

## The Energy Charter: Independent Accountability Panel Terms of Reference 2020

**“Together, deliver energy for a better Australia”**

### 1. Introduction

The purpose of the [Energy Charter](#) is to progress the culture and solutions required to deliver a more affordable, reliable and sustainable energy system for all Australians. It is focused on embedding a customer-centric culture and conduct in energy businesses to create tangible improvements in price and service delivery.

Signatories are committed to working towards a common vision - ‘Together, deliver energy for a better Australia’. In that context the Energy Charter is encouraging businesses to put customers at the forefront and foster collective accountability for customer outcomes.

The Energy Charter is about improving business practices and delivering better outcomes for customers. It recognises that energy businesses must be commercially strong and viable over the longer term, in order to deliver products and services for customers. Similarly, it recognises that energy businesses need to focus on customers and meeting their needs, in order to have strong and sustainable businesses.

It is critical that Energy Charter signatories are transparent and accountable for their statements and commitments in relation to the Energy Charter. Accountability refers to how the how signatories will be evaluated for their progress against the principles and principles in action set out in the Energy Charter.

### 2. Purpose of the Independent Accountability Panel

The purpose of the Energy Charter [Independent Accountability Panel](#) (IAP) is to constructively assess outcomes delivered by:

- (a) individual energy businesses that sign up to the Energy Charter (the signatories); and
- (b) the whole energy sector over time,

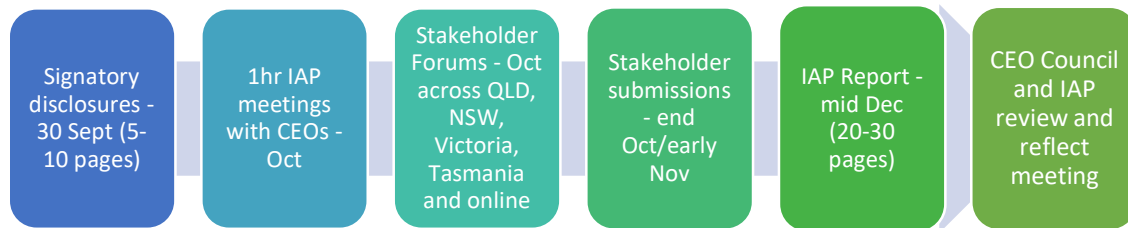
as against the Energy Charter Principles and Principles in Action.

The joint purpose of the signatory disclosures and the IAP process is to add value to customers and energy businesses by identifying positive outcomes and endeavours being undertaken by signatories and providing guidance, based on stakeholder consultation, on where there are opportunities for improvement, rather than focus on internal processes, ‘box ticking’ compliance or indicators that are measured through mandatory reporting to other organisations.

The IAP’s Report will be an important part of facilitating the continuous improvement of energy businesses and the industry as a whole against the Energy Charter Principles.



### 3. Overview of Process



The Accountability Panel will report on a yearly basis in the form of a written Report (20-30 pages maximum) that is available on a central website at [www.theenergycharterpanel.com.au](http://www.theenergycharterpanel.com.au).

Following the IAP Report, the IAP will meet with the CEO Council to review and reflect on outcomes no later than 8 weeks post release of the IAP Report.

### 4. Scope

The Accountability Panel has a mandate to:

- **Review** what actions have been taken by signatories over the prior reporting period by reviewing the signatory disclosures (5-10 pages maximum that incorporate self-assessment against the Maturity Model), the Energy Charter disclosure (outlining the collective actions undertaken by signatories) and meetings with CEOs. Signatory disclosures should identify their “top 3-5” actions
- **Engage** with stakeholders (including the End-User Consultative Group) to determine whether the actions taken by signatories have shown continued improvement towards customer outcomes aligned with the Energy Charter
- **Assess and report** on whether signatories have achieved better customer outcomes aligned with the Energy Charter, highlight ‘better practice’ across different parts of the supply chain, and identify targeted opportunities for signatories to improve by reference to feedback from customers (20-30 pages)
- **Encourage** a forward focus towards continuous improvement across the signatories for better customer outcomes aligned with the Energy Charter.

These activities should take account of the priorities and objectives the signatories have identified as part of their own Energy Charter self-assessment against the Maturity Model.

### 4. Governance

The budget of the IAP will be set by the CEO Council after consultation with the IAP Chair and is to be agreed in writing between the CEO Council Chair and the IAP Chair. The agreed budget will allow the IAP to undertake its independent role, consistent with this Terms of Reference. In exceptional circumstances if the IAP require any additional funds, prior approval must be sought by the IAP Chair and approved by the CEO Council. This can be done out of session.

The IAP is paid through an independent organisation, has an independent Chair and operates within a wider governance framework (see below). The independent organisation will be appointed by the CEO Council. The Governance Framework for the Energy Charter is available in **Attachment A**.



## 5. Decision Making

The IAP is a collaborative forum and the Independent Chair will encourage consensus about preferred course of action however, it has no directive authority over signatories.

To the extent that recommendations are made within the IAP, these will be considered or agreed to in a manner that encourages participation and consensus-building (noting points of disagreement), rather than a voting process amongst the members.

## 6. Membership

The IAP members are selected on the basis of published selection criteria. It comprises of between three (3) to five (5) individual members, including an Independent Chair. Members are appointed as individuals, rather than representatives of their organisations.

A selection committee including the CEO Council Chair will select and appoint members of the IAP including the Independent Chair, in consultation with the CEO of the organisation chairing the End-User Consultative Group and the Governance Sub-Committee of the Industry Working Group of the Energy Charter. The IAP members are appointed for a period of 3 years.

The Independent Chair will provide leadership to the IAP members. The approach for IAP is guided by three (3) principles:

- Continuous improvement of the Energy Charter signatories in achieving customer outcomes aligned with the Energy Charter
- Transparency, openness, and customer focused outcomes
- Opportunities for exchanges of key learnings with signatories that draw on the various skills and areas of knowledge of different members.

## 7. Expert Support

The IAP may engage expert support (within budget) to ensure that the IAP is well informed on key issues associated with the Energy Charter.

## 11. Competition and Consumer Act obligations

The scope of work by the IAP excludes matters relating to pricing and other nonregulated terms or arrangements for the supply or acquisition of goods or services by participants in a competitive wholesale or retail energy market.

Each panellist acknowledges, agrees and represents that by participating as part of the IAP:

- a. at all times they will comply with all applicable laws in respect of that participation. In particular, each participant acknowledges that they are subject to the Competition and Consumer Act 2010 (Cth), including Part IV, which includes prohibitions on cartel conduct as well as other restrictive trade practices; and
- b. they are aware of and understand their obligations under applicable laws (including those specifically referred to in paragraph (a) above).

### Attachment A: Governance and Accountability Framework

