

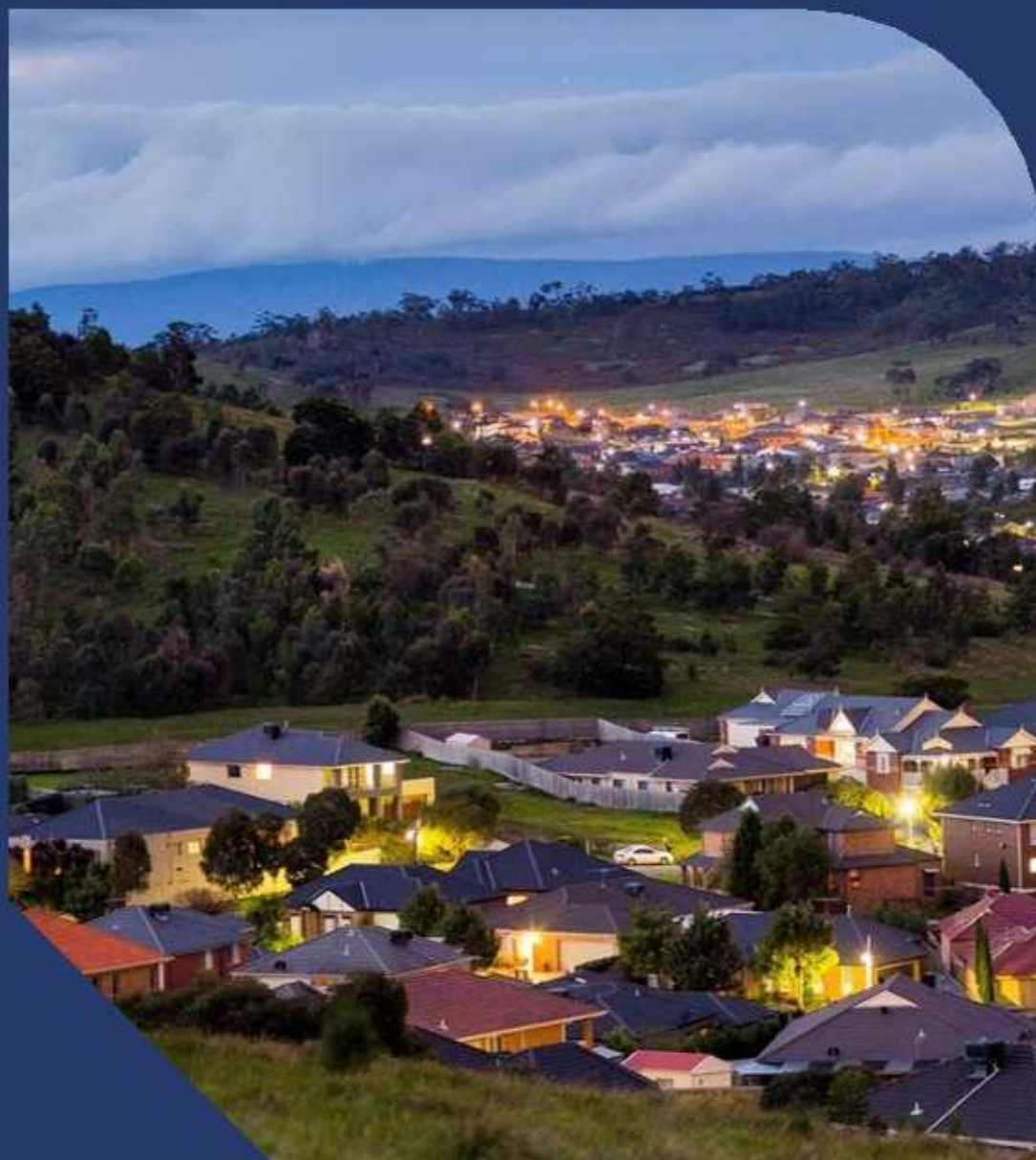
# AusNet

## AusNet Greenfields Negotiated Electricity Connections

Progress Report for the ESC

1 January – 30 June 2022

Monday, 22 August 2022



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# Introduction

AusNet is committed to improving how customers experience our services. "Customer Passion" is one of our key strategic pillars, driving a business-wide focus on understanding customer needs and delivering improvements that address these needs.

