

Attachment 5.2

Stage 1 Stakeholder Engagement Report

January 2020



**Dampier Bunbury
Pipeline**

Part of Australian Gas Infrastructure Group

2021 - 2025

Stage 1 Stakeholder Engagement Report

A summary of stakeholder feedback and
our final engagement plan

October 2018



Contents

05	Executive Summary
06	Customer and Stakeholder Feedback Summary
09	About the Pipeline
10	Our Commitment to Stakeholder Engagement
11	Stage 1 Engagement Activities
12	Our Stakeholders
14	Stakeholder Feedback - Key Insights
15	Our Engagement Approach
16	Our Engagement Activities
18	Our Timeline

We are Australian Gas Infrastructure Group. We provide natural gas transportation and other pipeline services for our customers in Western Australia via the Dampier to Bunbury Natural Gas Pipeline (DBNGP).

Our services play a critical role in the Western Australian economy. Through the DBNGP we transport gas directly to our mining, industrial, commercial and power generation customers. We also transport gas to distribution networks in Perth and other towns to provide energy to homes and businesses.

We understand that price, reliability, safety and security of the pipeline are important for our customers, and to support economic prosperity in Western Australia.

With this in mind, our future plans will be developed by ensuring we listen, understand and respond in the long term interests of our customers and stakeholders.

Transmission
Reliability

100%



We have engaged with our customers and stakeholders across the gas supply chain in Western Australia to develop an engagement strategy which will guide the development of our future plans.

We are currently planning our future investment priorities and services for the DBNGP through to 2025. This report documents the first stage of our stakeholder engagement program, summarises stakeholder feedback and establishes our engagement strategy going forward.

Our objective is to develop a plan which delivers for our current and future customers, is underpinned by effective stakeholder engagement, and is capable of being accepted by our customers and stakeholders.

Stage 1 engagement activities

In July we published and distributed *Engaging stakeholders on our future plans: A proposed approach for consultation*. This document outlined how we proposed to engage with our customers and stakeholders and sought feedback and input into our approach. We distributed the document to a wide range of stakeholders including our customers (shippers), gas marketers and producers, Government Ministers and departments, other pipeline owners and consumer representative groups. We also made our proposed engagement activities and documentation publicly available on our website.

In August and September we met with a number of the above-mentioned stakeholders to further discuss our proposed approach and explore key issues. We held meetings with key customers and gas trading agents which covered the majority of our customer base of shippers, and also gas marketers and producers. Meetings were also held with representatives from the Western Australian State Government, ATCO Gas (who are responsible for gas distribution in WA) and the Economic Regulation Authority (ERA).

Customer and stakeholder feedback

Our proposed approach to stakeholder engagement was very well received across all stakeholder groups, including the proposed engagement stages and our timeline of activities. The importance of transparency was raised by some shippers in terms of process and any potential areas for changes to services in the future. Stakeholders told us they value our business as usual engagement activities of one on one meetings and personalised service. Forums held by AGIG are also valued for providing business updates and to discuss issues of common concern across the sector.

We asked our stakeholders for feedback on the most important aspects of our service, and issues we should be considering in our future planning for the pipeline. Our customers and stakeholders place value on reliability and price, noting that for many customers gas is a critical input into their business operations.

Other topics of interest that were raised included opportunities to improve the customer experience, transparency of products and services, and flexibility of solutions for customers in the future. Many stakeholders noted the rapid changes to the energy industry with a focus on renewables to decarbonise energy supplies. With increased diversity of energy sources, some stakeholders were uncertain about the future role of gas in a low emission energy future.

Our engagement plan

We have now refined our engagement activities in response to stakeholder feedback. All stakeholders were keen to be kept informed of the process, with some expressing an interest in active engagement either via roundtable discussion or dedicated meetings.

Based on feedback from our customers, a series of Shipper Roundtable meetings will be the key component of our engagement program going forward. We will ensure that topics are well defined to enable meaningful discussion across issues of shared interest. Key topics will include reliability, reference services, customer experience, flexibility of solutions, and the role of the pipeline in future energy models.

We will establish a Shipper Roundtable to guide the development of our plans in Stages 2 and 3 of our engagement program. The Shipper Roundtable will consider and advise on key topics and issues to ensure that the plan is developed in the long term interests of stakeholders. All customers will be given the opportunity to attend and participate in meetings. The Roundtable will be chaired by AGIG and the meetings will be facilitated and documented by a third party organisation to ensure independence, transparency and accuracy of reporting.

