

# **ATTACHMENT 4.3 VOICE OF CUSTOMER INSIGHTS REPORT SUMMARY 2018**

---

**ATCO 2020-24 PLAN**

EIM # 96749601

PUBLIC

31 August 2018



**ATCO**



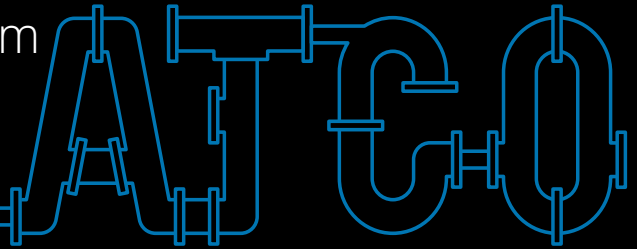
## Voice of Customer

Insights that matter to ATCO

Executive Summary  
April 2018

# The Voice of Customer (VoC) program

Focussed on creating a dialogue with customers and stakeholders across five distinct phases, allowing ATCO's investment plans to align with the long-term interests of consumers across 2020-24.



## WHAT WERE THE PHASES OF THE PROGRAM?

ENGAGE	CONSIDER	RE-ENGAGE	DRAFT	SUBMIT
OCT 2017	NOV 2017	FEB - MAR 2018	MAY 2018	SEP 2018
Conduct engagement activities and capture insights	Integrate customer insights into business planning	Validate plans and insights with sample customers	Publish a draft of ATCO's 2020-24 Plan	Submit the final 2020-24 Plan to the regulator

## WHO DID ATCO ENGAGE?

Customers and stakeholders comprising of the following groups, were engaged through a combination of group-based workshops and one-on-one interviews.



RESIDENTIAL



SML/MED ENTERPRISE



COMMERCIAL/INDUSTRIAL



BUILDERS/DEVELOPERS



PEAK/INDUSTRY BODIES



RETAILERS

CUSTOMERS

STAKEHOLDERS



94

Participants



12

Workshops



18

Interviews

## WHAT DID ATCO'S CUSTOMERS AND STAKEHOLDERS SAY?

### ABOUT ATCO

"The arrangements at the moment are straight forward, cost effective, timely...It's all positive."  
*Urban Developer*

### CLEAN ENERGY FUTURE

"It's nice to see companies like you taking initiative... not waiting for changes in energy policy."  
*Residential Participant*

### PROGRAM REFINEMENTS

"Sounds very reasonable, what you've done. I'm happy."  
*Residential Participant*

### CUSTOMER SERVICE

"Good customer service to me is when they say they're going to do something and they do it."  
*Residential Participant*

### GENERAL UNDERSTANDING OF ATCO

"More education/information, increased market share and ways for people to use more gas."  
*Major Land Developer*

### MAINS REPLACEMENT

"I think in the long term this is more economical, less disruptive and more efficient."  
*Residential Participant*

### SAFETY, RELIABILITY AND GROWTH

"Prioritise safety and efficiency of operations at a reasonable cost."  
*Residential Participant*

### INSIGHTS AND AAS STRATEGY

"Would be nice to learn more about where ATCO is expanding because we'll have to plan our services."  
*Major Land Developer*

### AFFORDABILITY

"Stability in prices is easier for people to deal with."  
*Residential Participant*

## WHAT CUSTOMER AND STAKEHOLDER INSIGHTS WERE REVEALED FROM PARTICIPANTS?

76%

RESIDENTIAL & SME Support a stable price path for 2020-24



95%

RESIDENTIAL & SME Support for ATCO's capital expenditure program



### CUSTOMERS WANT TO KNOW MORE

...about ATCO and understand what makes up their bill

### TRUST IN ATCO

...to make right decisions to maintain safety and reliability

### MAINS REPLACEMENT PROGRAM

...supported, if it meant minimising long-term disruption

### LOW CARBON FUTURE

...is important, and customers support initiatives already underway

### EXCELLENT CUSTOMER EXPERIENCE

...customers want to engage with ATCO and support program enhancement

## HOW HAVE ATCO INCORPORATED THESE INSIGHTS INTO THE 2020-24 DRAFT PLAN?

01.

### DESIGNED FOR THE LONG-TERM

ATCO's major initiatives will be designed to deliver benefit to Western Australians well beyond 2020-24 – future-proofing the network and supporting ATCO's low carbon and energy innovation plans

02.

