



## Attachment 3

### **Customer and community engagement - how we have responded to what customers value**

30 September 2024

© 2024 WaterNSW (ABN 21 147 934 787)

This publication is copyright and is the property of WaterNSW. The information contained in this publication may not be reproduced in whole or in part except with WaterNSW's prior written consent.

# Table of contents

<b>Purpose</b> .....	<b>3</b>
<b>Introduction</b> .....	<b>4</b>
How we engaged with our customers .....	6
Outcome 1 - WaterNSW to maintain downward pressure on costs to support customer affordability .....	7
Outcome 2 - WaterNSW will provide secure and reliable water delivery .....	9
Outcome 3 - WaterNSW will be open and transparent (about customer charges and WaterNSW expenditure).....	11
Outcome 4 - WaterNSW will drive sustainable water and land management .....	13
Outcome 5 - WaterNSW will provide customer and community access to data and information .....	14
Outcome 6 - WaterNSW will provide good customer experiences (enabling our customers to run their businesses) .....	15

# Purpose

This document demonstrates how WaterNSW has responded to feedback and key insights gained from our engagement with customers and the community on what they value most, and how these insights have shaped the development of our plans for the next five years and our Pricing Proposal for the 2025-30 Determination period.

This Attachment includes:

**1. Key Customer Insights:**

- Summarises significant themes and feedback gathered throughout our engagement activities, including input received from the Customer Advisory Groups (CAGs) and the Water Working Groups (WWGs).

**2. Our Response:**

- Outlines the specific actions and initiatives that WaterNSW proposes to implement in response to customer feedback. This section demonstrates our commitment to continuous improvement, aligned with customer preferences.

Our *Customer and community engagement - how we have responded to what customers value* Attachment (this document) should be read in conjunction with:

- Attachment 4: Customer Outcomes and Performance Measures
- Submission Appendix 2 Final Customer and Community Engagement Summary
- Customer and Community Engagement program - Phase 1, 2, and 3 reports
- The Water Working Group Report.

These accompanying documents detail the topics and direct feedback received during the engagement and consultation process. While the primary focus of this document is not on specific feedback regarding individual projects, it emphasises how key insights from customers and the community have guided the development of our proposal.

# Introduction

## WaterNSW's customer and community engagement

WaterNSW conducted an extensive engagement and consultation program to actively gather valuable insights from our customers, community and stakeholders to support the development of a Pricing Proposal that reflects their preferences. The findings and insights from this program can be found in Appendix 2 Final Customer and Community Engagement Summary.

The following sections provide an overview of the key findings and insights that have shaped WaterNSW's proposal for the 2025-30 determination period.

## Key highlights on our approach to customer and community engagement

Key highlights from our engagement program include:

### 1. Effective Engagement:

We asked our customers how they would like to be engaged at the start of our process and this collaboration helped us design our engagement strategy to be fit for purpose. We proactively sought customer feedback through multiple channels, including surveys, customer meetings, community meetings, we attended field days, ran listening tours, used publicity and digital platforms and we took up speaking opportunities and used networks to reach interested people. We travelled around the state to multiple locations where our customers live and work and held meetings online as well. Each engagement phase was iterative, enabling us to revisit key issues such as affordability and water delivery, which emerged as top priorities for our customers. And, while the information was complex, we worked hard to educate and explain for greater understanding, throughout the process. In our process evaluation 71% of Water Working Group participants told us their understanding of the information presented was good or excellent, while another 25% said it was adequate.

### 2. Customer Feedback Integration:

Customer feedback has been integral to our planning and decision-making processes. For example, our engagement revealed a strong need for improved transparency in financial information and decision-making processes. We responded by aligning our capital expenditure (capex) and operating expenditure (opex) commitments with customer feedback where possible, ensuring that our investment proposals reflect customer priorities. We put investment proposals to our Water Working Groups based on the top outcomes we'd heard they wanted. We provided a choice of investment levels and corresponding levels of service to deliberate, and sought their views and advice to assist in our decision making.

