

# Engagement Report

**Price Submission  
2023-28**



Moyjil (Point Ritchie) at the mouth of the Hopkins River in Warrnambool is one of the many significant Aboriginal sites across the south-west

# Acknowledgement

Wannon Water and the Victorian Government proudly acknowledge Victoria's Aboriginal communities and their rich culture and pay our respects to Elders past and present. We recognise the intrinsic connection of Traditional Owners to Country and acknowledge their contribution to the management of land, water and resources.

We acknowledge the Gunditjmara Peoples, the Eastern Maar Peoples, the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagalk Nations, and the Wadawurrung Peoples. We acknowledge the Traditional Owner corporations of Gunditj Mirring Traditional Owners Aboriginal Corporation, Eastern Maar Aboriginal Corporation, Barengi Gadjin Land Council Aboriginal Corporation, and Wadawurrung Traditional Owners Aboriginal Corporation.

We acknowledge Aboriginal people as Australia's first peoples and as the Traditional Owners and custodians of the land and water on which we rely. We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us. We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

## **Pareeyt Poondee-teeyt.**

*Water is Life - Dhauwurd Wurrung language group*

## **Pa poonteyt paman paman.**

*And life is sacred - Keerray Wurrung language group*

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# Introduction

Wannon Water's purpose is to deliver water and sewerage services and improve the lives of people in South West Victoria.

We are Victoria's second-largest regional urban water corporation by area, covering 23,500 square kilometres and a total population of 100,400. The local government areas we serve include Corangamite, Colac Otway, Glenelg, Moyne, Southern Grampians, and Warrnambool.

This report is an overview of the customer and community engagement we undertook to inform our five-year pricing plan, the *Wannon Water Price Submission 2023-28*. This includes 7,703 instances of customer engagement between 2018 and 2022.

The report demonstrates how we obtained and refined the engagement insights over time. These insights are critical in guiding our plans for delivering upon customers' priorities and expectations during the current pricing period but also in our planning for the 2023-28 pricing period.

Our price submission engagement has followed the requirements in the Essential Services Commission's (ESC's) *2023 Water Price Review Guidance Paper* (October 2021). The engagement approaches have also taken into consideration the ESC's research piece *Sensitive and Appropriate Engagement with Customers Experiencing Vulnerability: Guidance and Principles for Action* (January 2021), the ESC's *Getting to Fair: Breaking Down the Barriers to Essential Services Strategy* (August 2021) and the *Aboriginal Participation Guidelines for Catchment Management Authorities*.

This document describes our engagement context and approach, followed by the methods and tools applied and, finally, the engagement results. The latter section presents engagement insights, including recommendations for developing the price submission derived from our deliberative engagement process.

The appendices summarise key additional reports as further evidence of our engagement. Each of these can be provided in full upon request.

## Wannon Water community engagement context

At Wannon Water, we define engagement as "a genuine process of working with people to build capacity, strengthen relationships and inform decisions".

Following the engagement for the *Wannon Water Price Submission 2018-23*, we introduced a new approach to engagement to ensure:

- Customer and community engagement is an annual and ongoing process to:
  - Inform the development of our corporate plan each year
  - Provide iterative input to the development of future price submissions
- A clear, consistent and practical organisation-wide approach to best practice engagement
- Engagement is inclusive of the diversity of voices in our region (geographical, customer types, demographics, First Nations people, vulnerable groups and special interest groups).

To support these goals, in 2018 Wannon Water developed its Community Engagement Framework (CEF), which aligns with the International Association of Public Participation (IAP2) 'core values' and other best practice in consumer engagement.

The CEF guides our engagement planning and implementation, ensuring that customers and other community members are involved in the decisions that impact them.

All Wannon Water engagement, including project engagements and our annual Wannon Water Engagement Cycle (referred to as the 'WWEC' within the business) follow a seven-step methodology as shown in Figure 1.

This structured approach supports us to produce better outcomes for our customers by being responsive and able to adapt as their needs change. The framework helps us build ongoing relationships with key stakeholder groups and integrates customer-driven practice into our decision-making.



Figure 1. Wannon Water engagement approach

## Regional Advisory Forum and stakeholder groups

We also established a peak customer and stakeholder body to oversee the implementation of our annual engagement cycles and wider engagement approach.

The Regional Advisory Forum (RAF) comprised 12 volunteers reflecting customers and community diversity across the service area. The RAF met twice a year throughout the current pricing period to:

- Co-design engagement for each annual cycle
- Provide greater visibility of issues relevant to customer and community groups

- Hear, discuss and provide feedback on annual engagement findings
- Review the penultimate engagement insights and draft price submission in July 2022.

Each annual engagement cycle included a range of stakeholder groups as shown in Figure 2.

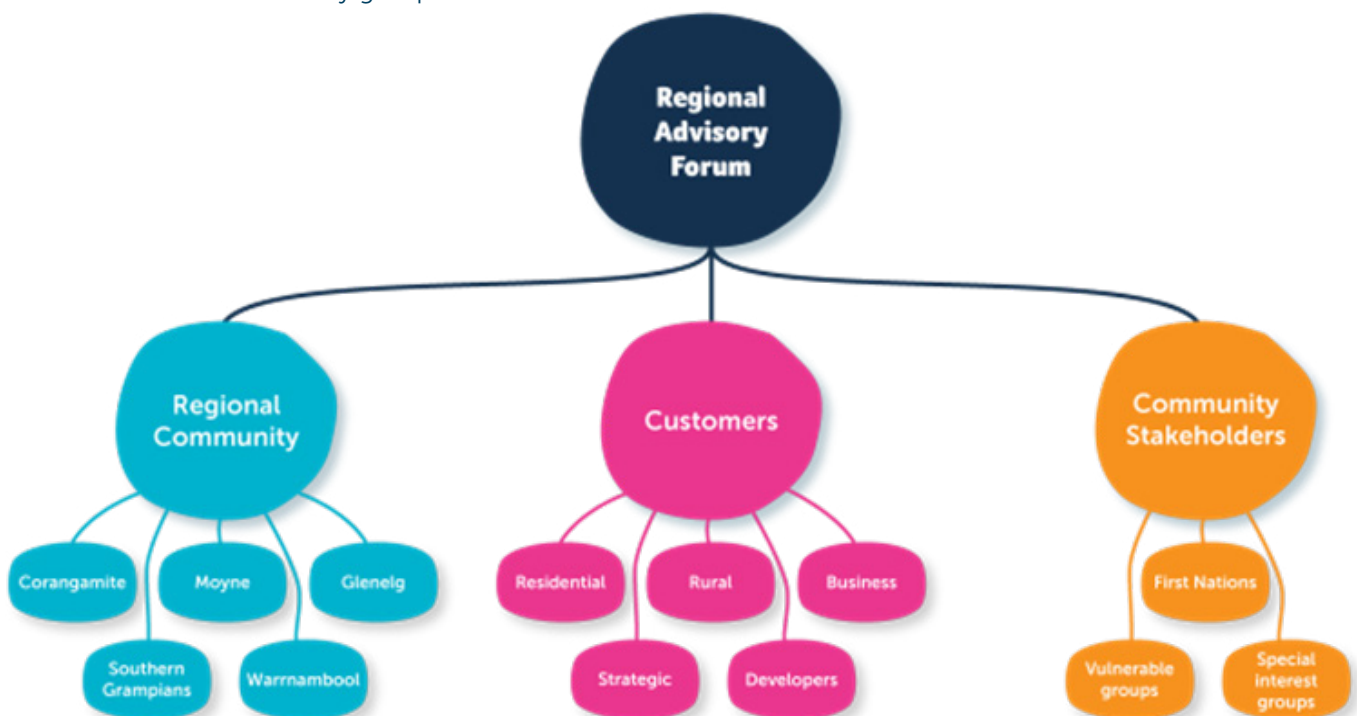


Figure 2. Wannon Water stakeholder groups

# Engagement approach

Key learnings from our 2018-23 price submission helped us build our current approach to customer and community engagement.

## Overview

Since 2018, we have been working towards reaching ongoing<sup>1</sup> performance stewardship<sup>2</sup>. Wannon Water's CEF requires that each of our individual engagements consider the appropriate IAP2 level of engagement<sup>3</sup>.

Our annual engagement cycles are generally set at the 'consult' and 'involve' levels for wider engagement. The Regional Advisory Forum (RAF) overseeing the program of annual engagement cycles sits at 'collaborate'. For this price submission, our Board of Directors set the level of engagement for the deliberative Community Panel at 'collaborate'.

Through our annual engagement cycles, ongoing customer feedback is built into our business-as-usual processes each year. Each year, these valuable insights help us develop our corporate plan and, when combined across the pricing period, provide a strong foundation for our price submission engagement.

This approach recognises the importance of community perceptions in producing better outcomes for our region. By working in this way, we have been able to minimise engagement fatigue without compromising the breadth and depth of customer voices in our price submission development. It also provides for more steady, regular, and robust tracking of customer priorities and expectations throughout a price period (and greater engagement overall) rather than an intensive engagement period only in the lead-up to a new price submission.

Figure 3 demonstrates this iterative 'funnel' approach. For this price submission, early and broad engagement was delivered in 2018-19, with more targeted activities in 2020-21, then culminating in a deeper, deliberative process<sup>4</sup> in 2022.

## COVID-19 considerations

The COVID-19 pandemic presented an opportunity to reimagine the design and implementation of community engagement from 2020 to 2022.

At the start of the pandemic there was an understanding that these were unprecedented circumstances, and the impacts were being felt in many ways. Online engagement, particularly video conferencing, broke through to become more mainstream out of necessity.

In 2021, our customers continued to feel the impacts of the global pandemic. There were still high levels of uncertainty due to sustained restrictions, remote learning, working-from-home arrangements and financial insecurity.

Groups already experiencing vulnerability within the community were more likely to be impacted by COVID-19, with new groups now experiencing vulnerability as a result of the pandemic.



## QUOTE

*Always impressed with the quality of your stakeholder consultation and communication back to this group ... always appreciate the high level of knowledge you have of your subject area.*

**- Regional Advisory Forum member  
2022**

1 ESC 2023 Water Price Review Guidance Paper (26 October 2021) p 22, Figure 3.1 "timing"

2 ESC 2023 Water Price Review Guidance Paper (26 October 2021) p 22, Figure 3.1 "content"

3 ESC 2023 Water Price Review Guidance Paper (26 October 2021) p 22, Figure 3.1 "for"

4 Deliberative engagement is an approach which encourages community members to critically test, weigh up and consider a range of information, perspectives, inputs and evidence to reach a consensus or make recommendations to the Board.



Figure 3. Wannon Water Engagement Cycle 2018-22

Overall, the pandemic reduced the community's appetite and capacity to engage, requiring us to adapt our previous methodologies to meet the changing needs of our stakeholders and community. We aimed to make it easier for the community to have their say, adopting an indirect approach using more virtual engagement methods, but also keeping front and centre the need for inclusive and sensitive engagement.

Given drastically limited opportunities for face-to-face engagement, we made it a priority to ensure engagement materials and feedback opportunities (e.g. surveys) were available via phone, email and hard copy for those with barriers to accessing online environments.

“

## QUOTE

*People who previously didn't need support need it, which is quite alarming.*

**- Focus group participant 2021**



## Form, timing and content

Figure 4 (right) outlines the three key elements the ESC requests Wannon Water use in describing its engagement approach: form, timing and content<sup>5</sup>.

This section summarises how we applied these elements to engage comprehensively with customers.

### Form - Customer level of influence

The ESC describes 'form' in alignment with the IAP2 Public Participation Spectrum, with five levels of engagement: inform, consult, involve, collaborate, and empower.

Wannon Water's Board set the maximum level of customer influence on the price submission at collaborate, recognising that our ministerially appointed board is ultimately responsible for pricing outcomes. However, Directors made a strong commitment to give customer feedback a high priority in their decision-making.

In line with our CEF, customer influence is considered for each engagement and can vary, depending on the nature of the engagement. Generally, customers were engaged from a 'consult' to 'involve' level during our annual engagement cycles (from 2018 to 2021), while the deliberative Community Panel engagement was delivered at collaborate. The Community Panel demonstrated strong ownership of the pricing and other challenges in developing a price submission, and were determined to help identify possible solutions.

As the peak body for the engagement program, the RAF engagement was delivered at the collaborate level throughout the pricing period. This group helped determine the engagement content, interpret customer insights, outline their respective communities' concerns and aspirations each year, and provide feedback on the draft price submission itself<sup>6</sup>.

### Timing – When did we engage?

Engagement for this price submission was ongoing throughout the current pricing period, incorporating four annual engagement cycles from 2018 to 2021. We applied our seven-step CEF process (see Figure 1) to each cycle to ensure our engagement activity was ongoing and built upon customer feedback from the previous year. It culminated in additional engagement in 2022, with the deliberative Community Panel strongly influencing our draft price submission. We also sought feedback from the RAF, the Community Panel and the wider community on the draft price submission in mid-2022.

<sup>5</sup> *Water Pricing Framework and Approach, ESC, page 17, 2021*

<sup>6</sup> The Regional Advisory Forum members participated in the CEF Agree, Understand and Review stages of Wannon Water annual engagement cycles.

