

Broad and Wide Stakeholder Engagement

CitiPower, Powercor and United Energy

Culturally and Linguistically Diverse (CALD) Community
Summary Report

December 2022

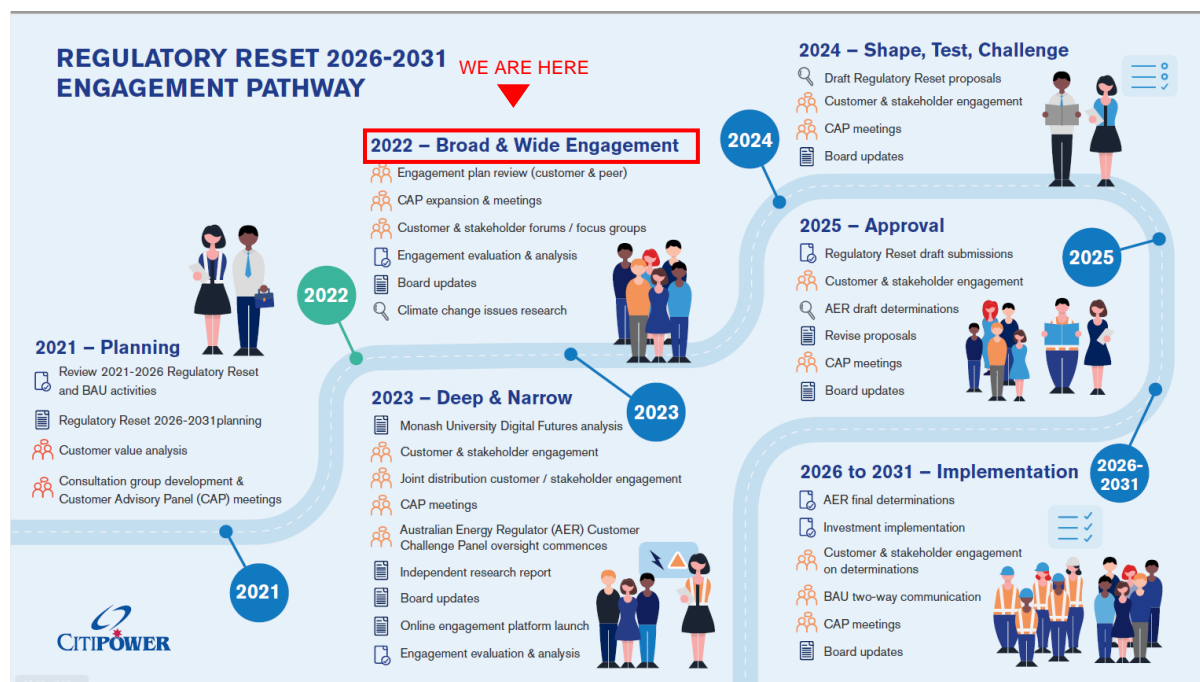


Introduction

Regulatory Reset Proposal Program

To support the development of the Regulatory Reset Proposal, a Foundational Program of Community Engagement was conducted to identify what was important to CitiPower, Powercor and United Energy customers, prior to engaging on more specific topics in the next stages of developing the Proposal.

The below diagram explains the full Proposal Program. We are currently at '2022 - Broad & Wide Engagement'.



Broad & Wide Engagement

A broad and wide program of community engagement was essential to the development of the regulatory reset proposal to ensure it genuinely reflected the needs and preferences of all customers.

This program was developed to ensure that all customer voices could be heard across the network. This included customers of varying geographies, age groups, socio-economic status, as well as those from ethnic, linguistic, and culturally diverse backgrounds.

Forethought's Involvement

Forethought is a Marketing, Analytics and Strategy organisation with teams that specialise in Research and Engagement within multiple industries including Utilities.

Forethought's experience in the energy industry involves conducting customer and stakeholder research and engagement with organisations across the full value chain including electricity generation, distribution, transmission, and retail services. They partner with clients to provide an independent customer voice, ensuring that the customer is always at the forefront of organisational decision making.

Forethought was selected for this program based on their expertise across both Utilities and Research/Engagement capability to design and facilitate engagement forums and objectively report back on the needs and preferences of customers across the network.

Objectives & Methodology

The Broad & Wide Engagement program is the foundational engagement program in the development of the 2026-2031 regulatory reset proposal. This reflects CitiPower, Powercor and United Energy's genuine commitment to develop a proposal that is anchored in customer needs and preferences for the immediate and longer-term future of the network.

This program sought to achieve the objectives set out below.

