

Have your say on what you'll pay: *results from our online bill simulator*

Responses will inform our water price
submission 2018-23



Customers have been having their say on what they care about, their expectations and what they'd be willing to pay.....



Customer value research

- Stakeholder interviews
- Employee workshops
- Online community
- Online survey

- How do we drive customer value?
Customers have told us to focus on:

THE BASICS

- Safe and clear water customers can rely on
- Sewerage taken away and treated safely
- Focused on saving money

CUSTOMER FOCUS

- Water saving efforts are recognised and rewarded
- Clear bills
- Avoid bill shock
- Responsive to customers
- Provide information and control

ENVIRONMENT AND COMMUNITY

- Caring for the environment
- Water always there, now and in the future



Community consultation

- Stakeholder interviews
- Employee workshops
- Online community
- Online survey

- Further explore what customers told us matters most to them

- How do customers see South East Water delivering on these expectations?

- What programs do customers feel will better meet their needs?

- How can South East Water increase satisfaction and drive value?



Customer 'deep dive'

- 14 x focus groups with residents
- 2 x focus groups with plumbers
- 1 x focus groups with builders
- 2 x focus groups with SMEs
- 1 x Focus group with developers
- 10 x interviews with corporates

- How are services used?
- What is good customer service?
- How do you see South East Water delivering value on the areas you care most about?

RESULTS

- Identified programs based on customer expectations including:
 - What will drive increased satisfaction
 - What customers may be willing to pay more for
 - What customers expect from South East Water
 - Where customers expect South East Water to focus its energy



Bill simulator

- Employee workshops
- Customers invited to complete bill simulator

- We identified programs that will deliver on customers' expectations

- We then invited customers to "Have your say on what you'll pay" on four areas they told us they care most about:

- safe and reliable services
- efficient and affordable services
- supporting a sustainable community
- a positive customer experience

Why a bill simulator?

- A tried and tested tool used by more than 95 organisations in 7 countries
- Lets you make trade offs between the different ideas offered and see the potential impact on your bill

Who?

- 3,763 customers
- Mix of paid respondents (609) and through promotion and advertising (3,154)
- Completed by a broad representation of customers - house types, owners, tenants, apartment dwellers, suburbs, culturally and linguistically diverse, socio-economic backgrounds}

When?

- 29 May to 24 June 2017

How we promoted it....

- 3AW Drive Program
- Direct email and SMS to customers
- Advertising in non-English language media
- Have your say website
- Social media, including paid Facebook ads
- Hand outs at Frankston train station and libraries

How it worked.....

THE PURPOSE OF THIS TOOL IS TO UNDERSTAND WHAT YOU WOULD LIKE US TO SPEND YOUR MONEY ON

YOUR PRIORITIES

When it comes to your bill, tell us what you would like us to spend your money on

Change In Bill (\$) **\$0** Average Annual Bill

Change In Bill (%) **0.0%** **\$1000**

Safe and reliable water and sewerage services

A positive customer experience

Supporting a sustainable community

Efficient and affordable services

Programs to reduce likelihood of interruptions to the supply of water

Programs to inform customers of water network faults

STEP 1

MOVE THE SLIDERS BACK AND FORTH AND START TO SEE CHANGES IN YOUR ANNUAL AVERAGE BILL

When it comes to your bill, tell us what you would like us to spend your money on

Change In Bill (\$) **-\$7.5** Average Annual Bill

Change In Bill (%) **-0.7%** **\$992.5**

Safe and reliable water and sewerage services

A positive customer experience

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Efficient and affordable services

Programs to reduce likelihood of interruptions to the supply of water

Programs to inform customers of water network faults

EACH MOVE YOU MAKE MAY HAVE CONSEQUENCES WHICH YOU CAN SEE UNDER CONSEQUENCES

STEP 2

Consequences

likelihood of interruptions to the

For an extra \$2.50, we can reduce the risk that bursts will occur that result in major traffic disruption and damage to private property. With this investment, the number of customers experiencing more than 3 interruptions in 12 months forecast to stay at the current level of 300 and the number of water main bursts could increase only slightly to approximately 1900. [More](#)

Customers made trade offs between the different initiatives offered and see the potential impact on their bill in four areas:

- safe and reliable water and sewerage services
- a positive customer experience
- supporting a sustainable community
- efficient and affordable services



What customers said

Customers prioritised
the initiatives
but, in general, would
prefer no
price rise

- Customers are pleased to be given the opportunity to have their say
- Most customers are willing see an increase in the bill to pay for key initiatives
- Very few customers are against the ideas we asked about
- Some customers asked what the bulk of the money pays for if these changes are so minor
- Around **34%** of customers would prefer not to take any price rise at all

"I am reasonably happy with the current water bill and service I receive and don't think any change is needed"

"we pay too much for water as it is but to support growth it is what we must do.... I want my kids to have fresh drinking water available even if it costs me an arm and a leg...."