Other engagement activities will include one-on-one meetings, briefings and forums. These activities will be supported by frequent and informative print and digital communications with all stakeholders, ensuring transparency and accessibility across the duration of the engagement program.

Customer and Stakeholder Feedback Summary

Customer and Stakeholder Feedback Summary	Our Response
Our Engagement Approach and Principles (pages 10 and 15)	
<ul style="list-style-type: none">Customers and stakeholders noted Stage 1 engagement activities were important to clearly define our stakeholders, the broad areas for engagement and timing.Customers and stakeholders supported our staged approach to developing our plans, particularly the release and engagement on a Draft Plan.Customers and stakeholders supported an open, transparent and timely process, with strong support for our 'no surprises' approach.	<ul style="list-style-type: none">We have confirmed our four stage approach to develop our Final Plan.We have confirmed our commitment to our engagement principles and 'no surprises' approach.
Our Stakeholders (page 12)	
<ul style="list-style-type: none">Customers (shippers) were keen to be involved in our stakeholder engagement program, although the level of involvement differed across customers.Some customers questioned whether we should be engaging with household and small business end-users who are not directly connected to the DBNGP. They considered this relationship should be managed by retailers and/or ATCO Gas.Consumer representative groups did not want to be directly involved in our stakeholder engagement program. This reflects the low cost impact of our services on the total retail gas bill (on average DBNGP costs account for 3 percent of a household gas bill).For similar reasons, other stakeholder representative groups indicated they did not want to be directly involved in our engagement program.	<ul style="list-style-type: none">We will focus our engagement program on customers directly connected to the DBNGP (and their representatives). We have revised our stakeholder map accordingly.We will keep all other stakeholders updated on our progress, including through the release of our Draft Plan.We will consider the outcomes of other engagement programs where relevant, particularly the recent engagement undertaken by ATCO Gas.
Key Insights (page 14)	
<ul style="list-style-type: none">Customers highly value current reliability levels.Customers value our current relationship but also noted ways their customer experience could be improved.Customers highlighted the importance of flexibility to ensure we are responsive to their needs.Customers noted uncertainty in the ongoing role of the DBNGP as energy supply becomes less carbon intensive (and the related focus on renewable electricity).	<ul style="list-style-type: none">We will explore these key insights with our customers as we develop our Draft and Final Plans.
Our Engagement Activities (page 16)	
<ul style="list-style-type: none">Customers supported establishing a Shipper Roundtable and considered this was an efficient way for us to receive input into the development of our plans.Customers also value regular one-on-one meetings and expect these to continue through the development of our plans.Consumer and stakeholder representative groups indicated they would like to be kept informed of our progress and plans.Digital updates and fact sheets were considered an efficient way to keep stakeholders informed.The Economic Regulation Authority (ERA) indicated it may participate in our engagement activities as an observer, it could be kept informed of our progress through ongoing meetings and there may be opportunities to engage with its Consumer Consultative Committee.	<ul style="list-style-type: none">We will establish a Shipper Roundtable as a key part of our engagement program. We will invite all Shippers to be a part of the roundtable.We will continue to engage with our customers through a series of one-on-one meetings.We will provide regular stakeholder updates, which will provide an opportunity for any stakeholder to become involved.
Our Timeline (page 18)	
<ul style="list-style-type: none">Customers and stakeholders supported our timeline.	<ul style="list-style-type: none">We have confirmed the timeline for developing our plans.





About the Pipeline

Australian Gas Infrastructure Group (AGIG) is one of the largest gas infrastructure businesses in Australia. We serve around 2 million customers across every mainland state and the Northern Territory through 34,000km of distribution networks, more than 3,500km of transmission networks and 42 petajoules of storage capacity.

In Western Australia we own and operate the DBNGP, which is Western Australia's most critical piece of domestic energy infrastructure and the backbone of the state's economy.

Our customers, also known as shippers, receive gas transportation and other services from us. It is our job to transport large quantities of gas safely and reliably, every day.

