WESTERN SYDNEY
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Institute for Culture
and Society

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[redacted]

Ms Erin Cini
Director, Regulation and Compliance
Independent Pricing and Regulatory Tribunal
Level 15 / 2-24 Rawson Place
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Dear Ms Cini,

Please find below a submission to IPART's *Review of the Sydney Water Corporation Operating Licence* (2018). I am hoping you will take it into consideration despite its lateness. I was unaware of the Review until Prof. Cynthia Mitchell of the Institute for Sustainable Futures alerted me to it late last week while finalising ISF's response. As she had referred to our recent project on 'Drivers of Public Trust in Sydney Water' (led by Prof. Gay Hawkins, with Abby Mellick Lopes, Ben Dibley and myself), it seemed a good opportunity to put forward our views directly to the IPART Review.

The following submission, titled 'Broadening the Scope of Customer Research and Engagement' responds to the Issues paper's Section 8: Customer and stakeholder relations. I wrote it based on my previous work and especially the recent public trust project.

The Appendix outlines the discussion papers the team produced for that project:

1. *Drivers of Trust in Drinking Water* – Gay Hawkins
2. *Customerisation* – Zoë Sofoulis
3. *Water Qualities and Trust* – Ben Dibley
4. 'Executive Summary' and 'Discussion' from *Exploring the practices of Mandarin-speaking water drinkers* – Abby Mellick Lopes *et al.*

These papers are sent along with this submission, as an example of relevant research from outside the quantitative psychology paradigm specified by IPART. These are for IPART's consideration and not for public circulation at the moment.

Members of the research team are eager to have the opportunity to meet with yourself and your colleagues at IPART to answer questions and explain and expand on this work – perhaps in early October?

Best wishes,

[redacted]

Zoë Sofoulis

Broadening the Scope of Customer Research and Engagement

Submission to

IPART Review of the Sydney Water Corporation Operating Licence (2018)

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This submission comments on some statements about customers, customer research and engagement in the IPART Issues Paper *Review of the Sydney Water Corporation Operating Licence* (2018). It is informed by research and analysis of Australian metropolitan water providers and their engagement with social and cultural dimensions of urban water, based on projects and other research activities the author has conducted from 2004 onwards, and most recently, participation in the project 'Understanding the Drivers of Public Trust in Sydney Water', with Prof. Gay Hawkins, Dr Abby Mellick Lopes and Dr Bed Dibley (see Appendix). Documents related to this project are submitted to IPART but are not for public circulation.

1. Customers: a minority of water users

The *Issues* paper notes Sydney Water has over 2 million customers, but there are around 5 million water users in Sydney. Understandably, IPART is most concerned with those two fifths of the population whose property-owning status means they count as Sydney Water customers, but as a matter of social justice the remaining 60% of residents also need to be considered when it comes to matters of research, engagement, and both legal and social licences to operate.

As indicated in recent research conducted by the Institute for Culture and Society, public trust in Sydney Water is not confined to those counted as 'customers'; nor is it based solely on transactional considerations of pricing, servicing and water quality. Rather, it depends on a widely held faith that (despite corporatization) Sydney Water is acting for the public good, and for the good of the environment, even if we don't quite know what exactly it is doing.

Thinking of all water users as 'customers' does help focus on the human side of water provision, but it also leads to limitations in how Sydney Water and government agencies, including IPART, understand non-customers or relationships with the water provider outside the customer role.

2. Prescribing research

The *Issues* paper contains the disclaimer that its demands for engagement *"should not prescribe the customer engagement methodologies or activities"* (p.85). However, it imposes limits by prescribing the use of *"scientific and statistically-based customer research and engagement methods to understand customer perspectives, values and priorities"* (p.84), whose results should be *"relevant, representative, proportionate, objective, clearly communicated and accurate."* (p.85).

While making clear and accurate communications about research findings is admirable, the assumption that the only valid customer research employs the same methods and rules of evidence that apply in Science, Technology, Engineering and Maths (STEM) fields is highly

problematic.[1] This limits research to large-scale (statistically analyzable) surveys like market research or demography, and excludes best practice in such contemporary fields such as cultural geography and sociotechnical studies, where other research methods are used, including ones that employ mapping and narrative techniques.

