



Our Water, Our Voice

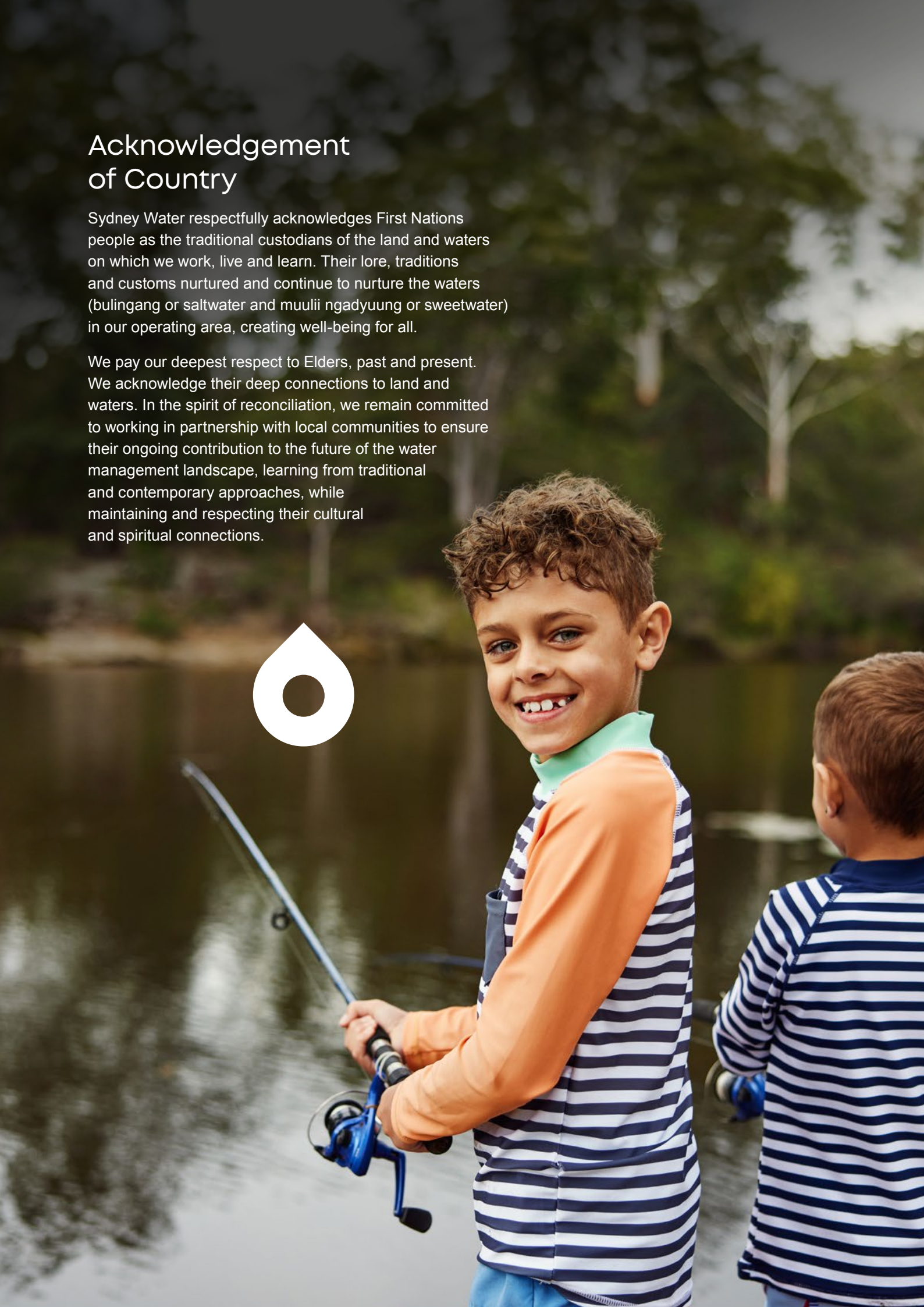
Customer
Engagement
Strategy



Acknowledgement of Country

Sydney Water respectfully acknowledges First Nations people as 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 our 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 communities 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.





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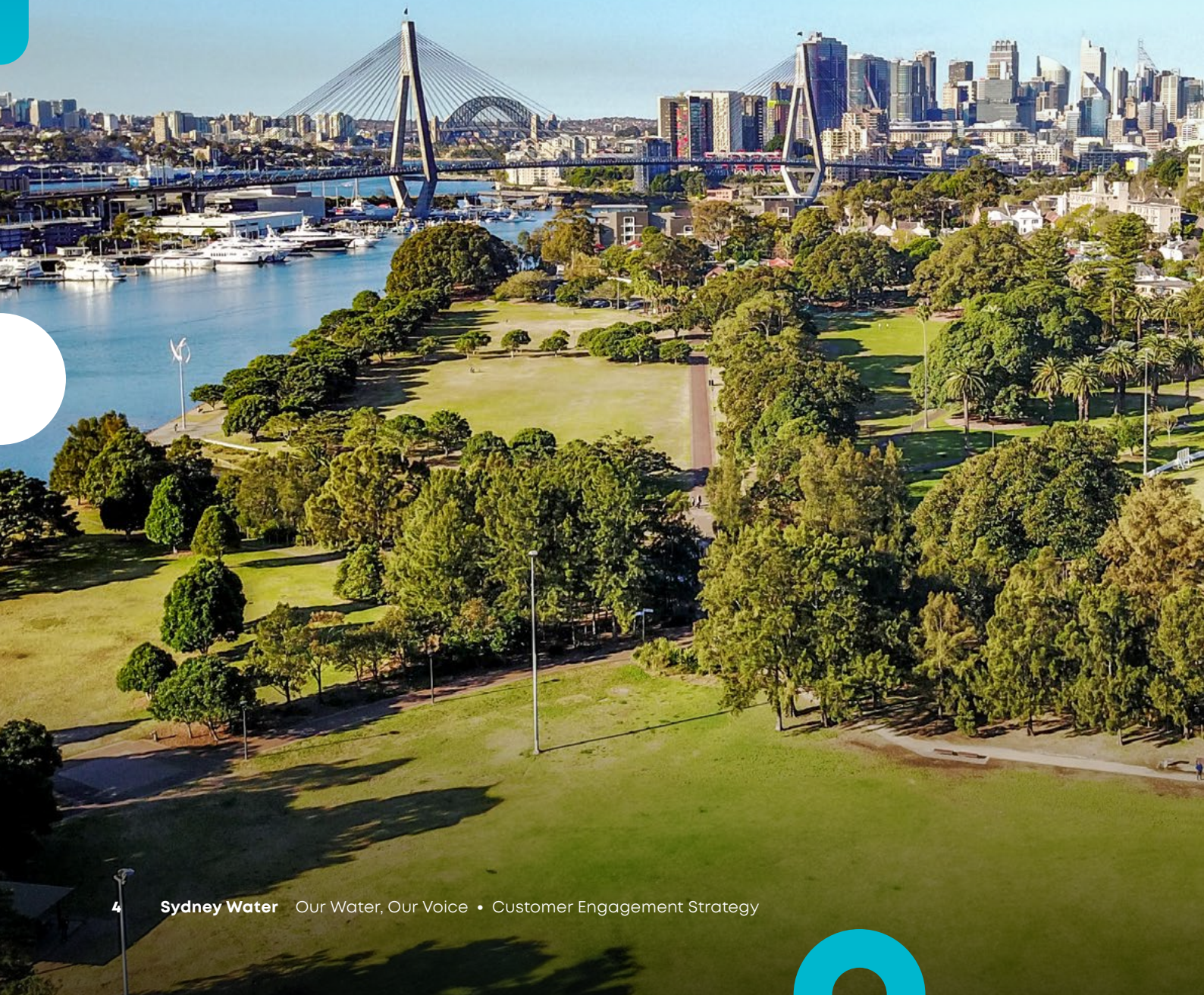
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Introduction

