



Price Submission 2018-23: Final Engagement Report

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1 Introduction

Wannon Water has 42,766 customers¹. In developing this 2018-2023 Price Submission Wannon Water had over 3,000 instances of engagement with its customers and community – or, in other words, around 7% of our customer base. A total of 505 of these engagements were in-depth conversations.

This report provides an overview of the approach Wannon Water took to ensure it fulfilled the Essential Services Commission (ESC) requirements for engagement in developing our Price Submission for 2018-2023, as well as our internal corporate objectives and policy commitments in relation to customer engagement.

1.1 Wannon Water’s Engagement Policy Context

Wannon Water’s definition of engagement is “a genuine process of working with people to build capacity, strengthen relationships and inform decisions”.

Our stakeholder engagement policy outlines Wannon Water’s broad approach to engagement and adopts the International Association of Public Participation’s (IAP2) core values, code of ethics and public participation spectrum. Whilst our community engagement framework was finalized in June 2017 (an overview provided below); it demonstrates the practical approach we take in planning for community and stakeholder engagement and reflects the general approach that was taken during the Price Submission engagement period.



¹ 2016/17 Annual Report

1.2 Wannon Water's Price Submission Principles

A set of **principles** that underpin the Price Submission were developed early in the submission's planning phase.

These **principles** establish consistency with our corporate objectives, but were also informed and refined through the early rounds of engagement.

The following is the final list of **principles** developed that underpin the Price Submission:

- a. Value for Customers
 - Balancing the needs of current and future customers;
 - Providing safe, reliable and responsive services that our customers value; and
 - No price shocks².
- b. Stronger Communities
 - Strengthening communities and business in south-west Victoria; and
 - Protecting and enhancing the environment.
- c. Organisational Capability
 - Providing a safe, diverse and inclusive workplace for our people.
- d. Business Excellence
 - Balancing economic outcomes with social, environmental and cultural needs.

1.3 ESC expectations for engagement

The following section is a *direct extract* from the 2018 Water Price Review – Guidance Paper (November 2016) in relation to engagement requirements for the Price Submission.

The Commission's assessment will consider:

- the business's justification for its decisions on how and when to engage, and the matters that it decided to engage on
- whether customers were given a reasonable and fair opportunity to participate
- how feedback received through customer engagement was taken into account by the business in reaching its proposals (and what feedback was provided to customers)
- the business's justification for how it will address customer expectations that will not or cannot be met.

² A price shock is defined as a >10% change in tariffs

A price submission must:

- describe and justify how and when the business engaged with its customers
- describe and justify the matters covered by customer engagement
- explain what the business learned from customer engagement, and how it satisfied itself that customers were given a reasonable and fair opportunity to participate and that any views expressed were sufficiently representative of its customers
- explain how feedback was taken into account by the business in reaching its proposals
- explain how the business will address customer expectations that will not or cannot be met.

A business must make available, or provide on request, resources and materials provided to customers during its engagement, and any customer feedback about the engagement program.

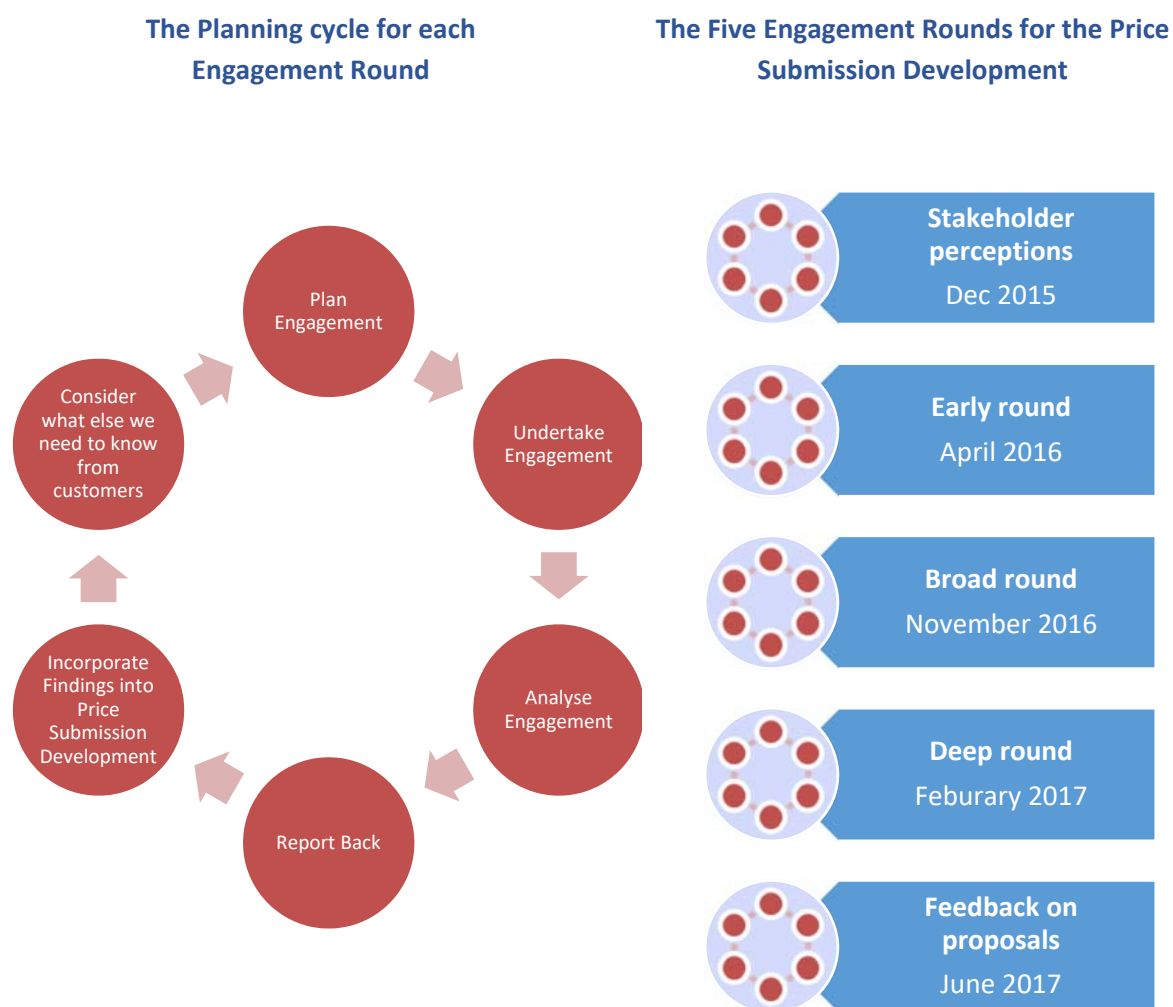
A water business may use the customer engagement diagram (figure 3.1) as a descriptive tool of its overall program, or of individual activities.

The following key principles should guide the customer engagement undertaken by water businesses:

- The form of customer engagement undertaken by a water business should be tailored to suit the content on which it is seeking to engage, and to the circumstances facing the water business and its customers.
- A water business must provide customers with appropriate information, given the purpose, form and the content of the customer engagement, and a reasonable and fair opportunity to participate as part of the process.
- A water business's customer engagement should give priority to matters that have a significant influence on the services provided and prices charged by the business.
- A water business should start customer engagement early in its planning. The engagement should be ongoing, to keep testing proposals with customers.
- A water business should demonstrate in its price submission how it has taken into account the views of its customers.