<sup>7</sup> Discretionary engagement projects at Wannon Water tend to be time-bound, have a narrow project scope and audience. These are often delivered by external contractors.

<sup>8</sup> The Great Tasting Water project delivered in-depth engagement with 587 participants in 2020.

<sup>9</sup> The Customer Support Review included two internal staff engagement workshops, interviews and guided conversations with five community service organisations and networks in the service region, and nine in-depth interviews with customers currently experiencing difficulties paying their bills.

Notably, all engagement cycles started with the RAF as the peak customer body guiding customer and community engagement. The RAF met twice a year throughout the pricing period:

- Mid-year to help define the engagement purpose and design for the coming round.
- Later in the year to review engagement findings and ensure the engagement delivery was robust.

Annual stakeholder mapping, engagement design and delivery:

- Held mainly between June and November each year.
- Some years started slightly earlier.

Customer feedback timelines:

- Feedback reviewed between December and January.
- Reporting on key insights to the Board occurred from February to March (in time for incorporating feedback into the annual corporate plan).
- Importantly, each year we 'closed the loop' with customers, outlining what we had heard from them and, consequently, what we were doing in the next corporate plan in response.
- At the end of each cycle, we captured the lessons learnt and fed them into the new round to ensure continuous improvement.

Other discretionary engagement projects ran in parallel to our annual engagement cycles<sup>7</sup>. Two of these are of note for the price submission:

- The **Great Tasting Water**<sup>8</sup> project included a targeted and large-scale engagement of households and businesses in Portland, Heywood and Port Fairy. These areas have consistently shown low levels of satisfaction with water quality (particularly taste), with their communities advocating for Wannon Water to address this issue.
- The **Customer Support Review**<sup>9</sup> in 2022 responded to the challenge of improving support and/or access issues for customers experiencing vulnerability. This review was initiated in response to broader customer feedback showing they supported increased assistance for those experiencing vulnerability. It included a desktop review, benchmarking, internal and external engagement, and developed recommendations



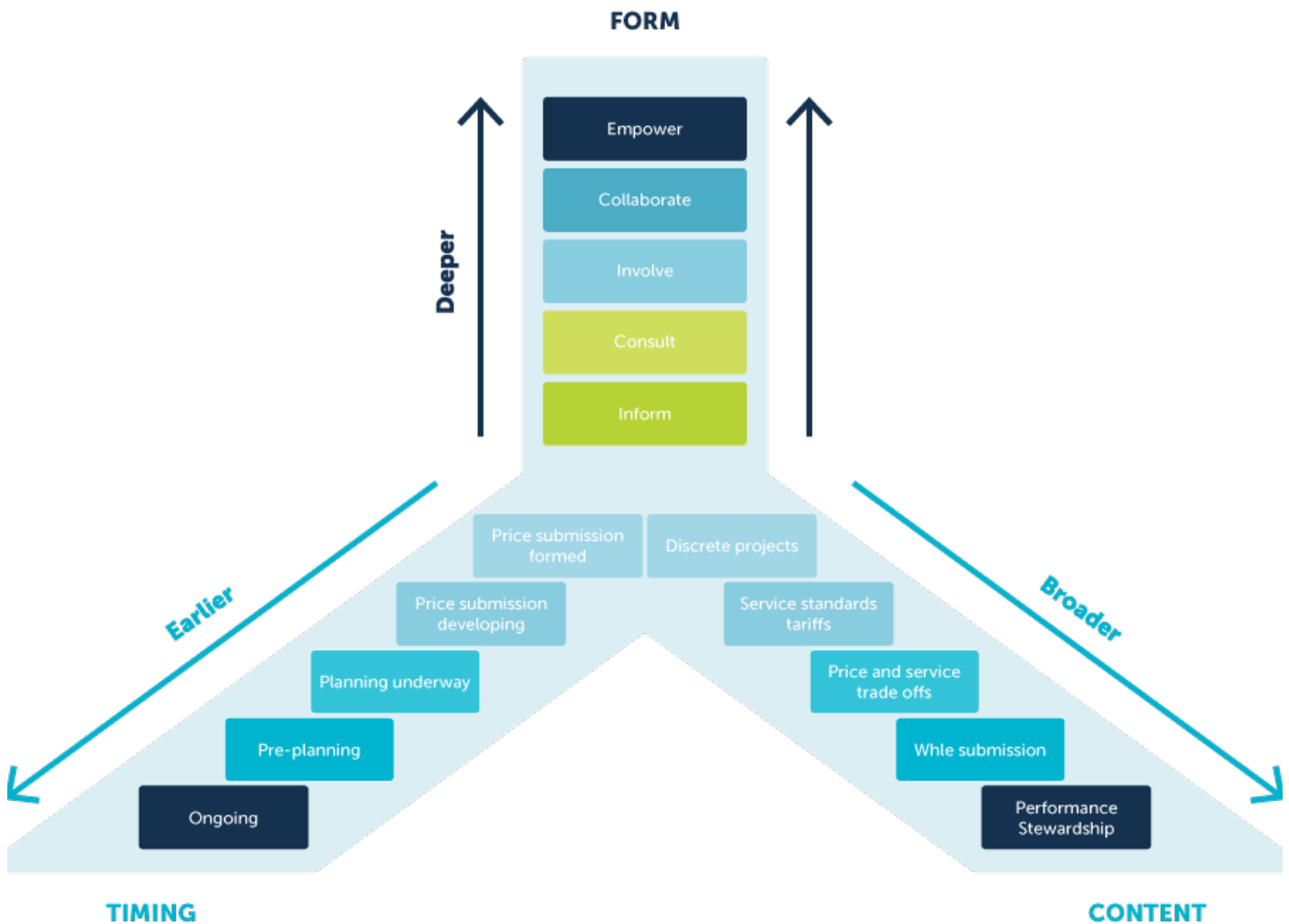


Figure 4. Customer engagement diagram

for improvements. External engagement followed sensitive and inclusive guidelines and was delivered by renowned community support organisation Good Shepherd Australia. The deliberative Community Panel was briefed on the draft recommendations and provided their support for the process and recommendations.

In 2020 and 2021, the broader COVID-19 context strongly influenced the timing for engagement. The safety of customers, communities and employees was a priority, with methods adapted to the constraints and limitations emerging from COVID-19 restrictions.

In mid-2022, all customers were invited to provide feedback on the draft price submission via our Engage & Explore online portal (or in hard copy for those unable to access the internet). This was supplemented with a direct invitation to review the draft submission for those who had previously been engaged and had indicated they would like to hear the draft outcome and provide any further feedback.

### Content – how did we decide what to engage on?

We adopted a 'performance stewardship' approach when considering the content of our engagement.

Our engagement topics were therefore generally more open in nature in earlier cycles (2018-19), becoming more specific as we neared the development of our price submission. In previous sections of this report, we referred to a 'funnel' approach to price submission engagement, where broader customer feedback is narrowed into more specific topics over time to allow for deeper consideration and debate.

Topics for each annual cycle of engagement were determined by:

- Engagement feedback from the annual cycle in the preceding years (and, in the case of 2018, engagement feedback from the price submission 2018-23 engagement)
- Key projects on the horizon for our business
- Being genuine with our customers in setting expectations of what they could influence through their feedback (e.g. detailed pricing was not discussed in the first year of the pricing period because any change to prices was unlikely to be enacted for five years).

Every annual cycle also included space for 'open' feedback on any topic customers wanted to discuss, allowing us to capture new issues or emerging trends.

Each year, we published progress against our customer outcome measures on our website, and 'closed the loop' with those customers we engaged with by providing details on how their feedback had been included in our corporate planning.

In early 2021, as we approached the development of a new price submission, we commissioned an independent desktop review of all customer feedback since 2017. The resulting *Diving Deeper* report ensured the 2021 annual cycle appropriately narrowed the final topics for engagement in the crucial lead-up to the new price submission.

Figure 5 represents how engagement topics evolved over time.

We also ensured our wider engagement was accessible and inclusive for First Nations People and for people experiencing vulnerability, particularly what specific matters may need to be discussed with them. The Customer Support Review (detailed earlier) is an example of how this occurred for vulnerable customers.

While all customers are ultimately affected by the outcomes of the price submission, some groups are impacted more than others. It was important to us that these voices were present in our engagement. There was very strong representation of the vulnerable customer voice on both the Community Panel and the RAF, providing meaningfully input on the impact of pricing.



Figure 5. Price submission engagement topics

# Methodology

Our engagement activity has evolved over time, with some methods remaining constant and other methods introduced more recently.

Consistent with best practice, the evolving impacts of COVID-19, and the changing needs of our customers and community, we tailored our engagement tools and materials to suit the different needs of different audiences.

## Engagement tools

Engagement tools used to develop the price submission are described in the table below. Further evidence is available for each engagement through separate reports upon request by the ESC. Samples of materials have been provided as appendices.

KEY	Inform	Consult	Involve	Collaborate	
	← Early and broad		Deeper engagement →		
Engagement tools	2018	2019	2020	2021	2022
Regional Advisory Form (RAF)					
First Nations engagement <i>(IWM forums, community groups, meetings)</i>					
50,000 households invited to participate in our price submission engagement <i>(DL postcard with QR code)</i>				Inform	
Customer Value Survey <i>(Online and phone surveys)</i>	Consult	Consult	Consult	Consult	
Water Services Association of Australia surveys <i>(Online surveys)</i>		Consult		Consult	
Stakeholder Perception Review <i>(Online and phone surveys, face-to-face interviews)</i>	Involve			Involve	
Monthly pulse surveys <i>(Online surveys)</i>			Consult	Consult	
Great Tasting Water <i>(Online and hard copy surveys, face-to-face pop-ups, meetings)</i>			Involve		
Engage & Explore - Social Pinpoint platform <i>(Online surveys, comment board - also made available in paper form)</i>		Consult	Consult	Consult	Consult
Strategic (large business) customer engagement <i>(Face-to-face and online interviews)</i>	Consult			Involve	
Developer engagement <i>(Face-to-face interviews)</i>	Consult	Consult		Involve	
Focus groups <i>(Face-to-face and online)</i>	Consult	Consult	Consult	Involve	
Community events and small-town community roadshow <i>(Face-to-face conversations and surveys)</i>	Consult	Consult		Consult	
Customers experiencing vulnerability and financial hardship – interviews <i>(In collaboration with Good Shepherd)</i>					Collaborate
Community service organisations working with customers experiencing vulnerability and financial hardship	Involve	Involve	Involve	Collaborate	Collaborate
Deliberative engagement – Community Panel <i>(Three face-to-face sessions, one online session)</i>				Collaborate	Collaborate

## Regional Advisory Forum (RAF)

The RAF met twice a year, with the 12 volunteer customers and stakeholder members reflecting a diverse range of demographics and our service area. These were face-to-face forums in 2018 and 2019, and online in 2020, 2021 and 2022.

## Integrated Water Management Forum (IWM)

This is a collaborative forum for water planning and management that brings together key regional stakeholders with an interest in the water cycle. It aims to increase collaboration and strengthen relationships, build regional capacity and share knowledge and resources.

## First Nations engagement

We have an ongoing partnership and engagement with indigenous leaders and communities through multiple avenues, and consider their ongoing feedback in our planning for our corporate plan, urban water strategy and price submission. Examples include IWM Forums, the community-based Wata Waetnanda group, the Framlingham Aboriginal Trust and key projects (e.g. Heywood Water Tower Indigenous War Memorial Mural, Killara Kooyang Water Project). Both Registered Aboriginal Parties (RAPs) – Eastern Maar and Gunditj Mirring – were specifically engaged in developing the price submission and broad engagement invited customers to indicate if they identified as being First Nations. Importantly, First Nations engagement took into consideration best practice engagement approaches for these communities (see [Aboriginal Participation Guidelines for Catchment Management Authorities](#)).

## Customer Value Survey

Independent annual market research (with around 1,000 customers per year) monitoring our performance across key indicators, including customer perceptions of value.

## Water Association of Australia (WSAA) National Customer Perceptions Survey

Biennial research conducted by industry peak body WSAA benchmarking 34 urban and regional water corporations. We have participated in this survey on a subscription basis since it began, including during this pricing period in 2019 & 2021.

## Stakeholder Perceptions Review

External reviews of our performance (in 2018 and 2021) surveyed and interviewed 85 key regional stakeholders, including local and state government, regulators, Catchment Management Authorities, special interest groups and First Nations Leaders.

## Monthly pulse survey

Since September 2021 we have commissioned monthly pulse surveys to assist us monitor trends in the customer perceptions performance indicators of value, trust, satisfaction and community reputation. Verbatim comments are also recorded.

## Strategic customers<sup>10</sup> and developers

We have ongoing engagement with these customer segments. Most recently, in 2021, we held consultative meetings with six major businesses and four local property developers to gain their views on water quality, service levels and pricing.

## Engage & Explore

An engagement portal using the Social Pinpoint platform to facilitate online customer feedback through tailored surveys and open feedback tools. [Engage & Explore | Social Pinpoint](#)<sup>11</sup>.

