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# Energy Charter Disclosure Report

01 January–30 June 2019

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# CEO Message

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We are proud to be a founding member of the Energy Charter. The heart of the Charter, a commitment to put customers at the centre of our business, aligns perfectly with the core element of Australian Gas Infrastructure Group's (AGIG) vision: to Deliver for the Customer. We have planned, measured and reported against this since 2015. We are delighted that the Energy Charter will give extra visibility and accountability, and also serves to align a large portion of the entire Australian energy industry, across all sub-sectors from generation through to retail.

At AGIG we focus on the customer not just because it is the right thing to do, but because it makes good business sense. We say that gas is a 'fuel of choice', or 'a monopoly only for the life of the appliance'. We know that if we do not deliver for our customers on safety, reliability, customer service, price or sustainability they can choose another energy solution. We also know that for the industry as a whole, a lack of focus on the customer is the quickest way to damage our social licence and therefore attract media, political and regulatory attention.

This first Energy Charter report addresses our activities against the Charter principles over the last six months, but also gives additional background on our focus and achievements over a longer period.

I'm proud of our track record on affordability, delivering price cuts in South Australia and Queensland in 2016 and Victoria and New South Wales in 2018, and forecasting more cuts in Western Australia, South Australia and Queensland in 2021. We did not appeal our recent Australian Energy Regulator (AER) decisions and indeed we led the way on spending less time arguing with the regulator and more time focused on the customer.

I'm also proud of our track record in improving performance over the last four years. We led the gas sector in introducing an independent monthly customer satisfaction survey, and I'm very pleased that this year's scores are our best ever, with real improvements in the customer experience for unplanned interruptions and new connections.

Finally, we are leaders in driving sustainability for gas customers through our work on transitioning from methane to zero carbon hydrogen. In this period, we started consumer engagement for Australia's first suburb to be on a hydrogen blend.

What haven't we done yet? Really thought through our role and approach with vulnerable customers. Got our customer satisfaction aggregate scores consistently above 8/10. Made real progress on mains replacement in the Melbourne CBD, just to give a few examples.

We are not perfect, but we are customer focused and we work on getting better all the time. We look forward to feedback on this report.



**Ben Wilson,**  
*CEO Australian Gas Infrastructure Group*

# Who We Are and Where We Operate

## Legend

- Transmission pipeline
- Distribution networks
- Gas distribution area
- Storage
- ◀ Electrolyser under construction in SA



Australian Gas Infrastructure Group (AGIG) delivers for customers across Western Australia, Victoria, South Australia, Queensland, New South Wales and the Northern Territory. With over 34,000 kilometres of distribution networks, more than 5,500 kilometres of transmission pipelines and 52 petajoules of storage capacity, we own and operate infrastructure that delivers gas to more than two million Australian homes and businesses.

We also deliver gas that supports the Australian economy – for electricity generation, mines and manufacturers.

Our company has approximately 325 employees across Australia with more than 1,600 contractors working on our business. Every day, safety and service is our paramount focus, ensuring the health and wellbeing of our employees and contractors and an engaged and skilled workforce.

Our portfolio of individual businesses delivering for customers across Australia includes:

**Dampier Bunbury Pipeline Group (DBP)** Operates in Western Australia (WA). Dampier to Bunbury Natural Gas Pipeline (DBNGP) is WA's key gas transmission pipeline. Stretching almost 1600 kilometres, it transports gas to electricity generation, mining, industrial, commercial and residential customers across Western Australia.

**DBP Development Group (DDG)** operates in Western Australia and North Territory. Its assets consist of the Wheatstone Domestic Gas Pipeline (23km), Fortescue River Gas Pipeline (270 km), Ashburton Onslow Gas Pipeline/Tubridgi Lateral (111km), Tubridgi Gas Storage Facility (52 PJ) and the Tanami Gas Pipeline (440 km).

**Multinet Gas Networks (MGN)** distributes natural gas to over 700,000 customers throughout Melbourne's inner and outer east, the Yarra Ranges and South Gippsland. Our network transports natural gas from the high-pressure transmission network to residential, commercial and industrial customers in Victoria.

**Australian Gas Networks (AGN)** distributes natural gas to over 1.3 million customers in key population centres within Victoria, South Australia, Queensland and smaller centres within New South Wales and the Northern Territory.

# Our Vision and Values

Our vision is to be the leading gas infrastructure business in Australia.

The Energy Charter is complimentary to this vision, and to AGIG’s business strategy. As a founding signatory, we understand the reason for the Charter is to build public trust in the Energy Industry. It also assists AGIG by providing an industry framework upon which we can build an even stronger organisation.

## Our Vision

Our vision is to be the leading gas infrastructure business in Australia...



...achieving top quartile performance on our targets.

## Our Values

They drive our culture: how we behave and how we make decisions.



# What Have We Delivered Against Our Vision?

|                                    |   |   |   |
|------------------------------------|---|---|---|
| <b>Delivering for the Customer</b> | <b>Public Safety</b>  | <b>Reliability</b>  | <b>Customer Service</b>   |
|                                    | <ul style="list-style-type: none"> <li>• <b>Our best ever leak response.</b> Our leak response rate of 99.4% in AGN and 98.4% in MGN is the highest we have achieved.</li> <li>• <b>We commenced tracking leading indicators of safety on the Dampier to Bunbury Pipeline.</b> We track and report on Tier 3 and Tier 4 Process Safety events. These events (such as alarms) are leading indicators to higher impact events.</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>Continued strong distribution reliability.</b> Across Australia, there were only 26 unplanned interruptions impacting 5 or more customers.</li> <li>• <b>100% reliability on the Dampier to Bunbury Pipeline.</b> Our largest transmission pipeline has operated without interruption for over 11 years.</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>Our best ever customer satisfaction score.</b> The business achieved its best ever customer satisfaction aggregate score of 8.4 for AGN.</li> <li>• <b>Volume of complaints are on a continuous decline.</b> Customer complaints escalated to the Ombudsman declined by almost 50% (to 107 at March 2019).</li> <li>• <b>We consulted with our Western Australian customers on our future plans.</b> We held a series of roundtable meetings with a group of key customers (known as Shippers) representing 80% of our customer base.</li> <li>• <b>We established a clear and transparent approach for engagement on our South Australian plans.</b> In April 2019, we released and consulted on our plans for engaging with customers and stakeholders in South Australia on our future plans.</li> </ul> |
| <b>A Good Employer</b>             | <b>Health and Safety</b>  | <b>Employee Engagement</b>  | <b>Skills and Training</b>  |
|                                    | <ul style="list-style-type: none"> <li>• <b>Lost time injuries (LTIs) across AGIG are on a continued three-year decline.</b> The number of Lost Time Injuries across AGIG (January - June 2019) is currently 1, down from 5 in 2018 (Jan-Dec) and from 9 in 2017 (Jan-Dec).</li> <li>• <b>Total Recordable Injury Frequency Rate (TRIFR) is trending downwards.</b> Safety performance has continued to improve. In 2019 year to date there were 5.7 recordable injuries per million hours worked, down from 6.7 in 2018 (and 8.4 in 2017).</li> <li>• <b>We established a consistent culture model across the business.</b> Lead performance indicators are tracked and mapped against a culture model in order to strive for the highest level of health safety environment (HSE) culture.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Top quartile employee engagement.</b> Our 2018 employee engagement survey results (undertaken by external company InSync) increased to 70%, from 65% in 2017. We are now in the top quartile for employee engagement compared to a benchmark of 75 other Australian utilities, mining and engineering organisations.</li> <li>• <b>Engagement Action Plan implemented.</b> As we integrate our businesses, improving employee engagement continues to be a key priority. In 2018 we determined the key objectives arising from the Employee Engagement survey and developed an Action Plan for implementation across the business.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>We established one-AGIG technical training framework.</b> We developed a technical training framework whereby all AGIG businesses are required to meet the same standard of practice. Employees are trained to a defined level of competency, understanding the risks and controls associated with the activity that they perform.</li> </ul>   |

|   |   |   |  |
|---|---|---|--|
|   | <ul style="list-style-type: none"> <li>• <b>Full-year Health and Wellbeing calendar roll-out.</b> Following establishment in 2018, 2019 saw the staff health and wellbeing calendar rolled out for the first full year – implementing a shared vision across the group.</li> </ul>  |   |  |
| <b>Sustainably<br/>Cost<br/>Efficient</b> | <b>Working within Industry Benchmarks</b>   | <b>Delivering Profitable Growth</b>   | <b>Environmentally and Socially Responsible</b>  |
|   | <ul style="list-style-type: none"> <li>• <b>Strong expenditure management.</b> Our operating expenditure is within our regulatory targets, ensuring we achieve the lowest possible cost of providing sustainable service and reliability to our customers.</li> <li>• <b>Our Mains Replacement Program (MRP).</b> Replacing end-of-life mains is an important part of our work program. Our Multinet MRP is ahead of schedule; we have delivered 112% of the program. As a whole, AGN is also ahead of schedule, although AGN Victoria is slightly behind and remains a key focus area for the business.</li> <li>• <b>Draft Plan for Western Australia.</b> We directly engaged with our customers to shape our Dampier Bunbury Natural Gas Pipeline Draft Plan and expect to reduce our future (2021-2025) revenue by \$130m or 7% – this will result in lower tariffs (prices) for most shippers.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Continued strong customer growth.</b> Following record customer growth in the calendar year 2018, year-to-June 2019 connections are more than 800 ahead of our targets.</li> <li>• <b>We commissioned the Tanami Gas Pipeline.</b> In February 2019, we officially opened the Tanami Gas Pipeline in the Northern Territory. The pipeline is now supplying the Newmont Mining Tanami gold mine with a safe and reliable energy source that lowers power costs and reduces carbon emissions by 20%.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Excellent environmental and social performance during the construction of the Tanami Pipeline.</b> Over 16,000 fauna interactions with 91% relocated or shepherded offsite with no impacts; less land clearing (16 hectares) and more rehabilitation (an additional 97 hectares) than anticipated in our plan; and a strong community relationship including awarding Traditional Owner Group Artists with a project to develop signage for each of the four temporary camp locations.</li> <li>• <b>Hydrogen Park South Australia (HyP SA) is on track to deliver Australian-first renewable blended gas.</b> Our Australian-first renewable hydrogen project is progressing in line with our funding agreement and remains on track for first production by mid-2020.</li> <li>• <b>Leading work on renewable gas engagement and policy at a state and national level.</b> We actively engaged with key stakeholders over the period through presentations (&gt;10) and policy submissions (&gt;4), ensuring that stakeholders are aware of the signification potential and customer benefits of renewable gas.</li> </ul> |

