

Technology program

Workforce Collaboration

PUBLIC

Program Brief

Table of Contents

1	Document Background	3
1.1	Purpose of this document	3
1.2	References	3
1.3	Document History	3
1.4	Approvals	3
2	Executive summary	4
2.1	Program summary	4
3	Context	6
3.1	Background	7
3.2	Current limitations	8
3.3	Objective(s)	9
3.4	Customer outcomes	9
3.5	Business drivers	10
4	Options	11
4.1	Overview	11
4.2	Option #1 Business As Usual	11
4.3	Option #2 Knowledge Capture and Transfer (RECOMMENDED)	15
4.4	Option #3 [C-I-C]	21
5	Assessment and recommended option	26
5.1	Assessment of the options	26
5.2	Recommended option	28
6	Attachment 1 – Risk level matrix	31

Program Brief

1 Document Background

1.1 Purpose of this document

The purpose of this document is to outline a business case for a proposed program of work that will form part of AusNet Services' Technology EDPR submission.

1.2 References

Document	Version	Author
AusNet Services FY19-FY23 Technology Plan	V1.00	AusNet Services

1.3 Document History

Date	Version	Comment	Person
	V0.1	First Draft	Greta Kaehne
12/09/2018	V2.0	2 nd Cut Final Issue	Greta Kaehne
19/03/2019	V2.2	Consistency edits	John Hancock
20/03/2019	V2.3	Consistency workshop	John Hancock, Tom Lillis, Janine Perri
15/07/2019	V3.0	Cost updates & benefits updates	Emily Pong, Jackson Shen
29/10/2019	V4.0	Draft version provided to Regulatory team	Samantha Scanlon
18/11/2019	V4.1	Incorporated review feedback	Samantha Scanlon
14/1/2020	V4.2	Incorporated review feedback	Samantha Scanlon
14/1/2020	V4.3	Incorporated review feedback	Samantha Scanlon

1.4 Approvals

Position	Date
Technology Leadership Team	

Program Brief

2 Executive summary

2.1 Program summary

The table below provides a summary of the program discussed in this brief. Additional information is provided throughout the brief.

Table 2-1 Summary table

Key objective(s) of the program	To uplift enterprise capability and modernise day-to-day operations while ensuring business continuity and sustainable risk management.							
Key benefits	In an increasingly complex and challenging environment							
	<ul style="list-style-type: none">• More efficient and effective means for communication and workforce collaboration and mobility, improving AusNet Services' staff productivity.							
	<ul style="list-style-type: none">• Ability to utilise information efficiently across the workplace to improve speed, safety and accuracy of workforce decision-making and information reporting to customers.							
	<ul style="list-style-type: none">• Shorter response times to outages and network faults, increased communication regarding network performance							
	<ul style="list-style-type: none">• Ability to efficiently deliver reliable, safe power for customers							
	<ul style="list-style-type: none">• Greater capability to analyse financial information leading to more transparent and accurate planning, budgeting and forecasting. This allows AusNet Services to find increasingly cost effective ways of working.							
	<ul style="list-style-type: none">• Enhanced effectiveness of core enterprise functions and in back office functions, through automation of previous manual processes, improving AusNet Service's 'staff's productivity.							
Cost allocation	Electricity Distribution	49%			Electricity Transmission	30%		
	Gas Distribution	21%						
Program type	Recurrent				<input checked="" type="checkbox"/>			
	Non-Recurrent				<input checked="" type="checkbox"/>			
	Client Devices				<input type="checkbox"/>			
Program timings								
Expenditure forecast	(\$m)	FY22	FY2322	FY24	FY2524	FY26	Total	
	CAPEX	[C-I-C]						
	OPEX							
	Electricity Distribution cost							
	Total program cost							
Estimated life of system	The estimated life of the solutions deployed on-premise is 5 years with a refresh. Those solutions that are deployed as subscription services would be contracted for the term of the regulatory period.							

Program Brief

Customer Engagement	<p>As the first DNSP in Australia to trial the New Reg process, we held deep dive workshops with stakeholders, including the Customer Panel, on ICT. In that engagement we described the importance and need for ICT expenditure to meet our customers' evolving needs and to support compliance with regulatory and legal obligations. Material associated with all our deep-dives is available on AusNet Services' website.</p> <p>A key theme of our engagement with the Customer Forum was the need for us to provide clarity on what we were proposing and what the expected customer benefits were. We acknowledge this feedback and have taken it into consideration when proposing the most appropriate option for this business case.</p>
----------------------------	--

Industry wide change, rapid technology advancements and shifting workforce dynamics are transforming the way utilities engage with their workforces.

As advanced technologies become commonplace, there is increasing demand from employees for devices and applications that enable flexible working arrangements, making tasks both safer, easier and more efficient for teams. A connected workforce able to communicate with remote teams via mobile devices has many benefits, including improved safety and efficiency of operations and overarching management, regardless of the physical location of employees. Embedding collaboration tools into the way work is performed facilitates the sharing of ideas and knowledge, creating a seamless delivery of services to our customers.

As employees progress within the organisation, they acquire knowledge which is specialised to the company's operations, structure and culture. The unique insights that are gathered by individuals in roles such as Access Coordinators or System Planners make training difficult for new employees to replicate as the workforce ages. While new technologies enable learning conversations, equally as important is cultivating a culture that captures ongoing knowledge and facilitates collaborative behaviour. This ability to capture and utilise information and learnings efficiently across the workplace improves the speed and accuracy of tasks and decision-making, allowing quicker response to both customer and business needs.

