



What We Heard Report

RD24 Engagement - Phase 2



Government of
South Australia

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Preface

Every four years, feedback from our customers helps inform the investment proposal we submit 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. It also includes the investments required to meet our regulated responsibilities including health, safety and environmental.

In addition to outlining investment priorities for 2024-28, the proposal will incorporate customer feedback. A comprehensive research and engagement program ensured that customers and stakeholders have provided input throughout the planning process and proposal development.

ESCOSA reviews our proposal and determines the customer outcomes we need to deliver and the revenue we can recover from our customers. We then set prices each year to recover the allowable revenue.

We undertook comprehensive customer research and engagement during 2020 and 2021 which informed Our Strategy 2020-25 as well as our approach to engagement for regulatory determination 2024-28 (RD24).

This report provides a summary of what we heard from our customers, community and key stakeholders during Phase 2 of our engagement, which includes activities undertaken between June and October 2022. This includes key insights from considered, challenging and deliberative engagement with our Customer Challenge Group and Peak Bodies Engagement Forum from February to October 2022.

The insights and perspectives contained in this report are informing the planning and development of our RD24 investment proposal. We thank everyone who provided feedback as part of this process.



Forming our engagement approach

In developing our RD24 Phase 2 engagement approach we considered our business-as-usual engagement activities and forums, the lessons learnt from the previous regulatory period, guidance provided by ESCOSA and the priorities identified in our customer research. We also consulted on our proposed approach with the Customer Challenge Group.

Ongoing engagement activities

Engagement is critical to our success in delivering our vision and strategy. The engagement we did for our regulatory submission is an extension of our business-as-usual activities which include customer research, Water Talks (our online engagement platform), our Customer Advisory Group, key stakeholder relations and our Wider World Advisory Group which supports our work to ensure accessible and equitable services.

Lessons learnt from RD20

Regulatory determinations are a crucial input to the way we do business, and we drew on feedback from ESCOSA from previous determinations to plan our engagement approach for RD24. Based on feedback on our approach to RD20, we paid particular attention to ensuring we addressed four key lessons in our RD24 approach, outlined in the table.

Lessons learnt	How we addressed this
Consult earlier and more extensively with the community on the development of new initiatives.	We consulted with customers in 2020 via research to identify priorities and inform our Strategy 2020-25. We also conducted customer research and engagement on 11 potential service improvement initiatives from 2020 to 2022 to inform early consideration of potential initiatives. See RD24 Phase 1 report.
The customer challenge process occurring over a longer period of time (the previous period involved six sessions).	Our Customer Challenge Group was established in November 2021 and, after inductions, participated in 23 fortnightly meetings from December 2021 to November 2022 – 46 hours of deliberative engagement. The group will continue to meet throughout the rest of the RD24 process.
Categorise expenditure into one of four elements to sharpen the engagement focus on aspects that are beyond compliance, such as an external responsibility (for example, a regulatory or statutory requirement), maintaining a current level of service, a growth opportunity, or a service improvement.	Proposed initiatives were categorised into these four elements. Customer research focused on 11 proposed service improvements initiatives. The Customer Challenge Group deliberation was largely focused on growth opportunities and service improvements, however included regulated or maintain service level activities where a different approach or larger spend was indicated.
Transparency about our plans, including long-term plans, throughout the regulatory determination process, and ensuring enough time is given to all our stakeholders for reviewing, challenging, and giving feedback on our plans, to enable better participation.	We provided online information to support planning for 2024-28, including a process timeline, information about investment themes, how we work with industry and community, and regulations and legislation. We provided detailed information about potential initiatives, our Strategy 2020-25 (strategic horizon 2050), and longer-term asset management plans to the Customer Challenge Group with time for consideration and discussion.

Forming our engagement approach

ESCOSA guidance

Our RD24 engagement approach was informed by ESCOSA's *Guidance Paper 2: Engaging with stakeholders to develop the Regulatory Business Plan*, which highlighted the importance of engaging with a diverse range of stakeholders on issues relevant to them, early and transparent engagement, providing a range of engagement channels and focusing on customer experience impacts. Specifically, the guidance paper identified eight key engagement process elements.

Engagement element	Response
Engaging in a meaningful and substantial way with an appropriately diverse range of stakeholders.	We ensured a diversity of perspectives by engaging with residential and business customers, peak consumer, community and industry bodies, regional communities and organisations across the state, and organisations representing the interests of vulnerable customers and community members.
Engaging early.	Early engagement was carried out in 2020 via research to identify customer priorities to inform Our Strategy 2020-25. We also undertook customer research and engagement from 2020 to 2022 to inform potential service improvement initiatives. See RD24 Phase 1 report.
Identifying and engaging relevant stakeholders.	We used our five key RD24 engagement themes to identify interested and relevant key stakeholders to directly target engagement activities. We also supported relationship managers with RD24 information to assist ongoing discussions with key stakeholders.
Using an appropriately diverse range of engagement channels and methods.	Options for engagement included online information, our engagement platform (Water Talks), face-to-face engagement via community pop ups and workshops, online surveys, customer and consumer forums, and key stakeholder meetings and interviews.

Engagement element	Response
Providing sufficiently detailed information for stakeholders to make informed and useful contributions to the decision-making process.	Information about the regulatory determination process, timeline, engagement strategy, and theme-based information sheets with potential areas of investment were available online and at workshops. Customer Challenge Group and Peak Bodies Engagement Forum members were provided detailed presentations, including customer research outcomes, to inform discussions. The 'Would you invest in this' survey was supported by videos to provide information about each of the 15 initiatives tested.
Testing proposals with stakeholders, including the Customer Challenge Group.	Proposals were tested throughout 10 months of engagement with the Customer Challenge Group and monthly meetings of the Peak Bodies Engagement Forum. The 'Would you invest in this?' survey tested 15 potential initiatives with a broad range of customers and community members.
Obtaining broad and deep stakeholder inputs.	Broad contribution was promoted via a wide-reaching community communications campaign using a range of channels including, with social media and ads in newspapersprint advertising. Opportunities for broad engagement included pop ups, workshops, and surveys. Deeper engagement was facilitated via the Customer Challenge Group, Peak Bodies Engagement Forum (deliberative) and key stakeholder interviews (targeted).
Integrating RD24 Regulatory Business Plan engagement and business-as-usual engagement.	We used ongoing engagement mechanisms, including our customer research program, which ensures key business decisions impacting customers and community are evidence-based, our Customer Advisory Group, key stakeholder relationships, Wider World Advisory Group and local engagement on capital projects, to reach stakeholders and discuss relevant aspects of RD24.

