

Energy Charter Disclosure Report 2023-24



Acknowledgement of Country

TasNetworks acknowledges the palawa (Tasmanian Aboriginal community) as the original owners and custodians of lutruwita (Tasmania).

TasNetworks acknowledges the palawa have maintained their spiritual and cultural connection to the land and water and we pay our respect to the Elders past, present and emerging.

Chair and CEO introduction

Welcome to our third Energy Charter Disclosure Report, detailing the achievements, progress and challenges we've encountered while pursuing agreed commitments during the 2023-24 financial year.

Twelve months on from our last report, Australian energy users continue to feel the direct economic pressures of high inflation, while businesses grapple with planning, resourcing and delivering key infrastructure to support the rapid transformation underway in Australia's energy system.

By 2030, the Australian Energy Market Operator (AEMO) predicts solar and wind capacity will triple in the national grid, with rooftop solar expected to double, and storage capacity to increase by a factor of six.¹ Tasmania, and TasNetworks as the state's sole distribution and transmission business, remains well-positioned to support the National Electricity Market (NEM)'s transition to renewables; however, the challenge remains how we achieve this while honouring our customers' standing concerns about lower prices and increased network reliability.

In this regard, the Energy Charter framework is growing to become an invaluable development tool for our business. In particular, the Maturity Model increasingly enables our planners, decision-makers and people leaders to have robust and informed discussions among themselves, and with customers and stakeholders – using common language and nationally recognised performance markers to identify and progress outcomes that are in customers' best interests.

Uplifting our engagement with customers and stakeholders

One of the highlights to emerge from 2023-24, heavily informed by the Maturity Model, is our Engagement Culture and Capability Uplift Program. This foundational suite of work is enterprise-wide and focused on raising our overall engagement maturity to ensure the needs of our customers and stakeholders can and are genuinely shaping business decision-making. Four of the 10 initiatives in the program commenced in 2023-24 – the development of a new engagement framework, a bespoke engagement training program for staff, creation of two new advisory groups and the introduction of a stakeholder management system.

Improving our services for customers

Complementing this focus on customer outcomes was the development of our first customer segmentation models for residential and small-medium business operators and the mapping of six key customer journeys. While we are still unpacking and sharing the findings of these initiatives internally, they both have the capacity to markedly improve the experience and satisfaction of our customers over time. We will be tracking their impact via the metrics noted in our customer impact scorecard, along with other key markers for each Principle.

During the year, our people also continued their investment in #BetterTogether initiatives (#BTs), collaborating on a total of 11 #BTs to deliver tangible customer and community outcomes. Stand-out #BTs for 2023-24 included our Voices for Power project, the Knock to Stay Connected program (KTSC), and the Better Practice Social Licence Guideline – you can read more about these in the Appendices.

Looking forward, we've identified 34 future commitments for 2024-25, and will continue to work with our customers, stakeholders and industry partners to ensure we are focusing on the outcomes Tasmanian energy users need and want for a bright future.



Roger Gill
Chair, TasNetworks



Seán Mc Goldrick
CEO, TasNetworks

Chair of the Energy
Charter's CEO Council

Our customers and communities

TasNetworks provides safe, sustainable and reliable electricity to more than 300,000 Tasmanian households, businesses and organisations via our statewide distribution and transmission networks.

Our purpose is **Powering a bright future** to deliver **safe** and **sustainable** essential services while maximising **value** for all of Tasmania. Our people are working to deliver this by focusing on our three strategic pillars and enterprise priorities:

- ✓ Understand and respond to our customers and communities
- ✓ Deliver operational excellence
- ✓ Innovate in a targeted way.

Customer segments

The following customer segments were developed during 2023 from extensive research. They are being adopted across the business, with examples of their implementation noted throughout this report.

Residential customers

	Budget Warrior 29%	Disengaged Bystander 27%	Lifestyle Led 19%	Responsibly Relaxed 16%	Energy Master 9%
Attitudes and behaviours	<ul style="list-style-type: none"> ✓ Struggles to pay electricity bills ✓ Not very knowledgeable about energy efficiency ✓ Doesn't have the means to invest in energy-efficient solutions e.g. energy-efficient appliances, solar, house upgrades 	<ul style="list-style-type: none"> ✓ Energy efficiency is not a priority ✓ Pays little attention to energy use or bills ✓ Not concerned about rising electricity prices ✓ Limited effort to reduce energy usage 	<ul style="list-style-type: none"> ✓ Energy bills are not a burden as has means to pay ✓ Comfort is a priority, not prepared to minimise usage ✓ Energy efficiency is not a priority 	<ul style="list-style-type: none"> ✓ Electricity bills are not a burden or cause of stress ✓ Bills are below average ✓ Educated on energy efficiency ✓ Willing to reduce usage to help the environment 	<ul style="list-style-type: none"> ✓ Very knowledgeable about energy efficiency ✓ Usage is low and is actively monitored ✓ Early adopter of energy saving solutions e.g. solar ✓ Main drivers of change are financial and environmental
Home ownership	36% renting	36% renting	50% own outright	55% own outright	67% own outright
Heating behaviour	46% continuous, 23% turn on/off	61% continuous	51% continuous, 4% off as much as possible	31% off as much as possible	23% off as much as possible
Average monthly bill	\$235	\$270	\$200	\$150	\$160
Receives rebates	25%	19%	17%	48%	29%

