



Part of Energy Queensland

2025-2030 Regulatory Determination Proposal

Customer and Stakeholder
Engagement Strategy

November 2022



Foreword by the CEO

Our Engagement Strategy has been developed with insight provided by our Customer and Community Council and a diverse range of customers from across our respective networks with the aim of bringing a fresh approach to regulatory engagement that places the customer at the centre. To deliver and maintain sustainable networks across Queensland, we will continue to collaborate closely with our customers and stakeholders as our engagement activities occur in the lead up to submission of our regulatory proposals.

Ergon Energy Network's and Energex's commitment to customer centric regulatory proposals is a key focus of our strategy. Our approach seeks to understand the broader community context and how energy forms a part of Queenslanders' thinking of their future challenges. Within that context we have set a range of engagement and consultation activities, principles, and methods to inform and engage customers and other key stakeholders in the development of our regulatory proposals. We are committed to working in genuine partnership with our stakeholders to shape and deliver a regulatory proposal for each business that reflects the outcomes of our engagement process and is acceptable to all parties.

Ergon Energy Network and Energex best practice principles for stakeholder engagement is the foundation and framework for the way we do business. This engagement strategy shapes our conversations to create long term value for our customers and communities across Queensland.

As we progress towards beating 50% by 2030 and moving to 70% renewable energy by 2032 and 80% by 2035, we will progress discussions on our role in the delivery of the Queensland Energy and Jobs Plan and the opportunities this brings for both our businesses, our customers and their communities.

Thank you.

Rod Duke

A handwritten signature in blue ink, appearing to read 'Rod Duke', positioned above the printed name and title.

Chief Executive Officer
Energy Queensland

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1. Introduction and purpose of this strategy



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1.1 Introduction

Ergon Energy Network and Energex 2025-2030 Regulatory Proposal Engagement Strategy

This Engagement Strategy has been prepared to support the development of Ergon Energy Network’s and Energex’s 2025 – 2030 Regulatory Proposals to the Australian Energy Regulator (AER). The regulatory proposal for each business will be submitted to the AER in January 2024.

As part of best engagement practice, the Strategy has been prepared in conversation with Queensland energy stakeholders, residential and business customers, consumer advocates and the community. This has included a co-design workshop with a range of stakeholders and customers from across Queensland as detailed in Section 6.

This consultation has yielded insights that will ensure Ergon Energy Network and Energex are well prepared for the conversations that will form an essential basis to their respective regulatory proposals.

This Engagement Strategy is a live document and will evolve over time as part of ongoing stakeholder conversations, and as the businesses’ revenue and expenditure proposals mature over time and require a flexible approach to engagement.

This Strategy builds on the foundations of Ergon Energy Network’s and Energex’s longstanding commitment to sincere and genuine engagement with our communities and customers.

In an unprecedented period of transformational change across the energy industry, we commit to connecting with our customers and stakeholders and testing new and innovative approaches to engagement. We’re excited to try new things in collaboration with our customers and stakeholders to ensure engagement makes a difference to deliver vital sustainable networks and positive customer outcomes across Queensland.



1.2 Energy Queensland broader strategic context

Customer empowerment and new energy technologies are driving an accelerated paradigm shift across the energy industry. Ergon Energy Network and Energex as part of the Energy Queensland Group are committed to energising Queensland communities through our organisational strategic ambition.

Electric Life is a dynamic future that ensures all our customers experience the benefits of the seamless integration of clean and affordable energy into homes, businesses and communities. Our strategic ambition towards an Electric Life, as per Figure 1, includes two strategic levers.

Our **Enable** lever focuses on ensuring that our business has strong operational performance in our foundational building blocks of:

Safety

- The safety of our people, customers and communities is our first priority.

Keeping the Light On

- We will design, build and maintain a safe and reliable electricity network.

Financial Sustainability

- We will ensure funds spent are done so prudently and we will grow our revenue streams.

People and Culture

- Continue to build a capable and productive workforce to ensure we deliver EQL’s electric life ambition.

Ergon Energy Network and Energex will be integral to the success of the energy transition in Queensland and these strong foundational building blocks will provide the platform for our Evolve strategic lever. By focusing on the needs of our broad customer base, seamlessly integrating emerging technologies and leveraging Queensland’s vastly expanding clean and competitive energy system, Ergon Energy Network and Energex will be at the forefront of empowering households, businesses and industry.

Our **Evolve** building blocks include:

Engage

- Engaging our people, stakeholders, customers, and communities.

Electrification

- Further electrification of new loads and enabling the integration of renewables and energy solutions.

Environment

- Reducing EQLs emissions, moving towards 70% renewables by 2032 and ensuring our assets are resilient.

Our Strategic Building Blocks

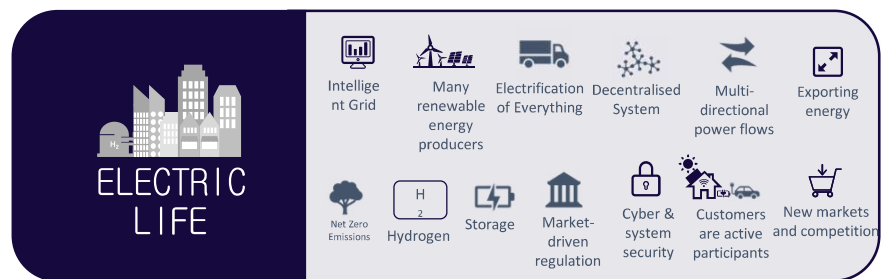
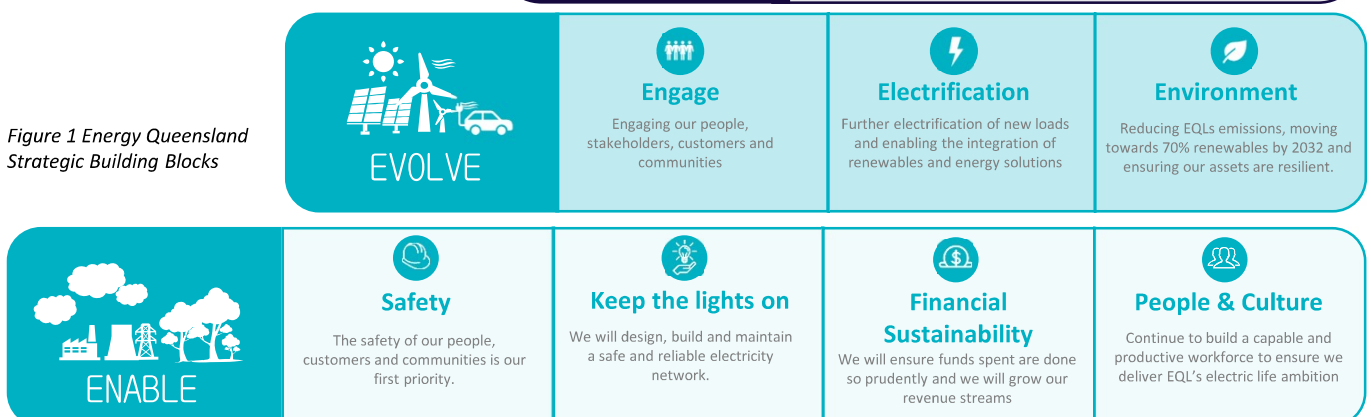


Figure 1 Energy Queensland Strategic Building Blocks



Energy Queensland stakeholder framework

The Energy Queensland Strategic Framework, outlined in our Statement of Corporate Intent, provides a clear strategic focus for working with stakeholders. Figure 2 below describes the need for strong partnerships and close engagement with:

- Our customers
- Our communities
- Our employees
- Our key stakeholders including government and industry regulators
- Our existing and emerging industry partners including our energy retailers, electrical contractors and technology providers.

The Energy Queensland vision is to energise Queensland communities. Consistent with the vision, the purpose of Energy Queensland is to safely deliver secure, affordable and sustainable energy solutions with our communities and customers.