Forming our engagement approach

Customer priorities

Insights from our customers (Phase 1) helped shape both our strategic and RD24 planning and prioritisation, ensuring we remain focused on delivering the outcomes that customers expect.

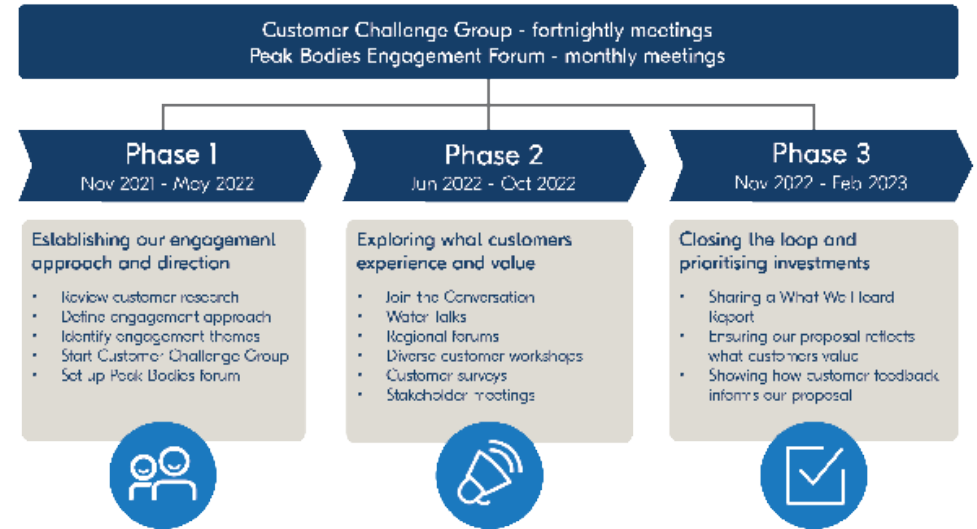
In April 2020 we conducted customer research that informed Our Strategy 2020-25. This research asked 1,500 customers to define what they valued in a water utility of the future. It incorporated insights from residential and business customers including tenants, customers living with disability, customers who speak a language other than English at home, Aboriginal communities and our Customer Advisory Group.

This research highlighted that our customers support investment that futureproofs our water and wastewater networks and want to see this done in an environmentally friendly way. These expectations were reinforced and validated in prioritisation research conducted in June 2021 (workshops with regional and metropolitan customers) and September 2021 with a survey of 1,400 residential and business customers which asked them to rank the potential future actions identified in the workshops. The subsequent customer priorities informed the development of RD24 business cases.

Public Participation Spectrum

Our Phase 2 RD24 engagement approach was also informed by the International Association for Public Participation Australasia's (IAP2) Public Participation Spectrum. At different times, our aim was to inform, consult or involve customers, community and stakeholders with a range of approaches throughout the process.

Our engagement approach



How we engaged

For Phase 2 engagement we identified five key themes from our customer priorities to facilitate meaningful customer, community and key stakeholder feedback. To ensure breadth, depth and diversity, our approach included broad, targeted and deliberative engagement activities.



Broad engagement

Communication with customers, community and key stakeholders was designed to raise awareness about the overall process, promote how to get involved and encourage feedback from a wide audience. Phase 2 engagement activity began in June 2022 via our Water Talks database and social media (Facebook), with fact sheets and a theme-based online survey to draw people to our Water Talks/RD24 site. We used targeted social media and local newspaper ads to promote regional workshops, and conducted a broad community engagement and advertising campaign to promote our ‘Would you invest in this?’ survey. For further reach details, see Appendix A.

- **2,836** visits to RD24 on the Water Talks website
- **78** new Water Talks registrations
- **116** responses to the thematic online survey
- **1,919** responses to our ‘Would you invest in this?’ survey
- **50** conversations at community workshops and pop ups
- Combined advertising campaign reach of more than **1.4 million**:
 - Facebook reach: **624,510**
 - News Corp online reach: **610,273**
 - Letterbox drop reach: **180,266**

Targeted engagement

Engagement with key stakeholders and targeted customer and community groups ensured diverse perspectives were captured. Discussions were based on interest, impact, location or the RD24 engagement themes. We identified key stakeholders for each engagement theme and proactively approached them by phone or email with information about RD24 and an invitation to engage with us. In the main, this engagement was via one-on-one interviews, but also included meetings and written submissions according to stakeholder preferences.

In regional areas we aimed to speak with representative organisations that could speak to local challenges and experience. This included Regional Development Associations to bring a business, growth and development perspective; Local Government Associations to bring a community perspective; and key community organisations that work to support vulnerable customer and community members. We also aimed to include the voices of young people, culturally and linguistically diverse community members, community controlled Aboriginal organisations, older community members and people living with disability. A full list of key stakeholders consulted is provided in Appendix B.

- **24** in-depth key stakeholder interviews

Deliberative engagement

Deliberative engagement provided an opportunity for our RD24 planning processes and business proposals to be discussed and debated, and for our thinking and decision-making to be challenged. With a whole-of-business and strategic focus, this included detailed discussions about key challenges and specific business proposals. The two forums for deliberative engagement were the Customer Challenge Group and the Peak Bodies Engagement Forum.

- **60+** hours of deliberative engagement
- **34** meetings

How we engaged

Customer Challenge Group

The Customer Challenge Group was established in November 2021 and comprised 11 people representing a cross-section of our customers. After a comprehensive induction program, the group met for two hours each fortnight from January to November 2022. The Group was empowered to challenge proposals and provide feedback to ensure decision-making processes were robust and proposals represented what customers value and expect.

Members elected to focus specifically on new initiatives and approaches aimed at improving services or supporting growth. Also discussed were regulated initiatives and those maintaining current service standards where a different approach or larger spend was indicated. Consideration was also given to customer research that informed and supported specific initiatives. Members challenged rationale, timing, spend and customer impacts.

The process was iterative, with feedback provided to business cases owners after each session for careful consideration and incorporation into initiative design or business approach. The group's feedback was shared fortnightly with the Executive Regulatory Sub-Committee (an SA Water body with oversight of the regulatory process) to inform the submission process.

Members have consistently indicated a positive experience throughout the process, with confidence to participate and understanding of the regulatory process growing over time. They have also shown strong levels of agreement with each of the engagement metrics measured after each meeting – average scores across all meetings are in the table.

Engagement aspect	Average score /5
I found the information presented during this session interesting and relevant	4.7
I enjoyed participating during the session	4.6
I feel confident that my voice will be heard in upcoming sessions	4.7
I understand my role as a CCG member and how I can constructively challenge	4.5
I feel like I've had the opportunity to contribute to the topic discussed today	4.7

How we engaged

Customer Challenge Group member comments have included:

“I feel the group has grown in confidence to be able to put forward comments even if they don't agree with others in the group. I feel the discussions and questions are more robust.”

