

AGN Victoria/Albury Reference Group – Meeting 2 Minutes

1.1 Details

Date:	Thursday 4 February 2016
Time:	1.30pm – 3.30pm AEDT
Location:	Deloitte Offices, 550 Bourke Street Melbourne
Dial-in:	Available upon request
Resources:	Final Draft Reference Group Charter (circulated with Agenda) Final Draft AGN Victoria/Albury Stakeholder Engagement Scoping Paper (circulated with Agenda) Victoria/Albury Consolidation Process (circulated with Agenda) Victoria/Albury Stakeholder Engagement Strategy (circulated on 2 February) Deloitte Presentation (provided at meeting)

1.2 Attendees and Apologies

1.2.1 Attendees

Reference Group	AGN
Gavin Duffy (St Vincent de Paul Society)	Ben Wilson
Ken Gardner (Master Plumbers Association)	Craig de Laine (Chair)
Ben Martin Hobbs (Consumer Utilities Advocacy Centre)	Anna Mitchell
Randal Harkin (COTA VIC)	Shaun Spinks (Deloitte)
Observers:	
Marisa Papas & Catherine Gip (Ausnet Services) Stephanie McDougall (Multinet)	

1.2.2 Apologies

Reference Group	AGN
Jon Onley (Australian Industry Group)	None
Mick Butera (NORTH Link)	

1.3 Minutes

The meeting commenced at approximately 1.35pm AEDT.

1. Welcome

- AGN (Ben Wilson (BW)) welcomed the Victoria / Albury Reference Group (VARG) and thanked them again for their attendance. All members introduced themselves. BW introduced observers from the two other Victorian distributors (Ausnet and Multinet) who were in attendance to the VARG in an attempt to address issues such as 'engagement fatigue'. AGN highlighted that the VARG is an important part of our stakeholder engagement program and emphasised that we want the VARG to help drive the agenda for future meetings.
- BW spoke to a short presentation stopping throughout for comment and questions. Key points noted by BW included:
 - Victoria has the largest network for AGN with number of customers approx. 650 000.
 - AGN's vision is to be the leading gas distributor in Australia.
 - Performance is measured against AGN's Vision.

- Customer service is relatively discreet i.e. new connections, unplanned outage and planned outages. AGN is in the process of implementing a Customer Satisfaction Survey (utilising Customer Service Benchmarking Australia CSBA) on a monthly basis.
 - AGN's commitment to stakeholders is AGN will report annually on their KPI's.
ACTION: AGN to provide updates on Customer Satisfaction Survey progress and findings.
- Member comments on BW's presentation:
- One member offered some advice (as a member of YVW reference panel who have very similar issues) that there may be other ways to look at interactions and benchmarking ie. Call Centre matrix.
 - Same member asked if AGN standardises complaints as a ratio and if there was a seasonality of complaints, and suggested that there could be some benefit of 'explaining these out'.
 - One member questioned if AGN were on a price cap, AGN confirmed that Tariffs are fixed.
 - VARG questioned AGN's KPI for escapes (UACF), if AGN is reducing leaks, it could be an opportunity for a good news story, environmental report regime.
- ACTION: AGN to follow up with GD/YVW re opportunities for customer service benchmarking and measuring customer complaints.

2. Review of Meeting 1 Action Items

- AGN (Anna Mitchell, (AM)) updated the group on the status of Previous Action items:
 - 2016 meeting dates and times – placeholders have been emailed.
 - Meeting 1 minutes – finalised and circulated, to be uploaded to stakeholder website shortly.
 - Funding update – forms available to reference group members to complete and return to Anna Mitchell by 19/2/16.
- AM thanked the group for feedback on the 2 key documents;
 - AGN's Stakeholder Engagement Scoping Paper, thanking those who provided feedback, which has since been incorporated into the document, and which also indicates the group was satisfied with the document.
 - The Reference Group Charter was also updated to incorporate feedback from AGN's two other Reference Groups (South Australia (SA), and Retailers) for consistency.
 - GD made the suggestion that AGN may want to nuance the word 'body' to people who are / represent organisations/institutions, or special interest groups, and also suggested a review period for the group.
 - ACTION: AGN to include feedback into Charter and finalise.