### 3. Transparency and Communication:

Throughout our engagement process, we have strived to improve transparency. Particularly when sharing financial information and decision-making processes with customers. This commitment to transparency was reflected in our engagement approach, which included detailed discussions on our pricing structures and the economic context affecting WaterNSW, our customers, and the broader community. Our reports on consultation, including the Phase 1, Phase 2, Phase 3 engagement reports, and the Water Working Group summaries, were made publicly available and widely circulated to ensure stakeholders remained informed and could see how their input shaped our proposals.

### 4. Continuous improvement:

This is the first time WaterNSW has engaged under our new approach in line with IPART's new 3Cs framework. We incorporated customer feedback into the design of our engagement strategy at the very start of the

process and built-in flexibility to adapt and respond to feedback as the process evolved. Customers and stakeholders have provided us valuable feedback on how well they feel we have engaged with them and have identified areas for improvement, such as a greater role in educating the community, increasing engagement with underrepresented groups and improving the accessibility of our digital platforms. Additionally, this is the first time WaterNSW has submitted a proposal covering all three determinations - Greater Sydney, Rural Valleys, and the Water Administration Ministerial Corporation (WAMC). We also joined with the other water agencies to consult together where it made sense and in response to customer feedback, primarily in the Water Working Groups, but also in the CAGs. This was the first time the three agencies had ever consulted together in this way. We learned that this extensive amount of information can be overwhelming for our customers, with some reporting “engagement fatigue.”

## Impact on our proposal

Customer feedback has helped shape WaterNSW's proposal for the 2025-30 determination period. Through extensive multi-channelled engagement, we have gathered invaluable insights from our customers to help guide our planning and decision-making processes, ensuring that our proposal is aligned with the needs and preferences of the communities we serve:

Key areas where our customers have influenced our proposal include:

- **Customer affordability:** We have maintained a strong focus on affordability, reflecting customers' concerns about cost pressures. Our proposal includes measures to maintain downward pressure on costs while ensuring high-quality service delivery.
- **Balancing affordability and infrastructure investment:** WaterNSW recognises affordability challenges faced by our customers. We have prioritised our capital program to balance affordability with infrastructure risk and service reliability. Some asset maintenance and benefits will be deferred until the FY31-35 regulatory period. Projects have been identified and prioritised on a valley-by-valley basis, considering service criticality, benefits, and costs. As a result, the proposed capital program for 2025-30 is lower than it would be if all identified risks were addressed immediately. This represents an avoided cost of \$860 million in the FY26-FY30 period.
- **Water security and reliability:** Based on customer priorities, we have emphasised investments in infrastructure to enhance the reliability and security of water delivery. This aligns with the critical need for consistent and dependable water supply, especially during drought conditions.
- **Transparency and communication:** Customers have expressed a desire for greater transparency on water charges and our expenditure. Our proposal commits to clear and open communication practices, ensuring customers are well-informed about how their money is utilised.
- **Sustainability and environmental management:** Reflecting customer values, we have integrated sustainable practices and environmental stewardship into our proposal. This includes initiatives aimed at protecting water resources and promoting ecological health.
- **Customer experience:** Enhancements in customer service are continuing to be prioritised, with a focus on improving the ease of doing business with WaterNSW. This includes a focus on relationships and information and education, and the continued development of user-friendly digital platforms, improvements to the stability and reliability of digital platforms and services, and responsive customer support services.

# What we heard and how we responded

We commenced our customer engagement program to inform the submission of this Pricing Proposal at the end of 2022, and with insights gained through our pre-engagement conversations from 2019 helping to guide the design, and where we started our listening and conversations. In Phase 1 of this engagement program we determined which issues are the most important to our customers through surveys and consultations. These were distilled into our Tier 1 issues which were further iterated and translated into our final Customer Outcomes. During Phase 2 we held detailed discussions on these identified issues. We discussed options with our customers on how we can best deliver these outcomes that are most important to them. In Phase 3, we learned that customers highly value our core services, relationships, and good customer services, and want transparency in our operations. During our engagement, we also collaborated with the Water Group in the Department of Climate Change, Energy, the Environment and Water (DCCEEW), and the Natural Resource Access Regulator (NRAR) as part of our joint responsibilities under the WAMC. This was something our customers told us they valued.

