



The Energy  
Charter  
SIGNATORY



# Aurora Energy 2022 Energy Charter Disclosure Statement



# Introduction from the Chair and CEO

On behalf of the Aurora Energy (Aurora) Board and leadership team, we present our 2022 Energy Charter Disclosure, outlining the progress made against each of the Energy Charter's (Charter) five Principles. This Statement was developed using feedback from senior leaders and subject matter experts from across our business and has been endorsed by the Board and Chief Executive Officer.

This Statement also incorporates input from our stakeholders, who helped us complete our self-assessments against the Maturity Model and were engaged to provide their views on which of the Independent Accountability Panel's (IAP) 2021 recommendations should be a priority for our business.

Shaping this year's disclosure statement is the Strategic Review (Review) of the Energy Charter that was conducted in early 2022. The Review has been instrumental in ensuring the Charter remains a highly collaborative endeavour that encourages signatories to be accountable and extend their efforts to bring about positive customer outcomes. The new decentralised model of reporting, alongside the utilisation of Better Together (#BT) initiatives as the flagship of the Charter, will ensure the Energy Charter remains effective and relevant in the Australian energy sector for years to come.

As part of the new decentralised approach to reviewing Disclosure Statements, Aurora Energy has convened a dedicated group of community stakeholder representatives from both residential and small business customer segments to provide feedback on this statement, both in its drafting and subsequent circulation following submission on 30 September 2022. It is Aurora Energy's intention to move towards the use of a pure 'customer council' model for its 2023 Disclosure Statement with customers providing direct feedback on Charter performance.

Tasmanian customers are at the heart of Aurora Energy's purpose and important context to the revised disclosure approach are the ongoing cost of living challenges being faced by most Australian energy consumers. We have also undertaken key actions in the 2021-22 period to progress and solidify our maturity against the Charter's 'principles in action' including the removal of the aurora+ product service fee. Aurora Energy has decided to taper its ambitions for two of the principles for 2022-23, noting the difficult position the energy market is in as well as the cost of living issues impacting Australians. We view this as a realistic self-assessment of what we can achieve with a commitment to always do better in the future.

The 2021-22 period continued to be a challenging one for customers with lingering effects of the COVID-19 pandemic alongside the resurgence of cost of living challenges. In 2022-23, Aurora Energy remains focussed on providing support to its customers where necessary, both through direct bill management assistance as well as through improving the overall operation of industry in collaboration with Energy Charter signatories.



**Mary O'Kane,  
Chair**



**Rebecca Kardos,  
Chief Executive Officer/ Managing Director**



## Our customers and communities

Aurora Energy provides electricity and gas retail services to residential, small and large business customers throughout mainland Tasmania. As at 30 June 2022, we provided electricity to just under 280,000 customers and around 4,800 gas customers. For electricity, residential customers comprised over 87 per cent of our customer base, with small and large business customers comprising 12 per cent and 1 per cent respectively. Our gas customers are predominantly residential.

### Our community

Tasmania has a cool climate with a relatively small, regionally dispersed and ageing population that faces a number of socio-economic challenges. According to the 2016 Census, Tasmania had the lowest proportion of people living in the most advantaged areas of all the states and territories (in Australia), and the highest proportion of people living in the most disadvantaged areas.<sup>1</sup> Tasmania continued to have the highest proportion of customers receiving an electricity concession of all National Energy Market (NEM) jurisdictions<sup>2</sup> (39 per cent of our residential customers received an electricity concession in 2021-22). These demographic features significantly influence the way our customers interact with our business, and contribute to energy affordability being a key concern for many Tasmanians.

### Cost of living challenges

The final months of the 2021-22 period brought into sharp focus the growing cost of living challenges facing our customers. Broadly, higher than expected inflation has seen the cost of every day goods rise, most notably in food and petrol costs. Added to this are pressures from rising interest rates. Energy bills are not immune to these pressures and the impact of inflation and global instability in energy markets has had a dramatic effect on the NEM and the supply of natural gas across Australia.

In Tasmania, this has been realised through the independent Tasmanian Economic Regulator's approved price increase for standing offer prices of 11.88 per cent. Accordingly, Aurora Energy has taken action to ensure its customers have access to support measures to help address cost of living challenges and the pressures of higher electricity bills. These work in tandem with the State Government's announced policy responses. This is described further in the following key highlight for 2021-22.