2026-2031 Regulatory Reset Objective

Develop a regulatory reset proposal for the 2026-2031 period that aligns with the needs and preferences of the CitiPower, Powercor and United Energy customer base.

Engagement Objectives

- Identify and understand customers' current needs and preferences for the immediate and longer-term
- Understand how customers' unmet needs could be met through investment or divestment in our network
- Identify the key themes and areas that customers prioritise investment in

Approach

Who

Consideration was given to recruit participants from a diverse cross-section of the community. This ensured that we had representation across age, gender, geography, and socio-economic status. Furthermore, participants were varied in their engagement levels with the electricity industry to ensure that all consumers were represented in this conversation, not just interested, and engaged customers.

For CALD communities represented in this report, Forethought worked alongside the LOTE Agency to facilitate consultations across the Indian, Arabic and Chinese communities, who resided within the CitiPower, United Energy and Powercor networks. Separate forums were held for these individuals to support specific cultural and demographic needs, and an online approach was implemented to support ease of attending the session.

Participation

Customer Group	Engagement	Consultation Date & Time	Number of Attendees
Indian Community	Online	13 October 6.00 pm – 7:30pm (90mins)	Total: 8 5 x Powercor customers 0 x CitiPower customers 3 x United Energy customers
Chinese Community	Online	27 October 6.00 pm – 7:30pm (90mins)	Total: 8 1 x Powercor customers 2 x CitiPower customers 5 x United Energy customers
Arabic Community	Online	8 November 6.00 pm – 7:30pm (90mins)	Total: 8 7 x Powercor customers 1 x CitiPower customers 0 x United Energy customers

Recruitment

Recruitment for the CALD engagements was undertaken by the LOTE Agency. The LOTE Agency are specialists in ensuring that communication is clear and effective when speaking with customers from diverse cultural & linguistic backgrounds.

To recruit customers, the LOTE Agency undertook a bespoke approach that included engagement with community networks that the agency already had partnerships with. Through social media, a link was also shared in community forums that included information about the consultation and held a short questionnaire to ensure customers who wanted to be part of this consultation were residing on the network.

Compensation

As consultations were held over a 90 minute timeframe, participants were compensated for time spent (\$100).

Methodology

The CALD consultations commenced with a scene setting where the session purpose and agenda was introduced to help customers understand the context for discussion. This also included an overview of the themes to be discussed which were:

- Affordability and Equity
- Energy Transformation
- Customer Experience
- Reliability and Resilience

Prior to understanding the importance of these themes and the topics that existed within them, the facilitator asked questions that focused on:

- The role of energy in customers' everyday life
- Understanding current knowledge of distributors and the electricity supply chain

This was supported by the facilitator sharing information about the roles and responsibilities of the distributor within the electricity supply chain to support an informed conversation.

These four themes¹ were explored in more detail to understand what was important to customers and ensured that everyone had an opportunity to discuss and share their feedback which would not have been possible in a larger forum.

Within each discussion, customers were asked about their electricity needs and preferences today and into the future. They were also asked to ideate what they wanted from their distributors to focus on in relation to that specific theme area.

To support the discussion, information about the themes were selected purposely to share and educate customers. Care was taken to ensure that information was presented in easy-to-understand language and that the format did not bias customers' views. Publicly sourced and network data were used in these information packs. Facilitators moderated these conversations to allow the information to be shared, whilst ensuring that the main discussion involved all customers sharing their feedback and ideas.

The last stage involved customers to fill out a feedback survey to support The LOTE Agency, Forethought, CitiPower, Powercor and United Energy in adjusting the engagement methodology where necessary to support the most effective consultation in future forums.

Following the consultations, Forethought undertook various reporting workshops and internal quality checks to align on the customer themes and preferences that are reported within this document.

¹ The four themes of focus were developed by a Meta-analysis of CitiPower, Powercor and United Energy Customer Insights to understand what overarching areas were important to customers.

IAP2 Spectrum

The level of customer participation in this program was intentional and is highlighted in our depiction of the IAP2 Spectrum shown below. Within this consultation, customers were involved in shaping the direction of focus for CitiPower, Powercor and United Energy by discussing a wide range of issues, and sharing feedback about what they thought was most important.

IAP2 Spectrum of Public Participation²

	Inform	Consult	Involve	Collaborate	Empower
Public Participation Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives, and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.

Methodology Refinements³

In earlier CALD consultations, a larger amount of information was provided to customers relating to the themes (affordability and equity, energy transformation, customer experience and reliability and resilience). However, we observed that this could be overwhelming for participants and limited the discussion time. Therefore, for the following CALD sessions, the information provided was reduced and only shared as required throughout the conversation.