“Having well prepared presentations with lots of relevant information delivered expertly made the session very productive.”

“It was a very productive session last night with a balanced response from the group as we had a diversity of experiences with both owners and tenants being able to participate in the discussion.”

“Another very good presentation by SA Water and opportunity to cover a range of issues during the Q&A sessions - begin to understand the complexity of RD24 and the expertise within SA Water.”

“Appreciate we are now at the ‘pointy end’ and discussions are more in detail and gives us an opportunity to better understand the complexities around putting up a proposal.”

“Excellent presentations on a complex and multifaceted topic. Provided great insights into the IT aspects of the SA Water business and the challenges faced particularly with compliance issues and emerging threats of cyber security.”

“Excellent presentations and speakers answered a number of pressing questions from previous sessions. Much better understanding of the complexity of PRW and the challenge implementing it despite the assurances regarding its safety and possible health risks.”

“It has been very interesting listening to different speakers from SA Water - gives me a more rounded understanding of the business and the hugely varied considerations when it comes to putting together the RD24.”

Peak Bodies Engagement Forum

The Peak Bodies Engagement Forum was established in February 2022 to ensure broad, inclusive and collaborative engagement with key industry and community representative organisations. Members were informed and consulted on RD24 plans, investment proposals and key challenges.

The 14 member organisations provided us with insights and advice on the relevant and specific concerns and interests of the communities they represent and played a key role in bringing a diversity of voices to the RD24 process, including through promotion of engagement opportunities. The forum brought a wealth of collective knowledge, experience and historical context to discussions to inform and shape the direction of proposals.

In October 2022, as part of a broader RD24 consultation on customer priorities, Uniting Communities sought feedback from relevant consumer organisations on our RD24 engagement process. Their report stated that “there was agreement among stakeholders that SA Water has improved its community engagement”, and that stakeholders “recognised the competing priorities SA Water is navigating and reported having a better understanding of these priorities resulting from the group meetings they attended facilitated by SA Water’s Peak Bodies Engagement Forum and Customer Advisory Group”.

For a list of the topics covered in the Customer Challenge Group meetings and Peak Bodies Engagement Forum see Attachment C.

What we heard - engagement

After collating and analysing feedback gathered from customers, community and key stakeholders during our Phase 2 engagement activities, we identified 14 common themes.

- 1 Safe, clean drinking water for all
- 2 Equitable services in regional areas
- 3 Investment in older infrastructure
- 4 Local wastewater management
- 5 Growth and development
- 6 Harvesting rainwater
- 7 Smart water use monitoring
- 8 Renewable energy and sustainability
- 9 Customer experience
- 10 Affordability
- 11 Support for vulnerable customers
- 12 Tenants as customers
- 13 Future water security
- 14 All source options on the table

What we heard - engagement



1 Safe, clean drinking water for all

Respondents told us that providing safe, clean drinking water for all customers is a first order priority. We heard concern that while all customers pay the same for services, not everyone enjoys the same access and water quality. Some areas experience issues with water quality, including hardness and poor taste, and others report prohibitively costly access to mains connections, impacting business, development and quality of life.

“Many people who have mains water still drink rainwater as they don’t consider the water quality good enough to drink.”

Community organisation

“We all pay a service charge which, as it implies, covers the service. We also then pay for use of water, which is not only unpotable but extremely saline, at the same rate as others pay for potable water. This seems quite unjust.”

Water Talks survey respondent

“We would like water supplied to our area, we are only 10 mins out of Mt Barker and yet no water supply.”

Mt Barker resident

“To be honest, I’d prefer to pay more to have decent quality water. The town I reside, Quorn, has ridiculously hard water that causes much damage to plumbing and appliances.”

Quorn resident

“Reducing connection costs would encourage more development and make it more equitable for those moving to regional areas.”

Regional Development Association

“The only way SA Water can improve my customer experience would be to provide my town with decent quality water. Water that doesn’t damage your plumbing and appliances. Doesn’t leave me feeling like I’ve rolled in fibreglass after a shower.”

Water Talks survey respondent

“We are currently the last lot of land in our street. The mains water supply is restricted more and more as it goes along until it gets to us. The water is no more than a trickle. I feel we shouldn’t have to pay a supply charge/connection charge when we do not get service.”

Water Talks survey respondent

“Clean, safe, healthy water should be provided for all across the state.”

Customer Challenge Group member

What we heard - engagement



2

Equitable services for regional areas

Respondents told us that equitable access to safe, clean drinking water and improvements to water quality for those in regional areas is a priority. We heard strong support for investment to expand services in regional areas outside of major townships. Investment should be cost-balanced and prioritised according to demand and likeliness of future growth. There are a range of views about who should pay for this investment.

“The quality of the water in many regions across the Eyre Peninsula is quite bad, but it doesn’t get talked about much as people are used to dealing with it.”

Regional Development Association

“Everyone deserves access to the clean, safe drinking water, especially for those who live within 300km of a major town.”

Berri resident

“Most people drink rainwater predominately. Historically there have been issues with the water quality and many are used to using filters, water softeners and boiling their water.”

Regional Development Association

“Investment into a stronger more resilient network is required to secure water services to remote regions.”

Ceduna resident

“Our water bills are huge for our farm, which we use for livestock and crop spraying and our quality is so poor the supply is non-potable, so we are paying for a poor service.”

Farmer

“Reducing connection costs would encourage more development and make it more equitable for those moving to regional areas.”

Regional Development Association

“Getting water to properties outside of township regions is a big issue for many in the Riverland.”

Riverland resident

“As a retired person I see two pipelines (near Winkie), gas and water, and powerlines, and we live four hours from Adelaide – why can’t we get drinking water?”

Riverland resident

“Should new properties pay more to get connected to mains water? This shouldn’t be charged to the rest of the state. If you choose to live in a regional area away from major water services, then you should pay more to get connected.”

Regional community organisation

“There needs to be robust discussion on how activities should be funded – from customers, through government general revenue, or via community service obligations.”

Peak Body

What we heard - engagement



3 Investment in older infrastructure

Respondents told us they support investing now to replace and maintain infrastructure to reduce costs to customers in the future. This includes a preference for prioritising infrastructure maintenance activities most likely to reduce service disruptions. There is support for investing early where future growth is known.

“... we should be investing more to maintain and replace assets now to reduce the scale of future asset replacement needs and the associated bill increases. We will be better off in long-term, rather than sharper bill increases in future.”

