

Jemena Gas Networks Future Gas 2050 Customer Forum Evaluation

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Contents

1. Background	2
2. Evaluation Framework and Scope	3
3. What Happened	4
4. Summary of the Evaluation and Feedback	5
5. Key recommendations	6
6. AER Better Resets	7
7. Evaluation of the Customer Forum Against the Better Resets Expectations	8
8. Appendix A. AER Better Resets Handbook	22

1. Background

Jemena Gas Networks (JGN) and the entire Australian energy system are operating in a period of uncertainty surrounding the future role of gas. Future scenarios for gas, as outlined by the Australian Energy Market Operator, suggest a future gas energy system in significant decline towards 2050 net-zero. This will have significant and potentially inequitable effects on JGN's customers in New South Wales.

Business Plan 2025-2030

As a regulated gas network business, JGN must periodically apply to the Australian Energy Regulator (AER) for a ruling on network charges, in the form of an access arrangement specifying the services it will provide, the tariffs for those services, and the other terms and conditions on which they will be provided.

Every five years JGN must submit a business plan to the AER for approval. They are required to engage with customers, stakeholders, and communities to guide the proposals in the business plan, shaping the future of our network. JGN's next proposal is due by 30 June 2024 and is expected to cover the period from 1 July 2025 to 30 June 2030.

To develop and deliver the business plan, JGN has set out to collaborate with its customers, stakeholders, advisors, and advocacy groups to identify what matters to them and what their long-term interests are (or those they represent).

JGN established a two-stage engagement program, initially exploring the longer-term future in NSW with its *Gas Networks 2050* program. This program featured an independent Expert Panel whose role was to assist JGN in producing a selection of plausible scenarios for the future of the NSW energy system and JGN, including advising on their likelihood. This stage also featured an Advisory Board, comprised of a range of stakeholders including both industry and customer representatives, whose role was to function as a source of independent advice to support, strengthen and shape JGN's customer engagement approach for the development of the regulatory proposal.

Customer Forum

In November 2022, JGN established the second stage of the engagement program. This primarily focused on its Customer Forum—made up of everyday customers, future customers and potential customers working within a deliberative engagement approach to answer a remit, grapple with the trade-offs at the heart of the challenge and ultimately provide recommendations to JGN on the approach they should take for the next five years and beyond. JGN also established *key voices steering groups* to provide the Customer Forum with the unique perspectives of culturally and linguistically diverse (CALD) communities and young people to ensure the recommendations considered these key voices.

2. Evaluation Framework and Scope

The newDemocracy Foundation was contracted by bd infrastructure with the support of JGN to evaluate the **Customer Forum**.

The evaluation does not cover the design and delivery of the Expert Panel and Advisory Board (though it does comment on their interaction with the Customer Forum). Nor does it cover any other elements of JGN's engagement program.

Due to the innovative context of deliberative engagement practice, newDemocracy offered to provide an action-learning approach to the engagement where regular feedback was provided to bd infrastructure and JGN throughout the delivery of the Customer Forum to help improve the process and provide advice.

To assist with the lessons-learned process for the JGN and bd infrastructure we have also provided feedback directly to the organisation for future deliberative processes.

The review measures against the AER's Better Resets Handbook. The Better Resets Handbook is the primary evaluation tool in this regulatory context¹.

¹ See, <https://www.aer.gov.au/about/strategic-initiatives/better-resets-handbook>

3. What Happened

JGN's Customer Forum was made up of 44 randomly selected customers, some of whom participated in customer engagement with JGN on its last business plan. Their remit was:

Australia is transitioning to net zero carbon emissions by 2050. We see a role for Jemena Gas Networks in the transition and beyond 2050. However, there is more and more uncertainty in the energy sector, and cost of living pressures and energy prices are rising.

We want to adapt and take action now so we can create our future, but we need the support of customers to do this.

Can we do this in a way that is fair for customers over the next five years, and beyond, whilst managing uncertainty and remaining affordable in the future?

The Customer Forum met once in late 2022 and on six occasions in 2023 adding some new members to compensate for attrition over the New Year. JGN engaged bd infrastructure to design, independently facilitate and report on the outcomes of the Customer Forum. The Advisory Board contributed to the Customer Forum's design and focus topics for the Customer Forum.

The Customer Forum provided recommendations on regulatory response options that were developed in collaboration with the Advisory Board and JGN, and six general recommendations.

