

# **AusNet Services Greenfields Negotiated Electricity Connections**

Progress Report for the ESC

1 July – 31 December 2021

Prepared February 2022 v1.0 FINAL

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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 of AusNet. Greenfield development lots make up the majority of new connections for our distribution networks. In 2020, we connected over 6,750 greenfield development lots to our electricity network, and in 2021 this grew to approximately 14,000 lots (~107% increase).

Following the Essential Services Commission of Victoria (ESC) review 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.

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

- Building good working relationships with members on our Developer Consultative Committee (DCC).
- Establishing a dedicated online [webpage](#) for the DCC and publishing slide packs, minutes and key decisions publicly.
- Transparent reporting and publishing of our key performance metrics, including the introduction of new metrics valued by developers.
- More detailed reporting on audit trends which are presented as a standing agenda item at the DCC and published publicly. Continuing to enhance this reporting with input from DCC members.
- Establishing a score card that tracks industry performance at key stages in the connection process, such as design, detailing, construction (audit pass/fail). This information is recorded to identify top performers and areas for improvement. Upon request this is shared with developers to enable them to understand how they are performing and address any ongoing areas of concern.

We also have plans to hold industry briefings when matters that have broad material impact arise. The first such briefing is set to be held in mid-March 2022, on REFCL program impacts on developers.

## 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

### Customer Outcomes Statement

AusNet agreed to the following outcomes to be achieved over the next two years:

1. Reduce the overall time to connect	2. Increase transparency of the audit process	3. Streamline our communication processes.
We are committed to continual improvement in the timeliness of our service delivery.	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.	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.

### 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 Services 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

AusNet has established a Developer Consultative Committee (DCC) as part of our customer service standard for greenfields electricity connections.

The Developer Consultative Committee (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.

### Membership

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.

The DCC is comprised of representatives from across the industry, and includes:

- ALDE
- Nordcon
- Plan B Services
- Civil Contractors Federation
- UDIA
- Stockland
- Winslow
- UCS
- Land Gippsland
- Moremac

As part of our ongoing engagement with developers, we have recently invited new members to join the DCC from April 2022. This membership will be confirmed in March 2022.

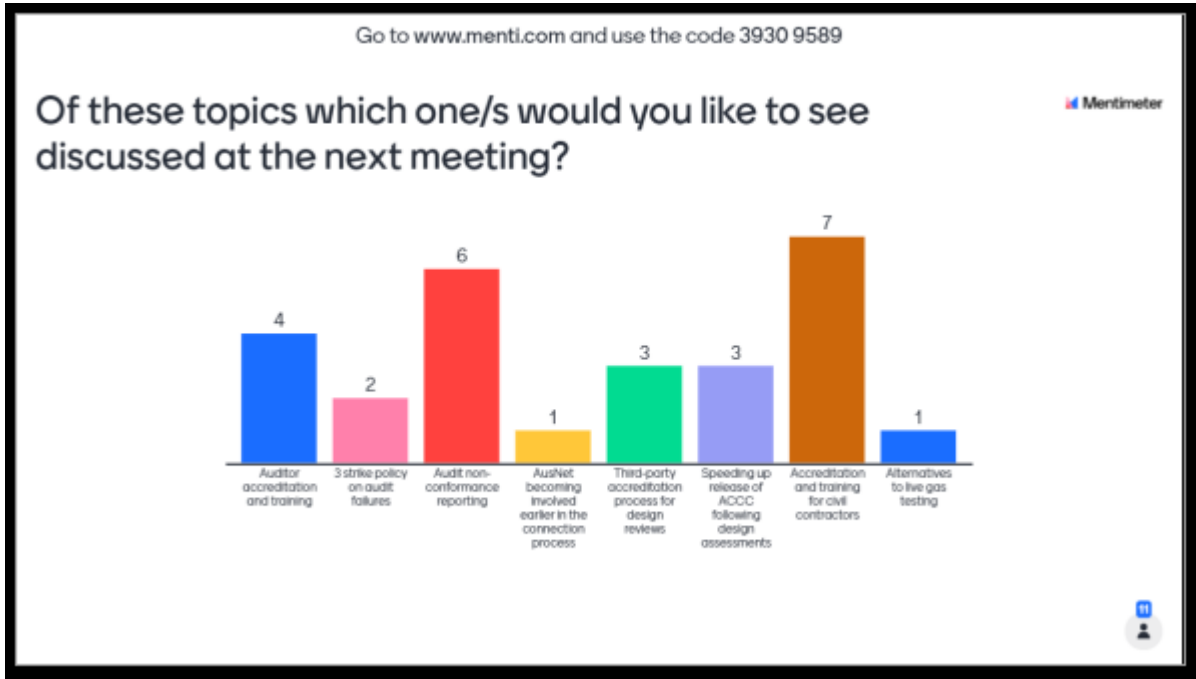
### Meetings

The DCC has held 3 meetings since 1 July 2021. Due to the ongoing impacts of COVID-19 all meetings have been held virtually. The intent, and preference from developers, is to hold one meeting a year face to face going forward.