Regional community organisation

“Investment should be prioritised by how likely it is that the infrastructure will break down and the level of impact to services it will have. Water is the most essential service, much more so than power or gas. People need water to survive so a continual supply and minimal disruption is a very high priority.”

Water Talks survey respondent

“Investment should be balanced in terms of priority - what is essential should be maintained to ensure an uninterrupted supply to customers and reduce future costs to customers.”

Water Talks respondent

“Investment should be made now into infrastructure to save on cost blowouts and prevent service interruptions.”

Regional community organisation

“SA Water has an obligation to replace assets now rather than later. The assets are depreciating, and benefits needs to be realised now.”

Regional Local Government Association

“Investment into replacing and maintain ageing infrastructure should be balanced, customers in this region are sensitive to pricing impacts. That being said, it's also understood that costs blowout the longer you wait to replace or fix something.”

Regional community organisation

“Young people in South Australia are aware you need to invest in aging infrastructure to save money in the future... you could potentially get more support from customers if they were aware of the potential impacts of not investing.”

Peak body

What we heard - engagement



4 Local wastewater management

Stakeholders told us they want to see more collaboration with local government to develop sustainable solutions for wastewater management. Wastewater management was raised as a particular challenge in some regional areas.

“SA Water needs to consider their position in relation to the provision of wastewater services - there are a number of issues emerging in operating these [community wastewater] schemes.”

Local Government Association

“Councils who manage wastewater treatment and sewerage services run forums, it would great to have more of an SA Water presence at these events and with local progress associations to add value.”

Regional Local Government Association

“SA Water worked collaboratively with local government and industry in Port Lincoln to develop a sustainable solution to the seafood waste problem. This is a good example of governments, industry and utility companies working together to reach mutually agreeable outcomes that protect industry and the environment.”

Regional Development Association

“Wastewater systems are getting quite old, if we want to expand services more collaboration is needed between SA Water and local governments. Skill sets should be combined for mutually beneficial outcomes.”

Regional Local Government Association

“All of the data that is being captured about stormwater harvesting, wastewater treatment and using recycled water could be shared between organisations, even local industry, to help develop their own similar initiatives.”

Regional Local Government Association

“SA Water should partner with councils that manage wastewater schemes, there’s a number of potential sustainable initiatives that are profitable and could be explored.”

Regional Local Government Association

What we heard - engagement



5 Growth and development

Respondents told us that access and connection to water are critical to meeting the needs of growing populations and industry development. The link between water and the capacity to grow and develop was evident in responses from people in metropolitan as well as regional areas. People indicated a desire for more information about capacity and options. Who should pay for the required infrastructure was also in question.

“With so many people moving to the Copper Coast region and building new houses it would be a great initiative to implement a new policy to help people understand the feasibility of different water supply options.”

Copper Coast resident

“Water is a basic human right and mains connections should always be included in a new housing development.”

Regional peak body

“We need more of an understanding about our water networks capacity in terms of growth, we don’t understand this well at a local level. Water is the most significant resource for growth.”

Regional Local Government Association

“Whyalla and the growth of many other country towns are dependent on the availability of water in the region.”

Whyalla resident

“The regional challenge being faced is access to workforce for existing and new industry. To support this, there is a huge push for development to house workers, and housing needs water.”

Regional Development Association

“Coordination and collaboration are needed to unlock industry with two key sectors – agriculture and health, which both need water services. There is also growth being experienced in manufacturing. Access to water is currently a barrier.”

Regional Development Association

“Long-term planning and investment is needed in conjunction with industry. Costs could be augmented to support development.”

Regional Local Government Association

“Industry growth is focused on hydrogen and magnetite mining which are water dependent.”

Regional Development Australia

“Developers should pay more of the upfront costs to connect mains water to new developments and then pass the cost on to the customer once land is sold, including the cost to augment the new connection.”

Customer Challenge Group member

“There is a lot of growth and development for new housing and there doesn’t seem to be a lot of information between council and SA Water that you can access about what your options are.”

Regional community organisation

What we heard - engagement



6 Harvesting rainwater

Respondents called for more help from us and the state government to capture and harvest rainwater for their households, farms and businesses. This includes consideration of support and incentives to install rainwater tanks and infrastructure and for use of rainwater. Exploration of stormwater harvesting and use was also supported, both regionally and for parks and open spaces across Adelaide.

“... we also need to look at the increase in high level rain events. We should be harnessing as much of this rainfall as possible, not seeing all of it go out to sea or disappear via evaporation. Rainwater harvesting must be addressed.”

Water Talks survey respondent

“Harvesting and collecting rainwater should be prioritised by SA Water. Subsidies for installing water tanks and education about how to effectively capture and store rainwater should be rolled out across the state where it is needed most (regional areas without access to mains water).”

Peak body

“Collaboration is needed between SA Water and local councils to increase awareness about the environmental benefits and cost-savings of using stormwater and recycled water for irrigation.”

Regional Local Government Association

“Most people in the region have a rainwater tank and are happy to drink rainwater. Can SA Water and the government provide financial support to help people install their own tanks?”

Regional community organisation

“How much research is being conducted about efficient stormwater harvesting? For many in regional areas and farms this is the most efficient way to get water.”

Regional Local Government Association

“There needs to be more incentives to reduce use on mains water — subsidies for installing rainwater tanks, discounts for less mains water use for example.”

Regional Local Government Association

“Stormwater harvesting should be explored, this can help with irrigation for green landscaping, verges and gardens.”

Regional Local Government Association

“Collaboration is needed between SA Water and local Councils to increase awareness about the environmental benefits and cost-savings of using stormwater and recycled water for irrigation.”

Regional Local Government Association

What we heard - engagement



7 Smart water use monitoring

Respondents told us they highly value the use of technology to improve water use monitoring to detect leaks, support more efficient and sustainable water use, and keep costs down. We heard that investment in technology was supported where subsequent savings are passed on to customers. The use of smart technology is widely seen by respondents as key to sustainability.

“Investments into smart technology are a good idea if it is affordable. Many in the country would utilise a water monitoring app that shows you when you are using too much water or detect a leak.”

Regional community organisation

“The benefits are obvious and clear cut, saving all the cost of meter readings, it’s clearly a benefit that is unarguable.”

Customer Challenge Group member

“I’m for it, smart meters are part of our day-to-day life now anyway.”

Customer Challenge Group member

“Smart technology should be implemented where the cost/benefit ratio makes sense.”

Rural peak body

“Smart meters can provide better billing information, helping you to be wiser with your water use and also helping to explain usage costs better to tenants.”

Regional Local Government Association

“SA Water should invest in technologies now. Desalination plants, turning wastewater into compost, using recycled water – these are going to be necessary to facilitate growth.”