Our engagement sessions led to the development of six Customer Outcomes (see Attachment 4), representing what our customers value most and their core concerns, which guide our Pricing Proposal. We also established clear metrics, developed with customers and stakeholders, designed to measure how effective we are at achieving our Customer Outcomes.<sup>1</sup> WaterNSW and its customers refer to these metrics as performance scorecards (more information on our Scorecards is in Attachment 4).

## How we engaged with our customers

We engaged with our customers through a series of channels and had an ongoing conversation through two key groups – our CAGs and WWGs – supplemented by many additional meetings with larger customers, user groups and industry. The WWGs were created specifically for the consultation and comprised of a broad representation of customers, community members and environment, as well as recreation and other groups, ensuring the breadth of engagement required by the IPART 3Cs framework. The CAGs, a more water-literate cohort, are WaterNSW's ongoing, regular engagement conduit with members representing every type of water customer.

The CAGs provided valuable feedback on detailed tariff reform options and financial information from WaterNSW. The WWGs had longer engagement sessions during which participants discussed and deliberated on WaterNSW business proposals that responded to the outcomes that customers valued most highly, and offered three levels of investment a “minimum investment”, “we do a little”, and “we do a lot, make all improvements”. This approach allowed us to consult on the corresponding level of service that would be provided for each level of investment, the level of risk, and to gather comprehensive feedback on the preferred scale of investment from our customers and community.

# Outcome 1 – WaterNSW to maintain downward pressure on costs to support customer affordability

In discussing affordability, we understood three aspects of our response were important to customers and stakeholders:

- We heard from our customers that **affordability** was paramount and that maintaining **bills** as low as possible is vitally important to them.
- Many customers emphasised the importance of **operational efficiency**, which refers to the ability of an organisation to deliver services to our customers in the most cost-effective manner without compromising quality of service.
- **Transparency** of costs and pricing is an important component of supporting affordability for customers.

## What we heard

Customers consistently expressed concerns about the affordability of water delivery services throughout our engagement process. In both Phases 1 and 2 of our engagement, maintaining affordable water prices was identified as the top priority. Our surveys demonstrate community concern over water costs; for instance, in Phase 2, out of 959 customer surveys completed by July 2023, 117 respondents (12.2%) specifically mentioned wanting cheaper water or no increase in prices.

Throughout the engagement process, we have asked our customers questions like:

- What does maintaining affordability mean to customers?
- What level of risk customers should customers bear and how should risks be appropriately shared between WaterNSW, and its customers and community (government)?
- What is important to customers in planning for the future?

## What is an appropriate balance between customer benefit and community needs?

Customers expect WaterNSW to find ways to optimise processes to lower operational costs. This was evident when customers were discussing the metrics for the Scorecard in the May 2024 Water Working Groups. Customers agreed that a focus on WaterNSW's achieved efficiencies should be highlighted in an annual report. "Participants were keen to see WaterNSW focus on efficiencies in their decision-making" which reinforces their desire for operational efficiency being a priority for WaterNSW.<sup>2</sup>

When considering proposed changes, many customers either noted the need for transparency or requested more information. For example, when considering a price cap vs revenue cap, customers requested "more information on the resulting increase in charges, per valley".<sup>3</sup>

## How we responded

Our proposal is built from a significant expansion in engagement activities, increasing transparency by sharing financial information and facilitating deeper conversations to better understand our customers' needs and priorities for this determination period. For example, in response to the request for "more information on the resulting increase in charges, per valley", WaterNSW modelled 10 years of the impact of four differing levels of fixed charges and price structures for every valley, and took this back to every CAG to continue the conversation.

---

<sup>2</sup> Appendix 2 Final Customer and Community Engagement Summary

<sup>3</sup> Appendix 2 Final Customer and Community Engagement Summary

We will continue to improve transparency in financial and operational information by enhancing expenditure reporting, and by reporting against our performance measures. We have proposed annual reporting that includes details on the efficiencies WaterNSW has achieved throughout the year, to keep us accountable and ensure that customers are well informed of our progress, in line with customer expectations made explicit in the WWG and CAG process.

