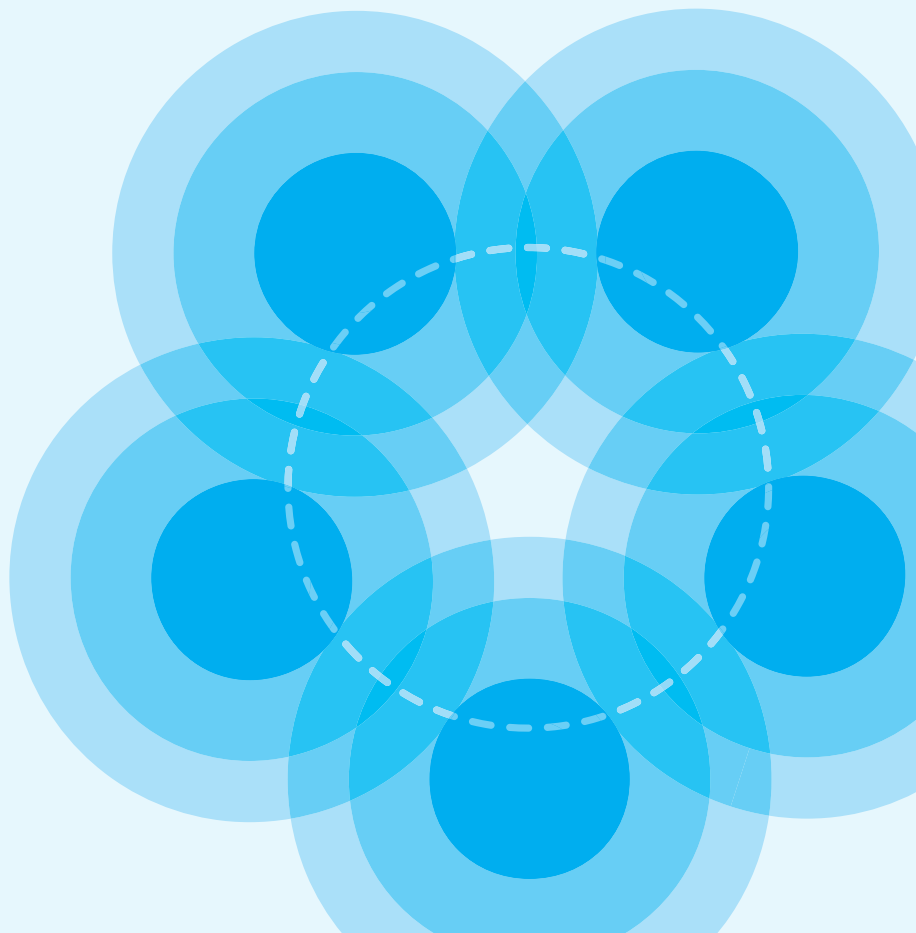


The Energy  
Charter  
**INDEPENDENT  
ACCOUNTABILITY  
PANEL**

The Energy Charter

# **Assessment of achievement of better outcomes for Australian energy consumers in 2019-20**

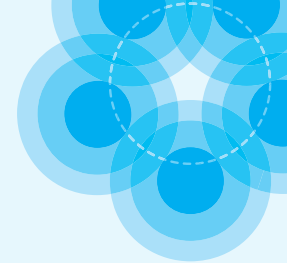
December 2020



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# Foreword



Most of us have never experienced a year so suddenly different to the period leading into it. Communities had barely begun to catch their breath after devastating bushfires across many states, when COVID-19 arrived on our shores and swept through our ways of living and working. In some parts of the country there were also major floods, hail, and continuing drought.

For many people, the past year brought upheaval and stress. Some people experienced loss and financial distress for the first time. For others, the impacts of extreme weather events and the pandemic deepened existing vulnerabilities.

A year without precedent necessitated an enhanced level of government support across the community – for individuals, families, and businesses. Like other essential service providers, Energy Charter Signatories had to respond decisively. The central concept of the Energy Charter – that customers are at the centre of their business and the energy system – offered guidance for Signatories to protect their customers from harm.