## Community and special interest groups

We held interviews and focus groups with 40 community organisations, interest groups and key stakeholders across the pricing period. In each case, we met with participants at their existing meetings and locations. This approach captured feedback from people who would not usually go out of their way to provide feedback to us, ensured the engagement is conducted in an environment familiar to the participants, and supported sensitive and inclusive engagement principles.

## Community events, roadshow and town-specific engagements

Our engagement team attended regional events – Sheepvention (2018) and Noorat Show (2019) – and held community pop-up sessions in Mortlake, Peshurst, Terang and Cobden (2021). During the pricing period, we also conducted township engagements on specific issues in Darlington, Dunkeld, Glenthompson, Merino, Peterborough, Port Campbell and Tarrington, plus Heywood, Port Fairy and Portland as part of the Great Tasting Water project.

## Deliberative engagement (Community Panel)

In April 2022, we formed a Community Panel to deliberate on the customer insights from engagement held from 2018-21. More detail on this comprehensive deliberative engagement is provided in the 'Engagement results' section of this report.

<sup>10</sup> Wannon Water defines a 'strategic customer' as one who could have a positive or negative impact on our ability to achieve our strategic direction. These include industry, larger businesses and customers who have a higher demand for our services to operate.

<sup>11</sup> Engage & Explore is updated in accordance with current engagement needs so the content will vary depending on when this link is accessed.

## Universal, inclusive and sensitive engagement

All engagement activities were planned and delivered with the inclusion of diverse voices as a priority. The 10 principles for universal consumer engagement<sup>12</sup> guided the way these were incorporated into our engagement design.

In mid-2021, we consulted regional community service organisations for advice on what engagement would be appropriate with vulnerable customers during this stage of the pandemic. We subsequently followed their advice to delay engagement due to the particularly pronounced impact of lockdowns on this customer group.

We followed a relationship and partnership approach for our engagement with First Nations People (as per best practice guidance for these communities). This involved multiple employees in our business developing and maintaining long-term, mutually respectful relationships with First Nations leaders and groups in our region.

For each broad community engagement, we sought to ensure access for diverse groups regardless of age, background, ability, access to technology etc.

More extensive details on how each of the 10 principles informed our engagement practice is provided in Appendix G.

### “ QUOTE

*One of the most interesting things I've found about the process is the level of community engagement that Wannon Water has gone to. They are very proactive and they seem to really want to get out there and get to know their customers.*

**- Community Panel member 2022**



### “ QUOTE

*I think that the Draft Price Submission 2023-28 Community Summary is a very inclusive document - the approach and positive method of suggestions has come up with this comprehensive and inclusive document.*

**- Final engagement feedback 2022**



<sup>12</sup> From the ESC guidance document *Sensitive and appropriate engagement with customers experiencing vulnerability: Guidance and Principles for action*, January 2021.

# Engagement at a glance

## What we heard

2018-22

### How we engaged

Regional Advisory Forums  
 Customer perceptions surveys  
 Customer value surveys  
 Explore & Engage online portal  
 Vulnerable customer engagement  
 First Nations engagement  
 Small Community Roadshow  
 Community Panel  
 Focus groups  
 Community events

2018

- We're highly respected for the role we play in the community
- We need to maintain a balance between core business and community leadership
- Cost was an ongoing concern, with limited understanding of the billing structure
- Water quality improvements were desired, particularly (not exclusively) in groundwater towns
- Customers valued the opportunity to be heard and learn more about us

2019

- The provision of high-quality water and sewerage services appears to be more valued
- The service charge continued to be a barrier to increasing perceptions of value
- Improving communication for customers on matters of importance to them has the potential to increase perceptions of value
- Climate change concerns related to water security, conservation, and efficiency being raised
- Increasing expectation for us to participate in, connect with, and support communities as core business

2020

- High levels of uncertainty due to COVID-19 restrictions saw shifts in vulnerability
- Customers support facilitating access to hardship program and increasing awareness of small business supports
- Continued lack of understanding about service charge structure. Some customers concerned at the lack of incentives to decrease consumption.
- Most surveyed customers satisfied with current water supply. Water quality issues around taste, smell and appearance still relevant in some areas
- Those we engaged in towns without sewerage services prefer to remain so to avoid extra costs

2021

- COVID-19 impacts felt across the service region affecting key industries and increasing vulnerability
- Limited awareness of Wannon Water hardship supports
- Majority of customers engaged felt their water bill was at affordable levels
- Continued customer interest in bill structure to reflect water usage more strongly
- Ninety per cent of customers who drink our water were satisfied with the water supply they receive
- Water quality disparity was evident in some areas supplied with groundwater and this continues to impact perceptions of value among some communities
- Sewerage costs continued to be raised by some customers as being high
- Climate change and carbon neutrality were emerging priorities

2022

- Community Panel recommended we keep bills affordable while maintaining ability to deliver priority projects, maintain assets and sustain operations
- Recommended we increase prices and bill variability gradually over time to avoid adverse impacts on some customer groups
- Improve access and support for customers finding it difficult to pay
- Maintain existing service levels, and partner to care for the environment
- Invest in improving customer experience, digital access to information, and water quality improvements (particularly groundwater)
- Community Panel reviewed how we prioritise CAPEX projects and developed six 2023-28 customer outcomes that reflect customer feedback



# Engagement results

This section provides an overview of the breadth, reach and outcomes from the overall engagement program that inform our price submission. It summarises the various engagement activities delivered, together with aggregated demographic data and key insights. Overall, we have captured a diverse representation of our customers and community.

## Reach and participation

We recorded more than 7,700 instances of engagement<sup>13</sup> between 2018 and 2022 to inform our price submission. The bulk of these were recorded during the 2018 to 2021 annual engagement cycles, with the instances of engagement fairly evenly spread across those years, including during the pandemic. In 2022 there were fewer instances of engagement compared to previous years, with a focus on more in-depth conversations as part of our deliberative process (i.e. the Community Panel) in the final stages of the price submission development, as well as broader community feedback on the final draft price submission itself.

We engaged with a broad cross-section of stakeholders:

- Residential and non-residential customers
- First Nations People
- People experiencing or at risk of experiencing vulnerability
- People living with disability
- People from multicultural backgrounds
- LGBTIQ+ and non-binary community members
- Local governments
- Community, advocacy and special interest groups
- Small towns
- Renters and homeowners
- Strategic customers
- Rural customers
- Large and small businesses
- Local property developers
- Environmental and water interest groups
- Young people.

## Participation per service area

Most respondents were living in the higher-populated areas such as Warrnambool and Koroit. Participation was lower from those living in smaller communities such as Peterborough, Port Campbell, Dartmoor, Casterton, and Merino. Overall, however, we achieved representative samples.

We designed our annual engagement cycle focus groups to ensure we captured feedback from across all our local government areas in a fair and accessible way. Figure 6 below details instances of engagement across our five customer areas<sup>14</sup>.

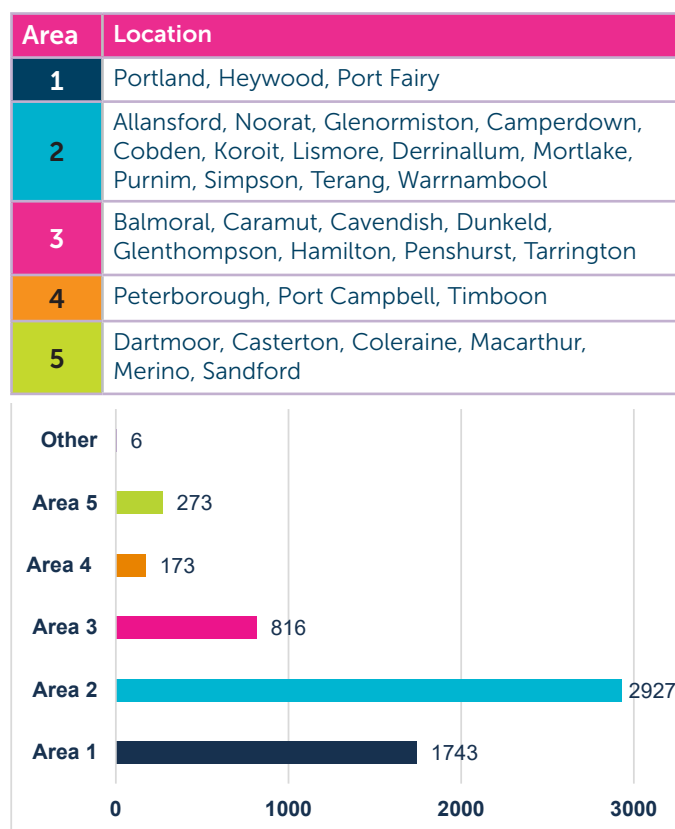


Figure 6. Engagement geographical spread

<sup>13</sup> Demographic data across the following data sources: Annual Engagement Cycle 2020-21, Monthly Pulse Surveys 2021, WSAA surveys 2019 and 2021, Customer Value Survey 2018-21, Great Tasting Water project. While the bulk of the instances of engagement were in 2018-2021, the engagement in 2022 involved more in-depth discussions (e.g. Community Panel) and feedback on the final draft price submission.

<sup>14</sup> Location demographic data was not able to be captured in every instance of engagement. This graph is provided for illustrative purposes based on the data available..

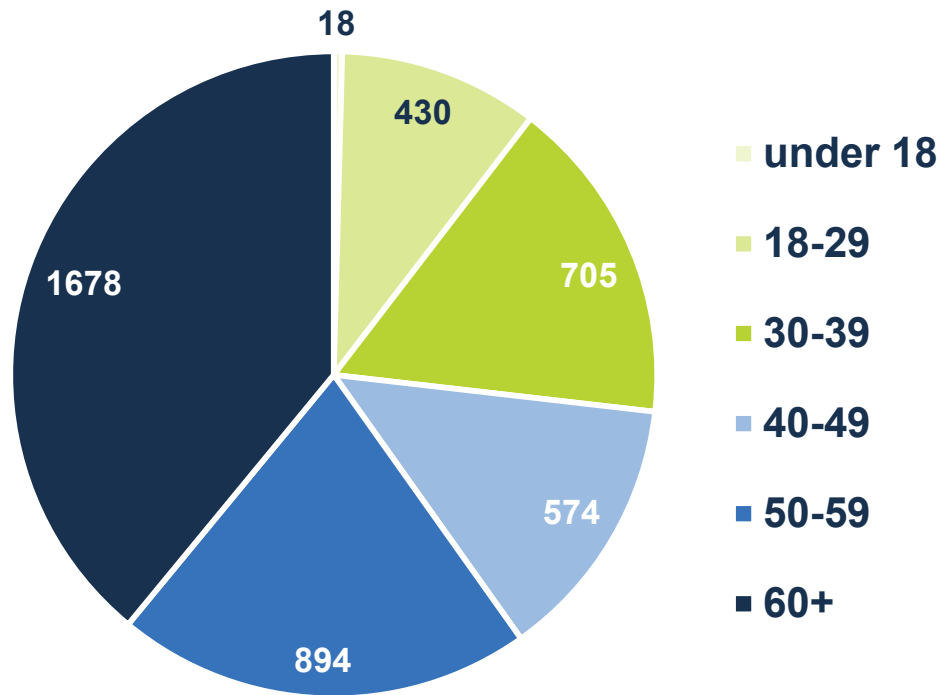


Figure 7. Age cohorts

### Age distribution (Figure 7)

Respondents aged 60 years and above recorded the highest levels of participation, followed by those aged 50-59 and those aged 30-39. Customers aged 18-29 had the lowest participation since 2018, and there were only 18 participants under the age of 18.

### First Nations People

Customers who identified as Aboriginal or Torres Strait Islander comprised 1.82 per cent of our total engagement between 2018 and 2021. This level of engagement is comparable to the population percentage of First Nations People in our region (1.6 per cent).

In addition to the participation numbers shown in the chart below, ongoing partnerships with the Wata Waetnanda community group and the Eastern Maar and Gunditj Mirring Aboriginal Corporations (among others) form part of a relationship approach to collaborating with First Nations. One of the deliberative Community Panel members identified as being a First Nations community member.