Completed meetings	Upcoming meetings
Monday 26 July 2021	<i>Out of session whole-of-industry briefing: Thursday 24 March 2022</i>
Thursday 28 October 2021	Wednesday 13 April 2022
Thursday 3 February 2022	Wednesday 20 July 2022
	Wednesday 19 October 2022

We co-design each upcoming agenda with developers to ensure we are focussing on topics relevant to them. This is either done by developers suggesting and voting on key topics in the session (see below example of output in October 2021 meeting) or through follow ups with the engagement team outside of the session.

*Example – Developer survey response to agenda topics for upcoming meeting.*



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:

<https://www.ausnetservices.com.au/About/Community/Developer-consultative-committee>.

## Progress against metrics & commitments (1 July-31 December 2021)

### 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 and October DCC meetings. The outcomes of these conversations are summarised below.

#### July 2021 meeting

During this session AusNet consulted with developers on a metric at the ‘design’ stage of the process. It was agreed and documented that AusNet will not report on this metric going forward. This is because 95% of this work is completed by developers. The remaining 5% of designs that are completed by AusNet are for one-off developments (typically being managed by inexperienced developers who require additional assistance). DCC members agreed that it would be of very limited benefit for AusNet to report on this metric.

#### October 2021 meeting

During this session, AusNet consulted with developers on the inclusion of metrics at the ‘apply’, ‘ACCC issued’ and ‘council SOC’ stages of the connection process. The metrics proposed to developers were:

- Coordinator assigned in <10 clear business days post payment of fees
- Average days to issue ACCC

- Average days to issue council statement of compliance (SOC)

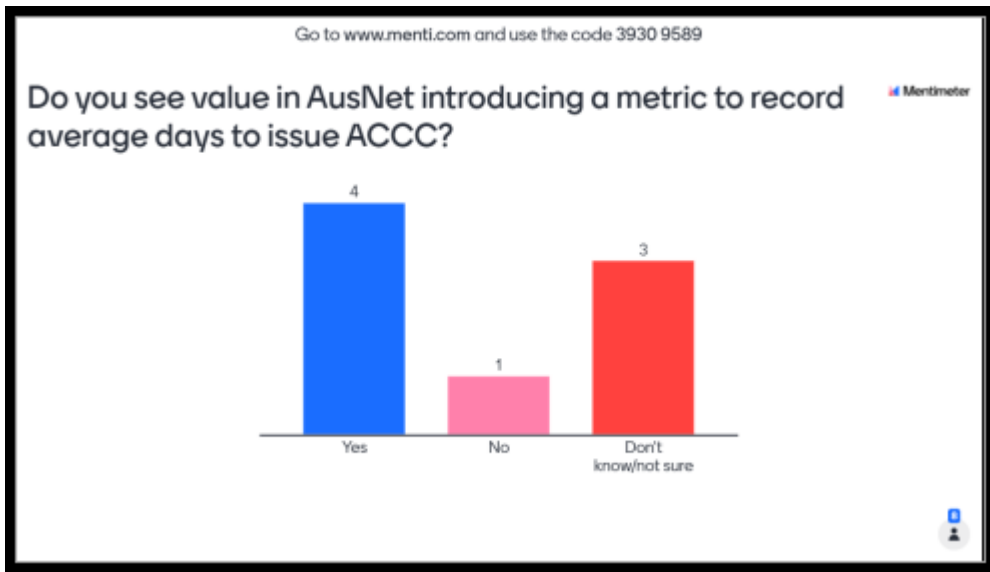
Members were presented with a description of the metric and high-level feasibility assessment, including cost and time to deliver. Consultation questions were posed to members for feedback, followed by an online survey to determine if developers saw value in implementing each new metric (example below).

