

Meaningful & Genuine Engagement  
*Perspectives from consumer advocates*

A CUAC RESEARCH REPORT

November 2013



The Consumer Utilities Advocacy Centre Ltd. would like to acknowledge the contributions of all the interviewees that took part in the research for contributing their expertise and time to this report.

Please note that for the purpose of this report, the persons interviewed have been referred to as interviewees. Our interviewees are both policy and consumer advocates from a range of organisations, including, organisations that provide direct services to clients, generalist community organisations, and organisations with a focus on water or energy policy. For brevity, we have, in this report, used the term 'consumer advocates' to encompass all interviewees.

The word 'bodies' is used to refer to the entity conducting the consultation. The term 'vulnerable groups' refers to people who are not adequately engaged in consultation processes.

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# LIST OF ABBREVIATIONS

AECO	Australian Energy Consumers Organisation
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
BYBD	Bring your bills day
CALD	Culturally and linguistically diverse
COAG	Council of Australian Governments
CUAC	Consumer Utilities Advocacy Centre Ltd.
CCCs	Customer consultative committees
DSDBI	Department of State Development, Business and Innovation
ESC	Essential Services Commission
EIF	Energy Information Fund
IAP2	International Association of Public Participation
NAIDOC	National Aborigines and Islanders Day Observance Committee
NWC	National Water Commission
OECD	Organisation for Economic Cooperation and Development
RSL	Returned and Services League
SCER	Standing Council on Energy and Resources
UN	United Nations

# EXECUTIVE SUMMARY

This report documents the findings of a research project about the experiences of 28 consumer advocates who have been involved in extensive and varied engagement processes with government, regulators, and energy and water businesses. The aim of the project was to identify, from the perspective of advocates, the characteristics of effective community and consumer engagement. While some of CUAC's previous work has addressed consumer participation in the energy market, the focus of this report is on consumer participation in policy and regulatory processes. Some of the advocates CUAC interviewed have specialist energy and water expertise; others have expertise in general consumer issues; some have also undertaken their own engagement processes with the community or their constituencies. They shared the challenges advocates and the community can face when they participate in policy and regulatory engagement processes. They offered practical suggestions on how engagement processes can be planned and run more effectively so that better outcomes are achieved. While a literature review was also undertaken as part of this research, the focus of this report is on the findings from these advocate interviews.

This report comes at a time when there has been a substantial increase in the number of engagement and consultation processes on energy and water issues. The increase reflects the growing recognition amongst government and regulators that securing the long-term interests of consumers necessitates input from those consumers. For example, the Australian Energy Regulator (AER) is now required to consider the engagement undertaken by distribution businesses when reviewing their network revenues and prices. Distribution businesses will have to show that they have considered consumer feedback in their proposals to the AER. The AER's guideline on consumer engagement which was released on 6 November 2013 outlines the framework for distribution businesses to better engage with their consumers so that their perspectives are taken into account in the businesses' proposals. As a consequence, many distribution businesses are now considering how their customer consultative committees (CCCs) might more effectively feed into network revenue and pricing proposals.

The research identified various factors that distinguish a good engagement process from a bad one. A recurring theme was that engagement needs to be meaningful and genuine. Most interviewees said that they had participated in engagement processes which were tokenistic or had predetermined outcomes, or where the body undertaking the engagement was not prepared to have their views challenged. Interviewees emphasised the need for a transparent engagement process with open communication and the participation of a diverse range of stakeholders including groups of people who were often overlooked in engagement processes. They argued that more attention needs to be directed towards encouraging and facilitating the participation of people with disabilities, rural and regional communities, single mothers, culturally and linguistically diverse groups such as refugees and newly arrived migrants, and Aboriginal communities. An engagement process was perceived to be more meaningful and genuine when it had the support of top-level management and senior executives and where the contributions made by people

participating in the process were valued. Participants feel valued when they are informed about the key milestones of an engagement process, the outcome that has been reached and how their input influenced the decision making process.

Many of our interviewees acknowledged that energy and water issues can be complex and that complexity could deter people from being involved in an engagement process. *Chapter 4* of this report outlines the strategies suggested by interviewees' for consulting on complex issues. Interviewees were of the view that a good engagement process breaks down complex information so that it is more digestible. This would encourage more informed participation. Information could be made more accessible if it was presented in plain English or Easy English, and if jargon and acronyms were avoided. The use of non-text information such as visuals and infographics, they suggested, would help people who are often underrepresented in engagement processes in their understanding. Interviewees encouraged bodies undertaking engagement to consider using staff with specialised skills to make information more accessible.

In addition, the way in which questions and issues are framed, particularly when the subject matter is complex, can either facilitate or deter participation in an engagement process. Issues should be framed in a way that makes clear their relevance to participants' day-to-day lives, such as how a proposal impacts their bill amount and the way they use energy. Interviewees felt that face-to-face discussions were essential for complex topics because they provide the opportunity for more deliberative engagement and interaction between the body undertaking the consultation and the participants. There are opportunities for participants to ask questions and clarify concerns in a face-to-face discussion. Interviewees recognised that, for a number of reasons, gathering direct feedback from vulnerable<sup>1</sup> groups can be challenging. In these situations, it may be best to engage with peak organisations and community representatives who are the 'gate openers' to the community. Given the complexity of some issues, interviewees noted the importance of capacity building so people are better equipped to participate. Social learning and deliberative processes are two interactive engagement methods that can help people to build and share knowledge on complex issues overtime.

Nearly all interviewees agreed that a variety of engagement methods need to be used to reach as wide a group of people in the community as possible. This is because different people respond to different methods of engagement. Therefore, a good engagement process will use a range of engagement methods including face-to-face discussions (e.g. working groups, focus groups, public forums, and customer consultative committees), emails and other web-based methods, telephone, surveys, and community events.

A good engagement process, especially if it is a large-scale one, will provide for evaluation by independent experts across a range of processes, at regular intervals and using a variety of evaluation methods. Most interviewees thought that evaluation is important because it enables the body undertaking the engagement to review their processes, find out if they have achieved their desired outcomes, identify areas for improvement and pinpoint community concerns. However,

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<sup>1</sup> For the purpose of this report, CUAC defines vulnerable groups to mean people who are not adequately engaged in consultation processes.

there are limitations to evaluation, and some people may, for a range of reasons, be reluctant to give frank feedback.

# 1 INTRODUCTION

Words like ‘community engagement’ and ‘consumer engagement’ have recently become much more frequently used in both the public and private sectors. Reviews by the Limited Merits Review Expert Panel,<sup>2</sup> the Senate Select Committee on Electricity Prices<sup>3</sup> and the Productivity Commission<sup>4</sup> have highlighted the need for better and more effective consumer engagement in regulatory processes. Most recently, the Chair of the Australian Energy Regulator (AER) stated that, ‘consumer involvement is critical if the regulatory regime is to be focused on promoting consumers’ long-term interests.’<sup>5</sup>

While there are no universally accepted definitions of ‘community engagement’ or ‘consumer engagement,’ and while their meanings can vary according to context, both terms recognise that self-determination is the responsibility and right of all people comprising a community. Involving consumers and community in decisions and activities that affect them is regarded as good practice and critical to effective policy-making. It acknowledges that community perspectives have value and can shape and impact key policy development and business decisions. This leads to improved community outcomes and wider support for decisions and reform.

## About this report

The Consumer Utilities Advocacy Centre Ltd. (CUAC) is a specialist consumer organisation established in 2002 to represent Victorian energy and water consumers in policy and regulatory processes. Within the energy and water space, CUAC and other consumer advocates have seen a marked increase in the number of government, regulatory and business engagement processes calling for input from advocates and the community. During 2012/13, CUAC made 20 individual or joint submissions on consumer utilities issues, mostly directed towards Victorian and national regulators and government. In the same period, CUAC was represented on 27 committees; these were convened by government, regulators, industry, or community organisations.

For many years, consumer organisations have been advocating for more opportunities to contribute to policy and regulatory processes in energy and water. Given the recent increase in the number of policy and regulatory processes calling for consumer input, largely in response to consumer advocacy, CUAC decided it is timely to undertake a research project on consumer engagement. The objective is to assist energy and water businesses, regulators and government to engage more effectively with the community and consumer advocates. In writing this report, we have drawn from

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<sup>2</sup> The Limited Merits Regime applies to decision making in the electricity and gas sectors and provides parties affected (primarily transmission and distribution businesses) by the decisions of the Australian Energy Regulator (AER) with a review mechanism. The Standing Council on Energy and Resources (SCER) established an independent expert panel of Professor George Yarrow as Chair, Dr John Tamblyn and the Hon. Michael Egan to undertake the review of the Limited Merits Regime. The Panel’s final report was published on 9 October 2012.

<sup>3</sup> See Recommendation 15, The Senate Select Committee on Electricity Prices: Reducing Energy Bills and Improving Energy Efficiency (November 2012).

<sup>4</sup> Productivity Commission, Australia’s Urban Water Sector, Inquiry Report Volumes 1 & 2 (No. 55, 31 August 2011), Chapter 8, at 234-238.

<sup>5</sup> Australian Energy Regulator Chairman Andrew Reeves, *Integrating the Consumer Voice into Network Regulation Speech* (16 October 2013).

Australian and international literature, as well as qualitative interviews with 28 consumer advocates who are experts on community engagement. These advocates have been involved in numerous engagement processes with government, regulators and businesses and/or have designed and implemented community and consumer engagement strategies themselves. They bring with them a depth of professional knowledge and experience in utilities and other general consumer issues. Some represent low income and vulnerable groups, culturally and linguistically diverse (CALD) communities (including migrant and refugee groups), Aboriginal and Torres Strait Islander communities, disability groups, single mothers, and rural and regional communities.

This report focuses on the insights shared by the advocates interviewed and recommends some resources including tool-kits and 'how to' guides (see *Appendix A*) to guide best practice engagement. We hope this report will serve as an additional resource to add to the body of information available on community and consumer engagement.

## **CUAC's approach**

CUAC supports more effective engagement with the community and consumer advocates particularly where they are directly impacted by decisions. Our approach to engagement is shaped by the United Nations (UN) *Guidelines for Consumer Protection* which was developed to help countries achieve adequate protection for citizens as consumers. The UN Guidelines, which have been translated into statements of consumer rights by Consumers International, include two articles of particular relevance to consumer engagement:

*The right to be heard* - To have consumer interests represented in the making and execution of government policy, and in the development of products and services.

*The right to consumer education* - To acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.

Given that energy and water are essential services, these rights are particularly important in the context of engagement. The Organisation for Economic Cooperation and Development (OECD) has also acknowledged the importance and benefits of engaging citizens in policymaking and has developed a *Handbook on Information, Consultation and Public Participation in Policy-making*. Their Policy Brief states that:

*Access to information, consultation and active participation in policy-making contributes to good governance by fostering greater transparency in policy-making, more accountability through direct public scrutiny and oversight; enhanced legitimacy of government decision-making processes; better quality policy decisions based on a wider range of information sources; and, finally, higher levels of implementation and compliance given greater public awareness of policies and participation in their design.*<sup>6</sup>

Although the OECD comments refer to government processes, we believe that genuine and meaningful engagement by industry and regulatory bodies can lead to similar positive outcomes.

Energy and water policy decisions are not exclusively technical or economic but frequently involve values, objective-setting processes, and complex trade-offs. The impacts of decisions are varied,

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<sup>6</sup> Organisation for Economic Cooperation and Development (OECD), Public Management Policy Brief (July 2001), *Engaging Citizens in Policymaking: Information, Consultation and Public Participation*, at 6.

difficult to compare, and in many areas, unquantifiable. Because of this, decisions are not made solely on scientific, engineering or economic grounds. Instead, value judgements are required, and these are areas in which consumer perspectives can be particularly valuable. Engaging the community on these value questions can be expected to bring different perspectives and priorities into focus. In CUAC's discussions with consumers, community groups and community service workers, we find that concerns often centre on issues such as:

- Costs and benefits of initiatives, and how well these have been investigated prior to implementation
- Differential impacts of policy for consumers of different types and in different areas, and the plans that are in place to deal with these impacts
- Process and transparency, and whether consumer input reflects the range of circumstances of consumers

CUAC is of the view that effective engagement requires a commitment to genuinely engage and communicate openly and honestly with consumer advocates and the community on an ongoing basis. This is critical to good policy-making, as it acknowledges that consumer perspectives have value and can shape key policies and business decisions. This leads to improved consumer outcomes and wider support for decisions.

## Recent developments

In the past two years, there has been an increase in the number of engagement and consultation processes in relation to energy and water policy, including:

- the Standing Council on Energy and Resources (SCER) energy market reform package 'Putting Consumers First;'
- the Australian Energy Market Commission (AEMC) review of their strategic priorities for the energy sector and the release of their 'Consumer Engagement Blueprint;'
- the Australian Energy Regulator (AER) initiation of the Better Regulation Program and the development of seven new AER guidelines;
- the SCER's establishment of a national energy consumer advocacy body, nominally called the Australian Energy Consumers Organisation (AECO);
- Victorian policy and regulatory processes on smart meters, flexible pricing,<sup>7</sup> metering contestability and the harmonisation of the Victorian Energy Retail Code with the National Energy Customer Framework;
- the National Urban Water Stakeholder Reference Panel which provides expert consumer advice to the Australian government on the design and implementation of urban water programs for towns and cities; and

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<sup>7</sup> Flexible pricing is a way of pricing electricity so that the price varies at different times. The price might change at different times of the day, on different days of the week, or by season.

- Victorian policy and regulatory processes on the development of water plans for the period 2013-18.

As CUAC is a Victorian organisation, our advocacy initiatives have focused on national and Victorian energy and water policy and regulatory issues. Further details on recent developments in consumer engagement are in *Appendix C*. As there is no universally accepted definition of community engagement and consumer engagement, it is important to explain how we have used these terms in this report.

