

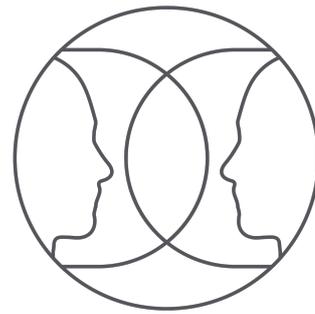


Supporting  
document 0.4

# Think Human Customer Engagement Evaluation Report

2020-2025  
Regulatory Proposal  
October 2018





# Think Human

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**SA Power Networks**  
Regulatory 2020-2025 Regulatory Proposal  
Customer Engagement Program Evaluation

October 2018

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# Executive summary

SA Power Networks, as a regulated Network Service Provider, is required every five years to submit a Regulatory Proposal to the Australian Energy Regulator (AER). SA Power Networks must demonstrate customer and stakeholder participation in the development of the Proposal.

SA Power Networks designed three phases of customer engagement in its 2020-2025 Regulatory Proposal Customer Engagement Program, subsequently redesigning this in mid-2018 to incorporate a fourth phase. This evaluation considers success against objectives for the original three-phase design.

In undertaking this evaluation, Think Human has undertaken analysis of the existing evaluation data that has been generated throughout the Program, from participants' feedback surveys, staff meeting notes, workshop reports and interim monitoring and evaluation reports, both internal and external to SA Power Networks.

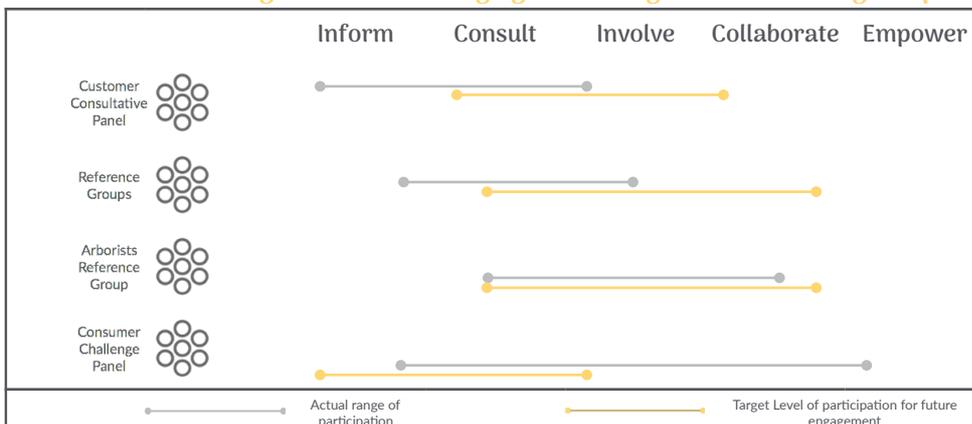
This desk-based analysis provided the foundation for subsequent interviews with members of the Customer Consultative Panel, Customer Reference Groups and SA Power Networks staff. Interviewees had varying levels of engagement throughout the Customer Engagement Program and varying levels of experience of both the Energy sector and of the Regulatory Proposal process.

## How well did SA Power Networks engage its customers?

Think Human has made an assessment of SA Power Networks' performance in the 2020-2025 Regulatory Proposal Customer Engagement Program based on data gathered from participant feedback throughout the program and on interviews carried out with participants in September and October 2018. It also draws on the AER's Consumer Challenge Panel Governance Handbook to understand the role of this group in the customer engagement programs of Network Service Providers. The actual levels of participation achieved are presented as a range in Figure 1, to cover all activities in the Engagement Program. We have also proposed a target range of participation for future customer engagement programs. This target range assumes that SA Power Networks' customer engagement practice will continue to deepen and evolve as it continues to invest in the relationships with its Customer Consultative Panel and Reference Groups. It also draws on the views expressed by staff that SA Power Networks wants to build on current practice to push engagement practice with its customers towards deeper involvement and collaboration where possible.

figure 1

### Actual and target levels of engagement by stakeholder group



## What elements of the 2020-2025 Regulatory Proposal Customer Engagement Program worked well?

What worked	What did not work	Recommendations for future
<ul style="list-style-type: none"> <li>✓ printed information and pre-reading for workshops</li> <li>✓ access to, and responsiveness of, key SA Power Networks staff</li> <li>✓ commitment to working openly and collaboratively with stakeholders</li> <li>Reference Group structure</li> <li>✓ responsiveness to Customer Consultative Panel early in engagement</li> <li>✓ Commitment to ongoing engagement</li> <li>✓ participation and accessibility of senior staff</li> <li>✓ Directions workshops</li> <li>✓ responsiveness and openness of SA Power Networks to meeting 'offline'</li> <li>✓ Early and open provision of figures and projections for the Proposal</li> <li>✓ broad representation at recruitment stage</li> </ul>	<ul style="list-style-type: none"> <li>○ prioritising needs of SA Power Networks customers in Engagement Program decisions</li> <li>○ setting realistic and achievable expectations</li> <li>○ managing inequitable power dynamics between stakeholders</li> <li>○ Overly reactive to demands of AER's Consumer Challenge Panel</li> <li>○ stretching of time commitment and risk of over-investment financially</li> <li>○ clearly defined participant expectations for each phase</li> <li>○ the impact of the AER's Consumer Challenge Panel on the broader stakeholder relationships</li> <li>○ visibility and clarity about decision-making, particularly in relation to the Final Regulatory Plan</li> </ul>	<ul style="list-style-type: none"> <li>* redesign Phase Three, particularly Deep Dives to ensure alignment with expectations and engagement of the right people (See 'How could it work better')</li> <li>* clarify stakeholder roles at outset and continuously monitor and review</li> <li>* clarify decision-making regarding process redesign at outset and continuously monitor and review</li> <li>* ensure stakeholder voices are balanced and representative of needs of Regulatory Proposal process throughout Engagement Program</li> <li>* clearly define desired and undesired outcomes for each stage and for the overall Program</li> <li>* ask participants to indicate whom they represent and how they are transferring information and feedback to and from this group as part of their selection procedure</li> <li>* review the participation at key stages in the Program and widen to include other stakeholders to influence in response to customers' priorities and needs</li> </ul>

# Recommendations

Based on the interviews undertaken by Think Human with participants in the 2020-2025 Regulatory Proposal Customer Engagement Program and data drawn from participant feedback throughout the program, we make the following recommendations. These recommendations build on what participants consider SA Power Networks to be doing well , and where they see opportunities for improvement. They also draw on best practice in customer engagement and evaluation methods and on Think Human's independent observations.

## Continue on the positive journey

With the current 2020-2025 Regulatory Proposal Customer Engagement Program, SA Power Networks has taken a huge step forward from the 2015-2020 Regulatory Proposal process in its commitment to and expertise in delivering effective and meaningful stakeholder engagement processes. SA Power Networks should continue to build effective, collaborative relationships with these groups, drawing in external facilitation to enable this as required, to establish effective working partnerships.

## Define desired and undesired outcomes at the outset

Whilst the 2020-2025 Regulatory Proposal Customer Engagement Program had objectives defined for the program as a whole and for each deliverable, future engagement could be improved by defining this in terms of outcomes, or the change or impact that SA Power Networks and its key stakeholders wish to see as a result of the program as a whole and as a result of each phase. This can be further refined to describe specific outcomes sought for the Regulatory Proposal and for particular stakeholder groups.

## Co-create 'balanced guardrails' around the process

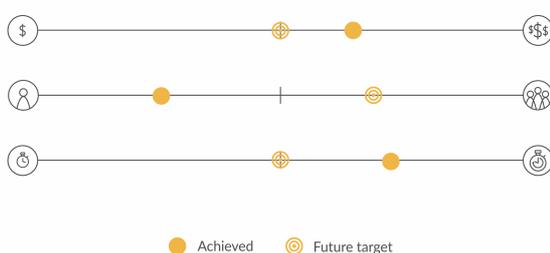
Whilst the current Regulatory Proposal Customer Engagement Project has stayed true to its initial design, it has at some key points expanded beyond the intended outputs and deliverables. We recommend that in future SA Power Networks works with key customer representatives in the early stages of the Engagement Program to define 'guardrails' for the process that balance:

1. the financial investment to deliver
2. the time investment to participate and
3. the equitable opportunity for all key stakeholders to participate appropriately and effectively.

These 'balanced guardrails' are illustrated in figure 2, with an assessment of what was achieved in the current Engagement Program and what a recommended future target would be, that keeps costs and time in balance and prioritises breadth of participation across stakeholder groups.

figure 2

### Balancing budget, stakeholder engagement and time



## **Get the right people around the table**

With the definition of clear and agreed desired and undesired outcomes at the outset, it should also become easier to identify the right make up of participants for each phase and each deliverable. This could include drawing in specialists and technical experts in particular areas of the Regulatory Proposal Engagement as required.

## **Set realistic, constructive and achievable expectations for and with participants**

In the current 2020-2025 Regulatory Proposal Customer Engagement Program early stage planning documentation shows that each phase and deliverable was planned to meet a certain level on the IAP2 Spectrum of Public Participation. We recommend that future Engagement make more explicit to define the level of involvement in each phase by stakeholder group, and that ongoing monitoring assesses the success of SA Power Networks in delivering to that level. This should include the appropriate level of participation from the IAP2 Spectrum and also protocols for decision-making, both in each phase and for the Program overall, and be monitored throughout the Program.

## **Clarify and monitor the role of the AER's Consumer Challenge Panel**

In the 2020-2025 Regulatory Proposal Customer Engagement Program the role and remit of the AER's Consumer Challenge Panel (CCP14) appears to have evolved over time and become unclear to both SA Power Networks and to other customer representatives. In future Engagement Programs their role and remit should be clearly defined in line with the AER's Consumer Challenge Panel Governance Handbook at the outset with the AER, SA Power Networks and Customer representatives. Defining with the AER where their role adds value and rigour and where it is important for the direct customer voice to come through is critical to a successful and constructive relationship. The AER's Consumer Challenge Panel role should be subject to similar levels of ongoing monitoring throughout the process as other aspects of the Engagement Program.

# Introduction

## Background and purpose

Think Human was commissioned to undertake a comprehensive evaluation of the SA Power Networks 2020-2025 Regulatory Proposal Customer Engagement Program. SA Power Networks, as a regulated Network Service Provider, is required every five years to submit a Regulatory Proposal to the Australian Energy Regulator (AER). SA Power Networks must demonstrate customer and stakeholder participation in the development of the Proposal in line with the AER's Consumer Engagement Guidelines for Network Service Providers.

This evaluation was to consider the Customer Engagement Program as a whole and its effectiveness against meeting its stated objectives, with a particular focus on the participant experience, and make recommendations for the future, including the development of an Evaluation Framework to guide future practice.

## Structure of this report

This report is divided into three main sections:

1. A summary of key Program Phases against intended objectives and intended participation level on the spectrum of participation from the International Association for Public Participation (IAP2)
2. A qualitative evaluation of the whole Program against SA Power Networks' stated objectives for the 2020-2025 Regulatory Proposal Customer Engagement Program
3. Recommendations for the future

There are five appendices to this report:

1. A draft model for future Engagement programs
2. An evaluation framework for future Engagement Programs
3. The interview guides used in both customer and staff interviews for reference, with
4. The updated program overview from SA Power Networks
5. A summary of SA Power Networks' KPI monitoring reports.

## Methodology

In undertaking this evaluation, Think Human has undertaken analysis of the existing evaluation data that has been generated throughout the Program, from participants feedback surveys, staff meeting notes, workshop reports and interim monitoring and evaluation reports, both internal and external to SA Power Networks.

This desk-based analysis provided the foundation for subsequent interviews with members of the Customer Consultative Panel, Customer Reference Groups and SA Power Networks staff. Interviewees had varying levels of engagement throughout the Customer Engagement Program and varying levels of experience of both the Energy sector and of the Regulatory Proposal process. Participants were selected by SA Power Networks to a set of criteria provided by Think Human, to ensure a broad range of voices and experiences.

In total 11 people were interviewed in developing this evaluation, five SA Power Networks staff and six customer representatives involved in the Customer Engagement Program. Staff interviewees included some who were heavily involved in the program and others who only contributed in specific subject areas; customer representatives were drawn from the Arborist Reference Group, the Business Reference Group, the Renewables Reference Group, the Community Reference Group and the overarching Customer Consultative Panel. Given the small number of participants, names of participants are not included in this report to respect the confidentiality of what they have shared.

Think Human did not speak with anyone from the AER's Consumer Challenge Panel, as it is our understanding that their role is outside the Regulatory Proposal Customer Engagement Program and as such will be separately evaluated by the AER. Likewise, we have not focused on evaluating the Program against customer and stakeholder engagement standards as defined by the AER, IAP2 and AccountAbility's AA1000 (Objective five in SA Power Networks' Program objectives) as this is focus of previous and ongoing evaluation work being carried out by another consultancy.

## Naming conventions

Within this report, all proper names that are commonly abbreviated are written in full on their first occurrence and subsequently abbreviated. There are three exceptions to this:

- SA Power Networks is always written out in full
- SA Power Networks' Customer Consultative Panel and the AER's Consumer Challenge Panel, abbreviated in common parlance respectively to CCP and CCP14, are always written out in full to avoid potential confusion arising from similar acronyms.

Any quotations in this report from staff are labelled as such. All other quotes are from customer representatives.

In most cases, the term customer is used to refer to customers or consumers. In some cases a distinction is made between customers and customer representatives, a distinction made by interviewees themselves rather than by Think Human. Finally, the term 'participant' is used when the context is about participation in the Regulatory Proposal Customer Engagement Program rather than their views as a customer per se.