WaterNSW also acknowledges it must do as much as it can to relieve cost pressures on customers. WaterNSW has launched several efficiency programs aimed at reducing operational costs, which have been built into our revenue forecast to exert downward pressure on controllable expenses, targeting a 1% reduction in operating expenditure per year compounded, so rising to over 5% in 2029-30. This will be achieved through initiatives including business process efficiencies, procurement, demand management, property portfolio reduction, and insourced self-delivery. Together, these initiatives provide an additional \$45 million saving over the upcoming determination period (2025-30). For capital investment deferred beyond FY30, see Attachment 18, capital expenditure for infrastructure assets, figure titled "Capital investment deferral (excluding Warragamba Dam Resilience and Warragamba E-flows)", p 14.

While our proposal focuses on reducing costs wherever possible, WaterNSW makes its decisions in accordance with its Investment Prioritisation Framework (see Attachment 6). We are committed to investing in initiatives that ensure the safety of our customers, community, and staff. It is important to note that some investments, such as those related to public safety obligations around WaterNSW assets and essential environmental programs, may not always align with specific customer preferences. The drive to implement safety and other legislated requirements, or to ensure infrastructure was fit for purpose was explained to customers and stakeholders as important considerations which may cause us to deviate from customer preferences. See Appendix 2, Final Customer and Community Engagement Summary, figure titled "Decision making flow chart", p 50.



## Outcome 2 - WaterNSW will provide secure and reliable water delivery

In discussing WaterNSW's secure and reliable water delivery, we understood three aspects of our response were important to customers and stakeholders:

- Having a **reliable water supply** was a core concern for our customers. WaterNSW will continue to prioritise maintaining a **secure and reliable water supply** for all our customers.
- Investing in our **infrastructure** is important to our customers as it underpins water security and delivery. WaterNSW will invest as much as possible in our infrastructure, within the constraints of budget, operating considerations and broader policy to ensure our infrastructure meets our customers' expectations.
- Customers stressed the importance of being prepared for emergencies, such as droughts and floods, which can disrupt water supply. **Emergency preparedness** means how well WaterNSW and the community are prepared for events such as droughts, floods or fires.

### What we heard

Customers emphasised the critical importance of having a secure and reliable water supply. Reliability relates to how dependable our water system is in delivering water to our customers. This relates to the Tier 1 issue of 'Water security and delivery including delivery rules' as it is connected to water security.

In Phase 1 of our customer engagement, the CAGs placed *"water security and assurance that their water allocations are delivered"* in their list of priorities. Similarly, the survey results showed that of the 10 presented options, *water security and delivery* was ranked first or second most important in priority by more than half the 959 survey respondents. These results show why water security and delivery are integral focus areas for our Pricing Proposal. Many customers also highlighted the need for ongoing investment in infrastructure to ensure the reliability of water delivery. They expect WaterNSW to prioritise maintenance and upgrades to aging infrastructure. For example, many customers recommended existing infrastructure should be upgraded to increase the water holding capacity, improve fish passages and assist in decreasing cold water pollution effects, though wanted government to pay a greater cost share. Customers also wanted assurance that WaterNSW has robust plans to handle emergency events.

### How we responded

In line with our commitment to deliver secure and reliable water, WaterNSW is investing \$881.2 million in replacement and renewals of aging water infrastructure assets. This value represents the investment excluding government commitments and compliance driven projects such as Warragamba Dam Resilience, Warragamba E-flows, cold water pollution and fishways. This will continue to ensure our assets provide reliable services into the future.

WaterNSW has a risk-based approach to prioritising our infrastructure investments. This approach seeks to balance service reliability with infrastructure risk, affordability, and customer outcomes.