Creating a better
life with world class
water services



Customers are at the heart of everything we do.

The Our Water, Our Voice customer engagement strategy is part of Sydney Water's ongoing commitment to involve and collaborate with customers to deliver what's important. It's another step forward in fostering community trust and rapport in the way we do things.

As a State-owned Corporation, wholly owned by the NSW Government, we have been delivering essential services to Greater Sydney, the Blue Mountains and the Illawarra for over 135 years.

Today, we're in a very different operating landscape than we were, even five years ago. We're evolving to meet these changes and challenges, and it's you, our customers, that will help us do it.

In 2024, we have used insights from Our Water, Our Voice to restructure Sydney Water and create a new Enterprise Plan. We want to create a positive customer experience, produce safe and clean water, prevent pollution, embrace ownership and accountability, and be an efficient and financially sustainable business. These are our drivers, and they are at the core of all our operations.

To succeed, we're working closely with our customers through our customer engagement strategy, Our Water, Our Voice. This engagement strategy focuses on consultation, involvement and collaboration with our customers to plan for the short, medium, and long-term.

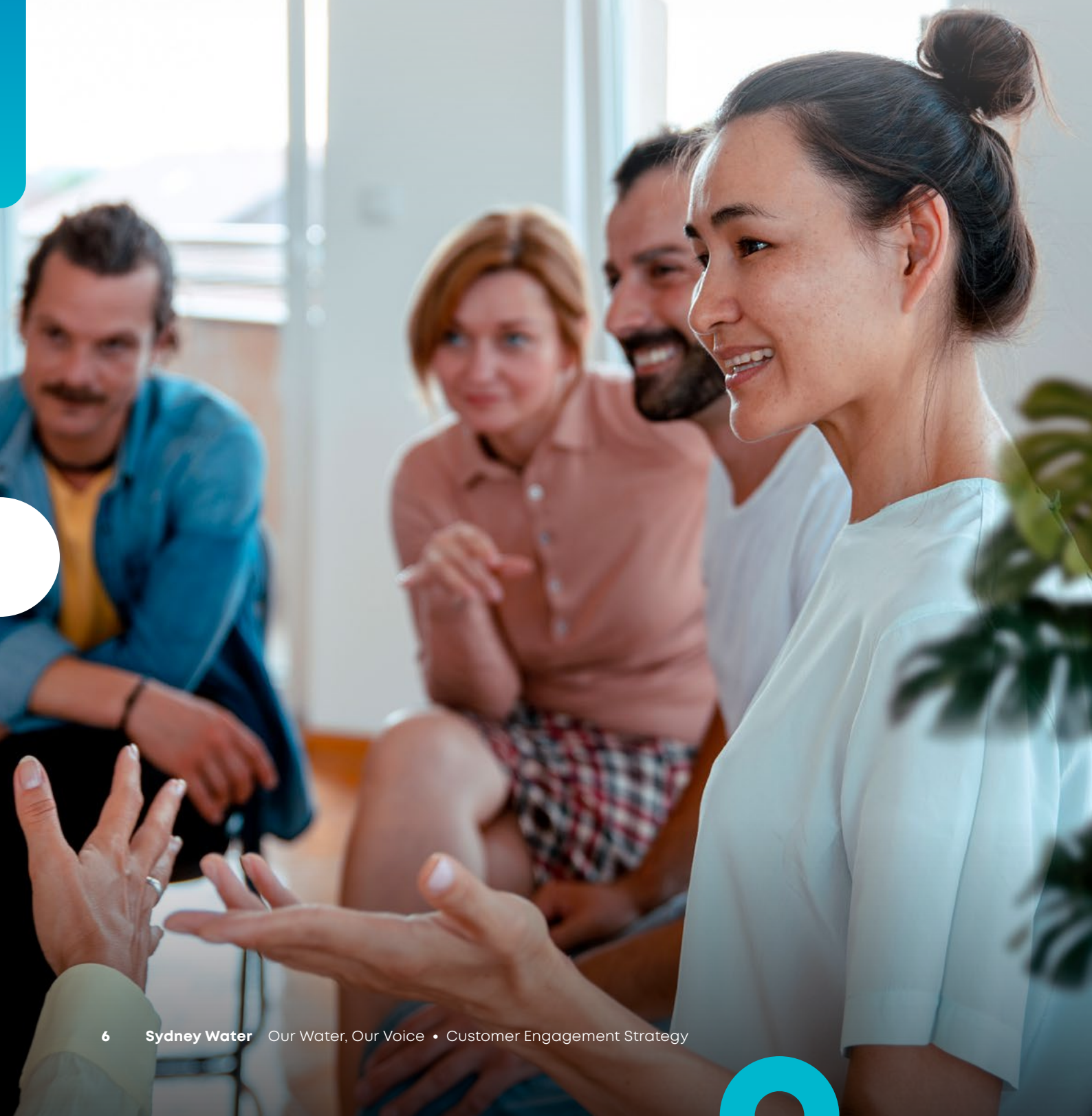
We recognise that this is a new way of working for us - in consultation and collaboration for big decisions - and we're on a journey of continuous improvement. With every step, we'll learn, adapt and improve to achieve customer engagement best practice that's acknowledged by our customers, peers and our regulator, the Independent Pricing and Regulatory Tribunal (IPART).

