



## Case study 23

# Understanding customer views on stormwater

## Customer value and willingness to pay for stormwater services

Sydney Water

### This case study showcases

customer and community working with water businesses to define broader value

#### Problem

Population growth, urban development and increasing run-off continue to place stress on local waterways. Effectively managing these pressures will require Sydney Water to increase future investment in stormwater. At the same time, responsibility over stormwater is complex across many cities in Australia. In Sydney, Sydney Water manages trunk main and some smaller stormwater assets, while councils manage most of the smaller (and some larger) stormwater assets. Funding for maintaining this infrastructure is through a mix of Sydney Water bills, council rates and development contributions.

Unsurprisingly, there is some confusion amongst customers on the role of stormwater in the urban water cycle, and where the responsibility lies.

#### Solution

Sydney Water engaged the Institute for Public Policy and Governance at the University of Technology Sydney (UTS) to conduct social research to better understand customer views on stormwater. Sydney Water wanted to understand the level of customer knowledge and their view of stormwater and its infrastructure: what customers value, their preferences and willingness to pay for improved or different outcomes from stormwater management.

Customers were engaged through focus groups, an online survey and a deliberative panel. Participants were selected to represent a range of demographics and locations. Key findings included:

Most customers know very little about stormwater and how it relates to the urban water cycle.

There was confusion as to who looks after stormwater infrastructure, who pays for it and how much they pay.

However, once educated, they valued the range of outcomes stormwater infrastructure provides and believed they pay a reasonable amount or not enough for it.

Reuse of stormwater to reduce demand on drinking water, improving water quality, reducing flood impacts and reducing litter/pollutants were all considered important and primary outcomes/infrastructure.

Low levels of customer knowledge and experience of newer approaches to managing stormwater, such as water sensitive urban design, made it somewhat challenging for customers to understand the value they get from these approaches and whether they are willing to pay for it. However, once explained, customers felt strongly that they wanted such outcomes and were willing to pay for them.

In the deliberative forum, a consistent driver for water sensitive city outcomes from stormwater infrastructure was the desire for better city outcomes (including equity) for the next generation.

Following education, participants generally felt everyone across Sydney should pay the same for stormwater infrastructure, regardless of where they live. However, if delivering a more equitable charging system means

an increase in the amount paid by some customers, then customers wanted this re-invested in the local area where they live.

Broadly, customers saw stormwater as essential infrastructure which:

Should be paid equally by all users similar to health, education and other vital services and infrastructure

Contributes to the future liveability of Sydney in a range of ways including public health and safety and water security

Operates as a network and should be managed across areas in a streamlined and transparent manner

Delivers outcomes that can be arranged into a clear hierarchy of needs from 1) public health and safety, 2) water security and environmental protection, and 3) amenity.

#### Business case

This study helps to understand willingness to pay for stormwater infrastructure and where to prioritise investment based on the range of values held by customers.

#### Key drivers

SW aspires to be a leading utility where customers are at the centre of decision-making.

#### Benefit/outcome

Improved outcomes in stormwater management

Understanding what customers value about the services Sydney Water provides

Products and services provided by Sydney water are aligned to the range of values held by customers