2 Overview

The Price Submission engagement process commenced in December 2015 and concluded in July 2017. It was an iterative approach including successive engagements. The outcomes of each engagement were analysed to inform and refine existing knowledge about what customers value; this knowledge was used to plan for the next round of engagement (see diagram below).



In all, there were five rounds of engagement:

1. Stakeholder perceptions round (See Appendix A);
2. Early round (See Appendix B);
3. Broad round (capturing a wide variety of customers) (See Appendix C);
4. Deep round (probing deeper on the themes arising in the earlier rounds) (See Appendix D);
and
5. Feedback on proposals for the Price Submission (See Appendix E).

Each round included multiple engagement methodologies appropriate for the different stakeholder groups the type of information/content being requested from customers. Importantly, Wannon Water 'closed the loop' at the end of each engagement round; each round was reported back to the board, executive, staff and those that were engaged.

Within these engagement rounds, there were also specific engagements for other initiatives that needed consideration for incorporation into this plan. For example, the:

- Warrnambool Sewage Treatment Plant Upgrade Engagement;
- Urban Water Strategy 2017-2065 Engagement; and
- Contemporary Customer Services Project Engagement.

The engagement rounds were supplemented by the ‘business-as-usual’ customer engagement undertaken by Wannon Water, including:

- The Community Advisory Committee (which met 6 times during this period – with one of these being a deliberative forum on the Price Submission. See Appendix F); and
- Annual customer and business surveys (June 2016 and again in June 2017. See Appendix E).

Importantly, analysis of customer enquiry and complaints data – qualitative and quantitative – from the 2013-18 Water Plan period was also taken into consideration.

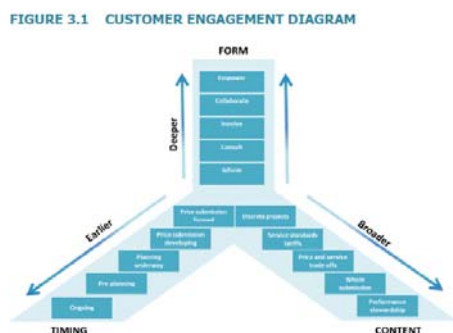
Most of the Price Submission engagement was undertaken in-house, involving employees from across the organisation. This approach kept costs down and had the benefit of ensuring that employees gained first hand understanding of what customers are telling us; supporting incorporation into the Price Submission development process and immediate incorporation of business-as-usual activities where possible. It also had the additional benefit of strengthening the community engagement expertise of many of our employees.

3 Approach

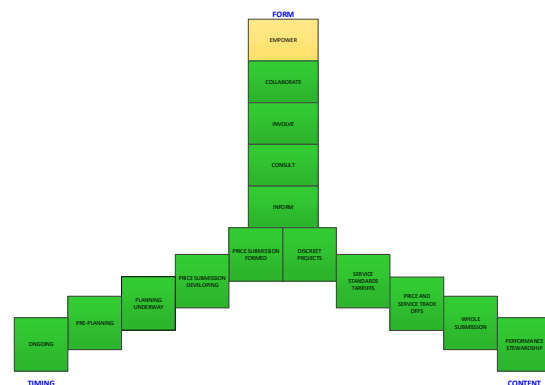
3.1 Form, content and timing

The 2018 Water Price Review – Guidance Paper (November 2016) provides advice on the form, content and timing of the engagement required for the development of the Price Submission (see p25, Figure 3.1, as replicated on the left-hand side below). This section addresses the way in which Wannon Water’s Price Submission engagement has responded to these elements (as represented on the right hand side below).

ESC Guideline

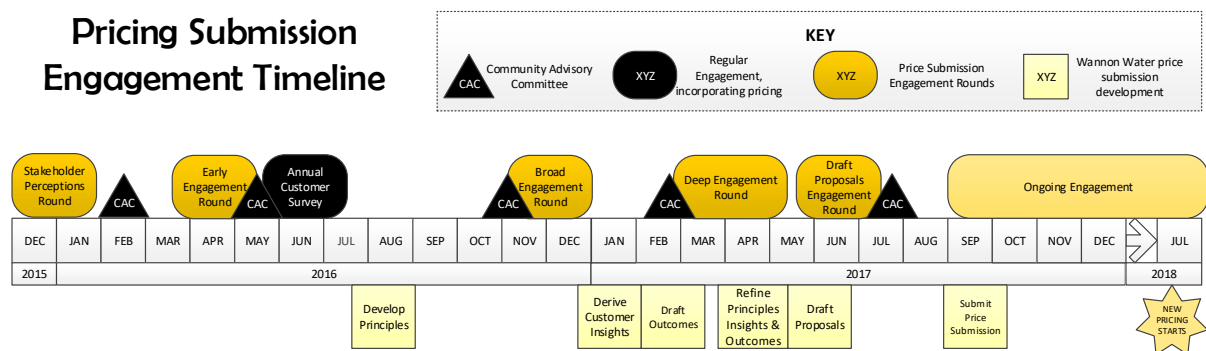


Wannon Water’s Engagement



3.1.1 Timing – When did we engage

Customers were engaged early and often throughout the process of the submission development. The first engagement activity in December 2015 was held *prior* to Wannon Water’s Price Submission working group and project investment committees commencing. This ensured that customer engagement findings were ever present in the planning and development of the Price Submission from the very beginning.



Lessons from this engagement process have been fed into an ongoing annual engagement cycle for Wannon Water. Future ‘performance stewardship’ by customers has been established in this price plan, whereby the outputs include ensuring customer engagement will inform continuous improvement and each year’s corporate plan.

3.1.2 Form – Where were we on the engagement spectrum?

The International Association of Public Participation (IAP2) Public Participation Spectrum defines five levels of engagement: inform, consult, involve, collaborate and empower. These levels of engagement have been reflected in the Figure 3.1 ‘Customer Engagement Diagram’ in the ESC guidance paper for the Price Submission as the ‘form’ of engagement.

There was evidence of all levels in Wannon Water’s Price Submission engagement with the exception of empowerment.

Notably, the Stakeholder Reference Group (SRG) for the Warrnambool Sewage Treatment Plant upgrade (a multi-stakeholder community panel that sat twice and advised the board on the weightings and criteria for the multi-criteria assessment of the option to be pursued in the upgrade); and the deliberative forum held with members of the Community Advisory Committee (CAC), which asked members to deliberate on five key themes for the Price Submission, were examples of collaboration. In both these sessions it was made very clear to participants that, whilst their feedback would be taken very seriously and that their advice would be incorporated into the final decisions, ultimately it would be the board that made the final decision. Indeed, the board did

incorporate the advice of both the SRG³ and the outcomes of the CAC Deliberative Forum in the Price Submission.

The engagement tools adopted could be considered at different levels of engagement. However, as a generalisation, the deeper engagement round was situated mostly at the involve level, with earlier rounds mostly situated at the consult level.

Wannon Water's engagement process consciously stopped short of customer empowerment (as defined by IAP2 and in the ESC guidelines), with Wannon Water's ministerially appointed board accepting this responsibility for Wannon Water.

