Business and residential customer workshops

Round four report

AusNet

November 2024

senateshj grounded in smart thinking

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01 Executive summary

Summary of workshops conducted in 2023 and 2024

In August 2023, AusNet engaged SenateSHJ to lead a public consultation process to help inform its submission to the Electricity Distribution Price Review 2026-31.

The consultation involved residential customers from three regions (Morwell, Epping and Wangaratta) and sessions with residential and business customers online from across AusNet's network.

The **first round** of five three-hour workshops, conducted between Tuesday 29 August and Wednesday 6 September 2023, facilitated a high-level conversation about customers' use of electricity.

The **second round** of five three-hour workshops took place between Tuesday 10 October and Wednesday 18 October 2023 and sought to determine:

- customers' views on what AusNet's priorities should be between 2026 and 2031
- what balance of cost and service level AusNet should deliver
- where customers stand on sharing the costs of improvements to service levels.

Workshops in **round three** took place between Monday 12 February and Wednesday 20 March 2024. Five two-hour workshops sought to determine:

- opinions and ideas about customer services provided by AusNet including expectations of customer service in 2031
- customers' propensity to change the way they use electricity and the information and/or incentives customers may need to change.

Round four

The fourth round of five three-hour workshops took place between Tuesday 8 October and Tuesday 15 October 2024. They sought feedback relating to AusNet's Electricity Distribution Price Review (EDPR) Draft Proposal 2026-31.

Participants were asked to read the proposal before attending workshops, so they were familiar with the content. They also responded to a short survey which asked about likes, dislikes, improvements and overall perceptions of the proposal.

Workshop structure

Participants contributed to discussions about topics presented in the proposal (listed below) in small groups. Each discussion was facilitated by members of the AusNet team (so that AusNet could connect directly to participants and demonstrate ownership of the proposal). Customer responses were recorded on large easel pads. Topics included:

- Delivering a more reliable, safe and resilient electricity supply
- Supporting growth, electrification and renewable energy sources
- Providing a better customer experience
- Supporting our customers through change to net-zero
- Perceptions relating to value for money and affordability of the proposal.

We used a world café approach to allow participants to generate and build on ideas and opinions (collective intelligence) and encourage conversation. The approach required participants to move around the room and created a relaxed and interactive environment.

**The term 'customers' is used throughout this report to refer to workshop participants*

We listened to 103 customers in round four

SenateSHJ worked with research recruitment agency, Focus People, to source participants. Most were recruited from their research panel, and a small selection were sourced through AusNet's Research and Engagement Panel network. Due to a fire incident at the Morwell Bowling Club, we changed the venue to the Traralgon Bowls Club for this round.

Residential (82 customers)

Traralgon

- Tuesday 8 October
- 18 customers
- Traralgon Bowls Club

Online

- Wednesday 9 October
- 22 customers
- Hosted on Zoom

Wangaratta

- Thursday 10 October
- 24 customers
- Wangaratta Performing Arts and Convention Centre

Epping

- Wednesday 16 October
- 18 customers
- Epping RSL

Gender	Total sample (n=82)
Male	**39%**
Female	**61%**

Age	Total sample (n=82)
Under 30	**7%**
30 to 39	**38%**
40 to 49	**28%**
50 to 59	**18%**
60+	**9%**

Location	Total sample (n=82)
Metropolitan	**37%**
Regional	**58%**
Rural/remote	**5%**

Business (21 customers)

Online

- Tuesday 15 October
- 21 customers
- Hosted on Zoom

- Self-employed – 52%
- 1 to 4 staff – 24%
- 5 to19 staff – 14%
- 20+ staff – 5%
- Manager, non-owner – 5%

- Metro – 81%
- Regional – 19%

Customers were asked to read the proposal and respond to a survey before attending workshops

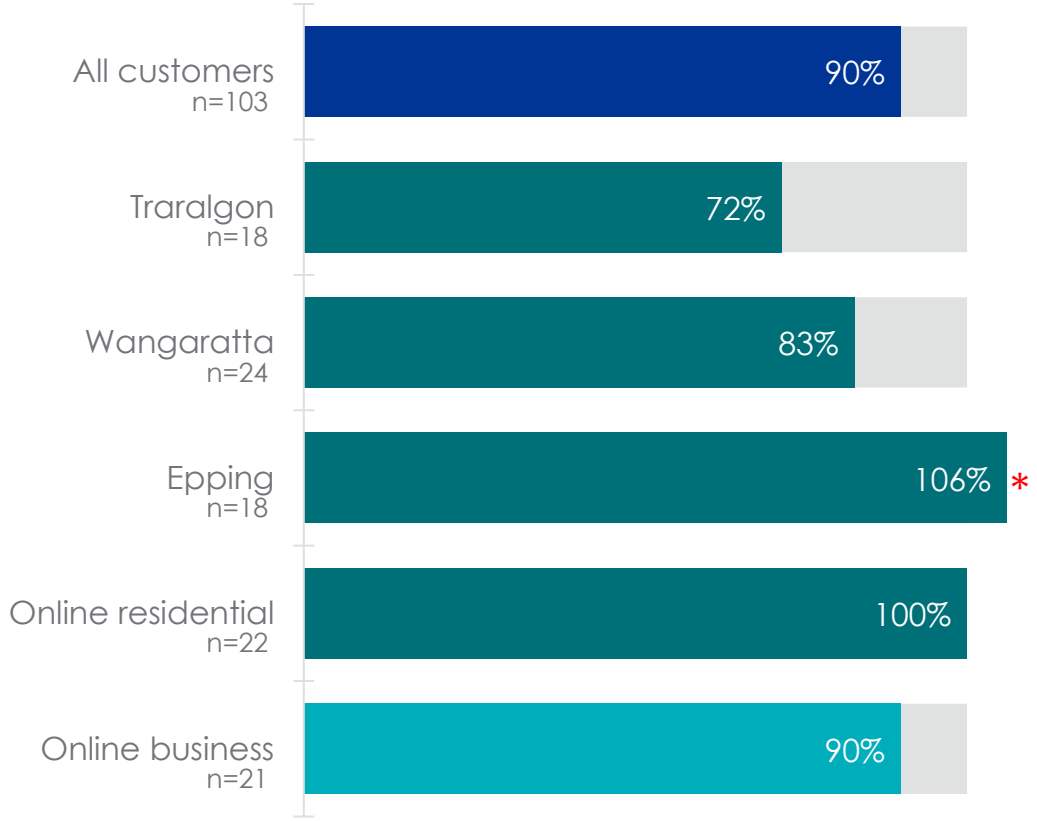
One week prior to Round 4 workshops, participants were asked to read the Electricity Distribution Price Review proposal and respond to a short survey about it. 90% of workshop participants (93 people) responded to the pre-workshop survey, meaning they read all or most of the proposal before attending (those who completed the pre-reading and survey were incentivised for their time and feedback).

The survey asked the following questions:

- What aspects of the proposal are you most pleased to see?
- Are there any aspects of the proposal you particularly don't like?
- Is there anything you were hoping to see in AusNet's proposal that isn't there?
- How do you feel about the overall value-for-money of the proposal? (i.e. customers' willingness to pay).
- And how do you feel about the overall affordability of this proposal? (i.e. customers' capacity to pay).
- If you think we've got the service level to cost balance wrong, please tell us which areas you think we should look at cutting back or spending more on.
- How do you rate AusNet's proposal overall?

The chart opposite shows survey response rates for each session and findings are presented throughout this report.

Pre-workshop response rate



** Pre-workshop survey was sent to n=22 participants from Epping where n=19 people responded. However, only 18 of them were able to attend the workshop.*

Customers responded positively to the proposal overall

Customers found the proposal acceptable, with **94% rating it adequate or better (23% rated it very good, 56% good and 15% adequate).** Generally, they supported proposed improvements and expect accountability and evidence of benefits to customers. Below, and on the next page, we summarise key findings across five topic areas investigated during the workshops.

1.
Delivering a more reliable, safe, and resilient electricity supply

- There was widespread support for equity and fairness. Most workshop participants supported proposed actions to improve reliability for worst-served customers and customers in vulnerable circumstances.
- Customers supported proactive investment over reactive fixes, especially given the increasing number and severity of weather events. Reliability and resilience were seen as priorities.
- A small group of customers expressed concerns about government plans for 100% electrification and the pace of change this requires, saying this posed a risk to reliability. They suggested deferring certain speculative resilience upgrades.

2.
Supporting growth, electrification, and renewable energy sources

- Customers supported the proposal's focus on renewable energy and electrification, with many viewing these as necessary for future sustainability and energy security.
- Customers appreciated incentives for solar and other renewable sources. They viewed these efforts as aligned with broader net-zero goals and expressed interest in clear, accessible information on the benefits of renewable energy.
- Proposed tariffs to incentivise electricity consumption during the day received mixed responses from customers. Some felt these incentives made it difficult for all customers to benefit fully from renewable energy investments.

3.
Providing a better customer experience

- Customers supported plans for more transparent communication and accountability particularly during/about outages.
- Customers emphasised the importance of accessible (easy-to-understand) information, particularly for elderly and those in vulnerable circumstances.
- Support for on-the-ground relationship managers and clear outage communication was high. Some expressed concern regarding the proposed number of Emergency Response Vehicles (not enough).
- Customers showed support for more/better communication outside of outages e.g. information on energy efficiency and storm preparation.

4.
Supporting our customers through the change to net-zero

- Overall, the shift to net-zero was viewed positively, and participants encouraged AusNet to prioritise a fair, accessible approach to help customers adapt.
- Support programs and subsidies were seen as important. Many saw this as vital to ensuring all customers, regardless of income, could participate in the energy transition.
- Customers expressed a need for better/simpler information about tariffs, saying messaging about when to use electricity is inconsistent and confusing.
- Participants supported advocacy for renters and more protection for customers in vulnerable circumstances, especially those who depend on life support equipment.

5. Value for Money: The proposal was mainly seen as value for money. Where there were reservations, there was minimal input on what should change

Most participants thought the proposal represented value for money and was affordable. A small number of customers explicitly acknowledged the efforts made in the proposal to keep costs flat while not diminishing service levels.

Conversely, a few customers said they were dissatisfied with the value for money (11%) and that the proposal was unaffordable (13%). However, we did not receive clear and/or substantial input regarding changes to the proposal to improve value for money and/or affordability.

