telcos) and had been left disappointed. This disappointment stems from chat bots providing slow or unhelpful responses that frustrate customers. Customers indicated that they could 'easily tell' when they were talking to a chatbot. For First Nations Customers, chatbot alternatives would not be used for any interaction, regardless of the emergency level or nature of the enquiry.

Only a small proportion of customers could appreciate the convenience and speed of getting quick answers to simple enquiries through a chatbot, and most expressed a preference for human interaction, especially for more complex issues. For the few who were open to the idea of a chatbot, there is a sense that it could be used:

- When a customer is looking for a specific page on the Sydney Water website; or
- Where a chatbot does the initial triage of an enquiry, before passing the enquiry on to a Sydney Water representative.

Generally, customers felt the sense of urgency is rarely met or fulfilled when interacting with a chatbot, with many slow to respond, fast to provide links to the website, easy to tell it's not a human, and generally unable to help. The opportunity to opt-out of interacting with a chatbot is also crucial for customers.

It will be worth monitoring in future research whether attitudes towards chatbots change as Artificial Intelligence technology improves and becomes more mainstream. While past experiences with other organisations' chat bots has meant customers are not yet willing to engage with Sydney Water via a customer service chat bot, rapid advancements in this technology could mean this negative sentiment subsides with more common place good quality chat bots.



I think chatbots are useless. I've never had one where I've had my questions answered. I always go to a human.

**Value Maker** | In-depth interview

I wouldn't use live chat because I am a slow typist and I would feel under pressure doing the response...and I just feel I'm wasting the person's time typing the sentence.

**Individual living with a disability** | In-depth interview

What's the use of some bullshit computer thing (chatbot). You need to talk to an actual breathing human person. I'm not expecting them to have a special line just for us Blackfellas but, you know what I'm saying?"

**First Nations customer** | Focus group

### 6.3.7 Dedicated Sydney Water app

Customers in the customer forums often raised the idea of a Sydney Water App as an important part of the ongoing relationship customers have with Sydney Water. Many were enthusiastic about the idea and shared examples of Apps they had used with other similar organisations and utility providers.

Interactions and functionality that customers suggested for a Sydney Water App include ability to:

- Report an outage
- Pay bills
- View, compare, and download previous bills
- Track future planned outages and works in the area
- Check current outages in the area
- Access water saving tips and tricks
- Access an electronic version of Waterwrap and the Customer Contract.

Would be great for Sydney Water to develop an app for notifications of planned/unplanned outages

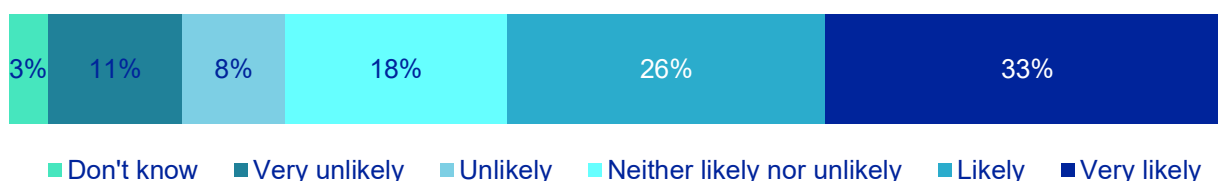
**Residential customer** | Parramatta customer forum

There were mixed views from the quantitative research as to whether customers would download and use a Sydney Water app if it became available. More than half (59%) indicated if Sydney Water were to develop an App that allows them to pay their bill, find out more about water outages



(no water), and obtain information on issues relating to water and wastewater, they would download it. Extrapolating this out to a population of 5.3 million suggests that such an App could have relevance for more than 3.5 million people. Note, this is only an estimate of App relevance and actual usage depends on many factors such as the user experience, marketing, promotion and word of mouth, availability, cost to download, and perceptions of privacy and security.

Figure 26 Likelihood of using a customer service app



C20. An option for Sydney Water is to develop a mobile phone app. This would allow you to pay your bill, find out more about water outages (no water) in your area and provide information on issues relating to water and wastewater. If Sydney Water were to develop an app like this, how likely would you be to download and use it? Base: Total sample validation survey (n=1,521)

Despite reasonably strong levels of relevance, the idea of an App did not appeal to all customers (e.g. older and less tech-savvy customers). If an App is adopted, Sydney Water should avoid an over-reliance on it for its customer service delivery. Rather, it should be used to complement Sydney Water's existing customer service strategies.

The validation survey showed some variation by demographic for this question, for example:

- Younger age groups were more likely to download an App than older age groups (74% of those aged 18-29, 62% of those 30-39 and 69% of those aged 40-49, while only 47% of those aged 60-69 and 35% of those aged 70+ would download an App)
- CALD customers were also more likely to download an App than those who primarily speak English (67% vs 57% for those who primarily speak English)
- Renters were more likely than homeowners to download an App (67% vs 57% respectively).



## 6.4 Account management

Account management is offered to key customers with more complex needs than the standard household. For example, large businesses, businesses with high water criticality, developers, high usage businesses, local government organisations. These customers have more complex relationships with Sydney Water that require additional support from a customer service perspective. Understanding customer expectations with regards to account management is an important strategic consideration for Sydney Water.

Most SME customers did not think that it was necessary for Sydney Water to provide an Account Manager given the nature and size of their businesses, and the relative infrequency of contact they have with Sydney Water.

In-depth interviews with Government representatives revealed a single point of contact would be helpful to navigate the organisation and find the right people. These interviewees reported frustration with finding the right person for the right issue.

It's a bit patchy... it's not easy to find the right person. We have some very good relationships, one-to-one in some areas that have developed and that's been fostered by one or either of us or both of us. In other areas, it's hard to find your way in to find the right person – you send off something to a general email and you get no response, when we finally make the connections, the relationship is generally good. One of our challenges is, Sydney Water is diverse, so in some areas we have great relationships with them and in others we struggle to find the right person and get people who are responsive.

**Government representative** | In-depth interview

Major Developers and Service Critical High Business Customers praised the relationship they had with their Water Service Coordinator (WSC) or account manager and generally described it as a successful collaboration, although this appeared to depend on the individual relationship manager. Longevity in the role and a thorough understanding of customers' needs were critical traits of an effective customer manager. Where these relationships tended to suffer was when relationship manager staff turnover caused lack of continuity while the new manager familiarises themselves with the customer's needs.

For Service Critical High Business Customers, planned outages occur in discussions with the account manager, which assists with operational planning.

To date the relationship I have with that individual (the BCR) has been nothing but seamless and very easy to deal with. It's also been a big part in the education process: educating myself which then allows me to educate others within the business on how to stay compliant and what to look for and also helps we navigate through the agreements that we have in place or the contracts that we have in place with Sydney Water.

## Service Critical High Business Customer | In-depth interview

Major Developers were generally positive about the assistance relationship managers provide when it comes to development applications. However, this positive sentiment was eroded when developments experienced considerable service connectivity delays. This is particularly pertinent for new greenfield developers in Western Sydney, where serviceability time estimates for new greenfield developments have been missed by several years. The financial impact of this is significant for these developers who can have millions of dollars at risk or tied up in projects that cannot progress.

### 6.4.1 Commentary about landlord arrangements

There was a substantive difference in SME Customers expectations of, and relationship with, Sydney Water for businesses located on premises under a landlord arrangement, such as in an office tower. These SME Customers indicated that they would expect contact with Sydney Water for all issues, except billing, to be handled by their landlord, including urgent matters such as unplanned outages.

There is an opportunity for Sydney Water to segment customers based on this business characteristic, which could reduce the resources required to interact with businesses that have a landlord.

Normally my first call would be to the landlord. We normally get calls if there is going to be any sort of work being done. But I would normally go to the landlord first.

**SME Customer** | Focus group

## 6.5 Customer expectations for paying bills

In Australia, electronic payment methods are standard and the use of cheques continues to decline. This has been accelerated by the COVID-19 pandemic and it is becoming more common for businesses to not accept cheques (Bullock 2020).

As part of this customer engagement, Sydney Water is interested in finding out more about customers' expectations with regards to payment methods, especially given the financial costs associated with maintaining some payment channels, such as cheque and the post office. For example: in 2021, around 10% of customer transactions were made at the post office, and 0.1% of payments were made via cheque. Maintaining these payment channels costs Sydney Water around \$1.7 million per year that needs to be recovered through customer bills.

Customers identified a range of methods available for paying their quarterly Sydney Water bill. All customers had found a payment approach that works for them and were satisfied with the range of payment options available. When changes to bill payment methods were discussed, customers told us loud and clear that payment methods available to customers should not change, and that no additional costs to pay a bill should be passed on to customers.

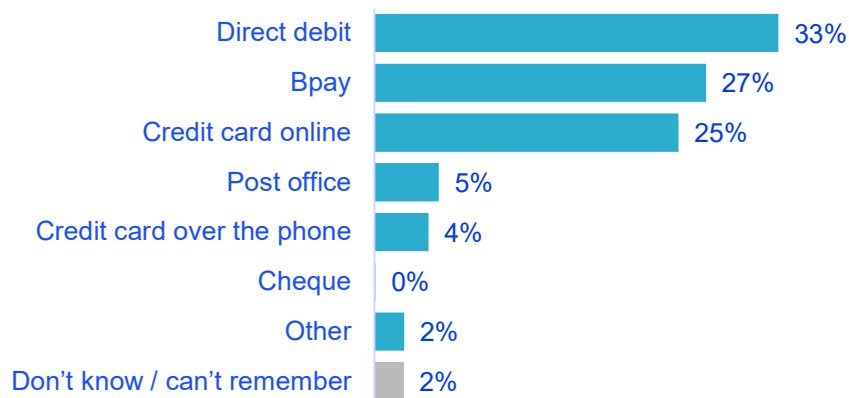
Payment methods customer reported using included BPAY, PayPal, direct debit, and post office payments. Major Developer customers typically lodged their applications through their Water Service Coordinator (WSC) who handled administration including receipt of a bill.

When discussing the cost to make payments at the post office and via cheque, customers were not happy about the idea of removing these as payment methods or changing the cost of these payment methods to customers who prefer to pay in this way.

This was generally fuelled by the understanding that the customers paying via Post Office and cheque are most likely older, less familiar with technology, and vulnerable members of the community, who should be supported by Sydney Water, not left behind. There was also recognition that the post office allows people who prefer the convenience and security of paying in person or by cash to continue to do so. Instead, most customers agreed that they are happy to continue funding the option for customers to pay bills via the post office and cheque, at least in the short to mid-term.

The validation survey showed the most preferred method of payment was Direct Debit, with around one third (33%) preferring to pay this way. This was followed by 27% who prefer to pay by Bpay and 25% who prefer to pay by credit card online. Only 5% indicated that they would like to pay at the post office, while 4% would like to pay by credit card over the phone. The validation survey showed little variation by demographic to this question, although older age groups were slightly less likely to prefer paying by credit card online than other age groups (only 16% of this age group prefer this method).

Figure 27 Preferred method of payment



C17. Which of the following is your preferred way of paying your water and wastewater bill? Base: Pay a water bill or water usage charge (n=1,243)

I think it might affect some of the older pensioners, because I do see a lot at the Post Office doing all their banking and paying their bills. It does take a bit of time

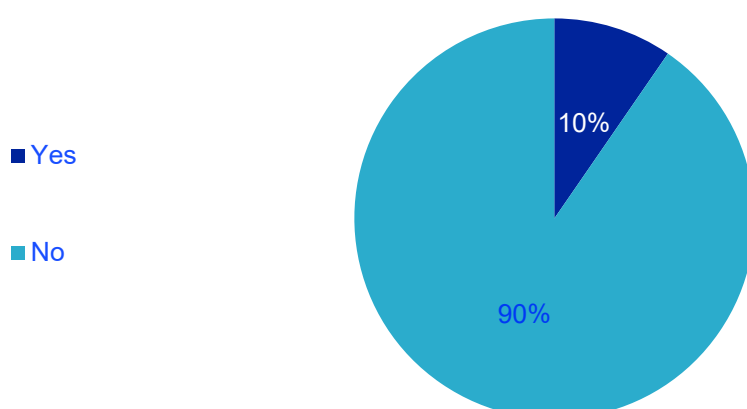
to adjust to new things and not all of them even have the internet, and I think some of the older people will be a little bit disappointed to be honest.

### Individual living with disability | In-depth interview

Participants in the validation survey were asked if in the next ten years they think they would ever pay a water bill by cheque or at the post office. With regards to cheque, 10% said yes, and 27% said yes to paying their bill at the post office in this time period. The validation survey showed some variation by demographic, for example, in the next ten years:

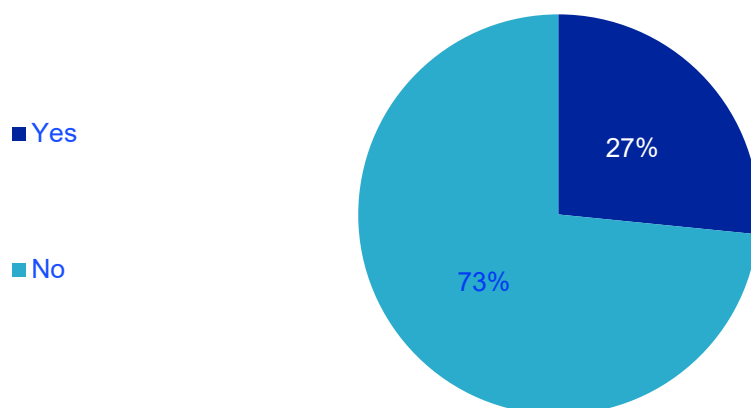
- Females were more likely than males to say they would pay at the post office (30% vs 23% for males)
- People from Western Sydney were more likely than other regions to say they would pay a water bill at the post office (32% would) and people from Northern Sydney (only 13% would) were least likely. People from Northern Sydney were also least likely to want to pay by cheque
- CALD customers were more likely to say they would pay by cheque (15% vs 8% of those primarily speak English at home)
- Financially vulnerable people were less likely to say that they would pay a water bill at the post office (23% vs 37% of non-financially vulnerable), which may be more a reflection of these customers not currently paying a bill or usage charge (as they are more likely to be renting or live in social housing)
- Renters were more likely than homeowners to say that they would pay at a post office (34% vs. 21% of those living in an owner-occupied home) (if they were required to pay a bill).