² IAP2, 2018, IAP2 Spectrum of Public Participation, accessed 22 November 2022, https://iap2.org.au/wp-content/uploads/2020/01/2018_IAP2_Spectrum.pdf

³ Methodology refinements was made to all engagements across the CitiPower, Powercor and United Energy consultations, and not specific to this network.

Engagement Context

During the period of consultation, there were various unprecedented events occurring in the lives of customers and across the broader electricity industry. We hypothesise these events had an impact on the needs and preferences of customers.

At the time of engagement, the following events occurred or continued to occur:

- Well-publicised cyber-attacks on Optus (22/9/22⁴) and Medibank (12/10/22⁵)
- Federal Government budget release that announced that “Electricity and gas will rise sharply as the cost is passed on to households, the budget said, with power bills set to rise 20 per cent in the second half of 2022 and a further 30 per cent in 2023-24.”⁶
- Severe rainfall and flooding across Victoria from 11 October 2022 ⁷
- War in the Ukraine with the Russian invasion impacting Australian energy prices⁸
- Media reports of “the annual inflation rate in Australia climbed to 7.3% in Q3 of 2022 from 6.1% in Q2, above market forecasts of 7.0%. This was the highest since Q2 1990”.⁹
- In July - September 2022, all living cost indexes rose¹⁰. This included:
 1. Mortgage interest
 2. Food and non-alcoholic beverages
 3. Housing – including rents, utilities and other housing
 4. Furnishings, household equipment and services
 5. Remaining contributors (i.e., alcohol, tobacco, clothing, footwear, transport, communication, recreation, education, insurance, and financial services)
- Victorian Government Election campaigns in late 2022 including the announcement to re-establish the State Electricity Commission of Victoria¹¹

Evaluation

At the conclusion of the consultation, customers were asked to complete a feedback survey to support refinement of the engagement process. The results for the CALD consultations are below.

Customer group	Overall satisfaction (Out of 5)	Customer comments
Indian	N/A	N/A
Arabic	4.3	"Everything was clear." - Residential Customer "Everything was good." - Residential Customer
Chinese	5	"I hope our feedback was useful." - Residential Customer

⁴ ASIC, 2022, *Guidance for consumers impacted by the Optus data breach*, accessed 8 November 2022, <https://asic.gov.au/about-asic/news-centre/news-items/guidance-for-consumers-impacted-by-the-optus-data-breach/#:~:text=On%2022%20September%202022%2C%20Optus,numbers%2C%20may%20have%20been%20exposed.>

⁵ Krester, A, Smith, P, 25 October 2022, *Minister preps for Medibank hack fallout*, Australian Financial Review, accessed 8 November 2022, <https://www.afr.com/companies/financial-services/medibank-says-more-customers-hit-by-cyberattack-20221025-p5bsl9>.

⁶ Mizen, R, 25 October 2022, *Labour's power prices promise dead: energy costs to spike 56pc*, accessed 8 November 2022, <https://www.afr.com/politics/federal/labor-s-power-prices-promise-dead-energy-costs-to-spike-56pc-20221024-p5bscz#:~:text=Electricity%20and%20gas%20will%20rise.per%20cent%20in%202023%2D24.>

⁷ Abbott, L, Ilanbey, S, Schelle, C, 11 October 2022, *People in flood risk areas told to prepare for up to 72 hours of isolation as heavy rains loom*, The Age, accessed 8 November 2022, <https://www.theage.com.au/national/victoria/calm-before-the-storm-victoria-prepares-for-more-floods-20221011-p5botc.html>.

⁸ Mercer, D, 26 February 2022, *Russian invasion of Ukraine drives up energy costs and Australians will feel the pain*, ABC News, accessed 8 November 2022, <https://www.abc.net.au/news/2022-02-26/russia-invasion-of-ukraine-to-drive-up-energy-costs-for-all/100861246>.

⁹ Trading Economics, September 2022, *Australian Inflation Rate*, accessed 8 November 2022, <https://tradingeconomics.com/australia/inflation-cpi>.

¹⁰ Australian Bureau of Statistics, September 2022, *Selected Living Cost Indexes Australia*, accessed 8 November 2022, <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/selected-living-cost-indexes-australia/latest-release>.

¹¹ ABC News, November 2022, *Victorian state election campaign officially begins with promises on V/Line and water bills*, accessed 8 November, <https://www.abc.net.au/news/2022-11-02/victorian-state-election-first-day-of-campaign/101607624>.