Corporate functions play an integral role furthering the accuracy of decision making from a financial perspective. Simplification of finance through automation of repetitive transactional tasks will enable more time for employees to support the business, by identifying opportunities and providing critical information and analysis to make strategic decisions. The ability to perform advanced analytics on consolidated financial information will allow finance employees to deliver more value in creating transparency and improved accuracy of planning, budgeting and forecasting.

In this current regulatory period (2016-2020), AusNet Services has had an increased focus toward strategic initiatives to ensure our changing workforce is equipped with modern tools to work efficiently into the future, and deliver affordable services to customers.

While progress has been made from a communications perspective (through implementation of Skype, SharePoint and upgraded intranet) and through increasing the use of mobility devices, the use of these technologies as a central source of knowledge is not embedded into daily routine, limiting ability to build on existing enterprise content. Similarly, manual processes are limiting the ability to distribute timely information, and input into planning and management.

Acknowledging these limitations, investments proposed in this program of work for the upcoming regulatory period (2022- 2026) include enhanced solutions such as:

- Technology to establish efficient and effective means for communication and workforce collaboration
- Improvements in capability to continuously capture and transfer knowledge amongst employees
- Improvements in analytics capabilities, including transparency and accuracy of portfolio and enterprise wide planning, budgeting, forecasting and reporting

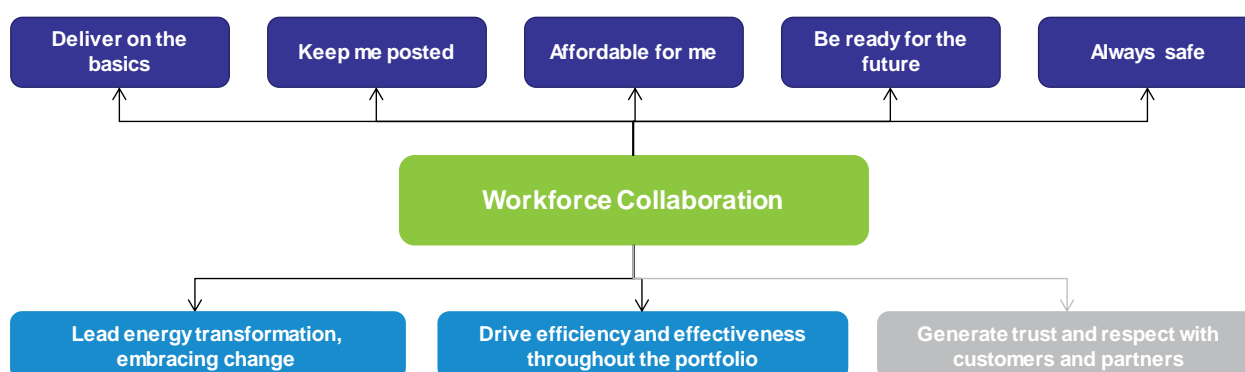
Program Brief

- Leveraging automation and cognitive tools to optimise previously manual processes in back office functions.

Connectivity of employees, as well as an improved learning capability and seamless flow of information will ensure employees can more efficiently **'deliver the basics'** for customers, transparently **'keeping (customers) posted'** as well as ensuring the network is **'always safe'**. The improvements in operational efficiency will also result in lower bills for customers **'affordable for me'** as the cost to serve decreases. The initiative will prepare AusNet Services to be **'ready for the future'** by creating platform for employees to utilise learnings and knowledge rapidly, increasingly important as technology change occurs at a rapid pace. Furthermore, AusNet Services will be able to provide staff with improved information about safe work practices, ensuring that the services provided by AusNet Services are **'always safe'**.

This program of work will deliver significant benefits to employees in 'driving efficiency and effectiveness across the portfolio' over the long term, as information is more readily accessible regardless of workforce location or business area. It also aligns to 'Lead energy transformation, embracing change' enabling AusNet Services to embrace changes in the workforce and technology.

Figure 2-1 Summary of customer and business drivers of this program



Alignment with AER ICT expenditure assessment framework

In accordance with the framework outlined in the AER's Consultation paper – ICT Expenditure Assessment of May 2019, we have categorised this program as 70% recurrent expenditure on the basis that a majority relates to ongoing refresh of AusNet Services' core business systems, a cost that must be incurred periodically. We have also categorised this program as 30% non-recurrent, on the basis that a portion involves new additional investment.