Figure 28 Likelihood of paying by cheque



C18. Thinking about the next ten years, do you think you would ever pay a water bill using either of these payment options? If you do not currently pay your water bill, imagine that in the next ten years you become responsible for paying a water bill (i.e., you purchase a property. Base: Total sample validation survey (n=1,521)

Figure 29 Likelihood of paying at the post office



C18. Thinking about the next ten years, do you think you would ever pay a water bill using either of these payment options? If you do not currently pay your water bill, imagine that in the next ten years you become responsible for paying a water bill (i.e., you purchase a property). Base: Total sample validation survey (n=1,521)

Most customers did not like the idea of charging the costs of paying at the post office to customers. Many customers see Sydney Water and Australia Post as Government-owned entities and couldn't see the logic in the Government charging people who can't afford it, to pay via their preferred channel.

Several First Nations customers noted using the local post office in previous years for cash or paper billing payments, but this had ceased during COVID-19 lockdowns for many, and they reported little likelihood of resumption. Any suggestion of additional fees for payments made by cheque or at post offices was roundly rejected as being unfair and discriminatory.

**Lots of our Elders don't use that technology. They have everything worked out and go down to pay their bills and make sure they are paid and get a receipt.**

**First Nations customer** | Focus group

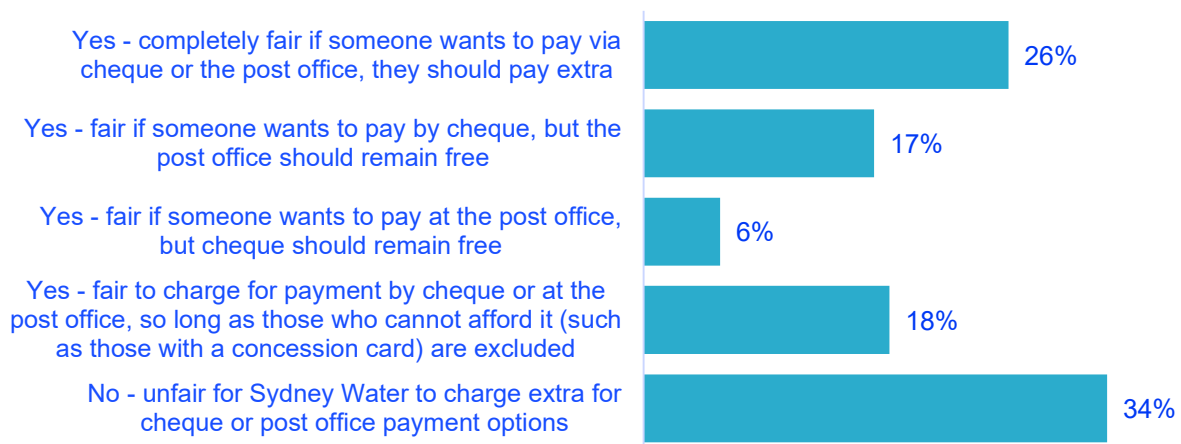
In contrast, a small number of customers highlighted that those who pay their bill via credit card are charged a surcharge. They argued that it could be fair, given this precedent, to pass on the cost to pay via cheque and/or post office to customers paying in this way.

In the validation survey, responses were mixed in terms of people's perceptions about whether or not it is fair for people who pay a water bill at the post office or via cheque to be charged an extra service fee. For example, around one quarter believe that people who pay via either method should pay extra, yet more than one third (34%) believe that Sydney Water should not charge extra fees for either method. A further 18% feel it is ok to charge extra, provided more vulnerable members of society are exempt. Note that during this survey, respondents were made aware of the cost to Sydney Water of providing these payment options. Either way, there is no clear consensus around whether applying these charges is fair and if Sydney Water were to apply them, there are likely to be some parts of the community that do not approve.

The validation survey showed some variation by demographic for this question. For example:

- Financially vulnerable respondents were less likely than financially comfortable respondents to agree that people who want to pay at the post office or by cheque should pay extra (only 14% chose this statement vs 30% of financially comfortable customers)
- Males were also more likely than females to agree that people who want to pay using either of these methods should pay extra (32% of males vs. 21% of females).

Figure 30 Perception of paying extra to pay via cheque or post office



C19. If customers prefer to pay via cheque, or at a post office, is it fair for Sydney Water to ask these customers to pay an additional transaction fee to cover the cost of paying in these ways? (This would mean these costs may not be passed on to all customers). Please select the option that best reflects your feelings about this. Base: Total sample validation survey (n=1,521)

Payment methods varied between the traditional method within the Arabic and Greek groups, mainly for older people, and between using online methods such as Bpay or credit cards, or direct debit for the rest of the groups. There was a consensus amongst all groups that traditional post office payment options without additional fees must still be available for the technologically disadvantaged.

The majority of First Nations customers resided in some form of rental accommodation, including private rental housing and units, social or community housing through various housing organisations, and management services. This resulted in most water billing (or anything related to water supply, sewage, and hot water supply) initially going through the relevant landlord or real estate management processes. First Nations customers who owned their own homes reported higher use of online and direct bill management, as this was their responsibility and was often associated with Council Rates, other bill payments, and regular financial practice.



## 6.5.1 Mandatory information sent with bills: Waterwrap



Waterwrap is a newsletter that is sent to Sydney Water customers along with their water and wastewater bill. It provides information on water usage, billing, payment options, water conservation, and other relevant topics for Sydney Water customers. Delivering Waterwrap with customer bills represents a notable investment for Sydney Water and so understanding readership levels and customer expectations for this document is important to Sydney Water.

Participants in the customer forums and focus groups were shown examples of Waterwrap and asked questions about whether:

- they recall seeing the information before,
- they want the information, and
- it is important that customers receive it with their bills.

Readership of Waterwrap was mixed. Some who read it, read it religiously and thoroughly enjoy the information it provides and kept an eye out for when each new edition becomes available. They generally saw it as a valuable resource for staying informed about their water services and any updates or announcements from Sydney Water.

The majority of customers, however, don't look at or read Waterwrap, read it sporadically, or just quickly browse it at most.

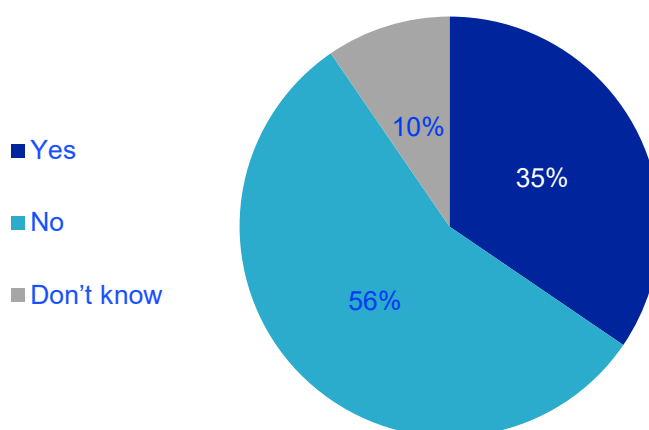
- As part of the customer forums, customers spent some time reading Waterwrap and agreed that the information was extremely interesting, useful, and valuable (for both tenants and owners).

Most agreed it was important that Sydney Water continue to share this information, but many were interested in receiving the information in a different way. Instead of via mail (expensive and not environmentally friendly), customers suggested the information be shared via email or social media.

While a small number of SME and Value Maker customers thought that they had previously seen one or more of the mandatory communications (Business update, Waterwrap and the Contract), these three documents were generally not recalled, read (where recalled), or desired.

The Business update and Waterwrap were generally perceived as relating to residential customers. However, business-specific information in the Business update and Waterwrap was considered useful, particularly anything that had financial implications e.g., rebates or cashbacks for businesses. Some Service Critical High Business Customers expressed interest in providing input into industrial publications or discussing innovation or problem solving in the trade waste or water treatment plant innovation.

Figure 31 Awareness of Waterwrap



C14. Waterwrap is a newsletter / pamphlet / e-pamphlet containing information for customers that is sent to customers with their bills. Before today had you encountered Waterwrap? Base: Total sample validation survey (n=1,521)

The validation survey showed that around one third (35%) of respondents could recall receiving Waterwrap. Recall varies notably by demographic. For example, the survey showed that recall was:

- higher amongst males (41% vs 28% for females)
- higher amongst older audiences (52% recall for people aged 60-69 and 56% recall for those aged 70 years and above vs. 22% for people aged 18-29 and 22% for people aged 30-39).
- higher in Northern (43%) and Southern Sydney (including the Illawarra) (44%) and lower in Inner Sydney (27%).
- lower amongst the financially vulnerable (25% vs 37% for those who are not)
- higher amongst those that own their own home (47% vs 14% for renters and 8% for those in public or social housing).
- higher amongst retired people (55% vs 29% for those in full time work)

- lower for those living with a disability (24% vs. 37% who are not)

This information is important as it highlights millions of people can recall receiving this document. On the flipside, a considerable proportion of the community cannot recall seeing it, which means that Sydney Water should not rely too heavily on it for communicating critical information to the public or should consider additional channels to share this document through.

In addition to recall, the relevance or importance of the document was considered. Of those who recall seeing Waterwrap, almost half (47%) believe that it is either important or very important that they receive it, around one third (31%) have neutral feelings about its importance, and almost one quarter (22%) believe it is either not that important or not at all important.

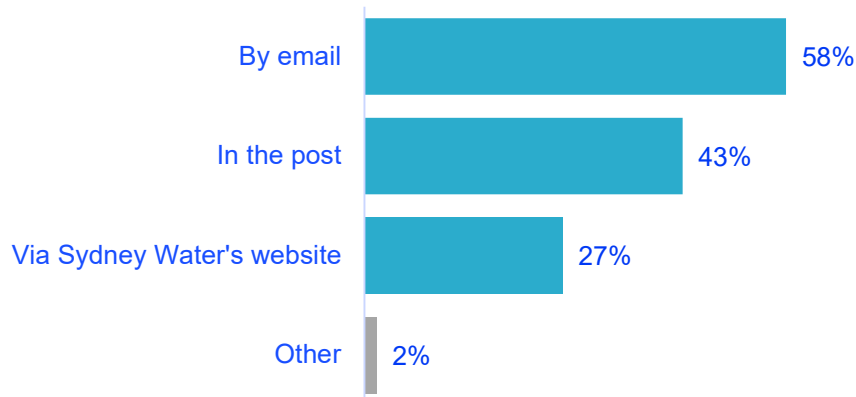
Figure 32 Importance of receiving Waterwrap newsletter



C15. How important is it to you that you receive the Waterwrap newsletter? Base: Those who indicated they have encountered Waterwrap (n=576)

Those who can recall Waterwrap were asked to indicate how they would like to receive it. Only 43% reported wanting to receive it in the post (including 57% of those who see it as important or very important), while 58% prefer to receive it by email, and approximately one quarter would like to access it through Sydney Water's website. This varied little by demographic, although older age groups (people aged 60 and above) were less likely to want to receive it via Sydney Water's website (only 11% of this age group wanted to receive it this way).

Figure 33 Preferred method for receiving Waterwrap



C16. What are all the ways you would like to receive Waterwrap? [Please select all that apply] Base: Those who indicated they have encountered Waterwrap (n=576)

### 6.5.2 Mandatory information sent with bills: Customer contract



Similar to Waterwrap, hyper-interested customers read the Customer Contract each time it is distributed. However, it is important to acknowledge that based on the customer forums, this is likely to be a very small number of customers overall.

- Aside from this small number of customers, the majority of customers don't recall either receiving or reading the Customer Contract.
- On review of the Customer Contract as part of the customer forums, customers felt as though the content was not overly interesting or valuable, unless you had a specific need or question.

- Customers agreed that should they have a need to access this type of information, they are comfortable finding the information online. This means that customers are supportive of Sydney Water ceasing postal distribution of the Customer Contract.

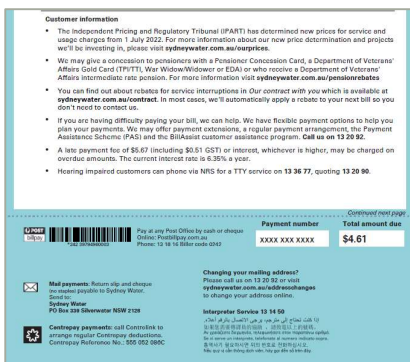
I put these straight in the bin.