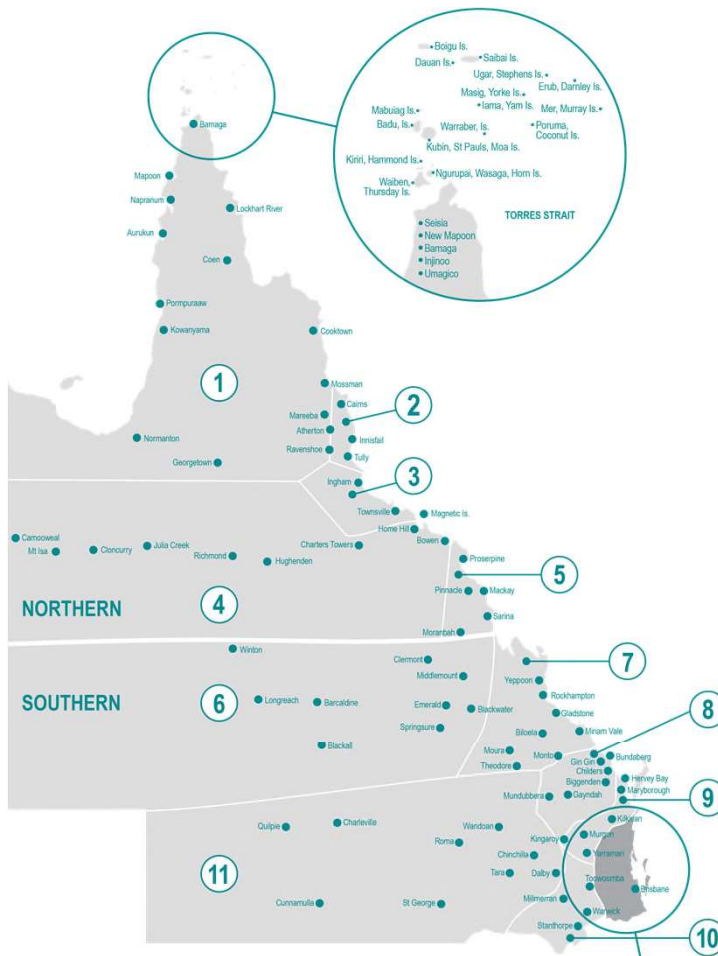
Figure 2 Energy Queensland stakeholder segments

1.3 Introducing Ergon Energy Network and Energex



Ergon Energy Network's distribution network supplies North, Central and Southern Queensland.

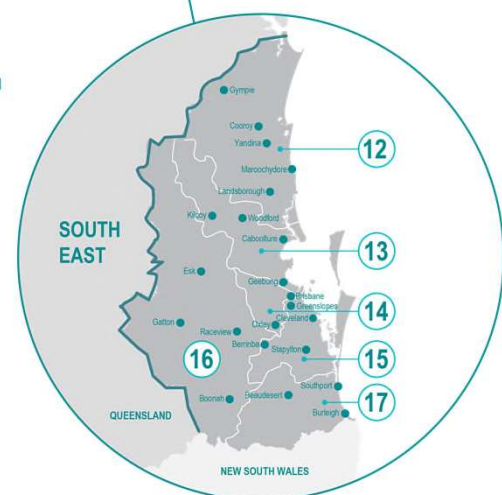
Around 70% of the Ergon Energy Network runs through rural Queensland, across a vast service area, by far the largest in the National Electricity Market, with lower population densities per network kilometre.



Our 17 service areas

- | | | |
|------------------|---------------------|---------------------|
| 1 Far North | 7 Capricornia | 13 Brisbane North |
| 2 Tropical Coast | 8 Bundaberg Burnett | 14 Brisbane Central |
| 3 Herbert | 9 Fraser Burnett | 15 Brisbane South |
| 4 Flinders | 10 Darling Downs | 16 Ipswich Lockyer |
| 5 Pioneer | 11 South West | 17 Gold Coast |
| 6 Central West | 12 Sunshine Coast | |

- Regional Network - Ergon Energy Network
- South East Network - Energex
- Depot locations



Energex's distribution network supplies electricity to South East Queensland, servicing high density population areas, including Brisbane Central Business District, the Gold Coast and Sunshine Coast areas, as well as the South East's extensive urban and rural areas.

Figure 3 Ergon Energy Network and Energex core service areas

1.4 The electricity supply chain and scope of this engagement

Electricity is provided across Queensland through different organisations that generate energy, transmit the energy, distribute energy and provide energy related retail services to end use customers, some of whom also self-generate additional energy through solar panels.

This Engagement Strategy relates to the distribution of energy via Ergon Energy Network’s and Energex’s extensive network of poles and wires and underpins the customer and community engagement to be undertaken as part of each businesses development of our 2025-2030 regulatory proposals.



Figure 4 Energy Queensland ‘how does electricity arrive at your door?’

1.5 Involving customers and stakeholders in engagement co-design

In July 2022 discussions with Ergon Energy Network and Energex stakeholders identified the intention to ensure proactive consultation and co-design of the engagement strategy supported customers needs and expectations.

Customer and stakeholder engagement took place with a cross section of Ergon Energy Network and Energex customers and stakeholders, including representatives from the Energy Queensland Customer and Community Council, to co-design this Engagement Strategy.

The subsequent online consultation followed a co-design process to develop the Engagement Strategy. It was designed mindful of best practice customer and community engagement described by both the AER in its *Better Resets Handbook – Toward Consumer Centric Network Proposals* and the International Association of Public Participation (IAP2).

This Engagement Strategy supports our Distribution Network Service Providers (DNSPs), Ergon Energy Network and Energex 2025-2030 regulatory proposals to the AER.

The customer journey to co-design this Engagement Strategy

The steps describe the conversations and activities throughout the five-day online engagement process.

- 1 Conversations and activities asked participants to identify their big picture future issues.
- 2 We then considered what are the energy challenges or worries for customers and stakeholders, both for themselves and their regions?
- 3 We then asked - who is likely to be worried about these energy challenges, which communities, which customers, what types of people?
- 4 Conversations next focused on, if Ergon Energy Network and Energex were to develop solutions, how should stakeholders be engaged in the process of considering and designing those solutions?
- 5 Finally, we considered what engagement tools will help customers and stakeholders be engaged and how their feedback can be incorporated?

2. The 2025-2030 regulatory process and timeframe



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2.1 The 2025-2030 regulatory process and timeframe

Ergon Energy Network and Energex have established a timeline for the regulatory reset process, which confirms our commitment to both the requirements in the National Electricity Rules, and some additional consumer centric milestones set out in Figure 5.

Notably, our timeline is supported by extensive engagement already being undertaken through our business-as-usual customer and stakeholder engagement practices.

The timeline includes publication of an early round of expenditure and revenue forecasts and the publication of a Draft Proposal for each business. Each of these important milestones will reflect the results of our engagement journey.

Building upon our ongoing, business as usual engagement and consultation activities, we will continue to incorporate the thoughts and opinions of our stakeholders and customers at every engagement touchpoint across Queensland as we develop our draft and final proposals.