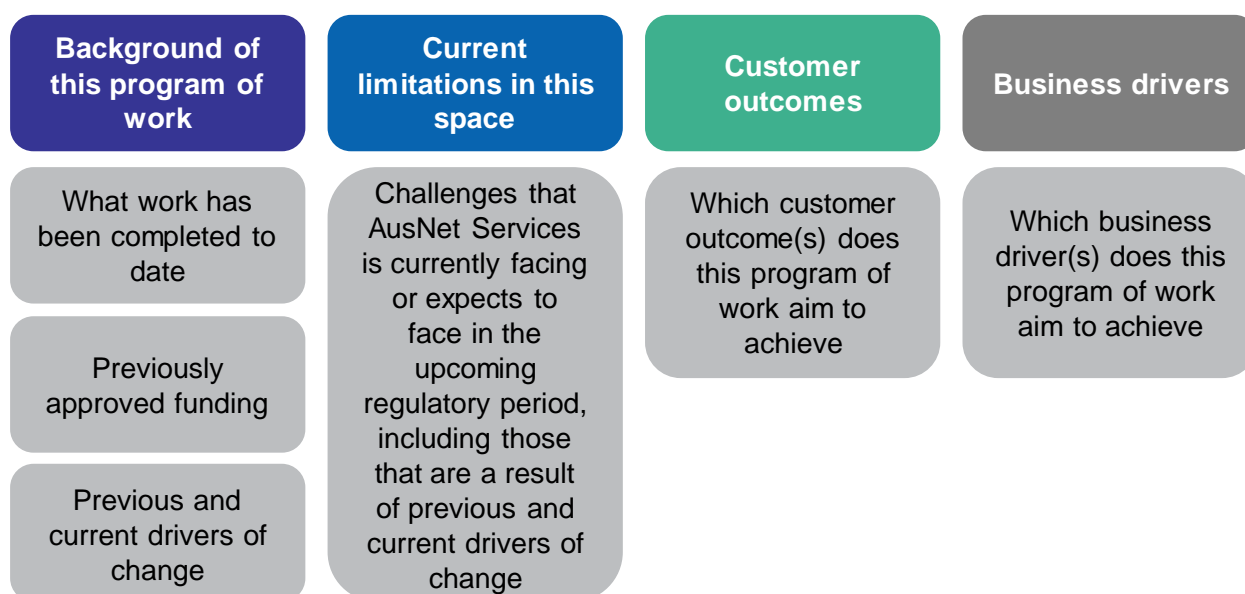
We have also undertaken NPV analysis in support of the project, along with a detailed business case.

3 Context

New technologies to drive collaboration will enable AusNet Services to evolve in line with its changing market and workforce. It includes initiatives that address limitations in AusNet Services' ability to collaborate and share knowledge, and increased capacity to manage performance and productivity of projects and business / operating units. It provides use cases to input into other business investments in mobility and information management.

Program Brief

Figure 3-1 Key areas of the context to be discussed



3.1 Background

Over the past decade, our energy consumers, regulators and industry peers have raised their expectations of utilities to match the customer centric, digital capabilities of other services providers such as banks and telecommunications services. Feedback from our customers highlights their growing expectations – there is demand for shorter response times to outages and network faults, increased communication regarding network performance, all underpinned by an assumption that our costs will remain low.

AusNet Services operates via a partner model, with a large portion of operations completed by vendors and contractors. In some divisions, such as our field crews, we rely on a high percentage of external labour, which is expected to remain into the future. While enhancing the flexibility of our workforce, this approach to outsourcing core work creates challenges in ensuring information is easily accessible. It can also limit the way knowledge about our business is captured and transferred among employees.

Changing workforce demographics mean AusNet Services is also faced with the burden of finding skilled staff to replace experienced field workers as they retire. Having an enterprise knowledge management solution, which is consistently updated to include relevant materials in terms of both training and developments as well as standard procedure documentation, will allow new staff to be upskilled quickly, and leverage the insights and experience of previous employees.

Digital workforce collaboration will reduce the impact of these challenges by improving efficiency of management and provision of information to all employees. In the current regulatory period, collaboration tools have been made more widely available to increasing workforce connectivity. There was also investment to significantly uplift the presence of physical digital devices. Work toward a truly connected enterprise will continue into the next regulatory period.

Corporate functions play an integral role furthering the accuracy of decision making from a financial perspective. Simplification of finance through automation of repetitive transactional tasks will alleviate time to support the business by identifying opportunities and providing critical information and analysis to make strategic decisions. The ability to perform advanced analytics on consolidated financial information, will allow finance to deliver more value in creating transparency and improved accuracy of planning budgeting and forecasting.

Strategic initiatives included in the 2016-2020 regulatory period that are related to the proposed program of work for 2022-2026 include:

Program Brief

- **Integrated Digital Engagement** – Intranet upgrade to improve information access and collaboration between internal and external stakeholders. This included developing an in-house information system to collect and leverage employee, customer and other stakeholder insights for the purpose of improving service delivery. This overarching strategy will continue into the FY2022-FY2026 period, with the intention to fully utilise existing digital assets before addressing gaps with new solutions.
- **Unified communications** – Communications features that enable mobility and collaboration (multi-party, multi-media, multi-location information sharing) capabilities for users. Moving forward, communications will extend to optimise 130 sites and enable flexible work arrangements.
- **Modernise and simplify the overall technology landscape** – AusNet Services has previously identified the need for a single solution for asset and workforce management (SAP ERP & EAM), and has continued to consolidate data and standardise processes over several regulatory periods. This work will continue in the 2022-2026 period.

These overarching programs and the focus on three key areas will continue into the 2022-2026 regulatory period:

1. Leveraging employee insights and knowledge to enable efficient capture and transfer of knowledge;
2. Connectivity of employees, to allow flexible work arrangements and increase collaboration;
3. Improved efficiency and analytics capabilities for corporate functions.

Business continuity and risk mitigation will become increasingly dependent on how new technologies can be utilised by corporate functions to deliver greater value to customer and the business.

This program brief proposes three different options and recommends the option which best addresses these challenges given the associated costs, benefits, risks, and impacts on customer outcomes and business drivers. This analysis is discussed in sections 4 and 0.

3.2 Current limitations

Despite improvements over the previous and current regulatory periods, the current asset maintenance process has the following limitations:

[C-I-C]

Program Brief

[C-I-C]

3.3 Objective(s)

The overarching objective of this program of work is to uplift enterprise capability, modernise day-to-day operations to ensure business continuity and sustainable risk management and deliver cost reductions for customers.

