



Independent Pricing and Regulatory Tribunal

IPART customer engagement project

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Why are we making customer engagement a priority?

- ▼ Effectiveness of traditional forms of engagement
- ▼ The Tribunal weighs up the interests of the utilities and consumers.
- ▼ We would like to:
 1. obtain more countervailing technical input from the average consumer
 2. understand if services and levels meet or exceed the expectations of customers
 3. understand willingness-to-pay for discretionary expenditures.

What's driving prices?

“The French Revolution happened because the ruling class kept sticking it to the peasants and these peasants are getting more restless with each kick from its masters boots.” Public submission to the 2009 bus prices review.

“KPMG considers that the equity beta for a pure or stand alone electricity generator may be more closely aligned with the equity beta of Independent Power Producers (“IPPs”).” AGL submission to electricity retail price review (2010-2013).

The CEPA report

- ▼ Enhanced public consultation
- ▼ Consumer panels and consultative groups
- ▼ Customer surveys (including willingness-to-pay)
- ▼ Constructive engagement

And.....

- ▼ The NSW local government model

Customer engagement workshops

- ▼ 4 workshops with regulators, utilities, customer representatives and government.
- ▼ Options discussed at the workshops:
 1. Utilities consult customers before price submission
 2. Utilities provide cost-benefit analysis
 3. Capacity building for customer representatives
 4. Consumer panels
 5. Increase funding to assist stakeholders preparing submissions

Australian case studies – Kogarah Council

1. Started the community engagement process early
2. Used innovative ways to engage the wider community
3. Regularly went out in the field to meet residents
4. Held resident forums concluding with a vote on the appropriate level of rate increases



Levels of engagement

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

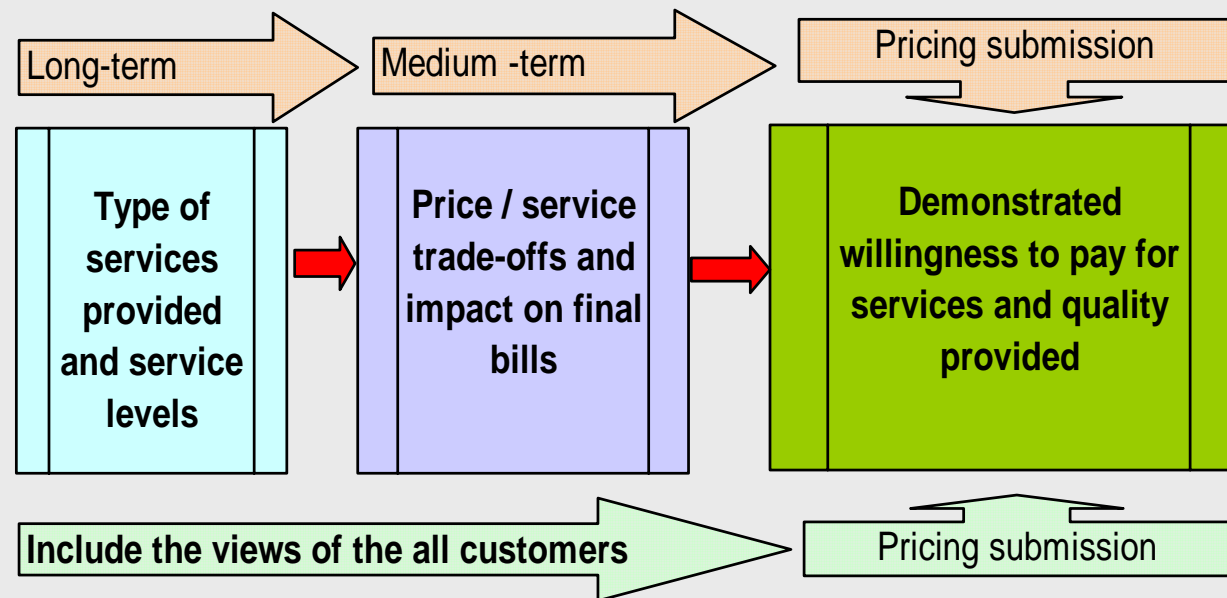
Successful engagement

- ▼ Start early – engage of type of services and levels to be provided
- ▼ Be pro-active – innovative ways to engage with a representative cross-section of the community
- ▼ Manage expectations
- ▼ Consult on price / service trade-offs before submitting a proposal
- ▼ Make voices count



Emerging ideas

- ▼ Can the local government model be adopted in water pricing



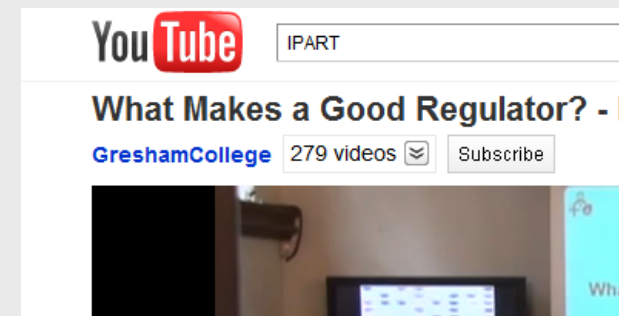
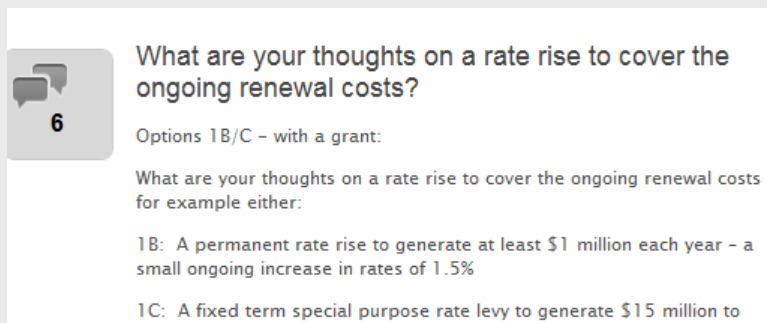
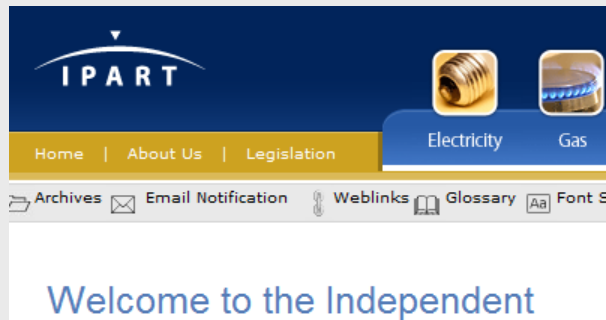
Engaging with customers

- ▼ How do we engage with the 80% of customers who normally are not represented?
- ▼ Who is best placed to do this? The utility or the regulator?



Emerging ideas

How can we better engage with the our stakeholders?



Emerging ideas



- ▼ Not-for-profit organisations need more capacity building and resources
- ▼ Need for a consumer champion



The way forward

- ▼ Start engaging with water utilities before next price reviews
- ▼ Utilities to engage with customers before putting together their price proposal
- ▼ Provide Tribunal with evidence of this
- ▼ New, more interactive IPART website for consumers
- ▼ Consider use of social media
- ▼ Release discussion paper in December
- ▼ Draft and final decisions next year



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