Nov 2022	March 2023	June 2023		July 2023			August 2023		Sept 2023	March 2024
Customer Forum 1	Key voices	Customer Forum 2	Key voices	Customer Forum 3	Customer Forum 4	Customer Forum 5	Key Voices	Customer Forum 6	Customer Forum 7	Customer Forum 8 (with Key Voices)
Saturday 12 November 2022	Saturday 1 and Sunday 2 April 2023	Tuesday 13 June 2023	Tuesday 20 June and Thursday 22 June 2023	Tuesday 27 June 2023	Saturday 22 July 2023	Sunday 23 July 2023	Wednesday 9 and Thursday 10 August 2023	Tuesday 15 August 2023	Saturday 9 September 2023	Saturday 2 March 2024
To define the challenge, shape engagement and hear from experts.	To test values/ thoughts and develop personas as an input to the Customer Forum.	To establish ways of working, recap on the basics, present the remit, and identify experts for Forum 3.	To further explain the process and challenge, check in on personas/ inputs for the Customer Forum.	To hear from experts and delve into the energy transition, renewable gas and customer implications.	To hear from key voices, explore regulatory responses, and develop initial recommendations.		To present the Customer Forum's initial recommendations, and gather feedback from the Key Voices.	For Jemena to challenge, check in and confirm the initial recommendations of the Customer Forum and verify the Forum's direction on renewable gas.	To formulate final recommendations and produce the final report after heading the key voices responses to the initial recommendations.	To recall the Customer Forum and the Key Voices groups to present Jemena's draft business plan.
1 day	3 hours	3 hours	3 hours	3 hours	2 days		3 hours	3 hours	1 day	1 day
Face to face	Online	Online	Online	Online	Face to face		Online	Online	Face to face	Face to face
Tasks and outputs	Tasks and outputs	Tasks and outputs	Tasks and outputs	Tasks and outputs	Tasks and outputs		Tasks and outputs	Tasks and outputs	Tasks and outputs	Tasks and outputs
Aligned customer values around gas and gas use.	Personas based on values and perspectives of young people and CALD communities.	Understand process. Develop group rules. List of speakers for Forum 2	Understand process and future uncertainty. Clarification of the inputs for the Customer Forum.	Understand future uncertainty. Sentiment on customer adaptability to future uncertainty.	Deep customer understanding of regulatory responses. Assessment of responses against customer values. Develop initial recommendations.		Reflections and feedback on initial recommendations	Check back on customer recommendations and feedback on out-of-scope suggestions.	Final report developed after feedback from key voices and customer advocates/experts.	Reflections on whether Jemena has incorporated recommendations and listened to customers.

Customer Engagement Flow, bd infrastructure

4. Summary of the Evaluation and Feedback

Overall, the **Customer Forum** was well run and allowed participants the opportunity to influence JGN Gas Networks' Business Plan 2025-2030. JGN committed to customers that their work would influence the draft plan to the maximum extent possible. This commitment was fulfilled. The Customer Forum alone met most of the Better Resets expectations of consumer engagement.

Some highlights of the process were:

- The early commencement of engagement
- The use of deliberative engagement within the framework of the regulatory environment—giving customers a much more substantive role than other methods
- Commitment to using engagement outcomes to develop the draft proposal
- Fulfilling the commitment made to customers
- The use of key voices in complementing the customer forum
- The use of random selection to recruit a representative mix of the community
- Initiating independent and appropriate evaluation of the process

Although the process was well run, some areas for improvement are detailed in the next section. The results of this evaluation should not lead to the conclusion that the process was insufficient in deeply involving a mix of customers to meaningfully influence JGN's proposal. Rather, they show a fast-evolving field adapting deliberative processes to the regulatory environment and that undertaking evaluations such as this helps ensure that the experiences and innovations of individual networks can be shared throughout the sector for other customers and networks to benefit from. This is the nature of innovation.

It is worth noting that while some research and engagement firms describe their practices as “deliberative” they often fall significantly below established best practice. For example, 50+ self-selected people meeting for one evening is not what would be described as “deliberative”. For this reason, it's commendable that JGN independently sought evaluation of its work and is seeking to push boundaries in the regulatory space through an action learning approach.

We believe it would be beneficial for everyone if the regulatory space could also adapt to innovations in community engagement to ensure customers get the most value out of the time they spend engaging with networks.



Members of the Customer Forum present their recommendation report to JGN staff.

5. Key recommendations

The deliberative engagement process was strong and demonstrated good practice, meeting the requirements of the Better Resets Handbook. We provide some points of improvement for future deliberative processes. These recommendations will help improve future deliberations per the Better Resets framework and help improve this framework in the future should the chance arise:

1. Mix different types of engagement methods

The Customer Forum combined the use of an Advisory Board (stakeholders), and Key Voices Groups (CALD and Youth specific engagements), all of which were deep and involved forms of engagement, but the forum would have also benefitted from the involvement of the wider customer base through other forms of engagement.

Deliberative processes are deep forms of engagement that give significant amounts of time to everyday people so that they can consider a diverse range of information and find common ground on recommendations that address their given problem. It isn't possible to have everyone deliberate at this level of depth (JGN serves over 1.5million customers) and so these processes account for that by including a representative mix of the community.

One way of including people beyond those fortunate enough to be selected for the deliberation is to complement it with "shallower" forms of community engagement that require less of participants' time but still allow them a contextually suitable way of influencing the process. An example of this approach is the use of surveying to collect inputs from a large number of customers that contribute directly to the deliberative process, customer to customer. This input can serve two functions, first, it ensures everyone has an opportunity to contribute, and second, it allows those contributing to build their trust in the deliberative process by helping ensure that it considers and discusses the issues that the broader community feels are most important. This also helps reinforce the work of those deliberating by confirming for them that they are discussing the issues their neighbours are also most concerned about.