This will be completed through:

- Technology solution to establish efficient and effective means for communication and workforce collaboration, to enable workforce mobility and allow for remote and flexible work arrangements;
- Improvements in capability to continuously capture and transfer knowledge amongst employees;
- Improvements in analytics capabilities, including transparency and accuracy of portfolio and enterprise wide planning, budgeting, forecasting and reporting;
- Leveraging automation and cognitive tools to optimise previously manual processes in back office functions.

3.4 Customer outcomes

Through customer research carried out by AusNet Services, a succinct list of key customer values and priorities were identified. These customer outcomes are:

- delivering basic services – “deliver on the basics”
- keeping customers informed – “keep me posted”
- affordable services – “affordable for me”
- adaptability – “be ready for the future”
- safety – “always safe”.

This research has been further validated through the ICT deep drive presented to the customer forum. Additional information on each of these customer outcomes is provided in the overarching Technology EDPR submission FY2022-2026.

Program Brief

All expenditure programs identified and proposed by AusNet Services will have regard to the customer outcomes and can be directly linked to at least one of these five outcomes.

We consider that this program of work will be most relevant to **'affordable for me'** as cost savings made from more efficient process can be passed on to customers over the long-term. In this initiative, improvements to knowledge management will enable the transitioning and dynamic workforce retain operational insights that can reduce time and costs. All corporate functions serve the purpose of **'delivering the basics'**, specifically increased communication between employees ensuring smooth operations and collaboration, creating greater opportunity for efficiency. With these efficiencies, it means that customers will have a smoother customer experience related to reduction in overlap of service providers, faster response times, and more efficient issue resolutions. Customers will also experience an uplift in service standards, as effective knowledge management would strengthen service standardisation. Equally as important is **'always safe,'** as improved access to safe work practices and risk mitigation procedures will ensure safety of employees and the community, this will be explored further in the discussions on each of the options. Although not highlighted, this initiative will also support the **"keep me posted"** customer outcome as it will enable faster and more accurate on-site issue or delay communications from workers that provide accurate updates for customers.

3.5 Business drivers

In the face of significant industry disruption resulting in a period of substantial uncertainty and increasing complexity across the industry, AusNet Services has selected three key business drivers which set the direction for the business.

These business drivers are:

- Lead energy transformation, embracing change;
- Drive efficiency and effectiveness throughout the portfolio; and
- Generate trust and respect with customers and partners.

All expenditure programs identified and proposed by AusNet Services will have regard to the business drivers and can be directly linked to at least one of these initiatives.

We consider that this program of work will be most relevant to **'drive efficiency and effectiveness throughout the portfolio'**, as increased productivity will result from having information more readily available for employees and improved visibility across workforce and program/ portfolio management will aid effective decision-making. We will further explore this in the discussions of each of the options.

Program Brief

4 Options

4.1 Overview

This section provides an overview of options that may alleviate current limitations.

Table 4-1 Brief overview of the options

Brief overview of each of the options	
Option 1	Business as usual (no new applications or systems, only refreshing current applications)
Option 2 (Recommended)	Knowledge capture and transfer: <ul style="list-style-type: none"> Establishing an integrated platform allowing for knowledge capture and transfer Improvements in mobility solutions to enable collaboration and remote and flexible work arrangements Improvements in automation and analytics capability across enterprise content management back office functions, specifically improving the accuracy of planning, budgeting and forecasting.
Option 3	[C-I-C]

4.2 Option #1 Business As Usual

This option involves continuing AusNet Services' current tactical roadmap, which includes maintaining current systems and applications used to manage enterprise content, connect employees and manage both the workforce and program/ portfolio planning.

At a minimum, a series of refreshes will be required for existing applications. This option does not look to expand any of the existing capabilities; it is the base level of investment to maintain current business as usual outcomes.

Knowledge management

Complete the necessary refreshes to allow continued content management via SharePoint (Microsoft Cloud and On Premise).

Workforce mobility and collaboration

Refreshes to Windows workstation, Citrix platform and maintenance of the enterprise application store for both IT and OT employee devices will be required during the period.

Corporate functions

The current SaaS Solution for planning, budgeting and forecasting will require refreshed modules or implementation of additional modules required by the current vendor within the 2022-2026 regulatory period. The solutions will also have a lifecycle refreshes during the period (SAP MRS and SAP BPC) these costs are included in the Technology Asset Management - Application brief.

Program Brief

As described in the context and drivers' sections above, limitations in knowledge capture and transfer as well as visibility and accountability over the workforce are already impacting on AusNet Services' ability to efficiently deliver reliable, safe power for customers.

As such, continuing AusNet Services' current capabilities in workforce management and communication is not an acceptable option over the next regulatory period.

Alignment to objectives

We do not consider that this option achieves any of the intended objectives of this program of work, as shown in Table 4-2 below.

Table 4-2 Objectives analysis of option 1

Objective		Comments
Establishing a communication and workforce collaboration solution to enable workforce mobility and allow for remote and flexible work arrangements	✗	No further benefits or strategic objectives will be achieved by refreshing existing systems and applications.
An enhanced solution to facilitate the distribution of information efficiently across the workplace to improve speed and accuracy of workforce decision-making	✗	No further benefits or strategic objectives will be achieved by refreshing existing systems and applications.
Improvements in analytics capabilities, including transparency and accuracy of portfolio and enterprise wide planning, budgeting, forecasting and reporting	✗	No further benefits or strategic objectives will be achieved by refreshing existing systems and applications.
Utilising automation to improve efficiency of manual corporate functions.	✗	No implementation of automated processes.

Costs

Table 4-3 Costs of option 1

(\$m)	FY22	FY23	FY24	FY25	FY26	Total
Capex	[C-I-C]					
Opex						
Electricity distribution cost						
Total program cost						

Benefits

This option involves maintain the current systems and operations, without any uplift of capability to address the need and limitations described above.