Water is a precious resource. We use water to make our food, bathe, grow our gardens, fruit and vegetables and to cool down in the heat of summer. Sydney Water is trusted to provide access to clean, safe water to our customers and community every day. Sydney Water also plays an important role in our unique waterways – where we sail, fish, picnic and swim. Millions of our customers trust this and expect our water to be safe and reliable. Our customers also trust our wastewater services for reliable sanitation and clean homes.

The Our Water, Our Voice customer engagement strategy has a long lens with immediate implementation. The insights gathered from this strategy will help shape Greater Sydney, the Illawarra and Blue Mountains for generations to come.



Why now?



What's driving our customer engagement now?

There are important challenges we're facing that mean we need to consult with our customers. The fact is, we're in a period of big changes in our great city. The number of customers we serve will exceed six million within a decade. As our population grows and temperatures rise, we'll need to continue to deliver a safe, reliable, sustainable and resilient water supply for our customers, as well as provide safe and reliable wastewater and stormwater services. We'll also need to consider alternate water supplies, protect the health of our waterways and communities from pollution and meet changing customer needs.

We are in a period of change, both in terms of a growing demand for our services and increasing climatic events, such as droughts and floods. We must also adopt and implement new digital technologies and upgrade our infrastructure to become future proof.

Additionally, every five years Sydney Water undergoes a pricing review by our regulator, IPART. Customer feedback from Our Water, Our Voice has already been included in our new Operating Licence which began on 1 July 2024. Sydney Water is required to undergo intensive, two-way customer engagement as part of a scheduled price review by our regulator, IPART.

THE THREE MAJOR FACTORS THAT REQUIRE US TO CHANGE INCLUDE GROWING CITIES, CLIMATE CHANGE, AND CUSTOMER EXPECTATIONS



Growing cities

Our cities and population are growing and this has a significant impact on the service we deliver to our customers. We need to be innovative and find better, simpler ways of doing things.

Our water and wastewater systems are operating at their sustainable limits and our current demand for water exceeds our forecast sustainable supply.



Climate change

Our climate is changing, and we need to respond to make sure our services and assets are resilient.

Future climate risks and extreme events mean we cannot meet our water needs by only using traditional water supply approaches.

We need to make our city cooler and greener, and maintain healthy waterways and ecosystems.



Customer expectations

Our customers' expectations are changing every day – our customers expect and deserve more from us in terms of quality of service, reliability and pricing. We need to be able to understand what customers want and expect.

We have to use water more productively and efficiently and meet our water needs at a reasonable cost.

Price proposal for 2025–30

Our Water, Our Voice will help us shape the next price proposal. Its determination, after reviewing our proposal, will tell us what we can charge our customers for water bills. The Operating Licence, which commences in July 2024, is endorsed by IPART.

The findings from Our Water, Our Voice will guide what we tell IPART about the services and service levels we'll provide, and what you, our customers, are willing to pay for those services and service levels in the 2025–30 period. Thanks to Our Water, Our Voice we'll know, understand and lead the outcomes that represent the best value for you, our customers.

What is a price review?

SYDNEY WATER

A price review is part of Sydney Water's cyclical regulatory requirement to IPART. Every five years we develop a price proposal for submission that reflects the efficient cost of providing our services. The priorities and expectations of our customer and community are at the foundation of our price proposal through community engagement.

IPART

IPART sets the framework for the price review and makes a pricing determination every five years for the maximum price for drinking water and wastewater services that Sydney Water provides. IPART's final decision reflects the efficient cost of providing our services with the priorities and expectations of our customers and community at the foundation.

CUSTOMERS AND COMMUNITY

As end users of our services including drinking water, wastewater and stormwater, our customers and the community engage with us to ensure their priorities and expectations are reflected in the pricing proposal. This means we're all on the same page.



Summary of Our Water, Our Voice:



Was originally developed in consultation with Sydney Water's Community Advisory Committee in 2022. The committee represented our customers and advised us on a customer engagement approach that could help us develop a customer-led research strategy. The Community Advisory Committee was replaced by the Customer and Community Reference Group in late 2022.



Is a customer-led, multi-phased program. This means that customers have a real say in what we discuss. For example, in Phase 1 our customers told us 15 priorities they really value from their water utility and ranked them in order of importance. These 15 customer-led outcomes then provided the foundation for the following engagement phases and topics.



Provides our customers with information in a transparent, objective way to make informed decisions with an understanding of the benefits and drawbacks of all the options presented.



Is carefully developed with engagement activities that encourage consultation, involvement and collaboration with our customers on important planning decisions and is continuously improving.



Has a robust research methodology to ensure that information gathered is accurately reported and acted on and it improves as we learn. It is an iterative program.



Pro-actively seeks out the voices of hard-to-reach groups to ensure customer feedback is representative of the customers we serve.



Updates our customers regularly, particularly when phases are completed, with accessible summaries to demonstrate how Our Water, Our Voice impacts our ongoing decision-making.



Encourages participation from customers and stakeholders, understanding that this collaboration is critical to delivery of value for customers.



Has comprehensive participation of Sydney Water's Board, executives and Managing Director through shaping of the methodology, participation in activities and the development of an independent Customer Community reference Group (CCRG). In practice it's also included an evaluation of each phase to make strategic decisions.

Our Water, Our Voice recognises that there's a collective responsibility for water-related outcomes and the need for Sydney Water to continue a customer-led approach. As we work towards ensuring a resilient water supply for everyone, our customers can have their say.

Our engagement

Here are some statistics about the people we have spoken to throughout Our Water, Our Voice.

13,179

Residential customers

91

Stakeholders

75

Small to medium-sized businesses

3,535

CALD customers

395

First Nations customers

1,818

People living with a disability

In languages:

**KOREAN MANDARIN CANTONESE
GREEK ARABIC VIETNAMESE**

And we've conducted...