## What is community or consumer engagement?

‘Community engagement’ and ‘consumer engagement’ may include informing, communicating, educating, consulting, participating, partnering and empowering.<sup>8</sup> The International Association of Public Participation (IAP2) defines community engagement or public participation as any process that involves the public in problem-solving or decision-making and uses the public input to make more informed decisions. According to the IAP2, public participation occurs across a spectrum. At one end of the spectrum, engagement is one-way and involves the provision of information by an agency to the community. At the other end of the spectrum, decision-making rests in the hands of the community. Between these two extremes, engagement entails consulting, involving and collaborating with the community.<sup>9</sup>

Many definitions of community engagement emphasise that engagement is an ongoing interactive process as opposed to a program. Community engagement is also collaborative, involves relationship building, and encompasses a variety of practices appropriate for different situations or purposes.<sup>10</sup> There is some overlap between community engagement and community development or community building, because both involve the community coming together to influence an outcome and may have an educational component. However, community development has a specific focus on improving the social, economic and/or environmental situations through the development of programs. In many instances, community development is initiated by the local community themselves.<sup>11</sup>

## Terms used in this report

In this report, we have used the term ‘community engagement’ to refer to engagement with the community: people who will be *directly* impacted by a decision. The community may also be represented by community and consumer representatives or advocates. We have used the term ‘consumer engagement’ in a more generic sense to refer to engaging with consumers who may be consumer representatives or advocates and individual consumers. We recognise that ‘engagement’ is a broader term and encompasses a whole range of activities, with ‘consultation’ usually included as one of the activities. For the purpose of this report we used the words ‘engagement’ and ‘consultation’ interchangeably. Based on the format of the questions asked during the interview process, many interviewees referred to ‘engagement’ as ‘consultation.’

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<sup>8</sup> Department of Environment and Primary Industries, Book 1 An Introduction to Engagement (Version 3, September 2005); what is Community Engagement, at 10.

<sup>9</sup> IAP2 Public Participation Spectrum.

<sup>10</sup> Tamarack, An Institute for Community Development, Community Engagement Key Terms and Definitions.

<sup>11</sup> *Ibid.*

# 2 METHODOLOGY

To identify the characteristics of best practice consumer and community engagement, we took a qualitative approach, collecting data through semi-structured advocate interviews and complementing our analysis of this data with information drawn from the extensive literature on engagement.

## **Semi-structured advocate interviews**

Semi-structured interviews with consumer advocates were the primary data collection method for this research. 28 interviews were conducted over a two month period. CUAC endeavoured to hear from a diverse range of consumer advocates across different jurisdictions in Australia. The advocates interviewed had professional expertise in energy and water policy and general consumer issues. Some advocates represented vulnerable and disadvantaged groups, including single mothers, people with disabilities, culturally and linguistically diverse (CALD) communities, refugee and migrant groups, Aboriginal people and regional and rural communities. All interviewees had experience participating in various consultation and engagement processes with industry, government and regulatory bodies.

### **Recruitment**

Interviewees were invited to participate via email. CUAC contacted members of its Reference Group, an advisory body to the CUAC Board which forms an important link between CUAC and consumers, particularly low income, disadvantaged and rural consumers. We also sought interviewees through NEM Chat, an e-group that enables advocates around Australia to communicate about energy policy issues. All people contacted to participate were encouraged to recommend other specialist advocates whom they thought would be suitable to interview.

### **Interview process**

A majority of the interviews were conducted by phone and some face-to-face. Interviews ranged from 30 minutes to one hour. Prior to each interview, interviewees were provided with a set of questions. They were encouraged to consider these questions and provide relevant examples based on their experience. For a list of interviewees who participated in CUAC's survey please refer to *Appendix B* of this report.

### **Interview questions**

CUAC developed a set of initial questions to guide the interviews. These questions were deliberately broad, encouraging interviewees to speak freely about their experiences and about the issues that they felt were interesting or important. Given that the interviewees did not necessarily specialise in water or energy policy, the questions did not refer specifically to energy and water.

The core questions asked during the interview process were:

1. What is meaningful and genuine consultation?
2. How do you consult with people on a complex set of issues in a meaningful way?
3. What are effective/ineffective forms of consultation?
  - Email
  - Phone
  - Mail out
  - Web-based consultation
  - Face-to-face meetings (including 1-on-1 meetings)
  - Working group
  - Focus group
  - Customer consultation committee
  - Public forum
4. Do you think evaluation is necessary?

Additional questions asked depending on the background and expertise of the person we were speaking with included:

5. What do you consider to be barriers to engagement?
6. What are your views on the importance of community capacity building?

### **Confidentiality**

CUAC has included direct quotes from interviewees throughout this report. To maintain confidentiality, these have been de-identified. In some cases, we have also omitted details of the specific engagement process under discussion.

### **Literature review**

To complement the insights of advocates, CUAC undertook a literature review on best practice consumer engagement. Sources for the literature review were drawn from Australia, the United Kingdom and the United States, as well as international authorities such as the Organisation for Economic Co-Operation and Development (OECD) and the United Nations (UN). For a list of sources please refer to the bibliography.

# 3 MEANINGFUL AND GENUINE CONSULTATION

*[Consultation] needs to be genuine and not tokenistic. Sometimes it's very perfunctory and occurs once decisions have been made; they think they need 'consultation' to window-dress the decision a bit and to say it's been done. But it ends up not being genuine consultation at all.*

*The problem with [consultation] processes is that companies want to do the bare minimum. They want to do what is required of them, and not what they should do. They should make sure they get out into different communities where they will get a large number of people coming through so that they can have one-on-one conversations with people.*

Conducting a meaningful and genuine consultation<sup>12</sup> requires strategic planning, research and resourcing. While it can often be a time consuming process, it is important to understand the community being consulted. All aspects of community engagement must recognise and respect community diversity, incorporating it into the design and implementation of community engagement approaches.<sup>13</sup>

Interviewees identified the following actions to guide a meaningful and genuine consultation:

- Define the objectives and purpose of consultation
- Develop a transparent engagement process
- Allow for adequate time to consult
- Consult with diverse stakeholder groups
- Overcome barriers to access
- Target underrepresented groups for consultation
- Challenge your own views
- Consider feedback received
- Acknowledge peoples expertise

## Define the objectives & purpose of consultation

Clearly defining the objectives and purpose of a consultation prior to engaging with the community is an important step in an effective consultation. As part of defining the objectives and purpose of a consultation, it is important to be clear with the community about what aspects of the decision-making process are negotiable.

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<sup>12</sup> As noted in *Chapter 1: Introduction*, the term 'consultation' is used interchangeably with community engagement in this section.

<sup>13</sup> CDC/ATSDR Committee on Community Engagement: *Principles of Community Engagement* (1997).

It is therefore necessary to set objectives for, and limits to, information and consultation. As part of this process, objectives and commitments (e.g. to publish results) should be clearly communicated, in addition to the relative weight that will be given to people's input.<sup>14</sup>

*It's important that people understand the boundaries of the consultation. These boundaries can be about the content and the process [of a consultation], and how much of that will be negotiable or not.*

Some interviewees commented on the importance of managing expectations from the outset, particularly in relation to issues that a community or individual may be passionate about.

Managing expectations might include providing information on where to find relevant background materials, how to submit comments (e.g. orally at a public forum, in writing, by email), other matters of process (e.g. deadlines, main contact persons), and next steps for decision-making.<sup>15</sup>

Managing expectations is particularly important in relation to sensitive topics.

*Around consumer affairs issues where people are frustrated, you have to manage expectations or they will be disappointed. [Businesses] should be realistic and transparent.*

## **Develop a transparent engagement process**

A second characteristic of meaningful and genuine consultation identified by a majority of interviewees was transparency. As a fundamental component of consumer engagement,<sup>16</sup> clear communication can enable transparency in a decision-making process by making it more publically accountable.<sup>17</sup>

A commitment by the CEO or senior level management of an organisation demonstrates that participants have access to the decision-makers. This requires the leadership to:

- take an active interest and provide visible support to these activities; and
- ensure that consumer input is incorporated into decision-making.<sup>18</sup>

The importance of representation of senior level management in an engagement process, particularly in a customer consultative committee, will be discussed further in *Chapter 5: Methods of Engagement*.

Clear and open communication throughout an engagement process is another way to demonstrate improved understanding of customers' and stakeholders' needs,<sup>19</sup> thereby allowing a process to be more transparent.

The practices listed below were identified by interviewees as helping to facilitate transparency and open communication.

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<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Organisation for Economic Co-operation and Development (OECD), Public Management Newsletter Number 21, *Citizens as Partners in Policy-Making* (September 2001).

<sup>18</sup> Ibid.

<sup>19</sup> Ofgem, Stakeholder Engagement Submission (2011).

### **a) Use a variety of communications methods**

Many interviewees noted that multiple means should be used to inform the community that consultation is taking place. The methods used should attract a large demographic, serve to encourage participation, and make the process accessible. This includes, for example, advertising in or via:

- local newspapers;
- neighbourhood houses and Returned and Services League (RSLs);
- local and ethnic television and radio;
- websites and emails;
- existing networks of peak bodies and community organisations;
- local governments; and
- business associations.

With respect to making a process accessible, this can include translating documents in a variety of languages or using simple English to communicate with linguistically diverse audiences (discussed further in *Chapter 4: Strategies for Consulting on Complex Issues*).

### **b) Provide clear timelines**

Provide a timetable for decision-making. Even in circumstances where an engagement process requires additional time to interpret the results, it is important to communicate any changes to consultation timelines in order to manage the expectations of participants. The importance of timing with respect to engagement is discussed further on page 14.

### **c) Record all interactions**

If the engagement method permits it, notes should be taken to document what occurred during the engagement process. To increase accountability to consultation participants, these notes and actions taken should be noted and circulated.

*The person taking the minutes needs to understand what is being raised. It should not be a point of negotiation to get your points in the minutes. The minutes should not be truncated or diluted in any way. We see that constantly in government processes; and we have no confidence that the issues raised will be captured and therefore the government will not be held accountable.*

In a community engagement process where it is not possible to record minutes (e.g. community events), it is still important that every interaction within a community is kept on record.

### **d) Opportunity for comment**

It is important to make sure the community is aware of how they can provide comments and suggestions throughout the engagement process (e.g. through information brochures, or public hearings).<sup>20</sup> There should be a degree of flexibility in how feedback is received, whether formally or informally and through written or verbal submission.

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<sup>20</sup> Organisation for Economic Co-operation and Development (OECD), Public Management Newsletter Number 21, *Citizens as Partners in Policy-Making* (September 2001).

*You should provide feedback to the people who are consulted on the decisions you have made or the directions you are going in and providing them with an opportunity to provide you with feedback again when they've got it right.*

### **e) Feedback loops**

The majority of interviewees highlighted the importance of feedback loops after a consultation or discussion has concluded. It is therefore imperative to provide a clear indication of how input has been assessed and incorporated into the decisions reached (e.g. with a summary report or final briefing session), and any significant developments.<sup>21</sup>

*I've been involved with consultations where I haven't been informed at all after the process about the change or what has been implemented.*

### **f) Keeping third parties informed**

In certain circumstances it may be important to keep third parties informed of consultation results as part of the feedback loop. For example, when consulting with individuals directly, it can be useful to share results of the consultation not only with participants, but with advocates who often represent the views of participants or other relevant parties (e.g. financial counsellors).

## **Allow for adequate time to consult**

Providing adequate time for an engagement process was identified by almost all interviewees as an important characteristic of meaningful and genuine community engagement. A majority of interviewees indicated that engagement must occur as early as possible in a decision-making process, to communicate that a genuine effort is being made to account for feedback received throughout the engagement process. A generous timeframe will also allow more time to develop a rapport within communities and for a wider range of solutions to emerge. It will also increase the likelihood of successful implementation of consultation results.<sup>22</sup> Ample time is particularly crucial when consultation requires building the community's capacity to respond on complex issues (discussed further in *Chapter 4: Strategies for Consulting on Complex Issues*).

If there are separate discussions between groups of people in a forum, adequate time needs to be given so that discussions in each group can be reported back when the whole group reconvenes.

*In one of the customer consultative committees (CCCs) I sit in, the CCC members have their own closed discussion without representatives of the regulator being present. We then report the outcome of our discussion back to the regulator. Because the time given for reporting is limited, I don't get a sense of how the regulatory body would be looking into the issues and incorporating or not incorporating our feedback.*

In particular, interviewees who advocate on behalf of disadvantaged groups noted that they can gauge how tokenistic an engagement process is based on its timelines. General views as to whether engagement needs to be conducted throughout a decision-making process or at the end of

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<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

a process varied among interviewees. Interviewees who preferred an ongoing engagement process noted a clear benefit to be the ability to strengthen ties within a community and build relationships for future engagement processes.

*[Consultation] can't just be at one stage and then it drops off. It needs to be an integrated part of a project, at regular intervals, and as participatory as possible. From an industry perspective that can be very time-consuming. It's unfortunate because [industry] likes to make decisions quickly and it can slow a process down a lot. They need to factor ongoing consultation into their project management timeline if they are going to have a commitment to consumer consultation.*

The duration of a consultation must be sufficient to allow time to develop a rapport in communities in order to receive genuine feedback.

*We often find that people, especially from more marginalised parts of the community, tend to give the answers expected of them. They will give you what you want to hear unless you have a rapport with them. [Building a rapport] is a time intensive thing to do and it's tempting to take what is given by people. Gathering genuine feedback takes a long time. Communities want to know who you are and what the purpose is. A one-off consultation may not yield that deep information.*

In some of the more vulnerable communities, taking time to develop a rapport is essential to establishing trust.

*Some Aboriginal and Torres Strait Islander and culturally and linguistically diverse (CALD) communities are over-utilised and feel that they are always the subject matter of a research consultation. They engage and then nothing happens. Relationship building between the body and [consultation] participants is important so it feels like a two-way relationship. In many cultures, including Aboriginal and Torres Strait Islander, relationship building is really important for continuing engagement. Increasingly, the African communities might also be the subject of consultation and face these challenges.*

Finally, as discussed above, being transparent about consultation timelines is an important component of managing expectations.