2. Consider resequencing the flow of engagement

The Advisory Board took on the role of 'filtering' or 'shortlisting' response options after having considered JGN's input, context, planning horizons and also feedback from the Expert Panel. This then provided the Customer Forum with a range of options that ensured their recommendations served the customers' interests.

In the future, the deliberative process could provide feedback on their interests in collaboration with a body like the Advisory Board. This would help empower customers to develop regulatory options themselves. JGN would then be responsible for responding to requests and working with both customers and stakeholders to ensure response options were consistent with the intent of recommendations and broader customer interests.

3. More robust deliberative engagement in the regulatory space

This is an innovative space where deliberative engagement practice is running into a regulatory environment that has some features that make running best practice engagement challenging. More work needs to be done in this space to harmonise requirements with processes that can provide maximum value for the customers involved and those on the receiving end of the decisions.

6. AER Better Resets

The AER Better Resets Handbook sets out expectations of how network businesses will engage with consumers and how the outcomes of that engagement should be reflected in their proposals.

The expectations for each topic area are drawn from the National Electricity Rules and Law, National Gas Rules (Rules) and Law (Law), published guidelines, guidance notes, AER assessment tools and previous AER decisions. The expectations represent key features and supporting evidence required for a proposal to be considered well-justified.

The AER's expectations of consumer engagement are principles-based. They cover:

- Nature of engagement
- Breadth and depth of engagement
- Clearly evidenced impact of the engagement

We note the AER expectations do not prescribe any particular form of customer engagement. It is up to the networks to develop their proposals to apply these expectations and develop independent evaluation criteria.

The expectations on consumer engagement from the AER Better Resets Handbook are in Appendix A.

7. Evaluation of the Customer Forum Against the Better Resets Expectations

This evaluation does not cover *clearly evidenced impact* as the draft proposal is under development and so the extent to which consumer preferences are reflected in it cannot be determined yet.

The rating system is a simple green, amber, and red that indicates whether or not something meets the set expectation or not. If it is unclear or mixed, then an amber rating is used.

Majority of ratings against the Better Resets Expectations for this process are green, and we've provided constructive comments to further articulate how the team can work towards best practice.

Nature of the Engagement

Expectation	Indicators (from Better Resets)	Observations	Opportunities for improvement	Rating
Sincerity of engagement	A genuine commitment from JGN extending down from the Board and Executives to giving effect to consumer preferences.	<p>Frank Tudor, Managing Director JGN and JGN Executive General Manager, Networks Shaun Reardon and senior staff were present at some or all customer forum meetings and made clear commitments to a level of influence for the forum, contextualising its role in the price reset process.</p> <p>The pre-reading for the Customer Forum also featured an introduction from Frank Tudor that explained that the feedback from the Customer Forum: "... will directly feed into our next price and service plan we will submit to the Australian Energy Regulator for approval."</p>	<p>JGN made a clear commitment to a specific level of influence once the process had begun. This was made in the room on the first day and reiterated. This reassured participants that their work would be meaningful.</p> <p>Next time, this could be improved by making the commitment public before the engagement and via recruitment. This helps demonstrate that JGN is committed to a level of influence before they see the results—encouraging customers to participate and demonstrating the sincerity of the engagement.</p> <p>By explaining that the organisation is committed to including the work of the</p>	

Expectation	Indicators (from Better Resets)	Observations	Opportunities for improvement	Rating
		<p>JGN made a good commitment to a specific level of influence in the room: “We will implement your recommendations in the draft plan to the maximum extent possible.”</p>	<p>Customer Forum in their draft regulatory proposal directly, in public and from the outset, the commitment becomes a somewhat binding statement that reinforces the purpose of consumers taking part.</p>	
	<p>An openness to new ideas and a willingness to change.</p>	<p>JGN outlined a range of regulatory response options developed with the support of the Advisory Board. These options presented a broad range of directions that consumers could take the regulatory proposal including divergent options on digital metering, accelerated capital recovery, permanent disconnections, doing more for vulnerable customers and more.</p> <p>The Customer Forum was also able to make recommendations to JGN outside of settings for prescribed regulatory response options. This allowed the forum to communicate any additional direction and demonstrated an openness from JGN to a free response from consumers.</p> <p>The direction from the Advisory Board and JGN’s own setting on non-negotiables were reasonable constraints on the level of influence that customers could have—these were also explained in the room.</p>	<p>Deliberative processes build customer understanding of issues so they can provide meaningful recommendations that respond to the remit with clear intent and through finding common ground.</p> <p>This requires an openness to allowing the group to respond freely (within reasonable negotiables and non-negotiables). Recommendations are sometimes high level and the result of negotiating an understanding with the organiser around intent and measurables. It’s advised that recommendations don’t become too specific such that they may become binding to a course of action rather than a preferred outcome, protecting against changing circumstances.</p> <p>However, the regulatory environment requires networks to demonstrate that key decisions are the result of specific feedback from customers.</p>	