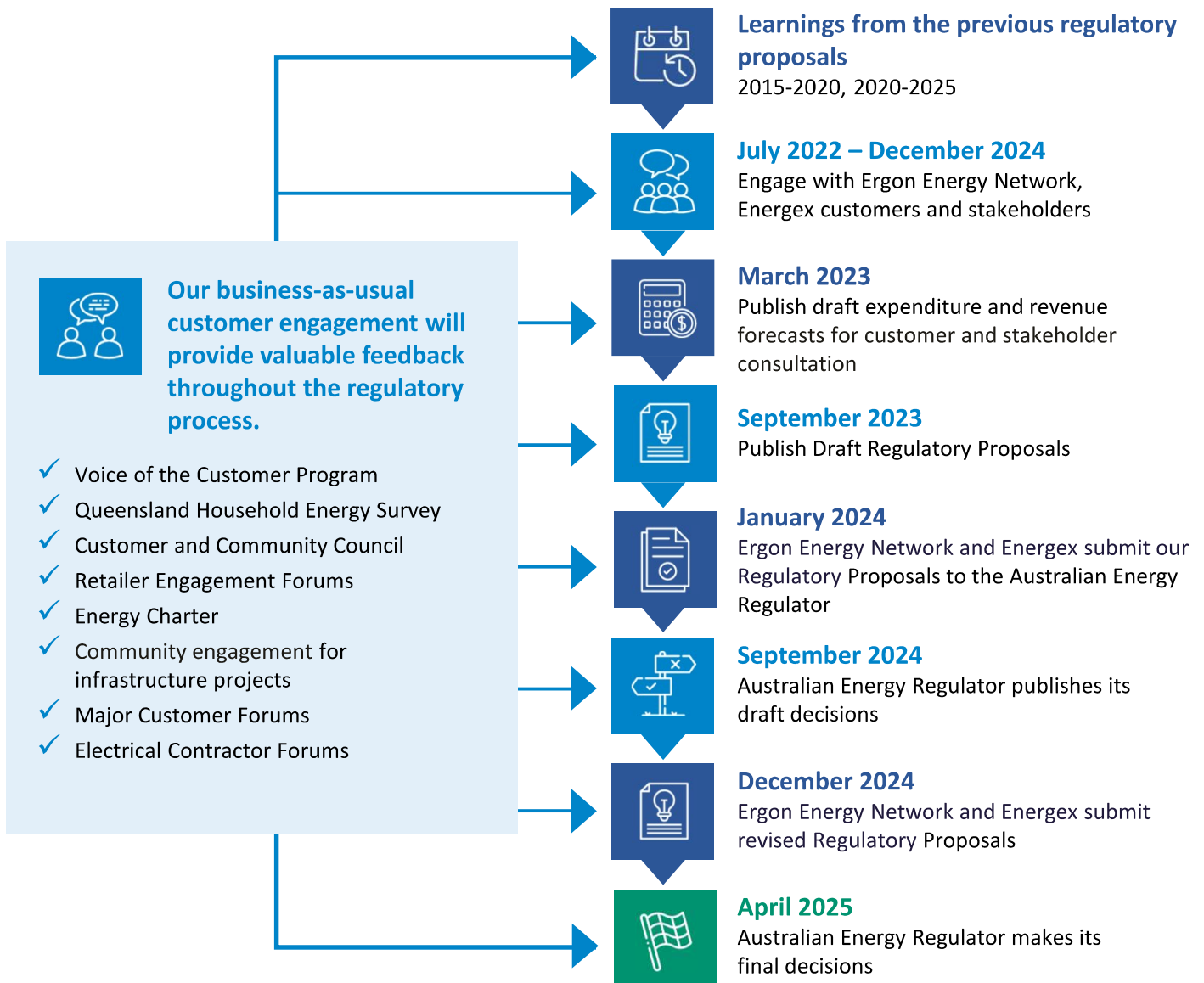


Figure 5 Ergon Energy Network and Energex Regulatory Reset Timeline as at September 2022

2.2 Context to the 2025-2030 regulatory proposals

Customers are becoming increasingly aware of their energy needs and the range of solutions available and we are committed to understanding these in their entirety. This Engagement Strategy builds on our established foundation of genuine and sincere engagement and affirms our commitment to try new and innovative approaches to engagement, in partnership with our customers and key stakeholders.

We agree with the AER’s view, as detailed in the *Better Resets Handbook*, that *different consumers will have different preferences in how they engage in the development of regulatory proposals and participants should have input into designing how they participate*, and we have developed our Engagement Strategy with this in mind.

What are the current factors influencing Ergon Energy Network's and Energex's approach to stakeholder and customer engagement?

Context	Our actions at the beginning of the 2025-2030 regulatory process
<p>1 Energy is currently very topical – it’s a regular part of household and business conversations.</p>	<p>We commit to consulting with our communities and customers to ensure we are aware of their ideas and concerns and can therefore incorporate these in our regulatory proposals.</p>
<p>2 Queensland is geographically extensive and the regulatory consultation process will be wide-spread across the state.</p>	<p>We are committed to broad engagement with our customers and communities. Well designed and accessible online tools will increase our success in including people from wide-spread geographic areas.</p>
<p>3 There are increasing calls for community engagement to be innovative and improve on the ways we seek breadth and depth of participation.</p>	<p>We are prepared to try something new to create meaningful customer and stakeholder conversations. Having customers help design the Engagement Strategy is a first step. We will seek innovative ways to continue to engage our customers.</p>
<p>4 Household and media discussions around climate challenges and the topical Australian energy crisis as the shift to renewables continues.</p>	<p>It is likely that crisis thinking and community resilience planning will continue to evolve rapidly. Collaborative planning may include working alongside other national DNSPs.</p>
<p>5 Energy affordability and the current cost of living crisis.</p>	<p>Our customers need us to take into consideration the cost of living crisis and to gain a deep understanding of what customers see as affordable energy. Our regulatory proposals must respond to this.</p>

2.3 Customer and Community Council insights on the proposal context

Feedback was provided by members of the Energy Queensland Customer and Community Council in mid-2022 regarding the key contextual issues underpinning the 2025-2030 regulatory process. These are summarised below.

- Addressing the unique characteristics of each DNSP.** Ergon Energy Network and Energex are distinct in geography, network size, and customer numbers and needs. However, these differences and the unique challenges and opportunities they bring are not always apparent to our customers and stakeholders.

Given this it is essential that the approach to engagement ensures that each DNSP’s regulatory proposal is developed in consideration of these unique challenges and opportunities.
- Making informed investment decisions that address community needs.** With the rising cost of living across the country, energy affordability will be important for customers across both networks. Customers will want to know if and how Ergon Energy Network and Energex plan to address the affordability challenge in developing their regulatory proposals.
- Being transparent with customers and the community on processes, particularly regarding pricing and renewables.** It will be important to ensure transparency of engagement process and investment outcomes. Customers will be particularly interested in understanding how the introduction of renewable energy technology may impact on customer bills.
- Customers should be front and centre.** There are multiple stakeholders involved in a regulatory reset process. It will be crucial to ensure engagement maintains focus on the community and customers. This approach will help to maintain a relationship of trust in the process to develop the 2025-2030 regulatory proposals.



2.4 The engagement process for our 2025-2030 regulatory proposals

We recognise the critical role our customers and stakeholders have at each stage in the engagement process. Our commitment to broad and deep engagement across our diverse customers and stakeholders, in developing our regulatory proposals, will help to shape a regulatory proposal for each business that is supported by all parties.

Customer participation is vital and will shape the evolution of our proposals to deliver better outcomes for our customers.

Our phased engagement process lifecycle:



Engagement planning: July – October 2022

- We have developed our draft engagement plan to guide: Who we engage with (Section 3.3); What we engage on (Section 7.1); and How to engage with them (Section 8.1).
- What are the future energy challenges for customers?
- What groups are important to be recruited or participate?
- We have appointed members to our Reset Reference Group (RRG).
- This group's views will help plan and design wider and deeper customer conversations.



Phase one – setting the scene and understanding our customers: By end-2022

- We will undertake a meaningful search for stakeholders who will continue with the regulatory reset dialogue.
- Our engagement will confirm the customer energy priorities and what information they will need to make informed decisions?
- Customer recruitment gets underway to participate in big picture energy discussions.



Phase two – detailed understanding our customer needs: March 2023

- To properly consider customer feedback on proposals, we want to achieve a clear understanding of customers' expectations and priorities in relation to key service outcomes.
- Stakeholder groups will include councils, community groups, environment groups, consumer and public interest groups considering how their energy planning will occur.

Our phased engagement process lifecycle (Cont'd)

Phase three – collaborative customer processes to ‘deep dive’ on issues April – June 2023

- Our stakeholder groups will continue engaging in dialogue in the development of each draft proposal. Groups will include councils, consumer and public interest groups, community groups, and environment groups.
- Engagement with our customers across Queensland will take place to facilitate deeper dive discussions in which future plans and their potential cost to the consumer are deliberated alongside program preferences for the next regulatory period.

Phase four – testing the Proposals and closing the loop with our customers and stakeholders September 2023 – end 2024

- The selection and delivery of engagement activities will be tailored to each target audience, segmented by factors including DNSP provider, geographical location, energy needs, engagement preferences.
- Draft final proposals for Ergon Energy Network and Energex will be developed collaboratively with customers and stakeholders.



3. Who is the Queensland energy customer?



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3.1 The Queensland community at a glance

The 2021 Snapshot of Queensland

Queensland population characteristics are described below.

Population growth - The estimated resident population as at 31 December 2021 was **5,265,043** persons¹, released by the ABS publication Australian Demographic Statistics. This was up from 4.7 million in 2016.

Culturally and linguistically diverse - After English, the most common languages used at home were Mandarin (1.6%), Vietnamese (0.6%), Punjabi (0.6%) and Spanish (0.6%).

ABS 2021 Census data characteristics are described below²



The median age on the rise

The median age for people from Queensland has been on the rise. The median age was 37 years in 2016 and 38 years in 2021.



Income inflation

In Queensland, the median weekly income was \$787 for individuals and \$2,024 for families in 2021. These increased from 2016 when the incomes were \$660 for individuals and \$1,661 for families.



Households are shrinking

Households are getting smaller in Queensland. In 2021, the average number of people who lived in each household in Queensland was 2.5, a decrease from 3.3 people in 1971.



Types of dwellings

In 2021 people primarily lived in separate houses in contrast to living in flats, apartments or other dwelling types. This was a decrease from 76.6% in 2016.



Breakdown of population

The most recent census data estimates that the approximate population of Queensland is 5,265,043 people, this can be broken down into Local Government Areas (LGAs) or into cities by region. These figures are accessible on the ABS and Queensland government websites.



Most populated local government areas

The top three LGAs by population are Brisbane (1,264,024 residents), Gold Coast (633,764 residents) and Moreton Bay (484,428 residents).



