

# The savewater!® Alliance

Annual Report 2005-06





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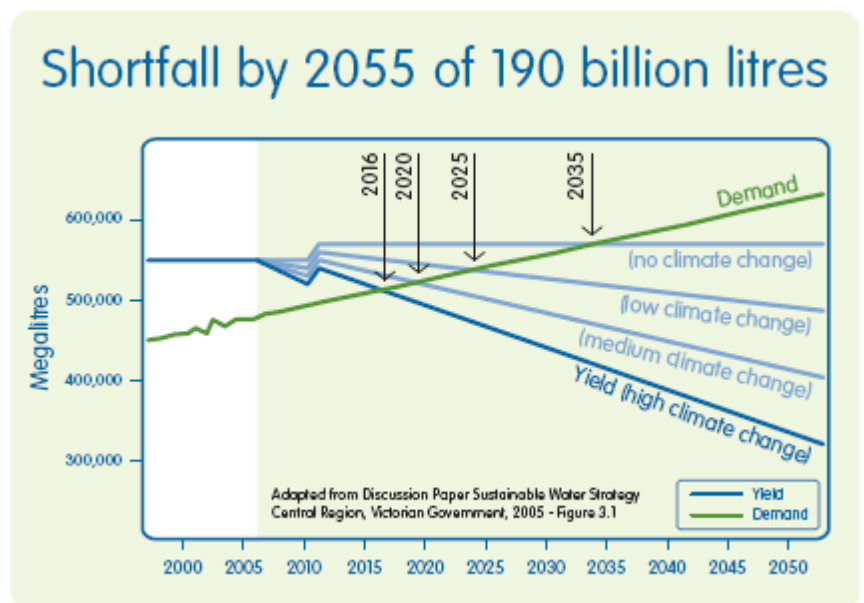
## The year in review

Major milestones were the highly successful savewater! awards®, launch of the significantly upgraded savewater.com.au website, commencement of the new ecosaver™ program and website, major sponsorship and presence at the Melbourne International Flower and Garden Show, completion of council irrigation training forums and commencement of a central supply system of water saving products for members.

The release of models by CSIRO, see graph below, on the potential reduction in the supply of water to Melbourne has increased the efforts of members and government to change consumer and industry take up of water conservation measures. To meet the growing need for water conservation marketing solutions, savewater!® staff has increased to 6 full time employees and 2 contractors. This has also required a relocation to larger offices.

2005/06 has seen more formal management processes established for the Alliance, including strategies to ensure service and value to members, management accounting and HR support.

With the primary objective to accelerate water conservation take up, in line with government and member requirements, a number of strategy development workshops and consultation meetings were undertaken with members during the year. From these sessions, a number of strategies were developed. While some strategies are still in the pilot or planning stages, the Alliance undertook a number of successful community educational and communication initiatives, as highlighted in the following pages.



CSIRO models predict Melbourne will face a shortfall of 190 billion litres by 2055 if climate change models are realised

## Program highlights

### *savewater! awards*<sup>®</sup>

The gala event was held at the prestigious Regent Theatre Plaza Ballroom during National Water Week in October 2005. This was the 4<sup>th</sup> annual awards and the first managed by savewater!<sup>®</sup> – Yarra Valley Water managed the program in previous years.

Media coverage for the awards was significantly increased in the 2005 awards campaign, with over 100 individual pieces of coverage obtained across local and statewide press, radio and television.

Sponsorship of the awards was also expanded in 2005, taking on significant corporate sponsors, in addition to government sponsors:

- *Government Partners* – the Department of Sustainability and Environment and all Victorian regional and metropolitan water authorities
- *Principal Sponsors* – BlueScope Water and The Weekly Times
- *Major Sponsors* – Interbath Australia, Methven Tapware and Nylex Water Conservation
- *Supporting Sponsors* – Asko Appliances, Deloitte, New Water and Tankworld

A similar approach is being taken for sponsorship, media coverage and the gala dinner for the 2006/07 awards. The program has been expanded to include a national category – product innovations – to test the viability of a national campaign for 2007/08.

