

# Customer Forum Week 14: Customer engagement on draft proposal



Update

13 May 2019

# Updates

- ▶ **Social media**
- ▶ **Website**
- ▶ **Advocacy groups and local councils**
- ▶ **Submissions**
- ▶ **Research**

**Social media**



# Facebook Geo-targeted post results 2 April



Post Details

**AusNet Services**  
Published by Aus Net [?] · 2 April · 🌐

How can we power your solar future? Every five years, we develop plans for how we will provide safe and reliable energy services and how much they will cost. Some customers have told us that they want to play a greater role in how electricity is produced and used. With your help, we want to make this happen. Head to our website to and answer some simple questions on what you would like your solar future to look like. <https://docs.google.com/.../1FAIpQLSeep-eAOLacxGIYZ.../viewform>



**2,210** People reached      **65** Engagements      [Boost again](#)

Boosted on 10 Apr 2019 By Aus Net      Completed

People reached	<b>1.0K</b>	Post engagement	<b>32</b>
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[View results](#)

👍❤️👤 Margaret Campbell, Lynn Schacht and 22 others      1 Comment 3 shares

👍 Like      💬 Comment      ➦ Share

### Performance for your post

**2,210** People Reached

**29** Reactions, comments & shares 🗨️

<b>23</b> Like	<b>23</b> On post	<b>0</b> On shares
<b>1</b> Love	<b>1</b> On post	<b>0</b> On shares
<b>1</b> Wow	<b>1</b> On post	<b>0</b> On shares
<b>1</b> Comments	<b>1</b> On Post	<b>0</b> On Shares
<b>3</b> Shares	<b>3</b> On Post	<b>0</b> On Shares

**36** Post Clicks

<b>9</b> Photo views	<b>9</b> Link clicks	<b>18</b> Other Clicks 🗨️
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**NEGATIVE FEEDBACK**

<b>0</b> Hide Post	<b>0</b> Hide All Posts
<b>0</b> Report as Spam	<b>0</b> Unlike Page

Insights activity is reported in the Pacific time zone. Ad activity is reported in the time zone of your ad account.

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 **Andrew Grayden** OUR dickhead politicians should buy Hazelwood power station back.And fire it up again. The best and most reliable source of energy in the world.

Like Reply Message 3w      👍 1

# Facebook Geo-targeted post results 2 April



**AusNet Services**  
Published by Aus Net [?] · 2 April · 🌐

How can we improve service to our customers? Every five years, we develop plans for how we will provide safe and reliable energy services and how much they will cost. Some customers have told us that it should be easier to do business with us, without increasing prices. We're already working on improvements and want to hear more from our customers so we can do even more. Head to our website and answer some simple questions to help us to do better. <https://docs.google.com/.../1FAIpQLScGtIU51irvEDScHi.../viewform>

**2,645** People reached      **93** Engagements      [Boost again](#)

Boosted on 10 Apr 2019 By Aus Net      Completed

People reached	<b>1.0K</b>	Post engagement	<b>33</b>
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[View results](#)

👍🤔👍 Lynn Schacht, Gurjant Singh and 38 others      2 shares

👍 Like      💬 Comment      ➦ Share

### Performance for your post

**2,645** People Reached

**42** Reactions, comments & shares

<b>38</b> Like	<b>38</b> On post	<b>0</b> On shares
<b>1</b> Haha	<b>1</b> On post	<b>0</b> On shares
<b>1</b> Wow	<b>1</b> On post	<b>0</b> On shares
<b>0</b> Comments	<b>0</b> On Post	<b>0</b> On Shares
<b>2</b> Shares	<b>2</b> On Post	<b>0</b> On Shares

**51** Post Clicks

<b>24</b> Photo views	<b>5</b> Link clicks	<b>22</b> Other Clicks
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**NEGATIVE FEEDBACK**

<b>0</b> Hide Post	<b>0</b> Hide All Posts
<b>0</b> Report as Spam	<b>0</b> Unlike Page

Insights activity is reported in the Pacific time zone. Ad activity is reported in the time zone of your ad account.

### Audience

This ad reached **1,016** people in your audience.