Regional Local Government Association

What we heard - engagement



8

Renewable energy and sustainability

There was wide respondent support for more investment in renewable energy to power our infrastructure and to offset rising costs of electricity. Support was particularly indicated where investment can also help reduce costs for customers. There was value seen in promotion of our sustainability initiatives to raise community awareness, build future support and show the longer-term cost benefits. More education to support household water conservation and water efficiency was also suggested.

“Invest in sustainable electricity and energy. Look for the latest technologies to improve these practices which in turn allows for other funds to be redirected for maintenance and upkeep of infrastructure.”

Water Talks respondent

“Cost of water is one of the biggest concerns for people in the Eyre Peninsula region. Investing in solar panels and wind energy is great if the savings are passed on the customers.”

Regional community organisation

“What are the costs to pump water from the River Murray to Whyalla? How could we do this better? This should be powered by renewables. How much of this water does industry use and should they be contributing to this cost?”

Customer Challenge Group member

“We support the installation of solar panels to power SA Water infrastructure and would be happy to pay a little extra to see this continue.”

Regional community organisation

“Wastewater treatment biogas fuel is great opportunity for SA Water to partner with local governments, industry and the community to create awareness and get more people behind these sustainable initiatives.”

Regional Development Association

“Develop initiatives in conjunction with other initiatives, for example install solar panels on new pumping infrastructure or build a turbine on the outlet pipe of a desalination plant.”

Peak body

“Strong support to increase investment in renewable energies like solar, wind and biogas - need to balance costs with impacts to customer bills.”

Peak body

“SA Water needs to set an example for the other utility companies and invest more into renewable energy sources now. There is need to demonstrate you are taking the environment seriously.”

Regional community organisation

“Bring in new technologies to improve treatment practices for wastewater allowing more recycling of effluent, biosolids, lower gas emissions from them and lower discharges to sea/creek.”

Water Talks survey respondent

“Continue investing in reducing energy costs to help reduce bills. Don't prioritise revegetation which would contribute to increased bills.”

Water Talks survey respondent

What we heard - engagement



9 Customer experience

Most respondents told us they have a positive customer experience when dealing with us. People appreciate speaking to local representatives. Given the high level of satisfaction, there was modest support for investment in initiatives to improve customer experience. The need for safe drinking water for everyone and long-term water security are considered more important.

“Customer service at SA Water is very good we have not had any issues.”

Regional community organisation

“Customer service with SA Water is usually very good. Definitely one of the better utility companies to deal with.”

Business peak body

“SA Water is the easiest service provider to deal with.”

Regional community organisation

“Rang up about a burst water main. The lady was very nice and had someone sent out immediately to fix it.”

Senior Adelaide resident

“SA Water has great customer service. The hardship programs and bill payment extensions are very much needed for so many around the state.”

Regional community organisation

“I called because I lost my [paper] bill, the woman offered to make my bills electronic, I said no because I’m not good with technology. She understood and sent another bill out.”

Senior Adelaide resident

“This [improvements to customer experience] may be nice to have, but I consider in the current economic climate, any large investment that will ultimately be passed on to customers in increased bills is something we can do without for now.”

Water Talks survey respondent

“We need more money spent to make our water potable, not worried about customer service as much.”

Water Talks survey respondent

What we heard - engagement



10 Affordability

While many respondents reported that water bills are not their largest bill, the cumulative impact of increasing power bills and the rising cost of living is putting pressure on all customers. Consumer and frontline community organisations expressed significant concern about the affordability of water services for vulnerable customers. The cost impacts of RD24 investments need to be carefully considered.

“We are self-funded retirees and every cent counts. We have a huge water tank and a reticulated water system so little water from the tap is used to water the garden. No reward occurs for this. We are able to pay for our bills on time and hope we can continue to do so.”

Senior resident

“Cost of living pressures are manageable, and the water bill expenses and increases are in line with other utility expenses. SA Water can help by limiting increases in charges to no more than CPI increases.”

Water Talks survey respondent

“While water is not the biggest expense for most households, the rising cost of living is putting pressure on all costs, so these types of hardship services are very much required in remote regions.”

Regional community organisation

“Paying any bills is hard for a lot of our clients - given where we get it from, water should be fundamentally the cheapest resource.”

Regional community organisation

“We provide food and support for vulnerable, elderly and homeless people and we see many of this population and the impacts that the rising cost of living is having on them. SA Water is very good at providing relief from payments and hardship support programs.”

Regional community organisation

“The rising cost of living is a concern for many in the Riverland so keeping bills as low as possible should be a priority for SA Water.”

Regional community organisation

“For those living in the Riverland, if growers and producers are affected by rising water costs then they have to pass that cost increase on to the customer.”

Regional community organisation

What we heard - engagement



11 Support for vulnerable customers

There was widespread appreciation for the support we provide to customers experiencing financial hardship. However, there is a call for more information about available assistance for migrants, young people, tenants, older people and people living in regional areas. We also noted the desire for information on how to be more water efficient and for more detailed billing information to help vulnerable customers to manage costs.

“Hardship support programs should be provided to those in need. Many find it hard to manage their bills particularly those living in or moving from affordable housing.”

Peak body

“Water bills are generally not the highest bills for most people, but many would like to see more detailed information about their water usage. Knowing when they are using the most water and why some bills are higher than others can help people keep costs down.”

Regional community organisation

“Many of our clients struggle to pay any of their bills so having the support to help them pay their bills the way they want to, is well regarded.”

Regional community organisation

“Education could be based on water conservation strategies, improving behaviours and information on the kind of savings that can be made per week/month if you implement small changes.”

Peak body

“Younger people who rent are sometimes under huge financial pressure and while water may not be their biggest cost, more education about being conservative with water could help alleviate some of the pressure.”

Community organisation

“A lot of new migrants can’t speak English very well or at all. It’s important to have support services such as translators and billing support to assist with understanding and paying their water bills.”

Community organisation

“Many [migrants] have come from areas where water security is not a problem and may use water very differently to how we use it here. This is where education and awareness campaigns from SA Water could help migrants settle in more comfortably to Australia.”

Community organisation

What we heard - engagement



12 Tenants as customers

There is strong support for tenants to have the same rights as other customers with access to detailed billing information and support services, with many viewing the current situation as inequitable. More detailed billing information for tenants will help people better manage their water use and bills. Wide support for the roll out of smart meters was indicated in this context, with better monitoring of water use enabling more effective bill management. Shared water meters were identified as highly problematic for water use and bill transparency.