*Sometimes with advocacy it's a slow burn type of thing and will take some time. [As advocates] we don't get disappointed but people might expect the world from consultation.*

## **Consult with diverse stakeholder groups**

Before beginning an engagement process, it is important to identify a diverse range of stakeholders within a community. It should be a diverse representation of the community, both geographically and culturally and among disadvantaged and vulnerable groups.

*A consultation process needs to cover a broad base of customers. I usually speak from a rural perspective and see things very differently from people who are sitting in Market and Spring Streets. You need to get right out there into regional and rural Victoria.*

Some characteristics to consider when developing a diverse stakeholder base for engagement are ethnicity, age, socio-economic background, values, sexual orientation and physical and intellectual

capacity.<sup>23</sup> In some circumstances it may be necessary to tailor engagement processes and activities to enable particular communities or individuals to participate.<sup>24</sup>

A number of interviewees emphasised the importance of doing background research prior to undertaking community engagement. In designing an engagement process, it is valuable to first learn about the community in terms of its economic conditions, political structures, norms and values, demographic trends, history, and experience with engagement efforts.<sup>25</sup>

*Our membership is diverse, but I don't know everything about the different cultures we are consulting with. I have to brief myself thoroughly doing desktop research to understand as best I can some of the issues.*

Understanding the limitations of a community, the best times to consult and the locations that are the most comfortable and convenient, will allow for an engagement process that is more meaningful and genuine.

*It is important to get an understanding right from the outset, of the group you are consulting with and understand the issues you are consulting them about, as this may influence the way your terms of reference are developed. Different groups come to problems often from very different positions, understanding or work views. I think it's important that [these issues are] on the table.*

## Overcome barriers to access

While it can be challenging to get in contact with certain sections of the community, it is important to use a variety of channels to overcome barriers to accessing these 'hard-to-reach' communities.<sup>26</sup> An interviewee noted that it is often the people who do not participate in a consultation that need to be consulted. Interviewees recommended liaising with peak bodies or representative organisations, establishing partnerships and developing cultural competency as ways of overcoming access barriers.

Peak bodies can help to identify appropriate contacts within a community and give advice on the cultural protocols relevant to an engagement process. They can also help to disseminate information to a community.

*In terms of looking at vulnerable groups, you should have a good representation of who you are talking to. Engaging with known community-based organisations that know the ins and outs of their community, such as youth groups and single mothers, is a good way to start. Basic principles of community development apply; you can't go wrong with that kind of approach.*

*I was running a focus group on family violence in communities and I went to the organisations that are well-trusted and working in that space. I asked them to talk to their clients about attending the event. I go through these channels because we do not provide frontline service provision. They are the gatekeepers*

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<sup>23</sup> Department of Environment and Primary Industries, Book 1 An Introduction to Engagement (Version 3, September 2005), at 18.

<sup>24</sup> Ibid.

<sup>25</sup> CDC/ATSDR Committee on Community Engagement: Principles of Community Engagement (1997).

<sup>26</sup> Ann Winstanley and Karen Cronin, *Challenging the way we do Democracy around here: Embedding Deliberative Democracy Practices in Organisations* (2002).

*of communities. In addition, people can be sensitive to stigmatising within a community and you need to be able to engage in a way that is culturally appropriate and topic appropriate.*

As noted in *Chapter 1: Introduction*, it is important to strike a balance between consulting with individuals within a community and representatives bodies. In some circumstances, when engaging with culturally diverse communities, communicating with a representative organisation or advocate may be a more appropriate form of consultation.

*For some ethnic groups and Aboriginal people, it may be that a community representative is an appropriate person to talk to because that's how they function within their culture. In many ways, those cultural groups (e.g. Aboriginal, Asian or ancient culture groups) have a strict hierarchy. Sometimes it's more comfortable for them to engage when the representative can present on their behalf.*

Establishing partnerships with local community organisations can be particularly valuable when engaging with the most vulnerable populations, such as culturally and linguistically diverse or Aboriginal people. For instance, CUAC's 2011 research project which explored the experiences of Victorian Aboriginal consumers of energy and water<sup>27</sup> was run in partnership with Victorian Aboriginal organisations and consumers, and Kildonan UnitingCare (Kildonan). The project was supported by a Steering Group consisting of Aboriginal and non-Aboriginal representatives from the Department of Justice, Yarra City Council, Ngwala Willumbong Cooperative, Kildonan and CUAC. The Mildura Aboriginal Corporation, Mallee Family Care, the Gippsland and East Gippsland Aboriginal Co-Operative and the 'Parkies' community of Collingwood also played key roles in the project.

Other effective ways of establishing and strengthening partnerships with Aboriginal communities are through the development of Reconciliation Action Plans and participation in local events such as the National Aborigines Islander Observance Committee (NAIDOC) week. NAIDOC week is a culturally appropriate week of community events designed to honour Aboriginal culture nationally. In August 2013, CUAC hosted a Reconciliation workshop for water businesses to support water businesses to develop Reconciliation Action Plans, which are aimed at enhancing relationships and outreach with Victorian Aboriginal communities.<sup>28</sup> CUAC has held a stall at the Fitzroy Town Hall for the NAIDOC week Whole of Government Event for two consecutive years. We distributed energy consumer information packs and were able to reach a large audience to communicate tips on energy efficiency.

It is important to note that while interviewees acknowledged the benefits partnerships can bring to community engagement, they also emphasised the need to manage partnership relationships carefully.

*When people look to partner they should make sure it's an equal partnership. Community organisations must benefit from the partnership [as well]. Tokenism erodes good will in the sector.*

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<sup>27</sup> Consumer Utilities Advocacy Centre, Wein, Paen, Ya Ang Gim: Victorian Aboriginal Experiences of Energy and Water (December 2011).

<sup>28</sup> Consumer Utilities Advocacy Centre, Reconciliation: Building Relationships between Victorian Water Businesses and Aboriginal Communities (2013).

Educating staff members conducting a consultation to be more culturally competent and aware can assist with understanding how to best connect with certain communities. In the past decade, the concept of cultural competency has been gaining momentum in Australia.<sup>29</sup> It refers to the idea that when organisational behaviour, practices, attitudes and policies respect and respond to the cultural diversity of communities and clients they serve, they are better able to deliver equal access, participation, quality of service and good outcomes to all groups in the community.<sup>30</sup> There are a number of resources and organisations<sup>31</sup> that can assist with developing cultural competency and these are listed in *Appendix A*.

## Target underrepresented groups for consultation

We heard from some interviewees that certain groups within the community are often underrepresented in various forms of engagement. This includes disability groups, pensioners, young people, single mothers, Aboriginal people, rural and regional groups, low income and vulnerable groups and culturally and linguistically diverse groups including refugees and migrants. We feature four under-represented groups in this report.

### People with disabilities

Three interviewees, who are disability advocates, said that people with disabilities are often unrepresented in consultations. They spoke about the challenges that they, and people with disabilities, can experience when they participate in consultations. One interviewee's story highlights many points which bodies undertaking community engagement should consider when designing community engagement strategies.

*When there are one-off forums, it makes it very difficult because my health and mobility changes from day-to-day. I never know from one day to the next what I'm going to feel like. I feel for the people organising it especially when their audience will be people with disabilities. You run the likelihood of 30 people who have signed up to attend dropping to 15 just because of illness. There is not much you can do about it unless you do phone consultations or do it another way. It's something that the disabilities organisation and we grapple with all the time. There's no easy fix. I've been in so many situations where I've been frustrated because I've wanted to go and I just can't do it. I get frustrated because I would have loved to have heard what people would have said on the issues and I would have liked to have said things myself, but it's an opportunity I've missed. I'm a firm believer that if you don't get out there and say something, nothing is going to change. If you can get people to go to a forum they may come back surprised with what they learned not necessarily from people up the front but people with disabilities in the room.*

*They always say you can put a submission in, but it takes time to print and write. I find it easier to speak to someone rather than have to type something up. And I think it's more personal. If you have that one-on-one contact it makes people feel that they are interested and they do care and are trying to make a difference. But if you are answering questions on a sheet, you never know what happens to it. They say they read it but do they?*

*The biggest thing for me is travel and if the venue is accessible. There are things I have been invited to*

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<sup>29</sup>Community Information & Support Victoria, Informed (Autumn 2013): Policy & Practice newsletter for the community information and support sector.

<sup>30</sup> Ibid.

<sup>31</sup> Based on CUAC's experience working with Aboriginal communities in Victoria, a list of recommended organisations that provide awareness training can be found in *Appendix A: Resources*.

*that disability organisations themselves have run and I have left in protest because they have chosen a venue that is not accessible. I will say to the person that booked it, 'here's my wheelchair you try it up the stairs.' Access for me is a big thing and it is for anyone with a mobility issue. If they are going to have people with disabilities they need to possibly hire a carer to take people to the toilets. Often the toilets are not on the same level where the forum is.*

## **Single mothers**

Another group often overlooked in consultations is single mothers. The interviewee who identified this group as underrepresented noted that bodies undertaking community engagement need to do more to support the involvement of single mothers. She urged these bodies to consider the lifestyle and cost pressures which single mothers face, and to design their engagement strategies with this in mind.

*A variety of engagement methods are important and there're some principles that need to be considered when talking to single mums and other disadvantaged groups. There's a big focus these days on web-based consultation. A lot of single mothers do not have regular income or online access. They may not be able to read emails and have to go to public libraries to access the internet. In our members' survey, we asked people what their preferred method of communication was – 81 per cent said hard copy newsletter; 14 per cent opted for email bulletins; 15 per cent preferred website and Facebook. The large proportion of single mothers who preferred hard copies indicated they had limited access to the internet. However, despite the survey results, for some single mothers, the internet is amazing because they can get on at 2am when people are asleep. What gets forgotten is the people who don't have internet access.*

*If it is a group discussion or a one-on-one discussion, choose a time of day that is convenient. You need to consider factors like whether the venue is in a child friendly environment or whether free or subsidised child care is available. The time of the meeting is also a factor. Don't have it in the evening or 3:30pm in the afternoon when the mothers have to be at the school gate. For a working mother, breakfast meetings are awful. I can't emphasise enough the complex circumstances of single mothers. Yet these are the sort of things that are overlooked.*

*Everyone has different arrangements. If you are looking at face-to-face meetings there needs to be a few meetings at various times. You also need to provide alternatives to face-to-face. Getting to places can be difficult for single moms as there is the transport cost to think about. Providing a subsidy for transport is helpful. Anything that involves a cost will have a bearing on single mothers. That absolutely needs to be taken into account.*

## **Rural and regional communities**

Around a quarter of interviewees suggested that people from rural and regional areas are underrepresented in community engagement. They highlighted various issues which should be taken into account when undertaking community engagement in rural and regional areas. The primary concern these interviewees had was the need to provide advance notification of when the engagement is taking place. They also emphasised the importance of using various local channels of notification (e.g. local business contacts and placing notices in milk bars). The timing of the engagement is also a factor because certain periods of the year can be inconvenient for the local community.

*I'm a farmer, I'm also a fulltime consultant, and I sit in two customer consultative committees; one for a distribution business and another one for a regulatory body. They dump dates out of the blue saying that there will be a meeting next Friday, and already my calendar is full! If you're running any consultation in the community, you should send in a working party into the area first. The working party should know the community, suss out the area, and contact local shires and business groups who will be able to provide all the contacts for people to invite to the consultation, and then it's up to you to bring people together for the initial consultation phase. There needs to be more than an advertisement in the local paper, you need local contacts to spread the word. You also need to plan your consultation around the local events calendar too. There are times of the year when an agency comes up to run forums and the farmers are on their tractors or it's during harvest time.*

*For the rural consultations, we work through some of the organisations in the rural areas such as neighbourhood houses, community centres etc. We advertise the forum in the local paper; some of our people are fairly articulate and may offer to speak with local media. Quite often we find in the rural areas they appreciate that people are coming out to talk and give views and get positive feedback from this approach.*

An interviewee noted that the day of the week was also a factor to consider when designing a consultation process, as many people work part time.

*We did a consultation in Benalla that was far for me as I work in Melbourne, but convenient for the community there. We found that Friday afternoons were a bad idea. You have to understand that in the community sector it's a part time workforce for many and it's very unusual that people work on a Friday.*

## **Aboriginal communities**

Aboriginal communities were also identified by interviewees as a group that is often not included in engagement processes. Very few Aboriginal groups, for instance, sit in customer consultative committees or working groups. On the other hand, some interviewees noted (and this was also found in our literature review) that Aboriginal communities are an over-researched group and thus over-consulted.<sup>32</sup> These two points are not necessarily contradictory: it may be that the Aboriginal community is over-researched on some issues while being under-engaged in other areas. Similarly, there are important differences both between and within the research and engagement categories: not all research or engagement is equally meaningful, consultative or beneficial. We believe that the issues of both under and overrepresentation highlight the need for a carefully considered approach to engagement with Aboriginal communities. Particular care should be taken to avoid tokenistic engagement processes which consume communities' time and resources without offering a meaningful role in decision-making. As discussed in earlier sections of our report,<sup>33</sup> establishing strong relationships and partnerships with Aboriginal peak bodies and representative organisations helps to guide engagement with the wider Aboriginal community.

CUAC's work to date has included engaging with Aboriginal stakeholders on energy and water issues. Our engagement methodology with Aboriginal communities and our recommendations to policy makers, regulators and businesses on how to engage with Aboriginal people, are described

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<sup>32</sup> Consumer Utilities Advocacy Centre, Wein, Paen, Ya Ang Gim: Victorian Aboriginal Experiences of Energy and Water (December 2011), at 86.

