

REPORT TO  
NETWORKS NSW

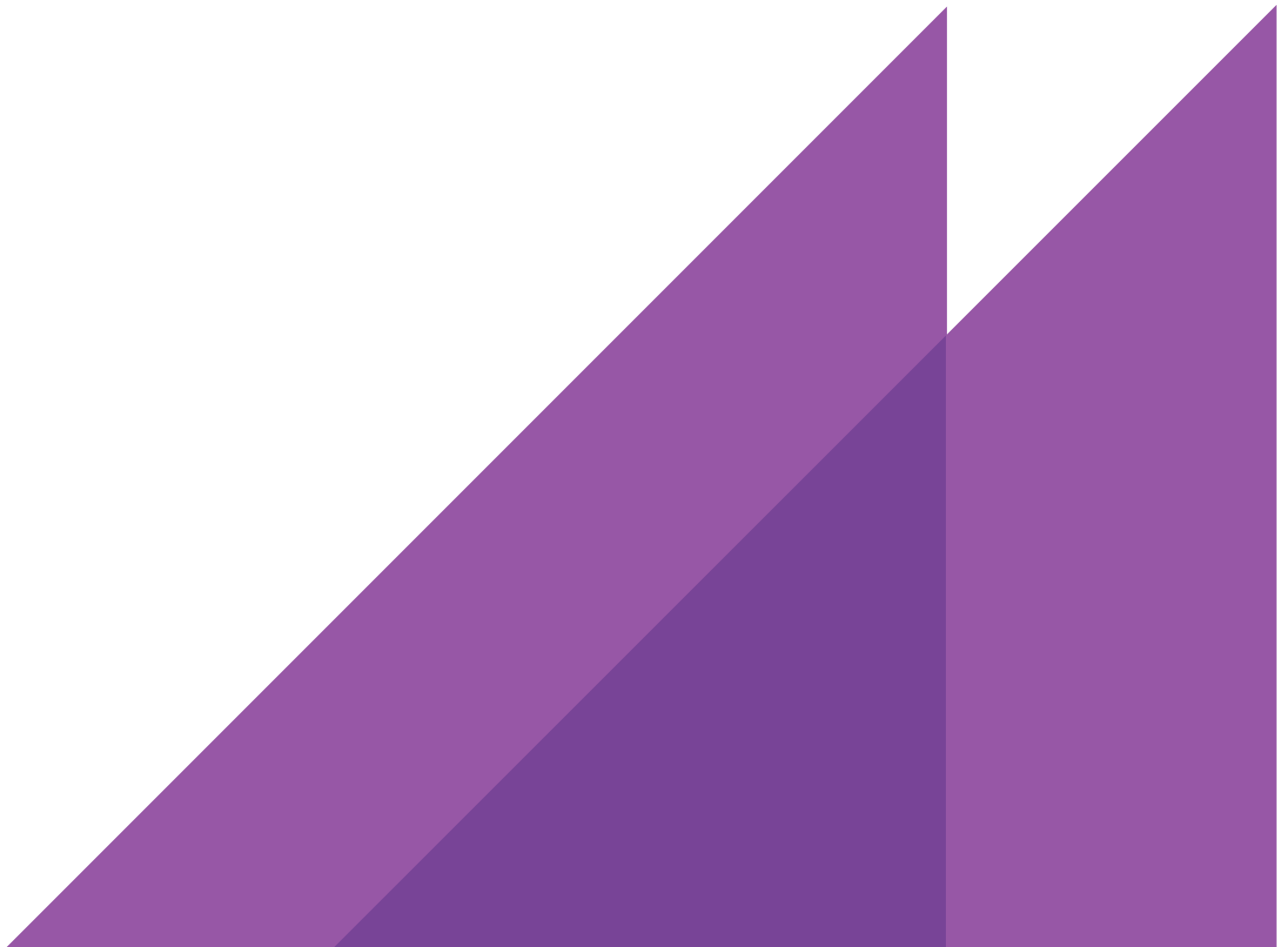
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# GETTING IT RIGHT.

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STAKEHOLDER  
ENGAGEMENT STRATEGY  
AND TACTICS FOR THE  
2017 – 2019 TSS  
PROPOSAL TO THE  
AUSTRALIAN ENERGY  
REGULATOR





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This document comprises:

- an objective;
- a strategy; and
- tactics (actions, activity).

## 1.1 The objective

The business objective of engaging the stakeholders of NSW electricity Distributors is to ensure their views and opinions about 2017–2019 tariff structures proposals are considered when decisions are made in the Tariff Structure Statements Proposals that Distributors will lodge with the Australian Energy Regulator, and that stakeholders are engaged in a meaningful manner.

We note that NNSW will be engaging stakeholders between September and October 2015 in what is Phase Two of engagement around tariff structures in NSW.

The three phases of engagement around tariff structures decisions are illustrated in Figure 1.1.