One of the largest capacity natural gas pipelines in Australia, the DBNGP carries gas from production facilities to customers throughout the state. The pipeline stretches almost 1,600km, linking the gas fields located in the state's north west directly to mining, industrial, and commercial customers, and ultimately via distribution networks (not owned by AGIG) to residential customers in Perth.





The Dampier to Bunbury Natural Gas Pipeline



Our Commitment to Stakeholder Engagement

We are committed to actively engaging with stakeholders to shape our future plans. We have adopted a series of engagement principles to guide how we intend to engage with our customers and stakeholders.

We tested these principles, and our customers and stakeholders support our 'no surprises' approach to developing our plans. Transparency and accessibility was highlighted by customers stakeholders as critical.

Commitment	How we deliver
Genuine and committed 	<p>We listen and respond to the needs of our customers and stakeholders, driving a culture of delivering value for our customers.</p> <ul style="list-style-type: none"> Engagement is led from the top Stakeholder engagement is embedded in our business planning We are always looking for ways to improve
Clear, accurate and timely communication 	<p>We provide information that is clear, accurate, relevant and timely.</p> <ul style="list-style-type: none"> Online and print fact sheets Briefings and information forums Publication of draft plans
Accessible and inclusive 	<p>We involve customers and stakeholders on an ongoing basis in a meaningful way, to ensure that our plans deliver for our customers.</p> <ul style="list-style-type: none"> Stakeholder meetings Roundtables and workshops Forums and information sessions Online engagement
Transparent 	<p>We clearly identify and explain the role of customers and stakeholders in the engagement process, and consult with customers and stakeholders on information and feedback processes.</p> <ul style="list-style-type: none"> Publication and consultation of our proposed stakeholder engagement approach Online public reporting We publish and consult on our reports We report how we used stakeholder insights to inform plans
Measurable 	<p>We measure the success, or otherwise, of our engagement activities</p> <ul style="list-style-type: none"> Seek stakeholder feedback at all key stages of our engagement Report on feedback Identify ways we can improve our approach

Stage 1 Engagement Activities

During July, August and September we undertook a number of engagement activities to better understand our stakeholder preferences for engagement, and to identify key issues.

We distributed the document *Engaging stakeholders on our future plans: A proposed approach for consultation* both in print and electronically during July and August. We also published the document online, coupled with the capability for stakeholders to provide submissions or feedback digitally.

We also offered the opportunity to all stakeholders to meet one on one to further explore engagement preferences and issues of importance.

We received feedback from customers and stakeholders about our proposed engagement approach, including who we should engage with, what we should engage on, and our overall approach to engagement (including timing).

Customer and stakeholder feedback is summarised in the remainder of this report.



Stage 1 Engagement Activities

WE DISTRIBUTED OUR PROPOSED APPROACH WIDELY TO INCLUDE:

23 Shippers, Gas Marketers and Producers



9 Government Departments and Agencies

7

Consumer Representative Groups



2

Gas Trading Agents



1

Other Pipeline Owner (ATCO Gas)



WE FOLLOWED UP WITH DEDICATED ONE ON ONE STAKEHOLDER MEETINGS



- BHP Biliton
- Alinta Energy
- Gas Trading Australia
- Quadrant Energy
- South 32
- Synergy
- Melsom Energy Trading
- Newgen Kwinana
- Rio Tinto
- Fortescue Metals Group (FMG)
- Newgen Neerabup
- Murrin Murrin Operations
- Horizon Power
- Chevron
- Albermarle
- ATCO Gas
- Department of Planning, Lands and Heritage

Our Stakeholders

We have identified key stakeholders who have a vested interest in, or are impacted by our business. We have tested our assumptions by seeking feedback to ensure we have captured all relevant stakeholders.

Our key stakeholder groups represent our customers, indirect customers and other businesses in the gas supply chain. Government departments and agencies are identified as a key stakeholder group recognising the DBNGP is a part of broader energy policy and land management considerations.

Our draft stakeholder map identified consumer representative groups, being those who represent residential and business end consumers. For residential customers, transmission costs make up around 3 percent of the gas bill. Consumer representative groups indicated low interest in engagement given very minimal impact on consumer bills.

Other stakeholders agreed engagement with end users should be undertaken by businesses further down the gas supply chain (e.g. distribution and retail businesses). We also noted that ATCO Gas has recently engaged with householders, so we will take these results into account. We have therefore removed Consumer Representative Groups from our stakeholder map below.