A major problem with social statistical processes is their tendencies to emphasise 'averages' and to pathologise diversity.[2] This is inappropriate for engagement strategies in a multicultural 21st century city like Sydney. Diversity ought not be something to add on to some idea of an average customer—as is implied in the list under 5.5.3 in Box 8.7 of the Issues paper (p.82)—but should be there at the beginning of thinking about water users.

3. Positivist and interpretive social research[3]

There is no shortage of market research consultancies willing to play along with the old fantasy that humans and society can be understood within the paradigms of natural and physical sciences—even though consultants know such 'neo-positivist' approaches, developed in the early 1800s and revived in the 1920s, have been rejected by critical social sciences and humanities scholars from the mid-1970s onward. Even committed qualitative social and cultural researchers are frequently obliged to conduct surveys of statistically analyzable sample size for no actual research purpose other than to appease the engineers, scientists and technocrats who are funding or commissioning the research.

It is widely accepted in the HASS fields (Humanities, Arts, Social Sciences) that as we are members of the societies we study, we cannot be fully objective, and that as human social life and interaction is lived and understood as meaningful, our understanding of it is necessarily interpretive.

Instead of demanding HASS research conform to STEM methods and rules of evidence, it would be better to cultivate more high-level social and cultural research expertise in bodies like IPART, SW, or SW's Customer Council (or Community Advisory Council), so that social research could be critically evaluated by people trained in that field, as well as people familiar with the national human ethics framework and privacy laws.

4. Qualitative and Interpretive research excluded

There is no rationale given in the *Issues* document as to why research on Sydney water users should be limited to *"scientific and statistically-based"* methods from the mid-20th century, when qualitative and interpretive research in contemporary social sciences offers much richer knowledge and understandings about water consumption and conservation practices in everyday life in specific cultural and subcultural contexts. The exclusion of the mixed methods most widely used by social and cultural researchers is particularly puzzling, given the strident calls for more, not less, collaboration between STEM and HASS fields to address complex and wicked problems of our time.

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[1] For more on the difficulties of bringing humanities and social sciences into water research see the author's 2012 conference paper 'Knowledge integration and digital infrastructures' at https://www.researchgate.net/publication/260385008_Knowledge_integration_and_digital_infrastructures_some_fantasies_and_complications.

[2] Sofoulis, Zoe (2011) 'Skirting complexity: The retarding quest for the average water user', in *Continuum Journal of Media and Cultural Studies,* 25 (6): 795-810. Includes Sydney Water examples.

[3] Sharp, Liz, *et al.* (2011) 'Positivism, post-positivism and domestic water demand: interrelating science across the paradigmatic divide.' *Transactions of the Institute of British Geographers* NS 36: 501-515.

In limiting customer research to survey methods borrowed from marketing psychology or behavioural economics, IPART is excluding past and potential contributions of several decades of cultural research in fields such as Consumption and Everyday Life (ANZSRC FoR 200203) and Multicultural, Intercultural and Cross-cultural Studies (ANZSRC FoR 200209), in which the Institute for Culture and Society has particularly developed expertise. The psychology emphasis on attitudes and preferences has a much narrower focus than recent practice-based approaches[4], which examine the practical interactions between the materials or technologies that involve tacit (unspoken) knowledge, the user's competencies, and the social meanings and rules about everyday actions like doing the laundry or taking a shower. Research methods here can include photo-voice techniques, water diaries, observations, household tours with participants, and so on.

Increasingly, the water industry and government agencies are finding value in case studies, and interview based, in-depth, ethnographic, observational and participatory research methods that can allow participants' voices to be heard in their own terms, without being filtered through a survey questionnaire or statistical algorithms like averaging. Interpretive approaches can reveal nuances, contradictions and ambivalences, rationales, unspoken and tacit knowledges, divergences from norms, emergent new practices, and opportunities for change: all aspects of everyday life experience cannot be captured in telephone surveys extracting answers to multi-choice questions or mapping points on Likert scales.

5. Unclear purpose of customer sentiment surveys

A question not answered in this review is: who or what is this scientific statistical survey work for? What is it supposed to enable? Is it just to prove to IPART that Sydney Water Corporation is a successful business because it can perform the routines of commodity marketing exercises? Are there better metrics for this?