This second Annual Report of the Energy Charter Independent Accountability Panel (the Panel) assesses the progress and performance of Signatories and the broader energy sector against the Energy Charter. Our assessment of whether Signatories have achieved better outcomes for energy consumers in 2019-20 centres on the five Energy Charter Principles that give practical effect to the promise at the heart of the Energy Charter: ***Together, deliver energy for a better Australia.***

The Panel has conducted this assessment with the unprecedented context of the reporting period front and centre in our deliberations. As one consumer group submitted: “COVID-19 is a real-life stress test of the energy sector that can and must inform the IAP’s evaluation in 2020”.

**We are all energy customers. We rely on the performance of energy companies – along the supply chain from generators, through the network to a retailer – when we want to cook, adjust the temperature, plug in one of our multiplying devices, work, or just turn on a light.**

Energy is life sustaining and an essential service.

In providing something that people must have, energy suppliers enjoy a rare commercial privilege, and with that privilege comes inevitable intense consumer and thus political scrutiny. Notwithstanding more than 20 years of economic reforms, most people still think of energy as a utility for which Government is ultimately responsible. The reality, of course, is that Government does play a vital role in securing supply.

Eighteen energy companies signed up to the Energy Charter at its launch in January 2019. They committed to work harder and smarter to bridge the gap between industry performance and community expectations. They also committed to undertake an annual self-assessment in the form of a Disclosure. This year’s Disclosures included self-assessment of Signatories’ organisational maturity in relation to the five Principles. While the Disclosures and Panel review process are important, they are just a tool – the Panel has focused on performance, because it is outcomes not undertakings that count.

It is evident to the Panel that the Signatories to the Energy Charter are taking a serious approach to asking themselves how well they are delivering outcomes against the five Principles. The Panel is pleased to see that the Disclosures mostly focus on Energy Charter actions that go beyond Business as Usual and existing regulatory obligations.

This reporting period has brought the acute risks faced by increasing numbers of vulnerable customers to the forefront of the Energy Charter process. The Panel’s view is that, on balance, Energy Charter Signatories responded strongly to the natural disasters that ushered in 2020. From our observations and stakeholder feedback, the response to the COVID-19 pandemic has been more mixed.

Signatories’ CEOs have expressed strong commitment to the Energy Charter in their companies’ Disclosures and in their meetings with the Panel. We see two current tests of that commitment:

Firstly, how well Signatories are preparing for a potential post-pandemic debt tsunami – in particular, whether they are proactive and collaborative.

Secondly, the contribution of Signatories in the near term to ensuring that the inevitable transition to net zero emissions is as stable, least cost, and as fair as possible.

On both tests, energy companies rely on government action and the public support that underpins that action. On both sets of issues, energy companies need to ensure their actions contribute to building that public support.

The industry has shown that, tactically, it can respond very well to crisis. The bigger question is whether, strategically, it can contribute to a positive feedback loop with energy consumers and policy makers to manage the predictable risks and impacts of even bigger challenges.

The real question is whether Signatories will put the interests of customers front and centre in preparing for and responding to these challenges. This is difficult in a time of accelerating, increasingly intertwined change, but this kind of approach is central to the Guiding Values to which Energy Charter Signatories have committed:

***Be invested, make a difference. Be open, learn, improve. Think big, be bold.***

The Energy Charter Signatories have responded to the successive crises with unprecedented effort. But the lesson from this reporting period is that they will have to do better to successfully navigate the bigger challenges to come. Given these challenges, we are extremely disappointed at the recent withdrawal from the Energy Charter by Origin Energy and AGL. Now, more than ever, the energy industry needs to work together for the benefit of customers. We consider the Energy Charter to be a key collaboration mechanism that will deliver better outcomes if energy companies redouble their commitment to the Energy Charter Principles rather than walking away from them.

We hope that this Report helps Signatories and other energy companies to build on positive developments and step up further to play their vital role in achieving better outcomes for consumers.

## The Energy Charter Independent Accountability Panel

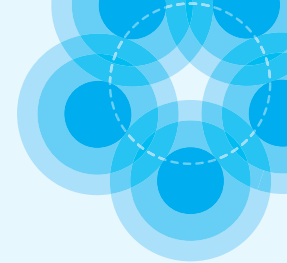
**Clare Petre:** Panel Chair

**Andrew Richards:** Panel Member - Commercial and Industrial end-user representative

**Cassandra Goldie:** Panel Member - Consumer representative

<https://theenergycharterpanel.com.au/about-us/>

# Executive Summary



## A TOUGH YEAR CAN SET YOU UP FOR THE FUTURE IF YOU LEARN THE RIGHT LESSONS

Financial year 2019-20 was tough. Tough for households. And tough for businesses, including the companies that generate, deliver and sell the electricity and gas that is so integral to our lives.

