

newDEMOCRACY

WaterNSW – An Ongoing Conversation for the Future

Project Design – **2021**

1. What problem are we addressing?

The way water is delivered in NSW is complex. It features an apparently 'simple' product that requires evolving technology, a balancing of intricate third-party impacts for all decisions, has overlapping layers of legacy decisions, the Murray Darling Basin Plan, a state-wide drought and other water agencies' roles in rule setting, compliance and license trading. Despite all this, the apparent simplicity can encourage a rush to judgement where **everyone believes they are an expert.**

Planning for the future, decisions must be made on levels of service, projects (both current and future) and asset management for water delivery across the entirety of rural NSW. As experience has shown, the critical importance of water and the challenging nature of the investment allocation problem leaves *all decisions open to criticism.*

In the face of this complexity, the current engagement approach leaves gaps. There is no organisational memory of past discussions. There are no public answers to questions. The long timespan for WaterNSW projects runs up against specific issue engagement that has a narrower focus.

This all necessitates a new, conversational approach to the way WaterNSW involves its customers in long-term decisions. These conversations are a back and forth. They include all the important context for why *and* why not. They develop organisation memory and consequence over a longer time horizon.

This planning for the future process must be an ongoing conversation between customers, stakeholders and WaterNSW. It will involve openly sharing problems, clearly explaining complex trade-offs and provide a clear methodology for finding common ground.

We've outlined a rolling engagement plan that develops one customer conversation in an ongoing journey. This plan links smaller pieces of engagement on immediate pricing determinations with larger projects for future water determinations to embed deliberative engagement practice within WaterNSW's approach to its customer engagement.

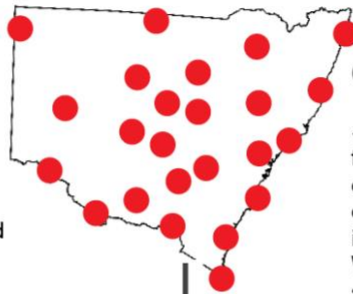
Deliberative processes that include everyday people in making **difficult trade-off decisions** for their communities **empower decision makers to resolve problems, take longer-term decisions and ultimately build trust.** They directly involve customers and stakeholders in tackling long-term issues by openly sharing the problem and working through solutions publicly.

Where measuring *opinion* might result (for example) in people keenly wanting a new dam while being less willing to bear the costs, with a *deliberative* process they will understand the economics and costs required to support that decision and then be able to make an informed choice by doing so in light of positive and negative aspects and the costs to be borne – this results in paying customers standing alongside WaterNSW with recommendations and rationale for future decisions. With this feedback being given by people clearly across all parts of the system, not solely those with a direct interest, the wider community has a greater likelihood of trusting what emerges.

WaterNSW Rolling Customer Conversation

Part A: Wider Engagement

Wider engagement process - share a problem and look for 'direction' to solutions revealed by questions and answers.

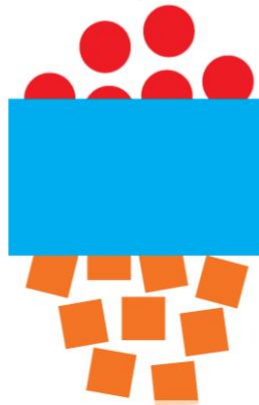


Conversation Kits

~16pg Kit containing directions for an informed discussion on water. Improves quality of engagement through information, time and dialogue. Wide distribution to customers, stakeholders and public.

Part B: Analysis

WaterNSW takes conversation kit and public submissions feedback and digests. A thorough taxonomy of all data delivers insight into informed values and views.

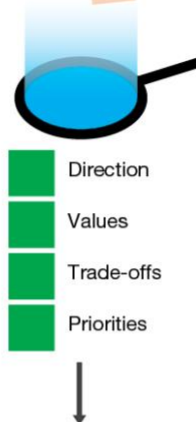


Feedback + Data

All of the data and feedback collected throughout the wider engagement is analysed. Output is used by WaterNSW and sense-making panels to inform the next step.

Part C: Deeper Engagement

Stakeholders and customers are randomly selected to take part in sense-making panels. Output is not consensus based but demonstrates spectrum of support.



Sense-making

3 groups in 3 different regions, meet online for 3 x 3.5hrs sessions. They work through the feedback, data and analysis to provide direction, values, vision and principles to WaterNSW.

Part D: Detailed Deep-dive (2022-2023)

International standard deliberative engagement plan that features 3 citizens' juries around the state, bringing them together for a final combined jury that delivers common ground recommendations found by customers and the public on pricing, delivery and future asset spending for the 2026 Pricing Determination.

Principles of deliberation and how we're applying them.

It is difficult for large groups of people to find agreement on complex decisions. However, there are a set of prerequisites that make group decision-making easier. These prerequisites or *principles* improve the deliberative quality of group work by creating the environment for the consideration of the broadest range of sources while giving participants time, an equal share of voice and authority.

