



## Jemena Gas Networks (NSW) Ltd

### 2020-25 Access Arrangement Proposal

Attachment 2.2

JGN's customer engagement



## Table of Content

Report Title	Purpose	When	Prepared by	PDF Reference
Customer Engagement - Jemena Gas Network	This report documents the methodology and findings from the initial phase of engagement that sought to understand how customers wanted to be engaged and their preferred content.	20 December 2017	Straight Talk	Pages 03 - 118
Jemena Customer Engagement Report	This report sets out the methodology and findings of the range of engagement activities conducted across all customer groups.	20 November 2018	Straight Talk	Pages 119 - 210
Jemena Deliberative Forum Summaries – mid-program summaries	This report details the findings from the deliberative forums that formed the heart of the customer engagement process.	17 April 2019	Straight Talk	Pages 211 - 250
Jemena Large Customer Forum – Combined Results	This report details the engagement conducted with Large Gas Users and Retailers.	19 December 2018	RPS	Pages 251 - 285
Draft 2020 Plan Consultation Report	This report details the methodology and findings from our final engagement conducted post the publishing of our Draft Plan, the engagement sought to understand customer views on the plan.	10 April 2019	RPS	Pages 286 - 353

# JEMENA GAS NETWORKS

## Draft 2020 Plan Consultation Report



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10 April 2019

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# 1 INTRODUCTION

From 2017, Jemena has worked with customers using best practice engagement techniques to better understand their priorities and concerns. In 2017 and 2018, this streamed into two distinct engagement phases in preparation for the draft Revenue Proposal for the Australian Energy Regulator.

In 2019, RPS (formerly Straight Talk) was selected by Jemena to design a consultation process that would continue this commitment to best practice engagement and seek feedback on the Draft 2020 Plan. The process involved more than thirty household customers from across the state, and non-English speaking customers from Western Sydney/ to deliberate on feedback, insights, challenges and opportunities within the Draft 2020 Plan.

This process involved customers who had been on a 10-month journey with Jemena during the formation of the Draft Plan.

The overall objectives were to:

- Highlight how previous feedback contributed to the Draft 2020 Plan
- Work with customers to ensure all feedback is relevant and has been correctly interpreted
- Reflect the competing needs and priorities of a diverse customer base
- Inspire customers as a group to deliberate on the final product and to create suggestions to make it even better.

To address these objectives, RPS and Jemena designed a forum that brought together 32 customers representing five communities across Sydney and New South Wales, with representatives of the customer council, Jemena Board, Executive team and a cross section of Jemena staff.

The workshops explored five customer feedback areas and asked detailed questions on key decisions leading to the creation of the Draft 2020 Plan. The workshop also sought feedback on the application of customer direction to three real-life investment areas: the Aerotropolis, Mains Replacement Program and Northern Sydney Supply Program. Participants also provided feedback on whether the plan was in the long-term interest of customers.

The process was designed to be deliberative, allowing participants to consider, weigh up and contribute to informed discussion and debate, drawing on their knowledge from previous workshops and the preparation in reading the report. The group also provided responses to several questions – both quantitatively via live polling and qualitatively in workbooks. These are presented and captured within our report.

In our conversations with the Ethnic Communities Council we found challenges with non-English speaking background participants travelling to a workshop of this size. Acting on this feedback, we hosted a separate workshop entirely in Arabic, run by the Ethnic Communities Council, at Fairfield, reconvening nine of the twelve non-English speaking background participants from the 2018 workshops. The Arabic workshop was also supported by Arabic speaking staff from the Jemena office.

The goodwill generated between customers and Jemena through both the residential customer forum and the non-English speaking workshops was extremely encouraging and beneficial and sets the ground work for best-practice future engagement for Jemena. The benefit of investing in the relationship between Jemena and their customers is that it creates a strong foundation for knowledge sharing, trust and

understanding between both groups. It helps to validate Jemena initiatives and makes customers feel like they are truly acknowledged as being an important part of business initiatives.

Because of this solid relationship and the journey these customers have been on, encouraging ongoing conversations with these communities is not only achievable, it's now embedded in the fibre of this relationship.



Figure 1: Chairman of the Jemena Board, Mr Ruan, with customers from Western Sydney.

“After Chairman of the board presentation, it is clear that Jemena are interested in customer concerns, not just shareholder interests.”  
*(Participant, Goulburn)*

“It seems that Jemena has listened and responded appropriately - with a nod to the future.”  
*(Participant, Bathurst)*

## 2 KEY FINDINGS

Below is a summary of the high-level key findings from the workshop. You'll find the detail within the appendices, and the qualitative and quantitative detail that support these key themes. This brings together analysis from the workshops held in March 2019 and whether Jemena had correctly interpreted customer feedback and direction through the responses the Draft 2020 Plan.

- **The majority of participants agree the Draft 2020 Plan is in the long-term interests of customers.** Participants' feedback indicated that their concerns had been listened to. The live polling suggested that 9 out of ten participants moderately or strongly agreed that the plan was in the long-term interests of customers.
- **The majority of participants believe that, overall, Draft 2020 Plan is a good deal for customers.** They are confident that their views around the themes of safety, reliability, fairness and affordability have been taken into consideration, and that their concerns have been listened to in the application of the real-life investments.
- **Participants are concerned about the future.** Although participants understand, and are on the whole comfortable with, what Jemena is planning for the future, and why, they would like more information about how Jemena are responding to uncertainty. They expressed nervousness about what the next generation will be faced with in terms of their energy choices and expenses (beyond 2020-2025). They wanted some more detail about research and development and investment in innovation. Some suggestions included:
  - sustainability of future gas resources
  - ease of switching to hydrogen and this research area,
  - the challenge of making future decisions based on historic data in an era of disruption and innovation.

There was also some articulation of an expectation that, in the future, there would be investment in exploration of alternatives such as hydrogen, renewables and biogas.

- **Continue the transparency.** Participants felt that they wanted Jemena to continue to be transparent and open in their consultation, decision making and company operations. This transparency provided customers with the information that they needed to be more proactive with the energy industry and more confident in their interactions with energy providers. Participants understood the part of the supply chain that Jemena is responsible for and want more customers to be aware of the supply chain, and retailer options. This is in particular regards to the current cycle, and beyond 2025.
- **Maintain the authenticity and intellectual curiosity.** As per the intellectual stimulation, curiosity and feeling of authenticity generated from the previous waves of engagement, participants felt they were now customers who knew a great deal about gas pricing, gas markets and supply and there was no-one better placed to make decisions for the future of Jemena. The whole process allowed participants to make informed comments about what is in the best interests of energy customers. The group were also keen to be engaged in the future, with similar face-to-face consultations. They also feel that Jemena genuinely have the best interests of customers at heart and that more companies should do this kind of work.
- **Participants agreed with the application of customer directions on the long-term investment projects, with some conditions.** Participants felt that the Aerotropolis investment path needed



more explanation and demonstration of critical thinking, particularly in ensuring alternative funding sources are explored. Some thought because this is a critical infrastructure project for the state, developer, state or federal government funding could be sought. Others thought that the bill for this shouldn't be entirely footed by customers. Participants all agreed it that this part of Sydney would grow, but it would be hard to predict exactly when and how.

- **The following outcomes highlight customer feedback across a number of different scenarios. These results are insights into how participants view each of these major projects in response to Jemena's work to date.**
  - **The Aerotropolis:** half of participants felt that Jemena should remain with this proposal as outlined in the Draft Plan. The results of the voting on this issue is included in Figure 7 below. Five in 10 indicated Jemena should remain with the proposal as outlined in the Draft Plan, and three in 10 indicated all elements should be planned for the long term. One in 10 indicated for the medium term.

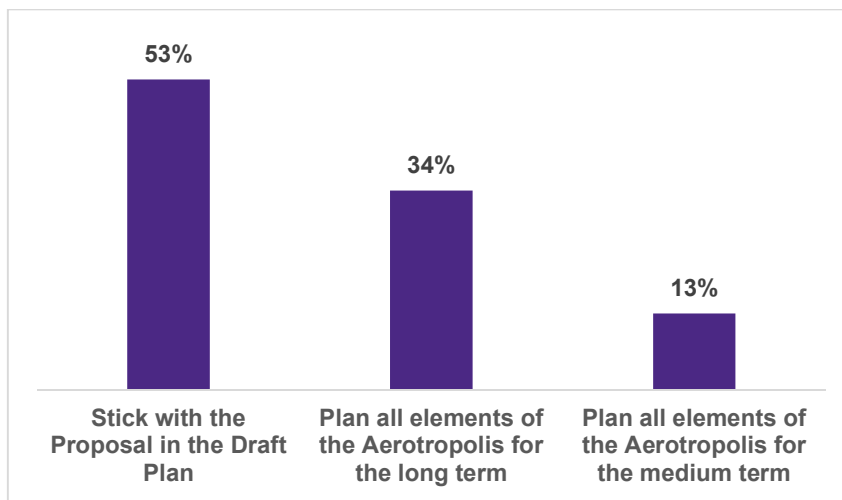


Figure 2: Voting results for the Aerotropolis: 'Should we stick with this proposal as it has been outlined in our Draft Plan?' (N=32).

- **Mains Replacement Program:** Nine in 10 participants voted to stay with this project as outlined in the Draft Plan. Much of the feedback indicated that they thought Jemena had confidence in the system, and that delaying replacement would be a less costly way to go as on-going monitoring allows for pipes lifespans to be extended safely.

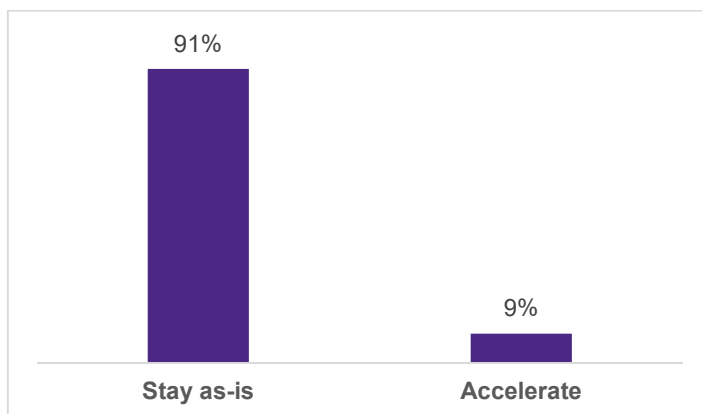


Figure 3: Voting results on the Mains Replacement Program (N=32).

- On the **North Sydney Supply**, 8 in 10 customers voted to stay as is. They felt that Jemena had reflected their customer direction for the supply project and thought that the extra expenditure now would pay dividends in the long run. They also thought their thinking and feedback had been applied correctly in this area of real-life investment.

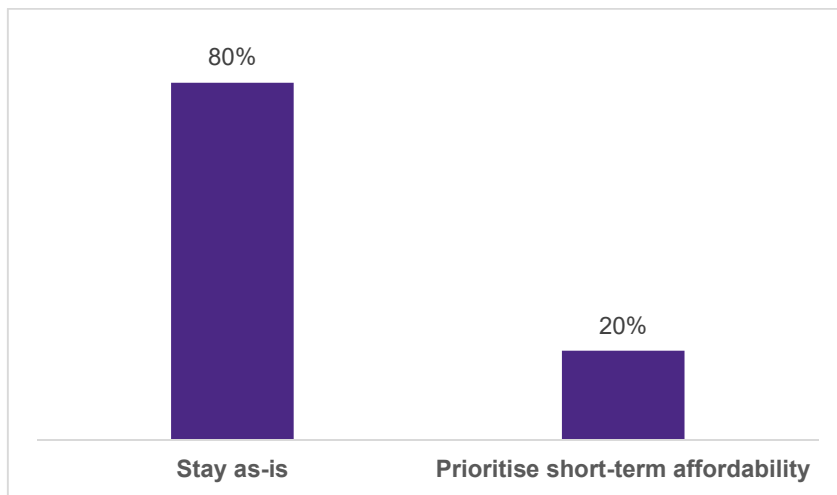


Figure 4: Voting results on the Northern Sydney Supply (N=30).

**Overall Rating – Affordability, Price Path, Reliability, Fairness and The Future**

Below is the overall chart of how participants responded to the question of overall rating across these areas: *on a scale of 1 to 5, how well do you think Jemena responded to customer feedback?*

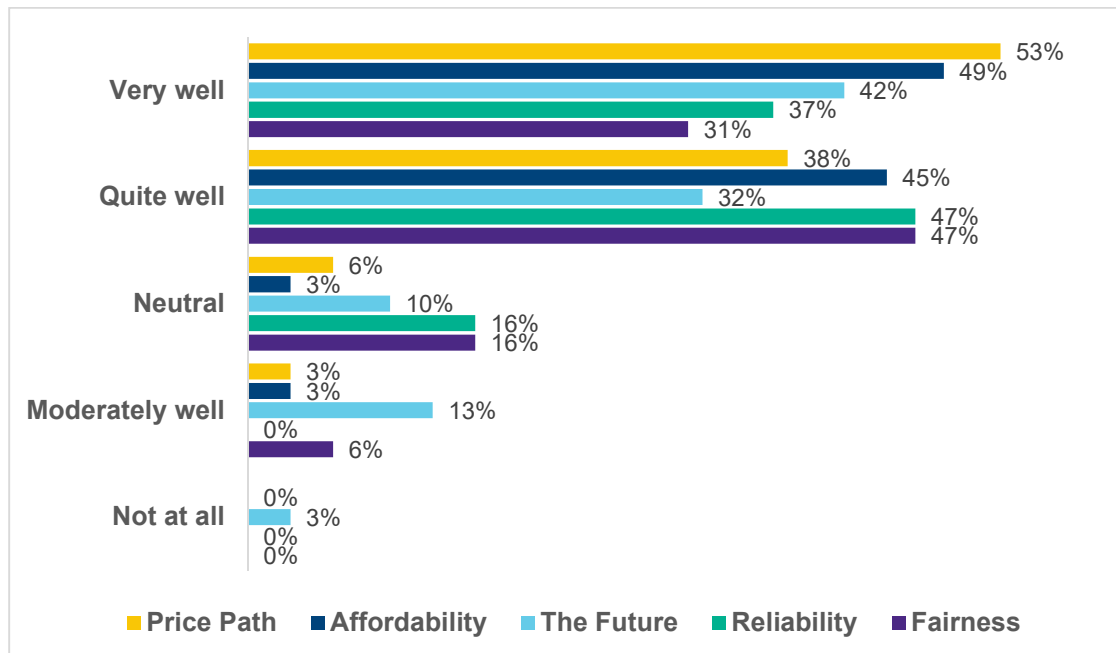


Figure 5a: Voting results on a scale of 1 to 5, how well do you think Jemena responded to customer feedback on the issue of: affordability, price path, reliability, fairness and the future. (N=30).

“Overall, I have been really impressed with Jemena's staff, very friendly, caring and genuine. It's reassuring to know that Jemena agonise over the impacts their decisions have on us. They are all passionate about their business and it has rubbed off on me.”

*(Participant, Griffith)*



Figure 6: Executive General Manager, Strategy Regulation and Markets, Shaun Reardon speaking to customers

“You folks covered everything.”

*(Participant, Newcastle)*

## 3 METHODOLOGY

This section provides a summary of the consultation in phase three of the engagement across two workshops, reconvening particular customer groups from 2018.

### 3.1 Large Workshop with Residential Customers

The large-scale workshop involved 32 customers who participated in the 2018 forums in Bathurst, Griffith, Goulburn, Newcastle and Western Sydney. Over 60 of the 2018 attendees applied to take part in this workshop, and were selected based on gender, location and their overall contribution as representative customers.

Participants travelled to Sydney in a weekend in early March for an intensive one-day workshop at the Jemena offices in North Sydney. They were asked to read the Draft 2020 Plan (either the summary or the full proposal) beforehand.

Participants heard from the Chairman of the Board, and other board members, along with senior Jemena staff, who demonstrated first-hand the importance of customer feedback to Jemena. There were also stakeholder observers present from the Public Interest Advocacy Centre, Council of the Ageing and Energy Consumers Australia.

A full day of consultation activities was designed to relay how Jemena had acted on previous feedback given by customers and seek feedback how on it had applied this to three real-life investment projects as identified in the Draft 2020 Plan. There were also opportunities for participants to pre-lodge questions with Jemena for response in a Q&A style panel discussion during the morning session.

Using a rotating information station format, Jemena outlined what it had heard from customers on the themes of affordability, reliability, fairness and the future, as well as customer preferences on price path. Participants then convened in table groups to discuss what they'd heard before voting with Keepads on how well they thought Jemena had responded to customer feedback on all these issues. Keepads are a remote-controlled voting tool that allowed every participant to vote privately and individually, with the overall results displayed on a PowerPoint presentation. Participants also had the opportunity to write down their feedback in workbooks and Jemena staff took notes during the table discussions. This was analysed to produce qualitative data from the workshop.

In the afternoon session, Jemena presented on how they had applied customer direction to three real-life investment projects: the Aerotropolis, Mains Replacement Program and the North Sydney Supply Project.

Each project typified the kinds of decisions that Jemena needs to make over the next five-year period. Planning for the Aerotropolis requires Jemena to think about how best to plan for growth when future uptake is not yet fully known. The Mains Replacement Program presents a challenge in deciding when to invest in assets in a way that evens out bill impacts and can prepare for a hydrogen future. And the Northern Sydney Supply project offers a choice between a lower overall cost option that needs to be borne by the customer earlier, or a higher overall cost option that spreads the bill impact.

Participants voted with Keepads as to whether Jemena should stick with the project as it was outlined in the Draft 2020 Plan or change direction. Quantitative voting data was collected and also qualitative feedback to help ascertain the nuances of the feedback from customers.

Finally, participants deliberated as to whether the proposal was in the long-term interest of customers. During this time, the Jemena team were asked to leave the room, while the representatives from PIAC and the ECA remained to provide assistance in the deliberation. They broke into discussion groups

defined by their geographic community and created a series of feedback in points as to the extent they believe the Draft 2020 Plan is in the long-term interests of customers. The key themes, differences and areas of difference were then explored by our lead facilitator. They then voted on whether the Draft 2020 Plan is in the long-term interest of customers on a scale of one to five (where 1 is strongly disagree and 5 is strongly agree).

### 3.2 Third workshop with Arabic-speaking customers

Jemena hosted a workshop at Lost in Books, Fairfield, entirely in Arabic facilitated by the NSW Ethnic Communities Council. The same nine customers who participated in a similar workshop in 2018 attended, to see how Jemena had addressed customer feedback in the Draft 2020 Plan and ask questions on the themes of affordability and price path.

These themes were explained through interactive demonstrations, for example pouring water into containers to demonstrate the 'steady as you go' price path and cutting up portions of cake with \$20 quarters to demonstrate how connecting new customers to the network helps to spread out Jemena's costs across a greater customer base

In terms of delivery, the Arabic-speaking Jemena staff presented this workshop in conjunction with the NSW Ethnic Communities Council. All project materials were translated into written Arabic, including a script of the video detailing the customer feedback from the workshops in 2018.



Figure 7: Bardia Kamal Alavi from the Jemena team, and Mariette Michaels from the NSW Ethnic Communities Council, explaining the actions and feedback on the Price Path with Arabic-speaking participants.



Figure 8: Commercial Specialist Rasha Skybey from Jemena discusses the topic of Fairness in Arabic



Figure 9: Learning materials in Arabic about what Jemena did with customer feedback

"I am really impressed as I do feel that Jemena heard the feedback from the Western Sydney Workshops. I have confidence in the decisions Jemena makes to be in the interest of the customers as tell not just shareholders. I would like to see Jemena engaging with their customers in the future as well..."

*(Participant, Western Sydney)*

"Everything is very good and clear"

*(Participant, Arabic workshop)*

## 4 NEXT STEPS

Jemena, as the 'custodians of the network' have a responsibility to ensure the network continues to serve future generations across New South Wales. In the results from this wave of consultation we have included some recommendations based on the feedback of participants. These are:

- **To continue customer face-to-face engagement.** Customers value the journey they have been on, and they believe the relationship could be continued in future through more continued engagement, either at the next draft planning proposal stage or earlier, if Jemena requires feedback from customers on specific issues. Furthermore, these customers are now informed and engaged with what Jemena and the broader gas industry are offering. Participants feel that this knowledge can be drawn upon in future for the benefit of Jemena and their broader customer base.
- **Be leaders around investment for 'the future'.** Although participants accept that the future is uncertain and new technology investment hinges on government policy, customers expect Jemena to take a leading role in exploring new, innovative future technologies and energy alternatives. There is a feeling that Jemena could be articulating more of this in the context of the Draft 2020 Plan, to ensure the future viability of alternative energies, and the viability of the future gas networks for the customers of New South Wales.
- **Continue to use engagement to build cultural change within Jemena.** Through achieving deep and authentic engagement with customers, customers felt that Jemena had achieved a high level of engagement, that is best practice, that other organisations should look to emulate. They also felt Jemena can continue to use engagement as a channel for continued, real and visible cultural change.

"The most important people running this company have taken time out of their busy day to speak to their customers."  
*(Participant, Newcastle)*

"They did listen, and it has been reflected."  
*(Participant, Western Sydney)*



## Appendix A Detailed Results

This document provides more detailed information regarding the outcomes on the consultation and research conducted by Jemena and RPS on the Draft 2020 Plan in March 2019.