Small-medium business customers

	Passive Engager 41%	Eco Minded 35%	Energy Critical 24%
Attitudes and behaviours	<ul style="list-style-type: none"> ✓ Rising energy costs could jeopardise profitability ✓ Not a heavy user of electricity ✓ Not overly concerned about energy costs ✓ Does little to minimise energy usage ✓ Business priorities are elsewhere 	<ul style="list-style-type: none"> ✓ Operates in an environmentally sustainable way to help protect the environment ✓ Does everything possible to minimise energy usage ✓ Invests in eco-friendly equipment and processes ✓ Willing to pay more for energy-efficient appliances 	<ul style="list-style-type: none"> ✓ Constant supply is essential ✓ Educated on energy efficiency ✓ Actively monitors usage ✓ Electricity is a major expense ✓ Concerned about rising energy costs ✓ Unable to easily reduce electricity usage or change usage patterns ✓ Faces extreme financial loss from outages
Average monthly bill + % of costs	\$645 (12%)	\$650 (6%)	\$1,300 (18%)
Operate 9am-5pm	96%	90%	91%
Operate after 5pm	42%	61%	70%
Operate on weekends	47%	73%	78%
Use commercial or industrial equipment	55%	46%	61%
Maximum outage tolerance	<7 hours	16 hours (40% >24hrs)	8 hours (40% <1hr)







What our customers want

The following key insights are taken from our 2024 Annual Customer Survey and 2024-29 Revenue Reset engagement program. We continue to refine how we're seeking and considering customer feedback and have committed to retesting and reprioritising needs and wants with our customers, stakeholders and their representatives annually to ensure we're focusing on the outcomes they value.

These key insights and our actions in response are reflected in our 2024-25 commitments and our new Company Strategy.



 <p>Lower prices and stronger focus on affordability</p>	 <p>Improved customer experience</p>	 <p>Greater network reliability and resilience</p>	 <p>Greater transparency regarding customer benefits</p>
<p>There is ongoing concern about affordability for all customer types, particularly given the potential bill impacts of major projects needed in support of state and federal government energy transition targets.</p> <p>Lower prices for network services remains the most important factor for those surveyed in early 2024, while Revenue Reset stakeholders feel there are other ways to target affordability, such as retesting willingness to pay for given initiatives when external factors change.</p>	<p>On-time connections and services followed by accurate and timely outage information remain the most important customer service aspects affecting satisfaction. Customer service is more vital to Lifestyle Led customers than other groups.</p> <p>“Staff don’t need to know everything, but what they communicate must be correct.”</p>	<p>An increase in perceived network outages (3 or more in the past 12 months) has led to a drop in satisfaction with our reliability. Satisfaction is lowest among those most affected by cost-of-living pressures, such as Budget Warriors.</p> <p>Revenue Reset stakeholders and customers indicated they want us to maintain current levels of reliability and improve poor performing areas without increasing prices. They also want us to demonstrate how proposed investments will improve reliability and resilience and prioritise those that deliver both.</p>	<p>During the Revenue Reset, stakeholders and customers questioned whether customers should be paying for capital and operational investments driven by government policies. They would like clearer communication of benefits in proposed initiatives. There have also been calls for greater clarity and consultation on how costs are allocated and cross-subsidies are managed.</p> <p>More recently, customers have also increasingly questioned the value of TasNetworks’ services, due to decreased reliability and increasing financial pressures.</p> <p>All this indicates we need to understand exactly what benefits customers value and ensure we’re focusing on customer outcomes (and initiatives) where those benefits are present.</p>

Customer impact scorecard

This scorecard details our current and historical self-assessed maturity against each Principle, as determined by our internal and external stakeholders, as well as key customer metrics we're using to track our performance. Our progress during the 2023-24 financial year was steady, and we remain on track to achieve our desired state of 'Evolved' across all Energy Charter Principles by 2025, noting we have already reached this for Principle 5.

	Elementary	Emerging	Emerging/ Evolved	Evolved	Empowered	Exceeding	Outcome measurements	FY23-24 Target/ benchmark	FY23-24 Result	FY22-23 Result	FY21-22 Result
1 PRINCIPLE 1 We put customers at the centre of our business and the energy system		●	●●	★			Trust in TasNetworks ²	70.0%	61.0%	71.0%	70.0%
							Likelihood to speak favourably about TasNetworks ³	66.0%	68.0%	N/A	N/A
2 PRINCIPLE 2 We will improve energy affordability for customers		●	●●	★			Network charge increase/decrease for typical residential customers		+3.7%	+0.4%	+2.6%
							Network charge increase/decrease for typical small business customers	<CPI	+3.7-5.6%	+0.4-1.9%	+2.6-4.3%
							Transmission customer weighted annual charge		-10.7%	+2.6%	-3.7%
							Distribution network productivity benchmark ⁴	-2.7% ⁵	+6.2%	+1.6%	-4.2%
							Reportable environmental incidents	<42	24	37	45
							Reportable safety incidents	<4	1	1	4
3 PRINCIPLE 3 We will provide energy safely, sustainably and reliably			●	●●	★		Significant safety incidents	<4	7	4	5
							Significant environmental incidents	N/A	3	0	0
							Distribution network SAIDI ⁶	162	181	158	181
							Transmission network loss of supply events >0.1 system minutes	4	4	1	7
							Distribution network utilisation ⁷	41.0% ⁸	36.3%	39.0%	38.4%
							Number of poor performing communities ⁹	N/A	28	21	23
							Customer satisfaction ¹⁰	7.6	7.2	7.2	7.6
4 PRINCIPLE 4 We will improve the customer experience		●	●●	★			Ease of interaction ¹¹	7.8	7.5	7.4	7.9
							Smart Grid Index	50	TBC ¹²	33.9	N/A
							Direct customer complaints	N/A	649	789	835
							Issues resolved on first call	65.0%	51.0%	52.0%	57.0%
							Direct complaints solved <15 days	65.0%	51.0%	47.0%	51.0%
							Customers referring their complaint to Ombudsman	<10.0% of direct customer complaints	9.0%	5.0%	5.0%
5 PRINCIPLE 5 We will support customers facing vulnerable circumstances		●	●	●	★		Community investment (grants, partnerships)	\$634,000	\$748,000	\$222,448	\$200,000
							Planned disconnections avoided via #Knock to Stay Connected program	N/A	65.0%	65.0%	N/A
							Life support breaches	0	2	0	1 ¹³

Key: ● = 2021-22 ● = 2022-23 ● = 2023-24 ★ = aspiring by 2025 or 2026
 See Appendix C for footnote descriptions.