12

Customer forums

120

In-depth interviews

1

Customer panel

24

Months of engagement

58

Focus groups

5

Online surveys

10

Workshops

Timeline

We started our customer engagement journey in July 2022. Below is an indicative timeline of Our Water, Our Voice, our price proposal and our Operating Licence submission to IPART.

1

JUL 2022 – JAN 2023

Phase 1*

Capturing customer priorities

During Phase 1, customers identified and ranked 15 key priorities for Sydney Water to deliver by the end of this decade.

The top customer priorities for Sydney Water are:

- Maintaining safe and clean drinking water.
- Ensuring bills remain affordable via cost management, payment plans and avoiding future cost spikes.
- Maintaining clean, safe waterways and water recreation areas by reducing pollution.
- Enhancing the water network's resilience to drought through building water recycling and/or desalination infrastructure.
- Reducing water loss by minimising leaks and breaks in the water network.



4,282
Customers

2

Forums

14

Focus groups

34

Interviews

4,009

Online survey responses

2

NOV 2022 – JAN 2023

Phase 2

Capturing customer service insights

During Phase 2, you, our customers, identified your preferences for how we communicate with you. We also heard your views on service levels, including planned and unplanned outages, water pressure and wastewater overflows.



2,031
Customers

5

Forums

14

Focus groups

34

Interviews

1,521

Online survey responses



SEP 2024

Sydney Water submits price proposal to IPART



JUN 2023 – JUN 2024

IPART reviews Sydney Water's Operating Licence. New licence begins 1 July 2024

1 JUL 2025

New prices start



MAR 2025

IPART releases the draft report and determination

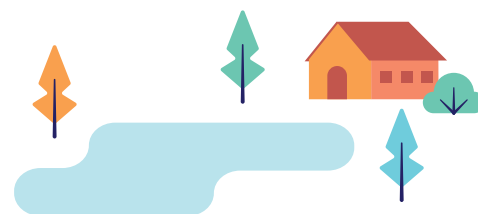


OCT 2024 – MAR 2025

IPART reviews the price proposal



*Phases 1 and 4 utilised choice modelling to quantify customer willingness to pay.



3

NOV 2022 – AUG 2023

Phase 3

Customer insights for better business planning



In Phase 3, we once again took the customer ranked priorities from Phase 1, and this time placed our focus on understanding the priorities that have a community and environmental focus. This phase provided the insights for service levels around community and environment outcomes.

**2,418**
Customers**10**

Customer workshops

16

Focus groups

18

Interviews

2,034

Online survey responses

4

MAY 2023 – FEB 2024

Phase 4*

Service levels and investments for the future



Using insights from Phases 1 to 3, we explored customer preferences for how key customer priorities should be delivered. We also tested customer willingness to pay for the outcomes we will deliver over the next 10 years, to maintain customers' preferred levels of service and address future challenges. These include Greater Sydney's growth and climate change.

**4,551**
Customers**5**

Forums

14

Focus groups

34

Interviews

4,003

Online survey responses

6

OCT 2023 – AUG 2024

Phase 6

Customer recommended price proposal part 2

During this phase, we collaborated with customers to develop our next price proposal for 2025-2030. In Phase 6, customers shaped and informed how Sydney Water's services are paid for, including the costs to deliver our investment plan for the next five years.

**50**

Customers

5

AUG 2023 – MAY 2024

Phase 5

Customer recommended price proposal part 1

During this phase, we collaborated with customers to develop our next price proposal for 2025-2030. In Phase 5, customers were asked to consider a trade-off between performance, cost and risk, as they helped shape and inform Sydney Water's investment plan for the next five years.

**60**

Customers



APR 2023

IPART releases Water Regulation Handbook



APR 2023 – JUL 2023

Sydney Water makes a pivotal change in methodology for Phase 5 and 6, moving to a deliberative panel format.



Customers and stakeholders



Our Water, Our Voice covers people living in the Greater Sydney Region across all age groups, genders, locations (down to postcodes), First Nations People and people who come from culturally and linguistically diverse (CALD) backgrounds. We are also speaking to people who are financially vulnerable and people with a disability.

In addition to residential customers, we speak to business customers (large and small), key government stakeholders, developers and value makers.

Our customers are broken down into four key categories: residents, businesses, developers and value makers.

Customer categories

Category	Definition	Sub-categories
 Residents	Anyone that uses or consumes Sydney Water products or services.	<ul style="list-style-type: none"> • Owner occupier • Landlord • Tenant • General public
 Businesses	Any business that uses or consumes Sydney Water products or services.	<ul style="list-style-type: none"> • Service critical – high • Service critical – medium • Service critical – low • Service dependent
 Developers	Any person or business that has both a financial interest and intention to augment land where residents/businesses will require Sydney Water services.	<ul style="list-style-type: none"> • Infrastructure and transport • Major developer • Professional developer • Novice developer
 Value Makers	A business/person interacting with Sydney Water regarding products and services to create valuable things for residents, businesses or developers.	<ul style="list-style-type: none"> • Doers • Facilitators

Our commitment to customers

Our Water, Our Voice is a six-phased, intensive engagement program running in parallel with Sydney Water's ongoing customer research strategy demonstrating our commitment to customer led outcomes.

The program has been designed to give customers a high level of influence over our services, plans and big investments. It provides customers with a direct line to have their say on the services we deliver and review our price proposal to IPART.

Stakeholder engagement

Engaging with industry regulators and peak bodies throughout the customer engagement strategy promotes a greater understanding of our customers' priorities, and preferences as well as providing the context, during the journey, for future decisions.

The regulators invited to participate in the customer engagement strategy with observer status include:

- our Operating Licence and pricing regulator, IPART
- our environmental regulator, the NSW Environment Protection Authority (EPA)
- our public health regulator, NSW Health
- the State Government Department with water policy responsibility, the Department of Planning and Environment (DPE), Energy & Water Ombudsman NSW (EWON) and Water NSW.

Stakeholder categories

Business: service critical – high	Business: service critical – medium	Consultants	Council	Council (elected official)
Supplier	Developer	Industry association	Media	Member of Parliament
Member of Parliament (officer)	Policy network	Regulator	Social advocacy group	Sponsorship partner
State and Federal Government	Union	University, Research Centre, TAFE	Utilities	Water Servicing Coordinator (WSC)

Customer and Community Reference Group

Sydney Water established an independently chaired Customer and Community Reference Group (CCRG) in 2022 to represent the different views and interests from across the community and our customer base. The CCRG replaced the Community Advisory Committee in 2022. The CCRG works with us to ensure that our customer engagement is rigorous, and that our strategic plans, investment decisions and regulatory submissions are in the best long-term interests of customers and the community.