Notable observations from customers regarding value for money and/or affordability include (note, these are presented for context and nuance and do not represent a majority view):

- Accountability and transparency are key to customers' willingness to pay. Some customers said that they believe the proposal represents value for money but their support depends on whether or not they see tangible outcomes. A small number of customers were sceptical about whether proposed actions would happen.
- Investments that improve resilience for the long term were seen as representing value for money. Some customers expressed their support for more upfront investment e.g. undergrounding infrastructure, saying that this represented value for money as it could reduce future and more frequent expenditure on repairs/restoration.
- There were concerns for customers in vulnerable circumstances. While most customers said that the proposal was affordable, some pointed out that not all would feel the same suggesting support programs or subsidies for lower income households (noting that subsidies are outside AusNet's purview).

Overall, based on customer feedback before and during Round 4 workshops, it is reasonable to surmise that the proposal has achieved an acceptable balance between cost and service levels.

02 Overall assessment of the proposal

Nearly all customers found AusNet's proposal acceptable having read it before the workshop

People were most pleased with measures to improve affordability and savings, and commitments to improve the reliability and resilience of the network

Overall rating of AusNet's proposal
Q: How do you rate AusNet's proposal overall?

Total customers who completed the **pre-work: n=93**

Q: What aspects of the proposal are you **most pleased** to see?

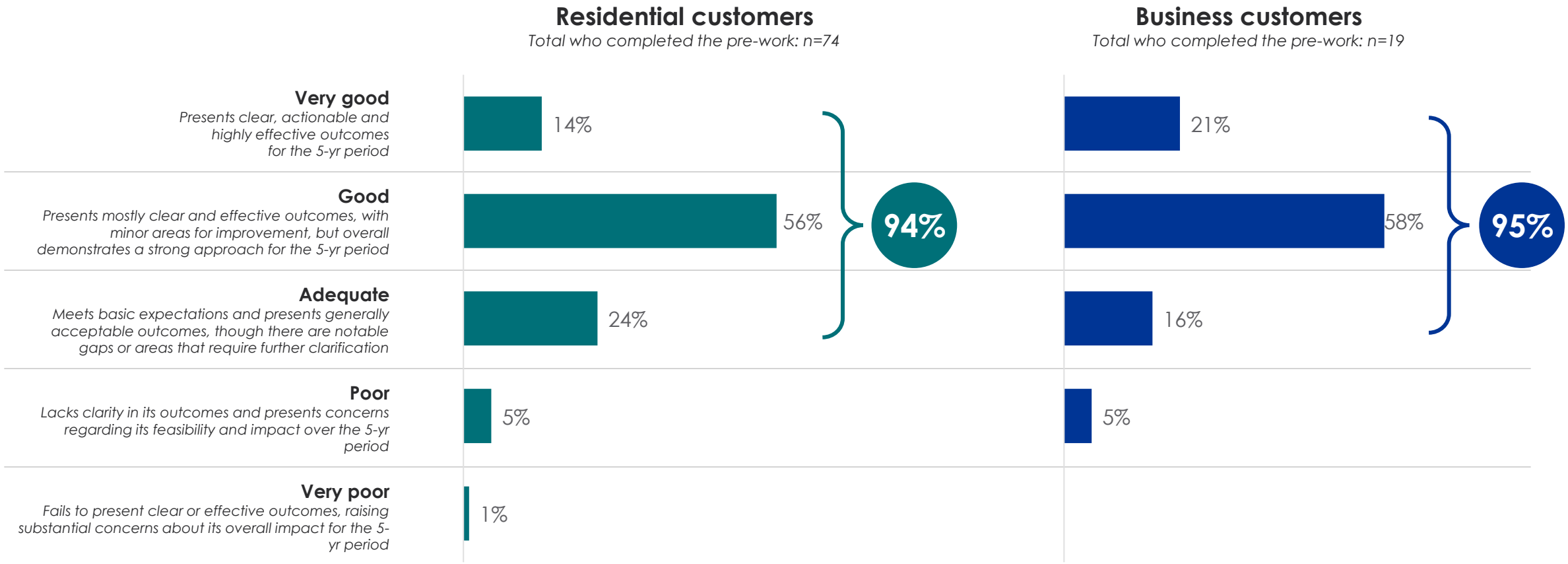
- AFFORDABILITY AND SAVINGS
- IMPROVED RELIABILITY
- IMPROVED RESILIENCE
- CUSTOMER-CENTRICITY
- RENEWABLE ENERGY
- COMMUNITY SUPPORT
- CUSTOMER SERVICE
- INFRASTRUCTURE UPGRADES
- CLARITY AND TRANSPARENCY OF INFORMATION

Q: Are there aspects of the proposal you **particularly don't like**?

- SCEPTICISM ON ELECTRIFICATION GOALS
- PRESSURE ON ELECTRIFICATION
- MINIMAL SAVINGS
- TOO TECHNICAL
- UNCLEAR TARIFF STRUCTURE
- DOUBTS ON NETWORK RELIABILITY
- NO CONSIDERATION FOR DIVERSE CUSTOMER NEEDS
- LACK OF INCENTIVES FOR SOLAR ADOPTION

Both residential and business customers found AusNet's proposal acceptable with the majority rating it 'very good' or 'good'.

Overall rating of AusNet's proposal
Q: How do you rate AusNet's proposal overall?



Aspects of the proposal customers were **most pleased** to see

AFFORDABILITY AND SAVINGS
- *"Love the incentive scheme mentioned."*
- *"I really like the focus on energy affordability. I appreciate the idea of finding ways to save without compromising on outcomes."*
- *"I was pleased to see about the metering charge decreasing by $34, this is great given the cost-of-living crisis."*
- *"Efforts to keep energy bills flat despite increased investment, through measures like reducing metering charges and improving network utilisation, are positive steps towards balancing cost and service levels."*

IMPROVED RELIABILITY AND RESILIENCE
- *"The network will be made more reliable for the worst served customers and that proactive preparations will be made to make it more resilient."*
- *"Providing a safe, reliable and secure electricity network while keeping the charges flat."*
- *"I like that there is a focus on strengthening the network to allow for climate change and lessening outages experienced."*
- *"The breakdown of resilience planning and climate change. Elaborating on what has been learned from the more recent big storm events and how it informs the intended measures taken in the future."*

CUSTOMER-CENTRICITY
- *"How AusNet has decided to make customer engagement more active with iterative feedback loops, to have a customer-oriented value offering."*
- *"Commitment to improve the outage tracker, including how information is communicated and the accuracy of the information."*
- *"I am mostly pleased to see AusNet has listened to us in the Energy project workshops. I see our ideas, thoughts and voices being heard!"*

RENEWABLE ENERGY
- *"Centered towards the renewable energy targets as committed as a nation, and the overall service network upgrades & value offering is designed to revolve around a demand-driven, future-ready, customer-centric service delivery."*
- *"Enable savings of up to $222 per customer per year investing in electrification or solar. This will really encourage uptake of solar panels in homes."*

COMMUNITY SUPPORT
- *"That AusNet will be on the ground more after a weather event to commit to customers electricity being back online quicker."*
- *"On ground community support after extreme weather."*

CUSTOMER SERVICE
- *"A commitment to customer service and experience is positive. I particularly like the investment in digital systems."*
- *"I like that there is a focus on providing a better customer experience as this will enable consumer confidence when changes are rolled out."*

INFRASTRUCTURE UPGRADES
- *"Investing in 'getting the basics right'."*
- *"It's good that you're looking to make improvements to critical infrastructure and trying to find ways to price it according to people's current financial abilities."*
- *"As new technologies emerge, investing in infrastructure and maintenance is key to ensuring the grid can meet increasing demands while also protecting public safety, such as through bushfire risk reduction."*

CLARITY AND TRANSPARENCY OF INFORMATION
- *"The transparency that AUSNET shows throughout their proposal is great."*
- *"I like the new proposal because it includes a Coordination group which will work in conjunction with AusNet to identify opportunities and reflects customers interests, dealing with matters in a transparent manner."*

Aspects of the proposal customers **particularly did not like**

SCEPTICISM ON GOVERNMENT'S ELECTRIFICATION GOALS

- *"The idea that 100% of cars and households will be electric by 2050. There are rural situations where this will never be the case."*
- *"The implication that electrification will mitigate gas and petrol costs is completely untrue."*
- *"I don't like the whole bullish goals to reach net zero. Electric cars for example, they weigh twice as heavy as a normal car so wear out roads and highways quicker, have risky issues with lithium batteries catching fire and just overall we don't have the infrastructure with charging stations, etc. to sustain these."*

PRESSURE ON ELECTRIFICATION

- *"AusNet's highlighting of increasing electrification, to the point that we will all have EVs by 2050, puts pressure on the consumer."*
- *"These expectations create a pressure, a sense that we should be able to make these purchases in the near future or we are going to miss the boat. In other words, that Victoria is going towards electrification, and you better keep up even if that seems beyond reach when you can barely pay your mortgage."*

MINIMAL SAVINGS

- *"The measly total savings of just over $250 per year is laughable."*
- *"A pathetic saving of average of $37 per year per household."*
- *"The tone is off and the continual mentioning of a $34 saving per year does little to shift a sense that AusNet is expecting consumers to do better with how they use their power and the power decisions they make."*

TOO TECHNICAL

- *"It was way too much information to take in and some of it was not suitable for the average consumer to understand or comprehend."*
- *"People like us don't know much about electricity and this document seems to be written for people who have existing knowledge/interest in electricity."*

UNCLEAR TARIFF STRUCTURE

- *"[No] clear information on how the tariff changed during 2019 - 2024."*
- *"Proposed tariffs for time of use could be confusing."*
- *"There is no mention of tariffs, electricity prices keep increasing and the amount of spam calls from third parties is overwhelming."*
- *"The introduction of multiple new tariffs, including solar soak periods and CER tariffs, might be confusing for customers."*

DOUBTS ON NETWORK RELIABILITY

- *"No guarantee on reduction in power bills and on reliability to your worst served customers or general customers only expectations. No detail in the plan to improve reliability apart from a new express feeder in the Benalla area."*
- *"You want to make the effort for more reliable power, but it's unachievable as your map layout shows."*

NEW OFF-PEAK TIME DOES NOT SUIT ALL

- *"Low cost electricity from 11am to 4pm – this is useless to most people who are away at work during the day."*
- *"How is a 9-5 onsite worker supposed to be taking a hot shower or using the stove at lunchtime rather than in the evening? Once again this seems to reflect the perspective of those who can either work remotely or are retired."*
- *"The times considered for peak and off-peak two-tier billing seem quite impractical. What's wrong with an off-peak being from midnight to 7am?"*

LACK OF INCENTIVES FOR SOLAR ADOPTION

- *"The proposal lacks a robust incentive scheme for stakeholders and does not adequately meet expectations for the return on investment for solar battery systems, particularly the returns from feeding power back to grid."*
- *"There was minimal incentive for households to make the inevitable shift towards electrification. There is not incentives to get solar bar feeding in."*

