Customer research summary

RD24 Engagement – Phase 1

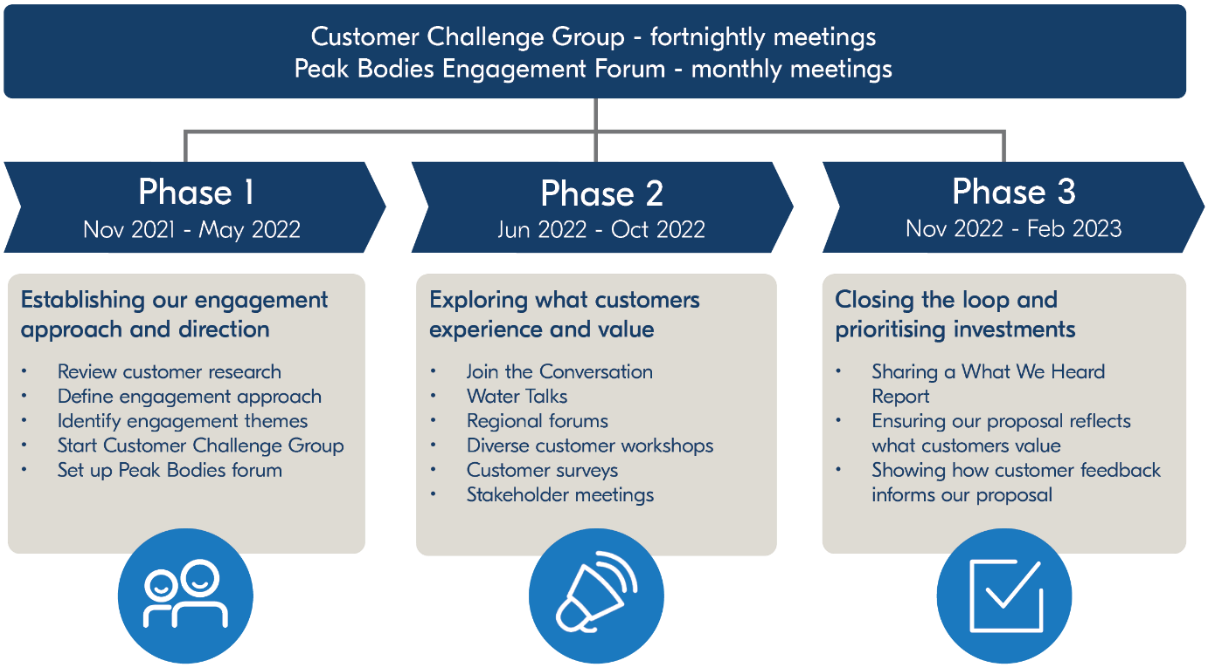
Government of South Australia

Feedback from our customers helps inform the investment proposal we submit every four years to the Essential Services Commission of South Australia (ESCOSA). The proposal outlines the revenue required to operate and invest to deliver the services our customers value and expect, now and into the future. It also includes the investments required to meet our regulated responsibilities including health, safety and environmental.

A comprehensive research and engagement program ensured that customers have provided input throughout the planning and development of our investment proposal.

The review of existing customer research, together with additional research to inform the development of new initiatives, formed part of Phase 1 of the engagement process for our regulatory determination 2024-28 (RD24) planning.

This report provides a summary of key customer research undertaken in Phase 1.



How customer insights are informing our planning for 2024-28

Recent research has highlighted that our customers are supportive of investment which futureproofs the water and wastewater network and they want to see this done in an environmentally friendly way.

These expectations have been further reinforced and validated in prioritisation research, providing us with assurance that both Our Strategy 2020-25 and planning for our 2024-28 regulatory submission align with our customers' expectations.

The insights we have collected from customers will be a key input into our 2024-28 regulatory submission.

Strategy research

Our Strategy 2020-25 was launched in October 2020, with customer and stakeholder input a key driver of our vision and strategic focus.

Our strategy was informed by research undertaken in April 2020, which asked 1,500 customers to define what they valued in a water utility of the future. This research incorporated insights from residential and business customers (including tenants), customers living with disability, customers who speak a language other than English at home, Aboriginal communities and our Customer Advisory Groups.