Program Brief

As such there are no specific benefits identified, aside from those associated with maintaining status quo systems.

Risks

There are a number of risks associated with the implementation of this particular option, as highlighted in the table below. Based on the consequence and likelihood of each risk, we have rated each of the individual risks blue, green, yellow, orange and red (order of severity). See Attachment 1 – Risk level matrix for additional information on this rating system.

Table 4-4 Risks of option 1

	Risks	Consequence	Likelihood	Risk rating
R1.1	Knowledge loss due to staff turnover	Level 1: Limited ability to capture knowledge from subject matter experts and establish knowledge sharing across the organisation. Extending time to train new staff and may create a skill gap in the organisation	Almost Certain	C
R1.2	Lost productivity due to time spent locating information	Level 1: Compromised ability to efficiently utilise existing knowledge across the organisation creating inconsistencies in information management and decision- making.	Almost Certain	C
R1.3	Impacted health and safety of field crews if correct information is not readily available	Level 2: Health and safety risk where correct procedures are not carried out, particularly in the field	Likely	C
R1.4	Limited ability to attract and retain talent	Level 1: As work force ages, there is the risk of finding long term replacements for critical operational roles	Almost Certain	C
R1.5	Inefficiencies (e.g. workarounds), manual errors and poor data integrity associated with management, planning budget and	Level 1: Poor data integrity and manual processes increase the time to perform management and reporting.	Almost Certain	C

Program Brief

	forecasting and reporting processes	A lack of visibility to across all business units affects ability to manage employees and ensure targets are met.		
--	-------------------------------------	---	--	--

As we have identified a large number of medium risks, we consider that overall, this option is rated medium risk.

Customer related drivers of expenditure

As discussed in Section 3.4, five key customer outcomes have been identified through discussions with customers. The table below highlights the how this option will achieve these outcomes. Where we consider that a customer outcome is not directly achievable by the option or irrelevant, 'N/A' is applied.

Table 4-5 Customer related drivers of option 1

Customer outcome	How this program achieves this
Deliver on the basics	At a minimum, a series of refreshes will be required for existing applications to maintain business as usual for operations and field employees. This will not deliver any services with better capability or efficiency than what exists today.
Keep me posted	N/A
Affordable for me	N/A
Be ready for the future	N/A
Always safe	N/A

Business related drivers of expenditure

As discussed in Section 3.5, there are three business drivers that AusNet Services has identified, and is focussing on over the next regulatory period. The table below highlights how this option will input into the initiatives where relevant. Where we consider that a business driver is not directly relevant to the option, 'N/A' is applied.

Table 4-6 Business related drivers of option 1

Business drivers	How this program achieves this
Lead energy transformation, embracing change	N/A - No uplift from existing capabilities
Drive efficiency and effectiveness throughout the portfolio	N/A - No uplift from existing capabilities
Generate trust and respect with customers and partners	N/A - No uplift from existing capabilities

Program Brief

4.3 Option #2 Knowledge Capture and Transfer (RECOMMENDED)

In today's workplace, there is rapid proliferation of applications, with collaboration platforms like chat, email, calendars, meeting notes, project plans, and risk/issue tracking programs. With the increased use of these platforms comes exponential increases in data in many forms and file types across many messages and documents. As an employee, it becomes harder to search, find and utilise this information within an organisation, whether it originates in an email a document or a team member. Legacy share folders and intranets like SharePoint where teams manually upload documentation quickly, lose relevance, because the maintenance of these pages takes time and requires clear ownership and accountability. Therefore, once the immediate need for the uploaded documents is passed, relevance of these pages decreases dramatically.

While AusNet Services has commenced initiatives in this space in the CY2016-CY2020 regulatory period, this option will ensure larger volumes of data and content are easily accessible and intuitive for employees to locate quickly.

To ensure a prudent approach to investment during the regulatory period, for each opportunity for capability improvement, several options will be assessed including new products, additional functionality to existing tools or a customised solution built in house. There will be a mix of software and hardware required to uplift capability across the IT and OT workforces.

Included in this initiative is an investment in change management which will be critical to ensuring the culture of collaboration is established in line with the new solutions.

Digital solutions will be considered in the following areas.

Knowledge Management and Collaboration

Currently, while Microsoft SharePoint exists enterprise wide, it is not fully utilised as a true Enterprise Content management solution. It contains mainly static word documents and presentation packs used across the business. In the 2022-2026 regulatory period, knowledge management must grow from storage of documents to both capture and transfer of current and past employee insights.

The solution proposed will seek to:

- Create an intelligent user interface which can be personalised by function and business role;
- Improve search-ability through consistent tagging of files and organisation of existing content into relevant folders for appropriate teams to access;
- Allow multimedia artefacts to be uploaded including videos etc. that could be utilised for training purposes or as quick reference guides for common problems both back office and field workers;
- Ensure all procedural information can be located in a digital form for easy access by all employees on all devices (e.g. field crews accessing short video demonstrations on mobile devices);
- Create a dynamic list of expertise across the business, in the absence of information there is the capability to locate and 'Dial the Expert';
- Embed a metric into wider KPI framework which incentivises individuals to upload work to the shared environment.

Workforce Mobility Solutions

As mentioned previously, the prior regulatory period saw the roll out of mobile devices, improving the mobility and flexibility of employees. For the next regulatory period over 2022-2026, AusNet Services proposes to create capability to collaborate virtually to solve customer and business problems leveraging mobility, and non-standard input devices (e.g. speech). This will also assist in creating an environment that attracts and retains talented employees.