The key drivers of the infrastructure program include:

- Replacement and renewals of aging infrastructure assets to enable continued provision of secure and reliable water delivery
- Upgrade of assets to meeting environmental regulations, such as fishways and cold water pollution
- Major projects such as the Warragamba dam resilience project and the Warragamba dam environmental flows (e-flows) project
- Compliance driven expenditure such as dam safety, electrical safety, and crane safety programs.

WaterNSW has committed to significant investments in upgrading and maintaining our infrastructure. This includes the renewal of pipelines, dam infrastructure, and other critical assets to prevent service interruptions and

enhance reliability. The Integrated Water Modelling Team was created under the new Operating Model to lead operational strategies for delivering resilient and sustainable water services, driving innovation, performance, and risk mitigation to achieve long-term goals. WaterNSW's Integrated Water Modelling Team is enhancing river management and flood control through the development of hydraulic and hydrologic models for the Computer Aided River Management (CARM) system, supported by a \$6.2 million grant until June 2025. Post-grant, additional operating expenditure will be needed to maintain and support these models, ensuring their ongoing accuracy and effectiveness in delivering secure and reliable water to customers and communities.

In our Pricing Proposal, we detail the focus of our *asset infrastructure capital expenditure program* which is designed to balance cost, performance, and risk. These include increasing *sustainable and healthy water systems and enabling thriving communities* and *investing in our assets to maintain and improve water delivery responses*. To enhance operational efficiency and safety, WaterNSW is implementing advanced monitoring systems for early issue detection and resolution. This proactive approach helps prevent service disruptions and allows for quick response to potential problems, including disasters like droughts and fires. Our capital expenditure program includes a strategic focus on addressing climate change risks, such as natural disasters. This measure ensures we have funding to enhance infrastructure that is susceptible to natural disasters and a specific focus on dam safety that would also shore up our defences in the event of a flood.

## Outcome 3 - WaterNSW will be open and transparent (about customer charges and WaterNSW expenditure)

When it comes to WaterNSW's openness and transparency around customer charges and expenditure, we understood two aspects of our response were important to customers and stakeholders:

- Customers expect **transparency** around their **bills**. Customers expect WaterNSW to be transparent about investments funded by customer charges. WaterNSW will continue to be transparent in itemising bills and providing clear information on pass-through charges. We will also be transparent about our plans and expenditure so that our customers can understand how customer funds are spent and better plan their bills and operations.
- WaterNSW will improve **transparency in financial and operational information** in ways that provide useful oversight of where customer's money goes.

### What we heard

In early CAG engagement, echoed in early WWG discussions, customers requested clear itemised billing and better lines of sight to how WaterNSW allocates and spends its revenue. Customers requested regular updates and detailed reports on financial performance and expenditure. When WWGs were asked how WaterNSW should measure our performance in delivering outcomes, they suggested metric information be published through a website dashboard. They also suggested that updates to this dashboard be communicated through social media. As a part of these updates, customers in the WWG stated that the Scorecard should include providing information in a "simple format" and endorsed an approach to report by valley in "simple plain English format to enable customers to share information with one another".<sup>4</sup>

During the consultation, customers also requested detailed modelling to ensure they had adequate information to make an informed decision on the merits of a revenue cap versus price cap. During our CAG discussions, customers wanted to understand how the currently applied price cap versus a potential revenue cap could impact their bills. They requested detailed information to allow them to provide considered and well-formed responses during engagement. Customers also wanted to see how a different fixed versus variable charge would impact with a revenue cap. They wanted to see how this would look over a 10-year period, to see how it would perform in periods of drought and flood. The Lachlan Valley asked our Regulatory Economics team to specifically model an 80/20 fixed-variable split to see how it would perform over a 10-year period in their valley.

### How we responded

We returned to the CAGs with successive iterations showing more detailed information to enable customers and stakeholders to assess the relative costs and benefits of each scenario to inform their preferences. This highlights that customers require detailed and clear information to navigate the complexity of water delivery pricing. They valued responsiveness and transparency from us in order to understand how a shift toward a revenue cap with a 5% side constraint would impact their bill.

---

<sup>4</sup> WaterNSW, 2024, Pricing Proposal to the NSW Independent Pricing and Regulatory Tribunal: Regulated charges for WaterNSW Bulk Water Services from 1 July 2025.