It identified the 25 most important expectations of a future water utility for our customers:

Rank	Customer expectations for a water utility in the future
1	Ensures there is an uninterrupted and reliable supply of safe, quality water, even during extreme weather events.
2	Provides fair and equitable access to water for all South Australians.
3	Cleans and disposes of wastewater in a safe and hygienic way, without any risk to humans, wildlife or the natural environment.
4	Invests in new solutions or technology that in turn reduces costs to customers.
5	Employs local people.
6	Continues to research ways to maintain a clean water supply.
7	Increases the use of recycled water and make better use of environmental water (for example, stormwater or rainwater).
8	Ensures customers can identify and report leaks quickly.
9	Proactively monitors leaks and has people ready to quickly repair a leak or mains break to minimise water wastage.
10	Invests in infrastructure that captures more water in the future.
11	Acts ethically, with transparency, integrity and openness.
12	Has a dedicated and responsive problem-solving team.
13	Considers community affordability when making decisions, to keep costs low for customers.
14	Educating customers to be water conscious and to use water efficiently, and uses school programs to educate future generations.
15	Acts in a way that is as environmentally friendly as possible, and considers the environment, climate change and population growth in decision-making.
16	Aims for equal water pressure to all properties.
17	Has the ability to expand and grow the network with demand, future proofing it with modern infrastructure.
18	Takes steps to improve the quality and taste of tap water.
19	Is a leader in water and wastewater - innovative and forward thinking.
20	Advocates to Government for better water use policies.
21	Explores new ways of obtaining drinking water through the latest advances in technology.
22	Creates partnerships with other organisations (such as utilities or Councils) around sustainability, recycled water, water security, green space and creating cooler areas.
23	Has and/or creates incentives or rewards for people who capture and use rainwater, or recycle water at home.
24	Avoids implementing water restrictions.
25	Has and/or develops a system for spreading the impact of high bills in peak seasons.

Shift in customer expectations from 2017

The strategy research highlighted a change in customer expectations from our previous strategy which was developed in 2017, when our customers prioritised getting back to basics with a focus on affordability. Now our customers want to see us preparing the community, our infrastructure and the environment for the future, being environmentally conscious and community-minded in our planning and decision-making.

Prioritisation research

In June 2021, we held workshops with metro and regional customers and stakeholders to generate actions to deliver to their priorities, which informed our prioritisation survey. At these workshops, we further explored customer expectations identified in our strategy research to understand what actions they wanted from us to achieve the outcomes they desire and deliver our strategy. Our insights were shaped by the views of a wide range of customers including residential and business, customers who speak a language other than English at home, Aboriginal and Torres Strait Islander customers, future customers, and customers living with disability.

A customer prioritisation survey was undertaken in September 2021, with 1,400 residential and business customers validating 29 potential future actions which were identified in the workshops. These actions covered many areas of our operations including communications, customer experience, our core services, the environment, and employment. The outcomes from this research provided a ranking of our potential future actions in order of importance, and a clear timeframe to deliver to our customers' expectations.

The table below shows each of the potential future actions generated through customer workshops, and the percentage of customers which rated the action as important for us to deliver in the future.

% customers rating important	Our potential future actions
85%	Ensures every South Australian home has access to drinking water.
81%	Ensures every South Australian home within a township boundary has access to mains drinking water.
79%	Invests in technology to detect breaks/leaks in the pipe network.
78%	Increases maintenance on the network to replace pipes before breaks or leaks happen.
75%	Produces zero waste – no discharge into coastal waters.
72%	Introduce processes to ensure that vulnerable customers are supported first during a service interruption/outage (for example, customers living with disability).
72%	Ensures that the environment is considered in their operations, beyond what is required to meet legal and regulatory requirements, now and into the future.
72%	Invests in technology to detect high water use, and proactively notify customers if their usage looks unusual.
71%	Invests in efficient resource management practices to ensure resources are recycled and reused across the supply chain.
71%	Provide homes and businesses with more access to recycled water for outdoor use (irrigation, watering, washing cars).
70%	Take an active role in the capture and recycling of stormwater.
69%	Improve SA Water's systems to ensure tenants have the same access to information as homeowners, particularly when it comes to water use and service interruptions.
68%	Invests to improve the taste of tap water across South Australia.
67%	Produces zero waste – in all parts of operations.
67%	Invests in localised wastewater treatment systems for new developments.
67%	Introduce initiatives to support customers having trouble affording water bills (for example, payment plans, discounts on upfront payments).
67%	Invests in communication channels that allow customers to interact with SA Water in the way that works best for them (for example, online, over the phone, by email).
66%	Invests to have a positive impact on the environment in terms of biodiversity.
65%	Provide more access to recycled water for use inside the home (for example, flushing toilets, washing machine, bathing).
64%	Communicates more about how to be water efficient in the home and the smart use of water in the garden.
63%	Becomes carbon neutral.
63%	Proactively identify, contact and support customers who experience water bill debt of any level.
62%	Invests to make smart meters more affordable for customers.
60%	Develops partnerships to increase the opportunity for people living with disability to be employed at SA Water.
56%	Develops placements/paid internships for South Australian students at SA Water.
56%	Increases communications about SA Water's response to the impacts of climate change and how they're working towards a more sustainable future.
54%	Increases communications to help people learn more about water as a resource, and the different water sources accessed to ensure future water security.
53%	Invests in SA Water's school education program to raise awareness and expand the program.
52%	Increases communications to help customers create green spaces that support healthier lifestyles.