“We have some tenants that are experiencing financial hardship and the water bill doesn’t explain why it’s higher than normal if an unexpected bill rise occurs. While SA Water’s hardship programs are great and highly valued, we would also like to see more detailed billing information to be able to help tenants understand their water usage better.”

Local government

“The problem seems to be the lack of visibility on the bill, and the disconnect between tenant and SA Water.”

Customer Challenge Group member

“Most new migrants are tenants and more detailed water usage information could help them improve their understanding of how they use water and how much it costs. For many new migrants, water did not cost anything in their home country and adjusting to a new system in a new country can be hard.”

Community organisation

“Tenants and other vulnerable customers who use a shared water meter have concerns about unfair and unequitable water billing. They would prefer individual water meters for water use monitoring and direct billing information to ensure fair charging.”

Peak body

“Tenants desire a direct customer relationship with SA Water to access basic customer privileges like individual bills, hardship assistance, the ability to request a payment extension and to resolve disputes.”

Peak body

What we heard - engagement



13 Future water security

Water security is a major concern for respondents we spoke to across South Australia. We heard that people want to see us collaborate more with state and local governments, as well as businesses, to improve long-term planning for water security. More awareness raising is needed to educate communities about where their water comes from, current state of supply and key challenges. There is concern that recent high rainfall is creating complacency about water security. There is strong support to invest now to secure alternative, long-term water sources across the state, and a desire for increased visibility of long-term plans.

“Investment needs to be made now to ensure water security, the cost will continue to increase if we wait.”

Regional Local Government Association

“Most people in the region understand that water is a finite resource, but not how scarce it really is.”

Mt Gambier resident

“More education is needed about water scarcity in the region. This may wake people up to the fact that we have a serious long-term issue that is going to require community support to develop a practical solution.”

Regional Development Association

“Innovative solutions are needed and shouldn't be curtailed.”

Regional Local Government Association

“SA Water should show publicly what are the contingencies if we can no longer take water from the River Murray. This would help create awareness about our precious resource, where it comes from and how much we can sustainably take before it is a problem.”

Regional community organisation

“Even in times of abundance like now, more needs to be done to ensure people are aware of where their water comes from and how much is available.”

Regional community organisation

“There are opportunities for SA Water to partner with local councils to create awareness about these issues, considering it is a mutually beneficial outcome for both organisations.”

Customer Challenge Group member

“If we run out of water, we all lose our livelihoods.”

Aboriginal community organisation

“We've seen long-term forecasting for water and rainfall in the Far North and Mid North, regions are genuinely concerned. We'd like to see SA Water's long-term plans for water security in these areas.”

Regional Development Association

“Communities need to be made liveable for the future. A united front is needed between SA Water, the South Australian Government and local governments.”

Regional Local Government Association

“Water security is more than just SA Water's problem. The South Australian and Australian governments are responsible as well, without water there is no chance for regional towns.”

Regional community organisation

What we heard - engagement



14 All source options on the table

Respondents support consideration of all potential water sources, including greater use of recycled water for irrigation, toilets and laundries. There is a general openness to purified recycled water for drinking, however more education and awareness on the purification process, water quality testing and safety is desired to help mitigate public concerns. Desalination is widely accepted as a solution, although we noted that many in Adelaide are not aware that the Adelaide Desalination Plant is already in use. This impacts views on the value of this investment.

“Yes, definitely. It is hard to believe that it could become a concern, and so I think that exploring all options is totally necessary, and the sooner the better.”

Water Talks survey respondent

“Yes, this is hugely concerning for me. SA Water should be exploring all water sources in Adelaide and rural locations in South Australia. Also, early investigations of purified recycled water for drinking when available and communicating the benefits it would bring to us customers. Lastly exploring alternative supplies of water and boosting greater recycled water uptake.”

Water Talks survey respondent

“We need more education to get people on board with drinking recycled water.”

Peak body

“How much underground water is being taken and how much is left? How can this be monitored effectively?”

Customer Challenge Group member

“SA Water should be looking at all available resources and alternative water options to reduce our reliance on the River Murray.”

Peak body

“We are completely reliant on underground water, we need to look at other reliable sources.”

Regional community organisation

“Yes and requires an integrated approach drawing on all possible sources, but I doubt the value of purified recycled water due to concerns about the removal of hormones, illegal drugs, viruses like COVID, and other items that are not easily and cheaply removed by filtration and disinfection.”

Water Talks survey respondent

“We strongly support SA Water to engage with community to shift perceptions on difficult subjects such as potable consumption of treated wastewater.”

Regional Local Government Association

What we heard - Would you invest in this?

During August and September 2022, we received 1,919 customer responses to our 'Would you invest in this?' survey which explored willingness to pay. The survey provided a measure of the average maximum bill increase customers would be willing to pay to support a service improvement. It also helped measure willingness to accept trade-offs between different outcomes and levels of service, and to put a dollar value on proposed service changes.

Responses were encouraged with wide promotion through an online research panel, direct email, and a broad-reaching community engagement and advertising campaign.

The survey presented 15 potential, costed, discretionary investments to improve water and wastewater services, with up to four distinct levels of service for each investment (along with the current service level) and the corresponding bill impacts. The survey asked if customers support the investments and how much they were willing to pay.

After feedback in RD20, we adapted our approach to include all potential service improvement investments with three or more service level options, and simplified the number of decisions required from respondents.



What we heard - Would you invest in this?

Key findings

Responses to the survey confirmed support for 11 of the 15 proposed investments.

Potential investment	Survey outcome
1. Carbon capture	Respondents placed significant value on the proposed measures to increase carbon capture and are willing to pay extra for planting 800 hectares of native forest on SA Water land, which will result in carbon sequestration equal to taking around 4,900 cars off the road.
2. Improving regional South Australian water quality	Respondents value an investment to upgrade the water quality in Quorn, Naracoorte and Melrose which would benefit about 7,600 customers.
3. Circular economy	Respondents placed significant value on the proposed measures to reuse spoil generated from the construction and repair of water and sewerage mains and reduce the amount of spoil that we send to landfill.
4. Upgrading water quality in metropolitan Adelaide	Respondents support upgrading water quality in metropolitan Adelaide to reduce customer water quality complaints from 700 to 70 per year.
5. Smart meters	Respondents value rolling out smart meters across South Australia and support an investment in providing 200,000 customers with smart meters by 2028.
6. Upgrading regional non-drinking water supply	Respondents are willing to pay to upgrade 9 regional systems to provide around 150 customers with drinking water across regional South Australia.
7. High water use for medical needs	Respondents value the provision of bill support to customers with high water use for medical reasons and are willing to pay extra to support 3,000 customers each year.