WaterNSW has committed to providing detailed reports that break down our costs, expenditures, and progress against Customer Outcomes. These reports will be made available to customers and stakeholders on a half-yearly basis through a number of channels.

We have enhanced our communication channels and we're investing in engagement resourcing to ensure that customers are kept informed on how their money is being spent. Regular updates will allow customers to ask questions and provide feedback on our cost management strategies. In particular, a periodically published dashboard will provide a quick status guide on how we are tracking against delivery of our Customer Outcomes to keep ourselves accountable and facilitate dialogue. We are also simplifying the way we present information about charges and expenditure to be more accessible and understandable for all customers. This request was incorporated into our Scorecard following feedback from our WWGs and CAGs.

WaterNSW will provide regular consistent updates of its performance against the Scorecard and any notable happenings and changes within our operations to ensure our community is appropriately informed in a variety of ways. This also relates back to two other tier 1 issues - 'Easy access to information and data' and 'Good Customer Experiences'.

## Outcome 4 – WaterNSW will drive sustainable water and land management

When it comes to WaterNSW's commitment to sustainable water and land management, we understood that:

- Customers expect WaterNSW to act environmentally responsibly when delivering its services and when managing its land holdings. Customers encourage WaterNSW to invest in their land management by continuing bushfire management, pest and weed management, and working towards net zero by 2050.

### What we heard

Customers highlighted the importance of sustainable water and land management practices. They are concerned about the environmental impact of water usage and infrastructure projects. While the cost of environmental infrastructure was a concern and they clearly signalled government should pick up more of the cost, there was a strong recognition of the need for sustainable future management of rivers and the importance of social license in the use of water. While customers do want to see WaterNSW act responsibly as it relates to the environment, when it comes to their opinions on investment in reducing greenhouse gas emissions, customer sentiment is more measured. Just under half of WWG participants (48%) rated this as "We don't do this/Minimal requirement". The remaining 52% considered WaterNSW should make at least some investment or invest to make all improvements.<sup>5</sup>

### How we responded

WaterNSW is investing in projects that protect and enhance the environment, including proactive bushfire and pest management for priority land holdings. For example, environmental planning and protection expenditure is proposed to increase by \$26.2M in the rural valleys. Our proposal includes a commitment to adopting sustainable water and land management practices. This includes measures to improve water quality, manage land responsibly, and protect ecosystems. In addition, WaterNSW is adopting a comprehensive Environmental, Social, and Governance strategy that aligns with the United Nation's Sustainable Development Goals. We have committed to the creation and management of healthy water systems, developing climate-resilient water plans, reducing waste, increasing reuse, and ensuring our plans consider climate change and resilience. We are actively working with local councils, environmental groups, and other stakeholders to develop and implement our sustainability initiatives.

---

<sup>5</sup> Appendix 2 Final Customer and Community Engagement Summary page 49.

# Outcome 5 - WaterNSW will provide customer and community access to data and information

When it comes to WaterNSW's provision of customer and community access to data and information, we understood two aspects of our response were important to customers and stakeholders:

- WaterNSW customers have expressed a desire for an **increase in transparency of financial and operational information** as well as **enhanced access to information** through improved service platforms and a consolidated source of truth data centre.
- Customers expressed a desire to **access information about their bills** to support making informed decisions.

## What we heard

Customers want easy access to **relevant data and information** about water services. Access to information means facilitating customers in being able to view materials relating to their own water use and the operations of WaterNSW. This relates to the Tier 1 issue 'Easy access to data and information' in Phase 1. Many customers expressed a desire for educational resources to help them understand water management and conservation practices and to understand more about WaterNSW operations in general. For example, more information from WaterNSW was ranked in the top five priorities for customers. They emphasised the need for user-friendly platforms where they can find the information they need; 83% of participants supported improvements in the online customer experience and 91% wanted improvements to the WaterInsights website showing that a significant portion of our customers want us to prioritise user-friendly platforms to ensure they can easily access the information they need.

