



Communication Link

Engaging Victorians on the future of the gas networks

Victorian gas access arrangement review: FY2024-28

Consultation report

April 2022

Contents

1.	<u>Executive Summary</u>	3
2.	<u>Background and introduction</u>	4
2.1	Engagement approach	4
3.	<u>What we heard</u>	9
3.1	Round 1 workshops	9
3.2	Round 2 workshops	10
3.3	Round 3 workshops	11
3.4	Overarching feedback and take-home messages from customers	11
3.5	Additional insights across all three workshops	12
4.	<u>Evaluation outcomes</u>	13
5.	<u>Conclusion</u>	14
6.	<u>Appendices</u>	15



1. Executive Summary

AusNet, along with Australian Gas Networks and Multinet Gas Networks provide gas to around 2 million Victorians. Every five years these regulated gas businesses submit a regulatory plan to the Australian Energy Regulator for approval. This review of the gas network Access Arrangements establish the plans and prices for customers for the next five-year period. The three gas networks are delivering a joint customer and stakeholder engagement program for the FY2024-2028 Victorian Gas Access Arrangement Reviews.

As part of the engagement program, **Communication Link facilitated three rounds of iterative customer workshops for AusNet between July 2021 and February 2022. The purpose of the workshops was to hear from people, representative of the AusNet customer base**, about their values and preferences for their natural gas services; test and get feedback on AusNet's proposed inclusions into its regulatory submission against the topics that were important to them; and seek feedback and input on new programs in AusNet's the draft regulatory submission including accelerated depreciation of assets and the introduction of a priority service program.

A total of 110 AusNet gas customers participated across the three rounds of workshops.

Workshops were designed to build understanding in participants with respect to the operation and funding of the gas network and enable informed feedback to AusNet. Post-workshop participant evaluations found that presentations and concepts were well understood and that 95% of participants felt it was easy to contribute and that their feedback was listened to by AusNet.

From this engagement program, several important themes were identified:

- Customers want to ensure bills remain affordable now and into the future. Customers are also concerned about the costs of changing to a different energy source, whether that's converting to electrical appliances or appliances that are required to support hydrogen.
- Customers recognise the need to pursue a sustainable future and support the move to transition away from natural gas.
- Customers highly value their gas supply, specifically for its reliability, safety, cost and unique heating and cooking advantages. Customers want these aspects maintained in the transition to alternative energy sources and they want to be informed early about the transition process so they can plan ahead.
- Participants acknowledged that the transition to net zero meant current natural gas use in Victoria will have to be significantly reduced and that AusNet might make different business decisions in response.
- Whilst not unanimous amongst the workshop participants, there was strong support for AusNet's proposal to invest an additional \$130m to accelerate the depreciation of the gas network. There was some limited opposition towards AusNet's proposed accelerated depreciation approach and those costs being passed on to customers.
- There were discussions in many workshops about whether government should also play a role in helping AusNet and its customers transition away from natural gas. A small number of customers thought that AusNet should not be allowed to pass any additional costs on to customers and that owning a gas network was their risk alone, and a small number of others suggested that without a clear future for gas, it might be best for AusNet to pass price cuts on to customers now, in the hope that these low prices continue once a pathway for natural gas becomes clear.
- AusNet customers support the introduction of a priority service program for vulnerable customers. They believe the additional charge of approximately \$1.30 per customer, per annum is acceptable and the proposed principles for the priority service program put forward by AusNet were broadly supported. Customers were interested in the design of the program, particularly that it would be accessible but not open to exploitation, and that the impact would be measured.

A complete summary of the feedback heard can be viewed in section 3 of this report.

2. Background and introduction

Together, AusNet Services, Australian Gas Networks, and Multinet Gas Networks deliver gas to more than two million Victorians.

Every five years these regulated gas businesses submit a regulatory proposal to the Australian Energy Regulator as part of a review of Access Arrangements that establish the plans and prices for its customers for the next five-year period. The three gas networks have partnered to deliver a joint customer and stakeholder engagement program for the 2024-2028 Victorian Gas Access Arrangement Reviews.

To ensure that plans focus on the things that are important to gas customers, 18 months of consultation was scheduled for customer and stakeholder input. The engagement program and activities planned for the regulatory submission were designed to give stakeholders and customers an opportunity to engage, influence and shape future planning for the gas network. This report outlines AusNet's engagement approach and provides an analysis of the feedback received from one aspect of the 18-month consultation – the iterative customer workshops.

2.1 Engagement approach

2.1.1 Customer workshop format

As part of the engagement program, Communication Link was engaged to facilitate iterative customer workshops for AusNet. These customer workshops were delivered over three rounds with the same group of customers participating throughout the program. This allowed discussions with these customers to build over the three sessions, providing time for these customers to understand the operations of the gas network, identify issues of importance and explore these issues in more detail.

Figure 1 outlines the iterative progress of the workshop discussions.



Figure 1. AusNet customer workshop process




The workshops took place over three rounds between July 2021 and February 2022. Each round was divided into five distinct workshops, representing the following Victorian population centres of:

- Craigieburn
- Bendigo
- Geelong
- Warrnambool.

The fifth workshop group included representatives from Geelong's culturally and linguistically diverse community (CALD).

Table 1 below lists the workshop dates and locations.

Table 1. Workshop dates

Workshop	Round 1 	Round 2 	Round 3 
Geelong	15 July 2021	11 October 2021	10 February 2022
Geelong - CALD	15 July 2021	11 October 2021	10 February 2022
Craigieburn	27 July 2021	12 October 2021	15 February 2022
Bendigo	28 July 2021	13 October 2021	16 February 2022
Warrnambool	14 July 2021	14 October 2021	17 February 2022
Multi-region top-up workshop*	18 August 2021		

*A sixth workshop was held in Round 1 to include participants who missed their allocated round 1 workshops.

Due to COVID-19 restrictions, workshops were held online via Zoom. Feedback and discussion took place using the online collaboration platform, Mural. Participant polling and surveying was also undertaken using Survey Monkey and Mentimeter.

With regards to workshop durations, the first round of workshops went for 1.5 hours, round 2 workshops went for 2.5 hours and round 3 workshops were one hour and 45 minutes in length. (The first of the round 3 workshops only went for 90 minutes, however timing was extended for the final four workshops).

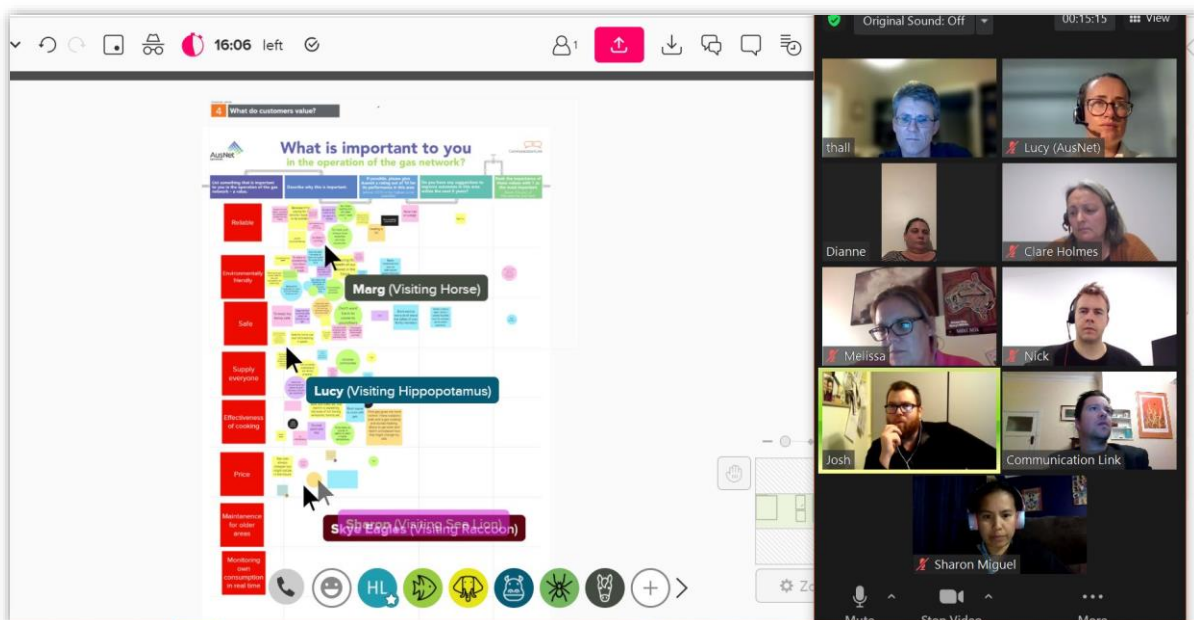


Figure 2. Participants providing feedback using ‘digital sticky notes’ on the Mural board whilst using Zoom.

2.1.1 Recruitment and participation

Workshop participants were recruited through independent third-party market research and recruitment firms engaged directly by AusNet. Participants were selected to represent a demographic

spread of AusNet’s customers. This included age, gender, education level, housing ownership and income.

To strengthen representation of CALD communities among the participants, AusNet partnered with the Ethnic Communities Council of Victoria and Diversitat Geelong to recruit CALD participants from the Geelong area.

All participants were paid for their attendance at workshops.

A total of 110 customers participated in the program of workshops. Most participants were residential customers with only a small number of business customers. It should be noted that approximately 20 per cent of participants did not attend all three workshop rounds.



Figure 3. Customer workshop participant demographics

2.1.2 Workshop delivery

All three rounds of workshops were held online. AusNet and Communication Link had scheduled two rounds – one and three – as face-to-face sessions, though they were converted to online sessions due to COVID-19 restrictions on mass gatherings.

Pleasingly, customers were willing and able to transition to the online format and no participant withdrew due to the change in delivery method. The Zoom platform was selected for the workshops. A very small handful of customers had not used the platform before, but all were willing to try and it and were offered technical assistance setting it up.

The workshops were designed in a manner that encouraged contribution by all participants, regardless of their ability to use technology. To achieve that in an online environment, the digital platform, Mural, was used as it allowed participants to engage and provide feedback in much the

same way they would in face-to-face workshops. This was achieved by having each participant logon to Mural's virtual whiteboard and post their own feedback in their own time and words. This was supported by facilitators within the workshop reflecting the chat discussion and verbal contributions onto Mural for those choosing not to access this technology.

Customers who found Mural difficult to use themselves were still able to participate. Facilitators used the screen share function so all participants could follow the Mural board, and additional views were obtained via live discussion or the Zoom chat functions and recorded on the Mural board by facilitators.

By ensuring adequate time for discussion, breaking into smaller groups and providing facilitators to record all content – participants were able to actively contribute throughout the workshop series.

Post-workshop participant evaluations found that 95 per cent of participants felt it was easy to contribute and that their feedback was listened to by AusNet.

Each workshop commenced with introductions and included briefings by AusNet that covered key topics such as:

- background information about AusNet
- AusNet's objectives for its customers and the gas network more broadly
- summaries of what was heard in earlier customer workshops.

Following introductions and briefings, participants worked as a whole group or in smaller breakout groups to provide their feedback in Mural. Feedback was either directly placed on Mural boards by participants or by AusNet and Communication Link co-facilitators who listened to feedback verbally or copied it from the Zoom chat function. At the conclusion of the feedback sessions the Communication Link facilitator would summarise the feedback and encourage participants to validate or expand on the feedback themes identified.

At the conclusion of each workshop participants were invited to undertake a quick evaluation on the effectiveness of the workshop.

Questions raised during each workshop that were not addressed during the discussion were recorded. Answers were prepared by AusNet and distributed to all participants after the workshop, in preparation for the next round.

2.1.3 Workshop reporting

The workshops were designed to capture feedback in a manner that allowed post-workshop analysis to ensure clarity of outcomes.

Based on analysis of workshop data, Communication Link prepared a summary of feedback at the conclusion of each round. These Listening Reports were used to inform planning for the next round of workshops and are included at Appendix A.



Figure 4. Example of a Mural board activity with sticky notes.

2.1.4 AusNet Involvement

AusNet representatives (typically three to six people) attended all customer workshops.

While Communication Link facilitated the workshops and activities, AusNet representatives played a key role in the presentation of plans and of answering technical questions about them. The number of AusNet presenters was kept to a minimum to ensure the workshops flowed smoothly and to maximise time for participant discussion. AusNet staff also helped with light administration as required, including copying and pasting participants' comments to the Mural boards during the workshop.

At least one senior executive, technical engineering representative, technical regulatory representative and engagement specialist were present at all workshops, though did not always speak.

2.1.5 External Observers

A small number of external observers joined the workshops across the three rounds, including from other gas networks, the Australian Energy Regulator's Consumer Challenge Panel, and interested customer representatives who were involved in other aspects of the regulatory review. They did not participate in any discussions or activities.