Principle 1

Elementary	Emerging	Evolved	Empowered	Exceeding
	Current (FY23-24)			
		Aspiring (FY24-25)		

We will put customers at the centre of our business and the energy system.

By better understanding what's important to our customers and communities we can:

- ✓ deliver the services they value
- ✓ drive continuous improvement
- ✓ ensure the outcomes they want are at the heart of our business decision-making.

We are firmly committed to becoming a customer and community-focused organisation. Across the business we're actively pursuing in-depth customer initiatives like our new Company Strategy, the launch of our Engagement Culture and Capability Uplift Program (including multiple enterprise-level initiatives), customer segmentation and journey mapping research, and the redesign of our engagement groups.

Our Principle 1 highlights (FY23-24)

Introduction of Company Strategy

The importance of understanding and responding to our customers and community is one of three strategic pillars in our new Company Strategy, launched early 2024.

Our customer segmentation models, annual customer insights and Revenue Reset engagement feedback were foundational sources used to develop the strategy, which aims to help ensure:

- ✓ our customers are at the centre of our business initiatives and decision-making
- ✓ we have the people and resources in place to achieve our customer-related key objectives and deliver our purpose: *Powering a bright future to deliver safe and sustainable essential services while maximising value for all of Tasmania.*

Engagement maturity uplift

Recognising that effective engagement is crucial for building trust and meeting customer and stakeholder expectations, we commenced our Engagement Culture and Capability Uplift Program in 2023. The program aims to embed engagement into all levels of the business via a range of initiatives that will influence and shift our engagement culture, integrate engagement into everyday systems and processes, and build our internal engagement capability. Some of the 10 initiatives currently being rolled out are:

- ✓ development of our Engagement Framework that sets our vision for engagement and provides a consistent approach for engagement across the organisation
- ✓ creation of an engagement toolkit that empowers our people to plan, design and deliver best practice engagement

- ✓ design and delivery of a bespoke engagement leadership training program to build capability and engagement leadership
- ✓ implementation of a new engagement group model that ensures our stakeholders are represented, involved and engaged in our decision-making processes.

Redesign of our engagement group model

In May 2024 we redesigned our engagement group model, establishing two new advisory groups: the Stakeholder Advisory Group (**SAG**) and the Customer Advisory Group (**CAG**).

Members for each group were recruited via a competitive expression of interest, ultimately attracting 18 members to the SAG and 15 members to the CAG. Both groups are focused on ensuring customer interests are at the heart of TasNetworks' decision-making. The CAG brings the lived experiences of Tasmanian energy users, and the SAG the collective perspectives of various groups and organisations from across the energy supply chain.

Both groups will meet a minimum of four times a year, with their first formal meeting to take place later in 2024. One of their first tasks, which they've already started, will be to identify and prioritise customer outcomes that can be influenced. Once confirmed, these will ultimately become the cornerstone of the forward engagement program, marking a significant step change in our engagement approach and maturity.

Our commitment is to ensure that these groups can genuinely influence our decision-making, enabling us to better understand customer needs, deliver the services they value, and build trust within our communities.

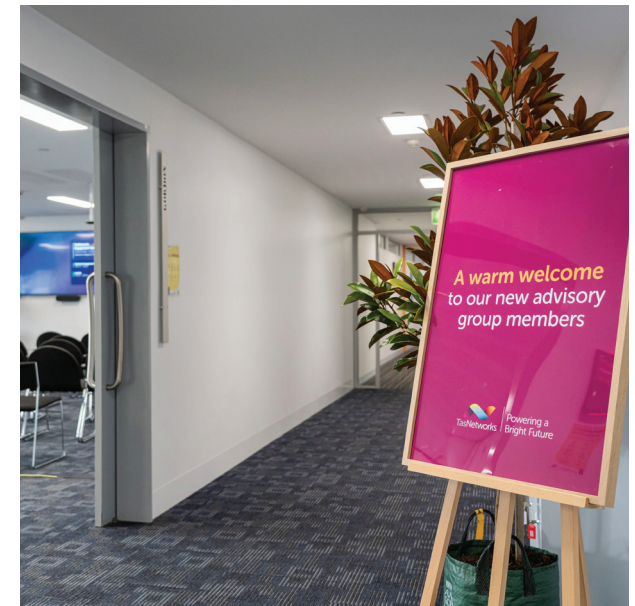
Leadership stakeholder engagement event

During 2023 our Board and Executive team held their inaugural stakeholder event. The evening showcased our collaborations and engagements, underscoring our desire to foster strong relationships with stakeholders. Attendees included major customers, key stakeholder bodies such as TasFarmers, Launceston Chamber of Commerce and Bell Bay Advanced Manufacturing Zone, members of our engagement groups, state and local government representatives, suppliers and community groups.

The event provided a valuable platform for updates on TasNetworks' performance and a spotlight for major projects. A key highlight was discussions regarding TasNetworks' renewable energy aspirations, with a strong emphasis on potential regional and economic benefits. Similarly, engagement focused on how we can collectively drive the transition to a clean energy future, shaping a brighter energy landscape for Tasmanians. The success of the inaugural event has led to a commitment to host regular stakeholder gatherings across the state with the aim of nurturing lasting connections, collaboration, and advancement of shared objectives.

Our Principle 1 future commitments (FY24-25)

1. Improve collection/distribution of customer and stakeholder insights, including an annual stakeholder perceptions survey and quarterly community sentiment tracking.
2. Embed new engagement group model and commence co-design of forward engagement program, including the outcomes that will be monitored and measured.
3. Finalise embedding Revenue Reset process into the business (including engagement), ensuring governance and resourcing provides a straight line of sight between engagement groups, subject matter experts, Executive and Board.
4. Launch engagement leadership training program, to improve customer/engagement focus and skills.
5. Roll out stakeholder management system, to increase visibility of stakeholder issues and improve relationship management for our large and industrial customers.
6. Engage proactively and transparently on customer outcomes of proposed transmission augmentations (Regulatory Investment Tests (RIT) and contingent project applications).
7. Implement a Strategic Benefit Payment for North West Transmission Development (NWTD) landholders.