# What Have We Delivered Against the Energy Charter Principles?

|   |   |
|---|---|
| <p><b>We will put customers at the centre of our business and the energy system</b></p> | <ul style="list-style-type: none"> <li>• Our customer KPIs are monitored by our Board and executives. These are reported regularly to all employees, and form part of their short-term incentive plan used to determine bonuses.</li> <li>• We led stakeholder engagement programs to ensure customer needs and views are captured as part of our Access Arrangements occurring in WA and SA.</li> </ul>  |
| <p><b>We will improve energy affordability for customers</b></p>                        | <ul style="list-style-type: none"> <li>• Our Draft plans for Access Arrangements provide full disclosure of activities and costs.</li> <li>• The previous South Australian, Queensland and Victorian Access Arrangements delivered price cuts of 23%, 10% and 8%.</li> <li>• We are proposing 7% and 8% price cuts in Western Australia and South Australia as part of the upcoming Access Arrangements.</li> <li>• We have always accepted the rate of return supplied by the regulator, and we led the change to a 'no appeals' culture.</li> <li>• We focus on ensuring relative affordability of gas versus electricity.</li> </ul> |
| <p><b>We will provide energy safely, sustainably and reliably</b></p>                   | <ul style="list-style-type: none"> <li>• Our focus on reliability means the average customer is likely to be without supply for only one hour every 40 years.</li> <li>• Our leak response performance is our best ever, at a current rate of 99.4% for AGN and 98.4% for MGN.</li> <li>• We are leading Australia's transition to zero-carbon hydrogen, with our investment in the Hydrogen Park blended gas project in South Australia.</li> <li>• We delivered our Tanami project with no Lost Time Injuries or damage to the environment.</li> </ul>  |
| <p><b>We will improve the customer experience</b></p>                                   | <ul style="list-style-type: none"> <li>• We led the introduction of customer satisfaction aggregate scores in gas distribution. Australian Gas Networks is well above 8 out of 10 – our best ever performance.</li> <li>• We delivered online customer portal improvements to improve the gas connection process.</li> <li>• We made changes to the Western Australian Terms and Conditions to better reflect the requirements of our shipper customers.</li> </ul>   |
| <p><b>We will support customers facing vulnerable circumstances</b></p>                 | <ul style="list-style-type: none"> <li>• We provide customer support during outages, such as organising for trade services and alternative food and living arrangements.</li> <li>• We are investigating cooker locks for vulnerable customers.</li> <li>• We started a dialogue with stakeholders on our role and what we should or should not do to improve outcomes for vulnerable customers.</li> </ul>   |

# What Have We Not Done Yet?

|                             |   |   |  |
|-----------------------------|---|---|--|
| Delivering for the Customer | Public Safety   | Reliability   | Customer Service   |
|                             | <ul style="list-style-type: none"> <li>• <b>Lodge AGN's Victorian Safety Case with Energy Safe Victoria.</b> We have commenced discussions with Energy Safe Victoria (ESV) to gain approval for the AGN Victoria Safety Case.</li> <li>• <b>Embed Process Safety Tracking as business as usual.</b> Embed Tier 2 and 3 Process Safety tracking as business-as-usual with a view to continued improvement.</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>Improve the performance of the MGN network in wet weather.</b> Water in mains during wet weather can cause unplanned interruptions to gas supply. The MGN network in Victoria is particularly susceptible to this given its relative age.</li> <li>• <b>100% confidence in DBNGP compressor starts.</b> Ensure all compressors on the DBNGP start on time, every time.</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>Continued improvement in customer satisfaction scores.</b> Despite improvements in customer satisfaction performance, levels remain below that seen in the United Kingdom.</li> <li>• <b>Connections Performance.</b> Our connections achieved within 20 working days is below our target of 98% for AGN Victoria and MGN.</li> <li>• <b>Vulnerable customers.</b> We will assess initiatives to help field-based employees identify vulnerable customers and provide assistance where appropriate.</li> </ul> |
| A Good Employer             | Health and Safety   | Employee Engagement   | Skills and Training  |
|                             | <ul style="list-style-type: none"> <li>• <b>Reduce the number of trips, slips, strains etc.</b> Continued decline in LTIs and the TRIFR.</li> <li>• <b>Reduce the number of asset strikes.</b> We will continue to implement defined initiatives with a view to reducing the number of underground asset strikes.</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>Maintain our employee engagement scores.</b> Retain our top quartile performance.</li> <li>• <b>Embed the Energy Charter principles in the business.</b> Ensuring that customer service remains a focus for all employees.</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>Embed the technical training program.</b> Embed in business-as-usual the one-AGIG technical training program developed in the current period.</li> <li>• <b>Establish one-AGIG non-technical training program.</b> Corporate and personal development training to be implemented alongside delivering the technical training framework.</li> </ul>   |
| Sustainably Cost Efficient  | Working within Industry Benchmarks  | Delivering Profitable Growth  | Environmentally and Socially Responsible   |
|                             | <ul style="list-style-type: none"> <li>• <b>AGN Melbourne Central Business District (CBD) MRP behind target.</b> We aim to catch up these volumes over the coming years and meet our commitments.</li> <li>• <b>Deliver Western Australian and South Australian price resets.</b> In the next reporting period, we will deliver our Western Australian Final Plan and our South Australian Draft Plan, setting our expected expenditure and resultant price impact for customers. We expect to deliver price reductions in both Western Australia and South Australia.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Restore connections growth in Victoria.</b> Whilst growth remains ahead of targets, Victorian connections are below that seen in 2018.</li> <li>• <b>Enhance our east-coast pipeline credentials.</b> As a major gas transmission business, our operations are predominately in Western Australia and the Northern Territory. Ensuring we are considered on the east coast provides more opportunities for growth and increases competition.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Secure renewable gas as the primary fuel for the decarbonisation of heat.</b> Australia has a large challenge to meet our carbon reduction commitments. Renewable gases such as hydrogen and biomethane are preferable for heating, with a view to balancing security and price with environmental aspects.</li> <li>• <b>Vulnerable customers.</b> Review our Vulnerable Customer Policies and engage in working groups to improve identification and assistance of vulnerable customers.</li> </ul>          |



## Our Key Commitments against the Energy Charter

- Our monthly customer satisfaction surveys for AGN and MGN highlighted a number of opportunities for improvement. We have planned the following actions and initiatives:
  - Update communication collateral to make it clearer and more customer friendly
  - Improve customer communication methods, including evaluating the potential to use SMS and emails. This is challenging as retailers hold end customer contact details, not distribution businesses.
- We will conduct our 2019 engagement survey in October 2019, helping us monitor workforce engagement and create further incentives to drive positive customer outcomes.
- Our planned 'Customer Satisfaction Dashboard' will give employees easy access to customer satisfaction scores and CSAT results. This will allow employees to self-monitor performance and motivate best practice.
- We will hold workshops with Residential and Business customers and other stakeholders to understand their expectations of us, including the services that we provide.
- We will continue to develop a safety culture within the business to reduce risk of injury to staff and the public.
- We will operate our business to outperform regulatory benchmarks, to help make natural gas more affordable for our customers.
- We will continue to shift to a cleaner energy system by delivering Hydrogen Park SA and blended gas to customers in South Australia, pursuing education and training programs to support the hydrogen economy, and continued customer engagement on the future of gas.
- AGN will continue the upgrade of the customer connections portal on its website, with Phase 2 allowing for two-way online communication between AGN and customers.
- We plan to review MGN's Vulnerable Customer Policy in conjunction with relevant stakeholders and consumer advocates in this field, and consider AGIG's role in supporting areas such as Essential Services Commission Victoria's 2019 'Energy Retail code changes to support family violence provision for Retailers'.

# AGIG customers

AGIG has a diverse range of customers across Australia including end-use residential and business customers, self-contracting users, retailers, shippers and the general community. We deliver gas on behalf of energy retailers and serve the needs of producers and major energy users.

