



The Energy Charter

Better Practice Consumer Advocacy Support Guide



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1. WHO IS THIS BETTER PRACTICE CONSUMER ADVOCACY SUPPORT GUIDE FOR?

The [Energy Charter](#) signatories are committed to putting customers at the centre of their business and the energy sector. Energy businesses come in lots of different shapes and sizes and have differing levels of maturity and requirements when it comes to engaging with their customers, consumers and communities. However, for all of them, consumer representatives and advocates are considered critical partners to the businesses in helping them to “deliver energy for a better Australia”.

The Guide sets out five better practice principles for supporting consumer advocacy:

1. Get the basics right
2. Co-ordination and prioritisation
3. Consultation and Collaboration
4. Capability building
5. Resourcing

It’s called a “Better Practice Guide” in recognition that we can always do better, and we are committed to continual improvement.

2. WHY IS A BETTER PRACTICE CONSUMER ADVOCACY SUPPORT GUIDE NEEDED?

We’ve put this Better Practice Consumer Advocacy Support Guide together to encourage Energy Charter signatories and others to better support consumer advocacy efforts. This is an important commitment under the Energy Charter (Principle 1.4) and was reinforced by a recommendation from the Independent Accountability Panel in its [2020 Report](#):

Recommendation 13: ‘Work with policy makers and market bodies to implement a way for consumer advocacy to be better resourced.’

This work also aligns with the United Communities Report Resourcing Consumer Engagement (July 2019) which noted that:

- Consumer engagement should be an ongoing function, so consumer groups need to be resourced over a reasonable length of time and with adequate capacity to respond to priority processes
- Current resourcing levels for consumer-based groups does not have appropriate capacity or adequacy



3. BETTER PRACTICE ENGAGEMENT PRINCIPLES

All energy businesses provide essential services and products to their customers and communities. They need to meet customer and community needs and expectations, now and into the future. To do so, we need to understand:

- What are those needs and expectations?
- How will they change in a rapidly transforming energy market?

That's why engaging with consumer advocates, customers, consumers and communities is important. Consumer advocates (defined further below) can play a unique role in engagement with businesses as they bring a higher level of understanding of the energy sector and represent a group of community constituents or are an organisational representative of a key stakeholder group.

The value of consumer advocacy includes:

- Providing consumer and community insights into organisational decision making
- Credibility of outcomes that have been shaped by consumer and community expectations
- Providing important diversity of views to any process where consumer engagement is needed
- Challenging the culture of a business, and driving accountability for better consumer and community outcomes
- Plays an important part in enabling the implementation of good policy and connecting various stakeholders across the sector
- Building better mutual understanding and trust between consumer and community advocates and energy businesses

4. SOME DEFINITIONS...

The Community Engagement Handbook - Practical Techniques and Tools for Energy Networks by Peter Kenyon (April 2018) states:

Community is an umbrella term with different meanings.

'A group of people connected by place or sharing and having certain attitudes and interests in common. A sense of attachment is an important element'. (Bank of I.D.E.A.S)

Consumers

Consumers are users of products and services. The term is used to mainly include household, small business users of a regulated service, but also applies to large user, commercial and industrial customers



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Stakeholders

Those individuals, groups or organisations with an active involvement in supplying and using a regulated service, and including retailers, generators, demand management groups, contractors, suppliers and more. Consumers are a subgroup of the broader stakeholder cohort.

In the United Communities Report *Resourcing Consumer Engagement* (July 2019) (the Uniting Report):

The terms “advocacy” and “consumer advocates” are used in this report with advocacy considered to be a series of functions that are part of a broader set of consumer engagement functions.

For the purposes of this Guide, we adopt these definitions for the purposes of exploring how we can better support consumer advocacy.

5. OUR CO-DESIGN APPROACH

This Better Practice Guide was put together by the [#BetterTogether Know your Customers and Communities initiative](#) of the Energy Charter. The #BetterTogether initiative is led by representatives from APA and Essential Energy and supported by AGIG, Endeavour Energy, Energy Queensland, Jemena, Horizon Power, Powerlink Queensland, TransGrid and Energy Networks Australia.

During early 2021, they reviewed the Uniting Report and shared insights from individual businesses on the support that they individually provided to consumer advocates. They also looked more broadly for examples of better practice both in the energy sector and beyond.

In mid-2021, the #BetterTogether initiative ran a human centred design workshop with advocates to discuss what works, what doesn't work and what were the opportunities to do better to support consumer advocates.

This Better Practice Guide summarises the outcomes of this work. It does not purport to be a prescriptive list of obligations, but rather a “better practice guide” with a focus on encouraging better practice across Energy Charter signatories and beyond.

Accountability

It's also important that consumer advocates and others encourage and hold Energy Charter signatories and other organisations to account for achieving these better practices, including through the annual Energy Charter [Independent Accountability Panel](#) process.