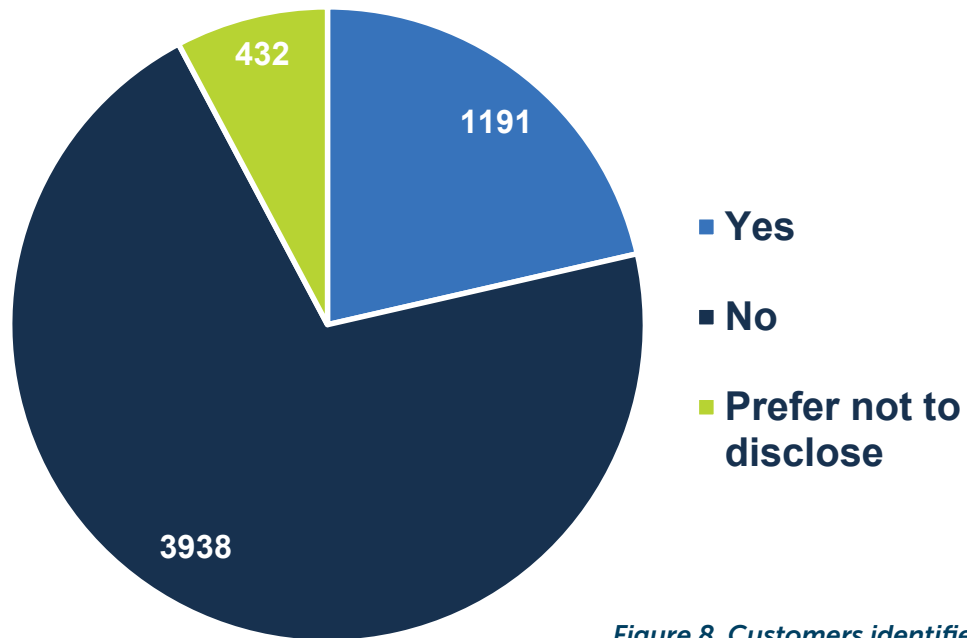


Figure 8. Customers identified as eligible concession card holders

### Customers who may be experiencing vulnerability (Figure 8)

Approximately 21 per cent of our broad engagement respondents were concession card holders. While we did not ask community group participants specific demographic questions to identify vulnerability, the RAF and Community Panel included participants who identified as experiencing vulnerability (financial challenges, disability and others). The Customer Support Review included in-depth interviews with nine customers who were finding it difficult to pay their bills.

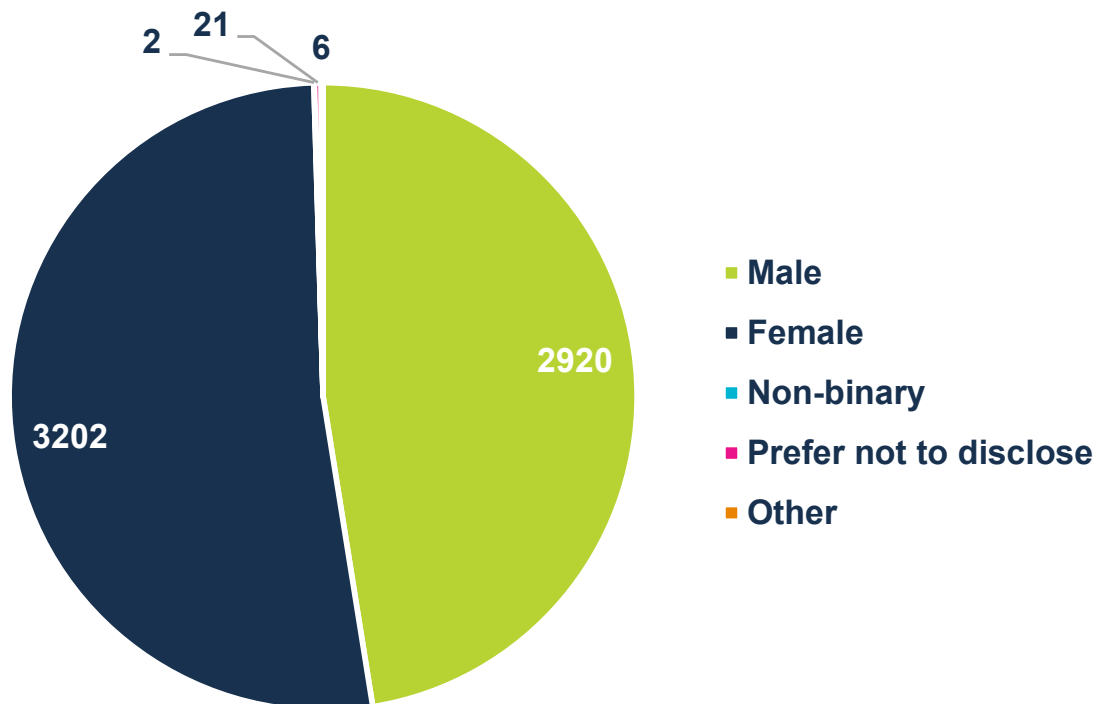


Figure 9. Gender

### Gender (Figure 9)

We recorded a slightly higher participation rate from females (n=3,202) than males (n=2,920)<sup>15</sup>, with just two participants identifying as 'non-binary'<sup>16</sup>, six as 'other' and 21 preferring not to disclose.

The Customer Value Survey and monthly pulse surveys from our independent market researchers ensure equal participation from males and females. The 2019 and 2021 WSAA surveys and the Great Tasting Water engagement had nearly double the number of females than males.

<sup>15</sup> The total numbers for gender do not match the total numbers of participants engaged throughout the period as there were some engagements where gender was not recorded

<sup>16</sup> This option has only been available to respond to in more recent surveys and not for the entire 2018-22 engagement period

## Gender Impact Assessment – key insights

In March 2021, the *Gender Equality Act* was introduced to improve workplace gender equality in the Victorian public sector, universities and local councils. The act requires that defined entities in Victoria (including Wannon Water) undertake Gender Impact Assessments (GIAs) on matters that have 'direct and significant impact on the public'.

Consistent with this requirement, we proactively conducted a GIA on our price submission development process. Guided by the assessment, we analysed our engagement data to draw out high-level gendered insights.

The data revealed that, overall, women had a stronger perception that Wannon Water provided good value for money. Men had a slightly lower perception that Wannon Water has affordable bills.

Women were more likely to be dissatisfied with water quality due to taste, smell and the damage it does to their hair and skin. Men in Area 2 (Warrnambool, Allansford, etc.) had significantly higher levels of satisfaction with water quality than in any other area.

Men were significantly more interested in innovation (32 per cent) and new projects (47 per cent), while women were significantly more interested in natural environment issues (47 per cent). Women were also significantly more likely to feel very satisfied with aspects of customer service (73 per cent versus 64 per cent for men).

GIAs in Victoria are in the early stages of maturity. The GIA conducted on this price submission has provided our employees with recommendations to consider in future price submission GIAs.

## Headline customer perception metrics

Throughout the pricing period, the ESC has undertaken customer research on four key metrics of all Victorian water corporations: value for money, trust, reputation in the community and overall satisfaction.

We have also commissioned research on these metrics during the pricing period as follows:

### Value for money

- Annual Customer Value Survey since 2018
- Monthly pulse survey since September 2021
- WSAA National Customer Perceptions Survey in 2019 and 2021.

### Trust

- Annual Customer Value Survey since 2019
- Monthly pulse survey since September 2021
- WSAA National Customer Perceptions Survey in 2019 and 2021.

### Reputation in the community

- Annual Customer Value Survey since 2021
- Monthly pulse survey since September 2021
- WSAA National Customer Perceptions Survey in 2019 and 2021.

### Overall satisfaction

- Annual Customer Value Survey since 2018
- Monthly pulse survey since September 2021
- WSAA National Customer Perceptions Survey in 2019 and 2021.

There are differences in survey methodology<sup>17</sup>, numbers of people<sup>18</sup>, cohorts of people<sup>19</sup> and time period undertaken in each of these surveys, leading to some differences in results.

<sup>17</sup> ESC uses telephone robocalling, Wannon Water customer value research uses phone and online interviews, WSAA uses online surveys.

<sup>18</sup> ESC surveys 100 people quarterly, Wannon Water annual research surveys over 1000 people, Wannon Water's pulse surveying surveys 100 people monthly and WSAA surveyed 150 people each time

<sup>19</sup> ESC and WSAA research survey anyone living in a postcode covered by Wannon Water's service region. The Wannon Water Customer Value Research and Pulse Surveying are of people in Wannon Water's customer database

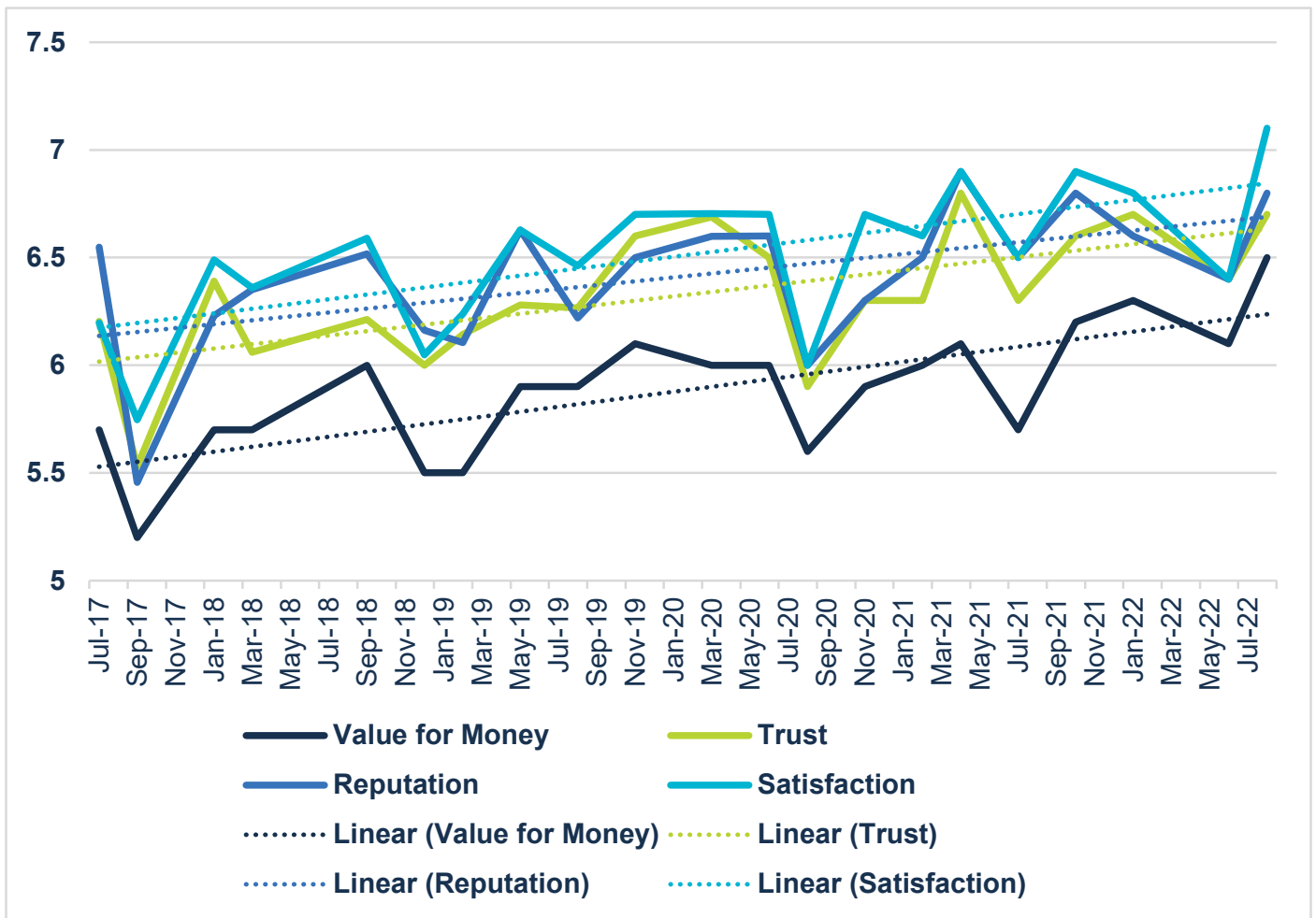


Figure 10. ESC Customer Perceptions Survey Ratings 2018-22

### Key metric results from ESC customer perceptions data

There have been no statistically significant shifts measured by the ESC in any of the key metrics during the pricing period (as of August 2022).

Wannon Water has remained in the group of Victorian water corporations experiencing average ratings (from a statistically significant perspective) for all metrics. This is broadly consistent with the results of other Victorian water corporations of comparable size. However, the most recent results (for the month of August 2022) saw Wannon Water ranked equal top for Value for Money, second for overall satisfaction, fourth for Reputation and seventh for trust.

The trendline against the number ratings for all metrics in the ESC survey shows a slight increase in perceptions across the pricing period, noting, however, that the numbers have not changed from a statistically significant perspective (see Figure above).

Of all metrics, the ESC research shows Wannon Water rates most highly for overall satisfaction, then reputation, then trust, then value for money.