Aboriginal and Torres Strait Islander population characteristics

The top Queensland Local Government Areas with the greatest percentage of Aboriginal and Torres Strait Islander people are Cherbourg (96.4%), Yarrabah (95.9%), Wujal Wujal (93.5%), Woorabinda (91.6%) and Palm Island (91.4%).

¹ Queensland Treasury, September 2022, Queensland Population Counter, accessed online.

² Australian Bureau of Statistics, June 2022, Snapshot of Queensland, accessed online.

3.2 Considering engagement regions in Queensland

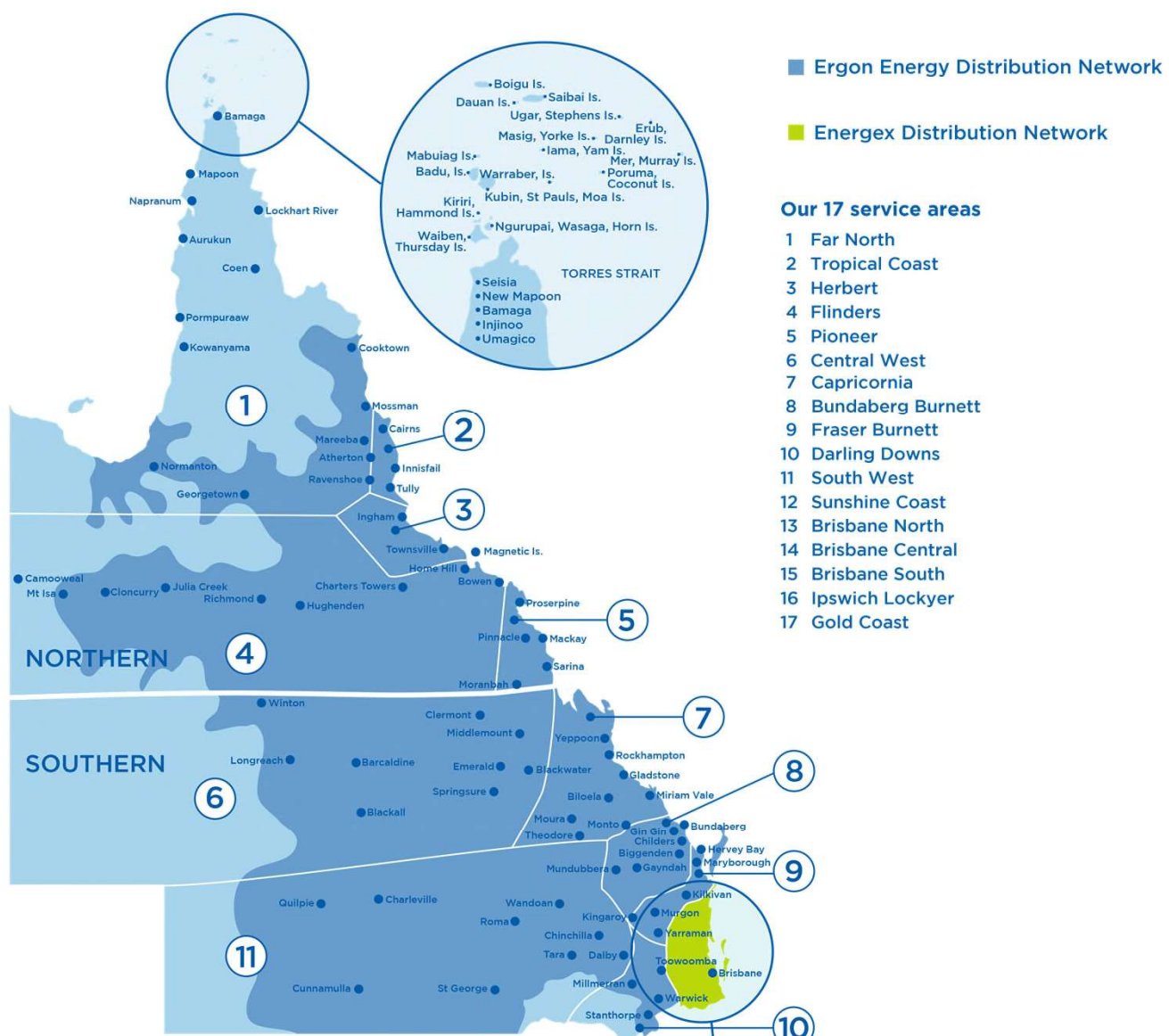


Figure 6 Regions of Queensland

Customers and stakeholders participating in the co-design workshop predominantly accepted these regions to geographically categorise Queensland for engagement.



3.3 Target audiences for future engagement

Following consultation with our customers and stakeholders we have identified and segmented a series of audiences to engage with, recognising the different topics and issues they may be interested in and the different engagement and communication needs they may have.



Residential customers

- Families
- Regional/remote customers
- Renters
- Senior citizens
- People who work from home



Energy innovators

- People with solar
- People with batteries
- People in microgrids or 'fringe' grids
- Communities proposing alternate energy arrangements



Electric vehicle drivers/owners

- People with electric vehicles
- Electric vehicle manufacturers
- Owners of charging stations



Community groups and organisations

- Community support groups
- Non-for-profit organisations
- Community interest groups



Industry groups

- Investment groups
- Industry peak bodies
- Financial advisors



People working in agriculture

- Far North QLD
- North QLD
- Central QLD
- Southern QLD
- South East QLD



2032 Olympics in QLD

- Venues
- Accommodation
- Services
- Olympic villages



People working in or looking for work in the energy sector

- Training and safety advocates
- Electrical contractor associations



Business customers

- Sole traders
- Small-medium enterprise owners
- Large businesses with significant energy costs
- Business groups
- Software/IT businesses
- Tourism businesses
- Financial counsellors
- Developers – residential and other



Government agencies

- Local Government
- State Government
- Federal Government
- State Members of Parliament
- Federal Members of Parliament
- Emergency services, including Queensland Police, Ambulance and Fire



Vulnerable residential customers

- Senior citizens
- People with disability
- People on life support
- Geographically vulnerable customers (remote communities)
- Refugees
- People who are unemployed
- People with English as a second language



Queensland energy retailers



Indigenous communities

- Local Land Councils



Stakeholder feedback management is a critical part of our engagement evaluation framework. It allows for open and accountable two-way communication channels with customers and stakeholders.

4. Energy Queensland stakeholder representative groups



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4.1 Energy Queensland Customer and Community Council

The Energy Queensland Customer and Community Council (The Council) provides a forum for us to work with customer and community advocates.

They explore:

- strategic issues relating to customer and community energy needs and expectations.
- emerging customer and community issues and initiatives in energy infrastructure and services.
- the provision of energy solutions across Queensland.

The Council is established as an advisory body to provide advice and guidance to Energy Queensland. The primary aims of The Council are to:

- provide guidance regarding the needs, views and expectations of customers and the broader community.
- facilitate Energy Queensland's engagement with customers and communities through the members' respective organisations and networks.

Their role in the regulatory reset process

The Council's membership represents a diverse range of customer and community interests in Queensland affected by energy sector services and challenges.

Council members are trusted advisors to Energy Queensland, who can proactively participate in engagement activities. The views held by The Council can stimulate robust discussions around critical planning topics to the regulatory process and help inform decision making in relation to the Ergon Energy Network and Energex regulatory proposals.

The Council will receive briefings from the Reset Reference Group of the engagement undertaken and how that engagement has shaped the development of Ergon Energy Network's and Energex's regulatory proposals.



4.2 Reset Reference Group

To facilitate customer and community participation in the 2025 regulatory process we established the Ergon Energy Network and Energex Reset Reference Group (RRG).

The RRG will ensure Ergon Energy Network and Energex work in partnership with stakeholders, customer and community representative groups to effectively engage on the process and technical development of our respective regulatory proposals. Members will reflect the long-term interests of customers, both residential and business, against efficiency and affordability performance indicators.

Terms of Reference to govern the RRG sets out the proposed governance structure and operating procedures. The group will meet regularly throughout the regulatory proposals preparation period.

Organisational commitment to the RRG

The organisational commitment to the success of the RRG is underpinned by four key actions:

1. Our Board and Executive team have provided their strong support for the RRG as an independent body. This change is needed to remove any perception that the RRG is not wholly independent.
2. The RRG will be empowered to evaluate the two regulatory proposals with rigor. This includes reflective analysis and feedback in relation to issues as we progress the development of our proposals.
3. Independent feedback loops across all engagement activities will consider process improvements and enhance opportunities for further dialogue.
4. An independent report will be prepared that reflects the RRG's assessment of the engagement undertaken and how that engagement has shaped the development of Ergon Energy Network's and Energex's regulatory proposals.