Expectation	Indicators (from Better Resets)	Observations	Opportunities for improvement	Rating
			<p>This poses a challenge for integrating deliberative engagement best practice with the requirements of the regulatory context.</p> <p>One way of navigating these requirements is to systematically include the required feedback in the deliberative process (for example, when generating key issues to respond to, or developing initial options, you might intervene and insert challenges, trade-offs or even options that must be addressed). This would adhere to typical deliberative processes while guaranteeing feedback on required decisions. However, it does deviate from the deliberative principles of a free response, depending on how heavy handed the method was. It also risks trapping discussions in numbers and policy rather than the intent of the outcome.</p> <p>Another way would be to conduct the process in "sprints" that focus on specific regulatory decisions and their underlying trade-offs before moving on to more general feedback. This would be an adaptation of deliberative processes but would be appropriate in this context in our view and is an area requiring more experimentation and research. This</p>	

Expectation	Indicators (from Better Resets)	Observations	Opportunities for improvement	Rating
			<p>approach has similarities to the plan for the Customer Forum.</p> <p>Alternatively, a standing panel of customers could help shape the agenda for a future price reset, allowing customers to inform one another on priorities and regulatory requirements. This would enable deep deliberation to consider the most critical or difficult decisions in a proposal and save some of the other decisions for shallower forms of engagement.</p> <p>Deliberative engagement is well suited to finding this balance because of the way participants learn in detail about the network and the regulatory environment. Heavy involvement in deliberations to steer conversation toward required areas can be clearly explained and understood. It would not compromise the integrity of the process.</p> <p>We recognise that this is a challenge that all network businesses face—they are working within a tightly constructed regulatory framework and need to engage on very specific topics to meet the requirements of the Better Resets Handbook. This necessarily means that they both must limit the scope (we don't</p>	

Expectation	Indicators (from Better Resets)	Observations	Opportunities for improvement	Rating
			<p>have time to discuss everything) and ask for feedback on a diverse set of specific decisions (but need to discuss a wide range of issues in a sometimes-unpredictable manner).</p> <p>In this sense, the Better Resets Handbook’s requirements can make it difficult to do deep deliberation in its best form. More work is required in collaboration with all actors in the sector to find a better alignment of requirements and options to ensure customers are getting the most value from their involvement and their networks.</p>	
	<p>Ongoing engagement with consumers about outcomes that matter to them, which allows consumers to ‘set the agenda’.</p>	<p>The Customer Forum met for seven meetings, the first meeting (November 2022) allowed consumers to contribute to setting the agenda for the rest of the process.</p> <p>The Advisory Board also contributed to shaping the remit and regulatory response options that would be considered by the Customer Forum (effectively determining its scope).</p>	<p>Additional wider engagement could complement the deep deliberative aspect of the engagement program such as through agenda setting via capturing specific concerns, questions, hopes and values—as well as through more quantitative feedback.</p>	
	<p>Ensuring consumer confidence in the engagement process and alleviating concerns consumers may have.</p>	<p>As is often the case when engaging with everyday people, they are sceptical of their actual level of influence on the final decision. JGN senior management and staff regularly reassured the Customer</p>		

Expectation	Indicators (from Better Resets)	Observations	Opportunities for improvement	Rating
		Forum with their presence at meetings and by regularly responding to information requests and questioning.		
Consumers as partners	JGN collaborates with and, where appropriate empowers consumers in developing regulatory proposals.	JGN asked the Customer Forum to make decisions on regulatory response options that they committed to including in their regulatory proposal. The options available were developed in collaboration with the Advisory Board.	As discussed above, the regulatory environment sets requirements that can become constraints on the ability of customers to wholly develop regulatory proposals. Options to address that are included above.	
	Consumer engagement should be continuous business-as-usual process.	JGN operates a Customer Council that meets quarterly and provides feedback to JGN on inputs on operational, industry and strategic issues relating to JGN the gas sector. The Council has consumer advocates and former customer engagement participants.	There is an opportunity for JGN to consider using ongoing deliberative customer-based process as part of its business-as-usual process. This would help address some of the regulatory constraints by empowering a standing panel to help set the agenda in an informed and instructive manner.	
Equipping customers	JGN provides consumers with accurate and unbiased information necessary to meaningfully participate.	JGN provided the Customer Forum with pre-reading, JGN staff presented to the Customer Forum in its learning phase and conducted regular Q&A sessions. Customer Forum members were able to nominate additional speakers of their choosing from a list provided by JGN, these included advocates for a range of different future gas network scenarios to provide a diverse range of views with the	In our view, it's not possible to present unbiased information. Instead, engagement should seek to provide an accurate balance of views. Typically, businesses try not to overwhelm participants with information. In the case of deliberative engagement, participants have the time and incentives to read deeply and so in-depth information at the outset saves time later in the process.	