Principle 2

We will improve energy affordability for customers.

Our research shows that energy affordability is the number one concern for Tasmanian energy users, and that at least 29% of our residential customers are highly concerned about rising electricity prices while already experiencing significant financial stress. Additionally, this group has limited knowledge of energy efficiency strategies, combined with higher-than-average electricity consumption.

To help address this long-running concern, we have launched the Power People Program to help customers make informed decisions to lower their energy bills. We have also committed to improving our operational expenditure in the first year of our regulatory control period.

We are committed to ensuring our investments are prudent, efficient, safe and reliable, and underpinned by genuine engagement in the face of inflationary pressures impacting our network costs.

Our Principle 2 highlights (FY23-24)

Power People Program

Our Power People Program, co-designed with Aurora Energy, has been created to increase energy knowledge in Tasmanian communities, helping customers make better choices about their energy use and lower their bills. The program was officially launched in June 2023 and started with a focus on 'How to improve energy efficiency at home'.

The program uses a 'train the trainer' approach. Men's Shed members, known as 'Power People', receive resources, training, funding and support from TasNetworks and Aurora Energy, so they can lead their own community sessions and share knowledge with their local communities on energy efficiency. This program has been successfully introduced to six of Tasmania's 71 Men's Sheds to-date, with plans to roll the program out to the remaining sheds over the coming years.

Embedding a stronger Revenue Reset engagement framework

During 2023-24, TasNetworks Executive and Board approved the integration of Revenue Reset activities, including engagement, into standard operations. In support of this work, we also redesigned our engagement group model, resulting in two new advisory groups that will be available for detailed and complex engagement.

Elementary	Emerging	Evolved	Empowered	Exceeding
	Current (FY23-24)			
		Aspiring (FY24-25)		

The early establishment of these groups will enable a more focused program to be built around identified customer outcomes. It will also allow time to retest support for outcomes before finalising the 2029-34 Revenue Proposal should external factors change. This approach marks a step change in our engagement maturity and towards genuine customer centricity.

Tariffs

Our Time of Use (**ToU**) network tariffs continue to be our default network tariff for residential and small business customers on the distribution network, promoting more efficient energy usage and lower energy bills.

ToU tariffs use price signals to encourage customers to alter their energy consumption – charging less during non-peak periods and more during peak times when the network may be constrained. Theoretically, this arrangement promotes more efficient use of our network, helping to put downward pressure on future network augmentation costs.

Locally, analysis shows that most residential customers are better off under a ToU arrangement, even without changing their energy consumption. Additionally, we have amended our residential consumer energy resources (CER) network tariff to provide customers with new technologies, such as EVs and household batteries, a super off-peak charging rate between midnight and 4am, and we have introduced an embedded network tariff to reduce cross-subsidies among customers, ultimately lowering overall network charges for customers.

Our Principle 2 future commitments (FY24-25)

1. Improve operational expenditure efficiency by 3% for the 2024-25 financial year by operating within our regulatory allowance.
2. Implement process to undertake repairs of minor private asset defects (<30 minutes to repair) when TasNetworks attends faults, resulting in customers getting their power on quicker and without having to engage an electrical contractor to attend.
3. Extend Power People Program to more Men's Sheds.
4. Conduct battery trials to identify potential benefits and suitability for use in more community locations.
5. Provide internal (and seek external) visibility of the existing network's ability to host electric vehicle (EV) fast-charging infrastructure to promote lower cost transition.
6. Finalise the concessional finance agreement to fund early works for the NWTD, passing these benefits back to customers.



Principle 3

Elementary	Emerging	Evolved	Empowered	Exceeding
		Current (FY23-24)		
			Aspiring (FY25-26)	

We will provide energy safely, sustainably and reliably.

Our purpose means our services must be safe, reliable, sustainable and affordable – meeting the needs and expectations of our customers and the Tasmanian community both now and in the future.

Reliability

Reliability is a key, ongoing concern for our customers. However, despite our people's best efforts to maintain network stability in 2023-24, severe weather events, equipment deterioration and vegetation issues led to higher outage times than planned. This means that while we achieved our transmission reliability target (LOS) for the period, we missed our distribution reliability (SAIDI) targets. Given the importance of reliability to our customers and the business, we remain focused on developing resilience improvements that will improve future reliability and reduce unplanned outages.

Safety

The safety of our people, customers and community is our top priority. During the year we achieved our ISO45001 certification, which will help us mitigate workplace risks and improve business performance by creating a safer, healthier working environment.

While the period started strongly, unfortunately significant incidents occurred in July and November 2023, and February and June 2024, along with several injuries during the year. Appropriately we've launched several actions to prevent any recurrence, including enhanced leadership training, improved hazard identification, and the development of a new safety operating model.

Our positive reportable incident performance was supported by fewer environmental incidents, targeted training activities, and continued focus on bird mitigation and safety initiatives. For 2024-25 we are investing in employee wellbeing with our Psychosocial Action and Safety Uplift Plan, aimed at mitigating risks and improving safety performance, organisational culture and employee engagement.

Sustainability

We continue to actively advance the clean energy transition by facilitating renewable energy connections, supporting major projects like Marinus Link and the NWTD, and supporting state and federal renewable energy targets. Our efforts include expanding wind and solar capacity, enhancing grid capabilities and trialling community batteries. For 2024-25 we will significantly enhance our management and reporting of sustainability metrics in alignment with Commonwealth Climate Risk Disclosure requirements.