What customers would like to see in the proposal

FURTHER COST SAVINGS AND PRICE REDUCTION

- *"I'd like to see AusNet absorbing some costs, particularly given the huge profits drawn each year, whilst many families have to choose between paying their electricity bills or going to the dentist, etc. right now."*
- *"Using more of your company's profit to reduce costs."*
- *"To me, saving money is more valuable than any other thing in the proposal (like better support or less outages). Would like to see something about Money Saved/Lower Costs under the "highlights" section."*
- *"What customers want to know is how much will this cost them, and how much they will save."*

ADDRESS SOLAR AFFORDABILITY

- *"The rate of customers who have batteries are so low as they just aren't affordable."*
- *"As someone who rents I don't feel like a landlord would spend a high amount on solar panels for the tenant so lower cost would be welcomed."*
- *"Possibly an initiative to install batteries as well as solar panels as these are unaffordable. It would be great to see a return on the large cost to install solar panels."*
- *"I was hoping to see maybe a lowering of cost or more government grants around solar panels and batteries."*
- *"More proposed savings for customers and incentives to transition."*

DETAILED APPROACH TO SOLAR BATTERY AND STORAGE

- *"Better battery scheme for residents and renters. Focused a lot on solar but not so much on storage."*
- *"I think again I was hoping to see something in the draft about how batteries were going to be recycled or disposed so I think I was a little bit disappointed not to see that."*

OTHER ENERGY ALTERNATIVES

- *"Much more detail regarding rural and regional areas."*
- *"I suppose potentially an option to use coal fuel still."*
- *"An alternate plan for energy supply."*
- *"As renewables are dependent on weather conditions what is the backup."*

UNDERGROUNDING AND NETWORK HARDENING

- *"Underground powerlines would contribute to enhanced curb appeal and improved street aesthetics, potentially increasing property values. Expanded tree coverage would also be possible without the current constraints of overhead lines. Moreover, this shift would lead to heightened security and greater reliability of the power supply, while also reducing the risk of trees falling onto powerlines during extreme weather events."*
- *"I'd like clearer strategies for handling climate change and specific ways to make the network stronger against extreme weather."*
- *"It would be better to spend more money on new infrastructure that is underground as opposed to above ground to reduce this financial stress/servicing."*

DETAILED PLANS FOR RELIABILITY IMPROVEMENTS

- *"I see there is talk about solar and EVs, moving to electricity and removing gas connections etc. but the way houses are built should be thought about and incorporated into this planning, having properly and quality insulated houses makes a huge difference in energy requirements."*
- *"I was hoping to see a more ambitious plan with significant improvements in reliability for customers who often experience outages. I'd like clearer strategies for handling climate change and specific ways to make the network stronger against extreme weather. More focus on innovative solutions would also make the proposal better at tackling future challenges."*

03
Feedback by topic

i. Delivering a more reliable, safe and resilient electricity supply

Overall assessment: There was widespread support for commitments to improve network reliability and resilience

Customers were asked to consider three key questions (below) and discuss any other relevant points of interest

Worst served customers
What do you think of the proposal to maintain similar levels of reliability for most customers with noticeable improvements for those with poorest reliability?

Resilience
What do you think of the proposal to invest in proactively preparing for climate change impacts (rather than reactive repair only)?

Cost sharing
How do you feel about the costs of reliability and network resilience improvements being spread across all customers?

Key discussion themes
(please see details on following pages)

- Most workshop participants supported proposed actions to improve reliability for worst-served customers and customers in vulnerable circumstances.
- The proposal's focus on proactive investment and infrastructure upgrades was seen positively, aligning with customer priorities around long-term resilience and climate preparedness. They preferred proactive investment over reactive fixes, especially given the increasing number and severity of weather events.
- Customers expressed concerns about government pressure to move to100% electrification within a short timeframe. They are not confident the electricity supply is reliable enough to support this.
- A small group of customers suggested some supply improvement activities could be deferred given current cost of living pressures, particularly resilience network hardening given it is more speculative.

There was a clear desire for equitable service and support for the most disadvantaged customers

What do you think of the proposal to maintain similar levels of reliability for most customers with noticeable improvements for those with poorest reliability?

There was strong support for the proposed action to maintain similar levels of reliability for most and uplift the worst served customers. Key themes include:	**What customers said**
• **Equity and fairness**: Participants strongly supported the idea that worst-served customers deserve improvements to bring their service reliability closer to that of the average customer. Many saw this as an essential issue of fairness, emphasising that no one should have significantly worse service simply due to their location. However, a small number expressed uncertainty saying it was a choice (i.e. to live remotely).	• *"It should be a fair playing ground for everybody. So there shouldn't be 10,000 people that are sitting there having a worse experience with their electricity than what everyone else is. Not in this day and age."* • *"Investing money in ways of making it fair for everybody – yeah, for that reliability component. I'm all for that."*
• **Support for vulnerable and remote populations:** Many felt that prioritising improvements for the most vulnerable and remote customers is essential, particularly for those in areas with higher storm risk and longer outages. There was a strong call to focus first on life support customers, elderly residents, and those heavily impacted by reliability issues. Some suggested that rural and farming communities – who may not have chosen to live in high-risk, low-reliability areas – should also be prioritised, given their vital contributions to the broader community**.** A small number pointed out that not all needed uplifting.	• *"Whoever the most vulnerable are in that subset of the 10,000."* • *"So any life support, any elderly, any people that the stress caused by an outage is higher. By and large, more than the regular person"*
• **Importance of community and economic stability**: Reliable power was seen as fundamental for community stability and economic continuity, particularly in rural and regional areas. Participants noted that poor reliability could deter people from living or working in certain areas, which could, in turn, impact local economies and reduce community vitality.	• *"You don't want the scenario where people don't want to move to certain areas because you can't be guaranteed, if you turn the light on, it'll work."* • *"Probably a lot of people running businesses and things like that and providing vital services for the farming that we then utilise in the city and in the suburbs as well. So, for those people to have that reliability as well, they need it to continue in their daily lives along with the, the elderly who need that for, well, some of them for life."*
• **Responsibility of utility providers**: Participants felt that providing equitable service levels, especially to the worst-served customers, is a core responsibility of the utility provider. Some were sceptical about spending, questioning the feasibility and efficiency of the proposed investments.	• *"The costs just to improve service for 10,000 people are ridiculous. For that kind of money, I would expect improvements for an entire state, not just 10,000 people. That's probably the size of a small town in the suburbs. It's absurd. How can that possibly be enough? It's not enough."*

Customers supported measures to proactively prepare for climate change impacts

What do you think of the proposal to invest in proactively preparing for climate change impacts (rather than reactive repair only)?

Customers supported proactive resilience measures. They emphasised the need for a more robust network given the increasing severity of storms and other climate-related challenges. Key findings include:	**What customers said**
• **Customers agree with proactive investment**: They appreciated the emphasis placed on investing in resilience. It was agreed that preparation would be more effective than responding to repeated large-scale repairs. Some felt strongly that more should be done now to get it right for the long-term, stating that resilience measures such as hardening poles and undergrounding lines were necessary investments to reduce future costs and damages.	• *"I think anything proactive is better than reactive. The key to a lot of problems is early intervention and education. Even though the investment might be significant to put resilience-based infrastructure in place, ultimately, it would lessen the frustration and suffering of communities and likely reduce larger bills in the future from repairing massive parts of damaged infrastructure. Taking action now and investing from a cost perspective is probably going to be cheaper than reactive repairs when something goes really wrong."* • *"I like the idea of doing something once and right."* • *"Why don't we just invest in undergrounding."*
• **There are economic and community benefits of resilience:** Investing in resilience was seen as a way to maintain the economic health of rural communities and ensure essential services during climate events. Participants noted that power reliability in rural areas is critical, especially for farmers and small businesses.	• *"I think it's important to focus on resilience because you get more value in the long run by hardening the network. Especially as we move towards net zero by 2050, if we don't start these steps right away, it's like building on quicksand—we'll be putting more pressure on the network without making it stronger. We'll probably see more failures in extreme weather, with more people using the grid, which will overload capacity faster. As a customer, I understand it might be nice to stretch it out over ten years, but I don't want to be eight years down the track and find that my parents' farm was lost because the transformer wasn't upgraded. It would be reassuring to know we're building resilience into the system ASAP before major events happen."*
• **Some expressed concerns about the pace of electrification and the move towards 100% electrification:** A small number of customers raised concerns about relying solely on electricity to power their homes given the increasing number of weather events.	• *"No, I don't think 100% is realistic. I know that wasn't AusNet's goal—that came from an outside source. But 100% seems far-fetched. If it did happen, and there were issues with the grid, we'd all be stuck, like being back in lockdown with a five-kilometer limit."*

There was broad support for cost sharing and calls for transparency

How do you feel about the costs of reliability and network resilience improvements being spread across all customers?

While there was general support for reliability and resilience improvements and costs being distributed across all customers, some proposed phasing improvements given current cost-of-living pressures. Customers highlighted:	**What customers said**
• **Support for equal cost distribution but transparent communication about this is important**: There was general support for cost sharing across all customers to ensure equity. They believed that everyone should contribute to network resilience and reliability, given the interconnected nature of the grid. Transparent communication would be valued about how costs of reliability are shared and what network resilience improvements have been achieved.	• *"As long as the costs are shared equally, I assume it will be fair because we all suffer together. If one suffers, everyone suffers. As long as there's no segregation between those living in the city or rural areas, and it's spread across the board, then it creates a level playing field for everyone."*
• **Concerns about the financial burden and fairness:** It was acknowledged that improvements are needed but some expressed concern about the financial burden. A small group of customers in metropolitan areas questioned whether urban customers should bear the same costs as those in rural or remote areas (who wouldn't necessarily directly benefit from network upgrades).	• *"I'm 50/50 on it because we're not going to benefit—we might go up into those areas for camping or whatever, but we're unlikely to benefit from it. It's 37 million, while it looks like a big expense. Distributed around to everyone, it's probably not much, 20 or 30 bucks each, but then on the other side, some have chosen to live there, so why should we have to pay? But then others are born there and don't have the financial means to move elsewhere. I'm really in the middle on that one."*
• **Consideration needs to be given to affordability amid the current economic strain**: There were calls for caution in raising rates, with some participants noting that affordability should be prioritised given the current cost-of-living crisis. They suggested that projects be paced to balance the urgency of improvements with financial considerations for customers.	• *"It's never a good time to spend the money and kind of increase the bill. I think it's a tough economic climate at the moment. But you can't predict what's going to happen in 2028. If there's some kind of crazy war breaks out in the Middle East of the world. I think everyone will pay for that."*
• **Balancing cost and service levels:** A small group of business customers highlighted the need to weigh the cost of improvements against service level gains for all.	• *"Customers shouldn't pay more unless the value is clear for everyone."* • *"I think it should be you pay for a service and you should all get the same sort of level of service, and that comes at whatever cost."*

ii. Supporting growth, electrification and renewable energy sources

Overall assessment: Customers endorsed proposed commitments for growth, electrification and transition to renewables and want tariff structures which demonstrate positive return on investment

Customers were asked to consider three key questions (below) and discuss any other relevant points of interest

Flexible exports
What do you think of our proposal to enable more solar into the network via flexible export limits?