The solution proposed will seek to:

Program Brief

- Roll out devices such as field worker smart screens, video conferencing (for example, Skype for business, for use with clients and partner)
- Rationalise existing end user mobile devices
- Migrate OT applications onto the citrix platform to allow accessibility on mobile devices
- Refresh the OT windows interface to ensure most recent updates are available

Corporate Functions

AusNet Services completes continuous improvement initiatives as they arise within our corporate functions. Many finance processes have already been outsourced, however, moving forward the intention is to utilise automation and an established robotics platform to create further operational efficiency in manual rule based tasks. Initial analysis will be conducted to determine the most cost effective form of automation (robotics, automated products and systems/ cognitive).

Assuming the robotics platform is established and ready to accept use cases, the solution proposed will progress AusNet Services' automation capabilities by:

- Conducting initial analysis into relevant processes to undergo robotic process automation
- Prioritising workflows
- Conducting POC's and first high value, low complexity processes
- Building and rolling out automations to relevant back office functions (including HR and legal).

In addition to automation, a more transparent and accurate financial analysis solution will utilise real time data and advanced analytics. This tool will enable:

- Utilisation of advanced analytics to incorporate real time data into financial planning budgeting and forecasting
- Provision of end to end visibility of all projects within the enterprise portfolio
- Integration with Finance solutions (SAP Financial or similar)
- Consolidation of an overarching view of spend (budget v. actuals), with the ability to visualise by business unit, project, location, employee type etc.
- Tracing accountability and progress of project in close to real time
- Integration with existing systems to aid other financial calculations implementing additional modules if required.

Described in the context and drivers' sections above, limitations in knowledge capture and transfer, mobility and efficiency of corporate functions affect AusNet Services' ability to deliver reliable, safe power for customers. Option 2 is designed to address a significant number of the capability gaps.

Alignment to objectives

We consider that this option achieves all of the intended objectives of this program of work, as shown in the table below.

Program Brief

Table 4-7 Objectives analysis of option 2

Objective		Comments
Establishing a communication and workforce collaboration solution to enable workforce mobility and allow for remote and flexible work arrangements	✓	This option will enable greater knowledge and idea sharing through the implementation of digital solutions in conjunction with change management programs to promote a collaborative culture.
An enhanced solution to facilitate the distribution of information efficiently across the workplace to, improve speed and accuracy of workforce decision-making	✓	This option will improve search functionality to locate relevant data for modelling and planning, as well as trouble shooting, learning and resourcing.
Improvements in analytics capabilities, including transparency and accuracy of portfolio and enterprise wide planning, budgeting, forecasting and reporting	✓	This option will significantly increase the analytics capability of corporate functions, specifically enhancing accuracy and transparency of planning budgeting and forecasting by utilising real time data.
Utilising automation to improve efficiency of manual corporate functions.	✓	Under this option, AusNet Services will commence automation on highest priority functional processes based on the highest impact for lowest cost.

Costs

Table 4-8 Costs of option 2

(\$m)	FY22	FY23	FY24	FY25	FY26	Total
Capex	[C-I-C]					
Opex						
Electricity distribution cost						
Total program cost						

Both the Knowledge Management and Portfolio Management tools that form part of option 2 are likely to be deployed as subscription services we would expect this to result in a permanent increase in opex of approximately [C-I-C] per annum.

Benefits

Knowledge Management and Collaboration:

Program Brief

- Increased enterprise wide operational effectiveness through timely access to the correct information and up to date versions of documents, and a reduction in lost or misplaced information.
- A centralised and integrated repository of information reducing rework / duplication of work, information inconsistencies and operational effectiveness (e.g., time spent searching for documentation would be reduced).
- Improved and more collaborative culture, supporting teamwork and information/knowledge sharing.
- Timely access to safety material, policies, procedures etc.
- Reduced time to train and on board new employees.
- Capture specialised role information to avoid knowledge loss due to staff turnover.

Workforce Mobility Solutions:

- Ability to work remotely and support flexible work arrangements.
- Avoidance of travel when organising meetings e.g. between field staff and CBD office sites.

Corporate Functions:

- Reduction in manual process due to automation of transactional tasks.
- Reduced time to complete financial modelling and analysis due to enhanced decision-making through more readily accessible quality information.
- More accurate and detailed financial modelling and analysis due to inclusion of real time data.

Risks

There are risks associated with the implementation of this particular option, as highlighted in the table below. Based on the consequence and likelihood of each risk, we have rated each of the individual risks blue, green, yellow, orange and red (order of severity). See Attachment 1 – Risk level matrix for additional information on this rating system.

Program Brief

Table 4-9 Risks of option 2

	Risks	Consequence	Likelihood	Risk rating
R2.1	Knowledge loss due to staff turnover	Level 1: Limited ability to capture knowledge from Subject matter experts and establish knowledge sharing across the organisation. Extending time to train new staff and may create a skill gap in the organisation	Possible	E
R2.2	Lost productivity due to time spent locating information	Level 1: Compromised ability to efficiently utilise existing knowledge across the organisation creating inconsistencies in information management and decision-making.	Unlikely	E
R2.3	Impacted health and safety of field crews if correct information is not readily available	Level 2: Health and safety risk where correct procedures are not carried out, particularly in the field	Possible	D
R2.4	Limited ability to attract and retaining talent	Level 1: As work force ages, there is the risk of finding long term replacements for critical operational roles	Possible	E
R2.5	Inefficiencies (e.g. workarounds), manual errors and poor data integrity associated with management, planning budget and forecasting and reporting processes	Level 1: Poor data integrity and manual processes increase the time to perform management and reporting. A lack of visibility to across all business units affects ability to manage employees and ensure targets are met.	Possible	E

We consider that overall this option is rated low risk.

