

Hunter Water 2007 Customer Perceptions Survey

Core services continue to be rated highly. Better information about breadth of role and increased focus on water conservation and securing future water supply is sought by customers..

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Hunter Water Corporation (HWC) is a State owned entity providing water and wastewater services to almost 200,000 homes and businesses in the lower Hunter Region.

Core responsibilities include the provision and distribution of water, collection, treatment and disposal of wastewater and the management and maintenance of major stormwater drains. Hunter Water's commercial charter is to aim towards "continuous improvement in being commercially successful and in delivering value-for-money water, wastewater and associated services in an environmentally responsible manner."

Since 1987, Hunter Water has been formally and independently assessing its role, performance and practices among its customers. This Customer Perceptions Survey provides Hunter Water with an accurate 'barometer' of community attitudes, with results inputting directly into business performance improvement strategies.

What we Did

The 2007 Survey (conducted by Ipsos) involved 352 random face-to-face interviews covering a good spread of domestic customers (owners and tenants) in all five Local Government Areas serviced by Hunter Water.

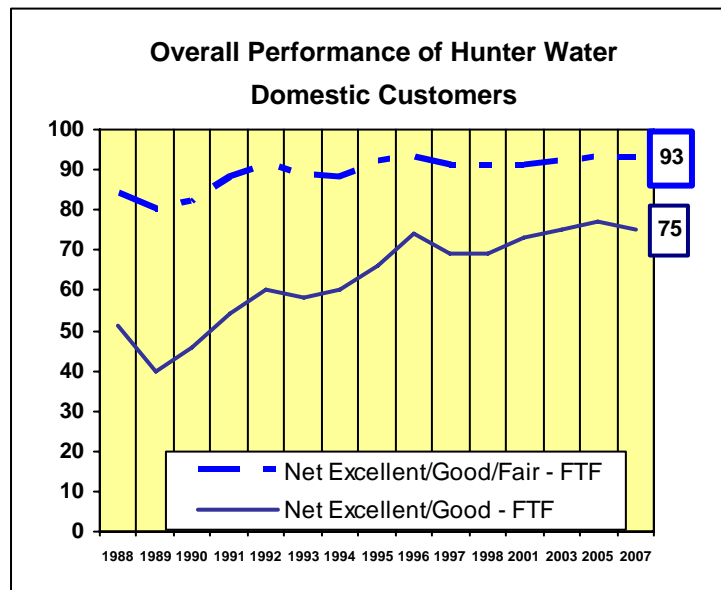
Interviews were undertaken during April and May 2007 and covered a wide range of topical issues. A pre-notification letter was sent to all customers selected to participate in the survey prior to any contact being made by interviewers.

The findings from the biennial Customer Perceptions Survey highlight trends in community attitudes on a range of issues survey-to-survey and specifically, shifts in perceptions of Hunter Water's performance over time, in key areas including water and sewer services, customer interface and environmental performance. An additional set of questions were added to the 2007 survey, allowing further exploration of issues relating to water conservation, Hunter Water's role and communications, as well acceptability of different solutions for securing future water supply.

What the Research Found

Overall performance levels remain high in key areas...

Hunter Water continues to be rated highly by domestic customers with the combined 'excellent/good/fair' rating remaining unchanged at 93% in 2007. Although the proportion rating Hunter Water 'excellent/good' is down marginally from 77% to 75%, this satisfaction rating is still within reach of the 80% KPI target set for organisation. The survey highlights that domestic customers continue to be very satisfied with Hunter Water's ability to fulfil core responsibilities. Two in three (65%) customers also rate Hunter Water's management of water resources highly (new question).



Worth noting that, domestic customer appraisal of the organisation's field and technical services continues to strengthen, but has softened for management and office service staff.

In a new survey question, domestic customers judge Hunter Water's performance mainly in terms of its ability to provide *reliable water supply* and *clean drinking water*.

Other drivers of overall satisfaction appear to be linked to the necessary *infrastructure being in working order, offering long-term solutions* for securing the region's future water supply and *solving problems in a timely manner*. Hunter Water's role in *promoting water conservation* is also a consideration for some domestic customers.

How Customers Judge Hunter Water's Performance (*Main Unaided Reasons*)