Energy Queensland's 'business as usual' activities through its Customer Advocacy Division will connect with key customer advocates and stakeholder representatives to ask, 'How are we going?' and 'What can we do better?' to gain direct feedback on each engagement activity.

5. Objectives and principles of good engagement



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5.1 Australian Energy Regulator Better Resets Handbook and customer engagement principles

The AER Consumer Engagement Assessment Framework

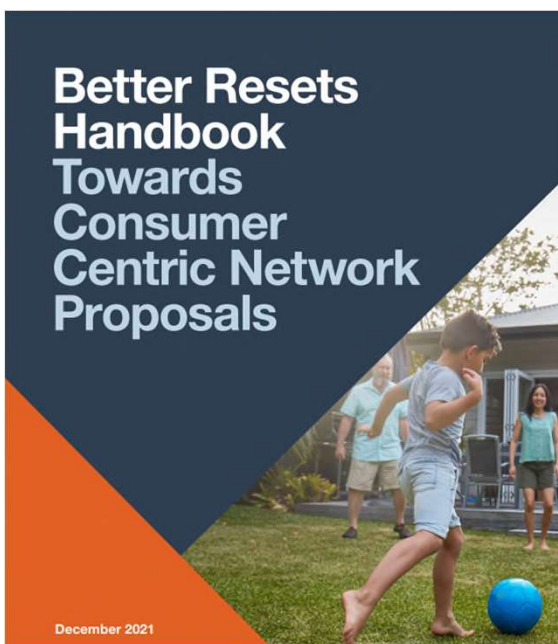
The AER has published its guide to good consumer engagement within the [Better Resets Handbook - Towards consumer-centric network proposals](#). The Handbook encourages DNSPs to develop high quality regulatory proposals through genuine engagement with consumers. Our commitment to the regulatory proposal process is underpinned by the quality of engagement with customers being one of six assessment factors outlined in the Handbook:

1. efficiency of costs
2. **quality of engagement with customers**
3. projected demand for energy
4. age of infrastructure
5. operating and financial costs
6. network reliability and safety standards.

Customer engagement principles

Consistent with our commitment to best practice engagement with consumers in the development of our regulatory proposals, our engagement will:

- **be sincere** – we will sincerely engage with consumers to understand and reflect their preferences in our regulatory proposals.
- **see our consumers as partners** – our consumers will be partners in forming our proposals rather than simply being asked for feedback.
- **equip consumers** - to equip consumers we will provide them with accurate and unbiased information necessary to meaningfully participate.
- **be accountable** – we commit to transparent reporting and consultation on the delivery of commitments.
- **have breadth and depth** - a wide variety of avenues will be used to engage with a wide variety of consumers.
- **be reflected in the final submission** – demonstrating clearly evidenced impact.



5.2 International Association of Public Participation best practice engagement framework

Best practice community engagement is established by the International Association of Public Participation (IAP2) including the Australasian Chapter.

Customer and stakeholder expectations around their engagement in the design of projects that affect them is increasing. Levels of knowledge and understanding around how the public can have their say and influence decisions is maturing and one of the objectives in developing this Engagement Strategy was to understand these expectations.

The IAP2 framework has core values that we have listed. The IAP2 Spectrum of Public Participation is shown in Figure 8. It is designed to assist with the selection of the level of participation that defines the public’s role in any community engagement program. The spectrum shows that different levels of participation depend on the goals, time frame, resources and levels of concern in the decision to be made. Most importantly, the spectrum sets out the promise being made to the public at each level of participation.

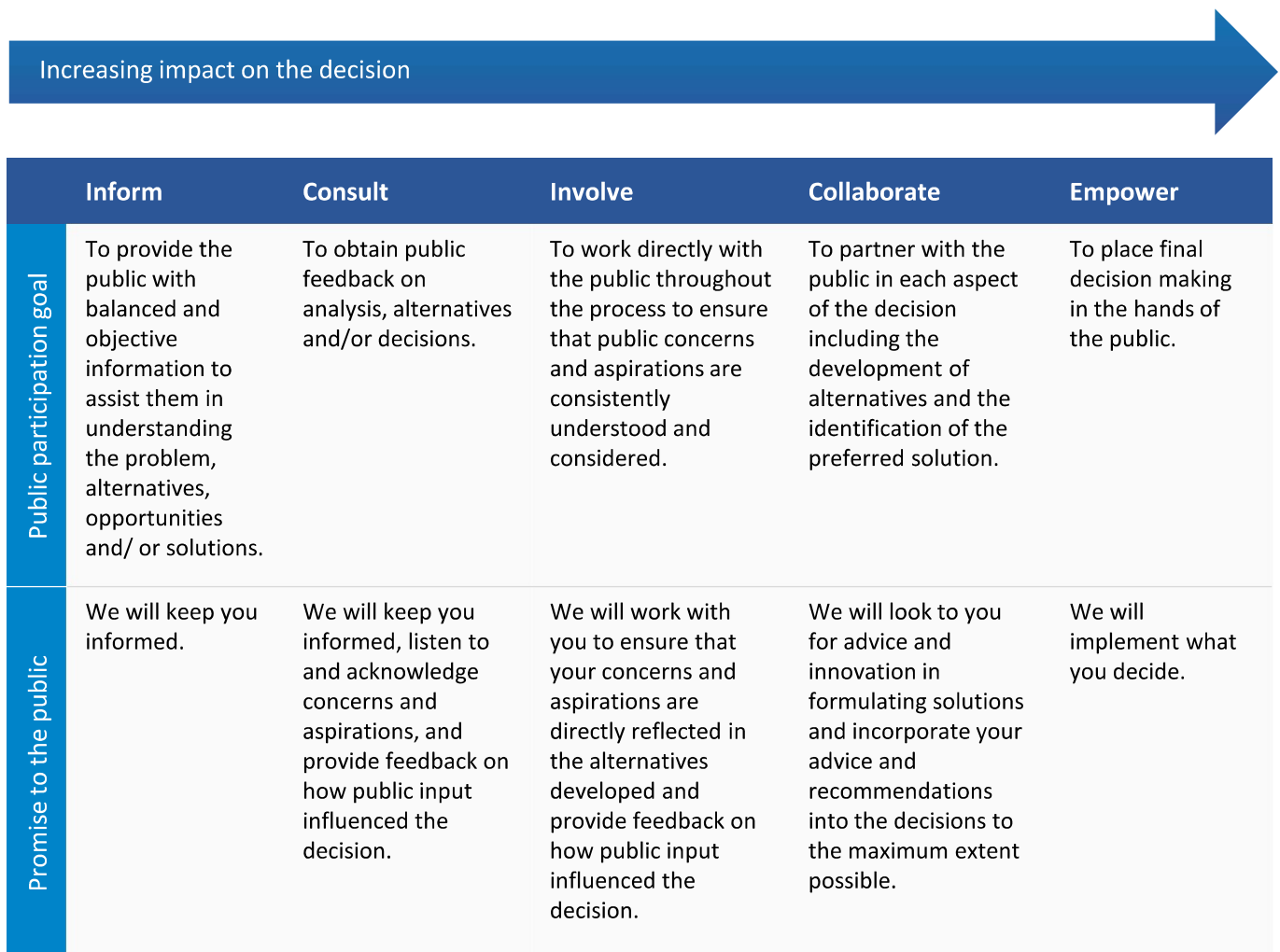


Figure 8 IAP2 Spectrum of Public Participation, Source: <https://iap2.org.au/resources/spectrum/>

Good engagement is based on the following IAP2 core values.

- A belief that those who are affected by a decision have a right to be involved in the decision-making process.
- Includes the promise that the public’s contribution will influence the decision.
- Promotes sustainable decisions by recognising and communicating the needs and interests of all participants, including decision makers.
- Seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
- Seeks input from participants in designing how they participate.
- Provides participants with the information they need to participate in a meaningful way.
- Communicates to participants how their input affected the decision.



The importance of feedback

What we heard from Customer and Community Council members

The community will have a long list of things they would like to see in scope for future customer engagement. The engagement challenge will be to identify energy topics that are in scope for Ergon Energy Network and Energex. There will be topics that are outside the control of Ergon Energy Network or Energex. It is difficult to separate these things out for customers, acknowledging they feel strongly on issues around fairness and equity.

There will be deep dive engagement activities with customers, with iterative conversations that will make those non-negotiable items clearer. Energy Queensland Customer and Community Council members feel that Ergon Energy Network and Energex should act on some out-of-scope items if they can, with all customer feedback and insights on all relevant topics providing value.



Staying accountable to the engagement process, from engagement planning through to implementation and evaluation is important to retain credibility in the process with our customers and stakeholders.