Residential greenfield developers are a key customer group for AusNet. Greenfield development lots make up the majority of new connections for our distribution networks. In 2020, we had 8,923 applications for greenfield development lots on our electricity network, and in 2021 this grew to 16,461 applications (~84% increase). For January to June 2022, there have been 8,656 applications, reflecting significant year-on-year growth.

Following a review by the Essential Services Commission of Victoria (ESC) into improving the timeliness of electricity connections, AusNet engaged directly with greenfield developers to create a Customer Service Standard (the Standard) for Greenfields Negotiated Electricity Connections. The objective of the standard is to ensure:

- Continuous improvement and building effective business relationships between distribution businesses and developers to resolve issues.
- Accountability and transparency about the time it takes distribution businesses to complete certain steps of the connections process.

This half-yearly report outlines our progress against the commitments we made in the Standard.

The AusNet Standard came into effect as of 1 July 2021. Since then, we have made positive progress, including:

- Continuing to **strengthen relationships** with members on our Developer Consultative Committee (DCC), expanding the membership, with two new greenfield developers joining the Committee.
- Publication of slide packs, minutes and key decisions has moved to the new [AusNet Community Hub](#), a dedicated **online customer engagement site** which will also allow us to expand our engagement activities with Developers outside the Committee meetings.
- Continuing to provide members with **transparent reporting** of our key performance metrics, including the introduction of new metrics and solutions valued by developers.
- Introduction of an **Authority to Commence Connect Construction (ACCC) payment trial** which will reduce the time between offer issue and the issue of the ACCC.

We have also commenced **Industry Briefings**, which allow us to present and discuss in more detail topics that arise and have a material impact on developers and their industry. The first of these was held in March 2022 on the impacts of the Rapid Earth Fault Current Limiter (REFCL) Isolating Transformers program. The second, on the developer-suggested topic of the future of gas, is scheduled to be held on Wednesday 24 August 2022.

AusNet believes that its engagement with developers has greatly improved in the 12 months since we implemented the Standard and that this is delivering significant benefits for developers and AusNet. We are receiving positive feedback from developers and their consultants who have been involved in the DCC and the Industry Briefing we held earlier this year. In particular, we believe the DCC has progressed from being in a discovery phase to being a true consultative forum. The format of our DCC meetings allows for robust discussion of the challenges facing developers, AusNet and the industry more broadly, and we strongly encourage developers to suggest agenda items for meetings.

We have also made significant improvements to our mass communications, publishing engagement materials on our websites and also providing more detail on the greenfield connection process and audit trends.

## Customer Service Standard

The research and engagement activities undertaken with developers, and the feedback heard throughout our initial engagement process, underpinned the development of our customer service standard. This includes our:

- Customer outcomes statement
- Customer engagement principles
- Developer Consultative Committee
- Quarterly metrics and other key commitments
- Industry Briefings

# 1.1. Customer Outcomes Statement

AusNet agreed to the following outcomes to be achieved over the two years, commencing March 2021:

## 1. Reduce the overall time to connect

We are committed to continual improvement in the timeliness of our service delivery.

## 2. Increase the transparency of the audit process

We are committed to further improvements in the auditing process through the inclusion of performance metrics and sharing of information around the volume of audits passed and failed, re-audits and audits requested and completed.

## 3. Streamline our communications processes

We are committed to making it easier for developers to connect to our network by streamlining our communication processes, providing a single point of contact, and making it easier for developers to get into contact with us. This will ensure that developers are easily able to gather the information that they need in a timely manner.