- Our distribution networks deliver gas directly to homes, small businesses and large industrial customers.
- Our transmission pipelines deliver gas across Australia from key gas production hubs to direct-connected customers and shippers, where it is used for power generation, mineral processing and manufacturing. Our transmission pipelines provide natural gas to some of the most remote regions in Australia.
- Landholders host our pipeline infrastructure on their land. We maintain strong relationships with these customers to ensure the safety and integrity of our assets are maintained.



# AGIG - Performance against the Energy Charter

## Principle 1:

### We will put customers at the centre of our business and the energy system.

To give our community confidence in the energy system, and to ensure long-term success of our company, it is imperative that we place customers at the heart of all our activities. At AGIG we are developing a company culture that puts the customer at the centre of everything we do, to deliver the safe, affordable, reliable and sustainable energy system our community expects.

## Principles in Action

### Principle 1.1: Have a Board that actively oversees the business' culture, so as to be aligned with Energy Charter Principles.

Delivering for customers is the lead driver of the AGIG vision.

At AGIG, customer and stakeholder engagement is led by the Board and the Executive Management Team. Our Board and Management, across all our businesses, are accountable for developing a customer-centric culture.

While our values are driven from the top, they are also embedded in our daily dialogue, propelling us to put our customers' interests at the centre of every decision. Consistent measurement of our culture and performance means we're continually finding new ways to improve.

#### Customer Outcomes

- Customers experienced greater service thanks to customer-focused initiatives that were driven at Board level. Expectations not being met were reported to the board and actioned – advancing the process of improvement.

#### Activities undertaken

- Every month our Business Performance Report included a section dedicated to Customer Service performance across the AGN, DBP and MGN businesses, enabling the Board to oversee measures and actively contribute.

#### Measures & Metrics

Results against targets:

| Metric   | Target 2019 | January 2018 - June 2018 | January 2019 - June 2019 |
|--|-------------|--------------------------|--------------------------|
| <b>Leak Response</b>                           |             |                          |                          |
| • AGN (averaged by state)*                     | > 97.5 %    | 98.4 %                   | 99.4 %                   |
| • MULTINET GAS **                              | > 96.0 %    | 92.7 %                   | 98.4 %                   |
| <b>Customer Satisfaction Score (aggregate)</b> |             |                          |                          |
| • AGN (averaged by state)                      | > 8.0       | 7.5                      | 8.4                      |
| • MULTINET GAS                                 | > 7.7       | 7.6                      | 7.6                      |

| Metric                          | Target 2019            | January 2018 - June 2018 | January 2019 - June 2019 |
|---------------------------------|------------------------|--------------------------|--------------------------|
| <b>Emergency Calls &lt; 10s</b> |                        |                          |                          |
| • AGN (averaged by state)       | > 90%                  | 89.5%                    | 92.5%                    |
| • MULTINET GAS***               | > 80%                  | 79.6%                    | 85.0%                    |
| <b>Customer Calls &lt; 30s</b>  |                        |                          |                          |
| • AGN (averaged by state)       | > 80%                  | 87.7%                    | 84.4%                    |
| • MULTINET GAS                  | > 80%                  | 71.3%                    | 92.4%                    |
| <b>Reliability****</b>          |                        |                          |                          |
| • AGN (averaged by state)       | 37 (annual target)     | 6.3                      | 18                       |
| • MULTINET GAS                  | 15 (annual target)     | 3                        | 8                        |
| <b>Net connections</b>          |                        |                          |                          |
|                                 | 29,000 (annual target) | 13,347                   | 14,514                   |

\*Two-hour leak response

\*\*One-hour leak response

\*\*\*Multinet target outside reporting period has now changed to >90%

\*\*\*\*Unplanned outages greater than 5 customers

- This table demonstrates that there has been a general improvement in AGIG's customer KPIs over the last 12 months. AGIG will continue to focus on these KPIs in 2019-20 to improve the overall customer experience.

## Principle 1.2: Have management operationally accountable for embedding a 'customer at the centre' culture.

At AGIG we have established policies, processes and practices to ensure clear goals, responsibilities and measurable performance standards. This means that every manager takes ownership for the creation of a culture that puts customers first.

### Customer Outcomes

- Focus on customer-oriented KPIs ensured our customers experienced improvements in service.
- Improvements in employee engagement levels meant customers received better service.

### Activities undertaken

- At quarterly 'Town Hall' forums our CEO, Executive Management Team and senior staff reported to all employees and many contractors on AGIG's performance on how we deliver for customers.
- MGN and AGN produced Monthly Operating and Management reports, which included detailed metrics in the areas of public safety, reliability, customer service, connections, safety and employee engagement.

### Measures/Metrics

- Although outside the January–July 2019 reporting period, we are continuing to build on our positive results from our 2018 Employee Engagement survey. The results showed that AGIG is in the top quartile for employee engagement compared to a benchmark of 75 other Australian utilities, mining and engineering organisations. Customer specific outcomes from the survey included:
  - Top decile: 'AGIG is committed to best practice in industry.'
  - Top quartile: 'AGIG is committed to bring innovative products and services to the market place' and 'Customers' needs feature prominently in decision making at all levels.'
  - 2nd and 3rd quartile: 'We get our message across to potential new customers' and 'We ask our customers how we can serve them better.'

The 'performance focus' score was in the top quartile benchmark, up 11 % from the previous year. This score relates to whether an organisation puts customers at the centre of decision making and has systems that help staff meet their promises to customers. This was due to the improved alignment of culture of DBP, AGN and MGN businesses under the banner of 'One AGIG'.

### Principle 1.3: Ensure AGIG workforce is engaged and incentives are aligned to drive positive customer outcomes.

We know that a strong customer-focused culture drives staff satisfaction and builds employee pride. Delivering for customers is embedded in all AGIG recruitment, induction and performance management processes, and all employees are responsible and accountable for delivering for customers.

#### Customer Outcomes

- All AGIG employees are incentivised to deliver on yearly bonus targets relating to our vision. These targets include leak response, system reliability and connections growth, which are directly tied to our vision of 'delivering for customers'. This approach ensures our customers are benefitting from better service, simplified processes and safer work practices.

#### Activities Undertaken

- Delivering for customers is part of our daily workplace dialogue and features highly in all internal communications from the top down. All employees are responsible and accountable for delivering for customers.
- We measure employee engagement annually to ensure our workforce is engaged and driven to deliver against our vision and values. We use the engagement survey to help us prioritise actions and activities to strength our culture and performance.
- Deep-dive analysis of our 2018 survey results (below) helped us focus on areas for improvement for building a customer-focused culture. Some examples of activities we undertook are provided in the right-hand column.

| Survey item   | 2 & 3rd quartile Performance | Top Quartile Performance | Top Decile Performance | Example Activities (January–June 2019)  |
|---|------------------------------|--------------------------|------------------------|---|
| AGIG is committed to best practice in our industry                  |                              |                          | +15%                   | ✓ Continued focus on achieving top quartile performance across all KPIs   |
| We get our message across to potential new customers                | +18%                         |                          |                        | ✓ We launched a new AGIG website in May 2019 to profile our business and service offerings.   |
| Customer needs feature prominently in decision making at all levels |                              | +20%                     |                        | <ul style="list-style-type: none"> <li>✓ Increased communication and visibility for staff of our customer and stakeholder engagement programs</li> <li>✓ Delivering for customers is a STIP target for all employees</li> </ul> |

- All AGIG employees have short-term incentive plans (STIP) targets built into their yearly bonus KPIs. Our performance against 'delivering for customers' targets is communicated to all employees at Town Halls. This helps us identify where we should focus our efforts to improve scores. Application of these targets to all AGIG employees helps create a culture of collaboration and accountability to identify solutions that strengthen performance and customer outcomes.

#### Measures & Metrics

##### Employee Engagement

- The Employee Engagement Score in 2018 was 70 %, up from 65 % in 2017. We are continuing to build on our 2018 Employee Engagement Survey results (undertaken by external party InSync).
- Our STIP targets, and performance to June 2019 year, are set out below.

|  | Threshold<br>(25%) | Target<br>(Budget 50%) | Stretch<br>(100%) | June<br>YTD |
|--|--------------------|------------------------|-------------------|-------------|
| <b>Delivering for Customers (22 %)</b> |                    |                        |                   |             |
| Leak response (1 hr VIC, 2 hr SA/QLD)  | 96 %               | 97 %                   | 98 %              | 98.8 %      |
| Net customers added                    | 27,000             | 29,000                 | 31,000            | 14,514      |
| Process safety index                   | 75 %               | 80 %                   | 85 %              | 77 %        |
| System reliability                     | 100 %              | 100 %                  | 100 %             | 100 %       |
| Planned maintenance compliance         | 95 %               | 97 %                   | 99 %              | 98.7 %      |
| <b>A Good Employer (11 %)</b>          |                    |                        |                   |             |
| AGIG TRIFR (TRIS per million hours)    | ≤10                | ≤8                     | ≤6                | 5.7         |

TRIFR = Total recordable injury frequency rate

## Principle 1.4: Have robust processes to determine customer and community needs and be accountable on how feedback has been considered and incorporated into decision making.

We know our customers and stakeholders want us to deliver them better energy solutions – reliably and sustainably, whilst keeping bills affordable. By taking the time to listen and understand customer needs, we can align customer services and investment with expectations.