3. What we heard

The workshops were designed as a series that built knowledge of participants so that they were able to provide informed input to AusNet with respect to its proposed Access Arrangement. Feedback from each workshop was used to inform the discussion at the following workshop. Throughout all workshops the key challenges surround the transition of the energy sector away from a reliance on natural gas were explored.

Figure 5 summarises the key areas of feedback received at each workshop which led to broad messages to inform AusNet’s regulatory planning.



Figure 5. An overview of the feedback from the workshop series.

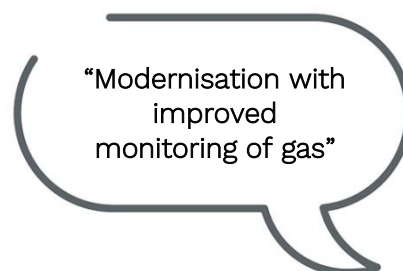
The following provides a brief summary of what was heard in the three workshop rounds. The complete listening reports for each round of workshops can be found in Appendix A.

3.1 Round 1 workshops

In the first round of workshops, participants were asked to identify:

- what they value about gas supply
- their level of satisfaction with key aspects of supply
- opportunities to improve gas supply
- what’s important to them in terms of future planning for gas supply
- priority areas for future engagement.

Out of these discussion topics the following themes were identified:



- **Health and safety** – customers place high importance on ensuring that the network, appliances, and their families are safe.
- **Affordability and pricing** – ensuring that gas is accessible to all and that customers understand usage and how to save money (particularly as costs keep rising), remaining cost-competitive with electricity.
- **The future supply of gas** – customers want to see investments into research and development projects that will increase efficiency with low costs, reduced environmental impacts and ensuring supply lasts for future generations.
- **Reliability of services** – customers want to maintain the current high standards of reliability from the service.
- **Sustainability** – reducing carbon emissions and minimising other environmental impacts of gas is a high priority for customers.
- **Renters vs homeowners perspectives on the mix of appliances in their home** – Renters typically have no choice about whether they have gas or electric appliances and the mix of each. Responsibility for appliance safety is also largely outside their control. Renters reported feeling particularly vulnerable to the effects of a potential transition away from natural gas, and renters and homeowners alike reported being worried about the future bills of customers who might not be able to easily transition their home energy usage and appliances.



3.2 Round 2 workshops

Round 2 workshops expanded on the discussion of round 1, responding to the five themes identified in round 1.

In the round 2 workshops, AusNet provided participants with information on AusNet's performance in each of these areas and presented proposed plans for the future with regard to each topic.

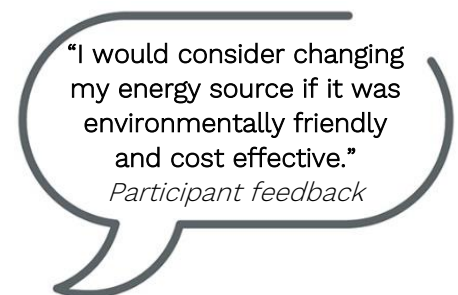
AusNet also outlined its proposed strategies for addressing the transition to net-zero emissions.

Participants were asked to indicate their level of agreement with the proposed plan presented.

The following key themes and outcomes were identified in round 2:

- **Affordability** - Throughout the workshops in round 2, the importance of maintaining affordability was highlighted with respect to each area of potential expenditure.
- **Safety and reliability** – Approximately 89 per cent were satisfied with maintaining similar safety standards.
- **Customer service** - Approximately 95 per cent of respondents are satisfied with AusNet's current customer service standards and 81 per cent of respondents supported further investigation into establishing a priority service program. The priority service program was seen as providing an important social benefit.
- **Agreement with five strategies to address net-zero emissions future** – Participants agreed with the five strategies proposed by AusNet to address the net zero emissions future.
- **Innovation** – Approximately 90% of respondents supported the idea of establishing an innovation fund to improve sustainability, reduce costs and create greater efficiencies.

Education – While customers feel education is important, many did not want AusNet-run education programs to add the cost of their bills. There were diverse perspectives on AusNet's role in providing education services to customers, the type of subjects that should be addressed, such as safety or providing advice for improving energy efficiency in households etc, and potential channels for



education programs. Many believed government or retailers were better positioned to deliver gas education services.

3.3 Round 3 workshops

The third and final round of workshops occurred after AusNet had released its draft regulatory proposal for public consultation. AusNet used the third workshop to update participants on the details of its regulatory proposal with respect to the customer-identified themes, and the discussions and feedback received in the second round of workshops.

In addition, AusNet sought feedback from participants with respect to its proposed approach to managing the transition to a net-zero emissions future for energy. The workshop agenda asked participants to:

1. Discuss and evaluate the problems AusNet is trying to solve to address the uncertainty of its plans for gas
2. Consider the effects of accelerated depreciation on near, medium and long-term prices; discuss the role and suitability of accelerated depreciation of assets and, if they could, share an indicative view on which potential accelerated depreciation proposal they thought most preferable for the FY2024-28 regulatory period.
3. Indicate level of support for AusNet’s proposal to increase customer charges by approximately \$1.30 per year, per customer, to implement a priority service program to support vulnerable customers as was supported in workshop 2.
4. Provide feedback on the proposed principles of the priority service program.

The following key themes and outcomes were identified following discussion of the above topics:


- **Consumer costs** - One in three comments referenced costs to consumers as being a key priority to consider during the transition to a net-zero emissions future
- **Average support for AusNet’s preferred accelerated depreciation option** - Slightly less than half of all round 3 workshop participants stated explicit support for AusNet’s preferred accelerated depreciation option: Investing \$130m in accelerating depreciation and maintain stable prices now.
- **Satisfaction with priority service program** – Participants were not dissatisfied with AusNet’s proposed priority service program principles and the approximately \$1.30 per annum price increase to cover it.







3.4 Overarching feedback and take-home messages from customers

A number of key themes and take-home messages were identified throughout the duration of this engagement program and are summarised in Table 2.

Table 2. Overarching feedback and take-home messages

 Cost	<p>Regardless of how AusNet transitions to a net-zero emissions future, AusNet customers want to ensure energy is affordable. Customers are also concerned about the costs of changing to a different fuel source, whether that’s converting to electrical appliances or appliances that are required to support hydrogen,</p>
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 <p>Safety</p>	<p>AusNet customers highly value safety and want this maintained as AusNet transitions to an alternative fuel source.</p>
 <p>Reliability</p>	<p>AusNet customers value the existing reliability of their gas supply and do not want this compromised during the transition to a different energy source.</p>
 <p>Support for net-zero future and accelerated depreciation of the gas network</p>	<p>AusNet customers do recognise the need to pursue a sustainable future and support the move to transition away from natural gas.</p> <p>Whilst not unanimous, amongst the workshop participants, there was strong support for AusNet’s proposal to invest \$130m in accelerating the depreciation of the gas network whilst maintaining stable prices now. There was some, albeit limited, explicit opposition towards AusNet’s proposed accelerated depreciation approach.</p> <p>Participants see a role for government and AusNet in funding the transition away from natural gas.</p>
 <p>Support for a priority service program to support vulnerable customers</p>	<p>AusNet customers support the introduction of a priority service program for vulnerable customers. They believe the additional charge of approximately \$1.30 per customer, per annum is acceptable and the proposed principles for the priority service program put forward were broadly supported.</p>

3.5 Additional insights across all three workshops

A number of reoccurring comments and remarks across the 16 workshops provided valuable insights into AusNet customer priorities. These insights (listed below) should be considered together with the broader overarching feedback themes as AusNet’s finalises its regulatory submission.

Table 3. Additional customer insights

<p>Natural gas is better</p>	<p>Natural gas is seen as a more reliable energy source than electricity and is preferred by some for cooking and heating.</p>
<p>Uncertainty about the future</p>	<p>Workshop participants believed that there was too much uncertainty to be making early decisions about the future of natural gas, noting future improvements in technology and home energy use behaviour (e.g more customers moving to solar and battery power).</p>
<p>More control with gas usage</p>	<p>Customers would like to have greater control and more visibility of their gas use, pointing to real time monitoring as an advantage to managing bills.</p>
<p>Education</p>	<p>Customers support more education initiatives by AusNet, but many do not want the additional costs placed on them. There is also little agreement in the type of education programs AusNet should pursue.</p>

4. Evaluation outcomes

To understand the validity of the workshop process and foster improvements throughout the delivery of each round, Communication Link asked participants to complete an online evaluation survey at the conclusion of each of the 16 workshops.

With regards to survey completion rates, approximately 80 per cent of workshop participants completed the round 1 workshop survey. Approximately 70 per cent completed the round 2 survey and approximately 50 per cent completed the round 3 workshop survey.

The evaluation survey asked participants to reflect on the following:

- overall satisfaction of their overall satisfaction of an individual workshop
- understanding of the workshop purpose
- satisfaction with the workshop presentations
- satisfaction with the context they were provided
- satisfaction with the technology used, noting the workshops were held on online
- ability to participate
- satisfaction with the facilitator
- satisfaction with the tools and techniques used
- level of agreement that the workshops were the best way for Ausnet to understand customer views.
- satisfaction with the number of workshops held.
- level of satisfaction as to how they were listened to.
- level of satisfaction with the AusNet team’s level of openness and transparency .

The table below provides key insights gleaned from the participant surveys.

Table 4. Insights into participant satisfaction with the workshops

Survey question	Participant insight
Overall satisfaction with an individual workshop*	Approximately 90 per cent of workshop participants rated their satisfaction as either good or excellent (56 per cent rated excellent)
Understanding of the workshop purpose	Nearly 90 per cent of participants were clear about the purpose of the workshops
Satisfaction with the workshop presentations	Over 75 per cent of participants understood the presentations provided at the workshops
Satisfaction with the context they were provided	Over 77 per cent of participants felt the context was easy to understand.
Satisfaction with the technology used	Over 78 per cent of participants felt the technology was easy to use.
Ability to participate	Almost 95 per cent of participants felt it was either easy or very easy to participate. One in two participants felt it was very easy
Satisfaction with workshop facilitator	Almost 96 per cent of participants felt the workshop facilitator was either effective or very effective.

Tools and techniques used	Over 95 per cent of participants felt the tools and techniques used were effective or very effective
Number of workshops held	Nearly 80 per cent of workshop participants were satisfied with the number of workshops they were required to attend.
Agreement that the workshops were the best way for Ausnet to understand customer views.	All participants who responded to this question believed the program of customer workshops was the best way to understand their views.
Level of satisfaction as to how participants were listened to	Nearly 95 per cent of participants either agreed or strongly agreed that they were listened to as AusNet was developing its plans
Level of satisfaction with the AusNet team's level of openness and transparency	Approximately 87 per cent of participants agreed or strongly agreed that the AusNet team was being open and transparent.

**This question was only asked for the first round of workshops*

5. Conclusion

The three rounds of workshops garnered a significant and consistent level of data. This data came from a suitably representative group of people that reflected the demographics of AusNet's customer base. Workshops were designed to enable effective participation throughout the workshop series. Participant evaluation shows that presentations were understood and 95% of participants felt they were heard by AusNet.

The feedback was generally consistent across all workshops, with key trends, themes and insights easily identifiable.

AusNet can be confident that this consultation program provides a reliable reference in finalising its regulatory submission. Participant satisfaction further validates the engagement process undertaken.

6. Appendices

Appendix A: Workshop Listening reports

Appendix B: Mural Board feedback

Appendix A – Listening reports

Engaging Victorians on the future of the gas networks

Victorian Gas Access Arrangement Reviews: 2024 -28

AusNet Iterative Customer Workshops Round 1 of 3

August 2021

3. Introduction

Together, Australian Gas Networks, AusNet Services, and Multinet Gas service deliver gas to more than 2 million Victorians.

Every five years these regulated gas businesses submit a regulatory plan to the Australian Energy Regulator as part of a review of Access Arrangements that establish the plans and prices for its customers for the next five-year period. The three gas networks have partnered to deliver a joint customer and stakeholder engagement program for the 2024-2028 Victorian Gas Access Arrangement Reviews.