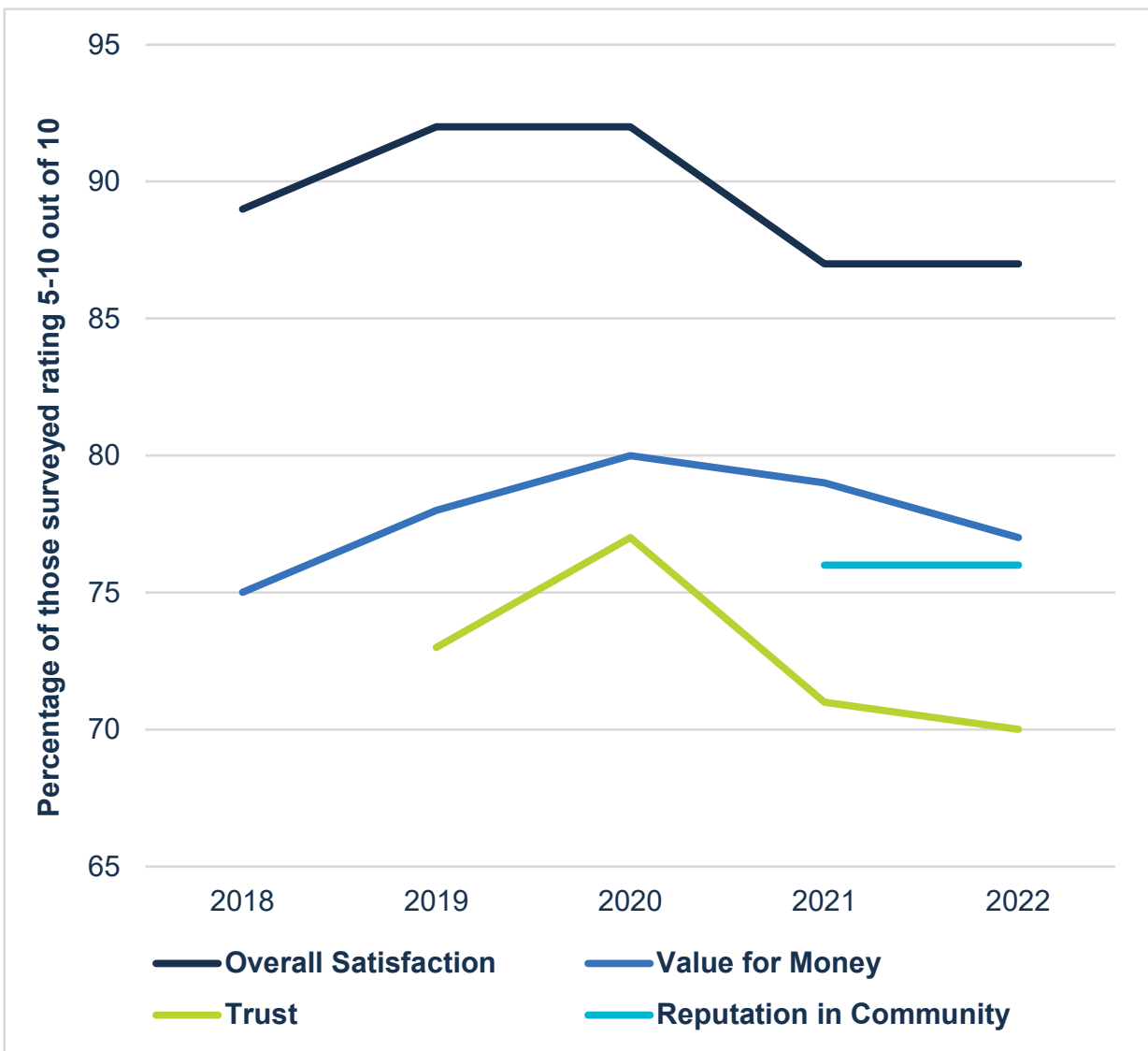


Figure 11. Wannon Water annual Customer Value Survey results on key metrics

### Key metric results from Wannon Water’s customer perceptions data

While showing higher numbers than the ESC customer perceptions survey, our own monthly pulse surveying (since September 2021) also shows no statistically significant differences for the average results in all metrics.

We know from the key driver analysis of our annual Customer Value Survey research that, for those customers who contacted us in the past 12 months, value for money was the most important driver in overall satisfaction<sup>20</sup>. For those who had not contacted us, water quality was the key driver (in 2022, noting it ranked second in 2021).

Value for money is becoming less influential and water quality is becoming more influential as a key driver over time. Water quality and taste were priorities for customers who were less than fully satisfied, and this is becoming more pronounced<sup>21</sup>. Satisfaction with water quality and taste remained stable, although improving water quality and taste is the key to improving the overall perceptions of dissatisfied customers.

<sup>20</sup> Customer Value Survey 2021 and 2022.

<sup>21</sup> Customer Value Survey 2021 and 2022.

**QUOTE**

*Good value for money. I pay all the bills and I know what can happen with pricing with other utilities and I believe their pricing is reasonable.*

**- Wannon Water customer, Customer Value Survey 2020**

Of all metrics, our research indicates customer perceptions were highest for overall satisfaction, then value for money, reputation and trust (see Figure 11).

We also participate in the Water Services Association of Australia National Benchmarking Survey. This 2021 survey of 34 water corporations across Australia showed:

- Compared to 2019 results, in 2021 there were improvements in all key metrics (value for money, reputation in the community, water quality, satisfaction and trust).
- There were statistically significant improvements in value for money and reputation in the community compared to 2019.
- When asked about value for money, Wannon Water respondents rated us second-best (Australia Post was best). This was followed, in order, by their internet provider, gas supplier, electricity provider and local council. This order was approximately the same for trust, reputation and satisfaction.
- When benchmarked among all 34 other corporations, we ranked:
  - Number one for reputation in the community
  - Seventh for trust
  - Higher than average for all key metrics except for satisfaction with water quality.

## Overall observations on key metric results

Having considered all data on key customer perception metrics for Wannon Water, a reasonable conclusion is that key metrics have remained steady throughout the pricing period. Our results align with other Victorian water corporations of similar size for these key metrics.

Given the significance of water quality as a driver of our key metrics, it's obvious customer perceptions are unlikely to increase unless there is significant investment in changing water quality (particularly in our groundwater towns).

## Customer feedback

For the purposes of this report, insights from customer engagement are provided in two sections:

- Insights from broad engagement across all engagements from 2018-21
- Subsequent insights and recommendations from the deliberative process undertaken by the Community Panel in April 2022.

### Broad engagement

The top six themes emerging from our broad engagement were:

1. Affordability
2. Bill structure
3. Water quality
4. Service levels
5. Customer experience
6. Customer outcomes.

Importantly, these broad engagement insights were further refined following input from the deliberative Community Panel, with the final insights provided in the concluding section of this report.



### QUOTE

*As renters, we've always been impressed by how little it costs for us to have access to water. While we know it is a lot more for owners, especially owner-occupiers, we understand that the cost of providing this service will always fluctuate with more customers and increased efficiency. Thank You Wannon Water for continuing to improve and serving our community.*

- Final engagement feedback 2022



Customer insights	Examples of supporting evidence
<b>Affordability</b>	
<b>Customers believe Wannon Water services are good value</b>	<ul style="list-style-type: none"> <li>Perceived value for money remained stable throughout the pricing period and was aligned with the levels of perceived value experienced by other water corporations of the same size<sup>22</sup>.</li> <li>Compared to other (non-water) utilities, customers rated Wannon Water second-best in value for money as the most affordable service<sup>23</sup>.</li> </ul>
<b>Customers wants bills kept affordable</b>	<ul style="list-style-type: none"> <li>41 per cent of surveyed customers in 2021 rated our bills affordable and very affordable, with 69 per cent of focus groups participants stating the same<sup>24</sup>.</li> </ul>
<b>Customers support Wannon Water increasing assistance to those finding it difficult to pay their bills</b>	<ul style="list-style-type: none"> <li>Customers were supportive of Wannon Water increasing investment to better assist customers experiencing hardship<sup>25</sup>.</li> </ul>
<b>Bill structure</b>	
<b>Some customers want their bill to provide incentives to save water</b>	<ul style="list-style-type: none"> <li>Since 2018, customers have indicated they want us to proactively promote water conservation.</li> <li>70 per cent of surveyed customers told us that, to achieve long-term sustainability, we should increase water saving practices before accessing new water sources<sup>26</sup>.</li> </ul>
<b>The ratio of the fixed and variable portions of the water bill is a barrier to perceptions of value</b>	<ul style="list-style-type: none"> <li>Wannon Water bills have a greater fixed cost than variable charges. About half of our Customer Value Survey respondents asked for a higher variable portion of their water bill based on water use<sup>27</sup>.</li> <li>The fixed cost of sewerage services was still a concern among some customers, with satisfaction with sewerage services decreasing from 2020 to 2021, mainly due to fixed costs<sup>28</sup>.</li> <li>More than 80 per cent of customers surveyed via Engage &amp; Explore in 2021 wanted water charges to reflect levels of use.</li> </ul>
<b>Water quality</b>	
<b>Most customers are satisfied with water quality</b>	<ul style="list-style-type: none"> <li>76 per cent of customers surveyed said they drink the water they are supplied. Of them, 91 per cent were satisfied with water quality<sup>29</sup>.</li> </ul>
<b>There is disparity in water quality across the service region</b>	<ul style="list-style-type: none"> <li>The lowest perceptions of water quality were in towns supplied with groundwater. Areas 1, 3 and 5 had the lowest tap water consumption levels<sup>30</sup>.</li> <li>A targeted 2020 study in Heywood, Portland, and Port Fairy (all towns serviced by groundwater) showed 75 per cent of participants do not drink tap water, with half purchasing bottled water<sup>31</sup>.</li> </ul>
<b>The taste of water is the main reason for dissatisfaction</b>	<ul style="list-style-type: none"> <li>Decrease in overall satisfaction was due to concerns with taste and water quality. More than 600 customers listed water quality as their priority to improve satisfaction levels<sup>32</sup>.</li> </ul>

22 Customer Value Survey 2018 -2022, ESC Customer Perceptions Survey 2018-2022

23 WSAA Survey, 2021

24 Wannon Water Engage & Explore Survey (Social Pinpoint) and 'Our Prices' Focus groups, 2021

25 Wannon Water Engage & Explore Survey (Social Pinpoint), 'Our Prices' focus groups, 2021

26 WSAA Survey, 2019

27 Wannon Water Engage & Explore Surveys (Social Pinpoint), 2021, Customer Value Survey 2018, 2019, 2020 (N=521), Focus groups participants 2019 and 2020

28 Customer Value Survey, 2021

29 Customer Value Survey, 2021

30 See page 15, towns per service area

31 Great Tasting Water project report, 2020

32 Customer Value Survey, 2021

Customer insights	Examples of supporting evidence
<b>Service levels</b>	
<b>Good overall satisfaction with service levels</b>	<ul style="list-style-type: none"> <li>Perceived overall satisfaction remained stable throughout the pricing period and was comparable to perceived satisfaction experienced by other water corporations of the same size<sup>33</sup>.</li> <li>In 2021, 74 per cent of customers indicated they were very satisfied with the reliability of the services we provide them<sup>34</sup>.</li> <li>Regional stakeholders in 2021 described us as strategic, community-focused, reliable and a great service<sup>35</sup>.</li> </ul>
<b>Need to support environment to maintain service levels</b>	<ul style="list-style-type: none"> <li>Customers were supportive of us being a leader in carbon neutrality, with industries open to partnerships in this area<sup>36</sup>.</li> <li>There was increased customer interest in climate change action in 2020 and 2021, with stronger links to water security.</li> <li>Customers would like us to make carbon reduction targets more visible to the community, and to support better environmental outcomes while maintaining service levels<sup>37</sup>.</li> </ul>
<b>Customer experience</b>	
<b>Opportunity to improve customer experience, especially digital</b>	<ul style="list-style-type: none"> <li>Customers would like more timely information and have increasing expectations of their experience, especially in relation to digital services<sup>38</sup> (i.e. water usage data in real-time, portal, applications).</li> </ul>
<b>Customer outcomes</b>	
<b>Low awareness of our 2018-23 customer outcomes</b>	<ul style="list-style-type: none"> <li>In 2020 we heard that most customers were unaware of the customer outcomes in our price submission. However, once made aware, they were more supported.</li> </ul>

<sup>33</sup> Customer Value Survey 2018 -2022, ESC Customer Perceptions Survey 2018-2022

<sup>34</sup> Customer Value Survey, 2021

<sup>35</sup> Stakeholder Perception Review, 2021

<sup>36</sup> Strategic Customers Engagement and Engage & Explore 'Our Resilient Future' survey, 2021

<sup>37</sup> Wannon Water Annual Engagement Cycles 2020 and 2021 focus groups

<sup>38</sup> Wannon Water Engage & Explore (Social Pinpoint) 'Our Services' Survey, 2021

## Deliberative engagement – Community Panel

Having identified the customer insights from our broad engagement, we then tested these further in the deliberative engagement stage. This section summarises this penultimate engagement process prior to drafting the price submission.

Together with deliberative engagement specialists Capire, we conducted a Community Panel over four sessions (three face-to-face and one online) across the whole of April 2022.

To encourage participation from across our region, we widely promoted an Expression of Interest process. A total of 12 customers were independently selected and invited to join the panel by Capire. This selection matched the target demographics and reflected, to the best of its ability, Wannon Water’s customer base.

Ultimately, the final Community Panel comprised seven members; unfortunately, five of the initial 12 customers were unable to join for varying reasons. One of the seven members was also only able to attend one session due to health reasons. The remaining six members, remarkably, still reflected the diversity of our community, including a mix of different ages, genders, cultural backgrounds, customer types, abilities, postcodes, and water needs within our service area.

Over five weeks, the Community Panel prepared advice for our Board about prioritising capital projects, our 2023-28 customer outcomes, and future billing decisions. A detailed report on the deliberative process is available as further evidence (see Appendix F). A short summary video was also produced to showcase the highlights of the sessions and the panel’s discussions with our Board Directors regarding their final

recommendations.

