

Customer Advisory Panel – Meeting Minutes

Meeting	
Date	Wednesday 25 th March 2026
Time	9:00am -5:00pm
Location	40 Market Street, Melbourne
Members	Hilary Newstead (Chair), Philip Cullum, Helen Bartley, Dean Lombard, Linda Nieuwenhuizen, Jo Witters and Pauline Ugle
Attendees	CPPALUE: Renate Vogt (General Manager Regulation), Lauren Fetherston (Head of Policy and Compliance), Jeff Anderson (Head of Regulatory Strategy), Mark De Villiers (Head of Regulatory Finance, Modelling and Pricing) Adam Nason (Head of Customer, Community and Customer Services), Dan Bye (Head of Customer Connections and Requests), Angelica D'Amelio (Regulatory Engagement Lead), Winona Bonne (Regulatory Analyst).
Apologies	Gavin Dufty

Item	Topic
1.	The business provided information on: - agenda planning with the CAP over 2026 - ways of working between the CAP and business. The business also asked the CAP for feedback on the reset engagement program to feed into the regulatory reset post implementation review. Part A. Post-implementation review of reset engagement The business provided an overview reset engagement and broad lessons learned. Feedback from the members included: - Some members agreed that the business needs early and clear engagement with the AER on expectations, including prudence and the weight engagement has on the regulatory decision-making process. - The business can do more to articulate how the CAP influences the organisation's decision making. - It was recommended to build on existing knowledge for the next reset engagement and customer research framework. - Regional and rural customer engagements must be embedded in engagement planning early. - The business should be cognisant of the pressure for communities with limited capacity to participate in extensive consultation. Part B. CAP ways of working for 2026 (terms of reference, yearly agenda) Feedback from members of the CAP included: - Seek greater clarity on the business's strategic vision and how engagement ladders into that direction, supporting the CAP understanding of how they can most meaningfully contribute. - Consider a deep-dive engagement on a smaller number of topics.

	• Broader economic context, policy, demand, CER uptake and changes in the industry should be shared with the CAP and considered to support feedback in meetings. • Concern that timeliness of booked meetings might mean late engagement with the CAP. Suggestion shared to find agile methods to engage with the CAP or subgroups. • Concern about insufficient direct engagement between AER and CAP. • Some members recommended summarising evidence in newsletters (e.g., wellbeing index). • CAP supports small edits to the Terms of Reference in areas that are not accurate i.e. membership size. • Suggestion to continue to share progress on reset outcomes.
2.	Topic: Service Target Performance Incentive Scheme The business provided an overview on alternatives to the Service Target Performance Incentive Scheme proposal. Feedback from members of the CAP included: • Unable to provide feedback and requires further evidence to understand costs, impacts and equity considerations. • Key questions were to confirm if the scheme genuinely incentivises better services for customers and services that customers value. • Enhanced accuracy of communications with customers overall should be considered in decision making. • Using customer evidence to support the development of measures and metrics will improve the credibility of schemes. • A scheme that requires over 100% performance is not logical or realistic. • Concern that pursuing a 100% performance target could lead to customers “paying twice” (including both the investment required to deliver the service and incentive for the business to perform). • Metrics should be explored that reflect high-demand days, rather than reporting all days on average. • Greater customer values and context required to form a strong position.
3.	Topic: Engagement planning Part A: Customer & stakeholder engagement framework The business provided an overview of research and engagement programs to be delivered in 2026. Additionally, an ‘insights framework’ was proposed in draft form. Member feedback includes: • Some support for building a structured framework with clear links between research, engagement and decision-making. • The framework should be aligned to the overall business strategy and should not be viewed in isolation.

- Some members viewed that a prudent approach would be aimed towards 'good practice' rather than the cost of a 'best-in-class' approach.
- Need clearer distinction between research vs engagement.
- Framework should focus on outcomes, rather than tools.
- Consider the audience receiving the engagement and research outcomes and consider the design of the programs in a way that supports enhancing the end stakeholder's understanding of customer needs and preferences (as well as the business).

Part B: Distribution System Operator (DSO) engagement

The business shared information to understand the DSO function and questions were asked to understand where engagement efforts should be focused.

Member feedback included:

- Prioritising engagement on areas where customers can meaningfully influence decisions.
- Support for transparent sharing of emerging issues so CAP can respond quickly if required.
- DSO roles should consider equity and ensure vulnerable customers do not miss out.
- Engaging with the CAP in out of cycle meetings can allow for timely input if decisions need to be made within a short time however this is not a replacement for broader engagement or research programs
- Concern that some reforms (e.g., flexible connections) emerge quickly without sufficient engagement in industry.
- Need for more clarity on how behaviour varies across household types and customer segments.
- The business could improve understanding of the consumer energy resource uptake modelling.
- Encouraged inclusion of comparative examples from New Zealand and other jurisdictions, as well as case studies from other networks to inform decision making.

4.

Topic: Vulnerability strategy implementation

Part A: Vulnerability strategy implementation plan

The business presented the vulnerability strategy implementation plan.

There was no feedback from members on the implementation plan.

Part B: Energy Care program

The business presented options related to deployment pathways for Energy Care.

Feedback from members of the CAP included:

- Interest in targeted, small-scale local programs in comparison to larger partnerships with agencies who have more funding and can deliver energy literacy programs. Local programs would generate a greater impact.
- Support for capacity building in local agencies.
- Small local organisations are undertaking work and need support.