We are all energy consumers. It's our need for light, warmth, comfort, security, productivity and connection that defines energy supply as an essential service. Meaningful, unavoidable obligations attach to being in the business of delivering a life-sustaining product that people must have.

The way affected Signatories supported their customers through catastrophic bushfires and other natural disasters was a credit to the commitment of those companies and their people. Similarly, some dimensions of the industry's crisis response to COVID-19 reflected very well on the industry's commitment to the Principles, vision and values of the Energy Charter. However, in other respects, Signatory performance fell short of the standard expected by the Energy Charter.

The Panel's assessment is that the performance of Energy Charter Signatories and the broader industry in dealing with the challenges over this period has revealed that the industry will fail to adequately meet the looming larger challenges unless they continue to lift their game.

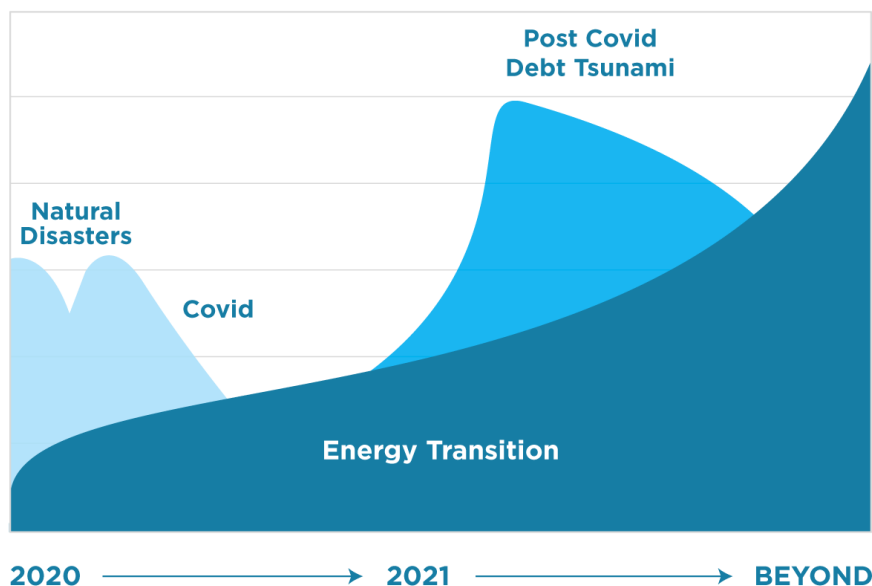
## TWO TOUGHER TESTS ARE BEARING DOWN ON ENERGY CHARTER SIGNATORIES

Whether Australia's energy companies are sufficiently committed to their customers will be revealed by how they respond to two tests:

Firstly, how well Signatories are preparing for the potential post-pandemic debt tsunami – in particular, whether they are proactive and collaborative.

Secondly, the contributions Signatories make in the near term to ensuring that the inevitable transition to net zero emissions is as stable, least cost and as fair as possible.

Signatories passing these two tests is necessary for good consumer outcomes. But others need to work with the current Energy Charter Signatories to meet these challenges. This includes non-signatory retailers and network businesses, and new standalone generation companies. The major players in these groups should step up to contribute and collaborate through the Energy Charter. Governments also need to ensure they are playing a positive role by working closely with the energy industry and their customers to deliver a more stable and predictable policy environment including in relation to emissions reduction and financial conditions for consumers.



## SIGNATORIES' 2019-20 PERFORMANCE

## Summary of Signatories' Self-Assessed Maturity

Overall, Signatories see themselves as performing best against Principle 3: *We will provide energy safely, sustainably and reliably*. Signatories with a monopoly business rated themselves much higher on Principle 3 than on other measures.

100% private companies tended to give themselves higher ratings than 100% government-owned companies. On average, companies with joint government-private ownership sat in the middle. Average private and government self-ratings were about equal for Principle 2: *We will improve energy affordability for customers*.