Customers expect **transparency** in the data provided. Transparency in data refers to the openness of our data-sharing practices with our customers and community. This relates to the Tier 1 issue of issue 'Easy access to data and information'. Customers proposed that real-time updates on water source volume and capacity be transferred to WaterInsights, as well as historic data sets. Customers want the communication platforms to be customisable and have real-time data updates. The customer feedback here emphasised the importance of data transparency for our customers as it allows them to be empowered and understand their usage and our systems better.

## How we responded

WaterNSW is enhancing our digital platforms to provide better access to data and information. This includes developing user-friendly websites and mobile applications. As part of this submission, WaterNSW has proposed a \$7.81m investment over the next regulatory period to improve the WaterInsights Portal in addition to several other programs under the Technology Roadmap (see Attachment 11, NSW Water Sector Shared Technology Ecosystem (WaterNSW, NSW DCCEE, NRAR), table titled "Summary of projects under the Technology Roadmap, WaterNSW's proposed investment (capex) and benefits that will be achieved", p 39. Ongoing enhancement of our digital platforms will help facilitate our customers accessing the information they require.

# Outcome 6 - WaterNSW will provide good customer experiences (enabling our customers to run their businesses)

When it comes to WaterNSW's provision of good customer experiences, we understood two aspects of our response were important to customers and stakeholders:

- Customers want WaterNSW to **streamline customer experience** by resolving confusion and bolstering support. They want good information, delivered in timely and appropriate ways. Underpinning this, they value improved data transparency, access, and protection of enhanced service platforms and consolidated information.
- Customers also emphasised the importance of **high-quality customer engagement** and relationships to ensure they are being heard and their needs are being adequately met.

## What we heard

Our customers greatly value the relationship they have with us and want to continue **active engagement**.

This was highlighted in our discussions with the CAGs who identified better engagement and relationships as prominent themes early in Phase 1. Genuine engagement relates to the quality of our engagement with customers and our community. Our goal is to ensure genuine engagement with every person so they receive high-quality customer experiences. This relates to the Tier 1 issues of *Good customer experiences* and *Engagement and relationships*. This reinforces that our customers greatly value quality engagement and want us to continue and improve our community engagement efforts in the upcoming regulatory period. We asked our customers whether we should invest more in face-to-face contact in customer engagements, to which 33% said do nothing, 37% said do a little, and 30% said do a lot in the coming determination period. Outcome 6 delivers face-to-face customer interactions, simple language in communications for shared understandings, and delivering the information customers need the most.

Customers want **good customer experiences** that will support them in running their businesses effectively. We want to ensure our customer experience is as efficient as possible so our customers can get what they need in a timely manner. This relates to the Tier 1 issue of *Good customer experiences*. The Scorecard metrics from the WWG include a shortened timeframe for resolving complaints and inquiries and an enhanced customer portal. Improvements in these areas will produce better customer service. This also allows us to provide our customers with the most current and accurate information about their water usage.

## How we responded

In our Pricing Proposal, we have put customer and community feedback at the centre of the decisions we make. This is to ensure that we are meeting our customers' needs and involving them in our decision-making processes.

Customers and stakeholders had the opportunity to review and comment on key aspects of our submission – providing insights into customer preferences and shaping our response to key service and regulatory matters. An example of this would be in our proposal to customers about extending call centre hours and to get their thoughts on the appropriate level of investment for stakeholder engagement activities. The topics and the outcomes of all these proposal discussions are contained in Appendix 2, Final Customer and Community Engagement Summary, Table titled "WaterNSW Bulk water proposals final working group positions", p 51.

Our commitment to providing good customer experiences through genuine engagement is embedded in our Focus Principle 1 (customer engagement) of our Pricing Proposal. We aimed to genuinely engage with our unique and diverse customer base and with stakeholders to ensure our services reflect our communities' priorities and preferences. The extensive engagement and consultation on this pricing proposal has been the largest and most in

depth in WaterNSW's history. The organisation is committed to continue investing in engagement, communication and education, capitalising on the engagement work to date to develop deeper and more meaningful relationships ongoing, so that we can be respected by the customers and communities we serve.