<sup>33</sup> See sections on consulting with diverse stakeholder groups and overcome barriers to accessibility in *Chapter 3: Meaningful & Genuine Consultation*.

in CUAC's 2011 report.<sup>34</sup> We refer readers to the report for information on how to engage effectively with Aboriginal communities. We have, in Box 1 below, listed a few key points which need to be taken into account when engaging with Aboriginal communities. This captures some of the points which are addressed in a 2013 CUAC report on how water businesses can, through the development of Reconciliation Action Plans, enhance their relationships with Victorian Aboriginal communities.<sup>35</sup>

#### Box 1: Key points on ways to engage with the Aboriginal community

- When dealing with land management issues, consultation with the traditional owners of the land should be your first point of call
- Who to consult – Local Aboriginal Co-op's or local councils are a good starting point, not individuals
- Leverage on community events
- Do not rush it: allow for time to develop meaningful and genuine relationships
- Consult early in the process
- Aboriginal Elders are in high demand and getting in contact may be difficult
- Offer 'a good feed': this can encourage community participation
- Develop a Reconciliation Action Plan to connect with your local Aboriginal community members

## Challenge your own views

Having an objective, impartial and open approach to consumer engagement is critical to understanding and reflecting the community's views on a range of issues. It can be the difference between conducting a genuine engagement process, and consulting to generate support for a particular course of action.<sup>36</sup>

A number of interviewees highlighted their own experiences participating in engagement processes where the people conducting them were not receptive to feedback.

*It's always about respecting the voice when consulting with consumers. It could be the language you have used to remove yourself from the organisation's perspective, to understand that it's a valid point of view. I think when people do consultations they hear an exceptional story and think it's not true. The language and the negativity of their stories may very much be influenced by an experience. So you shouldn't be interrogating them just because you don't think it's true – you should respect everyone's voices even when you do not agree with them. The reason you do consultation is because you need people to speak to you and you need that perspective; it's a different voice to yours.*

Interviewees said that eliminating bias, identifying the appropriate people to undertake engagement and accounting for consultation feedback were indispensable to a meaningful engagement process.

Identifying biases upfront during an engagement process will provide for greater dialogue and help to establish trust. However, it is important to consider how the information is provided to consultation participants; the information should be both objective and impartial and accessible to

<sup>34</sup> Consumer Utilities Advocacy Centre, Wein, Paen, Ya Ang Gim: Victorian Aboriginal Experiences of Energy and Water (December 2011), Appendix 1 and 2, at 127-142.

<sup>35</sup> Consumer Utilities Advocacy Centre, Reconciliation: Building Relationships between Victorian Water Businesses and Aboriginal Communities (2013).

<sup>36</sup> Ofwat, Involving Customers in Price Setting: Ofwat's Customer Engagement Policy Statement (2011).

all participants.<sup>37</sup> The presentation of information is discussed further in *Chapter 4: Strategies for Consulting on Complex Issues*.

A common observation by interviewees representing vulnerable groups was that prior to participating in an engagement process, assumptions have already been made as to what their opinion will be or where they stand on an issue. It is therefore critical that the person conducting the engagement process is willing to listen to all perspectives before making any determinations on viewpoints or what they consider to be in the best interest of that community.

*Often the things that we think are the most important aren't what individual consumers think. Sometimes we miss the mark completely.*

Some interviewees commented on the importance of identifying the appropriate people to undertake an engagement process so as to overcome potential organisational resistance to change. This may mean identifying internal and external sources to guide an engagement process.

When looking internally, interviewees noted that ideally, senior staff who are receptive to feedback should be considered to guide an engagement process.

*I sit on committees where there are senior executives sitting in the room. The issue in those meetings is more that they are not interested in hearing the consumer view. They have their own position and are committed to that. They are not necessarily interested in hearing consumer issues even though that's the business they are in.*

*There are some staff that are inclined to listen or try to accommodate the broader view, but whether that's on an executive level I'm unclear. It can often be the ideology of an organisation that can influence that. They are just interested in money and can't let consumer issues get in the way.*

Another approach to consider is to assign fresh internal staff to guide an engagement process, particularly on an issue that has been the topic of consultation over a long period of time.

*In one consultation I participated in, a few elements of it worked really well; this included the fresh staff they had working on it. The longer someone has been working somewhere the more they start to see things as the leadership does. They are less creative and more attached to the way things are done. They assembled a broad stakeholder reference group. They endeavoured to fill gaps in representation on that particular group. The staff was open to bilateral meetings, ranging from an informal chat on the phone for a particular issue to meeting face-to-face. The consultation extended beyond the minimum.*

Other interviewees noted that it is effective to employ outside experts to conduct a consultation, particularly when the current staff lacks community engagement skills. Both communications and community development experts were identified as potential outside resources to consider.

*The key factor in positive consultation is the organisation and individual conducting the consultation. I participated in a consultation where they employed someone who was given the massive task of*

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<sup>37</sup> Organisation for Economic Co-operation and Development, Public Management Newsletter Number 21, *Citizens as Partners in Policy-Making* (September 2001).

*undertaking a cost benefit analysis. They did a very detailed draft position, came to talk to stakeholders on a couple of occasions, and committed to detailed engagement with consumer groups for at least a year. They really listened to the information being provided. It wasn't 100% perfect, but it was evident they understood consumer issues based on the final document drafted. The consultant and organisation actually heard the issues being raised. It was the best consultation I've ever been part of because they listened.*

*Have a community development approach, not a tokenistic one but get someone who knows what they are doing. It shouldn't be a marketing person.*

## Consider feedback received

Almost all interviewees stated that in order for a consultation to be meaningful and genuine, the feedback received must be genuinely relevant to and accounted for in decision-making processes. In any deliberative process, ideally a portion of responsibility for decision-making is entrusted to community participants.<sup>38</sup> Engagement processes that account for community input as part of decision-making can increase community confidence in governance.

In line with demonstrating a genuine intent to listen to community perspectives, a consistent theme from interviewees was not to consult on predetermined outcomes.

*[Your feedback] has to be taken seriously, not shelved. If decisions have been made and people are saying we need to consult, that's not good enough. It's got to be something that really does have the ability to influence decisions.*

Consumer engagement conducted merely to 'tick the box' instead of working towards a consultative goal becomes arbitrary, and consultation becomes time-consuming and unsatisfactory for stakeholders whose opinions are not being heard.<sup>39</sup> Many interviewees cautioned against a tokenistic approach to consultation, particularly with minority and vulnerable groups.

*Often with single mothers we get consulted at the very end so that people can tick the box and say that consultation has occurred and no input was taken from that. That is demoralizing and disrespectful. It ends up with poorer quality processes in general. It has to be a genuine desire to seek the input of people.*

## Acknowledge people's expertise

Almost all interviewees commented that there should be some form of acknowledgement of the expertise provided in an engagement process.

**Financial incentives** were identified by a majority as essential to engaging with individual community members, particularly from vulnerable groups. However, there were mixed views with regard to the appropriateness of financial incentives for participation. If the body conducting the

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<sup>38</sup> Doug Millin, Centre for Citizenship and Public Policy, *Deliberative Democracy in Disaster Recovery* (2011).

<sup>39</sup> Department of Immigration and Citizenship, *Stakeholder Engagement Practitioner Handbook* (2008).

consultation uses financial incentives, they should be factored into the consultation budget from the outset.

*I've been in consultations that target vulnerable people and low income and I believe it's a no brainer, you pay them. It does help people to come along [to a consultation]. The danger of no incentives is a fine line. An issue with consultation by invitation is that you only get people who feel very strongly about something coming along. Providing an incentive helps you get a more diverse group. Getting people who are not so into the issue but will give time for it.*

One respondent supported the use of financial incentives but also noted the potential for this to produce biased results.

*I think incentives are important, even if they might skew it. Looking at vulnerable groups and people, if you give them a voucher or provide a service, it goes along with it. That would be almost a must. It increases your probability of engagement as a group. It's also fair. Businesses do that when they ask people to taste or try new food products by providing vouchers. I can't see why engagement should be different. It's important to have some kind of incentive.*

Interviewees also had differing opinions as to what constitutes an incentive and whether they enable an engagement process to be meaningful and genuine. Most stated that it is important to distinguish between the various ways of acknowledging individual community members and advocates. Interviewees recommended the following incentives for community members:

- Providing financial incentives (e.g. sitting fees or covering the cost of attendance)
- Offering lunch
- Giving formal acknowledgement or recognition, orally or in writing
- Genuinely listening to people's concerns
- Providing adequate information

Some interviewees who represent vulnerable groups recommended **offering lunch** as an incentive for participation.

*Many people with disabilities have small pensions and 75% of it goes to their rent. There is a restriction of financial access. They can't even afford the train to get out there. Saying you will pay them shows them that you want them to be there and hear what they have to say. Lunch is good.*

Particularly when consulting with Aboriginal communities, offering lunch or 'a good feed'<sup>40</sup> at community events can be an effective incentive to encourage participation.

Some interviewees believed tangible incentives are unnecessary and that there are other ways to **formally acknowledge** and recognise contributions to an engagement process.

*Acknowledgement and recognition is an important incentive. It need not be just financial recognition. It could be putting their names in reports or acknowledging people in public forum associated with consultation or through media.*

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<sup>40</sup> Consumer Utilities Advocacy Centre, Reconciliation: Building Relationships between Victorian Water Businesses and Aboriginal Communities (2013).

In some circumstances, certain segments of the population are eager to **share their opinions** and regard the opportunity to do so as an incentive in itself. As mentioned above, there are some vulnerable groups that are often not included in engagement processes (e.g. people with disabilities, single mothers, and Aboriginal communities) though they may like to have a voice.

*I think the incentive is that someone will be heard. Say to a person we really need your feedback and we'll seek it in whatever way is best for you - Pay for a taxi, an interpreter or a support worker. Ultimately, I don't think monetary incentives are necessary. Many people go to forums if they think they will be heard.*

*At the end of a forum the incentive for me is that I have learned something and that the people at the front have. Nine times out of ten that happens, we can see it in their faces. If you change their way of thinking just a little, it's a positive experience all around and not a waste of time.*

Given the increasing demands on participation, a few interviewees said that being given **background information** for topic areas that will be covered by an engagement process was an incentive.

*Better information is a key incentive. More people would feel they had incentive to participate if there was better information out there. There is less incentive to participate if we don't have the information before us.*

Interviewees provided mixed opinions on what were appropriate ways to acknowledge the contributions of advocates to an engagement process. However, given the increasing demands for community engagement, a majority of interviewees indicated that there should be some form of acknowledgement for advocates' contributions.

*I get a high amount to sit on one committee and they pay for travel including cab charges. At a minimum those things should be covered. I sit on some committees where nothing is provided. They need to be making it easy. It shows they haven't understood the lack of resources including time constrains of the community sector. There needs to be value placed on the expertise being provided in these sessions. I don't know what amount is appropriate, but at a minimum, it needs to acknowledge that there is a professional level of input; we're the experts in our sector and we should be treated as such.*

Many interviewees acknowledged that it is the role of advocates to provide representation in engagement processes. Nevertheless, because community organisations often have very limited resources, financial incentives to cover the cost of participation were seen as appropriate.

*I can't drive to Melbourne for anything less than \$100; I need to fill up on petrol and stay somewhere because it's a 3.5 to 4 hour drive. I also stay with my family overnight. I wear a \$300 an hour hat for work as a consultant from home. If I drive to Melbourne I've lost money. It's not that I want that amount for participating in consultations. But because of the demands of my work, I have to weigh up if I'm able to participate.*

*A good practice would be to compensate advocates for those out-of-pocket costs. Participating in an engagement process takes us away from the other work that we do. While it's our job and we are here to represent on these issues, the expense can be massive for tiny organisations like ours and we may not be able to meet it. Ethically, the energy company or government department has an obligation and they*

*should help meet the out-of-pocket costs. In doing so, it recognises the absolutely limited resources organisations like ours have. Every day we are going above and beyond.*

Based on CUAC's extensive experience participating in many engagement processes, CUAC believes that transparency with respect to the eligibility criteria for financial incentives, and in recording who the recipients of these incentives are, is important for the purposes of accountability.

# 4 STRATEGIES FOR CONSULTING ON COMPLEX ISSUES

*The people doing the consultations must bring themselves down to the customer level so that they are one with the customers; they need to ask questions with the customers and not against the customers.*

*One of the problems with industry is the silo mentality; industry gets comfortable talking in acronyms and short cut ways. It's difficult for average consumers to understand what they are talking about. People don't feel confident when they get confronted with a lot of expert language on complex issues. It needs to be broken down and repackaged in everyday language before any meaningful consumer consultation takes place.*

A majority of interviewees acknowledged that energy and water issues can be complex. Before beginning, the body undertaking community engagement should establish the community's level of understanding. This can guide decisions about the form of engagement chosen and the presentation of information.

In developing a strategy to consult on complex issues, a body should consider how to build participants' understanding of the issues. Interviewees suggested a range of approaches, including:

- Making information more accessible
- Framing the question or issue appropriately
- Discussing issues face-to-face
- Engaging with community representatives
- Building knowledge through social learning and deliberative processes

## **Making information more accessible**

Our research found that there is a tendency for bodies undertaking community engagement to use acronyms and jargon. Many interviewees complained that this adds to the complexity of an issue. Interviewees suggested a variety of ways as to how information could be made more accessible for different groups, listed in Box 2, below. At the same time, a few interviewees cautioned that whenever information is simplified, it is essential that it not lose its accuracy and meaning.

## Box 2: Ways to make information more accessible

- Use plain English
- Use Easy English for people with disabilities
- Convert jargon into more everyday language
- Avoid acronyms and define/explain terms in more everyday language
- Apply KISS - Keeping information simple
- Use non-text based methods of information (e.g. visuals, pictorials and info-graphics) for people who lack sufficient English language skills or literacy, or who have special communication needs
- Include Braille and large font for people who are visually impaired
- Engage interpreters for non-English speaking community
- Engage Auslan interpreter for people who are hearing impaired
- Provide information in languages other than English to accommodate people from non-English speaking backgrounds
- Provide an explanatory memorandum summarising the issues simply in plain English

One interviewee suggested beginning with simple issues to build rapport with the person or community before moving on to more complex issues.

*You start with the simplest issue first and look for how to explain the complex issue in terms that are meaningful to the person. You can only move onto a complex issue when you have developed rapport with the person; when you understand how they think and communicate so you can use terms they understand.*

Some interviewees acknowledged that making information more accessible requires specialised skills and expertise. They therefore suggested that bodies undertaking community engagement involve communications experts who are skilled in breaking down and conveying information to people simply without losing its accuracy.