Government owned companies rated themselves lowest (ie. acknowledged the greatest room for improvement) on Principle 1: *We will put customers at the centre of our business and the energy system*. Private owned companies rated themselves lowest on Principles 2 and 5: *We will support customers facing vulnerable circumstances*.

Collectively, Signatories without a monopoly business rated themselves higher on all Principles than Signatories with a monopoly business. The gap was material for all Principles except Principle 3.

## Summary of Stakeholder Views

Stakeholders generally agreed that energy providers deserved recognition for their positive response to the widespread natural disasters and the subsequent pandemic. That said, they suggested that:

- The number of energy customers in vulnerable circumstances will increase, particularly when government support is reduced or removed, and other support mechanisms are removed such as mortgage and rent relief.
- Many customers are still not receiving the concessions to which they are entitled, and many are not on the best retail deal for their situation.
- The move to online connectivity is inevitable, but energy companies need to ensure customers who are digitally disadvantaged are not left behind.
- Customers need and should receive more support to reduce their consumption.

Stakeholders were keen to see the positive responses to natural disasters and COVID-19 carried over to Business as Usual for the energy providers.

## Independent Accountability Panel Assessment of Signatories' 2019-20 Performance

## Have Signatories achieved better customer outcomes aligned with the Energy Charter?

Signatories have stepped up. Customer outcomes in the face of bushfires and other natural disasters were generally a credit to Signatories and their people. Signatories' COVID-19 responses and the resulting customer outcomes were more mixed.

The key lesson from how energy consumers have fared in the past year is that Signatories will fail to adequately meet the looming larger challenges, at great cost to all energy consumers and vulnerable people in particular, unless they continue to lift their game.

## Selected 'better practice' across different parts of the supply chain

Good examples of 'better practice' by Signatories in 2019-20, both generally and in their approaches to their Disclosures, are set out in the section titled Panel Observations on Signatories' 2019-20 Energy Charter Disclosures.

## Independent Accountability Panel Assessment of Signatories' 2019-20 Disclosures

## Implementation of Panel's 2019 Report Recommendations

In general, it was not clear from the 2019-20 Disclosures where recommendations from the 2019 Panel Report were considered. The Panel expects that its more concise approach in this Report will help Signatories to improve this aspect of their 2020-21 Disclosures. Some key recommendations from the first Panel Report remain unaddressed particularly as they relate to actively identifying and supporting more vulnerable consumers.

## Implementation of the new Maturity Model for Self-Assessment against Principles

The inaugural self-assessment process was a positive first step toward a collective approach to applying metrics to Energy Charter performance. Most companies embraced the opportunity to use the Maturity Self-Assessment Model as a genuine tool for continuous improvement. The model will deliver more value for consumers if more Signatories provide independent validation and quantifiable evidence to support their self-assessment.

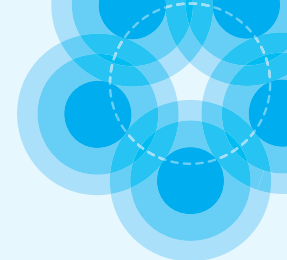
## General standard of the Disclosures

The Disclosures were substantially better second time around. Signatories have generally:

- taken a serious approach to asking themselves how well they are delivering outcomes against the five Principles
- focused on Energy Charter actions rather than Business as Usual
- ensured their Disclosures were more concise and accessible.

The Panel would like to see broader and clearer implementation of the guidance that Disclosures should identify Signatories' "top 3-5" actions.

# Recommendations

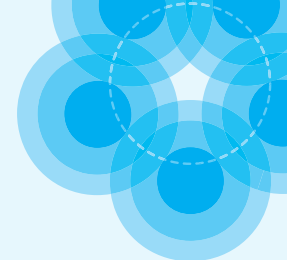


The recommendations consolidated below are set out under each Principle. Most are relevant to multiple Principles and, to varying degrees, all parts of the energy supply chain. Some are good candidates for #BetterTogether initiatives.