<sup>1</sup> Australian Bureau of Statistics, Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2016

<sup>2</sup> Tasmanian Economic Regulator, Energy in Tasmania Report 2020-21, March 2022, page 26

## Highlight 1: Support for customers facing cost of living pressures

At a time when the energy sector is more uncertain and volatile than ever, Aurora Energy has taken steps to ensure we are on hand to support our customers. As Tasmanians ourselves, we understand the impact electricity costs can have on customer budgets.

Last year when wholesale electricity prices decreased, Aurora Energy's prices also decreased by 7.11% for residential and 11% for small businesses. While most of the power we use in Tassie is generated by local hydro and wind, we do also use and buy power from the mainland and global events such as the war in Ukraine have impacted energy costs.

These factors have led to the increase in Standing Offer Prices by 11.88 per cent. This increase has been largely driven by wholesale electricity costs, which are 37 per cent higher than in 2021-22 and account for the vast majority of the 11.88 per cent price increase.

In response, Aurora Energy has prepared a number of support mechanisms:

- A \$1.7M Aurora Energy Customer Support Fund to provide relief and direct support to residential and small business customers, including via Aurora Energy's YES (financial hardship) program and an extension of the current incentive program.
- Provision of an additional \$200K to the Salvation Army to complement the Tasmanian Government's Energy Hardship Fund, assisting those facing bill payment difficulty.
- Additional funding for the NILS Energy Saver and Load Subsidy Program.

Additionally, we will be providing energy efficiency tips across digital platforms, advertising channels and through Aurora Energy's community networks as low energy efficiency in Tasmanian homes remains a big driver of high bills, especially during winter.

Aurora Energy is also committed to working alongside other Energy Charter signatories on a 'Priority' #Better Together (BT) initiative aimed at collaboration on potential responses to growing cost of living pressures.

Further detail on the outcomes associated with this activity can be found under Principle 2 and 5 on page 8 and 11.

## Highlight 2: Industry Support Payment

In October 2021, Aurora Energy commenced provision of direct relief to businesses impacted by COVID-19 with an Industry Support Payment of \$500 made available to Aurora business customers in tourism, hospitality, arts, events, transport and seafood industries.

This support payment, applied through customer electricity accounts, acknowledged the financial stress the pandemic has had on the Tasmanian economy.

We provided over \$400K in direct bill payments to customers across the impacted industries to more than 850 business customers.

Aurora Energy is steadfast in its support of Tasmanian businesses and are committed to doing what we can to assist since these industries in particular need extra support as a result of the pandemic.

### **Highlight 3: aurora+ product service fee removed**

aurora+ is a digital based product that gives Tasmanians the opportunity to gain greater control over their energy usage and ultimately reduce their electricity costs. Since its establishment in 2019, the aurora+ product has provided significant benefits to over 40,000 customers, nearly a fifth of the Aurora Energy customer base.

We know that customers who use aurora+ report bill shock scores half of those of our broader customer base. These customers also typically have a lower level of debt than non-users, particularly in cold, winter months.

For the first three years of its operation, the aurora+ product has been a 'product of choice' with customers selecting this product as an additional service to their Standard Retail Contract and being charged a daily Product Service Fee of 11 cents per day. Despite the high take up rate of aurora+, the Product Service Fee has been cited as a barrier to uptake with this forming a key recommendation from the 2021 IAP report for Aurora Energy to act on.

As aurora+ continued to develop, so did the product knowledge and research we conducted and it has become clear that there are benefits associated with aurora+ that can be of assistance to the wider customer base, in particular for vulnerable Tasmanians and those who have been affected by the economic impacts of COVID-19.

In response to this data, customer feedback and the IAP recommendation, we removed the Product Service Fee from aurora+ from 1 July 2022 onwards. Over the coming year, we expect to communicate broadly with customers from all different aspects of the Tasmanian community on the opportunity to take up aurora+. To ensure a broad range of Tasmanians have access to aurora+, we are also planning a series of community education sessions to enable customers with information about how to use aurora+ and of its benefits.

Further detail on the outcomes associated with this activity can be found under Principle 3 and 4 on page 9 and 10.