The CCRG reviews our customer engagement strategy and participates in the design of discussion guides, session plans, stimulus material and questionnaires. Members also attend forums, a panel, and focus groups; and review the findings from our customer engagement activities to provide feedback and guidance on how we incorporate the findings into our strategic plans and regulatory submissions.



Engagement approach



Our Water, Our Voice has adopted a comprehensive, customer-led approach and a collaborative process to truly understand the views of customers and stakeholders. We have also taken great care to remove the barriers to participation.



Principles

Fundamental to the Our Water Our Voice customer engagement program are:

PRINCIPLE 1 Customer-led

We engage with customers on the things that matter most to them. All topics and issues that we engage customers about are linked to priorities customers identified in the first phase of the Our Water, Our Voice program.

PRINCIPLE 2 Inclusive

We remove barriers so that people right across our customer base can participate with a combination of in-person forums, workshops, online focus groups, in-depth interviews and online surveys. We ensure that groups such as Culturally and Linguistically Diverse (CALD), First Nations People, people with a disability, businesses, developers and local government stakeholders are represented. Some of the ways we remove barriers include offering evening sessions as well as weekend sessions to allow people to attend online and in-person, and in-language focus groups.

PRINCIPLE 3 High level of influence

Our aim is to give customers a high level of influence over current and future services. We aspire to a 'collaboration' level of engagement, but also target the 'consult' and 'involve' levels to allow wide and representative participation. An essential part of the process is to progressively share plans and proposals with customers that are based on insights gathered from previous phases of customer engagement.

PRINCIPLE 4 Continuous improvement

We continuously improve our customer engagement approach to ensure that our customers can participate in a meaningful way. We look to our peers to identify best practices, as well as reviewing each phase of engagement for learnings to be considered for future phases.

PRINCIPLE 5 Multiple data points

We use a wide range of engagement and listening techniques to 'triangulate' data and ensure that our customer insights are representative and accurate. This includes a mix of quantitative surveys, qualitative methods including forums, workshops, in-depth interviews, focus groups and deliberative decision-making as part of the Our Water, Our Voice program. This is in addition to our ongoing research and customer feedback touchpoints, which continuously measure our performance in the eyes of our customers.

PRINCIPLE 6 Informed customers

We provide un-biased and objective information to customers participating in our engagement activities so they can make informed choices and decisions. We also engage with the wider community to educate them about our services and the challenges we face in delivering them into the future.



Capturing customer priorities

During Phase 1, customers identified and ranked in importance, the 15 key priority outcomes for Sydney Water to deliver by the end of this decade.

PHASE 1



Capturing customer service insights

During Phase 2, you, our customer, identified your preferences for how we should communicate with you and through which interaction channels. We also gained insights into your views on service levels, planned and unplanned outages, water pressure and wastewater overflows.

PHASE 2



Customer insights for better business planning

In Phase 3, we combined the 15 key priorities identified and ranked by customers during Phase 1, and the customer service level insights from Phase 2, asking customers to identify the level of service preferred within several customer-advocated priorities.

PHASE 3



Service levels and investments for the future

Using insights from phases 1 to 3, we explored customer preferences for how key customer priorities should be delivered. We also tested customer willingness to pay for the outcomes we will deliver over the next 10 years, to maintain customers' preferred levels of service and address future challenges, such as Greater Sydney's growth and climate change.

PHASE 4



Customer recommended price proposal part 1

During this phase we collaborated with customers to develop our next price proposal for 2025-2030 to IPART. In Phase 5 customers shaped and informed Sydney Water's investment plan for the next five-year price path.

PHASE 5

Customer recommended price proposal part 2

During this phase we collaborated with customers to develop our next price proposal for 2025-2030 to IPART. In Phase 6 customers shaped and informed how Sydney Water's services are paid for, including the costs to deliver our investment plan for the next five-year price path.

PHASE 6

SUMMARY OF THE OUR WATER, OUR VOICE RESEARCH APPROACH

Forums

In person event up to 100 people • 3 hrs duration

A highly exploratory qualitative method, designed to unpack priorities, expectations and issues in a collaborative manner with a large group of customers.



Focus groups

Up to 6 people • 90mins duration

Focus groups engage with like groups where there's great value in exploring the experiences of peers. These groups include small and medium businesses, First Nations People and Cultural and Linguistically Diverse (CALD) groups.



In-depth interviews

One to two people • 1 hour duration

A combination of one-to-one and paired interviews for qualitative research with hard-to-reach stakeholders and vulnerable customers.



Customer workshops

In person event with up to 30 people • 3 hour duration

Collaboratory workshops with customers to develop a solution or delivery option to address a business problem or challenge.



Online region-wide surveys

Between 1,500-4,000 people • 15 mins duration

Online surveys, including to validate findings from qualitative methods, rank the relative importance of customer priorities, and determine willingness to pay for differing levels of service.



Customer panel

Approximately 50-60 people • multiple days duration

In depth deliberative process with a small group of customers who come together to solve a significant challenge that is important for customers. Participants are provided with extensive information and sufficient time to deliberate on the challenge and provide informed advice and recommendations.



How we're engaging

We are in a constant dialogue with our customers. Our Water, Our Voice stands apart as our largest customer engagement exercise to date, with a sophisticated approach to engaging customers, providing opportunities for feedback early. Here's how we're doing it.



Forums, focus groups and in-depth interviews

These are discussed in detail on page 19. We have held a mix of these in the first four phases of Our Water, Our Voice with a customer panel making up Phases 5 and 6 in order to best hear our customers' voices.



Our Water, Our Voice and continuous engagement

Includes continuous engagement with our customers and the community beyond these six phases.



Paid and opt-in participation

Results from paid and opt-in groups are considered separately to ensure our overall participation remains representative.



Ongoing tracking studies

We employ ongoing surveys including our Brand Tracker, Community Sentiment Monitor, Stakeholder Perceptions Survey, and Water Literacy Tracker. We seek feedback from customers after they've interacted with us at key touchpoints including reporting a service fault, making a general enquiry, or using our website. We use this feedback to continually improve the customer experience.



Customer feedback tools

We seek customer evaluation of our customer engagement strategy on an ongoing basis throughout the research. Customer feedback is sought on the quality of the engagement activities and we use this feedback to improve later stages of engagement.