## 1.2 The strategy

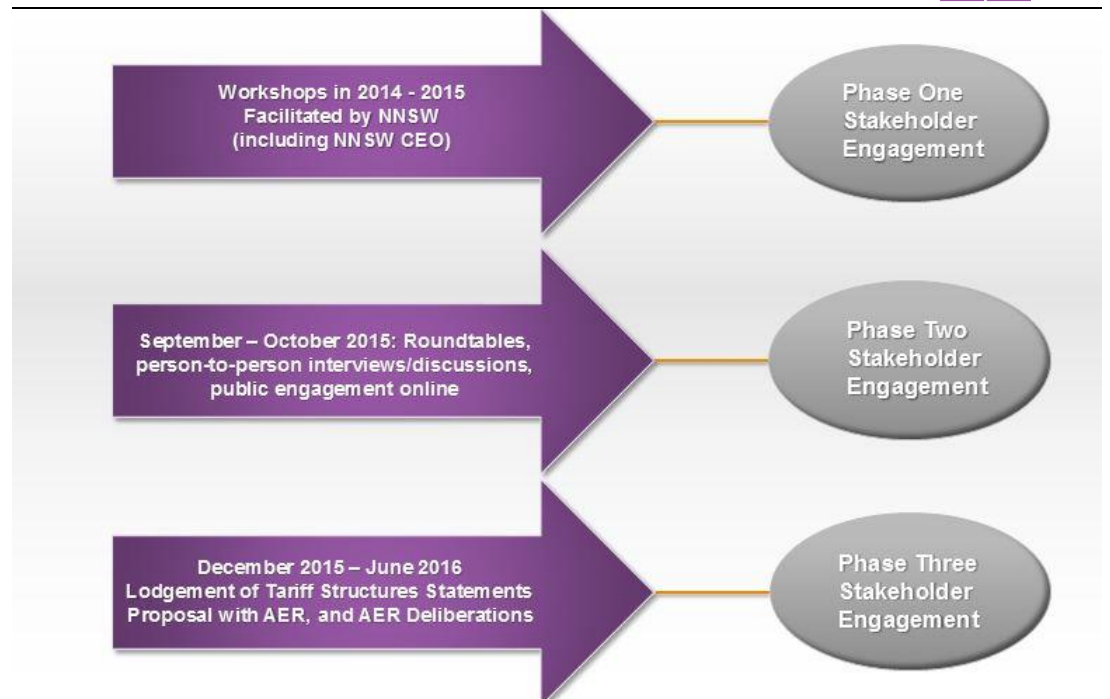
The strategy to reach the objective has six pillars (see Figure 1.2).

The strategic pillars have been developed to:

- ensure NNSW engages stakeholders meaningfully given the two months window available for Phase Two TSS engagement;
- provide ample opportunity for Tier One and Tier Two stakeholders and the general public to engage with NNSW and tariff structure issues, options and preferences;
- provide NNSW stakeholders the opportunity to understand tariff structures in NSW so that they have adequate and appropriate information to participate fully in engagement with NNSW about 2017 – 2020 tariff structures;
- provide stakeholders with opportunities to engage wherever they may be located, live or work; and
- provide NNSW with data and insights that will be a valuable input to Distributor decisions about the TSS Proposals.

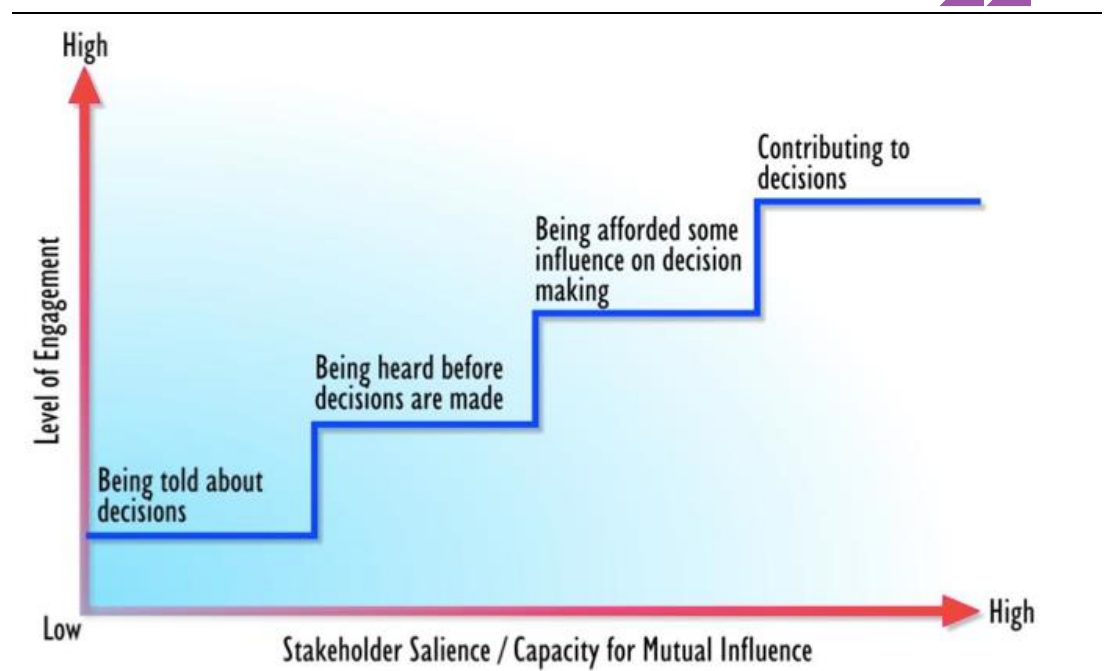
The strategy has been developed so that stakeholder input, insights and views will *contribute* to decisions about the 2017 – 2019 Tariff Structures Statements Proposal. Stakeholder contribution to the major decisions of large organisations that have a significant socio-political (including economic) impact on the community is international best practice (see Figure 1.2).