**People**      Placements      Locations

**49.8% Women**      **50.2% Men**

Age Group	Men (%)	Women (%)
13-17	~0.5	~0.5
18-24	~2.5	~11.5
25-34	~3.5	~8.5
35-44	~3.5	~5.5
45-54	~7.5	~6.5
55-64	~13.5	~9.5
65+	~22.0	~11.0

**Audience name**      Australia: Acheron, Ancona, Bairnsdal...

**Location – Living in**      Australia: Acheron, ... [See more](#)

**Age**      18-65+

# Facebook Geo-targeted post results 2 April



**AusNet Services**  
Published by Aus Net [?] · 2 April · [?]

What do you want from your energy future? Every five years, we develop plans for how we will provide safe and reliable electricity services and how much they will cost. Our customers have told us that they want a greater role in how electricity is produced and used, at lower cost. With your help, we want to make this happen. Head to our website and answer some simple questions on what you would like your energy future to look like. <https://docs.google.com/.../1FAIpQLSfArOQg7UZJVwb5Lb.../viewform>



**3,028** People reached      **123** Engagements      **Boost again**

Boosted on 10 Apr 2019 By Aus Net      Completed

People reached	<b>1.2K</b>	Post engagement	<b>36</b>
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[View results](#)

Lynn Schacht, Keith Paulusse and 36 others      1 Comment 4 shares

Like    Comment    Share

### Performance for your post

**3,028** People Reached

**45** Likes, Comments & Shares [?]

<b>39</b> Likes	<b>38</b> On Post	<b>1</b> On Shares
<b>2</b> Comments	<b>1</b> On Post	<b>1</b> On Shares
<b>4</b> Shares	<b>4</b> On Post	<b>0</b> On Shares

**78** Post Clicks

<b>12</b> Photo views	<b>17</b> Link clicks	<b>49</b> Other Clicks [?]
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**NEGATIVE FEEDBACK**

<b>1</b> Hide Post	<b>0</b> Hide All Posts
<b>0</b> Report as Spam	<b>0</b> Unlike Page

Insights activity is reported in the Pacific time zone. Ad activity is reported in the time zone of your ad account.



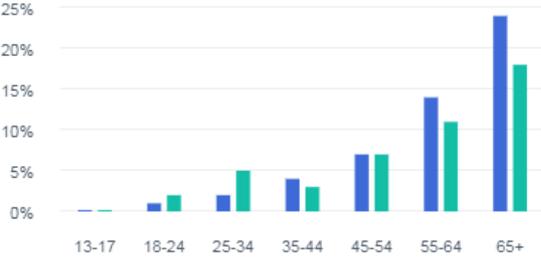
**Philip Waldron** Because coal power is being fazed out the only alternative is wind turbines or less productive solar panels. This is the way it has to be , The greens or vegans or other scoffed may not like it but the alternative is we go back to candles . And that ain't good for us .

### Audience

This ad reached **1,216** people in your audience.

**People**    Placements    Locations

**53.3% Women**    **46.7% Men**



Age Group	Percentage
13-17	~0.5%
18-24	~1.5%
25-34	~3.5%
35-44	~4.5%
45-54	~7.5%
55-64	~14.5%
65+	~24.5%

**Audience name**      Australia: Acheron, Ancona, Bairnsdal...

**Location – Living in**      Australia: Acheron,      ... [See more](#)

**Age**      18-65+

**Website**



## Website

### ▶ **From 11 Feb (when the web page launched) to 6 May, there were:**

- › 1598 page views for the EDPR page. This represents 0.26% (down from 0.36% as at 12 April) of total web traffic
- › 99 page views for the EDPR feedback form (up from 83 as at 12 April)
- › 1036 of these entrances to the page were from direct links, e.g., if you sent the link out via email (up from 780 as at 12 April)
- › 77% bounce rate, which means 77% of people who viewed the page did not go on to complete the feedback form or navigate to any of our other pages after (up from 68% as at 12 April)
- › Average time spent on the page was 1.54 minutes (up from 1.48 mins at 12 April)

