

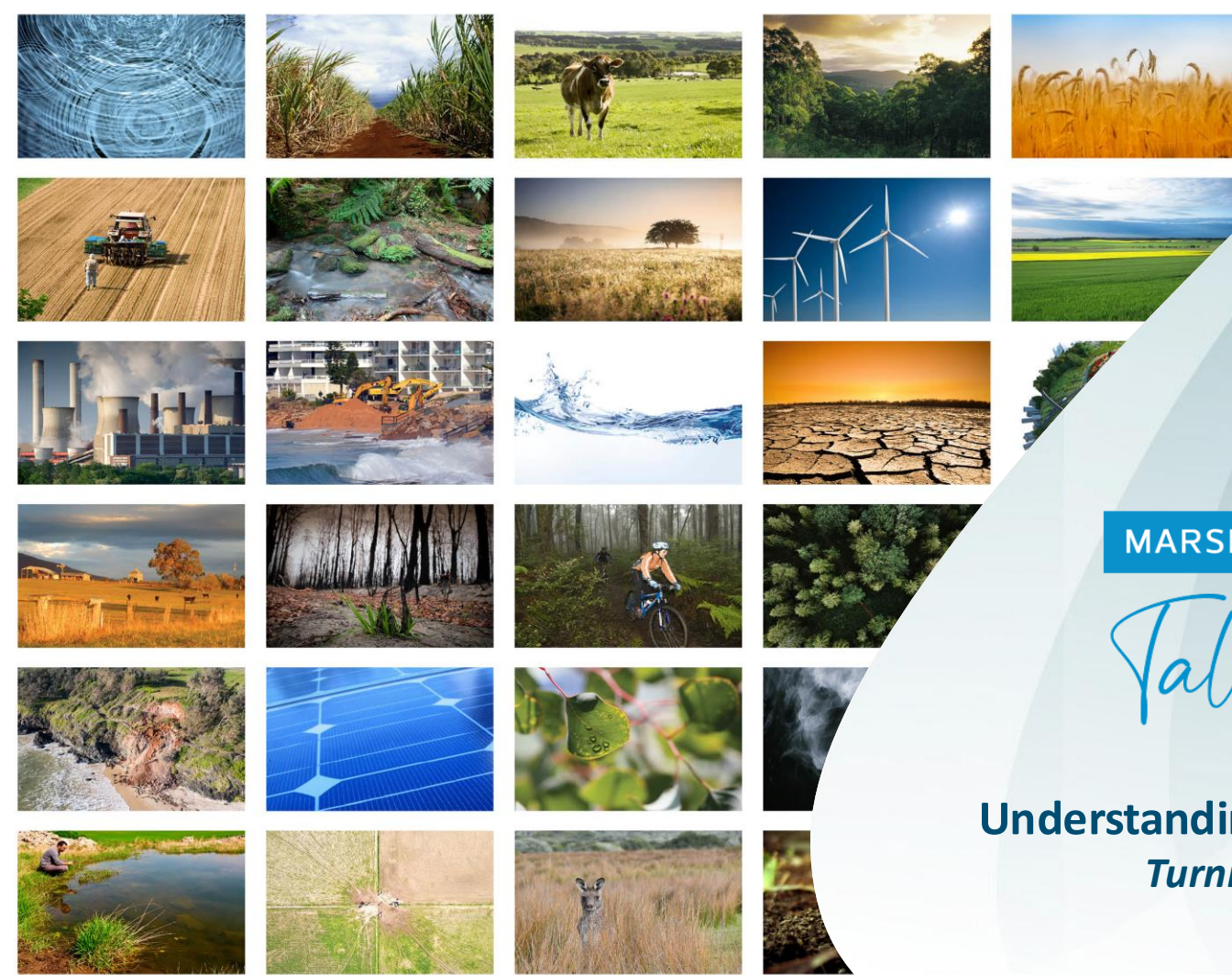
economics
public policy
markets
strategy

MARSDEN JACOB ASSOCIATES

Talks Live

Understanding customer preferences
Turning insights into investment

25 March 2025



Talks Live

The **Marsden Jacob Talks Live** webinar series brings people together to discuss pressing issues across environment, energy, water, circular economy and recycling, agriculture and earth resources and other sectors in Australia and internationally.

