

# Better Regulation: Draft consumer engagement guideline

1 July 2013

The Australian Energy Regulator (AER) commenced the Better Regulation program in December 2012. Today marks the release of our first draft guideline as part of this program. The draft consumer engagement guideline for network service providers sets out a framework for electricity and gas service providers to better engage with their consumers.

## What is the Better Regulation program?

The AER initiated the Better Regulation program following changes to the electricity and gas rules in late 2012. The program brings together improvements to our regulatory approach with other important reforms announced by the Prime Minister in December 2012.

The Better Regulation program delivers an improved regulatory framework focused on the long term interests of electricity consumers.

The Better Regulation program involves:

- extensive consultation on seven new guidelines that outline our revised approach to determining electricity network revenues and prices
- establishing a consumer reference group for our guideline development work
- forming an ongoing Consumer Challenge Panel
- improving our internal technical expertise and systems.

## What is the purpose of the draft consumer engagement guideline?

The draft consumer engagement guideline sets out how we expect electricity and gas service providers to engage with their consumers.

In doing so, we expect service providers can better align their services with consumers' long term interests.

The consumer engagement guideline sets out a framework for electricity and gas network service providers to better engage with their consumers.

## What is included in our draft consumer engagement guideline?

This framework in our draft guideline has four main components:

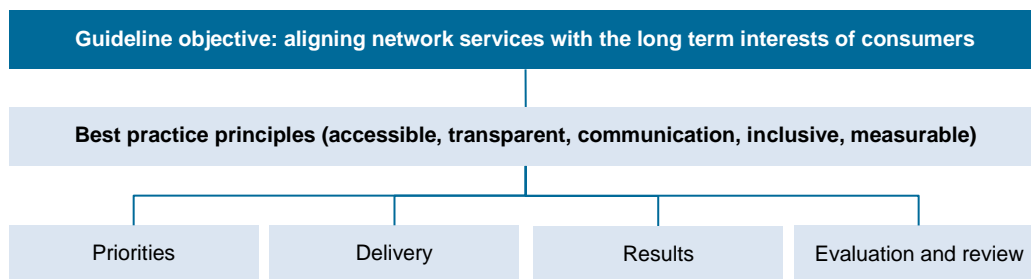
- **priorities:** the need to identify issues and set priorities for engagement with consumers
- **delivery:** the activities that we would expect service providers to undertake to engage effectively with consumers
- **results:** an articulation of the outputs and measures of success, focusing on explaining how consumer input affected the service providers' decision making evaluation and
- **review:** a robust process to identify and make renewed commitment to addressing areas of improvement.

The guideline places the onus on service providers to develop consumer engagement strategies. Service providers are in the best position to understand their consumer base and its issues. For this reason, the guideline is not prescriptive.

## What do we expect from service providers?

We expect all service providers—gas and electricity, transmission and distribution—to use the guideline to enhance their consumer engagement activities. Service providers should demonstrate a commitment to ongoing and genuine consumer engagement on a broad range of issues relevant to consumers.

## Overview of the draft consumer engagement guideline for network service providers



### What are the best practice principles for consumer engagement?

Five key principles underpin our consumer engagement guideline. Briefly, they are:

- **accessibility:** recognise, understand and involve consumers early and throughout the process
- **transparency:** explain the role of consumers in the engagement process
- **communication:** provide information that is clear, accurate, relevant and timely
- **inclusivity:** value consumer input and seek mutually beneficial outcomes
- **measurability:** measure the success, or otherwise, of engagement activities.

### How did we develop this guideline?

In developing the draft guideline and explanatory statement, we:

- conducted a high level survey of most service providers to understand their current consumer engagement activities
- held forums with consumer groups
- met with service providers to gain their input
- workshopped a range of issues with our consumer reference group
- issued an open invitation to service providers to make comments

- researched other regulated businesses, both domestic and international
- reviewed literature on consumer engagement
- held informal discussions with interested parties.

Treating all interested parties' views as submissions, we developed a framework underpinned by the best practice principles for consumer engagement.

Consumer groups indicated that consumers want an opportunity to influence service provider decision making

### How can I provide a submission or comments?

We invite interested parties to make submissions or comments on our draft consumer engagement guideline. If you would like to have your say prior to us publishing the final guideline, you have until close of business **16 August 2013** to get your submission or comments to us. You can find further details on how to provide your submission on our consumer engagement web page [www.aer.gov.au/node/18894](http://www.aer.gov.au/node/18894), or you can email us at [consumerengagement@aer.gov.au](mailto:consumerengagement@aer.gov.au).

### For more information

For more information or to get involved in the consultation processes for the Better Regulation program, please visit our website [www.aer.gov.au/better-regulation-reform-program](http://www.aer.gov.au/better-regulation-reform-program) or email us at [betterregulation@aer.gov.au](mailto:betterregulation@aer.gov.au).