## Disclosure

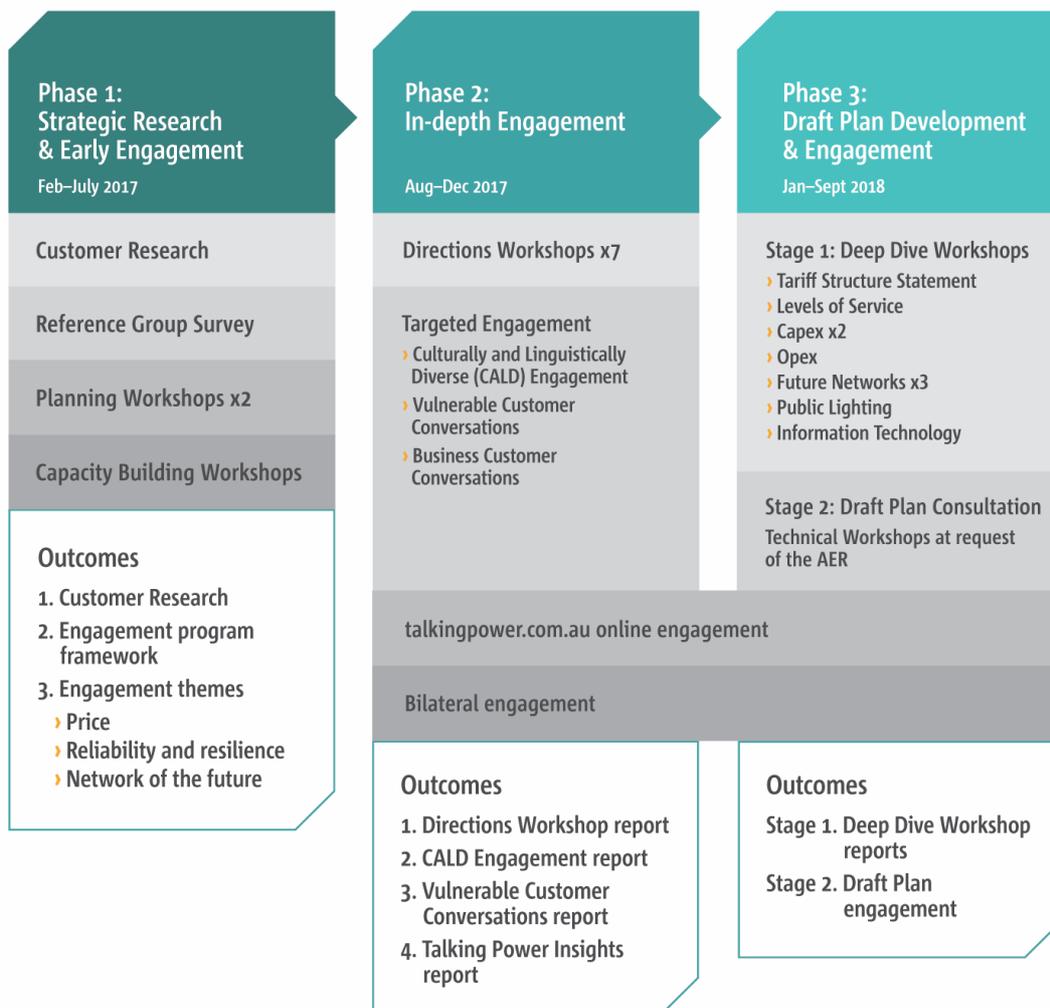
Finally, in the interests of full disclosure, the author of this report, Melanie Lambert of Think Human, declares that she had a role in delivering three elements of the 2020-2025 Regulatory Proposal Customer Engagement Program: the design and delivery of the Culturally and Linguistically Diverse Engagement in September-October 2017, and the facilitation of the Future Networks and Information Technology Deep Dives in May and June 2018.

# 2020-2025 Regulatory Proposal Customer Engagement summary: phase by phase

Throughout the 2020-2025 Regulatory Proposal Customer Engagement Program SA Power Networks has gathered feedback from participants after each engagement opportunity. Each stage has already been reviewed to assess its effectiveness at delivering against the various Engagement standards adopted by SA Power Networks, namely the Australian Energy Regulator’s (AER) Consumer Engagement Guidelines for Network Service Providers, the International Association for Public Participation (IAP2)’s Public Participation Spectrum and AccountABILITY’s AA1000 Standards. As such, this evaluation has focused primarily on the qualitative data gathered from participants in the process, to review the whole Program’s effectiveness in delivering against the stated objectives of the phase and the overall program. It focuses on identifying what worked, what could be improved, and making recommendations for future customer and stakeholder engagement.

A summary of each phase is outlined in figure 3, with a high level assessment of its success at meeting its intended objectives and stated level of participation on the IAP2 spectrum. (SA Power Networks has developed a revised version of this diagram which describes a fourth phase, included for reference in Appendix four.)

figure 3



## Phase 1: Strategic Research & Early Engagement

Objectives	<ol style="list-style-type: none"> <li>1. Understand current customer and stakeholder needs, values and priorities</li> <li>2. Develop an engagement approach that builds on previous engagement experiences</li> <li>3. Build the capacity of stakeholders to engage</li> </ol>
Intended level of engagement on IAP2 spectrum	Consult/Involve (all stakeholder meetings are identified at this level)
Participants	SA Power Networks' Customer Consultative Panel and Customer Reference Groups
Key engagement activities	<p>Customer Research            Reference Group survey            Planning workshops            Regulatory briefing sessions</p>
What worked	<p>Early engagement of stakeholders in designing the process            Clearly defined purpose, goals and scope of engagement            Responsiveness to stakeholder feedback: e.g. Vulnerable Customers and Culturally and Linguistically Diverse Customers</p>
What didn't work	<p>Insufficient time allocated to unpack and deeply understand different viewpoints            Not enough clarity on what aspects of the Proposal were open to influence by the consumer voice            Some confusion with breadth of issues tackled and sense that voices were not all heard</p>
Sources	<p>2017 2020-2025 Regulatory Proposal Customer Engagement Advice report            Planning Workshop Feedback            One-to-one interviews with customer representatives</p>
Actual achievement on IAP2 spectrum	Consult /Involve
Assessment of success against objectives	<p>SA Power Networks was successful in developing a robust engagement approach as a result of this phase of work, which showed significant improvement from previous Customer and Stakeholder Engagement work. They showed commitment to building stakeholder capacity to participate effectively, as demonstrated from the verbatim feedback and the input of stakeholders in subsequent phases of engagement.</p> <p>The depth and breadth of content in the subsequent Directions workshops suggests that they were successful too in deepening their understanding of customer and stakeholder needs. Verbatim feedback from the subsequent workshops suggest that participants in this stage were satisfied with the content developed as a result of this phase.</p>

## Phase 2: In-depth Engagement

Objectives	<ol style="list-style-type: none"> <li>1. Deliberate on specific engagement themes</li> <li>2. Understand customer and stakeholder preferences and priorities</li> <li>3. Engage in two-way dialogue to understand the unique views, experiences, values and priorities of targeted customer groups</li> <li>4. Ensure engagement outcomes are considered in business planning</li> </ol>
Intended level of engagement on IAP2 spectrum	Consult / Involve
Participants	Customer Reference Groups, Members of the public throughout South Australia AER's Consumer Challenge Panel (final Directions Workshop only)
Key engagement activities	Directions workshops, Culturally and Linguistically Diverse (CALD) Engagement, Vulnerable Customer Conversations, Business Customer Conversations, Tariff Regulatory Proposal Workshop, Talking Power online engagement
What worked	<p>Building participants' basic knowledge and understanding of the role of SA Power Networks and how this interfaces with other players in the Energy market</p> <p>Time given to group work and break out discussions</p> <p>Being listened to and commitment to two-way dialogue and to hearing the consumers' voices</p> <p>Session plans and briefing packs prepared for each workshop</p> <p>Talking Power online engagement on specific issues, notably Future Network</p>
What didn't work	<p>Some participants feeling out of their depth, either through lack of financial or technical expertise</p> <p>Some information presented was overly complex or presented in too dense a format to digest and understand</p> <p>Some participants felt time was too tight, with too much time dedicated to information sharing and not enough to discussion and deliberation</p>
Sources	<p>Directions workshops participant feedback</p> <p>Directions workshops staff debrief notes</p> <p>2018 2020-2025 Regulatory Proposal Customer Engagement Advice report (KPMG)</p> <p>One-to-one interviews with customer representatives</p>
Actual achievement on IAP2 spectrum	Inform / Consult

**Assessment of success against objectives**

SA Power Networks was successful in the Directions workshops at gathering broad understanding of the preferences and priorities of its customers and stakeholders. The inclusion of CALD and Vulnerable Customer engagement processes ensured they understood the nuance of needs across their customer base. Likewise, SA Power Networks carried the priorities identified in this stage through to their business planning and modelling for the next phase of engagement.

However, against Objectives 1&3, SA Power Networks fell short of deliberation and deep two-way dialogue in the design and delivery of the engagement opportunities, particularly in the Directions workshops, which were heavily weighted to information-sharing. From interview feedback, a number of the specialist Reference Groups deliver to the level of Involve, with the Arborist Reference Group being at the level of Collaborate.

### Phase 3: Draft Plan Development and Engagement

<b>Objectives</b>	Deliver targeted workshops to deeply explore complex and technical discussion topics
<b>Intended level of engagement on IAP2 spectrum</b>	Involve
<b>Participants</b>	SA Power Networks Customer Consultative Panel and Reference Groups, AER's Consumer Challenge Panel
<b>Key engagement activities</b>	Deep Dive workshops, additional technical workshops, Talking Power online engagement
<b>What worked</b>	Access to and participation of senior staff and technically knowledgeable staff Printed materials and openness to providing additional information in response to participants feedback
<b>What didn't work</b>	Addition of more workshops made time commitment burdensome to some participants Increasingly vocal role of AER's Consumer Challenge Panel Lack of clarity about decision-making in the lead up to submitting the Plan Managing expectations of all stakeholders Inconsistency between Deep Dive content and approaches depending on different skills and knowledge bases of staff presenting
<b>Sources</b>	Deep Dive participant feedback Deep Dive Workshops staff debrief notes 2018 2020-2025 Regulatory Proposal Customer Engagement Advice report (KPMG) One-to-one interviews with customer representatives
<b>Actual achievement on IAP2 spectrum</b>	Consult /Involve

**Assessment of success against objectives**

SA Power Networks was successful in delivering a series of targeted workshops on the priority themes identified in earlier stages. However, given the range of participants involved, SA Power Networks fell short of the target to deeply explore complex and technical topics effectively with all those participating. This was due to a range of factors, including: the capacity of those in the room to contribute; limitations of time to bring participants up to speed with content whilst also having time to deeply explore the topics; the size and breath of the participant group; and challenging group dynamics which did not always support the positive and collaborative exploration of issues.

We would also propose that the stated objectives for this stage fall short of what is required to bring this program to a clear and agreed outcome and leave the later stages of the program, after the Deep Dive series, ambiguous and without clear objectives for how to draw the Engagement Program to a close and ensure ongoing stakeholder relationships and engagement. This should be addressed in future Engagement Programs in the Program design stage in Phase One.

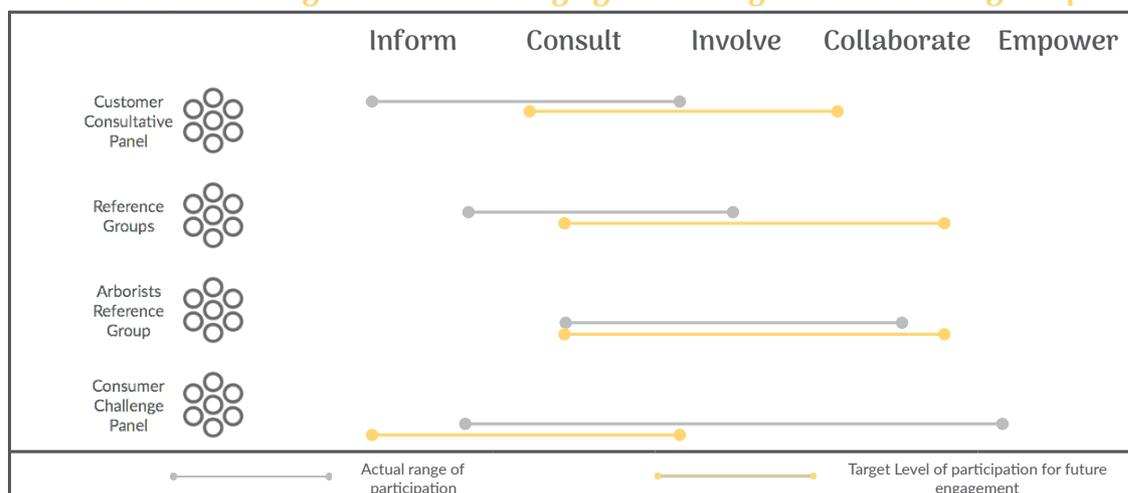
## Summary of success: Levels of Engagement

In designing and delivering any Customer and Stakeholder Engagement Program, it is important to define in advance the level of participation that is intended for each stakeholder group and monitor success at enabling people to engage at that level. Whilst the desired level of engagement for each engagement activity was documented at the outset, it does not appear that a similar assessment was undertaken of each stakeholder group. The diagram below indicates our assessment, based on data analysis and participant interviews, of the range of involvement for each stakeholder group in the Regulatory Proposal Engagement Program, and our assessment of where they should be positioned in future engagement programs.