Our Principle 3 highlights (FY23-24)

New approach to manage safety incidents

Over the past year we have adopted a new approach to analyse and learn from safety incidents. This method, known as the 'Energy Model', prioritises events with the potential to cause serious harm and introduces a new investigation process aimed at maximising learning and driving improvements. Additionally, the Energy Model supports our Critical Risk Management program, ensuring that safety measures for high-risk energy work are properly implemented and functioning effectively.

Improving power reliability in remote communities

We are focused on improving power reliability and flexibility in the remote areas of Sheffield-Railton and Rosebery-Zeehan. Our initiatives aim to provide a more dependable power supply and increase our operational flexibility to handle unexpected outages. Key improvements include boosting voltage levels to meet high power demands, particularly during irrigation season, reducing the number of customers impacted by outages, and speeding up our response to faults to better manage unplanned outages. This includes enhancing our ability to quickly patrol and reconfigure the network during faults. By improving network visibility and reducing patrol times, we aim to shorten outage durations. These upgrades will not only improve our ability to manage and access field devices but also enhance equipment safety and ensure the wellbeing of our personnel.

Integrating sustainability measures into major projects

Our NWT D project is set to be the first electricity infrastructure project in Tasmania to register for Infrastructure Sustainability (IS) v2.1 ratings for both the Design and As-Built phases through the Infrastructure Sustainability Council (ISC). The IS Design and As-Built ratings are designed to uncover and capitalise on economic, social and environmental opportunities during the project’s design and construction phases. They also acknowledge the sustainability achievements of the project team. This initiative underscores our commitment to integrating sustainability into our infrastructure projects and recognising the results we deliver.



Our Principle 3 future commitments (FY24-25)

Reliability

1. Anti-islanding solution for legacy embedded generation connections.
2. Implement updated Distribution Network Performance Standards, resulting in 20 new communities and movement of some existing communities to higher reliability standards (acknowledging the changing energy needs of

these groups that must be considered in planning and outage responses).

Safety

3. Implement a Psychosocial Action and Safety Uplift Plan that reduces risks and improves safety performance, culture and engagement outcomes.
4. People leaders to complete dedicated psychosocial leadership training, to develop competency and confidence in preventing and responding to staff mental health and wellbeing concerns.

5. Continue to raise community awareness about safety around electricity via paid communications campaigns and school programs and materials.

Sustainability

6. Prepare for Commonwealth Climate Risk Disclosure reporting requirements.
7. Raise our environmental maturity by implementing our Environmental Improvement Plan.
8. Develop six more community batteries around the distribution network in a grant-funded trial.

Principle 4

Elementary	Emerging	Evolved	Empowered	Exceeding
		Current (FY23-24)		
			Aspiring (FY24-25)	

We will improve the customer experience.

As we strive towards an ever-stronger customer-centric business ethos, FY23-24 has been a period of reaffirming and realigning our insight and understanding of our customers.

The expectations of our customers are constantly evolving, and understanding their needs is critical in our efforts to ensure we're focusing on the outcomes they want and delivering positive experiences at every business touchpoint.

We also continue to focus on the physical and mental safety and wellbeing of our own people, so they can continue to successfully serve our customers day after day.

As our customer impact scorecard shows, we monitor customer and community satisfaction in several ways. This enables us to gauge performance, hold ourselves accountable and, more importantly, ensure we continue to adapt to the ever-changing needs and expectations of our customers.

Our Principle 4 highlights (FY23-24)

Customer segmentation

Late 2023 we introduced our first residential and business customer segmentation models, developed through a comprehensive research program which analysed energy usage, billing, behaviours and attitudes across Tasmania's residential and business sectors.

Segmentation involves grouping customers based on their shared characteristics and behaviours, and these new models will be a key tool to help us place our customers at the core of our business initiatives and decision-making processes.

Our people have already begun to deploy them across the business, influencing how we view and address customer needs and behaviours, including helping to:

- ✓ redefine our customer satisfaction insights in monthly and annual research activities
- ✓ provide locational and behavioural insights for community battery project placement
- ✓ tailor communications and engagement strategies
- ✓ shape the development of our Brand Plan and Company Strategy.

One Way Works Flow (OWWF) project

Our OWWF is establishing a more transparent and predictable workflow for our field crews, who constitute over 48 per cent of our workforce and are the backbone of our operations and customer service.

We're currently in the mobilisation phase, which involves integrating customer-generated connection work into a streamlined process. This aims to enhance visibility and prioritisation for program planning, work management and field delivery teams.

Over the past year, we've achieved significant improvements, including:

- ✓ faster response times, notably reducing time taken for design work and customer requests, consistently meeting regulatory deadlines
- ✓ reduced construction times, bringing us closer to our targets.

Looking ahead to FY24-25, these advancements are expected to boost our efficiency in connecting customers and meeting construction deadlines even further. We've also trained over 200 members of our Operations team to support the rollout of our new Works Management Standard. This training has equipped them with a thorough understanding of their roles and increased their proficiency using our new integrated systems. Each of these enhancements is designed to streamline operations and significantly improve our customers' overall experience.



Customer journey mapping

To elevate the experiences our customers have with us, we've commenced a comprehensive customer journey mapping initiative. This process involves examining customer needs and expectations and capturing every nuance of six major interactions customers have with us.

The initial focus is to identify and resolve key pain points across customer interactions involving outages, vegetation management and new connections.

The insights gained through this work will enable us to address issues systematically, streamline operations and enhance overall customer satisfaction.

Our Principle 4 future commitments (FY24-25)

1. Develop a program of work to enhance how we work with our customers, being stage 2 of our customer journey mapping.
2. Roll out One-Way Works Flow initiative.
3. Work with retailers to enable the use of cheques to be phased out and Guaranteed Service Level (GSL) payments to be made through retailers.
4. Implement a Customer Service Incentive Scheme measuring customer satisfaction with how TasNetworks handles outages, complaints and new connections.
5. Introduce a new Customer Satisfaction Tracking program which will enable customer feedback to be captured and tracked more robustly.
6. Upgrade the interactive voice response phone system in our service centre, to provide a more intuitive and advanced level of customer service.
7. Continue to train and uplift our service centre representatives to ensure they are abreast of the latest best practice customer service processes.

