



Customer engagement supporting 2016 Price Submission

Tuesday 10 November 2015

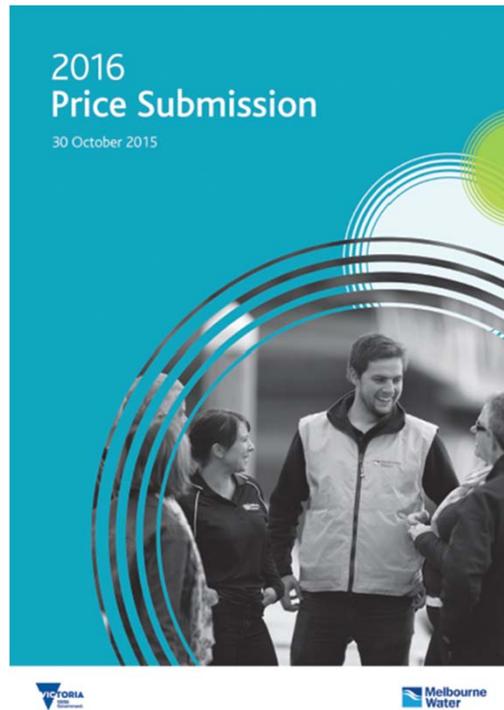
Context for 2016 Price Submission



Lessons from 2013
Price Submission



Operating Environment



Experiences elsewhere



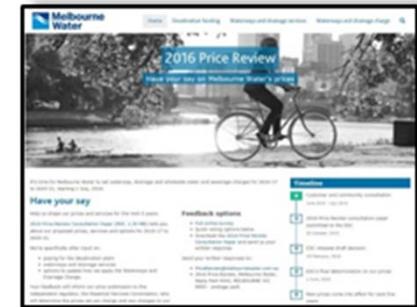
Clarity of regulator and
customer expectations?

Community Consultation Approach

Stakeholder engagement from Oct 2014

Public Consultation paper released 17-June 2015:

- Shorter, easier to understand
- More infographics, diagrams, summaries
- Focus-group tested and refined
- Supported by a price review website and fact sheets



Customer research June - August

- Waterways and drainage services levels and charges (SIMALTO)
- Deliberative style forums and quantitative survey
 1. How customers pay for the desalination plant
 2. Non residential waterways and drainage charge
 3. Waterways and drainage services



Workshops and individual meetings to finalise proposals – September

New Board sign off - October



Waterways and drainage service levels

Total expenditure (Pricing Submission & Investment Plan)

Service is...

Established

Community driven

Service area has...

Clear obligations and high degree of accountability

Levels of service driven by community preferences and State policy settings

Includes...