### **Highlight 4: Family and Domestic Violence Policy**

In late 2021 Aurora Energy started the journey of creating a Family and Domestic Violence Policy (FDV) to support all our customers who are impacted by family and domestic violence. The FDV Policy was established with the help of external stakeholders that support FDV survivors on a regular basis and has been implemented alongside training of front line workers provided by community agencies such as Anglicare.

The FDV policy work undertaken by Aurora Energy was presented to the Australian Energy Market Commission in February 2022 and has been influential in driving a national rule change proposal, released in June 2022, to require all national energy retailers to have a FDV policy.

We will continue our commitment to supporting FDV survivors and remain engaged with developing national regulatory requirements requiring all retailers to maintain a FDV policy.

## Customer performance measures

Following on from our 2019 to 2021 Disclosure statements, we have included the below metrics to assist in providing a consistent view of customer outcomes over time. These metrics are provided in addition to the more project- and program-specific customer outcomes included against each Principle on pages 6 to 10.

	Metric	2021-22	2020-21	2019-20	2018-19
<b>Principle 1</b>	Net Promoter Score (NPS)	+42	+43.5	+52	+48
	Employee engagement	73%	80%	55%	42%
	Commitment to Customer Obsessed	60%	67%	N/A	N/A
<b>Principle 2</b>	Bill Shock Score <sup>3</sup>	30.3%	21%	N/A	N/A
	Customer Value Index (CVI)	26.8	24	22.7	N/A
<b>Principle 3</b>	Safety incidents (Medically treated injuries)	0	3	0	1
	Disconnections (for non-payment)	677 (0.25%)	0	489 (0.17%)	632 (0.2%)
	Advanced meter installation volumes	26,663	42,473	30,437	15,103
<b>Principle 4</b>	Complaint frequency rate (per 100 customers)	0.27%	0.29%	0.37%	0.61%
	Ombudsman referrals	1.32%	1.35%	0.77%	0.51%
<b>Principle 5</b>	No. YES Program (hardship) customers	4,169	4,544	5,191	4,090
	No. YES completions	938	921	555	563

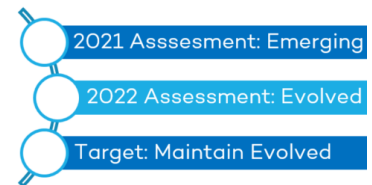
### Performance Commentary

- For 2021-22 we have introduced a new measure of 'Commitment to Customer Obsessed' to replace 'Employee customer service focus' in order to better fit with the action statements of Principle 1.
- After steady growth in our engagement results over the last few years we have seen a slight dip in the past 12 months. As we work towards a long term vision for our customers, migrating customers to a new customer management platform and realising a new operating model has resulted in short term disruption. However, these impacts have been minimised through flexible working practices, new values culture, and direct leaders support.
- The CVI measure relates to customer effort, or how 'easy' the customer experience is. Improvements in this score correspond with a decrease in 'high effort' responses from our customers, suggesting that overall we're making things easier for them.
- Our target for medically treated injuries is zero.
- Advanced meter installation volumes are a new statistic for the 2021-22 statement. Installing greater volumes of advanced meters will ensure faster access to new products like aurora+ and equip Aurora with the data required to help customers make more informed decisions on the right plans for them to lower energy costs.
- Disconnections recommenced on 1 August following the end of the Australian Energy Regulator's COVID Statement of Expectations that required retailers to not disconnect any small customers for non-payment reasons.
- Elevated YES program completion rates and lower program numbers reflect a combination of heightened support through 2021-22.
- The total number of complaints raised have reduced due to less customers complaining about the categories Customer Service and Billing.

In the following Principles sections, actions that address IAP 2021 Report recommendations are highlighted.

<sup>3</sup> Measurement of this metric commenced in 2020-21 and refers to the percentage of customers surveyed that reported experiencing 'Bill Shock' in relation to receiving their energy account.

# Principle 1: We will put customers at the centre of everything we do and the energy system



## Our progress in 2021-22

- The progress made by Aurora Energy to place the customer at the centre of our work is exemplified through all three Highlight examples provided above.
- Additionally, following a successful trial of a new service delivery model in 2020-21, the 2021-22 period saw the full implementation of a new 'squad model' with multi-skilled teams capable of offering customers an end-to-end service. We are in the first phase of embedding the new model with future gains to be realised following the transition of all customers onto a new customer management system.
- We provided monthly reporting to the Board on customer interaction data that includes a customer obsession report detailing key customer issues and feedback points to ensure Board awareness of real customer impacts.