It was agreed, and documented that AusNet would:

1. Further investigate the implementation of the following metrics: Average days to issue ACCC.
  - a. Current status: AusNet has held discovery meetings with relevant internal stakeholders to scope the technology solution, define business requirements and create detailed costings. AusNet will present this information to the DCC before proceeding to implementation.
2. Not investigate the implementation of the following metrics at this time: Coordinator assigned in <10 clear business days post payment of fees and Average days to issue council statement of compliance (SOC).

More detail on the status of metrics is outlined in Appendix 2.

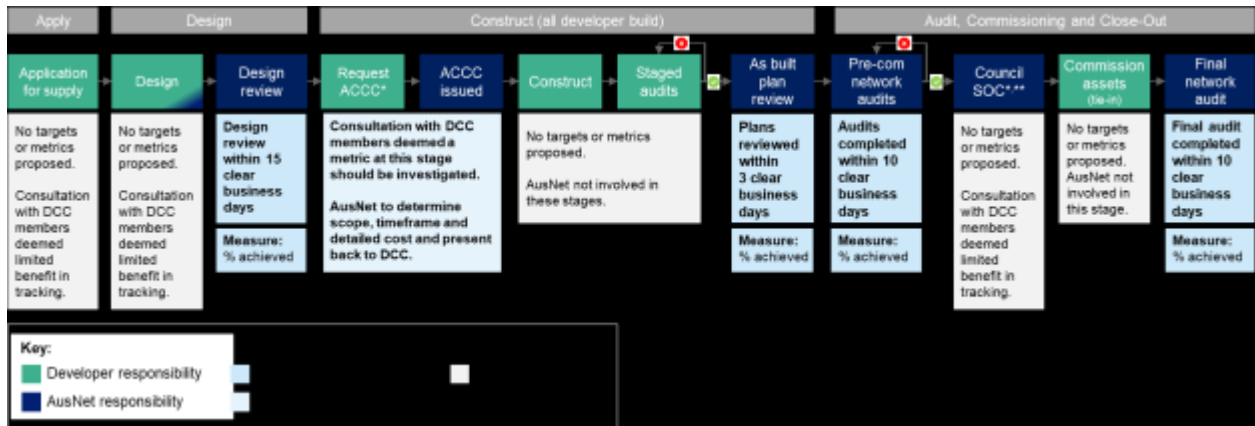
*Example – Developer survey response to introduction of a new metric*



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

The diagram below outlines the end-to-end connection process and shows:

- Metrics currently recorded and reported on quarterly to developers.
- Metrics developers want AusNet to investigate further for inclusion in quarterly reporting.
- Metrics that will not be recorded, either because AusNet is not involved in this stage of the process or following input from DCC members during consultation.



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

### Quarterly performance reporting for key metrics

#### Key metric performance: 1 July to 30 September 2021

Process step	2021 Target	QTR performance (Jul – Sept 21)
Design reviews (approvals)	90% completion < 15 clear business days	<b>92%</b> within 15 clear business days* Volume: 877 reviews Rejected: 28%
As built plan review	95% completion <3 clear business days	<b>100%</b> in <3 clear business days Volume: 710 Rejected: 23%
Pre-commission network audits	95% completion within 10 clear business days	<b>100%</b> completed within 10 clear business days. Volume: 115 Failed: 30%
Final network audit	95% completion within 10 clear business days	<b>99%</b> completed within 10 clear business days Volume: 119 Failed: 18%

\*Design delays due to all critical business resources being redirected to assist June/July emergency storm event.

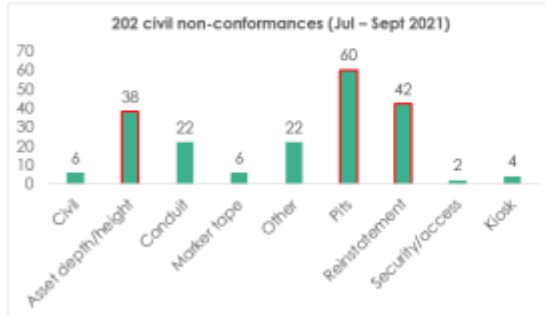
Note: Rejections for design or as-built reviews are a result of designs not meeting AusNet’s technical standards. Rejections for audits are outlined in audit trends below.