Expectation	Indicators (from Better Resets)	Observations	Opportunities for improvement	Rating
		<p>understanding that <i>unbiased</i> information is unattainable.</p>	<p>Next time, the pre-reading material provided to the Customer Forum could include more detail. This will benefit all Customer Forum members by bringing them up to speed on the content earlier in the process and allowing them to refer to the material throughout.</p> <p>While customers were presented with speakers to choose from, one way to improve the trust and balance in this process would be to form a stakeholder reference group with industry experts and businesses to help choose speakers and inform customers.</p>	
	<p>Consumer representatives should clearly declare any interests that may be perceived to conflict with those of the consumers they're representing and provide details on how they're managing any conflicts of interest.</p>	<p>Customer Forum members represented their own interests and the interests of the wider community when making group decisions. This meant that there could not be "interests that may be perceived to conflict with those of the consumers they're representing" since those interests are the interests of consumers like them.</p>		
	<p>JGN and consumer representatives should transparently set out all governance arrangements covering their interactions in the development of a regulatory proposal, including</p>	<p>bd infrastructure were responsible for the recruitment and management of the Customer Forum members. This included the facilitation of the meetings and all communications. This ensured the independence and integrity of the process, which was regularly emphasised</p>	<p>One way to improve for next time would be to establish a stakeholder reference group whose role was to independently assess governance decisions within a specific framework. This would allow bd infrastructure to explain the deliberative process, key decision points and the</p>	

Expectation	Indicators (from Better Resets)	Observations	Opportunities for improvement	Rating
	arrangements in place to ensure the independence of consumer representatives.	and maintained by allowing Customer Forum members to provide anonymous feedback throughout the process.	advisory role that a stakeholder reference group would play without concerns that stakeholders, without deliberative experience, would impact the design of the process.	
	JGN publicly declares all remuneration arrangements, benefits and financial support provided to consumer representatives.	bd infrastructure reimbursed Customer Forum members after each session – this amount has been published (ranging from \$150 to \$250 depending on session length).	Payments after each session can sometimes reduce retention and are recommended for the <i>conclusion</i> of the process. An option for exceptions helps address accessibility concerns if this arises.	
Accountability	Transparent reporting and consultation on the delivery of commitments will improve relationships and understanding between networks and consumers and increase faith in regulatory processes	JGN maintained an online hub for their entire Gas Networks 2050 and Business Plan 2025-2030 engagement processes. They have committed to a “recall” date for the Customer Forum where they will present the draft regulatory proposal, demonstrating where the Customer Forum’s work has influenced decisions and asking for feedback.	This was done very well.	

Breadth and Depth of the Engagement

Expectation	Indicators (from Better Resets)	Positive observations	Opportunities for improvement	Rating
Accessible, clear, and transparent engagement	Outlining objectives, engagement issues/topics and the level of participation and influence consumers can expect.	JGN outlined the goals and topics for the Customer Forum by providing it with a remit, a list of regulatory response options to consider, explaining expected levels of participation, and committing to allowing the forum to meaningfully influence the final regulatory proposal.	Designing a remit for a deliberative process combines a few functional roles. In the room, it is a clear task that reminds the group of its intent. On an invitation it captures interest. It can be tempting to try to list the boundaries of the discussion in the remit alone. Simple is usually best.	

Expectation	Indicators (from Better Resets)	Positive observations	Opportunities for improvement	Rating
			<p>Recognising again that the regulatory context requires a level of specificity, remits can both be broad and functional by relying on the facilitation direction in the room throughout the process to hone in on specifics.</p> <p>This would provide clear direction to the Customer Forum and focus its work on responding to the question, enabling the facilitation team to push back on any straying from purpose.</p>	
	<p>Consultation time frames should have regard to the complexity of the issues in the regulatory proposal and provide consumers with adequate time.</p>	<p>JGN's engagement program commenced in mid-2022 with an Expert Panel and the Advisory Board which shortlisted plausible future gas scenarios and regulatory response options respectively.</p> <p>The Customer Forum met on 8 occasions. One of these meetings was in November 2022, where the forum considered inputs and framing for the engagement. The core Customer Forum meetings commenced in June 2023 through to September 2023. A full recall day will be held in March 2024.</p>	<p>In future, to assist with retention and consistency of attendance, prioritisation and agenda setting can be done through shallower forms of engagement that then feed into deep forms of engagement like deliberative processes. Each has its pros and cons but wider forms of engagement can ensure that the questions, concerns and priorities of a broad base of customers can feed into the process and alleviate the need for involving customers for 16+ months (a serious challenge for anyone).</p>	
	<p>Engagement on different aspects of the same issue may require different engagement methods</p>	<p>Key Voices Groups ensured that different perspectives and aspects of the issues considered by the Customer Forum were included.</p>	<p>In future, JGN could complement the process with wider engagement such as a survey or quantitative study and present to the Customer Forum with additional information to support their work—a learning for next time.</p>	