Land development

Flood risk management

Flow & water access management

Waterway condition management

Incident response and information provision

Stormwater quality and quantity management

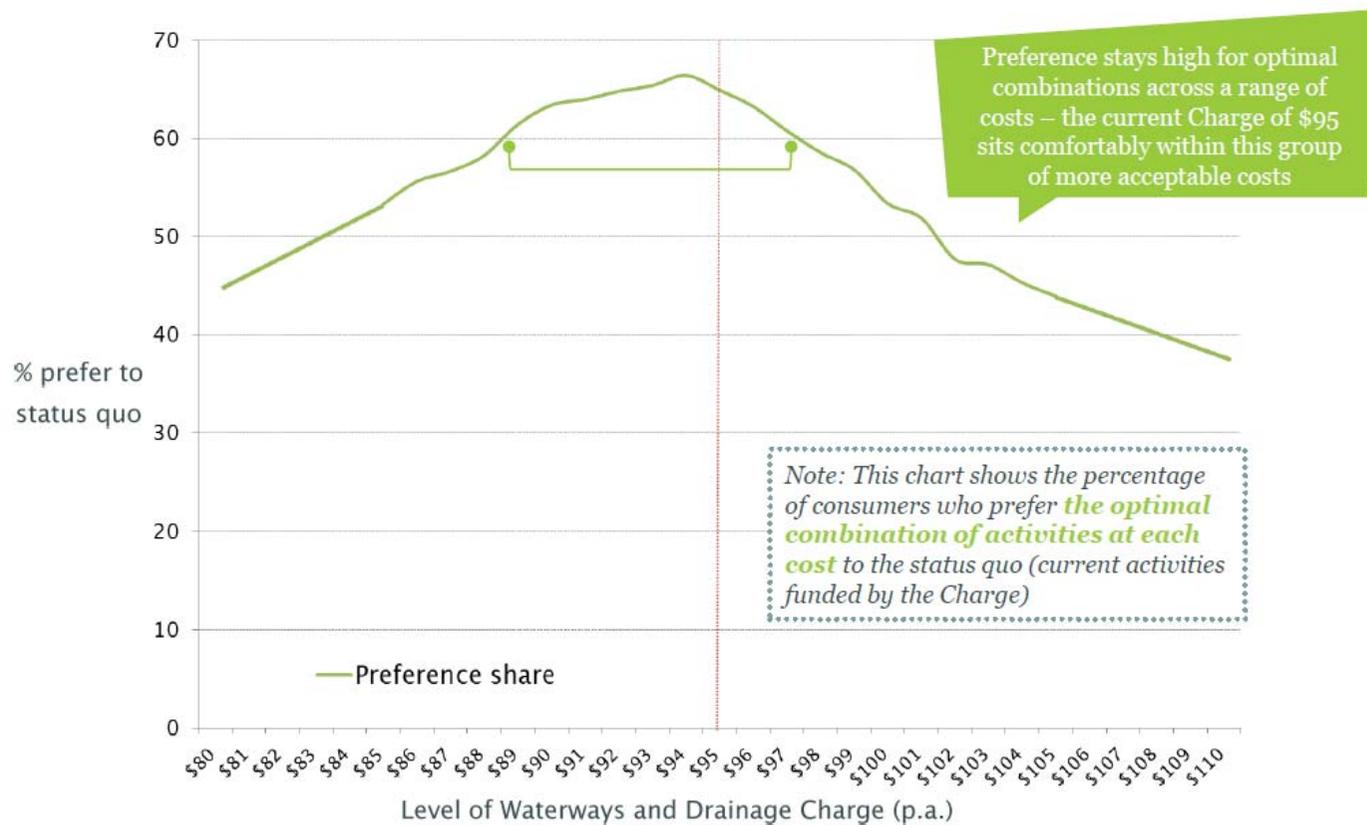
Values are...

Transparent & understood

Subject to willingness to pay with customers

Customer feedback – Balancing services levels and waterways and drainage charges?

Preference share peaks at a Charge of \$94 – it falls more sharply as cost increases than when it is cut



Deliberative-style Forums

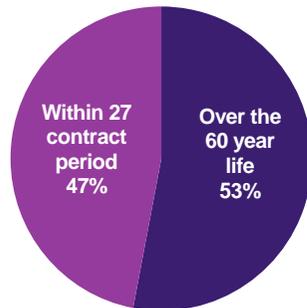


- 10, 11 and 13 August in each retailer area
- 122 participants attended the 4 hour sessions
- Considered key issues in relation to:
 - spreading of the desalination payments, and
 - non-residential reform of waterways and drainage charge
- Range of channels used to provide and collect information
- Supported by quantitative survey of 980 customers

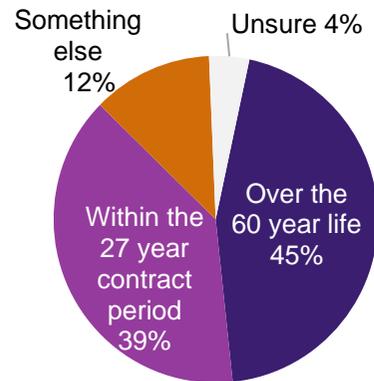
Customer feedback – How should customers pay for desalination