### PROVIDES COST STABILITY

ATCO will create stability in distribution costs during 2020-24, providing customers with surety and promoting competition amongst retailers

03.

### CUSTOMER CENTRED

ATCO will have an ongoing relationship with customers – engaging regularly, to support and promote knowledge, education and awareness about gas, and new energy related initiatives

04.

### MODESTLY PRICED

ATCO's price increases are modest and acceptable compared to other costs. Per customer costs are acceptable to customers and minor changes are deemed reasonable



# The Voice of Customer program

ATCO’s Voice of Customer program has been designed to drive and facilitate engagement with its customers and stakeholders, allowing their views to underpin ATCO's 2020-24 Plan which will be submitted to the Economic Regulation Authority.

The Voice of Customer (VoC) program has been designed to create a dialogue with customers and stakeholders across five distinct phases through interviews and workshops. Harnessing insights through the VoC program will allow ATCO's investment plans to align with the long-term interests of customers and stakeholders. Whilst the VoC program has been designed to support the submission of ATCO's 2020-24 Draft Plan, it will not be limited to this period. It has been designed to continue, with key touch points throughout 2020-24.

Deloitte were engaged by ATCO to facilitate their VoC program. The insights and findings discussed within this report have been collected from ATCO's engagement with customers and stakeholders during the Engage and Re-Engage Phases of the VoC program, as observed by the Deloitte and ATCO teams.

ATCO initially engaged with customers and stakeholders in October 2017 and then re-engaged during February and March 2018.

Insights from the Engage Phase along with an overview of progress on the 2020-24 Draft Plan were shared with them. During this time customers were invited to participate in discussions and provide feedback on key topics that would help to further refine ATCO's plans.

## WHAT WERE THE PHASES OF THE PROGRAM?

ENGAGE	CONSIDER	RE-ENGAGE	DRAFT	SUBMIT
<p><b>OCT 2017</b></p> <p>Conduct engagement activities and capture insights</p>	<p><b>NOV 2017</b></p> <p>Integrate customer insights into business planning</p>	<p><b>FEB - MAR 2018</b></p> <p>Validate plans and insights with sample customers</p>	<p><b>MAY 2018</b></p> <p>Publish ATCO's 2020-24 Draft Plan</p>	<p><b>SEP 2018</b></p> <p>Submit the final 2020-24 Plan to the regulator</p>

Harnessing insights through the VoC program will allow ATCO’s investment plans to align with the long-term interests of customers and stakeholders.

# Engagement approach

Customers and stakeholders were engaged through 13 workshops and 18 interviews.

## CUSTOMERS



### Residential

6 workshops  
65 participants



### Small/Medium Enterprise (SME)

4 workshops  
36 participants



### Commercial/Industrial (C&I)

8 interviews

#### Segments engaged:

- Northern Suburbs
- Southern Suburbs
- Eastern Suburbs/Hills
- Mandurah/Rockingham

#### Segments engaged:

- Northern Suburbs
- Southern Suburbs
- Eastern Suburbs/Hills

#### C&I clients:

- Austral Bricks
- Mirvac
- Six others

## STAKEHOLDERS



### Builders/Developers

3 workshops  
7 participants



### Peak/Industry Bodies

4 interviews



### Retailers

6 interviews

#### Participants:

- 101 Residential
- Danmar Homes
- JWH
- Landcorp
- Pindan Homes
- Redink Homes
- Satterley

#### Participants:

- Housing Industry Association
- Master Builders Association
- Master Plumbers and Gas Fitters
- Urban Development Institute of Australia (WA)

#### Participants:

- AGL
- Alinta Energy
- Kleenheat
- Origin Energy
- Perth Energy
- Synergy

### How did ATCO engage with customers and stakeholders?

A representative age and gender mix of residential and SME customers were recruited from the key regions across the Perth Metropolitan area to participate in the program.

Within the Engage Phase, eight group-based workshops were facilitated to engage residential and SME customers. Each customer participated in a single workshop determined by their segment (customer type and region). ATCO's largest C&I customers were engaged through one-on-one interviews. Stakeholders included builders and developers who were engaged through

three workshops, peak/industry bodies and all current licensed WA retailers, engaged through one-on-one interviews.