# Advocacy groups and local councils



## Continuing to engage

- ▶ **Follow up discussions undertaken with Councils and advocacy groups**
- ▶ **Follow-up engagement with MPs on a broad range of issues, including pricing, scheduled for Vic Parliamentary Briefing in June/July**
- ▶ **Discussions with local AusNet Services representatives to increase insights**
- ▶ **Seeking feedback from Customer Consultative Committee members but no written responses to date**

# Submissions





# CCP17 submission (Final)

# CCP17 submission



## ► Positive comments on Customer Forum process

- › The Customer Forum has probably spent more time considering the regulatory proposal than any previous consumer focused group in Australia: 40 meeting days including 14 negotiation days and 82 separate presentations is reflective of this.
- › AusNet Services Customer Forum is the ‘most briefed’ consumer-representing group ever to engage with an Australian network business regulatory proposal. They appear to be working well as a team, have clear principles and process guidelines to work to and have an excellent ‘sense’ of where to focus their efforts
- › By actively seeking a consumer perspective and consumer benefit in all aspects of the development of the AusNet Services regulatory proposal, the Customer Forum has found that they have possibly contributed more to AusNet Services and consumers at large by actively working through informal process and networks than they have by their formal engagement in negotiating a regulatory proposal.
- › Allowing time without a specific agenda item or briefing has been a crucial part of the Forum’s process to date.
- › We are impressed by the impact which the Customer Forum has already had in realigning AusNet Services business towards a more customer-centric mode of operation

## CCP17 submission

### ▶ Opex

- › Agree with the Customer Forum that further analysis of the individual step change proposals is warranted
- › Makes sense that the Customer Forum continue to engage with AusNet Services about opex productivity improvement, beyond the 0.5% AER specified minimum

### ▶ Augex & major asset replacements

- › Concerns about AusNet's ability to deliver such a large amount of work in an efficient manner, without attracting additional 'workload' cost premiums
- › Information provided by AusNet has been appropriate and balanced
- › Current negotiated outcome is in the long term interests of consumers – noting there will be further negotiation

### ▶ Customer experience and hardship arrangements

- › Congratulate the Customer Forum for achievements in this area that may not otherwise have been obtained, because other traditional approaches would not have approached the price review in the same way
- › Strongly support the Customer Satisfaction Incentive Scheme

## CCP17 submission

### ▶ Repex

- › Note a general trend by AusNet Services to address its ageing fleet of power transformers and outdoor 66kV and 22kV circuit breakers - replacement of these assets may better be considered through the broader modelling of failure rates, asset lives and risks, rather than a list of location-by-location projects
- › Acknowledge the valuable position the Customer Forum has taken regarding the ranking of the projects and sensitivity of the community to supply reliability. Without the more extensive analysis however, they would not support the Customer Forum assessing whether the projects proposed represent 'value for money'

### ▶ Innovation

- › Supports effective, targeted innovation by network businesses, where this can deliver meaningful benefits to customers – expect business cases for each project
- › On governance, consider arrangements similar to those adopted recently by Ausgrid
- › The need for EV-related innovation projects could be subject to further analysis and discussion

### ▶ DER

- › Pleased to see the level of engagement with stakeholders, and in particular the Customer Forum, in this matter
- › See the position taken by the Customer Forum as a critical aspect of this discussion.

# CCP17 submission

## ▶ Metering

- › CCP questions how much of the reduction in metering charges is due to cost reductions that provide better value for customers versus being a function of the greater sharing of costs with the Distribution business
- › There are few customer experience improvements that have not already been delivered by the commencement of the 2021-25 regulatory period
- › The CCP expect to see explicit reference in the capex and opex proposals to savings that have been made through the benefits that have been achieved from installation of smart metering

## ▶ Price path

- › Supports the position taken by the Customer Forum on price path option



## Customer advocate submissions

## ▶ **Positive comments on Customer Forum and opportunity for early engagement**

- › AusNet is to be congratulated for the Customer Forum initiative & the opportunity for early engagement on a Draft Proposal
- › Congratulate AusNet on their willingness to expose their consumer engagement to the scrutiny of the Customer Forum & AusNet's timely and substantive responses to the CF's findings