Expectation	Indicators (from Better Resets)	Positive observations	Opportunities for improvement	Rating
Consultation on desired outcomes and then inputs	Consumers should guide, and be seen to guide, the development of proposals (including on long-term outcomes, and not be confined to outcomes desired for the period covered by the regulatory proposal)	The Customer Forum worked with JGN staff, facilitated by bd infrastructure, to determine a set of regulatory response options that accounted for their impact on bills and into the future for generations to come. This was an iterative process where outputs from the Advisory Board fed into the Customer Forum which found common ground on preferences which were interpreted by JGN and fed back into the Customer Forum for feedback, clarification, and refinement.	There are a number of ways to provide greater influence over proposal develop to customers. As outlined in comments above, if the preferred approach is to develop overarching outcomes that then shape the development of specific proposals, then one approach in this sequence could be to gather preferred outcomes at a high-level from a wider range of customers before using deep deliberation to further develop specific proposals—ensuring a customer role in every stage.	
	JGN will consult with its consumers on their desired outcomes (including opex and capex) and then craft the inputs of regulatory proposals	The Customer Forum gave clear directions to JGN on a wide range of regulatory options whilst incorporating the views of key voices groups and the diversity of people in the room (demographics and views). JGN has committed to using these desired outcomes to craft their regulatory proposal before presenting it back to the Customer Forum.	This was done well. One way of improving this process in the future would be to involve the Advisory Board as an input to the Customer Forum directly, empowering the Customer Forum with the task of providing direction to the Advisory Board and JGN to develop regulatory proposals (and not the other way around).	
	Engagement may explore a consumer's lived experience within the energy system – in addition to reliability, affordability and sustainability – including customer services and interactions with the network.	JGN used the Customer Forum as an opportunity to involve a wide range of staff in the early learning phases of the process. These phases regularly feature people asking questions about the network and providing incidental feedback to staff.	One way to further explore this aspect is to conduct a site visit or host interactive sessions with various staff from the network.	

Expectation	Indicators (from Better Resets)	Positive observations	Opportunities for improvement	Rating
		<p>The Customer Forum also made recommendations to JGN around communications with consumers.</p> <p>The engagement program also made use of Key Voices Groups which channelled the lived experiences of specific demographics into the process.</p>		
Multiple channels of engagement	Multiple complementary engagement channels are necessary	JGN made use of a wide range of engagement channels that fed into the Customer Forum.	An opportunity for further improvement would be use of wider surveying and quantitative data to support the work of the Customer Forum.	
	Engage with (end) consumers as well as engaging with consumer representatives	The Customer Forum was made up of randomly selected everyday people.	The defining feature of this type of engagement is empowering everyday people with a high level of influence and this was done through this process.	
	JGN should aim to understand, represent and balance the interests of all its consumer cohorts	Viewpoints from a range of consumers were represented in the process including through the Customer Forum and its supporting Key Voices Groups.	As above.	
Consumer's influence on the proposal	Engagement should consider the IAP2 Spectrum of Public Participation	<p>JGN set out to collaborate with consumers in the development of its draft plan.</p> <p>The Customer Forum itself had elements of "Involve" and "Collaborate" ends of the spectrum. The commitment "to implement recommendations to the maximum extent possible" sits in collaborate and empowered the group to effectively make decision on what would be included in the draft plan. The slightly limited role of the</p>	It is worth noting that the IAP2 Spectrum is a simplistic guide to help define the public's role in any public participation process. It isn't a score sheet to mark engagement upon because it refers to two different aspects of the engagement in the one "spectrum" without any logic of how to reconcile those differences (as is the case here with some elements in "Involve" and some in "Collaborate").	

Expectation	Indicators (from Better Resets)	Positive observations	Opportunities for improvement	Rating
		Forum in developing regulatory response options sits in "Involve".	The Advisory Board contributed significantly to the shortlisting of regulatory options which is a role that, in the future, could be shared with the Customer Forum, further increasing its level of influence. Ultimately, the final decision is in the hands of the AER which limits the overall influence any consumer can have.	
	JGN and consumers should consult with each other on the range of issues consumers can have influence over	The Customer Forum met in November 2022 to advise JGN on the range of issues that were customer priorities, these and the work of the Advisory Board helped set the scope of the process.	As mentioned already, this could be complemented with a wider engagement process such as a survey.	
	Issues over which consumers will have more influence should be at the upper (empower) end of the IAP2 spectrum	The maximum extent to which customers could influence a draft proposal would be collaborating with the network to wholly develop draft proposals. This was partially achieved in this process (some influence was shared with the Advisory Board), however, from the outset JGN committed to implementing the outputs of the Customer Forum which gave customers a high level of influence.	Note: Due to the regulatory process, consumers cannot be "empowered" as the final decision rests with the AER.	
	JGN encouraged consumers to test assumptions and processes that underpin the proposal	The Customer Forum regularly raised the challenges facing the gas sector in NSW and the prospect of questioning JGN's future existence at all. JGN allowed these conversations to happen while providing context that their position as a business was that they believed they could play a	This was done well. Negotiable and non-negotiables are a common feature of deliberative processes	

Expectation	Indicators (from Better Resets)	Positive observations	Opportunities for improvement	Rating
		<p>role in the future but that the extent of that was uncertain.</p> <p>JGN and bd infrastructure commissioned this “action-learning” evaluation process which was asked to question and test the process underpinning the development of the proposal.</p>		

Clearly Evidenced Impact

Expectation	Indicators (from Better Resets)	Positive observations	Opportunities for improvement	Rating
Proposals linked to consumer preferences	A clear link between consumer research and engagement, a network business’s representation of the outcomes desired by consumers, and how the proposal gives effect to those outcomes.	<p>Section 2 of the Draft Plan outlines the role customers played in developing the plan and how the recommendations and decisions of the Customer Forum have been incorporated directly into the draft plan.</p> <p>At the final meeting of the Customer Forum, Jemena explained how each regulatory response option had been included in the draft plan and where the recommendations of the Customer Forum were reflected in the broader plan. The Customer Forum were satisfied that Jemena had upheld the commitment it made at the beginning of the process.</p>		