Customers and stakeholders who had participated in the Engage Phase were invited to participate in the Re-Engage Phase with the intent to continue the dialogue and to share the progress of ATCO's 2020-24 Draft Plan. A subset of the initial 94 customers accepted the invitation which led to 42 customers and stakeholders being re-engaged through five workshops and six interviews.

# Engagement themes

Dialogue with customers and stakeholders was focussed across five themes that aligned with ATCO's 2020-24 Draft Plan.

The five themes were explored with participants as part of both the Engage and Re-Engage Phases, with the intent to discover insights and conduct further validation on specific topics.

## ABOUT ATCO

### Topics for discussion:

- Attractive qualities of natural gas
- About ATCO
- Components of a gas bill
- Playback as part of the Re-Engage Phase - key insights from the Engage Phase through video and presentation
- ATCO's new corporate strategy.

## AFFORDABILITY

### Topics for discussion:

- Predicted price rise from the current five-year period to 2020-24
- Options for tariff prices over 2020-24
- Overview of the Capital Contributions Policy
- Playback on insights and key statistics revealed from the Engage Phase in relation to price increases and options for tariff prices over the 2020-24 period
- Confirmation of the predicted price rise from the current period to 2020-24 after updated financial modelling.

## SAFETY, RELIABILITY AND GROWTH

### Topics for discussion:

- Reliability of gas supply and outages
- Proposed capital expenditure programs for 2020-24
- Priority preference for proposed capital expenditure programs
- Refinements made to major capital expenditure programs, based on revisions that were made to the plans following the Engage Phase
- Option preference for the mains replacement program implementation.

## CUSTOMER EXPERIENCE

### Topics for discussion:

- What does good customer service look like?
- Channel preferences for engaging with ATCO.

## CLEANER ENERGY FUTURE

### Topics for discussion:

- Current incentives offered for investment in gas powered products
- ATCO's existing initiatives and future innovations (e.g. GasSola)
- Playback/update on ATCO's energy hub initiative
- Playback/update on ATCO's hydrogen feasibility study.

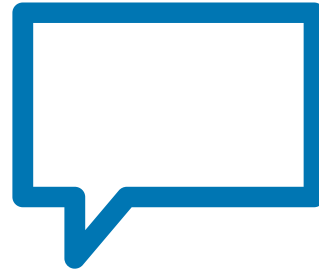
## How did participants provide feedback in workshops?

Workshops incorporated a mix of informative content, worksheet activities and questions designed to prompt discussion. Participants provided individual responses through worksheet exercises, indicating their:

- Preference for tariff price path options
- Support and priorities for ATCO's main investments
- Option preference for the mains replacement program implementation, and
- Preferred channel of communication with ATCO in the future.



# What we heard



Opinions reflect a diverse range of customers and stakeholders whom ATCO interacted with during the Engage and Re-Engage Phases of the program.

---

## ABOUT ATCO

"The arrangements at the moment are straight forward, cost effective, timely... It's all positive."

*Peak/Industry Body Representative*

"I don't think the general community know about you. I think you need to be more present in the community about who you are and what you do. I thought you were just contracted by Alinta to put the pipes in."

*SME Participant*

---

## CUSTOMER EXPERIENCE

"From a development manager perspective... We know you're there, we know it goes in, it all happens seamlessly."

*Major land developer*

"Good customer service to me is when they say they're going to do something and they do it when they say they're going to do it. It's keeping promises."

*Residential Participant*

---

## AFFORDABILITY

"A lot of people plan for five years and if you know that there is five years of consistency, it's much easier."

*SME Participant*

"Knowing the increases, we can actually plan for it... that's important for us. If we can't see, we can't plan."

*C&I Participant*

"It is an increase but it's not this preposterous increase that I think we'll all be very worried about. It just shows that you care."

*SME Participant*

---

## CLEAN ENERGY FUTURE

"1 in 5 consumers have sustainability factored as a key consideration when buying/building a property, and they're willing to pay a little for it."

*Peak/Industry Body Representative*

"The energy world is changing rapidly why wouldn't you want to be fully engaged? If you don't... you'll get left behind."

*Residential Participant*

---

## SAFETY, RELIABILITY AND GROWTH

"From an architectural perspective (meter box placement) is a very real concern for a lot of clients in high density living."

*Major Builder*

"Prioritise safety and efficiency of operations at a reasonable cost."