The key findings and recommendations extracted from the Community Panel Report follow.

### Bill structure and prices

Throughout the Community Panel, there was a strong common theme towards achieving fairness for everyone in our service area. This interest became particularly prevalent when deliberating the question ‘what level of bill structure variability should Wannon Water shift towards?’.

When asked to vote on the percentage of change for variability of bills, most (four of six members) voted for ‘Option 2 – increase variability by 5 per cent to 25 per cent’.

This activity encouraged a broader debate in which the panel sought to understand what the trade-offs would be for people in different living circumstances when changing the variable percentage of the bill structure. There was a concern that increasing the variability of the bills may adversely impact particular customer types (i.e. renters).

This discussion led the group to assess whether it would be better to increase the overall prices of bills over time, rather than the variability rate.

The panel’s final recommendation to Wannon Water on pricing was that there should be an increase in the overall price of bills over a long period (i.e.10 years) and that these gradual changes should be applied to the variable component of the bill. This option would increase our ability as a business to deliver priority CAPEX projects, maintain assets, and continue to operate sustainably while avoiding price shocks for customers at a later time.



Figure 12. Community Panel members comments on bill structure



## Panel outcome statements developed 2 April 2022

### Draft outcomes for feedback



*The next activity completed by the Community Panel was to develop the customer outcome themes into draft customer outcome statements. The right-hand column shows the refined statements updated by Wannon Water between the panel sessions. The arrows show how the draft Community Panel statements have been incorporated into the draft Wannon Water customer outcome statements. Wannon Water sought feedback on the right-hand column statements from the Community Panel.*

**Figure 13. Customer outcomes development activity**

### Customer outcomes for 2023-28

Our engagement feedback showed customers had a low level of connection with our customer outcomes for the 2018-23 pricing period. In response, we requested the Community Panel review the existing outcomes, which ultimately saw them co-designing new customer outcomes for 2023-28.

The panel reviewed and refined the customer outcome themes from the 2018-23 in session two, then discussed and refined these further in session four.

The panel members recognised the challenges faced by a not-for-profit organisation like ours in maintaining levels of service and seeking better outcomes for customers. In the end, the panel developed six new customer outcomes, which are outlined in our price submission.

## Outcomes of CAPEX discussion



The eight CAPEX project drivers on the left hand side show the original priorities given by Wannon Water. These priorities were discussed and explained with the Community Panel. The right-hand column shows how the Community Panel re-ordered the priorities during the activity. Blue indicates moving up in priority and orange indicated moving down in priority.

Figure 14. CAPEX project drivers for prioritisation

### Prioritising our capital (CAPEX) projects

We also presented the Community Panel our methodology for prioritising CAPEX projects. The panel supported our approach and suggested only slight updates to the weightings of the project drivers.

The panel members noted that this re-organisation of weightings was unlikely to have a significant impact on the overall project prioritisation score for CAPEX projects. However, it would help with 'tie-breaker' situations where CAPEX projects are rated very closely in priority.

At the last session on 30 April, the panel members presented their recommendations and rationale to our Board Directors. An independent Community Panel Outcomes Report (refer Appendix F for summary) was developed in June as a permanent record of this deliberative engagement.

Following the Community Panel, we prepared a final set of customer insights incorporating the panel's insights to the broad engagement. These are provided in the following concluding section.

The Community Panel members were invited to meet for a final time in August 2022 to hear how the Board incorporated their feedback into the draft price submission.

The Community Panel members in attendance confirmed they could see the panel recommendations had been taken up in the draft price submission. They also indicated their support of the draft price submission.



### QUOTE

*Awesome to see those at the top listening to the people on the ground.*

**- Community Panel member reviewing the draft price submission. 2022**





## QUOTE

*I love that Wannon Water is focussed on sustainability and minimising bill increases. I fully support increasing the variable portion of our bills more than the fixed portion, so we can choose to reduce our water use to decrease our bills if needed. Thank you Wannon Water.*

**- Final engagement feedback 2022**

### Final engagement with the Regional Advisory Forum

The RAF met for a final time in mid-2022 and was provided with the overview of all the engagement they presided over during the price submission, including the community panel outcomes. They were also provided the opportunity to comment on the draft Price Submission. Consequently, the RAF unanimously supported the following resolutions:

1. The Regional Advisory Forum endorses the proactive engagement approach taken by Wannon Water from 2018-2022 to inform the development of the 2023-28 Price Submission to the Essential Services Commission.
2. The Regional Advisory Forum endorses the resulting draft 2023-28 Price Submission.

### Final community engagement on the draft price submission

Our comprehensive engagement program over this pricing period delivered invaluable customer input, which allowed us to draft our price submission with confidence that it delivers upon the outcomes our customers and community value.

Our final engagement involved a further opportunity for our customers to provide final feedback on our draft submission via an online portal (or hard copy for those unable to access the internet) from 10 August to 4 September 2022. Via a range of promotional methods, including traditional and social media, e-newsletters and our website, we endeavoured to make this opportunity available to all customers across our service region.

This was complemented with a direct invitation to those focus and community group participants we had previously engaged and who had indicated they would like to take up such an opportunity for final feedback.

Our draft price submission and the opportunity for community feedback was reported widely and positively by local media outlets, including recognition that our proposed minor price increases and efforts to keep bills affordable was 'good news'<sup>39</sup> for customers in challenging financial times.

Our various social media promotions reached 9,582 people and generated 147 click-throughs to our online portal, while our e-newsletters were opened 391 times and generated 37 click-throughs. In total, there were 618 visits by 199 individual visitors to the online draft price submission feedback page, yielding eight final comments.

The feedback received in this final engagement indicated that the wider customer base is supportive of our price submission. The draft submission was recognised as 'very inclusive', there was support for our approach to bill structure and minor price increases (with recognition that regional water corporations face distinct challenges in maintaining financial sustainability), and some emphasis on the importance of improving water quality, particularly in Portland. We received no objections to the proposals of our price submission.



## QUOTE

*Great work Wannon Water. You have really listened to what your customers want as well as working towards a smaller environmental footprint. The document is well laid out, easy to read and gives great insight into the work you have done with the engagement process. The small incremental increases each year will be easier to absorb for the majority of users and is a good outcome.*

**- Final engagement feedback 2022**

<sup>39</sup> Wannon Water 2022-28 Price Submission - Media Clippings, Portland Observer, 23 August 2022.

# Conclusion and final customer insights

Over the past four years, our customer engagement has captured extensive insightful feedback from across different stakeholder groups and locations. We have considered these insights to inform our annual corporate plans and our five-year price submission.

Our engagement tools and methods aligned with the ESC’s guidance for customer engagement and our own Community Engagement Framework. Over those four years, we recorded more than 7,700 instances of engagement, with 3,000 since the COVID-19 pandemic began.

The engagement findings discussed in this report, together with the recommendations from the Community Panel, guide our Board on our community’s priorities for the 2023-28 pricing period. The table below provides a final high-level overview of the customer insights and key considerations for the price submission.

Overall, our customers are satisfied with the services we provide, and consider them good value. Their top priority is to keep bills affordable, and that any necessary bill changes in the future – either to overall costs or to the fixed-variable ratio of their bill – be introduced gradually over time so as not to adversely impact some customer groups.

Reflective of current rising living costs, customers encourage us to invest further in support programs to assist those experiencing vulnerability.

They also understand the importance of a sustainable future and believe we have an important role in protecting our environment for the long term.

While our customers want existing service levels to be maintained, water quality (particularly taste) is inequitable in the region and needs to be addressed for improvements in health and local economies.

They also expect improvements in their experiences with Wannon Water, such as more innovation in digital access to information, including real-time water use data.

This final set of customer insights is provided to Wannon Water’s Board for their consideration in finalising the price submission 2023-28.

Final customer insights	Key price submission outcome considerations
1. Customers want bills kept affordable	Keep bills affordable, with gradual increases to pricing now rather than substantial jumps in pricing later
2. Customers want more assistance for those finding it difficult to pay	Improve access and support for customers finding it difficult to pay
3. Customers want a gradual increase in bill structure variability	Increase the variability of the bill, though do this gradually to avoid adverse impacts on some customer groups
4. Customers want current water and sewerage service levels to be maintained	Maintain existing levels of water and sewerage services
5. Customers want us to focus on the environment for a sustainable future	Prioritise and partner to care for the environment
6. Customers want greater equity of water quality across the region to improve health and local economies	Invest in water quality improvements (particularly in groundwater-sourced towns)
7. Customer experience can be improved, especially using digital technology	Invest in innovative ways to improve customer experience and digital access to information



*Members of our Community Panel (front) and Board (back)*

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**NOTE:**

*The appendices do not cover all instances of engagement so the total number detailed here differs from the total number in the main report.*

# Appendix A

## Diving Deeper Project Final Report summary

<b>Supporting evidence</b>	D2021/019647
<b>Engagement focus</b>	Review by external contractor of recent customer feedback to determine key themes and identify topics that require broader engagement for developing the price submission.
<b>Scope</b>	A desktop review of engagement findings from 2018-20.
<b>When</b>	March - April 2021.
<b>Engagement tools</b>	<ul style="list-style-type: none"><li>• Thematic analysis of customer feedback received since 2018 (15 data sources).</li></ul>
<b>We sought feedback from</b>	<ul style="list-style-type: none"><li>• Customers (residential, rural business).</li><li>• Key regional and community stakeholders.</li></ul>
<b>Key insights</b>	<p><b>Desktop review - key takeaways:</b></p> <ul style="list-style-type: none"><li>• Wannon Water developed a sound understanding of our customers' perceptions about our services and what factors drive their satisfaction.</li><li>• Overall, Wannon Water rated well when surveyed about 'value for money', averaging between six and seven out of 10 (Customer Value Survey, 2018-20).</li><li>• Bill structure (fixed and variable costs) and the ability to control aspects of their bill is one of our customers' most discussed topics. Customer wanted improvements in these areas and more incentives to save water.</li><li>• Lack of understanding on bill structure and charges (residential). Evidence from deliberative forums (2017) showed that once these are understood, satisfaction is higher.</li><li>• High levels of satisfaction with sewerage services but costs are perceived as high by some customers.</li><li>• Awareness of financial hardship measures was low, but they were appreciated and valued once customers were made aware. Opportunity to increase access to hardship supports to those mostly impacted by COVID-19.</li><li>• Opportunity to expand customer research towards increased differentiation and customer segmentation.</li><li>• Equity considerations in pricing, different service levels across the region, and water quality and related trade-offs were important topics for 2021 engagement.</li></ul>

# Appendix B

## Wannon Water Engagement Cycle 2018 summary

<b>Supporting evidence</b>	D2019/012713
<b>Engagement focus</b>	Internal reporting on key customer insights captured through various engagement methods in 2018, including price submission customer outcomes feedback.
<b>Scope</b>	Review of engagement findings from 2018 and themes relevant to corporate planning and the price submission early engagement phase.
<b>When</b>	May – October 2018.
<b>Engagement methods</b>	<ul style="list-style-type: none"> <li>• Wannon Water Regional Advisory Forum (RAF).</li> <li>• Stakeholder Perceptions Review – independent survey, Red Strategic Communications.</li> <li>• Customer Value Survey 2018 – independent market research, Quantum Market Research.</li> <li>• Direct engagement with targeted stakeholder groups – focus groups, drop-in sessions, and community events.</li> </ul>
<b>We sought feedback from</b>	<p><b>A total of 1,661 instances of engagement:</b></p> <ul style="list-style-type: none"> <li>• RAF members.</li> <li>• Customers.</li> <li>• Community groups.</li> <li>• Key stakeholders, including local councils, developers, CMAs, strategic customers, rural customer representatives, regulators, education institutions, industry stakeholders, community/health advocacy agencies.</li> </ul>
<b>Key insights</b>	<ul style="list-style-type: none"> <li>• Wannon Water was highly respected for the role we play in the community, and the role we take as a regional leader.</li> <li>• It was important that we maintain a balance between core business and a community leadership role.</li> <li>• Cost was an ongoing concern, with limited understanding of the billing structure.</li> <li>• Water quality improvements were desired, particularly (though not exclusively) in groundwater towns.</li> <li>• Groundwater towns cited ongoing impacts to business, households, and wider community (i.e. health, costs) due to water quality.</li> <li>• Customers valued the opportunity to be heard and learn more about Wannon Water.</li> </ul>