Please note that commentary on the feedback/responses from participants does not include a numerical or proportional breakdown of positive vs negative comments as many responses were neutral in nature. Analysis of participant comments serves to illustrate general sentiment and not provide quantitative analysis on the type of comment.

### Large Workshop with residential customers

The large-scale workshop involved 32 customers who participated in the 2018 forums in Bathurst, Griffith, Goulburn, Newcastle and Western Sydney. There were 67 people who applied to take part in this workshop. All of these people were attendees of the 2018 stages of the project, with final participants being selected based on gender, location and their overall contribution as representative customers. Each applicant was asked to describe why they should be chosen to represent their community so that those who were the most invested and willing to represent wider community views were chosen to attend.

Participants travelled to Sydney for a weekend in early March for an intensive one-day workshop at Jemena's offices in North Sydney. They were asked to read the Draft 2020 Plan (either the summary or the full proposal) beforehand. This ensured that each participant was given time to consider the information and findings in the report. The Draft 2020 Plan was also made available to all previous participants so that they had an opportunity to provide their comments online, if they wished.

The detailed results of their feedback from the workshop is included below.

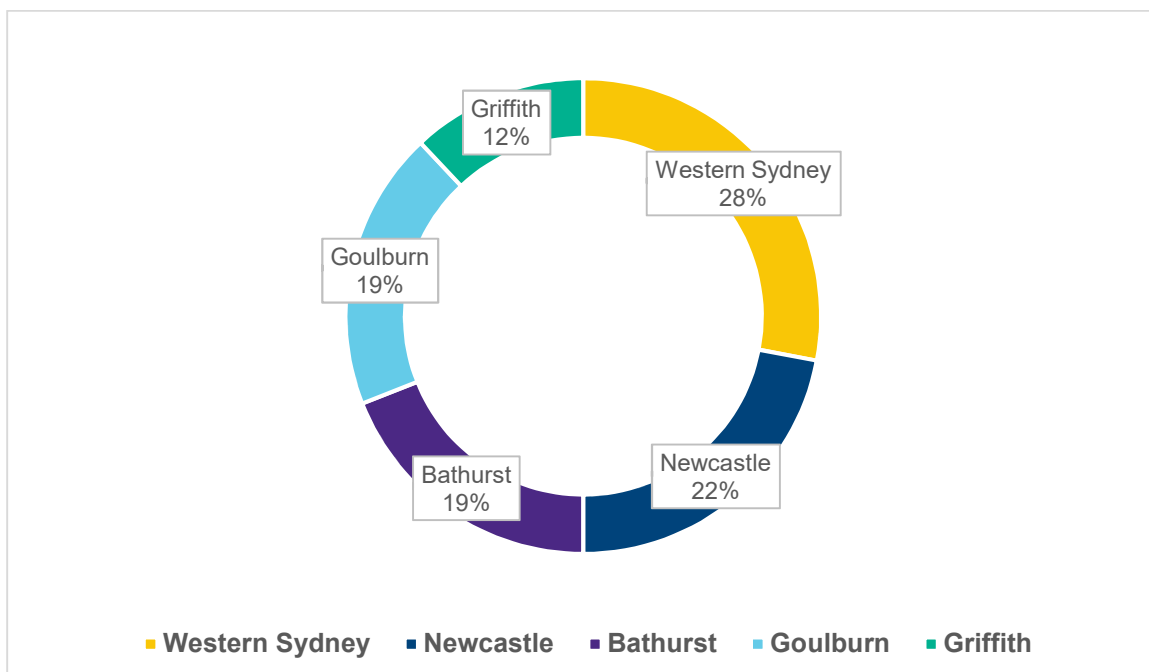


Figure 1: Participant split at the forum by region or community – Bathurst, Griffith, Goulburn, Newcastle, Western Sydney (N=32).

As demonstrated in the figure above, there was a roughly equal split between participants from all communities (apart from Griffith, which was a smaller group with some last-minute drop outs prior to the event) who were represented at the large customer forum.

## Overall Rating – Affordability, Price Path, Reliability, Fairness and The Future

Below is the overall chart of how participants responded to the question: *on a scale of 1 to 5, how well they think Jemena responded to customer feedback on the issue of affordability, price path, reliability, fairness and the future.*

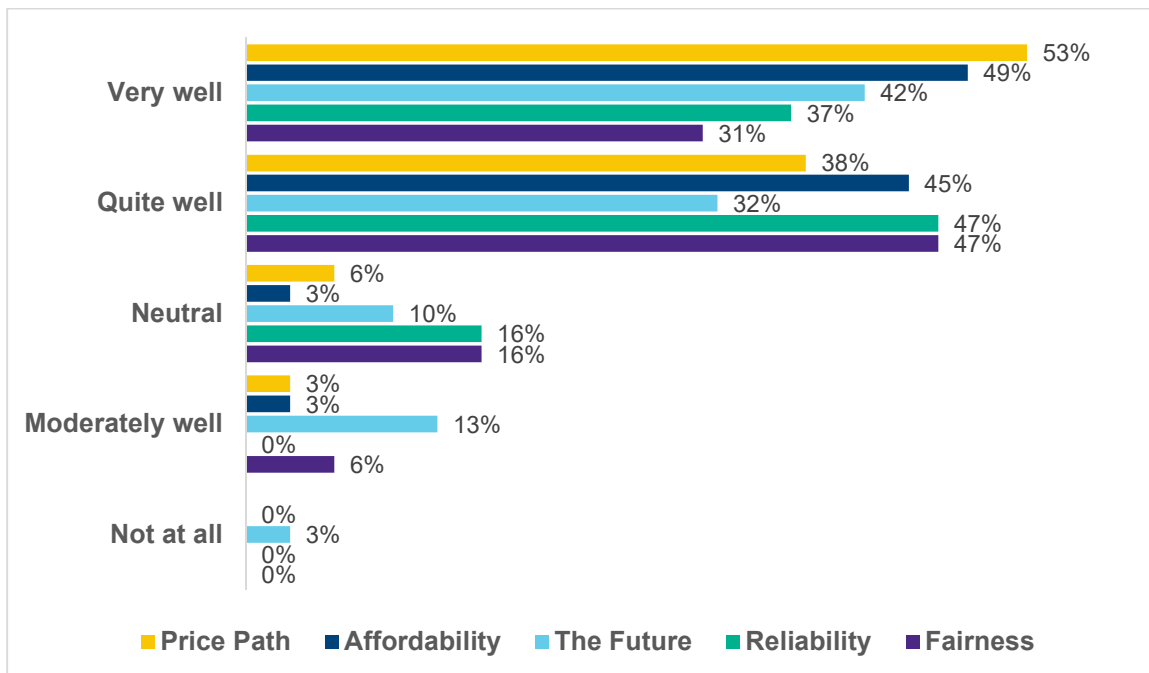


Figure 1a: Voting results on a scale of 1 to 5, how well do you think Jemena responded to customer feedback on the issue of affordability, price path, reliability, fairness and the future? (N=30).

## Affordability

After receiving information on how Jemena had responded incorporated customer feedback into the Draft 2020 Plan, participants voted on how well Jemena had responded to the theme of **affordability** (on a scale of 1 to 5, where 1 is not well at all and 5 is extremely well). **Nine in 10** participants indicated Jemena had responded very well or quite well, with the average score being **4.38 out of 5**. You can also see the votes by community in Figure 2 and interpret there is a bit of reticence from Western Sydney, with some concerns about whether this would be a focus in the future (see qualitative feedback on the next page for examples).

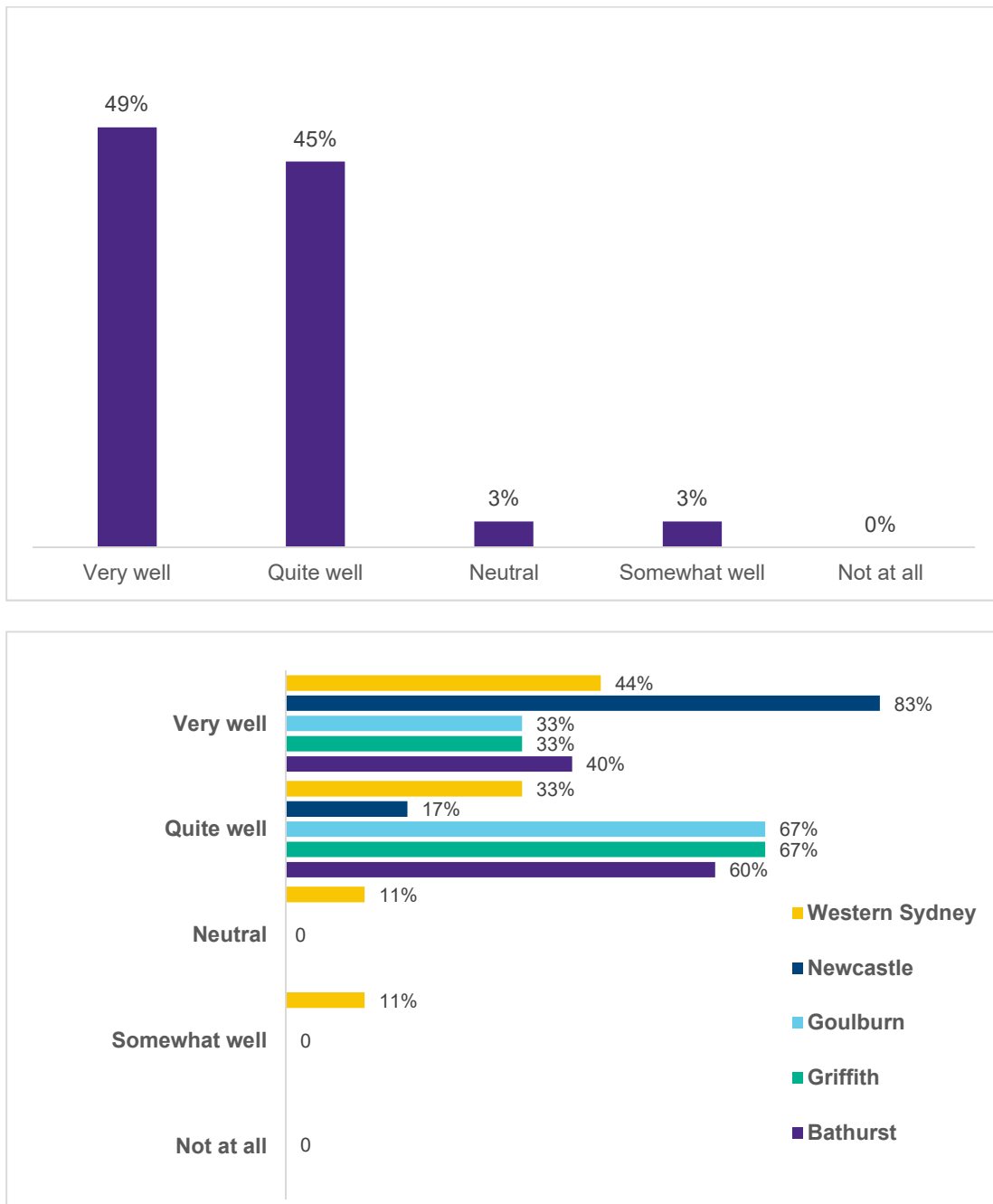


Figure 2: Voting results on affordability as an overall number (top) and by community (below) (N=29).

## Other Feedback on Affordability

Comments on this topic were focused on how Jemena had actively listened, and therefore participants felt heard on how significantly bills impact their daily lives. Some comments indicated that more information was required, for example future clarity on pricing after 2020–2025, and the connection charges. These examples are included below.

- *'We presented Jemena with a dilemma: the tension between affordability and investing in big pipes. I think Jemena has reached a palatable resolution.'* (Bathurst)
- *'Display (Draft Plan) completely represented what was decided at the Bathurst forum. (Although I think price should not always be driving factor—safety is important!) I was very surprised that \$300 was chosen for analysis of connection charge. Very high, no wonder people said no.'* (Bathurst)
- *'I think Jemena heard the voices of the people regarding the seriousness of price on our gas bills and how much it impacts our daily lives.'* (Western Sydney)
- *'Is 12% the best that Jemena—with growing customer base—can pass to customers? With new energy alternatives, will we get same or better price benefit? More information needed [about] affordability. Still the main focal point for Jemena.'* (Western Sydney)

## Price Path

Participants voted on how well Jemena has responded to feedback on the Price Path—9 out of 10 participants voted Jemena had responded quite well or very well. On average, they ranked their response **4.41 out of 5**. You can see the responses by community in Figure 3, with some comments from a Newcastle participant asking how low-income earners will be impacted after this five-year pricing horizon.

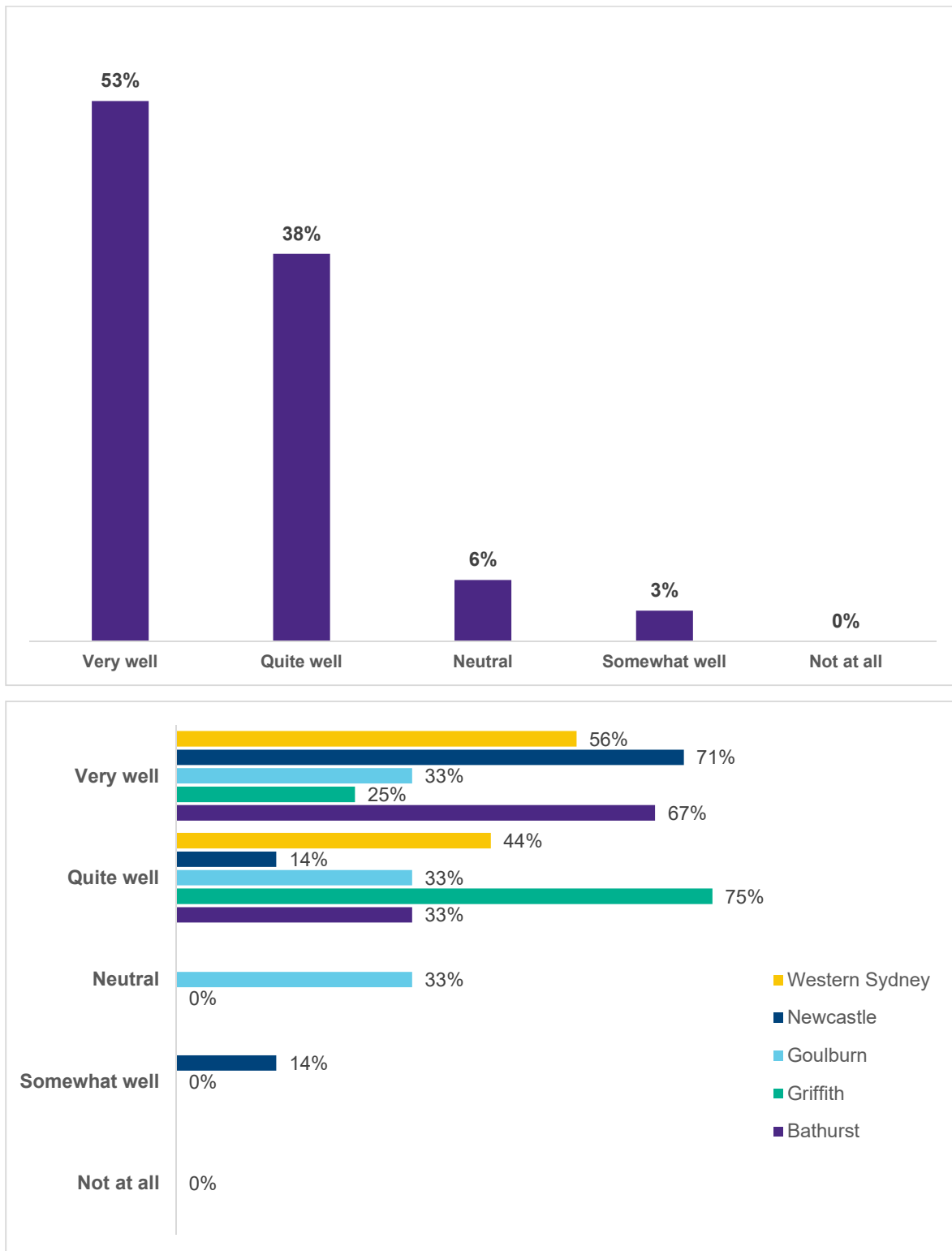


Figure: 3: Voting results on price path (top) and by community (below) (N=32).

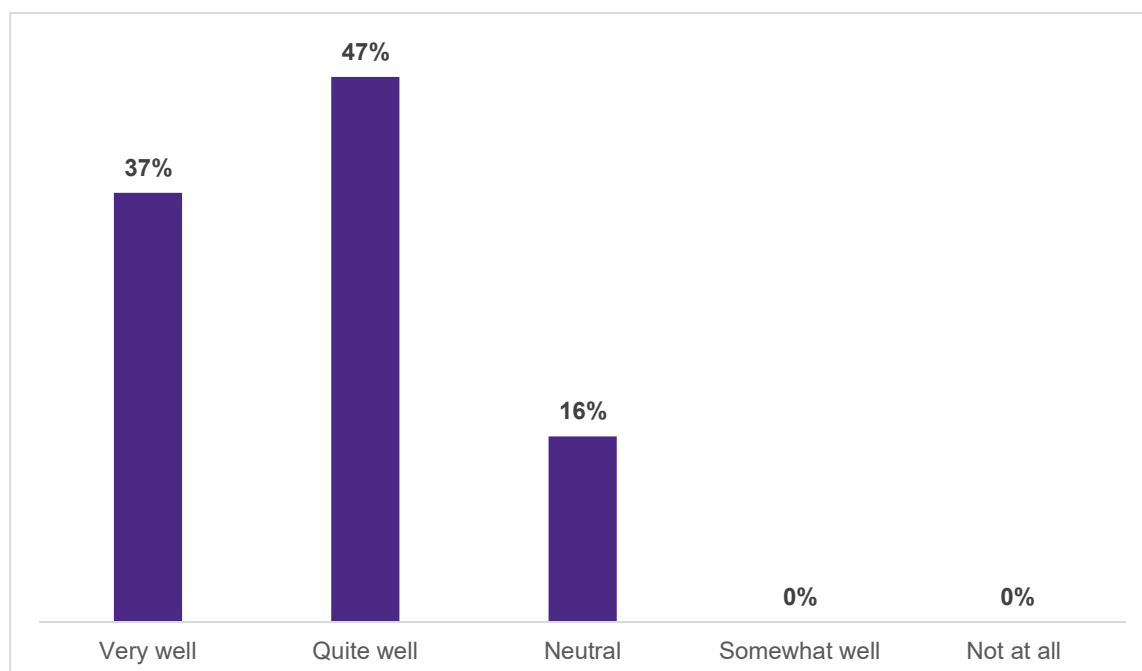
## Other Comments on Price Path

Participants commented around their agreement with this and that the 'steady as you go' message was heard correctly. Transparency was a frequently mentioned topic, particularly around customers indicating that they now understood Jemena's role as compared to the retailer's role. Other participants took time to comment on the role of taking care of low-income earners with the hand-back and the relationship to the regulator.

- *'Totally agree with this.'* (Griffith)
- *'Absolutely accurate as to what Bathurst forum asked for. I agree (personally) with decision to have "steady as he goes".'* (Bathurst)
- *'Historically gas was by-product, but now it is a valuable resource.'* (Newcastle)
- *'Steady as you go - long term consistent billing regulator determines pricing... Historically gas was by-product but now it is a valuable resource.'* (Newcastle)

## Reliability

In the voting process, 8 in 10 participants indicated that Jemena had responded quite well or very well to customer feedback on this issue, with an average rating of **4.22 out of 5** (where 1 is not well at all, and 5 is extremely well). You can see there were several comments on this topic recognising this issue's importance, also recognising there was already substantial investment in ensuring network reliability.



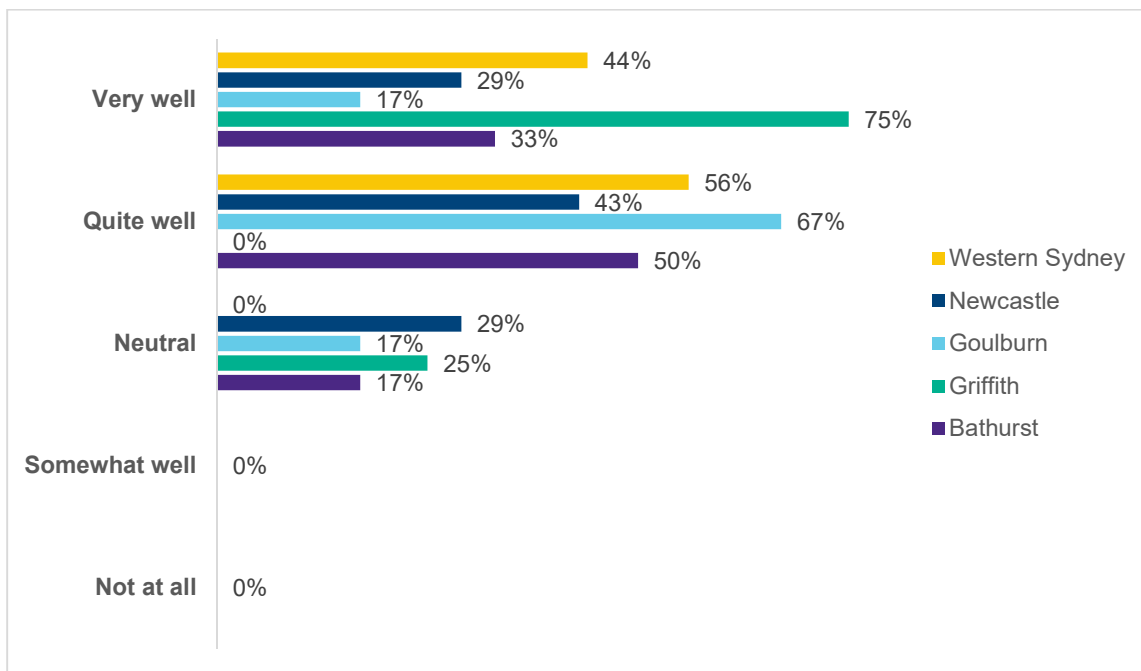


Figure 4: Overall voting for reliability (top) and voting by community (below) (N=32).