These free webinars are open to everyone. We aim to share best practices and bring you the latest research and thinking. Our focus in these events is on encouraging open, positive and collaborative discussion.

We encourage you to share your questions, opinions, experience and interests. We also welcome your thoughts on future topics for our webinar series.

Each live event includes a presentation hosted by Marsden Jacob experts, followed by an open Q&A session.

Marsden Jacob Associates acknowledge the Traditional Custodians of the lands and waters across Australia where we conduct our business. We pay our respects to their Ancestors and Elders past and present.

Who are we?



Dr Jeremy Cheesman

Director

PhD (ANU), MCom (UNSW), BSc (Hons) (UNSW)

- One of Australia's leading applied natural capital economists, specialising in water and biodiversity.
- Helped regulated water and energy utilities (NSW, SA, TAS, VIC) justify customer-led discretionary investment of \$1.2 billion+ over 5 years, using surveys to help demonstrate customer willingness to pay for services in price submissions.
- Worked with all levels of government on understanding community attitudes and willingness to invest, improving land and waterway health and helping justify \$3 billion+ of funding.



Jacob Helgeby-Cook

Consultant

BCom (Ec/Fin) (W.Aust.)

- Specialises in public policy and the water sector.
- Expertise includes economic methods that provide complete insights, improve decision-making and emphasise financial viability and economic benefit to all parties.
- A deep interest in non-market valuation, having worked closely with Jeremy and the Marsden Jacob team on the development and application of willingness-to-pay studies and surveys.



Introduction

Why this topic? And why now?

- Regulated utilities must show clear evidence for the prices they set in each price submission, and that customers have been meaningfully engaged and their preferences understood.
- Regulators, including the ESC, expect attitudinal and willingness-to-pay (WTP) studies as an important part of understanding customer and community preferences. Combining these quantitative methods with other engagement, such as deliberative forums, can provide a more holistic view of what customers want.
- With many Australians experiencing cost-of-living difficulties, the current focus for utilities is on how to invest in areas of importance to customers, while cost-saving in areas of less significance.



**Customer
engagement
matters**



**Holistic
insights
approach**



**Balancing
costs &
investments**



What, why and where?

What are attitudinal surveys and willingness-to-pay?

- A collection of survey-based approaches that help us measure what people care about and their relative importance (their preferences).
- Willingness-to-pay is a common output of this process. It provides significant insights by allowing for measurement of preferences in terms of dollars – a valuable insight for decision-makers.
- These tools help us understand how preferences may be similar or different across various groups in society.



Why engagement is crucial

- When spending public funds, it is imperative to understand how to use this money in the most efficient and effective way.
- Surveys provide important community and customer insights that, when combined with other engagement methods, provide clear and robust evidence to decision-makers to help secure investment.
- Meaningful engagement also helps strengthen overall customer and community relationships and sentiment.

The power of willingness-to-pay

Price submissions



Infrastructure



Flood warnings
Incident response times
Recycled water **Solar exports**
Digital meters
Stormwater harvesting
Fire/weather events **Carbon neutrality**
Water taste/odour **Billing services**
Biodiversity **Accessibility services**
Stormwater naturalisation
Waterway/bay health **Supply reliability**
Water conservation
Reliable wastewater

Public policy



Council



A blue-tinted photograph of a lawn sprinkler spraying water in a field. The sprinkler is in the foreground on the right, with multiple jets of water spraying outwards. The background is a blurred green field.

Survey tools

Anchored best-worst survey



Useful for early prioritisation of preferences



Keeps discussion open ended (broader than choice models)



Allows for customer segmentation to understand cohorts' differing preferences

Considering only these 4 statements, please select the statement you agree with Most and the statement you agree with Least?