3.1.3 Content - How did we decide what to engage upon?

The discursive engagement methodologies in the first two rounds of engagement were open in how we questioned customers. In essence, they were explorative in nature and allowed *free responses* to elicit any range of topics of importance to customers. This is critically important and demonstrates that Wannon Water has been careful to ensure customer feedback developed and shaped the nature and themes of what we engaged upon from the start of the process.

Following these first rounds, a set of draft **Principles** (see section 1.2) was established. These **Principles** established consistency with Wannon Water's corporate objectives, but were also informed through the themes coming through early rounds of engagement.

The third round of engagement included a mix of methodologies: some that continued an open questioning approach (such as with developers); some that were more specific and tested the draft principles; and some that started 'deeper' questioning on issues that had been raised in earlier engagements or through enquiries and complaints during the current regulatory period (e.g. extent of online services desired by customers). By the end of this round, a draft set of **Customer Insights** were derived. The final **Customer Insights** (see section 4.2) encapsulated the key themes arising from the engagements with customers.

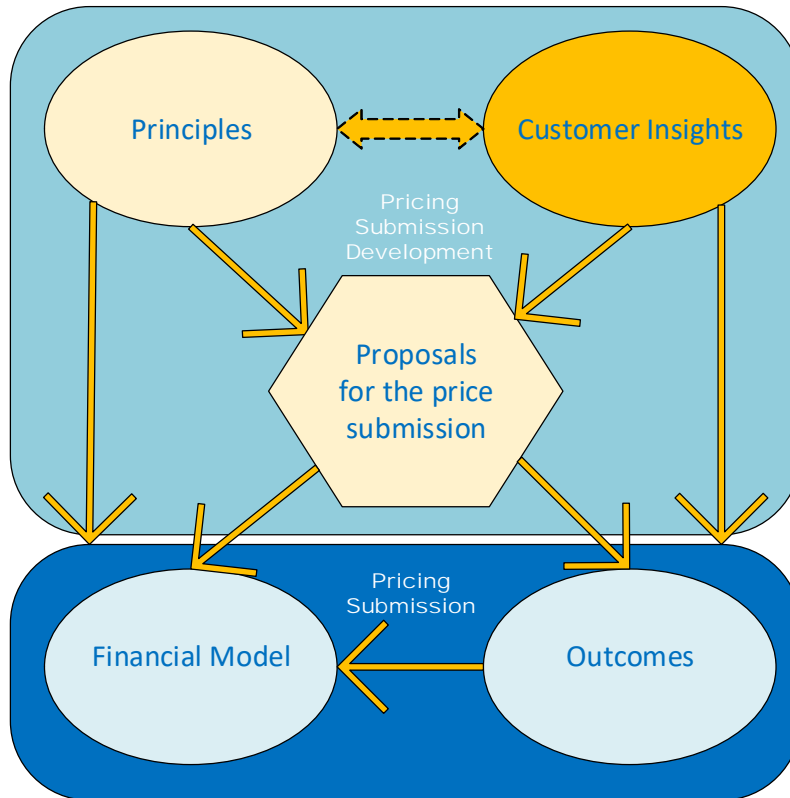
The fourth round of engagement was intent on testing and refining these **Customer Insights** and gaining a deeper understanding of the issues and themes that had been raised. This round concluded the detailed engagement. At this point a set of draft **Proposals** flagging key directions was developed and then tested with customers in the final round of engagement (See Appendix E). Whilst all engagement rounds were important, the **Proposals** round was critical in demonstrating that the directions in the final Price Submission have been tested with our customers and that, overwhelmingly, our customers have supported them.

The result of this approach to content is that the engagement was very broad in nature. It included project-specific engagement, trade-offs (such as in the broader engagement round whereby customers were asked their willingness to pay more or less to increase or decrease current service levels, in the deeper engagement and in the deliberative forum) and on tariffs (such as engagement on unconnected charges, fixed and variable, etc.), the components of the building blocks model (with the Community Advisory Committee) and feedback on the decisions guiding the whole submission (in the draft Proposals engagement round).

³ The board altered the officers' initial recommendations to incorporate feedback from the SRG in the final weightings and criteria approved to determine the upgrade option that will be pursued.

3.2 Customer insight as the key driver for the Price Submission

The diagram below outlines the relationship between the **Principles, Customer Insights, Proposals** and their resulting relationship with the final Price Submission financial model and outcomes. All are interconnected, with customer input as the core driver for the penultimate Price Submission.



3.3 Engagement tools

Consistent with best practice engagement principles, we chose engagement tools suitable to different stakeholder groups. The following table provides an overview of the range of engagement techniques employed. Appropriate materials were prepared for these engagements (e.g. flyers, information sheets, presentations, etc.) to ensure those engaged had received appropriate information to support them to provide informed feedback. More details on the engagement tools used can be found in each of the Appendices to this report.

		Engagement Tool						
		Online Surveys (& available in hard copy)	Interviews – Face to Face	Interviews – Phone	Wannon Water Focus Groups	Discussions with existing groups	Community Events	Stakeholder Forums
Engagement Round	Stakeholder Perceptions Round	✓	✓	✓				
	Early Round	✓	✓			✓		✓
	Broad Round	✓	✓	✓	✓		✓	✓
	Deep Round		✓		✓	✓	✓	✓
	Proposed Directions Round	✓				✓		

3.4 What did it cost us?

The majority of the engagement for the Price Submission was designed, delivered and reported on in-house by existing employees. The exceptions were:

- **Preparation and delivery of Deliberative Forum: Capire Consulting, \$8,437;**
- Stakeholder Perceptions Review (the Stakeholder Perceptions Engagement Round): Red Communications: \$17,240;
- Contemporary Customer Service Engagement (part of the Broader Engagement Round): Values Communications: \$32,600;
- Warrnambool Sewage Treatment Plant Upgrade Engagement (part of the Deeper Engagement Round): GHD, Engagement Co-design (\$28,024) and delivery of Stakeholder Reference Group (\$17,813);
- State of the Region (part of the Deeper Engagement Round): Engagement component of this report, SED Consulting, \$4,530;
- 2016 Customer and Residential Survey: Nexus, \$48,950; and
- 2017 Customer Value Survey: Bartley Consulting, \$38,390.

Importantly, of those listed above, ***all except the deliberative forum were engagements that occurred as part of other projects or plans*** and could be considered as ‘business-as-usual’ engagements.

There were also small incentives paid to participants in the following engagement activities:

- Deliberative Forum: Total \$100 each participant; and
- Stakeholder Reference Group: Total \$100 each participant for each of the two meetings.

There was a minimal spend on additional materials and advertising. However, there was significant employee time focused on the delivery of this engagement, particularly by the Communications and Engagement Branch, but also by many other employees across the business.

This in-house approach to the Price Submission engagement developed skills and expertise in engagement across the business, and also allowed customer feedback to come directly to employees. Employees involved then are in a better position to understand the customer feedback and implement strategies to address the feedback as part of their usual roles.