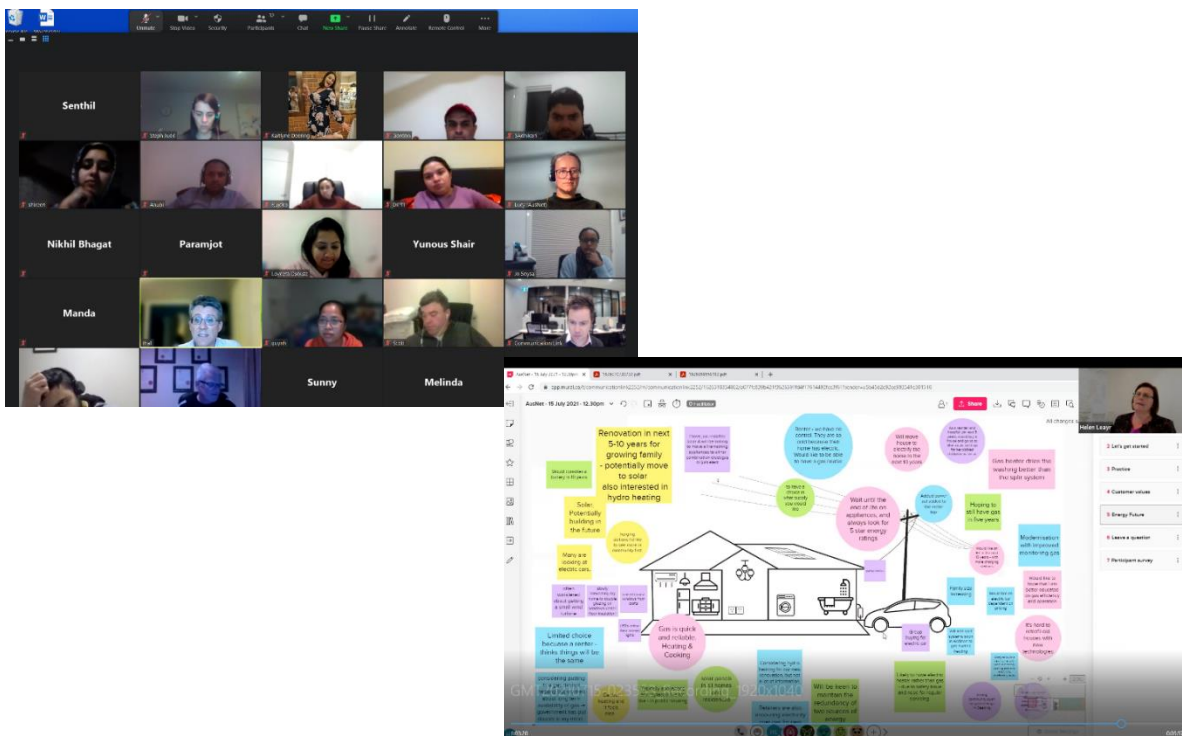
To make sure the plans focus on the things that are important to gas customers, 18 months of consultation allows for customer and stakeholder input. This program is outlined in the Engagement Plan for Consultation.

The engagement program and activities planned for the upcoming regulatory submission are designed to give stakeholders and customers an opportunity to engage, influence and shape future plans.

These plans will set out what products and services gas businesses will offer customers, how much is spent on them, and what customers will pay for the distribution component of their bill.

As part of the engagement program, Communication Link has been engaged to facilitate iterative customer workshops for Ausnet. These customer workshops will be delivered over three rounds with the same group of customers, allowing discussions with these customers to build over the three sessions based on increasing customer knowledge and an opportunity to close the loop on discussions.

This report summarises the key feedback gathered from the first round of workshops held between 14 July – 18 August 2021. A more comprehensive Consultation Report will be prepared following the second and third rounds of workshops.



Our approach

Workshops were designed to offer opportunities to build knowledge with participants and encourage participants to collaborate, exchange ideas and provide meaningful feedback to Ausnet.

The consultation and engagement activities were delivered following the following engagement principles:

- **Genuine and committed** - We listen and respond to the needs of our customers and stakeholders, driving a culture of delivering value for our customer.
- **Integrated** - We will be responsive by integrating customer and stakeholder feedback into all aspects of this work.
- **Clear, accurate and timely communication** - We provide information that is clear accurate, relevant, and timely.
- **Accessible and inclusive** - We involve customers and stakeholders on an ongoing basis in a meaningful way to ensure that our plans deliver for customers.
- **Measurable** - We measure the success, or otherwise of our engagement activities.
- **Transparent** - We clearly identify and explain the role of customers and stakeholders in the engagement process, and customer with customers and stakeholders on information and feedback processes.

The first round of workshops were designed to be delivered in a face-to-face format however were moved to an online format in response to COVID 19. The engagement principles outlined above were successfully applied to the online format.

Participants

Workshop participants were recruited through an independent recruitment firm which targeted a demographic spread, considering age, gender, education level, housing ownership and income.

To strengthen representation of culturally and linguistically diverse (CALD) communities among the participants, AusNet partnered with the Ethnic Communities Council of Victoria to arrange a dedicated workshop with CALD participants.

137 customers participated in this round of workshops. The majority of participants were residential customers with only a small number of business customers. Demographic analysis will be undertaken for the final consultation report.

Workshop delivery

On behalf of AusNet, Communication Link hosted the series of online workshops, each running for 2 hours via video communication platform Zoom. The virtual tool 'Mural' was also used as a digital workspace for visual collaboration.

This round of workshops was held on the following dates and times:

- 14 July, 5.30pm – Warrnambool
- 15 July, 12.30pm – Geelong
- 15 July, 7pm – Geelong (CALD)
- 27 July, 6pm – Craigieburn
- 28 July, 5.30pm – Bendigo
- 18 August, 5.30pm – Multiple regions

Objectives

The primary objectives of this first round of the Interactive Customer Workshops Series were:

1. To inform participants on:
 - Ausnet – who we are, what we do
 - Why their involvement is important, what they can expect from the process
 - The gas industry, how gas is supplied and what are the components of a gas bill.
2. To gather feedback from participants on:
 - What they value about gas supply
 - Level of satisfaction with key aspects of supply
 - Opportunities to improve gas supply
 - What's important to them in terms of future planning for gas supply
 - Priority areas for future engagement.
3. To start the conversation about future energy mix (next 5 years) and the role of gas.

4. What we heard

In keeping with the workshop objectives, each workshop commenced with a background presentation to provide participants with a general understanding of the gas industry and the role that Ausnet played.

Each workshop then consisted of two exercises that explored the following questions:

1. What is important to you in the operation of the gas network?
2. What changes are happening to the energy mix in your homes? Why? How will it be different in the future (5-10 years)?

Across all workshops, the most common areas identified as important to customers, in order of weighting, were:

- **Health and safety** – customers place high importance on ensuring that the network, appliances, and their families are safe.
- **Affordability and pricing** – ensuring that gas is accessible to all and that customers understand usage and how to save money (particularly as costs keep rising), remaining cost-competitive with electricity.
- **The future supply of gas** – customers want to see investments into research and development projects that will increase efficiency with low costs, reduced environmental impacts and ensuring supply lasts for future generations.
- **Reliability of services** – customers want to maintain the current high standards of reliability from the service.
- **Sustainability** – reducing carbon emissions and minimising other environmental impacts of gas is a high priority for customers.

– With respect to these common themes, participants were asked about their level of satisfaction and what opportunities there are to improve gas supply. Feedback in response to these questions were limited and when reflecting on the lack of difficulties associated with their gas supply, participants generally indicated a level of satisfaction or didn't offer suggestions for improvement.

– When asked about their future use of energy, participants in each workshop expressed interest in moving to more sustainable forms of energy, in particular solar. This was not necessarily at

the expense of gas, as there was also a strong commitment to continuing to use gas particularly for cooking. Many participants indicated that they did not feel informed on the most effective operation of their gas appliance and did not have the ability to manage energy consumption – this had the potential to influence future appliance purchasing decisions. It was noted at most workshops that renters are unable to easily change the energy mix in their homes.





The sections below provide a summary of feedback received at each workshop.

4.1 Warrnambool workshop

Focus area 1 – What customers value

The most frequent feedback heard during this workshop with respect to what customers value is identified in table 1 and how satisfied they are with Ausnet’s performance against each topic.

Table 5. Warrnambool participant feedback on what is important to them

 <p>Safety</p> <p>Confidence in the network for family and public safety.</p> <p>Participant satisfaction 8 out of 10</p>	 <p>Sustainability</p> <p>Sustainable solutions to preserve the environment for future generations.</p> <p>Participant satisfaction 7.5 out of 10</p>	 <p>Cost</p> <p>Affordable and available to all regardless of income and demographics.</p> <p>Participant satisfaction 7 out of 10</p>	 <p>Reliability</p> <p>Ability to maintain heating and cooking for everyday living.</p> <p>Participant satisfaction 8.5 out of 10</p>
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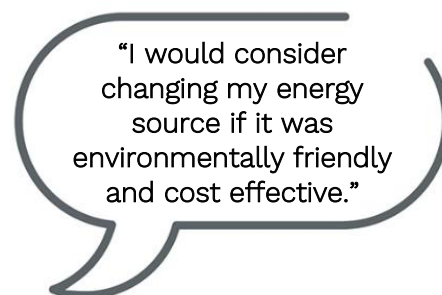
Other areas considered important by this group included:

- The quality of gas supply to ensure safety and effective operation of appliances
- The benefits of gas over electricity
- Less wastage on the gas network (including gas trucks)
- Innovation

Focus area 2 - Future use of Energy (5- 10 years)

The themes put forward at this workshop with respect to future energy use were:

- Continue using gas
- Considering affordable renewable / sustainable options within the home
- Switching to solar
- Expect better technology to exist
- Concern about the availability of gas in the future
- Options for more gas monitoring / usage control







4.2 Geelong workshop

“I hope that we still have gas in this timeframe”

Focus area 1 – What customers value

The most frequent feedback heard during the workshop with respect to what customers value is identified in table 2

Table 6. Geelong participant feedback on what is important to them

 <p>Sustainability</p> <p>Concerned about environmental impacts and seeking more information on sustainable solutions.</p> <p>Participant satisfaction 10 out of 10</p>	 <p>Cost</p> <p>A perception that electricity is cheaper than gas, particularly when you consider solar options.</p> <p>Participant satisfaction 5 out of 10</p>	 <p>Health and safety</p> <p>Seeking more understanding of appliance safety and any health risks.</p> <p>Participant satisfaction 7 out of 10</p>	 <p>Future supply</p> <p>Looking for more certainty around future gas supply.</p> <p>Participant satisfaction 10 out of 10</p>
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Other areas considered important by this group included:

- Timeframes for alternative gas sources (eg hydrogen)
- Access to the gas network as a renter
- Infrastructure management and maintenance – replacement, renewal and management in new developments
- Network expansion to regional areas, including new developments
- Reliability
- Education around management of gas appliances, understanding the gas bill and how to be an efficient user of gas
- Transparency around distribution of funds and future Government plans
- Innovation

Focus area 2 - Future use of Energy

The themes put forward at this workshop with respect to future energy use were:

- Switch to solar
- Batteries for solar power
- Better gas monitoring – both for consumption and safety
- Electric charging stations
- Hydro heating
- Choice
- Push to electric
- Use 5-star energy rating appliances
- Better education
- Electric cars
- Environmentally friendly / sustainable
- LED lighting
- Improved home insulation
- Personal wind turbines

“Modernisation with improved monitoring of gas”





“Solar panels in all homes and residences”

4.3 Geelong (CALD) workshop

Focus area 1 – What customers value

The most frequent feedback heard during the culturally and linguistically diverse (CALD) workshop with respect to what customers value are identified in table 3.

Table 7. Participant feedback on what is important to them

 <p>Safety</p> <p>Currently feel safe. Interested in education around safe appliance usage.</p> <p>Participant satisfaction 8 out of 10</p>	 <p>Cost</p> <p>Mixed views about cost of gas with respect to electricity. Important to keep costs low as new technologies are adopted</p> <p>Participant satisfaction 7 out of 10</p>	 <p>Sustainability</p> <p>Importance of alternative sustainable solutions.</p> <p>Participant satisfaction 8.5 out of 10</p>	 <p>Reliability</p> <p>Quick and efficient for daily home use.</p> <p>Participant satisfaction 9 out of 10</p>
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Other areas considered important by this group included:

- Performance
- Influence appliances so they are efficient
- Innovation
- Public and private partnership to collaborate on innovation and investment
- Research and development
- More education on how customers can be more efficient

Focus area 2 - Future use of Energy

The themes put forward at this workshop with respect to future energy use were:

- Increased use of solar
- ‘Smart’ homes
- Batteries for solar
- More sustainable solutions needed
- Electric cars
- Increased costs for gas
- Continue with dual fuel options
- Mainly use gas for cooking only
- Gas is more popular than other fuel choices if kept financially efficient
- New technologies will impact our options

“Would like to see gas being more sustainable”





“Looking to invest in solar panels”

4.4 Craigeburn workshop

Focus area 1 – What customers value

The most frequent feedback heard during the workshop with respect to what customers value is identified in table 4.