Principle 5

Elementary	Emerging	Evolved	Empowered	Exceeding
		Current (FY23-24)		
			Aspiring (FY25-26)	

We support customers facing vulnerable circumstances.

Ready access to electricity has become essential to daily life in modern Australia. It's required for health purposes, employment and productivity, relaxation and enjoyment, and safety. It is crucial for us to remain inclusive and ensure our services meet the needs of all Tasmanian energy users, not just the directly connected.

Tasmania has a higher proportion of people over 65, individuals with disabilities, lower household incomes and lower literacy levels (reading, numeracy and digital) compared to other states. This means that many Tasmanians are at greater risk of experiencing vulnerability, that we need to ensure our services consider their needs and challenges, and that we remove barriers wherever possible. These results are clearly reflected in our recent segmentation research and our longitudinal research programs.

In addition to our focus on keeping customer bills as low as sustainably possible, we continue to commit to initiatives that improve energy efficiency knowledge, helping people make informed decisions about their energy needs. We also invest in community projects aimed at relieving cost-of-living pressures, and we educate our own people about the challenges of living in vulnerable circumstances and how our decisions can directly impact those customers.

Our Principle 5 highlights (FY23-24)

Community grants

Our refreshed Community Grants Program was launched in 2023, offering grants of up to \$10,000 to fund innovative projects that strengthen community resilience and address financial pressures. In total our program donated \$112,000 to local not-for-profit organisations to help fund projects across Tasmania, exceeding our initial target of \$40,000.

These grants support local solutions to local issues, with a focus on alleviating cost-of-living challenges and fostering community wellbeing. The program is a testament to our commitment to fostering positive change and supporting the wellbeing of Tasmanian communities. By investing in grassroots initiatives, we are helping to reduce cost of living pressures and create a more resilient and connected society. Building on the success of last year's program, we have already commenced the rollout of the 2024 Grants Program with a budget allocation of \$100,000.

Free energy support

To help our customers better understand, manage and reduce their household energy usage, TasNetworks has partnered with Uniting Vic Tas to make their Energy Support Program available for free to all Tasmanians. The program provides free, one-on-one advice, over the phone or in person, with Uniting's Energy Assist Team to:

- ✓ understand, budget for and manage energy bills
- ✓ identify appliance costs and improve efficiency
- ✓ access government rebates, grants and concessions
- ✓ select payment plans
- ✓ refer customers to additional support services, such as financial counselling and emergency relief if needed.

#BT Knock to Stay Connected

The Knock to Stay Connected program is a national initiative developed with Energy Charter signatories and partners, focused on preventing energy disconnections for customers experiencing financial vulnerability.

Implemented locally in partnership with retailer Aurora Energy, this customer-led program ensures those at risk of disconnection receive prompt, face-to-face support and information on available resources and concessions. As part of the program, our people hand-deliver information to at-risk customers about:

- ✓ assistance and services available to them to help avoid disconnection
- ✓ ongoing assistance to help manage their energy bills.

Recent data highlights the program's success in reducing disconnections in Tasmania by about 65 per cent for FY23-24. The program has also been recognised with the Shared Value Project International Innovation Award for its effective design and implementation.

TasNetworks Vulnerability Plan

In March 2024 we introduced our first Vulnerability Plan. This initiative began with a workshop where our Executive and Senior Leaders worked closely with Tasmanian Council of Social Service (TasCOSS) and lived experience advocates to enhance our understanding of vulnerability and co-create the guiding principles for the Plan.

The Plan outlines the concept and causes of vulnerability and highlights our ongoing efforts to tackle vulnerability across key focal areas. Tasmania's demographic challenges in relation to ageing, disability and literacy levels, as noted above, mean this Plan is important. It also supports our commitment to raising awareness of vulnerability, assisting those who find themselves in these circumstances, and fostering a more inclusive and equitable environment for all energy users – not just those directly connected.

Innovate Reconciliation Action Plan (RAP)

We launched our Innovate RAP in April 2024 at one of Australia's oldest Aboriginal-operated museums and Keeping Places, TIAGARRA Tasmanian Aboriginal Cultural Centre in Devonport. This provided a meaningful backdrop for the launch, as the RAP marks a significant step in our ongoing commitment to reconciliation.

As Tasmania's only electricity network provider, we own and manage Tasmanian land, regularly bringing us into contact with sacred Aboriginal cultural sites and heritage. The RAP includes 15 actions and 56 deliverables under the pillars of relationships,



respect, opportunities and governance to further integrate reconciliation initiatives into our standard business practices. These are to ensure we're proactively creating an inclusive and diverse workplace that is also culturally safe and proud.

The RAP will ensure that all field crew, equating to almost half our business, will complete cultural awareness training. This will help embed meaning into practical processes and procedures, and ensure we work together with the Tasmanian Aboriginal community to respect and value Aboriginal heritage.

The potential to use traditional fire burning practices is another example of better cultural interaction also detailed in the RAP.



Our Principle 5 future commitments (FY24-25)

1. Co-design of Aboriginal Engagement Guideline.
2. Commence Aboriginal Cultural Awareness training for field staff.
3. Execute Community Grants Program 2025 with a focus on cost of living.
4. Continue to roll out Knock to Stay Connected program.
5. Continue the Uniting partnership – offering free energy advice to customers.
6. Develop a framework and processes to effectively identify and support vulnerable customers potentially at risk of disconnection or liability for asset replacement/repair costs due to damage.

Appendix A – Case studies

The Salvation Army Hobart + TasNetworks

The Salvation Army was one of 14 TasNetworks grant recipients in 2023-24, sharing \$112,000 to run programs that delivered cost-of-living relief as well as helping to build community resilience.