### Other Feedback on Reliability

Participants generally felt that Jemena had responded well to customer feedback on reliability. The comments and concerns were around providing more detail on pipeline maintenance, the reuse of current gas lines in the future and how Jemena can ensure reliability beyond 2025. Some comments expressed concern about reliability remaining the same across population increases, or while optimising new connections. Some of the comments are included below.

- *‘From the five-minute display. Looks good but need more detail as to the issues of pipeline maintenance/costing which is discussed in the Draft Plan with good detail. Hard to see this in the five-minute plan.’ (Bathurst)*
- *‘Not much need to, as they are already there. 99.9%.’ (Newcastle)*
- *‘I agree that affordability is very important, but it doesn’t matter how cheap/dear gas is—if it’s not reliable, then what are you really paying for?’ (Griffith)*

### Fairness

On the subject of fairness, 8 in 10 participants indicated Jemena had responded quite well or very well to customer feedback on this issue. On average, they rated this **4.03 out of 5** (on a scale of 1 to 5, where 1 is not well at all and 5 is extremely well). In Figure 5, you can see the comments influenced responses in Western Sydney, Goulburn and Bathurst relating to definitions of fairness and uncertainty in the future.

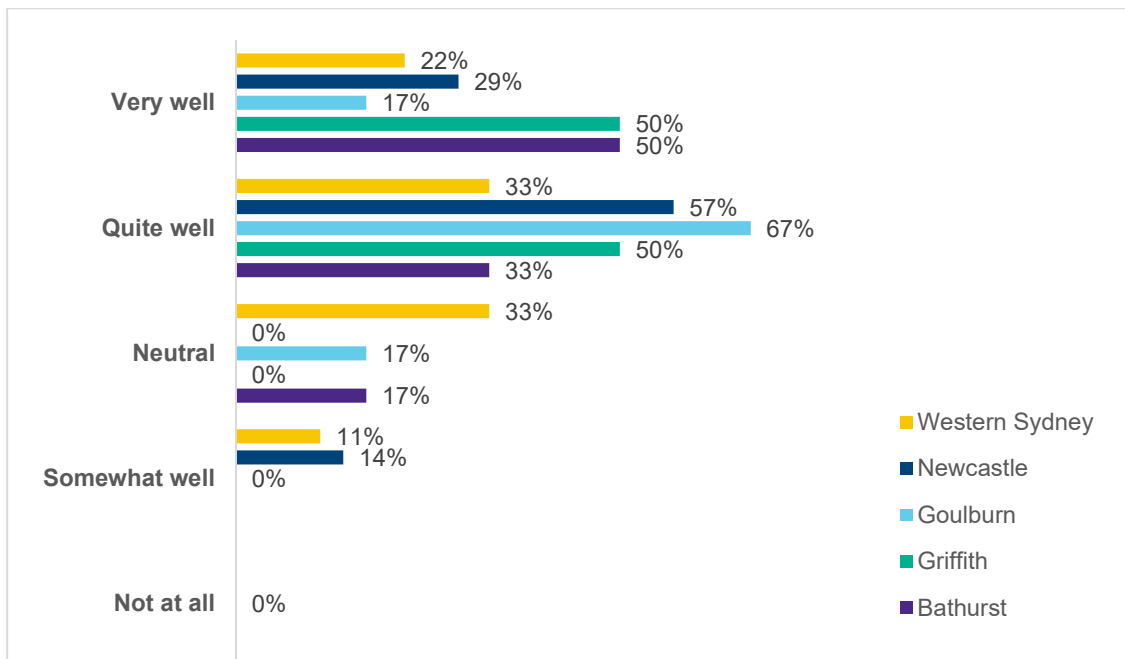
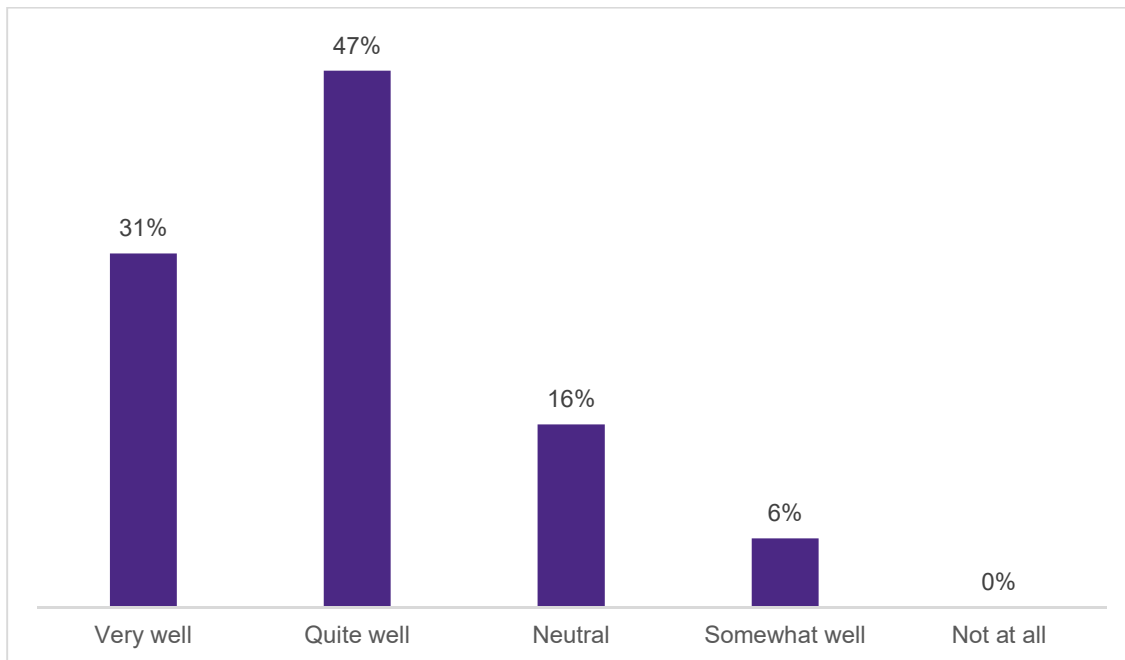


Figure 5: Voting on fairness overall (top) and voting on fairness via community (below) (N=32).

### Other Feedback about Fairness

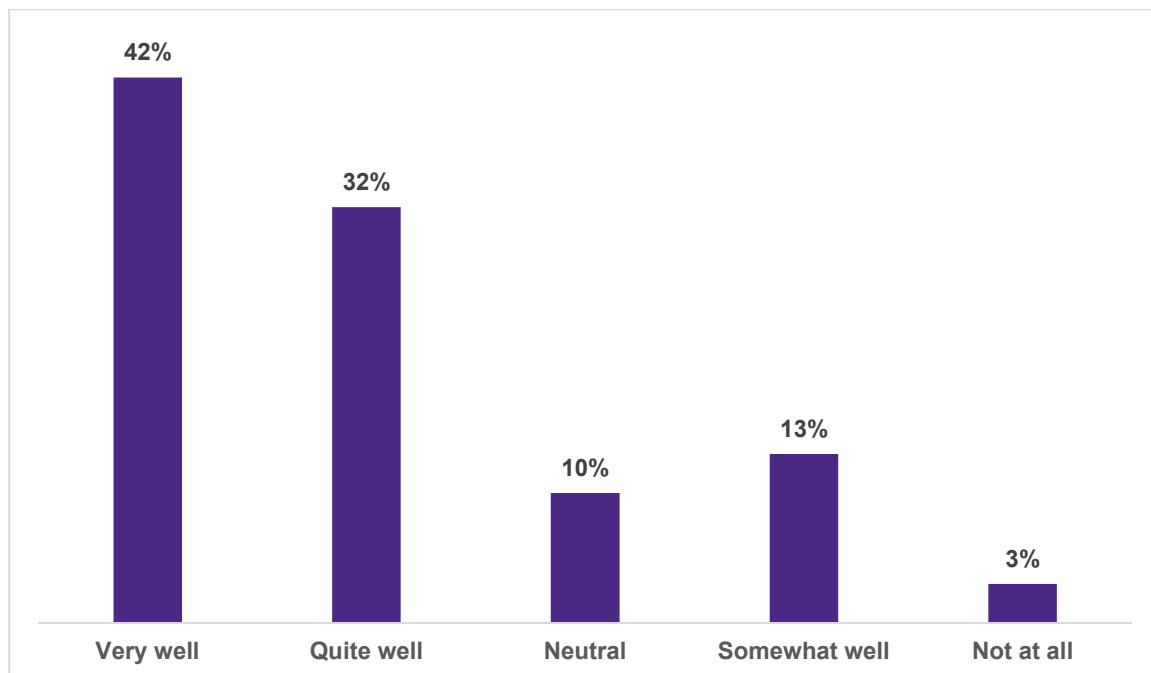
Overall, participants mentioned confusion or tension about what fairness is, as it means different things to different customers. Some mentioned geographic fairness as a theme, and that Jemena could leave it to other organisations to focus on vulnerable customers.



- *‘There is a tension between addressing feedback from us and delivering what is needed (in a fair way). Fairness can be interpreted in many different ways, so I am undecided about whether “fairness” has been achieved. The response probably reflects most of what was discussed in the forum, but [in my particular group], consensus wasn’t reached.’ (Bathurst)*
- *‘Targeting high-use areas to improve reliability, fair price based on network use by region, coastal customers pay more than country. Challenging topic and thought about in detail.’ (Goulburn)*
- *‘Speeding up of the recovery was heard correctly—pleased to hear that fair access in all area. Postage stamp pricing—don’t believe fair. Maybe more consultation about postage stamp pricing?’ (Western Sydney)*

## The Future

Participants felt differently about Jemena’s response to the future. Seven in 10 felt that Jemena had responded either very well or quite well to customer feedback on the issue of the future. On average, participants rated the future **3.97 out of 5** on a scale of 1 to 5, where 1 is not at all, and 5 is extremely well. You can see from Figure 6 below regarding the voting results, and you’ll note in the breakdown by community that Goulburn in particular was not convinced about applying customer feedback in response to the future. There were some customers from, Goulburn, Bathurst and Newcastle that also voiced this concern. These example quotes from customers outlining these concerns are included.



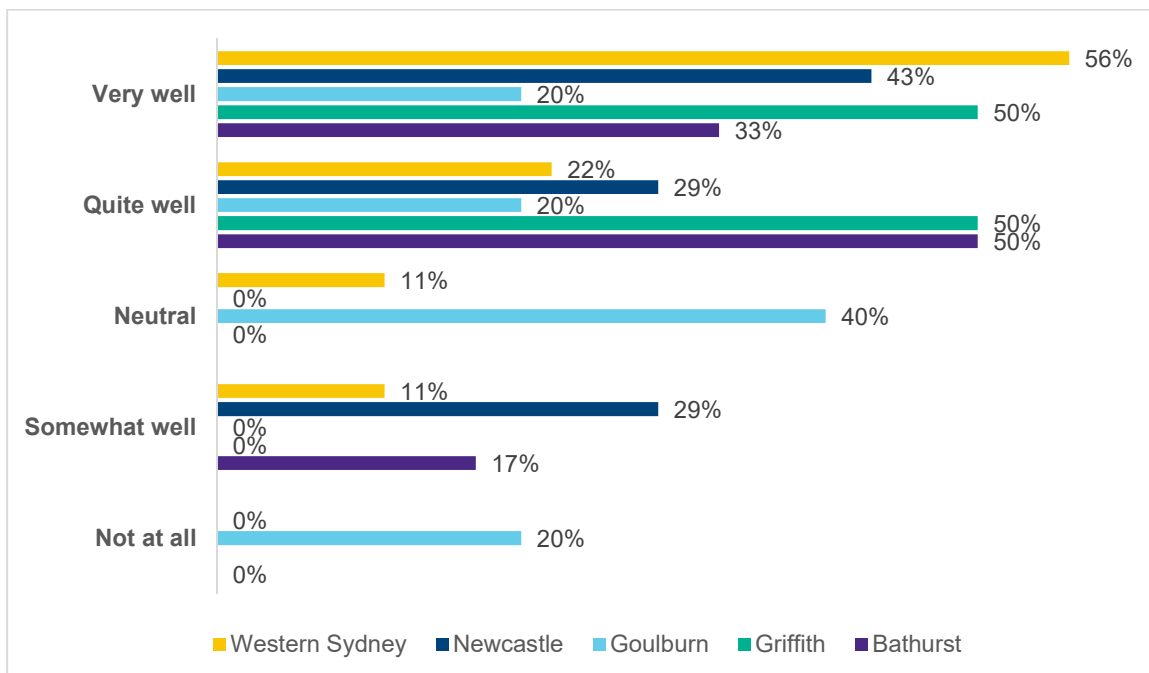


Figure 6: Responses overall on the future (top) and responses segmented by community (below) (N=31).

## Other Comments and Feedback on the Future

Some participants believed there could be more focus on plans for the future in terms of exploring alternative energies in the Draft Proposal. There was some general unease about the future, and some customers believed there was not enough detail in the plan to invest in the future. To clarify, this does not say that Jemena didn't reflect their discussion; they believed that with accepting the uncertainty in the future, this topic should be more of a priority and a leadership example from Jemena. Some examples are included below.

- *'Jemena is missing an opportunity, having to hand back funds the regulator and customers are already paying. This fund should be used for investment/future proofing, as this will have the greatest return and improve fairness.'* (Goulburn)
- *'All appears to be addressed to the best of Jemena's ability. On their section of discussion for future with the effects of things out of their hands. Level of uncertainty is out of Jemena's hands to a large degree.'* (Goulburn)
- *'No. Power to gas or gas to hydro and zero carbon for all of Australia—top long-term priority to reduce overall costs. Hydrogen R&D not passed on to customers by 2030 will be more informed to progress future of gas supply based on research.'* (Goulburn)
- *'There needs to be more progress updates for the public to keep up to date on the future viability of gas and renewables.'* (Newcastle)
- *'Plan is in keeping with Bathurst discussion, although from my perspective, Jemena should expect consumers to contribute to the risk, not just shareholders. Contribution need not be large, but some of the 12% in which over the next few years could be used for research.'* (Bathurst)

- *'How are we integrating new sources of energy gas into the existing system? Or are we starting after 2025?' (Western Sydney)*
- *'New R&D and ultimate implementation is far off? What is the bearing in this proposal? Also, what's the plan for transition? Not the entire network will be moved to H2.'* (Western Sydney)

## Applying Customer Feedback

This section applied customer feedback to three real-life investment projects: the Aerotropolis, Mains Replacement Program and Northern Sydney Supply.

### Aerotropolis

Half of participants felt that Jemena should remain with this proposal as outlined in the Draft Plan. The results of the voting on this issue is included in Figure 7 below. Five in 10 indicated Jemena should remain with the proposal as outlined in the Draft Plan, and three in 10 indicated all elements should be planned for the long term. One in 10 indicated for the medium term.

**Aerotropolis Question: Should we stick with this proposal as it has been outlined in our Draft Plan?**

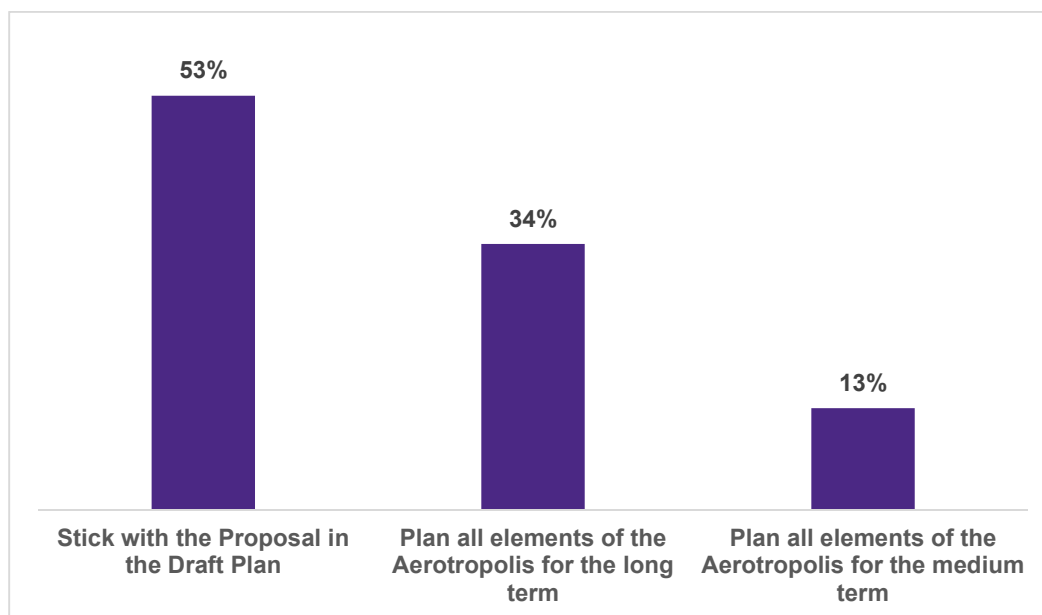


Figure 7: Voting results for the Aerotropolis: 'Should we stick with this proposal as it has been outlined in our Draft Plan?' (N=32).

Many participants felt that developers and state and federal governments should be encouraged to contribute as strongly as possible. Some also believed that there was a need to be bold and show consumers that gas is here for the long term. Some of this indicative open-response feedback is included below.

- *'Population growth: with increasing aging and middle-age population and fewer children per couple/family, is projection for growth in future actually too big?' (Newcastle)*
- *'I thought Newcastle group votes 100% long term? But it seems Jemena wants a more medium approach. It seems the reasons behind why we voted long term have been listened to, but the*

*decision not. An approach that covers both options in parts seems to be the best solution.’ (Newcastle)*

- *‘I think that the scale of the Aerotropolis means that it should logically be planned for the long term, but that just as Jemena has planned, it makes sense for the Science Park [to] less likely expand as dramatically, meaning that a medium-term plan for that area is more than reasonable.’ (Bathurst)*
- *‘Part of projects aligns with forums, but not all. Forums except Bathurst said, “Think big.” I would plan for larger demand in all three areas because I have seen incredible growth in the Western Sydney area, and the increased cost will pay off if hydrogen is successful (and I think it has to be successful). Anything Jemena to consider? Jemena needs to do the costs. Despite my comment above (I recognise Jemena are experts in this), costs for projects such as this might be considered unfair by regional areas who will not benefit so clearly. Should encourage developers to contribute to the costs as much as possible. Something as large as the development (that the state government will benefit from as well) should be funded by grant as well as funded by Jemena.’ (Bathurst)*
- *‘We agreed to plan for the long term, and this is not shown in your plan. With Sydney’s growth, I would have thought you would look at the long term. Bold, confident, show consumers you are here for a long term, not short term.’ (Griffith)*

## Mains Replacement Program

Nine in 10 participants voted to stay with this project as outlined in the Draft Plan. Much of the feedback indicated that they thought Jemena had confidence in the system, and that delaying replacement would be a less costly way to go, as accurate lifespan of pipes could be predicted.

**Mains Replacement Question: Should we stay with this project as it is outlined in the Draft Plan or accelerate?**

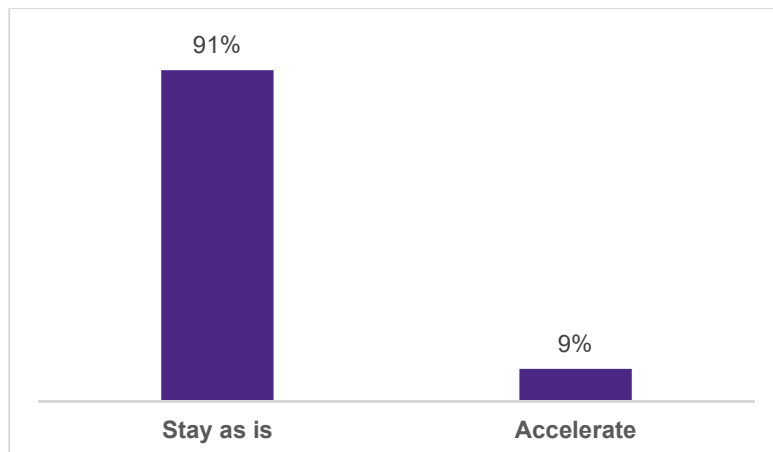


Figure 8: Voting results on the Mains Replacement Program (N=32).