Table 8. Participant feedback on what is important to them

 <p>Cost</p> <p>Affordability for all particularly as general costs keep rising</p> <p>Participant satisfaction 5.5 out of 10</p>	 <p>Safety</p> <p>Important that network and appliances are safe.</p> <p>Participant satisfaction 6 out of 10</p>	 <p>Reliability</p> <p>Reliability of services is important to everyday living.</p> <p>Participant satisfaction 8.5 out of 10</p>	 <p>Sustainability</p> <p>Sustainable solutions to protect the environment for the future.</p> <p>Participant satisfaction 4.5 out of 10</p>
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Other areas considered important by this group included:

- Corporate and social responsibility
- Information about future directions and supply of gas
- Accessibility in terms of locations, and supply
- Gas extraction methods
- Education around the gas network, how it works, how to use gas efficiently etc
- Uninterrupted supply

Focus area 2 - Future use of Energy

The themes put forward at this workshop with respect to future energy use were:

- Solar powered
- Continue as is
- Choice between renewable / non-renewable options
- Government mandated renewable options
- Gas usage monitoring tools/aids with more dual fuel options
- Lifestyle adjustments (shorter showers / reduced heating usage)
- New technology and appliances
- Batteries for solar power
- Improved home insulation
- Reduced energy usage
- 'Smart' home
- Move to having only one source of energy
- Gas secondary to other sources
- Individual gas source points
- Main gas in kitchen only

“Ideally would like to only have one type of energy supply charge - how I could do that with electricity is clearer”





“Roads will become solar power generated units”

4.5 Bendigo workshop

Focus area 1 – What customers value

The most frequent feedback heard during the workshop with respect to what customers value is identified in table 5.

Table 9. Participant feedback on what is important to them

 <p>Safety</p> <p>Currently safe with interest in education around safe appliance use.</p> <p>Participant satisfaction 10 out of 10</p>	 <p>Reliability</p> <p>To ensure it is always available.</p> <p>Participant satisfaction 9 out of 10</p>	 <p>Environmentally safe</p> <p>Sustainable solutions to preserve the environment and ensure supply for future generations.</p> <p>Participant satisfaction not rated</p>	 <p>Cost</p> <p>Maintain affordability for all income levels; value for money.</p> <p>Participant satisfaction 7 out of 10</p>
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Other areas considered important by this group included:

- Accessible to all
- Properly maintained network, particularly in the older areas
- Good customer service and communication
- Education
- Performance of gas appliances
- Australian ownership
- Continuity of supply - making sure we don't run out of gas into the future

Focus area 2 - Future use of Energy

The themes put forward at this workshop with respect to future energy use were:

- Move to electric and solar
- More incentives to switch to renewable energy sources
- Maintain gas for kitchen only
- Continue as is – dual source is reliable
- Safety feature for gas appliances
- Improved integration between different energy sources
- Affordable batteries for solar power
- Remove gas for environmental reasons
- Switch to electric water heating
- More inclusion of hydrogen
- More electric cars
- Cost effective solar solutions
- Options for increased 'off grid' living

“Would be willing to keep gas if renewable gas was an option”




“Dual-fuel house good for reliability (back-up during an outage)”

4.6 Workshop 6: Multiple regions workshop

Focus area 1 – What customers value

The most frequent feedback heard during the workshop with respect to what customers value is identified in table 6.

Table 10. Participant feedback on what is important to them

 <p>Safety</p> <p>Keeping customers' homes and families safe.</p> <p>Participant satisfaction 9 out of 10</p>	 <p>Pricing</p> <p>Maintain affordability for all income levels, especially over winter.</p> <p>Participant satisfaction 6.5 out of 10</p>	 <p>Reliability</p> <p>To ensure it is always available.</p> <p>Participant satisfaction 10 out of 10</p>
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Other areas considered important by this group included:

- Monitoring consumption within the home in real time
- Environmentally friendly
- Accessibility for all
- Effectiveness for cooking
- Maintenance for older regions
- Customer service

“Will be adding solar as with an older home it is not energy efficient with heating and cooling”

Focus area 2 - Future use of Energy

The themes put forward at this workshop with respect to future energy use were:

- Move to solar, for efficiency and pricing for both hot water and home heating
- Have a smart meter for gas usage
- Potential move towards hybrid/electric vehicles
- Continue using dual source if pricing remains competitive
- Future innovations that bring the quality of gas heating and cooking to environmentally friendly solutions
- Maintain gas for cooking and heating only
- Move to an off-grid home (bottle gas due to no supply)
- Mindful of gas usage as it's not as affordable as electricity
- More incentives to switch to renewable energy sources i.e., easy to use and affordable
- Education and awareness of usage for the whole family
- Update kitchen appliances to be energy efficient
- Interest in future affordability and reliability with increased working from home arrangements

“Looking to install solar to reduce costs”

Questions and areas for future discussion

During each workshop session, participants were encouraged to raise questions, or identify areas they would like further information on. While many questions were able to be answered during the workshop, they also provide important insight into areas that may require further attention in future workshops.

Below is the complete list of the questions raised at each workshop.

Warrnambool workshop

How different on average is the gas price set by AusNet to the price charged to us by retailers? Are there rules around that?

How does this affect climate change?

How long would it take to change to hydrogen or mostly to renewable gas source?

What happens to gas pipelines in a bushfire? Does AusNet turn them off?

How long will gas be around?

Renewable gases - what types of research is AusNet doing?

Is there a way we can be self-sufficient in our own supply of gas like solar?

How many city gates are there?

Job growths, what does Ausnet gives back to the community?

Is AusNet publicly listed?

What happens to the gas network in bushfires?

Geelong workshop

Is fracking still going to be used within Australia in the near future?

Lots of maybes:

- 'Potential for hydrogen...'
- 'Would like to look into biomethane...'
- 'Research will likely take place...'

In today's climate is gas sustainable?

What are the timeframes for delivery of gas alternatives?

Will there be a return to public ownership?

Timeframe for how long until hydrogen may potentially be used?

Why bother researching potential greener gas sources when there is existing proven green options for electricity?

Generally, people in the community seem to agree the cost of gas has gone up. Is this true or just a false impression. Can we expect cost of supply to go up in the future?

Geelong (CALD) workshop

Will there be enough gas to meet future needs?

How is the cost going to be impacted by new renewable energy?

How do you determine where new lines are installed? i.e., gas lines on one side of the street vs none on the other side?

Who is going to pay the cost for renewable energy?

What are you planning to do to keep your customers using your service as most residents going with new energy sources?

Is the future sustainable gas research a public and private partnership? How much do we need to contribute from the customer's side?

What's the difference between APA and your services?

Why do all new houses have electricity?

What is the percentage of leakage?

Craigieburn workshop

Does gas fall under AEMO like electricity?

Is biomethane safe?

How many gas retailers are there in Victoria?

How are gas exports affecting prices for Australians?

How are prices determined?

Does AusNet work in emergency disaster preparedness?

Do you publish the prices you are selling to retailers? Do you have different prices for different retailers?

Who handles the outages?

What role does the distributor play? Why can we not remove the retailer to save costs on bills?

Bendigo workshop

Is Ausnet Australian-owned? Is it govt-owned or private?

Do the energy retailers have the same scrutiny that distributors do?

What is happening to gas prices in the long run?

Does AusNet monitor the prices that retail companies bill customers?

As more people go into solar energy will that have an impact on prices, because AusNet will have less customers?

Is there a limit to how much overseas companies can own our pipeline?

Multiple regions workshop

Of the 2/10 households that don't have a gas connection, what proportion of those are not connected by choice and what proportion don't have the option?

Comparison of gas vs. electricity when it comes to different appliances.

I would love to get more information on the cost effectiveness comparison between gas and electricity. E.g., I presume kWh can be converted to joules and vice versa to do a direct comparison of \$/MJ for both. Obviously, the efficiency of our appliances downstream has an effect on the overall cost effectiveness that we receive. Could do some comparisons like how much \$ cost to run a large stove burner on high for gas vs electricity. The more comparisons the better. E.g., how much to heat an x litre hot water system with gas vs electricity trying to keep all other factors equal. Maybe these comparisons are considered too hard to make accurate due to all the factors but the more information the better for people who are interested.

Have you noticed a drop off in gas use changing with the increase in solar?

Is there anything we can do to pass profits from offshore gas sales to support customers in vulnerable circumstances?

5. Conclusion

Feedback received during this round of workshops highlighted the importance of affordability, sustainability, health and safety, reliability and future gas supply to gas customers.

This first round of customer workshops is one in a series of three workshops. The conversation established in this series will continue and be built upon in subsequent sessions.

An overarching consultation report will be prepared to reflect outcomes across the iterative customer workshops series as part of Communication Link's final reporting to AusNet.

Engaging Victorians on the future of the gas networks

Victorian Gas Access Arrangement Reviews: 2024 -28

AusNet Iterative Customer Workshops Round 2 of 3

October 2021

Introduction

Together, AusNet Services, Australian Gas Networks, and Multinet Gas Networks deliver gas to more than 2 million Victorians.

Every five years these regulated gas businesses submit a regulatory proposal to the Australian Energy Regulator as part of a review of Access Arrangements that establish the plans and prices for its customers for the next five-year period. The three gas networks have partnered to deliver a joint customer and stakeholder engagement program for the 2024-2028 Victorian Gas Access Arrangement Reviews.

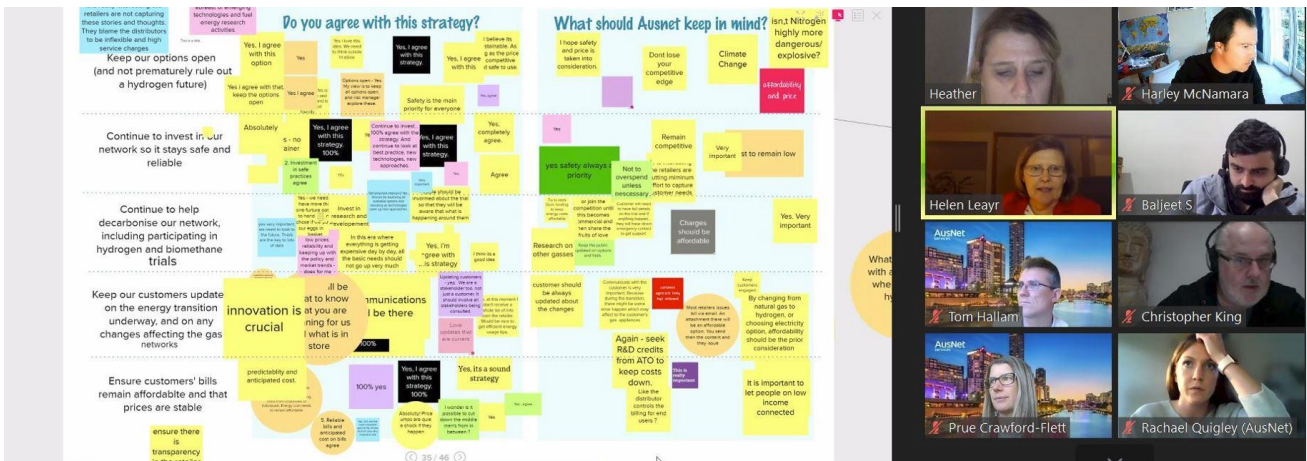
To make sure the plans focus on the things that are important to gas customers, 18 months of consultation allows for customer and stakeholder input. This program is outlined in the Engagement Plan for Consultation

The engagement program and activities planned for the upcoming regulatory submission are designed to give stakeholders and customers an opportunity to engage, influence and shape future plans.

These plans will set out what products and services gas businesses will offer customers, how much is spent on them, and what customers will pay for the distribution component of their bill.

As part of the engagement program, Communication Link has been engaged to facilitate iterative customer workshops for AusNet. These customer workshops will be delivered over three rounds with the same group of customers, allowing discussions with these customers to build over the three sessions based on increasing customer knowledge and an opportunity to close the loop on discussions.

This report summarises the key feedback gathered from the second round of workshops held between 11 October and 14 October 2021. A more comprehensive Consultation Report will be prepared following third round of workshops.



Our approach

Workshops were designed to offer opportunities to build knowledge with participants and encourage participants to collaborate, exchange ideas and provide meaningful feedback to AusNet.

Principles

The consultation and engagement activities were delivered in accordance with the following engagement principles:

- **Genuine and committed** - We listen and respond to the needs of our customers and stakeholders, driving a culture of delivering value for our customer.
- **Integrated** - We will be responsive by integrating customer and stakeholder feedback into all aspects of this work.
- **Clear, accurate and timely communication** - We provide information that is clear accurate, relevant, and timely.
- **Accessible and inclusive** - We involve customers and stakeholders on an ongoing basis in a meaningful way to ensure that our plans deliver for customers.
- **Measurable** - We measure the success, or otherwise of our engagement activities.
- **Transparent** - We clearly identify and explain the role of customers and stakeholders in the engagement process, and customer with customers and stakeholders on information and feedback processes.

