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# **Is there an “End Game” for Consumer Engagement by Energy Network Businesses?**

**A consideration of the desired outcomes of consumer engagement**

**Produced by: Uniting Communities**

**With: Peter Eben, Seed Advisory**

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***Note: Uniting Communities is South Australia’s first accredited Carbon Neutral  
organisation/business.***

# Is there a Consumer Engagement End Game?

## Executive Summary

Over the past couple of years there has been considerable attention given to designing debating and implementing consumer engagement processes by network businesses across Australia.

This project has reflected on these developments which in a number of instances have been quite intensive, and through interviews and a workshop asked a wide range of stakeholders about the desired outcomes of consumer engagement.

### Key Messages

- Consumer engagement is understood as being a crucial role, for networks, consumers and regulators and an important ongoing action for network businesses, consumers and regulators to be evolving.
- Consumer engagement needs to be working to move efforts 'to the right' of the IAP2 spectrum<sup>1</sup>, with the focus being on the 'promise to the public' elements of the IAP2 spectrum, diversity of views about whether we can get to 'empowerment.' Some processes are appropriately located at the 'inform' and 'consult' end of the IAP2 spectrum.
- Consumer engagement is about individual consumers (household, SME' and C&I), but equally importantly it is about the communities in which households and business consumers live and work. More emphasis needs to be placed on the community engagement part of consumer engagement, e.g. social license to operate.
- There is no 'best way' to undertake consumer engagement – there are many processes and techniques that contribute to effective consumer engagement
- 'Agreement' vs 'agreement'. There is widespread support for seeking 'agreement' between consumer interests and networks. However, some network businesses and consumer groups are more equivocal about a formal document of 'Agreement,' though regulators are keen to see 'Agreements' as are some networks and consumer groups.
- There is no current 'consensus' about a desired 'end game' for consumer engagement, though a widely held view was that consumer engagement is a means to an end which is about consumer voice leading to price and service outcomes reflecting community, consumer, or user interests and capacity.
- Consumer engagement should be ongoing rather than a revenue proposal only activity
- Deliberative processes for consumer engagement are generally much more effective than one-off processes. Returning to stakeholders who have been part of previous discussions is more likely to give richer value to engagement activity.

Meanwhile, in Victoria, AusNet Services has established a Customer Forum as part of the NewReg process which is a highly deliberative process that is akin to citizen's jury, which many would regard as 'gold standard' deliberative engagement.

### Next steps

Recognising the current keen interest in developing consumer engagement processes and the extent of commitment from energy networks and consumer groups to ongoing engagement in recognising

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<sup>1</sup> [https://www.iap2.org.au/Tenant/C0000004/00000001/files/IAP2\\_Public\\_Participation\\_Spectrum.pdf](https://www.iap2.org.au/Tenant/C0000004/00000001/files/IAP2_Public_Participation_Spectrum.pdf)

the consumer engagement is very much a continuous improvement process, four interrelated next steps have been identified by the project.

- 1. Developing a 'business case' for consumer engagement:** This is seen as a critical to inform Government policy and funding options and to address the concern that there is a risk of consumer engagement being the next 'gold plating'.

The question remains as to what is the 'right' level of resourcing for consumer groups to be able to engage and how this is paid for, by government from general revenue or a from levy on energy payments. The roles of Commonwealth and jurisdictional governments in resourcing ongoing consumer capacity to engage is also important as is the efficient level of spending on consumer engagement by network business.

The business case is not necessarily a formal cost benefit analysis. Rather it will seek to provide a report and analysis to identify the broad costs versus the benefits of engagement, including:

- a. Case studies documenting recent network – consumer engagement that detail costs and benefits and lessons learnt.
- b. Relevant insights from other engagement activities such as the AusNet Services Customer Forum trial where opportunities arise, and examples of better practice consumer engagement from related industries such as water industries (for example Yarra Valley Water which ran a successful citizens jury process).

- 2. Structured trials:** There are currently a number of trials of varying consumer engagement models occurring across the industry. Clearly the learnings and insights from current and historic trials can inform the business case and also be included in some of the case study and insights materials.

There are several trials that could be undertaken by network businesses, including:

- a. **Governance:** Which trials can or should be explored? This should not only be an individual business decision, but also an industry level decision to maximise overall benefit from learnings.
- b. **Methodologies:** testing different approaches to consumer engagement and agreement making and sharing learnings.
- c. **Evaluation framework:** A standard format for capturing, analysing and reporting the costs, benefits and learnings from trials will be critical to share insights and make appropriate assessments and comparisons across various trials and inform future decision making.

- 3. Resourcing and support for consumer engagement:** Consideration needs to be given to the appropriate resourcing and funding model for consumer engagement. The level of costs for consumer engagement is closely tied to the business case analysis, but the funding models and options can be somewhat discrete. This should also consider options for shared resources and areas for efficiencies.

- 4. Who leads the future evolution of consumer engagement?** The question of who leads the future evolution of consumer engagement is would be closely tied to the resourcing and support question. However this can be viewed on both a short term horizon (e.g. the next 18 – 24 months) and a longer term horizon once the learnings and insights from the trials and business case have been implemented.

# 1. What are the questions we are wanting to ‘answer’

This report is part of a project funded by Energy Consumers Australia that builds in previous work undertaken through UnitingCare Australia that regarded active consumer engagement in network regulatory processes as central to efficient network operation. This project was initiated in mid 2016, which is significant to some of the discussion that follows.

The project has been undertaken in collaboration with Peter Eben from Seed Advisory.

The project outcomes and issues to be addressed through this project are summarised below as given in the original project application.

## Project Outcome (broad)

*“Our ultimate goal is to ensure that Energy prices are at the lowest efficient price for consumers.*

*Our primary project objective is to encourage and enable network service providers to regard direct engagement with consumer interests (broadly defined) as their preferred approach. This approach should be applied to all major aspects of network regulatory practice, including major investment decisions. The more specific project outcomes that we identified this project were given as follows.*

*“Our primary, longer term objective is to enable network service providers to regard direct engagement with consumer interests (broadly defined) to seek agreement, as their preferred approach to all major aspects of network regulatory practice, including major investment decisions.*

*The second objective for this project is for the national regulator, AER and rule maker, AEMC and a vast majority of groups representing consumer interests to increase support for approaches that seek agreement regarding network regulatory activities. Building consumer group understanding of both opportunities and consequences will be an important part of this particular project.”*

## What is the consumer problem / issue this project will address?

*“The overarching focus of UnitingCare Australia’s<sup>2</sup> energy advocacy is embedding consumer centred market reform in all aspects of energy markets, thus building capacity and understanding with both consumers and network service providers.*

*The focus of this project is reform in network regulation aspects of Australia’s energy markets, the largest component of small use customer bills. This project builds on encouraging progress that has been made in reaching this lofty objective, with UnitingCare projects playing a significant role influencing change.”*

## Project Iteration

In the nearly 2 years since the project was first conceived, there is been substantial development in consumer engagement approaches by Australian energy network businesses, and indeed it is a topic of considerable development in overseas jurisdictions too. A report from the project released in September 2017 “Living DNA” documented our understanding of the state of consumer engagement by Australian energy network businesses at that time. A revised version of the “living DNA” report will be released alongside this report.