(1 of 16)

Most	It is important that.....	Least
<input checked="" type="radio"/>	manages smells from its sewerage operations	<input type="radio"/>
<input type="radio"/>	ensures our sewerage systems are safe and reliable	<input type="radio"/>
<input type="radio"/>	aims to keep bills as low as possible	<input type="radio"/>
<input type="radio"/>	considers all possible water sources when planning for future water supply - including dam water, desalination, recycled water, and other water supplies	<input checked="" type="radio"/>

Considering only the items above...

- None of these are important to me
- Some of these are important to me
- All of these are important to me

(Partial profile) choice survey

If these were the only packages available to you, which would you choose?

You can find out more about each service by clicking on the [blue underlined](#) service names. This will launch a short video containing important information about the service, and how we are thinking about changing it.

When choosing your preferred option assume all Melbourne Water services not shown stay the same as you get now.

[Buying carbon offsets to achieve net zero](#)

[Reliable water supply in the event of an outage \(e.g. caused by bush fire storms\)](#)

[Recycled wastewater to customers](#)

[Your estimated Water and Sewerage Bill starting 1 July 2026:](#)

Current level of service	Alternative A	Alternative B
<p>Buying offsets to reach net zero by 2030</p> <p>(no extra spending to create more offsets from within Victoria)</p>	<p>Buying offsets to reach net zero by 2030</p> <p>(extra spending to create more offsets from within Victoria)</p>	<p>Buying offsets to reach net zero by 2027</p> <p>(extra spending to create more offsets from within Victoria)</p>
<p>No impact on water quality for around 1-2 months</p>	<p>No impact on water quality for around 180 days / 6 months</p>	<p>No impact on water quality for around 180 days / 6 months</p>
<p>Supply 3GL/yr</p> <p>(80% reliability with no change to waterway health)</p>	<p>Supply 8GL/yr</p> <p>(80% reliability with no change to waterway health)</p>	<p>Supply 1GL/yr</p> <p>(67% reliability with no change to waterway health)</p>
<p>Your quarterly bill stays the same</p> <p>Your quarterly bill would be \$0</p> <p>Your annual bill would be \$0</p>	<p>Your quarterly bill increases by \$6</p> <p>Your quarterly bill would be \$6</p> <p>Your annual bill would be \$24</p>	<p>Your quarterly bill increases by \$3</p> <p>Your quarterly bill would be \$3</p> <p>Your annual bill would be \$12</p>
<p>SELECT</p>	<p>SELECT</p>	<p>SELECT</p>



Allows greater investigation of data



Generates willingness-to-pay values



Provides quantitative evidence of customer values

Bill slider and repeated bill simulator



Allows greater investigation of data



Generates willingness-to-pay values



Provides quantitative evidence of customer values

Statement No. 12341234 Issued 15/02/2025

Charge Details		Account Summary		
SERVICE ADDRESS	INSTALLATION NUMBER	Last Account	\$290.0	
	123123123	Paid / Adjust	-\$290.0	
		Balance	\$0.00	
		New Charges	\$1248.28	
FIXED OR SERVICE CHARGES		Total Due	\$1248.28	
Full food water charge - 20min (15/02/2025 - 14/02/2027)	\$304.95	OST	\$0.00	
Full food sewerage charge - 20min (15/02/2025 - 14/02/2027)	\$681.2			
	\$1036.16			
VARIABLE USAGE CHARGES				
Variable Water Charges (115 KL @ \$1.16/L) (15/02/2025 - 14/02/2027)	\$180.0			
VARIABLE USAGE CHARGES				
Variable Water Charges (115 KL @ \$1.16/L) (15/02/2025 - 14/02/2027)	\$180.0			
YOUR PREFERRED INVESTMENTS				
Increase recycled water supply to TasWater customers (invest to increase the amount of recycled water used by about 2,500 properties a year)				\$2.84
Increasing water conservation in the Tasmanian (invest in water conservation programs for 25,000 Tasmanian households)				\$0.7
Water and wastewater services for more Tasmanians (invest to connect water and sewerage to 2,500 unconnected properties)				\$28.58
TOTAL NEW CHARGES		\$1248.28		

If paying in person please keep account intact

Taswater

POSTbillpay®

Service Tasmania 2021

What would you like to do...