The second round of workshops were delivered in an online format in response to COVID 19. The engagement principles outlined above were successfully applied to the online format.

Participants

Workshop participants were recruited through an independent recruitment firm which targeted a demographic spread, considering age, gender, education level, housing ownership and income.

To strengthen representation of culturally and linguistically diverse (CALD) communities among the participants, AusNet partnered with the Ethnic Communities Council of Victoria to arrange a dedicated workshop with CALD participants.

98 customers participated in this round of workshops. The majority of participants were residential customers with only a small number of business customers. Demographic analysis will be undertaken for the final consultation report.

AusNet was well-represented by senior executives and a mix of operational, regulatory and engagement staff at all workshops.

Workshop delivery

On behalf of AusNet, Communication Link hosted the series of online workshops, each running for 2 hours via video communication platform Zoom. The virtual tool 'Mural' was used as a digital workspace for visual collaboration, and 'Menti' provided a polling feature.

This round of workshops was held on the following dates and times:

- 11 October, 12.30pm – 2:30pm, Geelong
- 11 October, 7pm – 9:00pm, Geelong (CALD)
- 12 October, 5:30pm – 7:30pm, Craigieburn
- 13 October, 5:30pm- 7:30pm, Bendigo
- 14 October, 5.30pm- 7.30pm, Warrnambool

Objectives

The primary objectives of the second round of the Interactive Customer Workshops Series were to gather feedback from participants on:

- Meeting customers' needs
 - Affordability
 - Safety and reliability
 - Customer service
- Preparing for the future
 - Preferences on the future of gas and associated initiatives
 - The gas network innovation scheme
- Empowering customers – education programs

Workshop format

Within the Round 2 workshops, AusNet shared plans and tested whether they met customer needs and expectations. Participants were encouraged to challenge ideas and ask tough questions to help ensure good outcomes are delivered for all customers.

Round 2 of the workshops expanded on the discussion of Round 1 responding to three themes:

Meeting customers' needs

- Affordability
- Safety and reliability
- Customer service

Preparing for the future

- The future of the gas network
- Innovation

Empowering customers

- Education

Participants were provided with background detail on each topic and asked to provide feedback in one of three ways:

3. Validation

For the topic *affordability* customers were asked to share any thoughts they had relating to approach, or any questions they had. Light touch engagement was undertaken as affordability is considered 'a given' as a priority for AusNet's planning.

4. Polling and understanding participant information gaps

For the topics *safety*, *reliability*, *customer service*, and *innovation* participants were asked to indicate if they supported AusNet's proposed approach, did not support the proposed approach, or required more information to be able to make an informed decision. After each poll, an opportunity was provided to ask questions or discuss results.

5. Workshopping

For the topics *the future of the gas network* and *education* participants were asked to consider workshop questions and provide feedback using the Mural board. The workshop exercises were supported by general discussion and AusNet representatives answered questions raised by participants.

What we heard

Common feedback across all workshops

Common areas of feedback and trends in customer views across all workshops are summarised below:

- **Affordability** – although provided an opportunity to challenge or ask questions with respect to AusNet’s affordability priorities, less than five people added comments and there appeared to be general support for AusNet’s intention to develop plans with affordability in mind and to remain the lowest-priced gas distributor in Victoria. Throughout the workshops, the importance of maintaining affordability was highlighted with respect to each area of potential expenditure.
- **Safety and reliability** - 89% of respondents (n = 89) were satisfied with maintaining similar safety standards.
- **Customer service** – 95% of respondents (n = 88) were happy for AusNet to maintain current customer service standards (with some modest improvements), and 81% of respondents supported further investigation into establishing a priority service program. The priority service program was seen as providing an important social benefit, although some participants were keen to ensure there were appropriate checks and balances to avoid the system being misused.
- **Future of gas** – Participants across all workshops generally agreed with the five strategies proposed by AusNet, highlighting the importance of maintaining affordability and safety, keeping customers informed and ensuring collaboration with others. A summary of feedback from across all workshops with respect to the future of gas exercise, can be found at table 1.
- **Innovation** – Approximately 90% of respondents supported the idea of establishing an innovation fund to improve sustainability and create greater efficiencies.
- **Education** – While there were many suggestions about ways to communication and topics for education, these were tempered by mixed views on whether education is an appropriate role for AusNet. Participants were concerned about the costs associated with an education program, with some participants suggesting an opt-in or user pays approach. A summary of feedback from across all workshops with respect to a potential education program can be found at table 2.

Polling results across all workshops are provided in table 3.

Table 11. Key areas of feedback on the future of gas from across all workshops

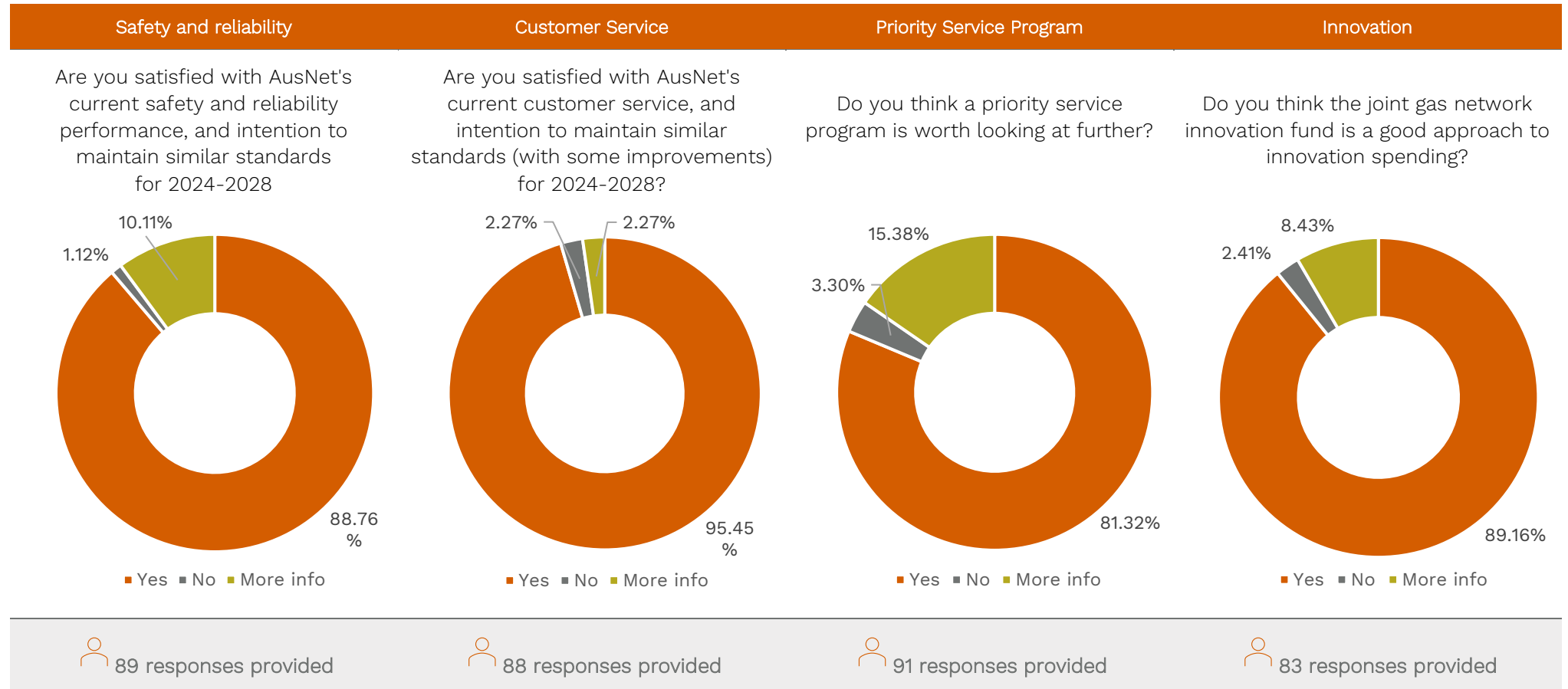
	Do you agree with this strategy?	What should AusNet keep in mind?
Keep our options open (and not prematurely rule out a hydrogen future)	<p>Participants agreed with this approach.</p> <p>The following was also noted by participants:</p> <ul style="list-style-type: none"> • There are social and economic responsibility considerations • Research what others are doing • Consider what happens to redundant networks and appliances in an electric only future • Manage risk 	<ul style="list-style-type: none"> • Environmental sustainability is a priority • Research and monitor emerging technologies • Risks relating to both early and late decision making and action • Hydrogen considerations – both positive and negative • Compatibility of future energy with current appliances and network • Consumer affordability • Safety
Continue to invest in our network so it stays reliable	<p>Participants agreed with this approach.</p> <p>The following was also noted by participants:</p> <ul style="list-style-type: none"> • Safety and reliability is paramount 	<ul style="list-style-type: none"> • Safe and reliable network • Government policy • Future viability, needs, and costs • Be competitive and don’t overspend

	Do you agree with this strategy?	What should AusNet keep in mind?
	<ul style="list-style-type: none"> Needs to be affordable/ financially viable Be cautious investing in an asset which may not be used in the future Continue to research best practice, new technologies, new approaches 	<ul style="list-style-type: none"> Research and development investment including biomethane opportunities with existing network, and new safety/ diagnostic approaches Global expectations/ goals
Continue to help decarbonise our network, including participating in hydrogen and biomethane trials	<p>Participants agreed with this approach.</p> <p>The following was also noted by participants:</p> <ul style="list-style-type: none"> Keep up with policy and market trends Consider more than one future option Maintain low costs and reliable, consistent bills Inform community about trials and outcomes 	<ul style="list-style-type: none"> Quantitative targets supporting pro/con, cost/ benefit analysis to determine viability Compatibility with existing infrastructure Government funding Reliability, cost, and effectiveness Communication, engagement, safety and support structures for trial participants
Keep our customers updated on the energy transition underway, and on any changes affecting the gas networks	<p>Participants agreed with this approach.</p> <p>The following was also noted by participants:</p> <ul style="list-style-type: none"> This should be a minimum expectation Inform and educate on any potential changes to gas bills Make sure customers are consulted and heard on changes 	<ul style="list-style-type: none"> Build awareness of AusNet's role and upcoming change Plenty of warning, information, and transparency is needed to support preparation – for example if changes to appliances are required Easy terminology Customers need to stay informed of price changes, or price change potential Advertise (media, TV, social media, SMS, email, via gas retailer/bills) Consider how to best communicate with diverse groups to ensure key messages are received
Ensure customers' bills remain affordable and that prices are stable	<p>Participants agreed with this approach.</p> <p>The following was also noted by participants:</p> <ul style="list-style-type: none"> The importance of gas costs being predictable (i.e. avoiding bill shock) Ensuring gas stays accessible to all 	<ul style="list-style-type: none"> Negative impacts for low-income earners Cost could be a barrier to use Some happy to pay more for genuinely environmentally friendly technology Fair and equitable Potential need for additional terminology in bills How to ensure retailers keep prices low

Table 12. Feedback on potential education program across all workshops

AusNets role in education and willingness to pay	<p>There were mixed views on the role of AusNet in relation to education including:</p> <ul style="list-style-type: none"> • Liking the idea of AusNet educating consumers • Liking the idea but funded through usual marketing budgets and without long-term increased cost to customers. • Liking the idea but feeling that it should be funded through non-customer methods such as government grants or selling advertising space. • Education was not the role of AusNet.
Communication methods	<p>Participants wanted communication that was engaging, succinct and in simple language. Suggested communication methods indicate that participants desired education to come to them in smaller ‘bite sized’ pieces of information, delivered through opt-in methods. Allowing for diversity of language is important.</p> <p>Popular methods included:</p> <ul style="list-style-type: none"> • Websites • Social media including YouTube, Facebook, Instagram, and TikTok with desire expressed for information via video • Information on bills (potentially via QR code link) <p>Other suggested communication methods included:</p> <ul style="list-style-type: none"> • Questions and answers • Helpdesk and interactive chats • Apps • Email • Workshops • Radio • Primary/ secondary/ tertiary student programs • Phone/ SMS alerts • Physical paper communication for those not technologically savvy • Webinars and online training • Competitions <p>Participants noted the role of the retailer in passing this information to the consumer, particularly within or linked with bills.</p>
Education topics	<p>Participants suggested the following topics for an education program:</p> <p>Understanding usage and reducing environmental impact</p> <ul style="list-style-type: none"> • Tips to reduce your gas consumption (and therefore bills and carbon footprint) • Comparisons on different energy sources and their impacts (positive and negative) • Environmentally friendly changes planned by AusNet • Insight into real-time usage to help people monitor and understand their gas usage and the impact of their habits • Understanding different sources of gas <p>Safety</p> <ul style="list-style-type: none"> • Understanding how to use gas appliances safely • What to do if you suspect a leak • What to do in an emergency <p>Understanding the bill</p> <ul style="list-style-type: none"> • Helping customers understand and interpret bills, including the split between network and retail charges • Including breakdowns of what customers are paying for and how fees and charges are spent on the bill (eg in a pie chart) • How bills are calculated and how metering works <p>Innovation and future energy</p> <ul style="list-style-type: none"> • Innovation opportunities and new technologies • What will be happening, when and how, and who will be paying for it • Research and development findings – comparison between technologies

Table 13. Results of polling questions when considering all participants across all workshops.