Connecting new generation
Do you support additional planning and investment in the sub-transmission network to enable large generators to connect where efficient?

Innovation
What do you think of the purpose and design of the $15m innovation fund? Is there anything you'd like to see as a focus for innovation?

Key discussion themes
(please see details on following pages)

- The draft proposal appears to have garnered substantial support from customers for its focus on renewable energy and electrification as key drivers for long-term sustainability and energy security. Customers appreciated the forward-looking nature of the plan, aligning it with broader net-zero targets and viewing the inclusion of incentives for solar and other renewable sources as positive steps.
- While customers support commitment to the transition to renewables, they also want more equitable pricing, clear information, and assurance that higher costs will lead to tangible benefits. There were calls for:
  - a clearer explanation of the current tariff structure and where this could be enhanced to help create a fairer pricing model that equitably distributes the benefits of renewable investments.
  - clarity about the specific benefits of renewable incentives, helping customers understand the value of their investment in both financial and environmental terms.
  - demonstrating how any proposed cost increases will clearly lead to measurable enhancements in service reliability (case studies are likely to be effective).
- Customers support the proposed innovation program and asked for clarity/transparency about the return on proposed investments.

Flexible solar exports welcomed - will be better accepted with clear communication

What do you think of our proposal to enable more solar in the network via flexible export limits?

Customers generally supported flexible exports. Most saw this change as positive but fairer tariffs and clear communication will be essential. Key themes include:

- **Support for a fairer system**: There was broad support from participants who valued more efficient use of rooftop solar capacity. Many saw flexible exports as a fairer system for both early adopters and newer users of solar. We heard suggestions for a system where energy is stored at a community level, instead of feeding all into the grid.
- **Concerns about feed-in tariffs and return on investment:** Several voiced dissatisfaction with low feed-in tariffs, despite this being out of AusNet's control. Some felt proposed changes wouldn't fully address their solar usage frustrations without tariff adjustments or additional incentives. They believe that low feed-in tariffs don't sufficiently incentivise solar investment.
- **Interest in battery solutions**: Interest in integrating battery storage options was highlighted, with suggestions that AusNet invest in or incentivise battery solutions to maximise rooftop solar benefits, reduce solar "wastage" and improve reliability.
- **Importance of transparent communication**: Participants underscored the importance of "grandfathering" the new system. Many agreed that this change should only apply to new system installations, with clear explanations for customers. They emphasised the importance of communication about the changes to ideal usage times.

What customers said

- *"I like the idea of everybody gets the same deduction on their bill because they're all supplying that same capacity. It's not like, oh well, tough for you. You don't get a good deal anymore because you didn't do it ten years ago. It's about moving forward so everyone benefits."*
- *Can you not bank the solar? That's how you were saying that ultimately goes to waste and people get cut off.*
- *"If you want us to generate more from our solar panels to sell back to the grid, the tariffs are just too low. I'm not getting anything anymore—it's not worth it, and I'm getting bills again. If you want to make it work, the tariffs need to go back up so we can produce more solar and resell it to you. Right now, there's a break in the cycle—it's just not working."*
- *"But I was like, why don't I have a battery? I cannot afford a battery. They are astronomically overpriced. But if it's going to help me when power goes out, like, why not?"*
- *"I wonder if there should be some acknowledgment, maybe a small incentive for those early adopters who have already benefited. This way, they won't think, I'm not going to upgrade; it's not worth it."*

Customers supported upgrading the sub-transmission network to unlock renewables

Do you support additional planning and investment in the sub-transmission network to enable large generators to connect where efficient?

Customers generally valued using existing infrastructure more effectively and agreed with the cost saving tradeoff of proactive investment. Key themes include:	**What customers said**
• **Efficient use of infrastructure:** Customers appreciated the cost-effectiveness and efficiency of planned upgrades to sub-transmission lines. Most were in favour of increasing renewable energy capacity quickly, seeing it as key to environmental progress and to ensuring future reliability.	• *"If you could clearly explain the long-term benefits to customers—showing that while costs may rise a bit, they won't increase as sharply as they would without this planning - I think it would be more appealing. I'd support it because, with long-term planning, we're avoiding sudden, massive costs down the line. Instead, it's a small, manageable amount for me as a consumer, knowing that future investments are already in place."*
• **Understanding trade-offs:** The complexity of cost allocation between network charges and wholesale savings was difficult for some to understand fully. Nevertheless, most participants supported proactive upgrades if it would lead to future cost savings.	• *"As long as it's really transparent and communicated that the long-term gain is beneficial financially even though there's a cost outlay currently."*
• **Desire for immediate, visible benefits:** Clarity in communicating the immediate and future benefits of proactive investment was identified as essential. Some were interested in knowing how much of a benefit they'd see on their bills and over what timeframe, particularly how upfront costs now could translate to reduced bills in the future.	• *"If we're paying $10 extra, it would be really nice if in five years when that solar farm is up and running, I get $5 back because we did the initial planning. Now that you're there, give us a little bit back to say thank you."*
• **Balancing supply and demand to ensure investment yields positive outcomes without waste**: Some requested careful planning to ensure investments yield substantial benefits for all with minimal waste.	• *"My biggest question is how can we guarantee that electricity which is generated in Australia doesn't go to waste? And what happens if we generate too much electricity? Does it just kind of get, you know, how do you get rid of electricity?"*

There was strong support for the proposed innovation program including calls for more investment

What do you think of the purpose and design of the $15m innovation fund? Is there anything you'd like to see as a focus for innovation?

Customers endorsed the innovation fund saying that innovation is necessary and expected. Key themes include:

- **Strong support for innovation fund:** Customers were enthusiastic about the innovation fund to support the transition to smarter, cleaner energy solutions. There were calls for even greater investment.

- **Governance approval:** The governance of the fund by an advisory panel of experts was well-received. They were comfortable with the fund being spent flexibly (i.e. allocated over time) provided there is good governance. Some suggested sourcing ideas more widely, including from the general public, or other global initiatives.

- **Ideas for Innovation should have clear benefits for customers. Money should only be spent on worthwhile projects:** There was interest in focusing on social and educational benefits, such as local employment or partnerships with universities. Additionally, several participants suggested exploring electric vehicles as potential batteries and availability of community batteries.
- **Most customers liked the 'use it or lose it' model:** Where they only pay for investments made. A small number expressed concern that this model might lead to ineffective investment if it led to hurried searches for things to spend the fund on.

What customers said

- *"If you're not innovating, you're going backwards."*

- *""Yes, if it's something that's highly likely to pay back dividends, then investing in innovation can be a great thing. That amount—$3 million a year—doesn't sound like much to me if it can potentially save a lot more in the long run. I'm happy with doubling it, provided that, historically, it has shown to pay off."*

- *"Crowdsource ideas and get the best ones out there. You don't have to reinvent the wheel; just look at what others are doing."*

- *"Historically, what is the return rate been on investing in innovation."*

- *"That needs to be better explained. It sounded like one of those government situations where, if you don't spend the allocated $1 million this year, you lose it—so people end up spending it on random things. I didn't like that idea. I prefer the approach where we only spend up to the budgeted amount and only charge customers for quality, usable ideas that it produces."*

iii. Providing a better customer experience

Overall assessment: Customers supported proposed measures to improve customer experience. Key discussion themes included improving experiences during and after outages and on-the-ground support.

Customers were asked to consider four key questions (below) and discuss any other relevant points of interest

Customer commitments
Are we focusing on the right things? Is there anything else you'd like to see here?

Broad communications
What do you think? Are there any other broad communications you'd like to see?

Digital systems
Are these the improvements we should be focussing on? Are there any missing?

People in regions
How important do you think it is to have engagement staff on the ground in regional areas? What should they be focussed on?

Key discussion themes
(please see details on following pages)

- Customers supported measures to improve customer services listed in the proposal. In particular, customers responded positively to commitments to improve transparency and accountability and improve on-the-ground support.
- Customers stressed the need for clear and timely communication during outages including real-time updates and more support for customers in vulnerable circumstances. Customers stressed the need to focus on clear and simple communication and the need to use multiple channels to suit customer preferences.
- Where there was clear support for commitments to improve on-the-ground support, customers suggested more could be done, including greater collaboration with local organisations e.g. councils, to improve customer experience during outages. Customers emphasised the importance of local knowledge.
- Other notable comments included the need for more Emergency Response Vehicles; better 'peacetime' communications i.e. providing customers with easy-to-understand information to help them understand the system and concepts like energy efficiency; and a greater focus on improving the claims process.

Overall, customers felt the proposal focuses on the right things; they advocated for greater focus on communication during outages, transparency and accountability

Are we focusing on the right things? Is there anything else you'd like to see here?

Customers supported AusNet's commitments to improve customer experience presented in the proposal. Conversations centered on:	**What customers said**
• **Accountability and transparency:** Participants emphasised the importance of AusNet being held accountable, with public forums or customer committees helping ensure promises are kept. The desire for visible, concrete commitments and progress tracking was central.	• *"The accountability, especially if it's a public forum or people from the public. So it's not just all insiders. I think that is brilliant. That is really exceptional. And it's not just buzzwords. Oh, we're going to hold ourselves accountable. You're actually taking the correct steps to do that."*
• **Focus on customer pain points and timely responses:** Many expressed frustration with recurring issues and slow responses. There was strong support for quicker, more decisive action on common complaints, especially on repeated issues. A small number suggested using AI or an app for answers.	• *"I think if you're able to equip your staff with the knowledge they need to answer questions, that would be a brilliant step. The biggest frustration with the February outages was trying to find out where to submit a claim and being run around in circles because nobody knew."*
• **Communication during outages:** Clearer, faster, and more reliable communication during outages was widely valued. Accurate ETRs, specific updates, and follow-ups were seen as critical to improve the experience. Customers also suggested having plans for a "low-tech" solution to help them get information in case they are not digitally savvy and improving communication after events e.g. better/more information about compensation and support.	• *"There's nothing worse than when the power's out, and you try to access something, and the website says, 'No, you've got power.' I'm like, well, I know what's happening in my own home, and the neighbor's house is out too. I've checked beyond my own place, and yet there's no information—that's frustrating."* • *"It would make more sense for people to actually go somewhere where the information is going to be sent, and then the information to be physically relayed. That way, you can't rely on people being able to get online, even if you can get the information online."*
• **Transparency about planned outages:** There were requests for transparency about why planned outages are scheduled and what improvements they aim to achieve.	• *"We've had a few planned outages over the last couple of years, and that's fine. You get a letter in the mail and may also get SMS reminders. But in the letter, there's an opportunity to explain more about what you're hoping to achieve during these outages. I think more information like that would help people accept the outages. For example, if there's a five-year plan with eight planned outages in your area, explaining what you're trying to achieve with those would be helpful."*

Customers would like greater focus on simplification, local collaboration, proactivity and diverse communication

What do you think? Are there any other broad communications you'd like to see?