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<sup>2</sup> The early work on Deliberation, Negotiation and Agreement approaches was overseen by UnitingCare Australia, an agency of the Assembly of the Uniting Church in Australia

Given that a substantial amount of consumer engagement was being undertaken by a range of network businesses during 2017 and into early 2018, with very specific focus on the revenue proposal at hand, the project thought it useful to reframe the project questions with particular focus on the desired outcomes from consumer engagement. This was framed as asking whether there is an “end game” for consumer engagement, as a means of focusing dialogue and debate.

The central questions remain the same:

- How does effective consumer and stakeholder engagement deliver efficient revenue allowances from network businesses?
- How is effective consumer and stakeholder engagement practised?
- What are the essential preconditions for effective consumer and stakeholder engagement?

## 2. Background to DNA approach

In 2015 UnitingCare Australia released a high level report: “Changing the DNA of network tariff setting in Australia.”<sup>3</sup> The following extract is a summary of the thinking presented.

*Existing processes have not always delivered the best outcomes for consumers, notwithstanding considerable improvements. Uniting Communities propose a significant cultural shift from current arrangements for regulatory determination. Under the current model, networks put a price and revenue proposal to the Regulator, and then defend that proposal during the Australian Energy Regulator’s deliberations.*

Uniting Communities also observed that often the Australian Energy Regulator’s final regulatory decision was challenged through the Limited Merits review process, which effectively locked consumer interest out of the process. This ‘propose – defend - litigate’ approach entrenched the network’s power, relegating consumers to a reactive and usually marginal role.

*“Instead UnitingCare propose an approach that changes it to one of deliberation, negotiation, and agreement (DNA). This places two innovations at the centre of network regulated decision-making:*

- 1. The use of deliberative democratic techniques to develop fundamental understandings of community views and preferences; and*
- 2. The use of negotiation between networks and consumers as an alternative vehicle for debate and compromise to the current system, by which the Regulator has to make a judgement about all network proposals.*

*Incorporating direct and ongoing consumer focussed engagement in network regulatory processes is the priority for lasting reform, changing the make-up of regulatory processes.”*

DNA was a shorthand for two separate processes, deliberation and negotiation which we argued should contribute to agreement, as far as possible, between network businesses and consumer interests. Note that deliberation, negotiation and agreement (DNA) were not intended to be seen as sequential, nor were they implying a particular best approach. “Consumer interests” is a broad term intended to include any bill paying consumer from a household or business, as well as community

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<sup>3</sup> Now found at: <http://noshockenergy.org.192-81-211-8.ericdekock.com.au/wp-content/uploads/2016/07/DNA-of-network-tariff-setting-June-2015.pdf>

based consumer interest groups and advocates as well as industry associations, including primary producers. So we understand “consumer interests” to be an inclusive term.

Our key argument for deliberation was for the use of extended processes like citizens juries and participatory budgeting, where citizens from outside of direct involvement with aspects of energy industry, could be selected to contribute strong consumer perspective to complex issues. It had been argued by some that consumers could only have limited involvement in regulatory processes because of their complexity. Rather deliberation enables ‘rank and file’ consumers to engage with any complex issue, through an appropriately resourced and managed deliberative process. Similarly negotiation was a shorthand for any process that involved discussion or debate between consumer interests and network businesses, where parties participated as equals. Of crucial importance is that the DNA approach was focused on achieving agreement, as far as possible, between consumer interests and network businesses, as opposed to the much more adversarial approach that was frequently observed at the time.

This paper picks up the original concepts of the ‘DNA approach’ and basically asks whether there have been developments over the last two years whereby movement toward agreement between consumer interests and network businesses has emerged utilising processes of deliberation, negotiation? It is not the intent of the paper to analyse in detail or to assess individual network business performance in consumer engagement. Rather Uniting Communities want this report to be more like a ‘mirror’ that reflects some of the better practice observed as a consumer organisation engaged as actively as we can in network regulatory processes. By identifying emerging better practice, we expect this to provide a spur to all network businesses to both seek to apply existing better practice, and to improve upon it.

**We continue to regard the “DNA approach” as the application of Deliberative processes and Negotiation to achieving Agreement between network businesses and consumer interests.**

### **3. Developments during the project**

Since this project was commenced there been a number of significant developments that have impacted on consideration of consumer and stakeholder engagement by Australian energy network businesses. We summarise these below because they provide important context to consideration of the major learnings from the project as well as informing next steps for various parties.

#### **a. Removal of LMR**

The *Competition and Consumer Amendment (Abolition of Limited Merits Review) Bill 2017* was passed by the Australian Federal government on 16<sup>th</sup> of October 2017. After extensive debate this legislation cancelled the option for energy network businesses appealing against decisions made by the Australian Energy Regulator to the Australian Competition Tribunal as a Limited Merits Review.

The opportunity for network businesses to apply for Limited Merits Review of regulator decisions was one of the key reasons for UnitingCare network believing that energy regulatory processes were failing to deliver efficient outcomes for consumers, leading up to the release of our DNA Approaches report in 2015. We observed at the time that regulatory processes were being distorted with too much focus on appealing the regulator’s decision, which created an environment of mistrust between networks, consumers and the regulator.

The removal of limited merits review consequently removes the opportunity for behaviours that led to sub-optimal outcomes for consumers and provide a much greater opportunity to focus on consumer engagement, which we have long argued has considerable ability to produce efficient outcomes for networks and consumers particular. This is achieved by lowering what were considerable transactions and inefficient costs that were borne by consumers.

#### b. AER 2.0

In July 2017, AER Chair Paula Conboy spoke to the ENA conference<sup>4</sup>. Her presentation included the following comments.

*“We have had a highly adversarial culture around energy regulation in Australia. In fact I was quite shocked at the intensity of that culture when I arrived here three years ago and it’s been a conscious effort of mine to move away from it. This adversarial approach needs to change if we are to achieve mutually acceptable outcomes to investors and consumers; outcomes that are in the long-term interests of consumers. I know that many of you agree that a more constructive working relationship with us is essential if we are to move on from an inefficient and ultimately unsustainable adversarial approach.*

*If the game isn’t working—and there are parts of the game that aren’t working—we need to change the game. And I think many of us are already moving in the right direction...*

*We are essentially kicking off AER 2.0*

*We want to foster confidence among stakeholders that the energy system is working well for them, as levels of public trust now can have a long-term impact on consumer engagement and the effectiveness of competition.*

*So, looking forwards, **we see a playing field where the umpire’s decision and authority is not consistently undermined by a default appeals process.** That is a fundamental game changer and it means that we are all going to have to get used to consulting and listening to each other a whole lot more.*

*We will continue to undertake extensive consultation throughout each of our regulatory processes. This includes general approaches such as holding public forums to discuss proposals, issuing discussion papers and draft decisions and requesting submissions on these.*

*Consultation is not something we pay lip service to. It is foundational to our ethos, and the new playing field we are all about to step on to means we’re all going to have to do a whole lot more of it.*

*This open dialogue and more constructive way forward will be increasingly important as we move forward through the energy sector’s transition and into a less clear future.”*

The approach outlined at the ENA conference represented a significant shift in the environment in which network regulation is to occur, particularly when coupled with the abolition of access to Limited Merits Review. There is no guidebook for implementing AER 2.0, which is appropriate because the direction flagged is first and foremost about building trust between parties, recognising that some scars from past battles remain with people from all sides of the past regulatory battles.