Note that not all participants provided a response to every question.



Feedback from individual workshops

The tables below provide a summary of feedback from each workshop.



“This idea is excellent. Please target extra assistance for the elderly, special needs patrons in our community.”

Geelong workshop

Affordability	<p>There were no concerns expressed about AusNet’s approach to maintain affordability, however affordability was discussed throughout the workshop.</p> <p>Participants highlighted throughout the session the importance of maintaining affordability when considering proposed changes to services.</p>
Safety and reliability	<p>95% of participants were satisfied with AusNet’s current safety and reliability performance, and intention to maintain similar standards for 2024-2028, and 5% desired more information.</p> <p>Participants were interested to know more about safety issues such as smelling gas and impacts of network growth on safety.</p>
Customer service	<p>100% of participants in this group were satisfied with AusNet’s current customer service, and intention to maintain similar standards (with some modest improvements) for 2024-2028</p>
Priority service program	<p>85% of participants felt a priority service program was worth looking into further and 15% of participants desired more information.</p> <p>It was seen as positive for AusNet’s reputation and for the elderly, special needs customers, those experiencing financial hardship, and domestic violence victims.</p> <p>Suggested applications of the program included:</p> <ul style="list-style-type: none"> • Waiving/discounting fees or bills where possible • Retailer grants to reduce burden on AusNet • Direct relationships with charities • Minimising the impact of outages on customers, eg by organising food deliveries
Future of gas	<p>Participants were supportive of the strategies and associated customer commitments proposed by AusNet.</p> <p>It was noted that maintaining affordability and keeping customers informed were particularly important.</p>
Innovation	<p>89% of participants thought the joint gas network innovation fund is a good approach to innovation spending, and 11% desired further information.</p> <p>Participants noted opportunity for knowledge and resource sharing, including with customers, across other gas networks, and non-gas network.</p>
Education	<p>Participants in this workshop were supportive of education programs more broadly, but many felt they should not come at added cost to customers.</p> <p>Education methods most frequently suggested were TV, internet, social media, schools, and via the retailer. Video content was also desirable.</p>



Proposed topic of education - where the gas they use comes from.

Geelong (CALD) workshop

Affordability	There were no concerns expressed about AusNet's approach to maintain affordability, however affordability was discussed throughout the workshop. Participants highlighted throughout the session the importance of maintaining affordability when considering proposed changes to services.
Safety and reliability	91% of participants were satisfied with AusNet's current safety and reliability performance, and intention to maintain similar standards for 2024-2028 9% desired more information.
Customer service	88% of participants in this group were satisfied with AusNet's current customer service, and intention to maintain similar standards (with some modest improvements) for 2024-2028, which was slightly lower than other groups. 8% desired more information and 4% were not satisfied. One participant suggested meter readers could also play a part in identifying and reporting faults on the network.
Priority service program	83% of participants felt a priority service program is worth looking at further. 11% of participants desired more information, and 6% did not think the program should be investigated further. It was seen as positive for bushfire, Covid-affected families, people with language barriers, low-income earners and not for profit organisations that provide voluntary community service. <ul style="list-style-type: none">The idea of telling your story once, was well received and it was suggested AusNet liaise with other organisations on history of care in difficult circumstances
Future of gas	Participants were supportive of the strategy and associated customer commitments proposed by AusNet.
Innovation	95% of participants thought the joint gas network innovation fund is a good approach to innovation spending. 5% desired more information. Participants noted a desire for governments and other gas companies to contribute financially to innovation activities.
Education	There was some suggestion by this group that an education program was not the responsibility of AusNet <ul style="list-style-type: none">Participants desired no increased cost to the bill associated with educationParticipants suggested education through the retailer, social media, school programs, advertising, and word of mouthParticipants noted education materials should be provided in multiple languages

"Definitely, keep [future gas] options open and look for other avenues."

"AusNet is doing a great job with safety"

Craigieburn workshop

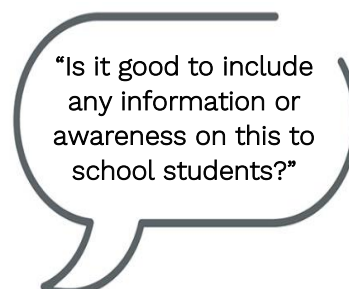
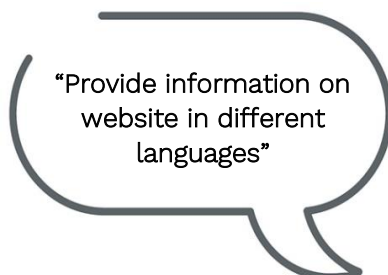
Affordability	<p>There were no concerns expressed about AusNet’s approach to maintain affordability. Participants noted that while the network charge is the cheapest, passing this low cost on is at the discretion of the retailer</p> <p>Participants highlighted throughout the session the importance of maintaining affordability when considering proposed changes to services.</p>
Safety and reliability	<p>73% of participants were satisfied with AusNet's current safety and reliability performance, and intention to maintain similar standards for 2024-2028, notably lower than the other workshops with 21% of respondents seeking more information, and 6% being unsatisfied.</p>
Customer service	<p>100% of participants in this group were satisfied with AusNet's current customer service, and intention to maintain similar standards (with some modest improvements) for 2024-2028.</p>
Priority service program	<p>82% of participants felt a priority service program is worth looking at further, 9% wanted more information, and 9% felt the program shouldn’t be looked into.</p> <p>Participants questioned the responsibility of the retailers in a program like this and noted the responsibility for a minimum service guarantee.</p> <p>Participants also noted they:</p> <ul style="list-style-type: none"> • Liked only needing to tell their story once • Don’t want this program to result in additional charges • Desired more information about potential special meter-reading services.
Future of gas	<p>Participants were supportive of the future of gas strategies and associated customer commitments proposed by AusNet.</p> <p>Participants highlighted the importance of maintaining affordability and keeping customers informed. There was particular interest and support expressed for the undertaking of trials of new technology, for example hydrogen.</p>
Innovation	<p>72% of participants thought the joint gas network innovation fund is a good approach to innovation spending, notably lower than the other workshop groups. 17% desired more information, and 11% felt this wasn’t a good approach to innovation spending.</p> <p>Participants sought more information on:</p> <ul style="list-style-type: none"> • Usage tracking, network monitoring and maintenance • AusNet participation in current research activities • Government role in funding innovation • Impact on cost for customers
Education	<p>There was mixed sentiment toward AusNet’s role in education, and some concern was expressed about the costs associated with an education program.</p> <p>Interested in technologically savvy communication methods including social media, apps with real-time data and SMS.</p> <p>Desired education on efficient use of gas and how to better understand gas bills.</p>

“Performance seems great in comparison to other networks in Victoria.”

“It might be a good idea to add more educational ideas on the bill”

Bendigo workshop

Affordability	<p>Participants in this group comment significantly on affordability in this section, however it was discussed throughout the workshop. Participants generally desired for priorities not to result in increased costs, where possible.</p> <p>Participants noted that pricing increased should stay within a bracket.</p>
Safety and reliability	<p>93% of participants were satisfied with AusNet's current safety and reliability performance, and intention to maintain similar standards for 2024-2028.</p> <p>7% of participants were not satisfied.</p> <p>Participants in this group:</p> <ul style="list-style-type: none"> • Noted desire for more education • Sought clarification on definition of, and implication of service leaks • Discussed safety issues working near gas such as accuracy of <i>Dial Before You Dig</i> and standard gas pipe depths.
Customer service	<p>93% of participants in this group were satisfied with AusNet's current customer service, and intention to maintain similar standards (with some improvements) for 2024-2028</p> <p>Participants suggested service could be improved if perhaps plumbers could speak to AusNet directly on behalf of their clients.</p>
Priority service program	<p>100% of participants felt a priority service program is worth looking at further, notably higher than the other groups.</p> <p>Participants raised the responsibility of the retailers in a program like this</p>
Future of gas	<p>Participants were supportive of AusNet's proposed strategies with respect to the future of gas and associated customer commitments.</p> <p>Participants highlighted affordability concerns, particularly for lower income earners</p>
Innovation	<p>100% of participants thought the joint gas network innovation fund is a good approach to innovation spending, notably higher than the other groups.</p>
Education	<p>Participants expressed that consumer bills should not increase to cover costs</p> <p>Suggested a range of communication tools including social media, such as TikTok and YouTube for engaging educational videos.</p> <p>Desired information on innovation and to help understand the future of the energy market and associated transition implications</p>



Warrnambool workshop

Affordability	Participants in this group did not directly comment on affordability in this section, however it was discussed throughout the workshop. Participants highlighted throughout the session the importance of maintaining affordability when considering proposed changes to services.
Safety and reliability	91% of participants were satisfied with AusNet's current safety and reliability performance, and intention to maintain similar standards for 2024-2028. 9% of participants desired more information.
Customer service	100% of participants in this group were satisfied with AusNet's current customer service, and intention to maintain similar standards (with some improvements) for 2024-2028
Priority service program	59% of participants felt a priority service program is worth looking at further, notably lower than the other groups. 41% desired more information. Participants support was qualified by a desire to ensure that checks and balances were in place to prevent fraud/ misuse and that it be understood that people's circumstances change over time. It was further suggested that support for concession/ healthcare card holders, people with a disability, chronically ill, and single parent family should be part of standard service
Future of gas	Participants were supportive of the future of gas strategies and associated customer commitments proposed by AusNet. Participants highlighted the importance of maintaining affordability and keeping customers informed.
Innovation	90% of participants thought the joint gas network innovation fund is a good approach to innovation spending, with 10% desiring more information. Participants were interested in more information on governance of the fund and ensuring the overseas experiences are considered:
Education	Participants were supportive of an education program if costs were kept reasonable, or it was an 'opt-in' option for those who wished to pay extra. Communication methods proposed included web chat functions, webinars, videos and FAQs. Desire for education on safety information such as what to do in an emergency, or if you smell gas and well as details on outages and how to read your gas bill.

"[The priority service program is] a good idea but needs be managed properly "

"I love short videos or tutorials"

Questions and areas for future discussion

During each workshop session, participants were encouraged to raise questions, or identify areas they would like further information on. While many questions were able to be answered during the workshop, they also provide important insight into areas that may require further attention in future workshops.

Below is the complete list of the questions raised.

Affordability

How will the network be able to help the end use customer if the retailer is still charging a higher rate?

Is the lower pricing going to be sustainable given what is happening with gas prices globally?

Just wondering if high costs have to do with taxes placed by the government?

Safety

Is the AusNet comparison only for Victoria? (A- yes) What about comparison to other states in Australia? Where is AusNet standing?

How accurate is the mapping of AusNet's gas mains for Dial Before You Dig purposes?

Does a service leak mean no gas for the customer for a while?

Do rates of incident have anything to do with regional Victoria being more spaced out than the metro areas?

How many years of life do gas pipes have?

How many city gates are there and where are they?

Customer service

Is the call centre offshore or local?

When you say new connections, would that be somewhere like a new estate where no services have been installed?

Priority service

Could grants to retailers be an option so they can help roll this out?

Is direct relationship with registered charities an option?

Should the payment incentive go towards the gas bill?

Are fee waivers feasible? Wouldn't the gas retailer look after discounts or fee waivers?

Will special meter readings mean additional charges?

Will this be managed by AusNet or retailer? Customer usually does not sign up with AusNet.

How would you give a discount when the retailer is billing us?

It is a very good idea and I want to know more about special meter reading services? How will this work in priority service?

There would be a minimum service guarantee, right? As gas is part of an essential services.

How would you envisage informing customers that could call AusNet rather than their service provider?

What about people that rely on bottled gas?

Would this be a type of program that people can opt in/opt out, considering it does cost more?

Keep our options open (and not prematurely rule out a hydrogen future)

If [the network] goes to electricity only, what happens to appliances that use gas?

Would [an alternative] use the same pipes?

Reduction in use of non-renewables would be good to hear about. i.e., correlation around energy production/delivery and sustainability. Are the targets being met?

The Victorian Government mentioned they were not going to connect gas to new developments. Is this true?