In order to ensure that our customer systems run smoothly, we have incorporated some changes through the Shared Technology Roadmap. For example, our WaterInsights Portal will provide accessible up-to-date data, to facilitate our customers in accessing the information they need as well as initiatives to further improve the stability and reliability of digital platforms and services. The introduction of these systems will significantly streamline our customer-facing operations and provide a contemporary digital experience and meet the growing expectations of our customers and stakeholders (see Pricing Proposal, table titled "WaterNSW planned investment in the Shared Technology Roadmap over the 2025 Determination period", p 119).

## First Nations engagement

### First Nations communities emphasised their needs for:

- Recognition of their strong cultural relationship with water
- Improved water quality
- Genuine, inclusive consultation
- Active involvement in water management
- Better water education
- Employment opportunities
- Re-evaluating water as a commodity
- Ensuring minimum river flow levels

Cultural water relates to our First Nations communities' engagement with the land. Water is an integral part of their culture and connection to the Country. This relates to the Tier 1 issue of 'Cultural Water'.

## What we heard

In Phase 1 and Phase 2 of our engagement, we conducted a specific discussion with our First Nations communities to ensure we understood their concerns and needs. We had detailed discussions with them, and many of these priorities were re-endorsed in our Phase 3 discussion with the NSW Aboriginal Land Council. During the discussions in Phase 1, the First Nations communities highlighted a variety of concerns including water quality, consultation fatigue, water allocations and the importance of access to cultural water. In Phase 2 we asked communities to suggest outcomes that might best address their concerns. For example, First Nations communities expressed concern over consultation processes as they felt they were over-consulted. They suggested we have early and meaningful engagement with First Nations communities to lessen the number of consultations required. In response, we took steps to achieve early engagement and have a robust set of outcomes, some of which will serve First Nations communities.

## How we responded

We acknowledge that we are on a continuing and evolving journey with First Nations peoples to work together to create a legacy of resilience, reconciliation, cultural awareness and community empowerment that will endure for generations to come. We recognise the significance of genuine partnership and shared responsibility, and the need to engage effectively and culturally appropriately with First Nations communities, Traditional Owners, custodians, Elders, Native Title Claimants, and stakeholders.



In our Pricing Proposal, we have reaffirmed our commitment to improving our engagement of First Nations communities “across all of our operations and projects, including this Pricing Proposal,” to ensure we are providing the water system that serves First Nations people’s needs.<sup>6</sup>

We are actively increasing the cultural capability of WaterNSW employees to ensure early, effective and culturally appropriate engagement with First Nations communities. Through our employment and retention initiatives we are increasing our capacity to better engage and work with First Nations people at a local, regional and state-wide level.

This includes having dedicated resources towards environment and cultural water within WaterNSW’s operations team as rapid increases in environmental water holdings occur through changes in government policy and regulation. In particular, the Commonwealth Water Amendment (Restoring our Rivers) Bill impacts WaterNSW as a legislation that aims to improve the health of the Murray-Darling Basin by recovering more water for the environment. Consequently, WaterNSW has employed two dedicated resources with specialist skills to manage and coordinate the planning and delivery of this environmental water.

The upcoming increase and uptake of cultural water licences by First Nations peoples and communities will provide WaterNSW with the opportunity to include First Nations cultural water representatives on our Customer Advisory Groups and increase opportunities for cross knowledge sharing and participation.

We have embedded Co-design principles in our project delivery that outlines our approach and commitments for working with First Nations communities, and we are actively implementing our Reconciliation Action Plan. Our First Nations Programs and Engagement team are leading organisation-wide efforts on this implementation, providing better governance and frameworks to increase employment, procurement and training opportunities and lift social, spiritual, cultural and economic outcomes for First Nations peoples and communities.

---

<sup>6</sup> WaterNSW, 2024, Pricing Proposal to the NSW Independent Pricing and Regulatory Tribunal: Regulated charges for WaterNSW Bulk Water Services from 1 July 2025.