Alignment to customer related drivers of expenditure

As discussed in Section 3.4, five key customer outcomes have been identified through discussions with customers. The table below highlights the how this option will achieve these outcomes. Where we consider that a customer outcome is not directly achievable by the option or irrelevant, 'N/A' is applied.

Program Brief

Table 4-10 Customer related drivers of option 2

Customer outcome	How this program achieves this
Deliver on the basics	This option allows AusNet Services to carry out network operations more efficiently and ensure reliable supply to our customers. Customers will experience increase in service standards, reduced response times, and an overall more satisfied customer experience with reduced duplication of communication efforts.
Keep me posted	This option allows for increased on-site reporting and information management that will help support more transparent and efficient issue notification for effected customers.
Affordable for me	By improving on knowledge management, retention of knowledge and efficient ways of working, this will improve AusNet Services' ability to work more cost effectively. These efficiencies will reduce business costs and therefore costs to customers.
Be ready for the future	This option will prepare AusNet Services for the future by creating platform for employees to utilise learnings and knowledge rapidly, which is increasingly important as technology change occurs at a rapid pace as does change in customer needs.
Always safe	This option allows AusNet Services to complete operations more safely by providing all staff with quick and digestible information on best / safe work practice, and access to SMEs able to assist with enquiries as they arise. Additionally, the proposed use of short instructional videos will also provide staff with safety best practice to ensure each task is approached safely, delivering safe services to customers.

Alignment to business related drivers of expenditure

As discussed in Section 3.5, there are three business drivers that AusNet Services has identified, and is focussing on over the next regulatory period. The table below highlights how this option will input into the initiatives where relevant. Where we consider that a business driver is not directly relevant to the option, 'N/A' is applied.

Table 4-11 Business related drivers of option 2

Business drivers	How this program achieves this
Lead energy transformation, embracing change	This option will advance AusNet Services in embracing the changing workforce and advancements in technology.
Drive efficiency and effectiveness throughout the portfolio	This option will lead to productivity gains from efficient information management and utilisation of existing employee insight and experience. Enhanced management tools with a greater level of visibility over financials and performance will also lead to more informed decision-making and operational efficiency.
Generate trust and respect with customers and partners	N/A

Program Brief

4.4 Option #3 [C-I-C]

[C-I-C]

Alignment to objectives

[C-I-C]

Program Brief

Table 4-12 Objectives analysis of option 3

[C-I-C]						
---------	--	--	--	--	--	--

Costs

Table 4-13 Costs of option 3

(\$m)	FY22	FY23	FY24	FY25	FY26	Total
Capex	[C-I-C]					
Opex						
Electricity distribution cost						
Total program cost						

Benefits

[C-I-C]						
---------	--	--	--	--	--	--

Program Brief

[C-I-C]

Risks

[C-I-C]

Table 4-14 Risks of option 3

[C-I-C]

Program Brief

[C-I-C]

Alignment to customer related drivers of expenditure

[C-I-C]

Table 4-15 Customer related drivers of option 3

[C-I-C]

Program Brief

Alignment to business related drivers of expenditure

[C-I-C]

Table 4-16 Business related drivers of option 3

[C-I-C]

Program Brief

5 Assessment and recommended option

5.1 Assessment of the options

To identify a recommended option for this program of work, we have selected a number of criteria to assess each of the options. We consider that these criteria represent a comprehensive view of each option, in achieving AusNet Services' business and customer objectives as well as requirements of the AER in ensuring that any expenditure is both prudent and efficient.

The table below summarises our assessment of each of the options against the criteria.

Table 5-1 Summary table of the assessment of the options

	Option 1	Option 2	Option 3
Alignment to objective	[C-I-C]		
Costs			
Overall risk rating			
Alignment to customer related drivers of expenditure			
Alignment to business related drivers of expenditure			

As discussed above, the recommended option for Workforce collaboration over the FY2022-FY2026 period creates opportunities for AusNet Services to capture and transfer knowledge, promote and execute on workforce collaborate and operate their corporate functions more effectively, reducing manual effort.

This is because:

- Option 1 provides no uplift in capability, only required refreshes of existing systems to ensure they stay in support
- Option 2 is able to meet capability requirements with realistic degree of implementation and lower delivery risk
- Option 3 [C-I-C].

Program Brief

5.1.1 NPV analysis

As this program includes 30% non-recurrent expenditure, we have undertaken NPV analysis demonstrating the cost effectiveness of Option 2, the recommended option, as shown in **Table 5-2 NPV analysis (\$FY21m)**

	Costs (NPV)	Benefit (NPV)	Net benefit (NPV)
Option 1			
Option 2			
Option 3			

We have captured three primary benefits for this program:

- Improved employee productivity (recognising that we are operating in an increasingly complex environment with increasing requirements)
- Reduction in penalties due to reduced voltage variations
- Reduction in outages and inconvenience caused to customer

We have only captured 49% of the benefits for each of the options, as only 49% of the costs of the program are allocated to this EDPR submission.

We consider that only Options 2 and 3 will improve employee productivity. Option 1 involves continuing business as usual. Option 2 will improve employee productivity through mobility solutions and flexible work arrangements, as well as improvements in automation and analytics capability. The annual productivity savings would be circa \$[C-I-C]m, whereas Option 3 will improve employee productivity through improving the integration between systems and mobile devices. We have therefore estimate that the annual benefit will be \$[C-I-C]m (\$FY21), across the 22-28 period.