5.3 Engagement negotiables and non-negotiables

IAP2’s Quality Assurance Standard for Community and Stakeholder Engagement outlines the identification of negotiables and non-negotiables. There are likely to be elements that cannot be influenced by customers or stakeholders. This may be due to viability, safety or legislative requirements. These elements are the **non-negotiables** and need to be clearly communicated at the commencement of the engagement process.*

Ergon Energy Network and Energex recognise we have a responsibility to clarify the opportunity and set the scene for meaningful input to focus customer and stakeholder attention on the negotiables or aspects that they can influence. Engagement planning will need to be tailored to address the level of customer impact

possible for each negotiable item.

Negotiables and non-negotiables will continue to evolve as internal discussions progress within various governance forums, including AER Consumer Challenge Panel observations, project steering committees, Energy Queensland Customer and Community Council and Regulatory Reset Group meetings.

*Source: [IAP2 Quality Assurance Standard for Community and Stakeholder Engagement, page 17](#)

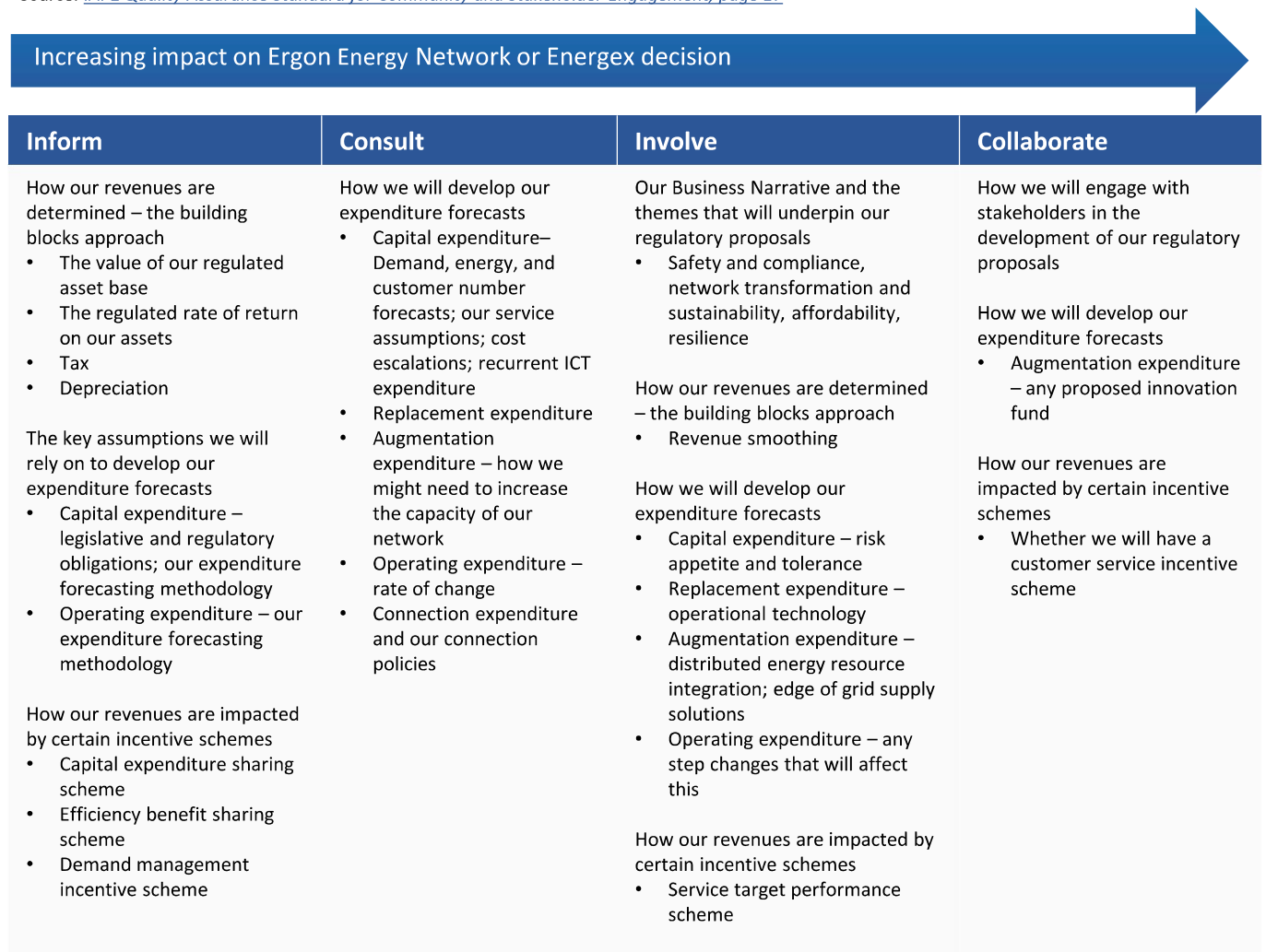


Figure 9 Ergon Energy Network’s and Energex’s spectrum of public participation as at September 2022

5.4 Our principles of engagement

Our principles are the foundation for engagement with customers and stakeholders. These principles previously outworked with our customer advocates, will continue to guide our approach throughout the reset engagement process.

As a result, the co-design engagement methodology was established in 2022 for customers and stakeholders to have their say and contribute to developing this Engagement Strategy.

Our principles of engagement

We're committed to ensuring:

- We're accessible and inclusive in engaging stakeholders
- Our communications are easily understood, timely and appropriate
- Open transparency in our decision-making process and outcomes
- Our engagement is responsive and improves with feedback measurement



Figure 10 Energy Queensland principles of engagement

5.5 Customer and Community Council member insights on good engagement

Further to Section 2.3, members of the Customer and Community Council provided advice on what good customer engagement should look like for this engagement process.

1. Consultation needs to allow enough time to build participant understanding of the material. The complexity of the regulatory process was identified, and the detailed technical information that will be required for participants to engage on regulatory topics.

Ergon Energy Network and Energex commitment: setting the scene appropriately and providing enough context and information to build a foundational understanding of regulatory reset processes.

2. Engaging effectively online is important. Ensuring alignment between and integration of online and face to face tools.

Ergon Energy Network and Energex commitment: consider the presentation of information online, have the ability for customers to ask questions and seek clarification in online engagement, and a way to keep the engagement interesting and stimulating.

3. A clear, consistent demonstration of Executive and Board member presence and commitment to the engagement process. Members of The Council advocated for strong and consistent Executive team and Board member presence, where possible, during consultation activities throughout the regulatory process.

Ergon Energy Network and Energex commitment: The Council forum is well attended by relevant areas of the business, including the Executive Management Committee. The Council's input, advice and guidance to the process will be captured for monthly Executive consideration and action. The tools required to capture insights and knowledge are described in Section 8.1. Ergon Energy Network and Energex Executive team and Board members will continue to be actively involved in engagement activities.

4. Consider how consumer advocates or business groups can contribute to, or alongside, broader consultation outreach activities with the general community and residential and business customers.

Ergon Energy Network and Energex commitment: our future Engagement Plan that will deliver upon the objectives of this Engagement Strategy will define how key customers and stakeholders will be engaged.

5. Building the capacity of their customer advocates and engagement groups in preparation for the regulatory reset. As this council has recently been refreshed, there will be a challenge to bridge current knowledge gaps in the group regarding the regulatory reset process. It was felt building the knowledge and capacity of members should be a focus.

Ergon Energy Network and Energex commitment: Energy Queensland will set a forward plan of meeting agendas or proposal centric topics that build the knowledge base of participants across each engagement topic.

6. Ensuring engagement is relevant and state-wide, not Brisbane-centric. The combined service areas of the DNSPs is extensive and the approach to engagement must reflect this.

Ergon Energy Network and Energex commitment: engagement for this regulatory reset process will be implemented across the state in targeted and relevant ways. Focusing on Energex's Network across Brisbane, the Gold and Sunshine Coasts, west to Ipswich and surrounds. Concentration of the Ergon Energy Network will focus on the expanse from Cairns to Toowoomba, west to Mount Isa, embracing the surrounds and will be detailed in our Engagement Plan.

7. Maintaining focus on the community as the primary audience. It was acknowledged there are multiple audiences in a regulatory reset process –customers, communities, regulators and the government. Stakeholders warned that the pressure of a regulatory reset process can divert focus away from customers and to the AER.

Ergon Energy Network and Energex commitment: Ergon Energy Network and Energex are firm in their commitment to having customers shape our regulatory proposals and will evidence this as we progress through the development process.