Key insights from the prioritisation research

From our customers' perspective, the main priorities for us are:

- Investing in our network to ensure all South Australian homes within a township have access to drinking water, and using technology to undertake proactive maintenance on the network to minimise disruptions.
- Improving the customer experience, including access to payment support for customers experiencing difficulty paying their water bill, supporting vulnerable customers during an outage, proactively contacting customers when high water use is identified, and supporting tenants in the same way as homeowners.
- Proactive environmental leadership to ensure that environmental outcomes are considered in all parts of our operations and business decisions.

Insights from diverse customer groups

We analysed the results from our prioritisation research to explore whether there were any differences between responses from the broader community and our diverse customers segments. Each of our potential future actions were ranked similarly overall, however there were some notable differences between customer groups:

- Regional customers were more likely to prioritise improving the taste of tap water across South Australia, compared to metropolitan residents.
- For customers living with disability, introducing processes to ensure vulnerable customers are supported during a service interruption, payment support initiatives, and providing greater access to recycled water for outdoor use were a high priority.
- For tenants, there was a higher importance for delivering actions which support customers experiencing financial difficulty and ensuring tenants receive the same information as homeowners.
- Our future customers had a strong focus on environmental actions and told us that our business becoming carbon neutral was most important for them.

Customer research to inform specific projects

To gain deeper insight into our customers' needs and to better understand how our initiatives can meet their expectations, during (and prior to) Phase 1 of our RD24 engagement, we undertook a program of customer research to help shape and inform the development of specific projects and investments we are proposing.

This research was undertaken to address gaps in our knowledge, explore potential future investments, or validate what we had heard from customers through our strategic and ongoing research.

Initiative	Qualitative	Quantitative	Research objective	Key findings/what we heard
Smart meter market sizing (2019)	65 post-pilot interviews (2019)	1,680 survey responses (922 residents, 758 businesses)– online and phone	Understand customer interest in priced service offerings and to measure the potential size of the market. We also evaluated elements of the customer journey to guide future marketing efforts such as purchase intent, uniqueness, value for money, and potential substitutes or competitors.	Different market concepts were developed and tested with residential and business customers. These included water usage tracking, leak alerts, a property management portal, and carer alerts. For residential and business customers, the property management portal was considered the most 'value for money' of the service offerings. This would involve a smart meter being installed at the customers property (or properties) which provides access to an online dashboard. For residential customers, the main appeal of this service was the ability to track water usage. For business customers, having access to a digital dashboard was appealing.
Tenants as customers (2019)	25 in depth interviews, 17 participants in 2 regional focus groups (Whyalla, Murray Bridge)	400 survey responses – online and phone	Explore the tenant relationship with utilities (including billing preferences, expectations from service providers, usage and behaviour, support services and financial hardship), to inform service propositions to meet tenants' needs.	Tenants feel they have a lack of visibility of water usage, which is an issue when bills are high. This limits their ability to monitor and control consumption, and they feel they have no control over the water usage information they receive. Three quarters of tenants surveyed would like the option to request extra time to pay their bill, 71% would like a payment plan option to spread the costs of high bills, and 68% would like to speak directly to us for bill support. Tenants feel poorly maintained properties impact their water bills, with unintended leaks leaving tenants out of pocket. The majority of tenants (83%) would like to receive notifications for water supply interruptions, and 77% would like alerts for progress on repairing faults.
Customer contact preferences (2020)		1,002 survey responses – online and phone	To understand the communication preferences of our customers.	Customers are interested in setting bill reminders and being able to control their contact preferences with us. Customers want to be contacted by SMS for most outbound communications. There is a strong demand from our younger customers for more technology-based contact channels