The directions summarised as AER 2.0 and largely supported by network businesses are very much in line with the DNA approach that Uniting Communities advocates.

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<sup>4</sup> <https://www.aer.gov.au/news/working-together-to-restore-confidence-in-energy-regulation>

This report takes into account the general directions of AER 2.0 and intends to add some depth to the application of these ideals.

#### c. NSW 14-19 remits and deep dives in NSW

For some it has been the sword of Damocles hanging over regulatory process: how to resolve the decisions that were remitted back to the AER for New South Wales determinations mainly relating to 2014-19?

On 16<sup>th</sup> of August 2017, the AER hosted a stakeholder Roundtable to discuss ways of resolving the remitted decisions in the spirit of AER 2.0. This Roundtable included consumer representatives as well as network and regulator staff.

Significant open, honest and direct discussions have occurred between consumer groups, network businesses and the Regulator subsequent to that meeting, resulting in all network businesses involved exploring means to make a revised proposal to the regulator. The first businesses to formally make a proposed revised proposal was Essential Energy. In responding to this proposal the AER has said:

*“We have given weight to the strong expressions of support from the CCP10, ECA, EUAA and PIAC. Notably, each of these consumer groups have clearly expressed that given the circumstances, allowing for \$100 million more than the revenue allowance in our April 2015 final decision as part of a remade decision results in an outcome that they consider to be in the long-term interests of Essential Energy’s customers. For example, the CCP10 stated:*

*We understand that this involves Essential retaining up to \$100m in revenue..., but this needs to be considered in the context of the overall proposal. Consumers will benefit from:*

- *the certainty provided by the early resolution of the proposed price path*
- *the removal of the risk for consumers from the reopening of the contentious issues from the Federal Court decision, particularly in regard to debt costs, and*
- *on an ongoing basis from the reductions in operational and capital expenditure that Essential has achieved.*

*It is our opinion that the benefits outweigh the costs, in aggregate, for consumers from this proposal....*

*For all of the reasons set out above, we are satisfied that accepting Essential Energy’s proposal for the 2014-19 regulatory control period is likely to contribute to the achievement of the NEO to the greatest degree and is in the long-term interests of consumers.”*

This provides a clear and recent example of active consumer engagement providing an outcome that provides benefits to both the Network and consumers.

#### d. NewReg and AusNet Services

During 2017, Energy Consumers Australia (ECA), Energy Network’s Australia (ENA) and the Australian Energy Regulator (AER) agreed to collaborate on a project to encourage new and innovative approaches to regulatory process with particular focus on consumer engagement. This process is now referred to as the NewReg project and AusNet Services have volunteered to trial and innovative process in developing their 2020-25 regulatory proposal for the AusNet Services electricity distribution business in Victoria.

On 23<sup>rd</sup> March 2018, AusNet Services announced:

*“Victorian electricity distributor AusNet Services is embarking on a ground-breaking trial in which it will negotiate its proposed service offerings and expenditure directly with highly-skilled, qualified individuals appointed to formally represent the perspectives of its customers.*

*Electricity price increases in recent years have resulted in uncertainty about the value of network services to customers.*

*The trial is being conducted under the ‘NewReg’ approach to electricity network regulation which was launched today by the Australian Energy Regulator (AER), Energy Consumers Australia and Energy Networks Australia.*

*“AusNet Services is committed to empowering communities and their energy future. The NewReg trial adds to our existing customer engagement activities that aim to place customers at the heart of our decision-making process by understanding what matters to them,” said AusNet Services Managing Director, Nino Ficca.”*

Central to the AusNet Services trial is the development of a Customer Forum which will negotiate with AusNet Services and seek agreement. The Customer Forum approach is based on the development of a Customer Forum in Scotland to deal with the regulation of Scottish Water.

#### e. ENA / ECA consumer engagement award

At the ENA end of year dinner in 2017, a new award was introduced that had been promoted and offered by Energy Consumers Australia, the first time a consumer engagement award had been offered to a network business, in recognition of excellence in their approach to consumer engagement. The guidelines for the award were:

*All entries must adhere to the following guidelines:*

- *Must clearly demonstrate outstanding consumer engagement, with positive impacts in the business, by an Australian energy network business.*
- *In seeking nominations it is recognised that consumer engagement may occur around a diverse set of issues or challenges including pricing, reliability, planning and environmental performance issues but it must be supported by an organisational focus on customers that is championed and resourced by network businesses’ senior decision makers.*
- *The application should outline the consumer engagement strategy and its purpose, methods used and what the consumer engagement achieved, including, most importantly, the influence consumer engagement had on business decision making and outcomes.*

The award winner was ElectraNet, the South Australian electricity transmission business with a majority of network businesses lodging entries for the award.

The establishment of this award and keen interest in winning it is another example of the changing landscape for Australian energy networks and their attitude and approach to consumer engagement.

#### f. Rate of Return Guideline review process

During 2017 the AER announced that it was time to review the rate of return guideline that applies to all energy network revenue determinations. The AER appointed a consumer reference group (CRG), having called for nominations, who were asked to prepare a single joint submission covering the views of a wide diversity of consumer interests. The CRG was also encouraged to negotiate with Energy Network’s Australia to ascertain where there might be (close to) agreement between consumer and network interests.

The AER also established an investor reference group and a retailer reference group to consider the new rate of return guideline.

In calling for nominations to join the CRG, the AER said:

*The purpose of this CRG is to facilitate consumer input into our review of the rate of return guideline.*

*We place stakeholder engagement at the centre of our work. We recognise that the decisions we make and the actions we take in performing our regulatory roles and other activities affect a wide range of individuals, businesses and organisations. Our vision is for our stakeholders to have the opportunity to engage with us across a range of our functions.*

*In keeping with this approach, CRG members will bring a wide range of consumer views to inform our thinking on estimating the rate of return.*

We understand that this is the first time that the Regulator had established a consumer reference group expecting a joint submission and also the first time that the Regulator specifically asked networks and consumer groups to negotiate with each other and to seek agreement. It is also worth noting that negotiation and agreement was being sought on one of the more complex set of issues associated with the Australian energy regulation schedule of issues.