Residential customer | Hornsby customer forum

The existence of the Customer Contract was generally thought to be positive, with some SME and Value Maker customers noting that they would find it valuable as a reference document.

While it was not reported to be valuable to send this to SME Customers, there was perceived value in advising SME and Value Maker Customers of the existence of the Customer Contract and providing information about where to find it on the Sydney Water website.

### 6.5.3 Mandatory information sent with bills: Customer information within bills



Customers generally admitted to, on receipt of their quarterly Sydney Water bill, reading only the amount owing and usage this quarter compared to previous quarters, and disregarding the rest of the bill.

This means that the customer information provided within the bills is rarely read by customers, and some asked, before prompting, why the bill needed two pages when there was next-to-no content on the second page. There was support from customers in the customer forums to shorten the bill to a single sheet of paper.

However, when given some time to read the customer information, some agreed that there was some valuable information about concessions, though customers felt this information could potentially be made available another way.

Does it need to be two pages? I usually rip the second page off anyway and bin it. I only keep the first page with the amount owing.

Residential customer | Hornsby customer forum



The customer information on the bill was widely recalled by SME and Value Maker customers. However, customers noted that not all this information was relevant to businesses – businesses would appreciate tailoring this information to the relevant customer type i.e., such that only business-specific information was provided on bills to business customers.



Customer forum (**Wollongong**) November 2022



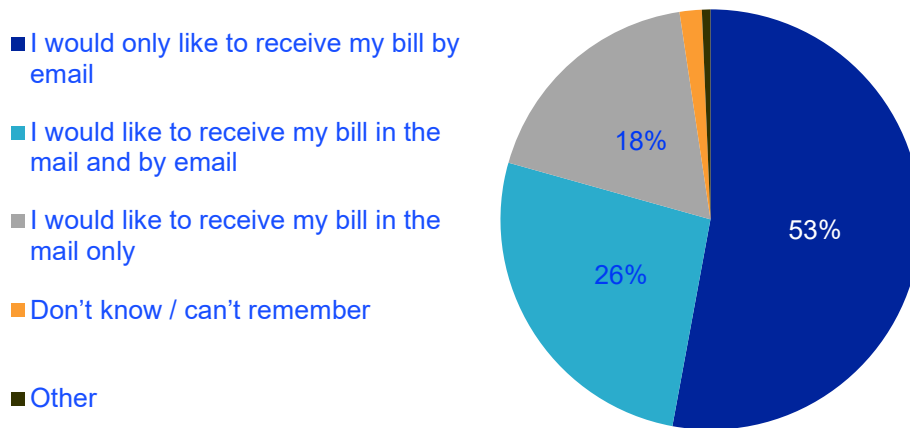
Customer forum (**Parramatta**) November 2022

The validation survey asked how customers who receive a water bill, would like to receive it. More than half (53%) would only like to receive their bill by email, 26% would like to receive it in the post as well as email, and 18% want it in the post only.

There was some variation by demographic, for example:

- Customers aged 18-29 were more likely than other age groups to want to receive their bill by post and email (43% of this age group selected this option), while customers aged 60+ were more likely than other age groups to want to receive it by post only (26% selected this option)
- Financially vulnerable customers were more likely than financially comfortable customers to want to receive their bill in the mail only (30% vs. 16% ).
- People living in a flat or apartment were more likely to want to receive their bill by email (66% vs 49% of those living in a house).

Figure 34 How customers would like to receive their water bill



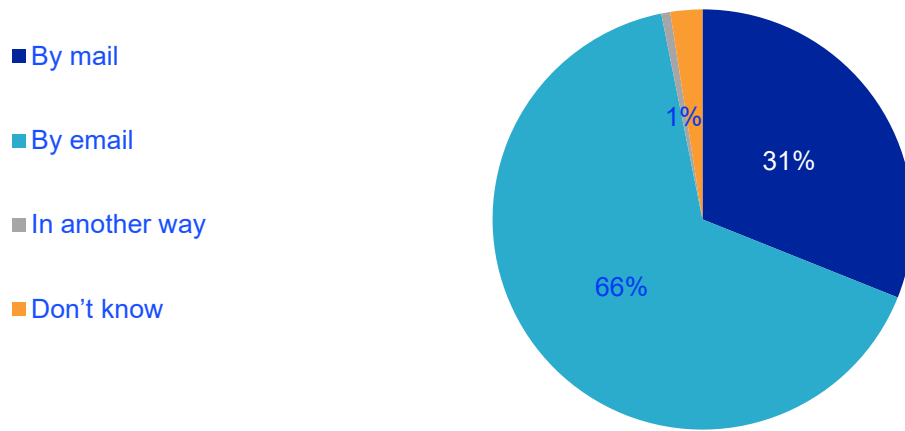
C12. Regarding your water bill which of the following statements best describes you? Base: Customers who pay a water bill (n=1,039)

The validation survey also asked customers how they wanted to receive the key statutory information provided on the back of bills. Almost two thirds (66%) indicated they would prefer to receive it by email, compared to 31% who want to receive it by mail. Again, there was some variation by demographic. For example:

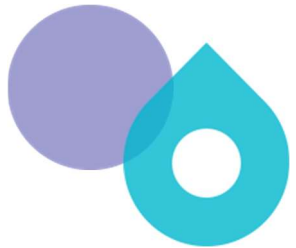

- Customers aged 60+ were more likely than other age groups to prefer to receive it by mail (39% of this age group)
- Customers living in a flat or apartment were more likely to want to receive the information by email (76% of these customers vs. 63% of those living in a house)
- Financially vulnerable customers were more likely than other customers to want to receive this information by mail (42% vs 28% for financially comfortable).



Figure 35 How customers would like to receive statutory information



C13. Sydney Water are required to send customers the following information [statutory information] with their water bills. How would you like to receive this information? Base: Customers who pay a water bill or usage charge (n=1,243)



# 7 What we heard: customer expectations for service levels related to water continuity and outages

## In this section...



This chapter outlines the findings from the qualitative and quantitative components of Phase 2. This includes the findings from the customer forums, focus groups, in-depth interviews, and the validation survey.

Key takeaways:

- For a planned outage, customers expect prior notification via SMS, although the amount of notification they require varies considerably by individual. Most customers need to know between 1 and 4 weeks in advance, with a reminder a couple of days prior to the outage.
- During an outage the preference for most customers is to receive updates and notifications when there is a change to the original plans, rather than to receive updates at regular intervals especially if there is no 'new news'.
- There is support for Sydney Water taking more time for repairs if this time is needed, as people would rather repairs be done properly the first time, to avoid any future issues or disruptions.
- Avoiding the peak 'getting ready' or 'winding down' time of day is preferred by customers. An outage in the mornings or evenings is likely to frustrate customers who need to shower and prepare meals or other activities.
- In an unplanned outage, customers expect to be told as soon as possible that Sydney Water are aware of the issue and are working on it; as well as be provided an estimated time that water will be restored.

## 7.1 Context

Customer expectations for service levels related to water continuity and outages refers to the expectations that customers have for the reliability of their water supply. This includes aspects such as the frequency and duration of outages, the availability of accurate and timely information



about outages, and the speed and effectiveness of Sydney Water's response when restoring water services.

Water continuity is crucial for the functioning of Greater Sydney, as it ensures a reliable supply of clean and safe drinking water for the population, supports various industrial and commercial activities, and helps to maintain public health and hygiene. A disruption in water continuity can have far-reaching consequences, including a shortage of essential supplies, economic losses, and public health issues. Hence, ensuring water continuity is a crucial aspect of Sydney Water's planning, investment strategies, and management.

Outages (both planned and unplanned) typically cause disruption to the lives of Sydney Water's customers. How Sydney Water responds and manages these events has a considerable impact on its reputation, as well as the community's trust in Sydney Water's ability to deliver water and wastewater services. Managing outages in a prompt and reliable way requires investment and planning. As part of this customer engagement, Sydney Water seeks to understand customer expectations with regards to outages, which will help to ascertain what is an acceptable level of community disruption. This will assist with Sydney Water's strategic planning and help ensure these community expectations are met.

Critical to meeting customer expectations around outages is ensuring that the right information is delivered to the right customers, through the right channels, at the right time. Different customers also have different needs, reiterating the importance of speaking to a wide range of audiences within this research.

Customers were asked about planned and unplanned outages and were informed that when Sydney Water refers to unplanned outages it means less than 48 hours of notice was given of the outage. For additional context in reading this report, in Sydney Water's Operating Licence, the water continuity standard and an unplanned water interruption are defined as:

- Water continuity standard: Sydney Water must ensure that, in each financial year, at least 9,800 Properties per 10,000 Properties (to which Sydney Water provides a Drinking Water supply service) receive a Drinking Water supply service unaffected by an Unplanned Water Interruption.
- Unplanned water outage: An event where (in relation to a property):
  - a) The supply of drinking water at the first cold water tap of a property is interrupted without the customer having received prior notice of that interruption from Sydney Water.
  - b) It takes more than five continuous hours for normal supply of drinking water to be restored to the property.

For the purposes of customer engagement, the water continuity standard was described in terms of 20 properties impacted out of 1,000 properties to try and elicit greater understanding of the standard, and by using a visual aid in customer forums. This translates to 2% of properties impacted by an unplanned water outage.



## 7.2 Customer communication expectations around planned outages

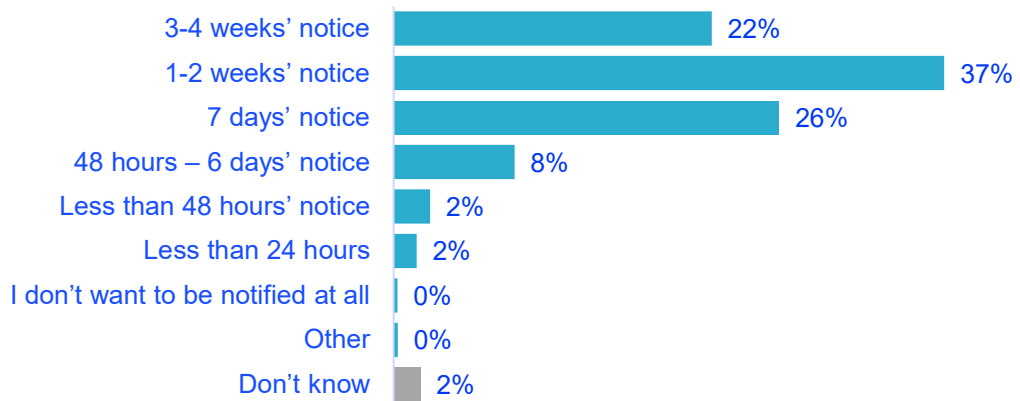
Planned outages refer to intentional interruptions of water supply for maintenance, upgrades, or repair work. These outages are communicated to the affected customers in advance and are typically scheduled during off-peak hours to minimise disruption.

Findings of our consultations indicated customers want planned outages to be as short and infrequent as possible, and cause as little disruption as possible. At the same time, many recognise that regular maintenance is important if Sydney Water is going to achieve key priorities such as minimising water loss from leaks and breaks and maintaining healthy and clean waterways. There is also a general acceptance that accidents do happen in a network as large as Greater Sydney's, and outside of investing in network maintenance, Sydney Water has little control over when unplanned events occur. While these events are more readily forgiven, customers are more likely to be critical of Sydney Water if it fails to respond to, and resolve, unplanned outages quickly. Having strong response plans, including clear and timely communication through appropriate channels, is critical.

### 7.2.1 Pre-outage notifications

For a **planned outage**, customers expect prior notification, although the amount of notification they require varies considerably by individual. Most customers need to know between 1 and 4 weeks in advance. This was supported by the validation survey where 85% indicated that they need between 7 days and 4 weeks' notice of a planned outage. This notice is required so they can adequately plan around these events; particularly due to more people working from home after COVID-19. If, for example, an outage is going to occur during a workday, sufficient notice means customers can plan and organise to work in the office that day. Responses to the validation survey had minimal variations by demographic for this question.

Figure 36 Expectations of notice for planned water outages



D1. How far in advance do you expect Sydney Water to first let you know about any **planned** water outages that will affect you? (Assume that you may also receive reminders closer to the date). Base: Total sample validation survey (n=1,521)

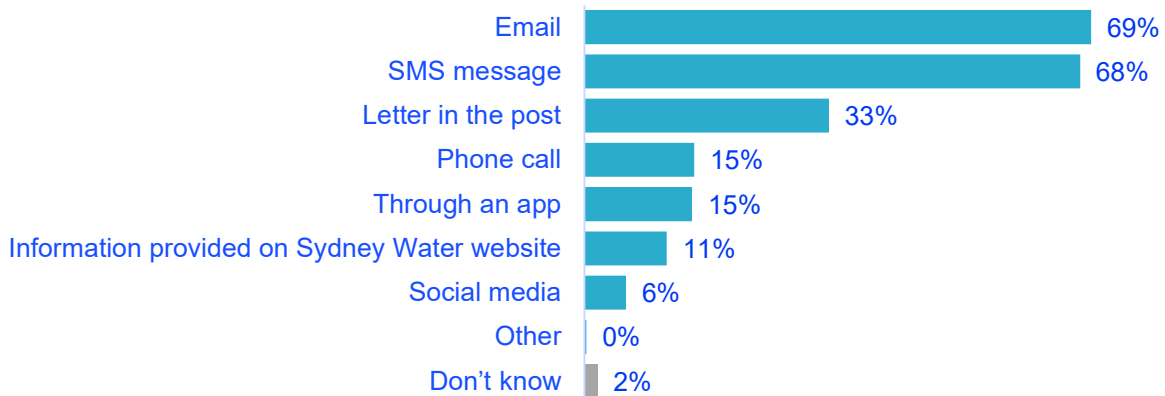
Notifying customers about outages is only effective if the customer receives the notification. To maximise reach, Sydney Water may need to notify customers using different channels. The channels through which customers would most like to be notified are email and SMS, followed by a reminder (SMS is the preferred channel for reminders) within 24-48 hours of the works beginning, although many were also happy to receive a letter in the mail. The validation survey shows that more than two thirds of the population would like to receive notice via email (69%) or SMS (68%), and around one third (33%) would like to receive notification in the mail. Only 15% would like to receive a phone call notification or to be notified through an App; and a small group said they would be happy receiving notification on Sydney Water's website or through their social media channels (11% and 6 % respectively).