Detailed comments as to why customers voted this way are included below.

- *‘Delaying pipe replacement until necessary will allow new materials/techniques/equipment to be used, which in areas that are already developed may lead to substantial decrease in replacement costs. Not that it is applicable to gas main replacement, but an example would be the underground automated tunnelling equipment used to go under roadways, etc.’ (Bathurst)*

- *'We haven't been asked before about the mains, but I'm happy with how Jemena is managing things. Today we have talked about the mains, and I'm happy with how Jemena manages the Mains Replacement Program.'* (Griffith)
- *'As long as the consideration of acceleration to some areas while leaving the majority kept as explained in the plan, then I think it makes sense. Future materials that pipes could be made of? I noted the three types of material in the last 60 years. What if a more cost-effective and environmentally friendly material comes out 10 years from now?'* (Newcastle)
- *'Even spread of replacement which keeps the cost control is the best way to go; keep replacement limited to needed basis.'* (Western Sydney)

### Northern Sydney Supply

On the North Sydney Supply, 8 in 10 customers voted to stay it was outlined in the Draft 2020 Plan. They felt that Jemena had reflected their customer direction for the supply project and thought that the extra expenditure now would pay dividends in the long run. They also thought their thinking and feedback had been applied correctly in this area of real-life investment.

- *'As far as this example goes, it makes much more sense to do it once and do it properly. The short-term extra spend is worked around by the fact that so much money will be saved in the long term.'* (Bathurst)
- *'Seventy-two per cent of customers voted for long-term investment. This project recommends long term more or less; however, it is an essential project, not an optional project. Therefore, makes sense to spend on infrastructure now rather than in the future, when there is potential for a greater population, resulting in a denser area to undertake work. Future growth of the project area (i.e. additional buildings and related services underground).'* (Goulburn)
- *'Score: five – very well. Short term means having to spend more money; over time, the lower cost will save you money long term. Lower cost, smarter investment.'* (Griffith)
- *'Our thoughts and feelings are being taken into consideration even though billable amount differences are small. Rationale being applied to all decisions of group.'* (Newcastle)
- *'Lower overall cost option—right decision. Feel Jemena is best placed to make this decision. I feel like you are making the right choices for the situations relating to different projects.'* (Western Sydney)

**Question: In our Draft Plan, we have prioritised reducing overall costs over short-term affordability. Should we stay with this project as it is outlined in the Draft Plan, or prioritise short-term affordability?**

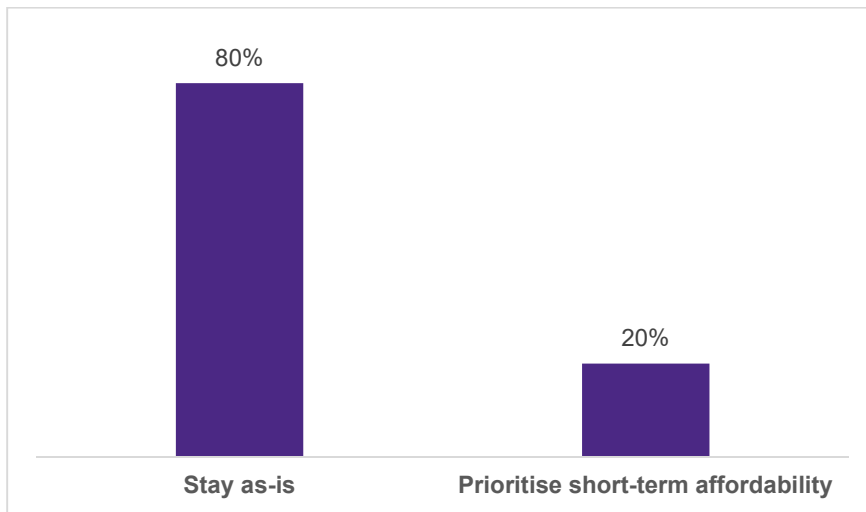


Figure 9: Voting results on the Northern Sydney Supply (N=30).

### Long-term Customer Interest

As a final point to the day, participants were asked to what extent they agreed that the Draft 2020 Plan is in the long-term interests of customers. Nine in 10 participants moderately or strongly agreed that the plan was, with an average of **4.45 out of 5** (scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree). The voting breakdown is included in the figure below.

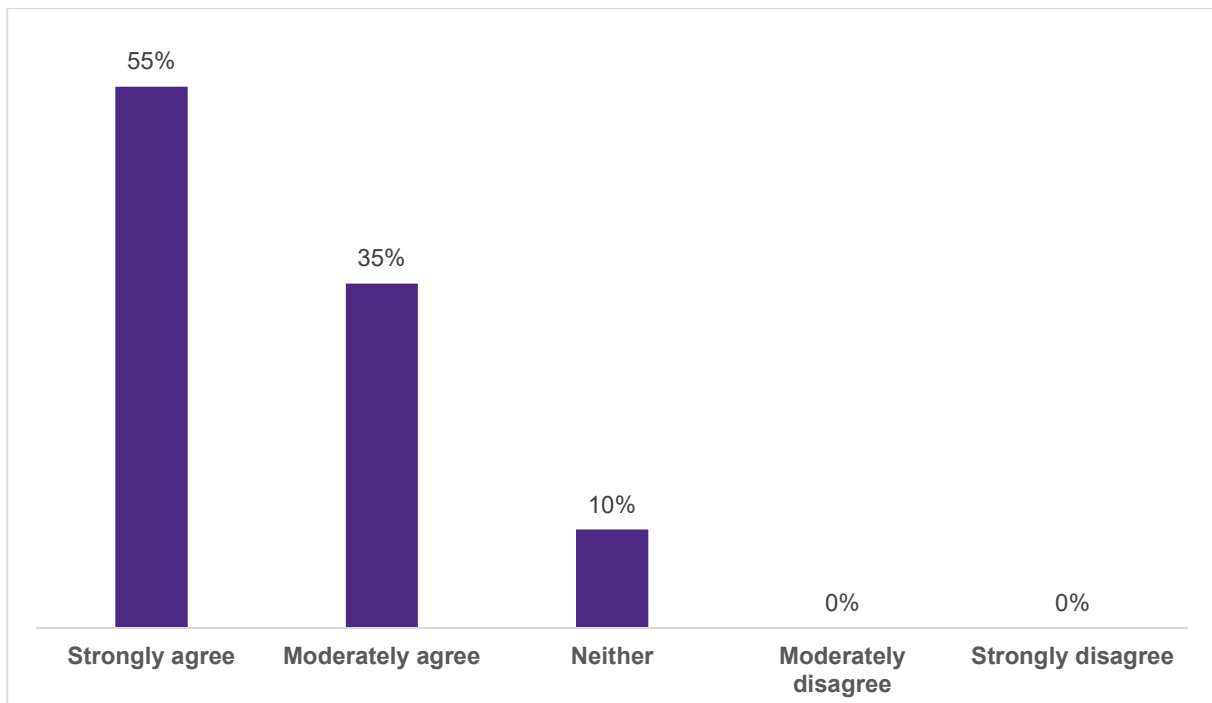


Figure 10: Voting results: To what extent do you agree that the Jemena Gas Networks' Draft 2020 Plan is in the long-term interests of customers? (N=31)

Qualitative feedback from customers related to how Jemena had made the right decisions for consumers today and for the next five years, and how these decisions may need to be re-evaluated in future.

Other participants felt that their feedback was genuinely considered, and that Jemena have customers at the heart of their decisions in an authentic way. They felt that the continuation of transparency and genuine engagement was key. Some examples and snapshots of this feedback are included below.

- *‘As a 55-year-old grandmother, I am totally satisfied with the risk to current customer risk, and future customer risk is fairly addressed. I am also concerned that Jemena needs to re-evaluate the development of the Sydney-Canberra corridor in light of the unknown possibilities that may make this the next development blow out and unknown at this stage but quite viable.’ (Goulburn)*
- *‘Overall, I have been really impressed with Jemena’s staff—very friendly, caring and genuine. It’s reassuring to know that Jemena agonises over the impacts their decisions have on us. They are all passionate about their business, and it has rubbed off on me from not knowing who Jemena was, to really enjoying every workshop and loving learning a lot more about your business. I’m going away feeling confident that Jemena has our best interests at heart and that the key to their success is what we think and keeping us with them. It’s also shown Jemena that they have been getting things right. Keep being transparent with your decisions, and keeping us as your number-one focus will keep you being successful.’ (Griffith)*
- *‘Since attending the last workshop held on Saturday, I can honestly say I feel comfortable with Jemena’s 2020–2025 plan. However, there is one thing I did think about after the workshop concluded that I did not voice, and that is more around the hand-back/recovery. As there is no certainty that the retailer will refund the recovery money back to the consumer, many of us attending the workshop felt the money should remain with Jemena and be used for upgrades and developments. Another main reason I think it should not be given back to the retailer is that it is also uncertain of how many consumers who were overcharged may no longer be a gas consumer today and connected to the network. I am sure that there would be many consumers who are no longer a gas consumer and therefore would not benefit from the hand-back, but may benefit from upgrades/development if they were to reconnect in the future.’ (Griffith)*
- *‘Very customer focused, customer engagement. Jemena needs to make a general public aware of the difference to pricing between Jemena and the retailers. Retailers should be held responsible and public made more aware. Great consultation with public government/other businesses could learn from Jemena.’ (Newcastle)*
- *‘They did listen, and it has been reflected. It’s a good deal for customers, and they’re not putting everything in baskets, [but] think long term. It’s still up to the retailers to give back price. Information not transparent, which allow[s] customers to bargain with retailers.’ (Western Sydney)*

## Long-term Customer Interest

Participants then regrouped into their geographic communities and answered a question as to what extent that the Jemena Gas Networks’ Draft 2020 Plan is in the long-term interests of customers. The notes from each table are included below.

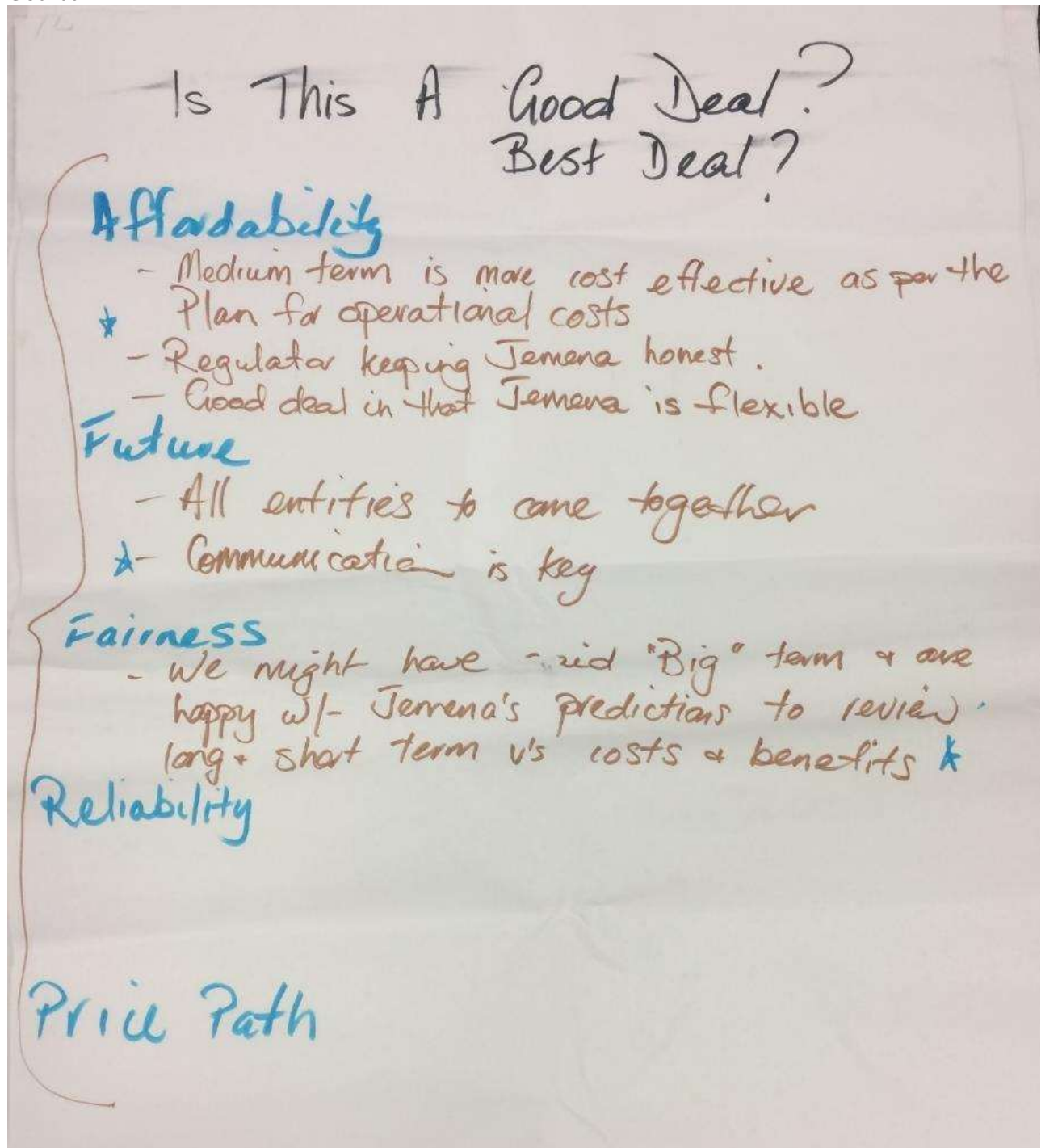
Bathurst

BATHURST GROUP

- New Infrastructure
- The risk of overinvestment: risk back on customers  
- after 2025 -
- ★ • Concerned <sup>we</sup> will never benefit from major infrastructure investment in Sydney (ie Bathurst bills/network costs higher than state average)
- Taken on concerns very well from 2020-2025, reflects having listened.
- To get to capacity before operating (is a long time before we get money back) will be <sup>very</sup> expensive
- ★ • Push developers to cover more / take some of cost
- State Govt Funding for major infrastructure
- Aerotropolis conundrum for everyone in the room - improvement for Sydney not for Bathurst.
- More of a measured approach.
- Plan is fair for 2020-2025



Goulburn



Griffith

Griffith

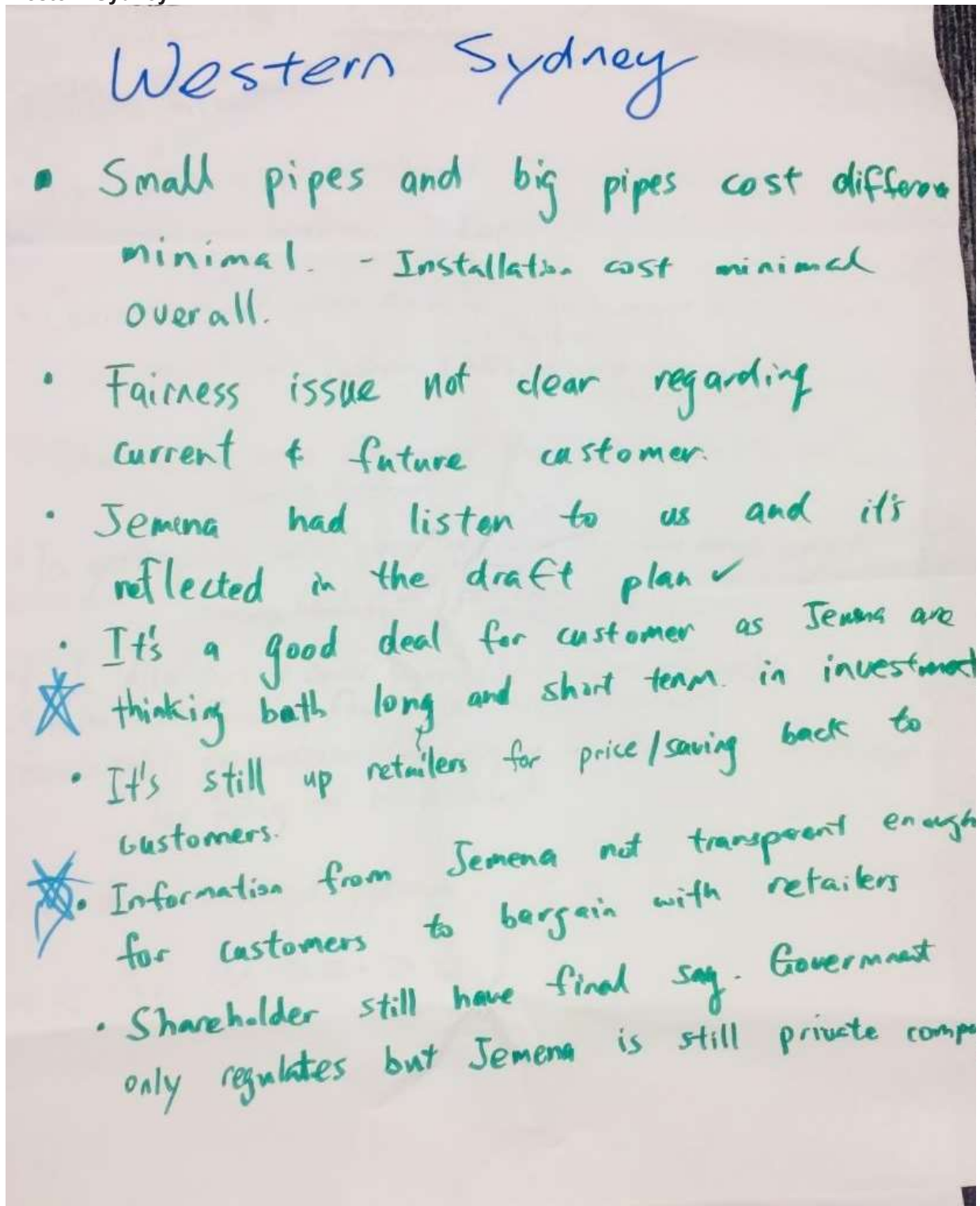
- ★ - " I think that Jemena has developed this plan in the best interests of the consumer\* to the best of their ability at this point in time
- ★ - Transparency is key - what are those long term plans?
- Even they aren't sure about the future  
How do we as a consumer remain confident -
- Are they looking at subsidies & rebates?  
in the future or current
  - ★ H2 Appliances {
    - For existing customers
    - New customers
    - Vulnerable customers
- Understand + be given more info on current + future volumes  
Is it sustainable  
Natural gas  
Hydrogen Gas.

Newcastle

The draft plan reflects the values of the customers well. It skews towards the long term with an amount of compromise that is acceptable given the unpredictable nature of the industry and potential changes in technology, policy and the like. It is a good deal for customers. We encourage Jemena to communicate openly and transparently to the public about their decisions, particularly pertaining to the future of energy

— Newy

Western Sydney



Figures 11–16: Details of the outcome findings from each community in the workshop.

## Workshop Feedback

### Household Customers Forum Four

At the conclusion of the workshop, feedback forms were distributed to participants to ascertain their thoughts on the consultation. Participants rated all aspects of the workshop against statements, from content, to venue to facilitation on a scale of 1 to 5 (where 1 was strongly disagree, and 5 was strongly agree). Attendees were particularly impressed with the transparency and authenticity, the fact that they have had their feedback heard and the opportunity to have a voice in the future of gas. Across all results, participants rated the day very highly, with a **4.5 out of 5**.

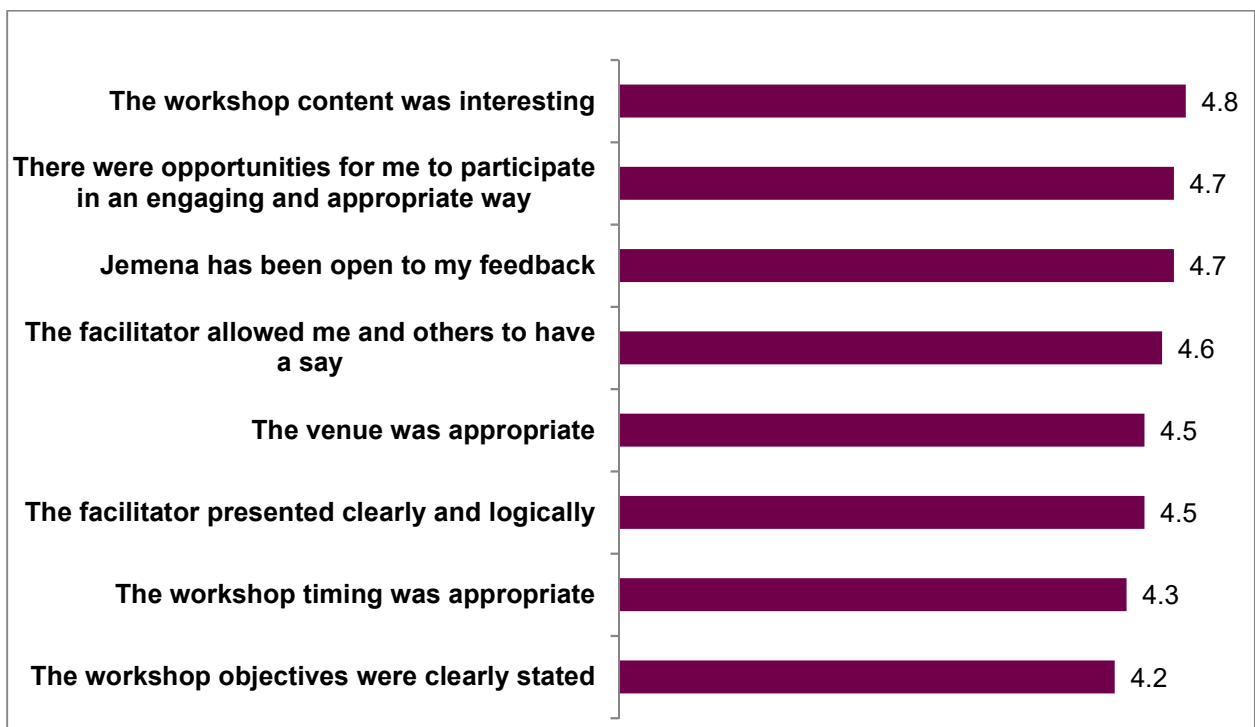


Figure 17: Most valued aspects of the fourth workshop from participants' feedback forms (N=20).