Potential investment	Survey outcome
8. Accessible customers services	Respondents are willing to pay extra for communication tools to better match the language, physical, cognitive, intellectual, and/or sensory abilities of 75,000 of our vulnerable customers who experience barriers accessing services.
9. Environmental flows	Respondents are willing to pay to deliver environmental and cultural benefits at two reservoir sites in the Flinders Ranges.
10. Water leakage management	Respondents support a reduction in the volume of water lost due to leakage from about 9,000 to 8,400 Olympic size swimming pools each year.
11. Wastewater overflows management	Respondents are willing to pay to reduce the number of wastewater overflows on customers' properties and into the environment that occur each year. The amount respondents are willing to pay is less than amount it will cost to deliver this.
12. Unplanned water supply interruptions	Respondents are not willing to pay more to reduce the number of customers experiencing 3 or more unplanned water supply interruptions.
13. Wastewater odour hotspots	Respondents are not willing to pay more to reduce the number of wastewater odour hotspots.
14. Digital services	Respondents are not willing to pay more to improved digital services to keep customers informed.
15. Renter billing information	Respondents are not willing to pay more to provide billing information to renters.

What we heard - Would you invest in this?

Figure 1 shows how much customers are willing to pay on average per year for each investment against the proposed annual cost to deliver each service.

The graph shows that customers are willing to pay \$18.77 on average per year to invest in 800 hectares of native forest plantings which will have an average bill impact of \$0.81 per year, and that they are only willing to pay \$1.48 to invest to reduce wastewater overflows where to deliver this work there is an average bill impact of \$5.73 per year.

The 'Would you invest in this?' survey findings provide insights to inform decision-making along with other customer research and engagement feedback, consideration of revenue impacts and assessment of risk.

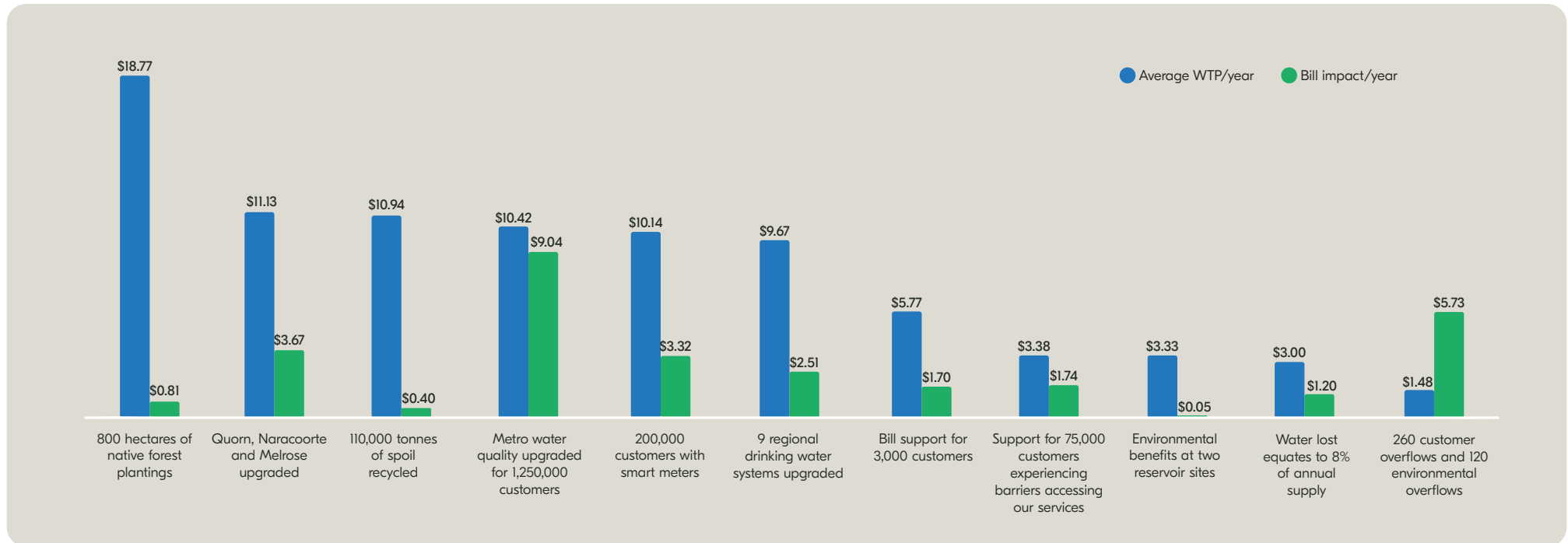


Figure 1 - Would you invest in this? survey results - average willingness to pay (WTP) for proposed investments

Next steps

Feedback provided during the engagement activities outlined in this report will be used to help inform decisions on what investments we include in our regulatory proposal to ESCOSA.

Work is underway to consider and prioritise proposed investments. Our RD24 proposal will be drafted for review by ESCOSA in July 2023.

- July-September 2023 – ESCOSA review of proposal.
- November 2023 – ESCOSA's draft determination is released.
- December 2023-April 2024 – consultation on ESCOSA's draft determination.
- May 2024 – ESCOSA final determination released.
- July 2024 – new regulatory determination takes effect.

Through this process, ESCOSA determines the allowable revenue we can recover from our customers, and we then set prices each year to achieve the allowable revenue across each four-year regulatory period.

If you have feedback about this report, please contact nancie-lee.robinson@sawater.com.au



Appendix A - Broad engagement reach details

Water Talks registrations and RD24 site visits (1 Jun - 15 Aug)

Total Water Talk registrants	2,111
Total new registrations during this period	78
Aware: Visited the site	2,836
Informed: Download a doc/visit multiple pages	437
Engaged: Answered a survey	47

RD24 theme - engagement survey (1 Jun - 15 Aug)

Theme	Visitors	Responses
Reliable services	101	32
Customer experience	44	21
Water for the future	45	20
Affordable/accessible services	38	22
Environmental leadership	47	21
Totals	275	116

'Would you invest in this?' survey (Sept - Oct)

Channel	Completed
Direct mail (26,000 residential and 3,000 business contacts)	1,036
Broad community engagement and advertising campaign	325
Online research panel	557
Total completed surveys	1,919

Respondent breakdown:

- 96% residential and 4% business customers
- 79% metro and 21% regional customers
- 91% homeowners and 9% renters

Metropolitan community pop-ups (August)

Location	Conversations
Glenelg Library – 11 August	11
Tea Tree Gully Library – 15 August	8
Elizabeth Library – 17 August	2
Dancesport Centre, Parkside (Over 65s) – 25 August	10
Hallett Cove Shopping Centre – 30 August	2
Sefton Plaza Shopping Centre – 1 September	1
Total	34