This target range assumes that SA Power Networks' customer engagement practice will continue to deepen and evolve as it continues to invest in the relationships with its Customer Consultative Panel and Reference Groups. It also draws on the views expressed by staff that SA Power Networks wants to build on current practice to push engagement practice with its customers towards deeper involvement and collaboration where possible, as well as on AER guidance documentation about Customer and Stakeholder Engagement and the Role of the AER's Consumer Challenge Panel.

figure 1

### Actual and target levels of engagement by stakeholder group



# Overall evaluation of the 2020-2025 Regulatory Proposal Customer Engagement Program

## Objective 1: Ensure customers and stakeholders are well equipped to actively participate in the engagement

### Summary

From the evidence examined and the interviews conducted, SA Power Networks seems to have shown a genuine commitment to equipping participants to actively participate. From initial stages through to Deep Dives and Draft Plan consultation, participants have had access to printed materials and resource packs to help build their knowledge base in order to input effectively to the process. Reference Group members have had access to their own members' section of the Talking Power website, which has acted as a depository for information and reports from the workshops they have undertaken together. Interviewees also noted the ease of access they have to staff with SA Power Networks to answer their specific questions and the responsiveness of staff to any requests for supplementary information.

However, it should be noted that in trying to engage simultaneously with such a broad spectrum of stakeholders, from regular consumers to special interest groups and consumer technical experts, SA Power Networks has inadvertently created some barriers to engagement and participation for some stakeholders whilst failing to meet expectations of others. Likewise, their decision to be responsive to the demands of all stakeholders has resulted in the Program expanding considerably in terms of number of workshops and thus the time commitment required from participants. This has largely been driven by a small number of participants, notably the AER's Consumer Challenge Panel, and does not seem to reflect the demands of the majority of consumer and customer representatives.

### Theme 1.1: Access to SA Power Networks staff and resources to enhance participation

Participants in the 2020-2025 Regulatory Proposal Customer Engagement Program were positive about the level of access they had to SA Power Networks staff and resources to enable them to participate effectively. A representative from a small advocacy group highlighted the fact they were paid for participation made it possible for them to commit scarce resources with compensation to the organisation.

Many participants commended SA Power Networks for the presence and active participation of their senior management throughout the engagement process. This was not confined to their presence at formal engagement opportunities such as workshops but their genuine openness to be available for one-to-one meetings and briefings at the request of participants.

The participants we interviewed who told us they were 'customers' rather than 'customer representatives' (their distinction) were particularly positive about how approachable they felt SA Power Networks staff and leadership were.

Participants who have been involved with SA Power Networks for a longer

*"They made a real effort to make it easy."*

*"Early on we said we didn't understand how it works. They drew out an infographic to help us understand how it fits together. We mentioned it, and the next meeting, it was there."*

*"I feel they have been open and transparent. I've just had a very open and frank meeting with them - they were receptive to me setting up the meeting, senior staff were present and they were helpful..."*

*"The whole thing has been an incredibly steep learning curve, but SA Power Networks couldn't have been more helpful [...] I have no fear now of speaking up or asking any questions of SA Power Networks staff."*

period of time, and particularly those who were involved in the last Regulatory Proposal process, were unanimously positive about the direction of travel they have seen in SA Power Networks move in, with observations made that leadership seems more on board with consumer engagement and customer focus.

However, it should also be noted that not all staff who were involved in the 2020-2025 Regulatory Proposal Customer Engagement Program were highly skilled in community engagement. A large number of staff were involved, some on account of their deep technical expertise, but this at times came at the expense of clarity and accessibility of information for non-technical participants.

*“SA Power Networks has been traditionally engineering and project-driven and that psyche makes it’s way through the whole business. But we don’t do projects - we deliver a service to customer.” Staff member*

*“Some of the SA Power Networks people are inexperienced [in consumer engagement] but I admire them for having a go”*

## Theme 1.2: Managing the dynamics and demands of stakeholders to enable better participation

The 2020-2025 Regulatory Proposal Customer Engagement Program has engaged with a wide set of diverse stakeholders: 2892 participants across all channels, representing consumer voices, consumer advocacy and representative groups, special interest groups and technical expert consumers. Whilst the dynamics between these different stakeholders seemed to work well in the early stages, it became increasingly challenging in the later stages, particularly in Phase 3: Deep Dives & Draft Plan Development.

*“The dynamics worked very well - strong views, all politely put. No-one called SA Power Networks rat bags!”*

*“My peers are not interested in hearing ordinary voices. If I did speak up, I was told I didn’t understand [...] I haven’t been ‘sucked in’. That’s what others said to me. I got to not talking to them...”*

Regular consumers and less technical participants voiced a range of views about the impact of their fellow participants’ input. Whilst some found the higher levels of expertise amongst some participants added helpful content and provoked a deeper level of discussion, others felt intimidated and shut down by it. A consumer representative who has been involved in previous Regulatory Proposal Customer Engagement processes questioned the appropriateness of the AER’s Consumer Challenge Panel’s participation in particular, finding them to be a dominant voice and a dominating force in driving the engagement, at the expense of the voice and participation of SA Power Networks’s consumers. Whilst they asked good questions and enhanced other participants’ knowledge, there was a question mark about whether that was their role and if they could have a more effective role in empowering others in the room to speak up.

*“The AER’s Consumer Challenge Panel helped me. They were able to fill in some of the background noise and to provoke discussion. They brought in wider experience.”*

*“The AER’s Consumer Challenge Panel are meant to be representing customers but they aren’t actually listening to others in the room. They aren’t the average customer. It might have been better to have an ECA representative...”*

As the process developed the balance of demands and needs of different stakeholder groups came into tension. Whilst SA Power Networks responded to requests from the AER’s Consumer Challenge Panel to add in more Deep Dive workshops, particularly in addressing the Future Networks theme, and pushed for more and more granular detail in the workshops, other participants felt that these increasing demands made the commitment too time-consuming for them to be able to stay as actively involved as they had planned. Where stakeholders have stayed involved, this has come at significant cost in terms of time and, in the case of organisations, resourcing.

*“I haven’t been to the meetings to question the Draft Plan. I have no objections. we’ve been part of developing it. [...]It’s not robust discussion. It’s aggressive and looking for errors.”*

*“It’s probably been a half-time role for us over the last six months”*

Likewise, others felt the push for more and more granular detail took them into areas where they felt they were not the right people to comment. In these circumstances, they also questioned if the others in the room were the right people as well, and if there could be a more productive discussion offline with a small group of subject-matter experts.

*“It’s been a really busy period for us at [agency name]. We couldn’t attend everything.”*

This aligns with data from SA Power Networks’s Key Performance Indicator reports for Phase Three, where the only KPI tracking below target is for reference group involvement; this was tracking on target in Phase Two.

## Theme 1.3: The balance of sharing information to enable participation without being seen to lead or mislead

SA Power Networks came into this 2020-2025 Regulatory Proposal Customer Engagement Program acutely aware of their shortcomings in the previous Regulatory Proposal process five years previously. As a result, they resolved to design and deliver the process in as open and transparent way as possible. In the early stages, particularly in the Directions Workshop, which were broader and more general in nature, this worked well.

However, in Phase Three, particularly in the Deep Dive workshops, SA Power Networks staff expressed discomfort with the level of granular detail being shared and seen as 'fact' when the figures and data shared were early stage calculations. Likewise, SA Power Networks staff talked of trying to offer alternative scenarios along with recommended options, but felt some participants saw this as too leading. In some cases, staff presented proposals for investment that came across as a 'fait accompli' rather than open to discussion and feedback.

The level of detail provided at the Deep Dives in many cases seemed to miss the mark and either fell short of some participants' expectations or surpassed others' ability to engage meaningfully.

A number of staff and participants suggested the use of the term 'Deep Dive' was unhelpful as it set expectations that participants would be able to dig into the granular detail when in many cases this detail was not available, the people in the room were not the right people to comment on it, or in some cases, the staff presenting were not equipped with the requisite skills to take stakeholders on a 'deep dive'.

*"We made a decision to work WITH the AER's Consumer Challenge Panel and collaborate and accommodate ALL stakeholders." Staff member*

*"I've felt quite uncomfortable with the level of detail we've given out before figures are finalised. Then the figures change and we have to defend them..." Staff member*

*"SA Power Networks has been bending over backwards to accommodate any questions"*

*"With the tariff Regulatory Proposal they'd made up their mind. They were just telling us early - not consulting."*

*"The AER's Consumer Challenge Panel has had a negative tone throughout. There's a sense that they think we've been deliberately misleading." Staff member*

### Success against this objective

What worked	What did not work	Recommendations for future
<ul style="list-style-type: none"> <li>✓ printed information and pre-reading for workshops</li> <li>✓ access to, and responsiveness of, key SA Power Networks staff</li> <li>✓ commitment to working openly and collaboratively with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>○ prioritising needs of SA Power Networks customers in Engagement Program decisions</li> <li>○ setting realistic and achievable expectations</li> <li>○ managing inequitable power dynamics between stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>* Redesign Phase Three, particularly Deep Dives to ensure alignment with expectations and engagement of the right people (See 'How could it work better')</li> <li>* Clarify stakeholder roles at outset and continuously monitor and review</li> </ul>

## Objective 2: Engage customers and stakeholders on issues that matter to them

### Summary

From the evidence available through workshop feedback and from one-to-one participant interviews, it would seem that SA Power Networks has made considerable efforts to engage customer and stakeholder representatives effectively on issues that matter to them. This is in stark contrast to reported previous efforts, and SA Power Networks is to be commended for the huge leap forward it has taken in resourcing and commitment to customer engagement. In particular, the Reference Group model is an effective mechanism to tailor the engagement to the particular skills, expertise and interests of a sub-group of participants. This represents effective use of time and resource for both SA Power Networks and for its stakeholders.

However, in the forums that catered to a broader group, spanning significant variations in technical and sectoral knowledge and perspectives, the efficacy of the Program design to engage all stakeholders on issues that directly mattered to them became diluted. At times the wrong people were in the room, which led to them either not participating or contributing outside their field of expertise and knowledge. Likewise, the sheer volume of engagement opportunities meant that some participants withdrew or reduced their involvement leading to their voice, and thus the views of their stakeholder group, not being heard throughout the Engagement Program.

### Theme 2.1: Using reference groups or specialists to do focused work in areas of interest and knowledge

Participants identified the Reference Group structure as a helpful and constructive aspect of the Program design. The Reference Groups were based on the success of the Arborist Reference Group, established during the last Regulatory Proposal period to address a particularly contentious issue and set of relationships. SA Power Networks staff also reported the positive impact of this structure and the ongoing positive impact of the Arborist Reference Group, and senior managers indicated an intention to continue with the Reference Groups after the end of the Regulatory Proposal period. A key success factor in the Reference Groups is creating clarity in the roles, influence and expectations, the building of long-term relationships and the mutual trust that comes with that, which sets SA Power Networks up well for future engagement and participation of stakeholders.

A number of participants questioned if there were too many Reference Groups, or if there were too many engagement opportunities outside of the Reference Group structure, motivated by a 'quantity over quality' driver. There was a suggestion that any engagement outside the Reference Group membership could be focused on areas of specialism, to enable 'Deep Dives' to genuinely go deep, and bring back the insights from these sessions via a neutral facilitator or via a small number of Reference Group members to the main Reference Group forum.

A number of examples of this were cited, for example, on the issue of appropriate investment in property maintenance, where a 'deep dive' with agencies such as the Property Council or the Urban Development Institute of South Australia engaged to do focused and informed deliberation. Likewise, another participant spoke about the Information Technology Deep Dive in particular being dominated by questions about details that they felt were outside the expertise of the questioners; again, a Deep Dive with a small group of external specialists could have added value, with insights and opportunities

*"We've continued the Arborist Reference Group from the last time, Eight years ago we were in court..."*

*"With the ARG we were clear from the start, 'Here's what we're not going to consult on, but here's where we will work with you. We can't solve this overnight. Oh, and we've not done very well up to now..." staff member*

*"At the CCP table the language is 'Why haven't you...?' At ARG its 'why haven't we...?' [...] At the ARG we had heated discussion but there was enough respect"*

*"At the IT workshop people were challenging everything - how many computers they had, why they need to update programs every three years... I was tempted to stand up and ask if they knew what the hell they were talking about! But I bit my tongue and put it all in the feedback to SA Power Networks."*

being brought back to the Reference Groups and Customer Consultative Panel.

## Theme 2.2: Striking a balance between stakeholder demands or interests and the needs and priorities of the Regulatory Proposal process

As has already been mentioned above, SA Power Networks made a decision to respond to the needs of stakeholders throughout the process and made a number of changes to process as a result. A significant decision made in consultation with the Customer Consultative Panel was the addition of two dedicated processes to hear specifically from vulnerable customer groups and Culturally and Linguistically Diverse customers, both of whom were identified as facing significant barriers to engagement in the main Program. SA Power Networks and its Customer Consultative Panel should be commended for this important step towards inclusivity.

*"We stayed within the tramlines and true to the original design. We did make some changes when we socialised it with stakeholders..." Staff member*

*"Five years ago we probably did about 30% of what we've done so far this time. And we got nothing from the regulator. This time we've given it a really good go..." Staff member*

However, later in the process some key decisions were made to alter the Program design that seemed to be driven by a minority of participants. Notably, the decision to increase the number of Deep Dive workshops from the original four to a total of ten seemed to be driven by a request from the AER's Consumer Challenge Panel rather than the Customer Consultative Panel. However, this decision had a significant knock-on impact on all stakeholders, significantly increasing their expected time commitment to the Program; this was also true for SA Power Networks staff time commitment. This decision must also have added significantly to the cost of the Program. This increase in investment in time and cost means that SA Power Networks has incredibly high hopes for the impact their investment will have on the Proposal's acceptance by the AER, but some expressed doubt that it would have any noticeable impact.