- Recognition that smaller towns require different delivery approaches.
- The program could be used as a case study prior to potential scaling in the future.
- Customers with access to organisations have some level of support. It was challenged if this program could reach customers who don't already engage with supporting organisations.
- Look beyond expected organisations such as Anglicare, St Vincent De Paul who are well resourced.
- There is a cost to delivering energy literacy programs and Energy Care program has a modest budget in comparison.
- Explore partnerships with philanthropic organisations.
- There could be benefits seen in investing more effort upfront that enables the team to deliver additional benefits i.e. by leveraging informational material
- Consider timeliness of information.
- Consider the customer trying to pay all bills and seek varying types of information i.e. across water, energy, plus other areas.
- Supporting small to medium businesses has economic flow-on for the economy and therefore vulnerability programs shouldn't only focus on residential customers.
- Idea to develop an expression of interest form and have organisations propose the impact they would have with this partnership. Promote on social media and have interested groups come to the business.

Part B: Customer Vulnerable Assistance Package

The business presented information to understand from the CAP if this program should support any existing government funded initiatives.

Feedback from members of the CAP included:

- Broad agreement that assistance should not subsidise established government programs, due to ethical concerns about supporting government initiatives.
- Support for directing funds to customers who will bear costs directly.
- The government already has electrification and energy targets, as well as responsibilities that the business should not be contributing to.
- Consider partnerships with local foundations or community-led electrification models.
- Consideration to investigate data driven approaches in identifying vulnerabilities.

5.

Topic: AEMC pricing review

The business provided an update on submissions made to the AEMC pricing review in January.

The CAP were unable to provide on the business submissions on the review as it already been submitted. Feedback was being used for ongoing consultations and implementation planning.

General views from members of the CAP were shared including:

- Concerns raised about potential equity impacts, particularly with higher fixed charges and dynamic pricing. There needs to be consideration of different customer segments and lifestyles.
- High fixed charge risks might disproportionately impact vulnerable customers, which depends on the AEMC's final decision.

	• Clarity on whether individuals who want to be energy efficient can still be rewarded for using less energy. • Dynamic pricing may be difficult for customers to understand or respond to. • Concerns about whether retailers will pass through pricing. • Not in support for customers being penalised due to network investment decisions to relieve congestion. • Concerns raised that the analysis has not been undertaken by the AEMC to understand the impact of different customers and areas. • It can't be assumed that all customers are at the same starting point (i.e. reliability circumstances) therefore, causing flaws in the review from the beginning. • Pricing review needs to consider that customers are not rational. • Need to consider an approach where customers may not get signals to respond. • Deeper analysis required of historic demand behaviours. • Consultation could be undertaken with retailers relating to tariffs as they should also be engaging with customers and be developing products that customers want.
6.	Topic: Resilience planning The business provided an update on new resilience compliance obligations. The CAP were unable to provide any comment or feedback on this update.
7.	Topic: Innovation allowance panel structure The business provided an update on implementation plan and proposed makeup of the Innovation Allowance Panel. Feedback from members of the CAP included: • The need for balanced representation that included both customer challenge and technical expertise. There were lots of considerations to determining the final panel structure which will be clearer when the Terms of Reference is finalised. • External expertise addresses internal blind spots. • The innovation allowance supported early concept, small scale or pilot programs. • Clarity was needed on the role of the committee to support decisions on final structure. ○ For example, if the committee is given voting rights, there needs to be a higher weight in customer representatives on the panel. If the committee does not have voting rights, the customer representative make up does not need to be as high. ○ Unclear on decision rights between advisory groups vs the business. Clarity was shared that the business would have the final decision-making ability on innovation projects ○ Need confirmation if the panel can remove ideas or stop programs. • Chair selection is critical. If the business wants the committee to be independent, there needs to be an independent Chair. There will be a challenge in independent reporting if there is a Chair that is from the business. • Ensure innovation is not driven solely by individuals who have technical interests who might have a very narrow technical expertise. • Ensure regional and rural representation is included on the panel.

- Agriculture representation does not represent all regional and rural customers.
- Ensure the committee can help answer a key question: *“how do we know we’re exploring a problem that isn’t already solved or being solved?”*
- Consideration was wanted on the size of the committee as a subcommittee could also be considered to look at proposals in depth.
- Consider partnerships, noting that the innovation allowance is small.

8.

Topic: Network Regulation Review

The business provided an overview of the Network Regulation Review that has commenced.

Feedback from members of the CAP included:

- Some agreement with the overarching principles to the network regulation review.
- The current framework is outdated and insufficiently focused on equity, customer feedback and long-term outcomes.
- Energy was seen as a social policy.
- Energy was also seen as an economic policy relating to what is not being unlocked.
- Strong alignment with elevating equity, justice, resilience and long-term planning into the framework.
- A major concern of the AER framework was the engagement weight on decision making.
 - Concern was had on the time and effort that customers and stakeholders have taken to engage in the process that was not influencing outcomes.
 - The AER needs to show why they did not accept customer evidence and why the contrary decision was made.
 - It was imperative for the AER to have accountability with customers, so it influences an internal culture to respond. It is clear that the AER has accountability on affordability outcomes.
 - Consider emphasising quantitative research to respond to AER review of customer insight.
- There needs to be clarity on what prudent means and how this influences decision making. Prudent and efficient are the lens which proposals are reviewed by with lack of clarity in how ‘prudent’ is reviewed.
- Concerns about lack of transparency, accountability and consistency from AER.
- Frustration with misaligned timelines and short-term focus.
- There was acknowledgement that the AER does not have to accept everything proposed by the business.
- International examples shared and should be considered (e.g., Ofgem post-gas crisis reforms).
- Water industry is being flexible in what timeframe the organisation wants to put forward.