IN PRINCIPLE

Forums

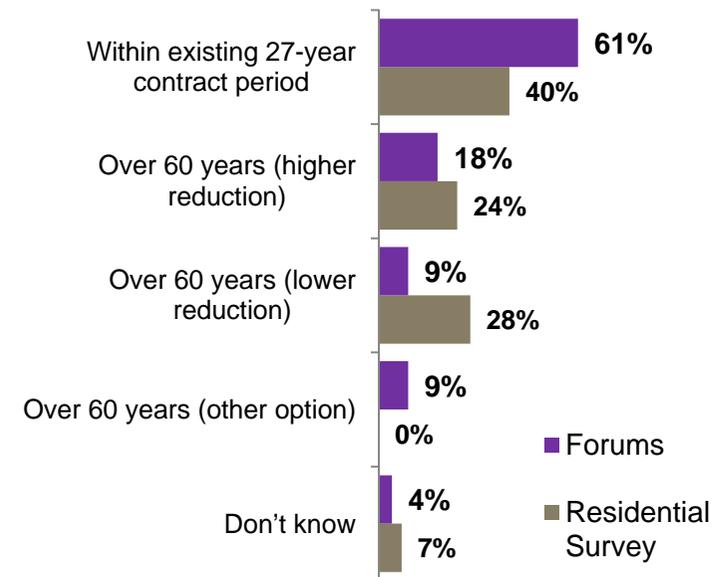


Survey



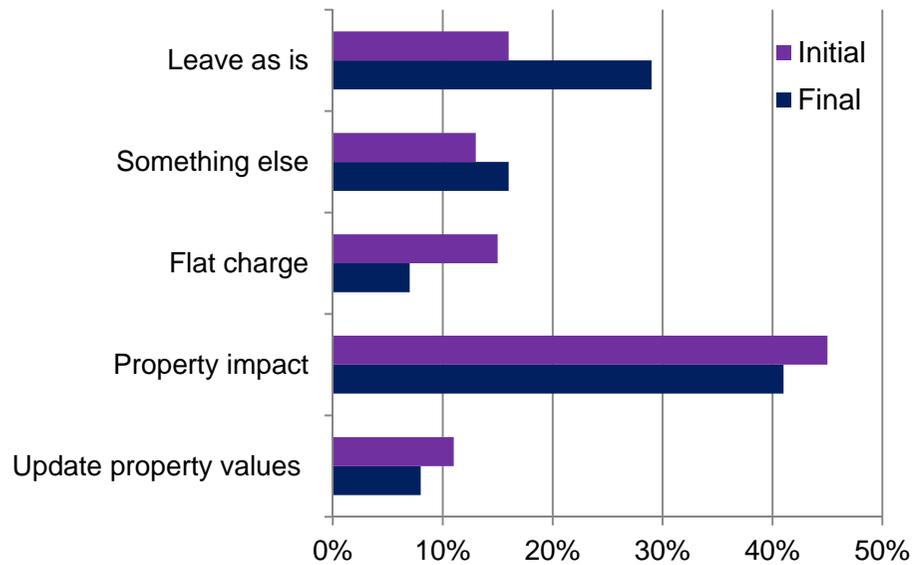
BASED ON SCENARIOS

How Melburnians Should Pay for the Victorian Desalination Project (Specific Scenarios)



Customer feedback – How should businesses pay for waterways and drainage services?

Forums



Property impact: ... I have mixed emotions as I'm not sure if its feasible to implement. I would go for a flat charge if its too hard.

Non-residential customer

What we learned

- Engage early, often and all the way to the end
- You can test complex issues with the right methodology but it takes time, money, commitment and some courage
- SIMALTO drove improved transparency and understanding of costs/service trade offs
- Customers have higher regard for services at end of process
- Tough love needed within the business to trust the process and act on feedback
- Use a challenge panel next time?