Expectation	Indicators (from Better Resets)	Positive observations	Opportunities for improvement	Rating
	Where consumer views on an issue are diverse, network businesses need to set out those views and how they were balanced in developing their regulatory proposal.	Ultimately, the Customer Forum resolved these differences itself by deliberating and finding common ground on response options and recommendations.	There remained some differences of view between some demographics within the Customer Forum. Most noticeably, younger participants and members of the Youth key voices group expressed dissatisfaction with the final outcomes. One way to address this, in the future, would be to give those key voices the opportunity to respond to the draft report (in the same way that JGN did) to share their concerns and give the Customer Forum an opportunity to incorporate those if they felt they needed to.	
	A network business should release a comprehensive draft regulatory proposal for stakeholder comment.	The draft plan has been released for stakeholder comment.		

8. Appendix A. AER Better Resets Handbook

[AER Better Resets Handbook](#) expectations of consumer engagement:

1. Nature of engagement

The nature of engagement is about how networks engage with their consumers. Our expectations are that network businesses will sincerely partner with consumers and equip them to effectively engage in the development of their proposals.

a. Sincerity of engagement

We want network businesses to sincerely engage with consumers to understand and reflect their preferences in regulatory proposals. Sincerity of engagement relates to the intent of a network business and is not easily quantified. We can qualitatively assess sincerity by observing a network business's commitment to engagement through its actions and the confidence they provide consumers. Sincere engagement recognises that consumers often face challenges in engaging with complex regulatory matters and puts measures in place to address this. Sincere engagement provides consumers with confidence that they are genuinely being heard.

Sincere engagement requires:

- i. genuine commitment from network businesses extending down from their Boards and Executives to giving effect to consumer preferences
- ii. openness to new ideas and a willingness to change
- iii. ongoing engagement with consumers about outcomes that matter to them, which allows consumers to 'set the agenda'
- iv. ensuring consumer confidence in the engagement process and alleviating concerns consumers may have

b. Consumers as partners

We want consumers to be partners in forming proposals rather than simply being asked for feedback on a proposal. Network businesses should collaborate with and, where appropriate, empower consumers in developing regulatory proposals.

In addition, consumer engagement should be a continuous business-as-usual process, not a one-off process only undertaken in preparing for regulatory proposals. Consumers should not have to wait for a once-in-5-year regulatory proposal to be heard.

c. Equipping Customers

Equipping consumers is about ensuring consumers can effectively engage with and provide informed feedback to network businesses. This principle ensures consumers, or committees/panels that represent them, are effective counterparties in the engagement process. Consumers cannot genuinely guide the development of a regulatory proposal unless they are appropriately equipped, informed, and supported to do so.

To equip consumers, networks must provide them with accurate and unbiased information necessary to meaningfully participate.

How consumers should be equipped depends on the engagement approach applied by the network business. It may include engaging with qualified and experienced consumer representatives, providing impartial support to consumers – including the ability to source independent expert advice and research and ensuring consumers are appropriately remunerated for their contribution to the development of proposals.

While equipping consumers is necessary for a network business to obtain genuine consumer perspectives, we consider it is important that the network business does so in a manner that maintains the independence and integrity of consumer engagement processes. This will allow us to place appropriate weight on any submissions and reports that consumers provide on proposals.

To ensure independence:

- i. consumer representatives should clearly declare any interests that may be perceived to conflict with those of the consumers they're representing and provide details on how they're managing any conflicts of interest.
- ii. networks and consumer representatives should transparently set out all governance arrangements covering their interactions in the development of a regulatory proposal, including arrangements in place to ensure the independence of consumer representatives.
- iii. networks should publicly declare all remuneration arrangements, benefits and financial support provided to consumer representatives.

d. Accountability

Our expectation is that network businesses' ongoing engagement should also cover their delivery of commitments to consumers, particularly in relation to outcomes. Transparent reporting and consultation on the delivery of commitments will improve relationships and understanding between networks and consumers and increase faith in regulatory processes. It will also allow for ex-post evaluation of consumer engagement, regulatory proposals and our determinations.

2. Breadth and depth

Breadth and depth relate to the scope of engagement with consumers and the level of detail at which network businesses engage on issues. The breadth and depth of engagement also covers the variety of avenues used to engage with consumers.

a. Accessible, clear and transparent engagement

It is important that network businesses transparently set out their engagement plans. This includes outlining objectives, engagement issues/topics and the level of participation and influence consumers can expect on the regulatory proposal.

Consultation time frames should have regard to the complexity of the issues in the regulatory proposal and provide consumers with adequate time to understand and assess the regulatory proposal. Engagement on different aspects of the same issue may require different engagement methods.

b. Consultation on desired outcomes and then inputs

Our expectation is that consumers should guide, and be seen to guide, the

development of proposals. This means that consumers should be consulted on the outcomes that they want from the proposal and how they would like network businesses to engage with them in the development of a proposal to give effect to those outcomes. This may then guide later consultation on the individual components of a proposal.