## Outcomes delivered

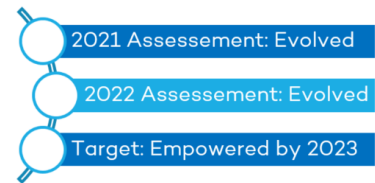
- We continue to have strong models of engagement with consumer representatives on a regular basis and in response to discrete issues that require collaboration. To ensure a broad approach to consumer engagement, we have established an Aurora Energy Business Network to allow all key stakeholders to have a voice in our engagement model.
- During 2021-22, Aurora Energy delivered training to customer service staff on our 'Customer Obsessed' value as well as asking a group of our senior leaders to lead a review on how we could amplify this across the business to ensure that customers come first in all of our decisions. We tested our values in an April 2022 engagement survey that found 87 per cent of employees have a good understanding of what our company values mean and 85 per cent recognised an expectation to demonstrate those values.

## Our aspirations for continuous improvement

Based on our approach to customer obsession forming a key part of the new service delivery model and enhancements to our engagement model, we have assessed ourselves to be **Evolved**. While we still aim to be **Empowered**, we think it realistic to aim to maintain an **Evolved** status in 2022-23 and will enact the below activities to continue our progression:

- Embed and leverage the value from the new service delivery model following the full transition of customers to our new account management system. As we progress this transition we will take additional steps to ensure it remains compliant and consistent with all existing consumer protection measures.
- Further expand the customer engagement model with the establishment of a customer council comprising representatives from the Aurora Energy customer base as opposed to organisational stakeholders. **IAPO2**
- Build on our engagement with TasCollab as community partners to learn from their lived experience in next year's Disclosure statement and product design as appropriate.

## Principle 2: We will improve energy affordability for customers



### Our progress in 2021-22

- As noted in Highlight 1, standing offer prices commenced on 1 July 2021 with a 7.11 per cent reduction for residential customers and an 11 per cent reduction for small business customers. These reductions followed a 1.38 per cent decrease in prices from 1 July 2020.
- However, the sharp increase in retail prices for 2022-23 required Aurora Energy to take pre-emptive action to establish a wide range of support funds and services to mitigate cost of living impacts, as described in Highlight 1.
- For customers that were identified as having the potential to better manage their energy on a Peak and Off-Peak plan, we proactively completed tariff comparisons and offered meter exchanges. In 2021-22 we notified over 20,000 customers with over 1,000 making the switch to Tariff 93 in the main. There are now over 40,000 customers on Tariff 93 which is on average a cheaper tariff option for over 70 per cent of the Aurora Energy customer base.
- We also updated our 'right plan calculator' online service to ensure customers could directly request, through the website, a change of tariff based on their right plan results.

### Outcomes delivered

- In addition to the most recent support measures, in July 2021, we delivered the State Government's commitment of a \$125 Winter Energy Bill Supplement for all concession card holders.
- As part of the Tasmanian Economic Regulator's (Regulator) recent 2022 Retail Price Determination, our regulated retail costs for the three year period following 1 July 2022 have been set and result in a small reduction in real terms compared to previous costs. This ensures that despite multiple cost of living pressures impacting

customers, our costs are not a contributing factor.

- As per our 2021 Disclosure Statement, we aspired to remove the aurora+ product service fee and following targeted research and stakeholder feedback we have been able to achieve this and offer aurora+ with no additional charge.

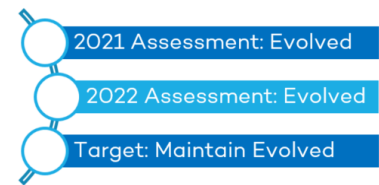
### Our aspirations for continuous improvement

We have assessed ourselves as **Evolved** for this Principle and aim to transition to **Empowered** by 2023. In 2022-23, activities that we will progress to achieve this include:

- With the removal of the aurora+ product service fee, we have set a target for 130,000 customers to take up aurora+ by 2024-25. A Customer and Stakeholder Engagement Strategy has been prepared to ensure forecast uptake of aurora+ across the coming three year period is realised.
- Processes for managing outstanding debt payments can have a material impact on customers experiencing vulnerability and are a key input to the support provided by community agency representatives representing those customers. A balanced and fair approach to debt repayment is important for not only individual customers but the overall Aurora Energy customer base. Hence, across 2022-23 we will run two-way consultation sessions with the financial counselling sector on the parameters for debt repayment.
- Further, we are seeking to build on the current process for our YES program customers who receive financial counselling through our partnership with the Salvation Army through designing additional steps for Aurora Energy to monitor agreed budgets and customer progress in line with payments, conducted on a quarterly basis.