*A complex set of issues needs to be separated into their parts. There's a balance where you can't go into too much detail where you may lose the consumer and boil down to the key things that you want to get the consultation and feedback about. It's an art, it's not a particularly easy thing to do and it can be quite challenging. That's why I mentioned its worth getting expert communication advice.*

For electricity network issues in particular, it might be helpful to have an independent expert break down information, by preparing a table listing down the various options (with their consequences) clearly.

*In relation to the rate of return and the capital expenditure issues, I want someone whom I can trust and is independent to develop some sort of a table that outlines, 'there are a bunch of different decisions we can make in relation to this; this is what they potentially are; and these are the impacts those options will have.' Without being given the potential outcomes and impacts, it's really difficult to engage with those network issues. To have the decision-making process transparent and explained to participants is how you will get quality input in the end.*

## Framing the question or issue

Around half of the interviewees thought that appropriate framing helps people to understand complex issues. Appropriate framing relates the question or issue to matters which people have an interest in, or are directly impacted by, and in terms they can understand. The fact that nearly half

of the interviewees mentioned this suggests that issues and questions are currently not as well framed as they could be.

*Sometimes it's not necessarily their intellectual capacity but it's more that they don't want to get into the nitty gritty because it's not useful to them. People need to know what's in it for them, for example, money savings or environmental impacts. You can overcomplicate things especially with energy stuff.*

*When you're talking about community or consumer feedback, you're at some level talking about accessibility and the cost of it. No one is going to be interested in looking at the technical details.*

*You need to know what concepts will resonate in different communities and amongst different sub-groups within communities, and approach people in a culturally appropriate and accessible way.*

Closed ended questions (requiring a 'yes' or 'no' answer) are not particularly helpful. For example, questions like 'Do you want reliable and safe supply?' or 'Are you willing to pay \$X for the two new power stations?' are not as meaningful as asking, 'How does the quality of supply impact your lifestyle and your family needs?' An open-ended question invites the person to weigh how much they value the quality of supply in relation to their household needs and lifestyle. A closed-ended question, particularly when it is a complex issue, could result in right 'answerisms' (i.e. people providing a response that they think the questioner desires) or 'yes answers' from some groups of people in the community who may be embarrassed to admit they do not understand.

Proper framing of an issue helps to illuminate the trade-offs (costs and benefits) of different proposals.

*It isn't just about the power going out in an area and impacting local factories from running, but people need to understand too, that if they want supply reliability, it is actually going to cost them money as there is the network infrastructure cost.*

Framing the consultation around principles, rather than overloading people with detailed or technical information on issues that do not resonate with them, can help to simplify a complex issue.

*[The] main issue in the Victorian Water Price Review (2013-18) was whether people wanted to pay for the desalination plant quickly, or over a longer period of time. You can explain a matter simply so that people can make an informed decision. It's not about the technical details; it's the broader conceptual set of values. The technical details are how you implement the broader set of values.*

## **Discussing issues face-to-face**

In *Chapter 5: Methods of Engagement*, we described the various forms of face-to-face engagement. With respect to complex issues, a number of interviewees said that face-to-face engagement can help to de-mystify an issue because it provides an opportunity for discussion and interaction. Face-to-face discussion can be particularly appropriate when engaging with people

who do not know a lot about an issue which would have an impact on their lives. Written information, however, still needs to be provided to people in advance of this face-to-face discussion. Providing information in advance allows people to digest the information, explore and tease out the issues, and build their confidence before the actual discussion.

Face-to-face engagement was also thought to be the most appropriate way to engage with vulnerable people or people from non-English speaking backgrounds because it helps to overcome literacy barriers. In addition, it allows the body undertaking community engagement to check, through active listening, that people understand the issue.<sup>41</sup> In government or regulatory engagement processes on energy or water, it may sometimes be helpful to have separate face-to-face discussions for industry stakeholders and consumer group stakeholders. Having both groups together may make it harder to tease out ideas as people may feel constrained or intimidated.

## **Considering the need for representatives**

While simplifying and appropriately framing an issue will help facilitate community engagement on complex issues, people may still lack the know-how to adequately represent their views as consumers in policy and regulatory forums. To some extent, consumer advocates can overcome this problem by ensuring that consumer interests are represented in both policy and regulatory decision-making.

For example, consumer representatives participate in utility pricing decisions overseen by the Federal Energy Regulatory Commission in the United States and the National Energy Board in Canada (both dealing with gas pipelines), and facilitated by the Office of Public Counsel in Florida. The Office of Public Counsel is a consumer advocate created to represent consumers in utility-related matters. It participates in price setting proceedings before the Florida Public Service Commission and counties involving various utilities (including water and wastewater).

In Australia, the Consumer Advocacy Panel provides grants to eligible groups which represent the interests of households and businesses in policy and regulatory decisions relating to the National Energy Market. In July 2013, the AER's Consumer Challenge Panel, composed of members with expertise in economic regulation, energy networks and consumer representation, was set up to assist the AER ensure that the AER's decisions on network costs appropriately consider consumer interests. On 31 May 2013, SCER agreed in principle to establish a national energy consumer advocacy body, to be established by 1 July 2014. We anticipate that when the new national energy consumer advocacy body is up and running, it will provide additional expertise and resources needed to allow representatives of energy consumers to engage with these processes more effectively, giving greater strength, depth and co-ordination to the consumer voice (see *Appendix C*).

Significantly, two thirds of the interviewees thought that for complex issues, it is essential that the people participating in the consultation be informed participants. Interviewees emphasised the importance of the quality of consumer participation as opposed to the quantity of people

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<sup>41</sup> Active listening is a communication technique that requires the listener to feed back what they hear to the speaker, by re-stating or paraphrasing what they have heard in their own words, to confirm what they have heard and moreover, to confirm the understanding of both parties.

participating in the process. A few interviewees suggested that engagement with vulnerable people on complex issues may be more effectively done at the peak body or organisational level.

*There's no point in consulting people who don't have the expertise. This is where consumer organisations are so important. For complex matters, the main resourcing needs to go to them so that they are able to have ongoing discussions with the agency undertaking the consultation and to inform the agency what people in the community are seeing.*

*You should use an intermediary that is representative of the community and who understands both the 'professional' language that the agency undertaking the engagement uses, and the language used by the lay person.*

## Building knowledge over time

As noted in *Chapter 3: Meaningful and Genuine Consultation*, timing is an important factor in any engagement process. The timeline of a consultation should allow for capacity building to allow participants to tackle more complex issues.

A few interviewees noted that there is a power imbalance between the body undertaking community engagement and the people participating in it, especially in relation to complex issues.

*A big problem with engaging on energy issues is that it requires specific knowledge to be able to participate effectively, particularly in some of the more complex areas. There aren't many people that are knowledgeable in the energy area; if you pulled together the list in Australia, it's not that long.*

This highlights the need for capacity building so that consumer advocates, community representatives and the community are better equipped to participate in engagement processes.

## Social learning

One interviewee suggested that a 'social learning' approach could help people to understand complex issues. Social learning in the context of public participation has been defined in various ways. Generally, it refers to groups of people coming together to share knowledge, jointly learn, define problems, search for, and develop common perspectives, insights and values. Through a facilitated process of working together, it can generate new shared insights that lead to changes in practice. This approach has, for example, been used in climate change and food security,<sup>42</sup> and integrated water management.<sup>43</sup>

## Deliberative processes

Deliberative processes can also help people understand complex issues through knowledge building and sharing. Deliberative processes give lay people the opportunity to consider facts and perspectives, talk with each other, and evaluate opinions and options. One example of a deliberate process is a "citizens' panel". A citizens' panel engages a randomly selected group of

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<sup>42</sup> Climate Change, Agriculture and Food Security, Unlocking the Potential of Social Learning for Climate Change and Food Security: Wicked Problems and Non-Traditional Solutions (March 2013).

<sup>43</sup> SLIM Social Learning for Integrated Water Management

citizens in a structured, facilitated discussion. Experts such as academics and representatives of interest organisations are invited to present their perspectives to the group and answer questions. The citizens' panel considers and discusses the issues and develops written recommendations, which are then fed into the policy process.

Deliberative decision-making in electoral reform in Canada and the Netherlands has shown that citizens have the capacity to learn and make informed decisions concerning complex policy issues.<sup>44</sup> In Australia, deliberative processes have been used to gain community input on urban planning in a rapidly growing Perth, on the Australian Capital Territory response to climate change, and on container deposit legislation in New South Wales.<sup>45</sup> We are also aware of one Victorian water business that has used deliberative processes. This is outlined below.

*In developing their water plan for the period 2013-2018, Yarra Valley Water (YVW) undertook research and engagement to seek their customers' perspectives. This included qualitative and quantitative market research, key stakeholder briefings (e.g. various focus groups, deliberative forums, roundtable forums, and workshops) and input from their customer advisory group. A six hour deliberative forum with 39 residential customers (representative of YVW's customer base) were chosen as part of the methodology due to the wide range of topics to be considered, some of which were complex; e.g. proposed investments, tariffs, pricing paths, effect of desalination plant on prices etc. The forum was chaired by a consultant and YVW senior staff executives presented the draft water plan and answered questions. Participants were divided into five tables where a moderator facilitated discussions. Participants used handheld audience response devices to provide feedback to quantitative questions. The materials that were used at this deliberative forum had been tested in an earlier focus group session to allow time for material to be refined. Throughout the entire water review, YVW provided an online portal for customers to access information and provide feedback on proposals.<sup>46</sup>*

## **Developing an overarching strategy for consulting on complex issues**

When engaging on complex issues, bodies need to develop an overall engagement strategy early in the decision-making process. There is no one-size-fits-all approach to engaging with the community on complex energy and water issues, so bodies should use a variety of engagement methods to capture both qualitative and quantitative data from as representative a group of people as possible. In engaging with communities and advocates, there is a place for a range of methods, including focus groups, deliberative forums, workshops, bilateral or group consultation, customer consultative committees and their sub-groups and surveys. There should be opportunities for face-to-face meetings in a variety of locations, including rural and regional areas. In engagement processes with long timeframes, deliberative processes are an ideal way of facilitating community input on complex issues.

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<sup>44</sup> Janine Hayward, *Citizens' Assemblies and Policy Reform in New Zealand*, 9(2) Policy Quarterly (May 2013), at 74.

<sup>45</sup> See Doug Millen, *Deliberative Democracy in Disaster Recovery: Reframing Community Engagement for Sustainable Outcomes*, Centre for Citizenship and Public Policy, University of Western Sydney (November 2011).

<sup>46</sup> Yarra Valley Water, *Water Plan 2013/14 to 2017/18* (October 2012), at 13-15.

For example, in South Australia, SAPower Network which is developing their proposal to the AER, for the 2016-2020 regulatory period, has designed a consultation program to seek input from the community and stakeholders. To date, stage one consumer and stakeholder workshops have been held in Adelaide and four regional areas and an online consumer survey undertaken. Stage two, was scheduled for October 2013, was intended to discuss in greater detail issues raised in stage one.<sup>47</sup>

Victorian distribution businesses have also started developing their consumer engagement strategies. Some businesses have also reviewed their customer consultative committees (CCCs), including their memberships and charters, with the aim of enhancing the effectiveness of the CCC. CUAC is aware of one business which has proposed to set up subgroups on key topics.

Attention needs to be given to groups which are underrepresented in engagement processes.<sup>48</sup> It is very likely that the engagement approach needs to be specifically tailored for such groups. Businesses might appoint people with social research expertise to facilitate engagement. Throughout the engagement process, businesses need to keep key stakeholders regularly updated about upcoming consultations, their findings and priorities. For example, the Victorian distribution businesses, Citipower and Powercor, have recently launched a dedicated stakeholder engagement website which will be a key channel for keeping their customers updated, informed and aware of opportunities to participate in their engagement activities as the businesses develop their 2016-2020 business plans and regulatory proposals.<sup>49</sup>

The subject matter of the engagement also determines the method of engagement. Where it involves the construction of an asset, such as building a significant substation in the middle of a residential area, there is no substitute to a face-to-face discussion with the people directly impacted by the proposal. Such discussions need to be handled with sensitivity and diplomacy, especially as there is likely to be a great deal of opposition from the community. The staff undertaking engagement in such contexts need to have excellent communication skills and subject matter knowledge, as well as the ability to empathise with the community. Working with local councils and community groups may be helpful. It is also important to approach the community in a culturally appropriate manner.

## Engaging on a complex issue – case study

We asked interviewees to share their experiences with engagement processes they have participated in. Two Australian Energy Market Operator (AEMO)<sup>50</sup> consultations were identified as examples of effective engagement on complex topics.

*There're not many consumers who are involved in the Australian Energy Market Operator's (AEMO) processes which can be dry, highly technical and complex. While AEMO doesn't have much experience with consumer advocates, there're some good things about how they undertake their*

<sup>47</sup> <http://talkingpower.com.au/consultation-approach/>

<sup>48</sup> See sections on overcoming barriers to accessibility and reaching underrepresented groups in *Chapter 3: Meaningful & Genuine Consultation*.

<sup>49</sup> <http://talkingelectricity.com.au/>

<sup>50</sup> The Australian Energy Market Operator's (AEMO) functions include implementing, administering and operating the wholesale exchange and managing the security of power system.

consultations. They seem to be prioritising getting consumer input into their consultation processes.

We got involved in an AEMO consultation on the regulatory investment test (RIT) for transmission in Victoria so as to better understand the issues and challenges on how RIT works. In our response to a RIT for Western Victoria, we had recommended that the local network service provider look at demand management options so as to defer network augmentation and save money for consumers. As we didn't get support from the network service provider, we found it challenging to follow through with this. We also had several conflicting priorities. AEMO, however, went to great lengths to facilitate our participation in their consultation process. AEMO allowed us to provide one targeted response; they undertook additional analysis work to understand the cost implications of different demand management scenarios. In addition, AEMO extended deadlines for our submissions. This is a good example of how AEMO enabled us fill the gap in getting the consumer perspective; that would otherwise have been left out in the consultation.