#### Most Valued

Participants most valued that leaders of the company took the time to speak with them directly and frankly, the access to transparent and detailed information. Some examples include the following:

- *'The most important people running this company have taken time out of their busy day to speak to their customers.'*
- *'Participation in discussion on major infrastructure projects. Explanation on content in the plan.'*
- *'The transparency that Jemena has used through today and the whole process. I really feel valued or heard. Thank you.'*

## Suggestions

Participants suggested a handout of the schedule of the day and perhaps starting the day earlier. They were also impressed with the venue, location and professional management of the day.

- *'Keep doing what you are doing!'*
- *'Great location and outlook after North Sydney. Good food and break allowances. Room was a bit warm but okay. Good starting at 10am, but would have been happy to start earlier.'*
- *'Provide us with an agenda beforehand.'*

## Other Comments

Participants really emphasised how they valued the opportunity and how they are interested in further conversation and involvement, and how they now have a clear understanding of the gas network.

- *'Have found today very interesting. Who would have thought I could sit here and listen to a gas talk for six hours!'*
- *'After Chairman of the Board presentation, it is clear that Jemena is interested in customer concerns, not just shareholder interests.'*
- *'I am very impressed and wish other big companies would try to interact more with customers.'*
- *'I am really impressed, as I do feel that Jemena heard the feedback from the Western Sydney Workshops. I have confidence in the decisions Jemena makes to be in the interest of the customers [and] not just shareholders. I would like to see Jemena engaging with their customers in the future as well.'*
- *'Excellent job!'*
- *'I would value any further invitation and involvement.'*

## Third Workshop with Arabic-speaking customers

### Workshop Findings

RPS and Jemena hosted a workshop in Fairfield entirely in Arabic, facilitated by the Ethnic Communities Council. The same participants from 2018 attended the workshop and heard how Jemena had taken on their feedback across the themes of affordability, price path and balancing future needs. Concepts were also explained through interactive demonstrations, and the Arabic-speaking Jemena staff presented this workshop. All materials were translated into written Arabic, including a script of the video detailing the customer feedback from the workshops in 2018. The major findings were as follows:

- **Overall, they had been heard.** Participants felt that Jemena had listened to them, and the plan had reflected their feedback.
- **Participants were concerned about the pass-through of the hand-back.** Although Jemena had lowered their prices by 19% for residential, they were concerned that the retailers might not pass this savings to consumers.
- **Price path.** Participants felt that Jemena have heard them in regard to price path and keeping it steady.

- **The government's role.** There was a question on the factors contributing to the higher price of energy, and there was a feeling that the government should do a bit more to put a lid on the increased prices and the retailers' contracts.
- **General feedback was positive and optimistic.** Participants thought the three workshops went very well.
- **Future consultation and continuing the conversation.** Participants have recommended Jemena's future engagements be through face-to-face or through the Jemena website.





Figure 18: Workshop participants, the Ethnic Communities Council team and the Jemena and RPS team.

Participants were also asked to reflect on balancing the price customers pay, with investing in the network to maintain, grow and make Jemena operations more efficient. The following diagram was produced by the facilitators asking participants if they were comfortable with the position Jemena had landed on.

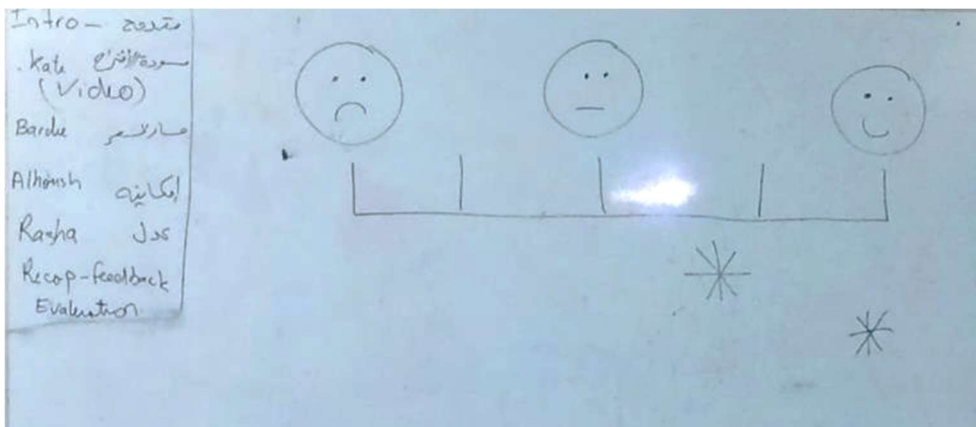


Figure 19: Diagram of expenses of the company versus. profits and participant feedback (including workshop outline in Arabic on whiteboard).

### Detailed Feedback – Third workshop with Arabic-speaking customers

After the workshop, participants gave feedback via a feedback form, rating all aspects of the workshop from facilitation to the venue to the presentation. Overall, participants rated the workshop 5 or strongly agree on average across all aspects of the workshop on the scale of aspects (where 1 is strongly disagree, and 5 is strongly agree).



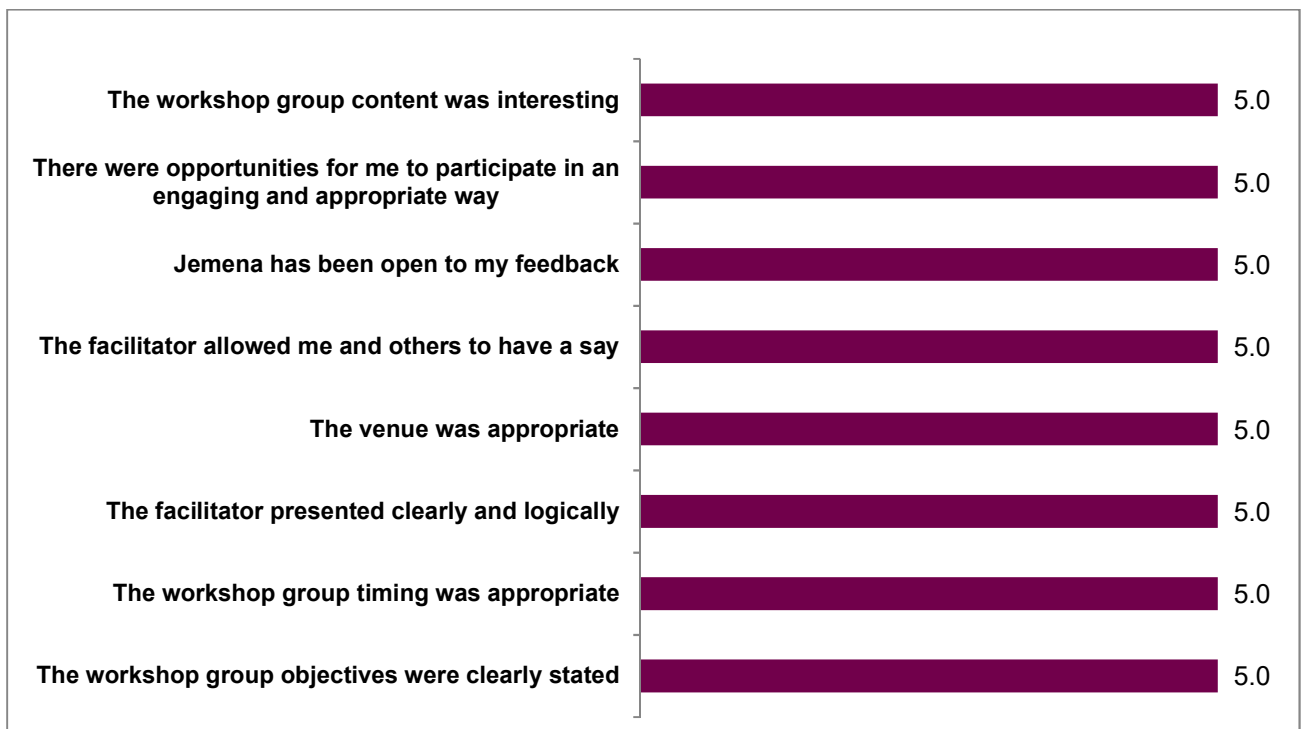


Figure 20: Participant feedback from Arabic workshop, rated across all aspects.

Participants most valued the explanations, that they were clear and that they had been listened to. They valued their feedback being taken on board, and the face-to-face time with Jemena employees. They would like to have future workshops that feature face-to-face engagement with the Jemena team and for customers to increase their understanding of the system in the future.

### Suggestions for Future Workshops

- *‘Send information or conduct [a] workshop every year or two.’*
- *‘More face-to-face workshops.’*
- *‘As the plan is five years, it would be great to keep us posted.’*
- *‘More workshops.’*
- *‘Face-to-face communication and interactions.’*
- *‘It is very important to have face-to-face meetings with consumers.’*

### What Did You Value Most About Today’s Workshop?

- *‘This was a great workshop, as it reflected Jemena is listening to the consumers and taking on board their recommendations.’*
- *‘All was good.’*
- *‘The interaction and the information’*
- *‘All was good, and the information was very clear.’*
- *‘The workshop went really well.’*

- *'Very good.'*
- *'All was good and very clear.'*
- *'All good.'*

**Do You Have Any Further Comments?**

- *'Many thanks for all your efforts.'*
- *'More workshops and ongoing communications. Thank you for all your hard work.'*
- *'All the best to Jemena.'*
- *'To have a workshop from time to time.'*
- *'Run more workshops, as consumers need this interaction.'*
- *'Running more workshop so the consumers would have more understanding of system.'*
- *'Thank you for everything.'*
- *'More workshops and courses.'*
- *'More workshops so consumers would understand how Jemena works. We appreciate all your efforts.'*



## Appendix A Detailed Results

This document provides more detailed information regarding the outcomes on the consultation and research conducted by Jemena and RPS on the Draft 2020 Plan in March 2019.

Please note that commentary on the feedback/responses from participants does not include a numerical or proportional breakdown of positive vs negative comments as many responses were neutral in nature. Analysis of participant comments serves to illustrate general sentiment and not provide quantitative analysis on the type of comment.

### Large Workshop with residential customers

The large-scale workshop involved 32 customers who participated in the 2018 forums in Bathurst, Griffith, Goulburn, Newcastle and Western Sydney. There were 67 people who applied to take part in this workshop. All of these people were attendees of the 2018 stages of the project, with final participants being selected based on gender, location and their overall contribution as representative customers. Each applicant was asked to describe why they should be chosen to represent their community so that those who were the most invested and willing to represent wider community views were chosen to attend.

Participants travelled to Sydney for a weekend in early March for an intensive one-day workshop at Jemena’s offices in North Sydney. They were asked to read the Draft 2020 Plan (either the summary or the full proposal) beforehand. This ensured that each participant was given time to consider the information and findings in the report. The Draft 2020 Plan was also made available to all previous participants so that they had an opportunity to provide their comments online, if they wished.

The detailed results of their feedback from the workshop is included below.

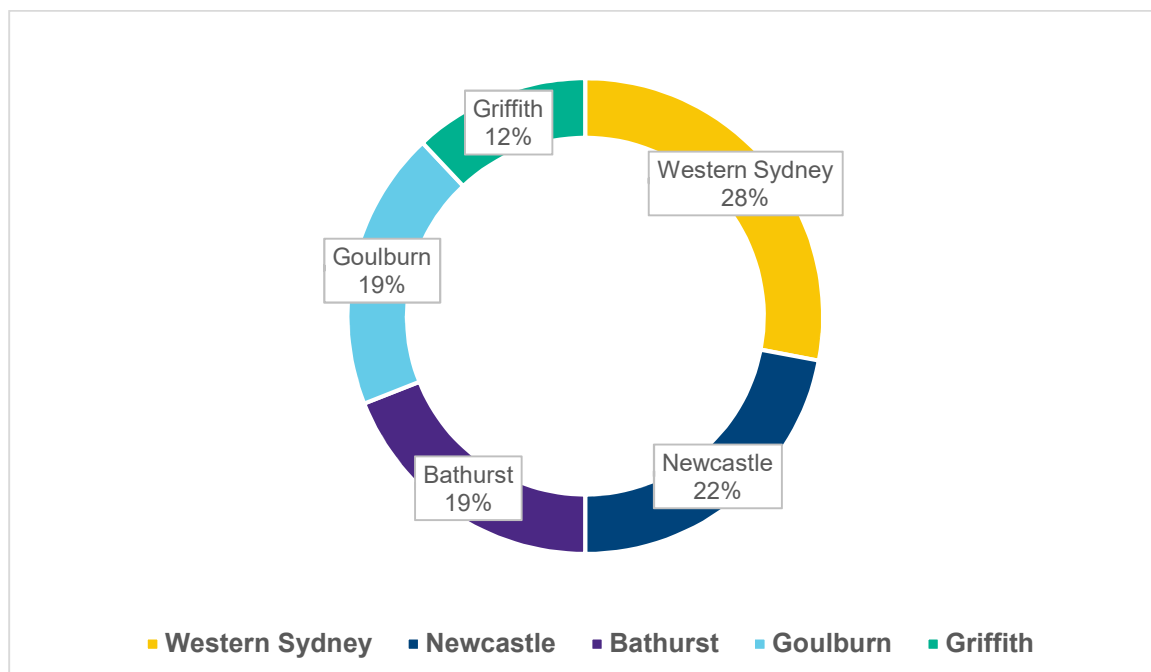


Figure 1: Participant split at the forum by region or community – Bathurst, Griffith, Goulburn, Newcastle, Western Sydney (N=32).

As demonstrated in the figure above, there was a roughly equal split between participants from all communities (apart from Griffith, which was a smaller group with some last-minute drop outs prior to the event) who were represented at the large customer forum.

## Overall Rating – Affordability, Price Path, Reliability, Fairness and The Future

Below is the overall chart of how participants responded to the question: *on a scale of 1 to 5, how well they think Jemena responded to customer feedback on the issue of affordability, price path, reliability, fairness and the future.*

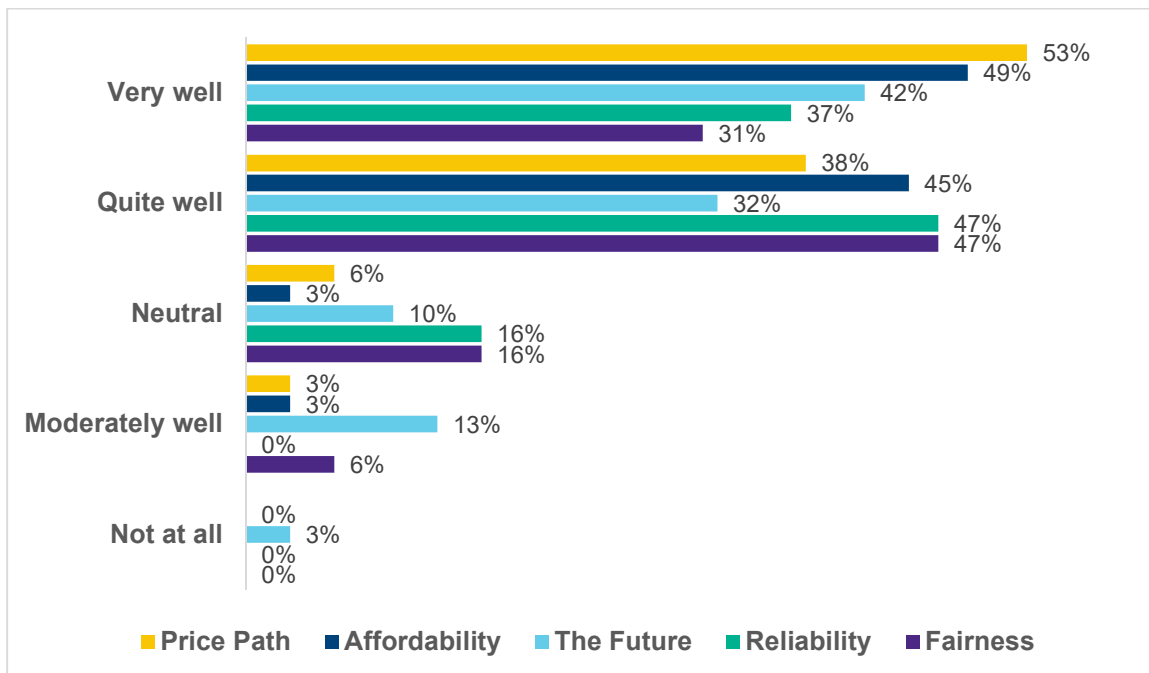


Figure 1a: Voting results on a scale of 1 to 5, how well do you think Jemena responded to customer feedback on the issue of affordability, price path, reliability, fairness and the future? (N=30).

## Affordability

After receiving information on how Jemena had responded incorporated customer feedback into the Draft 2020 Plan, participants voted on how well Jemena had responded to the theme of **affordability** (on a scale of 1 to 5, where 1 is not well at all and 5 is extremely well). **Nine in 10** participants indicated Jemena had responded very well or quite well, with the average score being **4.38 out of 5**. You can also see the votes by community in Figure 2 and interpret there is a bit of reticence from Western Sydney, with some concerns about whether this would be a focus in the future (see qualitative feedback on the next page for examples).

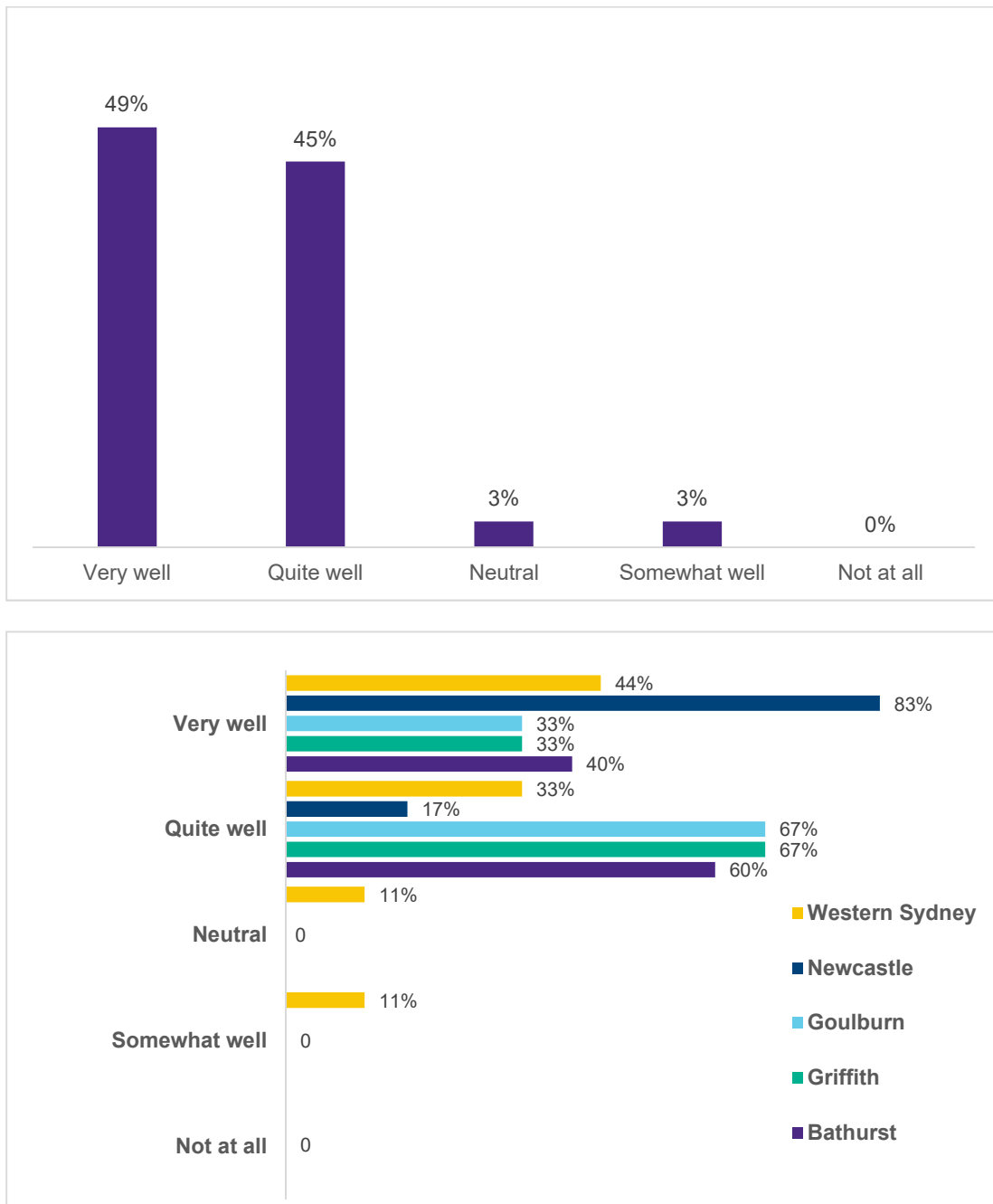


Figure 2: Voting results on affordability as an overall number (top) and by community (below) (N=29).