The experience of some First Nations customers in Western Sydney during recent flooding had made them aware of direct GEO-Text notifications and they were strongly supportive of this option for major disasters, supply breaks, or warnings.

Validation survey answers to this question only varied slightly by demographic. For example:

- Females were less likely to prefer email notifications (65% of females vs 73% of males)
- People aged 70+ were less likely to want to receive an SMS (only 55% would)
- People from Northern Sydney were slightly more likely than the rest of Sydney to want an SMS (76% wanted one).

Figure 37 Preferred channel/s for notice of planned water outages



D2. Through which channels would you like to be notified about any **planned** water outages that will affect you? Base: Total sample validation survey (n=1,521)

First Nations customers suggested the local pharmacies and shopping outlets were good locations for planned outage posters or notices, as these were common community interaction locations. This customer group said this would be particularly important for older community members who may rely on word of mouth or “yarning with the chemist and find out they need to plan for water not being on”.

Practically, it may be necessary for Sydney Water to notify customers through all these channels to maximise reach. This preference ranking does, however, provide guidance around which channels are likely to achieve the greatest individual reach and, therefore, should attract the greatest levels of investment from Sydney Water.

Customers were also asked if they would like to receive a reminder closer to the planned water outage. There were some mixed responses during the customer forums, although most said it would be nice to receive and would generally be appreciated. Some also thought, however, that such notifications are not critical and that the first notice would provide a satisfactory level of warning. Others felt a reminder provided a good safety net if the first notice was missed. The gap between the first notice and the outage was an important consideration. For example, if the first notice is received more than a week out, then the value of a reminder closer to the time increases.

The validation survey showed that most people (89%) would like to receive a reminder notice within a few days of the planned water outage. This varied little by demographic.

Figure 38 Desire for reminder closer to planned water outages



D3. Would you also like to receive a reminder closer to the **planned water** outage? Base: Those who indicated a preferred channel for notice of planned water outages (n=1,496)

In the CALD groups, the Arabic, Vietnamese, Mandarin, and Korean audiences needed an average timeframe of about three days to 1 week to be notified about planned outages, while the Greek and Cantonese needed more time with an average of 3 weeks at least to be notified. The aim is allowing customers enough time to plan around the outage.

Service Critical High Business Customers requested that Sydney Water be strategic with the timing of planned maintenance and to work with them to minimise disruptions. They also mentioned that certain times of the day or year could be more disruptive than others.

**If they had an outage during our Christmas factory maintenance period that would be a disaster. Please never plan an outage during that time.**

**Service Critical High Business Customer | In-depth interview**

Preferred notification methods also differed, but generally the optimal approach for both daytime and nighttime works was:

- Provide an initial notification (one month prior) by email, letter, and/or in-person visit. Many SME customers noted that multiple communication methods would be valued to ensure that the communication was not missed.
- First reminder (one week prior) by email, letter and/or SMS.
- Final reminder (24 hours prior) by email and SMS.

Managing business customers' expectations before and during a planned outage – and during an unplanned outage – was considered critical among SME and Service Critical High Business participants, due to the potential impact on revenue and reputation. SME customers generally expected to receive multiple notifications throughout any outage period, including



- Information provided initially on the estimated duration of the outage and time for completion (e.g., provided in the reminder 24 hours prior and also via SMS at the commencement of the works)
- For works that are due to take more than half a day (more than three to four hours), an update via SMS as to whether the works are on track to be completed at the previously estimated time or not
- Some SME customers saw value in another SMS update around 30 minutes or so before the works were due to be completed, in order to assist with planned reopening of their business
- Advice via SMS that the works have been completed, including any advice about what, if anything, the business needs to do e.g., run the taps for 5 minutes before using water.



For works that are completed overnight, a small number of SME customers want to receive updates throughout the evening via SMS. Such an approach could be enabled by asking business customers to opt in (e.g., by replying 'Y' to the final reminder 24 hours prior to the works commencing), which would ensure that only business customers who want to receive updates overnight receive them.

- Regardless of whether the business customer wants to receive updates overnight or not, SME customers want advice that the works have been completed.
- For unplanned outages, SMEs want to be advised of the outage as soon as possible, and ideally via multiple channels (particularly SMS and email) to ensure they receive the information. This approach will also minimise inbound contacts to Sydney Water, particularly by phone, email, and live chat.
- While a small number of SME customers see value in Sydney Water providing a commitment to minimise outages to the business, there was a general expectation that Sydney Water should already be trying to minimise outages as much as possible.

## Surely they have that commitment to us already!

### SME Customer | Focus group

- SMEs indicated that they would go online to find updates, but they would be unlikely to do so unless they were prompted to by something like an outage or other issues that weren't previously notified of (to find out whether the issue is already known to Sydney Water). Some SMEs would be likely do this while they were making contact attempts to Sydney Water e.g. while they were on hold on the telephone.
- Those that would use an online outage map preferred both list view and map view options.



For my [dog washing] business definitely not one day's notice before an unplanned outage, because I would be able to see people or move them around that quickly. People wait months and months to get their dog washed. To tell them the night before 'Sorry, the water is going to be out and so on', it will be pretty bad for my business. So there's a business reputation kind of aspect to it. So definitely a month's [notice is best]. At least we can say due to the water outage.

**SME Customer** | Focus group

For individuals living with disability, there was a 'sweet spot' of advance notification being 1-2 weeks and a minimum of two days. Greater than this risked some people forgetting about the outage, aside from a few people who were organised and diarised things straight away.

I'm just thinking what if they give me a month. I'm not gonna remember, but it's almost like you don't want it to be too far

**Individual living with a disability** | In-depth interview



SMS was the preferred channel for notifications of outages 1-2 weeks prior, with a SMS reminder 1-2 days before.

Customers wanted the SMS to communicate how long the outage would last, the area affected and, for some, the reason for it. Notification of completion of an outage (via SMS) was a little more important for unplanned outages, providing a sense of reassurance. Expectations for overnight communication for unplanned outages were similar to those for planned.

For Service Critical High Business Customers, outages had a high impact on their business and operations as outages can be costly and difficult to manage logistically. Some customers wanted notification months in advance with a minimum of 4 weeks' notice. Those with account managers had a general preference for their account manager to provide notifications and updates where possible, however also recognised that this may not always be feasible.

If I had to stop mid-shift that would be terrible...I'm not saying it can't be done but we need enough notice – 2 or 3 months you can plan for it. An unplanned outage means chaos.

**Service Critical High Business Customer** | In-depth interview



If given enough notice, some Service Critical High Business Customers could organise a back-up water supply to continue operating, however, such backup options were still limited and would only keep the business operational for a short amount of time, meaning longer outages would still be disruptive.

**We can organise enough back up water in tanks to keep operating for about 6 hours, but after that we have to shut down operations.**

**Service Critical High Business Customer | In-depth interview**

### 7.2.2 During a planned outage

Notifications throughout a planned outage are also an important consideration and can require a notable investment by Sydney Water. An understanding of customer expectations with respect to this is important.

For many customers, an initial notification and a reminder were enough, although additional notifications throughout the outage are appreciated. Generally speaking, the preference for most customers is to receive updates and notifications when there is a change to the original plans, rather than to receive updates at regular intervals especially if there is no 'new news'. Some customers were open to opting-in to receive more detailed or frequent updates if available.

**I really only need to know if something changes from the original plan otherwise it gets a bit spammy.**

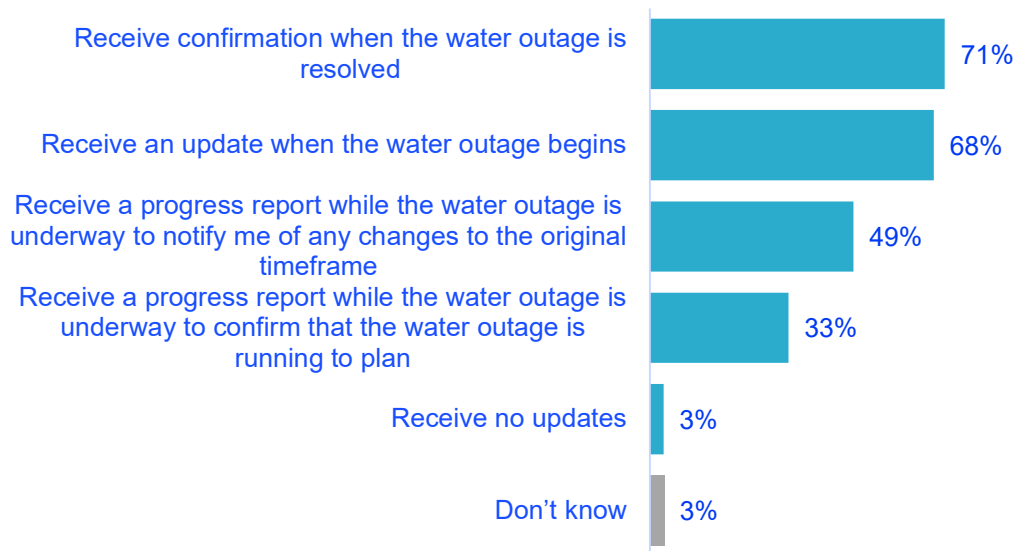
**Residential customer | CBD customer forum**

**It's good to know when you can turn your water back on, but it's easy enough to tell, you just turn your tap on. I don't really need updates unless there is new information, so I won't be upset if they don't send them.**

**Residential customer | Parramatta customer forum**

Results from the validation survey show that more than two thirds of respondents would like a notification when the water outage is resolved (71%) and also when it begins (68%). Less than half (49%) would like notification of any changes to the original timeframe, and around one third (33%) would like a notification that the outage is running according to plan. Only 3% would like no notification at all. The validation survey showed no meaningful variations by demographic for this question.

Figure 39 Communication preferences during a planned water outage



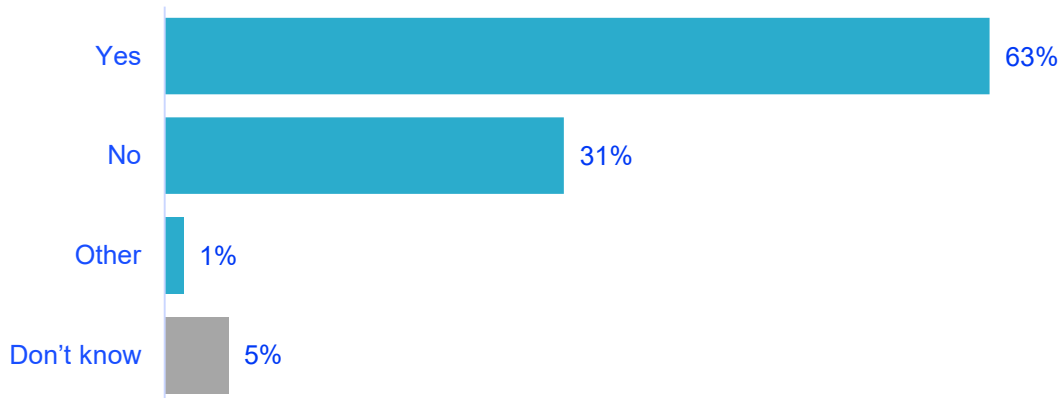
D4. While the **planned** water outage is taking place, which of the following updates (if any) would you like to receive via SMS? [please select all that apply] I would like to... Base: Total sample validation survey (n=1,521)

The time of day an outage takes place is a relevant consideration when it comes to notifications. Customers were asked whether they would still like to receive an SMS notification if it was sent between 10pm and 5am. There were mixed views about this, with some thinking this would be annoying and don't want their sleep interrupted, while others mentioned that they still want to receive the information regardless of the time of day. The validation survey showed that almost two thirds (63%) still would like to receive SMS messages, while around one third (31%) would rather not.

The validation survey also showed some variation in how different demographics answer this question. For example,

- People from Southern Sydney including the Illawarra region are less likely than other regions to want to receive a notification between 10pm and 5am (only 53% would)
- People aged 70+ are much less likely than other age groups to want a notification between 10pm and 5am (only 49% of this age group)
- People living with a disability were more likely to want a notification during these hours (72% vs 61% for those without a disability)
- Renters were more likely than homeowners to want a notification during these hours (70% of renter vs 60% of homeowners).