Nobody we talked to in SW in a recent project could explain the purpose of quarterly surveys of customer sentiment, or the graphs and charts of survey results that barely changed from quarter to quarter, let alone year to year, except perhaps on occasional hot-button issues. By contrast, SW's own eclectic range of customer research, focus-group based studies, direct customer feedback, and other consultations provided the customer education and communications teams with a more nuanced, complex and realistic picture of who they were dealing with, and directly influenced the development of engagement initiatives.

An annual customer sentiment survey ought be sufficient to satisfy IPART, and the money saved on the other three surveys could be invested into qualitative research and genuine community engagement exercises or citizen science experiments. A lot more thought could be given to what was in the survey, and who and what it was designed for. For example, the recently introduced measure of 'net promoter score' is a nonsensical concept for a monopoly provider of infrastructure, and accentuates how inappropriate a commodity marketing model is for urban water. It would make more sense to ask how people rated Sydney's water services compared to other Australian or international cities.

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[4] Shove E 2010, 'Beyond the ABC: climate change policy and theories of social change', *Environment and Planning A* 42: 1273-1285; Reckwitz, A (2002) 'Toward a theory of social practices: a development in culturalist theorizing', *Journal of Social Theory*, vol. 5, no. 2, pp. 243-63; E. Shove and M. Pantzar (2005) 'Consumers, producers and practices: Understanding the invention and reinvention of Nordic walking' *Journal of Consumer Culture*, 5 (1): 43-64.

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6. Suggested rewordings

This IPART review has taken the opportunity to broaden ideas about Sydney Water's public communications to include recognition of new and digital media platforms. It is also an opportunity to update ideas about what counts as valid, relevant, useful, informative and meaningful forms of social and cultural research in the 21st century.

The following rewordings are suggested as a way of opening up the scope of 'customer research' beyond quantitative psychology, market research and demography to include contemporary qualitative, interpretive, smaller-scale, site-based, ethnographic and case study approaches in the Humanities and Social Sciences.

Customer Council membership:

> … the Customer Council should comprise of members selected for their expertise in using scientific and statistically-based customer research and engagement methods to understand customer perspectives, values and priorities. (p. 84)

Suggest change to:

> … the Customer Council (and successor bodies), should include members selected for their expertise in understanding and evaluating a range of social research methods, and members experienced with different levels and types of community engagement, in order to appreciate the diversity of values, practices, expectations and aspirations people have about water services.

Modes of engagement:

> …should focus on ensuring that Sydney Water's *engagement* with its customers is relevant, representative, proportionate, objective, clearly communicated and accurate. (p.85)

This seems to be about engagement but it is actually at the lowest levels of public participation, where people are recipients of top-down communications or the subjects of extractive surveys (see Table 1, below).

Therefore it could be changed to:

> …should focus on ensuring that Sydney Water's *communications* with its customers are relevant, accessible, inclusive, honest, evidence-based, socially realistic and with purposes clearly communicated.

An extra phrase could be added about engagement to include more active and participatory forms (Rows 4-7 of Table 1), for example:

> Its methods and modes of engagement should also be just, inclusive, and transparent, and vary appropriately according to the kinds of people and communities who were being consulted, their capacities to be actively involved, and the public significance and urgency of the matters at stake.

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The author would welcome the opportunity to discuss any of the above points with IPART as part of the review, either alone or with other members of the research team from the Institute for Culture and Society.

Table 1: Different levels of participation[5]

Type of Participation	*Characteristics of Participation*	*User Model*
1. Passive participation	People told what is going to happen or has already happened. Unilateral announcement by an administration or project management, sharing information that belongs to external professionals.	*HISTORICAL*
2. Participation in information giving	People answer questions posed by extractive researchers, e.g. questionnaire surveys. No opportunity to influence proceedings - research findings not shared or checked with sources.	
3. Participation by consultation	People consulted by external professionals who listen to their views. External people define problems and solutions, and may modify these post-consult. No share in decision-making. Professionals not obliged to take views on board.	
4. Participation for material incentives	People provide resources, for example labour, or use of their farmland, in return for food, cash, or other material incentives. (Could apply to rebates and incentives for water efficiency devices.) No stake in prolonging activities when incentives end.	*RATIONALIST*
5. Functional participation	People form groups, perhaps according to an external template, to meet project objectives. Involvement usually begins after the major decisions have been made. Groups tend to be dependent on external initiators, but may become self-dependent.	
6. Interactive participation	People participate in joint analysis, which leads to action plans and the formation of new local institutions or the strengthening of existing ones. Often uses interdisciplinary methodologies, multiple perspectives, structured learning processes. Groups can control local decisions, so people have stakes in maintaining structures or practices.	*INTEGRATED*
7. Self-mobilisation	People participate by taking initiatives independent of external institutions to change systems. May have contact with or support from external institutions but retain control over how resources are used. May or may not challenge existing inequitable distributions of wealth and power	