3. Update on Victoria/Albury Consolidation Process (circulated with Agenda)

- AGN (Craig de Laine (CdL)) spoke to the materials circulated prior to the meeting stopping throughout for comment and questions. Key points noted by CdL included:
 - This group were broadly supportive of AGN's application for consolidation.
 - AGN's view is this consolidation is very much an administrative issue that joins the two access arrangements together.
 - Submission made to the AER on 9 November 2015.
 - AGN have had subsequent discussions with the AER (as well as other stakeholders), and the view is they are also supportive of consolidating the AA but the AER will place key conditions on that support.
 - The first key condition will be that the AER will likely require AGN to maintain a separate Regulatory Asset Base for Victoria and Albury networks.
 - AER will want to ensure that there is no price cross-subsidisation between Albury and Victoria as a result of the consolidation.

- Another key position the AER will be seeking will be to maintain a separate pricing zone for Albury, (effectively continuing the Albury tariff zone) to ensure there is no cross-subsidisation as a result of the consolidation process.
 - Next steps: AER will distribute a position paper on Friday 5 February and they will be seeking comment from Stakeholders.
 - CdL has requested that any position paper released by the AER on this matter should be distributed to this RG and confirmed that the RG gave their approval for AGN to provide to their details to the AER. All in agreeance.
 - Position paper will have a one month consultation period, final decision handed down in March 2016.
 - VARG asked AGN what the regulatory costs were, were there any savings by consolidating?, CdL confirmed AGN included an estimate, in the application to the AER, savings are not likely to be substantial, as cost allocation methodology is applied ie. Customer numbers.
- ACTION: AGN to distribute information regarding regulatory compliance costs in application to AER submission (headline numbers).

4. Victoria/Albury Stakeholder Engagement Strategy (circulated on 2 February)

- CdL commented that this presentation mirrors and expands on AGN's Scoping Paper (as presented to the group previously), it also incorporates learnings from SA over the last 12 months. The Scoping Paper sets out to inform our Stakeholder Engagement **Strategy**, in particular Who we engage with, How we engage, and What we engage on.
- CdL spoke to the presentation stopping throughout for comment and questions. Key points noted by CdL included:
 - AGN see Stakeholder Engagement as being a crucial part of our business to ensure AGN are operating in a manner that is consistent with promoting the long term interests of the consumers.
 - One member noted there was conflicting information about Stakeholder Engagement and the long term interests of consumers, consumers being those who 'consume' your products, stakeholders may be other parties ie. Non gas consumers. CdL agreed and commented it was a lesson learnt from SA and is reflected in the Strategy for Victoria / Albury.
 - AGN in Strategy Phase right now. Defining Who we engage with, How we engage, and What we engage on and that is what we are seeking feedback on. AGN is actively seeking feedback on the Strategy.
 - Next step is Research Phase: AGN will have a high regard to transparency.
 - Deloitte will be an important part of the research process.
 - AGN will not use Stakeholder Engagement to underpin the business strategy, rather to inform decisions.
 - Key difference of the process for Victoria/Albury AA compared to previous reviews: AGN will put out a Draft Plan on 5 July which will set out what we've heard and how we've reacted. This will also provide for the opportunity to further engage, and obtain feedback on Draft Plan from the Reference Groups.
 - Key next step is to finalise our Victoria/Albury Engagement Strategy
 - Key learnings: BW noted SA review has highlighted the need to be thoughtful about how we engage on the mains replacement program in Victoria/Albury.
- **Stakeholders discussion:**
 - Vulnerable customers, in SA, AGN learned that there were already specialist groups dealing with vulnerable customers and AGNs role was to assist them and work together.