#### Audit trends: 1 July to 30 September 2021

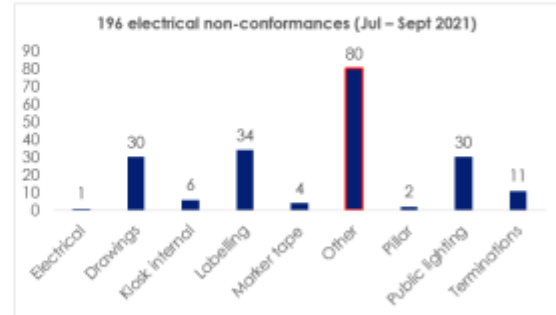


## Audit trends

You told us that audit trends were important for you to understand, so we will discuss key trends with you in the DCC on a regular basis.



1. **Pits:** Bolts / Lids / Lead-ins / Full of water
2. **Reinstatements:** Kiosk / Tie-ins / Subsidence / Poles
3. **Asset Depth:** Over depth / Separation / Offset



**\*Other:** Used when cannot classify non-conformance into existing categories. Working with Network auditors to improve allocations and categories.

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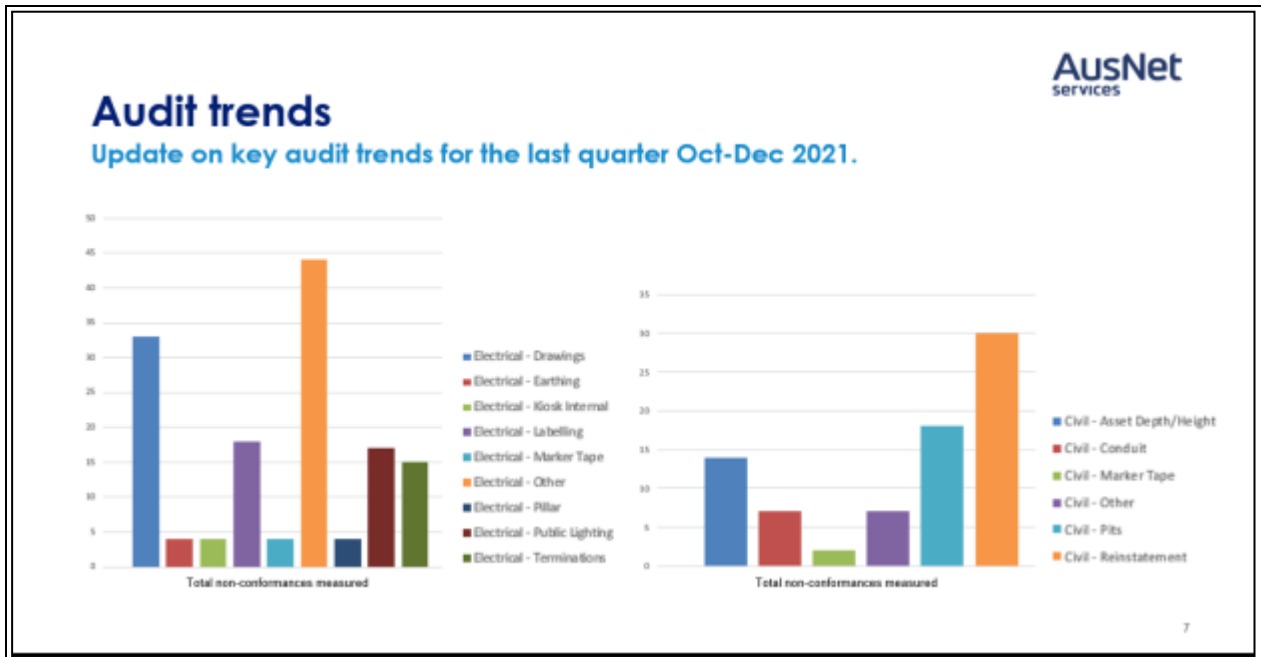
### Key metric performance: 1 October – 31 December 2021

Process step	2021 Target	QTR performance (Oct – Dec 2021)
Design reviews (approvals)	90% completion < 15 clear business days	<b>95%</b> within 15 clear business days Volume: 715 reviews Rejected: 24%
As built plan review	95% completion <3 clear business days	<b>100%</b> in <3 clear business days Volume: 618 Rejected: 23%
Pre-commission network audits	95% completion within 10 clear business days	<b>98%</b> completed within 10 clear business days Volume: 132 Failed: 20%
Final network audit	95% completion within 10 clear business days	<b>93%</b> completed within 10 clear business days* Volume: 128 Failed: 20%

\*Missed days due to Covid Government Health Order or following developer request to delay.

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 audit trends below.