Please select ONE.

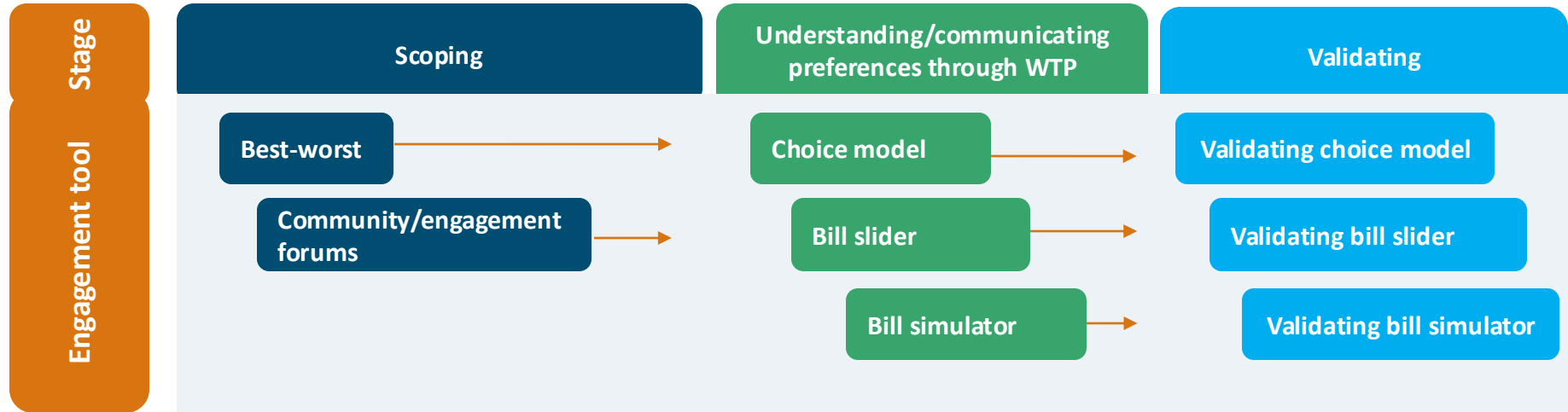
OK, I'm happy with my choices and the impact of them on my bill.

I want to go back and revise my choices.