#### g. COAG review of Consumer participation in revenue determinations and associated regulatory processes

On 6<sup>th</sup> October 2017, the COAG Energy Council released a Consultation Paper on Consumer Resourcing, stating:

*“In July 2017, the COAG Energy Council agreed to consult on options to improve resourcing available to consumer groups to support more effective engagement in the Australian Energy Regulator’s (AER) revenue determinations and access arrangement decisions under the national electricity and gas laws and rules.*

*The paper sought feedback on key issues associated with resourcing for consumer participation, including:*

- *The effectiveness of current resourcing arrangements for supporting consumer participation;*
- *The adequacy of current resourcing levels for facilitating effective consumer participation;*
- *The quality of consumer participation processes and how they can be improved to maximise the outcomes achieved with existing resources; and*
- *Building the capacity of consumer representatives to participate in complex, technical revenue determination and access arrangement decision-making processes.*

Consideration of next steps for this process has been topical during the course of the project, with resourcing for consumer engagement being a significant topic in almost all discussions that were conducted during this project.

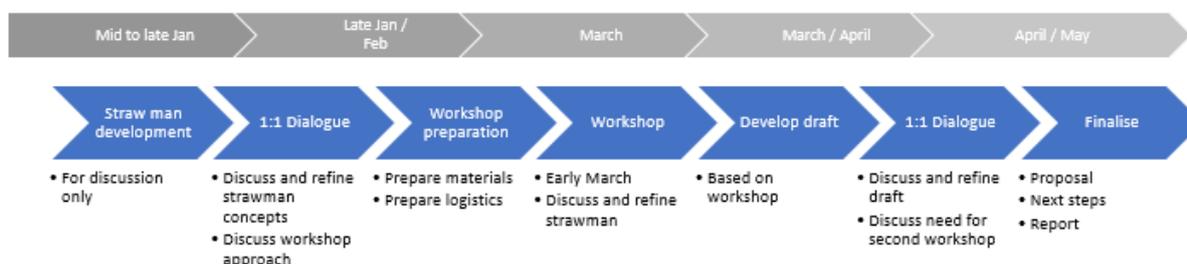
These seven recent developments are all indicative of the active consideration of consumer engagement issues for network regulatory processes and indicate the rate of change in both the policy and practice environment.

## 4. Methodology

In considering the key questions for the project, it was understood that a diversity of stakeholder interests needed to be involved in discussions, so a stakeholder map was developed to inform engagement and to test participation by each of the sectors identified as significant.

A number of people / organisations identified for “high engagement” meaning that they would be interviewed one-on-one for the intended workshop and actively encouraged to participate in the workshop. A broader invitation list for the workshop was also developed.

The process summary for the key implementation phase during the first four months of 2018 is given below.



A focus of the process was a workshop that was held in Melbourne on 15 March 2018. In the lead up to that workshop a “strawman” proposal was developed, informed by an initial round of one-on-one discussions. The “strawman” presented was not a particular position or proposal of what should be, rather a position that could be challenged to clarify thinking, with no individual or group having a vested interest to support the “strawman”.

The workshop was interactive with themes and next steps been tested at the workshop and then re-tested in a series of subsequent one-on-one discussions.

This report picks up on the discussion and directions from the workshop and one-on-one discussions.

## 5. The End Game a ‘Strawman’ for debate

With so much recent progress, and detailed engagement processes underway, it was timely to consider the longer term desired outcomes from consumer engagement which we summarised by asking what is the “End Game” for consumer engagement? The “strawman” scenario was one response to the end game question that brought together, and in some cases extrapolated, ideas and thoughts that were current in general discussion at the time the “strawman” scenario was put together.

### Strawman summary

**The ultimate goal is for every regulatory proposal lodged with the AER, by a network business to be centred on a transparent and arms-length process that delivers a comprehensive documented ‘Agreement’ with recognised groups representing consumer interests and other key stakeholders (government, retailers etc), adhering to the NEO, with costs paid by consumers aligned with the expected level of service and efficient returns maintained for network businesses.**

### More about the “Strawman” proposition (from the discussion paper)

The documentation of agreement could take many forms but would need to include a clear statement outlining areas of agreement, areas of disagreement - with a summary of the arguments for and against and quite possibly a category something like “probably near agreement but not quite there yet.”

Periodically and particularly prior to finalisation there should also be a network led, pro-active and transparent communications program to the broader stakeholder group and consumers at large about the key elements of the agreement and the implications for consumers.

The national electricity and gas rules are expected to continue to require that the AER as the independent Regulator will ultimately make a final determination. A key assumption is that there will be a high level of trust between Boards and their staff teams for both the business and the regulator; between consumer groups, network staff and regulator staff; between consumer groups and with other stakeholders.

There are process elements which will be an important part of achieving “the end game”, though do not all need to be utilised in any particular setting, these include:

- A clear identification of all key stakeholders and their objectives from the process – this would cover network businesses, consumers, regulators, governments, retailers and other parties. There would also need to be ongoing refinement and updates of the stakeholder identification and objectives process.
- Ongoing dialogue between network businesses and consumer representatives, including annual reporting on consumer engagement activities, issues and resolutions to the AER and consumers in general. This means that network regulation would increasingly be an ongoing process rather than focused on the months leading up to the once every five years lodgement. The notion of annual reporting of consumer engagement and shared network development goals can be initiated by network’s, could be in the form of an incentive scheme managed by the Regulator or could be established in a number of other ways.
- Signals of expectations from the AER at the commencement of the official regulatory process would also be beneficial. “Signals” could be about aspects of consumer engagement, emerging issues for networks and ranges for key parameters within which the AER would be minded to accept an agreed proposal. This would include capacity for the Regulator to ‘reward’ network proposals that were in line with the Regulator’s signals, which were regarded as adhering to high calibre consumer engagement practice and which included significant documented agreement between the network business and consumer interests.
- An arms-length and transparent process where network businesses appoint an independent 3<sup>rd</sup> party to source suitable individuals or groups to understand and represent consumer interests based on a network developed document outlining specific selection criteria and other requirements.
- AER acceptance of designated consumer interest groups to be part of negotiations, including an understanding of resourcing for designated consumer interests
- A preliminary regulatory proposal released for stakeholder response, at least six months prior to the due date for lodgement of the regulatory proposal
- “Deep Dive” sessions both before and after release of the preliminary regulatory proposal, to enable detailed understanding of significant issues and to seek a shared understanding of the best solution to the identified issue. Participants to at least include senior and expert

staff from the network, people representing consumer interests, other relevant stakeholders, AER subject experts and Consumer Challenge Panel (CCP).

- Periodic process reports to the AER, as an audit rather than an assessment, designed to identify any roadblocks or potential process issues, before they become entrenched problems, so the matters can be resolved and the process gets back on track. The CCP would be one group that could undertake the process reports providing them to the AER and consequently the network business and relevant consumer groups about the calibre of discussions / engagement as well as complex and disputed issues. The AER initial “signals” would be used as a guide for the process stocktake.
- Peer review of key documents developed by the network, particularly statements reporting on consumer engagement.
- A network led, pro-active and transparent communications program to the broader stakeholder group and consumers at large.