5.6 Customer insights on good engagement

Ergon Energy Network and Energex customers understand and recognise good engagement processes. From the co-design process to develop this strategy, it is considered important to customers, stakeholders, and the community for us to do the following:

- **Include a diverse range of views in the engagement process, representing an accurate cross section of all customers across the state**
 - A diverse and representative range of customer segments are to be engaged, and their individual needs considered in the engagement methodology.
- **Keep customers and stakeholders informed through ongoing and relevant information**
 - Engagement will be proactive and iterative by returning to customers and stakeholders with new information or to communicate final engagement outcomes.
 - The team will work to an engagement and consultation program that delivers a proactive approach to building relationships and capacity across key regulatory planning topics.
- **Provide accessible engagement opportunities**
 - Engagement tools will vary between online and in-person methods and ensure harder-to-reach people are included and able to participate easily.
- All hard copy communication tools provide informative and visually engaging content while using simple, plain English.
- **Ensure engagement is relevant and state-wide, not Brisbane-centric**
 - Our engagements will give customers and stakeholders in metropolitan and regional Queensland the opportunity to speak with project teams directly and in-person where possible.
- **Clearly communicate the negotiables and non-negotiables of a customer engagement**
 - The critical issues to customers will be the ones they can influence. This will be clearly defined early in the engagement process.



5.7 Introducing Talking Energy

Talking Energy

Our online engagement hub, Talking Energy, activates conversations that are fundamental to creating real value for our customers and key stakeholders, across the Energy Queensland Group, and to delivering responsibly for our communities.

Talking Energy will be a key communication and engagement resource utilised to support our regulatory proposal engagements. We are passionate about our customers and consult with many community groups and those who advocate on their behalf about their energy needs.

If you would like more information on Talking Energy, please visit www.talkingenergy.com.au



6. The 2022 co-design engagement process



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6.1 Our 2022 co-design engagement insights

Background

Ergon Energy Network and Energex invited residential and small business customers, Energy Queensland’s Customer and Community Council and other respected customer representative groups to work together in a co-design process, shaping the direction for what future engagement could look like. We were keenly interested in the views of a representative range of participants.

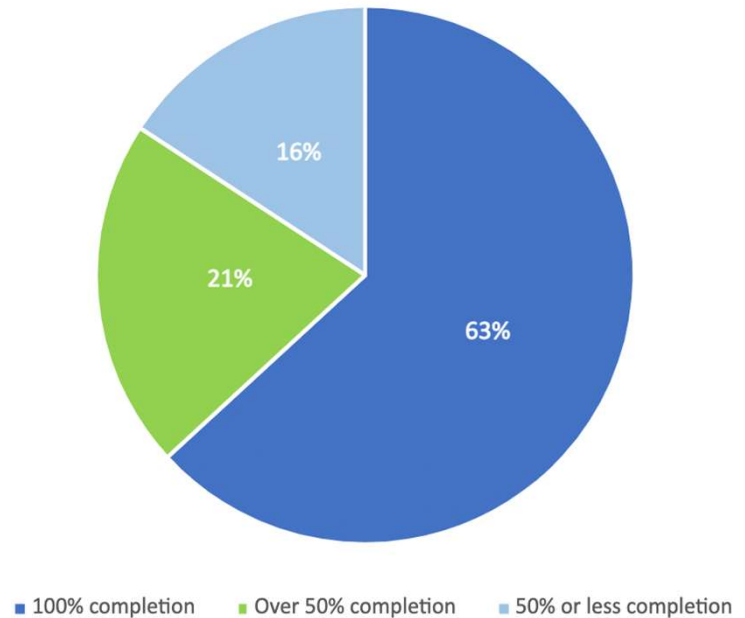
30 customer participants participated to represent an approximate equal customer mix across demographics, geographic locations, electricity bill size and identification to the respective DNSPs. Culturally and linguistically diverse (CALD), Aboriginal Torres Strait Islander and financially vulnerable minority groups were also proportionately represented.

21 stakeholders, including members of our Customer and Community Council, were invited to participate in the online co-design engagement process. 19 of these stakeholders committed to the five-day consultation period.

We also invited 49 observers to view the discussions, given the role these stakeholders will have in the development of our regulatory proposals. These observers included Ergon Energy Network and Energex executives, directors and employees, and key regulatory and Queensland government representatives.

Good engagement breadth and depth of participation was achieved

Stakeholder participant engagement activity completion



Our four topline insights on the co-design engagement process

1. Gaining a baseline understanding of participants’ views, feelings and knowledge levels was important to start meaningful conversations.
2. Deeper discussions provided clarity around the participants perspectives of their future energy challenges.
3. Practical ideas and suggestions for appropriate engagement tools were provided freely. Participants shared their thoughts on what is a good engagement process to implement.
4. Feedback on the process was captured from participants throughout the co-design process. This real time feedback enabled activities to be refined and improved during the five-day engagement.

7. Community and stakeholder guidance on future engagement



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7.1 Future energy challenges for customers

What the community sees as the most important challenges they are facing

Participants in Ergon Energy Network's and Energex's co-design process described what they see as the main future energy challenges for them personally, as a customer, and for their region. Their responses were relatively consistent. Customers and the community will expect Ergon Energy Network and Energex to provide the opportunity and means to discuss these challenges, their impacts, and appropriate solutions for future sustainable outcomes.

Critical energy challenges to discuss for the 2025-2030 regulatory period include the following.

Prices charged to the residential customer

A significant investment is needed to manage the energy transition so that it is equitable and fair. Increased customer charges are a concern.

Prices charged to the business customer

Business customers are a strong proportion of the Ergon Energy Network and Energex customer base. Changes for businesses impact the customers of businesses as well as the businesses themselves – there is a flow-on effect.

Household costs and increases in the cost of living

Inflation and costs to consumers are considered to be high now and are increasing. Customers are interested in ways to reduce their energy consumption and therefore their costs.

Network resilience in a disruption event or emergency

The increasing frequency of major disruptive weather events is front of mind. Ergon Energy Network's and Energex's plans to create resilience and the investments required are of interest.

Renewable and sustainable investments

These investments are supported. People care about current and future environmental impacts and how these investments may impact customer charges.

Distributed energy resources such as electric vehicles, charging facilities and residential batteries

Distributed energy resources are seen as cost-saving and resilience building initiatives. Customers view less reliance on the grid as a way to increase energy reliability and reduce the likelihood of outages.

Availability and accessibility of energy

There is a perception that new technology is becoming increasingly important to secure network reliability or energy affordability. However, it is felt there is inequitable access to some of these technologies across the Ergon Energy Network and Energex customer base.

Labour and infrastructure demands

Infrastructure and trade skills availability are essential to ensure the grid can cope with the increasing supply demands. This concerns the purchase of assets and the upskilling of those who maintain or operate assets.



8. Engagement methods



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8.1 Engagement tools considered by customers to be useful for stakeholder groups

These engagement tools have been identified by Ergon Energy Network and Energex customers and stakeholders as some of tools that may be useful in the regulatory proposal engagement and consultation.

Residential customers

Families

- Pop-up information stalls
- Social media information and outreach
- Online forums
- Email and phone outreach
- Letterbox drops
- Display homes to demonstrate innovative energy technologies
- Ergon Energy Network and Energex website information

Regional and remote customers

- Media information/awareness campaigns, including using radio
- Direct mailouts
- Attendance at established community group meetings
- Online forums
- Interviews
- Ergon Energy Network and Energex website information

People working in agriculture

- Direct outreach to large property managers
- Hard copy written communications
- Face-to-face meetings at local venues
- Direct outreach to supporting farmer industries

Energy innovators

- Ergon Energy Network and Energex website information
- Briefings

Seniors

- Outreach through agencies and senior's support groups
- Media information/awareness campaigns including radio, social media, and local publications

People on medical life support

- Direct outreach

Renters

- Social media information and outreach
- Online surveys
- Town hall meetings

Electric vehicle drivers and owners

- Local council managed, with Ergon Energy Network and Energex phone alerts
- Written communications distributed by retailers, universities and other local institutions
- Information distributed at charging stations
- Media information/awareness campaigns

People working from home

- Ergon Energy Network and Energex website information
- Email communication

Engagement tools continued

Vulnerable customers

Financially vulnerable customers

- Outreach through:
 - Councils and council support groups
 - Support agencies
 - Body corporates
 - Industry groups
- Social media information and outreach

Indigenous communities

- Outreach through established community groups and land councils
- Direct engagement with elders
- Face-to-face activities wherever possible

People with disability

- Outreach through established support networks, for example, NDIS
- Radio advertisements
- Tailored information packs - digital and hard copies

Geographically vulnerable customers (in high-risk areas)

- Face-to-face sessions with residents
- Social media pages dedicated to community planning ahead of outages

Customer advocacy and Community groups

Community Groups

- Outreach through established council groups
- Attendance at regular meetings

Government

Councils

- Ergon Energy Network and Energex website information, including contact information for enquiries

State Government

- Ergon Energy Network and Energex website information
- Briefings

Stakeholder monitoring and reporting tools

Customer Relationship Management

Platforms dedicated to the recording and management of stakeholder relationships and conversations.