Customer Perspective on Engagement Themes

This consultation required customers to discuss four specific themes across:

- Affordability and Equity
- Reliability and Resilience
- Energy Transformation
- Customer Experience

The main priorities and concerns regarding each theme are documented on the following pages.

The sentiment that underpinned some customers' priorities and concerns

When discussing these themes Forethought analysed the feedback, alongside the LOTE Agency, and reflected on the underlying sentiment driving customer responses. This helped us to understand why certain topics were raised.

Chinese customers

For customers with a Chinese language speaking background, we observed a strong need for certainty and security. We found that their previous experiences in China (e.g., access to cheaper electricity and regular blackouts) shaped their priorities and expectations with regards to electricity supply in Victoria.

Arabic customers

For the Arabic community, the emphasis on affordable, reliable electricity was often shaped by their experiences as new Australians establishing themselves in new homes and communities. They also expressed concern for those with different accessibility needs, such as the elderly, and people from non-English speaking backgrounds who may have trouble accessing service, also influenced by their confusion on how their distributor and the electricity industry operated.

Indian customers

The Indian community wanted greater autonomy and self-sufficiency to support an uninterrupted lifestyle. Their expectations appeared to be shaped by their experience in India where micro grids were common.

Customer Perspective on Affordability and Equity

Introduction

Electricity was perceived to be expensive and therefore both affordability and equity topics were salient for the CALD community. Within this theme, the following topics were raised:

- Stability of electricity prices
- Improving the transparency of electricity supply charges
- Equity in accessing infrastructure to reduce electricity prices

Customer priorities and concerns

Stability of electricity prices

Customers believed that electricity prices would continue to rise in the short term, and they were therefore concerned about pricing stability. This was a shared concern for all CALD customers.

Customer questions relating to the potential ongoing price rise included:

- Why are bills going up?
- Why were costs going up alongside inflation?

Chinese customers were particularly influenced by their experience in China and believed that the government-owned supply chain was much more affordable. These customers valued cheap and stable energy prices, noting that 'fixed prices make me feel more comfortable'.

Consequently, when considering who should pay for upgrades to the network, it was thought that the government and the distributor should pay, as the government would benefit from a more efficient society that reliable electricity would facilitate.

Improving the transparency of electricity supply charges

Customers found it difficult to define what value meant in the context of their electricity bill. This led many customers to believe that more transparency regarding pricing was needed.

To facilitate greater pricing transparency, customers wanted more understanding of how distributors and retailers affected costs. They also desired more information about efficient home appliances to reduce costs. It was believed that this information would help reduce bill shock and ultimately provide more comfort.

Equity in accessing infrastructure to reduce electricity prices

Inequity for renters was raised within the Arabic group. It was felt that being a renter and part of the CALD community held more complications compared to just being a renter. This was because they were unable to advocate for changes and were influenced by what their landlord wanted.

CALD customers were able to provide examples of this inequity. These included: being unable to 'install solar panels, (and) decrease cost of energy in day to day life', and being in an embedded network that did not allow them to choose their retailer and find a cheaper rate.

Customer questions to solve for

Taking customers' priorities and concerns into consideration, we summarised the following questions to further explore and address in informing investment priorities:

Stability of electricity prices

- How can I be proactively informed about electricity prices today and into the future so I can plan?

Improving the transparency of electricity supply charges

- Can you give me more transparency about what I am paying for?
- Can you help me understand what I can do to reduce my usage and therefore energy bills?

Equity in accessing infrastructure to reduce electricity prices

- How can I have more choice regarding my electricity usage?
- How can you help me (as a renter) get access to solar?

Customer Perspective on Reliability and Resilience

Introduction

There were mixed views across the groups as to whether their network was reliable and resilient. When discussing this theme, customers noted the following areas of importance:

- Reliability today: Managing usage
- Resilience to withstand weather events

Concerns and priorities

Reliability today: Managing usage

Without a specific solution in mind, the Chinese and Arabic group appeared open to paying more for increased reliability – because electricity was considered an essential service. This would appear counter-intuitive, given their reluctance to pay more in general (as discussed in Affordability & Equity), but in fact illustrated the level of importance customers place on reliability as a priority over price. To demonstrate the importance of reliability, Arabic customers highlighted those who needed electricity for life support devices, as well as those needing electricity to support children and the elderly.

There were mixed views from the Indian community as to whether they would pay more for a reliable supply. It became clear that their opinions were influenced by their experiences in India where they had lived with regular outages. In comparison, their experience in Australia was much better and therefore, they were less inclined to see the current reliability to be a significant problem.

Resilience to withstand weather events

Generally, the network was not considered resilient as CALD customers expressed their concern about the increase of extreme weather events that may impact electricity supply.