# 1.2. Customer Engagement Principles

AusNet agreed to the following principles when engaging with developers. These principles serve as a guiding framework, shaping how we interact with developers who are seeking to connect their residential developments in greenfield sites on our network. They are also key input to our achieving the outcomes stated above and the performance metrics included in this document.

AusNet's customer engagement principles which we will follow in all interactions with developers are:

- We will **never compromise safety** when it comes to the connection of greenfield residential developments to our network.
- We will **work collaboratively and proactively** with the industry **to reduce the overall time to connect** to our network and continue working with the industry to refine our metrics and targets.
- We will be **more transparent** when it comes to published timeframes for the end-to-end process as we know this is a pain point for developers.
- We will **maintain open conversation** and **continually engage with the DCC** and broader industry to seek feedback on major AusNet technical standard changes before implementation. In addition, we will host industry briefings to proactively communicate changes.
- We will **regularly communicate** minor technical standard updates and changes on the AusNet website.
- We will provide developers with a **point-of-contact for each project** who will respond to any developer queries in a helpful and timely manner.
- We will **work proactively with the industry to provide guidance** around audits, audit failure rates (and reasons) and additional information on audits that can be performed by certified third parties as we understand that this is what the industry would like from us.

# Developer Consultative Committee (DCC) & Industry Briefings

## 2.1 About the Developer Consultative Committee (DCC)

AusNet established the DCC as part of our customer service standard for Greenfields electricity connections and have held 5 meetings since the forum's inception.

The DCC is designed to be a forum for property developers, their contractors and industry group members to raise and discuss matters relating to AusNet, that will ultimately improve the experience of negotiated electricity connections.

The purpose of the DCC is to:

- Foster collaboration between AusNet and the development industry
- Discuss auditing requirements, processes and potential efficiencies
- Seek feedback on new technical standards or changes to existing AusNet technical standards, and
- Share performance reporting and top audit failures.

The DCC is comprised of developers, industry stakeholders and key AusNet personnel to the connection process, allowing direct and frequent engagement between these critical groups. Current DCC members include:

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ALDE

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UDIA

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UCS

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Nordcon

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Stockland

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Land Gippsland

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Plan B Services

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Winslow

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Moremac

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Civil Contractors Federation

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Southern Phone

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Peracon

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Beveridge Williams

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We have recently had two new industry members join the DCC – Beveridge Williams and Peracon.

## Committee meetings

Since the CSC came into effect, there have been 5 DCC meetings. Due to the ongoing impacts of COVID-19 and the geographic spread of the group, all meetings have been held virtually to date. The intent, and preference from developers, is to hold one meeting a year face to face going forward (where possible).

Completed meetings	Upcoming meetings
Monday 26 July 2021	Wednesday 19 October 2022
Thursday 28 October 2021	2023 meetings will be scheduled in January 2023
Thursday 3 February 2022	
Wednesday 13 April 2022	
Wednesday 20 July 2022	

Following meetings, we distribute all materials and minutes to DCC members and publish this information online, so it is accessible to the wider industry (see Appendix 1). Minutes and slide packs are published on our dedicated Developer Consultative Committee page, which can be found on the new [Community Hub](#) site.

We continue to co-design each agenda with developers to ensure we are focussing on topics relevant to them. This is either done by developers suggesting key topics during the session or through follow ups with the engagement team outside of the sessions. We strongly encourage developers to suggest agenda items.

*Example – Developer discussion around upcoming agenda and topics of inclusion*

## Upcoming meetings



What's happening for the rest of 2022

<p><b>Industry briefing</b> – Future of Gas</p> <ul style="list-style-type: none"> <li>Victorian Gas Substitution Roadmap &amp; what it means for new estates</li> <li>What might 7 star developments look like with and without gas? What might this mean for connections?</li> <li>Renewable gases &amp; what networks are doing to prepare for them</li> </ul>	<p>August 2022</p>
<p><b>Meeting #6</b> – reporting period Jul – Sept 2022</p> <p>Possible agenda items</p> <ul style="list-style-type: none"> <li>IBC</li> </ul>	<p>Wednesday 19 October</p>
<p><b>Meeting #7</b> – reporting period Oct – Dec 2022</p>	<p>Will be held in February 2023</p>
<p><b>Meeting #8</b> – reporting period Jan – March 2023</p>	<p>Will be held in April 2023</p>



What other topics would you like to see discussed?