## Principle 3: We will provide energy safely, sustainably and reliably



### Our progress in 2021-22

- Aurora Energy is independent from the generators it purchases energy from and does not own any physical assets. In this context, our focus for this Principle is primarily on the safety of our people, our impact on the overall environment and ensuring that our metering coordinator has comprehensive safety management systems in place.
- With COVID-19 continuing to impact Tasmanians, we focussed on the wellbeing of our people with flexible ways of working enabling people to work safely from home and in the office throughout heightened periods of risk (in accordance with our COVID-19 response plan), as well as a dedicated program focussed on supporting connection and wellbeing.
- We are committed to our employees workplace mental wellbeing and for 2022 we became the Gold Sponsor of the Tasmanian based 'Mind Games' a local event that brings together businesses from all across Tasmania to compete in events that raise funds and promote workplace mental health.
- We have continued to develop and consult with stakeholders on our Metering Rollout Strategy with the findings and feedback recommending a hybrid approach to target areas both geographically and on as needs basis.

### Outcomes delivered


- From October 2021, we partnered with a Tasmanian bank to offer a low-rate Green Loan product which can be used for a range of energy efficient products for amounts up to \$80,000. Eligible purchases for the Green Loan, include solar panels, batteries, double glazing for windows, energy efficient appliances as well as electric vehicles.
- We also partnered with electric vehicle subscription service 'Carbar' to offer ten

cars over a thirteen week campaign as part of our commitment to a sustainable community.

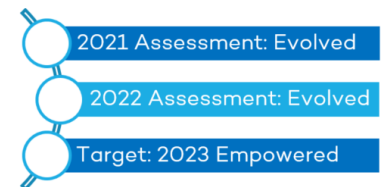
- We reduced overall complaints from an average of 840 per month across 2020-21 down to 790 per month for 2021-22. In this, the number of billing related complaints decreased from 61 per cent of total complaints to 46 per cent and customer service complaints also saw a reduction, from 18.5 per cent to 15.6 per cent of total complaints.
- We continue to work alongside farming and irrigation stakeholders, as well as other utilities, on the 'Charter for Working on Private Farm Land', which sets the expectations on utilities when working on private farm land and the importance of issues of shared concern such as biosecurity.

### Our aspirations for continuous improvement

We have assessed ourselves as **Evolved** for this measure and aim to maintain this for 2022-23. We will continue to grow our assessment in 2022-23 by:

- Continuing our support for mental health services through sponsorship and participation in the Mind Games.
- Working with our metering partners on the safe and timely roll out of advanced meters to all Tasmanians by 2026, in line with the commitment of the Tasmanian Government. 
- Reducing Aurora and our customer's environmental impact has been identified as a key pillar for the future strategy and operations of Aurora Energy with initiatives to build upon our Green Loan product planned for 2022-23.

## Principle 4: We will improve the customer experience



### Our progress in 2021-22

- Aurora Energy recognises that the Customer Experience has to be core to our DNA, our approach to market and our way of thinking as we reimagine Tasmania's energy experience. In 2021-22, we undertook research to re-evaluate our own Customer Experience maturity and customer expectations when interacting with Aurora Energy. This data has been essential in reshaping our Customer Experience Vision and a 'CX Roadmap' aimed at delivering that vision.
- Aurora Energy's Customer Maturity assessment demonstrated that we have a good foundation to underpin future Customer Experience objectives and have a high level of commitment to cultural change. However, there is a need to move away from less reactive drivers and ensure a customer centric strategy is applied to each business area.
- Our 'CX Roadmap' identified twenty-two actions/topics targeting improvements to the customer experience in both the traditional forms of service and the digital space with a number of actions in progress or delivered.
- We reviewed all customer communications channels to ensure these are tailored, clear and in line with growing customer expectations of digital engagement. This includes accessibility enhancements with a new website support hub and videos/audio files designed to help bridge the energy literacy gap.