The next section discusses the thinking that emerged from considering the ‘strawman’ scenario, through the workshop and one to one discussions

Returning to the initial DNA construct and reviewing the core elements through the lens of the ‘strawman’ discussions, we observed the following:

- Deliberation: the value of deliberative approaches have been ratified with the important current and near future work being on how to apply deliberation in a range of settings and contexts (letting 1000 flowers bloom applies to deliberative processes as well as other approaches)
- Negotiation: also ratified with the questions now about how negotiation occurs? who establishes a negotiation framework and who leads? How are key consumer groups resourced?
- Agreement: this element has emerged as the component requiring most re-thinking. Much has been learned from this project including that agreement seeking as a process is probably more important than the original capital “A” Agreement document that was promoted (including being tested through the “Strawman”). Though there is certainly a role and a place for capital “A” Agreement.

## 6. Main ‘takeaways’ from across the project

This section summarises the key insights and feedback received from stakeholders during the project. They are sequenced with the flow of discussion and the key questions at the workshop. Please note that the insights do not necessarily represent a consensus view or collective view of workshop participants or other stakeholders. Rather this is a summary of views expressed. Areas of major divergence of views or alternative views have been included where identified.

### **What are the key outcomes / benefits from consumer engagement?**

First and foremost, consumer engagement was practically unanimously viewed as being a crucial role for networks that is integral to business strategy and understood to be “the new business as usual”. It must not be viewed as a box ticking exercise or just part of a regulatory reset process.

Many network businesses are increasingly looking to consumer engagement as ongoing within their businesses. At the same time there is the practical reality that a credible process needs to be demonstrated to the Regulator regarding the extent of consumer engagement associated with any

revenue proposal. So whilst consumer engagement may be an ongoing activity, the revenue proposal is still a major focus around which much consumer engagement will continue to coalesce. It is also crucial to understand that engagement cannot replace efficient assessments, these should be complimentary not either/or.

Consumer engagement must not be viewed as an end in and of itself, but rather a means to achieving the desired outcomes, as it is 'outcomes that matter'.

The main outcomes / benefits identified were:

- **Trust:** There is currently little to no trust between consumers and the energy sector, primarily networks and retailers. It is imperative that trust is rebuilt and then maintained through active and ongoing consumer engagement. To achieve this consumer views 'must be heard', particularly those consumers with less direct access to network businesses and regulatory or business decision making processes. The collective views must be able to influence key decisions in the development of networks and network services of the future.
- **Efficient pricing / improved combination of service and price:** With consumers and networks involved in strong and regular dialogue this should better draw out the tensions and trade-offs in service and price, increased consideration of non-network solutions and options (i.e. demand side / customer side solution) as well as provide further information, better evidence and insights into the business value proposition. Good engagement avoids 'either / or' choices and cruder forms of choice modelling. Where possible, the focus needs to be on 'Win / Win' compared to 'Win / Lose' trade-offs. This may require consideration of other factors such as market design to make consumer engagement a better process.  
The net result of which should be the provision of services at a more efficient price and / or those that are more valued by customers.
- **Improved vulnerable customer support:** Strong customer engagement can also ensure appropriate data and information is shared to better understand the impacts and implications of key decisions on vulnerable customers. This will enable appropriate consideration and where possible specific solutions are identified and implemented to support vulnerable customers.
- **Behaviour change / cultural change:** This includes increasing customer awareness and customer centricity as part of the culture of networks. This should lead to improved responsiveness from network businesses to consumer needs and wants and more dynamic decision making.
- **Improved decision making:** This is somewhat related to the efficient pricing. In the new network world there is a shift from simple to complex markets and issues along with new objectives including climate change, extreme events carbon pricing and the like. Shortfalls of regulatory processes include that consumer views are often not included in regulatory proposals and there is uncertainty about how to engage on complex issues, particularly when they happen all at once as tends to happen with the five yearly regulatory proposal. Therefore there needs to be a move towards consistency with approaches to address gaps resulting in a value proposition to both consumers and businesses.

Views were also expressed that consumer engagement may be more potent on issues that are outside the purview of the AER regulatory process.

### **What are the essential characteristics of consumer engagement?**

Whilst several essential characteristics of consumer engagement were identified, it became evident that there is no 'best way' to undertake consumer engagement.

In fact, for consumer engagement to be truly successful it must be 'fit for purpose', bespoke and tailored to each individual businesses strategy, capabilities, culture and circumstances otherwise it will not become business as usual.

The following table summarise the key characteristics and a brief description, following the table is a discussion of the key implications of some of these characteristics.

<b>Characteristic</b>	<b>Description</b>
<b>Transparent</b>	Engagement processes (inputs and decisions) must be transparent not only to those participating in the process but the broader stakeholder base.
<b>Embedded</b>	It must be embedded within business as usual practices and form part of a businesses ongoing activity.
<b>Representative</b>	Participants in engagement processes must be seen to be able to represent the interests of relevant consumer groups or consumers at large.
<b>Accountable</b>	Network businesses must be accountable for how they use or do not use any insights and input from consumer engagement processes.
<b>Tailored</b>	Engagement processes must be fit for purpose for each business and tailored to meet specific business needs and circumstances.
<b>Independent</b>	Consumers and consumer representatives who are participants in engagement processes must be independent from the network business.
<b>Evidence based</b>	Where possible information and decisions must be evidence based and objective.
<b>Well resourced</b>	Consumer engagement must be appropriately resourced, noting that resourcing must be proportional to the value being discussed and the key issues or materiality of the issues.
<b>Two-way</b>	Engagement processes must be centred on honest and transparent two-way dialogue.
<b>Makes an impact</b>	Consumer input must be seen to make an impact and influence business decision making.
<b>Continuous improvement</b>	Consumer engagement processes must be able to adapt and evolve as required. This also included ensuring business culture and behaviours change in response to changing circumstances. Consumer engagement must be a dynamic and ongoing process that seeks the best outcomes for consumers in any given context, time and place.

In addition to the specific characteristics identified above, the following items were noted:

- **Community engagement versus consumer engagement:** The National Electricity Objective (NEO) is silent or unclear on communities but rather uses the term consumers.

Notwithstanding this, there was some discussion of the need to consider the provision of network services as broader services to the community including one or more ‘community compacts’ or ‘social licences to operate’.

When further exploring community engagement there needs to be consideration of the definition of a community or communities. Any community engagement should ensure that appropriate balance is given to what may benefit a specific community or constituency but potentially at the cost of others. There can be tensions between a community objective and the best interests of individual consumers. If having a community focus leads to ‘consumer vs consumer’ conflict, this is unhelpful.

It is crucial that network businesses seek relative consumer consensus over how businesses operate. But it is unhelpful if consumer engagement ends up being a fight over a particular local project. If there is not a reasonably clear consumer consensus, then it may be better for the Regulator to decide.