- Different types of vulnerability i.e. Is it a pricing vulnerability, is it maintaining access, which might allow AGN to select the right group to have a conversation with. i.e. planned works in the middle of winter may create vulnerability.
- CdL asked group for feedback on the Stakeholder and Consumer list and the proposed approach.
- Suggested theme for consultation: Timeframe of investment being sought i.e 5, 10, 15 years. CdL commented that AGN learned that AGN needed to provide context for the consumer workshops and included price forecasts to assist participants answer the questions. AGN to consider extending that.
- Composition of group: AGN addressing the issue of engagement fatigue. CdL asked for any feedback of appropriate representation on the VARG. Suggestions for representatives of special interest groups such as regional areas, multicultural communities.
- AGN also commented that obtaining opinions of stakeholder / special interest groups will be undertaken during the research phase, by approaching those who declined the invitation to the reference group due to time constraints, with the offer of deep dive or 1:1 interviews.
- Other considerations: Local Government, Property Developers

ACTIONS:

AGN to provide definition of vulnerable customers for comment.

AGN to extend invitations to Regional Representatives (i.e Vic Farmers Federation), COTA Council may also be able to provide regional representatives and review other suggestions.

- Workshop locations discussed, agreed a good demographic profile.

ACTION: AGN to provide Workshop details to VARG once confirmed

- **Topics discussion: 5 Broad Themes**

- One member suggested AGN was missing non market participants, ie non-traditional retailers. CdL confirmed opportunity with the VARG AIG representative of the group who is also involved in (Gas Appliance Manufacturers Association of Australia (GAMA) who has offered to assist facilitate further engagement in this area with their members.

ACTIONS:

AGN to further pursue discussions with AIG / GAMA re non-traditional retailers.

AGN to consider future management system suppliers as a future stakeholder.

AGN to ensure education and information is an engagement theme, ie average emissions.

5. Deloitte Stakeholder Engagement Approach (presentation provided at meeting)

- Shaun Spinks (SS) spoke to his presentation stopping throughout for comment and questions. Key points noted by SS included:
 - This program is a partnership between AGN and Deloitte.
 - Deloitte will assist design the program, prepare for that program, conduct the engagement activities and help AGN help integrate that back into the business, and go back to the customers and share how AGN have responded/reacted.
 - VARG made a suggestion for ongoing engagement; future research be conducted at the end of winter to highlight the value of gas.
 - To obtain different customer segments opinions, AGN will instigate co-designed sessions as required, specifically for topics that might 'pop' out in initial research that may require further engagement and deeper level conversations around issues such as mains replacement.
 - GD questioned AGN's obligation and use of customer charters and suggested this could be an ideal opportunity to educate and inform consumers of AGN's value proposition.

ACTIONS:

AGN to circulate Deloitte presentation.

VARG to consider any other topics for engagement and consumer questions and advise AGN.

AGN to distribute workshop materials to VARG for feedback/comment.

AGN to send GD AGN's Tariff Structure link to website.

6. Next steps

7. Thanks and close

- The meeting concluded at approximately 3:35pm AEDT.

1.4 Action Items

• **Victoria/ Albury Reference Group:**

- By 19 February 2016: Return completed payment forms to Anna Mitchell.
- One week after circulation: Provide feedback on meeting minutes.
- Ongoing: Advise potential agenda items (at least three weeks prior to meeting).

• **AGN:**

- Circulate draft meeting minutes (final minutes to be circulated post feedback from the Reference Group).
- Ongoing: Provide updates on Customer Satisfaction Survey progress and findings.
- Follow up with GD/YVW re opportunities for customer service benchmarking and measuring customer complaints.
- Incorporate additional feedback into Reference Group Charter.
- Distribute information regarding regulatory compliance costs in application to AER (headline numbers).
- Provide definition of vulnerable customers for comment.
- Extend invitations to Regional Representatives (i.e Vic Farmers Federation) and review other suggestions to ensure correct composition of VARG.
- Provide Consumer Workshop details to VARG once confirmed.
- Further pursue discussions with AIG / GAMA re non-traditional retailers.
- Consider future management system suppliers as a future stakeholder.
- Ensure education and information is an engagement theme.
- Circulate Deloitte presentation.
- VARG to consider any other topics for engagement and consumer questions and advise AGN.
- Distribute workshop materials to VARG for feedback/comment.
- Send GD AGN's Tariff Structure link to website.

NEXT MEETING: Monday 2 May 2016, 2.30pm – 4.30pm (AEST)