# Appendix C

## Wannon Water Engagement Cycle 2019 summary

<b>Supporting evidence</b>	D2020/000552
<b>Engagement focus</b>	Report to Wannon Water’s Executive Committee and Board on key customer insights captured through various engagement methods in 2019, including price submission customer outcomes check-in.
<b>Scope</b>	Review of engagement findings from 2019 and themes relevant to corporate planning and the price submission early engagement phase.
<b>When</b>	June- November 2019.
<b>Engagement methods</b>	<ul style="list-style-type: none"> <li>• Regional Advisory Forum (RAF).</li> <li>• National Customer Perceptions Survey – independent research, Water Services Association Australia.</li> <li>• Customer Value Survey 2019 – independent market research, Quantum Market Research.</li> <li>• Direct engagement with targeted stakeholder groups – focus groups, online surveys and community events.</li> </ul>
<b>We sought feedback from</b>	<p><b>A total of 2,124 instances of engagement:</b></p> <ul style="list-style-type: none"> <li>• RAF members.</li> <li>• First Nations People – via Integrated Water Management Forum.</li> <li>• Local councils and CMAs.</li> <li>• Customers (residential, rural, and business).</li> <li>• Water for Community rebate customers.</li> <li>• Developers.</li> <li>• Strategic customers.</li> <li>• Community stakeholders (10 community groups).</li> <li>• Noorat Show – community event.</li> </ul>
<b>Key insights</b>	<ul style="list-style-type: none"> <li>• The ‘peace of mind’ that came with provision of high-quality water and sewerage services appeared more valued now than in recent years.</li> <li>• The service charge continued to be a barrier to increasing perceptions of value.</li> <li>• Improving communication and information for customers about matters of importance to them had the potential to increase perceptions of value.</li> <li>• Customers were increasingly discussing the links between water and the impacts of climate change, and showed concerns relating to water security, conservation, and efficiency.</li> <li>• Customers had a higher expectation on Wannon Water to participate in, connect with, and support communities as part of our day-to-day business.</li> </ul>



# Appendix D

## Wannon Water Engagement Cycle 2020 summary

<b>Supporting evidence</b>	D2021/001051
<b>Engagement focus</b>	Report on key customer insights captured through various engagement methods in 2020 including price submission customer outcomes feedback.
<b>Scope</b>	Review of engagement findings from 2020 and determine themes relevant to corporate planning and the price submission early engagement phase.
<b>When</b>	July - November 2020.
<b>Engagement methods</b>	<ul style="list-style-type: none"> <li>• Wannon Water Regional Advisory Forum (RAF).</li> <li>• Customer Value Survey 2020 – independent market research, Quantum Market Research.</li> <li>• Wannon Water Social Pinpoint – online engagement platform.</li> <li>• Direct engagement with targeted stakeholder groups – online focus groups.</li> </ul>
<b>We sought feedback from</b>	<p><b>A total of 1,359 instances of engagement:</b></p> <ul style="list-style-type: none"> <li>• RAF members.</li> <li>• First Nations People – via Integrated Water Management Forum.</li> <li>• Local councils and CMAs.</li> <li>• Customers (residential, rural, and business).</li> <li>• Community stakeholders (five community groups and two advisory groups).</li> <li>• Social Pinpoint online surveys.</li> </ul>
<b>Key insights</b>	<ul style="list-style-type: none"> <li>• Impacts of the pandemic varied across service region. High levels of uncertainty due to COVID-19 restrictions saw shifts in vulnerability.</li> <li>• Customer support towards facilitating access to hardship program and increasing awareness of supports for small businesses.</li> <li>• Continued lack of understanding about service charge structure. Some customers expressed their water bill did not provide incentive to lower their water use, nor benefited those actively decreasing consumption.</li> <li>• Most surveyed customers were satisfied with their current water supply. Water quality issues around taste, smell and appearance still relevant in some areas.</li> <li>• Those we engaged in towns without sewerage services prefer to remain so to avoid extra costs.</li> </ul>

# Appendix E

## Wannon Water Engagement Cycle 2021 summary

<b>Supporting evidence</b>	D2022/004200
<b>Engagement focus</b>	Report on key customer insights captured through various engagement methods in 2021, including price submission customer outcomes feedback.
<b>Scope</b>	Review of engagement findings from 2021 and themes relevant to corporate planning and the price submission early engagement phase.
<b>When</b>	August – December 2021.
<b>Engagement methods</b>	<ul style="list-style-type: none"> <li>• Wannon Water Regional Advisory Forum (RAF).</li> <li>• National Customer Perceptions Survey – independent market research, Water Services Association Australia.</li> <li>• Customer Value Survey 2021 – independent market research, Quantum Market Research (QMR).</li> <li>• Stakeholder Perceptions Review – independent survey, Red Strategic Communications.</li> <li>• Monthly Pulse Surveys – independent market research, QMR.</li> <li>• Wannon Water Social Pinpoint online surveys.</li> <li>• Vulnerable customer engagement.</li> <li>• Direct engagement with targeted stakeholder groups – online.</li> <li>• Small Towns Community Roadshow.</li> </ul>
<b>We sought feedback from</b>	<p><b>A total of 1,895 instances of engagement:</b></p> <ul style="list-style-type: none"> <li>• RAF members.</li> <li>• First Nations People.</li> <li>• Vulnerable customers.</li> <li>• Local councils and CMAs.</li> <li>• Developers.</li> <li>• Strategic customers, regional and community stakeholders.</li> <li>• Customers (residential, rural and business).</li> <li>• Small towns.</li> </ul>

## Key insights

- COVID-19 impacts felt across the service region, affecting key industries and increasing vulnerability after government supports ceased in March 2021.
- Limited awareness of Wannon Water hardship supports available, coupled with strong community expectation for us to continue our hardship program and Financial Inclusion Action Plan implementation.
- Majority of customers engaged felt their water bill was at affordable levels, with affordability deemed a top priority when reviewing prices.
- Customers showed continued interest for their water bill structure to reflect water usage more strongly.
- High level satisfaction with service levels. Ninety-one per cent of customers who drink our water were satisfied with the water supply they receive.
- Water quality disparity was evident in some areas supplied with groundwater and this continues to impact perceptions of value among some communities.
- Sewerage costs continued to be raised by some customers as being high.
- Climate change and carbon neutrality were emerging priorities among customers, with Wannon Water's adjusted carbon reduction targets in 2021 a welcomed change to our efforts towards sustainability action.
- 2023–28 pricing period will be challenged with customer priorities for affordable bills and our ability to maintain existing service levels.
- Feedback on our engagement efforts show very positive results.

# Appendix F

## Wannon Water Deliberative Engagement Report 2022 summary

<b>Supporting evidence</b>	D2022/038337
<b>Engagement focus</b>	Deeper, deliberative engagement on key insights from customer feedback from 2018-21.
<b>Scope</b>	Applying deliberative engagement principles and practice to inform our price submission proposals for 2023-28, with a focus on tariffs and bills structure, capital projects and customer outcomes.
<b>When</b>	April 2022.
<b>Engagement methods</b>	<p>A deliberative process delivered across four sessions with a Community Panel recruited from the broader community. The sessions were held face-to-face and online, facilitated by an independent deliberative engagement specialist team.</p> <p>We provided in-depth information and tariff modelling to educate panel members, ensuring genuine and informed feedback. We also supported the panel members in many ways in each session to facilitate their participation, such as providing in-house childcare and transport reimbursements, among others.</p> <p>Jointly, the six panel members developed and presented a set of recommendations to Wannon Water's Board in its last session.</p> <p>All sessions were professionally recorded as further evidence to deliberative engagement for the Essential Services Commission.</p>
<b>We sought feedback from</b>	<p><b>A total of 30 instances of engagement:</b></p> <p>We initially recruited 12 members, However, due to lack of availability, the final panel comprised six customer members. They still reflected the diversity of our community, including vulnerable families, gender diversity and First Nations People.</p>
<b>Key insights</b>	<ul style="list-style-type: none"><li>• Recommendation for Wannon Water to increase the overall price of bills over the long term (i.e 10 years), and that these gradual changes should be applied to the variable component of the bill.</li><li>• The panel recommendation aimed at keeping bills affordable while maintaining Wannon Water's ability to deliver priority projects, maintain assets and sustain its operations.</li><li>• The panel reviewed how Wannon Water prioritises its capital expenditure projects and endorsed its current approach.</li><li>• Six customer outcomes for 2023-28 were developed alongside the panel, reflective of customer feedback received in the past four years.</li></ul>

# Appendix G

## Evidence of inclusive engagement

This appendix outlines the way we ensured we met the principles for 'universal consumer engagement' in the guidance document *Sensitive and appropriate engagement with customers experiencing vulnerability: Guidance and Principles for action*, January 2021.

### Principle 1 - Be inclusive

More generally, our communications, including our engagement information and marketing materials, were designed to be accessible and easy to understand. This was a priority in both our written and visual communications.

We have an Effective Language Guide to support employees in using consistent and inclusive communications. It includes guidelines on page set-up and minimum font sizes for our corporate and design typefaces, which were chosen for their high legibility.

Our Corporate Brand Guide helps our employees to understand the accessible use of our visual elements, including design standards and specifications for the use of our logos, icons and colours.

### Broader community engagement

For us, being inclusive meant effectively addressing access to information and barriers to participation. In 2020, we heard that 26 per cent of our customers said they did not recall seeing or hearing anything about Wannon Water in the past 12 months<sup>1</sup>. With the goal to maximise the customer voice in our price submission, we encouraged every household (50,000 houses and businesses) in the region to take part in its development. Figure A shows how we did this through an easy-to-understand invitation flier sent across the region in mid-2021.

While adapting to the pandemic, online engagement became more prominent in 2020-22 than in previous years. This helped to increase participation from customers in more remote parts of the region. At the time, the Victorian Government QR Code Check-In system was already in place, with most people familiar with its use on a daily basis.

We adopted this approach to provide 50,000 households direct access to our online Engage & Explore portal through the use of a QR code. In this platform, customers were able to access specific information on our prices and services, with tailored



Figure A. Flier sent to 50,000 houses and business in our region

education materials readily available. Customers were encouraged to complete one of our three online surveys<sup>2</sup> or, if pressed for time, simply leave a general comment.

<sup>1</sup> Customer Value Survey, QMR, 2020 results, page 55.

<sup>2</sup> Our Services, Our Prices and Our Resilient Future surveys were designed to be topic specific and succinct, allowing participants to select which topic best aligned with their interests and priorities for feedback.

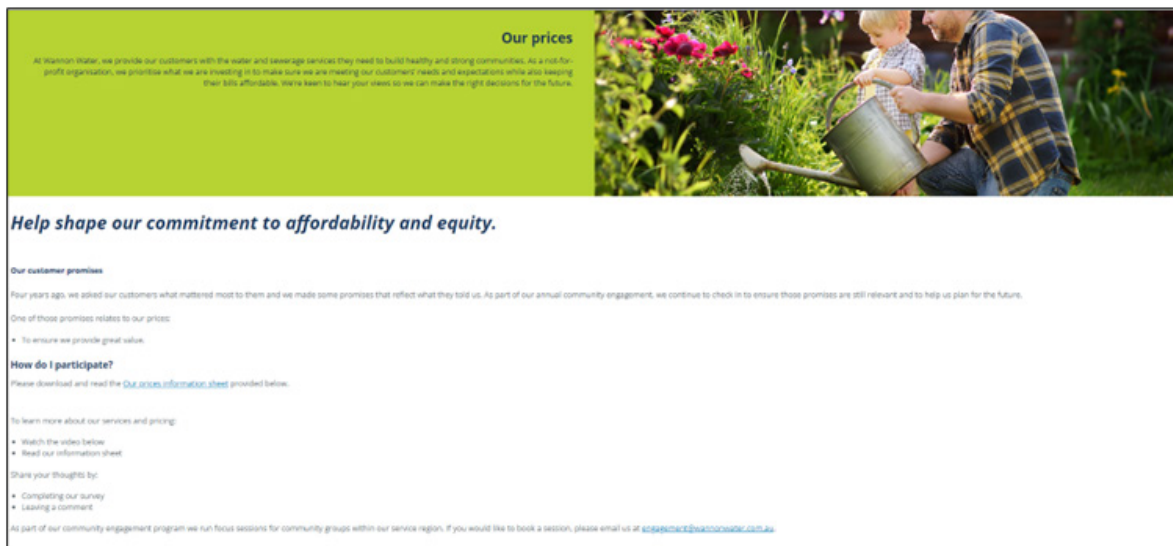


Figure B. Engage & Explore, Our Prices survey page

## Engagement tools

For those who preferred more traditional methods, we established a dedicated engagement email address, mailed out paper-based surveys on request, and took feedback over the phone through our customer relations team. These options, in addition to online methods, were broadly advertised in several newspapers across the region, community and customer newsletters, through our partners, and via social media.

Our broad engagement tools were made suitable for different customer types, abilities and those with diverse characteristics. Consultation meetings, focus groups and interviews sought to meet the different needs of customers to amplify their participation. We produced information and feedback materials using simple language and content to suit different learning styles. Videos and interactive presentations were commonly used during online meetings.

## Principle 2 - Collaborate and co-design with consumers

Our Community Engagement Framework, which guides the design and delivery of our engagements, incorporates the International Association for Public Participation core value “Public participation seeks input from participants in designing how they participate”. Therefore, this principle is embedded in all Wannon Water engagements. The following provides examples of how we did this.

Co-design was a key aspect of the advisory role of our Regional Advisory Forum (RAF), our peak consumer body. Working closely with us, the RAF defined the scope and purpose of engagement in our annual engagement cycles, and provided ideas on effective methods for seeking feedback from customers every year.