**TABLE 1: CONSOLIDATED RECOMMENDATIONS**

The Panel recommends that Energy Charter Signatories:	
1.	Immediately and collectively, find ways to utilise payment and usage data to proactively identify and assist customers in vulnerable circumstances, so that the industry and policy makers are taking all steps within their power to support customers in financial difficulty and to reduce payment difficulties in 2021. The process should include engagement with experts and consumer groups.
2.	Audit all customers on payment or hardship plans, and immediately and retrospectively switch them to the cheapest plan available and adjust the debt accordingly. We strongly recommend this becomes BAU for all energy retailers.
3.	Work with governments to establish a practically failsafe system to ensure each and every customer who is entitled to a concession receives it.
4.	Adopt and each publicly articulate a clear, collective approach that builds on recent energy industry acknowledgements of the inevitability of change, effectively communicates how the “north star” of net zero emissions feeds into better consumer outcomes, and drives a whole of sector focus on making energy transition work for consumers.
5.	Under the #BetterTogether initiative, consider establishing a ‘Whole of Industry Energy Transition Working Group’ to coordinate a long-term response for the industry and a ‘just transition’ for customers. This working group should include customer representatives and be approached as something of a ‘blank canvas’. This has the potential to elevate the industry above the politics of the day and provide a more stable platform for future investments and joint industry-customer advocacy.
6.	Expand their management of the growing risk that more customers cannot pay their energy bills to include becoming more active on policy questions that feed into energy affordability (eg. low-income households’ access to energy efficiency and income adequacy).
7.	Ensure the highest standards of customer care are implemented in responding to the growing debt tsunami, using the Victorian Payment Difficulty Framework as the benchmark.
8.	Elevate the Energy Charter to the highest possible extent within the organisation, including involving their Board in development of Energy Charter Disclosures and linking performance review standards and leadership remuneration to customer outcomes.
9.	If not already in place, Signatories should establish a customer reference group or customer/community council. Signatories should then commit to go beyond simply informing this group of what they are doing, but seek to involve them in key decisions and empower them to play an active role in shaping key aspects of business practices and investment decisions where appropriate.
10.	Continue to simplify energy bills so that energy usage and costs are easy to comprehend and provide specially trained customer contact staff who can help customers to understand energy usage in the home or small business. This could extend to developing a specialist energy advisor role within the customer service centre.
11.	Work more closely with consumer groups to expand and develop community collaborations with customer groups that are less likely to actively engage through mainstream channels.
12.	Pursue active personal engagement with all customers faced with potential disconnections and aspire to no disconnections, working with consumer groups to deliver on that outcome.
13.	Work with policy makers and market bodies to implement a way for consumer advocacy to be better resourced.
In relation to Energy Charter Signatories’ 2020-21 Disclosures, the Panel recommends that Signatories:	
14.	Ensure their self-assessments under the Maturity Model incorporate opportunities to back up the ratings with data and stakeholder input, including by involving their Customer/Community Council in development of Energy Charter Disclosures.
15.	Focus on outcomes not activity, ensure that Disclosures make clear whether previous year commitments have been delivered, and continue to increase the consistency of presentation of their Disclosures, including via implementation of the recommendations in this Report.

# Introduction



## ENERGY CONSUMERS MOVING INTO THE CENTRE OF THE ENERGY INDUSTRY

That the energy industry does not exist for its own purpose but for the purpose of meeting the needs of the people who rely on it is now clearly front and centre in public, policy and political debates. Signatories to the Energy Charter have chosen to publicly commit to placing the needs of customers at the centre of their business and the energy system. This represents a major shift in an industry where, too often, energy companies considered end-user customers to be just one part of a supply chain, if they were thought about at all.

It is apparent that Signatories are all now actively on some kind of customer experience journey. At the same time, there has been increasing community, business and political focus on the enduring gap between energy industry performance and the consistent public expectation that, in delivery of an essential service, the energy supply chain should operate in the public interest and be highly responsive to consumer needs.

## THE ENERGY CHARTER

The establishment of the Energy Charter reflected growing industry understanding of the magnitude and potential implications of this gap. Signatories acknowledged that, individually and together, they had to do better.

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. It is focused on embedding customer-centric culture and conduct in energy businesses to create tangible improvements in price and service delivery.

Signatories are required to provide an Annual Disclosure that demonstrates how they are achieving the five Principles in the Energy Charter.

Disclosures by Signatories and the Energy Charter are an important part of the Energy Charter process, but they are just a tool. It is the outcomes for customers that matter.

## THE INDEPENDENT ACCOUNTABILITY PANEL

The purpose of the Energy Charter Independent Accountability Panel is to constructively assess outcomes delivered by:

1. individual energy businesses that sign up to the Energy Charter (the Signatories), and
2. the whole energy sector over time, as against the Energy Charter Principles and Principles in Action.