Social media and website

The Sydney Water website provides additional opportunities for customers to be informed and share their views. For example, we have posted surveys on our website for customers to complete. These were promoted on social media channels, Facebook and LinkedIn with a video invitation speech to get involved by Sydney Water Managing Director, Roch Cheroux. Weekly updates on LinkedIn further tell the story of customer research to a large audience base.



Customer panel

In depth deliberative process with a small group of customers who come together to solve a significant challenge that is important for customers. Participants are provided with extensive information and sufficient time to deliberate on the challenge and provide informed advice and recommendations.



Business and government consultation

We engaged businesses, developers, local government and value makers.



Validation surveys, max-diff surveys and discrete choice experiments

Each phase employs a range of validation tools with the language reviewed and simplified by our research partners and the CCRG to make them accessible to all participants. We also test quantitative surveys for participant understanding with pilot groups.



Community engagement

Sydney Water has dedicated teams engaged in ongoing discussions with communities impacted by our infrastructure - before, during, and after its construction. This involves residents, First Nations Groups, businesses, and government. We do this on an ongoing basis through avenues like the Sydney Water Talk website www.sydneywatertalk.com.au. As an example of our Community Engagement, you can read our Case Study about Community Engagement at Malabar at the Appendix.



Community education

In addition to community engagement, we also run an engagement and education program that empowers and educates our community. You can find out more about it here: www.sydneywater.com.au/education.html



Ensuring representation

We have held focus groups in seven languages and sought out hard to reach groups. For more information on our principle of inclusivity, please see page 17.



A public version of Sydney Water's 2025 price proposal will be made available shortly after submission to IPART for another opportunity for further community input.

What we've heard



Right from the start, customers have driven the conversation. We were given 15 important outcomes, in order, by our customers in Phase 1. These outcomes have been the focus of each of the following phases of the program.

The 15 customer-led priorities

Maintaining clean and safe drinking water

1

Ensuring bills remain affordable via cost management, payment plans and avoiding future cost spikes

2

Maintaining clean, safe waterways and water recreation areas by reducing pollution

3

Building infrastructure for water recycling and/or desalination for drought resilience

4

Minimising leaks and breaks in the network to reducing water loss

5

Community-based water saving programs for increasing water savings, reducing water usage

6

Improving natural waterways and habitats to protect the environment

7

Improving stormwater management, storage and capture to reduce water loss to the ocean

8

Reducing the chances of your drinking water occasionally smelling or tasting different

9

Minimising the impact of outages both planned and unplanned

10

Contributing to a cooler environment and more pleasant green public spaces through trees and vegetation

11

Maintaining a standard of customer service that meets or exceeds your expectations

12

Reducing net carbon emissions to zero by 2050 or sooner via energy efficient operations and renewable energy

13

Reducing the frequency and duration of severe water restrictions

14

Ensuring better informed customers through improved/modern communications to assist and manage water use

15



Phase 1*

Phase 1 identified a noticeable change in participants' expectations and priorities since the last regulatory review by Sydney Water in 2019. The focus in the past has been on how water is used, its taste and smell, and how it may be wasted or not used properly.

In 2022, participants displayed considerably more 'future-focused' and 'preventative' thinking when considering the value of water. For example, uses of water and wastewater which would mitigate against the two main risks identified by the community – drought and flood.

Phase 2

On matters of variance in service levels for water pressure and wastewater, many of you said you were prepared to trust Sydney Water to make judgements on what is fair and reasonable.

Customers had more to say on issues to do with drinking water. There is a general level of acceptance that some unplanned outages will occur in a network as big as ours. Just over half of you could tolerate 1-2 unplanned outages per year. But 7% of people thought there should be no outages and 15% weren't sure what would be acceptable.

Phase 3

We heard from you about what outcomes you're prepared to pay more for in your water bills. Most of you said you would pay more to maintain current leakage targets, improve waterway health, bring forward net zero carbon emissions to 2030 and create cool and green landscapes.

We heard that you are prepared to pay more to maintain the resilience of our water supply, but not improving service levels as this cost was too high.



Phase 4*

Phase 4 introduced customers to a proposed increase to water bills over the next five years. A bill increase would enable Sydney Water to fund a safe and resilient water supply well into the future, against the many challenges we're facing. An increase would also help fund customer priorities we heard from customers in Phase 1.



Phase 5

In Phase 5, the aim was to provide participants with a deep understanding of the competing priorities that will affect Sydney Water's plans and investments. Participants, during this phase, faced the important task of critically analysing the information provided to make decisions, and looping back to us the reasons for their decisions.

To this end, we engaged customers across four weekends in a single customer panel.

Fundamentally, Phase 5 was about arriving at customer decisions about what Sydney Water should concentrate on in the next five years while considering cost and affordability.

Phase 6

Phase 6 took a deep dive into how customers are charged for Sydney Water's products and services, including pricing structures and price control. Here, informed panel members had an opportunity to talk to us directly on fairness and affordability around how customers are charged for Sydney Water's services, including pricing structures and price control. This phase also assessed customer appetite for Sydney Water to include customer-led performance targets, also called customer commitments or outcome delivery incentives, into its strategic business plan.

* Phases 1 and 4 involved choice modelling to quantify customer willingness to pay.

Customer outcomes



Sydney Water has developed a new strategic planning framework that focuses on 3 customer outcomes, which reflect the customer priorities identified in Our Water Our Voice, ensuring that our strategic planning is customer-led.

In phases 4, 5 and 6 we sought customer recommendations on how best to balance these outcomes to get the best possible customer value, while managing affordability of customer bills.

This will ensure we deliver services to maximise value to our customers.