If you have thoughts or feedback on this Better Practice Guide, please contact us at: director@theenergycharter.com.au



6. BETTER PRACTICE PRINCIPLES

We have arrived at five key better practice principles for supporting consumer advocacy:

1. Get the basics right
2. Co-ordination and prioritisation
3. Consultation and collaboration
4. Capability building
5. Resourcing

These are discussed in more detail below.

Get the basics right

- ✓ Start engagement with consumer advocates as early as possible
- ✓ Engage those advocates that are connected to the issue (e.g. technical issues may require a different group of advocates to those needed for policy issues)
- ✓ Ensure meetings and engagement sessions are accessible to all:
 - Ask if it is the right time to engage
 - Give time and information to meaningfully participate
 - Provide multiple opportunities to participate for example, online, in person etc.
 - Ensure transparency and accessibility of materials for example, meeting materials and minutes are accessible on a website and in a format which people can access
- ✓ Adopt the suggestions of the [Energy Charter Better Practice Customer Engagement Guide](#) including:
 - Align to better practice engagement principles
 - Design for an engagement process
 - How to influence outcomes

Coordination & prioritisation

- ✓ Work with other businesses and organisations (including regulators, government and market bodies) on better coordination and prioritisation on engagement activities to utilise scarce consumer engagement capacity more effectively. For example:
 - Networks can take the lead on a state based collaborative approach to engaging on regulatory proposal frameworks and approaches
 - Consider running annual forums that are future focused and assist advocates in prioritising their efforts
- ✓ Consider the commitments of advocates to other engagement processes. For example:
 - The timing of other events and activities being run by regulatory bodies, industry, government
 - Whether engagement activities can be aligned with other forums to reduce time and travel obligations
 - Work with the advocates to co-design the priorities for the engagement



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Consultation and collaboration

- ✓ Be clear on the purpose of the engagement and what you want from the engagement in line with the IAP2 Spectrum (set out at the [Energy Charter Shared Learning Platform](#))
- ✓ Make the engagement worthwhile for the consumer advocates: what's in it for them?
- ✓ Reflect in your outcomes of the engagement, how the time and effort of the advocates has made a difference and communicate this back to close the loop on the engagement
- ✓ Communicate your appreciation for advocates' participation. For example:
 - A formal letter thanking them for their participation and outlining their impact on outcomes
 - Recognition in the formal outcomes of their involvement in the process
 - Provide content that advocates can share with their constituents and stakeholders to demonstrate value to them
 - Collaborate to provide an annual forum for advocates and industry to discuss current problem-solving opportunities and innovation (Innovation and Future Market briefings)

Capability building

- ✓ Provide the training, information, and resources required by those underrepresented in the consumer advocacy space to meaningfully contribute their perspectives. For example: [#BetterTogether Energy Literacy for Culturally and Linguistically Diverse Communities](#)
- ✓ Extend invitations to advocates to participate in capability building such as internal training and development opportunities, conferences (not just about energy) and other events that may assist them in their advocacy work
- ✓ Share with advocates how decisions are made in your organisation so that they can better understand how to exert influence
- ✓ Provide informal opportunities for technical experts to build advocates' knowledge
- ✓ Invite advocates to observe engagement sessions with customers
- ✓ Leverage community CSR initiatives. For example: Can staff volunteer in advocacy organisations to assist them with core competencies such as finance, IT, legal, other?
- ✓ Assist consumer advocates to build succession planning by encouraging newer advocates to have access to training and development opportunities

Resourcing

- ✓ Offer appropriate resourcing to advocates. For example:
 - Joint funding of advocacy positions (TasCOSS Energy Advocate)
 - Travel costs, sitting fees (recognising the preparation required including engagement with constituents) (see further below)
 - Consider opportunities to fund advocacy organisations in their core programs (For example: Jemena's funding of Uniting for outreach to customers in vulnerable circumstances).
- ✓ Incorporate funding for consumer advocacy initiatives and partnerships into regulatory revenue proposals (for economically regulated businesses):



- Engage early with advocates about types of consumer advocacy support initiatives to be considered
 - Ensure that the benefit and cost of proposed initiatives are transparent and understood
 - Set out how the proposed initiatives would materially increase the quantity or quality of services.
 - A model of regulatory funding is the Australian Gas Networks (SA) vulnerable customer assistance program approved by the regulator
- ✓ Ensure engagement opportunities do not require undue resourcing. For example:
- Engagement should target the areas that advocates have the capacity to influence and that will impact consumer outcomes
 - Submissions should be time and resource efficient for advocates to make such as through the notes of joint meetings rather than requiring separate written submissions
 - Collaborate through joint advocacy on additional resourcing for consumer advocacy with policy makers and government

Sitting fees

Current sitting fees for the Australian Energy Regulator's Consumer Challenge Panel members are \$230/ hour. Sitting fees paid by industry vary according to the size and location of the business:

- \$50 or \$100 vouchers for participation
- \$250- \$750/ day
- \$200- \$400/ meeting

Independent Chairs

There is also a trend towards the appointment of Independent Chairs for consumer panels. Independent chairs support the consumers advocates and the business in delivering better outcomes and are generally paid at a higher rate than participants due to the extra responsibility.