The 2006/07 awards campaign is currently underway, with nominations closing in National Water Week in October 2006, and the event to be held on 23 March 2007.



The savewater!<sup>®</sup> awards recognise the water saving achievements of big business and individuals alike.

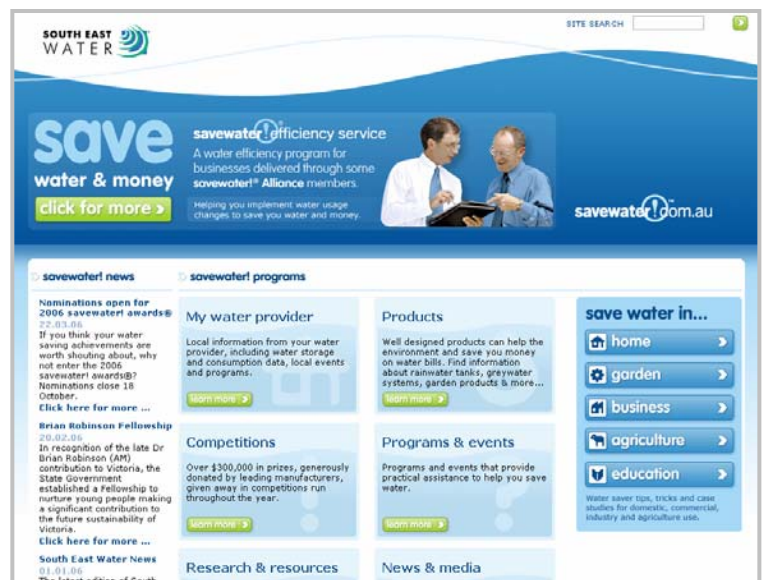
## savewater.com.au

The savewater!® website underwent a major overhaul and was relaunched in March 2006. The new look website is much more consumer focussed and includes member logos and branding on every page to provide the community with a clearer identification.

Training sessions with members have commenced to provide instructions on using the enhanced self management system, allowing each member to provide up to date local information. The localisation of content and branding on the website is postcode driven.

Visitors to the website continued to increase throughout the year, with an average in excess of 11,000 unique visitors using the site each month.

A new tracking system licence was purchased to provide highly detailed water conservation market intelligence on consumer patterns and behaviours. This will be used throughout 2006/07 to improve the website attractiveness and attract traffic.



A new look and enhanced functionality for savewater.com.au

## Competitions

The corporate donated prize pool for **savewater!® competitions** offered to consumers was increased to \$150,000 in prizes per competition, up from \$100,000, however these are drawn 6 monthly versus quarterly to significantly reduce logistics and administration time. A new management software package was also installed to streamline entrant management, electronic winner selection and prize allocation. The original prize pool was approximately \$3,000 in 2003. The competitions now run continuously throughout the year and receive between 15,000 and 30,000 survey entries per quarter.

To qualify, entrants complete market research surveys, including questions from members and the private sector on behaviour change, corporate branding, product attributes, etc. The service is offered at a fraction of the cost of conventional quantitative research. Swinburne University was appointed during the year as the market research consultant.

Research into the composition of competition entrants indicated that 70% were "green". To expand the audience profile, the prize pool was broadened to include ipods, laptop computers, internet connection packages, kitchen makeovers, granite benchtops, solar hot water appliances, etc.

In addition to the savewater!® online competitions, savewater!® assisted the Victorian Government's Our Water Our Future program by arranging prizes for competitions associated with the Water Saver Garden Centre rollout phase.

### **Major exhibitions program**

savewater!® continued to co-ordinate displays for major exhibitions held across Melbourne in 2005/06.