### Customer Outcomes

- Our customers have had direct input into the planning process for the South Australian Access Arrangements, as well as the Dampier to Bunbury Natural Gas Pipeline (DBNGP) Draft Plan and Hydrogen Park SA. This means our processes and solutions will directly meet the needs and expectations of our customers.
- Our customers are now more comprehensively represented in our consumer advocacy group, resulting in broader and more accurate feedback and better-tailored services.

### Activities Undertaken

#### • Draft Customer and Stakeholder Engagement Plan, AGN

In April 2019, we released our AGN South Australia 'Customers are at the centre of our planning July 2021-June 2026 Draft Customer and Stakeholder Engagement Plan' for consultation, to ensure future plans are developed by listening, understanding and responding in the interests of customers. This approach ensures we have a clear and transparent process for engaging customers and stakeholders in the development of future plans.

#### Between January and June 2019, we:

- Consulted widely on the *Draft Customer and Stakeholder Engagement Plan* (AGN) and asked for input into the issues of importance for customers and stakeholders. As a result, we will be engaging specifically with Culturally & Linguistically Diverse (CALD) communities and targeting how we can better deliver for vulnerable customers.
- Expanded the membership of our South Australian Reference Group. This means we have greater representation from consumer advocacy groups including new members such as Multicultural Communities Council of SA (MCCSA), Local Government Association of SA (LGA), and Australian Industry Group (AIG).
- Held key stakeholder meetings (Government, industry, technical regulators) on project progress of Hydrogen Park South Australia.

The **foundations of all engagement programs** include:

- Consulting on our engagement plans to ensure they met customer and stakeholder needs.
- Consulting on draft plans six months prior to formal lodgement with a regulator.
- A 'no surprises' approach, keeping customers and stakeholders informed throughout the process.
- Setting clear KPIs to ensure we are accountable for delivering customer outcomes.



• **DBNGP Draft Plan**

As part of our review of future plans for the Dampier Bunbury Natural Gas Pipeline, we worked with our customers to develop a set of customer experience aspirations.



## Improving the Customer Experience

As part of our review of future plans for the DBNGP, we worked with our customers in Western Australia to develop customer experience aspirations, which outline ideals for our customer engagements.

Our customer experience aspirations are:



We are trusted



We are professional in our commercial negotiations



We provide highly reliable services at a sustainable cost



We work together in partnership with businesses



We are quick to respond



We are innovative and drive a future focus in our offerings



We are open for business 24/7

In 2019 and future years we will look to test and adopt similar ambitions across all of our customers.

### Measures & Metrics

- We measured the success of our engagement processes through direct feedback from customers, including surveys and focus groups, and then applied this feedback to continually shape our programs.
- In June 2019 we set final KPIs for our South Australian engagement program:



#### Clear, accurate and timely communication

##### MEASUREMENT AND TARGET

Satisfaction measures:

- educational materials used during customer workshops; and
- the process for engagement (how clearly materials were presented)

Measured by a 70% or above satisfaction score



#### Accessible and inclusive engagement

##### MEASUREMENT AND TARGET

Endorsement from Reference Groups that engagement reaches a representative group of the target population

Stakeholder satisfaction, as measured by 70% or above, on workshops survey

Customer satisfaction, as measured by 70% or above, on workshops survey

Customer satisfaction of the overall engagement process, as measured by 70% or above score on workshop feedback.



#### Transparent process

##### MEASUREMENT AND TARGET

public disclosure of details about engagement activities

Publish on website: strategy, workshops materials, customer insights and KPI's

Attendance by CEO at one or more workshops

Publish Draft Plan, open for stakeholder comment

Reference Group access to Board and management team

- **Results:** At SA Reference Group Meetings between January and June we achieved:
  - CEO attendance at 100% of meetings
  - 90% attendance by Reference Group Members
  - Draft Engagement Strategy open for consultation with key stakeholders during April and May.

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## **Principle 1.5: Demonstrate a culture of innovation and collaboration for positive customer outcomes, including through the sharing of insights with government, research institutions and across the supply chain, as well as joint advocacy on regulatory, policy and operational issues.**

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By embedding a culture of collaboration and innovation, we deliver for customers while continually improving our safety performance, sustainability and cost efficiency.

### **Customer Outcomes**

- Reduced confusion and better understanding of connection processes for customers (including builders) – meaning an improved customer experience.

### **Activities undertaken**

- **Case Study:**  
Through AGIG's work with Customer Service Benchmarking Australia (CSBA), we received feedback that builders and gas fitters were having difficulties understanding the different connection specifications and processes used across the three Victorian gas distribution businesses – resulting in connection delays for customers
  - To help remedy this, we collaborated with other distribution businesses to establish a Victorian Distribution Business Working Group as part of the Energy Charter's Better Together initiative, in order to align technical standards and processes for new connections.
  - One of the key activities from this is to develop a consistent one-page guideline for customers regarding new connection requirements in Victoria, which is being implemented in the second half of 2019.
- Between January and July 2019 we actively participated in groups such as the Australian Pipeline and Gas Association (APGA), Pipeline Owners Group (POG), and several Western Australian critical infrastructure groups such as Pilbara Local Emergency Management Committee, Pilbara Critical Infrastructure Security Collective and Southern Critical Infrastructure Security Collective. We discussed methods to identify, mitigate against and respond collaboratively to situations that could adversely affect the supply to our customers (such as mitigating exposure to cyclones each summer).

### **Measures/Metrics**

- Through collaborating with service providers and builders and creating new processes, we increased MGN 'new connection' customer satisfaction scores (a sub component of our CSAT scores) from 5.7 in January 2019 to 7.3 in June 2019.

### **Continuous Improvement for Principle 1 – expected focus areas for July 2019–2020**

- Our monthly customer satisfaction surveys for AGN and MGN highlighted a number of potential areas for improvement. We have planned the following actions and initiatives:
  - Update the communication collateral to make it clearer and more customer friendly.
  - Improve customer communication methods, including evaluating the potential to use SMS and emails.
- We will conduct our 2019 engagement survey in October 2019, helping us monitor workforce engagement and create further incentives to drive positive customer outcomes.
- Our planned 'Customer Satisfaction Dashboard' will give employees easy access to customer satisfaction scores and CSAT results. This will allow employees to self-monitor performance and motivate best practice.
- We are developing a new AGIG intranet resource to enable our focus on customers to be better shared across DBP, MGN and AGN. This means that information, ideas and initiatives relating to customer satisfaction will be better leveraged across the business.



## **Principle 2:** **We will improve energy affordability for customers.**

We recognise that affordable energy is essential for Australian households and businesses. AGIG has a demonstrated history of delivering lower network tariffs in Victoria and South Australia – and we will do same in Western Australia (DBP). We strive to make energy more affordable by running our businesses more efficiently, and by offering customers energy services that best meet their needs – helping them manage their energy use and working together to improve energy affordability.

### **Principles in Action**

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#### **Principle 2.1: Ensure that investment, commercial and operational decisions are cost efficient, and explain how customers benefit from these decisions.**

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AGIG incurs operating expenditure and capital investment to operate, maintain and grow our transmission and distribution assets. This expenditure is used to determine the regulatory tariffs we charge customers. During our regulatory reset processes, AGIG's costs are scrutinised by regulatory bodies to ensure we continue to achieve the lowest sustainable cost of providing services safely and reliably to our customers.

##### **Customer Outcomes**

- Our customers benefit from tariff reductions that result from opex (operational expenditure) efficiencies.

##### **Activities undertaken**

- We identified operational expenditure savings and passed these savings on to customers in the form of reduced tariffs.
  - Performance benchmarks were developed for the business.
  - Operational efficiencies were identified to reduce operating costs.
  - Our opex incentive scheme further ensured that efficiencies were continually identified and ultimately passed through to customers connected to our assets.
  - We grew our network in an economically efficient manner, i.e. the revenue from our network extensions exceeds the costs, which means that our largely fixed-cost base can be spread over a larger number of customers.

##### **Measures/Metrics**

- Our Draft Plan for the DBP published in May 2019 showed revenue is expected to reduce by 7% over the 2021 to 2025 period, while still maintaining the same high level of reliability and service.
- The last Access Arrangement review for South Australia saw our prices drop (in real terms) by around 23% from 1 July 2016. We expect further price reductions will be delivered to customers from 1 July 2021.
- Our Victorian networks have delivered reductions of around 7% for AGN and 3% for MGN from 1 January 2018. These savings are passed on to energy retailers to be passed on to customers.
- We accepted the regulator's decisions, including allowed rates of return, without seeking to appeal to the courts.
- We publicised the price cuts, leading to retailers passing these on to customers.

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#### **Principle 2.2: Offer customers energy deals that best meet their needs, supported by effective tools and incentives for customers to manage their energy use and cost.**

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We know how important it is that customers understand their potential energy costs and the best deals available to them, and are easily able to manage their usage and expenditure.

##### **Customer Outcomes**

- Customers saved money on their natural gas connection through rebates.
- Customers have access to energy usage information on the AGN websites that assists them to make informed choices regarding their appliance and fuel selections.

## Activities undertaken

- To provide consumers with the best chance of choosing the right energy mix for their homes, we offered rebates for connecting to gas and having multiple appliances in a household. These were very well received and uptake rates on the rebates have been positive. We continue to develop the ways in which our customers can determine and access the rebates available.