Customer priority	Customer outcome in our strategic plan	What we commit to delivering in our strategic plan
Maintaining safe and clean drinking water.	Water Quality & Reliability	<p>Our Water is safe and fit for purpose:</p> <ul style="list-style-type: none"> • We must reduce the chances of drinking water occasionally smelling or tasting different after unplanned events • We must always deliver water in compliance with the Australian Drinking Water Guidelines.
Ensuring water and wastewater bills remain affordable.	Customer Experience	<p>We keep services reliable and affordable:</p> <ul style="list-style-type: none"> • We provide value for money and keep bills affordable • We make it easy for our customers in time of need.
Ensuring waterways and water recreation areas remain clean and safe to use by reducing wastewater pollution to rivers and the ocean.	Environmental Protection	<p>We prevent pollution of waterways, and control pollution at the source:</p> <ul style="list-style-type: none"> • We reduce wastewater pollution to improve waterway quality and reduce litter from stormwater and wastewater • We meet performance standards for our wastewater network and treatment plants.
Enhancing the water network's resilience to drought through building more water recycling and / or desalination capacity.	Water Quality & Reliability, Environmental Protection	<p>Our water systems are secure to climate change and growth:</p> <ul style="list-style-type: none"> • We need to reduce the frequency and duration of severe water restrictions. <p>Our water services and infrastructure are resilient to climate change:</p> <ul style="list-style-type: none"> • We address ageing infrastructure so the network can support a growing population, responding to climate change.

Customer priority	Customer outcome in our strategic plan	What we commit to delivering in our strategic plan
Increasing water savings and reducing usage through community-based water saving programs.	Water Quality & Reliability	<p>Our water is used efficiently:</p> <ul style="list-style-type: none"> • We need to reduce water loss by minimising leaks and breaks in Greater Sydney's pipe networks • We need to increase water savings and reducing usage through community-based water saving programs.
Improving natural waterways and habitats to protect the environment.	Environmental Protection	<p>We conserve and restore waterways and nature:</p> <ul style="list-style-type: none"> • We create places for plants and animals to thrive • We abide by Government biodiversity protection laws and land use planning controls.
Reducing water loss to the ocean by improving stormwater management, storage, and capture.	Environmental Protection	<p>Maximise recovery of beneficial resources including water, energy and materials:</p> <ul style="list-style-type: none"> • We reduce waste and pollution and make use of alternate water sources.
Reducing the chances of your drinking water occasionally smelling or tasting different after unplanned events (such as flooding, heatwave, fire, or high wind events).	Water Quality & Reliability	<p>Our water is safe and fit for purpose:</p> <ul style="list-style-type: none"> • We must reduce the chances of drinking water occasionally smelling or tasting different after unplanned events • We must always deliver water in compliance with the Australian Drinking Water Guidelines.
Minimising the impact of outages (both planned and unplanned).	Customer Experience, Water Quality & Reliability	<ul style="list-style-type: none"> • We will maintain a standard of customer service that meets or exceeds expectations • We will meet our operating licence and customer contract obligations on water continuity, including performance standards for service interruptions and notification timelines for planned and unplanned outages.

Customer priority	Customer outcome in our strategic plan	What we commit to delivering in our strategic plan
Contributing to a cooler environment and more pleasant green public spaces through the establishment / maintenance of trees and vegetation.	Environmental Protection	<p>We support the quality of green and cool public spaces:</p> <ul style="list-style-type: none"> • We support public spaces being planted and irrigated smartly, to maintain greenery and amenity, while keeping water use low.
Maintaining a standard of customer service that meets or exceeds your expectations.	Customer Experience	<ul style="list-style-type: none"> • We will be helpful, treat customers fairly and with respect • We will work to understand customers' individual circumstances, value customers' time and ensure they have a positive experience.
Reducing net carbon emissions to zero by 2050 or sooner through more energy efficient operations and greater use of renewable energy.	Environmental Protection	<p>We will achieve Net Zero carbon emissions:</p> <ul style="list-style-type: none"> • We meet at least the minimum target of Net Zero carbon emissions by 2050 • We operate in a way that is consistent with the NSW Government's Net Zero 2050 Plan.
Reducing the frequency and duration of severe water restrictions.	Water Quality & Reliability	<p>Our water systems are secure to climate and growth:</p> <ul style="list-style-type: none"> • Our water systems will be sustainable for the long-term and resilient to extreme events • We plan for new infrastructure with a focus on rainfall-independent supply.
Ensuring better informed customers by improving and modernising communications to assist them with managing their water use.	Customer Experience	<p>We will improve our communications and personalise these to suit your circumstances:</p> <ul style="list-style-type: none"> • We consider how and what information we provide to customers in line with our customer contract.

Applying customer insights



Customer insights are essential to Sydney Water's strategic direction. We use insights to shape plans and strategies that meet the aspirations and expectations of our customers and communities. The data we gain by engaging with our customers helps us align our products and services to what our customers value.

We're committed to connecting insights to decision-makers and creating better outcomes for our customers.

Applying insights

Sydney Water has a demonstrated record of applying customer insights to deliver outcomes for customers. Insights gathered through customer engagement and other research activities have been used to develop our strategy, inform government water policy and our previous price submissions; and to continuously improve our products and services.

During customer engagement for our 2020 price review, customers showed a willingness to pay for additional work to investigate and reduce the amount of stormwater entering our wastewater system. In response, Sydney Water worked with customers to develop the Wastewater Fix program, which was launched in 2022.

The program is targeting areas of Greater Sydney where the most stormwater is entering the wastewater system, to identify and fix problems. The program will reduce wastewater overflows during wet weather, both on customers' properties and into the environment.

In 2020 and 2021, our customer engagement focused on meeting Greater Sydney's water resilience challenges for the future. We tested customer preferences for different options to increase our water supply, and customer tolerance for different types of water restrictions. The results informed our strategic plans and were also a key input to the NSW Government's Greater Sydney Water Strategy.

We continue to apply customer insights in a multi-faceted approach that drives

To find out more, including our Annual Report visit www.sydneywater.com.au



Collaborations with the NSW Government to deliver on their vision for the people of Greater Sydney, Blue Mountains and the Illawarra