*"We predominantly heard from those representing special interest groups, who are so focused on their group's needs, but that's not necessarily representative of what the rank and file customer wants." Staff member*

A number of staff in particular noted the absence of the ordinary customer in the later stages of engagement. As has already been noted, a number of those who did continue with engagement as representatives of the regular consumer voice felt they were unable to compete with some of the louder and more technically knowledgeable voices in the room. This voice, and not just those of technical experts or special interest groups, is important to hear in the Regulatory Proposal process.

## Theme 2.3: Opportunities for ongoing participation on issues of importance to consumers

SA Power Networks senior managers involved in interviews confirmed that they intend to maintain and continue to develop the Reference Group structure after the Regulatory Proposal period, as an effective way to continuously connect with and hear the voice of SA Power Networks' consumers and stakeholder groups. Whilst they were unclear exactly what the format would be and if this would change from the existing model, they were clear that this would be undertaken in consultation with the Customer Consultative Panel membership. Senior managers recognised that SA Power Networks has significantly increased its capability in consumer and stakeholder engagement and see this as a worthwhile investment setting them up for the future.

*"It takes time - customer engagement, collaboration, empowerment - you need trust and reciprocity."*

*"At the Arborists Reference Group, we are inside the system, not outside throwing stones"*

Within the 2020-2025 Regulatory Proposal Customer Engagement Program there has been significant divergence in practice between staff and across Reference Groups, and different visions of what the future of engagement could and should look like. However, the commitment of executive leadership to this

Program is a positive indication for the future.

### Success against this objective

What worked	What did not work	Recommendations for future
<ul style="list-style-type: none"><li>✓ Reference Group structure</li><li>✓ responsiveness to Customer Consultative Panel early in engagement</li><li>✓ commitment to ongoing engagement</li></ul>	<ul style="list-style-type: none"><li>○ overly reactive to demands of AER's Consumer Challenge Panel</li><li>○ stretching of time commitment and risk of over-investment financially</li></ul>	<ul style="list-style-type: none"><li>* clarify decision-making regarding process redesign at outset and continuously monitor and review</li><li>* ensure stakeholder voices are balanced and representative of needs of Regulatory Proposal process throughout Engagement Program</li></ul>

## Case Study 1: the Arborist Reference Group

In 2011, SA Power Networks was 'at war' with key stakeholders regarding vegetation and the maintenance of power lines, and, as acknowledged by senior staff within the business, SA Power Networks has "zero engagement with customers". In response, and to ensure this adversarial situation did not recur, the Arborist Reference Group (ARG) was established, to draw together key stakeholders and subject matter experts to work together to find better solutions. As a result of seven years of an evolving partnership, the Arborist Reference Group in late 2018 feels that the relevant content of the 2020-2025 Draft Plan has been developed in a truly collaborative way. "It has 100% evolved together."

However, this journey has not been straightforward. Both staff and ARG membership acknowledge they had to work slowly and steadily to build trust in what began as a very hostile environment. However, given the context at the time, all parties recognised that "bashing heads together" was not going to achieve good outcomes, and so, as one member told us, ARG members were asking "how can we influence together *with* SA Power Networks, in collaborative partnership, to improve what is delivered?"

Key factors in contributing to the success of the ARG seem to be:

- honesty and openness on the part of SA Power Networks to acknowledge previous mistakes and a commitment to move in a positive direction
- acceptance that change takes time and patience to work gradually to repair trust and build relationships that work
- clarity on what can be influenced and what can't
- commitment to having the right partners around the table and stretching for the higher levels of the IAP2 Spectrum of Participation wherever possible
- the skill and commitment of the SA Power Networks staff with responsibility for the Reference Group.

The ARG is now described as a forum where "we have heated discussion but with enough trust and respect" (ARG member).

An ARG member we spoke to acknowledged that the issues they deal with may be complicated, but they are often not as complex as other issues which are the focus of other Reference Groups. The membership of other groups may also have more competing priorities. Likewise, the skills and experience of SA Power Networks staff will vary. However, SA Power Networks should be encouraged at the success of the ARG and provide the requisite support to other Reference Groups before the next Regulatory Proposal period to build a similarly strong set of shared values and objectives, working practices and skilled internal leadership. This may ensure strong collaborative partnerships exist on an ongoing basis to support the business to understand its customers day to day. ARG membership suggest that some groups may require external facilitation to reach this point, or on an ongoing basis, to reach negotiated outcomes.

## Objective 3: Ensure ‘no surprises’ for both SA Power Networks and our stakeholders throughout engagement process

### Summary

It is our assumption that this objective for the 2020-2025 Regulatory Proposal Customer Engagement Program is driven by a desire to ensure that mistakes made in the previous Regulatory Proposal period are not repeated, and that as far as possible, SA Power Networks works collaboratively with all stakeholders, including the AER and its Consumer Challenge Panel so that outcomes are predictable and spring from ongoing dialogue. As a result of dialogue and planning in partnership with stakeholders in Phase One, the general design and flow of the Engagement Program has been known and anticipated by participants, with key building blocks of the design remaining as planned.

However, despite this, stakeholder expectations of each stage in the 2020-2025 Regulatory Proposal Customer Engagement Program have not always been met, with elements such as the Deep Dives either under or over-delivering in terms of content and depth, depending on individual stakeholder perspectives and pre-conceived ideas. More could be done to tighten up descriptions and clarify expectations in the design and development stage. This lack of specificity is particularly apparent in the later stages of the Program. At the time this report is being developed there appears to be pressure being put on SA Power Networks to continue engaging right up to submission of the final Proposal in January 2019.

SA Power Networks’ commitment to respond to the ongoing demands of the AER’s Consumer Challenge Panel has led to surprises for other participants in the extra commitment of time and resource required to participate. Likewise, SA Power Networks staff report that the role of the AER’s Consumer Challenge Panel itself has evolved in surprising ways for them, which they believe are beyond its stated remit.

Finally, the ability of SA Power Networks to build significant relationships of trust with key stakeholders is to be commended, given the lack of trust that existed at the outset. There is still much work to be done on this, with deficits in trust still existing in some pockets, but the continuation of Reference Groups after the Regulatory Proposal period is over, will set SA Power Networks in good standing for future engagements to be underpinned by trust.

### Theme 3.1: Building clarity of expectations around each phase of engagement

In the early stages of the 2020-2025 Regulatory Proposal Customer Engagement Program staff developed a range of assessments and guiding documents to shape the Program and levels of engagement. In this early documentation there was discussion of Deliberative Forums in addition to the Directions Workshops, Deep Dives and online engagement. However, in subsequent planning this was decided against to keep the cost of the Program to a reasonable level. This engagement method was identified as sitting at the Collaborate level in the IAP2 spectrum of participation; with its removal from the Program, all subsequent engagement was designed to deliver at the levels of Inform, Consult or Involve.

*“We need to improve on setting expectations and then reinforcing them throughout.” Staff member*

*“Deep Dives went a level deeper, but not as deep as participants wanted. We ended up in a no man’s land that met no-one’s needs.” Staff member*

Directions workshops were designed to consult with people, and largely these delivered as described, albeit with significant elements that sat in the Inform level. Their structure and audience, as well as how they were described, aligned with their intended purpose and largely met expectations.

However, as already noted earlier in this report, our assessment positions the Deep Dive workshops as being somewhere between Consult and Involve. As suggested by a number of participants and staff in interviews, 'Deep Dive' was an unhelpful naming convention for the workshops, as they did not deliver to the expectations technically skilled participants in the room. Likewise, we question if the naming inadvertently gave a mandate to the AER's Consumer Challenge Panel to drive for greater and greater depth than was not helpful for others in the room. This is not to say that there is not a role for a 'Deep Dive' process, but more that careful consideration is given to the representation in the room to adequately participate.

*"They were getting to the point of being able to put themselves in other people's shoes..."*

*"The engagement is useful to keep us honest. It's the difference between engineers sitting in a back room versus meeting a customer who can't afford their bill..." Staff member*

### Theme 3.2: Designing the later stages of engagement well to lead to good outcomes that meet expectations

At the time of undertaking this evaluation report the 2020-2025 Regulatory Proposal Customer Engagement program is in its late stages, with Draft Plan feedback having been submitted and under consideration by SA Power Networks.

*"I'd suggest that the Draft Plan is one of the best documents ever to go to the AER. I've been in the meetings, seen the questions asked and answered, and I see the savings in the document."*

Whilst some participants feel they can now trust what SA Power Networks puts forward from here, others, particularly those from special interest groups, felt that this final engagement stage is too short to enable proper engagement with the Draft Plan and worry that there will be changes in what eventually goes up to the Regulator as a result.

*"The speed things are moving we don't have time to respond. There's a sense now that it's their business and their decisions..."*

A concern raised by staff was remaining uncertainty about the role and expectations of the AER's Consumer Challenge Panel moving towards submission of the Regulatory Proposal.

*"The time to react to the Draft Plan is inadequate. We're not involved in what will now go forward. Is there an assumption that what goes in is endorsed? That's a problem."*

We do observe that SA Power Networks has updated the 2020-2025 Regulatory Proposal Customer Engagement Program to reflect a fourth phase of engagement, an amendment to the initial Program design.

*"The expectations of the AER's Consumer Challenge Panel are so high. They say, 'We're just beginning. We'll be working on this through to January.' That's just not possible." Staff member*

### Theme 3.3: The role of relationships and trust in ensuring 'no surprises'

Participants who had been involved in the previous Regulatory Proposal process or who have been involved in other capacities with SA Power Networks for some time noted positively the commitment and continuity of senior staff involvement in the 2020-2025 Regulatory Proposal Customer Engagement Program. These participants were in unanimous agreement that SA Power Networks had made huge improvements in the last five years and all recorded higher levels of trust now than they had at the start of the Engagement Program. Some staff who had been involved previously were now involved in leadership, leading to a gradual building of trust and relationships that were viewed positively. Likewise staff saw the benefits in meeting directly with customers and building a deeper knowledge of their needs and circumstances, to guide decision-making.

*"I hadn't realised how much trust had been eroded (from last time). The fundamental basis of trust raised its head again and again..." Staff member*

*"I believe that what they have proposed is fair and equitable."*

Participants noted the approachability and visibility of staff throughout the Engagement Program and as a result many feel that by this late stage in the

process, they have had their say and have nothing more to input. This is echoed by SA Power Networks staff who observe that there are 'no surprises' in feedback on the 2020-2025 Draft Plan.

One very experienced participant questioned the impact of the AER's Consumer Challenge Panel in the relationship between SA Power Networks and its customer stakeholder groups, voicing concern that their involvement was in fact disruptive to the building of ongoing relationships of trust. Whilst others did not voice this concern in this way, some did note that the scepticism of some of their peers was in stark contrast to their own growing trust in SA Power Networks.

*"What's the role of technical experts in a business trying to engage with its customers? I'd rather see the business form a relationship with its consumers. The AER's Consumer Challenge Panel needs to be careful not to ruin that relationship."*

*"I give them (SA Power Networks) a 10 out of 5 for trust [...] My fellow panellists either felt somehow we were being ripped off or they had a high level of scepticism. I didn't have either of those."*

### Success against this objective

#### What worked

- ✓ participation and accessibility of senior staff
- ✓ Directions workshops

#### What did not work

- clearly defined participant expectations for each phase
- the impact of the AER's Consumer Challenge Panel on the broader stakeholder relationships
- visibility and clarity about decision-making, particularly in relation to the Final Regulatory Proposal

#### Recommendations for future

- \* clarify decision-making processes to vary the Program design at the outset
- \* clearly define desired and undesired outcomes for each stage and for the overall Program

## Case Study 2: The role of the AER's Consumer Challenge Panel

*"We needed to have a tough conversation with the AER's Consumer Challenge Panel, but we were unwilling to..." SA Power Networks staff member.*

*"It's all about the business understanding their customers. Does the AER's Consumer Challenge Panel help or hinder that? [...] The business seems beholden to the AER and its AER's Consumer Challenge Panel - we're worried that they have unbridled power..." Customer Representative.*

*"The AER's Consumer Challenge Panel helped me. They were able to fill in some of the background noise and to provoke discussion. They brought in wider experience." Customer Representative.*

The three quotations above sum up the range of views and perspectives on the AER's Consumer Challenge Panel shared with the evaluator by participants and staff. All SA Power Networks staff interviewed in the evaluation voiced concern about over-reach of AER's Consumer Challenge Panel members in their contribution and influence during stakeholder engagement workshops, describing members as 'driving the process' and 'influencing views.' Likewise, staff felt that the AER's Consumer Challenge Panel had come with one agenda: to drive down the price.

One very experienced consumer representative, who has extensive involvement in 2020-2025 Regulatory Proposal Customer Engagement processes, felt that the active involvement of the AER's Consumer Challenge Panel put the relationship between SA Power Networks and its own stakeholders at risk and stifled the voices the customer representatives. This was only partially borne out in interviews with other customer representatives, where others did not seem to think less positively or have less trust in SA Power Networks as a result of the AER's Consumer Challenge Panel's involvement, but in some cases it did shut down the voices of consumer representatives. In speaking of the AER's Consumer Challenge Panel one participant said: "My peers are not interested in hearing ordinary voices".