FIGURE 1.1 – THE THREE PHASES OF TSS STAKEHOLDER ENGAGEMENT



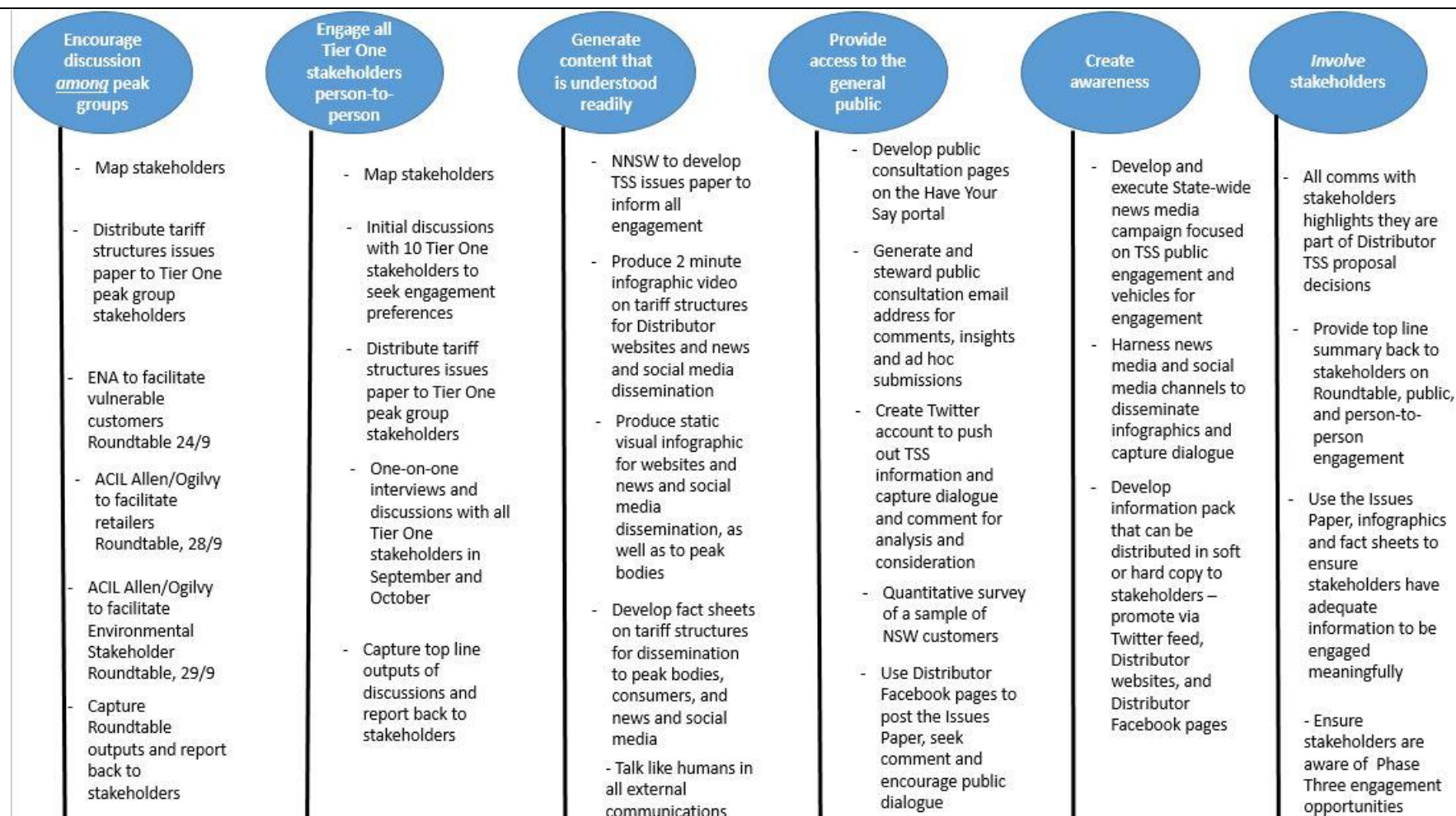
SOURCE: ACIL ALLEN CONSULTING, 2015

FIGURE 1.2 – LEVELS OF STAKEHOLDER ENGAGEMENT



SOURCE: ADAPTED FROM WORLD BANK, 1999

FIGURE 1.3 – STRATEGY TO ENGAGE STAKEHOLDERS MEANINGFULLY AS PART OF TSS PROPOSAL DECISION-MAKING



SOURCE: ACIL ALLEN CONSULTING, 2015

The six strategic pillars:

1. Encourage discussion among representative and peak bodies, so ideas, insights and information can be exchanged readily, and open and robust discussion can be encouraged;
2. Engage all Tier One stakeholders person to person so that entities and individuals engaged already in Phase One engagement, and others that NNSW perceives should be engaged, are offered the opportunity to provide their views and insights, so these can be included in tariff structure statements decisions;
3. Generate content about tariff structures that can be understood readily by stakeholders so they can be engaged in a manner that is meaningful, and is part of a process that is meaningful and has integrity.
4. **Provide access to customers and the general public** to engage with tariff structures and options for the 2017 – 2019 TSS Proposals, including existing Distributor communications and social media channels and state-wide online vehicles and channels.
5. **Create awareness of the opportunity to engage** with NNSW and other community interest and representative groups about future tariff structures; and
6. **Involve stakeholders** in tariff structure decisions by Distributors via respectful dialogue with them, reporting to them the outputs of the engagement, and undertaking that the outputs will be important inputs to Distributor decision-making.

### 1.3 Is the strategy immutable?

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Good business strategy is amenable to change if it is found to be ineffective in making progress to achieve a critical objective.

ACIL Allen Consulting counsels that if one of the six strategies is judged to be falling short of achieving the tariff structures stakeholder engagement objective, or hampering the objective being achieved, we will recommend a change of strategy.

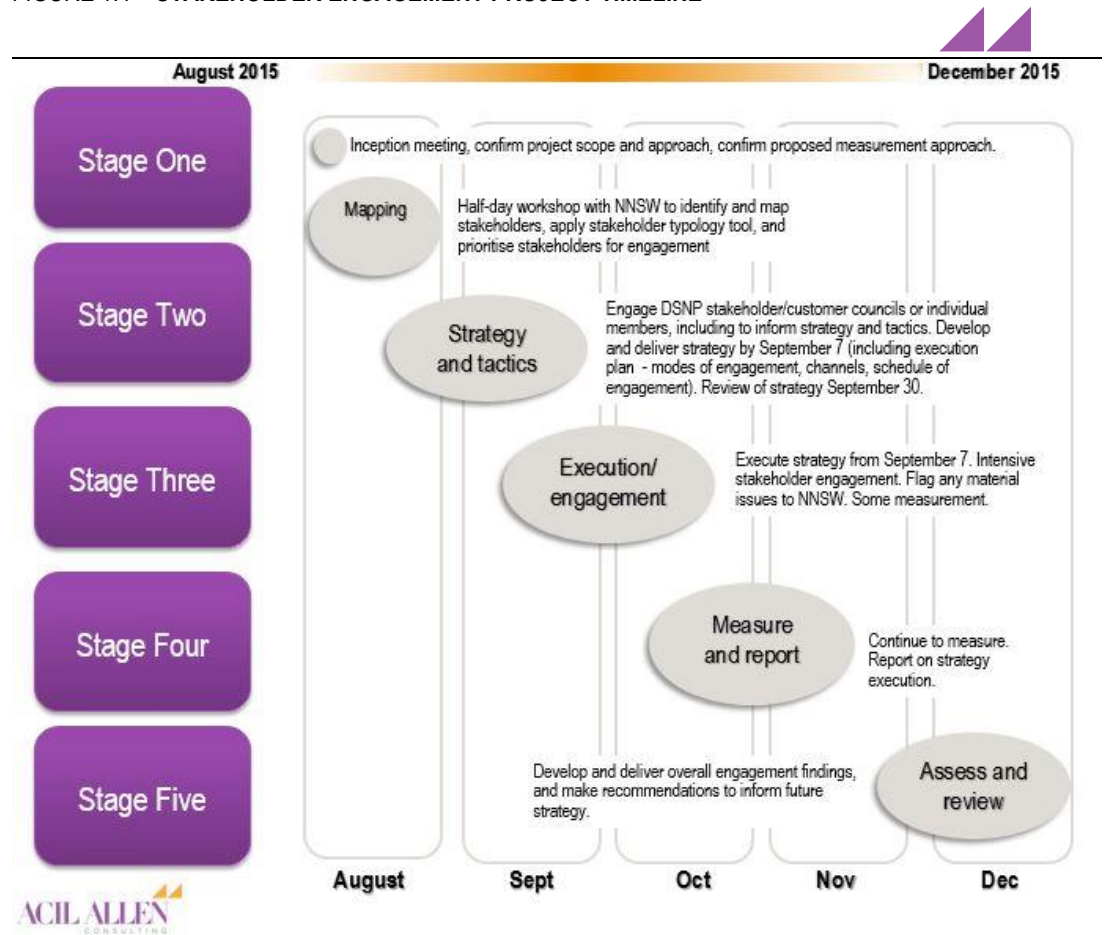
### 1.4 TSS Stakeholder engagement project timeline

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The project timeline for TSS stakeholder engagement is illustrated in Figure 1. 4.