**Audit trends: 1 October – 31 December 2021**



**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 Services. 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>Flow chart presented to DCC at the July 2021 meeting. Slide pack provided to DCC members.</li> <li>Flow chart published on AusNet website.</li> <li>Total volume of jobs completed reported during DCC meetings and captured in July 2021 meeting. Slide pack provided to DCC members.</li> <li>To do: working through development of end-to-end time frame metric with developers.</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>Reporting on audit volumes and trends at quarterly meetings as a standing agenda item.</li> <li>Created a developer performance score card that allows developers to analyse their performance. This has been presented to developers and data is made available on</li> </ul>

		request (relevant privacy guidelines apply).
Proactive issue identification with top audit failure items.		<ul style="list-style-type: none"> <li>Reporting on audit volumes and trends at quarterly meetings as a standing agenda item.</li> <li>Developing more detailed coding of audit failure reasons to be able to share deeper analysis with developers in 2022.</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>VEDN updated training packages for civil contractors and released to nominated RTO's.</li> <li>Technical Bulletin was released to industry and provided as part of the forum.</li> <li>AusNet proactively communicated the VEDN civil contractor training requirements and updates to members.</li> <li>To do: Auditing expectations to be addressed at the April 2022 DCC.</li> </ul>
Host briefings with the industry to proactively communicate significant standards changes and provide an opportunity for Developers (outside of the DCC) to raise issues.		<ul style="list-style-type: none"> <li>Originally planned to hold an industry briefing in 2021, however there were no significant updates to raise outside of the DCC.</li> <li>Scheduled the first industry briefing on REFCL Isolating Transformers for 24 March 2022.</li> </ul>

## Next steps

### 2022 Customer Service Standard focus

AusNet is committed to putting the customer at the centre of our decision making. We have found the ongoing feedback and collaboration with the Developer Consultative Committee extremely valuable and look forward to continuing to build this relationship into 2022.

In the next 6 months our focus is on:

- Continuing to hold quarterly meetings with the DCC and expanding membership to include new developers.
- Enhancing our reporting, particularly increasing the granularity of audit reporting and reasons for audit failures.
- Holding our first wider industry briefing. This will address the REFCL requirements for isolating transformers on new estates.
- Detailed scoping of a new reporting metric on the time taken to issue the ACCC. AusNet will assess time and cost to deliver this metric and present this to the DCC for final decision before implementation.
- Continuing to work with developers on the investigation and implementation of process improvements.

## Appendices

### Appendix 1. Minutes and slide packs from the Developer Consultative Committee meetings

1. Minutes and slide packs from the Developer Consultative Committee meetings listed below. Attached separately.
  - a. July 2021
  - b. October 2021
  - c. February 2022

## Appendix 2. Key performance metrics table outlining the status of metrics

Process Stage / Metric	Description	2021 Target	2022 Target	Additional commentary	Status
<b>Application for supply</b>	When the developer is ready to commence the energy application process and they make an application to AusNet Services.	Develop and report on assignment of a coordinator <10 days post payment of fees.	Improve baseline as agreed with DCC.	We do not currently capture this metric. We will engage with our external supplier to arrange development of capabilities to report on this metric, with a view to reporting from Q3 2021.  Note: this metric is recorded from payment of fees by developer.	October 2021 DCC meeting: Members noted that the DCC do not see a high level of need for the Time to Assign a Coordinator metric as they don't see many, if any delays in relation to this in the residential development space. The Menti survey confirmed this, showing of the 8 votes there were 4 votes for No, 4 for Don't Know/Not sure and zero for Yes.
<b>Design</b>	This stage involves the drafting of the electrical infrastructure designs for infrastructure intended to be built (i.e., construction plans).	Resolve appropriateness of this metric with the DCC by end of Q2 2021.	TBC	Approx. 95% of design work is assigned by developers to private contractors. AusNet Services completes design work for a small proportion (around 5%) of customers. These tend to be for residential DIY customers (not professional developers).	July 2021 DCC meeting: DCC members commented that AusNet's current turnaround time for design completion (within 15 days) is very good. Members agreed that it would be of very limited benefit for AusNet to report on its performance in completing designs.
<b>Design approvals</b>	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	< 15 business days per plan	< 15 business days	We will explore if we can separate out Design Reviews and Master Plan Review measurements by Q3 2021. This is not currently possible.	We are currently reporting on this metric quarterly.  We have explored the possibility of separately reporting on Design and Master