[C-I-C]

Based on our NPV analysis, Option 2 has the most positive NPV and is therefore our recommended option.
, below.

Table 5-2 NPV analysis (\$FY21m)

	Costs (NPV)	Benefit (NPV)	Net benefit (NPV)
Option 1	[C-I-C]		
Option 2			
Option 3			

We have captured three primary benefits for this program:

Program Brief

- Improved employee productivity (recognising that we are operating in an increasingly complex environment with increasing requirements)
- Reduction in penalties due to reduced voltage variations
- Reduction in outages and inconvenience caused to customer

We have only captured 49% of the benefits for each of the options, as only 49% of the costs of the program are allocated to this EDPR submission.

We consider that only Options 2 and 3 will improve employee productivity. Option 1 involves continuing business as usual. Option 2 will improve employee productivity through mobility solutions and flexible work arrangements, as well as improvements in automation and analytics capability. The annual productivity savings would be circa \$[C-I-C]m, whereas Option 3 will improve employee productivity through improving the integration between systems and mobile devices. We have therefore estimate that the annual benefit will be \$[C-I-C]m (\$FY21), across the 22-28 period.

[C-I-C]

Based on our NPV analysis, Option 2 has the most positive NPV and is therefore our recommended option.

5.2 Recommended option

Option 2 is the recommended option for AusNet Services for the Workplace collaboration program of work. Table 5- confirms what is in scope and out of scope for this program of work, as well as the other programs of work on which the successful delivery of this program is dependent on.

Table 5-3 Confirmation of scope of recommended option

In scope	Out of scope	Dependencies
Solutions to - capture current process, and detailed job knowledge as well as other enterprise content in many file types (multimedia etc.) - Display information in a digestible way for new staff to utilise and learn	Integration with Data lake (assumed costs included in IM briefs for additional integrations will cover the systems required)	Base Analytics (IM) <ul style="list-style-type: none"> • Data cleanse of all existing customer substation data should be completed prior to changes in managing data quality going forward

Program Brief

Solution to - Provide end to end visibility of all projects in the portfolio - Consolidated view of spend (budget V actuals) - Trace accountability and Portfolio progress - final integration and SAP modules remaining if required	Additional analytics products (assumed existing tools and visualizers, analytics referenced in IM briefs can be access and models built within)	Corporate Communications <ul style="list-style-type: none"> Similar Lifecycle and upgrades will be necessary as increased number of connected devices and sensors require the Communications network to transfer data.
Solution to - further Phase 1 Digital Workplace by extending digital uplift from corporate office to field workers - Emphasis on collaborative work via smart screens etc.	No inclusion for uplift and replacement of hardware rolled out in current period Phase 1 of digital workplace program	Security <ul style="list-style-type: none"> Similar Lifecycle and refreshes will be necessary as increased number of connected devices and sensors require security platforms to extend 'to the edge'
Solution to - improve analytics capability utilising real time data -conduct initial analysis into relevant processes to undergo RPA - prioritisation of workflows - POC's and first high value, low complexity processes	No build for establishing RPA Platform, the platform is enabled and accepting use cases prior to the program kick off	
Change management to ensure tools are used in a way that realises full benefits.		

Below in Table 5-, we have identified techniques or actions to mitigate the risks identified for this option.

Table 5-4 Option 2 risks and mitigation actions

	Risk	Consequence	Likelihood	Rating	Mitigation
R2.1	Knowledge loss due to staff turnover	Level 1: Limited ability to capture knowledge from Subject matter experts and establish knowledge sharing across the organisation. Extending time	Possible	E	This risk will be alleviated by implementation of option 2 however should be tracked going forward.

Program Brief

		to train new staff and may create a skill gap in the organisation			
R2.2	Lost productivity due to time spent locating information	Level 1: Compromised ability to efficiently utilise existing knowledge across the organisation creating inconsistencies in information management and decision-making.	Unlikely	E	This risk will be alleviated by implementation of option 2 however should be tracked going forward.
R2.3	Impacted health and safety of field crews if correct information is not readily available	Level 2: Health and safety risk where correct procedures are not carried out, particularly in the field	Possible	D	This risk will be alleviated by implementation of option 2 however should be tracked going forward.
R2.4	Limited ability to attract and retaining talent	Level 1: As work force ages, there is the risk of finding long term replacements for critical operational roles	Possible	E	This risk will be alleviated by implementation of option 2 however should be tracked going forward.
R2.5	Inefficiencies (e.g. workarounds), manual errors and poor data integrity associated with management, planning budget and forecasting and reporting processes	Level 1: There is a risk that data quality remains poor despite new system implementation	Possible	E	This risk will be alleviated by implementation of option 2 however should be tracked going forward.

Program Brief

6 Attachment 1 – Risk level matrix

The figure below shows the risk level matrix to which we have assessed each of risks within the options. Risks of highest concern are rated red, whereas those of lowest concern are rated blue.

Figure 6-1

		Consequence				
		1	2	3	4	5
L i k e l i h o o d	Almost Certain	C	C	B	A	A
	Likely	D	C	B	B	A
	Possible	E	D	C	B	A
	Unlikely	E	D	D	C	B
	Rare	E	E	D	C	C

Consequence Rating	
5	Catastrophic
4	Major
3	Moderate
2	Minor
1	Insignificant

Overall Risk Rating	
A	Extreme
B	High
C	Medium
D	Low
E	Very Low