Another good example is where AEMO consulted on a system re-start ancillary service (SRAS). Every year generators are paid a certain amount of money (cost is passed through to consumers) in anticipation that should an event occur such that the entire state goes offline, the generators will switch on at a certain time. Generators are paid this sum of money regardless of whether they are switched on to meet the needs arising from such an event. The value of this is questionable and the effectiveness unknown until an event occurs. AEMO presented a forum on this which discussed the national electricity objective.<sup>51</sup> AEMO received a lot of responses from the generators, and very little consumer participation and feedback though they had requested it. Nevertheless, AEMO did not change their recommendations on the basis of how many stakeholders there were. AEMO's recommendation reflected the materiality of issues rather than the number of submissions received. Too often we see comments in reports or decisions stating that 'not many stakeholders thought this was an issue,' or 'a majority of stakeholders said...' It is important to bear in mind that industry, unlike consumer organisations, is much more adequately resourced to put in multiple submissions to a particular issue.<sup>51</sup>

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<sup>51</sup> Australian Energy Market Operator (AEMO), System Re-start Ancillary Services, available at <http://www.aemo.com.au/Electricity/Market-Operations/Ancillary-Services/Process-Documentation/System-Restart-Ancillary-Services-SRAS>

# 5 METHODS OF ENGAGEMENT

*The most important thing is that there is no one method that is the best. Often a good consultation uses a variety of methods.*

*Everyone has preferences. You get different data from different consultation methods as well. Broad surveys aren't as descriptive, where you have groups of people you get that richness from people 'feeding off each other.'*

During our interviews, we asked interviewees what they thought about some common methods of engagement and whether one form is more or less effective than other forms. We covered the following:

- Direct engagement such as focus groups, working groups, customer consultative committees (CCCs) and public forums
- Web-based forms such as webinars, social media and emails
- Telephone
- Mail-outs

## Perspectives on various methods of engagement

Interviewees argued that effective community engagement processes employ multiple methods. Most interviewees agreed that each of the methods listed could be effective or ineffective depending on the context, including the purpose of the consultation, the topic of discussion, the data required (quantitative and/or qualitative), and the community targeted. Each engagement method has strengths and weaknesses that are appealing to different groups. A mixture of engagement methods reduces the likelihood that some groups are excluded from the consultation.

### Direct engagement

Direct engagement with communities can include working groups, focus groups, CCC meetings, public forums, and one-on-one discussions. Some interviewees thought that there is no substitute for direct engagement, although they recognised that its effectiveness depends on the presence of a good moderator or facilitator to chair and guide the discussion. As mentioned earlier, face-to-face engagement is particularly useful for complex issues.<sup>52</sup>

**Public forums** have a place in community engagement, though they were seen as a vehicle for information provision rather than actual consultation. Some interviewees commented that direct engagement, such as face-to-face contact, would be an appropriate and meaningful way to engage with people living in rural and regional areas, older people, and those who are vulnerable or who have language and literacy difficulties.

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<sup>52</sup> See section on face-to-face engagement in *Chapter 4: Strategies for Consulting on Complex Issues*.

*Face-to-face is critical in rural/regional areas. People feel things are genuine; the conversation can be a little less structured on various issues that might not be addressed through emails.*

*The people in the country are more likely to come to a town meeting. Because they do that for everything and because it's the only way they've been communicating for so long. You put up a notice in a milk bar and you get 30 people turning up.*

*Someone with an intellectual disability might not read or write and need to speak face-to-face.*

*For many people, they may not have a written language or they may not have good literacy in their own language, so the face-to-face meetings are incredibly important.*

*Older people may wish to go to people face-to-face ....If they gear everything towards social media they are removing a lot of people.*

A few interviewees thought that **working groups** or **focus groups** were useful for collecting qualitative data from participants, provided that participants are representative of the wider community and that information is presented in an unbiased manner. In other words, focus group questions and explanations should not be leading. Focus groups, however, may not work well in rural and regional communities.

*The culture is different in the country; the community works differently and everybody knows everybody. If I have an opinion on something, everyone knows who I am. An open focus group doesn't work there. There's no anonymity in the country whereas in Melbourne there is.*

## **Mail-outs**

Older people may prefer hard copy letters to social media or email. On the other hand, some older people may ignore hard copy letters, especially if they are addressed to the 'occupant' or 'householder.'

*You've got to try different strategies for different people. Some people assume mail-outs are marketing and throw it out.*

## **Telecommunications: web-based & telephone**

A few interviewees suggested that web-based forms of engagement, including social media, tend to work well for young people.

However, for low income and vulnerable people, cost is a significant barrier to participation in telecommunications-based engagement. A recent report by Anglicare Victoria and the Australian Communications and Consumer Action Network examined telecommunications access and affordability among people experiencing financial hardship, and found that telecommunications are

not universally accessible. Of the 325 people that were surveyed from 25 Victorian relief and financial counselling services, 49.2 per cent did not have home internet and 56.1 per cent did not have mobile internet. Particularly in non-metropolitan areas, many of those who did have internet access relied on a dial-up connection. In addition, 38.2 per cent did not have a home phone (though people preferred mobile). Two thirds (66 per cent) of mobile phone users had difficulty paying their account; 61.7 per cent of clients with a pre-paid account ran out of credit sooner than expected.<sup>53</sup>

Telecommunications access is also an issue for people in rural and regional areas.

*In country Victoria, there're a large number of people with slow or limited internet. It can take up to 20 minutes to download one page of a PDF or access an extra link to a webpage. The web is great if you have good internet speed. I live 8 km out of a huge city area with 12,500 people; the text message and mobile phone reception are terrible; there is a 'black hole.' A text message can take three days to arrive to me. So texting someone to warn them to get out because of an impending bushfire, for example, wouldn't work.*

*Until the broadband is rolled out, anything that requires IT in rural Victoria is a waste of time. On one occasion, I tried to use a Skype hook-up and the cows kept knocking over the other person's satellite. Country people don't have smart phones because phone companies charge ridiculous rates for data in rural Victoria. Engaging through Facebook, Twitter and Google plus will exclude them.*

With regard to telephone as a means of engagement, the caller needs to be well-trained and have a finely-honed message. The must also be able to establish credibility very quickly and to speak clearly.

## **Surveys**

While focus groups and working groups provide qualitative data, surveys are commonly used to obtain quantitative data. Surveys can be administered online, by phone, or via a hard copy mail-out. The same considerations mentioned above regarding those methods of engagement apply to surveys. Where surveys are used, it is important to frame the questions in a non-leading and unbiased manner. Writing a survey requires specialised skills. Bodies undertaking engagement should consider outsourcing their surveys to people with social research skills who have the expertise to draft good surveys, and to obtain a representative sample of survey participants.

## **Community events**

Attending local events can be an effective way of reaching the wider community. In CUAC's experience, this is an invaluable way of reaching a broader section of the local Aboriginal community members. Earlier in the report, we mentioned CUAC's involvement in the National Aborigines Islander Observance Committee (NAIDOC) week.<sup>54</sup> CUAC designed and developed a brochure and set of appliance magnets that provided energy and money saving tips tailored to the

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<sup>53</sup> Sarah Wise, Anglicare Victoria and the Australian Communications Consumer Action Network, *Trying to Connect: Telecommunications Access and Affordability among People experiencing Financial Hardship* (September 2013).

<sup>54</sup> See section on overcoming barriers to accessibility in *Chapter 3: Meaningful & Genuine Consultation*.

Victorian Aboriginal communities. We distributed the brochure and magnets at the Whole of Government event at the Fitzroy Town Hall for NAIDOC week.

Participating in a 'Bring Your Bills day'(BYBD) is another good way for businesses to reach out to the communities and build relationships. On a BYBD customers who need help with their energy and/or water bills or who have queries on energy and/or water issues, 'bring their bills' to a local venue such as a community legal centre. The energy and water retailers participating in the BYBD assist customers with their queries including helping customers with their bills. Businesses should consider participation in these events as part of an ongoing community engagement strategy.

The rollout of smart meters in Victoria and the development of online smart meter portals by some distribution businesses have also seen distribution businesses taking a much more active role in community engagement. For example, one distribution business organises training for people (e.g. in neighbourhood houses or men's sheds) who are keen to learn how to use their online portal to monitor their electricity usage. CUAC sees these initiatives as positive ways to build relationship with the wider community.

## **A closer look at customer consultative committees**

Most government departments, regulatory bodies and businesses have customer consultative committees (CCCs). CCCs provide an ongoing forum where a range of consumer issues can be discussed by the body and a select group of community or consumer representatives, often people with expert knowledge about energy and/or water or general consumer issues. Given the expertise of CCC members, CCCs provide a platform for the discussion of more complex and strategic issues, as well as allowing for longer-term monitoring of issues.

As CCCs can be set up for a range of purposes, it is important that the body establishing the CCC is clear about what the CCC's objectives or purpose are, and that it communicates this purpose to members. CCCs should not be set up merely as a means for a body to keep members informed about what it is doing, or to give validation to the body. The body needs to be interested in the views of the CCC members and to allow their members to raise issues for discussion.

Interviewees highlighted the specific value of CCCs as an engagement method.

*The CCC could give guidance on how the business or agency could consult more broadly. There are some issues that work really well with the CCC because the members are able to understand more complex issues. But you need to understand that the CCC is more limited in its representation.*

*One-off consultation processes are not the most meaningful. The beauty of CCCs is that they run over many years and you can track ongoing change as issues evolve, and the CCC can provide regular input.*

While CCCs provide valuable advice and input, interviewees emphasised that they are only one of many forms of engagement that should be used.

*I sit on CCCs which are great to give people an idea of what to consult about but it's not THE consultation. They think 'we had six of you in a room, we have consulted.' That's not genuine, deep enough nor broad enough consultation. The CCCs are great to alert the business to issues, but they are not consultation in and of itself.*

*It's dangerous because people think it's the sum total of consultation when it's just a part of it. Ultimately, it comes back to this; that no matter how valuable the CCC is, it's not the only activity you need to do.*

## **Who should sit in a CCC?**

The makeup of CCCs varies; some have included mainly individual consumers and others a mixture of organisations representing small and large customers. Surprisingly, more than two thirds of the interviewees spoke about the importance of getting the right representatives in a CCC. Representatives should be people who are proactive, informed, involved, willing and able to participate, to ask questions and to challenge business, policy or regulatory decisions.

*If you have dead wood, get rid of them and cull it. You are better off having half a dozen well informed people. You'll want 'gate-openers,' people who want to improve and better the consultation process, to allow things to move forward. You wouldn't want to have 'gatekeepers,' people who keep the gate shut and don't allow things to move forward. They would keep consultation stonewalled.*

*You have to be careful about the membership and make sure it's not a group saying yes to everything. The CCC should provide resistance; criticism and openly challenge the agency or business, rather than rubber stamp their decisions.*

The mix of representatives on a CCC was also identified as important.

*The CCCs in the financial services tend to comprise about six different consumer representatives that come from other peak bodies or specialist groups. It is a benefit where you have different interest groups combined with specialists from policy groups and people representing consumers. You get a broader way of thinking. The thinking could be too narrow if you don't branch out; and of course, you have to make sure you get the right people.*

*The business CCC that I sat on had individual consumers and me (consumer advocate). I ended up withdrawing from that CCC because I found it incredibly difficult to find any value. The information presented at the CCC was very basic; the issues raised and discussed by the other CCC members were non-strategic and this significantly diverted the objective of having the CCC. Despite my attempts to ask for items to be placed on the CCC agenda, I never got anywhere with my feedback as that business' representatives on the CCC were from the customer service department rather than the strategic arm of the business. That business had not given adequate consideration to the value and purpose of their CCC.*

It was also suggested that CCCs need to have the support of senior management and the CEO, as this demonstrates that the CCC is considered to be an integral part of that body's engagement

process. Key decision-makers should not only be present at CCC meetings; they must also be willing to listen to feedback and to incorporate that feedback into their decisions and operations.

*I sit or have sat on CCCs where there are senior executives of the business represented in the CCC meetings. The representatives, however, are not interested in hearing the consumer view. They have their own position and are committed to that. It makes me question the value of participating in some of those meetings. One CCC that I've sat on for a number of years has circular conversations; although systemic issues are discussed on a regular basis in the CCC, the feedback from the CCC doesn't appear to get incorporated back into their business; It appears that this CCC is not executive enough. Another business hasn't quite figured out how to implement the strategic goals raised and discussed in their CCC on the ground level.*

### **How representative is a CCC?**

The representation of a CCC was also a key concern for interviewees, who suggested that CCC membership should be diverse and representative of the community. As consumer perspectives are not uniform, a CCC needs a diversity of voices. A few interviewees, however, cautioned about the risk of CCC 'capture.' For example, a whole CCC might be captured if there is a particularly dominant member in the group. This is something which bodies with CCCs need to be aware of.

*There's always that question we grapple with ourselves as advocates of how much do we, truly represent the group we are meant to. Extrapolating from that; 'Can you be sure that you're not known to be the gatekeeper?' In setting up CCCs, you need to be careful about what or who you are trying to capture. You get into these patterns. Then you start developing a culture where people see the issue in the same way. There is a need to be thoughtful and vigilant about this. If distribution companies are setting up CCCs, this is something they need to pay attention to.*

One interviewee expressed disappointment that their organisation, which is consumer-funded, had been excluded from a reference group because the body deemed their connection to consumers to be insufficient. The interviewee commented that an obscure, ill-defined approach to 'who a consumer is and who isn't' can see a sizeable section of the community excluded from CCC representation.

# 6 EVALUATION

*Evaluation is always necessary; you need to be able to learn from the way a consultation is conducted.*

Evaluation, while important, should be proportionate to the size of the engagement process. An evaluation must also be meaningful and genuine.<sup>55</sup> Many interviewees agreed that evaluation of participants' experience of the engagement is valuable. Evaluation:

- helps bodies undertaking community engagement ascertain the effectiveness of their engagement and whether their desired outcomes were achieved;
- identifies what worked and what did not work in a community engagement strategy, thus alerting bodies to areas for improvement; and
- enables bodies undertaking community engagement to identify any key areas of concern which the community may have with regard to the subject matter of the engagement or the way in which the engagement had been undertaken.