	the network and clearances between electricity infrastructure and other services.			Note, metric reporting excludes: <ul style="list-style-type: none"> <li>• Long-lead bookings.</li> <li>• Public holidays and end of year shut down period.</li> </ul>	Plan Reviews. It is possible in the current system but will require change management and retraining for the design industry on the new category class. Next steps: Consult with the DCC to understand if this split is desirable, noting current performance.
<b>Request authority to commence connect construction (ACCC)</b>	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.	N/A
<b>ACCC issued</b>	AusNet Services 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.	TBC	Property developers voiced no concerns regarding timeliness of ACCC issuance during our engagement process or the draft consultation stage. We currently issue ACCCs within 3-4 days of request, but the exact time taken for this step is not formally recorded and would require costly system changes and additional administration expenses to do so.  Following feedback received on our draft standard, we will commit to providing clear guidance to the industry as to requirements for the	October 2021 DCC meeting: Developers had a mixed response to the introduction of a metric for ACCC issued. Developers noted there were some delays in issuing the ACCC early 2021, but they had since been resolved. Others noted that this process sits on the critical path so it would be good to understand how AusNet are tracking. The Menti survey saw 4 out of the 8 vote Yes, 3 votes for Don't Know/No Sure and 1 vote for No. We are investigating the timeframe and cost to deliver this metric.

				ACCC to help improve construction timeframes. We will work with the DCC to better understand their specific information needs, with a plan to publish this information by Q2 2021.	
<b>Construct</b>	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.	N/A
<b>Staged audits</b>	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.	N/A
<b>As built plan reviewed and approved</b>	Time taken to review as built drawings once submitted to AusNet Services.	Explore feasibility of this metric with the DCC by end of Q3 2021.	TBC	<p>This process is completely outsourced at AusNet Services. Design reviews are typically completed within 3 days. The developer’s consultants work directly with our provider to complete this stage.</p> <p>While this stage was not voiced as a key pain point for developers in the AusNet Services process, we have committed to exploring the feasibility of a metric with our external provider by end of Q3 2021.</p>	Metric introduced in July 2021 and forms part of the quarterly reporting.

<p><b>Pre-commission network audits (audit before we energise)</b></p>	<p>AusNet Services sends one of our accredited auditors to assess the accuracy of the staged audits. Developers are provided with a pass/fail result.</p>	<p>95% completion within 10 days</p>	<p>95% completion within 10 days</p>	<p>Note: The audit outcome report is sent to Developers within an additional 2 days.</p> <p>Note, metric reporting excludes:</p> <ul style="list-style-type: none"> <li>• Long-lead bookings.</li> <li>• Public holidays and end of year shut down period.</li> </ul>	<p>We are currently reporting on this metric quarterly.</p>
<p><b>Council Statement of Compliance (SOC)</b></p>	<p>At this stage, AusNet Services 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.</p>	<p>Explore feasibility of this metric with the DCC by end of Q3 2021.</p>	<p>TBC</p>	<p>Property developers voiced no concern with this stage of the connection process in our engagement.</p> <p>Feedback suggests that this process is positively received because the Council SOC is issued following successful completion of the pre-commission audit, before the site is energised. Waiting until the site is energised can delay the process by 4 – 6 weeks. Exact time taken for this step is not recorded and would require costly system upgrades to do so. We commit to exploring the feasibility of this metric with the DCC by the end of</p>	<p>October 2021 DCC meeting: Members noted that once the relevant information is sent to AusNet, the turnaround time as been fast. Overall members felt there was not enough value in this metric for AusNet to spend the time/ money developing it. However, as the Menti vote was relatively close, we will revisit this metric in the future. The Menti survey metrics saw 5 out of the 8 voted No, 3 voted for Yes and zero voted for Don't Know/Not Sure.</p>



				Q3 2021.	
<b>Commission assets (tie-in)</b>	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	<p>This stage of the process is fully contestable and the responsibility of property developers and their contractors.</p> <p>Note: we will work with the DCC to set guidelines on how to better manage and communicate these cancellations in the future.</p>	N/A
<b>Final network audit</b>	AusNet Services 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.	95% completion within 10 days	95% completion within 10 days	<p>Note: The audit outcome report is sent to Developers within an additional 2 days.</p> <p>Note, metric reporting excludes:</p> <ul style="list-style-type: none"> <li>• Long-lead bookings.</li> <li>• Public holidays and end of year shut down period.</li> </ul>	We are currently reporting on this metric quarterly.

Appendix 3. End to end greenfield connection process and associated metrics