- **Case study:**

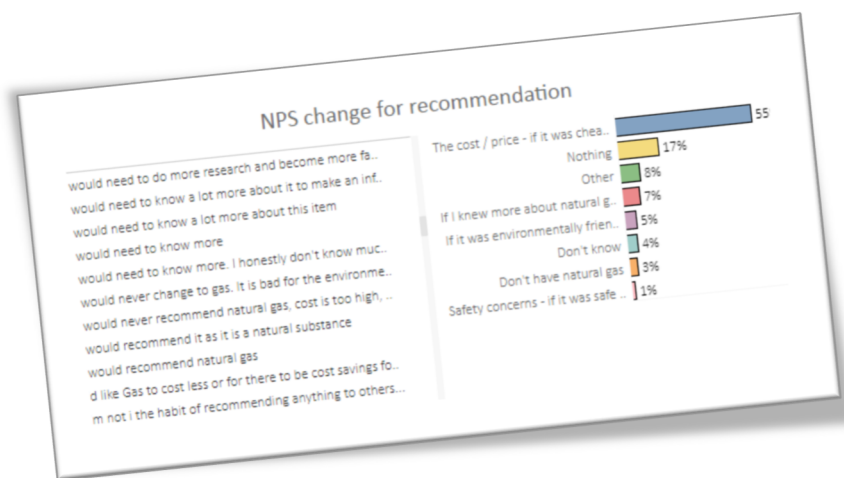
Our 'Voice of the Customer' (VOC) research program involved monthly consultations with customers, gas-fitters, appliance retailers and advocacy groups. This program included a Net Promoter Score (NPS), which gauges how willing a customer is to recommend a product or service.

We identified early in 2019 that one of the biggest barriers to improving the NPS score was people's perceptions of cost (55%). Our customers didn't know enough about natural gas – such as benefits and the connection process – to connect (7%).

In response to this feedback, we began designing a cost calculator so potential consumers can input their individual data and easily see all gas connection and running costs. We also improved the information architecture of our website so the connection process is easier to navigate. These pages are due to go live in 2020, and the Voice of the Customer NPS score will be monitored to see if this improves.

## Measures/Metrics

- Approximately half of the new home connection rebates offered tend to be claimed each year. We'd expect to see a lift in rebate percentage take-up once the updated website navigation pages are live, indicating people are finding the information more easily.
- **Our Voice of the Customer NPS change for recommendation results:**



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## Principle 2.3: Work cooperatively across the supply chain and with other stakeholders to improve affordability over the short and long term.

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We work throughout our businesses to provide specific opportunities for customers and stakeholders to give input into our regulatory reset processes. This ensures AGIG achieves the lowest sustainable cost of providing services safely and reliably – a key expectation of our customers and stakeholders.

### Customer Outcomes

- Customers of the Dampier to Bunbury Natural Gas Pipeline (DBNGP) receive cheaper energy transportation costs from our expected \$130 million reduction to revenue over the 2021 to 2025 period, while benefiting from strong safety, reliability and service performance.

## Activities undertaken

- AGIG directly engaged with customers to shape future plans that outline DBNGP activities and expenditure from 2021 through to 2025. The pipeline is the backbone of the WA economy, linking the gas fields in the state's north-west directly to mining, industrial, and commercial customers, and has run without interruption for more than 11 years.
- Between January and June 2019, we worked with a group of key customers (known as shippers, who represent 80% of our customer base in Western Australia) to gain their input into our Draft Plan for the DBNGP. We responded to customer feedback that price and reliability are the two most important issues.
- We will refine our plans for further engagement activities and will lodge our Final Plan with the Economic Regulatory Authority (ERA) in December 2019 with a view to reducing prices for most shipper customers.

- As mentioned previously in Principle in Action 1.5, as part of the Energy Charter’s Better Together initiative we collaborated with other distribution businesses to establish a Victorian Distribution Business Working Group in order to align technical standards and processes for new connections.



**Measures/Metrics**

- Feedback received from our customers showed that price and the reliability of our service are fundamental to driving economic growth in Western Australia. In response, our Draft Plan has proposed reductions to expenditure of 11 % and revenue by 7 % without compromising on safety, reliability or service.

**Principle 2.4: Innovate to deliver competitive energy solutions for business and residential customers.**

At AGIG we know that innovation is key to giving customers more affordable solutions, and we’re continually exploring new technologies and methods that enable us to deliver for our customers.

**Customer Outcomes**

- New transmission customers were connected to the natural gas network at significantly lower cost, without costly redesign of pipeline sections.
- No disruption of service to our transmission connected customers, and improved pipeline and worker safety.

**Activities undertaken**

- **Case Study:**  
Large commercial processing customers are often outside the natural gas transmission network, so ‘hot tapping’ is a useful method for connection as it allows for a new pipeline connection to be made while the pipeline remains in service. However, we had only ever previously done this procedure on thick-walled pipes.  
A commercial customer approached us to connect to the pipeline on a section of thin walled pipe, and the cost to connect would have been prohibitive. In response, our network operations team investigated and trained staff in a new, cost-effective method to ‘hot tap’ into a thin walled pipeline. Using this new process resulted in a connection cost of \$250,000, rather than the potential cost of \$2.5M using traditional connection methods.

**Measures/Metrics**

- Service disruption rates were lowered.
- Connection rates were lowered.

**Principle 2.5: Advocate on behalf of customers to improve energy affordability through engagement in regulatory and policy processes.**

**Customer Outcomes**

Customers benefit from lower costs and increased safety and consumer protection, achieved when participants from across industry segments advocate positions that consider customer impacts.

### Activities undertaken

- AGIG responded in April 2019 to the AEMC review 'Updating the regulatory frameworks for embedded networks', supporting customers within gas embedded networks so they are provided the same protections and regulatory oversight as customers connected directly to gas distribution networks.
- AGN has previously made representation to South Australian and Victorian State Governments and gas retailers for the full pass-through to our customers of network tariff reductions from 1 July 2016 in South Australia and 1 January 2018 in Victoria.

### Measures/Metrics

- Tracking of external regulatory and policy submissions.

### Continuous Improvement for Principle 2 – expected focus areas for July 2019–2020

- We will operate our business to outperform regulatory benchmarks to help make natural gas more affordable for our customers.
- Our DBNGP Draft Plan outlines DBNGP activities and expenditure from 2021 through to 2025. We will continue to refine this plan to include feedback from our customers through Shipper Roundtables.
- We will release a draft plan for South Australia in 2020, setting out key activities and expenditure for the next regulatory period.
- We will hold workshops with residential and business customers and other stakeholders to understand their expectations of us, including the services that we provide.
- AGIG will continue to work with industry to reduce the price of natural gas in the east coast wholesale gas market. In our submissions to various policy reviews, we have proposed introducing market-making mechanisms that would increase the supply of gas into the market.

## Principle 3: We will provide energy safely, sustainably and reliably.

Safety is a key objective for AGIG and we have an ongoing commitment to improving health, safety and environment. We understand the value energy brings to communities, and the potential consequences and impacts when reliability and quality of energy supply is compromised. We also understand that it is the role of energy companies to respond to and enable the shift to a cleaner energy system that is already underway.

## Principles in Action

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### Principle 3.1: Maintain the highest standards of safety for their people, the community and the environment.

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Our comprehensive policies, procedures and training support a Zero Harm work environment. We aim to continually review our work practices and monitor our performance to ensure the ongoing safety of our employees, customers and the public.

#### Customer Outcomes

- Customer safety: extremely low incidence of accidental interference with transmission assets.
- Customers were protected from asset leaks through ongoing management of our key safety controls.

#### Activities undertaken

- Where transmission assets run through properties, we worked individually with farmers who employ 'deep rip' farming methods to develop safe works procedures that incorporate new technology and equipment. This has contributed to a safer working environment and greater asset protection.
- At DBP we provided:
  - Free asset location and monitoring of works for landowners.
  - In-person visits to customers with transmission assets on their properties, with more frequent visits scheduled for those that present a greater risk to the assets.
  - Automated emails that notify landowners of upcoming pipeline activity and encourage landowners to contact us if the arrangements for access are not suitable.

- AGIG established a set of Zero Harm Principles that target work activities where failure to comply carries an inherent risk of fatality.
- Leak response and repair is one of our top Business KPIs. We measured and reported on: one-and two-hour leak response, leak survey compliance, class 1 and 2 leak repairs, customer satisfaction and emergency phone calls answered within 10 seconds.
- We implemented a robust cyber-security policy suite to protect our assets, technology systems, customers, reputation and revenue from internal and external cyber security threats.

### Measures/Metrics

- At DBP there were no recordable injuries on the Dampier Bunbury Natural Gas Pipeline throughout 2018, demonstrating that Zero Harm can be a reality.
- Safety performance has continued to improve. In 2019 year to date there were 5.7 recordable injuries per million hours worked, down from 6.7 in 2018 (and 8.4 in 2017). The number of lost time injuries across AGIG (January - June 2019) is currently 1, down from 5 in 2018 (Jan-Dec) and from 9 in 2017 (Jan-Dec).
- Our largest transmission pipeline has operated without interruption for over 11 years. On average, only 0.3% of our distribution customers experience an unplanned outage every year, and the average residential customer experiences loss of gas supply for only one hour every 40 years.

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## Principle 3.2: Engage with customers and the community on investments, and manage operations in line with their expectations, demonstrating how communities' benefit.