- **Degree of consumer engagement:** Historically, and somewhat currently most networks operate in the “inform” / “consult” end of the IAP2 spectrum. There was a general view that consumer engagement needs to be working to move some interactions and engagement processes ‘to the right’ of the IAP2 spectrum, with the focus being on the “promise to the public” elements of the IAP2 spectrum. There was a diversity of views about whether engagement could or should get to “empowerment.” This recognises the general view that networks do not have much experience in negotiation (as a potential expression of empowerment), though some have staff with high levels of expertise and experience.

It is also important to note that the IAP2 is a spectrum. The spectrum is about identifying a range of engagement options, all of which can be fit the purpose in the right context. Certain business interactions or decisions may be better suited to an ‘inform’ approach, such as a network business advising customers about a planned outage. Similarly other network engagement processes can appropriately happen at varying places within the spectrum.

Australian energy regulation contains a strong ex-ante focus and process. It was noted some UK regulators are giving greater attention to ex post considerations, particularly for capital expenditure. It may be in the best interests of consumers for ex-post type reviews to be more common in network regulation and for consumers to have an active part within these ex-post reviews.

- **The need for an “Agreement” vs “agreement” between networks and consumers:** This could be characterised as asking the question: is agreement a verb or a noun? Or is the process of dialogue and reaching agreement more important than documenting a formal Agreement?

There was widespread support for seeking “agreement” between consumer interests and networks. This specifically was seen about building trust which is an important outcome of engagement and should be two way. It is crucial that means are found to elevate consumer inputs and perspectives within regulatory processes. There was a view held by some that there is a risk that consumers view are listed – to appease the Regulator - but are bypassed in practice. There were also views expressed that some topics are too complex for

consumer input, however others noted that given appropriate support and process, consumers can engage on any topic, no matter how apparently complex it is.

Some network businesses and consumer groups are more equivocal about a formal document of “Agreement” which may be suitable and desirable in certain circumstances. There was a question that if Agreement is to be sought, what is the mechanism and form? For example, in the widely cited Scottish Water example where there is a documented Agreement between Scottish Water’s Customer Forum and the business, the Regulator commences a revenue determination process releasing a number of papers that set the scope and constraints for the regulatory process. So the negotiated Agreement within the Scottish water context comes within a fairly narrow range of options. The current Australian regulatory framework does not impose similar constraints on the regulatory process.

There were questions raised on how important is documentation in an Agreement? Can Agreement be reached, released, understood without separate documentation? Can Agreement simply be incorporated into the networks proposal to the Regulator?

- **Incentives to promote ongoing nature of consumer engagement:** As previously discussed consumer engagement should increasingly be ongoing rather than a revenue proposal only activity.

Many network businesses commented that they are always reviewing their engagement processes and that embedding engagement as business as usual is part of their intent. However there will always be something of a “ramp up” of activity around a regulatory process. Examples of specific ongoing consumer engagement processes include vegetation management, public lighting reference groups and ongoing customer consultative forums or committees some of which have been ongoing for several years.

In some networks consumer engagement staff are also involved with a range of ongoing engagement processes including media, discussions with members of Parliament and public presentations.

Whilst engagement is ongoing for many network businesses some stakeholders commented that there may be a place for positive incentives for consumer engagement to be included in the regulatory framework. For example the PRIMO framework used by the Essential Services Commission of Victoria to regulate the water businesses has incentives for stronger engagement. Similarly the UK has an incentive scheme under Ofgem as part of the RIIO reforms.

An alternative view is that there is no place for incentives regimes with consumer engagement. The consumer engagement is the end focus, not a mechanism for higher returns for network businesses.

### **What could be standardised of common in any engagement process across networks?**

As noted earlier, engagement processes must be fit for purpose for each business and tailored to meet specific business needs and circumstances. However there was an acknowledgement that some form of standardisation in approach and also sharing of insights and consultation processes across network businesses is not only desirable but most likely essential to enable consumer groups and other stakeholders to provide appropriate input. It was viewed as inefficient and impractical for

consumers, consumer groups and other stakeholders to be able to separately manage each network regulatory process.

Recognising this, many network businesses are already collaborating in many areas of consumer engagement.

There were views expressed that the following areas could also be standardised or shared across networks:

- Principles of engagement could be agreed upfront for various types of engagement requirements
- A standard reporting framework or template for consumer engagement could be developed
- Consumer engagement strategy templates or guidelines could also be standardised
- There could be a formal requirement to collaborate on customer research activities and share insights across network businesses.

There was some discussion that the regulatory framework could set some minimum standards regarding spending on consumer engagement so there is no risk of consumer engagement spending being the new gold plating.

#### **Who could represent consumers interests in an engagement process?**

Two key characteristics of consumer engagement are that it must be representative and independent. Consistent with the view that engagement processes must also be tailored for each business and circumstance there were several views on who could represent consumer's interests in any engagement process. This included:

- **Consumers directly** – there is a role for consumers in the discussions and negotiation as well as a role for consumer advocates. For example in focus groups, surveys, deliberative forums, citizens juries all involve direct involvement of 'end consumers'. Consumers can also clearly be involved in lodging submissions to any public consultation process and this was viewed as an important feature of any consumer engagement.
- **Retailers** – many viewed retailers as having strong insights and representing consumer interests and as an industry partner to networks. Also some commented that retailers are also in their own right consumers of certain network services.
- **Consumer advocates** – representing a range of various consumer segments and needs. This can also include consumer advocacy groups and academics building closer links to improve effectiveness.
- **Other stakeholders / service providers** – e.g. developers, energy service providers, local government etc. Similar to retailers these parties also may have relevant insights of consumer perspectives and may also be consumers of network services.

#### **How might consumer engagement be resourced / supported?**

Many networks are making significant investments in consumer engagement and this is expected to continue. However there was clear acknowledgement that the consumer side of any engagement must also be appropriately resourced and supported to achieve the desired objectives. This support and resourcing can come in part from networks but also from other sources such as Government (State and Commonwealth)

As noted earlier there is always a risk of ‘gold plating’ of consumer engagement, however there are reasonably straightforward approaches to manage this risk. There is a greater risk of underfunding and under resourcing consumer engagement with the consequence being a failure to achieve the desired objectives.

Currently resourcing consumer engagement by consumer advocates has a least two parts:

1. The levy that funds projects for consumer advocates through the ECA. Some parties wonder if this levy can be made to work better
2. Resourcing which individual networks put into their own engagement processes.

For consumer engagement to be sustainable and an ongoing part of business as usual it needs to be seen to be making an impact. This requires clear outcomes of consumer benefit being presented by network businesses. This will help support any business case for consumer engagement and fair resourcing. It is unreasonable to expect consumers or consumer advocates to maintain engagement with no transparency of the impact of their efforts.

Some noted that there was the potential for a jurisdiction based approach of combined engagement across electricity gas and water. Under this approach there would be an expectation that jurisdictional governments contributed to consumer engagement for essential services for that jurisdiction. The risks with this approach include:

- “advocate capture” where jurisdictionally based business staff members and consumer advocates become close to the point that some poor or inefficient practice is deemed acceptable by consumer representatives.
- It will almost certainly lead to consumer detriment particularly in smaller jurisdictions where jurisdictional governments would be unlikely to put much at all into consumer resourcing.
- Jurisdictional based resourcing can also be tenuous with a change in Minister or a change in government reducing or removing funding altogether.