4 What did we hear from our customers?

4.1 Who was engaged?

We engaged multiple groups of stakeholders throughout the engagement, including:

- Residential customers;
- Small business customers;
- Major business customers;
- Recycled water customers;
- Rural customers;

- Urban customers;
- High volume customers (real estate, solicitors, plumbers);
- Local government;
- Regional groups and organisations;
- Community groups;
- Vulnerable groups;
- Developers;
- Environmental groups;
- Aboriginal people;
- Young people;
- Older people;
- Customers from townships throughout our service region; and
- Non-Customer residents in our water catchment areas.

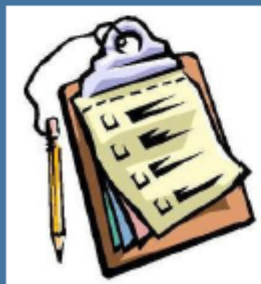
Over
3000
instances of
engagement,

505
in-depth



Survey
respondents:

- 1205 by phone
- 561 online
- 574 at events



22 small group
community discussions
held across 10 towns

218
participants

- 12 towns represented
- 6 water sources
- 16 community organisations



**Deliberative
Forum**

- 7 towns represented
- 5 challenges deliberated



Community Events

- Sungold Field Days
- Warrnambool Sustainable Living Festival

**Warrnambool
Sewage Treatment
Plant Upgrade
Engagement**

- Key stakeholder briefings
- Letter box drop
- Public drop-in session
- Stakeholder Reference Group



177
key stakeholder
meetings and
interviews

- 6 councils
- Child and Family Services Alliance
- 6 community environmental groups
- Key regional organisations
- Recycled water customers
- Developer forum
- Major customer forum



Wannon Water's definition of community engagement:

A genuine process of working with people to build capacity, strengthen relationships and inform decisions.



4.2 What did we hear?

We developed a list of customer insights following the broad engagement round. These were tested further in the deep engagement round and then altered accordingly.

The following is the final list of customer insights from the Price Submission engagement. It provides a summary of what Wannon Water learned from customers throughout all the engagement undertaken during the submission planning process. An overview of feedback from each engagement round is within the Appendices to this report and detailed feedback is within the multiple reports associated with each engagement.

Final Customer Insights derived from the 2018-23 Price Submission Engagement:

- Our customers are satisfied with most of our existing approaches and service levels
- Our customer told us they value the speedy restoration of their services when there is an interruption
- Our customers value Wannon Water working to protect the natural environment
- Our customers value support of local communities and think we should do more
- Our customers value our existing modes of interaction and would like additional contemporary options
- Our customer value being able to further influence their bills and value equity across our customer base
- Our customers value understanding more about their local water sources and treatment
- Our developers value stable and fair new customer contribution charges, simple fee structures, flexible mechanisms to ensure the costs associated with shared reticulation assets are fairly allocated to benefitting developers and our engagement with them
- Our major customers value the level of service, technical support and expertise we provide them and they have individual and complex needs
- Our major customers told us they would value investment in sewage/trade waste treatment infrastructure, water quality improvements and easier entry processes for new business to promote regional prosperity

Overwhelmingly, we also heard from those we engaged with that they appreciated Wannon Water's openness in the information presented and willingness to involve stakeholders in developing the Price Submission. The findings from those small group participants who provided feedback during the deep round showed 100% thought the engagement process was worthwhile, both for them and Wannon Water.

All Deliberative Forum participants also rated the participation, organisation and quality of the forum as either good or excellent. The experienced engagement consultants engaged to facilitate the Deliberative Forum, Capire Consulting, also told us that the staff presentations were the most unbiased they had ever seen from a client, confirming the rigour and openness of this engagement process.

Following engagement with developers and major customers, these stakeholders also expressed their interest in participating in regular forums with Wannon Water in the future, given the value they got out of our engagement.

"Quality inputs, not weighted, they were all true and honest reports [from Wannon Water staff] – Deliberative Forum feedback

"Wannon Water is to be congratulated on its leadership and willingness to engage with the development industry. It is greatly appreciated."

- Warrnambool property developer

"This is a most comprehensive body of work and having been a small part of the process it is wonderful to see everything pulled together in one document. This type of progressive management is proof that utility businesses can be true leaders in business and the community." – CAC member

5 Translating what we heard, into what we do.

Below is a table providing a high level overview of the links between the customer insights and the related proposals in the Price Submission.

Customer Insights from the 2018-23 Price Submission Engagement	Related Proposals in the Price Submission (Overview)
<ul style="list-style-type: none"> Our customers are satisfied with most of our existing approaches and service levels 	<ul style="list-style-type: none"> We will maintain our current customer service levels We will increase the volume and methods of communications regarding services to keep our customers informed
<ul style="list-style-type: none"> Our customers told us they value the speedy restoration of their services when there is an interruption 	<ul style="list-style-type: none"> We will maintain our historic performance levels of response to service interruptions We will pursue new ways to inform customers when interruptions occur, and to let them know when it is restored
<ul style="list-style-type: none"> Our customers value Wannon Water working to protect the natural environment 	<ul style="list-style-type: none"> We will provide \$40,000 per year partner with regional catchment management authorities to improve catchment health We will progress towards our commitment to reduce greenhouse gas emissions by 40% by 2025 without impacting customer affordability
<ul style="list-style-type: none"> Our customers value support of local communities and think we should do more 	<ul style="list-style-type: none"> We will introduce a 'Water for Community' program to subsidise water for public spaces We will increase our support for diverse and vulnerable people in the region, including implementing our Financial Inclusion Action Plan
<ul style="list-style-type: none"> Our customers value our existing modes of interaction and would like additional contemporary options 	<ul style="list-style-type: none"> We will introduce new contemporary customer service options, including an online customer portal

	<ul style="list-style-type: none"> We will ensure ongoing engagement with customers and community to build capacity, strengthen relationships and inform continuous improvement to our services
<ul style="list-style-type: none"> Our customers value being able to further influence their bills and value equity across our customer base 	<ul style="list-style-type: none"> We will review the Rural Water Surcharge during 2018-2023 We will maintain the current fixed:variable ratio for water bills to ensure equity and to avoid adverse impacts on vulnerable customers
<ul style="list-style-type: none"> Our customers value understanding more about their local water sources and treatment 	<ul style="list-style-type: none"> We will increase our focus on telling our story more broadly through our education and communications programs, partnering with other agencies and expanding our suite of communications tools
<ul style="list-style-type: none"> Our developers value stable and fair New Customer Contribution charges, simple fee structures, flexible mechanisms to ensure the costs associated with shared reticulation assets are fairly allocated to benefitting developers and our engagement with them 	<ul style="list-style-type: none"> We will maintain fair and consistent New Customer Contribution charges and introduce a simpler structure for developer construction fees We will develop principles to allow for shared reticulation asset costs to be shared among benefitting landowners We will continue and expand our regular developer forums to ensure we understand their needs
<ul style="list-style-type: none"> Our major customers value the level of service, technical support and expertise we provide them and they have individual and complex needs 	<ul style="list-style-type: none"> We will maintain our service levels for major customers We will coordinate annual major customer forums as part of our ongoing engagement program
<ul style="list-style-type: none"> Our major customers told us they would value investment in sewage/trade waste treatment infrastructure, water quality improvements and easier entry processes for new business to promote regional prosperity 	<ul style="list-style-type: none"> We will upgrade the Warrnambool Water Reclamation Plant to increase its capacity and cater for growth We will undertake capital works that will improve water quality for customers

6 Concluding remarks

The engagement for this Price Submission has been the most comprehensive engagement in Wannon Water's history.