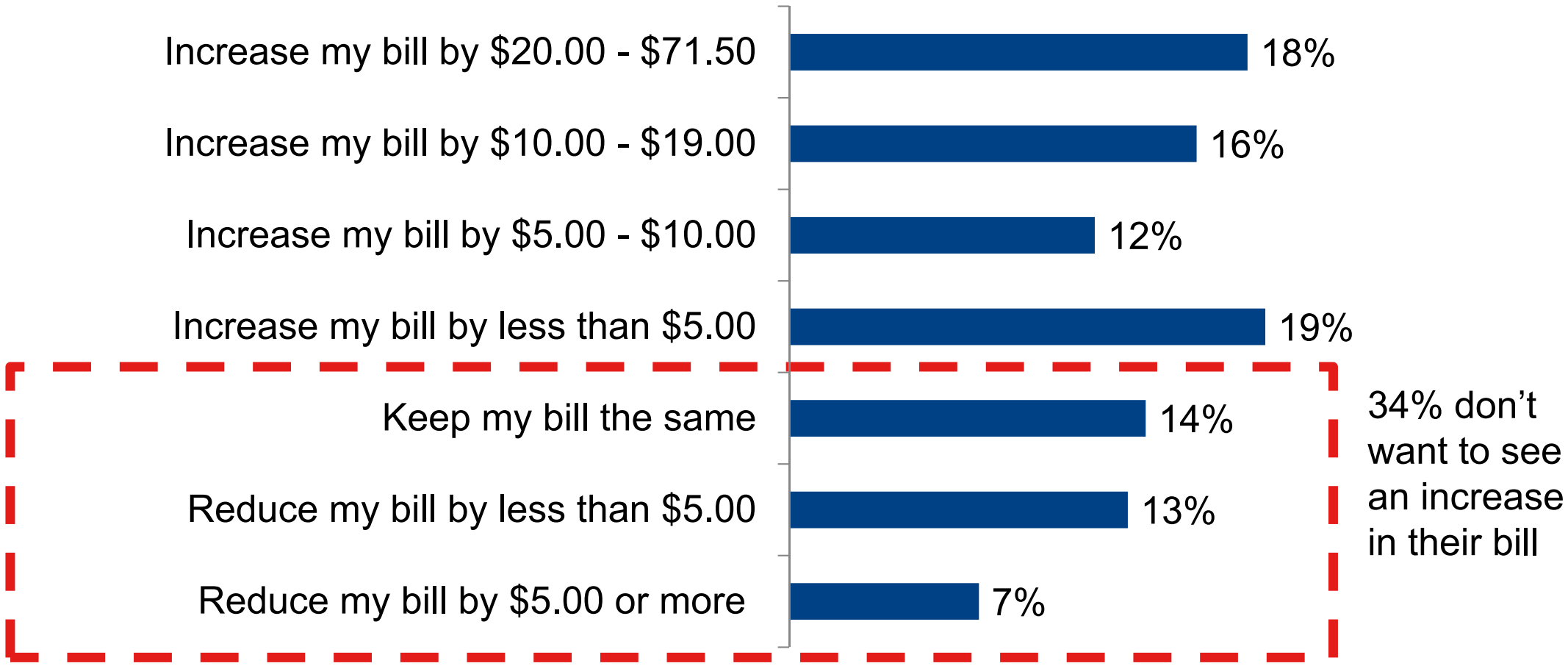
"Thank you for the opportunity to help pave the way for a better system."

"We struggle to pay our essentials services. Any price increase would cause extra financial stress on our average family where both parents work full time."



