

SMALL SCALE INCENTIVE SCHEME

Background

In the early phase of our engagement Customer Forum members were surprised at the limitations of the CSIS that AusNet Services operated. For about 20 years the only requirement for payment under the scheme was for a minimum percentage of phone calls to be answered within 30 seconds, a long-established metric used in call centres (commonly referred to as Grade of Service (GoS)). We were aware that the measure is currently more often used to measure the work effort of call centre staff than as an indicator of customer service quality.

All of us recognised that customer satisfaction depended on far more than how long it took to answer a phone call. Reflecting what a range of customers had told us about their various experiences of AusNet Services engagement, as well as our own expectation of what customer service should include, we formed a view that customers are more likely to be fully satisfied if, in addition to the call being answered within 30 seconds:

- They do not have to re-explain their concern to a series of staff through phone transfers.
- They are actually listened to rather than given what they perceive to be cookie cutter responses. (An example was Healesville customers being effectively refuted by call centre staff on basis of AusNet Services not having any knowledge of the HVI.)
- That the advice they receive is clear and accurate.
- That commitments given by AusNet Services are fulfilled in the time frame advised.
- That the problem they have called about is not repeated. (A recurring theme in planned outage notification)

External views

We tested our view on the limitations of the existing CSIS and benefits of enhancement with community advocates at a meeting on 18/8/2018. Support was expressed by representatives of attending organisations: Vinnies, SACOSS & PIAC. The SACOSS rep was interested in broader measures than those we identified and suggested consumer sentiment. The CF considered this but felt that as most customers don't engage with AusNet Services each year a sentiment survey might not provide meaningful performance guide.

We further tested the view at Deep Dive session on 11/2/19. Reps included VCOSS, RDV, ECA, MEU & CCP. No objection to enhancing the scheme was voiced.

AusNet Services responded by explaining how the CSIS worked and how it could be enhanced through the AER's procedures. We were given the opportunity to work through a range of indicators against which AusNet Services performance could be managed. AusNet Services customer research staff advised that the proposed metrics needed sufficient statistical data to allow robust benchmarks to be established. The four metrics ultimately selected for the enhanced scheme - planned outages, unplanned outages, connections and complaints - reflected key areas of concern amongst customers and could, in the Forum's view, be accompanied by robust benchmark data.

Customer research

In forming its view, we considered both the AusNet Services commissioned customer satisfaction research, as well as its own initiated customer research and engagement activities and the feedback mentioned above. It is clear from all forms of research that the existing measure falls well short of customer expectations. Further a single measure, does

not allow for the fact that different customer groups have different expectations of AusNet Services, which was particularly apparent from our engagement activities with customer groups as diverse as builders, disadvantaged customers, and those who regularly experience planned and unplanned outages.

Revenue at risk

We acknowledged that AusNet Services would face a considerable challenge in moving from a long standing and relatively easy performance measure to four measures. For that reason we agreed that limiting the revenue at risk to 0.5% was advisable. A factor in the Customer Forum decision was the need to build on the expanded scheme in future EDPRs. The Customer Forum believes that static customer satisfaction incentives are less effective over time and that AusNet Services will need to be continually challenged in future to build new performance measures in this space, as well as ratchet up the minimum performance requirement.

A modest amount at risk also recognises the novelty of this idea.

CSIS – complementary initiatives

We have negotiated the proposed CSIS in association with two other initiatives. The first was a request to AusNet Services that it provide empathy training for call centre staff, something we believe represents best practice in the customer service field and has been employed by water utilities. AusNet Services agreed to the training which commenced in 2018.

Secondly, we designed the proposed annual Customer Interaction Report in order to socialise the incentive scheme's performance data and provide a commentary on areas of continuing customer dissatisfaction. We understand that no customer service incentive scheme is comprehensive and wants to create an accountability for AusNet Services if some customers continue to receive unsatisfactory treatment. An instructive example of how a scheme might miss areas of underperformance is new building connections which make up a small share of total new connections but are time consuming due to the disjointed relationship of relevant parties. An incentive scheme could record an improvement in overall satisfaction with new connections while the experience of new building connection customers remains static or declines.