It was an engagement process that our customers recognised and appreciated, with many of our customers going out of their way to congratulate us on the way we approached this engagement⁴.

Many lessons have been learned along the way, not the least of which is understanding what is most important to our customers and what we can do as an organisation to orient our business in response to our customers' expectations.

At the end of this Price Submission engagement process, we understand that we are not at the end. In fact, we are just at the beginning of embedding an ongoing customer and community engagement process that informs our corporate planning and strategic intent as part of our annual review cycle. Pricing conversations with our customers will not be limited to the lead-up to price plan submissions, but be part of our business-as-usual process. Emerging from this Price Submission engagement is an ongoing process that ensures we are ever tracking the trends of what our customers see as important, responding to their feedback as part of all our planning cycles and sharing our story with our community.

⁴ Some examples of this include comments provided at evaluations at end of each focus group in the deeper engagement, statements of thanks from our major customers and developers in their respective forums and free text comments in many of the online surveys throughout the Price Submission engagement.

7 Appendix A: Stakeholder Perceptions Engagement Round

Goal	To discover how Wannon Water is perceived by its stakeholders and establish if internal perceptions match reality.
What did we want to find out?	<ul style="list-style-type: none"> To establish a benchmark for how Wannon Water is perceived to be performing To engage staff to determine if internal perceptions of performance match reality To explore stakeholder attitudes in regards to a range of core areas including overall performance; strategic direction and planning or the future; leadership and innovation; working with stakeholders; community engagement and participation and level of regard ;and respect.
What engagement tools did we use?	<ul style="list-style-type: none"> Employee interviews and focus groups Online stakeholder survey, with invitation for follow up interview Stakeholder interviews, phone and face to face Stakeholders included key regional organisations and Wannon Water's authorizing environment
Supporting information	<ul style="list-style-type: none"> Survey instruments
Who was engaged?	<ul style="list-style-type: none"> 15 employees of Wannon Water, in individual and group interviews 27 external stakeholders of Wannon Water, including <ul style="list-style-type: none"> 16 face to face or phone interviews 21 respondents to an online survey
What did they say?	<ul style="list-style-type: none"> The review found that Wannon Water is highly respected for delivering a safe, quality and reliable service. 95% of stakeholder agreed or strongly agreed that Wannon Water staff are competent and professional 74% of stakeholders rated overall performance to be good or very good. 82% of stakeholders indicated they respect or highly respect Wannon Water The majority of stakeholders reported positive working relationships with Wannon Water and whilst they believed Wannon Water to be open and transparent, they identified an opportunity for Wannon Water to be more proactive in regional strategic planning, community partnerships and community engagement. This was particularly the case for regional stakeholders.
How did we close the loop?	<ul style="list-style-type: none"> The final report was presented to staff, the board and the Community Advisory Committee. A letter was sent to the external stakeholders that participated in the review, providing the overall outcomes and thanking them for their participation.

For more information	Stakeholder Perceptions Review 2015 (FC/2016/01277)
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8 Appendix B: Early Engagement Round

Goal	Seek the views of Wannon Water’s regional stakeholders to inform the current policy environment for Wannon Water and the State Government
What did we want to find out?	<p>The primary objectives of this Engagement Round were to:</p> <ul style="list-style-type: none"> • Enable Wannon Water to provide feedback to State Government on the Discussion Paper “Water for Victoria” on behalf of key stakeholders in Wannon Water’s service area; • Seek early information from Wannon Water’s regional stakeholders to inform the Price Submission 2018; and • Inform the development of Wannon Water’s inaugural Community Strategy. <p>The secondary objectives of this Engagement Round were to:</p> <ul style="list-style-type: none"> • Pilot an Engagement Round that can inform the further development of Wannon Water’s engagement approach into the future; and • Communicate the purpose and outcomes of the Engagement Round to employees so they can consider this feedback as part of their future work.
What engagement tools did we use?	<ul style="list-style-type: none"> • Short online survey – delivered on iPads by staff in face to face environments including 2 community festivals, all 3 Wannon Water reception points, primary and secondary schools, Gateway Plaza shopping centre • Focus groups – as part of their business as usual meetings and networks, employees facilitated focus groups using the same four questions • Participation and support of the regional Water for Victoria forum held in Warrnambool
Supporting information	<ul style="list-style-type: none"> • Employees were provided with training and fact sheets on the purpose of the engagement and focus group techniques • Those engaged in focus groups were provided with a fact sheet prior to the discussion providing context for the session
Who was engaged?	<ul style="list-style-type: none"> • Focus Groups – 66 participants from 26 organisations and 10 different sectors⁵ • Survey – 477 respondents • 57% female, 43% male • 3% Aboriginal • 66% over 18 years old, 33% under 18 years old • 282 Wannon Water customers • 53% Warrnambool, 14% Portland, 9% Hamilton
What did they say?	<ul style="list-style-type: none"> • Three most important uses of water: Home & Garden, Environment, Farm • Three most important aspects of water quality to respondents: safe, tastes good and is available • Three most popular requests for more information: How water is treated, where my water comes from, how can I reduce my bills

⁵ Commercial, Local Government, Health & Wellbeing, Recreation, Emergency Services, Environment, Education & Training, Community Support Services, Agriculture, Developers

	<ul style="list-style-type: none"> • There are many opportunities for Wannon Water to partner with communities to help our region flourish • Low bills, control over bills and water conservation were considered important
How did we close the loop?	<ul style="list-style-type: none"> • All those engaged that provided contact details were provided with feedback on the overall findings. • The final report was presented to staff, the board, the Community Advisory Committee. • A copy of the report was provided to the DELWP State Water Plan (Water for Victoria) development team, and to other water managers in the region (local governments, CMAs and Southern Rural Water)
For more information	Report on April Engagement Round 2016 (D2016/049195)

9 Appendix C: Broad Engagement Round

Goal	“Provide an opportunity for all of Wannon Water’s customers to inform the development of the Wannon Water’s 2017 Price Submission to the Essential Services Commission”
What did we want to find out?	<ul style="list-style-type: none"> • Test the draft principles that inform the development of the Price Submission • Check customer expectations on levels of service • Provide input to the development of Wannon Water’s “Urban Water Strategy” • Provide input to the “Contemporary Customer Services” project • Ensure that key stakeholder groups that had not yet contributed their views on service levels and pricing had the opportunity to do so • To inform the development of Wannon Water’s Community Engagement framework • Communicate the outcomes of the Engagement Round to employees so they can incorporate this feedback into their future work • Identify themes or gaps that need to be further explored or verified in the February/March Engagement Round
What engagement tools did we use?	<ul style="list-style-type: none"> • Contemporary Customer Services Project <ul style="list-style-type: none"> ○ Focus Groups (Residential Customers) <ul style="list-style-type: none"> ▪ Over 50 years old, Warrnambool ▪ Under 50 years old, Hamilton ▪ Under 50 years old, Warrnambool ○ Phone interviews (Camperdown, Hamilton , Portland, Port Fairy, Warrnambool) <ul style="list-style-type: none"> ▪ 10 plumbers ▪ 10 real estate agents ▪ 10 legal firms • Developer Engagement <ul style="list-style-type: none"> ○ Face to face interviews • Major and Recycled Water Customer Engagement <ul style="list-style-type: none"> ○ Face to face interviews ○ Surveys • Gellibrand Summer Flows Project Engagement <ul style="list-style-type: none"> ○ Community meetings • Online Survey <ul style="list-style-type: none"> ○ All customers invited to participate, including invitation on Oct-Dec water bill with incentive of winning 1 of 10 \$200 credits to their bill
Supporting information	<ul style="list-style-type: none"> • Specific to each engagement methodology
Who was engaged?	<ul style="list-style-type: none"> • 25 people in three focus groups on contemporary customer service • 30 interviews (plumbers, real estate agents, legal firms) • 9 developers