Customers underscored the importance of simple, timely communication and using a diversity of channels to reach people. Conversations focused on:	**What customers said**
• **Simple, understandable information:** Participants emphasised the need for straightforward, accessible language to better reach diverse and elderly customers, suggesting that AusNet simplify technical explanations.	• *"People appreciate clear information—simple but clear. I think everyone would be much happier with that approach."* • *"So I think it's important for AusNet to be precise, yet, consumer friendly in these communications because many of us don't understand where AusNet falls into the electricity provision thing."*
• **Proactive communication in extreme weather and rural areas:** Participants noted the importance of proactive updates for communities in remote or high-risk areas, where outages might be more severe. • **Better collaboration:** Participants suggested establishing better/closer relationships with local councils and other service providers to improve customer experience during outages. Some also suggested establishing community facilities as hubs during outages, e.g. libraries and sports centres.	• *"For us up here in the high country, it can get scary, especially with many older people who don't have or understand technology. It would help to have someone we can talk to and say, 'Hey, Jill up the road is 87, and she has no idea what's happening. Can we check on her?' The community does a lot of that, but it would be reassuring to have you there, not necessarily to give us a cup of coffee, but to provide updates, rough time frames, and make us feel part of it rather than just a number."*
• **Using multiple platforms for communication:** They recommended using diverse communication methods to ensure information reaches customers. They suggested a mix of platforms – SMS, email, radio, Facebook ads, or in-person updates (particularly in rural areas), could improve the reach and effectiveness of communication, particularly during severe outages. Timestamped messages were also suggested to avoid confusion when customers receive delayed updates due to connectivity. • **Support for more/better 'peacetime' communication**: Participants suggested focusing more on community engagement outside of when there are issues e.g. to inform communities about storm preparation and how to get help. And, more proactive information e.g.'how to get the most out of the system in my house.'	• *"If you tried many different platforms—if it was really focused on online chat, for example, that would never work. But if it was a combination of a whole lot of different things, maybe you'd eventually get through to us."* • *"So continual attempts at messages or phone calls or in previous sessions we've talked about even radio."*
• **Adaptability to business customer needs:** Some business customers requested tailored communication for different types of customers – particularly those who run businesses. These also should factor in local concerns.	• *"So if you're calling as a business owner, you want someone who knows how to speak to business owners/businesses."*

Customers expressed overall support for improvements to digital systems and urged greater focus on vulnerable customers, claims processing and real-time updates during outages

Are these the improvements we should be focusing on? Are there any missing?

Customers generally supported proposed improvements but believe there are some areas needing attention, including:	**What customers said**
	• *"I'm happy about the improvements to the CRM, because I think that will obviously improve the way that your systems in the background work. "*
• **Proactive support for vulnerable customers:** several participants stressed the importance of systems to track and prioritise support for customers with critical or life-support equipment, especially during outages. They viewed this as essential for customer safety and wellbeing.	• *"There are people with special needs, elderly individuals, and those who rely on medical equipment that depends on electricity. Planned outages come with advance notice, but it's even more critical to address unplanned outages for these groups. What specific steps are we planning to take to support them differently from what we're doing now?"*
• **Streamlined claims processing:** Participants expressed a need for an efficient claims process, particularly after significant outages when the volume of claims is high. They emphasised ease of access and timely processing. • Customers also spoke about the importance of clear **guidance on whether compensation is available** and details on what they can claim for and how to access it.	• *"I think if you can equip your staff with the knowledge they need to answer questions, that would be a brilliant step. The biggest frustration during the February outages was trying to figure out where to submit a claim, and getting run around in circles because nobody knew."* • *"But I think it's important for the staff to know, too, that they've got the support of the business in knowing that they're trained fully to deal with all those sorts of situations. I think I felt really bad for the staff as well, knowing that you've got these extremely frustrated customers who can't get an answer out of them, but they don't know where to go either."*
• **Ensuring real-time tracking of outage information is accurate:** Participants highlighted the need for accurate, real-time updates during outages and scheduled maintenance to enhance the reliability and service quality which will help reduce customer uncertainty and improve satisfaction.	• *What I expected this type of digital communication will do is they can real time monitor and predict the maintenance schedule. For example, you actually can check and improve the reliability or service quality in any, extreme sort of weather condition. Make changes and you actually can track it and check in real time."*

iv. Supporting our customers through change to net-zero

Overall assessment: There was a positive outlook on the transition to net-zero, with customers seeking a better understanding of how tariffs are calculated, fair access for all and clear communication

Customers were asked to consider key questions (below) and discuss any other relevant points of interest

Tariffs
What do you think about the tariff proposal? Is it fair?

How should we communicate the benefits of our changed tariff structures to residential customers?

Advocacy priorities
Are there any advocacy priorities you disagree with? Or any you would like to see added?

Key discussion themes
(please see details on following pages)

- The shift to net-zero was generally viewed positively, and participants encouraged AusNet to prioritise a fair, accessible approach to help customers adapt.
- However, there was scepticism about the pace at which the transition is likely to occur. This may be a reflection of the need people expressed for clear information on when to use electricity to get the best value.
- There was a lot of discussion about tariffs and some confusion between network and retail tariffs.
- Support programs and subsidies were seen as important, particularly for customers needing assistance with transitioning to electric vehicles or renewable options. Many saw this as vital to ensuring all customers, regardless of income, could participate in the energy transition.
- Participants stressed the need for:
  - targeted support for low-income and vulnerable customers to make the transition financially manageable.
  - clear communication which will be critical to properly support customers. For many, understanding their bills is already difficult and having to change their understanding of the best time to use electricity just complicates it further.
  - AusNet to play an advocacy role, particularly in relation to customers who cannot benefit from solar or who have specific needs for reliable electricity.

Reactions to the tariff proposal were mixed

What do you think about the tariff proposal? Is it fair?

	What customers said
• **Complexity and accessibility:** Many participants found tariffs complex and challenging to understand, highlighting a need for simplified, user-friendly communication. They expressed confusion over differentiating between network and retail tariffs, leading to uncertainty about cost benefits.	• *"With the peak and off peak. So in the past, you know, all these campaigns said do your washing at night or dishwasher, use the dishwasher at night. And people have still got that in their head. So it's almost like we need to kind of reinforce that things are changing that."*
• **Fairness and equity:** Renters and homeowners without solar felt they would be at a disadvantage with the new tariff structure. They believe the new structure will benefit those who can leverage the solar soak tariffs by being home during the day. Some business customers suggested tariff discounts to those that cannot install solar.	• *"People like me who work all day get nothing out of the solar soak periods unless we shift major appliances."*
• **Perception of solar devaluation:** Some participants voiced frustration about diminishing returns on solar investments, noting that lower feed-in tariffs and increased network charges had made solar less financially beneficial.	• *"I'm trying to work out how paying more for network charges after investing in solar is fair."*

Communication on tariffs needs to be clear and simple

How should we communicate the benefits of our changed tariff structures to residential customers?

	What customers said
• **A call to emphasise simplicity and provide real-time guidance:** Participants emphasised the need for clear, straightforward information, potentially through an app, to inform optimal times to use energy and save costs.	• *"Provide clear, real-time information, so customers know when they're saving."*
• **The message is changing and customers feel conflicted:** Participants recalled earlier campaigns that encouraged night-time use, which now conflicts with the solar soak tariff messaging. They expressed a need for consistent and straightforward communication that adjusts outdated messaging and influences behaviour change.	• *"Just tell us which way to go. We've had 30-40 years of 'don't use during the day,' and now we're told the opposite."*
• **Support for a communications campaign:** It is critical that the tariff structure is communicated in easy-to-understand language as many people are confused.	• *"After years of 'use it at night' it's confusing to now shift to day usage."*

Customers see on-the-ground support as critical because it enables important local knowledge and relationships and vital outage support

How important do you think it is to have engagement staff on the ground in regional areas? What should they be focused on?

Customers supported commitments to improve community presence.	What customers said
• **Local presence and accessibility:** Customers emphasised the importance of having regional engagement staff accessible in specific areas. They noted that having staff locally stationed would help foster direct communication and build relationships, enabling a deeper understanding of regional issues and quicker response times. Some customers expressed frustration about the number of Emergency Response Vehicles proposed (four vehicles) being too low.	• *"Make sure these new roles don't just disappear into the ether of AusNet. If I'm thinking of AusNet, I should know that, say, Sue is down at Latrobe every month, on a set day, as the visible face of the company. I think that's important. But I don't know if 14 is the right number. If one person is expected to cover all of Gippsland—from Phillip Island up to the Murray—you might need two people for that. So maybe 14 isn't enough; it's something for you to explore."* • *"The four people to cover 800,000 people is absolutely absurd. I think that's a bit of an insult. We're in the high country and were completely cut off…"*
• **People with customised regional knowledge:** Regional staff are expected to have strong local knowledge and an understanding of community-specific challenges, especially those unique to rural or isolated communities. Participants felt that engagement staff should be familiar with local infrastructure and population needs to better address region-specific outages and support requirements.	• *"I think it's a good idea to have them positioned locally. They'll understand the local market better, especially in rural areas, and will be more equipped to assist with the specific challenges those communities face."*
• **Emergency and outage support:** It was agreed there's a need for engagement staff to be involved during emergencies, especially prolonged outages. This includes providing regular updates, offering on-the-ground support, and coordinating with local emergency response teams to ensure critical needs are met promptly.	• *"In our area, we have a bushfire point of last resort, and every small community in the mountains has one. Maybe that should be a focal point for people to gather during emergencies since everyone in these communities knows where they are."*
• **Coordination with local authorities:** Participants suggested that engagement staff should work closely with local councils and MPs, particularly during times of crisis, to provide consistent information and support to the community. They believed that this collaboration could enhance communication and trust within the community.	• *"Have you ever considered connecting with our local Member of Parliament to keep them directly informed during emergencies? They could serve as a community voice, sharing updates from AusNet and letting people know what's happening on the ground. It seems like a natural role for them, being part of the government."*
• **Relationship managers for business:** Business customers would like to have a relationship manager who is knowledgeable about local businesses and the area.	• *"And the relationship manager also understands larger to medium businesses. That's a godsend. That works well in other business models. And I'd like to see that in this case as well, especially when something goes wrong."*

There is a role for AusNet in advocacy

Are there any advocacy priorities you disagree with? Or any you would like to see added?