**COMING SOON**

- 2 x Developer surveys:**
  - Gas Substitution Roadmap:** How the development industry will respond to new requirements
  - DCC Feedback:** we want to know what's working, what's not and what also you would like to see in the DCC meetings

## 2.2 About the Industry Briefings

In addition to the DCC meetings, we are holding periodic Industry Briefings to engage a broader range of developers (they are open to all developers and their consultants on our network) in our activities and to help communicate key messages to the industry.

The first Industry Briefing was held in March 2022 on the REFCL bushfire safety program and the introduction of associated Isolating Transformer requirements for greenfield developments. The Industry Briefing was very well attended, with over 60 industry representatives in attendance. We also received positive feedback from developers after the forum, which was particularly pleasing given the challenging messages we were delivering.

Building on the success of the first, our second Industry Briefing is due to be held on Wednesday 24 August 2022 on the future of gas. This developer-suggested deep-dive into the future of gas will address the policy environment, what the new requirements for home building standards and appliance incentives might mean for the energy mix in new builds (and what that then means for new estates), and addresses questions around the transition to renewable gas. Guest presenters will be joining the AusNet team to deliver this forum.

### Briefings

Since the CSC came into effect, there has been one industry briefing, with a second scheduled for August 2022.

#### Completed briefings

Thursday 24 March 2022

*Industry Briefing – REFCL Isolating Transformers*

#### Upcoming briefings

Wednesday 24 August

*Industry Briefing – Future of Gas*

# Progress against metrics & commitments (1 January-30 June 2022)

## 3.1 Development of key performance metrics

As part of the standard, AusNet reviewed the end-to-end process for greenfield connections and proposed relevant metrics at each stage. During consultation, AusNet agreed to report on the key performance metrics that developers felt would be desirable and meaningful to track. In addition, the ESC suggested AusNet consult on several additional metrics through the DCC process, to understand developers desire for AusNet to measure these. These additional metrics also required a feasibility assessment from AusNet to determine their complexity and cost to deliver.

AusNet consulted with DCC members on the additional metrics suggested by the ESC. Discussions were held during the July 2021 and October 2021 DCC meetings. The outcomes of these conversations can now be seen in the reporting we present to members in each slide pack.

### February 2022 meeting

During the February 2022 DCC meeting, members discussed the 'time to assign a co-ordinator' and 'average days to issue council SOC' metrics in further detail, including the costs to implement. It was decided by members that it was of very limited value for AusNet to report on these 2 metrics, so investigations into their implementation were closed.

Further exploration of the 'average days to issue ACCC' metric uncovered the concerns were largely due to delays arranging payment at the developers' end, which hold up AusNet's issuance of the ACCC that was the core issue. AusNet agreed to explore this metric further to see if there was anything that could be put in place to help address the core issue.

In response to member feedback, AusNet also provided additional detail on audit non-conformance reporting with a more granular look at the non-conformance categories, details on main topics and subcategories.

### April 2022 meeting

During this meeting members reviewed and agreed to the refreshed Developer Consultative Committee Terms of Reference, of which they had received a copy prior for review.

AusNet provided an update on the investigations underway for the 'average days to issue ACCC' metric, advising that discovery meetings have been held with relevant internal stakeholders to scope the technology solution, define business requirements and create detailed costings. AusNet committed to sharing the solution with the DCC before proceeding to implementation.

At this meeting AusNet also introduced the open floor discussion, a standing agenda item that has been added to allow for further freedom in the conversations and raising of any industry related topics that developers wanted to discuss. Developers were accepting of this addition and felt that it would help open up conversations even further.