In 2023, TasNetworks provided grant funding to the Salvation Army Hobart, enabling them to continue offering their free meal service, the 'Salvos Sunday Dinner'.

More than a free meal, the Salvos Sunday Dinner provides invaluable social and psychological support to people who are, or have been, homeless or experiencing social isolation.

Each week community volunteers come together to prepare and serve dinner for up to 50 of Hobart's homeless and vulnerable community, with the grant allowing for approximately 2,500 meals to be served over a 12-month period.

Major Johnmark Snead of the Hobart Salvation Army Corps noted that, "sharing a meal with friends, in a safe and respectful environment, allows people in hardship to support one another.

"TasNetworks' grant has secured this vital program for so many of Hobart's vulnerable community members for at least this 12-month period.

"Regular interaction with marginalised and vulnerable people, particularly the homeless or isolated, where we demand nothing of them except respect, generally results in an openness and willingness to quickly become a part of the community and to help each other."



Thank you TasNetworks!

Supporters of The Salvation Army Hobart's Sunday Night Community Dinner



TasNetworks + Aurora Energy

Knock to Stay Connected – positives from the field

Losing access to the electricity network due to unpaid bills is both physically and emotionally difficult for the hundreds of customers who experience a disconnection each year in Tasmania. We've also come to realise it can be really challenging for members of our field crew too – especially as this often involves more vulnerable members of the community who may be further disadvantaged as a result.

Prior to the introduction of Knock to Stay Connected (KTSC) in 2023, a customer's electricity retailer would attempt to contact the customer several times before requesting TasNetworks' to attend a property to perform the physical disconnection of the electricity supply. A two-person crew from TasNetworks would typically do this without ever having interacted with the customer. Field crew have noted this made the experience feel inhumane for everyone involved, and sometimes resulted in tense or negative interactions with customers.

The introduction of KTSC in Tasmania has been a collaborative effort between TasNetworks and Tasmania's main energy retailer, Aurora Energy. The process involves a member of our field crew hand-delivering information to the customer about the assistance available to help avoid a pending disconnection. This has significantly improved the experience and outcomes for both customers and field crew. Since May 2023, KTSC has helped reduce 65 per cent of all Aurora Energy scheduled disconnections, as well as anecdotally reducing stress on field crew members responsible for hand-delivering the KTSC information or carrying out disconnections. This last point is an important improvement given the increasing focus on mental health, wellbeing and psychosocial safety in the workplace.



Michael Sanders, a TasNetworks' Senior Field Service Officer, frequently delivers KTSC information and reports these customer interactions are generally very positive, with customers often appreciating the personal touch and advance face-to-face warning of a pending disconnection. He feels that many customers may have overlooked or misunderstood previous notices from their retailer, and that the direct approach of KTSC helps them understand the seriousness of the situation, as well as giving them tools and supports to help them take action.

Now, in the reduced number of cases where disconnections are unavoidable, field crew can feel reassured that both Aurora Energy and TasNetworks have taken extra steps to keep customers connected.

Appendix B - #BetterTogether initiatives (#BTs)

Since joining the Energy Charter as a full signatory in 2021, TasNetworks has participated in 11 BTs in 2023-24, each aimed at delivering better outcomes for our customers. Participation in #BTs is voluntary and in addition to our stated commitments.

PRIORITY #BetterTogether initiatives: Endorsed by the Energy Charter CEO Council to deliver strategic priorities for our customers and communities				
Title	Timing	Principle	Description	Customer outcomes/impacts
Knock to Stay Connected Customer Code	May 2023 – ongoing	5	Co-designed nationally by customer groups, community organisations, retailers and networks, this initiative involves members of our field crew visiting customers at-risk of disconnection to provide them with information on where they can get support to stay connected, and ways to manage their future energy usage. The aim is to avoid them being disconnected.	Helped avoid 377 of 580 (65%) of planned disconnections for Tasmanian energy users.
Concessions awareness and engagement campaign	July – December 2023	5	This national campaign was collaboratively developed by 20 community organisations and Energy Charter signatories to assist customers and communities facing vulnerable circumstances due to rising cost-of-living pressure. Built on the fact that 60% of people eligible for concessions aren't taking them, the campaign focused on raising awareness of what's available via a range of channels and materials, including Auslan and English captioned video in 12 identified languages.	35% of Australian concession holders were found to be aware of the campaign, and of those: <ul style="list-style-type: none"> • 16% reported having heard or seen the campaign and knowing what it was about • 10% were aware of the campaign but misunderstood its message • 9% were aware but were unsure what the message was. Overall, the campaign demonstrated there is a significant opportunity for initiatives to raise general awareness and understanding of energy concessions among eligible individuals, as well as support all those eligible to successfully apply concessions to their energy bills.
Power People Project	December 2023 – ongoing	2	This project is a collaborative initiative with Aurora Energy, working with Tasmanian Men's Sheds to train members to become 'Power People' – providing them with knowledge and skills about energy usage, managing costs, and making informed decisions so they can then share the knowledge with their local communities. One of the key aspects of this program is members receiving essential information from trusted community voices.	Pilot program successfully conducted with six sheds in 2023-24, reaching hundreds of Tasmanian energy users. The program is now being offered to the broader network of 71 Men's Sheds.