Appendix A - Broad engagement reach details

Workshops

Region	Workshops	Attendees	Promotion reach
South-East	1 August 2022, 6-8pm Mount Gambier City Hall	1	Border Watch: 20,000 Facebook reach: 34,722
Eyre Peninsula	27 July 2022, 6-8pm Ceduna Memorial Hall	1	Eyre Peninsula Advocate: 2,500 Facebook reach: 4,265
Yorke Peninsula	3 August 2022, 6-8pm Kadina Town Hall	1	Yorke Peninsula Country Times: 7,950 Facebook reach: 12,344
Riverland	2 August 2022, 6-8pm Berri Town Hall	2	Murray Pioneer: 22,550 Facebook reach: 14,497
Adelaide	28 July 2022, 6-8pm SA Water House	1	Direct email to registered Water Talks users: 2,111 Facebook reach: 5,082
Adelaide	24 August, 6-7.30pm SA Multicultural Communities Association (SAMCC)	8	Direct email via SAMCC
Fleurieu Peninsula	7 September, 6-8pm Carrickalinga House, Victor Harbor	0	Fleurieu Sun: 4,000 The Times (Victor Harbor): 12,000 Facebook reach: 13,120
Upper Spencer Gulf	5 September 2022, 6-8pm Quest Whyalla	2	Whyalla News: 4,000 Facebook reach: 15,955
Totals		16	

*Facebook reach: individuals who saw our ads

Appendix B - Targeted engagement reach details

Regional conversations

South East	Limestone Coast Local Government Association, Executive Officer Regional Development Australia Limestone Coast, Manager Investment and Infrastructure Uniting Care Mount Gambier, Reverend
Eyre Peninsula	Centacare Catholic Country Ceduna, Manager Regional Development Australia Eyre Peninsula, CEO and Executive Officer Eyre Peninsula Local Government Association, Executive Officer
Yorke Peninsula and Mid North	Legatus Group (Yorke Peninsula Local Government Association), Executive Officer, Director, Regional Services & Operations Regional Development Australia Yorke and Mid North, Economic Manager Narungga Nation Aboriginal Corporation, CEO Aboriginal Lands Trust, Board member
Riverland	Red Cross Loxton, Manager Regional Development Australia Murraylands/Riverland, Chief Executive Murraylands/Riverland Local Government Association, Chief Executive Relationships Australia Berri, Regional Manager
Adelaide Hills and Fleurieu Peninsula	Southern and Hills Local Government Association, Executive Officer Agricultural Bureau, Coomandook Regional Office, Regional Manager
Upper Spencer Gulf and Far North	Regional Development Australia Far North, Chief Executive Officer

Appendix B - Targeted engagement reach details

Key stakeholder engagement

Organisation	Activity
Uniting Communities	Tenant priorities report (August 2022) Customer priorities report (October 2022) Peak Bodies Engagement Forum
Australian Migrant Resource Centre	Interview, Manager Operations, 31 August 2022
Youth Environment Council of SA	Interview, Coordinator, 10 August 2022 Submission from members
SA Aboriginal Community Controlled Organisations Network	Meeting with members, 3 August 2022 Peak Bodies Engagement Forum
Consumers Association of SA	Meeting with three committee members, 31 August 2022 Peak Bodies Engagement Forum
SA Country Fire Service	Interview, Strategic Services Manager Regional Services & Operations Manager, 26 August 2022
Rural Business Support (Adelaide Branch)	Interview, Rural Financial Counsellor, 26 August 2022
Energy and Water Ombudsman (SA)	Questionnaire for key stakeholders
Business SA	Peak Bodies Engagement Forum
Australian Industry Group	Peak Bodies Engagement Forum

Organisation	Activity
Urban Development Institute of Australia	Peak Bodies Engagement Forum
Property Council of Australia, SA	Peak Bodies Engagement Forum
Local Government Association	Peak Bodies Engagement Forum
SA Council of Social Services	Peak Bodies Engagement Forum
Council on the Aging, SA	Peak Bodies Engagement Forum
Multicultural Communities Council of SA	Workshop, 26 August 2022 Peak Bodies Engagement Forum
Purple Orange	Peak Bodies Engagement Forum
Youth Affairs Council of South Australia	Peak Bodies Engagement Forum
Conservation Council SA	Peak Bodies Engagement Forum
SA Federation of Residents and Ratepayers Association	Peak Bodies Engagement Forum

Appendix C - Deliberative engagement discussion topics

Customer Challenge Group

Meeting date	Discussion
13 December 2021	Water and Wastewater Infrastructure and Planning ESCOSA's processes
17 January 2022	Wider World (accessible and equitable services) Program Strategic Priorities
01 February 2022	Community Engagement Plan - Co-Design Aboriginal Engagement
15 February 2022	Regional Drinking Water Aesthetics
01 March 2022	Service Standards
15 March 2022	Purified Recycled Drinking Water
29 March 2022	Investment Overview
12 April 2022	Reliability of Water Reticulation Network
26 April 2022	Water Security
10 May 2022	Water and Wastewater Growth
24 May 2022	Dam Safety
7 June 2022	Approach to Climate Change
21 June 2022	Water Quality
5 July 2022	Wastewater Renewals

Meeting date	Discussion
19 July 2022	Smart Meters Bill Modernisation
20 August 2022	Water Security – follow up
16 August 2022	Information Technology
30 August 2022	Tenant Services
13 September 2022	Metro Water quality Non-Potable Water
27 September 2022	Odour Management Water Leak Management
11 October 2022	Circular Economy Upper Spencer Gulf
25 October 2022	Would you invest in this? survey results and What we Heard Report RD24 Status Challenges and Prioritisation
22 November 2022	Feedback on prioritisation

Appendix C - Deliberative engagement discussion topics

Peak Bodies Engagement Forum

Meeting date	Discussion
7 February 2022	Wider World (accessible and equitable services) Strategic Priorities RD24 Engagement Plan
7 March 2022	Regional Drinking Water Aesthetics Service Standards
4 April 2022	Purified Recycled Drinking Water Investment Needs
2 May 2022	Knowledge session: RD24 process and ESCOSA overview
7 June 2022	Reliability of Water Reticulation Network
5 July 2022	Water Security
2 August 2022	Approach to Environment and Climate Change
12 August 2022	'Would you invest in this?' survey (out of session)
6 September 2022	Renters as SA Water Customers
4 October 2022	Water and Wastewater Growth
1 November 2022	'Would you invest in this?' survey results and What we Heard Report RD24 Status, Challenges and Prioritisation
6 December 2022	Prioritisation status and Next Steps