There were several areas where customers felt AusNet had a role to play in advocacy:	**What customers said**
• **Increased support for renters and landlords:** Participants argued strongly for fairer policies for renters, who face limited options to participate in solar and battery benefits without landlord investment.	• *"Renters pay the bills, but we get none of the benefits if landlords don't install solar."*
• **Life support customer protections:** Participants agreed on the need for continued or even expanded protections for life support customers, especially around outage planning and reliable communication during disruptions.	• *"The life support customers, I think that they need to be protected. And have a little more information. If there's going to be a blackout or an outage, where else can they go?"*
• **Scepticism about the all-electric transition:** Some participants expressed concerns about the push for all-electric homes by 2050, particularly regarding potential safety and practicality issues in the event of power outages.	• *"The going all electric homes by 2050 is just absolutely crazy, bizarre. Unrealistic in my opinion, but also unsafe. Imagine the power going out for 20,000 people."*
• In addition, there was some support for the role of **AusNet as a trusted source of information** moreso than retailers.	

v. Value for money and affordability

Overall assessment: Generally, customers saw the proposal as value for money and affordable. Where there were reservations, there was minimal input on what should change

Customers were asked to consider key questions (below) and discuss any other relevant points of interest

Do you consider the proposal represents value for money for customers? Why/why not?

Do you think average network charges of $800 per year for residential customers and $108/month ($1,300 per year) for business customers is something customers can generally afford to pay? Why/why not?

Key discussion themes
(please see details on following pages)

Note:
During the discussion on value for money and affordability, it was clear that no one wants to pay more for services and they were pleased to see that there was almost no increase. Those participants who felt costs could be lower were asked what they would want to see removed from the proposal to reduce costs. This was an open-ended question rather than presenting possible options. This had the advantage of allowing participants to nominate any element they wished to see removed. The few participants who expressed a view about reducing costs were largely unable to nominate any specific changes.

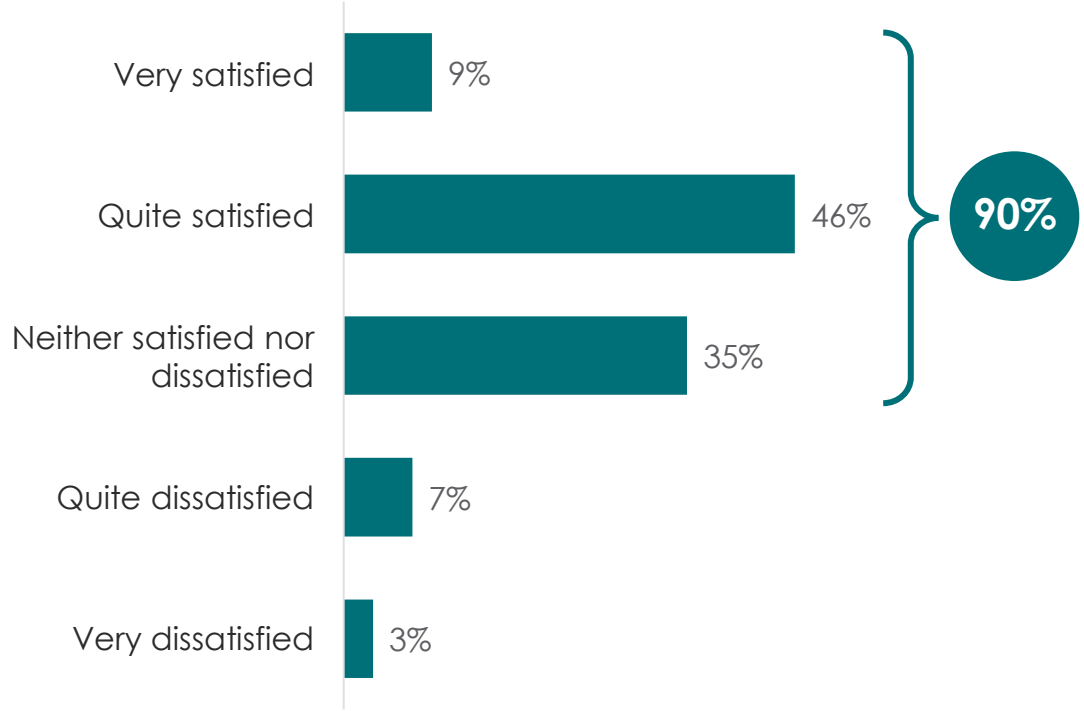
Value for money:
Most customers believed the draft proposal offers value for money, particularly when considering future-proofing and enhancing the network's reliability. Customers noted the importance of strengthening infrastructure to avoid potential higher costs down the line. There was strong support that the proposed investments should lead to tangible improvements. However, some customers were sceptical about AusNet's ability to deliver improvements given AusNet was falling short of their current expectations, particularly on reliability.

Affordability:
Only a small number of customers we spoke to indicated the proposal was unaffordable. Residential customers expressed concerns about increased costs because some misunderstood the $800 average cost that was used as an example; business customers were more focused on the predictability of billing. Both groups emphasised the importance of understanding what specific improvements or services they are receiving. The main concerns raised relate to affordability for vulnerable residential customers.

Survey results revealed most participants thought the proposal represented value for money

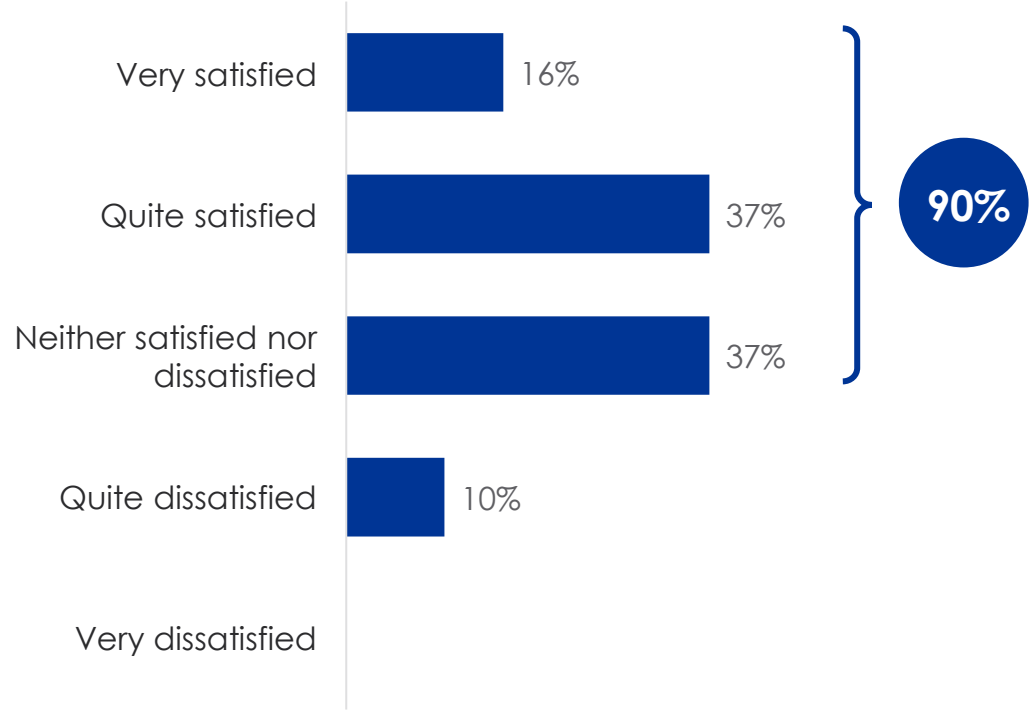
***Pre workshop survey**: How do you feel about the overall value-for-money of the proposal? (i.e. customers' willingness to pay)?*

Residential customers



Total residential customers who completed the **pre-work: n=74**

Business customers



Total business customers who completed the **pre-work: n=19**

Facilitated conversations elicited additional observations from a few, without negating the support shown in the survey

Workshop question: *This proposal is aligned with our best understanding of customers' expectations of service and their willingness to pay for the services they want. We believe it provides value for money. We also believe it fits with customers' expectations of energy affordability. But we want to know whether you think we are right. Do you consider the proposal represents value for money for customers? Why/why not?*

Overall, customers were pleased to see that costs remained flat to enhance value for money. A small number made specific observations including:

- **Value for money is based on delivery of improvements:** Most believed the proposal represented value for money if it led to tangible improvements in service reliability. There was a small number of participants concerned that current service levels do not warrant the current cost.

- **Willingness to pay is linked to transparency and outcomes:** Participants expressed a willingness to pay if there was clear accountability and visible outcomes. Many emphasised the importance of transparency in showing how funds would be allocated and the improvements they could expect. But there was also some scepticism about whether these proposed actions would happen.

- **Invest in infrastructure and minimise waste:** It was noted that businesses and individuals will have to invest significant amounts in infrastructure e.g. solar panels and batteries. Some called for incentives (unspecified as to the source) for solar infrastructure if they had to invest to realise solar benefits. It was also noted that undergrounding would represent value for money (despite increasing the cost) as this is a long-term solution and has benefits beyond resilience e.g. aesthetics.
- Some suggested proactive investment in the network should be avoided as it may not be required and would then be a waste.