These seven principles underpin the plan in this document:

- 1. Clear Remit:** A clear, plain-English challenge or question is placed to the community. ***"How can we meet your need for water?"*** is a neutrally phrased question that goes to the core of the issue and provides a strong platform for discussion about priorities and trade-offs.
- 2. Information:** Detailed, in-depth information is provided to the participants to help them understand the dilemmas. Through the different stages of the process, a **diversity** of sources will be brought into the conversation. These include the initial conversation kit, the in-depth information kit, the views and results of different stages of engagement, and contributions from stakeholders. By doing this the community can move beyond opinion to an informed and balanced view. Not everyone can read everything, but collectively an enormous amount diverse information can lift the quality of the community's conversation.
- 3. Representative:** Some stages of the engagement will use stratified random selection to draw on a representative mix of the population. Simple demographic filters (age, gender, owner/renter, location) are used to help stratify this sample to reflect the entire population. Most engagement by government does not enable a representative cross-section of the community to be directly involved, instead incentives to participate are often geared to those with the most acute interest. We can provide the right incentives to combine the knowledge of stakeholders, customers and citizens in more fairly round out the voices WaterNSW hears from.
- 4. Extended Time:** This process is built with a long time-horizon to ensure each aspect links together in a cumulative way. Time is a crucial factor for deliberation, it is at the core of arriving at considered public judgement.

Individual elements all aim for lengthy involvement as it develops participants' thinking on a complex issue by giving them multiple opportunities to question experts, learn from one another and find agreement on trusted sources of information.

- 5. Influential:** The contributions from customers must play a meaningful role in decisions made by WaterNSW. Outputs need to be considered at the highest level of decision-making and responded to directly. By clearly outlining the path to a decision, participants are encouraged to make contributions because they see that their time is valued.

6. **Dialogue, not debate:** Deliberation focuses on finding common ground. We do not use simple majorities and it is not a debate of one position seeking to defeat another. The structure of these elements asks people what trade-offs or changes they can accept in order to reach agreement.
7. **Free Response:** Customers are asked open questions that allow open responses. This approach ensures WaterNSW is focusing on what the community wants them to prioritise.

Comparing Deliberative Approaches

Principle	Conversation Kit	Citizens' Juries
Clear remit	"How can we meet your need for water?"	"What is a fair balance between price and service?"
Information	~24pg Conversation Kit, featuring views of WaterNSW and key stakeholders with additional sources available online. Sense-making panels assess the raw feedback from conversation kits and WaterNSW's analysis.	200pg Information Kit, deep dive into every aspect of WaterNSW's service and pricing including history and regulatory framework. Expert speakers chosen by WaterNSW, Jurors and stakeholders. Participants then answer: "What more do you need to know and who do you trust to provide the answers?"
Representative	Sent widely to as many customers as possible. The sense-making panels are a mix of customers. These are chosen through a democratic lottery.	Jurors are chosen through a democratic lottery and are a mix of customers and public.
Time	Conversation Kits are advised to take ~2hrs to complete. Sense-making panels meet on three occasions for 3.5hrs, with 2 weeks between meetings.	Participants have six full-day meetings, three weeks between meetings, before coming together for a final joint weekend. They spend ~80 hours on the topic.
Influence	Raw feedback from Conversation Kits goes to WaterNSW for analysis. Sense-making panels deliver direction, priorities and principles for use in WaterNSW's ongoing customer conversations.	Jurors complete a recommendation report that contains their advice and rationale to WaterNSW to help with and be include in the final submission to IPART for their 2026 Pricing Determination.

Why take this approach?

Most engagement occurs 'too late', when customers and citizens can see many cornerstone decisions have already been made. We need to change the (frequently fair) *“you’ve already decided”* perspective among many customers by putting citizens **visibly** at the centre of long-term decisions for the most fair and efficient approach to water services in their state.

Our focus here is to move beyond multiple different engagements in favour of involving customers in a rolling conversation on their water future. The answers and knowledge from the first year become a permanent knowledge base for the future, long-term conversation.

The customer’s role alongside the wider community will lay the foundation for a much larger and more involved role in the 2025 Pricing Determination Submission.

Two aspects of this design are innovative. First, the long timeline of the plan lays foundations for an ongoing conversation about the future of water in New South Wales. Second, applying deliberative principles to each element of engagement ensures WaterNSW gets a deeper understanding of the what the community needs by giving them a change to think.

By developing a long-term plan, we’re able to design a continual conversation where outcomes of each engagement are used as the starting points for the next one. This ensures that the effort from the community isn’t left behind with each instance of community engagement. This also means that specific priorities developed early on in the plan are able to be followed throughout the running timeline of the longer background conversation. The difficult costing and trade-off decisions come to fruition over the long-term and participants feel like they’ve been involved throughout.