### Outcomes delivered

- In designing the customer communication requirements on new prices starting on 1 July 2022, we ensured the Customer Experience Vision was the guiding context in drawing customer focus towards the key issues for customers, i.e., avenues of support to help mitigate the impact of rising energy prices.

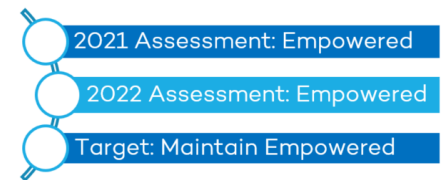
- We launched our telephony/digital based Voice of Customer platform to allow customers to provide immediate feedback through targeted questions that contribute to measuring our Net Promotor Score (NPS), Customer Satisfaction Score (CSAT) and first call resolution.
- We updated our customer consent mechanisms to allow more options for customers to receive appropriate information that will assist the customer experience.

### Our aspirations for continuous improvement

We have assessed ourselves as **Evolved** for this measure and aim to transition to **Empowered** by 2023. In 2022-23, activities that we will progress to achieve this include:

- Embedding the organisation-wide principle that Customer Experience has to be core to our DNA, our approach to market and our way of thinking as we reimagine Tasmania's energy experience.
- Enhancing the Aurora Energy billing format to not only achieve compliance with the new Australian Energy Regulator 'Better Bills' Guideline but also to increase understanding and access of billing information for all customers. **IAP11**
- Investigating the benefits of a partnership model with community agencies aimed at elevating not only digital literacy but a broader understanding of energy bills amongst disadvantaged groups.
- Utilising greater depth of aurora+ data to better understand potential savings and benefits to improve the digital-based customer experience.
- Work in tandem with Tasmania's other Energy Charter signatory, TasNetworks, to undertake a 'Knock to Stay Connected' program trial as part of that Priority #BT Initiative to help lower disconnection instances in Tasmania. **IAP16**

## Principle 5: We will support customers facing vulnerable circumstances



### Our progress in 2021-22

- In addition to the support provided to customers to address cost of living pressures outlined in the Highlight sections the following progress and outcomes are noted.
- To realise a business focus on vulnerability, we have continued to provide additional training for all frontline employees and not just those working in the dedicated YES Team. This ensures that any frontline staff engaging with a customer will be aware they are a vulnerable customer.
- The role of community agencies in growing our understanding of vulnerability and training our YES team members continued with partnerships with both Anglicare and the Salvation Army providing critical workshops and information throughout 2021-22. **IAP12**

### Outcomes delivered

- We provided \$200,000 towards the Tasmanian Government's Energy Hardship Fund administered by the Salvation Army. The fund directly supports Tasmanians that need help to pay their energy bill.
- As part of an incentive payment scheme for YES Program customers, we provided over 6,000 payments worth over \$700k to 3,447 customers for staying on track with their payment plan, bringing them closer to getting on top of their energy bills.
- We provided additional funding of \$240K to the NILS Energy Saver Loan and Subsidy program enabling 349 Tasmanians on low incomes to access energy efficient products. NILS calculates our support has helped save customers \$1.3M in interest and fees in comparison to alternative loan schemes.
- We continued to review customer concession status through checks within the YES team and through high exposure

campaigns such as delivering the State Government's winter energy bill supplement which ensured an additional 600 customers were flagged for concession status.

- We piloted a community workshop model in partnership with community service providers that offered advice on low and no cost ways to lower energy use, as well as information on products, plans and payment support options for customers facing vulnerable circumstances. This model will be further used on a targeted, case by case basis. **IAP15**

### Our aspirations for continuous improvement

We have assessed ourselves as **Empowered** for this Principle and aim to maintain this for 2023. In 2022-23, activities to continue this achievement include:

- Establish a referral process between TasWater and Aurora Energy to initiate the transfer of the customer between the businesses at times when vulnerability assessments are in train. This will ensure ease of engagement for the affected customer.
- Undertake a full review of the YES program, its delivery and the community relationships underpinning it to ensure it is customer obsessed and meeting the needs of vulnerable Tasmanians. Particular focus will be given to reviewing the criteria of entry with a view to ensuring a broader range of customers experiencing vulnerability can be assisted.
- Noting the 1.7M support fund, we will continue to monitor the cost of living pressures to ensure those who need it most are supported and work closely with the Energy Charter on a potential Cost of Living Better Together initiative.