	<ul style="list-style-type: none"> • 27 representatives of major customers • 19 recycled water customers • 29 people at the Gellibrand Summer Flows meeting • 540 respondents to the customer survey • 97 engagements with people at the Gray Street Festival in Hamilton
<p>What did they say?</p>	<p>The Customer Insights derived from this engagement were:</p> <ul style="list-style-type: none"> • Our customers value many of our existing approaches and service levels • Our customers place a high value on the taste, smell and clarity of their water • Our customers value their natural environment • Our customers value our support of local communities and think we should do more • Our customers value a speedy restoration of their services when there is an interruption • Our customers value our existing modes of customer service and would like to see additional ones • Our customers value reasonably low bills that are dependent on their water use • Our customers value understanding more about their local water sources and treatment • Our developers value certainty in new customer contributions, simple fee structures, quick turnarounds • Our customers may be willing to have water restrictions more often • Our customers may consider us changing the temperature of the water from the cold tap if their bills were lower
<p>How did we close the loop?</p>	<ul style="list-style-type: none"> • All those engaged that provided contact details for the survey were provided with a summary fact sheet on the findings. • The final report was presented to staff, the board, the Community Advisory Committee. • Results of the online survey were displayed at the community festivals in the deeper engagement round. • Results of the engagement were placed on our website.
<p>For more information</p>	<p>Outcome of the November-December Engagement Round Board Presentation – January 2017 (FC2017/00800)</p> <p>Customer feedback posted on the website – Broad Engagement (D2017/039635)</p> <p><i>Draft</i> Outcomes report November/December Engagement Round (D2016/099554)</p>

10 Appendix D: Deep Engagement Round

<p>Goal</p>	<p>To deepen our understanding of the themes and insights emerging from the previous customer engagement activities to inform Wannon Water’s Price Submission 2018-23.</p>
<p>What did we want to find out?</p>	<ul style="list-style-type: none"> • Get feedback on the draft customer OUTCOMES for the Price Submission • Check on the emerging customer insights from the broad engagement and refine as necessary. As an overview, understand more about what customers value in relation to: <ul style="list-style-type: none"> ○ Taste, smell and hardness of water ○ Fixed and variable tariffs ○ Rural surcharge ○ Unconnected charges ○ Restoration after an interruption to service ○ Water for liveability / Water for community ○ Doing more for the environment ○ Being more active in the community ○ Modes of customer interaction ○ Information about the sources and treatment of water • Additional themes for the developers forum <ul style="list-style-type: none"> ○ Sharing the overall results of the interviews with developers ○ Simplifying the land development fee structure ○ Calculation of the New Customer Contributions (NCCs) ○ Options for calculating shared reticulations asset NCCs • Additional themes for the major customers forum <ul style="list-style-type: none"> ○ Sharing the overall results of the interviews with major customers ○ Expanding capacity – the Warrnambool Sewage Treatment Plant Upgrade ○ Improving Water Quality
<p>What engagement tools did we use?</p>	<ul style="list-style-type: none"> • A deliberative forum with members of the Community Advisory Group on key themes • Small group discussions held throughout the service region (with existing community groups and Wannon Water arranged sessions) • Meetings and interviews with key stakeholders (directly with Wannon Water employees and also through the ‘State of the Region’ project engagement) • Implementation of the Warrnambool Sewage Treatment Plant (WSTP) Upgrade Stakeholder Engagement Plan <ul style="list-style-type: none"> ○ Letter Drop ○ Phone calls to community groups ○ Media announcements ○ Drop-in Session at the neighbouring golf club ○ Stakeholder Reference Group <ul style="list-style-type: none"> ▪ widely advertised expression of interest ▪ 2 evening forums ▪ Included major customers, environmental groups ▪ providing the board advice on the criteria and weightings for the final option for the upgrade

	<ul style="list-style-type: none"> • A major customer forum • A developers forum • Participation in the Sungold Field Days and the Warrnambool Sustainability Festival
Supporting information	<ul style="list-style-type: none"> • Pre-reading and presentation for the deliberative forum • WSTP newsletter for neighbours of the WSTP • Large printed maps and plans for drop-in session for the WSTP • Pre-reading and presentations for WSTP stakeholder reference group • Presentation for small group discussions (tailored to audience, e.g. one for community groups, one for local government executives etc.) • Presentation for developers forum • Presentation for major customer forum
Who was engaged?	<ul style="list-style-type: none"> • 401 people face to face • 13 small group discussions in 7 towns; 11 towns represented, 6 water sources, 10 community organisations (including young people and senior citizens), 125 individuals • Key stakeholder meetings and interviews including 5 councils, South West Child and family services alliance, key regional organisations • Deliberative forum, 7 towns represented, 9 individuals • 1 drop in session, 9 individuals • 2 Stakeholder reference group meetings, 9 individuals • 4 developer groups, 7 individuals • 9 major customers, 15 individuals • Sungold field days (estimate 60 individuals over 2 days) & Sustainable living festival (estimated 90 individuals in one day)
What did they say?	<ul style="list-style-type: none"> • Detailed findings in the relevant reports. Overall Refined customer insights were: • Our customers are satisfied with most of our existing approaches and service levels (no refinement) • Our customer told us they value the speedy restoration of their services when there is an interruption (refined) • Our customers value Wannon Water working to protect the natural environment (no refinement) • Our customers value support of local communities and think we should do more (no refinement) • Our customers value our existing modes of interaction and would like additional contemporary options (no refinement) • Our customer value being able to further influence their bills and value equity across our customer base (refined) • Our customers value understanding more about their local water sources and treatment (no refinement) • Our developers value stable and fair new customer contribution charges, simple fee structures, flexible mechanisms to ensure the costs associated

	<p>with shared reticulation assets are fairly allocated to benefitting developers and our engagement with them (refined)</p> <ul style="list-style-type: none"> • Our major customers value the level of service, technical support and expertise we provide them and they have individual and complex needs (refined) • Our major customers told us they would value investment in sewage/trade waste treatment infrastructure, water quality improvements and easier entry processes for new business to promote regional prosperity (refined)
How did we close the loop?	<ul style="list-style-type: none"> • The final report was presented to staff, the board, the Community Advisory Committee. • Results of the engagement were placed on our website. All those engaged that provided contact details were e-mailed the 'draft proposals' engagement that summarised the findings from the deeper engagement, along with all previous engagements • Second newsletter for WSTP letter dropped to surrounding neighbourhood, local media about final option selected, thank you letter with final outcome and evaluation of process send to WSTP stakeholder reference group • Follow up with developers on outcomes at their next monthly meeting • Individual follow ups with major customers
For more information	<p>Price Submission 2018-2023 Deep Engagement Report (FC2017/05745)</p> <p>Stakeholder Reference Group Outcomes (FC2017/05232)</p> <p>Deliberative forum report (FC2017/0500)</p>