With water saving in the garden sector being identified as a high priority, this year savewater!® commenced its three year major sponsorship of the Melbourne International Flower and Garden Show. This sponsorship included the construction of one of the largest displays at the event in April, focussing on alternative water saving garden designs, the Water Saver Garden Centres for the Victorian Government's Our Water Our Future program and promotion of the pilot ecosaver™ project including many water and energy saving products. The display won a silver medal in the Outdoor Feature Display section. The Premier, Minister for Water and Jamie Durie, host of Channel 9's Backyard Blitz, attended the site to launch the Water Saver Garden Centres and a \$20,000 garden makeover competition, which attracted about 14,000 entries. There was extensive television coverage of the display.

savewater!® also had a presence at the Sustainable Living Festival in February where the new ecosaver™ products and home loan offer were trialled.

### **Council forums**

Three forums on open space irrigation management were completed for councils across Victoria in Warrnambool, Wangaratta and Traralgon, opened by the CEO's of the respective water authorities. Representatives from over half of Victoria's councils attended to hear a number of industry experts discuss new techniques for managing unnecessary water usage. The forums were sponsored by the Victorian Department of Sustainability and Environment, Netafim, Fytogreen and Sportsturf and included leading speakers on irrigation equipment, turfs and water management planning.

### **savewater!® efficiency service**

The **savewater!® efficiency service** is a water and energy auditing service, currently offered through five Alliance members for schools and businesses in their region. A number of businesses have used this service and are experiencing significant water savings, including Monash University, La Trobe University, City of Greater Geelong, Chadstone Shopping Centre, the Melbourne Marriott Hotel and numerous others through Victoria. Gippsland Water has also been very active in utilising the service with over 30 businesses audited.

The Melbourne Marriott Hotel is trialling a number of showerheads and flow control devices in rooms, and surveying guests, as part of a larger program to rollout throughout Australia.



Engaging the community at the Melbourne International Flower and Garden Show 2006

## Marketing programs

With most of the 5 million existing houses in Australia lacking significant water and energy saving devices, the retrofitting of this large market sector will be a major priority for many years to come. savewater!<sup>®</sup> has developed and commenced piloting the ecosaver<sup>™</sup> project, which includes low interest financing packages and significant rewards for new and existing home owners to upgrade their homes with water and energy saving devices. Due to the not-for-profit status of savewater!<sup>®</sup>, the high credibility of members and their strong access to consumers, the lending institution appointed for the pilot was happy to offer home loan discounts of 0.7% off the standard variable rates, with no change over costs.

Initial online market research with 10,000 consumers showed that the offer would attract a strong response, hence potentially requiring a rationing approach until sufficient plumbers were available to complete the installations. The pilot phase is designed to test real take up and various communication channels and messages.

The response from the supply industry to participate in the ecosaver program has been very strong. Even though ecosaver is still in pilot phase, it is already receiving international interest

### ***ecosaver<sup>™</sup> brand establishment***

ecosaver<sup>™</sup> has been filed for trademark recognition.

The trademark is filed for registration for the following goods and services:

- Class 11 - Water apparatus, water supply products and other water related devices and associated peripherals
- Class 36 - Consultancy including financial
- Class 39 - Car transport, distribution

### ***Segmentation analysis***

The first stage of a major segmentation analysis was completed for Melbourne members. Mosaic demographic analysis of households was overlaid with individual household water consumption statistics to provide information down to 20 household lots of demographic profile by water usage. Four focus group interviews were conducted on the highest water use demographic group to identify key parameters and drivers to assist in the development of programs to target this group.



## New development work

Analysis and preliminary planning was undertaken on a number of projects designed to accelerate behaviour change. These include retrofitting the accommodation industry (motels, caravan parks, etc.), retrofitting residential rental properties and designer/builder training and development forums. Pilot projects will be conducted during 2006/07 to scope out the programs targeting the accommodation industry and the residential markets.