Evaluation tools

Regular check-ins with customers and stakeholders will measure our engagement's effectiveness and relevance. Evaluation activities will include:

- Feedback surveys
- Debrief sessions with Ergon Energy Network and Energex team and stakeholders
- Written submissions (open feedback)

Engagement tools continued.

Businesses and employees

Business groups

- Outreach through industry groups and associations
- Direct, face-to-face contact with large businesses across Queensland
- Attendance at relevant council or committee meetings
- Direct correspondence
- Collaboration between networks and retailers
- Information apps
- Email communication

Sole traders

- Information display or distribution at community venues/locations
- Ergon Energy Network and Energex website information
- Ergon Energy Network and Energex website information

Small-Medium enterprises

- Attendance at Business Chamber of Commerce meetings
- Face-to-face activities where possible
- Collaboration with neighbouring businesses to identify shared needs
- Ergon Energy Network and Energex website information

Not-for-profit organisations

- Letterbox drop notifications
- Email communication
- Ergon Energy Network and Energex website information

Existing Energy Queensland survey tools

The annual Energy Queensland, Queensland Household Energy Survey (n=4000) provides rich insights outlining key priorities for Ergon Energy Network and Energex customers around energy, including what households think about solar power, battery storage, electric vehicles, and electricity tariffs.

‘Voice of the Customer’ program

Delivers approximately 12,000 survey responses across eight areas within the two DNSPs each year. Customer Satisfaction and Net Trust Score are quantitative data scales that allow comprehensive analysis to present findings which provide opportunity to close engagement gaps and refine engagement approaches.

Significant land uses important to have energy continuity

Essential services

- Direct contact to local health facilities and emergency services

Energy industry

Investment groups

- Face-to-face meetings at local venues
- Ergon Energy Network and Energex website information

8.2 Proposed engagement methodology summary

What did we hear?	What stakeholders could this apply to?	What tools would be useful?	How will we respond?
Have plain English information	All customers	<ul style="list-style-type: none"> Talking energy website Information packs for stakeholder groups 	Preparing information for each phase of the process
Design community outreach tools that different communities will respond to	Regional communities Urban communities Stakeholder groups	<ul style="list-style-type: none"> Radio Social media Contact with existing regional groups 	Design an outreach strategy for each phase of the regulatory process
Consider household affordability issues, including as part of the energy transition discussion	Vulnerable customers Small businesses Large families	<ul style="list-style-type: none"> Tariff options discussions (qualitative and quantitative) Bill charges analysis 	Phase 3 engagement to consider affordability
Work closely with vulnerable audiences	People who rely on energy for health reasons People who struggle to afford energy People who may not understand efficient energy practice	<ul style="list-style-type: none"> Working closely with representative groups Customers forums where we can recruit vulnerable participation 	Phases 1, 2, 3 Working closely with representative groups and vulnerable customers
Plan for greater network resilience in an emergency	Community and customers affected by climate change Local Councils Emergency services	<ul style="list-style-type: none"> Discussions by region (each Queensland region has its own issues) Roundtable discussions that consider plans in detail 	Phases 2, 3, 4 Planning for a detailed discussion on network resilience
Hold meaningful discussions on the transition to renewables including on equitable planning outcomes	All customers Local Councils	<ul style="list-style-type: none"> 'Transition to renewables' stakeholder panel 	Phases 2, 3, 4 Planning for a detailed discussion on the impact of renewable solutions
Hold customer conversations specific to regional Queensland issues and industry	Regional industries agriculture, mining, large energy users, regional community leaders	<ul style="list-style-type: none"> Face to face discussions in the regions Website specific information 	Outreach to community leaders Regional events and forums
Engage with retailers on tariffs	Various retail organisations across Queensland	<ul style="list-style-type: none"> Retailer roundtable to meet several times to understand customer sentiment Invited to deliberative customer discussions 	Direct, ongoing engagement with retail groups
Planning for a future labour force is required	Energy industry workforce	<ul style="list-style-type: none"> University pop ups Regional job forums Trade skills expos 	Skills and labour community drives will demonstrate our commitment to trade skills investment into the future
Feedback to everyone is important	All customers	<ul style="list-style-type: none"> Surveys Newsletters Website updates Participant database 	Regular updates posted and shared throughout the process

8.3 Knowledge and issues management



Ergon Energy Network and Energex issues framework and critical question insights

Engagement delivery can be scrutinised by the level of supporting knowledge and data management systems in place. It will be important for Ergon Energy Network and Energex to develop an overarching framework for capturing the feedback from each customer and stakeholder engagement activity.

Developing this framework will require agreement on the themes and topics to engage on and the critical questions we are seeking answers to.

The framework will include an ‘issues tree’ that categorises primary and secondary issues from feedback received against these agreed themes, topics and critical questions, across all activities.

This document will be central to reporting and evaluation:

- The ability to repeat back to customers and stakeholders what they have said in previous discussions or to communicate what has been heard from others on a topic is a powerful form of evidence that engagement is being undertaken with care and genuineness.
- We will also consider whether the issues analysis framework be designed to incorporate engagement key performance indicators (KPIs) gathered after each event to help facilitate the process of continuous improvement.



Documenting engagement and consultation

The issues framework will be supported by stringent record keeping. This can be done with several options. Customer and stakeholder engagement and consultation will be documented safely and securely to protect stakeholder personal information.



Working efficiently with other networks and Queensland agencies

There is a commitment to collaborate with other network providers to consider network knowledge, engagement learnings, and investment decisions around innovation and resilience building.

Ergon Energy Network and Energex are well placed to leverage our existing professional networks, executive-level partnerships and consumer advocate relationships to gain deep knowledge and experience driving optional customer outcomes for the energy sector.

Gathering lessons learned from previous AER regulatory reset periods, researching publicly available materials authored by DNSPs in other jurisdictions and undertaking effective stakeholder outreach to consult on developing solutions to challenges as part of the Ergon Energy Network and Energex regulatory proposal process will foster collaboration in the development of a robust and well supported regulatory proposal for each business.



9. Engagement evaluation



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9.1 Engagement evaluation

The framework for evaluating our engagement process is below. The evaluation commitments are guided by the expectations of customer and stakeholder engagement and IAP2 good practice.

Our engagement evaluation commitment	How are we going to measure and evaluate?
<p>1. We will monitor and evaluate our engagement activities and incorporate customer and stakeholder feedback to continuously improve</p>	<ul style="list-style-type: none"> Stakeholder feedback captured from RDP2025 project team communication channels (email, phone, online, meetings) is logged in our stakeholder CRM system. Sentiment is captured from external surveys that are hosted on the 'Talking Energy' website. Feedback loops are established throughout customer and stakeholder engagement to update participants on how their feedback has been actioned. Metrics are captured from Energy Queensland Voice of the Customer Program survey. Accurate, safe and secure key stakeholder information collated in a stakeholder database to ensure feedback data tells the customer narrative.
<p>2. We will achieve breadth and depth of engagement</p>	<ul style="list-style-type: none"> Demonstrated wide and varied outreach methods used, seeking participation across each customer segment. Partner-centric engagements with customers and stakeholders are embedded into business-as-usual processes. Feedback to capture customer views and confidence in the engagement process and its authenticity. Evidence that engagement has made efforts to reach broad segments, including harder to reach customers. Activities to vary in design and commitment – allowing customers to contribute in ways they feel most inclined.
<p>3. Our Board and Executive team are core participants to the engagement activities</p>	<ul style="list-style-type: none"> Our Board and Executive team members participate in customer and stakeholder forums. Evidence of Board and Executive team member deliberation with the RRG on issues raised.
<p>4. We will review our engagement program against the IAP2 Spectrum</p>	<ul style="list-style-type: none"> Stakeholder feedback identifies that customers and stakeholders are engaged at an appropriate level on the IAP2 spectrum for a relevant topic related to each proposal.
<p>5. We will document and report our engagement activities</p>	<ul style="list-style-type: none"> Our knowledge and data management systems accurately and appropriately report on broad and deep engagement activities undertaken.
<p>6. We are accountable, open, honest and transparent</p>	<ul style="list-style-type: none"> Open and accountable two-way communication channels are established Research best practice (anonymous) customer and stakeholder feedback is part of our evaluation tools The regulatory proposals document customer evidence and network response.

Figure 11 Energy Queensland engagement evaluation framework



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Contact:

Project team



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