11 Appendix E: Proposals Engagement Round

Goal	To test the proposed directions for the Price Submission with those that had previously provided feedback.					
What did we want to find out?	<ul style="list-style-type: none"> Whether customers were satisfied that our proposed directions for the Price Submission adequately responded to what they had told us was important to them in the previous engagements 					
What engagement tools did we use?	<ul style="list-style-type: none"> Online survey Discussion and feedback from the Community Advisory Committee in their July meeting. Letter to major customers 					
Supporting information	<ul style="list-style-type: none"> Fact sheet (with interactive links to our website for more information) on what we heard from customers during the Price Submission engagement and what we are planning to do as a result (copy provided at the end of this summary) Presentation on results of survey to CAC 					
Who was engaged?	<ul style="list-style-type: none"> 63 customers 9 CAC members 					
What did they say?	Theme	Level of satisfaction with the draft proposals (%)				
		Very Satisfied	Satisfied	Unsatisfied	Very Unsatisfied	Don't Know
	Quality water and sewerage services for now and the future	22	62	8	2	6
	Fair pricing	17	46	19 ⁶	13 ¹	5
	Doing more for the environment	25	49	13	3	10
	Strengthening our communities	29	54	5	3	10
	Open and responsive to deal with	33	51	5	2	10
	At the July 2017 Community Advisory Committee (CAC) meeting members were asked to consider the findings from this survey, and provide their group response to the proposals within each of the themes. The CAC members expressed satisfaction with proposals in all themes with the exception of the 'fair					

⁶ The comments from those expressing dissatisfaction on this theme mostly related to the fixed/variable issue and that prices were too high overall.

	pricing' theme. Those CAC members that expressed dissatisfaction on this theme indicated it was due to the proposal relating to the fixed/variable issue.
How did we close the loop?	<ul style="list-style-type: none"> • A summary of the online survey results was presented to the CAC at their July 2017 • The outcomes of the CAC group responses in July was included in the meeting minutes and sent to all members. • The Final Draft Price Submission, including the final proposals and outputs, was sent to the CAC for final feedback in September • A summary of the proposals in the final draft Price Submission were sent to those we engaged who provided contact details
For more information	<p>Draft decisions of the board (informing proposals) (D2017/026521)</p> <p>Draft Proposals Fact Sheet (D2017/033132)</p> <p>Feedback on Draft Proposals at July 4 2017 (FC2017/06333)</p> <p>Community Advisory Committee Presentation 19 July 2017 (D2017/037217)</p>

We heard ...

Our customers are mostly satisfied with the quality and reliability of our services.

Over 50% of customers would value improvements to the taste, smell and/or hardness of their water.

The taste is acceptable to many, while others with the same supply find it unacceptable and they drink bottled or tank water.

The hardness of water in groundwater-fed towns has other costs: a reduced lifetime of appliances and avoidance of drinking plain water.

Many of our customers perceive the taste of the naturally occurring (harmless) minerals in our water as chemical additives.

Our customers want us to keep our prices low.

Around 60% of our customers want our bills linked more strongly to usage, both for fairness and to reflect the precious nature of the resource.

Our pricing should be structured for equity and affordability across our communities.

The rural water surcharge is considered too high and unfair in many cases.

Some of our customers consider our unconnected charges too high and unfair in some cases; most believe they are at the right level.

Land developers in our region value certainty and fairness in sharing the costs of water infrastructure in new residential areas.

Our industry customers are sensitive to price, needing to compete in international markets.

Our proposals ...

We will plan for the long term, taking into account climate change, the needs of future generations and the environment. [read more](#)

We will ensure your water is safe to drink. See our [standards](#).

We will continue to ensure our sewerage services protect public health and the environment. See our [Environmental Policy](#) and a [planned major upgrade](#).

We will maintain and renew our infrastructure to keep outages to a minimum. See our [performance](#).

We will continue to improve the taste and smell of our water. [read more](#)

We will investigate making substantial improvements to taste and hardness of our water in groundwater-fed towns. See [related project](#).

We will not increase the over-all amount of revenue raised from our tariffs by more than CPI. There will be adjustments to some of our tariffs (some up, some down). These adjustments will be to achieve maximum fairness and affordability.

We will not significantly alter the proportion of the bill that is linked to usage. This decision was made to avoid price shocks and reflects the actual nature of our costs.

We will increase awareness raising and promotion of water conservation and the value of the resource.

We will structure our prices fairly across the whole customer base and continue to strengthen our proactive hardship program. [read more](#)

We will undertake a review of the rural water surcharge.

We will keep unconnected charges at the same level, with reasonable exemptions.

We will restructure our developer fees so they are simpler and fairer.

We will maintain major trade waste charges at CPI + 2% to incrementally achieve cost recovery.

See our [current pricing](#)

Quality
water and
sewerage services
for now and the
future

Fair
pricing

We heard ...

Most of our customers expect us to do more than the minimum required by law to protect the natural environment.

Most of our customers highly value water for the environment in dry times.

Around 75% of customers support our target to be carbon neutral by 2050, with 20% saying it should be one of our highest priorities.

Most of our customers see water as a precious resource and value water saving, water recycling, price incentives and community education.

Our customers and sister organisations expect us to be an active contributor to our communities beyond the delivery of water and sewerage services.

Our customers value water for public spaces and support us subsidising it.

Our hardship program is valued and needed by our community.

Our customers value our responsive face-to-face and over-the-phone service.

Our customers want more options for dealing with us, using a range of technologies.

Our customers value speedy restoration of service when there is an outage, and good communication about it.

Our customers and other stakeholders valued the opportunity to engage with us in an open way about planning the next five years.

Doing more for the environment

Our proposals ...

We will reduce our greenhouse gas emissions by 40% by 2025. Actions will include avoiding energy use where possible, finding efficiencies and using [solar](#) and [wind](#) power.

We will continue with commitments in our [Environmental Policy](#), including investing in the ecological health of our natural assets.

We will keep striving to minimise our water extraction and its environmental impact. Actions will include [Target Your Water Use](#), [roof water harvesting](#) and [the Gellibrand Summer Flows Project](#).

We will establish strategic partnerships to enhance our environment. [read more](#)

We will increase community education about where our water comes from, water conservation and how water and sewage is treated. [read more](#)

Strengthening our communities

We will expand our strategic community partnerships to strengthen our communities. [read more](#)

We will introduce a program to subsidise water for public spaces, including community, non-profit sports fields, swimming pools and drinking fountains.

We will develop our community partnerships to make our [hardship program](#) even better at meeting the needs of vulnerable people.

We will continue to deliver the same level of responsive service on the phone and over the counter at our three local offices.

We will introduce new text messaging and online services.

We will continue our high [performance](#) in responding to outages.

Open and responsive to deal with

We will build on our relationships with our customers and other stakeholders to keep the conversation open about our planning and decision making.