The role of the AER's Consumer Challenge Panel in consultation forums and workshops as described in the Governance Handbook is:

*"In situations where the CCP is invited to attend consultation forums / workshops being conducted by the [Network Service Provider] NSP, sub-panel members are encouraged to limit comment on detail discussed at such forums. The primary function of the CCP in these situations is to assess the usefulness of engagement. However, the CCP may contribute by facilitating links between the NSP and stakeholder interests."*

AER's Consumer Challenge Panel, Governance Handbook, January 2017.

The author of this report was involved in two Deep Dive workshops as facilitator and as an external observer of the AER's Consumer Challenge Panel's role on these two occasions would describe it as being beyond the above description. In the Information Technology Deep Dive in particular AER's Consumer Challenge Panel members acted as key spokespeople to feed back commentary and opinion from participant groups rather than observers of the engagement. Whilst some participants did value the AER's Consumer Challenge Panel members' input to provide greater depth and wider knowledge, it is questionable if in the current 2020-2025 Regulatory Proposal Customer Engagement Program their role fell within the description above of 'facilitating links between the NSP and stakeholder interests'.

A number of staff expressed concern that the role of the AER's Consumer Challenge Panel is ambiguous and open to interpretation. As a result, they did not push back as much as they feel with hindsight they should have done. SA Power Networks made a number of significant changes to the design and scope of the Engagement Program as a direct result of AER's Consumer Challenge Panel demands. As is noted in the main report, some of these decisions came with significant additional cost in time and money, not just to SA Power Networks but to customer representatives and in many cases their employers. They also feel this ambiguity has led to the role being overly shaped by the personality of the particular AER's Consumer Challenge Panel members. This final point was also voiced as a concern by one of the consumer representatives. SA Power Networks staff told us:

*"Next time we would handle the AER's Consumer Challenge Panel differently. We would start with the AER, SA Power Networks and the AER's Consumer Challenge Panel in a room and jointly agree the remit and brief." Staff member*

### Key lessons for the future

- Clarify the role and remit of the AER's Consumer Challenge Panel at the outset and schedule regular check-ins to align expectations of SA Power Networks and the Australian Energy Regulator
- Define specific roles and expectations of AER's Consumer Challenge Panel at each phase of Engagement and monitor impact on desired outcomes on ongoing basis, particularly in relation to impact on other stakeholders' participation in the Program and relationship with SA Power Networks
- Ensure customer representatives feel safe and supported to voice their priorities, needs and opinions and monitor on an ongoing basis. This should include the option to withdraw AER's Consumer Challenge Panel members from some forums if it is having a detrimental impact on other stakeholders speaking up, or to design the Engagement Program to create different types of forums and workshops with different levels of participation and mix of participants (see Appendix 1: 'How could it be better?').

## Objective 4: Ensure that the concerns and views of our customers and stakeholders are considered in the prudent optimisation of our costs, services and prices

### Summary

SA Power Networks is to be commended for the huge steps forward it has taken in the last five years since the 2015-2020 Regulatory Proposal period, when customer knowledge was largely drawn from research and data without extensive face-to-face engagement. SA Power Networks has undertaken an ambitious and extensive engagement program and demonstrated genuine commitment to take on board the views of customers and stakeholders in the 2020-2025 Regulatory Proposal. The impact of this is far-reaching beyond the Regulatory Proposal period and will leave a legacy for SA Power Networks in strengthened relationships and deepened trust. With in this, however, it is important for SA Power Networks to have confidence in whom participants are representing; at present, that is not always clear or backed up by the perception of participants.

However, in designing and delivering such an ambitious program, SA Power Networks has struggled to keep track of all the threads of inputs and outputs, with the result that some participants feel a little overwhelmed or unclear with how their input has shaped the Draft Proposal and struggle to get visibility into the complexity of the process.

SA Power Networks has been rightly focused on its own customers, but has perhaps been unduly led and overly influenced by the AER's Consumer Challenge Panel. This has inadvertently made it harder at times for SA Power Networks to genuinely hear its own customers and stakeholders. Likewise, with the huge commitment of time and resources that the 2020-2025 Regulatory Proposal Customer Engagement Program has entailed, there are other stakeholders in the energy continuum who have perhaps not been as involved as customers would like, such as retailers and legislators, all of whom exercise control over parts of the system that impact significantly on SA Power Networks's customers and stakeholders.

### Theme 4.1: Making visible and explicit how stakeholders views and priorities have influenced decisions

Some participants felt that it was difficult to track where changes have been made as a result of specific feedback and so find it hard to trust what was in the Draft Plan. Staff also shared that they find it challenging to make explicit how trade-offs and decisions have been made as a result of participants' feedback; whilst they feel it has and is happening, it is hard to directly link back to specific feedback from a specific participant. Some of this may also be due to the number of engagement activities that have now occurred with, according to participants, significant repetition of information.

The decision to add engagement activities at the Deep Dive stage with the same broad group of customer representatives and stakeholders may also have negatively impacted the ability of SA Power Networks to connect directly and deeply with particular stakeholders with particular concerns and questions. Likewise, this decision cut against early feedback gathered in Phase One from customer representatives concerned about the commitment of time and money that the 2020-2025 Regulatory Proposal Customer Engagement Program would require.

The issue of trust seems to be critical to how stakeholders feel about this influence. In the absence of being able to track back to specific impact, views

*"When you get in and tease out more information, some surprises emerge. If there is trust and reciprocity there wouldn't be surprises. But there's not, so there are."*

*"you need to be able to track back to the workshop and the input that provoked [a decision]. It would actually help SA Power Networks if they did this..."*

*"The process has been good. SA Power Networks has listened and made changes where they could."*

*"We haven't got really strong advocates, but we have built some trust..." Staff member*

are varied on how influential they have been, and seem to stem from the amount of underlying trust that has been built. Where this exists, it has been forged through the responsiveness of SA Power Networks to individual requests for information and one-to-one meetings and the visibility and accessibility of SA Power Networks leadership in Engagement events.

#### Theme 4.2: Broadening the reach of engagement and participation to genuinely impact costs, services and prices

A small but experienced minority of participants interviewed in the evaluation identified what they felt was a missed opportunity in the 2020-2025 Regulatory Proposal Customer Engagement Program: to engage more proactively with other players in the energy continuum and expose them to the customer's voice and priorities. Significantly, this included legislators and retailers, who these participants recognised as players that hold significant power to control outcomes and limit possible customer-focused strategies that SA Power Networks and its customer representatives could develop. Another small group of customer representatives wanted to see retailers around the table for another reason, namely that the overriding issue for their stakeholder groups is price and retailers are so critical in determining the ultimate price of energy.

*"It's the catch 22 of regulation - they can create a tariff structure but there's no guarantee that retailers will pass it through."*

*"It seemed more relevant to home owners. Most of our clients would be renters. They are more focused on the retailers."*

*"We're not engaging at quite the right level. There's customer engagement, but the stakeholder engagement should also include the AER and influencing legislation..." Staff member*

#### Theme 4.3: Building clarity of whom participants represent and how they are representing their views

A number of participants interviewed in the evaluation were slightly ambivalent about who they represented and how they communicated the interests of this group. Motivations to get involved varied, from a genuine interest in the Regulatory Proposal process to seeing participation as a way to get closer access to SA Power Networks on issues of concern to them or their stakeholder group to learning more about SA Power Networks to share with clients. One or two participants were explicit that whilst they had been invited to participate by a group, they did not see themselves as being at engagement events under that banner. Whilst a broader motivation to participate than simply the Regulatory Proposal process is not wrong, it does need to be considered in how people are selected and how they are passing information both to and from SA Power Networks to the broader customer or stakeholder group they represent.

*"Participants need to be clear who they are speaking for."*

*"I'm not really here in that capacity - it's more of a business interest."*

*"I'm not sure the AER's Consumer Challenge Panel are listening well - who are they taking guidance from?"*

A number of participants voiced concern about whom others represented and sought greater clarity in the room about what people's interests and priorities were.

This observation included the AER's Consumer Challenge Panel, with a number of experienced participants and SA Power Networks staff feeling they needed greater clarity on what their role was and whose interests they were representing.

## Success against this objective

### What worked

- ✓ responsiveness and openness of SA Power Networks to meeting 'offline'
- ✓ early and open provision of figures and projections for the Proposal
- ✓ broad representation at recruitment stage

### What did not work

- lack of visibility to track back key decisions made to key inputs by participants
- ongoing accountability for, and transparency of, the stakeholder groups represented by individuals
- engagement of other stakeholders within the energy continuum that impact customers

### Recommendations for future

- \* ask participants to indicate whom they represent and how they are transferring information and feedback to and from this group as part of their selection procedure
- \* review the participation at key stages in the Program and widen to include other stakeholders to influence in response to customers' priorities and needs

# Learning and recommendations for the future

*The direction of travel and the legacy for the future - how can SA Power Networks ensure future engagement builds on lessons learnt?*

## Continue on the positive journey

*“They are a lot further along that journey. Last time was unpleasant and brutal...”*

With the current 2020-2025 Regulatory Proposal Customer Engagement Program, SA Power Networks has taken a huge step forward from the 2015-2020 Regulatory Proposal process in its commitment to and expertise in delivering effective and meaningful stakeholder engagement processes. Whilst there is of course room for improvement, SA Power Networks should be commended for their positive direction of travel, as noted by all participants involved in this evaluation, particularly this who had experience of the previous process. Of particular note is the creation of the Reference Group structure, building on the success of the Arborist Reference Group. Again, these are not yet fully developed and require ongoing work to continue to build trust and reciprocity. SA Power Networks should continue to build effective, collaborative relationships with these groups, drawing in external facilitation to enable this as required, to establish effective working partnerships.

This approach will necessitate an ongoing, measured investment of time, money and resource. However, this should lead to a less costly Engagement Program in five years' time, with much less time required to build foundational knowledge and establish trust.

## Define desired and undesired outcomes at the outset

Whilst the 2020-2025 Regulatory Proposal Customer Engagement Program had objectives defined for the program as a whole and for each deliverable, future engagement could be improved by defining this in terms of outcomes, or the change or impact that SA Power Networks and its key stakeholders wish to see as a result of the program as a whole and as a result of each phase. This can be further refined to describe specific outcomes sought for the Regulatory Proposal and for particular stakeholder groups. It is also our recommendation that undesired outcomes are clearly articulated, as this helps to identify warning signals if the program is beginning to deliver unintended negative outcomes. Both desired and undesired outcomes are best defined in a collaborative process with key customer representatives from Reference Groups. This will help to ensure the Program delivers to expectations of all stakeholders and will guard against scope drift that suits the needs of some but not all key stakeholders.

## Co-create 'balanced guardrails' around the process

*“We made a strategic decision to be involved in everything. That has come at a huge resource cost.”*

Whilst the current Regulatory Proposal Customer Engagement Project has stayed true to its initial design, it has at some key points expanded beyond the intended outputs and

deliverables. This has been most notable in the later stages of engagement, namely with the addition of six extra Deep Dives and the ongoing intensity of engagement as SA Power Networks works towards submission of the the Regulatory Proposal in January 2019. A number of participants have questioned if this amount of additional engagement is having a commensurate impact on the Plan or if the Plan would be just as good with less engagement. Likewise, a number of participants question if this additional engagement was driven by and in response to the needs of the majority, or if it was driven by a small minority of vocal stakeholders.

As external observers, we have concerns that the significant investment of time and budget into making these additions to the Program will have a detrimental impact on SA Power Networks' ability and willingness to make steady and ongoing investment into customer engagement; it is our experience that this sort of sustained investment reaps better rewards in the long-run, as has been experienced by SA Power Networks in the case of the Arborist Reference Group.

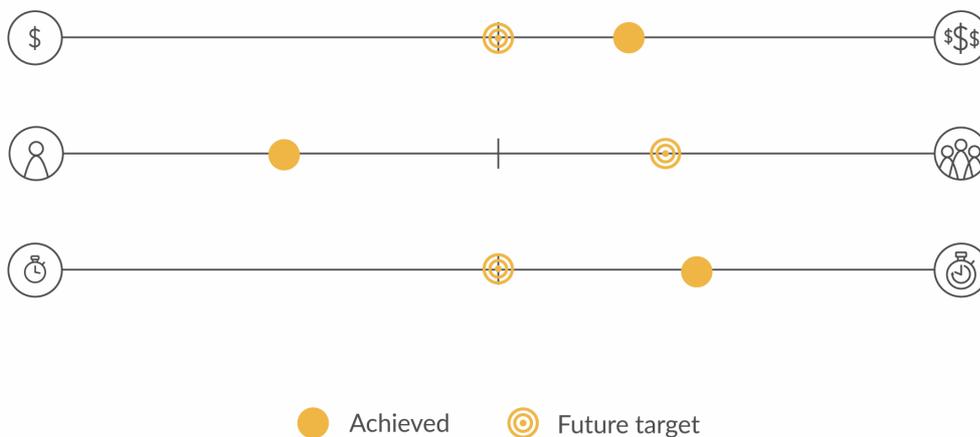
We recommend that in future SA Power Networks works with key customer representatives in the early stages of the Engagement Program to define 'guardrails' for the process that balance:

1. the financial investment to deliver
2. the time investment to participate and
3. the equitable opportunity for all key stakeholders to participate appropriately and effectively.