## Other Feedback on Affordability

Comments on this topic were focused on how Jemena had actively listened, and therefore participants felt heard on how significantly bills impact their daily lives. Some comments indicated that more information was required, for example future clarity on pricing after 2020–2025, and the connection charges. These examples are included below.

- *'We presented Jemena with a dilemma: the tension between affordability and investing in big pipes. I think Jemena has reached a palatable resolution.'* (Bathurst)
- *'Display (Draft Plan) completely represented what was decided at the Bathurst forum. (Although I think price should not always be driving factor—safety is important!) I was very surprised that \$300 was chosen for analysis of connection charge. Very high, no wonder people said no.'* (Bathurst)
- *'I think Jemena heard the voices of the people regarding the seriousness of price on our gas bills and how much it impacts our daily lives.'* (Western Sydney)
- *'Is 12% the best that Jemena—with growing customer base—can pass to customers? With new energy alternatives, will we get same or better price benefit? More information needed [about] affordability. Still the main focal point for Jemena.'* (Western Sydney)

## Price Path

Participants voted on how well Jemena has responded to feedback on the Price Path—9 out of 10 participants voted Jemena had responded quite well or very well. On average, they ranked their response **4.41 out of 5**. You can see the responses by community in Figure 3, with some comments from a Newcastle participant asking how low-income earners will be impacted after this five-year pricing horizon.

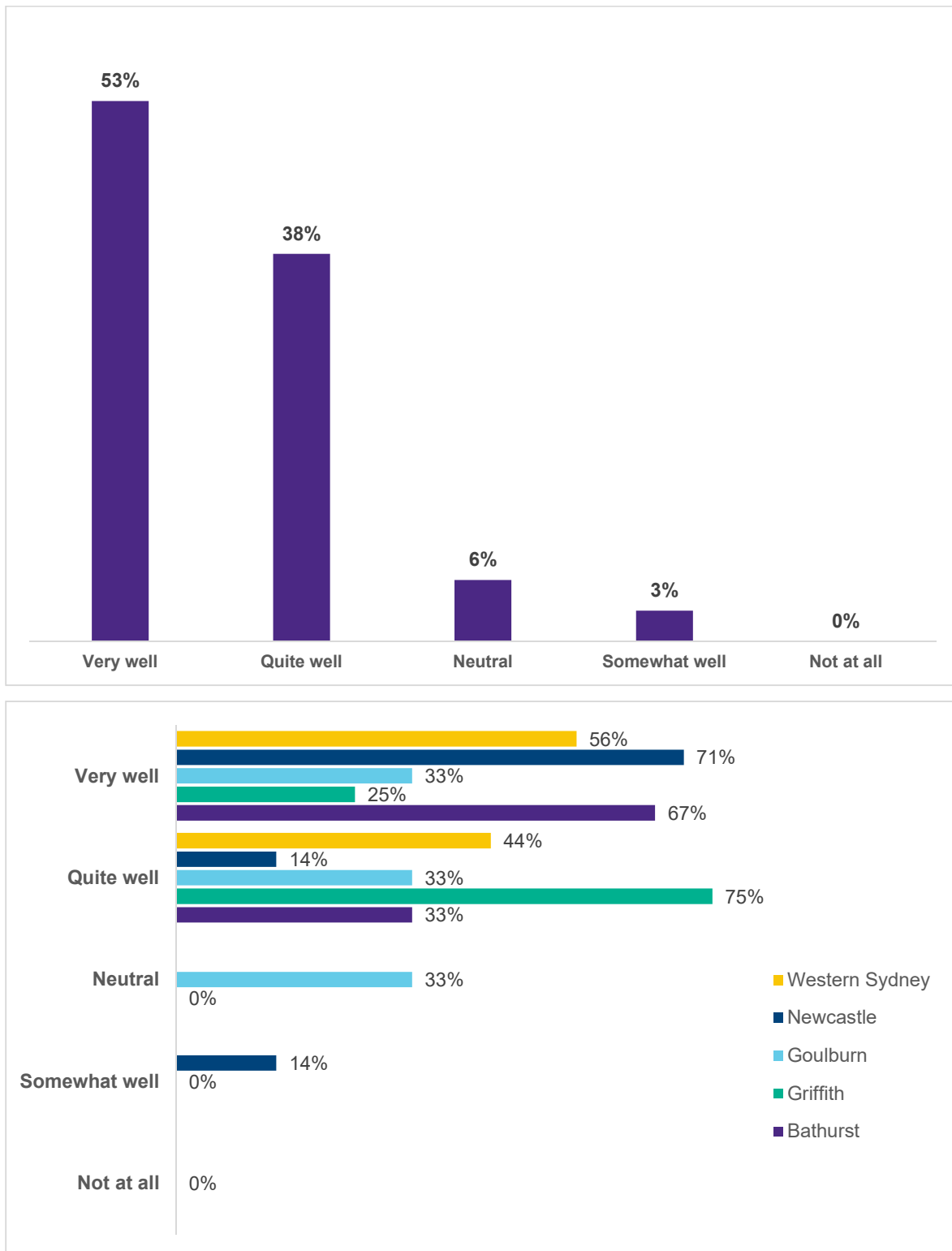


Figure: 3: Voting results on price path (top) and by community (below) (N=32).



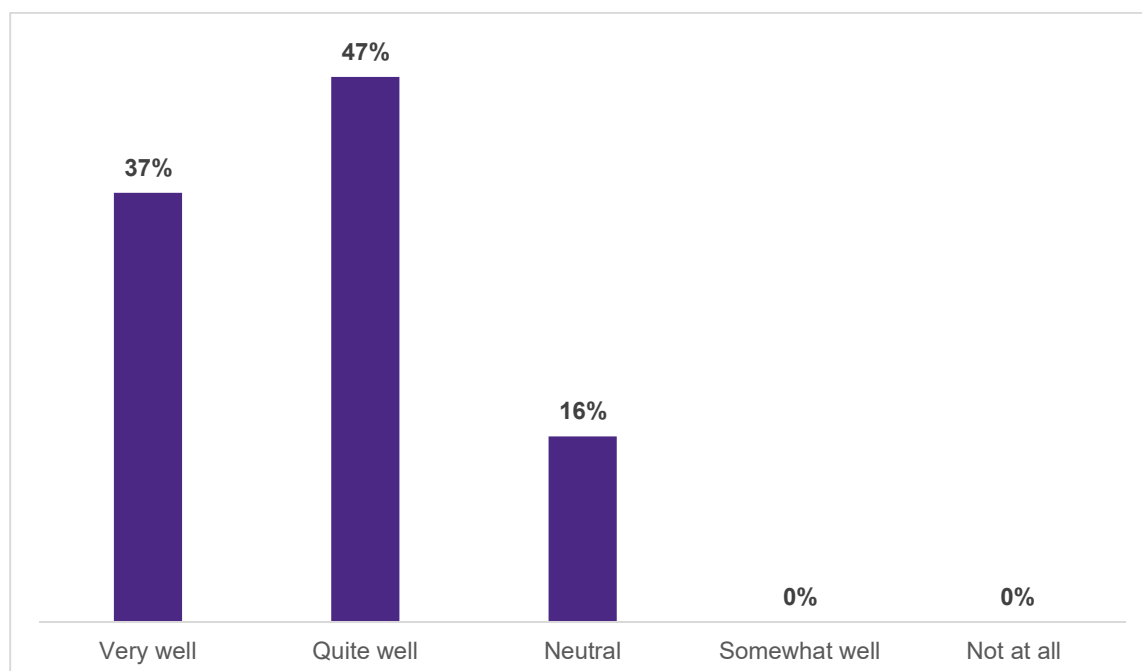
## Other Comments on Price Path

Participants commented around their agreement with this and that the 'steady as you go' message was heard correctly. Transparency was a frequently mentioned topic, particularly around customers indicating that they now understood Jemena's role as compared to the retailer's role. Other participants took time to comment on the role of taking care of low-income earners with the hand-back and the relationship to the regulator.

- *'Totally agree with this.'* (Griffith)
- *'Absolutely accurate as to what Bathurst forum asked for. I agree (personally) with decision to have "steady as he goes".'* (Bathurst)
- *'Historically gas was by-product, but now it is a valuable resource.'* (Newcastle)
- *'Steady as you go - long term consistent billing regulator determines pricing... Historically gas was by-product but now it is a valuable resource.'* (Newcastle)

## Reliability

In the voting process, 8 in 10 participants indicated that Jemena had responded quite well or very well to customer feedback on this issue, with an average rating of **4.22 out of 5** (where 1 is not well at all, and 5 is extremely well). You can see there were several comments on this topic recognising this issue's importance, also recognising there was already substantial investment in ensuring network reliability.



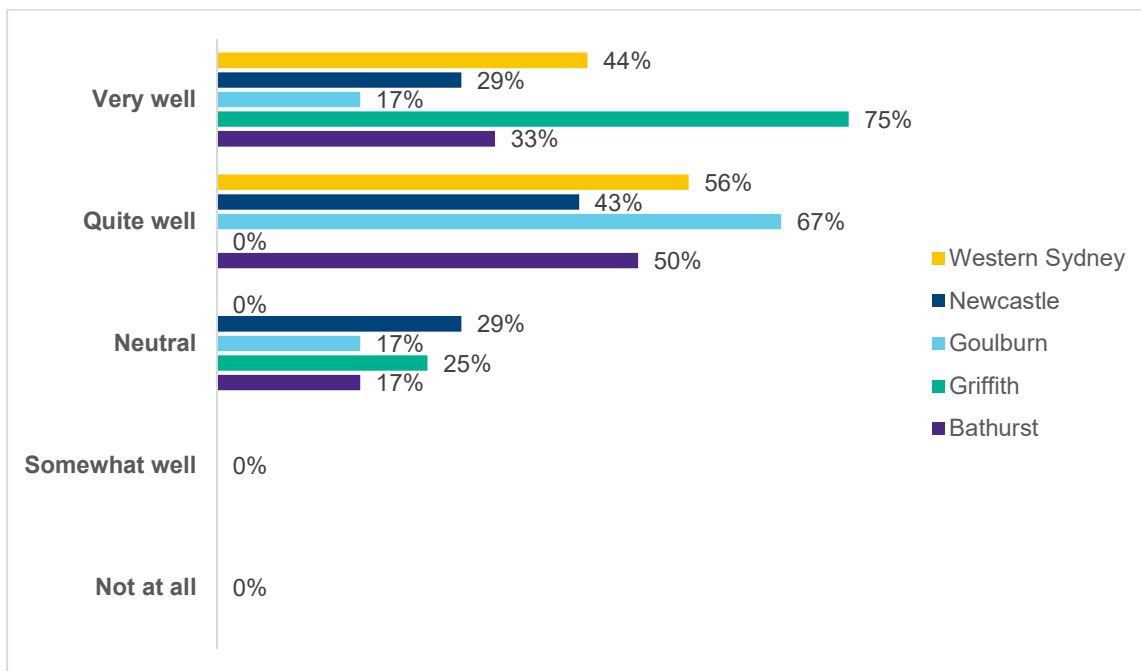


Figure 4: Overall voting for reliability (top) and voting by community (below) (N=32).

### Other Feedback on Reliability

Participants generally felt that Jemena had responded well to customer feedback on reliability. The comments and concerns were around providing more detail on pipeline maintenance, the reuse of current gas lines in the future and how Jemena can ensure reliability beyond 2025. Some comments expressed concern about reliability remaining the same across population increases, or while optimising new connections. Some of the comments are included below.

- *‘From the five-minute display. Looks good but need more detail as to the issues of pipeline maintenance/costing which is discussed in the Draft Plan with good detail. Hard to see this in the five-minute plan.’ (Bathurst)*
- *‘Not much need to, as they are already there. 99.9%.’ (Newcastle)*
- *‘I agree that affordability is very important, but it doesn’t matter how cheap/dear gas is—if it’s not reliable, then what are you really paying for?’ (Griffith)*

### Fairness

On the subject of fairness, 8 in 10 participants indicated Jemena had responded quite well or very well to customer feedback on this issue. On average, they rated this **4.03 out of 5** (on a scale of 1 to 5, where 1 is not well at all and 5 is extremely well). In Figure 5, you can see the comments influenced responses in Western Sydney, Goulburn and Bathurst relating to definitions of fairness and uncertainty in the future.

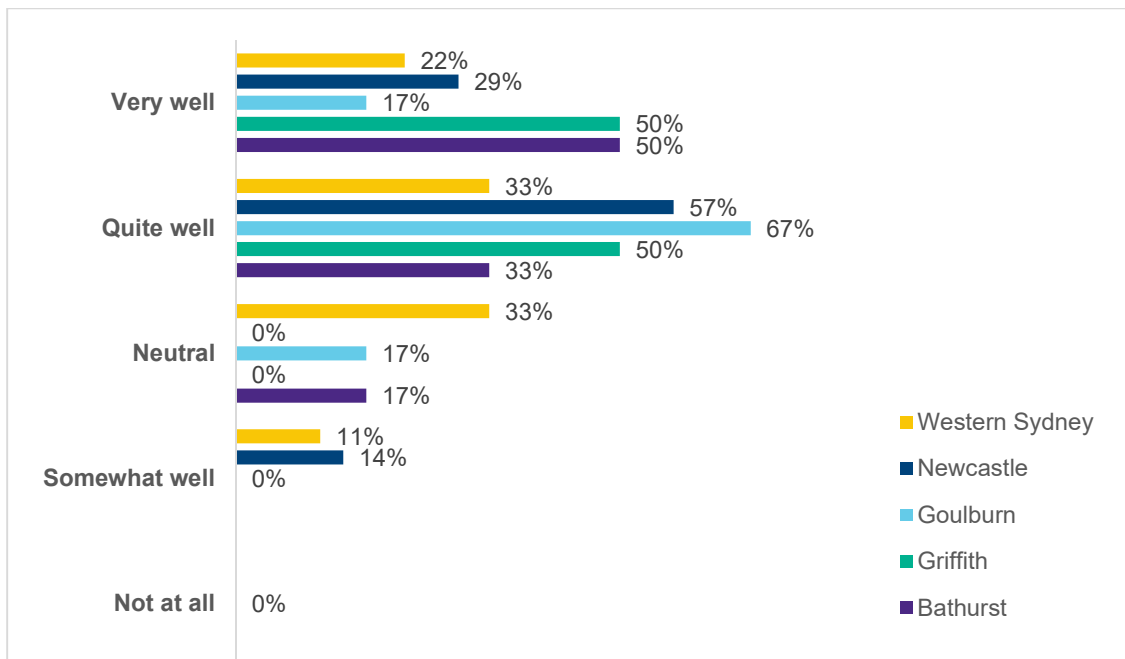
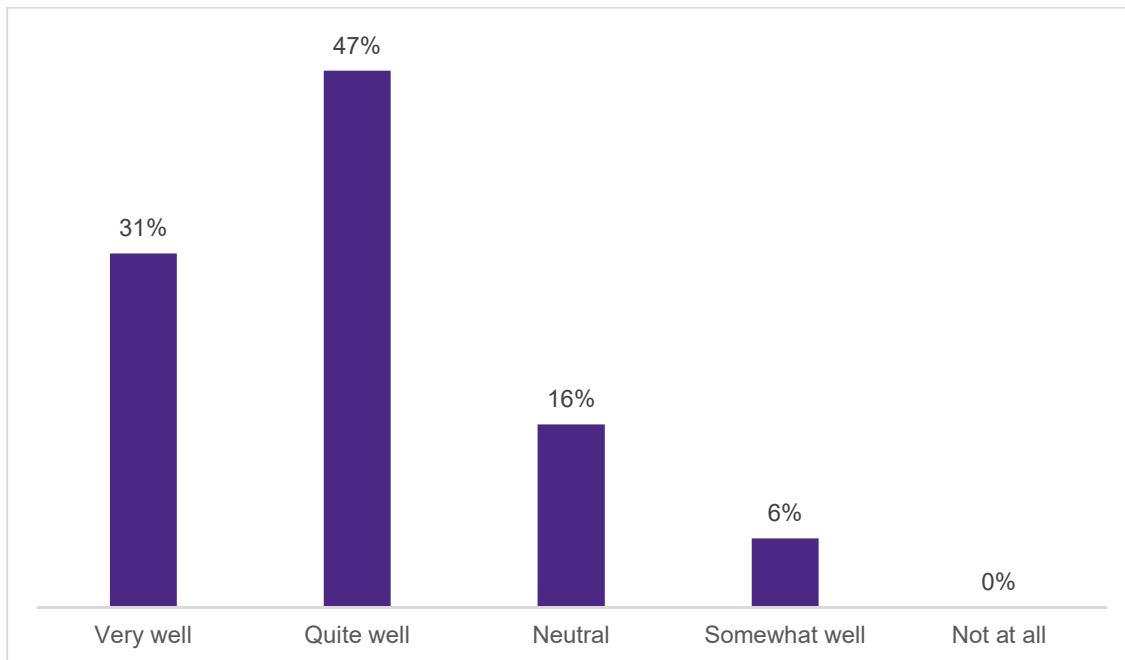


Figure 5: Voting on fairness overall (top) and voting on fairness via community (below) (N=32).

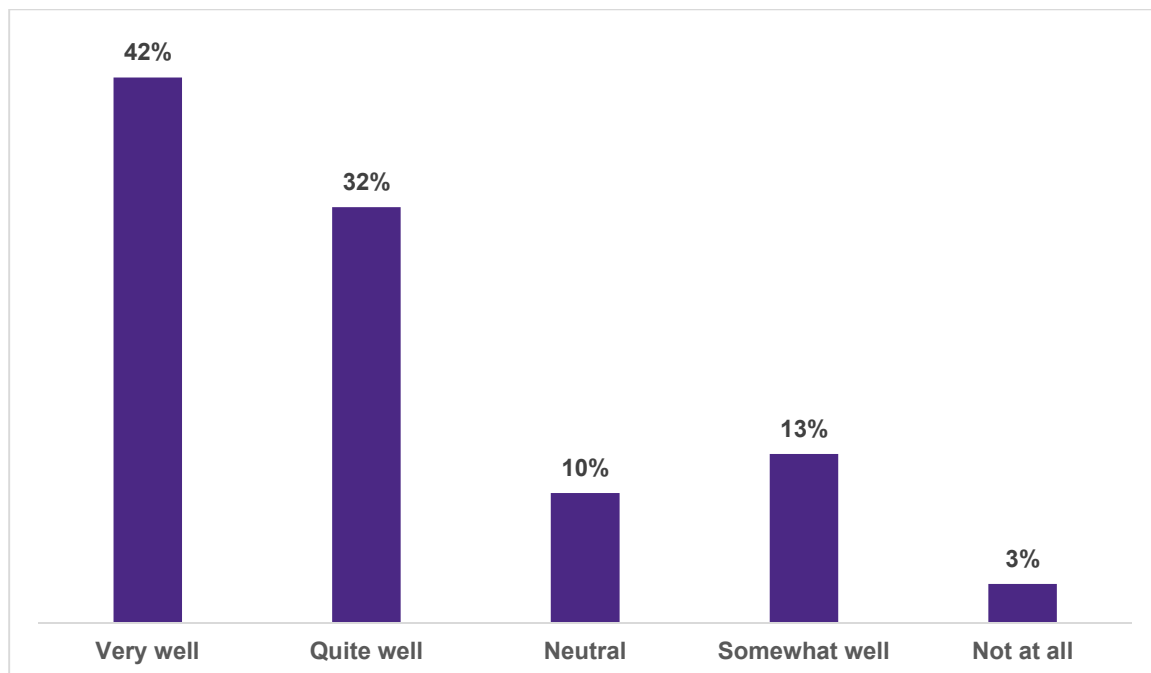
### Other Feedback about Fairness

Overall, participants mentioned confusion or tension about what fairness is, as it means different things to different customers. Some mentioned geographic fairness as a theme, and that Jemena could leave it to other organisations to focus on vulnerable customers.

- *‘There is a tension between addressing feedback from us and delivering what is needed (in a fair way). Fairness can be interpreted in many different ways, so I am undecided about whether “fairness” has been achieved. The response probably reflects most of what was discussed in the forum, but [in my particular group], consensus wasn’t reached.’ (Bathurst)*
- *‘Targeting high-use areas to improve reliability, fair price based on network use by region, coastal customers pay more than country. Challenging topic and thought about in detail.’ (Goulburn)*
- *‘Speeding up of the recovery was heard correctly—pleased to hear that fair access in all area. Postage stamp pricing—don’t believe fair. Maybe more consultation about postage stamp pricing?’ (Western Sydney)*

## The Future

Participants felt differently about Jemena’s response to the future. Seven in 10 felt that Jemena had responded either very well or quite well to customer feedback on the issue of the future. On average, participants rated the future **3.97 out of 5** on a scale of 1 to 5, where 1 is not at all, and 5 is extremely well. You can see from Figure 6 below regarding the voting results, and you’ll note in the breakdown by community that Goulburn in particular was not convinced about applying customer feedback in response to the future. There were some customers from, Goulburn, Bathurst and Newcastle that also voiced this concern. These example quotes from customers outlining these concerns are included.



