

Minutes

Electricity Connections – Governance Committee Meeting #1

Time and date: 1.30-3.00 pm, 2 October 2018

Location: Commission Boardroom, level 37, 2 Lonsdale Street, Melbourne 3000

Committee Members Present

Name	Organisation	Name	Organisation
Laurie Mitchell	Victorian Planning Authority	Angus Crawford	Property Council of Australia
Leesa Penaluna	AusNet Services	Neil O'Connor	Villawood, Urban Development Institute of Australia
Adam Gellie	Powercor	Andrew Davis	Jemena
John Hamill (Chair)	Essential Services Commission	Sarah McDowell	Essential Services Commission

Apologies: Nil

Committee Support

Aaron Yuen – Essential Services Commission

Merryn Wilson – Essential Services Commission

Agenda items

Introductions

Each person in attendance introduced themselves and explained their role and interest in being on the Governance Committee (the Committee).

Recap advice to the Minister for Finance

The Committee did not raise any issues with our advice to the Minister for Finance (the Minister).

Draft terms of reference

The Committee were generally satisfied with the draft terms of reference. A suggestion was made to amend the wording of one of the objectives. **The revised terms of reference will reflect this amendment.**

What would a successful committee look like?

The Chair asked Committee members what a successfully operating Committee would look like. Committee members made a range of comments about what success would look like for them. These included:

- Improved customer satisfaction
- Improved transparency about what is causing frustrations on both the distribution business and developer sides
- The Committee working collaboratively to achieve its objectives
- Maintaining good relationships amongst the players in the sector
- Clear communication of standards and smooth auditing against standards
- Not getting bogged down in regulatory processes. Seeing a difference (including achieving faster timeframes) without regulation
- Connections continue to occur in a safe manner
- Committee members feeling confident that they can raise issues (even uncomfortable ones) during committee meetings
- The Committee hears about things during the committee meetings not through other pathways
- Attendance is crucial and reporting to the Committee needs to be honest

Summary of actions that have been taken so far

Committee members discussed what their organisation had done so far to improve the timeliness of electricity connections.

Victorian Planning Authority

Victorian Planning Authority staff are going to present our advice to Minister to their board on 10 October for feedback. The Victorian Planning Authority is also going to start its review into the public lighting approvals process shortly.

Members of the Committee commented that potentially 5 to 10 weeks could be saved if the public lighting approvals processes were improved. They also commented that along with councils, people from their organisations could attend workshops facilitated by the Victorian Planning Authority to work through the issues.

Committee members added that the focus should be on achieving tangible results.

AusNet Services

AusNet Services is updating its website material to ensure it is up to date and processes were more transparent. This work is expected to be completed by the end of this month.

AusNet Services is undertaking a number of process improvements including:

- moving to expand the number of organisations accredited to undertake network auditing
- restructuring its design team so as all urban design is managed by one team
- appointing a construction compliance person to look at the results of all network audits
- developing a risk and compliance database to take into account all audit findings

AusNet Services added that they would be able to undertake a lot more analysis which would help them to highlight repeat issues.

Powercor

Powercor has established a contestable works team to operate in the growth areas and have already appointed someone who is service minded to lead the team. In addition Powercor is moving toward increasing connections related resources by 12 people:

- two project delivery leads
- two design reviewers
- two auditors
- two auditors (pending results of business case)
- four positions in the contestable works team

Powercor has completed a review of its tie- in process. Typically tie-ins can take about 8 weeks from booking. Powercor is proposing to allow tie-ins to be booked at the same time as the audit occurs. This should result in a 4 – 6 week reduction in waiting for audit and tie-in.

Powercor is consulting about making stage planning (design) contestable. If this were contestable stage plans could be approved in 2 weeks. Powercor is targeting to complete consultation in the next 4 – 8 weeks.

Powercor is revamping the way it reports performance. It hopes to start socialising the reports with industry shortly. Powercor will ask developers to view the reports and provide feedback.

Powercor is looking to improve its relationships with its end customers. It has recently met with CEOs (developers) and project managers (PM2) and found that there can be incorrect information fed back to developers by their agents (middlemen). As Powercor is buying the assets constructed, it is important to have a good relationship with the developer to collectively manage quality issues. Powercor is looking to automate its processes so as both developer and agents are notified when a project reaches a certain stage in the connections process.

Powercor responded that the relationship between the developer and their agents could improve. Powercor said getting the facts right is important to stop misinformation about the status of a project and greater transparency should help this.

Jemena

Jemena is now placing a customer lens over everything it does. It is automating the front end of the process so as customers are notified about where a project is at. It is investing in IT systems to help do this. It is also looking to improve its relationships with councils.

It uses a traffic light system to test how it is performing. Currently customer connections are green, earlier in the year they were red. Jemena reports monthly on cycle times, compliance reporting and performance improvement. The Chair asked can the data be trusted are the KPIs tested? Jemena responded that they have run a lens over the KPIs. Previously Jemena took 128 days to get an offer out now it's down to 15 days. Jemena's biggest change is in reducing times for steps of the connections process.

Jemena is working toward having one version of the truth, where technology sends out a text message to everyone concerned when a project reaches a certain stage.

Jemena indicated that acceptance testing (of the technology) would occur next month with roll out in Q1 2019. And eventually the technology would apply to the whole of the connections process.

The Chair asked would the improvements apply to Brownfields connections too. The distribution businesses responded and said all connections are covered by the reforms.

Essential Services Commission

The commission is advanced in developing the web based complaints register. It is important to note that the register is not a mechanism to resolve disputes but to gather information to inform our future work program. A suggestion was made that the register should be referred to as a feedback register. The suggestion has been agreed by the Committee and all documentation will reflect this.

As soon as the register goes live a link to it will be sent to Committee members.

The commission has also begun discussions with the AER about developing a road map to explain what each regulator is responsible for.

The commission is about to undertake review of the electricity distribution code that will take at least 18 months and will consider many of the regulatory improvements outlined in the advice to the Minister.

The commission encourages developers to become involved in the AER's price review processes.

Communications and reporting

The commission considers that reporting should focus on the actions undertaken to complete the Service Improvement Commitment because that is what the distribution businesses signed up to.

The Chair added the Committee needs an active report that sets out what each distribution business is doing and what KPIs sit above that. **The Chair requested that the information be shared 2 weeks before each governance Committee meeting.**

The Urban Development Institute of Australia added irrefutable evidence of actions is very powerful and would shine a light on developer's performance too.

Feedback on meeting

The Chair asked for feedback on today's meeting. Generally people were encouraged to what they heard and were pleased that the Committee is action orientated.

Next Steps

The next meeting is at the commission's offices on 5 December 2018 at 2.30 to 4.00 pm.

DRAFT