These 'balanced guardrails' are illustrated in figure 2, with an assessment of what was achieved in the current Engagement Program and what a recommended future target would be, that keeps costs and time in balance and prioritises breadth of participation across stakeholder groups.

figure 2

## Balancing budget, stakeholder engagement and time



## Get the right people around the table

*“It’s not about volume, it’s about whom you engage and the intention to go deeper with people who know enough”*

With the definition of clear and agreed desired and undesired outcomes at the outset, it should also become easier to identify the right make up of participants for each phase and each deliverable. In the current 2020-2025 Regulatory Proposal Customer Engagement Program, SA Power Networks has blended and at times blurred the lines between customer engagement and stakeholder engagement; indeed, when the group around the table has been too stretched across these two groups, the engagement has at times failed to deliver to participants’ and SA Power Networks’s expectations. Likewise, some stakeholder voices have perhaps been missed through this blending. SA Power Networks should work with its Customer Reference Groups to define at the outset of each phase who should be at the table, dependent on the focus of work as developed in the previous stage. This could include drawing in specialists and technical experts in particular areas of the Regulatory Proposal as required. Finally, SA Power Networks and its Customer Reference Group partners should have the ability to refer back to their shared desired and undesired outcomes if any participants are pushing the agenda outside these parameters.

## Set realistic, constructive and achievable expectations for and with participants

*“I wouldn’t have called any of it a Deep Dive. It set expectations in the wrong place...”*

In the current 2020-2025 Regulatory Proposal Customer Engagement Program early stage planning documentation shows that each phase and deliverable was planned to meet a certain level on the IAP2 Spectrum of Public Participation. SA Power Networks also undertook a stakeholder mapping assessment. Whilst both of these are valuable exercises, we recommend that future engagement make more explicit to participants the level of involvement they can have in each phase, and that ongoing monitoring assesses the success of SA Power Networks in delivering to that level.

Likewise, SA Power Networks should define for and with each stakeholder group what is an appropriate level of engagement for them at each stage and for the Engagement Program as a whole, and assess the effectiveness of this at each stage through feedback from participants. It is our observation that the levels of participation changed over time, particularly with reference to the AER’s Consumer Challenge Panel. This early definition should include the appropriate level of participation from the IAP2 Spectrum and also protocols for decision-making, both in each phase and for the Program overall, and be monitored throughout the Program.

It should also be noted that naming conventions are important in setting realistic expectations. SA Power Networks should consider carefully how deliverables are named; it is our observation that the name ‘Deep Dive’ did not serve SA Power Networks well in the 2020-2025 Regulatory Proposal Customer Engagement Program and set unrealistic expectations.

## Clarify and monitor the role of the AER's Consumer Challenge Panel

*“The AER's Consumer Challenge Panel's Charter is so generic it can be interpreted differently...”*

In the 2020-2025 Regulatory Proposal Customer Engagement Program the role and remit of the AER's Consumer Challenge Panel appears to have evolved over time and become unclear to both SA Power Networks and to other customer representatives. It should be noted that the current Evaluation has not spoken directly with AER's Consumer Challenge Panel members, but it would be our recommendation that their role and impact in this 2020-2025 Regulatory Proposal Customer Engagement Program is reviewed by the AER. In future Engagement Programs their role and remit should be clearly defined at the outset with the AER, SA Power Networks and Customer representatives. Defining with the AER where their role adds value and rigour and where it is important for the direct customer voice to come through is critical to a successful and constructive relationship. The AER's Consumer Challenge Panel role should be subject to similar levels of ongoing monitoring throughout the process as other aspects of the Engagement Program.

## Conclusions

From the interviews undertaken in this evaluation with participants in the 2020-2025 Regulatory Proposal Customer Engagement Program, along with the data analysis of ongoing monitoring documentation, it seems clear that SA Power Networks has made strong progress in the last five years in its commitment to, and professionalism in, customer engagement.

The 2020-2025 Regulatory Proposal Customer Engagement Program was well-defined and designed with customer participation and largely stayed within the parameters of the original design.

However, a number of decisions to adapt the original design, mainly in scope and scale of engagement activities, has had some unintended consequences. This has created imbalance between cost, time and participation. In delivering these additional engagement activities, SA Power Networks has increased the financial cost and time commitment required by both SA Power Networks staff and customer representatives, whilst giving more power to a disproportionate minority of participants voices. This seems to be particularly true of the AER Consumer Challenge Panel, with many of the additional engagement activities being in response to their requests.

With ongoing and sustained investment and commitment to embedding customer engagement into business as usual, particularly at the higher end of the IAP2 Spectrum of Participation, SA Power Networks should be in a much stronger and more mature place by the next Regulatory Proposal period in five years time. Likewise, there should also be a strong and empowered group of SA Power Networks customers, with ongoing involvement in decision-making, who will understand their role and have a strong working relationship with the business. This should help to hold SA Power Networks accountable for the quality and the balance of their engagement program.

# Appendix one: How could it be better?

## Suggestions from participants for future design of the Regulatory Proposal Customer Engagement Program.

### The challenge

From the interviews undertaken in October 2018, there seems to be broad agreement amongst participants and staff that the transition from Directions workshops to Deep Dive workshops was problematic. Whilst Directions workshops largely met expectations, being described as and delivering a broad view of the issues at hand to a diverse audience and gathering the views and priorities in the room at an equally broad level, Deep Dives were felt to miss the mark. In trying to cater for a range of expectations and levels of expertise in the room, from everyday customers to members of the Consumer Challenge Panel, the Deep Dives delivered significant additional knowledge for many in the room but did not engage in the level of deliberation and decision-making that others expected.

*"The Deep Dives went a level deeper, but not as deep as participants wanted. We ended up in a no man's land that met no-one's needs."  
Staff member*

A range of interviewees made suggestions for how the process could be redesigned for future Customer Engagement programs. These suggestions came from SA Power Networks staff members and from members of three different Reference Groups and have a number of similar characteristics, including the need to:

- undertake deeper work with key stakeholders on specialised themes before taking these options to the broader stakeholder group
- engage all stakeholders on issues that matter to them, at an appropriate level to their expertise and circumstance
- build ongoing trust and reciprocity between SA Power Networks and its key stakeholder groups.

### The proposed solution

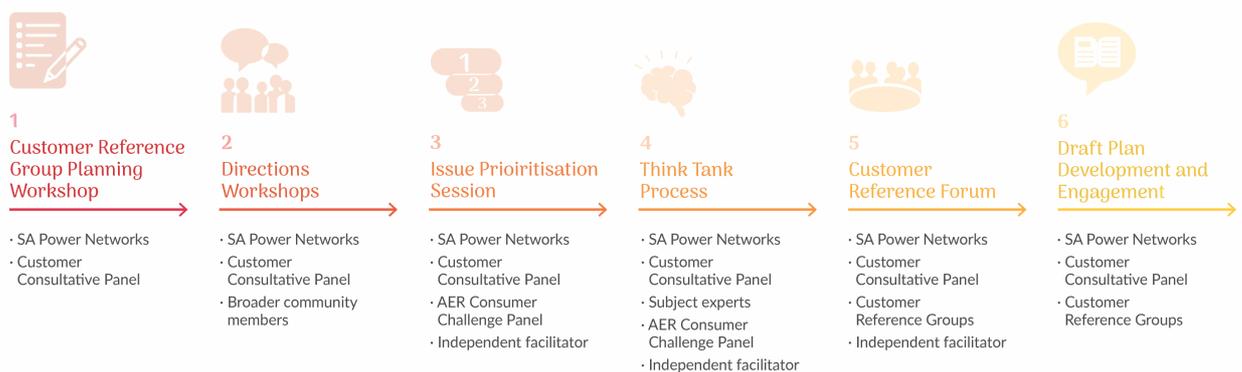
The following describes at a high level a revised process for consideration. This is inspired by the feedback of participants and is illustrated in figure three below.

1. **Customer Reference Group planning workshops:** building on the methodology and process from the 2020-2025 Regulatory Proposal Customer Engagement Program 2020-2025, this critical foundational phase could be improved in future engagement programs by ensuring clarity and agreement on shared principles for the engagement, decision-making protocols and guardrails of budget, time and stakeholder involvement.
2. **Directions workshops:** building on the success of the 2020-2025 Regulatory Proposal Customer Engagement Program, Directions workshops offer an effective methodology early on in the process to take the issues shaping the Regulatory Proposal proposal to a wide audience and to hear the voice of the everyday customers and their representatives to understand their current issues, priorities and challenges. These could be improved by including input from the Reference Group membership as well as SA Power Networks staff. This will be made easier if relationships and partnerships continue to be built in the intervening period, as has been the case with the Arborist Reference Group.
3. **Issue Prioritisation Session:** an opportunity to gather the top priorities from the Directions Workshop process and consider alongside top priorities for SA Power Networks and for the AER, as represented by the AER's Consumer Challenge Panel. This session would be a facilitated deliberative process to enable Reference Group members,

SA Power Networks and the Consumer Challenge Panel to identify and agree the top priority issues to explore and refine in the Think-Tank process.

4. **Think-tank.** A strand or tier of engagement where key participants with a deeper level of specialism and knowledge could go deeper on the issues identified in the **Issue Prioritisation Session**. Think-tank groups would be independently facilitated and involve these specialist participants working in partnership with SA Power Networks, to create co-designed options to consider for the Proposal. These sessions could also include invited experts, not part of the on-going engagement but drawn in to contribute on very specific themes, for example discussions on non-network aspects of the Regulatory Proposal, such as property, information technology, personnel or fleet. These co-designed options would therefore be shaped by the experience and expertise of both SA Power Networks and external 'critical expert friends' to push SA Power Networks' thinking and challenge its assumptions. The Consumer Challenge Panel could also be active participants in these sessions, subject to their agreed mandate with AER and specifically as AER's representative in the room. These Think-tanks should be limited in number to stay within the guardrails of budget and time, and thus should focus on the most critical or controversial issues in the Proposal, as identified by the **Issue Prioritisation Session**. Options created in these sessions would then be subject to preliminary modelling and costing by SA Power Networks, with any issues, challenges or opportunities in each for SA Power Networks being made explicit.
  
5. **Customer Reference Forum:** the proposals developed by the Think-tank groups, along with the subsequent analysis and modelling undertaken by SA Power Networks, would be taken into a two-day forum to work through and deliberate with the broader Reference Group membership. The purpose of this would be to identify preferred options for inclusion in the Draft Proposal. This focused attention across the priority issues in a two-day in-depth forum enables issues to be considered alongside each other with choices and trade offs being more visible and explicit than was possible through Deep Dives (which took each area of expenditure and dealt with it individually). The Consumer Challenge Panel should not participate in this forum, although they may be present in an observer capacity only. Their observations and questions could then be discussed with key SA Power Networks representatives in a separately facilitated process between day one and day two of the forum. Any suggested alterations to the proposed content as a result of the Consumer Challenge Panel discussions should be made explicit to Reference Group members. This allows for greater clarity in how decisions are made and ensures that recommendations at the end of day two are reached in partnership between SA Power Networks and Reference Group members.
  
6. **Draft Plan development and engagement:** this final stage should be shaped by the decision-making protocols and principles agreed in the initial Planning workshops and lead directly from the outcomes of the Customer Reference Forum. This stage should largely be carried out with the Customer Reference Group membership, with any changes made by SA Power Networks shared with and discussed with their Reference Group partners. The goal of this stage is to ensure that the Draft Plan submitted to the AER has the endorsement of the Customer Consultative Panel and Reference Groups.

figure 3: A model for the future



# Appendix two: Evaluation Framework



## SA Power Networks

### Customer and Stakeholder Engagement Evaluation Framework

This Framework is to be used to assist with the evaluation of SA Power Networks' Customer and Stakeholder Engagement programs. All SA Power Networks Customer and Stakeholder Engagement programs should be designed and delivered in the context of the *Australian Energy Regulator's (AER) Consumer Engagement Guideline for Network Service Providers* and should build on best practice as outlined in the *International Association of Public Participation Spectrum of Engagement* and the AA1000 Stakeholder Engagement Standards. The Framework is supported by an Implementation Toolkit.<sup>1</sup>

The overarching purpose of any Customer and Stakeholder Engagement as defined by the AER is:

**“Aligning network services with the long-term interests of consumers”**

However, each Engagement Program will have its own outcomes that contribute to this ultimate outcome of all customer and stakeholder engagement undertaken by SA Power Networks. This document describes the approach recommended for SA Power Networks.

This Framework proposes three main phases to ensure a robust program design that is effectively monitored and evaluated:

1. **Establishing the Customer And Stakeholder Engagement Program:** Establishing why, what, how and whom; describing the overall purpose of the Engagement Program, desired outcomes, theory of change, key stakeholders, outputs and indicators of success. This phase is critical to ensure a well-designed process with clear purpose and logical deliverables that deliver these outcomes.
2. **Monitoring the Customer And Stakeholder Engagement Program:** Measuring the ongoing and incremental effectiveness of the Customer and Stakeholder Engagement Program in meeting the desired outcomes and in delivering to the AER principles of best practice in order to refine the program as it progresses. This phase checks progress of the Engagement Program against predetermined interim outcomes and indicators, and identifies any unintended outcomes in order to reset the Engagement program towards the desired program outcome.
3. **Evaluating the Customer And Stakeholder Engagement Program:** Measuring the impact, effectiveness and overarching logic of the Customer and Stakeholder Engagement Program. This phase considers success in delivering to the desired outcomes, both for the project and for customers and stakeholders.

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<sup>1</sup> Currently in development stage, due for completion January 2019.