Optimised Customer Relationship Management notifications (2021)	20 residential interviews 5 business customer interviews		Understand what types of communication residential and business customers expect from us, including billing preferences, bill stress, account set-up, and notifications.	There is much variability in the types, frequency and delivery methods of notifications that people expect, so providing people with the flexibility to choose how they receive different notifications and which ones they receive will give customers better control over their experience with us. An option for people to opt in or out of notifications will enable better control over what they receive.
Regional aesthetics – Love your water survey (2021)	Regional community drop-in sessions 45+ attendees Quorn, Melrose, Naracoorte, Tarpeena, Millicent, Padthaway, Renmark, Waikerie	51 responses	Involve communities in the development of a long-term improvement plan for regional water quality aesthetics. Understand the need and desire to improve water aesthetics and how water use behaviour may shift with an improved supply.	Residents indicated that town water is not good and noted that rainwater is preferred. The water quality leads to cost implications for residents and businesses to buy water softeners, filters and cleaning products, replace fixtures and fittings, and purchase alternative solutions. Residents are also concerned about potential health impacts of the water (allergies and skin issues). Customer satisfaction with overall water quality was lowest for Quorn and Melrose residents (100% of respondents were either dissatisfied or very dissatisfied), and residents from Quorn are the least likely to use mains water as their primary drinking source. Overall, 53% of Quorn residents and 50% of Melrose residents said their use of mains water would increase if water quality were to improve.
Wider World (2021)	108 participants in interviews/ focus groups	555 survey responses - online and phone	Research with a diverse range of customers to understand their very specific needs, to inform new and improved products and services.	Two thirds of customers with a disability could only manage for a short time without water. Of these, 20% are critical water users with high care needs and couldn't get by for more than a couple of hours without water, and 43% are moderate criticality water users who need water as part of a daily routine for wellbeing and to help them function. Overall, a quarter of customers say they have high water usage relating to their disability. More than a third of customers who speak a language other than English would like more time or help when communicating with us.
Purified recycled drinking water (2021-22)		1,133 survey responses (2021) 1,200 survey responses (2022)	Understand the current perceptions, support for and potential uptake of purified recycled drinking water (PRDW) among the South Australian population.	Most residents (76%) are aware of purified recycled drinking water, and two thirds would be willing to consume it. Support for PRDW increases when additional information is provided, and two thirds would support a demonstration plant to build knowledge and understanding. The environmental benefits of PRDW were viewed by customers as the key benefit of this technology. Those who were concerned about PRDW mentioned the concept of 'wastewater' and the 'thought of it', and the potential safety/risks of the purification process.

Wastewater odours (2022)		576 responses (325 fully complete and 251 partial)	Understand our customers' views on our wastewater network, from the perspective of both those who have and have not experienced issues. To understand whether our customers value investment in solutions to achieve an improved level of service.	Of those who had experienced wastewater odour in the past, 52% had reported it to us. Two thirds were satisfied with the experience and 61% were satisfied with being kept informed. However, the more times a customer contacts us, the lower their satisfaction. Of those who contacted us once or twice, 84% were satisfied, compared with 54% who were satisfied after contacting us three or more times. Keeping customers informed and longer-term fixes were key improvements mentioned, and respondents supported investment in monitoring equipment to reduce the likelihood of sewer network odours in the first place.
Billing modernisation (2022)	18 in-depth interviews	420 survey responses	Customer expectations of offerings and services relating to billing including options, formats, payment methods, frequency, security, smart data and future expectations.	Demand for eBilling is increasing, and there is a higher preference for BPAY and online payments rather than direct debit. A quarter of customers would also like to receive or pay their bills more regularly, with about 7 out of 10 customers willing to read their own meters in order to do so. Customers tend to prefer digital self-service options, but expect us to be there for more complex issues or enquiries.
Service standards review (2022)	7 focus group participants	1,153 survey responses (929 residents, 224 businesses)- online and phone	Understand the current perceptions of our service standards.	We are performing well across all standards for customer satisfaction. Modelling shows satisfaction is more complex than meeting the standard with ease and communication important drivers. Desire for improvement is lower for customers who have had a service experience with us, and willingness to pay is low across the board. Our strongest area of opportunity is improving our communication with customers to keep them informed.
Carbon offsets willingness to pay – national study by Water Services Association of Australia (2022)		300 SA Water customer respondents	Estimate customers' willingness to pay for carbon abatement and benefits arising from carbon offset projects.	The planting of new native forests and the ability of these forests to support significant biodiversity was valued the most highly out of all options presented, with South Australians willing to pay to support this initiative. Two-thirds of South Australians feel that climate change is occurring mostly due to human activity, and almost half feel that we should aim to achieve net zero greenhouse gas emissions before 2050.