Customer willingness to pay for improvements

Based on an annual amount of \$1,000 (\$250 per quarter), how much are customers willing to pay for improvements



How much would you be prepared to pay for the following initiatives? (NET CHANGE)

Where do you want us to invest? The highlights

Efficient and affordable services

About 34% of customers support some investment in:

- real-time monitoring of water usage
- more help for customers experiencing difficulty paying their water bills due to financial or personal circumstance

Supporting a sustainable community

- About 35% of customers could live with a \$2-\$4 increase in their bill to reduce sewage spills
- 81% of customers don't support further investment to deliver customer education on water efficiency

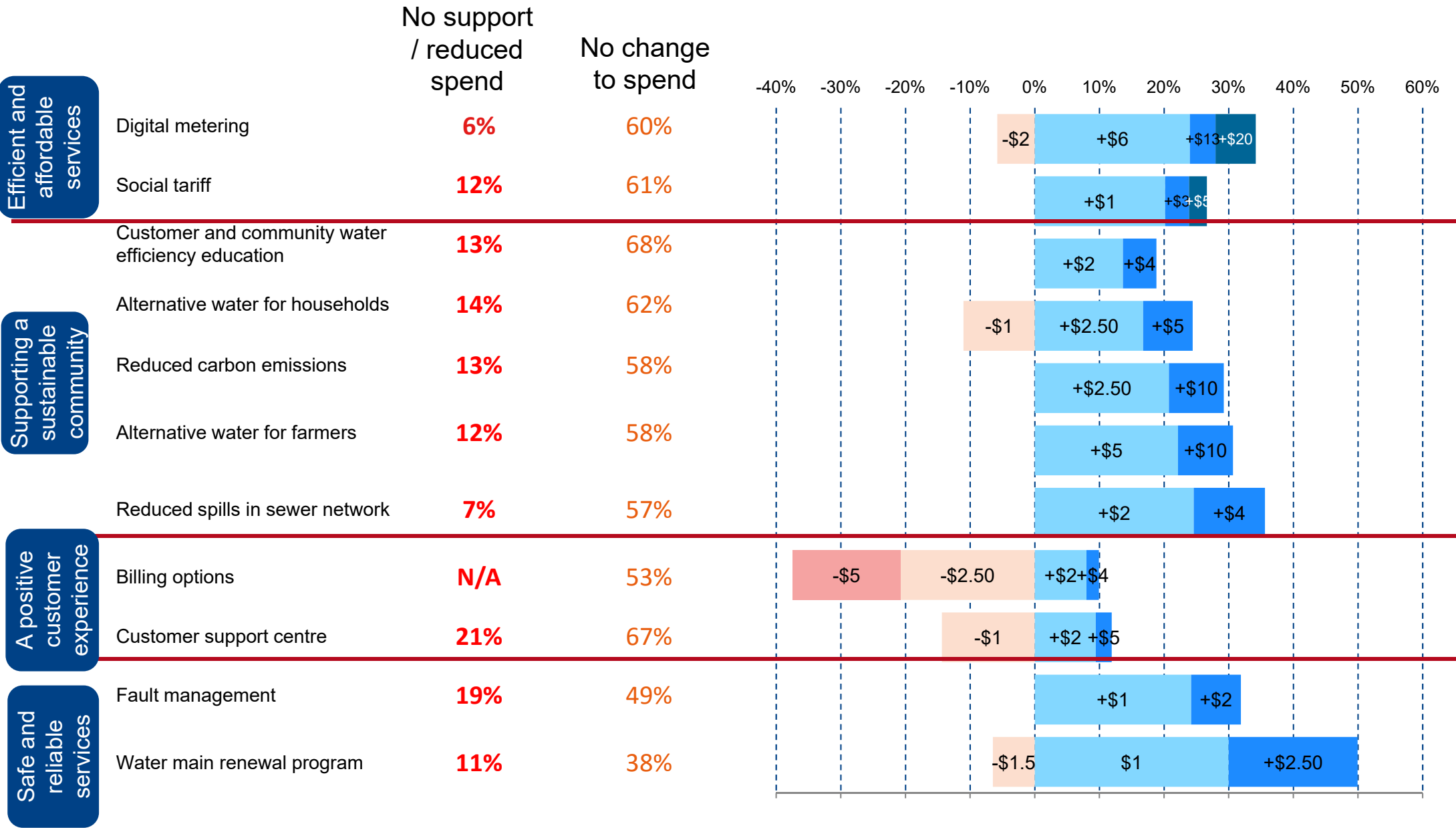
A positive customer experience

- Nearly 40% of customers would opt for direct debit or eBills to save \$5 on their bill
- Customers are least supportive of investment to improve our customer contact centre.

Safe and reliable services

- Water main renewal programs won the most support from customers (50%) of all the ideas in the billing simulator, but only at an increase of \$1-\$2.50 in their bill.

Where do you want us to invest? The detail



Base: n=3763

What next?

We'll use our customers' responses to this bill simulator to inform the services and prices we'll propose to deliver for 2018-23.

These proposed services and prices will be outlined in our water price plan that we submit to our regulator, the Essential Services Commission, by 28 September 2017.

South East
Water



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water
for life*

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