### July 2022 meeting

During this meeting AusNet presented on its proposed solution to addressing the issue of developers' payments holding up ACCC issuance – i.e. the evolving conversation on the 'average days to issue ACCC' metric. To assist with payment challenges AusNet proposed to trial the separation of the project contribution (approx. \$6-7k) and the bond payment (approx. \$30k). The ACCC could then be issued on receipt of signed contract and project contribution payments, allowing for more time for the bond payment to be processed by developers, enabling construction to commence prior to receipt of the bond payment. DCC members expressed support for the trial and

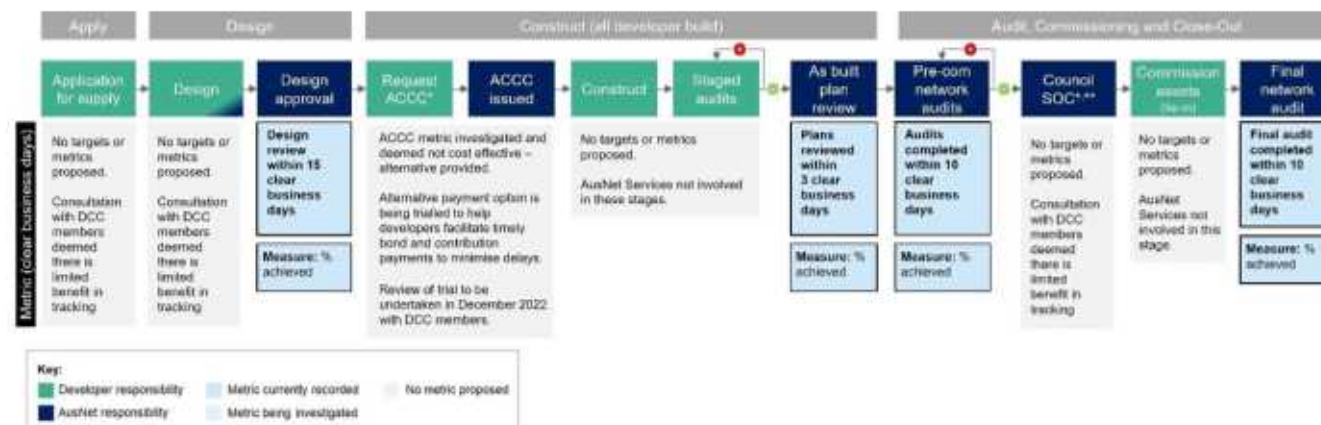


AusNet agreed to implement the trial. Should the trial be successful this program will be made permanent. The DCC agreed to review the trial at the end of 2022.

AusNet advised the group that they will be implementing a new sunset clause on rebate payments for Underground Residential Development (URD) & Network Modification Contracts. This has been implemented to cap the time in which rebates can be claimed to within 2 years of energisation of the site/s. It is not expected to impact the URD developments to any significant degree and has been put in place to encourage the broader construction market to close out works in a timely manner. AusNet advised it would consider extending the claim period should special circumstances apply.

**Summary of end-to-end performance metric status**

The diagram below shows the updates made to the end-to-end connection process with the introduction of the ACCC payment trial.



Note: see Appendix 3 for a larger version of this diagram.

## 3.2 Quarterly performance for key metrics

### Key metric performance: January-March 2022

Process step	2022 Target	QTR performance (January – March 2022)
Design reviews (approvals)	90% completion < 15 clear business days	88% within 15 clear business day. Industry Christmas Shutdown impacted result Volume: 557 reviews Rejected: 31%
As built plan review	95% completion <3 clear business days	100% in <3 clear business days Volume: 519 Rejected: 25%
Pre-commission network audits (audit before we energise)	95% completion within 10 clear business days	98% completed within 10 clear business days. All >10-day audits were at the request of the initiator. Volume: 79 Failed: 23%