12 Appendix F: Annual Customer Surveys

Goal	Undertake Wannon Water annual residential and 3 yearly business customer surveys as part of business as usual activity.
What did we want to find out?	<ul style="list-style-type: none"> • Wannon Water Customer Survey 2016 (Residential) <ul style="list-style-type: none"> ○ Conduct a survey designed to measure the Wannon Water household customer zones in 5 geographical areas ○ Randomly select adequate sample sizes that represent Wannon Water’s geographical areas and establish a 5% confidence level ○ Analyse survey results and prepare a report for the Executive Management Team and Directors of Wannon Water • Wannon Water Customer Survey 2016 (Business) <ul style="list-style-type: none"> ○ Conduct a customer survey designed to measure the Wannon Water customer zones of businesses ○ Randomly select adequate sample sizes that represent Wannon Water customer zones with a reliable confidence level ○ Analyse survey results and prepare a report for the Executive Management Team and Directors of Wannon Water • Wannon Water Customer Value Survey 2017 <ul style="list-style-type: none"> ○ Conduct a survey to provide Wannon Water with an assessment of customers’ perceptions of value, in line with one of its four objectives detailed in the Wannon Water Corporate Plan 2017/18
What engagement tools did we use?	<ul style="list-style-type: none"> • 2016: Phone survey, random sample, white pages • 2017: Phone survey, random sample, Wannon Water customer database
Supporting information	<ul style="list-style-type: none"> • Phone survey instruments
Who was engaged?	<ul style="list-style-type: none"> • 2016: Residential : 503 customers • 2016: Business : 201 businesses • 2017: 501 members of customer households
What did they say?	<ul style="list-style-type: none"> • 2016: Residential <ul style="list-style-type: none"> ○ 94% overall customer satisfaction ○ Strengths: Sewage management, Collect/Treat sewage, Helpful friendly staff, customer service access ○ Adequate: Taste, Smell • 2016: Business: <ul style="list-style-type: none"> ○ 95% overall customer satisfaction ○ Strengths: Sewage management, Collect/Treat sewage, Helpful friendly staff, customer service access: ○ Adequate: Taste, Smell, Clarity, Water supply management • 2017 <ul style="list-style-type: none"> ○ 95% overall satisfaction, 84% satisfactory or excellent value for money, +6% Net Promoter Score⁷ ○ Customer suggestions (in order) to improve value for money: reduce fixed charges/service fee; reduce the price in general; improve the

⁷ The NPS range -100 is to +100. NPS is a measure of promoters of the organisation (9/10) less detractors (6/10).

	overall water quality – make it drinkable; improve the taste of the water; reduce the chemicals/chlorine/fluoride in the water; reduce sewage charges
How did we close the loop?	<ul style="list-style-type: none"> • The final 2016 customer satisfaction survey reports were presented to staff, the board, the Community Advisory Committee. • 2016 satisfaction levels reported in the 15/16 Annual Report to customers • 2017 outcomes report to Executive Committee and Employees via a presentation and to the board via a Director Update.
For more information	<p>Wannon Water Customer Survey June 2016 Residential Customers (FC2016/07342)</p> <p>Wannon Water Customer Survey June 2017 Business Customers (FC2016/07343)</p> <p>Customer Value Survey 2017 (D2017/048041)</p>

13 Appendix G: Community Advisory Committee

Goal	The Customer Advisory Committee (CAC) will provide diverse and informed customer perspectives on policy, planning, community engagement and service issues pertaining to Wannon Water. ⁸
What did we want to find out?	The CAC provides advice to the board on: <ul style="list-style-type: none"> • Items referred by Board or management • Key capital projects and or operational activities affecting levels of Service • Customer charter reviews • Community consultation and engagement programs • Observation of community engagement sessions upon invitation • Pricing options; and • Other issues raised by the Committee of Strategic relevance to customers and the community
What engagement tools did we use?	<ul style="list-style-type: none"> • The Customer Advisory Committee (CAC) is a committee of the board of Wannon Water. Its voluntary members are appointed by the board and comprise demographics and diversity reflective of the service region. • The CAC provided ongoing feedback to the Price Submission development as a part of its usual quarterly meeting agenda throughout the Price Submission development. • In addition: <ul style="list-style-type: none"> ○ CAC members agreed to be the participants in Wannon Water's deliberative forum on the Price Submission in 2017⁹. ○ The CAC devoted its entire meeting in July 2017 to providing final comment on the draft proposals for the Price Submission. ○ Provided a representative to the WSTP Stakeholder Reference Group
Supporting information and materials	<ul style="list-style-type: none"> • Committee meeting papers prepared in advance of each meeting • Presentations at each meeting • Pre-reading for the deliberative forum
Who was engaged?	<ul style="list-style-type: none"> • During the Price Submission Engagement Process (December 2015 – July 2017), there were a total of 12 community members, accompanied by 2 Board Directors. • Five of the community members were newly recruited in the second half of 2016
What did they say?	Deliberative forum outcomes: <ul style="list-style-type: none"> • Challenge One: Taste, hardness & odour <ul style="list-style-type: none"> ○ Should it cost more to have good tasting water? ○ <i>Yes 33%, No 4%, Undecided 2%</i> ○ Who should pay more for good tasting water? ○ <i>All customers 56%, Specific customers 0%, Other 22%, Undecided 22%</i>

⁸ Customer Advisory Committee Charter, January/February 2016

⁹ For Wannon Water, this allowed the deliberative process to be much more efficient in time and expense as (compared to a newly recruited citizen jury) as the members of the deliberative forum already had significant background about Wannon Water, and could concentrate their focus on the matters for deliberation.

	<ul style="list-style-type: none"> • Challenge Two: A fair billing structure <ul style="list-style-type: none"> ○ Should Wannon Water move to a more variable cost structure? ○ <i>Yes 56%, No 33%, Undecided, 11%</i> • Challenge Three: Unconnected Charges <ul style="list-style-type: none"> ○ Should Wannon Water decrease unconnected charges? ○ <i>Yes 11%, No 89%</i> • Challenge Four: Water for liveability¹⁰ <ul style="list-style-type: none"> ○ Should water for liveability be subsidized by Wannon Water customers? ○ <i>Yes 100%, No 0%</i> • Challenge Five: Draft Customer Outcomes <ul style="list-style-type: none"> ○ Do you think the draft customer outcomes meet the community's expectations of Wannon Water? ○ <i>Yes 100%, No 0%</i> <p>CAC July 2017 feedback:</p> <ul style="list-style-type: none"> • The CAC members indicated overall satisfaction (satisfied or very satisfied) with all themes in the draft proposals engagement, with the exception of the fair pricing theme as it relates to the issue of fixed and variable. • For this theme, the CAC members were split in their feedback, some satisfied and some unsatisfied.
How did we close the loop?	<ul style="list-style-type: none"> • A report summarising the outcomes of the Deliberative Forum was sent to CAC members in May 2017 • The outcomes of the CAC group responses in July was included in the meeting minutes and sent to all members. • The Final Draft Price Submission, including the final proposals and outputs, was sent to the CAC for final feedback in September
For more information	<p>Deliberative forum report (FC2017/0500)</p> <p>Minutes CAC 19 July 2017 (FC2017/07582)</p>

¹⁰ Defined as subsidising water for public good such as water for public open space, water for recreation (e.g. swimming pools, ovals) and public access to drinking water