Stakeholder Feedback - Key Insights





We asked our stakeholders to share with us the most important aspects of our plans – how we deliver for customers today, and issues we should be considering in our future planning.

During stakeholder meetings we facilitated a discussion around three consultation questions:

- What are the most important aspects of our services?
- What issues should we be considering in our future planning for the pipeline?
- What aspects of our future plans would you like to engage on?

A summary of the feedback is provided below. The feedback we received is summarised by four key themes:

- Reliable Services,
- Future Energy Models,
- Customer Experience, and
- Flexible Solutions





Delivering for customers today		Delivering for customers in the future	
<p>Reliable Services</p> 		<p>Future Energy Models</p> 	
<ul style="list-style-type: none"> • Reliability Our stakeholders place a high value on the current levels of reliability. • Price Reliability and price are two of the most important considerations for customers and are often raised together. • Critical for business operations Some businesses receiving gas via the pipeline are highly reliant on gas as an input into their business operations. • Operational maintenance It was noted that maintaining a strong focus on operational issues is important for both reliability and emergency management. 		<ul style="list-style-type: none"> • Uncertainty Many stakeholders noted the rapid changes to the energy industry with a focus on renewables to decarbonise energy supply, in particular that they were uncertain about the future role of gas and the DBNGP more specifically. • Changes to the energy mix It was noted the diversity of energy sources and an increase in renewables is creating change for energy models which is impacting on infrastructure operation and planning (e.g. peakiness of the system). • Renewables The future of renewables was a topic of interest, including the potential role hydrogen and biogas may play in the future. 	
<p>Customer Experience</p> 		<p>Flexible Solutions</p> 	
<ul style="list-style-type: none"> • Relationship Management Our customers value the relationship they have with us and how it is managed by our staff. • Transparency around types of services available Customers would like more transparency of products and services that are available. • Pro-active service offerings Some customers indicated that we could be more pro-active in offering service improvements as opposed to responding to requests. • Enhanced service experience Feedback from customers highlighted there are opportunities to improve customer facing processes such as billing, invoicing, and digital services (e.g. ability to make CRS mobile technology friendly for nomination process). 		<ul style="list-style-type: none"> • Innovation Customers supported our focus on innovation to ensure the products and services we offer are responsive to the needs of our customers, and the changing dynamics of gas supply. • Gas Trading Market The future of gas trading in Western Australia was commonly raised by customers as an issue for consideration. • Flexible products and services Customers expressed an interest in greater flexibility in commercial terms of transportation contracts and a broadening in services offered. 	

Our Engagement Approach

We will adopt a four-stage approach to engage and involve customers and stakeholders in our planning process. We will undertake targeted engagement activities to support meaningful and effective engagement.

Across all stakeholder groups our proposed approach to stakeholder engagement and proposed timeline (page 16) was well received. Our staged approach to stakeholder engagement will guide the development of our plans.

Stage 1 is now complete. This stage was a research stage to better understand customer and stakeholder needs and expectations. Key insights and our final engagement strategy from this stage will now be used to inform Stages 2, 3 and 4.

The first stage of engagement is now complete			
Ongoing communications with stakeholders			
 Stage 1 Strategy & Research	 Stage 2 Developing our Plan	 Stage 3 Consultation on our Plan	 Stage 4 Refinement & ongoing engagement
July-September 2018	October 2018-March 2019	2nd Quarter 2019	2nd Half 2019
<p>This is a research stage to better understand customer and stakeholder needs and expectations. It will also include consultation on our proposed engagement strategy. This will ensure we are engaging in a way that meets stakeholder expectations.</p> <p>In this phase we test our assumptions about what's important to our customers and stakeholders – and what topics they want to be engaged on.</p>	<p>The findings from Stage 1 will be used to inform the drafting of our plan.</p> <p>Stage 2 includes targeted engagement activities on our investment proposals and regulatory modelling.</p> <p>In this stage we will run roundtables and workshops, consulting on key topics to guide the development of our plan.</p>	<p>This stage focuses on consultation on our Draft Plan.</p> <p>We will actively engage with stakeholders using high quality communications and engagement activities (e.g. briefings, workshops, online engagement) to ensure we maximise stakeholder participation.</p>	<p>Consultation feedback from Stage 3 will be used to inform our Final Plan for lodgement to the ERA.</p> <p>We will continue our engagement efforts after we submit, including as the ERA reviews our submission.</p>
<p>Key deliverables</p> <p>Engagement Strategy – final strategy for how we will engage with our customers and stakeholders.</p> <p>Stage 1 Stakeholder Engagement Report – a summary report of customer and stakeholder feedback on Stage 1.</p>	<p>Key deliverables</p> <p>Stage 2 Stakeholder Engagement Report – a summary report of customer and stakeholder input into developing our plans in Stage 2.</p>	<p>Key deliverables</p> <p>Draft Plan</p> <p>Consultation Guide to the Draft Plan – a summary guide to assist our customers and stakeholders to provide feedback on our Draft Plan.</p>	<p>Key deliverables</p> <p>Final Stakeholder Engagement Report – a summary report of customer and stakeholder engagement feedback and input across all four stages of our engagement program.</p> <p>Shipper Roundtable Engagement Report - a summary report of engagement activities and outcomes during Stages 2 & 3 (Independent third party report).</p>