Final network audit	95% completion within 10 clear business days	93% completed within 10 clear business days. Volume: 102 Failed: 18%
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*Note: Rejections for design or as-built reviews are a result of designs not meeting AusNet's technical standards. Rejections for audits are outlined in the audit trends below.*

### Key metric performance: April – June 2022

Process step	2022 Target	QTR performance (April - June 2022)
Design reviews (approvals)	90% completion < 15 clear business days	97% within 15 clear business days Volume: 875 reviews Rejected: 26%
As built plan review	95% completion <3 clear business days	100% in <3 clear business days Volume: 635 Rejected: 29%
Pre-commission network audits	95% completion within 10 clear business days	98% completed within 10 clear business days Volume: 162 Failed: 20%
Final network audit	95% completion within 10 clear business days	97% completed within 10 clear business days* Volume: 104 Failed: 13%

*Note: Rejections for design or as-built reviews are a result of designs not meeting AusNet's technical standards. Rejections for audits are outlined in the audit trends below.*

### Audit trends: April-June 2022

Audit trend reporting has been expanded. Network auditors were asked to provide more granular information and reporting on audit non-conformance with this information now being provided to developers for further discussion at the DCC meetings. Knowledge of this information also provides developers an opportunity to work with their project managers and contractors to uplift any areas where there are concerns. Feedback from developers on this additional information has been positive.

## Audit trends

AusNet

Update on key audit trends for the period April – June 2022

266

Audits completed for the period April-June '22

200

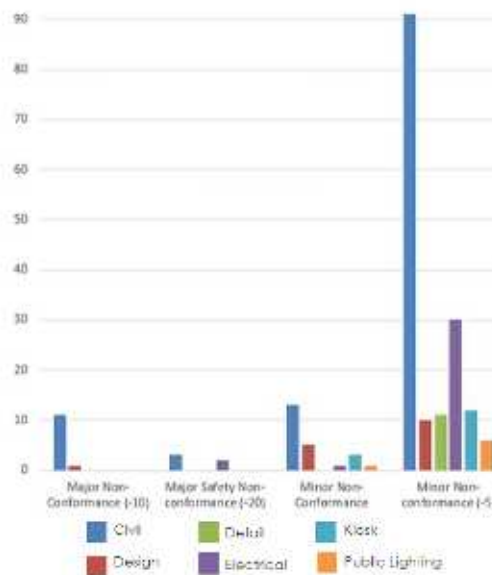
Total non-conformance items April-June '22

### Breakdown of total non-conformance items

Major non-conformance	12
Minor non-conformance	23
Major safety non-conformance	5
Minor safety non-conformance	160

### Identified findings

Civil	118
Electrical	33
Design	16
Kiosk	15
Detail	11
Public Lighting	7



## Audit trends

AusNet

Detailed non-conformance for the period April – June 2022

### Trending **civil non-conformance** items

1. Pits – 44 in total, Reinstatement (33) and pit lid (10) issues.
2. Reinstatement – 17 in total, Tie-in points and subsidence issues.
3. Conduit – 18 in total, Separation and depths.
4. Bollards – 8 in total.

### Trending **electrical non-conformance** items

1. Labels – 21 in total, Not affixing labels to kiosk and CHP.

### Trending **kiosk non-conformance** items

1. Civil – 9 in total, Fencing.
2. Electrical – 6 in total.

## Other commitments

During our engagement on the customer service standard, we agreed to several other commitments that developers felt would deliver significant improvements. The status of these is outlined below:

Initiative	Status
<p>Publish information about the end-to-end process for AusNet. Specifically:</p> <ul style="list-style-type: none"> <li>the steps involved in connecting a greenfield development (flow chart)</li> <li>average end to end time taken to connect greenfield developments end-to-end</li> <li>total volumes of jobs completed: No metric proposed (est. 5,000 to 10,000)</li> </ul>	<ul style="list-style-type: none"> <li>In the July – December 2021 report it was stated in error that AusNet would implement a metric for the average time taken for end-to-end connection process. This action should have correctly reflected the commitment to publishing the average time taken to connect new developments, including the factors that influence connection times to help set developers' expectations and provide them with the information they need to help ensure a smooth connection. This information is now available on the AusNet website's New Estate Connection Application page, along with the connection process flow chart as recorded in the July-Dec 2021 report.</li> <li>The total volume of jobs completed is reported as part of this report (see page 2)</li> </ul>
<p>Publish information specifically relating to audits (pre-commission and final network audit), including:</p> <ul style="list-style-type: none"> <li>volume of audits passed/failed</li> <li>audits requested and completed</li> </ul>	<ul style="list-style-type: none"> <li>Worked with network auditors to expand on information provided in relation to audit non-conformance, allowing for more granular information and reporting to be disseminated at the DCC.</li> </ul>
<p>Proactive issue identification with top audit failure items.</p>	<ul style="list-style-type: none"> <li>Developed more detailed coding of audit failures, which is producing deeper analysis for sharing with developers.</li> </ul>
<p>Communicate AusNet auditing expectations with VEDN auditors.</p> <p><i>Note: VEDN is an industry panel made up of representatives from all Distribution businesses, including AusNet.</i></p>	<ul style="list-style-type: none"> <li>Auditing expectations were addressed at the April 2022 DCC.</li> <li>Additional updates from the VEDN, on relevant topics, are provided to the DCC as they arise.</li> </ul>
<p>Host briefings with the wider industry to proactively communicate significant standards changes and provide an opportunity for Developers (outside of the DCC) to raise issues.</p>	<ul style="list-style-type: none"> <li>The first industry briefing on REFCL Isolating Transformers was held on 24 March 2022. There were more than 60 industry representatives in attendance.</li> <li>The second industry briefing is on the Victorian Gas Substitution Roadmap and is scheduled for 24 August 2022.</li> </ul>

## Next steps

### 4.1 Customer service standard focus

AusNet remains committed to putting the customers and stakeholders at the centre of our decision making. We have found the ongoing feedback and collaboration with the Developer Consultative Committee, and now the Industry Briefings, has been extremely valuable and look forward to continuing to build this relationship into 2023.

In the next 6 months our focus is on:

- Continue to hold quarterly meetings with the DCC, expanding membership to include new developers as requested. We have welcomed 2 new members in the previous 6-month period.
- Hold additional Industry Briefings to extended audiences as topics of relevance come to light or are requested by developers.
- Help the development industry understand the changing policy and technology environment for the transition to net-zero emissions, particularly as it relates to the infrastructure needed in new developments.
- Continue to listen to and work with developers on the investigation and implementation of process improvements.
- Run a survey with the developers to understand what items in the DCC are working well and any areas we could improve. The survey is currently scheduled to run in mid-October 2022 and help further identify opportunities for improving or maximising the value of our engagement with developers.
- Provide recommendations to the ESC for our service standards to apply from March 2023 which reflect feedback from our DCC members.

# Appendices

## 5.1 Appendix 1

### **Minutes and slide packs from the Developer Consultative Committee meetings and Industry Briefing**

Minutes and slide packs from the Developer Consultative Committee meetings, as well as slide pack and Q&A from Industry Briefing listed below, attached separately.

- a. February 2022
- b. March 2022 – Industry Briefing
- c. April 2022
- d. July 2022