Engagement and survey process

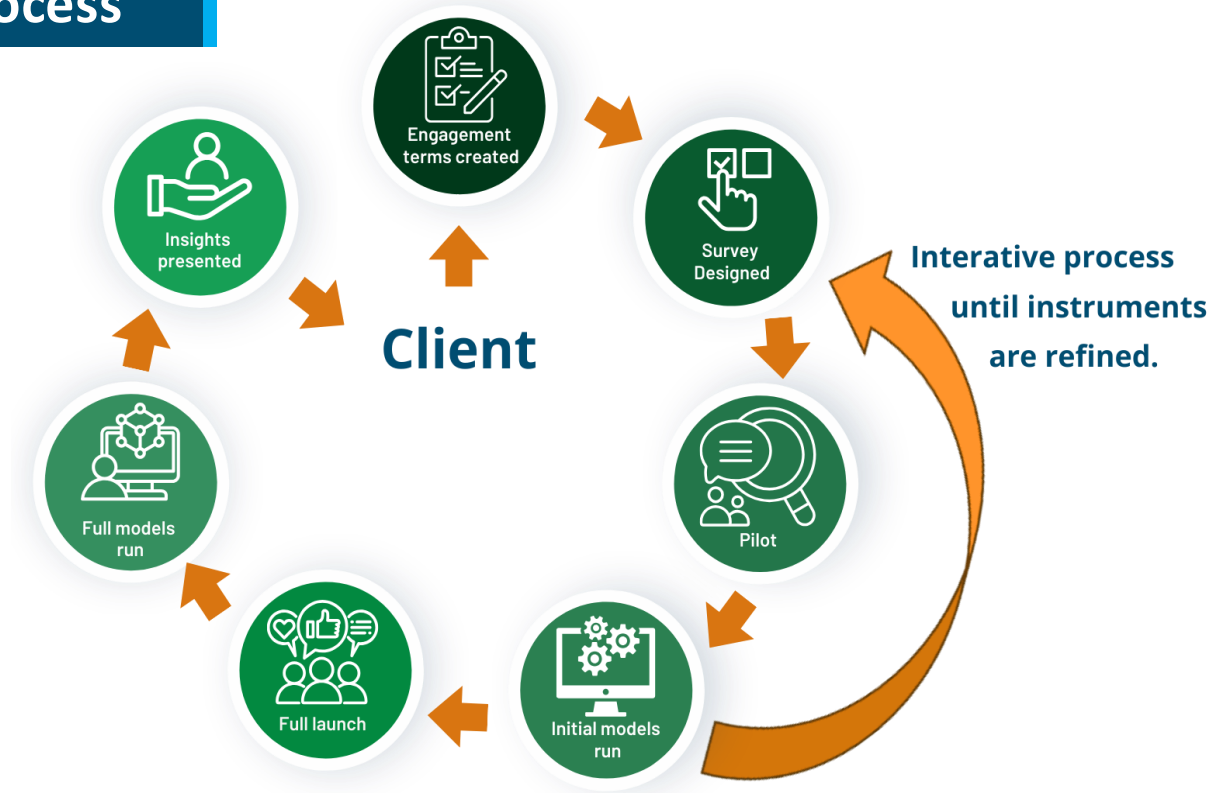
Example engagement process: price submission



Best practice when using these surveys for regulatory support is to run in combination with qualitative engagement initiatives, such as discursive forums.

Survey development process

This infographic outlines our customisable and collaborative approach to survey design.





Case study: Melbourne Water Price Submission 26

Melbourne Water: best-worst survey results

Overall, respondents told us that all topics we asked about were at least somewhat important to them. We found level of importance differs across the topics and respondents. Overall, the survey results provides clear evidence that the Waterway and Drainage topics Melbourne Water thought were important to their customers, really are important.

Across the total sample several topics were identified as being more important and less important.



Drainage, pollution and litter management were overall the most important issues.



Customers surveyed also placed more importance on flood mitigation and natural wetland management.



Customers placed less importance on issues including RAMSAR protection and Waterway Participation and Education.

Our work shows that Melbourne Water customers have different preferences and values for waterways and drainage services, and that customers form three broad groups. The blue boxes below show the percentage of Melbourne Water's customers in each group.



50%

Essential service focussed customers were focused on the importance of reducing the risk of flooding and pollution via draining and pollution and litter management.



30%

Optimist customers placed high importance on all waterway and drainage services and outcomes Melbourne Water can provide, and highest importance on drainage and flood mitigation services.