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We strive to continually improve customer satisfaction with natural gas, by tackling the biggest issues as communicated by our customers.

### Customer Outcomes

- Customer input in our decision-making and processes improved customer satisfaction.
- Through customer engagement, specific communities experienced greater safety around transmission assets and a deeper understanding and acceptance of statutory processes.
- Customers now have access to communications and resources (i.e. about hydrogen) based on their feedback and needs.
- Customers will now see consistent information about renewable gas from their retailers and distributors.
- Our customers benefit from clear and agreed service expectations.

### Activities undertaken

- Between January and June 2019, we held a series of roundtable meetings with a group of key customers (known as shippers, who represent 80% of our customer base in Western Australia) to gain their input into our Draft Plan for the DBNGP.
- As part of Shaping the Future of Gas in Australia, we engaged with customers at the ScienceAlive! event at the Tonsley Innovation District, showcasing hydrogen as a future fuel. We captured customer views and feedback in the community about the potential for renewable gas.
- During the January to June 2019 period we held meetings of our Retailer Reference Group to discuss upcoming regulatory cycles and blended renewable gas in South Australia, so our engagement plans and activities will include this input and expertise.

### Measures/Metrics

- Results against KPIs, Dampier Bunbury Pipeline, Western Australia:
  - Chief Executive attendance at 100% of Shipper Roundtable meetings between January and June 2019.
  - 85% of customers attended one or more Shipper Roundtable meetings.
  - Draft plan was made publicly available online and in print and open for consultation for a six-week period.

‘The shipper engagement and roundtable discussions conducted by AGIG have been valuable in providing transparency and understanding of the building blocks that form the regulated tariff.’

– Dan Kurz, Newgen Kwinana

### Principle 3.3: Develop business strategy and manage operations to respond to the shift to a cleaner energy system that is already underway.

AGIG recognises the need to focus on large-scale decarbonisation of the energy supply, including electricity, gas and transport, if we're to meet our emission targets. We are committed to being part of the solution by using carbon-free or carbon-neutral gases such as hydrogen in place of natural gas.

#### Customer Outcomes

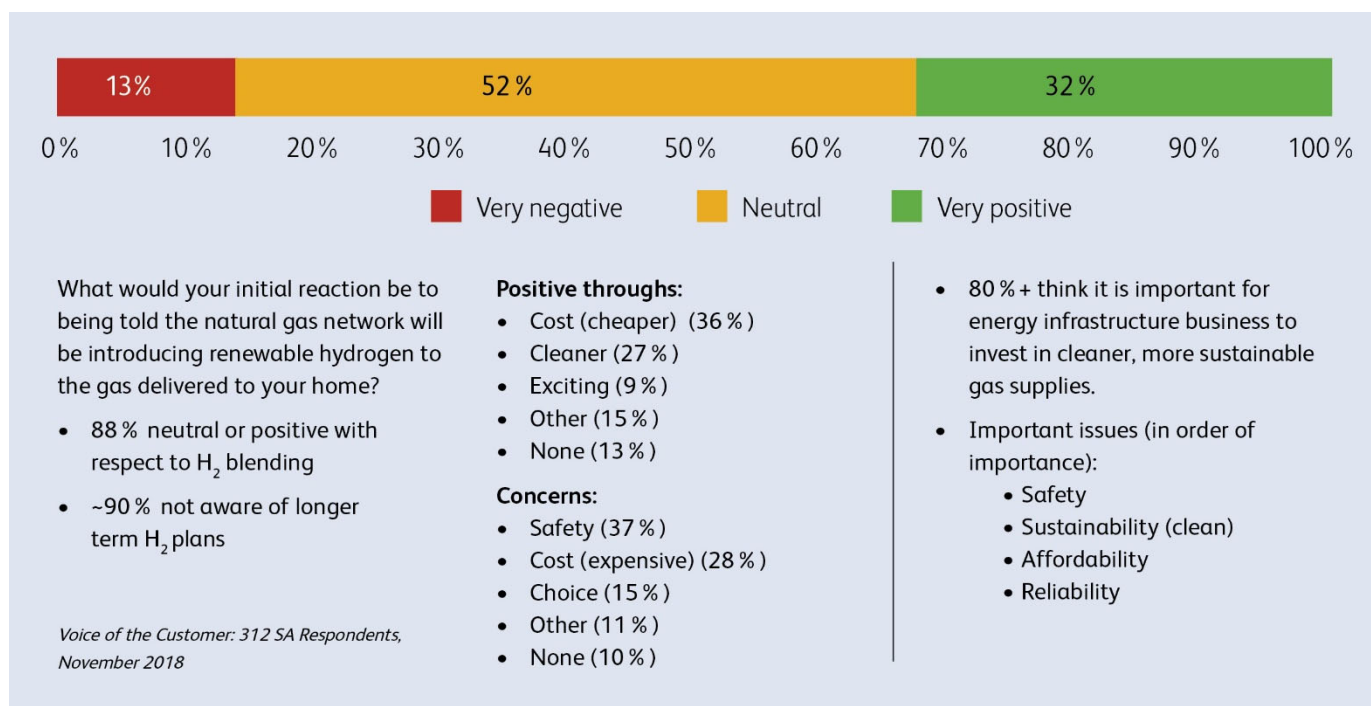
- Customers benefit from our focus on large-scale decarbonisation of energy supply to ensure a cost-efficient and sustainable future.
- Our commercial customers are assisted to meet their sustainability goals.

#### Activities undertaken

- Our Hydrogen Park SA project is all about removing carbon from our gas supply, as Australia works towards a reduction in carbon dioxide (CO2) to between 26 to 28% below 2005 levels by 2030, and South Australia works towards net zero emissions by 2050. Between January and June 2019, we:
  - Secured the site at the Tonsley Innovation District in South Australia.
  - Submitted our Development Application.
  - Developed a community and stakeholder engagement and communications plan.
  - Held Focus groups with customers in South Australia to understand communication and engagement needs and preferences associated with Hydrogen Park, South Australia.
- In February 2019, we officially opened the Tanami Gas Pipeline in the Northern Territory. The pipeline is now supplying the Newmont Mining Tanami gold mine with a safe and reliable energy source that lowers power costs and reduces carbon emissions by 20%.

#### Measures/Metrics

- Our Voice of the Customer surveys showed an 88% neutral or positive response to Renewable Hydrogen (H2) blending with natural gas. Concerns included safety (37%) and cost (28%), with positive sentiment around the potential for cheaper costs (36%) and cleaner energy (27%).



- Through focus groups we established customer preferences around renewable gas. Feedback from customers was that it is important for infrastructure businesses to invest in cleaner and more sustainable gas supplies.

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### **Principle 3.4: Work with government, other energy businesses, the community and industry bodies to develop a planned transition to a cleaner energy system.**

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AGIG actively engages with a broad range of stakeholders including consumer groups, Government, energy utilities, regulators, research bodies, institutions and retailers to pursue a cleaner energy system. We play an active role in shaping future energy policy direction, highlighting the benefits of low-carbon gas and advocating for a low-cost decarbonisation pathway, whilst maintaining reliability and security of supply.

#### **Customer Outcomes**

- Customers will benefit from a cleaner future for all Australians, as we help achieve the Australian Government's carbon emissions reduction target of 26% to 28% below 2005 levels by 2030.

#### **Activities undertaken**

- Between January and June 2019, we:
  - Actively participated in policy making by ensuring we make submissions in the interests of delivering our customers a more sustainable and cost-efficient service and product
  - Participated in 10 speaking engagements throughout Australia, including the Renewable Gas Symposium, Australian Energy Week and the Credit Suisse 6th Annual Australian Energy Conference
- We also participated in committees and working groups with a view to developing policies and strategies to enable a low-carbon future including:
  - Hydrogen Strategy Working Group
  - Western Australian Hydrogen Strategy Group
  - Hydrogen Mobility Australia
  - Bioenergy Australia
- Policy Submissions between January and June 2019 included:
  - Australian Energy Markets Commission - Draft Report updating the regulatory frameworks for embedded networks, and review into the scope of economic regulation for gas pipelines
  - Commonwealth Government - National Hydrogen Strategy
  - Victorian Government - Interim Emissions Reduction Targets for Victoria (2021-2030)
- Throughout 2019 we have been active participants in the Future Fuels Cooperative Research Centre (FFCRC). Established in mid-2018, the FFCRC is a \$90m, 7-year, industry focused research and development partnership supporting Australia's transition to a low carbon energy future.

#### **Measures & Metrics**

- AGIG's work on the Hydrogen Strategy Group chaired by Australia's Chief Scientist Dr Alan Finkel helped provide a catalyst for the Energy Council of the Council of Australian Governments to agree to develop a national hydrogen strategy in 2019.

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### **Principle 3.5: Facilitate new services and technologies that support sustainable energy solutions that meet the changing needs of the market.**

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AGIG's Hydrogen Park South Australia (HyP SA) is an innovative energy project, located at the Tonsley Innovation District, that will produce renewable hydrogen gas. Supported by the South Australian government with grant funding of \$4.9 million, HyP SA is aligned with the state's vision to be a leader in developing the hydrogen economy.

#### **Customer Outcomes**

- Customers receive a cleaner, cheaper and more sustainable energy supply.

