

PO Box 1928
Bondi Junction
NSW 1355

2 September 2024

Dear IPART

Re: Customer and Community Reference Group (CCRG) response to Sydney Water's Price Proposal 2025-30

As Independent Chair of the Sydney Water Customer and Community Reference Group (CCRG), I write with the input of and on behalf of the group Members in response to Sydney Water's Price Proposal 2025-30 to IPART.

Sydney Water's CCRG serves as an independent voice to ensure that Sydney Water's strategic plans, investments, and regulatory submissions align with the long-term interests of customers and the community.

The CCRG provides external perspectives to help Sydney Water maintain an 'outside-in' view of its operations and plans, supports compliance with IPART's new regulatory framework, and contributes to the design and evaluation of customer engagement programs as part of broader business planning.

Throughout the process, the CCRG has gained a deeper understanding of the complex and changing environment in which Sydney Water operates. This includes the impact of floods, droughts and bushfires, population growth, ageing assets, and increasing regulatory obligations, as well as the efforts Sydney Water makes to keep prices for their essential services as affordable as possible. These challenges highlight the importance of robust, genuine engagement to determine the community values, priorities and preferences, and ensure Sydney Water has an understanding of how difficult decisions balancing complex priorities should be made.

The CCRG acknowledges Sydney Water's efforts in attempting to develop a price submission that seeks to address customer priorities. The CCRG began meeting in November 2022 – after the customer engagement process for the regulatory submission was already underway and before the IPART handbook was available. While the group was not able to influence the program from the outset, the CCRG actively provided input and advice during subsequent phases of the implementation of the engagement.

The CCRG was introduced to Sydney Water's engagement program- 'Our Water Our Voice' at the first meeting of the group. A subgroup was then formed and briefed on its objectives, methodology, and strategy. Throughout 2023 and into 2024, CCRG members reviewed engagement materials, observed customer sessions, and provided critical feedback, including on the consultation case studies used in phases 3 and 4. Importantly, CCRG critique and detailed feedback led to the introduction of an additional phase (phase 5) to address fundamental issues identified by the CCRG.

Other key areas where CCRG input led to improvements included:

- simplifying complex information, using an educational approach to explain key concepts, and the use of plain language focused on consumer needs
- promoting greater diversity and better representation of emerging communities
- suggestions for more effective engagement styles after concerns were raised about the skills of moderators, including consideration of a more deliberative approach

- introduction of more support for community participants to understand and engage with some of the difficult trade-offs being considered.
- running rehearsals before engagement sessions, allowing for content refinement and better preparation
- improvements to reporting, ensuring reports became more detailed and useful for future phases over time.

Overall, the majority of CCRG members considered they had a material impact in shaping the delivery of Sydney Water's engagement, though some members desired a greater shift in methodology. and retained concerns regarding how some results could be treated.

In May 2024, following the final sessions in this iteration of 'Our Water, Our Voice', a workshop highlighted lessons learned through the group's 18-month involvement. Primarily, the CCRG acknowledged that Sydney Water showed a genuine willingness to engage with customers, but noted earlier input from them would have been beneficial, and that tight timelines for the group's responses sometimes hindered the engagement process, suggesting that more time for review and planning is needed.

The CCRG also recommended that future programs:

- understand the need to match appropriate engagement methods to different purposes, according to the nature of the issues under consideration and how results will be used
- enhance the capacity and capability of Sydney Water's customer engagement team and the organisational understanding of engagement
- expand the engagement base to ensure diverse perspectives are represented in decision-making, include those of new, emerging and CALD communities
- provide materials and sessions in preferred languages for smaller groups to improve understanding and participation
- retain a core group of interested customers for ongoing consultation, valuing their continuity and expertise in future discussions.

CCRG members believe that these lessons will help enhance future engagement processes, ensuring they are more robust, inclusive, responsive, and effective. Overall, the CCRG expressed respect and support for Sydney Water's demonstrating a willingness to respond to feedback and pivot their approach as necessary.

When reviewing Sydney Water's price proposal, the CCRG focused mainly on the Customer Engagement chapter, as per the group's mandate. CCRG members had diverse perspectives on the final submission due to their varied backgrounds and expertise. The technical complexity of some sections, such as tariff reform, made it difficult to reach a unanimous view on the proposal's benefits and reflection of community values and priorities. Therefore, a collective stance was presented where possible, and members may submit their own responses either on their own behalf or on behalf of a stakeholder group that they represent.

Please don't hesitate to be in contact should you wish to discuss the CCRG response further.

Yours sincerely, with the input of and on behalf of Members

[Redacted signature block]

Appendix 1 - Customer and Community Reference Group Membership and Skills Matrix

#	CCRG member	Member organisation	Broad customer perspective
Chair	[REDACTED]	N/A - Independent Chair	N/A
1	[REDACTED]	Justice and Equity Centre (JEC, formerly Public Interest Advocacy Centre (PIAC))	Expert consumer advocates for NSW households Engagement specialists
2	[REDACTED]	Council on the Ageing (COTA)	Aged / Disability
3	[REDACTED]	N/A - Individual <i>Note: member resigned effective May 2024 due to a change in personal circumstances</i>	First Nations
4	[REDACTED]	Local Govt Association	Local Government / Council
5	[REDACTED]	Ethnic Communities Council of NSW (ECCNSW)	Cultural and Linguistically Diverse (CALD) communities
6	[REDACTED]	Urban Development Institute of Australia (UDIA)	Developers
7	[REDACTED]	N/A – Individual	Customer policy and advocacy for people living in disadvantage. Regional – Illawarra:
8	[REDACTED]	Business Western Sydney (BWS)	Business - Western Sydney
9	[REDACTED]	Total Environment Centre (TEC)	Environment and urban ecology
10	[REDACTED]	N/A – Individual <i>Note: member resigned effective May 2024 due to a change in personal circumstances</i>	Youth and urban resilience, tenant perspective
11	[REDACTED]	N/A – Individual	Customer advocacy and consumer financial management
12	[REDACTED]	Community Industry Group (CIG)	Community services and social justice (family, child, housing and homelessness). Regional - Illawarra