

The Energy  
Charter  
**INDEPENDENT  
ACCOUNTABILITY  
PANEL**

## Briefing for CEO meetings on 10, 11 and 14 October 2019

The Panel is looking forward to constructive discussions with the CEOs of the Signatories about progress towards achieving the Energy Charter commitments and to learning more about plans to overcome challenges the Signatories may face in transforming the energy industry to become more customer-centric and to delivering better outcomes for consumers. The first step in that process was the initiative taken by the initial Signatories in voluntarily signing up to the disclosure and accountability regime in the Energy Charter.

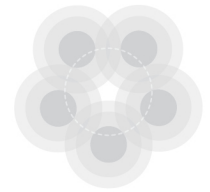
At the time of writing this Briefing the Panel has received the Disclosures but is yet to read them. These disclosures against the Principles of the Energy Charter are the next step to achieving the Energy Charter vision of the supply chain working **“together to deliver energy for a better Australia.”**

The main purpose of the meeting is to explore some of the issues you identified in your Disclosure in more detail and to give you an opportunity to provide the Panel with more context. The Panel has identified 5 broad themes that we are keen to explore with you.

### Commitment to the Energy Charter

The Energy Charter is a new approach that seeks to put the customer at the centre of your business. We are aware that new approaches involve an element of risk. The Panel congratulates your business for taking the step of being involved in the Energy Charter from the first year. We are interested in the key reasons why your organisation decided to become a signatory.

- Can you walk us through the general approach to preparing your first Disclosure? For example, what was the level of Board, front line sales employees and customer involvement in your Disclosure?
- What is the general response within your business to the Energy Charter including employees, directors and shareholders?
- The first year involved a reflection within your organisation of the gap between your structure, values, processes, and incentives with the Energy Charter Principles. What did you learn from this gap analysis? Do you have a plan, targets, consequential incentives etc?
- You may have put in place measures and targets to monitor energy affordability and reliability for your customers (see Principles 2 and 3). Can you summarise the results in this area over the first 6 months of 2019? What are your plans and targets in these areas in the coming year?



## Leadership

CEOs and directors have recently been involved in a revitalised discussion about culture. Culture is a very important element of implementing change. Boards and management determine the desired culture and values of a business informed by a range of factors, including customer focus. CEO and board leadership are an important catalyst to affect change and many organisations use performance targets and incentive schemes to motivate employees to change their behaviour in a manner consistent with the desired outcomes.

- What is your personal approach to leading this cultural change and how is that reinforced through the company?
- What have you personally done to establish what the real culture towards customers is throughout your organisation, and whether your employees (particularly those who deal directly with customers) perceive the actions and decisions that you, and your leadership team, take as consistent with a customer-centric culture?
- What steps have you taken to examine whether policies or practices inside your own organisation might be leading to customer detriment because of financial incentives on individual employees, or pressures on staff to maximise the company's profitability?
- What are the challenges that you are encountering to lead the culture change that is needed in your business and in the sector? How are those challenges and the uncertainty being shared and problem solved with consumers? What plans do you have to overcome those challenges?

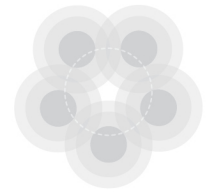
## Embedding Energy Charter values

Over the last decade trust and confidence in energy businesses has been eroding. We are interested in how your business measures the levels of trust, and satisfaction that customers have with your organisation.

- If these levels aren't where you would like them to be, what are the main things (that you are able to control) that you plan to change in the coming year?

A critical issue with culture change is embedding the Energy Charter Principles and values within your organisation.

- Notwithstanding it is very early in what will be a longer journey, how is the cultural change being accepted within your business?
- What are you and your business doing differently now as a direct result of being a Signatory to the Energy Charter?
- Is remuneration tied to Energy Charter delivery?
- From what you have seen so far, what is the greatest challenge in implementing the Energy Charter Principles in your business?



### Equity and Vulnerability

In any business, customers and stakeholders vary greatly. Energy supply is an essential service both for households and for businesses. Delivering your service in an equitable way which adequately addresses vulnerabilities of customers (both household and business) is an essential aspect of Energy Charter implementation.

- Can you describe the equity and vulnerability issues that are faced by your customer base?
- What steps have you taken to better understand these aspects of your customer base?
- What plans do you have to ensure vulnerable customers are included as part of putting customers at the centre of your business?
- What do you consider are the most important changes that could be made to achieve this? Changes within your control? Other? (e.g. policy changes)

### Collective Accountability

The Energy Charter seeks to align the whole energy supply chain behind a common purpose - of putting customers at the forefront and fostering collective accountability for better customer outcomes. The Energy Charter is an opportunity for companies across the supply chain to work together constructively and then with customers to solve problems and deliver better outcomes for customers.

- What do you believe are the most important areas of focus for the sector in the next 12 months that could lead to the biggest increase in trust and confidence in your business?
- Can you outline any roadblocks you have encountered in working with other companies in the energy supply chain (whether Signatories or not) to improve end customer satisfaction?

The Panel is committed to open and transparent engagement processes with Signatories and with the public. The Panel will publish this CEO Briefing as well as audio recordings of the CEO meetings on its website.

The Energy Charter Independent Accountability Panel

1 October 2019