Figure 40 Communication preferences during a planned water outage



D5. If the **planned** water outage is taking place between 10pm and 5am, would you still like to receive the updates mentioned in the previous question? Base: Those who would like to receive updates during a planned water outage (n=1,430)

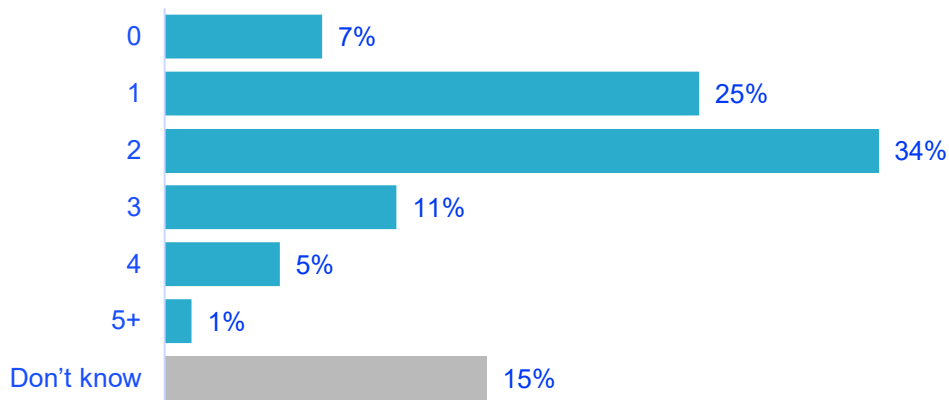
During the customer forums, many customers mentioned that it was rare for them to experience a planned outage and, at most, could only recall a handful of times throughout their lives where planned maintenance required them to go without water. Using this as a frame of reference, most wouldn't expect to experience more than one or two in any given year.

I haven't had an outage for years. You sometimes get a letter in the mail and that's ok, they have to do what they have to do. I really don't mind as long as its only once every now and then.

**Residential customer** | Penrith customer forum

Only 7% of respondents to the validation survey agreed that more than three planned outages in a year was acceptable. The majority (59%) indicated that 1 or 2 was acceptable. The validation survey showed minimal variation by demographic for this question.

Figure 41 Acceptable number of planned outages to experience per year



D6. How many **planned** water outages do you think is a fair amount for you to experience per year? Base: Total sample validation survey (n=1,521)

Those with deeper knowledge of some of the future infrastructure challenges facing Greater Sydney were keen to see more frequent maintenance take place.

Sydney Water has some worries, too many people, lots of million-year-old pipes, governments kicking infrastructure spending down the road. They really need more maintenance work, and do it now, because the amount happening now will not be enough.

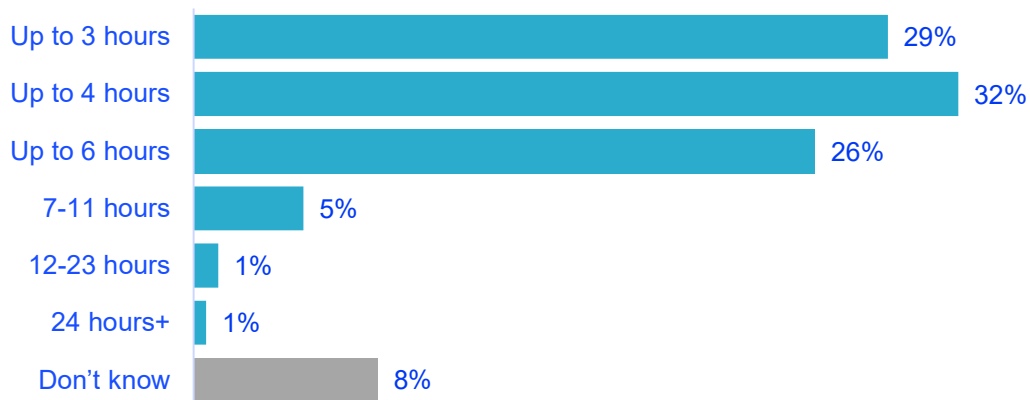
**Value Maker** | In-depth interview

### 7.2.3 Duration of planned outages

In addition to the frequency of planned outages, duration is also important as it reflects the magnitude of the disruption. Most people would not expect to be without water for more than 6 hours for a planned outage. They felt that anything longer would reflect poor planning by Sydney Water and would be too disruptive.

The validation survey confirmed this, with 86% of respondents indicating that they expect the outage to be completed within 6 hours, around one third (32%) would only accept it lasting up to four hours, and more than one quarter (29%) would only accept it lasting up to 3 hours. The validation survey showed minimal variation by demographic for this question.

Figure 42 Acceptable length of a planned outage



D7. For a **planned water** outage what is an acceptable amount of time for the water outage to last? Base: Total sample validation survey (n=1,521)

#### 7.2.4 Taking more time for repairs

There is broad support for Sydney Water taking more time for repairs if this time is needed, as people would rather repairs be done properly and thoroughly the first time, to avoid any future issues or disruptions. There was general goodwill as long as any delay is for a valid reason – not due to inefficient work practices – and that communication is clear, transparent, and effective.

I'm definitely okay with them taking longer if it needs to take longer because they found something else that needed to be fixed

**Individual living with a disability** | In-depth interview

Yes – from a manufacturing point of view, if it's rushed might not be done properly

**Service Critical High Business Customer** | In-depth interview

#### 7.2.5 Post outage

Again, **regardless of whether planned or unplanned**, post-outage communications needs were generally a confirmation that the issue is resolved and water and/or wastewater access is restored.

Although most were keen to receive this confirmation, some are satisfied with no resolution notification as long as access to water is restored by the indicated time.

#### 7.2.6 Conduits for community notification

Major Developer and Government Customers are frequently the conduit for notifying community when there is an outage, either through website community pages, social media or direct contact from the public. Better communication from Sydney Water will assist with outage communication and ancillary services such as traffic management, signage, and associated council repairs.



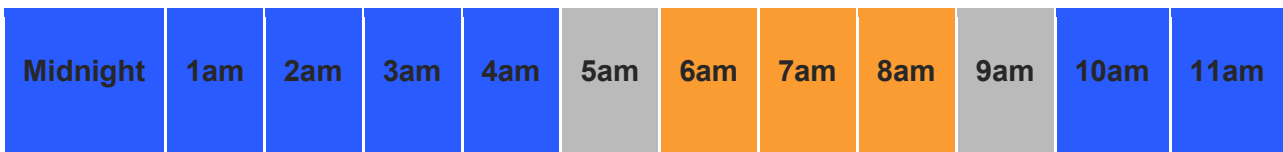
### 7.3 Preferred time of day for repairs and subsequent outages

Every individual situation is unique, which means that depending on the life stage and existing commitments (work, family, other), customers have a range of preferences for when repairs and outages should occur. Families with young children were seen to be disproportionately impacted and were the group most likely to seek support elsewhere if impacted by an outage or works.

Some customers with disability also expressed a preference of time for outages. For example, avoiding overnight repairs was important for one participant with mobility issues. This is because she struggles to get up in the night to use the bathroom, which would be compounded if she had to use a bucket of water to flush the toilet or was not able to wash her hands.

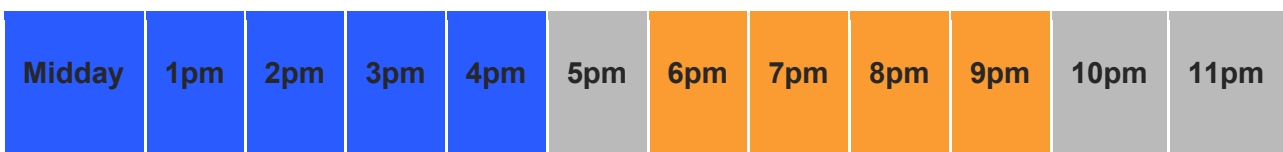
SME customers preferred that works were undertaken outside their normal operating hours, which differs by business. General preferences were for works to be undertaken outside the hours of 9am to 5pm, or outside the hours of 6am and 9pm.

Most SME customers said that they didn't want repairs to take longer, even if they are notified in advance, except if the extended period doesn't impact business operations i.e., is outside their operating hours. However, a small number of customers indicated that this would be OK, as they assumed that it would result in higher quality works, which should reduce the likelihood of a repeat of the issue in future.



Between midnight and 4am was the most widely acceptable time for repairs and outages for residential customers. Generally people are asleep at this time, but customers were also mindful of shift workers, young families, and any disruption that could be caused by noise and lights.

Where possible, avoiding the peak 'getting ready' time of day is preferred by customers. An outage at this time is likely to frustrate customers who need to shower and prepare meals prior to a day of school, work, or other activities.



Provided customers receive adequate notice, an outage through the day (10am – 4pm) can typically be accommodated by customers. Parents and retirees talked about going out for a few hours, and those who work from home felt they could get by if the outage is planned and lasted less than 4 hours.

Avoiding outages in the evening is important to customers. An outage over dinner, bathing, and pre-bedtime will disrupt routines and create frustration, particularly when little to no notice is provided and the outage is a surprise. Noise and lights are also a consideration across this time if parents are putting children to bed.

## 7.4 Customer expectations regarding online information about outages

Customers were satisfied with the current information available when checking online for outages at a specific address. The key information customers said they wanted were that an outage had happened, the estimated time of access being restored, and ideally, the reference number for the works.

Customers are used to searching online to understand more if they are experiencing an outage of an essential service (typically water and power).

When shown the current information available on the Sydney Water website when searching for an outage, customers were pleased with the information available and said they found it simple, clear, and the required information.



Ausgrid was also mentioned by numerous customers as having an excellent online experience for information about outages.


In addition to the information currently available, customers were interested in:

- Map view along with list view. Some customers said this would help those who care for or support other members of the family, who aren't as digitally savvy, to understand whether they are impacted by the outage and for how long.
- A map view that shows the number of affected customers also helps manage expectations as to how urgent one outage is relative to others.
- Seeing a phone number to call readily available for those who require more information.
- In times of large-scale disaster (e.g., flood or fire), customers recall the RFS partnering with Google to integrate fire information with Google maps. Customers were keen to understand whether this is something Sydney Water could also do in times of emergency.

Please enter your property address

Type address  
241 Burraneer Bay Road, Caringbah South NSW 2229 Use current location

 <b>Water is OFF</b> Since 2.39 pm, Friday, 24 June	 <b>Estimated water ON</b> 6.39 pm Friday, 24 June
---	--

 **Water network repairs in this area**  
Reference: 86277593

We've turned the water off to complete essential repairs.

Our crews are working around **243 Burraneer Bay Road, Caringbah South** to restore the water supply as quickly as possible.

## 7.5 Unplanned outages

Unplanned outages refer to the interruption of water supply due to events such as pipe bursts, equipment failures, or natural disasters. These outages are not scheduled and are typically resolved as soon as possible but can last longer than planned outages.

In an **unplanned** outage, customers expect to be told as soon as possible:

- That Sydney Water is aware there is an issue and are working on it; and
- An estimated time that water will be restored, as soon as Sydney Water have an accurate understanding of the extent of the fault and the required repairs and updates if these estimates change.

As mentioned earlier, customers generally understand that resolution times for unplanned outages are somewhat out of Sydney Water's control but stated that clear and regular communication is important.

The validation survey shows that nearly all customers (90%) want to be notified when there is an unplanned outage and only 6% do not.

The validation survey showed some variations by demographic, for example:

- People aged 18-29 were less likely than other age groups to want an update by Sydney Water (only 82% would)
- People from Northern Sydney were more likely to want an update (97%) and people from Western Sydney were less likely (86%)
- Those who are financially vulnerable are less likely to want a notification (85% vs. 92% of those who are not financially vulnerable).

Figure 43 Desire for notification of unplanned water outage



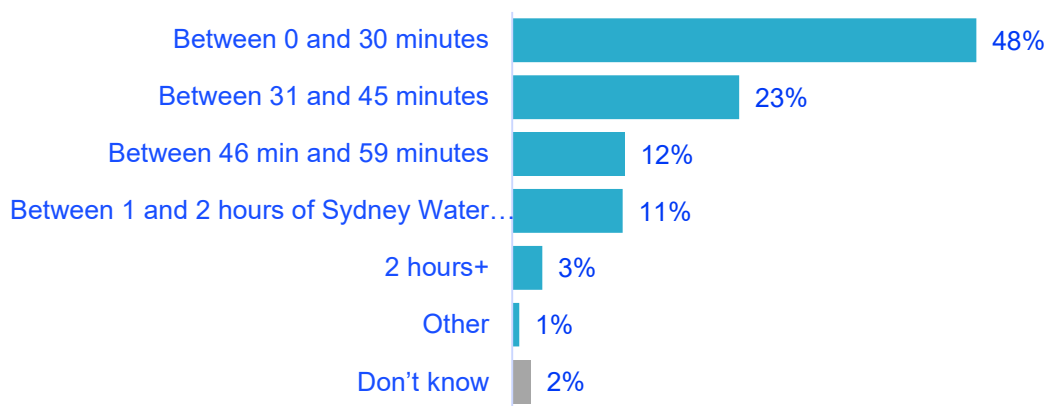
D8. When an **unplanned** water outage occurs that affects you, do you want to be notified by Sydney Water? Base: Total sample validation survey (n=1,521)

When there is an unplanned outage, customers want Sydney Water to let them know as soon as possible. The validation survey shows that almost half (48%) of those surveyed would like notification within half an hour of Sydney Water being made aware of an unplanned outage. A

further 23% would accept being notified between 31 and 45 minutes of Sydney Water being made aware of the issue. Only 3% would tolerate waiting more than two hours for a notification. This highlights the importance of planning for unforeseen events and the ability to mobilise customer communications rapidly. As mentioned above, customers not only want to know what is happening but also want an estimated time of resolution as soon as this is available.