## 5.2 Appendix 2

Key performance metrics table outlining the status of metrics

Process Stage / Metric	Description	2021 Target	2022 Target	Updates for reporting period
Application for supply	When the developer is ready to commence the energy application process and they make an application to AusNet.	Develop and report on assignment of a coordinator <10 days post payment of fees.	Not applicable.	Developers did not see a high value in the Time to Assign a Coordinator metric and as such we are not reporting on this.
Design	This stage involves the drafting of the electrical infrastructure designs for infrastructure intended to be built (i.e., construction plans).  Approx. 95% of design work is assigned by developers to private contractors. AusNet completes design work for a small proportion (around 5%) of customers. These tend to be for residential DIY customers (not professional developers).	Resolve appropriateness of this metric with the DCC by end of Q2 2021.	Remains at < 15 clear business days	Developers said that AusNet's current turnaround time for design completion is very good and agreed that it would be of very limited benefit to report on its performance in completing designs.
Design approvals	This stage includes Design Reviews and Master Plan Review.  Master plans show how a new staged development will ultimately connect into the distribution network.  Design plans show how each lot is connected to the network and clearances between electricity infrastructure and other services.	< 15 business days per plan	Remains at < 15 business days	We are currently reporting on the Design Review and Master Plan Review metric quarterly, as one metric.  Further consultation with the DCC members has confirmed that members do not believe that splitting reporting of Design and Master plans is necessary, especially given current positive performance
Request authority to commence connect construction (ACCC)	The developer requests notification that the commercial arrangement (supply offer) has been completed.	N/A	N/A	This stage of the process is the responsibility of property developers and their contractors.

Process Stage / Metric	Description	2021 Target	2022 Target	Updates for reporting period
ACCC issued	AusNet provides an approval form to developers advising them that they have authority to commence construction.	Explore desirability and feasibility of this metric with the DCC by end of Q3 2021.	No longer applicable. No metric required per July 2022 resolution.	At the July 2022 meeting AusNet presented their solution to the 'average days to issue ACCC' metric.  To assist with payment challenges AusNet is trialling the separation of the project contribution (approx. \$6-7k) and the bond payment (approx. \$30k). The ACCC can now be issued on receipt of signed contract and project contribution payments. This allows for more time for the bond payment to be processed by developers, enabling construction to commence prior to receipt of the bond payment.
Construct	In this stage the new infrastructure is built.	N/A	N/A	This stage of the process is the responsibility of property developers and their contractors.
Staged audits	Developers use their own accredited auditor to conduct the five-staged audits assessing the quality of construction works. This ensure that the construction work is being performed to a high standard as per the approved design.	N/A	N/A	This stage of the process is the responsibility of property developers and their contractors.
As built plan reviewed and approved	Time taken to review as built drawings once submitted to AusNet.  This process is completely outsourced at AusNet. Design reviews are typically completed within 3 days. The developer's consultants work directly with our provider to complete this stage.	Explore feasibility of this metric with the DCC by end of Q3 2021.	Remains at <3 clear business days	This metric is part of the ongoing quarterly reporting.
Pre-commission network audits (audit before we energise)	AusNet sends one of our accredited auditors to assess the accuracy of the staged audits. Developers are provided with a pass/fail result.  <i>Note: The audit outcome report is sent to Developers within an additional 2 days.</i>	95% completion within 10 days	Remains at 95% completion within 10 days	This metric is part of the ongoing quarterly reporting.



Process Stage / Metric	Description	2021 Target	2022 Target	Updates for reporting period
Council Statement of Compliance (SOC)	At this stage, AusNet advises the Council that we are satisfied with the construction work undertaken by the developer. Upon receiving this, the Council will issue a compliance letter and release the title to the developer.	Explore feasibility of this metric with the DCC by end of Q3 2021.	No longer applicable.	This metric is not required. The DCC members agreed that the SOC is currently typically issued within 5 days of a pre-comm audit pass.
Commission assets (tie-in)	This is the process of energising the estate. Power is available in pits and the new connection to individual homes can commence.	N/A	N/A	This stage of the process is fully contestable and the responsibility of property developers and their contractors.
Final network audit	AusNet accredited auditors will go and assess the tie-in work to ensure compliance and ensure it meets safety standards.  Sites can be energised ahead of this stage.  <i>Note: The audit outcome report is sent to Developers within an additional 2 days.</i>	95% completion within 10 days	Remains at 95% completion within 10 clear business days	This metric is part of the ongoing quarterly reporting.

# 5.3 Appendix 3

## End-to-end greenfield connection process and associated metrics