[5] Chart from Zoë Sofoulis (2011) 'Cross-Connections: Linking urban water managers with humanities, arts and social sciences researchers', *Waterlines* 60, National Water Commission (http://handle.uws.edu.au:8081/1959.7/509490). Related to International Association of Public Participation's *Public Participation Spectrum* (at https://www.iap2.org.au/Resources/IAP2-Published-Resources), modified from H. Reid et al. (2009) *Community-Based Adaptation to Climate Change,* No. 60 of Participatory Learning and Action, IIED [International Institute for Environment and Development], Burnham (Bucks.): 9-33, and third column from Z .Sofoulis and Y. Strengers (2011), 'Healthy Engagement: Evaluating Models of Providers and Users for Cities of the Future', Proceedings, *Ozwater'11, annual conference of Australian Water Association*, May 9-11, Adelaide.

Appendix: New research on Public Trust in Sydney's drinking water

The recent research project 'Drivers of Public Trust in Sydney Water', undertaken in 2017 by the Institute for Culture and Society with Sydney Water, has highlighted how the customer model of water consumers was limiting understandings of several dimensions of trust and the relations between water utilities, people and communities. Three discussion papers, plus the discussion section of a longer report, are sent along to IPART with this submission, though are not for public circulation. Points relevant to this submission from each of the papers include:

1. *Drivers of Trust in Drinking Water* – Gay Hawkins

This paper argues that many water utilities' understandings of trust are built on the customer model, with market research questions about brand recognition, satisfaction, net promoter scores, reputation etc. This approach to measuring trust is completely unable to measure other important aspects of trust, particularly *civic trust,* that is, public trust in the water provider's capacities to deliver social goods and positive environmental outcomes for the common good, not just personal or customer satisfaction.

2. *Customerisation* – Zoë Sofoulis

This paper finds the customer relation is only one of many different kinds of relationships people, communities and other entities could have with Sydney Water, and it proposes that the future of sustainable urban water development will involve more reciprocal and partnership relationships between water companies and citizens. It is not just a matter of how much 'customers' trust their water provider, but how much water providers can demonstrate their trust in people's capacities to act on reasons and values beyond the self-interested concerns of the egocentric customer.

3. *Water Qualities and Trust* – Ben Dibley

Water qualities are sociotechnical. For example, 'clean' and 'clear' are not just scientific or technical characteristics demanded of reticulated water, they also have moral and aesthetic dimensions that impact relations of trust. Incidents involving a loss of water quality can lead to loss of trust in the water provider, so there is a need to build more resilient trust relations. Instead of relying on large scale questionnaires to monitor customer 'sentiment', smaller scale ethnographic research on diverse constituencies would provide more nuanced understandings of cultural practices and values shaping water use and help water providers' manage relations to different communities during future water quality incidents.

4. *Exploring the practices of Mandarin-speaking water drinkers* – Abby Mellick Lopes *et al.*

This small-scale qualitative study of Mandarin-speaking Sydney residents demonstrated the inappropriateness of ideas about 'average customers' or stereotyped 'migrants'. Detailed discussions of drinking water habits revealed a dynamic mix of Chinese and local practices and contradictory ideas that would not be evident through survey research methods. Participants were interested in water provision but because many were tenants or lived in apartments, they paid general utilities fees and did not receive water bills or the informative enclosures that came with them: they were not Sydney Water customers.

A common thread through these papers is that just as trust in personal relationships is a two-way (or multi-lateral) thing, public trust in drinking water grows when faith is shown in the public's capacity to deal with the technical, economic and climatic realities of water provision.