## ▶ **Comments on Customer Forum Interim Engagement Report**

- › Reflecting the Customer Forum's strong skills, it has undertaken an excellent consumer engagement process that provides rich data and findings on AusNet's level of consumer engagement and where improvements might be made; it has provided a model for AusNet to work with in the future
- › The actual scope of the negotiations is probably less than 5% of the total proposed revenue of \$3.6b in 2021-26
  - **Note: the 5% assumes not all opex is in scope in practice (e.g. base year). However, including all opex means that approx. 37% of revenue is in scope.**
- › We doubt the effectiveness of the Customer Forum to negotiate with AusNet on the substantive issues within scope of forecast opex and capex expenditure; this is due to a combination of a lack of expertise and the level of detailed information that AusNet can provide at this early stage of their proposal development.

## ► Comments on Draft Proposal

- › The proposed reductions in opex and capex for the 2020-25 period are relatively small with the customer price reduction driven more (57%) by changes in the WACC parameters than by actions actually taken by AusNet
- › The price impact of these external actions will only increase when AusNet also includes the impact of lower bond rates and the impact of recent AER decisions on opex productivity (0.5% reduction) and the calculation of the tax allowance
- › WACC is now at the low point of the cycle; any change to increasing interest rates will leave consumers very exposed to significant price increases unless AusNet makes further reductions in opex and capex
- › We look forward to further detailed engagement with AusNet to get confidence that all possible improvements in efficiency and productivity are being included
- › It is difficult to answer the specific questions on expenditure given the early stage we are at in the reset cycle – but we would be surprised if there were not considerable further scope for expenditure reductions and hence price falls, excluding the impact of external factors outside of AusNet’s control (interest rates, opex productivity and tax allowances)
- › We look forward to the AER’s analysis in its Draft Determination to inform further specific comments on proposed expenditure
- › We support the customer experience actions, particularly the appointment of the Retailer & Large Customer Liaison role

# SACOSS



- › Notes the extensive engagement process prior to lodgement
- › Concerned that there is too much focus on individual customer's reliability and little consideration given to questions around reasonableness, appropriateness and non-network and deferral options
- › More information needed on survey work regarding willingness to pay for the augex major project and there does not appear to be any assessment of willingness to pay outside of the proposed zones
- › There is a need for need for strong scrutiny by the AER of the augex elements in the Regulatory Proposal

# Consumer Policy Research Centre Reports



# Households experiencing disadvantage in the AusNet Services Distribution Area

## *CPRC Report - Overview*



- ▶ **Identifies types and locations of households within AusNet Services' distribution area (gas and electricity) that are experiencing disadvantage**
- ▶ **Informs design of outreach and engagement to support households to better understand and manage their energy bills**
- ▶ **Adopts a data-driven approach**
- ▶ **Distinguishes between vulnerable and disadvantaged**
  - › Vulnerable consumer is at risk of exposure to detriment while a disadvantaged consumer is actually experiencing the detriment
  - › A person's experience of vulnerability and disadvantage is not static, but rather, fluid, and can change over the course of their life
- ▶ **Focuses on disadvantage to identify those that are most 'in-need', based on measures of poverty, Index of Relative Socio-economic Disadvantage (IRSD), persistent heating inability, low income/high cost and persistent payment difficulty**
- ▶ **17 suburbs within AusNet Services' distribution area appear on all five measures of disadvantage and recommended as the focus of consumer engagement and outreach activities for the CPRC project**

# Households experiencing disadvantage in the AusNet Services Distribution Area

## *CPRC Report – Measures of disadvantage*



▶ **Multi-dimensional, involves many aspects of people’s lives and influenced by the values and priorities of different societies**

▶ **Adopts three measures of disadvantage:**

### 1. Poverty

- As reported by VCOSS, half median equivalised disposable income\* - \$352.45/week based on ABS Survey of Income and Housing from 2015 and 2016
- Based on VCOSS poverty map, identified 40 areas within AST’s distribution area contain highest proportion of households living in poverty