The validation survey shows only minor variations by demographic, however older age groups were slightly less likely to want a notification within 0-30 minutes (38% of these customers expect a notification within this timeframe).

Figure 44 Expectations of timing of notification of unplanned water outage



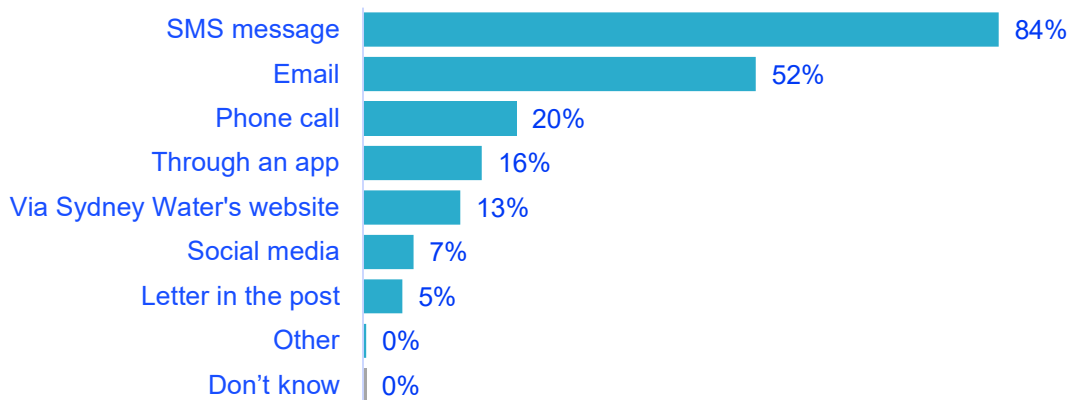
D9. From the time Sydney Water become aware of an unplanned outage, how soon do you expect to be notified? Base: Those who want to be notified of an unplanned water outage (n=1,405)

When it comes to unplanned outages, notifying customers via an SMS is deemed most appropriate. To customers, this channel feels more immediate, and is better suited to delivering a notification as quickly as possible, and within the acceptable timeframes stated by customers. The validation survey showed that 84% of customers would like to receive an SMS notification, 52% indicating they want an email, 20% a phone call, 16% a notification through the Sydney Water App, 13% would like updates on Sydney Water’s website, and 7% would like an update on Sydney Water’s social media page. Delivering a notification through all channels in the expected timeframes may not be practical, but these results suggest Sydney Water should prioritise SMS and email for delivering such notifications.

By demographic, there were some variations in the validation survey:

- 59% of males wanted to be notified via email compared to only 45% of females.
- 30% of people aged 18-29 wanted a phone call, which was greater than other age groups.
- People aged 18-29 were more likely than others to want information posted on Sydney Water’s website or on social media (21% and 13% respectively).

Figure 45 Desired channel of notification of unplanned water outage



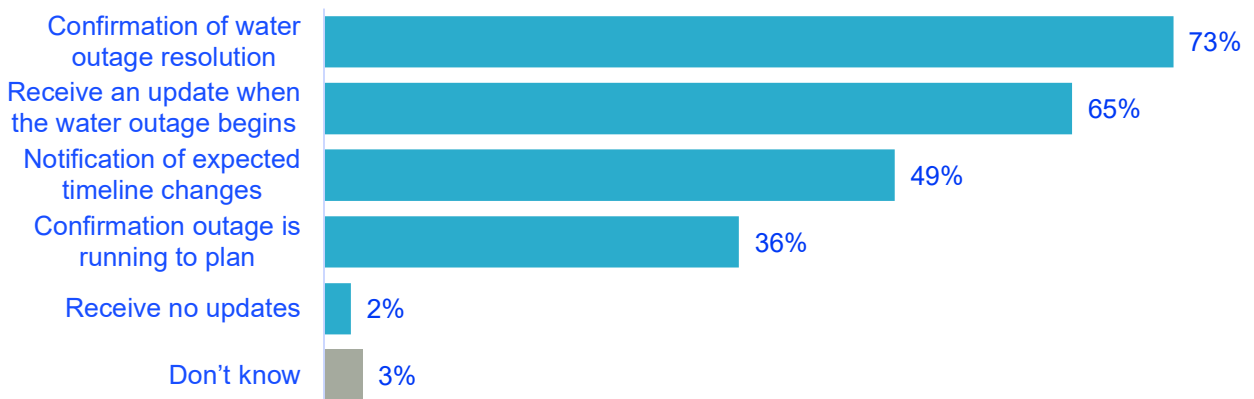
D10. How would you like to be notified about any unplanned water outages that affect you? Base: Those who want to be notified of an unplanned water outage (n=1,405)

Outside of the initial interaction, customers were asked what types of notifications they would like to receive. During the customer forums, people had mixed views around whether they needed updates. Many indicated they would be satisfied with an initial notification and then a follow up to confirm resolution of the outage. Some customers would also like progress updates, but most agreed that this was only necessary if there was new news to report or changes to initial estimates. The validation survey supports this finding, with 73% indicating they would like confirmation of the water outage being resolved and 49% wanting updates about expected timeline changes. Conversely, only 36% would like a notification if the outage is running to plan and there is no new information to report.

Across Greater Sydney there was some variation in how different demographics answered this question. For example:

- In Northern Sydney, 83% of the population want to receive confirmation when a water outage is resolved, compared to 67% in Western Sydney and 73% in Inner Sydney.
- 66% of CALD customers want to receive a resolution notification, compared to 76% of those who primarily speak English.
- 61% of people aged 18-29 (less than any other age group) want a resolution notification, yet they are more likely to want a notification confirming that efforts to resolve the outage are going according to plan (45%).

Figure 46 Desired updates for an unplanned water outage



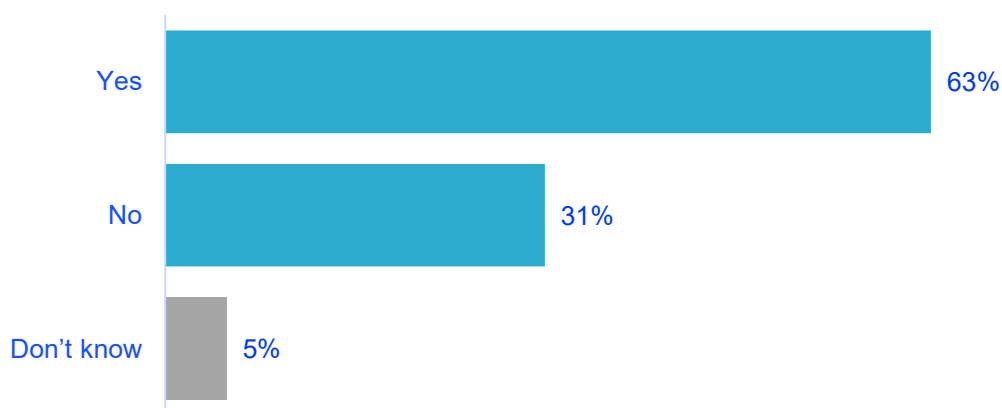
D11. While the unplanned water outage is taking place, which of the following updates (if any) would you like to receive? I would like... Base: Total sample validation survey (n=1,521)

The time of day of the unplanned outage makes a difference to whether people would like notifications or not. Some people said they do not like to be disturbed when they are sleeping, so would not like notifications between 10pm and 5am. The validation survey supported this, with around one third (31%) of respondents saying they would not like a notification during this time. Some customers in the customer forums suggested letting Sydney Water select according to their contact preferences. For example, they could let Sydney Water know how they would like to be contacted in what situations and what times were off limits. They felt this would help Sydney Water avoid annoying the minority who don't want to be contacted, while still making sure they notify those who want to be notified.

Like with planned outages, the validation survey also showed some variation in how different demographics answered this question:

- CALD customers are more likely to want a notification between 10pm and 5am (72% of this audience vs. 61% of those who primarily speak English)
- People aged 70+ are much less likely than other age groups to want a notification between 10pm and 5am (46% of this age group)
- Renters were more likely than homeowners to want a notification during these hours (70% of renter vs 61% of homeowners).

Figure 47 Notification preferences for unplanned water outage



D12. If the unplanned water outage is taking place between 10pm and 5am, would you still like to receive the updates mentioned in the previous question? Base: Those who want to be updated on an unplanned water outage (n=1,448)



Many customers agreed they often go online to source information when there is an event like an outage. This is often to avoid sitting on hold or clogging up a contact centre phone line. A common view was that if someone else has reported an outage, they don't need to.

You always assume someone else has reported it already, so I'd usually Google it first to see if they [Sydney Water] are already aware of it.

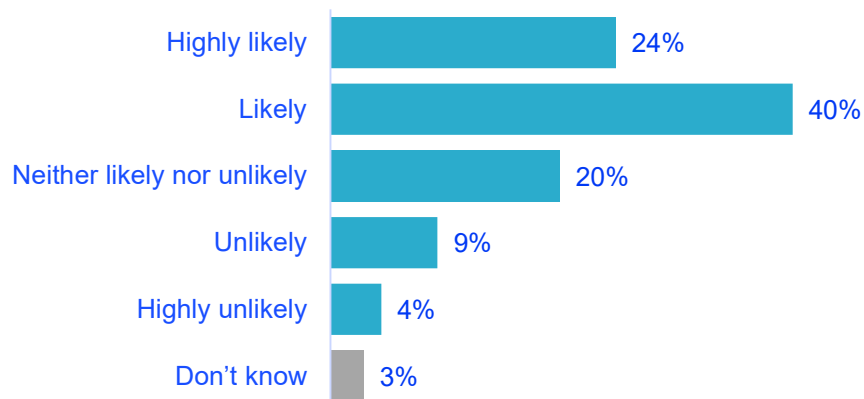
**Residential customer** | CBD customer forum

In the validation survey, 64% of customers said they were likely to go online and find more information if there was an outage. Only 4% indicated that they were highly unlikely to do so. Given that many customers rely on online sources, providing prompt, useful, and real-time information about the status of an outage and an estimated resolution time on Sydney Water's website and social media channels should help limit call centre overloading and have a positive impact on customers' experiences.

The validation survey showed some variation in how different demographics answer this question. For example:

- People aged 60+ were less likely than other age groups to go online to find out more (53% would)
- People from Southern Sydney and Illawarra were less likely than other regions to go online to find out more (54% would).

Figure 48 Likelihood of seeking information online about an outage (planned or unplanned)



D13. If there was a water outage affecting you either planned or unplanned, how likely are you to go online to find out more information? Base: Total sample validation survey (n=1,521)



## 7.6 Tolerable number of unplanned outages affecting customers

Across the customer forums, interviews, and focus groups, there were mixed levels of experience with unplanned outages; some customers had been affected by recent large-scale, multi-day outages (e.g., Lane Cove in September 2022), while others living just suburbs away hadn't experienced an outage (planned or unplanned) in over 20 years.

Within the customer forums, unplanned outages were defined (for the purpose of the exercise) as being outages with either no notice or less than 48 hours' notice and lasting for less than 4 hours.

There is a level of tolerance or acceptance that unplanned outages will occur, with some customers accepting that between 5% to 10% of properties is a tolerable number to experience an unplanned outage per year. This translates to properties being affected approximately once per 10 or 20 years, if evenly spread.

For members of CALD groups, responses varied. Arabic, Greek, and Korean communities accepted a maximum of around 10% of people experiencing an outage per year, while Cantonese, Mandarin, and Vietnamese customers accepted around 1% to 5%. For multiple outages, the majority felt that a much lower percentage than 5% was acceptable, due to the inconvenient nature of unplanned outages.

Interestingly, some customers said they could tolerate one unplanned outage at their property per year, which effectively would equate to a proportion closer to the 100% mark.

Tolerance was reduced when the same properties repeatedly experience unplanned outages linked to a recurring issue.

Customers have an attitude of “...*fix it the first time*” when it comes to outages and want to see Sydney Water act to resolve the issue straight away, rather than see a band-aid solution leading to future outages.

SME customers found it difficult to engage meaningfully with the concept of identifying and articulating what proportion of business customers per year is acceptable or tolerable to experience an unplanned outage, with responses ranging from 'none' to 30%. Some SME customers who indicated relatively high percentages (e.g., 20-30%) separately indicated a strong preference for their water to be always available.

When provided with the target range of businesses affected by unplanned outages, most SME customers thought that these numbers were very good, except for a few customers who thought the number should be zero.