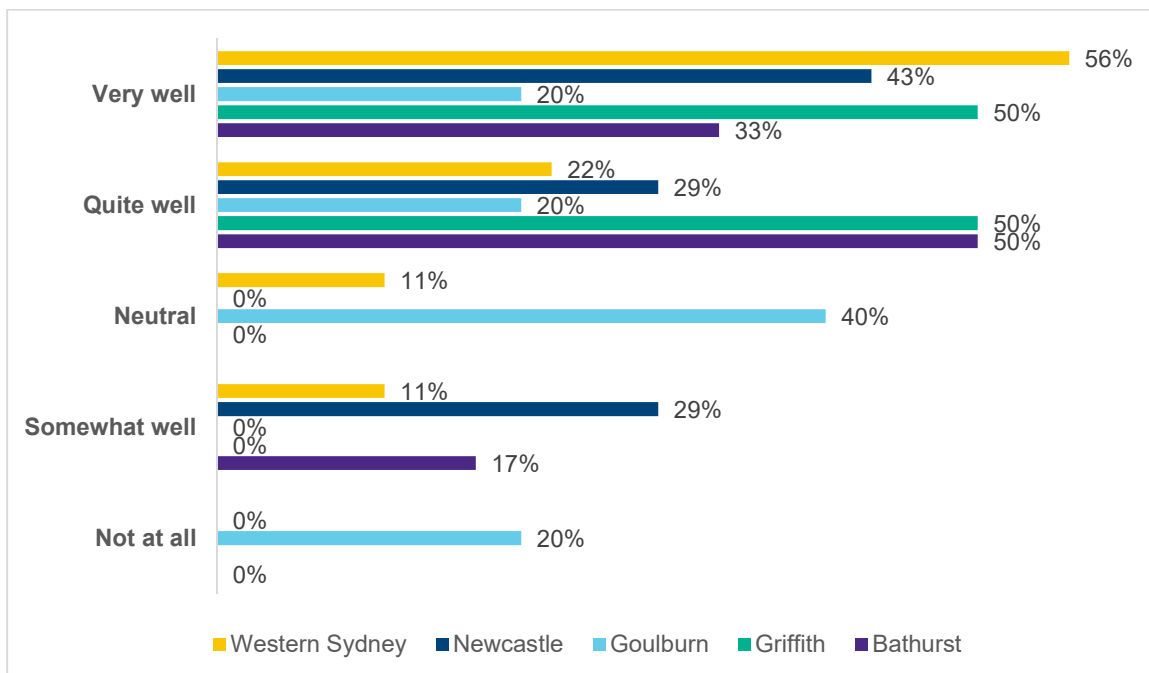


Figure 6: Responses overall on the future (top) and responses segmented by community (below) (N=31).

## Other Comments and Feedback on the Future

Some participants believed there could be more focus on plans for the future in terms of exploring alternative energies in the Draft Proposal. There was some general unease about the future, and some customers believed there was not enough detail in the plan to invest in the future. To clarify, this does not say that Jemena didn't reflect their discussion; they believed that with accepting the uncertainty in the future, this topic should be more of a priority and a leadership example from Jemena. Some examples are included below.

- *'Jemena is missing an opportunity, having to hand back funds the regulator and customers are already paying. This fund should be used for investment/future proofing, as this will have the greatest return and improve fairness.'* (Goulburn)
- *'All appears to be addressed to the best of Jemena's ability. On their section of discussion for future with the effects of things out of their hands. Level of uncertainty is out of Jemena's hands to a large degree.'* (Goulburn)
- *'No. Power to gas or gas to hydro and zero carbon for all of Australia—top long-term priority to reduce overall costs. Hydrogen R&D not passed on to customers by 2030 will be more informed to progress future of gas supply based on research.'* (Goulburn)
- *'There needs to be more progress updates for the public to keep up to date on the future viability of gas and renewables.'* (Newcastle)
- *'Plan is in keeping with Bathurst discussion, although from my perspective, Jemena should expect consumers to contribute to the risk, not just shareholders. Contribution need not be large, but some of the 12% in which over the next few years could be used for research.'* (Bathurst)

- *'How are we integrating new sources of energy gas into the existing system? Or are we starting after 2025?' (Western Sydney)*
- *'New R&D and ultimate implementation is far off? What is the bearing in this proposal? Also, what's the plan for transition? Not the entire network will be moved to H2.'* (Western Sydney)

## Applying Customer Feedback

This section applied customer feedback to three real-life investment projects: the Aerotropolis, Mains Replacement Program and Northern Sydney Supply.

### Aerotropolis

Half of participants felt that Jemena should remain with this proposal as outlined in the Draft Plan. The results of the voting on this issue is included in Figure 7 below. Five in 10 indicated Jemena should remain with the proposal as outlined in the Draft Plan, and three in 10 indicated all elements should be planned for the long term. One in 10 indicated for the medium term.

**Aerotropolis Question: Should we stick with this proposal as it has been outlined in our Draft Plan?**

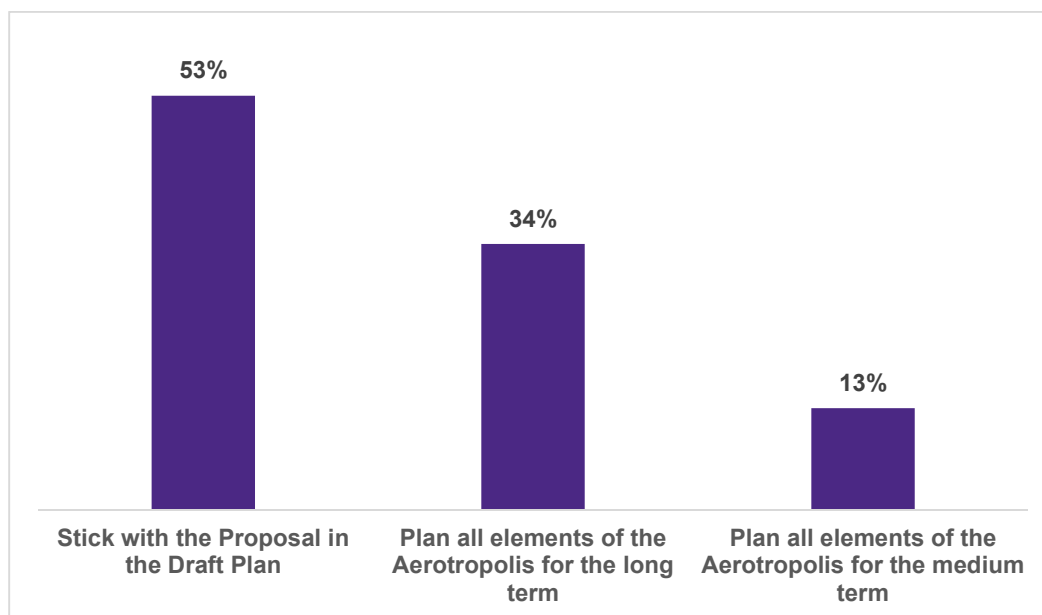


Figure 7: Voting results for the Aerotropolis: 'Should we stick with this proposal as it has been outlined in our Draft Plan?' (N=32).

Many participants felt that developers and state and federal governments should be encouraged to contribute as strongly as possible. Some also believed that there was a need to be bold and show consumers that gas is here for the long term. Some of this indicative open-response feedback is included below.

- *'Population growth: with increasing aging and middle-age population and fewer children per couple/family, is projection for growth in future actually too big?' (Newcastle)*
- *'I thought Newcastle group votes 100% long term? But it seems Jemena wants a more medium approach. It seems the reasons behind why we voted long term have been listened to, but the*

*decision not. An approach that covers both options in parts seems to be the best solution.’*  
(Newcastle)

- *‘I think that the scale of the Aerotropolis means that it should logically be planned for the long term, but that just as Jemena has planned, it makes sense for the Science Park [to] less likely expand as dramatically, meaning that a medium-term plan for that area is more than reasonable.’* (Bathurst)
- *‘Part of projects aligns with forums, but not all. Forums except Bathurst said, “Think big.” I would plan for larger demand in all three areas because I have seen incredible growth in the Western Sydney area, and the increased cost will pay off if hydrogen is successful (and I think it has to be successful). Anything Jemena to consider? Jemena needs to do the costs. Despite my comment above (I recognise Jemena are experts in this), costs for projects such as this might be considered unfair by regional areas who will not benefit so clearly. Should encourage developers to contribute to the costs as much as possible. Something as large as the development (that the state government will benefit from as well) should be funded by grant as well as funded by Jemena.’* (Bathurst)
- *‘We agreed to plan for the long term, and this is not shown in your plan. With Sydney’s growth, I would have thought you would look at the long term. Bold, confident, show consumers you are here for a long term, not short term.’* (Griffith)

## Mains Replacement Program

Nine in 10 participants voted to stay with this project as outlined in the Draft Plan. Much of the feedback indicated that they thought Jemena had confidence in the system, and that delaying replacement would be a less costly way to go, as accurate lifespan of pipes could be predicted.

**Mains Replacement Question: Should we stay with this project as it is outlined in the Draft Plan or accelerate?**

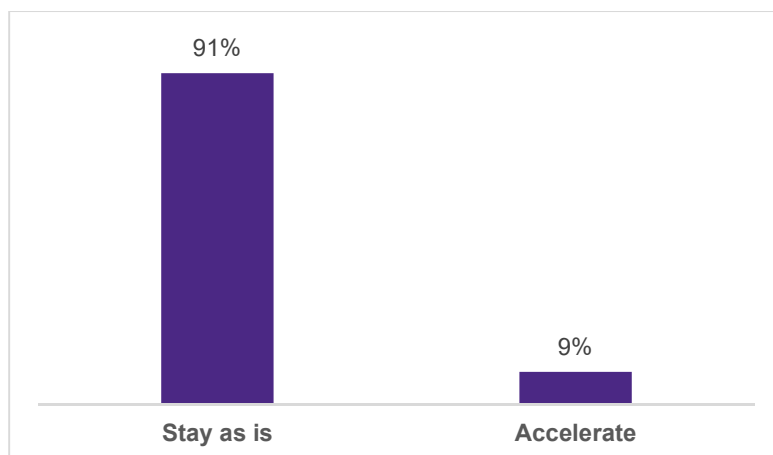


Figure 8: Voting results on the Mains Replacement Program (N=32).

Detailed comments as to why customers voted this way are included below.

- *‘Delaying pipe replacement until necessary will allow new materials/techniques/equipment to be used, which in areas that are already developed may lead to substantial decrease in replacement costs. Not that it is applicable to gas main replacement, but an example would be the underground automated tunnelling equipment used to go under roadways, etc.’* (Bathurst)

- *'We haven't been asked before about the mains, but I'm happy with how Jemena is managing things. Today we have talked about the mains, and I'm happy with how Jemena manages the Mains Replacement Program.'* (Griffith)
- *'As long as the consideration of acceleration to some areas while leaving the majority kept as explained in the plan, then I think it makes sense. Future materials that pipes could be made of? I noted the three types of material in the last 60 years. What if a more cost-effective and environmentally friendly material comes out 10 years from now?'* (Newcastle)
- *'Even spread of replacement which keeps the cost control is the best way to go; keep replacement limited to needed basis.'* (Western Sydney)

### Northern Sydney Supply

On the North Sydney Supply, 8 in 10 customers voted to stay it was outlined in the Draft 2020 Plan. They felt that Jemena had reflected their customer direction for the supply project and thought that the extra expenditure now would pay dividends in the long run. They also thought their thinking and feedback had been applied correctly in this area of real-life investment.

- *'As far as this example goes, it makes much more sense to do it once and do it properly. The short-term extra spend is worked around by the fact that so much money will be saved in the long term.'* (Bathurst)
- *'Seventy-two per cent of customers voted for long-term investment. This project recommends long term more or less; however, it is an essential project, not an optional project. Therefore, makes sense to spend on infrastructure now rather than in the future, when there is potential for a greater population, resulting in a denser area to undertake work. Future growth of the project area (i.e. additional buildings and related services underground).'* (Goulburn)
- *'Score: five – very well. Short term means having to spend more money; over time, the lower cost will save you money long term. Lower cost, smarter investment.'* (Griffith)
- *'Our thoughts and feelings are being taken into consideration even though billable amount differences are small. Rationale being applied to all decisions of group.'* (Newcastle)
- *'Lower overall cost option—right decision. Feel Jemena is best placed to make this decision. I feel like you are making the right choices for the situations relating to different projects.'* (Western Sydney)

**Question: In our Draft Plan, we have prioritised reducing overall costs over short-term affordability. Should we stay with this project as it is outlined in the Draft Plan, or prioritise short-term affordability?**



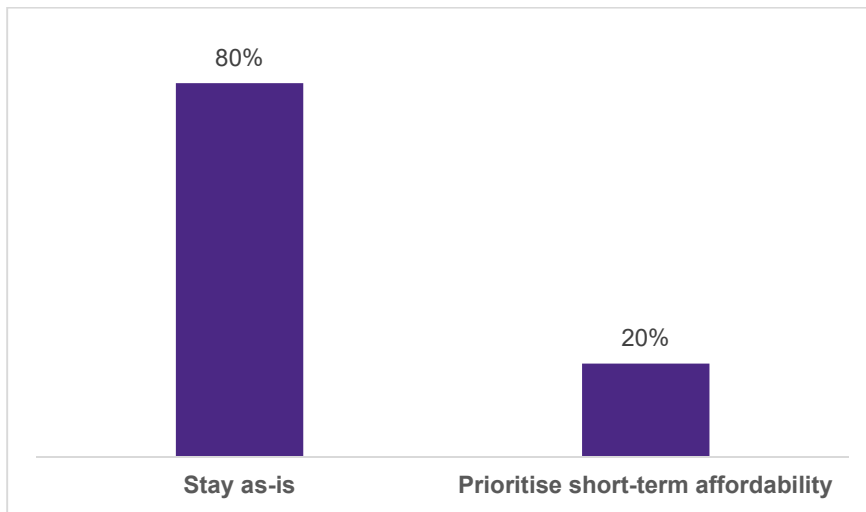


Figure 9: Voting results on the Northern Sydney Supply (N=30).

### Long-term Customer Interest

As a final point to the day, participants were asked to what extent they agreed that the Draft 2020 Plan is in the long-term interests of customers. Nine in 10 participants moderately or strongly agreed that the plan was, with an average of **4.45 out of 5** (scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree). The voting breakdown is included in the figure below.

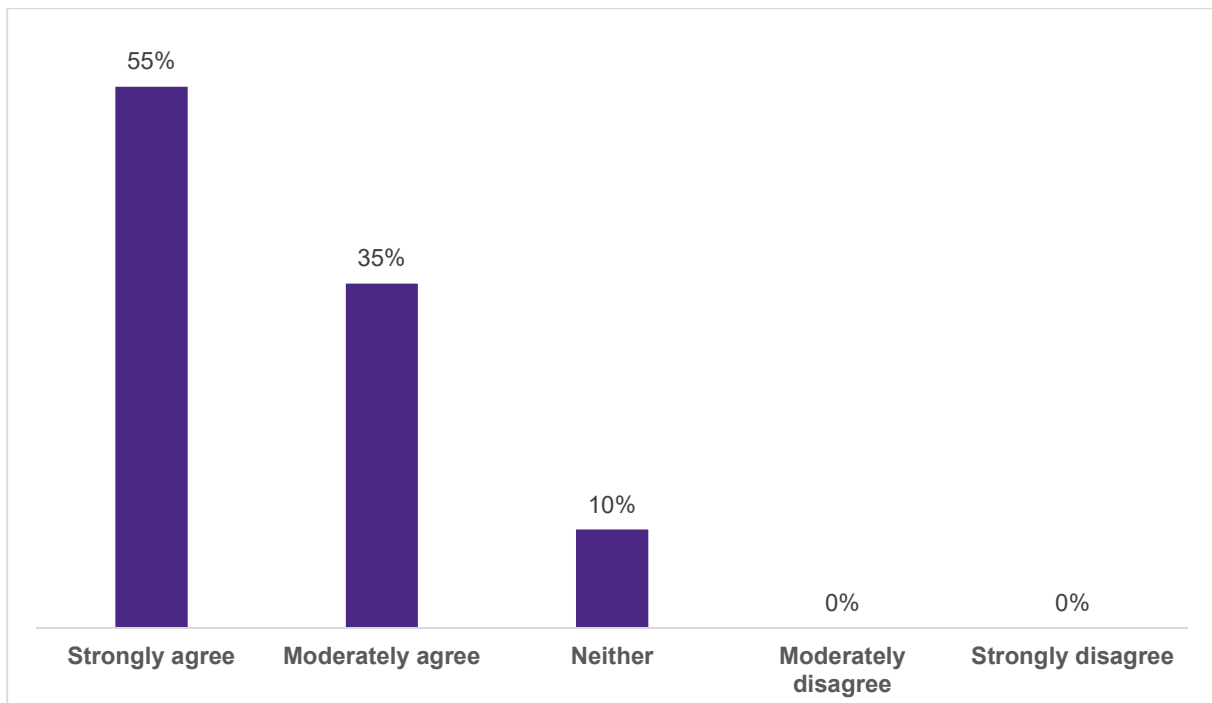


Figure 10: Voting results: To what extent do you agree that the Jemena Gas Networks' Draft 2020 Plan is in the long-term interests of customers? (N=31)

Qualitative feedback from customers related to how Jemena had made the right decisions for consumers today and for the next five years, and how these decisions may need to be re-evaluated in future.

Other participants felt that their feedback was genuinely considered, and that Jemena have customers at the heart of their decisions in an authentic way. They felt that the continuation of transparency and genuine engagement was key. Some examples and snapshots of this feedback are included below.

- *‘As a 55-year-old grandmother, I am totally satisfied with the risk to current customer risk, and future customer risk is fairly addressed. I am also concerned that Jemena needs to re-evaluate the development of the Sydney-Canberra corridor in light of the unknown possibilities that may make this the next development blow out and unknown at this stage but quite viable.’ (Goulburn)*
- *‘Overall, I have been really impressed with Jemena’s staff—very friendly, caring and genuine. It’s reassuring to know that Jemena agonises over the impacts their decisions have on us. They are all passionate about their business, and it has rubbed off on me from not knowing who Jemena was, to really enjoying every workshop and loving learning a lot more about your business. I’m going away feeling confident that Jemena has our best interests at heart and that the key to their success is what we think and keeping us with them. It’s also shown Jemena that they have been getting things right. Keep being transparent with your decisions, and keeping us as your number-one focus will keep you being successful.’ (Griffith)*
- *‘Since attending the last workshop held on Saturday, I can honestly say I feel comfortable with Jemena’s 2020–2025 plan. However, there is one thing I did think about after the workshop concluded that I did not voice, and that is more around the hand-back/recovery. As there is no certainty that the retailer will refund the recovery money back to the consumer, many of us attending the workshop felt the money should remain with Jemena and be used for upgrades and developments. Another main reason I think it should not be given back to the retailer is that it is also uncertain of how many consumers who were overcharged may no longer be a gas consumer today and connected to the network. I am sure that there would be many consumers who are no longer a gas consumer and therefore would not benefit from the hand-back, but may benefit from upgrades/development if they were to reconnect in the future.’ (Griffith)*
- *‘Very customer focused, customer engagement. Jemena needs to make a general public aware of the difference to pricing between Jemena and the retailers. Retailers should be held responsible and public made more aware. Great consultation with public government/other businesses could learn from Jemena.’ (Newcastle)*
- *‘They did listen, and it has been reflected. It’s a good deal for customers, and they’re not putting everything in baskets, [but] think long term. It’s still up to the retailers to give back price. Information not transparent, which allow[s] customers to bargain with retailers.’ (Western Sydney)*

## Long-term Customer Interest

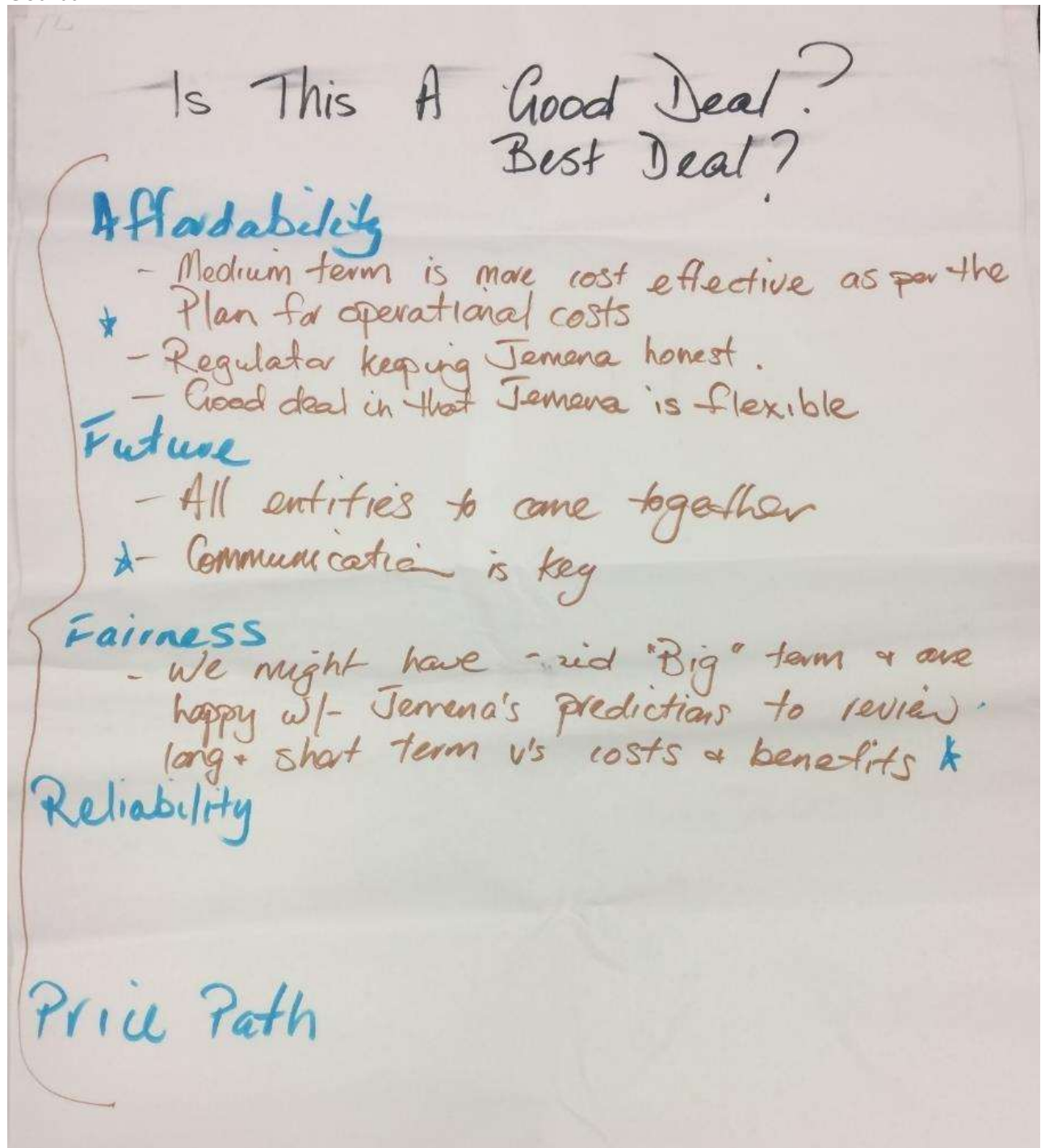
Participants then regrouped into their geographic communities and answered a question as to what extent that the Jemena Gas Networks’ Draft 2020 Plan is in the long-term interests of customers. The notes from each table are included below.