When evaluating a community engagement process, interviewees said that bodies should consider:

- Linking evaluation with the objectives of the community engagement
- Using independent evaluation experts
- Evaluating regularly at every level of the engagement process
- Evaluating across a broad range of processes
- Asking the right evaluation questions
- Using different methods of evaluation

## Link evaluation with objectives

More than half of the interviewees said that any evaluation has to be connected with the objectives, goals or purposes of the body undertaking community engagement. This was also a theme in the literature that we reviewed.<sup>56</sup> The objectives need to be clearly articulated in the evaluation plan, which should be developed in conjunction with the community engagement plan.<sup>57</sup> Planning for an evaluation early on ensures that the correct data is collected at the appropriate stages of an engagement process. Interviewees also said that both the engagement process and its outcomes need to be evaluated.

*Right at the outset of a project, I'd like to see it as compulsory to work out what your objectives are with the key players involved in running the project, and to develop your evaluation plan so you actually have everyone on the same page and have formulated and linked your key evaluation questions with what you are trying to achieve.*

<sup>55</sup> See Chapter 3: *Meaningful & Genuine Consultation*.

<sup>56</sup> See Department of Sustainability and Environment, Book 2 The Engagement Planning Workbook (September 2005), at 37.

<sup>57</sup>Ibid 6.

## Who evaluates?

Evaluation requires a special skill set. Some interviewees suggested using independent experts, or people with communications skills to conduct the evaluation. Interviewees felt that the benefits of an expert would outweigh the costs.

*Bring in evaluation experts; people with communication skills. They ask you all the hard questions, like – ‘What do you want to get out of this? What difference will it make? What do you want to achieve?’ So they actually force you to really pinpoint specifically what your immediate outputs as well as the changes that you want to make are.*

*I understand an independent evaluator may be more expensive. But I could say things to an independent evaluator which I couldn't necessarily say to the agency or business who undertook the consultation as I may need to keep a strong relationship with the agency or business.*

## When should evaluation occur?

Interviewees said that evaluation should be undertaken at regular intervals and at every level of an engagement process so that improvements can be made along the way.

*It should be at every level of the consultative process. You have to think where we're at and what we have learned. If you have people at a forum or focus group, you can ask them to fill in an evaluation sheet. You can evaluate CCCs and working groups towards the end of the year. The most important thing is to ask the questions.*

## Evaluate across processes

It is not uncommon today for bodies to engage with the community on a diverse range of topics, with the result that they are running a few processes simultaneously or consecutively. For example, the AER is consulting on seven guidelines as part of its Better Regulation Program. The question then arises as to whether each process should be evaluated as a stand-alone or whether it is more appropriate to evaluate across a range of processes. This is relevant because each approach would likely produce different results. One interviewee recommended evaluating across a range of processes.

*Evaluation might be more meaningful if it's done across a range of processes rather than being on a process-by-process basis. That might mean a body evaluating, externally, at the end of every year how well all their consultations or reviews were run. You should ask questions that tease out whether all the stakeholders felt there had been enough effort to engage across the board and participate in many reviews, not just one. I don't think evaluating the detail is the right way. It's too easy to get lost in it, and it is also dependent on the quality of an issues paper produced for a specific consultation or review. Evaluation should be at a high level that is organisation-wide and encompass all engagement and consultation activities. Evaluation also needs to be done regularly and at frequent intervals so as to track improvements and failures, and whether or not stakeholders are satisfied with the engagement approach. Further, this will better demonstrate whether the body has a culture of engagement and consultation or not.*

## Ask the right questions

For evaluation to be meaningful, the right questions, framed in language that participants understand and can relate to, need to be asked. Questions might include:

- Did you feel that this issue was important enough to provide a response?
- Was the consultation well organised?
- Were you given enough information beforehand to prepare for this consultation?
- Were you given adequate advance notice about this consultation?
- Was the information presented in a way that you could understand?
- Did you feel that you were led or influenced to adopt or endorse a particular view?
- Did you gain more knowledge about the issue through this consultation?
- Did the structure of the working group, forum, focus group, meeting etc. work well for you?
- Did you get what you expected from the consultation?
- Was the presentation clear and understandable?
- How accessible was the venue?
- Did you feel heard?
- Did you feel that the right people were participating in the consultation?
- Were you given feedback about your input into decision-making?
- What could have been done better?

## Use various methods of evaluation

In the same way that different methods of engagement appeal to different people<sup>58</sup> interviewees also felt that different evaluation methods appeal to different people and as such there is no one correct evaluation method. There are advantages and disadvantages for each method of evaluation; thus, the need to have a few different approaches to evaluation to capture feedback from as wide a demographic as possible.

While evaluation forms are a popular method, a few interviewees questioned their usefulness.

*The problem with evaluation surveys is that people wait until the end during the time when people want to get out of the room quickly. Also, the fact that people 'go straight down the middle' means they hardly ever read the questions and its nonsensical and not useful. 'No comment,' 'tick, tick, tick.' I do think they are a waste of time.*

*I hate the 'tick in a box' evaluation. I prefer the evaluations that ask general questions like, 'What did you like or dislike about a forum?' 'Could we have done anything better?' A 'tick in a box' has its place for those who find it difficult to write. But I think filling in a sheet at the end of a forum isn't the best way to get people to provide feedback. Usually after a forum, I am so tired and find it hard to fill in a form. I would like 5-10 minutes at the end for people to voice their evaluation.*

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<sup>58</sup> See Chapter 4: Methods of Engagement.

Interviewees also identified pros and cons to evaluating a meeting some time after it has occurred. While this gives people time to reflect upon their experience with the engagement process, there may be a risk of people not participating in the evaluation because it is no longer front-of-mind.

*Further down the track there may be opportunities to evaluate. But if you receive an evaluation email later, that may be ignored; or if you get a phone call you might not be able to be frank about the evaluation.*

A few interviewees said that verbal or pictorial evaluation opportunities were essential where language or literacy is an issue.

*For a lot of people who can't write, they should be offered the opportunity to have a chat with someone.*

*The form had a thermometer where people could mark their level of satisfaction with the forum rather than writing something. Where language is an issue, consider using non-text methods of evaluations.*

## **Recognise the limits to evaluation**

Regardless of the methods of evaluation used, a few interviewees noted that it may be difficult to obtain valid feedback because some people are reluctant to give negative feedback. Some refugees or migrants, for instance, may be uncomfortable with the idea of evaluation.

*Depending on your relationship with the group, you may not really get an idea of how well you've done. You run the risk of the 'right answerism;' people tend to be nice on those things as well. You accentuate the positive, unless it is outwardly awful and offensive.*

*With evaluation, you need to be cautious, especially when you're dealing with vulnerable people including culturally and linguistically diverse people and Aboriginal and Torres Strait Islander people, who are not used to doing this kind of thing. It's a big thing to do.*

*With some cultures- they will be afraid of what they think is authority and it may be difficult to get their opinions in an evaluation. People might be afraid of being hauled off in the middle of the night. It would be valuable to use community agencies or reference groups to help evaluate what the community's experience of the engagement process was.*

# 7 CONCLUSION

CUAC supports initiatives to promote the long-term interests of consumers by engaging them in policy and regulatory processes. The success of these initiatives in securing better consumer outcomes depends on, among other things, the way an engagement is undertaken. Our discussions with interviewees highlighted some gaps in the way in which community and consumer engagement is currently conducted. Interviewees described being involved in too many processes which were not meaningful and genuine and felt like 'tick the box' exercises. There are also groups in the community who want to be heard, but who, for a variety of reasons, are underrepresented in engagement processes.

There are an increasing number of consumer engagement processes that have been reviewed or are currently under review nationally. These various initiatives have attempted to strengthen the involvement of consumers to engage on issues of varying complexity. The emerging literature on consumer engagement provides an opportunity for bodies conducting engagement to reflect on their current processes and consider how they might be improved and to 'get it right.' The interviewees for this project shared a number of ideas on how to design a consumer engagement process that is both meaningful and genuine. Based on the response received during the course of this research it is clear that current processes have missed the mark in maximizing engagement with communities in a way that is mutually beneficial.

A revealing feature of meaningful and genuine engagement identified by participants included making an honest effort to connect with a community and account for any barriers to providing input. It also requires an understanding of how to unpack complex issues in a way that resonates with diverse communities. The stories of disability groups, single mothers, Aboriginal communities and rural and regional communities in particular, highlight the urgent need for change. It is clear that the current barriers to the participation in engagement processes for these underrepresented groups must be improved so that their voices can be heard.

# APPENDIX A: RESOURCES

Useful Guides on Community Engagement Identified by CUAC include:

## *National*

Department of Sustainability and Environment, Effective Engagement: Building relationships with community and other stakeholders; Book 1 An Introduction to Engagement; Book 2 The Engagement Planning Workbook; Book 3 The Engagement Toolkit (September 2005); available at: <http://www.dse.vic.gov.au/effective-engagement>

The Australian Energy Regulator (AER) published a Consumer Engagement Guideline for Network Service Providers and an accompanying explanatory statement. This resource is available at: <http://www.aer.gov.au/node/18894>

The AER published a Stakeholder Engagement Framework (31 October 2013). The framework sets out the principles that will guide the AER's public engagement with consumers, energy businesses and other stakeholders affected by their activities. This resource is available at: <http://www.aer.gov.au/sites/default/files/AER%20Stakeholder%20Engagement%20Framework%201.pdf>

The Australian Energy Market Commission published a supplementary report to inform and empower small customers in New South Wales energy markets. This resource is available at: <http://www.aemc.gov.au/market-reviews/completed/nsw-retail-competition-review.html>

## *International*

International Association for Public Participation (IAP2) - An international member association which seeks to promote and improve the practice of public participation or community engagement, incorporating individuals, governments, institutions and other entities that affect the public interest throughout the world.

Website: <http://www.iap2.org.au/>

IAP2 core values, code of ethics and public participation spectrum are available at: <http://www.iap2.org.au/documents/item/83>

Consumers International produced a set of internationally accepted consumer responsibilities and rights. This resource is available at: <http://www.consumersinternational.org>

## Additional Resources

*For information on Reconciliation Action Plans with Aboriginal and Torres Strait Islander communities contact:*

Reconciliation Australia

Email: [enquiries@reconciliation.org.au](mailto:enquiries@reconciliation.org.au)

Phone: (02) 6273 9200

Website: <http://www.reconciliation.org.au/home/reconciliation-action-plans>

*For information on the National Aboriginies and Islanders Day Observance Committee (NAIDOC) visit. <http://www.naidoc.org.au/>*

*For cultural resources on Aboriginal history visit the Share Our Pride website: <http://www.shareourpride.org.au>*

*To connect with Aboriginal community organisations in Victoria visit:*

Reconciliation Victoria<sup>59</sup>

Email: [info@reconciliationvic.org.au](mailto:info@reconciliationvic.org.au)

Phone: 03 9629 7213

Website: <http://www.reconciliationvic.org.au/>

*To view resources designed to target diverse communities visit the Energy Info Hub:*

The Energy Information Hub (EIF) is an initiative by the Department of State Development Business and Innovation (DSDBI) and CUAC, to educate and empower groups that may not be reached by mainstream information campaigns.

Website: <http://www.energyinfohub.org.au/>

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<sup>59</sup> Reconciliation Victoria is the peak body for reconciliation in Victoria.

# APPENDIX B: INTERVIEWEES

Project interviewees were:

1. Rita Battaglin, Pathway and Support Services Manager, Springvale Community Aid and Advice Bureau
2. Brent Collett, Water & Policy Advisor, Victorian Farmers Federation
3. Tanya Corrie, Social Policy Researcher, Good Shepherd Youth and Family
4. Neville Daynes, Member Services Officer, Victorian State Office, National Seniors Australia
5. Michelle de Hommel, Disability Advocate
6. Ro Evans, Policy and Research Officer, Energy and Climate Change Australian Council of Social Service (ACOSS)
7. Sue Fraser, Senior Manager, Enterprise Partnerships, Kildonan UnitingCare
8. Peter Gartlan, Executive Officer, Financial and Consumer Rights Council
9. Fiona Guthrie, Executive Director, Financial Counselling Australia
10. Randal Harkin, Member, Victoria Policy Council, Council on the Ageing
11. Colleen Hatland MP, Western Metropolitan Region
12. Ian Jaratt, Vice President, Queensland Consumer Association
13. Victoria Johnson, Research & Policy Manager, Equity in response to climate change, Brotherhood of St Laurence
14. Una Lawrence, Director of Policy and Campaigns, Australian Communications Consumer Action Network
15. Katrina Lee, Strategic Policy Advisor, Choice
16. Dean Lombard, Senior Policy Advisor, Victorian Council of Social Service
17. Christine May, Rural Customer Representative
18. Craig Memery, Energy Policy Advocate, Alternative Technology Association
19. John Mumford, Financial Counsellor, Bass Coast Regional Health
20. Minh Nguyen, Sector Development Officer, Community Information and Support Victoria
21. Mark O'Brien, Chief Executive Officer, Tenants Union Victoria
22. Janine Rayner, Senior Policy Officer – Energy, Consumer Action Law Centre
23. Rose Reed, Project Manager, Northern Alliance for Greenhouse Action
24. Jane Stanley, Executive Officer, Council of Single Mothers and their Children
25. Sophie Segal, Advocate, Just Advocacy
26. Mrs. Shaunagh Stevens, Disability Advocate
27. Susan Timmins, Policy Officer, Ethnic Communities Council of Victoria
28. Marie Vassallo, Social Issues Chairman, Country Women's Association of Victoria

# APPENDIX C: RECENT DEVELOPMENTS

## Energy

### National

Across Australia, there has been greater recognition given to the importance of involving consumers in energy and water issues. On 7 December 2012, the **Council of Australian Governments** (COAG) endorsed the **Standing Council on Energy and Resources'** (SCER's) energy market reform package 'Putting Consumers First.' The package of reforms aims to restore the focus of the electricity market on serving the long-term interests of consumers and is built around four key themes: (1) strengthening regulation; (2) empowering consumers; (3) enhancing competition and innovations; and (4) ensuring balanced network investment. These themes build on reform processes that are already underway, or have arisen as part of an independent rule change process, or through a SCER initiated review. In their report, SCER acknowledged that:

*Restoring the focus to put consumers back at the forefront of the electricity system, and incorporating well-informed consumer views into all major decisions, will be critical to delivering an electricity supply that best meets the needs of consumers.<sup>60</sup>*

SCER has developed an implementation plan for the recommendations contained in the package. Various national initiatives have since been developed to strengthen the involvement of consumers in policy and regulatory processes.