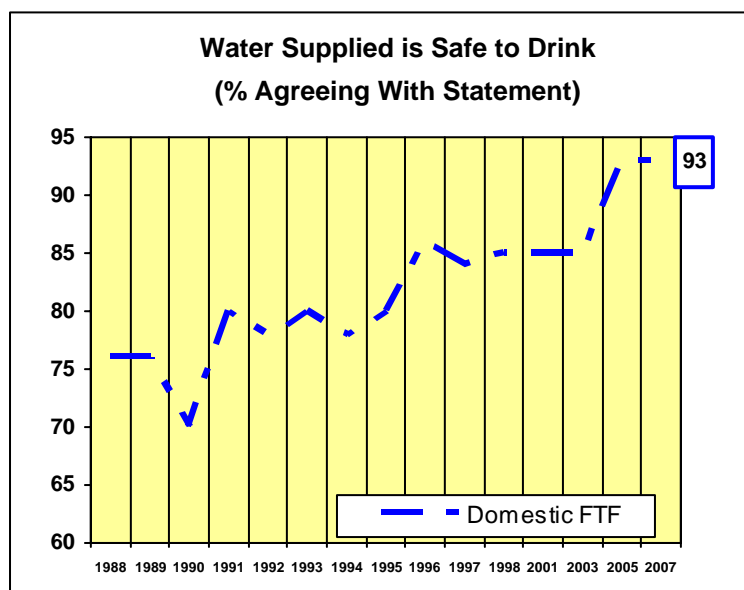
66% - Continuous/reliable water supply
44% - Supplying clean/drinking water
16% - All infrastructure in working order
15% - Managing drought/offering long-term solutions
15% - Solve/fix problems in timely manner
13% - Promoting ways of saving water

Encouragingly, the vast majority of domestic customers have again had no significant concerns with Hunter Water in the past 12 months – up from 80% to 87% in 2007. Any problems or inconveniences experienced are quite limited and relate mainly to sewer systems and water supply.

The proportion of domestic customers rating Hunter Water services as good value for money is up again from 69% in 2005 to 72% in 2007. Furthermore, another significant increase was noted in the proportion of customers who recognise Hunter Water services as better value than other public utilities (up from 37% to 45%).

Water and sewer services continue to be rated favourably by most...

The proportion of domestic customers satisfied with the quality of water supplied by Hunter Water remains high at 93% in 2007, while a very high proportion of customers still regard the water pressure as acceptable (89% of those surveyed, 90% in 2005).



A majority of domestic customers surveyed (57%) could mention a recent Hunter Water achievement. A greater proportion of customers feel that the provision of *good quality water* is Hunter Water's stand out achievement. The *management of drought issues* is also seen as a key achievement, while communication and education initiatives appear to be making a positive impact with some customers.

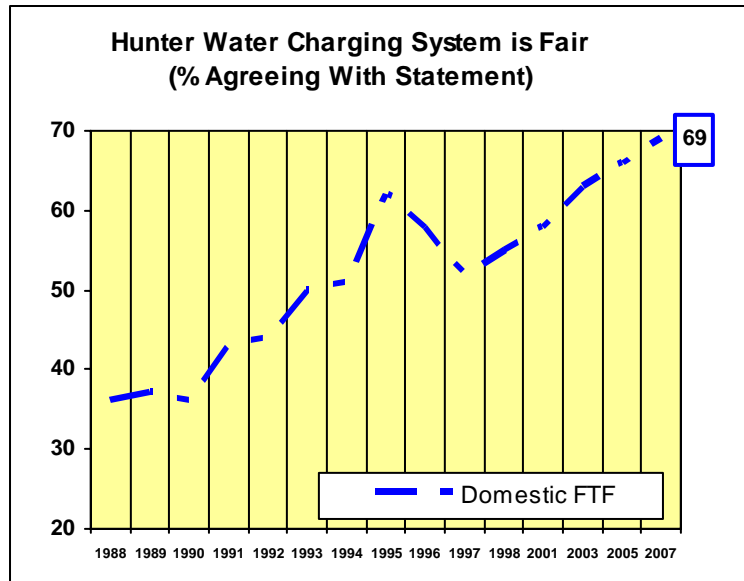
Perceived Achievements of Hunter Water (Main Unprompted Responses) <i>Note: Multiple Response Question</i>	% Mentioning	
	2005	2007
Good quality water	24%	20%
Managing drought issues/avoiding water restrictions	19%	15%
Promoting water conservation/reducing water usage	15%	15%
Informing community of important water issues	12%	11%
Better communication/awareness of services	9%	9%
Upgrades of systems	7%	9%
Education programs	3%	8%

The vast majority of customers (87%, up from 85%) continue to rate the Hunter Water household sewage disposal service as satisfactory, although the proportion of the view that the sewage is treated effectively by Hunter Water has declined in 2007 (down from 61% to 55%).

Hunter Water is still seen as reliable and trustworthy, but needs to better inform customers of its activities and services ...

More than three in four customers surveyed continue to regard Hunter Water as a reliable organisation to deal, while a similar proportion feel the organisation is honest about problems and achievements.

The proportion of customers surveyed of the opinion Hunter Water’s charging system is fair continues to increase...up a further 3 percentage points from the previous 2005 survey and a significant 17 points since 1997.



There is strong evidence that Hunter Water needs to better inform domestic customers the breadth of its role, as well as specific activities and services. Three in ten customers (31%) remain unaware that Hunter Water’s prices and operating standards are set by regulators, while many customers do not appear very well informed when it comes to things like rebates on offer, water conservation issues being addressed and Hunter Water sponsorship activities.