Some noted that the advantage of a national approach to engagement resourcing and support is that people with expertise from outside of any jurisdiction can provide informed critique of aspects of proposal for that particular jurisdiction.

There was some comment on the question of whether resourcing for consumer advocacy should come as a levy like the ECA funding or from the tax base? A clearly hypothecated levy on energy payments is more likely to be sustainable over time with less capacity for political interference.

### **What are the roles of other key stakeholders? e.g .Government, retailer, regulator**

A successful consumer engagement process involves parties beyond the network businesses and consumer representatives. Three specific parties were discussed as having key roles in any successful engagement process. These were the retailer, the Regulator and government.

- **Retailers:** Retailers were viewed as an industry partner sometimes being a key link between the customer and the network. They must make themselves available and be actively involved in consumer engagement processes. Many retailers are actively involved, however it was noted that it can be difficult for some retailers to be involved in every network engagement opportunity given the large number of networks and engagement activities. Some parties discussed the need for appropriate incentives to be in place to ensure retailers participate.

Others noted that many retailers prefer one-to-one discussions with network businesses on specifics rather than broader multilateral processes.

The role of retailer and consumer needs to be clearly understood by network businesses including the question as to whether retailers can at times be appropriate proxies for end consumers? Many parties suggested this was not always the case and that it is not an either/ or decision, but rather that both consumers and retailers must be involved in any engagement process.

- **Government:** It was noted that this included all levels of government, local, state and commonwealth. Government was seen as a key enabler for engagement and that they must not 'block' engagement. Government's role included:
  - Setting the broader energy policy framework and objectives. They should continue to engage as policy is developed and regard consumer engagement on policy issues as separate from the regulatory process which is more strongly defined by the rules
  - Advocating for broader social and economic impacts
  - Providing support for customers (e.g. concessions) and support for funding of consumer engagement.
  - Partnering in consumer awareness and education strategies. This would be most likely in combination with other market bodies, regulators and industry parties.
- **The Regulator (AER):** The role of the AER was also viewed as critical in any consumer engagement process. A strong view was that the AER must be involved throughout any engagement process from the start rather than just at the end as the formal Regulator. There was a view that the AER can help empower customers and provide valuable insights and perspectives to guide and shape customer engagement. There was recognition that the AER are currently not experts in consumer engagement and that they need to develop skill sets associated with consumer engagement as part of their evolution. Some parties said 'they need to move beyond a 'submit and respond approach'.

### **What other concerns that require further consideration?**

There were some areas of concern or comment with the straw man or 'end game'. Many have already been previously covered in this report, so will not be repeated here. The other concerns raised or areas requiring further consideration in the development of any consumer engagement evolution included:

- **The NEO as the guide:** There was some initial discussion about the appropriateness of referencing the NEO in the straw man. Some parties expressed the view that it is not fit for purpose as the NEO does not appropriately reflect the sustainability perspective of the energy trilemma. The view was expressed that consumer engagements and trade-offs should also consider an understanding of the impact of emissions reductions.
- **Consumer impact beyond the immediate regulatory revenue and price process:** An important question is the extent to which consumers can impact on other aspects of a regulatory decision where these areas are subject to other jurisdictional or national regulation; for example technical regulations, OH&S, privacy, bushfire mitigation, service standards etc.

- **What is negotiable and what is not negotiable in an Agreement?** For example recent discussions in New South Wales proposal developments have involved capital contributions agreements between networks and developers. How can these issues and interested parties like developers be represented in an Agreement?
- **Will engagement be ongoing in practice?** A question was raised as to whether consumer engagement is a “political risk management strategy” by Network businesses, or whether it is something more lasting and more likely to be embedded in business as usual for network businesses. In other words is consumer engagement a fad or something much more lasting? Is there a risk of consumer engagement being ‘gamed’ by businesses?

Recent examples of consumer engagement in NSW, for example, reflects the value of repeat engagement with groups representing consumer interests. For example, Essential Energy established deliberative forums, which involved some degree of deliberation in individual (4 hour) forums, but they also went back to the same people in the same locations three to four months later, with very high repeat engagement. Endeavour Energy and AusGrid have undertaken a series of “deep dives” over the early months of 2018 with many of the same group of people involved in each intensive session, building shared knowledge and adding deliberative depth to repeat engagement

## 7. Next steps

Consumer engagement was practically unanimously viewed as being a crucial role for networks that is integral to business strategy and understood to be “the new business as usual”. It must not be viewed as a passing fad or a box ticking exercise or just part of a regulatory reset process.

It was also recognised that the energy industry and consumers are on a journey towards improved consumer engagement, and that there are some questions still to be answered.

We have identified four high priority areas of focus for the next 12 – 18 months to address the key questions and inform the evolution of consumer engagement.

It is important to understand that these focus areas are interdependent, in other words the insights and findings from one area will necessarily influence the considerations and findings of another. These four areas must therefore be viewed as a program of work that needs to be covered rather than a set of four separate tasks.

The four focus areas are summarised in a diagram that highlights their interdependent nature and are explored in further detail below.

1. **Developing a ‘business case’ for consumer engagement:** This is seen as a critical to inform Government policy and funding options and to address the concern that there is a risk of consumer engagement being the next ‘gold plating’. And there is also the risk that inadequate resourcing for engagement will mean network proposals lack adequate scrutiny, leaving the risk that consumers pay more than is necessary.

The question remains as to what is the ‘right’ level of spending on consumer engagement by network business. Stakeholders will need to be convinced that network spending on consumer/ stakeholder engagement is cost-effective and delivers outcomes for consumers.

The business case is not necessarily a formal cost benefit analysis. Rather it will seek to provide a report and analysis to identify the broad costs versus the benefits of engagement and will also include:

- a. Case studies documenting recent network – consumer engagement that detail costs and benefits and lessons learnt.
- b. Relevant insights from other engagement activities such as the AusNet Services Customer Forum trial where opportunities arise, and examples of better practice consumer engagement from related industries such as water industries (for example Yarra Valley Water which ran a successful citizens jury process).