If you wait too long to commit to an option does that mean, we continue using non-renewable resources for longer?

If hydrogen needs to be heated, would this need gas? How much heating would this take?

What infrastructure do we need to be able to use hydrogen energy?

Is gas ever used for cooling?

Is hydrogen gas compatible with current appliances?

Is AusNet looking to pipe hydrogen or is this not feasible?

Would it be possible to remove carbon?

Continue to invest in our network so it stays reliable

What testing is being conducted and the results?

Is that expensive or difficult?

Who is the world leader in this technology?

Are there other sustainable options AusNet has investigated to replace gas in addition to an alternative form of gas?

Where do we source the hydrogen gas from?

Does each country own its research, or are they sharing?

What is biomethane?

Is the hydrogen energy owned by Australia?

Hydrogen needs water but how will that work as Australia is one of the driest countries in the world?

How much subsidy goes to AusNet from the Government?

If Brookfield or APA take over, will these commitments still be honoured?

Continue to help decarbonise our network, including participating in hydrogen and biomethane trials

Great AusNet engaged in decarbonizing the network. Should measurement or 'engagement' targets be set as quantitative targets?

Which consumers would participate? Voluntary? Suburb based? Incentives? Drawbacks for consumers?

Keep our customers updated on the energy transition underway, and on any changes affecting the gas networks

Will we need to change appliances in the future?

What options does AusNet have to run down the system if it is no longer required?

If the gas network has to close, would the last customers on gas have their distribution costs increased over time?

What about climate change and its impact on services delivery? How might climate change impact gas services?

How will you inform customers?

Do customers know who AusNet is and what they are responsible for?

Can this happen via the retailer? So not getting too many different emails.

Ensure customers' bills remain affordable and that prices are stable

What information do you meaningfully think customers would want to know about?

How much will the gas prices increase to go greener?

What will you do with all the water when you burn hydrogen?

How will AusNet ensure that retailers aren't charging the customers too much?

Innovation

Is the innovation fund with only Victorian networks, or Australia wide?

What happens if the innovation is not workable in the end? Will you refund full amount to the customer?

Education

In the last session there was a lot of talk about 'potential' greener gas options, and 'research underway' but nothing tangible. Any updates?

Is it good to include any information or awareness on this to school students?

What sort of education are you planning on?

Conclusion

Participants engaged well across all workshops and provided useful feedback to AusNet. This second round of workshops explored three themes arising from the first workshops. The table below provides a summary of the feedback received against these themes.

An overarching consultation report will be prepared to reflect outcomes across the iterative customer workshop series as part of Communication Link's final reporting to AusNet.

The screenshot displays a Microsoft Teams meeting interface. The main focus is a MURAL collaborative workspace titled "What are your thoughts on customer education by AusNet?". The workspace contains several sticky notes and text boxes with the following content:

- Top Left:** "The retailer should educate the customers about their bill and other information."
- Top Center:** "What topics do you think should be included in an education program?"
- Top Right:** "The customer should be made aware of meters and their condition (& know they should not bury their meters)"; "More info on retailers! Small contribution can be done by customers"; "The customer should be aware of their meters"; "On bills and rate rise notices, retailers should include a bit on education."
- Middle Left:** "provide informations in website in different languages"; "future plans with details like price"; "ADs"; "using social media"; "Is it good to include any information or awareness on this to school students?"
- Middle Right:** "Word of mouth"; "Advertisement Social media"; "How should we educate customers - tools and channels?"
- Bottom Left:** "Marta says extra on the bill for things like innovation and education should not ongoing. Would need to know how \$ is spent and not just going into a big bucket."; "NO, not happy to pay more!"
- Bottom Center:** "paying more should be shared by Government, Ausnet and Customer"; "Would you be happy to pay a small amount extra on your bills to cover the cost of educating customers?"
- Bottom Right:** "No (especially at the moment)"; "The retailer should educate the customers about their bill and other information."

On the right side of the MURAL workspace, there is an "Outline" panel with the following items:

- 33 Future of gas 4
- 34 Future of gas 5
- 35 Mural Exercise 1
- 36 Innovation 1
- 37 Innovation 2
- 38 Innovation 3
- 39 Innovation 4
- 40 Innovation Mural
- 41 Innovation Mural
- 42 Education 1
- 43 Education 2
- 44 Mural Exercise 2
- 45 Closing
- 46 Thank you

The bottom of the screenshot shows the Microsoft Teams meeting controls, including Unmute, Stop Video, Security, Participants (24), Polls, Chat, Share Screen, Pause/Stop Recording, Breakout Rooms, Reactions, Apps, and an End button.

Engaging Victorians on the future of the gas networks

Victorian Gas Access Arrangement Reviews: 2024 -28

AusNet Iterative Customer Workshops Round 3 of 3

February 2022

Introduction

Together, AusNet Services, Australian Gas Networks, and Multinet Gas Networks deliver gas to more than 2 million Victorians.

Every five years these regulated gas businesses submit a regulatory proposal to the Australian Energy Regulator as part of a review of Access Arrangements that establish the plans and prices for its customers for the next five-year period. The three gas networks have partnered to deliver a joint customer and stakeholder engagement program for the 2024-2028 Victorian Gas Access Arrangement Reviews.

To make sure the plans focus on the things that are important to gas customers, 18 months of consultation allows for customer and stakeholder input. This program is outlined in the Engagement Plan for Consultation.

The engagement program and activities planned for the regulatory submission were designed to give stakeholders and customers an opportunity to engage, influence and shape future plans.

These plans will set out what products and services gas businesses will offer customers, how much is spent on them, and what customers will pay for the distribution component of their bill.

As part of the engagement program, Communication Link was engaged to facilitate iterative customer workshops for AusNet. These customer workshops were delivered over three rounds with the same group of customers, allowing discussions with these customers to build over the three sessions based on increasing customer knowledge and an opportunity to close the loop on discussions.

This report summarises the key feedback gathered from the third and final round of workshops held from 4 – 17 February 2022. A more comprehensive Consultation Report will be prepared following this round of workshop to reflect feedback received across the entire program.

Our approach

Workshops were designed to offer opportunities to build knowledge with participants and encourage participants to collaborate, exchange ideas and provide meaningful feedback to AusNet.

Principles

The consultation and engagement activities were delivered in accordance with the following engagement principles:

- **Genuine and committed** - We listen and respond to the needs of our customers and stakeholders, driving a culture of delivering value for our customer.
- **Integrated** - We will be responsive by integrating customer and stakeholder feedback into all aspects of this work.
- **Clear, accurate and timely communication** - We provide information that is clear, accurate, relevant, and timely.
- **Accessible and inclusive** - We involve customers and stakeholders on an ongoing basis in a meaningful way to ensure that our plans deliver for customers.
- **Measurable** - We measure the success, or otherwise of our engagement activities.
- **Transparent** - We clearly identify and explain the role of customers and stakeholders in the engagement process, and customer with customers and stakeholders on information and feedback processes.

All workshops for round 3 were delivered in an online format due to COVID-19 restrictions. The engagement principles outlined above were successfully applied to the online format.

Participants

Workshop participants were recruited through an independent recruitment firm which targeted a demographic spread, considering age, gender, education level, housing ownership and income.

To strengthen representation of culturally and linguistically diverse (CALD) communities among the participants, AusNet partnered with the Ethnic Communities Council of Victoria to arrange a dedicated workshop with CALD participants.

In total, 85 customers participated in this round of workshops. The majority of participants were residential customers with only a small number of business customers. Demographic analysis will be undertaken for the final consultation report. Table 1 lists the number of participants for each workshop.

Table 14. Workshop attendance

Workshop	Registered	Attended
Geelong	22	15
Geelong - Culturally and linguistically diverse community (CALD)	25	24
Craigieburn	19	16
Bendigo	17	14
Warrnambool*	20	16
TOTAL	103	85

* Five representatives in this workshop included people from Geelong who missed first Geelong workshop.

AusNet was well-represented by senior executives and a mix of operational, regulatory and engagement staff at all workshops.

Workshop delivery

On behalf of AusNet, Communication Link hosted the series of online workshops. The first workshop went for 1.5 hours and the remaining workshops ran for 1.75 hours. The length of the workshops was modified to allow enough time for appropriate discussion.

The workshops were held via video communication platform Zoom. The virtual online tool 'Mural' was used as a digital workspace for visual collaboration.

This round of workshops was held on the following dates and times:

- 10 February, 1.00pm – 2:30pm, Geelong
- 10 February, 7.00pm – 8:30pm, Geelong (CALD)
- 15 February, 5:30pm – 7:45pm, Craigieburn
- 16 February, 5:30pm- 7:15pm, Bendigo
- 17 February, 5.30pm- 7.15pm, Warrnambool

Objectives

The primary objective of the third round of the interactive customer workshops series was to gather feedback from participants on AusNet's draft regulatory submission to the Australian Energy Regulator (AER). Specifically, feedback was sought on three key elements:




1. Discuss and evaluate the problems AusNet is trying to solve to address the uncertainty of its plans for gas
2. Consider the effects of accelerated depreciation on near-, medium- and long-term prices, discuss the role and suitability of accelerated depreciation of assets and, if they could, share an indicative view on which potential accelerated depreciation proposal they thought most preferable for the FY2024-28 regulatory period
3. Indicate level of support for AusNet's proposal to increase customer charges by approximately \$1.30 per year, per customer, to implement a priority service program to support vulnerable customers as was supported in workshop 2, and to provide feedback on the proposed principles of the priority service program.

Workshop format

The workshops commenced with a review of the seven priority areas that had been discussed during workshop round 2, and AusNet provided an update to participants on the status of each of these areas with respect to the draft regulatory submission, and the discussions and feedback received in the second round of workshops.

The workshops were then divided into three separate discussion topics, for the three key elements identified for further feedback – as listed above. Each discussion topic included a briefing by AusNet staff followed by a feedback session where participants were asked to provide their thoughts and ideas. The table below provides an outline of the three discussion topics.

Table 15. Workshop discussion topics




<p>Reflecting uncertainty around the future of gas in our plans</p> 	<p>Victorian gas and electricity networks are working to achieve net-zero emissions by 2050. There are two key pathways for decarbonising Victoria’s gas networks:</p> <ul style="list-style-type: none"> • Swapping natural gas for hydrogen • Swapping natural gas for electricity <p>AusNet sought feedback from participants about some of the problems they are trying to solve with regards to maintaining reliability and a strong customer base; keeping current and future costs low; and spending money on the existing network when the long term future of the network is uncertain.</p>
<p>Accelerated depreciation of the existing gas network</p> 	<p>AusNet is planning to accelerate the depreciation of the gas network (speeding up repayments of loans used to build and maintain the gas network). Accelerated depreciation is designed to protect customers from big price rises during the transition to low-carbon energy, by paying some of the costs now rather than in the future. AusNet outlined three different options for distributing consumer costs over the coming decades:</p> <p>Option A: Do not undertake accelerated depreciation and make prices cheaper now, but be more expensive from mid-2030</p> <p>Option B: Invest \$130m in accelerating depreciation and maintain stable prices now, and between options A & B throughout.</p> <p>Option C: Invest \$200m in accelerating depreciation which would see more expensive prices now but cheaper than both options A and B by the mid 2030s.</p> <p>AusNet polled participants about their preferred option and invited feedback to support participant choice.</p>
<p>Priority service program</p> 	<p>AusNet proposes to introduce a priority service program to support vulnerable customers. Participants were asked to indicate their level of support for AusNet to increase customer tariffs by approximately \$1.30 per year, per customer. Participants were also asked to provide feedback on the priority service program principles.</p>

What we heard

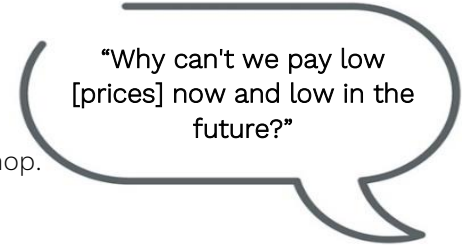
Common feedback across all workshops

Common areas of feedback and trends in customer views across all round 3 workshops are identified in the table below against each of the three key elements of the draft regulatory submission that were consulted on.