Why Domestic Customers Are Not Well Informed

- 31%** are aware Hunter Water prices and operating standards are actually set by regulators (no change since 2005)
- 42%** are aware Hunter Water sponsors organisations and community projects that contribute to the improvement of the environment (was 40% in 2005)
- 47%** are aware Hunter Water provides customer rebates for installing water efficient products (NEW)
- 33%** claim to be very aware of water conservation issues in their region (asked to only n=53 respondents)

Hunter Water is seen to play a number of important roles...

Survey results confirm the perceived importance of Hunter Water playing an ever widening service and community role, incorporating sewage services (treatment and disposal), maintenance and infrastructure related responsibilities and importantly, promoting water saving and conservation.

Where Hunter Water Plays an Important Role (Main Prompted Responses) <i>Note: New Multiple Response Question</i>	% Domestic Customers Mentioning	
	2005	2007
Supplying Water	95%	89%
Waste water/ sewer treatment and disposal	75%	71%
Promoting ways of saving water	72%	69%
Maintaining/ replacing/ expanding water and sewer assets	78%	67%
Harvesting/ storing/ treating water	68%	65%
Water conservation	62%	63%

While a clear majority of domestic customers (63%) believe Hunter Water plays an important role in water conservation, an even higher 89% of all customers surveyed see Hunter Water’s role in encouraging water efficiency as *very important* (based on different survey question). Worth noting that, ‘supplying recycled water’ was added to the 2007 survey prompted list above and mentioned as an important role by 44% of customers surveyed.

The importance of Hunter Water’s water conservation role cannot be under-estimated, given the proportion claiming that *Hunter Water is not doing enough to conserve water* is up significantly from 25% to 36% in 2007. Hunter Water’s own actions therefore, need to be more visibly demonstrated.

When it comes to encouraging the community to do more to conserve water, Hunter Water faces several challenges, as depicted by the survey results presented in the adjacent table. As such, messages and reminders relating to the importance of conserving water at a household level (regardless of perceived use) need to be reinforced on an on-going basis. Considerable importance is placed on Hunter Water driving future water behaviour.

Domestic Customer Water Use Self-Assessment
91% consider themselves to be very water conscious (up from 87%)
70% describe their household as a low user of water (up from 60%)
34% feel they are doing more than others in their local area to save water (NEW)

Many would like Hunter Water to be more proactive in promoting water conservation and communicating future solutions...

Half of the general community continue to believe that Hunter Water needs to lift its public profile – 50% of customers surveyed, was 52% in 2005. A consistently high proportion want to be hear more about Hunter Water’s activities and services and their impact on the region...81% in 2007 (was 86% in 2005). Specifically, they want to learn more about what Hunter Water is doing to educate the public in conserving water (e.g. providing practical water efficiency ‘tips’) and what water saving measures are in place (e.g. rebates on offer). Furthermore, there is a need to continually spell out what is expected of the community on an ongoing basis.

A significant research finding: A ‘we have plenty of water’ mindset continues to exist requiring attention, with 55% of customers surveyed of the belief the Hunter region has an abundant supply of water...was 56% in 2005.

The concept of sharing water with other regional communities genuinely in very short supply is supported by 74% of customers surveyed. However, better justification appears to be needed, given a sizeable 38% are not convinced Hunter Water should be providing water to help people living in the Central Coast.

Encouragingly, there is strong community acknowledgement that various long-term solutions for securing the region’s future water supply need to be explored – see table below. However, the suitability of different options (some more sensitive than others) must be adequately demonstrated to win over any sceptics and/or put some people at ease that may not be aware of their implications.

Acceptability of Solutions in Helping Secure Hunter Region’s Future Water Supply <i>Note: ‘No opinion’ responses not shown</i>	% Customers Finding Option	
	Acceptable	Unacceptable
Separate pipe for garden watering and toilet flushing	83%	10%
Compulsory rainwater tanks in homes	73%	20%
Compulsory retrofit kit in homes	72%	23%
Building new dam in Hunter Region	71%	16%
Desalination plant	55%	29%
Recycled water for drinking	55%	32%

When probed on attitudes towards recycled water, a very positive customer mindset exists, although the need for recycled water is being questioned. Encouragingly, most have faith in Hunter Water supplying recycled water fit for drinking, and that any associated risks would be properly addressed.

Domestic Customer Attitudes Towards Recycled Water
89% acknowledge necessary for the future
81% are confident any risks are being addressed
80% feel benefits outweigh disadvantages
77% trust Hunter Water to get it right
71% feel technology is now good enough
42% though see no real need for it in the region

Interacting with Hunter Water by phone on many issues or matters is widely preferred...

A clear majority of domestic customers surveyed has a preference for Hunter Water enquiries, issues or concerns to be handled by phone. Nevertheless, the ability to speak to Hunter Water in person (if required) is sought. There is a strong desire to have the Customer Centres retained, even if they are relocated – having them within local council offices is supported by 90% of customers surveyed.

The survey also found that mail, email and the Hunter Water website are seen to play a limited role in addressing matters that may require attention. However, there is some acknowledgement by customers that each of these mediums is likely to prove valuable in building awareness of Hunter Water’s activities and services, as well as promoting water conservation.

Convenient Ways of Interacting With Hunter Water (Prompted Responses)