We note that ACIL Allen Consulting's capacity to deliver the project within the timeframe requested by NNSW will depend to some degree on the capacity of NNSW, and the three Distributor businesses to rapidly consider requests to authorise and 'clear' information to be used to engage stakeholders ('content'), and to be involved in some of the stakeholder engagement fora.

FIGURE 1.4 – STAKEHOLDER ENGAGEMENT PROJECT TIMELINE



Note: Timeline proposed initially in ACIL Allen Consulting's proposal to NNSW for TSS stakeholder engagement strategy and execution  
 SOURCE: ACIL ALLEN CONSULTING, JULY 2015





This chapter presents the tactics to deliver the six strategies.

Most of the tactics - tools, channels, activity – will be generated and stewarded by the ACIL Allen team, including our project partner Ogilvy PR Australia.

However, executing some of the tactics will involve the Distributor businesses.

So that they can consider their resources and work plans, the tactics that will require us to ask for support from Essential Energy, Ausgrid or Endeavour Energy include:

- finalisation of an Issues Paper that sets out existing tariff structures in NSW, potential options for new tariff structures, and the content of the Phase One TSS stakeholder engagement. This Issues Paper will be an important platform from which to engage stakeholders, and to inform fact sheets and infographics for engagement;
- the opportunity to use the websites and social media channels managed by the three Distributor businesses to publish infographics, post the Issues Paper, and capture public discourse and stakeholder dialogue about tariff structures during the Phase Two engagement period;
- involvement by regulatory practitioners during the proposed stakeholder roundtables and during some of the more important person-to-person engagement discussions to make sure stakeholders have ready access to technical information to assist them understand tariff and AER issues and rules, so stakeholders are able to participate fully in the engagement opportunity.

The tactics proposed to achieve the six strategies have been informed in part by the nature of the TSS stakeholders that have been identified by NNSW. The stakeholders identified as part of stakeholder mapping with NNSW, and their priority for engagement, are illustrated in Figure 2.1.

## 2.1 September to October – the tactical activity stage

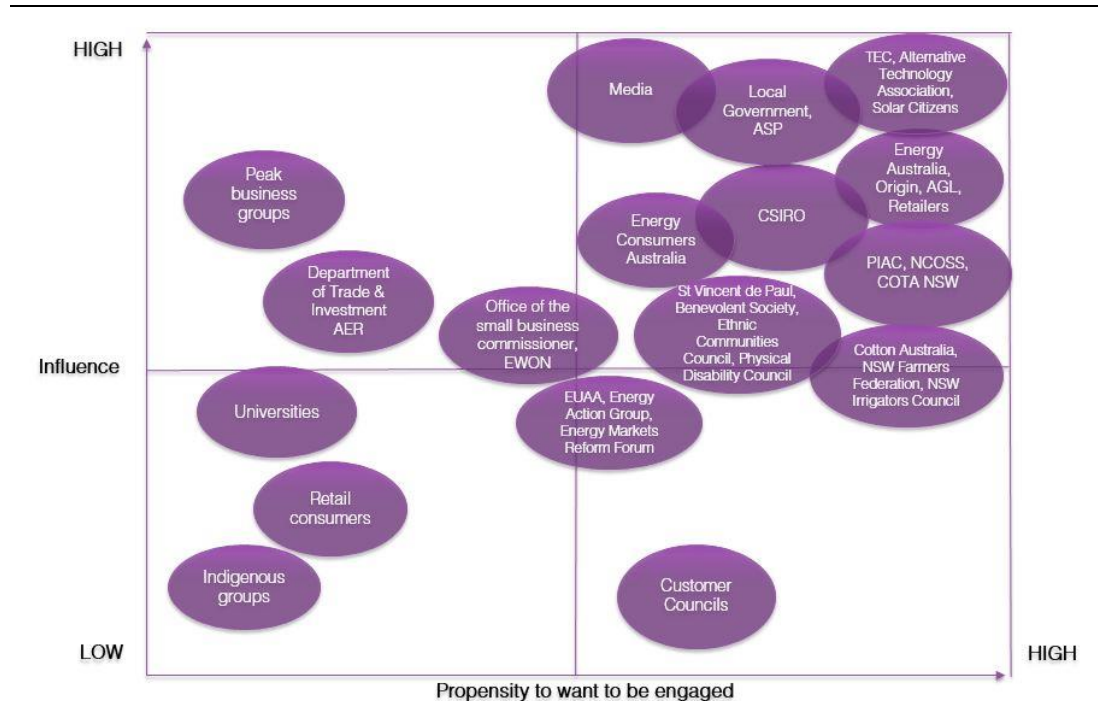
Most activity to engage stakeholders during Phase Two (for which ACIL Allen Consulting has been contracted to develop, execute, measure and report) will occur during the months of September and October 2015.