**PHASE ONE: Establishing the Customer and Stakeholder Engagement Program**

Establishing why, what, how and whom: describing the overall purpose of the Engagement Program, desired outcomes, theory of change, key stakeholders, outputs and indicators of success

	<b>Purpose</b>	<b>Key questions</b>	<b>Methods</b>	<b>Toolkit resources</b>	<b>Outputs</b>
<b>Why?</b>	To understand why this Customer / Stakeholder Engagement is required	<p>What is the purpose of this Engagement Program? (i.e. What is the change you would like to see?)</p> <p>What are the desired and undesired outcomes you seek for SAPN and key stakeholders? (i.e. What does success and failure look like?)</p>	Key internal stakeholder workshops, including Customer Consultative Panel and Reference Group members	<p>Purpose statement template</p> <p>Desired and undesired outcomes stakeholder matrix template</p>	<p>Overarching purpose statement</p> <p>Desired and undesired outcomes stakeholder matrix</p>
<b>How?</b>	To describe how the program will lead to the desired outcomes and contribute to the overall purpose.	<p>What are the end of program outcomes we hope to achieve?</p> <p>How will these contribute to the overarching purpose?</p> <p>What are the intermediate outcomes that will contribute to the end of project outcomes?</p> <p>What are the outputs and activities that will enable us to achieve these outcomes?</p> <p>What are the indicators of success for each outcome?</p>	Key internal stakeholder workshops, including Customer Consultative Panel and Reference Group members	Theory of Change template	<p>Engagement Program Theory of Change</p> <p>Key program activities</p> <p>Indicators of success</p>
<b>Whom?</b>	To describe key participant groups for the Engagement Program,	<p>Who is impacted by the issues in focus?</p> <p>How significant is the potential impact?</p>	Key internal stakeholder workshops, including Customer Consultative	Stakeholder mapping tool	Stakeholder mapping

	<p>desired and undesired outcomes for each and appropriate levels of engagement</p>	<p>Who needs to be at the table? What are their desired and undesired outcomes from this Engagement Program?</p> <p>What is an appropriate level of engagement for each stakeholder group (relative to scale of potential impact)?</p>	<p>Panel and Reference Group members</p> <p>Targeted engagement of key external stakeholders impacted by the issue in focus</p>	<p>Participant Assessment Matrix</p> <p>Participant Assessment Matrix (ref. IAP2)</p>
<p><b>What?</b></p>	<p>To identify key constraints and risks and define appropriate guardrails &amp; mitigation strategies for the engagement to ensure its effectiveness</p>	<p>What is the broader context for this Engagement?</p> <p>What are the specific constraints of budget &amp; time?</p> <p>What are the specific risks that this Engagement Project faces?</p> <p>How do we ensure participation is equitable &amp; balanced between key stakeholders?</p> <p>How and by whom will key decisions be made throughout the engagement and in the final implementation of outcomes?</p>	<p>Internal meetings</p>	<p>Risk assessment and mitigation plan</p> <p>Stakeholder management plan</p> <p>Resourcing plan</p> <p>Decision-making protocols</p>
				<p>Participant Assessment Matrix template</p>
				<p>Risk assessment template</p> <p>Stakeholder management plan template</p> <p>Decision-making planning tool</p> <p>Guardrail planning template</p>

<b>PHASE TWO: Monitoring the Customer and Stakeholder Engagement Program</b>					
Measuring the ongoing and incremental effectiveness of the Customer and Stakeholder Engagement Program in meeting the desired outcomes and in delivering to the AER principles of best practice in order to refine the program as it progresses					
	<b>Purpose</b>	<b>Key questions</b>	<b>Methods</b>	<b>Toolkit resources</b>	<b>Outputs</b>
<b>How?</b>	To monitor progress towards stated intermediate outcomes and to evaluate effectiveness of program activities	<p>Are we delivering as envisaged in our theory of change?</p> <p>Is theory of change still appropriate, logical and credible?</p> <p>How can it be improved?</p>	<p>Theory of Change review meetings</p> <p>Key Activity reviews &amp; participant surveys</p> <p>Key internal stakeholder workshops, including Customer Consultative Panel and Reference Group members</p>	Theory of Change monitoring report template	Theory of Change monitoring report
<b>Whom?</b>	To monitor effectiveness of program to engage with the key stakeholders	<p>Are the right stakeholders being engaged?</p> <p>Are stakeholders contributing equitably?</p> <p>Are stakeholders contributing at the appropriate level?</p> <p>Are we delivering to the AER's best practice principles of engagement?</p>	<p>Participant surveys</p> <p>Participation level self-assessments</p> <p>Participant interviews</p> <p>Interviews with non-participating stakeholders</p> <p>Key internal stakeholder workshops, including Customer Consultative Panel and Reference Group members</p>	Interview and self-assessment templates	<p>Targeted engagement with under-represented stakeholder groups</p> <p>Process adaptation to rectify inequitable participation</p>

<b>What?</b>	To review effectiveness of Program to deliver within defined guardrails	<p>To what extent are deliverables being completed to comply with program timetables?</p> <p>Is the Program plan realistic in terms of timing, staffing and resources?</p> <p>How are risks being managed in practice?</p> <p>How effectively are we making decisions? Are the right people making decisions?</p>	<p>Budget and resource review meetings</p> <p>Key internal stakeholder workshops, including Customer Consultative Panel and Reference Group members</p>	Project review template	Progress reports Budget and resource reports
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<b>PHASE THREE: Evaluating the Customer and Stakeholder Engagement Program</b>					
Measuring the impact, effectiveness and overarching logic of the Customer and Stakeholder Engagement Program					
<b>Impact</b>	<b>Purpose</b>	<b>Key questions</b>	<b>Methods</b>	<b>Toolkit resources</b>	<b>Indicators of success</b>
	To evaluate the expected and unexpected outcomes of the program	<p>To what extent did the program achieve its desired outcomes?</p> <p>Were there any unexpected outcomes (positive or negative)?</p> <p>What was the reach of the Program? Did it have the intended impact?</p>	<p>Theory of Change review meeting</p> <p>Key internal stakeholder meetings, including Customer Consultative Panel and Reference Group members</p> <p>External stakeholder meetings</p>	Outcome review template	Outcomes and decisions of key partners (e.g. AER)

<b>Effectiveness</b>	To evaluate effectiveness of program	How well did we implement our program and adapt? What was the quality of engagement?	Participant evaluations of program Participant interviews Key internal stakeholder meetings, including Customer Consultative Panel and Reference Group members Review of monitoring data	Program evaluation template	Improved relationships with customers and stakeholders Program Evaluation report
<b>Logic</b>	To review the Theory of Change	To what extent did the program use the best strategies? To what extent did the theory of change hold true? To what extent did the program contribute to the overarching outcome?	Program review meetings	Theory of Change review template	Program Evaluation report

# Appendix three: interview guides

## Staff interview guide: overview

### Background:

- role, responsibilities in program
- length of time on program
- best and worst about program
- what has kept you awake?

### Desired outcomes

- challenges in achieving
- steps taken to meet outcomes
- unintended outcomes?

### Your journey: (use journey map)

- emotional journey - starting point, highs, lows, why, what was happening?
- key decisions, key pivot points
- moments - of clarity, learning
- today - effectiveness, positioning, impact
- end of project - confidence, changes
- looking to the future - hopes

### Reflection:

- did well
- do differently
- impact on staff involved
- impact on engagement approaches in future
- impact on SAPN
- most important lesson for your practice
- most important lesson for SAPN
- 3 images to sum up the program
- message to a colleague or yourself in 5 years time

## Customer interview guide: overview

### Background:

- nature of role, representation, how engaged
- length of time involved / extent of involvement
- involvement in design?
- best and worst about program involvement

### Channels & engagement:

- how did you engage? how was it easiest to engage?
- Most helpful channels?
- barriers to engagement?
- highs and lows in engagement?

### Your journey: (use journey map)

- emotional journey - starting point, highs, lows, why, what was happening?
- listening / responsiveness
- levels of trust along journey - highs and lows
- knowledge and information - highs and lows / communication / feedback
- clarity in your role - highs and lows - what was expected of you?
- today - effectiveness, impact, satisfaction (+0-5 ratings for above)
- end of project - confidence, ongoing role
- looking to the future - hopes

### Desired outcomes

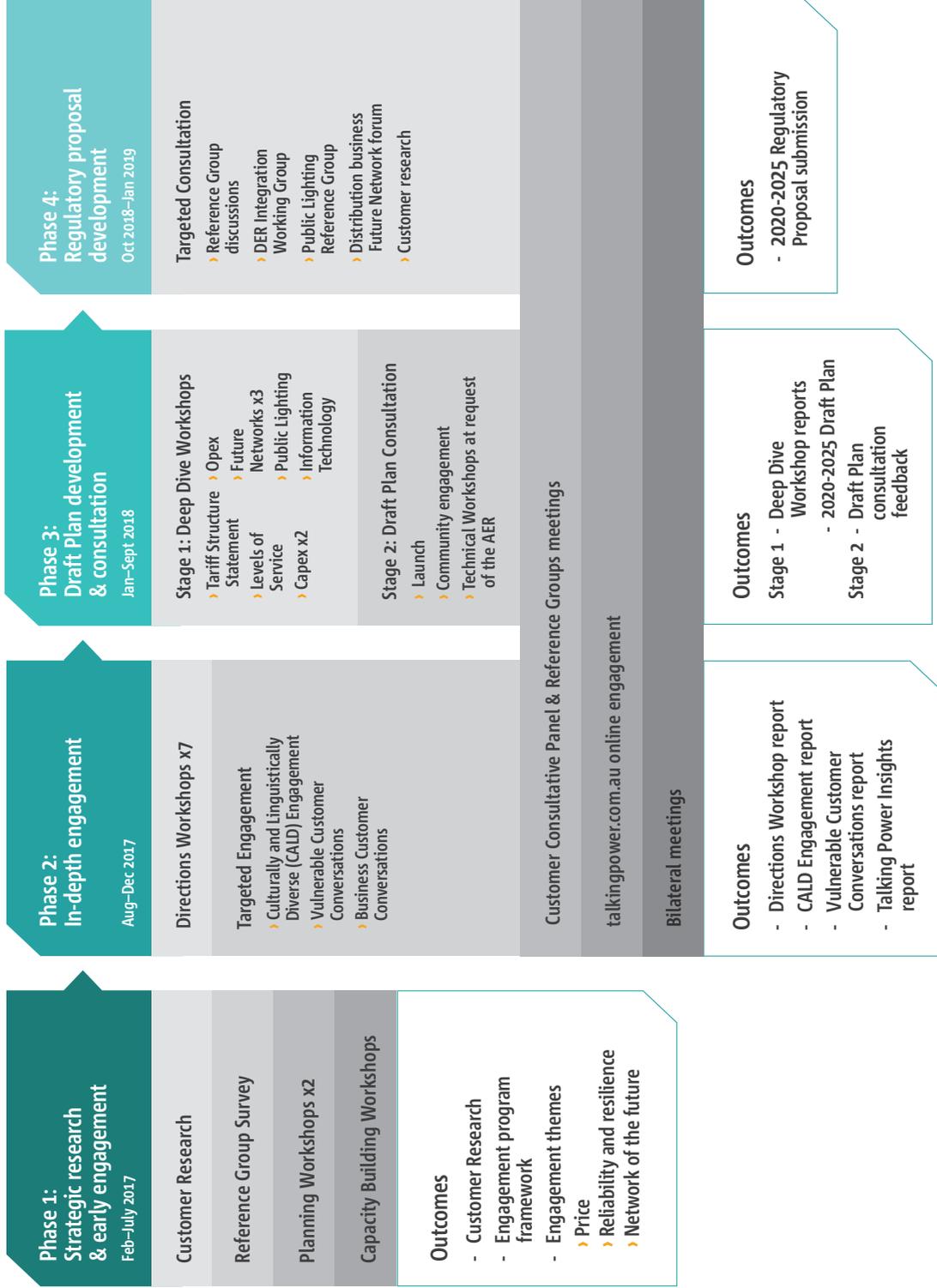
- how did they do? do they know what you think?
- alignment with your priorities
- anything they missed?
- any unintended outcomes?

### Reflection:

- did well
- do differently
- what will you tell others about your contribution?
- most important lesson/message for SAPN
- 3 images to sum up the program
- message for AER?

# 2020-2025 Regulatory Proposal customer engagement program

## Appendix four: Regulatory Proposal Customer Engagement Program (updated)



# Appendix five: KPI tracking report



## Regulatory Reset 2020-25 customer engagement program Phases 1 - 3 KPI tracking report

Table 1. Research and engagement activities undertaken during each phase of the Customer Engagement Program.

Phase 1: Strategic research & early engagement		Phase 2: In-depth engagement		Phase 3: Draft plan development & consultation	
		Stage 1: Deep Dive Workshops		Stage 2: Draft Plan consultation	
<b>Activities:</b> <ul style="list-style-type: none"> <li>Foundation customer research</li> <li>Reference Group survey</li> <li>Stakeholder engagement planning workshops</li> <li>Stakeholder capacity building briefings</li> <li>Evaluation program</li> </ul>	<b>Activities:</b> <ul style="list-style-type: none"> <li>Directions workshops x7</li> <li>Culturally and Linguistically Diverse (CALD) engagement</li> <li>Vulnerable customer conversations</li> <li>Business Customer Conversations</li> <li>Online engagement</li> <li>1800 Talking Power hotline</li> <li>Bilateral meetings</li> <li>CCP &amp; Reference Group Meetings</li> </ul>	<b>Activities:</b> <ul style="list-style-type: none"> <li>Deep Dive Workshops x10</li> <li>Online engagement</li> <li>1800 Talking Power hotline</li> <li>Bilateral meetings</li> <li>CCP &amp; Reference Group Meetings</li> </ul>	<b>Activities:</b> <ul style="list-style-type: none"> <li>Draft Plan Launch &amp; distribution</li> <li>Graphic animation &amp; overview document</li> <li>Internal engagement</li> <li>Regional and metro community engagement including field days, market stall and drop-ins</li> <li>Online engagement including private members' page</li> <li>Advertising and social media campaigns</li> <li>Distribution of Draft Plan (hard copy and soft copy downloads)</li> <li>Bilateral meetings</li> <li>1800 hotline</li> <li>CCP &amp; Reference Group Meetings</li> <li>Technical workshops at request of the Australian Energy Regulator (AER)</li> </ul>		
<b>Monitoring:</b> <ul style="list-style-type: none"> <li>Review evaluation sheets at the end of each activity and apply learnings within next iteration of activity if appropriate.</li> <li>Review activities in post-project debriefings.</li> <li>Review KPI tracking and prepare post-engagement phase KPI report.</li> <li>Review activities within an overarching post-engagement evaluation project.</li> </ul>					

**Outcomes:**

Target exceeded by 10% or more	Target met, or exceeded by 1-9%	1-9% below target	10% or more below target

Table 2. KPI reporting against objectives for activities undertaken during each phase of the Customer Engagement Program.