#### **Activities undertaken**

- We began building Hydrogen Park South Australia (HyP SA). This is Australia's first integrated hydrogen electrolyser, which will produce renewable hydrogen for blending into the natural gas distribution network to more than 700 customers in South Australia from mid-2020.
- Through the use of our hydrogen barbecues at various events we engaged with customers to help raise awareness and gather feedback, ensuring we deliver sustainable and cost-efficient energy solutions.

## Measures/Metrics

- The HyP SA project will run for an initial project period of five years, after which time project benefits will be assessed.
- Voice of the Customer surveys demonstrated an 88% neutral or positive response to homes being supplied with H2 blended gas.
- From Focus Group Report: ‘South Australians are supportive of environmental initiatives for clean energy, particularly when there are “no disruptions” to them.’

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## Principle 3.6: Implement solutions across the supply chain: a) That support energy connection, service and reliability that meets customer’s needs b) To resolve service issues that impact customers and the community

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At AGIG our energy connections, services and reliability are continually reviewed based on feedback from customers and regular meetings with our service providers. Our Service Delivery Team is committed to managing and reporting on new gas connections, starting from an initial request for a gas connection to when the gas meter is installed and gas supply is provided.

### Customer Outcomes

- Customers benefited from improvements in gas connection experience.

### Activities undertaken

#### • Case Study:

In late 2017 MGN experienced its highest levels of customer complaints resulting from delays to new connections. As a result, we began a program of works to improve our capacity and customer focus. This included:

- completing an internal review with our Service Provider
- meeting with retailers and builders to gain input on process improvement
- undertaking customer service training with our Service Provider.

A key learning was the need to reinforce communications with builders regarding connection job status.

- Between January and July 2019, we:
  - Used Customer Service Benchmarking Australia (CSBA) to track and measure customer satisfaction across AGN and MGN through monthly surveys around planned interactions, unplanned interactions and new gas connections. This data was used to implement and prioritise improvements to our business and give employees incentive to drive positive customer outcomes.
  - Worked with Ausnet Services and AGN/APA to align the new gas connections process in Victoria. Consistent standards and messaging are being developed to help customers understand terminology. This is an Energy Charter ‘Better Together’ initiative.
- New connection information is in the process of being updated and added to our website – these more clearly define the requirements, regulations and new connection processes.

## Measures/Metrics

- Improvements in CSBA customer satisfaction scores for new connections.
  - MGN improved from 5.7 in January to 7.3 in June 2019.
  - AGN improved from 7.4 in January to 7.7 in June 2019.

### Continuous Improvement for the Principle 3 - expected focus areas for July 2019–2020

- We will continue to develop a safety culture within the business to reduce risk of injury to staff and the public.
- We will continue to shift to a cleaner energy system by delivering Hydrogen Park SA and blended gas to customers in South Australia, pursuing education and training programs to support the hydrogen economy, and continued customer engagement on the future of gas.
- In 2020 we plan to introduce field collection data software at DBP to standardise and automate the gathering of field data across the land management functions.
- We are investigating the suitability of using the DBP’s land owner management system across MGN’s high pressure network. This will improve record management of land owner interactions within the MGN transmission area.
- We will increase online engagement activities across all AGIG operations with a new *Gas Matters* online engagement portal.



## **Principle 4:**

# **We will improve the customer experience**

It should be easy for customers to make informed decisions about their energy use and services. Outcomes should be transparent, and all customers should benefit from the transformation of the energy system. Customer service from energy businesses should be respectful, efficient and seamless, particularly if things go wrong.

## **Principles in Action**

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### **Principle 4.1: Enable customers to get fair outcomes regardless of their ability or desire to participate in the energy market.**

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By measuring and tracking customer feedback and satisfaction, then using this data to develop our products, processes and services, we can make it easy for all customers to get the affordable energy they need.

#### **Customer Outcomes**

- Customers have increased understanding of the options available to them and are able to make better and more informed decisions.

#### **Activities undertaken**

- Through analysis of customer feedback from Voice of the Customer surveys, customer satisfaction metrics and meetings with consumer representative groups, we have identified key areas for improving communication with customers. These include:
  - Communication during the connection process.
  - Proactive information about works in customer areas.
  - Easily accessible information around costs, connection process, gas availability and promotions and rebates.
- By tracking consumer representative groups' data we were able to seek out areas for improvement and problem solving, empowering customers to get the results they need.
- Leveraging off a concept from our UK sister company (Northern Gas Networks), we have assigned a Customer Resolution Officer to MGN's major works to ensure impacts on customers and communities are considered throughout the project.
- As outlined in 2.2, we began designing a cost calculator to help all customers access natural gas accurate costings for their individual situations, as well as improving the information architecture of our website so the connection process is easier to navigate. These pages are due to go live in 2020.

#### **Measures/Metrics**

- We measure the effectiveness of our activities through customer complaint reporting. Analysis is completed by complaint driver and by each service provider.
- We also work with our agency partners to ensure our website assets are AAA compliant (the highest level) with Web Content Accessibility Guidelines (WCAG). While our websites rate well, we recognise we need to be more proactive to continuously review and improve on these scores to ensure the content can be accessible by all.

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### **Principle 4.2: Empower customers by:**

- 1. making sure all communication is clear, in plain terms, accessible and understandable;**
  - 2. providing insightful and useful information and accessible tools;**
  - 3. and streamlining access to, and portability of, customer energy data.**
- 

AGIG aims to empower customers to get the safe and affordable energy they need through clear communications, comprehensive information and easy-to-access to customer data.

#### **Customer Outcomes**

- Clear information means customers are empowered to make informed decisions about their energy use and services.
- Useful tools make working out energy costs easy.

### Activities undertaken

- In April 2019, AGN updated their connections portal to make it easier for builders and developers (and eventually household customers) to request gas connections in SA, QLD and NSW. This upgrade has made it easier for new gas connection requests to be submitted and handled efficiently, and has improved the customer experience.
- AGN's website user journey and current pages were analysed and found to be lacking a customer focus. We commenced work to include a new connection process, cost and promotions page.
- After upgrading the AGN website, we recognised that the MGN website was lacking in useful customer information. We began a project to leverage learnings and development from the AGN website upgrade into the MGN website.

### Measures/Metrics

- To capture feedback from customers interacting with MGN's customer service centre, we offer a customer experience survey at the completion of customer's call, measuring resolution of enquiry, customer effort and customer satisfaction with our service contact. The results are used for targeted coaching of front of house agents to support continual improvement of our service delivery.

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## **Principle 4.3: Ensure that innovation and design in products and services, as well as communication platforms and tools, are driven by customers' needs and preferences.**

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At AGIG we continuously review our construction, operational and maintenance practices, working in partnership with our customers to develop innovative and tailored solutions to meet their needs and preferences

### Customer Outcomes

- Increased customer convenience, access to information and ease of resolution.
- Our DBP customers can deliver sustainable and profitable businesses because of our flexibility in taking a long-term view of assets.

### Activities undertaken

- To solve potential communication delays (and therefore connection delays) between service providers and builders during site visits, we implemented a process at MGN where field network planners update the status of the site in our systems after each visit. Information is communicated to the site contact person and information cards are left on site advising status of site suitability and when the next visit is planned.
- To achieve DBP safety goals, we introduced 'X Info Connect' software, which automates the Dial Before You Dig (DBYD) enquiries process. We seek stakeholder feedback on preferred method and timing of contact as well as any access details and restrictions. We use this information to plan interaction time with our landowners.

### Measures/Metrics

- Landowner feedback will be engaged on the performance of our automated Dial Before You Dig (DBYD) process to assess customer usability.

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## **Principle 4.4: Have effective and accessible dispute resolution processes, co-ordinated across the supply chain, to resolve customer issues and implement process improvements in response**

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We recognise the importance of quickly and effectively resolving customer disputes. That's why we've improved our complaints processes across the business to better meet our customers' needs, and we're implementing feedback sessions, training and data analysis to enable continuous improvement.

### Customer Outcomes

- Decrease in volume of customer complaints.
- Customer complaints are dealt with more quickly and comprehensively, allowing more rigorous investigation so all factors are considered in resolving the customer's dispute.

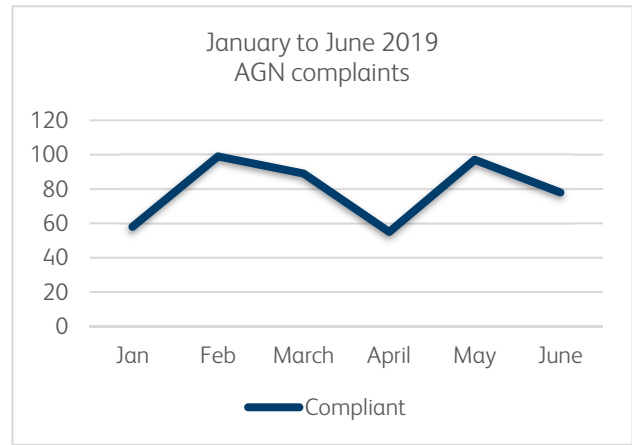
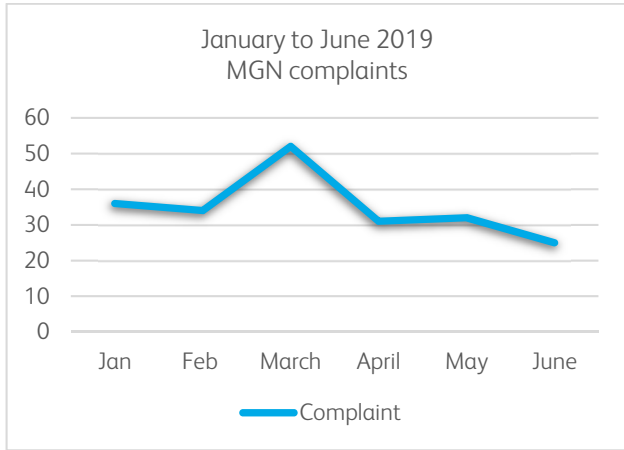
### Activities undertaken

- MGNs Customer Resolution Centre (CRC) has implemented several process improvements between January and

June 2019 including:

- New processes require all complaints to be registered within the SAP CRM (customer relationship management software) system to ensure transparency and visibility of complaints between Service Providers and MGN.
- New escalation processes ensure complaints are managed in a timely manner.
- We worked closely with the Energy and Water Ombudsman of Victoria (EWOV) on referrals to determine outcomes for customers and providing ongoing training to staff.
- We provided training for field crews and call centre staff in dealing with complaints.