Innovation and continuous improvement within our organisation

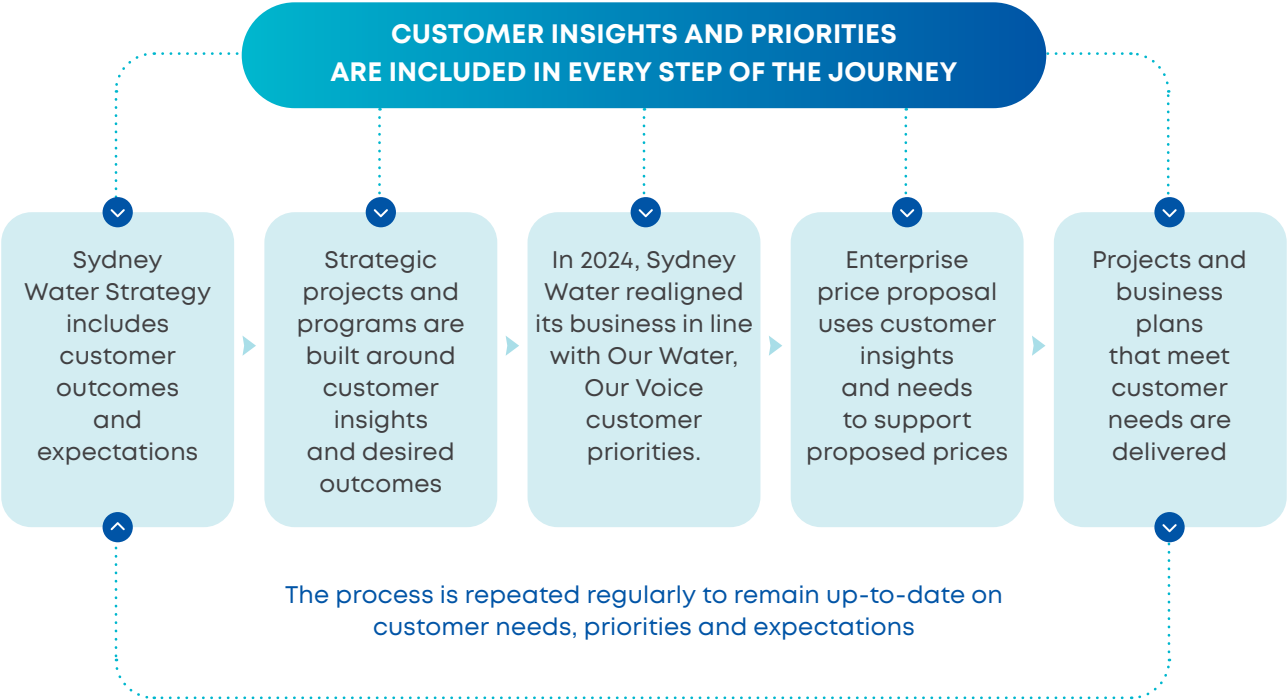


Strategy, planning, investments and timelines



Improvement in customer outcomes

Customer engagement accompanies each step along the way in direction setting and business planning



A continuous cycle of insights to action

Sydney Water integrates customers' insights through a continuous cycle that includes gathering insights, integrating the insights into plans, actioning our planning and then examining and measuring the results.



Evaluation



Evaluation and reporting

Here's how we are evaluating the strategy and reporting back:

After each event



We review by looking at:

- what we heard and how we can improve engagement practices for the next phase
- what themes are emerging across customer and stakeholder groups
- key insights emerging to be included in the final report
- what customers think of our engagement
- how we might modify approaches for the next phase, and
- any gaps in research participation and response rates to ensure intended audiences were adequately engaged.

After each phase



We review by:

- producing a comprehensive report of the insights from that phase, covering
 - key take-outs
 - challenges
 - specific objectives addressed
- reports include
 - detailed methodology
 - in-depth critique of findings
 - implications on wider Sydney Water objectives
- conducting lessons learned meetings to discuss challenges and how they are addressed in the future
- sending What We Heard reports to participants after each phase
- sharing the information with our customers via the Sydney Water website.

Measures of success



We have four main measures of success:

1. We involve a representative cross section of the population in our engagement process
2. IPART affirming we have engaged customers effectively and without leading them to any particular outcome
3. Customers and stakeholders feel like they were heard and see how their input has contributed to shaping Sydney Water's decision-making
4. Our CCRG agrees that our engagement is effective, and produces reliable information about customer preferences.

This is a living strategy – when we'll update it

This customer engagement strategy and its activities will be updated and adapted over time as we grow our expertise, or in response to significant events such as updates in regulatory frameworks and processes by IPART, customer and community feedback during Our Water, Our Voice, any new customer engagement methodologies we think we should include or any changes in corporate or customer and community priorities. We will also update the customer engagement strategy when there are any updates to the corporate strategy and plans or any local, regional, national or global events that impact delivery of our services to customers.

Community engagement case study



Malabar Water Resource Recovery Facility Fence Renewal

Sydney Water values community and customer engagement of all kinds. Last year we completed the Malabar Fence Renewal Project. This was an opportunity to connect with and actively involve First Nations communities and stakeholders in the planning and delivery of this project to leave a positive legacy for the community.

Background

The Malabar Fence Renewal project, completed in September 2023, renewed 1.8 kilometres of perimeter fencing around Sydney Water's Malabar Water Resource Recovery Facility (WRRF) to improve site security. Sitting on the Malabar Headland, it's an area of national significance listed as one of 32 endangered places in Australia.

The headland also has four registered Indigenous sites with evidence of the Bidjgal and Gadigal People, including rock engravings, grinding grooves and middens.

Planning

During the project planning phase, Sydney Water engaged with stakeholders including Randwick City Council, La Perouse Local Aboriginal Land Council, NSW National Parks and Wildlife Services, the Gamay Rangers, IndigiGrow and the Gujaga Foundation.

The Gamay Rangers and IndigiGrow (who collect, propagate, and care for native vegetation) were engaged for bush regeneration work and the creation of native gardens. The Gujaga Foundation was engaged to consult with Elders and Senior Knowledge Holders to tell appropriate dreaming stories that could be shared. A local First Nation's artist was commissioned to create artwork representing the surrounding water systems and their significance to the Aboriginal people of coastal Sydney.

Our shared purpose

Our shared purpose was to work with the community and stakeholders to care for country and construct new fencing with respect and appreciation for First Nations' knowledge.



What we delivered

The completed project has respectfully incorporated native planting, language, storytelling and artwork along with the required perimeter fencing. At the entry to the Malabar WRRF, there's now a yarning circle and water station. A place for people to meet at the start or finish their walk over the Malabar Headland.

A walkway with Indigenous etchings has been constructed running parallel to the new fence, from the yarning circle to the start of the landscaped bush track over the headland. It includes sandstone seating, with QR codes linking stories from Elders with information on nearby plantings, some edible. The specially commissioned artwork has been installed on the water station and will be used throughout the WRRF.

Sydney Water also took pride in providing economic opportunities with the engagement of the La Perouse Aboriginal Land Council, Gamay Rangers, IndigiGrow, Gujaga Foundation and local artists. Strong and trusted connections and relationships have been established as we continue to look for opportunities to work together.

Sydney **WATER**

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