Title	Timing	Principle	Description	Customer outcomes/impacts
Better Practice Social Licence Guideline	May 2023 – May 2024	3	The guidance was developed as a collaboration by six Transmission Network Service Providers (TNSPs) and a Community Outcomes Group (COG) comprising membership from state and national agricultural representative groups, it was created to build a shared understanding for agricultural landholders of the impacts and benefits of hosting energy transmission infrastructure and to provide practical guidance to mitigate negative impacts while prioritising shared value through the energy transition. Research from KPMG Australia informed the development of the Guideline (144 surveys and 18 in-depth interviews with landholders), identifying 33 impact areas across farm operations, well-being, finances and the environment. Twenty Priority Actions and 17 Better Practice Opportunities were developed to address or mitigate these impacts.	The 12-month independent review was released in June 2024 and assessed TNSP progress towards implementing the Priority Actions and Better Practice Opportunities. TasNetworks has been actively aligning the recommendations of the report against the NWTG project stages where practicable.
#BetterTogether initiatives: Leverage high impact areas for meaningful change with across industry collaboration				
Life Support Customers	May 2024 – ongoing	5	The aim is to better prioritise protections for customers with critical continuous energy supply needs and identifies key opportunities and commitments (regulatory rule changes, national templates/processes, national information/awareness campaign).	A rule change was submitted to the Australian Energy Market Commission (AEMC) in August 2024, seeking to amend the National Energy Retail Rules to provide better protections for life support customer. The AEMC will publish a consultation paper once it initiates this rule change request to enable public consultation.
Uniting Energy Support Program	June 2023	5	The program is designed to provide ongoing financial counselling for energy customers facing vulnerable circumstances. This includes offering free tailored, one-on-one advice and assistance to help navigate bills, energy efficiency and access to supports.	TasNetworks ran a comprehensive awareness campaign in 2023 via multiple channels to encourage uptake of this free program. This included sharing the information with all 29 Councils, all State and Federal politician's offices, paid print and digital media, and sharing via other key service providers. As a result, dozens of Tasmanian energy users were reported to have taken up this free service.

Title	Timing	Principle	Description	Customer outcomes/impacts
National Landholder Engagement Training	June 2023 – ongoing	3	Dedicated multi-day training sessions enable staff to deliver better outcomes for landholders who have been approached to host renewable energy infrastructure on their land. Training is tailored to local context and covers social licence, endangered wildlife considerations, bushfire management, biosecurity obligations, handling conflict, and how to create psychologically safe environments.	All TasNetworks Land Agents and a number of other staff attended the training. TasNetworks subsequently delivered the course content to the Energy Charter who is now delivering the Land Agent training course.
Community of Practice: Opportunities for knowledge sharing and continuous improvement, including learning from other sectors				
First Nations Better Practice Community Engagement	August 2023	1	The initiative is a forum for First Nations thought leaders to share their knowledge and engagement ideas with the energy and water sectors. It is co-hosted by Graeme Gardner, TasNetworks' Aboriginal Community Engagement Advisor – a respected palawa man who champions opportunities for the Tasmanian Aboriginal community.	Development of a First Nations Better Practice Community Engagement Toolkit by First Nations people, aimed at supporting the energy and water sectors to improve the way they work with Aboriginal and Torres Strait Islander customers and communities through three stages of engagement. The toolkit incorporates First Nations Clean Energy Network Aboriginal and Torres Strait Islander Best Practice Principles for Clean Energy Projects.
Know your customers and communities	2021 – 2023	1	A collaboration between the Energy Charter and the Water Services Association of Australia (WSAA), has resulted in a range of initiatives and activities to increase Energy Charter signatory knowledge, skills and capability. This has included a resource library, co-design of a Better Practice Engagement Toolkit and Better Practice Consumer Advocacy Support Guide, and expert-led sessions to share insight and build capability.	Outputs from this initiative have helped guide the development of our engagement practices across the business, including informing the development of our engagement toolkit and support guide for staff.

Title	Timing	Principle	Description	Customer outcomes/impacts
Evaluating Transmission undergrounding	August 2023 – ongoing	4	<p>In 2021, TasNetworks commissioned JMME (Jacobs Group Australia), to provide a cost estimate for undergrounding the section of transmission line between Palmerston and Sheffield.</p> <p>The advice from the study has since been used to inform a number of fact sheets explaining the findings. The fact sheets and the study are available to energy customers on the NWT D website. The findings of the study are discussed with the general public during information sessions and also formed part of a social media campaign in 2023.</p>	TasNetworks continues to ensure that energy customers have access to the right information by developing and updating fact sheets and making them available on the NWT D website.
Ag + Energy Social Licence Roundtable	2023 – ongoing	4	The Ag + Energy Social Licence Roundtable is a collaboration platform aimed at bridging the cultural divide and building trusted relationships between the agriculture and energy sectors for better outcomes. Through the Roundtable, energy sector representatives collaborate with the Ag Energy Taskforce to identify strategic social licence issues at the nexus of energy and agriculture.	<p>TasNetworks participated in the two roundtables scheduled during 2023-24.</p> <p>As a participant TasNetworks was able to: share updates on its projects and current initiatives / partnerships relevant to agriculture; listen to the Ag Energy Taskforce and discuss social licence matters related to the renewable energy transition; and identify collaboration opportunities and application of better practice initiatives.</p>

Appendix C – Customer impact scorecard footnote descriptions

- 2 2024 TasNetworks' Annual Customer Survey (n = 1,987).
- 3 Energy Charter 2023 Electricity Distributors – National Customer Perceptions.
- 4 Total factor productivity benchmark (measure of productivity growth, determined by rate of change in total network output less rate of change in network inputs), calculated annually by the Australian Energy Regulator.
- 5 Total factor productivity benchmark for all DNSPs in 2023
- 6 SAIDI: System average interruption duration index – the number of minutes, due to unplanned interruptions, on average that a distribution customer will be without supply for the year, excluding Major Event Days (MEDs).
- 7 Calculated by dividing maximum network demand by total zone substation transformer capacity.
- 8 Industry average for distribution networks in the NEM, Energy Networks Australia, August 2023.
- 9 Number of supply reliability communities out of 121 that breach their minimum reliability standards. Supply reliability communities and standards are defined by the Office of the Tasmanian Economic Regulator.
- 10 Customer's overall satisfaction with their TasNetworks experience and outcome.
- 11 Customer's perception of their process experience with TasNetworks.
- 12 Global benchmarking framework that measures and guides smart grid development globally across seven key dimensions. Published annually each November.
- 13 Number of breaches to life support obligations under the National Energy Retail Rules.



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