### 2. Relative socio-economic disadvantage

- Index of Relative Socio-economic Disadvantage (IRSD), which draws on census data and uses 16 variables, including, low household equivalised income (less than ~ \$26K/yr) people who are unemployed, one parent families, people who do not speak English well, families with children (under 15 years) who live with jobless parents
- 39 locations with AST’s distribution area appear in the first decile of disadvantaged Victoria (where populations are greater than 1,000)

\*Adjusted to allow for differences in household numbers and composition

# Households experiencing disadvantage in the AusNet Services Distribution Area

## CPRC Report – Measures of disadvantage



### 3. Fuel poverty

- Only consumption based measure
- Based on VCOSS and Brotherhood of St Laurence research, identifies characteristics of three types of fuel poverty
- Using 2016 consensus data, identified areas within AST’s distribution area that contain high proportions of households matching the characteristics for each of the three types of fuel poverty

Type of fuel poverty	Characteristic of household				
	Household composition	Housing tenure	Employment	Income	Disability/ health
Persistent payment difficulty (self-reported)	- Lone parents	- Renting	- Unemployed	- Bottom two quintiles	- Household with long-term health condition or disability - Household with poor mental health
Low income but high proportion of income spent on energy	- Aged 65 and over	- Outright home owner	- Out of the labour force	- Bottom quintile	- Household with disability (61%)
Persistent heating inability (self-reported)	- Single person households	- Renting - Public housing tenants	- Unemployed - Out of the labour force	- Bottom quintile	- Household with long-term health condition or disability - Household with poor mental health

# Households experiencing disadvantage in the AusNet Services Distribution Area

## CPRC Report – Most in-need areas



- There are more areas of disadvantage in our Gas Network than our Electricity Network

	Suburb/town	AusNet distribution area	Poverty <sup>42</sup>	IRSD	Persistent Heating Inability	Low income, high proportion spent on energy	Persistent payment difficulty
5 measures of disadvantage	Moe	Electricity	x	x	x	x	x
	Bairnsdale	Electricity	x	x	x	x	x
	Benalla	Electricity	x	x	x	x	x
	Wonthaggi	Electricity	x	x	x	x	x
	Morewell	Electricity	x	x	x	x	x
	Broadmeadows	Gas	x	x	x	x	x
	Maryborough	Gas	x	x	x	x	x
	California Gully	Gas	x	x	x	x	x
	Coolaroo	Gas	x	x	x	x	x
	Corio	Gas	x	x	x	x	x
	Dallas	Gas	x	x	x	x	x
	Sebastopol	Gas	x	x	x	x	x
	Whittington	Gas	x	x	x	x	x
	Wendouree	Gas	x	x	x	x	x
Norlane	Gas	x	x	x	x	x	
Long Gully	Gas	x	x	x	x	x	
Fawkner	Gas	x	x	x	x	x	
4 measures of disadvantage	Orbost	Electricity		x	x	x	x
	Yarram	Electricity		x	x	x	x
	Lakes Entrance	Electricity	x	x	x	x	
	Euroa	Electricity		x	x	x	x
	Myrtleford	Electricity		x	x	x	x
	Stawell	Gas		x	x	x	x
	Redan	Gas	x	x	x		x
	Colac	Gas		x	x	x	x
3 measures of disadvantage	Campbellfield	Gas	x	x		x	x
	North Bendigo	Gas	x	x	x		x
	Foster	Electricity			x	x	x
	Thomastown	Electricity		x		x	x
	Newcomb	Gas		x	x		x
	Bell Park	Gas	x	x		x	
	Camperdown	Gas			x	x	x
Castlemaine	Gas			x	x	x	
Eaglehawk	Gas	x	x	x			

# The Energy Information Needs of Community Workers and their Clients

## *CPRC Research Findings - Overview*



- ▶ **Findings were consistent across 3 research methods to understand energy information needs of community workers and their clients:**
  - › Ten face-to-face interviews with community workers
  - › Online survey of 55 community workers across different sectors, regional and metro
  - › Three co-design workshops with community workers, energy stakeholders and vulnerable consumers
- ▶ **Confirms energy (along with housing) continues to be a major issue facing clients of community service organisations**
- ▶ **Information must be simplified and provide people with concrete actions to take and enable consumers to feel in control**
- ▶ **Demand exists for energy information in five core areas**
  1. Concessions and grants
  2. Unaffordable energy bills and disconnection
  3. Reading energy bills
  4. Finding cheaper plans
  5. Saving energy