*Residential Participant*

---

## GENERAL UNDERSTANDING OF ATCO

"I've heard of ATCO Gas in and out of media. I'm just more aware of ATCO in general and seeing general gas advertising and education."

*Residential Participant*

---

## INSIGHTS AND THE 2020-24 STRATEGY

"Would be nice to learn more about where ATCO is going and expanding because we'll have to plan our services. Uncertainty about the availability and if certain services will still exist in future."

*Major Land Developer*

---

## PROGRAM REFINEMENTS & MAINS REPLACEMENT OPTIONS

"\$3/ year – we're talking 75c per quarter – who even thinks about that?"

*Residential Participant*

"I think in the long-term this is more economical, less disruptive and more efficient."

*Residential Participant*

---

## FOLLOW UP AND NEXT STEPS

"Always keen to use new technology. Will connect with Business Development team and be in touch. It will be good to share a draft, with important parts for builders and developers."

*Major Land Developer*

# Insights that matter to ATCO

Seven high level insights were uncovered through the program which informed ATCO's 2020-24 Draft Plan.

## 1 Once customers understood ATCO's values and that ATCO runs the most efficient business of its peers, they were very supportive

Of the residential and SME customers that were engaged, 95 percent said that they support ATCO's major capital expenditure programs. Mains Replacement was consistently ranked above the meter replacement program.

## 2 The majority of participants (86 percent for residential and 76 percent overall) supported the cost increases, chose a stable price path and were not concerned by minor changes to the overall price

They viewed the step change in 2020 as immaterial. Minor changes to their total distribution charge (i.e. within +/- \$5-10 for residential customers) were not seen as significant. Customers asked why their input was required for such a small change.

## 3 Customers want to know more about ATCO and understand what makes up their bill

Once informed, customers engaged said that they trusted the business and were very supportive of the initiatives that ATCO were proposing. Participants also supported (an expanded) marketing expenditure to promote awareness of ATCO's role, services, brand and values. Customers want to know how distribution costs will be reflected by retailers over time.

## 4 Customers said they trusted that ATCO will continue to make the right decisions, maintaining safety and reliability balanced against the continued delivery of support programs

Customers accepted the refinements made to safety and reliability investment programs. However general consensus was that ATCO should continue to invest in support programs (e.g., Blue Flame Kitchen program) to further community education and awareness.

## 5 Those customers and stakeholders engaged who have had the opportunity to interact with ATCO have found the customer experience to be excellent

ATCO has a reputation for getting the job done, but customers want to engage directly with ATCO, meaning there is support for enhancing customer experience programs.

## 6 Ninety seven percent of residential and SME participants valued long-term security of supply and fewer disruptions over short-term savings in their bill

Customers engaged, preferred that ATCO complete the work once rather than return multiple times to prevent reactive, unplanned and costly maintenance in the future.

## 7 A low carbon future was important to customers

Customers engaged, were very supportive of the initiatives underway and were pleased with the pace and leadership ATCO was providing.

"ATCO's vision is focussed on the long-term interests of its customers"

## Four key messages supporting ATCO's vision for 2020-24

- 1 **ATCO's major initiatives are designed to deliver benefit to Western Australians well beyond 2020-24.** They will future-proof the network and support ATCO's low carbon and energy innovation plans.
- 2 **ATCO will create stability in distribution costs during 2020-2024.** This will provide customers with surety and help to promote competition amongst retailers.
- 3 **ATCO will have an ongoing relationship with customers.** Proactive and regular engagement with customers will support and promote knowledge, education and awareness about gas, and new energy related initiatives.
- 4 **ATCO's price increases are modest and acceptable compared to other costs.** Per customer costs are acceptable to customers and minor changes are deemed reasonable.



## Contact us

Deloitte  
Level 9, Brookfield Place, Tower 2  
123 St Georges Terrace  
Perth WA 6000  
Australia

Tel: +61 8 9365 7000

Fax: +61 8 9365 7001

[www.deloitte.com.au](http://www.deloitte.com.au)

# Deloitte.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively the "Deloitte Network") is, by means of this publication, rendering professional advice or services.

Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

### About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/au/about](http://www.deloitte.com/au/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

### About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6,000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit Deloitte's web site at [www.deloitte.com.au](http://www.deloitte.com.au).

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

© 2018 Deloitte Touche Tohmatsu.

MCBD\_PER\_04/18\_055578