Our Engagement Activities

We received feedback from stakeholders about our proposed engagement approach and how they would like to be involved in the engagement program.

Engagement activities that received the most support were stakeholder meetings and forums. It was highlighted that forums had been used as an engagement activity in the past and were well received by the industry.

Approximately 45% of customers were interested in participating in Shipper Roundtable meetings. Customers raised a number of critical success factors for roundtable discussions. This included ensuring topics are well defined, recognising commerciality of individual business when providing feedback in group settings, and providing opportunities to provide feedback outside of meetings. Customers also indicated value in the ability to opt in or out of meetings, in particular those who have not currently expressed an interest.

There was no active support for a more general Stakeholder Roundtable (consisting of representatives across multiple stakeholder segments) or Deep Dive Workshops in the early stages of engagement, however these may become more relevant as the program develops.

Frequent and informative communication was also considered important, especially for those stakeholders who want to be kept informed as the process evolves. Supporting activities and communications when we release our Draft Plan were also raised as important to make consultation more accessible.





Based on feedback in Stage 1 from stakeholders we have developed our planned engagement activities (overleaf).

We will continually review our engagement activities as we develop our plans to ensure they continue to meet the needs of our stakeholders. Throughout this process stakeholders will have the continued opportunity to provide feedback and input into our plans.