The following pages address the tactics to be applied to support each strategy being realised, including the timing of each tactic.

We note that the timing of applying each tactic may need to change because it is logical and sensible to do so, or because the fast moving external environment may necessitate that timing be reconsidered.

It is proposed that an assessment of progress against the strategies recommended be a standing item for discussion at the NNSW weekly TSS progress meeting.

FIGURE 2.1 – TSS STAKEHOLDER MAP, AUGUST 2016



Note: This map is an output of a stakeholder mapping working session involving NNSW and ACIL Allen Consulting in August, 2015  
 Source: ACIL ALLEN CONSULTING, 2015

TABLE 2.1 – STRATEGY ONE: ENCOURAGE DISCUSSION AMONG STAKEHOLDER PEAK GROUPS

Tactic	Execution	Timing
Map peak entity and representative stakeholder groups.	- Completed with NNSW and ACIL Allen.	Completed August 2015.
Develop TSS Issues Paper.	- Drafting commenced by NNSW as of 2/9. ACIL Allen and Ogilvy PR to assist finalise by 7/9.	To be available for public distribution as soon as developed and signed-off by September 20.
ENA to facilitate vulnerable customers TSS Roundtable.	- ENA to invite stakeholders and to facilitate. NNSW and Ogilvy PR to attend to assist facilitation, and Ogilvy to capture outputs. Issues Paper, TSS infographics video, and visual infographic to be distributed to stakeholders before the Roundtable.	Roundtable to be held on September 24.  NNSW/ENA approved outputs to be available for feedback to stakeholders by October 1.

Tactic	Execution	Timing
ACIL Allen (including Ogilvy) to facilitate Retailers Roundtable.	<ul style="list-style-type: none"> <li>- Ogilvy to manage invitations.</li> <li>- Workshop to be facilitated by ACIL Allen-Ogilvy team.</li> <li>- NSW regulatory and senior managers to attend.</li> <li>- Workshop to be held at ACIL Allen offices, Circular Quay.</li> <li>- Feedback for stakeholders to be captured for approval by Ogilvy PR.</li> </ul>	<p>Roundtable to be held on September 28.</p> <p>NNSW approved outputs to be available for feedback to stakeholders by October 1.</p>
ACIL Allen (including Ogilvy) to facilitate Environmental Stakeholder Roundtable.	<ul style="list-style-type: none"> <li>- Ogilvy to manage invitations.</li> <li>- Workshop to be facilitated by ACIL Allen-Ogilvy team.</li> <li>- NSW regulatory and senior managers to attend.</li> <li>- Workshop to be held at ACIL Allen offices, Circular Quay.</li> <li>- Feedback for stakeholders to be captured for approval by Ogilvy PR.</li> </ul>	<p>Roundtable to be held on September 29.</p> <p>NNSW approved outputs to be available for feedback to stakeholders by October 6.</p>
Outputs of Roundtables stakeholder engagement summary report	<ul style="list-style-type: none"> <li>- Ogilvy to develop a short written report for inclusion, to be an input to the ACIL Allen final stakeholder engagement report to NNSW.</li> </ul>	<p>Roundtable Report to be finalised by October 14.</p>

SOURCE: ACIL ALLEN CONSULTING, 2015

**TABLE 2.2 – STRATEGY TWO: PERSON-TO-PERSON ENGAGEMENT WITH ALL TIER ONE STAKEHOLDERS**

Tactic	Execution	Timing
Map all Tier One stakeholder groups.	<ul style="list-style-type: none"> <li>- Completed with NNSW and ACIL Allen.</li> </ul>	Completed August 2015.
Interview 10 x Tier One stakeholders to interrogate preferred mode of engagement and identify priority issues for discussion. These interviews will inform strategy and tactics.	<ul style="list-style-type: none"> <li>- ACIL Allen to coordinate and conduct interviews.</li> </ul>	Commence September 3. Complete by September 21.
Distribute Tariff Structures Issues Paper to all Tier One stakeholders.	<ul style="list-style-type: none"> <li>- Ogilvy PR to coordinate electronic distribution with NNSW.</li> <li>- Ogilvy PR to coordinate with Distributors to post on the websites of the three businesses.</li> <li>- Ogilvy PR to coordinate posting of Issues Paper on Have Your Say online portal.</li> </ul>	By September 25.
Person-to-person interviews and discussions with all Tier One stakeholders (x 30 interviews).	<ul style="list-style-type: none"> <li>- To be coordinated by Ogilvy PR, including dissemination of information materials.</li> <li>- Interviews to be conducted by Ogilvy PR senior consultants.</li> <li>- Outputs of interviews/discussions to be captured and reported by Ogilvy PR.</li> </ul>	<p>Interviews to be completed by mid-October 2015.</p> <p>Report on the outputs of interviews/discussions to be an input to ACIL Allen's final report to NNSW.</p>
Outputs of Roundtables stakeholder engagement summary report	<ul style="list-style-type: none"> <li>- Ogilvy to develop a short written report for inclusion, to be an input to the ACIL Allen final stakeholder engagement report to NNSW.</li> </ul>	NNSW approved outputs to be available for feedback to stakeholders by October 30.