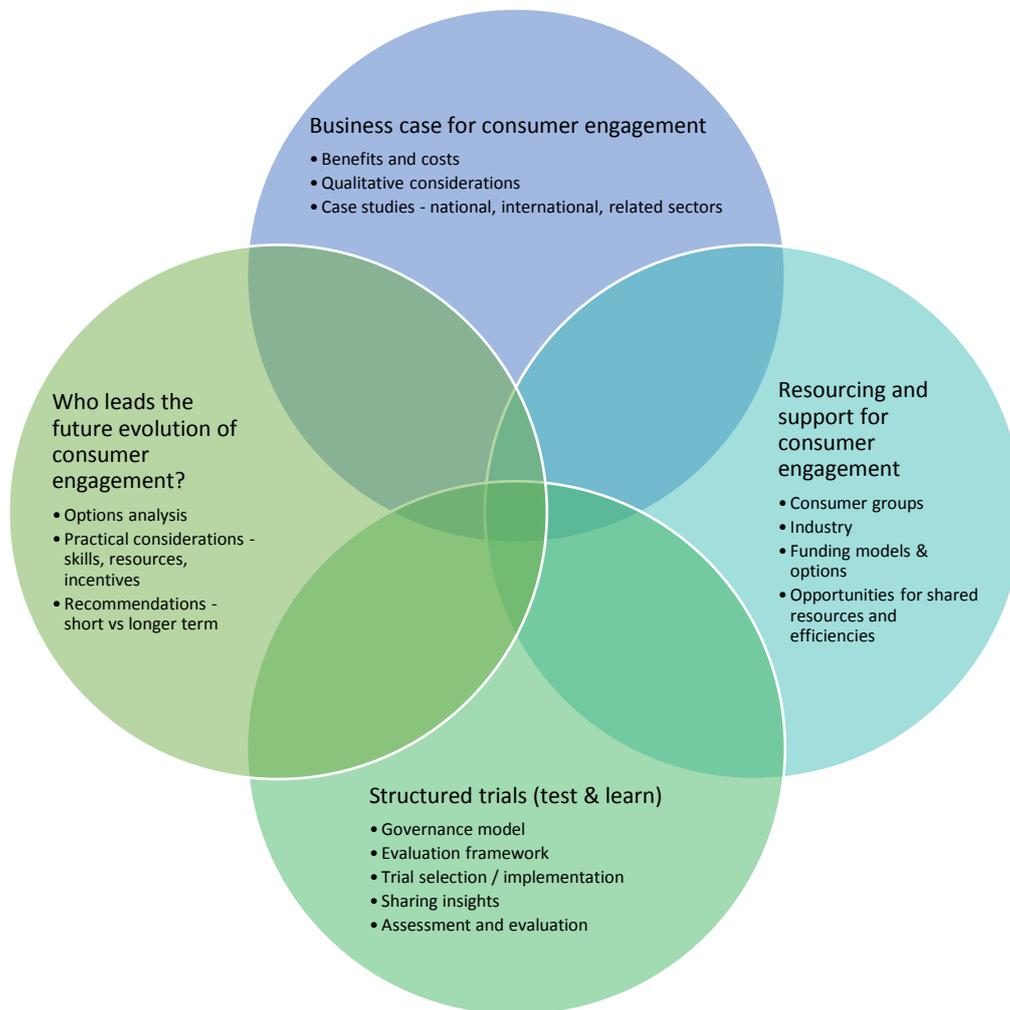
2. **Structured trials:** There are currently a number of trials of varying consumer engagement models occurring across the industry. Clearly the learnings and insights from current and historic trials can inform the business case and also be included in some of the case study and insights materials.

Going forward, there are several trials that could be undertaken by network businesses, but there is a limit to how many of these trials the AER and other stakeholders can be actively involved in supporting and resourcing. Accordingly there is merit in considering a structure framework within which trials can be managed and monitored for maximum industry value. This would include:

- a. **Governance:** Which trials can or should be explored? This should not only be an individual business decision, but also an industry level decision to maximise overall benefit from learnings.
- b. **Evaluation framework:** A standard format for capturing, analysing and reporting the costs, benefits and learnings from trials will be critical to share insights and make appropriate assessments and comparisons across various trials and inform future decision making. A template to ensure information can be captured from multiple angles, such as the network business, the consumer perspective, the Regulator and the broader industry (e.g. retailers, other stakeholders) is required to be developed.

3. **Resourcing and support for consumer engagement:** Consideration needs to be given to the appropriate resourcing and funding model for consumer engagement. The level of costs for consumer engagement is closely tied to the business case analysis, but the funding models and options can be somewhat discrete. This should also consider options for shared resources and areas for efficiencies.
4. **Who leads the future evolution of consumer engagement?** The question of who leads the future evolution of consumer engagement is would be closely tied to the resourcing and support question. However this can be viewed on both a short term horizon (e.g. the next 18 – 24 months) and a longer term horizon once the learnings and insights from the trials and business case have been implemented.

## Next Steps regarding Network Businesses and Consumer Engagement



## Glossary / definitions

- 1. Deliberation:** a process spanning over at least a couple of weeks where a group of people from a range of consumer perspectives are brought together at least twice and take in to facilitate a process, not from the network business, to consider an important topic of some complexity. Citizen juries are one form of such deliberative processes
- 2. Negotiated agreement:** documentation about the negotiation undertaken to reach areas of agreement, between the network business and relevant stakeholders
- 3. Agreement:** some form of documentation of areas of agreement between accepted consumer interests and network business that is presented to the Regulator with lodgement of a regulatory proposal
- 4. Deliberative forum:** a gathering of at least 50 people from a range of consumer perspectives were guided through a process of open questions and discussion for at least four hours. These forums are not as intense or time consuming as a full deliberative process, but provide for more thought / discussion by participants than a focus group.
- 5. Deep dive.** Detailed consideration of a more complex or contentious issue that is part of a regulatory proposal, by small groups of people with relevant expertise, from different perspectives. Ideally the Regulator is a participant
- 6. No surprises proposal:** regulatory proposal lodged under the rules where no stakeholder, including the Regulator, finds any aspect that they were not expecting. Note that 'no surprises' does not mean agreement, it means that where there are points of disagreement between any parties, these have been identified and fully explored
- 7. Fast track:** consideration of a regulatory proposal by the regulator, that takes less time than a standard process. The decision making being fast tracked due to extensive engagement with stakeholders, including consumers, prior to lodgement. We note that fast tracking is currently not possible under the electricity rules in Australia, but is an option for Ofgem, UK
- 8. Front End:** this seems to be emerging for a process whereby a network business releases details of their intended regulatory proposal at least four months before lodgement, in order to engage with stakeholder interests and the Regulator, to lead to a 'no surprises' proposal on lodgement
- 9. Consumer Engagement:** "end consumers and network businesses working collaboratively, through inspired action and learning, to create and realize bold visions for their common future"
- 10. Stakeholder Engagement:** all relevant parties and network businesses working collaboratively, through inspired action and learning, to create and realize bold visions for their common future.
- 11. Consumer interests"** is a broad term intended to include any bill paying consumer from a household or business, as well as community based consumer interest groups and advocates as well as industry associations, including primary producers, it is an inclusive term.
- 12. Customer Forum:** a group of people appointed to represent a range of consumer interests and to seek agreement with the network business on a regulatory proposal, having access to all information the network business also accesses.
- 13. NewReg:** An enhanced, more open approach to electricity network regulation to be tested via a trial with Victorian distribution network AusNet Services and overseen by The Australian Energy Regulator (AER), Energy Consumers Australia (ECA) and Energy Networks Australia (ENA)<sup>5</sup>

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<sup>5</sup> <https://www.aer.gov.au/system/files/NewReg%20Approach%20Paper.pdf>