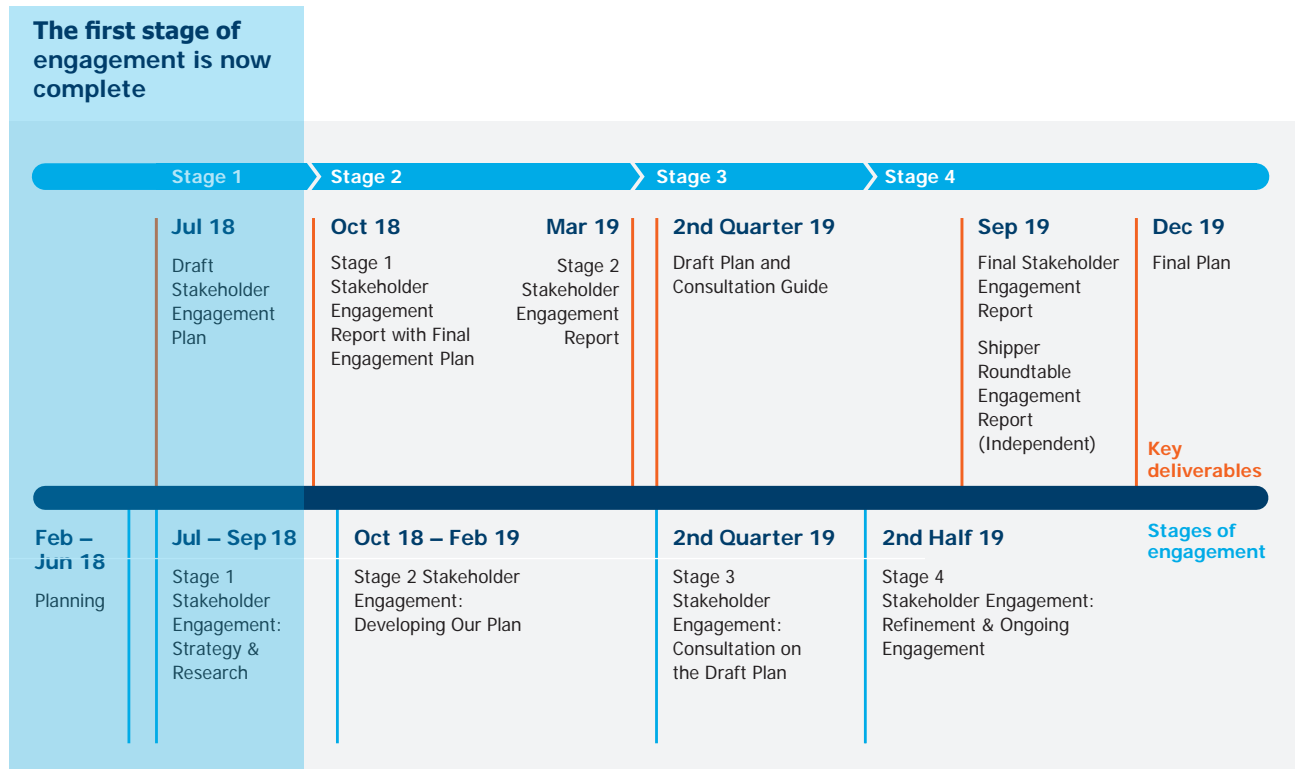
Our Engagement Activities

We will engage with our customers and stakeholders using fit for purpose engagement activities, designed to meet their needs and preferences.

Activity	Description	Stakeholder Groups
 <p>Shipper Roundtable</p>	<p>We will establish a Shipper Roundtable to guide the development of our plans in Stages 2 and 3.</p> <p>All customers will be given the opportunity to attend and participate in meetings.</p> <p>The Shipper Roundtable will consider and advise on key topics and issues to ensure that the plan is developed in the long term interests of customers and stakeholders.</p> <p>The Roundtable will be chaired by AGIG. The meetings will be facilitated and documented by a third party organisation to ensure independence, transparency and accuracy of reporting.</p>	<p>4-6 meetings to be held between October 2018 and December 2019</p>
 <p>Stakeholder Meetings</p>	<p>We will meet with stakeholders on an ongoing basis throughout Stages 2, 3 and 4 as required.</p> <p>On release of our Draft Plan for consultation in the second quarter of 2019 we will offer one on one stakeholder meetings to interested parties to encourage consultation on our plans.</p>	<p>October 2018 to December 2019 as required</p>
 <p>Forums</p>	<p>We propose to hold forums at key milestones in the engagement program to share insights and how we have used stakeholder feedback to inform our plans.</p> <p>A key event will be the launch of our Draft Plan in the second quarter of 2019. This forum will bring together key stakeholders to present an overview of our proposed plans.</p>	<p>Two forums currently planned for:</p> <ul style="list-style-type: none"> December 2018 Draft Plan Launch (Second quarter 2019) <p>Additional forums will be scheduled as needed between October 2018 and December 2019</p>
 <p>Digital Updates</p>	<p>To ensure we keep all stakeholders informed throughout the process we will be providing regular updates in the form of digital bulletins/fact sheets. This will provide stakeholders with the opportunity to actively engage on key issues that may arise as we develop our plans.</p>	<p>Regular digital updates for all stakeholders (October 2018 to December 2019)</p>

Our Timeline

Our timeline of engagement activities is illustrated below. This timeline shows the periods for consultation (in blue) and how we will report against our engagement activities (in orange).





Contact

For more information, or to set up a stakeholder meeting, please contact:

Kristen Pellew
Manager Stakeholder Engagement

D +61 8 8418 1137
M 0413 454 697
E kristen.pellew@agig.com.au

For commercial queries, please contact:

Rachael Smith
Senior Commercial Manager DBNGP

D +61 8 9223 4318
M 0422 910 086
E rachael.smith@agig.com.au

Online

To make an enquiry or provide feedback online
haveyoursay@agig.com.au

For more information about the DBNGP and
Australian Gas Infrastructure Group

www.dbp.net.au
www.agig.com.au

Our Offices

Dampier to Bunbury Pipeline
12 – 14 The Esplanade
Perth, WA 6000

Australian Gas Infrastructure Group
Level 6, 400 King William Street
Adelaide, SA 5000