**That's awesome!**

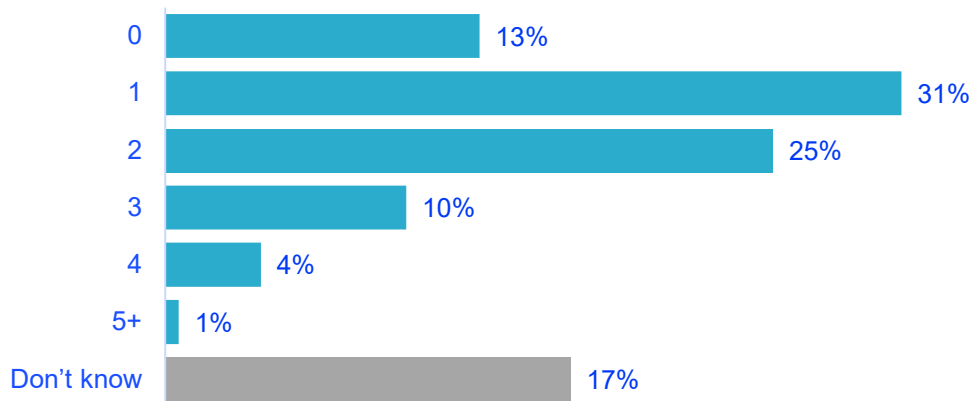
**SME Customer** | Focus group

**I don't think it's acceptable for any essential service [to have an unplanned outage], but those stats are not too bad overall**

**SME Customer** | Focus group

The validation survey shows that 56% of customers (could tolerate 1-2 unplanned outages per year. Only 13% indicated that zero outages was fair, while only 1% of the population thought that more than 5 per year is acceptable. There was also a reasonable amount of uncertainty about this question, with 17% of customers saying they didn't know what was acceptable. The survey also showed that across Greater Sydney there was little variation in the way different demographic groups answered this question.

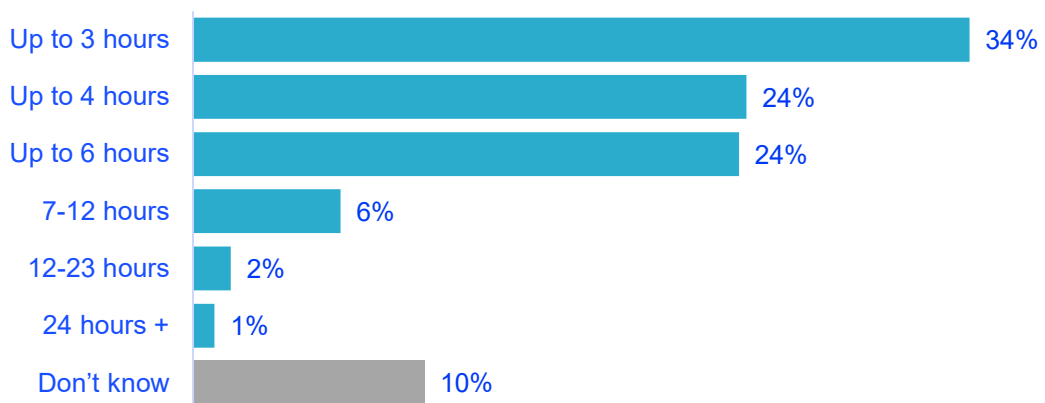
Figure 49 Acceptable number of unplanned outages to experience per year



D14. How many unplanned water outages do you think is a fair amount for you to experience per year? Base: Total sample validation survey (n=1,521)

Like with planned outages, few customers would accept an unplanned outage lasting longer than 6 hours, with the validation survey showing that only 9% thought this would be acceptable. Around one third (34%) would only accept an unplanned outage lasting 3 hours. Around 10% said answered don't know. Again, there was little variation in the way different demographics answered this question.

Figure 50 Expectations of timing to resolve an unplanned water outage



D15. For an unplanned water outage what is an acceptable amount of time for the water outage to last? Base: Total sample validation survey (n=1,521)



## 7.7 New development serviceability

Often Sydney Water provides guidance around when new development areas are likely to be serviceable, or when they will have access to water and wastewater services. For Major Developers, it was important that Sydney Water stick to the estimated timeframes provided.

The impact to their business was commercial and reputational, with the knock-on effect to residential consumers.

**This is the most important thing...very big investment decisions hang off water access decisions.**

**Major Developer** | In-depth interview

The main challenge for Major Developers is the length of time for approvals to be processed by Sydney Water, while some bemoaned a lack of willingness to listen to alternative ways of doing things. Major Developers often run into an approval requirement and said the technical interface presents challenges. On one 800 lot land subdivision, Sydney Water changed several requirements and were slow to provide approvals. Frustration was palpable about not having timeframes that could be relied upon, to be able to deliver the project. The impact of this was existential for one Major Developer where multi-million-dollar projects were being held up and creditors were being stretched beyond their capacity.

**Sydney Water are now beating Council as the main roadblock for development. Council take a year to approve a DA. And this small encasement of 17m has been delayed us two years. We commit to purchase with a 2-3 year time horizon. Sydney Water come out and say, we will finish sewer infrastructure in that part by 2021. In 2019 we buy property and get DA. Sydney Water is the only hold up.**

**Major Developer** | In-depth interview



# 8 What we heard: customer expectations for service levels related to water pressure

## In this section...

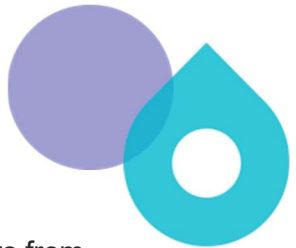

This chapter outlines the findings from the qualitative components of Phase 2. This includes findings from the customer forums, focus groups, and in-depth interviews. Some insights were also tested in the validation survey.

Key takeaways:

- Only a small number of customers had first-hand experience of water pressure issues in Greater Sydney
- Customers did not like the idea of experiencing a water pressure issue and wanted Sydney Water to minimise water pressure issues as much as possible
- Given that low water pressure incidents are rare, most customers found it difficult to imagine it happening, and lacked the knowledge and experience to set realistic standards around the frequency of these incidents for Sydney Water to abide by.
- Sydney Water's current water pressure standards exceed many customers' expectations, although this is likely to reflect a lack of knowledge and experience with water pressure issues, rather than a high tolerance for them.
- Most customers said they would trust the experts to make a judgement call on what is fair and reasonable with regards to a water pressure standard for Sydney Water to strive for.
- Sydney Water could consider routinely surveying customers who have experienced water pressure issues and asking them what standard they feel is fair, as these customers are better placed to provide an answer.

## 8.1 Context

Customer expectations for service levels related to water pressure refers to the expectations that customers have for aspects such as the minimum and maximum water pressure, the uniformity of water pressure across different parts of the service area, and the stability of water pressure over time.



Good water pressure is often considered a basic requirement of a functional and comfortable household. Low water pressure can lead to dissatisfaction and complaints from Sydney Water's customers. Poor water pressure can also affect the efficiency and performance of household appliances and business machinery and can lead to an additional maintenance burden for both households and businesses. It is, therefore, important for Sydney Water to maintain water pressure at an acceptable level in the eyes of its customers.

While increasing water pressure in the reticulation network is technically feasible, there is a cost involved (i.e. pressure boosters) and can give rise to increased incidence of pipe breaks.

Understanding what customers view as an acceptable level of water pressure is an important question for this research.

In Sydney Water's Operating License, the water pressure standard and a water pressure failure are defined as:

- **Water pressure standard:** Sydney Water must ensure that, in each financial year, at least 9,999 Properties per 10,000 Properties (to which Sydney Water provides a Drinking Water supply service) receive a Drinking Water supply service affected by fewer than 12 Water Pressure Failures (the Water Pressure Standard),
- **Water pressure failure** means a situation where a property experiences a pressure of less than 15 metres head of pressure for a continuous period of one hour or more, such head of pressure measured at the point of connection (usually the main tap) of the Property to Sydney Water's Drinking Water supply system.

Additionally, within Sydney Water's Customer Contract, the following standards apply to Sydney Water with regards to water pressure:

- **Drinking water pressure:** Sydney Water will ensure that the drinking water it supplies to customer properties is at a minimum of 15 metres head of pressure at the point of connection to Sydney Water's system. This pressure is recognised as suitable for residential customers and non-residential customers.
- **Low water pressure:** Where a customer's drinking water pressure is below 15 metres head of pressure at the point of connection to Sydney Water's system for a continuous period of one hour (low water pressure), unless as a result of an unplanned interruption or a planned interruption, customers are entitled to a rebate of \$40. This rebate is payable for one event each quarter. Rebates are granted automatically when this is identified through Sydney Water's monitoring.

For the purposes of customer engagement, the water pressure standard was also described in terms of 0.1 properties impacted out of 1000 properties (which is different to how it is worded in the Operating Licence). This description was used to try and help customers understand the standard and visual aids were also used in customer forums to communicate this. This translates as 0.01% of properties impacted by a chronic pressure issue.

Water reservoirs are located at high points in the landscape and water gets to a customer's property using gravity. Water pressure tends to vary at different locations depending on how far the property is from a water reservoir and the elevation of the property in relation to the reservoir.

Water pressure in the system can fall when people are using water or when a pipe breaks. Sydney Water can improve water pressure to affected properties by investing in water pressure boosters, but this comes at a considerable cost, and depending on what standards need to be met, this could have a notable impact on customer bills. Therefore, having a clear understanding of customer expectations around water pressure (and tolerance levels for low pressure) can help inform Sydney Water’s strategic planning and investment in this area.

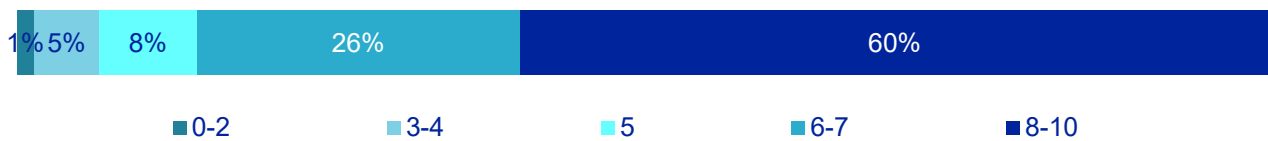
## 8.2 Perception of existing water pressure

Generally speaking, and across the customer engagement activities, the majority of customers were satisfied with their water pressure and had limited or no experience with water pressure issues. A few apartment dwellers (primarily those on upper floors) had experienced issues, but tended to hold their landlord or strata committee responsible for fixing these.

We [Apartment strata committee members] had to all chip in to get it [water pressure issue] fixed, they basically installed new pumps and it’s been ok since.

**Residential customer** | Hornsby customer forum

Figure 51 Perception of current water pressure



E1. Generally speaking, on a scale of zero to ten (where zero is terrible and ten is excellent), how would you rate the water pressure in your property? Base: Total sample validation survey (n=1,521)



Many First Nations customers were uncertain of the role Sydney Water had in water pressure and had regular issues with landlords about water heaters and general plumbing issues, which seemed to blur the lines of responsibility somewhat. Those who were purchasing their own home, or understand the role of Sydney Water better, tended to be clearer about water pressure variances and issues, including seasonal fluctuations.

During the winter it (water pressure) can be not great.

**First Nations customer** | Focus group

Conceptualising a water pressure standard that Sydney Water must stick with was a difficult task for most customers. Given a general lack of experience with water pressure issues, customers struggled to set or identify an acceptable target. For example, during the qualitative research, most customers suggested standards that were substantially more relaxed than what is currently set for Sydney Water.





The validation survey produced a similar outcome. Nearly half of the respondents were willing to accept 10% of households having one water pressure issue per year. More than a quarter were willing to accept 10% of households (or on average, 1 in 10 households) having 12 or more water pressure issues per year. This result is much different from the current standard, which states that 9,999 out of every 10,000 should be affected by less than 12 pressure issues per year.

Customers were also asked if the current standard (of 1 in every 10,000 households experiencing 12 or more water pressure issues a year) was acceptable. Almost two thirds (61%) thought this standard was between acceptable and excellent, while around one quarter (24%) thought this was unacceptable or that Sydney Water could do better. Only 2% thought the standard was too high or unrealistic, and 11% said they didn't know.

These results may suggest that the community is willing to accept far more water pressure issues than currently exist. It could also be interpreted as meaning that customers are comfortable with much lower levels of investment in water pressure infrastructure. In most cases, however, the customers in the customer forums appeared to be responding with guesses when asked to set standards.

Common comments when faced with this exercise included:

*"I don't know enough, Sydney Water are the experts they should tell us"*

*"As long as I'm not the one affected, I don't care"*

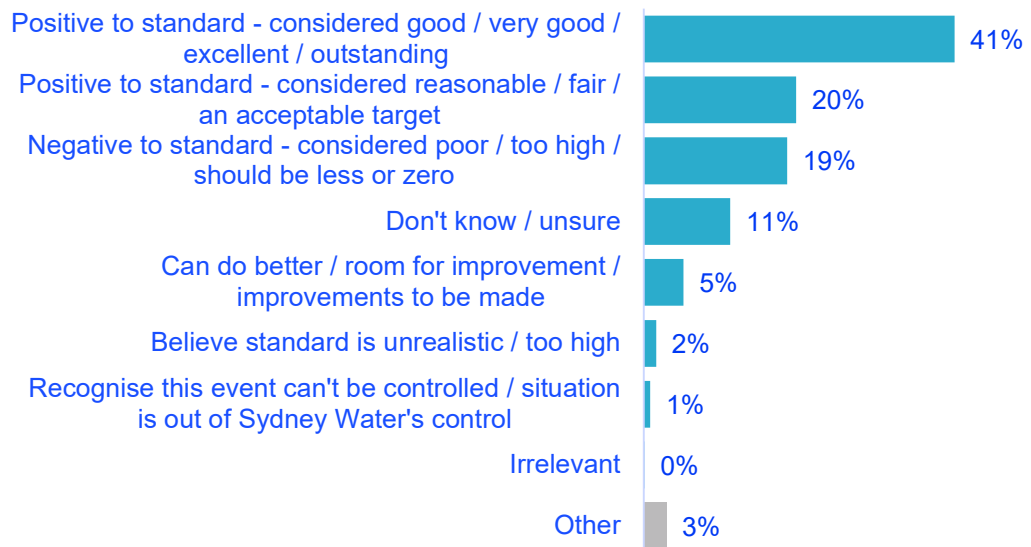
*"I could put up with one a year so why can't everyone"*

Given this, and the fact that most respondents have not experienced a water pressure issue, jumping to such conclusions is not advised. It may be prudent to regularly survey customers who have experienced a water pressure issue/s and ask them to identify what an acceptable standard is.). In the absence of such a survey, Sydney Water will need to rely on industry best practices and standards from other jurisdictions or recommendations and feedback from relevant industry experts.