# The Energy Information Needs of Community Workers and their Clients

## *CPRC Research Findings – Importance and challenge of energy*



- ▶ **Energy is seen as being of high importance to community workers with almost half of all surveyed workers (47%) rating energy as extremely important**
  - › “Even if power is not the main issue for initial contact, if there is financial difficulty it will always include energy bills”, *Energy Survey respondent*
- ▶ **Financial counsellors spend more time on energy than other community workers**
- ▶ **Lack of trust amongst consumers in energy, particularly with energy retailers, so clients preferred speaking to trusted sources of information, e.g., friends and family**
- ▶ **Key challenge for community workers was keeping up to date with changes in energy market and its perceived complexity**
- ▶ **Best way to support some community workers was to provide resources to give directly to clients, rather than develop material to strengthen their own understanding of energy**

# The Energy Information Needs of Community Workers and their Clients

## *CPRC Research Findings –Key energy topics*



### **1. Concessions and grants**

- › Gaps exist in knowledge about concessions resulting in clients not claiming much needed financial assistance to lower the cost of their bills

### **2. Unaffordable energy bills and disconnection**

### **3. Reading energy bills**

- › Simplified information needed to support consumers to locate and extract key information from their energy bills, boosting confidence in the retailer and supporting identification of concession entitlements

### **4. Finding cheaper plans**

- › Clients were aware of benefits of switching but many did not take any action due to the fear of being rejected by the retailer

### **5. Saving energy**

- › Surprisingly, information on saving energy did not feature as strongly among survey respondents
- › This may be due to the fact that clients were unsure about the effectiveness of energy saving measures, so constantly try every available measure, leading to high levels of stress
- › Participants of the co-design workshop identified significant savings that consumers can realise through saving energy (as well as choosing a better energy offer)

# The Energy Information Needs of Community Workers and their Clients

## CPRC Research Findings –Key energy topics



Table 1: Energy topics and key outcomes

	Energy bills	Better offers	Concessions & grants	Payment plans & disconnections	'Saving' energy
<b>Why are we presenting info on this topic?</b>	Understand energy costs & payments	Feel they can get a better offer (be less concerned about perceived risk)	Be aware of financial support available	Know their rights	Save money by eliminating wasted energy
<b>We want to support people to...</b>	Identify billing errors Check that concessions are applied	Save money by accessing cheaper offers	Assess eligibility for concessions & grants	Speak to their retailer when in difficulty	Focus on what's easy & effective (not worry about the small stuff)  Be comfortable

Table 2: Communication principles

Empowerment	Clarity	Simplicity	Appeal
Message shows you can <b>take control</b>	<b>Clear</b> about what info is needed	Only <b>essential</b> info is provided	Design is <b>engaging</b>
Language is <b>positive</b>	Clear path - <b>concrete</b> next steps		Materials are <b>accessible</b>
Language is <b>enabling</b> & increases trust	Benefits are <b>clear &amp; tangible</b>		Users are left feeling <b>capable</b>

# The Energy Information Needs of Community Workers and their Clients

*CPRC Research Findings –Approach to energy information*



- ▶ **Survey respondents preferred fact sheets, web pages and booklets regardless of whether the target audience was a community worker or client audience**
- ▶ **Interviewees suggested a much broader range of resources, including videos, podcasts and flowcharts**
- ▶ **Preference for producing materials in languages other than English, most commonly spoken at home in Victoria, including Arabic, Greek, Persian/Dari, Turkish, Vietnamese, Hindi**
- ▶ **Information must be provided through trusted sources such as community workers**
- ▶ **Materials should adopt a consumer rights-based approach**
- ▶ **Information should provide simple, clear and concrete steps, empowering clients**
- ▶ **Desire for a central hub for energy, providing workers with access to all the latest information on energy and act as an independent and authoritative source, supporting the planned redevelopment of CPRC's EnergyInfoHub**