**Measures/Metrics**



- Over the reporting period, MGN complaints (non-ombudsman) decreased 55 %, and AGN complaints (non-ombudsman) decreased 25 % compared to the same period in 2018
- Our initiatives to improve the dispute resolution process has resulted in reduced escalation of complaints to the EWOV.
- We have met MGN KPIs relating to acknowledging and responding to complaints at an average of 90 %.

The Victorian Ombudsman’s office releases Scheme Participant data each quarter. This data shows the reduction in customer escalations to the Ombudsman’s office.

**Australian Gas Networks**

Gas cases



**Multinet Gas**

Gas cases



**Continuous Improvement for Principle 4– expected focus areas for July 2019–2020**

- We will continue the upgrade of the customer connections portal on AGN’s website, with Phase 2 allowing for two-way online communication between customers and service representatives. At MGN we plan to take an iterative approach to ensure our communications are constantly delivering optimised value to customers. Regular feedback sessions and learnings from data analysis will allow us to make further changes if required.

## Principle 5:

# We will support customers facing vulnerable circumstances

We recognise that some households and businesses may experience vulnerability that requires support from energy providers. Not all experiences of vulnerability will be the same, and providing support requires solutions tailored for different circumstances. We will establish processes for early recognition of, and engagement with, customers facing vulnerable circumstances, collaborating with community service organisations and government to assist those who need it most.

## Principles in Action

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### Principle 5.1: Have processes to enable early identification of and engagement with customers at risk of vulnerability, coupled with intervention measures that can prevent customers falling into hardship.

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At AGIG, we believe we have a responsibility beyond regulatory obligations to provide assistance to vulnerable customers. We recognise our existing Vulnerable Customer Policy could be re-examined in conjunction with relevant stakeholders and consumer advocates in this field to ensure it is appropriate for current day situations.

#### Customer Outcomes

- Office and field-based customer-facing employees and service providers are experienced in identifying customers in vulnerable situations. AGIG supports additional assistance being made available to customers in these circumstances.

#### Activities undertaken

- Our 'Vulnerable Customer Policy' assists customer-facing employees and service providers to identify the circumstances, indicators and behaviours displayed by customers that may be indicative of vulnerability.
- AGIG employees and service providers have demonstrated a commitment to address the needs of vulnerable customers across the networks by ensuring appropriate identification and effective management of these customers – although this is currently actioned on a case-by-case basis.
- There is an opportunity to use AGIG stakeholder reference groups to improve AGIG's approach to vulnerable customers.
- AGIG strives for its approach to vulnerable customers to be:
  - Fair and reasonable
  - Empathetic and respectful
  - Compliant to regulatory obligations
  - Collaborative to achieve customer focused outcomes

#### Measures/Metrics

- Indicators to identify potentially vulnerable customers:
  - Health-sensitive issues
  - Financial incapacity to maintain their installation and appliances or replacement of appliance in case of claims
  - Special circumstances such as victims of crime; religious beliefs; limited or no ability to communicate; disability; mental health issues; illiteracy; experiencing temporary distress such as bereavement
  - Under 18 or elderly
  - Life support customer
  - Poses a risk to our employees or to themselves
  - Identified by an external party such as EWOV or a financial counsellor.

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## **Principle 5.2: Provide products and services that are tailored to customers facing vulnerable circumstances and support them to get back on track.**

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At AGIG we provide individual assistance, support and solutions to customers who need it, and support to our vulnerable communities through sponsorship and tailored services.

### **Customer Outcomes**

- Individual customers were supported by our policy to ensure gas supply was maintained and financial support given where required.
- Australian communities benefitted from AGIG's sponsorship and support, resulting in greater financial stability and opportunity.

### **Activities undertaken**

- In 2019 DBP provided community support for Traditional Owner meetings, including the Women in Lore Conference and the Traditional Owner Prescribed Body Corporate conference in Alice Springs. We also provided community sponsorship to the Corrow Football Club and Pannawonica Rodeo. These organisations are chosen based on a number of criteria including their alignment with our values, demonstration of benefits to the community, and their level of ethical and social responsibility.
- AGIG's sponsorship policy includes community service organisations and charities. We provide financial support to organisations such as Hutt Street Centre, Angel Flight, Clontarf Foundation and Foodbank in South Australia.
- We supported vulnerable customers based on individual circumstance, organised gas fitters to conduct safety checks and repairs on customer installations and appliances, provided overnight accommodation, and reimbursed for meals where customers were unable to use their cooking appliances.

### **Measures/Metrics**

- AGIG spends approximately \$500,000 annually in support of multiple community groups and organisations. For example, our donation to Foodbank SA put an extra 27,000 meals on the table for those in need at Christmas.
- Impact to vulnerable customers is minimised by our reducing or eliminating time incurred without gas supply.

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## **Principle 5.3: Provide flexible solutions that are easy to access and are provided by specially trained frontline staff with expertise in supporting those customers who face additional barriers to engaging with the energy market.**

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It's not always simple for customers to navigate the energy market. At AGIG we train our customer-facing staff to identify and assess those facing additional barriers, and provide easy-to-access information, flexible products individualised support.

### **Customer Outcomes**

- Vulnerable customers in difficult circumstances are assisted by our Customer Resolution Centre (CRC), which provides supportive and flexible solutions.

### **Activities undertaken**

- Our contact centre employees undertook training to recognise vulnerable customers and escalate these to the CRC, where employees have further experience to manage referrals on a case-by-case basis.
- The CRC assessed individual circumstances and identified where additional support was required. This includes initiating translator services and working with customers and their carers on implementing medical plans and contingencies where required.
- We supported vulnerable customers by organising gas fitters and other trade services. In the event of gas supply outages, we coordinated with aged care and assisted living facilities to ensure heating, hot water and cooking facilities for residents were considered.

### **Measures/Metrics**

- Our Vulnerable Customer Policy provides guidance for our customer-facing team members to identify vulnerable customers and determine when it is appropriate to step outside of the normal complaints-handling process and provide individualised case management.
- Our measurement of the number and type of escalations referred to Customer Resolution Centre to assist vulnerable customers is needing further attention.

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**Principle 5.4: Take a collaborative approach, partnering across the energy supply chain and with government and community service organisations, to implement innovative solutions that improve outcomes (affordability or experience) for customers facing vulnerable circumstances.**

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By engaging with retailers and in forums we can improve our ability to identify and assist potentially vulnerable customers, and by engaging our wider business and service providers we can innovate to improve outcomes for those in difficult situations.

**Customer Outcomes**

- Customers facing difficult circumstances have access to personalised solutions because of collaboration between AGIG and retailers.
- Stakeholder engagement informs AGIG's service offerings for represented customer groups.

**Activities undertaken**

- AGIG consulted with consumer advocacy groups and a wide range of stakeholders across the energy supply chain that represent vulnerable customers, including:  
Council of the Ageing (COTA), Uniting Communities SA, South Australian Council of Social Service (SACOSS), Multicultural Communities Council of SA (MCCSA), St Vincent De Paul Society, Uniting Communities, and Energy Consumers Australia (ECA).
- When vulnerable customers are experiencing difficulties accessing Network Services, our Customer Resolutions Centre deals directly with their retailer counterparts to expedite a resolution for the customer.

**Measures/Metrics**

- Escalations from retailers are captured in our SAP CRM application. Going forward, escalation data will be further analysed to identify and address any systemic trends or process failures.

**Continuous Improvement for Principle 5 – expected focus areas for July 2019–2020**

- We plan to review our Vulnerable Customer Policy in conjunction with relevant stakeholders and consumer advocates in this field, and consider AGIG's role in supporting areas such as ESCV's 2019 'Energy Retail code changes to support family violence provision for Retailers'.
- We will use co-design methodology to work through the challenge, 'How can we do more to support vulnerable customers?'. This engagement method brings together customers and key stakeholders as active participants in the design process.
- We aim to engage in forums and working groups to improve our ability to identify and assist a potentially vulnerable customer. By collaborating with our wider business and service providers we will expand our ability to meet the needs of customers facing difficult circumstances.
- We will assess initiatives to help field-based employees identify vulnerable customers and provide assistance where appropriate.