A small number of SME customers indicated they had special requirements relating to water pressure. However, none of these individuals believed that Sydney Water was aware of this.

The concept of a potential commitment to water pressure was viewed in the same way as the potential commitment to minimising outages i.e., some customers thought this would be valuable, but the majority felt that this was redundant, as Sydney Water should already be doing this.

Figure 52 Perception of water pressure service standard



E4. One of the service standards around water pressure is that the majority of properties, that is 9,999 out of every 10,000, should be affected by less than 12 pressure issues per year. How do we feel about this standard? [Coded data]  
 Base: Total sample validation survey (n=1,521)

Major Developers worked with Sydney Water to deliver good water pressure to their developments, with Sydney Water often responsible for constructing infrastructure to increase water pressure at greenfield sites where it was needed.

A lot of our developed areas are above a certain sea level and the regional water tower was actually used because we weren't achieving the 18 meters minimum head pressure. Some of our hilltop parks actually don't have enough pressure to run the irrigation system, so you do have that issue, but with the planned infrastructure in the area, that will improve it

**Major Developer** | In-depth interview



## 9 What we heard: customer expectations for service levels related to wastewater overflows

### In this section...

This chapter outlines the findings from the qualitative components of Phase 2. This includes from the customer forums, focus groups, and in-depth interviews. Some findings were also tested in the validation survey.

#### Key takeaways:

- Like with water pressure, only a small minority of customers have first-hand experience with wastewater overflows in Greater Sydney.
- Customers view wastewater overflows negatively due to the range of impacts these events have on the community, which include personal inconvenience, damage to the environment, unpleasant odour, and a risk to public health. Customers want Sydney Water to minimise the severity and frequency of wastewater overflows as much as possible.
- Given that wastewater overflows on properties are rare events, most customers found it difficult to imagine what it is like (even with the aid of pictures and graphic descriptions) and, as a result, lacked the knowledge and experience to set realistic standards for Sydney Water for the frequency of these incidents.
- Sydney Water's current wastewater overflow standards exceed many customers' expectations, although this is likely to reflect a lack of knowledge and experience with these incidents, rather than a high tolerance for them.
- Many customers indicated they would rather defer such decisions to the experts and trust Sydney Water to make a judgement call on what is fair and reasonable with regard to wastewater overflow standards.
- Sydney Water could consider routinely surveying customers who have actually experienced one or multiple wastewater overflows on their property and ask them what standard they believe is fair. This would add value as these customers are more likely to be better qualified to answer, given they have first-hand experience of the impacts.



## 9.1 Context

Customer expectations for service levels related to wastewater overflows refer to the expectations that customers have for the management and resolution of wastewater overflow incidents on their properties. This includes aspects such as the frequency and duration of overflows, the availability of accurate and timely information when they occur, the effectiveness of measures to prevent overflows, and the speed and effectiveness of the response to resolve them.

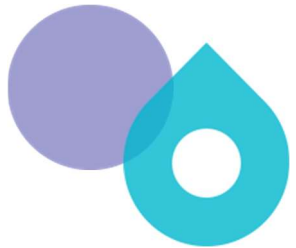

Customer expectations around wastewater overflows is an important topic for Sydney Water. Wastewater overflows have a high impact on public health, the environment, and a customer's wellbeing. They can result in the release of untreated or partially treated sewage, which can contaminate bodies of water and harm wildlife. They can also cause public health risks by potentially spreading disease-causing pathogens. These events can damage Sydney Water's corporate reputation, harm public sentiment, and erode trust in their ability to provide essential services.

As part of this research, Sydney Water need to clarify what customer expectations are with regard to wastewater overflows. This will help with the development of strategy and plans, compliance standards and future investment strategies targeted at meeting these.

Although many customers do not have first-hand experience with wastewater overflows, they generally agree, or can imagine, that wastewater overflows are one of the worst things that can go wrong with the water and wastewater network. As a result, customers have high expectations of Sydney Water when it comes to maintaining the network to avoid wastewater overflows, both in public places and on customer properties. Many also understand that Greater Sydney's wastewater network is large and can be vulnerable to weather events and that incidents beyond Sydney Water's control do happen.

For additional context, in Sydney Water's Operating Licence the dry weather wastewater overflow standard and an uncontrolled wastewater overflow are defined as:

- Sydney Water must ensure that, in each financial year, at least:
  - a) 9,928 Properties per 10,000 Properties (in respect of which Sydney Water provides a sewerage service but excluding Public Properties) receive a sewerage service unaffected by an Uncontrolled Wastewater Overflow; and
  - b) 9,999 Properties per 10,000 Properties (in respect of which Sydney Water provides a sewerage service but excluding Public Properties) receive a sewerage service affected by fewer than three Uncontrolled Wastewater Overflows,  
(the **Dry Weather Wastewater Overflow Standard**).
- A Property is taken to have experienced an **Uncontrolled Wastewater Overflow** when:
  - a) a person notifies Sydney Water that a property has experienced a sewage overflow, where Sydney Water later confirms that the sewage overflow is an Uncontrolled Wastewater Overflow; or



b) Sydney Water's systems identify that a property has experienced an Uncontrolled Wastewater Overflow.

For the purposes of the customer engagement, the wastewater overflow standard was described in terms of 7.2 out of 1000 properties impacted (single occasion) or 0.1 properties out of 1000 impacted (3 or more occasions), with a visual aid supplied during forums. The standard was worded differently to how it is worded in the Operating Licence, to simplify and aid customer understanding. This translates as 1% or 0.1% of properties impacted respectively. This explanation was to try and elicit a greater understanding amongst customers of the standard by framing it in terms of properties impacted.

## 9.2 Tolerable number of wastewater overflows

Similar to water pressure, customers found it hard to conceptualise a tolerable number of wastewater overflows for a standard for Sydney Water. What is deemed 'acceptable' often depends on several factors. These include the size and frequency of the overflows, the type of wastewater being released, where it is being released, and its overall environmental and public health impact. Also making this task difficult was that most customers had never experienced a wastewater overflow and had difficulty imagining what it would be like, even when pictures and graphic descriptions were provided.

Overall, customers said they would like Sydney Water to minimise the number and severity of overflows as much as possible and even reduce it to zero if feasible. They also recognised that things go wrong in a network as large as Greater Sydney's, and often how quickly Sydney Water contains and cleans up the overflow is more important.

Many customers also felt they did not have the knowledge or experience to confidently set a wastewater overflow standard, and many trusted Sydney Water 'as the experts' to come up with one that is fair and reasonable.

However, when asked to give an opinion on what they feel is comfortable, most customers agree that:

- **No one should have to experience more than one overflow per year, and**
- **There is no tolerance for multiple overflows linked to the same issue or fault.**

The current target of 1% of properties per year affected by a wastewater overflow was generally accepted. However, customers were much less tolerant of recurring issues, suggesting any more than one per year is unacceptable (despite a strict service level of no more than 0.1% or 1 per 10,000), and said it suggested the initial issue had not been resolved.

**I think that's a very good standard one. You know one out of 99. As long as you're not the 1%. But yeah, that's very good statistics.**

**Individual living with a disability** | In-depth Interview

**It's like that zero-car crashes ad, most people think it's just a stat till you are the one.**



## Residential customer | Parramatta customer forum

The results of the validation survey reveal a lack of familiarity with the current standard for wastewater incidents in households. When customers were asked to indicate an acceptable number of properties experiencing one wastewater incident per year out of every 1000, 56% selected a number within the current standard of 1-10 households. In contrast, 29% of respondents deemed it acceptable for 10% of properties to experience a wastewater overflow each year, which translates to more than 100 out of every 1,000 households or over 200,000 households. This figure includes the 11% who believe that it would be acceptable if 50% of households experience one wastewater overflow per year.

One a year, I don't know, you can't get too grumpy about that can you, maybe you can. I don't know, it's never happened to me

## Residential customer | Hornsby customer forum

When asked about the number of customers experiencing three or more wastewater overflows per year, this was generally deemed to be less acceptable as it suggested a recurring problem. Most customers could accept that a one-off accident can happen, but recurring incidents reflect poorly on Sydney Water, and customers said they should always fix a problem the first time it occurs. The current standards already reflect this sentiment, as only one household in every 10,000 (or 0.1%) is allowed to experience a wastewater overflow per annum. Again, the results of the validation survey reveal a lack of familiarity with the current standard. For example, 21% of those surveyed felt it was acceptable for 10% of properties to experience 3 or more wastewater overflows per year. This includes 7% who believe that it would be acceptable if 50% of households experience this. When customers were shown what the current standard actually is, many were pleasantly surprised or even shocked by how 'strict' the standard is. The validation survey showed that only 12% of respondents felt the standard was not good enough, is too lenient, or that there was room to improve it. In comparison, 77% provided positive to strongly positive comments about the standard.

Given that the public had difficulties setting realistic acceptability standards for wastewater overflows, it may not be feasible for Sydney Water to rely solely on surveys of the general population to set these standards. It may be that the only way to truly determine what is acceptable to the community would be to intentionally subject people to a wastewater overflow and then ask them to set the standard. This would not only be unethical, but completely unacceptable. Alternatively, given that between 2,000 to 8,000 properties experience a dry weather wastewater overflow each year, it may be prudent to regularly survey these customers and ask them what an acceptable standard is (given their heightened awareness of the impact of a wastewater overflow they should be more qualified to make this assessment). In the absence of such a survey, Sydney Water will need to rely on industry best practices and standards from other jurisdictions, or recommendations and feedback from relevant industry experts.



### 9.2.1 Overflows indoors vs outdoors

Despite recognising that indoor overflows are much worse for the customer, most customers did not expect that different standards should be set for indoor overflows vs. outdoor overflows.

Anything that risks little ones should be a priority. It should be about the kids, not the landlord.

**First Nations customer** | Focus group

There was also some discussion about why this type of event happens, with acknowledgement that customers can be at fault e.g., blocking the toilet or illegal cross pipe connections. They also recognised that overflows can be caused by events outside of Sydney Water's control like tree roots compromising piping. Some customers queried whether standards set for Sydney Water differentiated between customer-caused blockages and Sydney Water-caused blockages. Many felt that if they didn't currently account for this, then they should. Note: Sydney Water's standards do account for this. Only issues that are identified as being Sydney Water's fault are counted against the standard. Sydney Water do however take any customer contact regarding an overflow on their property seriously and provide advice to help the customer, even if that problem is shown to be a private plumbing issue.

What about all these people flushing stupid stuff down the toilet. Sydney Water shouldn't be responsible for them. But I guess you can't prove who flushed it.

**Residential customer** | Wollongong customer forum

During this research, most customers focused on the impact of wastewater overflows on themselves. In later phases of this research, it might be worth exploring to what extent these concerns extend to other households, other suburbs, or the negative impact on the environment. This could be of relevance to Sydney Water, given that not all customers live in areas where there is a notable overflow risk. This could explore whether it is equitable or acceptable to charge all customers the cost of remediation works, or whether these costs should just be recovered from high-risk areas.



# 10. Glossary and bibliography

## 10.1 Glossary

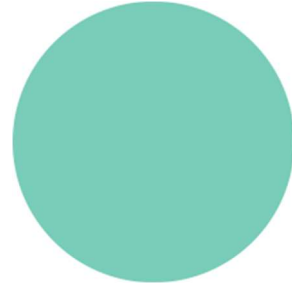
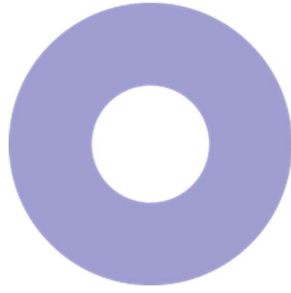
The following table provides a reference point for acronyms used throughout this report.

Table 11 Glossary

Acronym	Descriptor
CALD	Culturally and Linguistically Diverse
First Nations	First Nations refers to people of Australia who associate as being a person of Aboriginal and/or Torres Strait Islander origin and/or descent.
Greater Sydney	Greater Sydney (including the Blue Mountains and Illawarra)
IPART	Independent Pricing and Regulatory Tribunal
Paired interview	Paired interviews are where a person living with a disability has the option of conducting the interview with a carer or support worker if they need this in order to participate.
Residential customer	General member of the public that includes both homeowners and renters.
SMEs	Small to Medium Sized Enterprises
SMS	Short Message Service; text message
Value Maker	A business/person interacting with Sydney Water regarding products and services to create valuable things for residents, businesses, or developers. Value Makers fall into three sub-categories; doer, facilitator, and other.

## 10.2 Bibliography

Bullock, M 2020, 'Panic, Pandemic and Payment Preferences', Keynote Address presented at the Morgan Stanley Disruption Evolved Webcast [online], 3 June.



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