Chinese customers who had experienced underground infrastructure in China, were surprised that this was not as commonplace in Australia. Suggestions for distributors therefore included activities such as undergrounding, and maintenance to support infrastructure resilience.

Extreme weather conditions had already been experienced by customers and many anticipated further extreme weather events that they felt would impact the networks resilience; 'the extreme weather outage is going out of control...I hope they can prepare for this'. Importance was placed on planning for ongoing extreme weather events in order to prevent outages.

Customer questions to solve for

These questions will identify the top priorities to refine, address and solve for in future investment and improvement:

Reliability today: Managing usage

- How can you maintain the levels of reliability that we currently experience? (Indian community)

Resilience to withstand weather events

- How are you ensuring that the network can withstand extreme weather events?

Customer Perspective on Energy Transformation

Introduction

Customers felt that the demand for electricity was increasing as customers switch away from gas and increase their use of electrical appliances. They believed that the introduction of more renewables was required in order to support this increased demand.

When discussing this theme, the following topics were important:

- Solar panel uptake
- Communication and education about the energy transition

Customer priorities and concerns

Solar panel uptake

There was ambition from all CALD communities to use solar to support future electricity demand and a greener future.

Arabic customers were educated about the flow-on affects relating to increased solar penetration; for example, if the uptake of solar was to increase, it may mean increased competition for electricity suppliers (and therefore increase the price of non-solar energy).

For customers, it could mean cheaper bills for those who have installed solar and able to use solar generated on their rooftops as their fuel source.

There was, however, still a feeling of reliance on traditional supply sources to supply electricity in the winter months when there was not enough sunlight to guarantee reliable supply from solar. Therefore, customers knew that the future included a mix of self-sufficiency and leaning on large-scale generators to supply for growing electricity needs.

Of all CALD communities, the Indian customers raised the importance of a greener future the most. They wanted to support reduced carbon emissions and knew that renewable technology, including solar, would support this desire.

The Indian and Chinese communities tended to believe that solar panels were 'not so efficient' - meaning that they may not get a return on their investment. They needed to consider many aspects, such as how long they wanted to live in their home, compared to the number of years it would take to obtain a return from the solar investment. Therefore, they believed that schemes such as government subsidisation would be important to drive increased uptake of solar.

Communication and education about the energy transition

Customers were unsure about what solution was best for the future in terms of renewables. Some members of the Indian community were particularly interested in the energy transformation at a community level. This materialised in an interest in investment in local initiatives such as community batteries and micro grids.

Overall, many customers had questions about what exactly the distributors would be implementing as part of the energy transformation, and how they, as individuals and households, would fit into the future solution. Would they, for example, be offered more renewable options in the future? Who was responsible for managing the transformation? Customers wanted more education about the transformation itself, as well as the distributors' role in managing it, and what they could expect.

The main concern for Chinese customers was ensuring that stability and reliability was maintained during this transition. 'If we are transitioning to green energy, I would want it to be more reliable, as that is most important.'

Customer questions to solve for

Taking customers' energy transformation expectations into consideration, we summarised the following points to further explore and address in informing investment priorities:

Solar panel uptake

- How can we make solar accessible for customers who want to be part of the energy transition?

Communication and education about the energy transition

- How can customers contribute to the electricity transition?
- How can I obtain more information about the transition?
- How can you ensure reliable supply during the transition to renewable electricity?

Customer Perspective on Customer Experience

Introduction

Customers had less opinions and thoughts about Customer Experience than they did other themes. Although there were some topics that did emerge in the discussion which included:

- Knowledge of the industry to inform action
- Communication of power outages

Customer priorities and concerns

Knowledge of the industry to inform action

Customers wanted to be informed about the electricity supply chain to know when to reach out to their distributor as opposed to other suppliers on the electricity supply chain.

For some customers who did not have existing knowledge of the industry, they would have typically called their retailer with any electricity-related issues. Therefore, more education was required to understand who to call and where to find the right number.

For some, a phone call was appreciated over other contact methods.

Communication of power outages

For Indian customers who experienced an outage there was positive feedback shared regarding the distributor's communication of the outage through SMS. This was raised when comparing their experience in India where electricity reliability was poor and, there was a lack of communication informing them about when power would be restored during outages.

Customer questions to solve for

Priorities and needs were heard and summarised into the following questions. These will serve as a set of guiding questions to inform the next stages in identifying the top priorities for future investment and improvement:

Knowledge of the industry to inform action

- How can I understand who to call when I need to for electricity related matters?

Communication of power outages

- How can you maintain good communication to inform customers of outage restoration times?