Importantly, the consultation with consumers on outcomes should be focused on long-term outcomes, and not be confined to outcomes desired for the period covered by the regulatory proposal. Many decisions taken by a network business, such as on capital investment or depreciation, in one period will have longterm impacts on outcomes for consumers.

Our regulatory framework has an input focus, and in this Handbook we set out our expectations of networks in developing forecasts of inputs (like capex and opex). However, we expect that networks will consult with their consumers on their desired outcomes and then craft the inputs of regulatory proposals to deliver the desired outcomes. We commit to giving effect to customers' desired outcomes to the extent that we are able to under our regulatory framework. For example, we have developed a Customer Service incentive scheme under which we are able to apply bespoke incentives.

Additionally, consultation on a regulatory proposal should not end with the submission of that proposal. If circumstances change and it is necessary to update a proposal, we expect networks to engage with consumers on those changes.

Where consumers are consulted on their desired outcomes, engagement may go beyond the individual components of regulatory proposals and the usual considerations of reliability, affordability, and sustainability, to explore a consumer's lived experience within the energy system – including customer services and interactions with the network. Outcomes from such engagement can then be reflected in the regulatory proposal.

c. Multiple channels of engagement

No single avenue of engagement is perfect. Consumer panels, surveys, forums, direct meetings, workshops, focus groups and 'deep dives' are suited to certain types of issues and have their downsides. To gain a comprehensive understanding of consumer preferences multiple complementary channels are necessary.

We expect networks will directly engage with their consumers as well as engaging with consumer representatives. Direct engagement is particularly important where consumers aren't well represented.

Direct engagement is also important where consumer representatives don't know or cannot provide evidence of what consumers' preferences may be on an issue.

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. For example, a network business's approach to

engaging with vulnerable consumers and culturally and linguistically diverse (CALD) consumers would be quite different to its approach to engaging with commercial and industrial consumers.

A network business should aim to understand, represent and balance the interests of all its consumer cohorts. Where network businesses identify competing interests, they should seek to develop agreed positions with consumers. If this isn't possible, then network businesses should set out the competing interests in relation to elements of their proposals.

d. Consumers' influence on the proposal

Engagement should consider the IAP2 Spectrum of Public Participation, in particular the different levels of participation and range of influence (ranging from inform to empower) consumers have on the regulatory proposal. We consider that network businesses and consumers should consult with each other on the range of issues consumers can have influence over. Issues over which consumers will have more influence should be at the upper (empower) end of the IAP2 spectrum.

Network businesses should encourage consumers to test assumptions and processes that underpin the proposal. Where consumers aren't well equipped to do so, this may entail providing them with additional resources and supporting them to commission independent analysis.

3. Clearly evidence impact

Clearly evidenced impact is about how a proposal represents and is shown to represent consumer views

a. Proposals linked to consumer preferences

There needs to be a clear link between consumer research and engagement, a network business's representation of the outcomes desired by consumers, and how the proposal gives effect to those outcomes. Networks need to provide evidence of consumer preferences – for example through independent surveys, research or focus groups.

Where consumer views on an issue are diverse, network businesses need to set out those views and how they were balanced in developing their regulatory proposal. Network businesses should seek to find mutually acceptable solutions where there are divergent consumer views.

A network business won't be able to engage with all its consumers in the development of its proposal. To allow an opportunity for all stakeholders to comment, a network business should release a comprehensive draft regulatory proposal for stakeholder comment. The regulatory proposal submitted to the AER should set out how it has responded to the submissions received on the draft regulatory proposal.

In testing customer perspectives on a draft regulatory proposal, we expect networks to engage with consumers beyond those they consulted with in preparing their draft proposal.

b. Independent consumer support for the proposal

We want consumers to express support for proposals developed by network businesses. This support may be demonstrated through submissions on a draft regulatory proposal or an independent report setting out consumer perspectives on a proposal as lodged to the AER. An independent report is mandatory if a network business is seeking the early signal pathway.

The purpose of the report is to help us assess the quality of the engagement process and the extent to which a proposal reflects consumer preferences and desired outcomes. The independent report should provide a consumer view of the effectiveness of the pre-engagement lodgement process in identifying consumer preferences and outcomes and how they have been incorporated into the proposal. We expect that the independent report would contain the outcomes that networks are proposing to deliver in their regulatory proposals and whether customers support those outcomes.

The independent consumer report can also provide views on technical issues in the proposal in the case where consumers feel capable of putting forward positions on these elements of the proposal.

We aren't prescribing who or how the independent report should be drafted. However, to ensure the integrity of the report we expect that:

- i. the process for drafting the report and selection of an appropriately qualified and experienced author of the report is transparent and not subject to any material objections by consumers.
- ii. prior to their engagement by the network business, the author(s) will clearly declare any conflicts of interest, whether actual, potential or perceived, and provide details on how any conflicts of interest will be managed.

Where consumers aren't supportive of areas of a draft regulatory proposal, we expect that network businesses will seek to improve these areas to align with consumer preferences or have a feedback loop that explains to consumers why they can't align, which can also be reflected in the independent report.