Table 16. Common feedback across all workshops




<p>Reflecting uncertainty around the future of gas in our plans</p> 	<p>One in three comments raised in this topic, across the five workshops, referenced costs to consumers as being a key priority to consider during transition.</p> <p>A number of participants felt that there would be costs associated with introducing new appliances to run on alternative fuel sources or transitioning from gas to electric appliances. Others felt that there were likely to be unknown costs that could affect consumers in transitioning to a gas alternative.</p> <p>Nearly 25 per cent of commentary made by participants also prioritised the need to ensure the reliability of their energy source as AusNet transitions away from gas.</p> <p>The third most commonly occurring theme across the five workshops for this topic related to the affordability, availability, and feasibility of hydrogen as an alternative fuel source, with several people questioning what other fuel sources were available.</p>
<p>Accelerated depreciation of the existing gas network</p> 	<p>Approximately 46 per cent of the feedback on this discussion topic explicitly stated support for option B. Only 10 per cent of the feedback comments stated direct support for option C and three per cent for option A. *</p> <p>Comments around the costs of gas and consumer pricing accounted for a significant proportion of remaining general comments about accelerated depreciation. A number of participants challenged the need to charge customers more when the transition to net-zero is a problem for AusNet.</p> <p>* It should be noted that a change of approach to this task for the Warrnambool workshop generated a marked difference in responses to other workshops. This is discussed in more detail in Table 8.</p>
<p>Priority service program</p> 	<p>The price-point average of approximately \$1.30 per annum, per customer was supported by the vast majority of participants across the five workshops. Of the 58 items of feedback responding to the question of paying approximately \$1.30 a year, all but eight inferred, or explicitly agreed with the implementation of this additional charge. Many felt that this was a very low and affordable amount to charge.</p> <p>There was limited commentary on the priority service principles, however, general agreement for the principles was noted on several occasions.</p>

Feedback from individual workshops



The tables below provide a summary of feedback from each workshop.

Table 17. Geelong workshop

<p>Reflecting uncertainty around the future of gas in our plans</p> 	<p>Of the 29 items of feedback recorded for this discussion topic (which includes comments or signals of support via chat and icons added to comments on the Mural), 45 per cent saw managing costs to customers and considering subsidies to support energy transitions as a priority. Many participants felt that it was difficult to predict what the costs of the energy transition would be.</p> <p>The second most common theme included questions around the safety and reliability of hydrogen. A number of people asked if hydrogen was as safe as gas, as affordable and how much energy was required to create it. Questions and comments about hydrogen account for one-in-three comments made on this discussion topic.</p>
<p>Accelerated depreciation of the existing gas network</p> 	<p>75 per cent of participant feedback preferred option B, largely citing concerns around economic insecurity, particularly interest rates.</p> <p>Participants felt that given the long-term picture is largely unknown, it was better to base decisions on the known short-term factors.</p>
<p>Priority service program</p> 	<p>The priority service program was supported, with feedback being that it was a reasonable and cost-effective initiative.</p> <p>The price-point of approximately \$1.30 was considered very low and quite affordable with no participants objecting to the cost.</p>

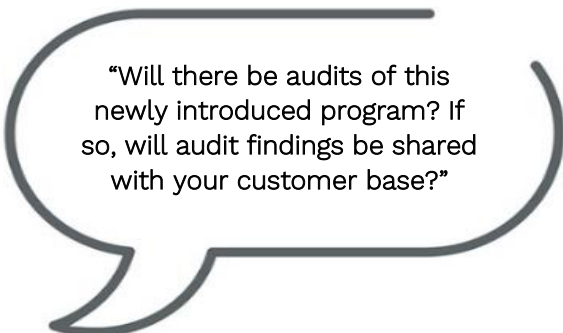


Table 18. Geelong (CALD) workshop


<p>Reflecting uncertainty around the future of gas in our plans</p> 	<p>Of the 32 pieces of feedback received (which includes comments or signals of support via chat and icons added to comments on the Mural), one in three referred to consumer costs as a priority. Participants noted that no one could be certain about what costs would be in the future and raised the concern that there would be costs to replacing appliances.</p> <p>Other sub-themes that came from this discussion included questions over the reliability, affordability and cost of hydrogen.</p>
<p>Accelerated depreciation of the existing gas network</p> 	<p>Approximately 60 per cent of participants explicitly supported option B or inferred that they were comfortable paying higher prices now. Participants noted that option B was an acceptable middle-ground option and welcomed AusNet taking advantage of low interest rates.</p>
<p>Priority service program</p> 	<p>The Priority service program was supported, with feedback being that it was a reasonable and cost-effective initiative.</p> <p>It was suggested that the program not duplicate existing support services and consider partnering with organisations already trusted to deliver results in this area.</p> <p>The price-point of approximately \$1.30 was considered very low and quite affordable with no participants objecting to the cost.</p>

Table 19. Craigieburn workshop




<p>Reflecting uncertainty around the future of gas in our plans</p> 	<p>Of the 34 feedback items (which includes comments or signals of support via chat and icons added to comments on the Mural), 29 per cent raised cost to consumers as a priority. Some feedback on these raised questions around the affordability of hydrogen as an alternative fuel.</p> <p>An equally as common theme that was raised by participants of the Craigieburn workshop was ensuring the reliability of hydrogen and electricity, with people noting that electricity outages were common and people could rely on gas if electricity was out. Participants also asked if hydrogen could be supplied to regional areas and if enough of it could be produced.</p>
<p>Accelerated depreciation of the existing gas network</p> 	<p>Just over half (51 per cent) of the feedback recorded, indicated support for option B, with many seeing it as a suitable compromise option. Support for options A and C was very limited.</p>
<p>Priority service program</p> 	<p>The priority service program principles generally supported the principles of 'being fit for purpose' and not duplicating existing programs.</p> <p>The proposed approximately \$1.30 additional charge received virtually unanimous support.</p>

Table 20. Bendigo workshop






<p>Reflecting uncertainty around the future of gas in our plans</p> 	<p>Of the 23 items of feedback received, the strongest theme identified included participant suggestions and concerns about the supply, cost, reliability, feasibility and process of using hydrogen as alternative fuel. Participants questioned the amount of hydrogen needed to replace gas and questioned how domestic and export markets would treat hydrogen as they compete with one another. Participants questioned the ability to implement the right infrastructure and capacity to supply the amount of hydrogen required.</p>
<p>Accelerated depreciation of the existing gas network</p> 	<p>Approximately 58 per cent of participant feedback inferred or explicitly stated support for option B. There was very limited support for options A and C. Option B was chosen because it was seen as a compromise and an acceptable ‘middle ground approach’.</p>
<p>Priority service program</p> 	<p>The Priority Service Program was supported, with feedback being that it was an exciting and cost-effective initiative.</p> <p>The price-point of approximately \$1.30 was considered very low and quite affordable with no participants objecting to the cost. It received almost full support.</p> <p>“Fair”, “cheap” and “reasonable” were used to describe the initiative.</p>

Table 21. Warrnambool workshop

<p>Reflecting uncertainty around the future of gas in our plans</p> 	<p>Of the 39 items of feedback regarding this discussion topic, participants in Warrnambool saw consumer costs as a priority (28 per cent of feedback raised discussed this matter). Participants wondered if governments should play a greater role in subsidising the transition costs and noted that many would simply leave the gas sector for electricity altogether to avoid new costs.</p> <p>The uncertainties of hydrogen as an alternative fuel source was the next most common theme raised, with one in four comments noting there were risks associated with an untested gas alternative and that people and the industry needed time to prepare for it.</p>
<p>Accelerated depreciation of the existing gas network</p> 	<p>In this workshop participants did not show a strong preference for any particular option.</p> <p>Of the 42 items of feedback regarding accelerated depreciation, option B was only supported on 11 occasions (approx. 25 per cent). There was less explicit support for options A and C, however 18 per cent of people inferred support for option A, with suggestions that customers should not have to pay more ‘for a problem that is AusNet’s’. Participants felt changes had previously been made which consumers paid for and there was some mistrust expressed about the reality of future savings in response to higher prices now.</p>

It should be noted that in this workshop, participants were not informed of AusNet's preferred option (option B). In all previous workshops, AusNet's position was declared prior to participants undertaking this activity. This may have led to a natural bias towards option B in the other workshops as the preferred option by the industry 'experts'. The potential impact is not able to be quantified.

Priority service program

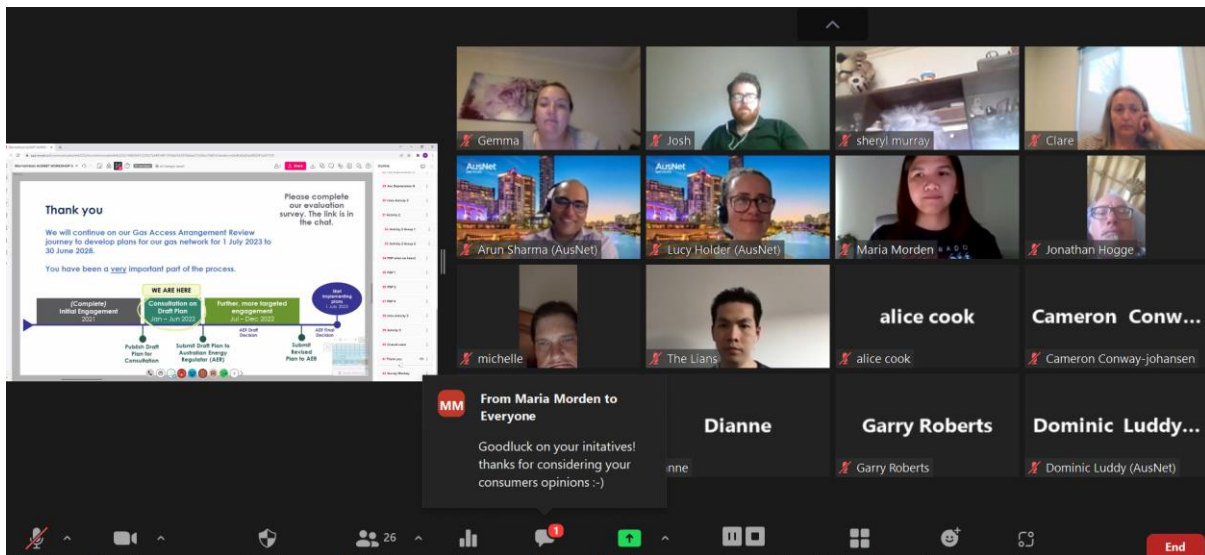


The priority service program was supported, with feedback being that it was a reasonable and cost-effective initiative, "good" and "great" were used in response. The price-point of approximately \$1.30 was considered very low and quite affordable with no participants objecting to the cost and some even suggesting it could be increased above that price-point.

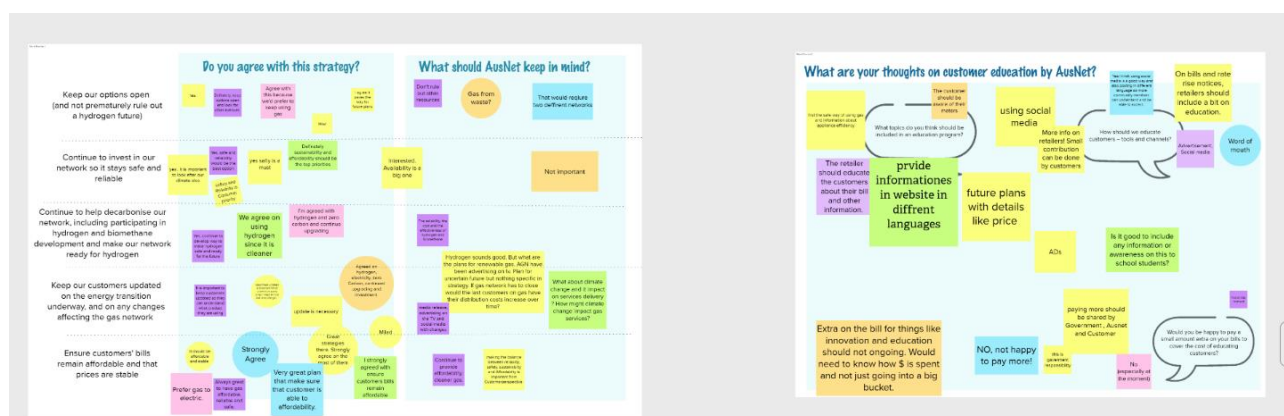
Conclusion

Participants engaged well across all workshops and provided useful feedback to AusNet. This third and final round of workshops provided feedback to participants on all themes arising from the first workshops and explored three of these themes in more detail, with a particular focus on AusNet's position as proposed in its draft regulatory submission.

An overarching consultation report will be prepared to reflect outcomes across the entire iterative customer workshop series as part of Communication Link's final reporting to AusNet.



Appendix B – Mural boards



Click on the links below to review the individual Mural boards for each workshop

Table 22. Mural boards

Workshop	Round 1	Round 2	Round 3
Geelong	15 July 2021	11 October 2021	10 February 2022
Geelong - CALD	15 July 2021	11 October 2021	10 February 2022
Craigieburn	27 July 2021	12 October 2021	15 February 2022
Bendigo	28 July 2021	13 October 2021	16 February 2022
Warrnambool	14 July 2021	14 October 2021	17 February 2022
Multi-region top-up workshop*	18 August 2021		