	Phase 1	Phase 2	Phase 3 Stage 1	Phase 3 Stage 2
<ul style="list-style-type: none"> <li>Ensure customers and stakeholders are well equipped to actively participate in the engagement</li> </ul>	<p> 73.1% satisfied or above with information clarity</p> <p> 80.4% satisfied or above with adequate time to participate effectively</p>	<p> 95.4% satisfied or above with information clarity</p> <p> 87.4% satisfied or above with adequate time to participate effectively</p> <p> 98.9% satisfied with workshop facilitation</p> <p> 100% Talking Power Reset project hotline responded to</p>	<p> 84% satisfied or above with information clarity</p> <p> 84% satisfied or above with adequate time to participate effectively</p> <p> 92% satisfied with workshop facilitation</p> <p> 100% Talking Power Reset project hotline responded to</p>	<p> Target met for drop-in and internal Draft Plan consultation sessions</p> <p> Target exceeded by 4% 574 hard copy draft plans distributed (550 target)</p> <p> Target exceeded by 13% 227 draft plans downloaded (200 target)</p> <p> 100% Talking Power Reset project hotline responded to</p> <p> Target met 81,525 readership of press around Draft Plan consultation</p> <p> Target met Reach of metro publications with Draft Plan consultation ads</p>
<ul style="list-style-type: none"> <li>Engage customers and stakeholders on issues that matter to them</li> </ul>	<p> 12% above target 968 (860 target) involved in Phase 1 Research</p>	<p> 1.3% below target 1,974 (2,000 target) engaged in Phase 2</p>	<p> 66% exceeding target 10 deep dives held (4 initially planned 6 added)</p>	<p> 5% exceeding target 316 people involved in Draft Plan consultation (300 target)</p>

Objective	Phase 1	Phase 2	Phase 3 Stage 1	Phase 3 Stage 2
<ul style="list-style-type: none"> <li>Engage customers and stakeholders on issues that matter to them (continued)</li> </ul>	<ul style="list-style-type: none"> <li>Target met</li> <li>25% of regional/ 75% metro customers involved in Phase 1</li> <li>91.7% satisfied or above with the range of topics discussed</li> <li>84.6% satisfied or above with the range of engagement opportunities provided</li> </ul>	<ul style="list-style-type: none"> <li>Target met</li> <li>25% of regional/ 75% metro customers involved in Phase 2 engagement</li> <li>97.4% satisfied or above with the range of topics discussed</li> <li>95.4% satisfied or above with the range of engagement opportunities provided</li> </ul>	<ul style="list-style-type: none"> <li>92% satisfied with the range of topics discussed</li> <li>100% updates on Deep Dive process agendas and presented at Reference Group meetings</li> <li>20% above target</li> <li>240 (200 target) people involved in Deep Dive workshops</li> </ul>	<ul style="list-style-type: none"> <li>Target met</li> <li>Six Talking Power newsletters sent</li> <li>Target exceeded</li> <li>43.8% unique opens (33% open rate target)</li> <li>Target met</li> <li>All social media channels used</li> <li>Target met</li> <li>Reach, views and impressions via social media</li> </ul>
<ul style="list-style-type: none"> <li>Ensure 'no surprises' for both SA Power Networks and our stakeholders throughout engagement process</li> </ul>	<ul style="list-style-type: none"> <li>100% of reference group members invited to provide feedback on the Engagement Approach</li> <li>69% of reference group members provided feedback on the Engagement Approach</li> <li>0 complaints received from stakeholders regarding the engagement process</li> </ul>	<ul style="list-style-type: none"> <li>100% of reference group members invited to the Directions Workshops</li> <li>76% of reference group members participated in engagement activities (47/62 members)</li> <li>0 complaints received from stakeholders regarding the engagement process</li> </ul>	<ul style="list-style-type: none"> <li>100% of reference group members invited to the deep dives</li> <li>100% updates on Deep Dive process on agendas and presented at Reference Group meetings</li> <li>70% reference group members participated in engagement activities (47/62 members)</li> </ul>	<ul style="list-style-type: none"> <li>100% of reference group members invited to the drop-in sessions</li> <li>100% updates on draft plan consultation on agendas and presented at Reference Group meetings</li> <li>0 complaints received from stakeholders regarding the engagement process</li> </ul>

Objective	Phase 1	Phase 2	Phase 3 Stage 1	Phase 3 Stage 2
<ul style="list-style-type: none"> <li>Ensure 'no surprises' for both SA Power Networks and our stakeholders throughout engagement process (continued)</li> </ul>	<p>69.3% Satisfaction that views were considered within the process</p> <p>Target met</p> <p>25% of regional/ 75% metro customers involved in Foundation Customer Research</p> <p>Exceeding target by 20% 1034 (860 target) key stakeholders engaged within each series of Phase 1 engagement activities</p>	<p>95.3% Satisfaction that views were considered within the process</p> <p>Target met</p> <p>25% of regional/ 75% metro customers involved in Phase 2</p> <p>18% below target 1,395 (1,700 target) registered on Talking Power</p> <p>18% below target 410 (500 target) people were actively participating on Talking Power</p>	<p>0 complaints received from stakeholders regarding the engagement process</p> <p>90% Satisfaction that views were considered within the process</p> <p>100% of feedback from Deep Dives provided to SMEs</p> <p>13% above target 340 (300 target) active participation in Talking Power</p>	<p>Target not met</p> <p>6 submissions received from reference group members / organisations they represent (target 8)</p> <p>Target exceeded by 10% 33 responses published on Talking Power (target 30)</p> <p>Target met</p> <p>100% submissions responded to</p>
<ul style="list-style-type: none"> <li>Ensure that the concerns and views of our customers and stakeholders are considered in the prudent optimisation of our costs, services and prices</li> <li>Ensure our engagement meets all relevant engagement principles (SAPN, AER + alignment with AA1000SES and IAP2)</li> </ul>	<ul style="list-style-type: none"> <li>As per Table 3</li> </ul>			

Table 3. KPI reporting against best practice principles for activities undertaken during each phase of the Customer Engagement Program.

Principle	Phase 1	Phase 2	Phase 3 Stage 1	Phase 3 Stage 2
<p><b>Good practice:</b> Follow regulatory and good practice guidelines for stakeholder engagement</p>	<p>KPMG evaluation rating of stakeholder engagement process alignment:</p> <ul style="list-style-type: none"> <li>Governance and integration - <b>High</b></li> <li>Purpose, scope and stakeholders- <b>High</b></li> <li>Planning - <b>High</b></li> <li>Preparing - <b>High</b></li> <li>Implementation - <b>Medium</b></li> <li>Review and improvement - <b>Medium</b></li> </ul>	<p>KPMG evaluation rating of stakeholder engagement process alignment from September 2017:</p> <ul style="list-style-type: none"> <li>Governance and integration - <b>High</b></li> <li>Purpose, scope and stakeholders- <b>High</b></li> <li>Planning - <b>High</b></li> <li>Preparing - <b>High</b></li> <li>Implementation - <b>Medium</b></li> <li>Review and improvement - <b>Medium</b></li> </ul> <p>100% KPMG actions, at medium and below, are actioned accordingly</p>	<p>KPMG evaluation rating of stakeholder engagement process alignment, May 2018:</p> <ul style="list-style-type: none"> <li>Governance and integration - <b>High</b></li> <li>Purpose, scope and stakeholders- <b>High</b></li> <li>Planning - <b>High</b></li> <li>Preparing - <b>High</b></li> <li>Implementation - <b>High</b></li> <li>Review and improvement - <b>High</b></li> </ul> <p>100% KPMG actions, at medium and below, are actioned / maintained at high</p>	<p>KPMG evaluation rating of stakeholder engagement process alignment: in progress</p>
<p><b>Inclusive:</b> Be inclusive, inviting stakeholders' views on the design of our engagement program to promote accessibility</p>	<p>21%/12.6% of vulnerable/ disadvantaged/ minority representational groups on reference groups</p> <p>Exceeding target by 8%</p>			

Principle	Phase 1	Phase 2	Phase 3 Stage 1	Phase 3 Stage 2
<p><b>Inclusive:</b> Be inclusive, inviting stakeholders' views on the design of our engagement program to promote accessibility</p>	<p>69% of reference group members provided feedback on the Engagement Approach</p>	<p>8% above target - 54 (50 target) CALD customers participated in engagement</p> <p>36% above target 68 (50 target) vulnerable customers participated in engagement</p>	<p>100% addressed Accessibility considered during all workshops</p>	<p>100% addressed Accessibility considered during all consultation activities</p>
<p><b>Open:</b> Inform our stakeholders, via open, clear, relevant and timely communication</p>	<p>73.1% satisfied or above with information clarity</p> <p>80.4% satisfied or above that they had adequate time to participate effectively</p>	<p>95.4% satisfied or above with information clarity</p> <p>87.4% satisfied or above that they had adequate time to participate effectively</p>	<p>84% satisfied or above with information clarity</p> <p>84% satisfied or above that they had adequate time to participate effectively</p>	<p>Target met 100% requests for more information addressed</p>
<p><b>Transparent:</b> Be transparent, clearly outlining what stakeholders can expect from us via our engagement and how their feedback will be taken into account.</p>	<p>69.3% satisfied or above that views were considered within the process</p> <p>0 complaints received</p>	<p>95.3% satisfied or above that views were considered within the process</p> <p>0 complaints received</p>	<p>90% satisfied or above that views were considered within the process</p> <p>0 complaints received</p>	<p>0 complaints received</p>
<p><b>Consistent:</b> A proactive, coordinated and consistent approach to engagement across the business</p>	<p>80.4% satisfied or above that they had adequate time to participate effectively</p>	<p>25% above target 5 (4 target) SAPN executives attended engagement activities</p>	<p>Target met 4 SAPN executives attended engagement activities</p> <p>100% workshops run-through and debriefed</p>	<p>100% updates on workshops and engagement process at 4 RG meetings</p>

Principle	Phase 1	Phase 2	Phase 3 Stage 1	Phase 3 Stage 2
<p><b>Listening:</b> Listen to and seek to understand our stakeholders' views and concerns</p> <p><b>Listening:</b> Listen to and seek to understand our stakeholders' views and concerns</p>	<p> 91.7% satisfied or above with the topics discussed</p> <p> 84.6% Satisfaction with the range of engagement opportunities provided</p>	<p> 97.4% satisfied or above with the topics discussed</p> <p> 95.4% Satisfaction with the range of engagement opportunities provided</p> <p> 14% above target - 89% (75% target) of workshops with senior management in attendance</p> <p> 8% above target - 54 (50 Target) of culturally and linguistically diverse customers who participated in engagement</p> <p> 36% above target - 68 (50 Target) of vulnerable customers who participated in engagement</p>	<p> 92% satisfied or above with the topics discussed</p> <p> 91% Satisfaction with the range of engagement opportunities provided</p> <p> 100% of workshops with senior management in attendance</p>	<p> Target met Reply to 100% of emails and calls regarding</p> <p> Target met 100% of submissions presented at internal workshops held to inform Regulatory Proposal (debrief to staff)</p>
<p><b>Responsive:</b> Consider and respond to concerns, providing prompt and clear feedback.</p>	<p> Issues register established</p> <p> 0 complaints received from stakeholders regarding the engagement process</p>			

Principle	Phase 1	Phase 2	Phase 3 Stage 1	Phase 3 Stage 2
<p><b>Targeted:</b> Engage early and ensure engagement is prioritised and tailored to specific issues and projects.</p>	<p> 69% of reference group members provided feedback on the Engagement Approach</p>	<p> 76% of reference group members who participated in engagement activities (47/62 members, target 75%)</p>	<p> 70% of reference group members participated in engagement activities (42/62 members, target 75%)</p>	<p> 50% of reference group members participated in reference group meetings (31/62 members, target 75%)</p>
<p><b>Measurable:</b> Measure the success of engagement and apply learnings to future engagement programs.</p>	<ul style="list-style-type: none"> <li>KPI reporting in place.</li> <li>Internal debrief meeting held after 100% of engagement activities</li> </ul>	<ul style="list-style-type: none"> <li>KPI reporting in place.</li> <li>Internal debrief meeting held after 100% of engagement activities including Directions workshops and Deep Dives</li> </ul>	<ul style="list-style-type: none"> <li>KPI reporting in place.</li> <li>Internal debrief meetings held after 100% of engagement activities including Deep Dives</li> <li>100% updates on Deep Dive process on agendas and presented at Reference Group meetings</li> <li>100% facilitator reports provided to SMEs for inclusion in their thinking</li> <li>87% overall workshop satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>KPI reporting in place</li> <li>KPMG evaluation of process in progress</li> <li>100% updates on consultation process on agendas and presented at Reference Group meetings</li> <li>100% feedback provided to SMEs for inclusion in their thinking</li> </ul>