The **Australian Energy Market Commission** (AEMC) is the national independent rule maker and developer of the Australian energy markets. One of the three strategic priorities which the AEMC has proposed as part of their review of their strategic priorities for the energy sector, following stakeholder consultations in August 2012, is the "Consumer Priority."<sup>61</sup> The proposed priority recognises the importance of a stronger role for consumers in energy markets and regulatory processes and the role of competitive retail markets in safeguarding the long-term interests of consumers. Many consumer advocates were heavily involved in the AEMC's consultations on the Power of Choice Review. The final report was released in November 2012 after 18 months of investigation and consultation with stakeholders. The thrust of the AEMC's package of recommendations was to support consumers to actively participate in the energy market. The package offers a range of options to help consumers manage their electricity usage and in turn, reduce their bills. The AEMC also suggested a greater role for consumers and retailers to review pricing options set by distribution businesses.

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<sup>60</sup> Standing Council on Energy and Resources (SCER), Putting Consumers First (December 2012), at 6.

<sup>61</sup> Australian Energy Market Commission, Market Reviews: Strategic Priorities for Energy Market Development 2013.

Following this, in September 2013, SCER submitted a rule change request to the **AEMC** to encourage a more efficient network price structure. The proposed rule better links costs to peak demand use, so that consumers are paying prices that reflect the impact of their consumption decisions on network costs. Significantly, the proposed rule aims to provide for consultation between distribution businesses and their customers in developing a pricing structure policy to accompany the distribution business' regulatory proposals. On 31 October 2013, the AEMC released their 'Consumer Engagement Blueprint' which is designed to inform and empower consumers to choose an energy offer which is appropriate to their needs. The Blueprint suggests possible strategies to overcome barriers to more informed participation in New South Wales and other retail energy markets, as well as to address the needs of certain groups in the community.<sup>62</sup>

In December 2012, the **Australian Energy Regulator (AER)**, Australia's independent national energy market regulator, initiated the Better Regulation Program.<sup>63</sup> The 21 member Consumer Reference Group (CRG), which includes CUAC, was established to facilitate consumer input into the development of seven new AER guidelines. The AER also has a Customer Consultative Group (CCG) which provides advice to the AER in relation to their functions under the energy laws affecting energy consumers across participating jurisdictions.<sup>64</sup> The CCG and CRG are separate forums. The seven Better Regulation Program guidelines outline the AER's revised approach to determining electricity network revenues and prices. The AER's approach to engagement focuses on engagement, inquiry, questioning and understanding, with the onus on the AER to understand consumer perspectives and reflect them in their regulatory decisions.<sup>65</sup> The complex nature of the energy market can make it difficult for people to engage effectively in regulatory and policy processes. The Consumer Challenge Panel was established in July 2013 to strengthen consumer input into network spending. The panel will scrutinise network spending and advise the AER on whether the proposed network expenditure appropriately considers consumer interests. The panel members have expertise ranging from economic regulation, energy networks and consumer representation.

In November 2013, the **AER** released a consumer engagement guideline. It provides a framework for electricity and gas network service providers to better engage with their consumers, so that their business proposals reflect the long-term interests of their consumers. The guideline places the onus on businesses to develop consumer engagement strategies. The AER will consider the engagement undertaken by businesses when determining network revenues and prices. Businesses will need to demonstrate that they have listened to consumers and that this is reflected in their proposals.

On 31 May 2013, SCER agreed in principle to establish a **national energy consumer advocacy body**, nominally called the Australian Energy Consumers Organisation (AECO), to be established by 1 July 2014. This important part of the COAG led energy market reform is meant to increase the consumer voice in national energy market matters which materially affect energy consumers, in particular residential and small business consumers. In September 2013, consumer organisations

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<sup>62</sup> Australian Energy Market Commission (AEMC) Announcement (31 October 2013) and associated reports, available at <http://www.aemc.gov.au/news/announcements/nsw-consumers-missing-out-on-energy-bill-savings.html>

<sup>63</sup> Australian Energy Regulator (AER), Better Regulation Program.

<sup>64</sup> <http://www.aer.gov.au/retail-markets/customer-consultative-group>

<sup>65</sup> Australian Energy Regulator (AER) Chairman Andrew Reeves, *Integrating the Consumer Voice into Network Regulation Speech* (16 October 2013).

and other stakeholders provided input into the finalisation of the implementation plan to guide the establishment of AECO.

## Victoria

In Victoria, there have been various policy and regulatory processes on smart meters, flexible pricing,<sup>66</sup> metering contestability and the harmonisation of the Victorian Energy Retail Code with the National Energy Customer Framework (e.g. bringing the Victorian arrangements into alignment with the national regime). Various consultative forums have been set up for government, regulators, consumer groups and industry to discuss these issues.

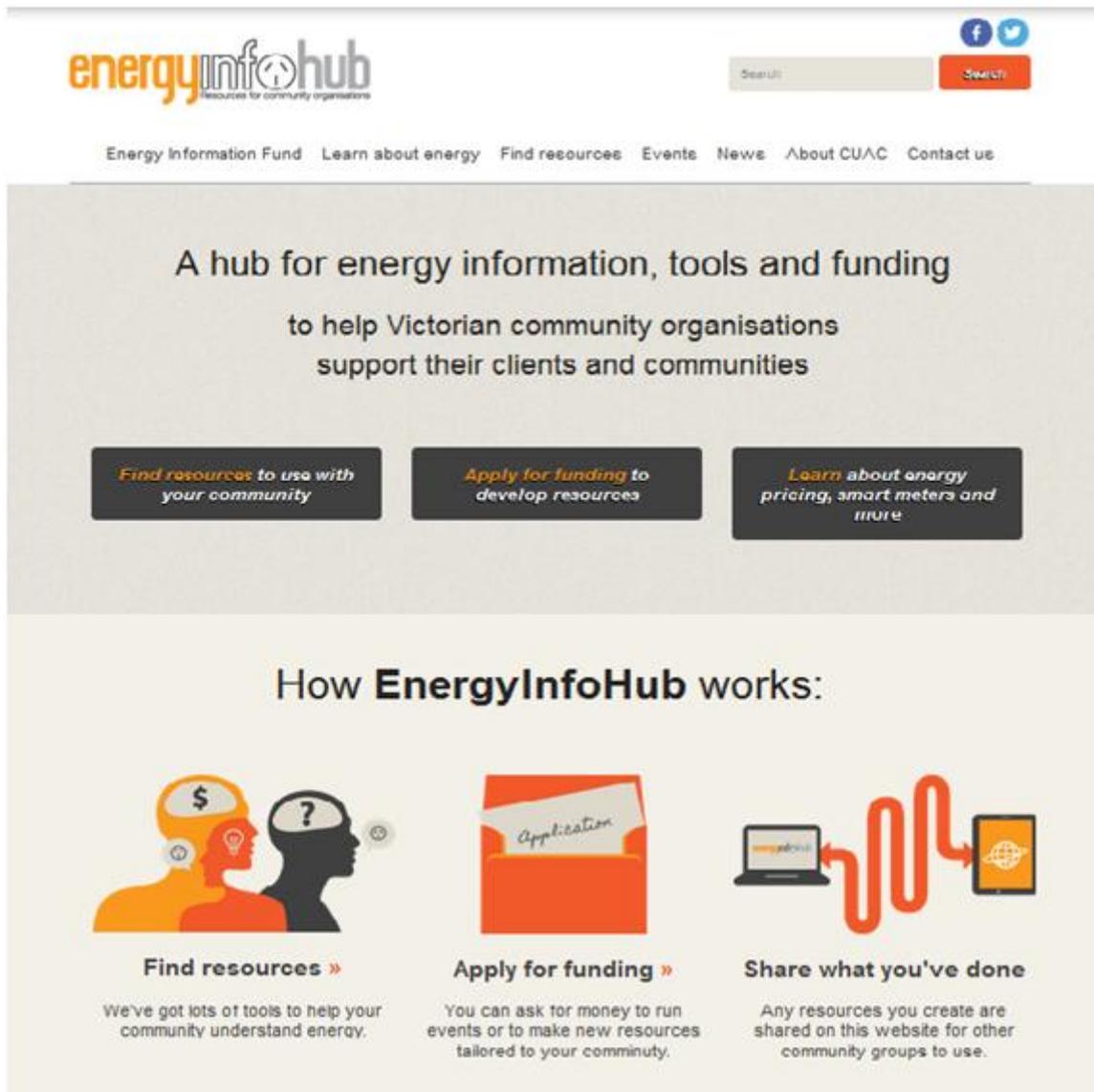
Over several years of involvement in smart meter issues, CUAC has been advocating for consumer education and initiatives to accompany the roll-out of smart meter technology and its associated reforms. We have also argued that such initiatives must include disadvantaged consumers. In 2012, the Department of Primary Industries now the Department of State Development, Business and Innovation (DSDBI) launched its **Switch On** campaign and website.<sup>67</sup> The website provides information, tips and tools to help consumers understand their energy use and costs, as well as flexible pricing. CUAC and other consumer groups were consulted in the development of the Switch On website, and CUAC is pleased with the product which provides a fact-based source of information for consumers.

In early 2013, DSDBI created an **Energy Information Fund** (EIF). The EIF will give grants to not-for-profit organisations to adapt, develop, and/or deliver information to multicultural, disadvantaged and hard-to-reach consumers with a focus on flexible pricing. The Fund's objective is to educate and empower these consumers to make informed decisions about energy. CUAC has received funding for 12 months, to support implementation of the EIF. This includes establishment of the EnergyInfoHub website which provides a 'go to' resource for organisations that deliver direct services such as emergency relief, financial counselling and information and support. The website was launched on 18 October this year and currently houses a repository of CUAC's guides, EIF outputs and other high-quality energy consumer education materials (see screen shot below). It will also be populated with information, tools and resources developed by agencies funded through the EIF. The EnergyInfoHub can be accessed at <http://www.energyinfohub.org.au/>.

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<sup>66</sup> Flexible pricing is a way of pricing electricity so that the price varies at different times. The price might change at different times of the day, on different days of the week, or by season.

<sup>67</sup> <http://www.switchon.vic.gov.au/home>



*Screen shot of the home page of the EnergyInfoHub*

## Water

### National

While there have been national measures to support consumer policy, advocacy and research on energy at the national level, there is still a lack of arrangements for such funding in the urban water sector. The **Productivity Commission** has in 2008 and 2011 acknowledged the importance of consumer advocacy in ensuring that policy makers and regulators are informed about consumer preferences. According to the Commission, regulatory and policy decision making would benefit from greater resources in this area.<sup>68</sup> Given the increase in the policy and regulatory processes

<sup>68</sup> Productivity Commission, *Australia's Urban Water Sector, Inquiry Report Volumes 1 & 2* (No. 55, 31 August 2011), Chapter 8, at 234-238.

involving water, on the national and state level, CUAC is of the view that there is an immediate need to develop professional consumer advocacy in water and to build capacity and expertise.

At the national level, the **National Urban Water Stakeholder Reference Panel** of which CUAC is a member, has been providing expert consumer advice to the Australian government on the design and implementation of urban water programs for towns and cities. The panel has considered and provided advice on a range of matters including: National Urban Water and Desalination Plans; the National Water Security Plan for Cities and Towns; the Water Efficiency Opportunities Program and COAG's Work Program on Water. CUAC together with other members of the **Water Efficiency Labelling and Standards Advisory Group** (WELSAG) have been providing advice on strategic direction, communications and marketing, compliance and enforcement with regard to the registration and labelling of certain products.

In October 2013, the **National Water Commission** (NWC) released their discussion paper 'Urban Water Futures' for stakeholder engagement. One of the six thematic areas which the Commission has identified for consideration is, 'A customer focused sector, an engaged community.' Key to this is the following:

*The Commission would like to see customers able to express their values and preferences in urban water policy development and service offerings, including price, and the level and quality of service that best meets their needs. The Commission would also like to see investment decisions that incorporate customer and community values. The water sector needs to move beyond the current traditional engagement practices of consultation and market research approaches towards methods that engage with consumers and the community, for example, utilising social media, citizen juries, choice modelling and learning alliances, to name a few.<sup>69</sup>*

## **Victoria**

In Victoria, water businesses are required to seek input from their customers, broader community and other stakeholders in the development of their water plans to help better align their plans with customer priorities, before submitting their proposals to the Essential Services Commission (ESC), Victoria's independent economic regulator of essential services, for approval. CUAC together with other consumer organisations were actively involved in consultations on the **Water Price Review** for the pricing period 2013/18, with water businesses and the ESC. In addition, over the previous two years, CUAC has been participating in consultation processes culminating in the development of the Government's Living Victoria policy, and the formation of Office of Living Victoria. The Office of Living Victoria reports to the Minister for Water and is responsible for implementing the Living Victoria policy, which is a whole-of-system approach to planning and servicing Victoria's urban water needs. CUAC and other community groups are members of the **Office of Living Victoria's Environment and Community Taskforce**, which considers the environmental and social policy issues associated with the development and implementation of an integrated water cycle management approach in Melbourne and regional Victoria.

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<sup>69</sup> National Water Commission, Urban Water Futures Discussion Paper (October 2013).

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