What customers said

- *"I think it does represent value for money but it's hard to quantify the difference between a reliable and unreliable network. You can't broadly estimate the costs of not having resilience or capacity in five years if customers want electricity but can't get it. By building resilience and hardening the system, you're not building on quicksand. It's a better way to support customers with a stronger network."*

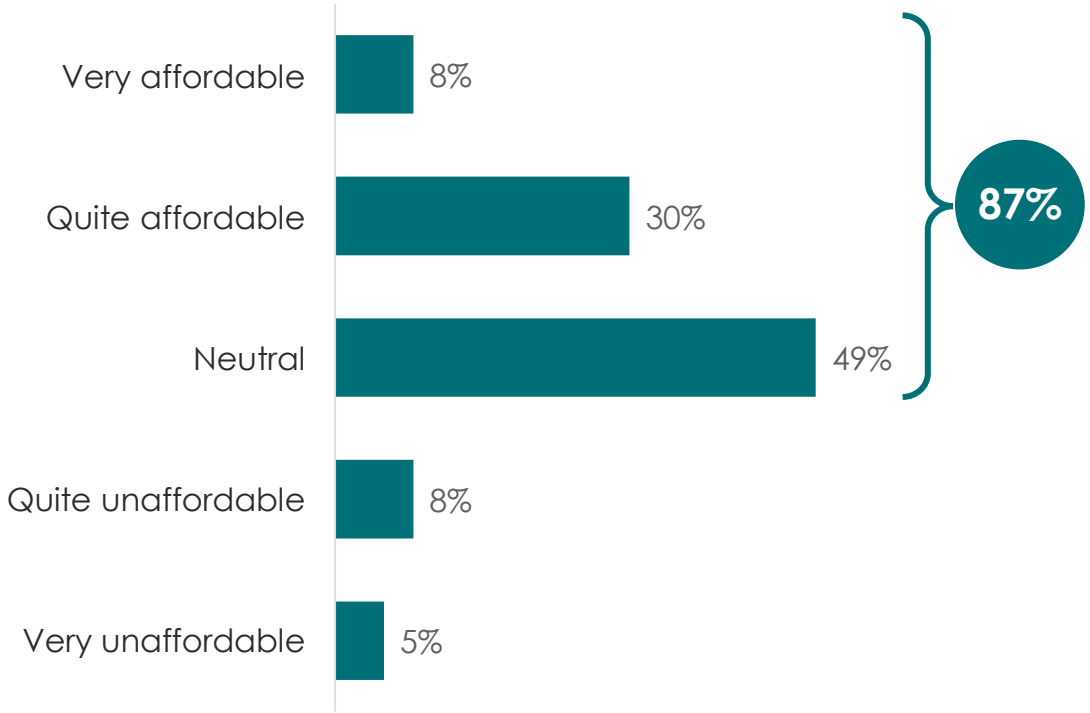
- *"The only way I'd see this as value for money is if there were actual proof that it's going to be implemented. It sounds like a great proposal, but living in a rural area, we're affected harshly, and I'm yet to see any action in my area. Right now, it's absolutely not value for money until I can see and feel it – until we don't go a week without power just because a tree fell on the network. Where I live, we experience freezing winters and scorching summers, which drastically affects my family. Unless there's real promise and proof of a strong, reliable infrastructure that we can count on, I don't believe it's value for money."*

- *"Upgrade should be going underground, like the example of the train lines that have gone all the overpasses with the level crossings to really help with traffic. So if they're going to do an upgrade, do it properly and start moving certain areas to underground. It's more costly rather than putting in some new poles and wires, which is just the same infrastructure that's exposed to the weather, taking out trees and everything else."*

Survey results also revealed most participants thought the proposal was affordable

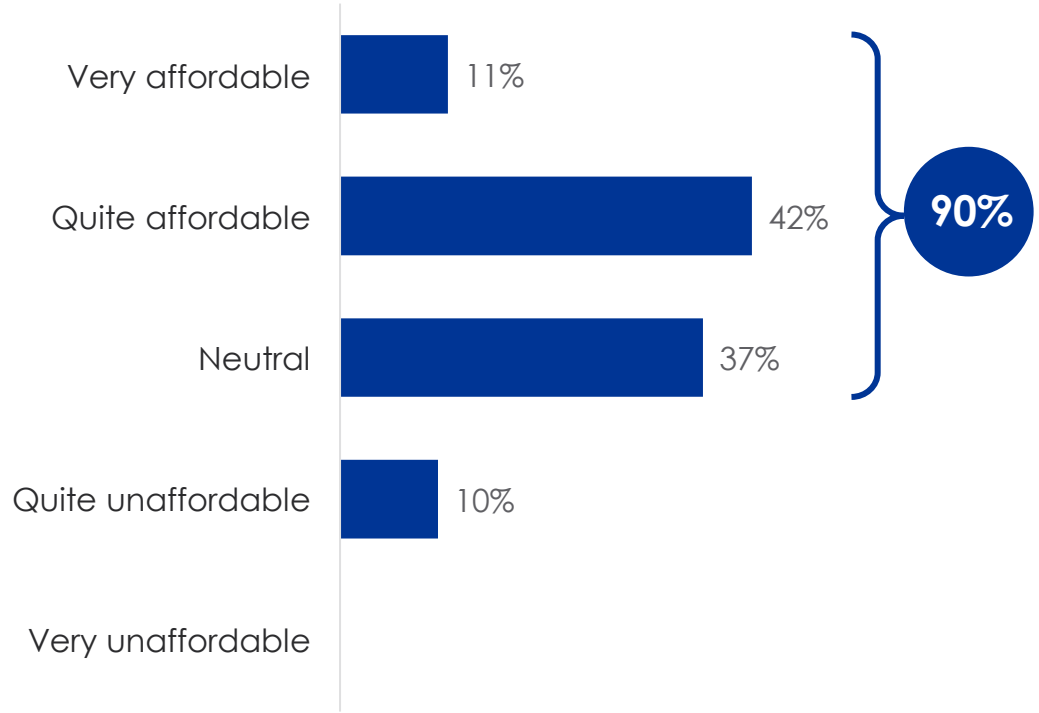
Pre workshop survey: *And how do you feel about the overall affordability of this proposal? (i.e. customers' capacity to pay)?*

Residential customers



Total residential customers who completed the **pre-work: n=74**

Business customers



Total business customers who completed the **pre-work: n=19**

Again, facilitated conversations uncovered some concerns, without negating the support shown in the survey

Workshop question: *This proposal is aligned with our best understanding of customers' expectations of service and their willingness to pay for the services they want. We believe it provides value for money. We also believe it fits with customers' expectations of energy affordability. But we want to know whether you think we are right. Do you think average network charges of $800 per year for residential customers and $108/month ($1,300 per year) for business customers is something customers can generally afford to pay? Why/why not?*

While customers said that the proposal was affordable overall, a small number expressed concerns including:	**What customers said**
• **Worries about vulnerable households:** The average cost of $800 for residents was often interpreted – despite clear communication – as an increase. We believe this skewed the conversation about affordability. • Among those who understood it was essentially the same as they pay today, some commented that while they felt it was affordable, they were worried about lower income households. This could reflect concerns they felt for themselves but were not comfortable voicing in the group.	• *"It depends on the customer's financial situation – whether they're wealthy or purely reliant on Centrelink or government support. For us, it roughly equates to about 1% of our income per year. So, when you look at it that way, it doesn't sound like too much. But this isn't the full electricity cost; it's just the network charge."*
• To combat these concerns, participants highlighted a **need for support programs or subsidies:** It was suggested that for the $800 charge to be affordable, support programs or subsidies for lower-income customers would be essential. This was heard but we acknowledged that it's outside AusNet's remit to offer support programs or subsidies.	• *"It seems like an outrageously high amount to me, especially if it doesn't even include usage. I didn't realise that, on average, this is what I pay annually just to be on the network – it's a bit shocking. In my opinion, I think that's an absurd amount of money. It's not affordable for me."*
• **Affordability is linked to service quality:** Some participants expressed that they could justify the cost if they saw a substantial improvement in service reliability, feeling the cost should correlate with improved experience.	• *It's crucial that the proposal actually follows through and that we see advancements in the systems and technology as promised. There was a lot covered, so it's about ensuring that all those elements come through. If everything happens as laid out, then yes, I believe there's value in it."*
• **It helps businesses to know costs:** Business participants suggested that businesses would benefit if they knew how much charges would be. There was some uncertainty about the various costs that made up the total bill.	• *"What purely from a business perspective, if we had a fixed cost and we knew that okay, so 12 months, this is what it's going to cost, then we'd be more accepting."*

Appendix

- Sample details for residential participants
- Sample details for business participants
- Images from workshops

Sample details for residential participants

A total of 82 residential customers attended the workshops in Round 4
- 18 in Traralgon
- 18 in Epping
- 24 in Wangaratta
- 22 in the online session.

The following slides are an overview of the information collected during recruitment.

Summary of residential workshop participants

A total of 82 residential customers attended these workshops and the sample included:

- a mix by gender (61% female, 39% male), age (45% aged under 40 and 55% aged 40+) and location (37% metropolitan, 58% regional and 5% rural/remote).
- 35% held one or more concessions, some had a disability (11%), health condition (12%), spoke a language other than English at home (9%) and two participants were Aboriginal/Torres Strait Islander.

We sought a mix of family and work situations, home ownership status and gross household income.

Looking at participants' electricity and gas consumption, around a third (35%) have solar panels on the roof of their home, most use gas (93%) but few drive electric vehicles (4%).

Electricity usage typically increases as the day progresses and is heaviest in the mid afternoon through to evenings. Attitudinally we heard that the majority actively try to reduce household energy consumption and think it's important to move towards sustainable energy sources to reduce our impact on the environment, however only some (18%) intend to stop using gas in future.

A more detailed breakdown of participants is provided on the following slides.

Gender, age and location

Gender	Total sample (n=82)
Male	61%
Female	39%

Age	Total sample (n=82)
Under 30	7%
30-39	38%
40-49	28%
50-59	18%
60+	9%

Location	Total sample (n=82)
Metropolitan	37%
Regional	58%
Rural/Remote	5%

Notes:
Rounding occurs
Total sample n=82

Concessions and suburb

Concessions	Total sample* (n=82)
Holds one or more concessions	35%
Has a chronic health condition	12%
Speaks a language other than English at home	9%
Has a disability	11%
Aboriginal and/or Torres Strait Islander background	4%
None of the above	51%
Prefer not to say	2%

*** Note**: Multiple responses allowed

Main suburbs	Total sample (n=82)
Wangaratta	27%
Epping	11%
Morwell	9%
Traralgon	9%
Mernda	6%
Tawonga South	2%

Other suburbs (2% or less)

Bayswater	Ferntree Gully	Narre Warren
Bayswater North	Gormandale	Newborough
Berwick	Hazelwood North	Ringwood East
Boronia	Healesville	Sale
Boweya	Kilsyth	Seaview
Broadford	Laceby	The Basin
Churchill	Maffra	Thomastown
Croydon	Mickleham	Wantirna South
Doreen	Moe	Warragul
Euroa	Mooroolbark	Wollert

Notes:
Rounding occurs
Total sample n=82

Household situation, gross household income, work status and home ownership status

Household situation	Total sample (n=82)
Couple with children at home	50%
Living alone	13%
Couple whose children have left home	10%
Couple with no children	10%
Single parent with children at home	10%
Living with housemates/other family	5%
Single with adult children at home	1%
Prefer not to say	1%

Occupation	Total sample (n=82)
Employed full-time	48%
Employed part-time/casual	20%
Self-employed	6%
Engaged in home duties	7%
Not employed at the moment	7%
Retired/semi retired	11%
Prefer not to say	1%

Gross Household Income (before tax)	Total sample (n=82)
Less than $50,000	20%
$50,000 to $99,999	38%
$100,000 to $149,999	26%
$150,000 to $199,999	12%
$200,000 +	2%
Prefer not to say	2%

Home ownership status	Total sample (n=82)
Have a mortgage (still paying it off)	53%
Rent	28%
Own the home outright (no mortgage)	18%
Live with parents	1%

Notes: Rounding occurs. Total sample n=82

Electricity and gas behaviour and consumption

Role in the decision-making and administration of your electricity supply	Total sample (n=82)
I am the main person in my household	80%
I share the decision-making and administration with others in my household	20%

Have solar panels on the roof of your home?	Total sample (n=82)
Yes	35%
No	65%

Drive an electric vehicle	Total sample (n=82)
Yes	4%
No	96%

Use gas in your household for heating, cooking, etc.	Total sample (n=82)
Yes, we use mains gas	83%
Yes, we use bottled gas	10%
No, we use electricity only	10%

Note: Multiple responses allowed

Notes:
Rounding occurs
Total sample n=82

Electricity usage and attitudes

Now thinking about your household electricity usage on an average weekday, can you please indicate whether you use a lot, some (but not a lot), only a little bit/none at the following times throughout the day?

