

23 April 2021

Phil Jones
Stakeholder Engagement Advisor
Australian Gas Infrastructure Group
L6, 400 King William Street
Adelaide SA 5000

Dear Phil

RE: UDIA submission to *Engaging Victorians on the Future of our Networks*

Thank you for the opportunity to provide a submission to the Australian Gas Infrastructure Group (AGIG) on the *Engaging Victorians on the Future of our Networks: Draft Engagement Plan for Consultation*.

The Urban Development Institute of Australia, Victorian Division (UDIA Victoria) is the peak body for the residential development sector. Our 320 member companies include developers, consultants, financial institutions, suppliers, government authorities and utilities.

Working collaboratively with our members, we seek to provide evidenced based policy and advocacy services to drive industry discussion and debate and to inform all levels of government to achieve successful planning, infrastructure, affordability and environmental outcomes.

The residential development sector is a major stakeholder in the roll-out program for new gas infrastructure and as such UDIA Victoria is pleased to be able to provide feedback to AGIG on the Draft Engagement Plan.

UDIA Victoria commends the AGIG on the release of the Draft Engagement Plan with the objective to deliver standard processes and consistency across each of the providers operational service areas. The following section sets out our responses to the consultation questions outlined in the Draft Consultation Plan.

Question 1: Are these Commitments appropriate to develop plans that deliver for our customers & stakeholders?

The UDIA contends that the six engagement principles are appropriate, however we would like to see *accountability* included within the guiding principles. This is probably best included within the 'Measurable' principle, either within the title or as a sub-point. Wherever possible the development sector seeks predictability, transparency and responsiveness from approval authorities and servicing agencies, and accordingly accountability is a critically important element of the bilateral relationship.

Question 2: Have we identified all the relevant customer & stakeholder groups?

A key stakeholder missing from the identified stakeholder groups are the contractors delivering the construction services to build-out the gas mains network. Both civil and specific gas contractors are critical to the process and are on the frontline of issues that may affect the planning of these networks.

Question 3: Do you support a joint approach to deliver one engagement plan for all Victorians?

UDIA Victoria strongly supports a joint approach from the three gas network businesses in the design and delivery of engagement activities. A standardised 'joined-up' approach across the Gas Distribution Networks should facilitate consistent standards across Victoria in the key gas distribution processes that affect the development industry.

Question 4: Is our proposed approach open & transparent?

The proposed 4-stage approach to engage and involve customers and stakeholders across the journey to publication of Final Plans looks fine and appropriate, at least on face-value. The timeframes and suite of engagement activities listed under each stage are broadly supported by UDIA Victoria, and on the whole are considered open and transparent. However, we will be in a stronger position to answer this question with confidence once the process is further advanced.

Question 5: Are there ways that we could improve our proposed approach?

The proposed engagement approach appears quite thorough, however pre-identification of current headline issues by key stakeholder group would aid the robustness of the early consultation process. Whilst it is acknowledged that Stage 1 – Strategy and Research is intended to help illuminate key issues and concerns, the call-out of examples of key current issues well-known by the gas distribution businesses within the Draft Consultation Plan would help streamline the deliberative process. For instance, proposing a list of preliminary issues/matters that need fixing which relate to specific stakeholders and then confirming with those stakeholders what needs to be part of the plan moving forward would seem to be a more helpful starting point.

Question 6: What are the key issues of importance for customers & stakeholders in considering the future of our networks?

Construction and constructability are key topics missing from the Draft Consultation Plan. A case in point is Ausnet's recently introduced (late 2019) two stage limit on construction prior to being commissioned, which is having a demonstrable impact on delivery timeframes, leading to significant cost blow-outs and erosion of project feasibilities. The two stage policy along with the delays and overly complex processes to install gas meters prior to occupancy of homes are leading reasons why

some developers and builders are starting to move away from gas in servicing new greenfield communities. Upfront infrastructure costs in new PSPs and growth areas are also halting the feasibility of development and needs to be reviewed by the networks.

Question 7: Are the proposed engagement activities appropriate for our customers & stakeholders?

The engagement activities mapped are generally appropriate for end customers/retail customers but not for industry bodies such as UDIA Victoria on the development side. We content that industry bodies should be amongst the first key stakeholders engaged prior to the customer workshops. To this end it would be prudent to schedule a specific workshop with UDIA Victoria to help capture the breadth and substance of the residential development sector's issues. The use of major user survey to understand future demand requirements is supported by UDIA Victoria and we would be happy to assist distribution to our membership base.

Question 8: Have we provided sufficient activities & time to allow meaningful engagement to take place?

The activities and time frames set aside for the workshops and process are adequate.

Question 9: Do the iterative customer workshops allow adequate opportunity for customers to influence the development of our proposals?

On face-value the iterative customer workshops should allow adequate opportunity to influence the development of proposals. However, it is difficult to be certain until having participated in, or viewed, the type of structured iterative workshop anticipated.

Question 10: Are there any other locations we should consider running customer workshops?

The proposed locations seem adequate to cover the regions covered by the distribution networks.

Question 11: How would you like to participate in our process?

UDIA Victoria would like to invite AGIG to engage with our Greenfield Development Committee in a targeted workshop. The Greenfield Development Committee comprises members of the major residential development companies and leading consultants involved in the delivery of the bulk of new homes and communities in greenfield settings across Victoria. A facilitated workshop with UDIA Victoria's Greenfield Development Committee would enable all the items requiring improvement to be tabled in a structured and consistent manner.

Question 12: Are there other engagement activities you see value in?

As per question 11.

Question 13: What does COVID-safe engagement look like to you?

Any engagement to be in line with current government guidance/advice.

Question 14: Are the key performance measures appropriate?

Key deliverable KPI targets would be appropriate once the findings of this engagement are confirmed.

We thank you for the opportunity to provide this feedback on the Draft Engagement Plan and we look forward to discussing the matters raised in this letter. In the first instance, please contact Toby Adams, Policy and Research Lead at toby@udiavic.com.au to arrange a workshop with the UDIA Victoria Greenfield Development Committee.

Yours sincerely

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