SOURCE: ACIL ALLEN CONSULTING, 2015

TABLE 2.3 – STRATEGY THREE: GENERATE CONTENT THAT CAN BE UNDERSTOOD READILY

Tactic	Execution	Timing
Develop TSS Issues Paper.	<ul style="list-style-type: none"> <li>- Drafting commenced by NNSW as of 2/9. ACIL Allen and Ogilvy PR to assist finalise by 7/9.</li> </ul>	To be available for public distribution by September 20, 2015. Including immediate availability via Distributor channels.
Talk like humans.	<ul style="list-style-type: none"> <li>- All public communication content to be understood readily, and where possible, infographics to be used to simply communicate concepts, existing tariff structures, and options.</li> <li>- Ogilvy PR to ensure all communications will be understood readily by key stakeholders.</li> </ul>	Ongoing.
Produce two minute video (infographics-based) to support engagement and inform stakeholders including news media, via Distributor websites and social media channels, online engagement portals, NNSW TSS Twitter feed, and directly to representative and peak stakeholder groups.	<ul style="list-style-type: none"> <li>- Ogilvy PR to develop and obtain authorisation from NNSW.</li> <li>- Ogilvy PR to coordinate with Distributors to post on the websites of the three businesses.</li> <li>- Ogilvy PR to coordinate posting of Issues Paper on Have Your Say online portal.</li> </ul>	Collateral completed within two days of the Issues Paper being finalised.
Develop and disseminate a static visual infographic on the TSS process and tariff structures to news media, via Distributor websites and social media channels, online engagement portals, NNSW TSS Twitter feed, and directly to representative and peak stakeholder groups.	<ul style="list-style-type: none"> <li>- To be coordinated by Ogilvy PR, including dissemination of information materials.</li> <li>- Interviews to be conducted by Ogilvy PR senior consultants.</li> <li>- Outputs of interviews/discussions to be captured and reported by Ogilvy PR.</li> </ul>	Collateral completed by September 22 (pending Issues Paper finalisation).  Collateral available via Distributor channels by September 25 (pending Issues Paper finalisation).
Develop a short campaign to engage customers via Distributor Facebook pages.	<ul style="list-style-type: none"> <li>- Ogilvy to develop a short campaign to be executed in association with Distributors.</li> </ul>	September to mid-October (once Issues Paper has been finalised)
Develop fact sheets in association with NNSW for distribution via social media, news media, Distributor websites and directly to peak stakeholder groups in TSS information packs (see below).	<ul style="list-style-type: none"> <li>- To be coordinated by Ogilvy PR with NNSW, including dissemination of information materials from Ogilvy PR.</li> </ul>	Fact sheet to be developed by September for immediate use via all channels once Issues Paper has been finalised (envisaged w/c September 21).
TSS Information Pack to be developed including all public engagement TSS information for distribution to mapped stakeholders, and others who request it.	<ul style="list-style-type: none"> <li>- To be coordinated by Ogilvy PR with NNSW, including dissemination of information materials from Ogilvy PR.</li> </ul>	Fact sheet to be developed by September 21 for immediate use via all channels.

SOURCE: ACIL ALLEN CONSULTING, 2015

TABLE 2.4 – STRATEGY FOUR: PROVIDE ACCESS TO ENGAGE THE GENERAL PUBLIC

Tactic	Execution	Timing
Develop and host portal for engagement with the NSW general public via the Have Your Say or equivalent effective online portal	<ul style="list-style-type: none"> <li>- Ogilvy PR to secure portal presence, populate the portal with relevant information, and steward engagement.</li> <li>- Ogilvy PR to capture and report on stakeholder dialogue via the portal.</li> <li>- Ogilvy PR to liaise with news media and via social media to generate awareness of the portal and its availability for engagement.</li> </ul>	Portal to be available for general public stakeholder engagement from w/c September 21.
Create and steward TSS stakeholder engagement Twitter account to push out information to the community, as well as seek to create a dialogue to generate stakeholder input.	<ul style="list-style-type: none"> <li>- .Ogilvy PR to create and steward Twitter account and feed.</li> <li>- Ogilvy PR to liaise with news media and via social media to generate awareness of the Twitter feed and its role in the stakeholder engagement.</li> </ul>	Twitter campaign developed and Twitter feed live and when Issues Paper finalised.
Liaise with Distributors to utilise their Facebook pages as part of a 30 day campaign to engage stakeholders via Facebook.	<ul style="list-style-type: none"> <li>- To be coordinated by Ogilvy PR, including coordination with Distributors, generation of content, and stewarding of dialogue.</li> <li>- Outputs to be captured for analysis for the final ACIL Allen stakeholder engagement report to NNSW.</li> </ul>	Facebook campaign (including content) ready for launch when Issues Paper has been finalised.
Quantitative research with a representative sample of NSW Distributor customers to capture their opinions of various tariff structure options (can survey up to 2,000 geographically representative residents); or (and this will take more time) a representative sample of customer segments. This is not costed in the existing budget agreed by NNSW, and is in addition to the agreed contract for this project.	<ul style="list-style-type: none"> <li>- Ogilvy PR to commission and manage the research, and provide a report on its findings.</li> </ul>	If this research is to be commissioned, it will need to be done so by September 11. Other research options that may be considered need to be actioned by w/c September 28.