Bathurst

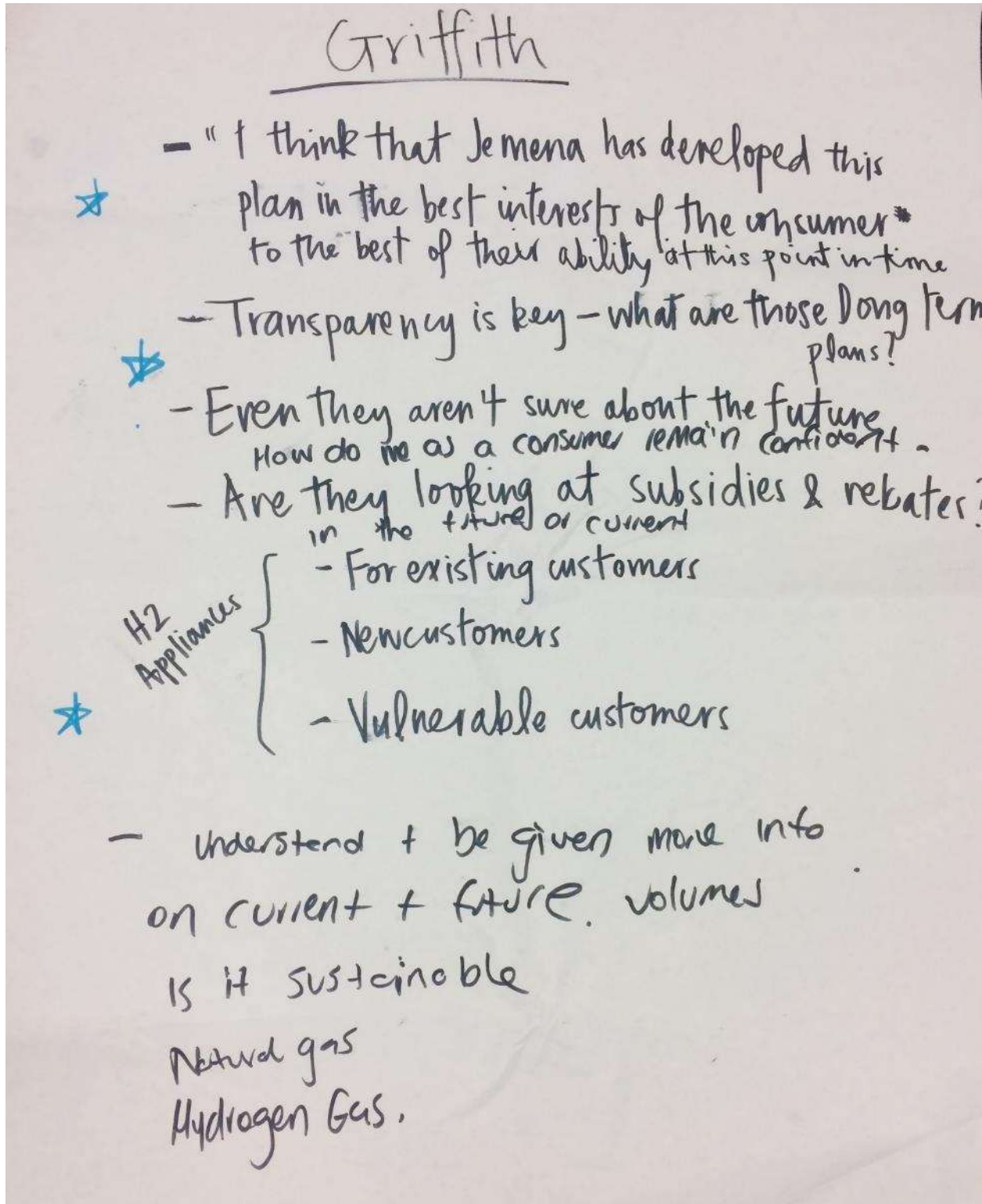
BATHURST GROUP

- New Infrastructure
- The risk of overinvestment: risk back on customers  
- after 2025 -
- ★ • Concerned <sup>we</sup> will never benefit from major infrastructure investment in Sydney (ie Bathurst bills/network costs higher than state average)
- Taken on concerns very well from 2020-2025, reflects having listened.
- To get to capacity before operating (is a long time before we get money back) will be <sup>very</sup> expensive
- ★ • Push developers to cover more / take some of cost
- State Govt Funding for major infrastructure
- Aerotropolis conundrum for everyone in the room - improvement for Sydney not for Bathurst.
- More of a measured approach.
- Plan is fair for 2020-2025

Goulburn



Griffith

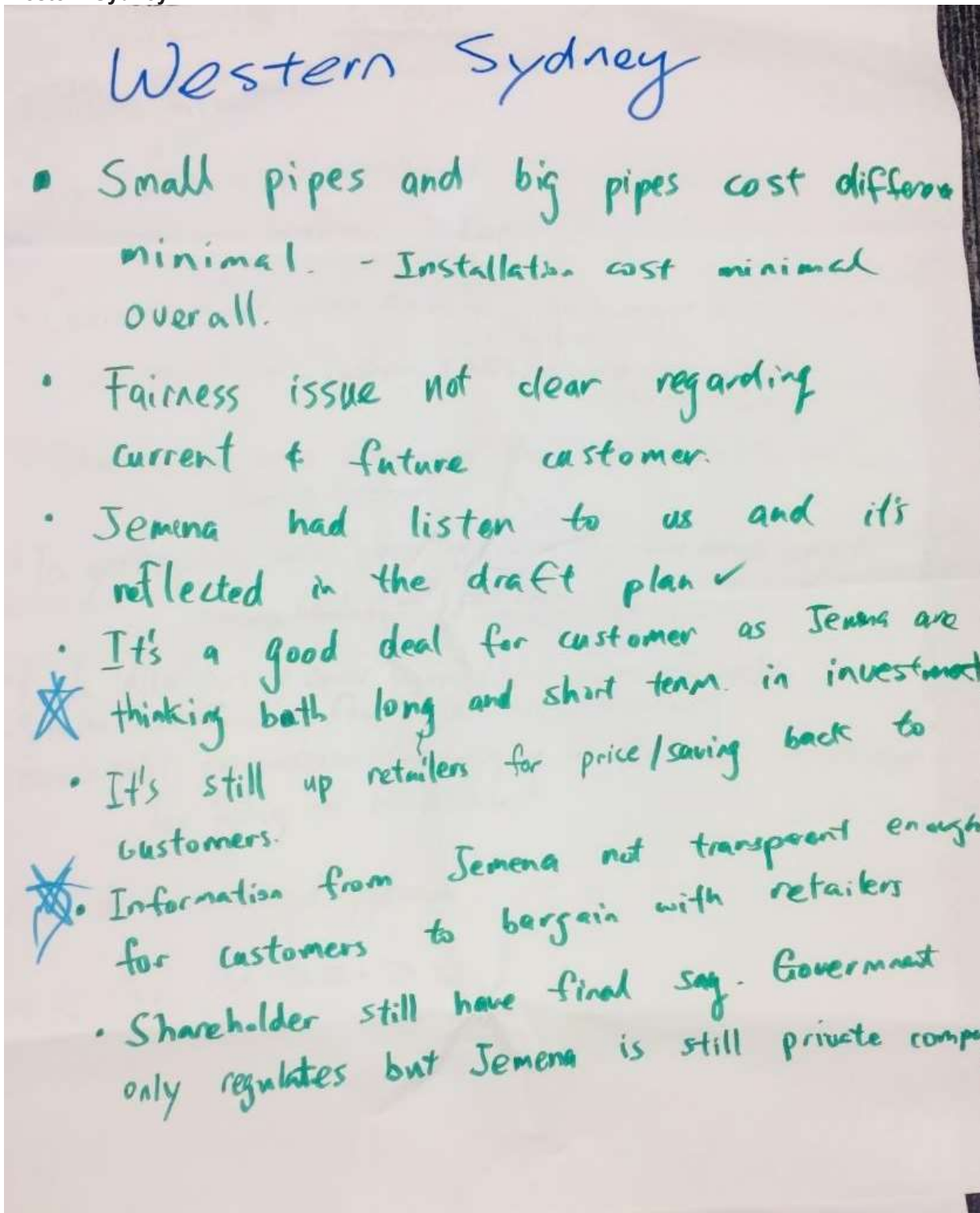


Newcastle

The draft plan reflects the values of the customers well. It skews towards the long term with an amount of compromise that is acceptable given the unpredictable nature of the industry and potential changes in technology, policy and the like. It is a good deal for customers. We encourage Jemena to communicate openly and transparently to the public about their decisions, particularly pertaining to the future of energy

— Newy

Western Sydney



Figures 11–16: Details of the outcome findings from each community in the workshop.

## Workshop Feedback

### Household Customers Forum Four

At the conclusion of the workshop, feedback forms were distributed to participants to ascertain their thoughts on the consultation. Participants rated all aspects of the workshop against statements, from content, to venue to facilitation on a scale of 1 to 5 (where 1 was strongly disagree, and 5 was strongly agree). Attendees were particularly impressed with the transparency and authenticity, the fact that they have had their feedback heard and the opportunity to have a voice in the future of gas. Across all results, participants rated the day very highly, with a **4.5 out of 5**.

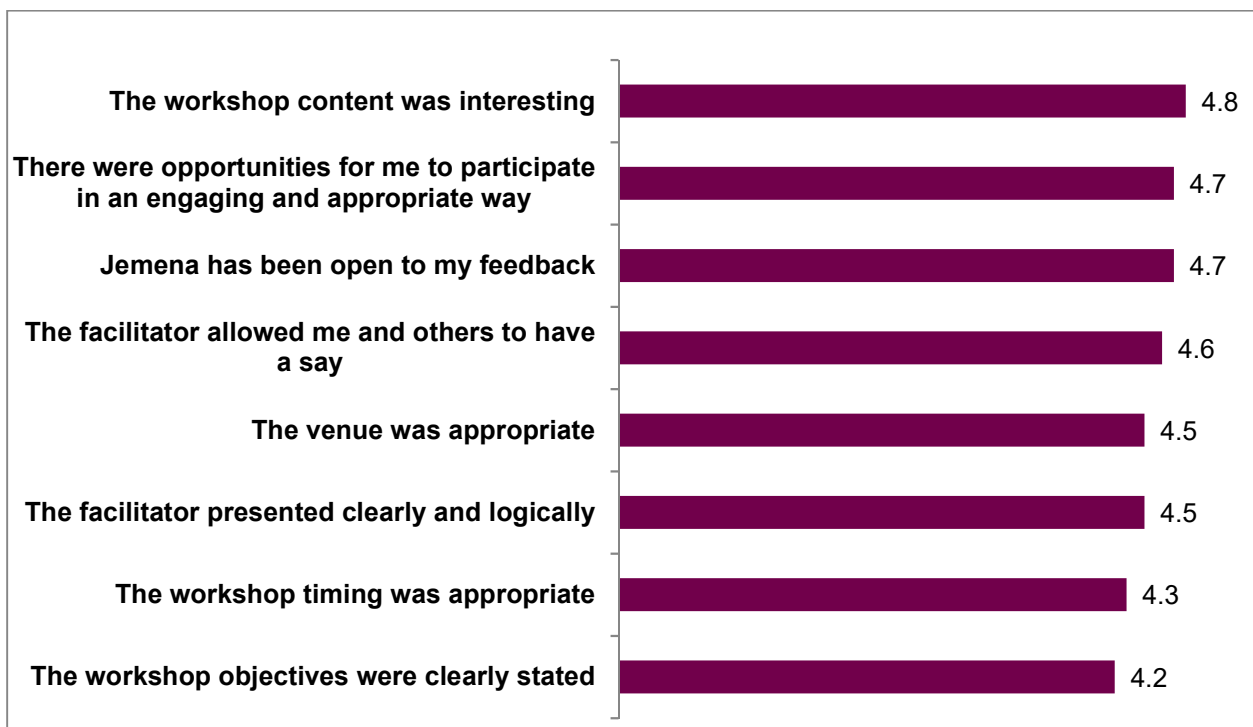


Figure 17: Most valued aspects of the fourth workshop from participants' feedback forms (N=20).

#### Most Valued

Participants most valued that leaders of the company took the time to speak with them directly and frankly, the access to transparent and detailed information. Some examples include the following:

- *'The most important people running this company have taken time out of their busy day to speak to their customers.'*
- *'Participation in discussion on major infrastructure projects. Explanation on content in the plan.'*
- *'The transparency that Jemena has used through today and the whole process. I really feel valued or heard. Thank you.'*



## Suggestions

Participants suggested a handout of the schedule of the day and perhaps starting the day earlier. They were also impressed with the venue, location and professional management of the day.

- *'Keep doing what you are doing!'*
- *'Great location and outlook after North Sydney. Good food and break allowances. Room was a bit warm but okay. Good starting at 10am, but would have been happy to start earlier.'*
- *'Provide us with an agenda beforehand.'*

## Other Comments

Participants really emphasised how they valued the opportunity and how they are interested in further conversation and involvement, and how they now have a clear understanding of the gas network.

- *'Have found today very interesting. Who would have thought I could sit here and listen to a gas talk for six hours!'*
- *'After Chairman of the Board presentation, it is clear that Jemena is interested in customer concerns, not just shareholder interests.'*
- *'I am very impressed and wish other big companies would try to interact more with customers.'*
- *'I am really impressed, as I do feel that Jemena heard the feedback from the Western Sydney Workshops. I have confidence in the decisions Jemena makes to be in the interest of the customers [and] not just shareholders. I would like to see Jemena engaging with their customers in the future as well.'*
- *'Excellent job!'*
- *'I would value any further invitation and involvement.'*

## Third Workshop with Arabic-speaking customers

### Workshop Findings

RPS and Jemena hosted a workshop in Fairfield entirely in Arabic, facilitated by the Ethnic Communities Council. The same participants from 2018 attended the workshop and heard how Jemena had taken on their feedback across the themes of affordability, price path and balancing future needs. Concepts were also explained through interactive demonstrations, and the Arabic-speaking Jemena staff presented this workshop. All materials were translated into written Arabic, including a script of the video detailing the customer feedback from the workshops in 2018. The major findings were as follows:

- **Overall, they had been heard.** Participants felt that Jemena had listened to them, and the plan had reflected their feedback.
- **Participants were concerned about the pass-through of the hand-back.** Although Jemena had lowered their prices by 19% for residential, they were concerned that the retailers might not pass this savings to consumers.
- **Price path.** Participants felt that Jemena have heard them in regard to price path and keeping it steady.

- **The government's role.** There was a question on the factors contributing to the higher price of energy, and there was a feeling that the government should do a bit more to put a lid on the increased prices and the retailers' contracts.
- **General feedback was positive and optimistic.** Participants thought the three workshops went very well.
- **Future consultation and continuing the conversation.** Participants have recommended Jemena's future engagements be through face-to-face or through the Jemena website.





Figure 18: Workshop participants, the Ethnic Communities Council team and the Jemena and RPS team.

Participants were also asked to reflect on balancing the price customers pay, with investing in the network to maintain, grow and make Jemena operations more efficient. The following diagram was produced by the facilitators asking participants if they were comfortable with the position Jemena had landed on.

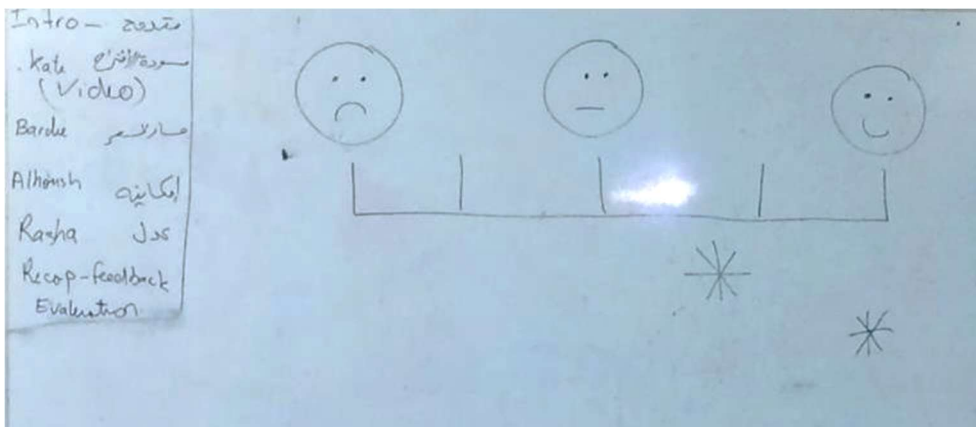


Figure 19: Diagram of expenses of the company versus. profits and participant feedback (including workshop outline in Arabic on whiteboard).

### Detailed Feedback – Third workshop with Arabic-speaking customers

After the workshop, participants gave feedback via a feedback form, rating all aspects of the workshop from facilitation to the venue to the presentation. Overall, participants rated the workshop 5 or strongly agree on average across all aspects of the workshop on the scale of aspects (where 1 is strongly disagree, and 5 is strongly agree).



Figure 20: Participant feedback from Arabic workshop, rated across all aspects.

Participants most valued the explanations, that they were clear and that they had been listened to. They valued their feedback being taken on board, and the face-to-face time with Jemena employees. They would like to have future workshops that feature face-to-face engagement with the Jemena team and for customers to increase their understanding of the system in the future.

### Suggestions for Future Workshops

- *‘Send information or conduct [a] workshop every year or two.’*
- *‘More face-to-face workshops.’*
- *‘As the plan is five years, it would be great to keep us posted.’*
- *‘More workshops.’*
- *‘Face-to-face communication and interactions.’*
- *‘It is very important to have face-to-face meetings with consumers.’*

### What Did You Value Most About Today’s Workshop?

- *‘This was a great workshop, as it reflected Jemena is listening to the consumers and taking on board their recommendations.’*
- *‘All was good.’*
- *‘The interaction and the information’*
- *‘All was good, and the information was very clear.’*
- *‘The workshop went really well.’*

- *'Very good.'*
- *'All was good and very clear.'*
- *'All good.'*

**Do You Have Any Further Comments?**

- *'Many thanks for all your efforts.'*
- *'More workshops and ongoing communications. Thank you for all your hard work.'*
- *'All the best to Jemena.'*
- *'To have a workshop from time to time.'*
- *'Run more workshops, as consumers need this interaction.'*
- *'Running more workshop so the consumers would have more understanding of system.'*
- *'Thank you for everything.'*
- *'More workshops and courses.'*
- *'More workshops so consumers would understand how Jemena works. We appreciate all your efforts.'*