	A lot	Some but not a lot	Only a little bit/none
12am-6am	9%	29%	62%
6am-9am	17%	62%	21%
9am-12pm	15%	55%	30%
12pm-3pm	18%	48%	34%
3pm-6pm	52%	43%	5%
6pm-9pm	66%	26%	8%
9pm-12am	24%	50%	26%

Using the scale shown, please indicate your level of agreement or disagreement with the following statements relating to household electricity use.

	Agree	Neither agree nor disagree	Disagree	N/A
I actively try to reduce my household's energy consumption	75%	21%	4%	-
I feel it is important to move to sustainable energy sources to reduce our impact on the environment	68%	29%	3%	-
I intend to stop using gas and use electricity only	18%	35%	32%	15%

Notes:
Rounding occurs
Total sample n=82

Sample details for business participants

A total of 21 business owners/operators attended an online workshop in Round 4.

The following slides are an overview of the information collected during recruitment.

Summary of business workshop participants

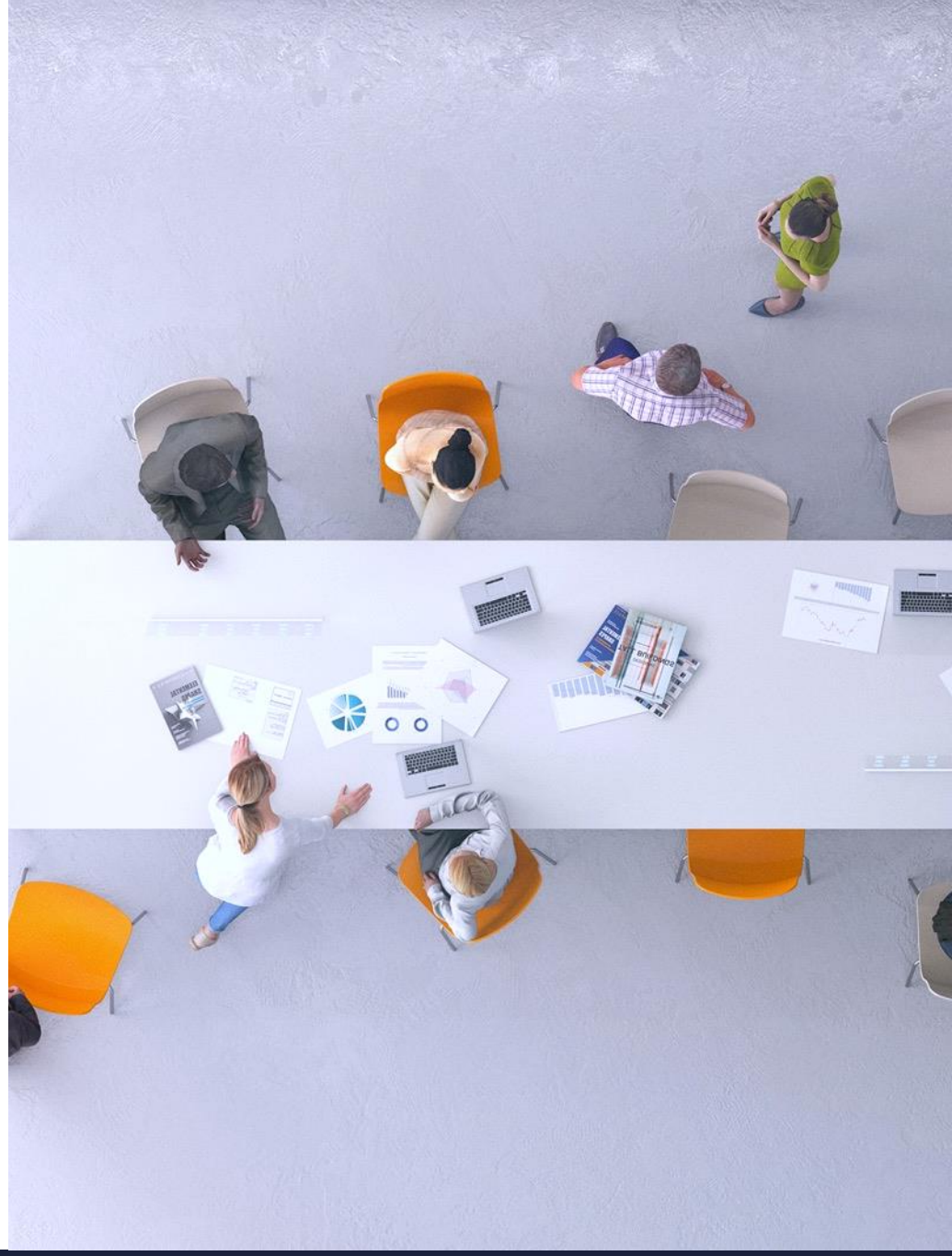
21 business owners/operators attended the online session. This group consisted of:

- A mix of self-employed (52%), and businesses who employ staff (24% with 1-4 staff, 5% with 5-19 staff and 14% with 20+ staff), operating across a range of industries/sectors.
- A spread by gender (52% female, 48% male), age (48% under 50 and 52% aged 50+) and location (81% metro, 19% regional/rural).
- People with different levels of education, with 52% tertiary educated. A little under half (43%) are still paying their mortgage, while 33% own their home outright.
- Businesses mostly rely on electricity for their business operations (62% use electricity exclusively). A little under half have solar panels on the roof of their business premises (48%), and only one person (5%) owns/operates an electric vehicle on behalf of the business.

During recruitment, it was noted that:

- Businesses' electricity use is highest during mid-morning to noon and wanes throughout the rest of the day.
- Owners/operators generally try to reduce business energy consumption and think it's important to move to sustainable energy sources to reduce the impact on the environment.
- A third (33%) of businesses who are currently using gas to operate appliances/ machinery, intend to stop using it in future.

A more detailed breakdown of participants is provided in the following slides.



Business operation

Working situation	Total sample (n=21)
I am self-employed and my business does not have any full-time or part-time employees	52%
I own or part-own a business with between 1 and 4 employees (including me and any business partner/s)	24%
I own or part-own a business with between 5 and 19 employees (including me or any business partner/s)	5%
I own or part-own a business with between 20 or more employees (including me or any business partner/s)	14%
I manage or work in a business but am not the owner	5%

Type of business	Total sample (n=21)
Construction	10%
Beauty services	5%
Bookkeeper	5%
Coffee wholesale	5%
Community service	5%
Computer training and hardware	5%
Construction	5%
Fruit shop	5%
Furniture retail	5%
Graphic design services	5%
Hospitality	5%
House and pet sitting	4%
Myotherapist	4%
NDIS disability support provider	4%
Online retail	4%
Pet food manufacturing	4%
Professional administration services & online management	4%
Residential home for people with a disability	4%
Retail/Ecommerce	4%
Specialised cleaning services	4%
Wholesale	4%

Notes:
Rounding occurs
Total sample n=21

Gender, age and location

Gender	Total sample (n=21)
Male	48%
Female	52%

Age	Total sample (n=21)
Under 40	19%
40-49	29%
50-59	33%
60+	19%

Location	Total sample (n=21)
Metropolitan	81%
Regional	19%

Notes:
Rounding occurs
Total sample n=21

Education and home ownership status

Education	Total sample (n=21)
Tertiary education	52%
Secondary schooling completed	23%
Secondary schooling incomplete	5%
Vocational certificate	10%
Trade qualification	10%

Home ownership status	Total sample (n=21)
Have a mortgage (still paying it off)	43%
Own the home outright (no mortgage)	33%
Rent	19%
Live with parents	5%

Notes:
Rounding occurs
Total sample n=21

Electricity and gas behaviour and consumption

Role in the decision-making and administration of your business electricity supply	Total sample (n=21)
I am very involved and the main decision-maker in my business	75%
I am quite involved in decision-making and administration but share this responsibility with others in the business	20%
General/operations manager	5%

Have solar panels on the roof of any of your office/work locations?	Total sample (n=21)
Yes	48%
No	52%

Does your business own and operate any electric vehicles?	Total sample (n=21)
Yes	5%
No	95%

Use gas to operate various appliances/machinery within your business?	Total sample (n=21)
Yes, we use mains gas	24%
Yes, we use bottled gas	14%
No, we use electricity only	62%

Note: Multiple responses allowed

Notes:
Rounding occurs
Total sample n=21

Electricity usage and attitudes

Now thinking about your business electricity usage on an average work day, can you please indicate whether you use a lot, some (but not a lot), only a little bit/none at the following times throughout the day?

	A lot	Some but not a lot	Only a little bit/none
12am-6am	5%	28%	67%
6am-9am	19%	57%	24%
9am-12pm	57%	29%	14%
12pm-3pm	53%	33%	14%
3pm-6pm	38%	43%	19%
6pm-9pm	24%	28%	48%
9pm-12am	5%	33%	62%

Using the scale shown, please indicate your level of agreement or disagreement with the following statements relating to your business' electricity use.

	Agree	Neither agree nor disagree	Disagree	N/A
Our business actively tries to reduce its energy consumption	71%	24%	5%	-
I feel it is important to move to sustainable energy sources to reduce our businesses impact on the environment	67%	28%	-	5%
Our business intends to stop using gas and use electricity only	33%	24%	29%	14%

Notes:
Rounding occurs
Total sample n=21

Images from workshops

The following pages present images from three in-person workshops in Traralgon, Wangaratta and Epping.

Images from Traralgon

Images from Wangaratta

Images from Epping

Thank you.

To discuss this further, please contact:

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