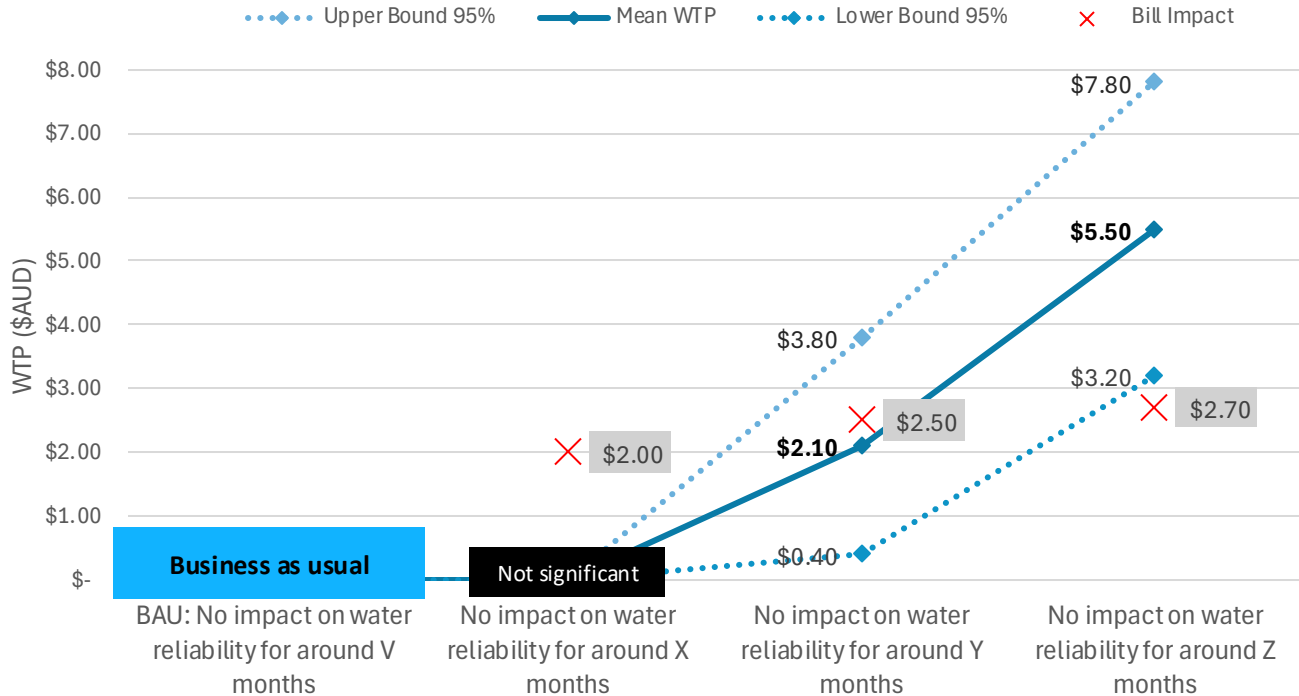
20%

Engaged customers also placed high importance on most waterway and drainage services and outcomes Melbourne Water can provide, but less on running of community programs and education than optimists.

[Waterways and drainage survey results](#)



Melbourne Water: WTP for reliable water supply



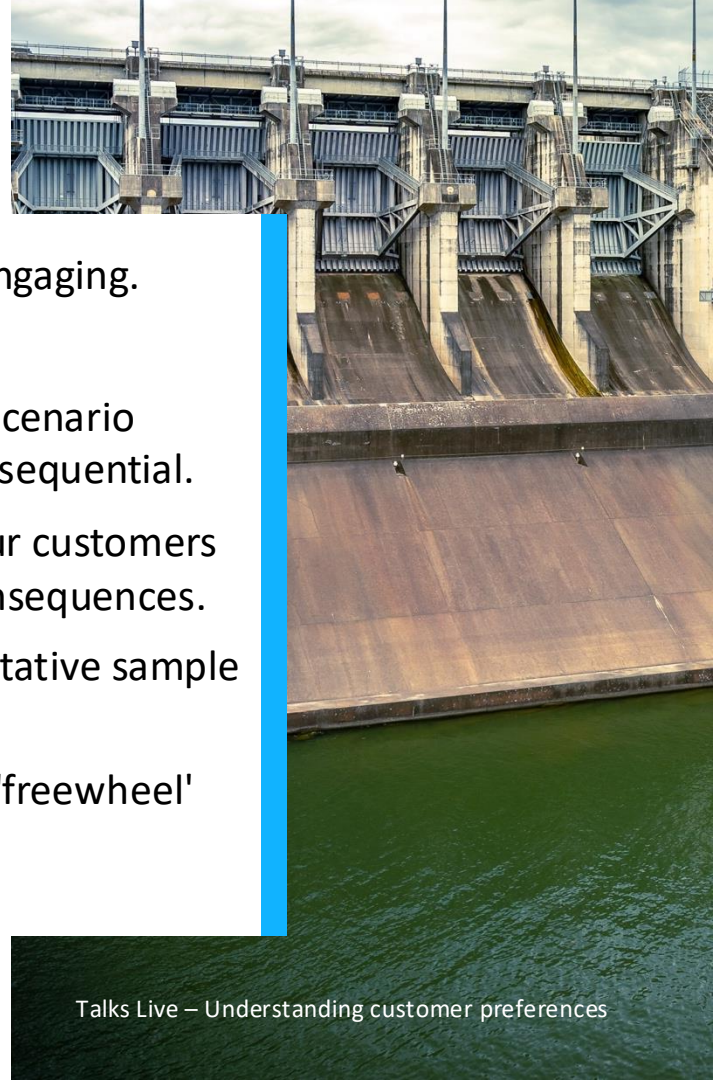
Overall MW customers:

- Are not willing to pay for 'no impact on water reliability for around X months'.
- Are willing to pay less than the bill impact for having 'no impact on water reliability for Y months'
- Are willing to pay more than the bill impact for having 'no impact on water reliability for Z months'

We can see that **MW customers on average have different levels of support dependent on the proposed impact to reliability.**

Best-practice survey design

- Design is important – make it simple, easy to navigate and engaging.
- Keep the survey neutral to help ensure unbiased results.
- Questions must be framed so that respondents believe the scenario described isn't purely hypothetical and their response is consequential.
- Include a series of lead-in/follow-up questions to ensure your customers are paying attention and understand the material and its consequences.
- Capture socio-demographic data and ensure that a representative sample of the population is achieved.
- Include open-ended follow-up questions to allow people to 'freewheel' and share, as this can help you gain deeper insights.

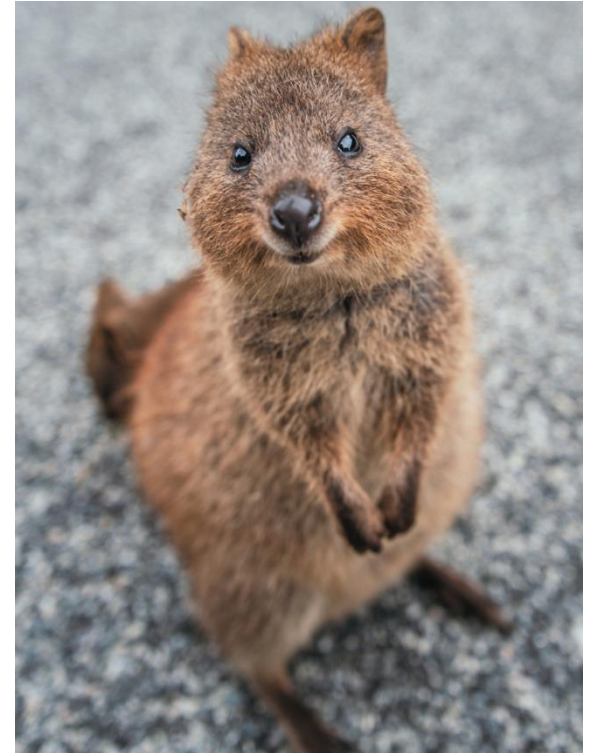




Our parting thoughts

Parting insights

- Attitudinal surveys provide a key piece of the puzzle when trying to understand what the community wants.
- The power of these tools lies in their quantification of community preferences that can, in turn, be compared to the associated cost of these decisions, providing a measurable dollar value by which key decision makers can assess.
- The variety of survey tools mean that we can assist you across the entire lifecycle of your customer/community engagement.
- Key to robust and defensible results from these techniques relies on a well-designed survey that negates unintended bias, as well as ensuring that your respondents are representative of the population you're looking for insight into.
- Combining attitudinal surveys with qualitative methods such as discursive forums will enhance the depth and accuracy of community engagement insights.



Let's talk more

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Marsden Jacob Associates

A collaborative, values-based team of trusted economics, public policy, markets and strategy advisors, committed to supporting our clients to shape the future wisely and positively.

We deliver practical, workable outcomes and advice that helps positively impact people, policy and the planet.

Our 40+ strong team works across agriculture and earth resources, circular economy, energy and renewables, environment and climate change, public and social policy, transport and water.