SOURCE: ACIL ALLEN CONSULTING, 2015

TABLE 2.5 – STRATEGY FIVE: CREATE AWARENESS OF THE STAKEHOLDER ENGAGEMENT OPPORTUNITY

Tactic	Execution	Timing
Develop and execute a NSW-wide news media and social media campaign on the TSS engagement process, to secure media coverage and social media traffic to promote awareness of opportunities for stakeholders to have their say.	<ul style="list-style-type: none"> <li>- Ogilvy PR to develop and manage the campaign, with a whole-of-NSW focus.</li> <li>- The campaign will include seeking to maximise distribution of the TSS Information Pack, and encourage the community to have its say on tariff structures via the online portal.</li> </ul>	Campaign to be developed and ready for execution when Issues Paper has been finalised, and managed up to mid-October.
Inform NSW Members of Parliament via letter (Information Pack attached) of the opportunity for their constituents to have their say about 2017 – 2020 tariff structures via engaging with NNSW in its Phase Two stakeholder engagement.	<ul style="list-style-type: none"> <li>- Ogilvy PR to liaise with NNSW to draft and finalise a letter from the CEO of NNSW to NSW MPs.</li> <li>- Distribution of MP letters and Information Packs to NSW MPs.</li> </ul>	Letter and Information Packs to be distributed from October 1.

SOURCE: ACIL ALLEN CONSULTING, 2015

TABLE 2.6 – STRATEGY SIX: INVOLVE STAKEHOLDERS, NOT JUST COMMUNICATE WITH THEM

Tactic	Execution	Timing
All communications to and engagement with stakeholders publicly and person-to-person be respectful of their views, opinions and policy position.	<ul style="list-style-type: none"> <li>- ACIL Allen and Ogilvy PR to ensure all transactions with stakeholders are respectful and that the tone of all engagement is open and constructive.</li> <li>- NNSW regulatory practitioners to be available readily to answer stakeholder questions and clarify technical issues, so that Tier One stakeholders are able to engage effectively.</li> </ul>	Ongoing.
All stakeholders will be made aware that NNSW and Distributors will take their views, concerns and issues into account and to the table when it makes final decisions about its TTS Proposals.	<ul style="list-style-type: none"> <li>- All stakeholder communications will contain messages (agreed with NNSW) about the TSS Proposal decision-making process and how stakeholder input will be used.</li> <li>- These messages will be developed by ACIL Allen and Ogilvy PR.</li> </ul>	Key messages to be developed by September 21. To be finalised in tandem with the Issues Paper.

Tactic	Execution	Timing
All stakeholders who engage with NNSW via Roundtables, person-to-person interviews and via online channels will, if identifiable, receive feedback from NNSW on the top line results of stakeholder engagement, to ensure they are aware their input is recognised and understood.	<ul style="list-style-type: none"> <li>- ACIL Allen and Ogilvy PR to draft top line outputs from the Roundtables and person-to-person interviews for authorisation from NNSW for Ogilvy PR to communicate to participating stakeholders.</li> <li>- A two-page report to NNSW from ACIL Allen on the outputs of all stakeholder engagement will be developed to be disseminated to all stakeholders via all TSS engagement communication channels.</li> </ul>	<p>Report on Vulnerable Customers Roundtable available on October 1.</p> <p>Report on Retailers Roundtable available on October 1.</p> <p>Report on Environmental Stakeholders Roundtable available on October 6.</p> <p>Report on <u>all</u> stakeholder engagement inputs to be available in the first week of November.</p>
Capture stakeholder assessments about the quality of their engagement with NNSW on TSS issues.	<ul style="list-style-type: none"> <li>- Ogilvy PR to administer an online survey (telephone survey with Top 10 Tier One stakeholders) to capture and understand satisfaction with the engagement.</li> </ul>	Administered from mid-October, and finalised in the final ACIL Allen Consulting report to NNSW.

SOURCE: ACIL ALLEN CONSULTING, 2015





The scope of work for the TSS stakeholder engagement strategy and execution project required ACIL Allen Consulting to assess and report on the outputs of the engagement, and provide an assessment also of the outcomes and effectiveness of the engagement.

We will develop a succinct and insightful report that addresses this requirement in time for the late October 2015 meeting of the NNSW Board.

Our assessment will be based on the extent to which the six strategies were delivered to realise the project objective, and stakeholder satisfaction with the engagement managed by NNSW with the assistance of the ACIL Allen Consulting project team.