## Mobile displays

Preliminary design was completed for community mobile displays predominantly for regional members. These are intended to capture the imagination of kids and adults alike through their innovation and interactivity. The primary areas will be schools, field days and community events. Coupled with the displays is a unique registration system to allow long term tracking of changes in behaviour. Funding sources are being sought to support the construction of these mobile displays.

## Members

Given the rate of growth of the Alliance it has been important to ensure the needs of our members remain the primary focus. A recent survey and a program of visits to all Victorian members has shown that the website, awards, bill inserts and major events are well regarded by members, but there are opportunities to improve our dissemination of research and improve the understanding of the Alliance within member organisations.

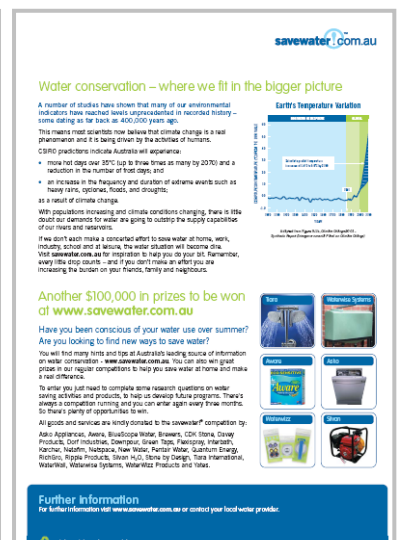
At the Melbourne metropolitan level, the draft Sustainable Water Strategy Central Region and the draft Water Supply Demand Strategy for Melbourne 2006-2055 provide a framework and process for the Alliance to provide value to members. Identified initiatives are the support for water efficient garden programs and product support for member programs.

Many excellent suggestions have been received from regional members, which we will continue to act on, including more support for local displays, advice on optimising the benefits of the website and disseminating research on water conservation behaviour and products.

As of 30 June 2006, the savewater!® Alliance consisted of 30 member water businesses – 12 from Victoria and 18 in NSW.

## Member promotions

The metropolitan water authority members continued to promote savewater!® benefits to their customers through print advertising and quarterly water bill inserts. Regional Victorian members included full colour double page inserts with their bills on two occasions, promoting the competitions, online agricultural case studies, reasons for saving water and the savewater! awards®. A few NSW members also started introducing savewater!® bill inserts to their customer accounts.



Bill insert distributed to Lower Murray Water customers during March 2006

## Management

The contribution by staff has been highly commendable. A deep commitment by staff to ethical environmental sustainability, combined with strong skill sets in governance, IT, marketing and communications have produced a hard working team, delivering excellent outcomes for the year.

With the increase in activities, extra staff were employed during the year. As at 30 June 2006, six employees and two in-house consultants were employed:

- Nigel Finney            Chief Executive Officer
- Lynn Diak             Administration Assistant and PA
- Gary Flood            National Marketing Manager
- Michael Smit         National Programs Manager
- Brenda Hollander    Manager, Finance
- Greg Longman        Technical Manager
- Amanda Nuttall      Project Coordinator
- Merryn Coutts        Communications Officer

Consultants and contractors used throughout the year included:

- Eclipse Prolink (ecosaver™)
- Natural Strategies (ecosaver™)
- FMG (business planning)
- Red Publicity (public relations)
- Saward Dawson (accountants)
- Kelly Services (HR services)
- Water and Energy Savers (efficiency service)
- Access Environmental (advocacy and awards)
- Trilogy Creative (webmaster and graphic design)
- Blake Dawson Waldron (legal advice)
- Francis Abourizk Lightowlers (lawyers)
- Deloitte (legal advice and project assistance)
- Swinburne University (market research and product library evaluations)

Members of the Alliance have donated considerable expertise and resources to the savewater!® management team on many occasions, resulting in better than expected results and their efforts are gratefully acknowledged.

A number of documents and governance procedures were completed to encompass some of the more complicated areas of activity, including Gaming Commission requirements and prize distribution for the savewater!® competitions, financial reporting systems, HR systems and rules for members.