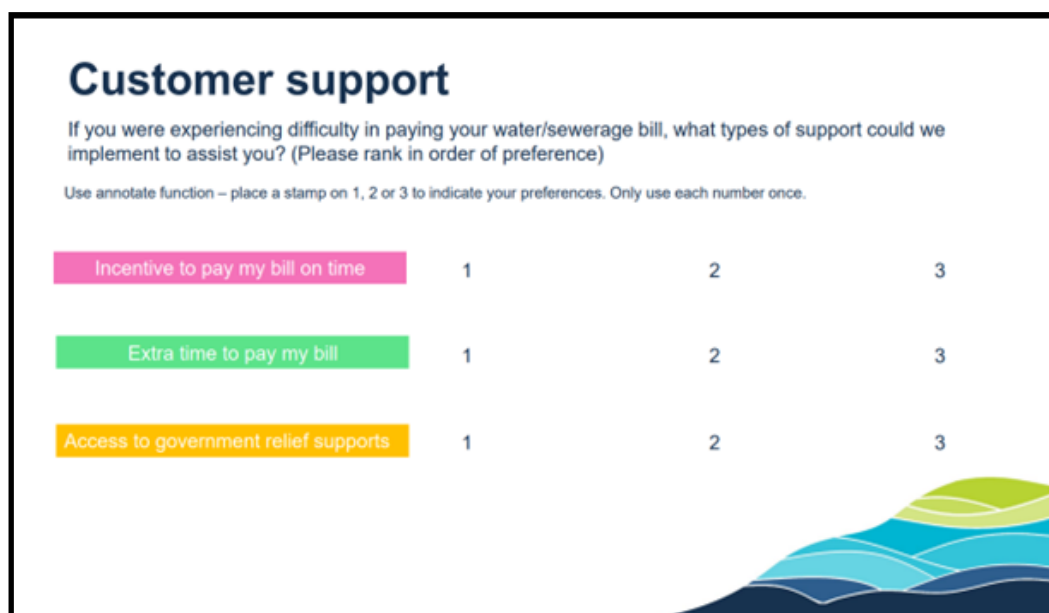


Figure C. Example of an interactive presentation tool used to capture feedback during focus groups

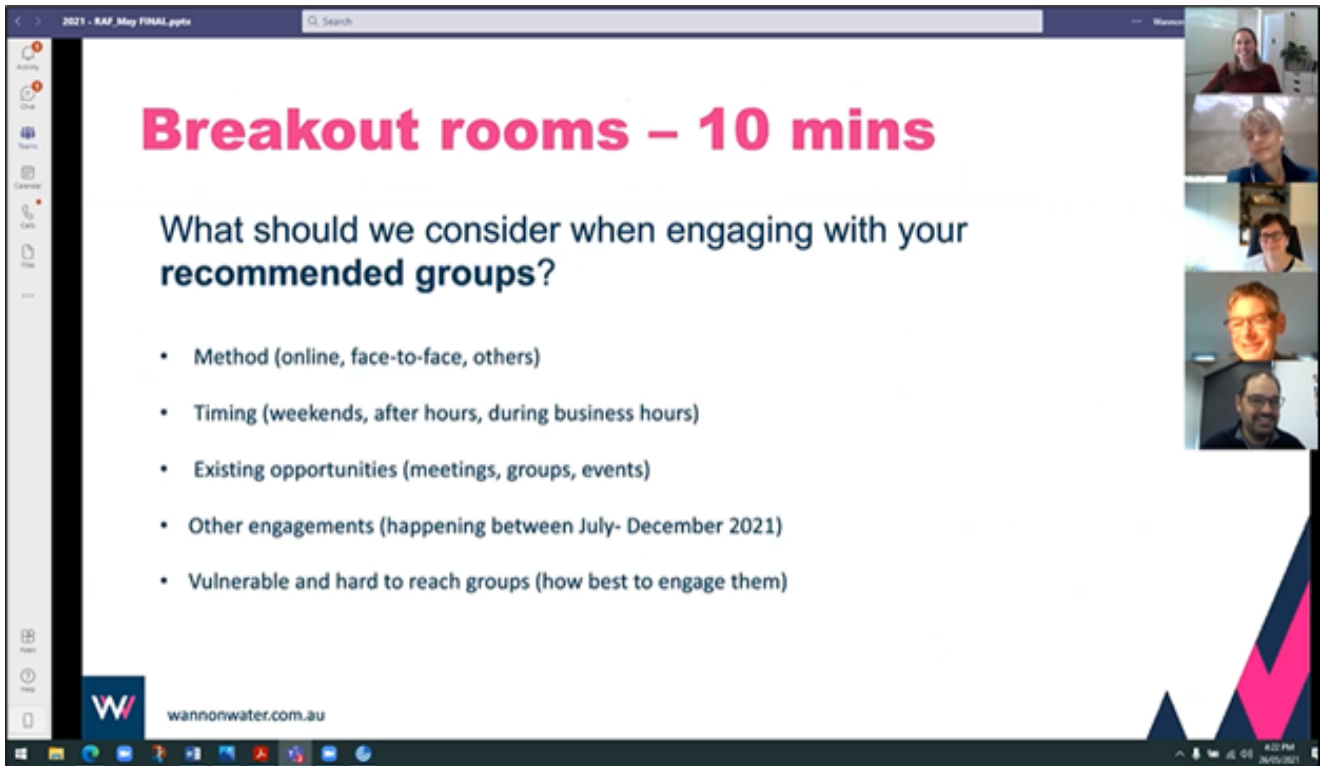


Figure D. Regional Advisory Forum – May 2021 – Engagement co-design

In July 2021, we consulted community service organisations about the best way to engage with their customers experiencing vulnerability, particularly at this stage of the pandemic. Consequently, we took the advice of these organisations for indirect engagement with vulnerable customers during COVID-19 restrictions.

### Principle 3 - Treat engagement as an ongoing process based on relationships

At Wannon Water, our culture and approach to all our work is based on our lived values of respect, trust, collaboration, innovation, integrity and being people-focused. Our definition of engagement, a genuine process of working with people to build capacity, strengthen relationships and inform decisions, is clear about the importance of relationships.

Our corporate strategic direction of *beyond water for strong communities* is further outlined in our community strategy, which is clear on the importance of partnership to deliver win-win outcomes for Wannon Water and the wider community.

The regular Stakeholder Perceptions Survey provides evidence of our very strong relationships with regional and wider stakeholders, with the most recent survey (2021) indicating 93 per cent of stakeholders rate their

The great relationships we have fostered are critical in our engagement planning and delivery, and have been demonstrated time and time again to be a critical success factor. This is particularly the case for our approach for engaging with First Nations communities.

**QUOTE**

*Over the past five years Wannon Water has made a concerted effort to take a greater leadership role in the region. This is recognised and supported by a multitude of regional initiatives and projects that historically Wannon Water might not have pursued (financial or in-kind). Wannon are to be congratulated for this broader leadership role that it can play towards safeguarding and growing the economic prosperity of the region*

**- Stakeholder Perceptions Review participant**



*Our community panel (front row), a diverse group with participants from across the region, with members of our Board, executive, engagement team and consultants Capire (back row).*

### **Principle 4 - Have a clear purpose**

The first step in our engagement design, consistent with our CEF, is to reach agreement on the purpose of engagement (Figure 1). Here, the scope, negotiables and non-negotiables, level of engagement and other key elements are defined early on.

The ‘understand’ and ‘design’ phases of the CEF require each engagement to consider the needs of the particular groups we are engaging and to produce materials and approaches that best support these for a successful engagement.

### **Principle 5 - Reflect community diversity**

As described in earlier sections of this report, we designed our engagement methods to capture feedback from a broad range of customers. Section 5.1 in this report expands on the level of participation and reach of the engagement methods used.

A critical aspect of analysing engagement feedback for insights is to find a balance between understanding the diversity of perspectives that can exist on an issue, and seeking trends, rather than magnifying solo voices.

### **Principle 6 - Investment in engagement**

Our Communications and Engagement Branch was adequately resourced to ensure our engagement design and delivery met customer needs. This was a key part of our early price submission planning and resulted in increased resources between 2020 and 2022.

We also ensured other support was provided for our engagement sessions, including providing community participants with honorariums and/or covering the costs of travel, childcare and meals to acknowledge their contribution to key forums, such as the Community Panel and RAF, and to ensure they could contribute fully to the engagement. The Community Support Review also provided an honorarium for customers experiencing difficulty paying their bills, which supported their participation in the interview.

### **Principle 7 - Be transparent and offer genuine involvement**

All engagement methods identified how the feedback we received is used within the business and in developing our price submission. This also is embedded in our CEF. Customer feedback is reported to our Board annually and through discretionary engagement projects. We also ‘close the loop’ with customers on how their feedback has been considered and what the outcomes are as a result.

### **Principle 8 - Show respect for individuals, their knowledge and expertise**

Wannon Water has a ‘zero harm’ approach<sup>3</sup> to its customers and employees, and has a high regard for respectful and meaningful relationships. Our high standards of customer experience and business culture guide this. Without customers’ views, and their willingness to share how they experience our services, continuous improvement and innovation would be hindered.

<sup>3</sup> Wannon Water’s Zero Harm approach is an aspiration rather than a defined target. It is a collective mindset and goes beyond the physical safety of people to include mental health and wellbeing and the environment.



## Principle 9 - Use methods that are universal and flexible

The majority of our engagement sessions were designed to provide substantial flexibility for participants and groups:

- In the mode of delivery
- Ensuring appropriate timing to suit family and work needs
- Offering a mix of methods for providing feedback (online, written, verbal)
- Considering the types of resources required to ensure participation.

During our focus groups and conversations with customers, we used a cake analogy (Figure F) to explain how we determine our prices. This is an easy-to-understand reference that makes a sometimes difficult concept easier to grasp.

## Principle 10 - Reflect, adapt, improve

When evaluating our engagement, we seek reflections and feedback from our employees during the last stage of our annual cycle, the 'learn' phase. Also, most of our engagement methods include evaluation questions about the process, content and approach. This helps us continually improve our practices over time.

Customers told us that they value the opportunity to provide their views on services, often rating our engagement work at a high standard. We have been reporting on customer satisfaction with our engagement throughout this reporting period as part of our Customer Outcomes report (Outcome 6: "Percentage of surveyed customers who engage with Wannon Water satisfied with the engagement process"), with the 2020/21 measure indicating 100 per cent satisfaction.



Figure E. Closing the loop with those who we engaged with and sharing engagement results

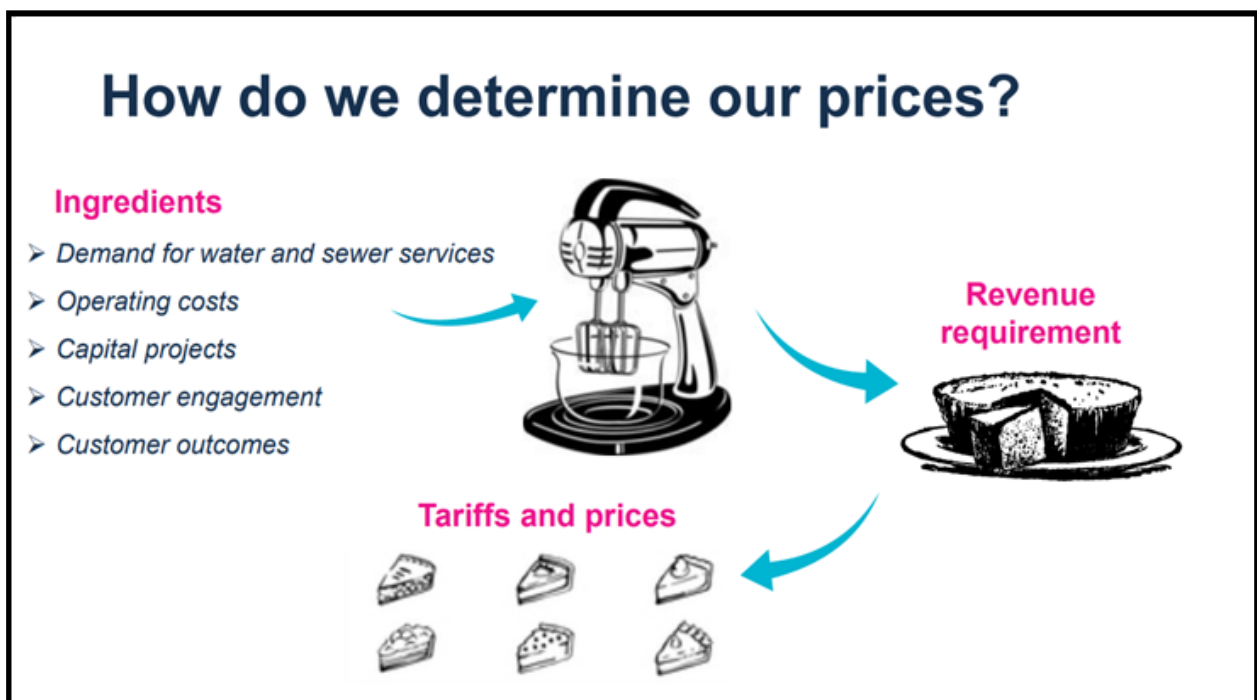


Figure F. Visual representation on how we set our prices used during engagement activities



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