Together, the Panel and the End-Users Consultative Group (EUCG), which comprises consumer advocates and other end-user representatives, including small and large businesses, constitute the Independent Accountability Regime for the Energy Charter.

## SIGNATORIES' DISCLOSURES AND THE PANEL'S ASSESSMENT MANDATE

The joint purpose of the Signatory Disclosures and the Panel process is to add value to customers and energy businesses by identifying positive outcomes and endeavours being undertaken by Signatories, and based on stakeholder consultation, providing guidance on where there are opportunities for improvement. This Report is an important part of facilitating the continuous improvement of energy businesses and the industry as a whole against the Energy Charter Principles.

### PRINCIPLE 1:

We will put customers at the centre of our business and the energy system

### PRINCIPLE 2:

We will improve energy affordability for customers

### PRINCIPLE 3:

We will provide energy safely, sustainably and reliably

### PRINCIPLE 4:

We will improve the customer experience

### PRINCIPLE 5:

We will support customers facing vulnerable circumstances



While the Signatories' Disclosures and the Panel Report are important parts of the Energy Charter, they are just part of the story. The benefits to customers and Signatories alike go well beyond an annual report. The Energy Charter has started a new conversation along the entire energy value chain. It has facilitated collaboration and sparked innovation that would not have

otherwise occurred, and has allowed the best practices of Signatories to be shared across the entire energy industry to the benefit of energy companies and customers alike. In these times of great uncertainty, it will be crucial for our shared success for this to continue, as we are truly better together.



**FIGURE 1: INDEPENDENT ACCOUNTABILITY PANEL PROCESS**

The Panel's task was to:

1. Review Signatories' actions through the Signatory Disclosures and the Energy Charter Disclosure (outlining the collective actions undertaken by Signatories), and by meeting with CEOs.
2. Ascertain the views of stakeholders (including the EUCG) on whether the actions taken by Signatories have shown continued improvement towards customer outcomes aligned with the Energy Charter.
3. 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 customer advocacy groups.
4. Encourage a forward focus towards continuous improvement across the Signatories for better customer outcomes aligned with the Energy Charter.

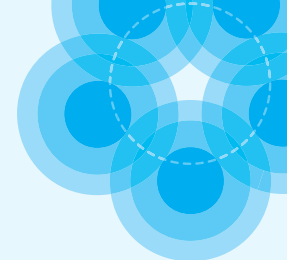
In undertaking these activities, the Panel has taken account of the priorities and objectives the Signatories have identified as part of their own Energy Charter self-assessment against a Maturity Model. The Maturity Model is designed to enable constructive comparison of improvement in performance over time, recognising

that Signatories are at different stages of maturity and have different capabilities and priorities. The Maturity Model is not a compliance tool, it is a tool to encourage continuous improvement internally within the business.

The Panel views the Energy Charter as a valid and genuine attempt by the energy industry to re-establish trust, build social licence and restore consumer confidence in the providers of this essential service. Doing those things through significant culture change that puts the customer at the centre of the business will be central to a successful outcome. The magnitude and scope of this journey for the Energy Charter Signatories is similar to the changes in Workplace Health and Safety that have occurred in businesses over the last decade – so that it is embedded in organisations from the top down, responsibilities are clear, attitudes are changed, the need for continuous improvement is recognised, and performance is constantly monitored. The Panel asked Signatories to:

- present a frank self-appraisal of their businesses' current situation, their ambition and how they propose to get there; and
- avoid presenting a public relations document or a regurgitation of actions that Signatories have to undertake in any case, eg. by law or regulation.

# Outcomes Assessment



## General Assessment

### SIGNATORIES' DISCLOSURES INCLUDING INAUGURAL MATURITY SELF-ASSESSMENT

The 2019-20 Disclosures were Signatories' second opportunity to articulate their progress against the Energy Charter Principles. Signatories took a more consistent approach than in 2018-19 but there was still considerable variation, including in Signatories' first application of the newly introduced Self-Assessment of Maturity in respect of each Principle. Signatories rated themselves out of five for each Principle.

Score	Maturity
1	Elementary
2	Emerging
3	Evolved
4	Empowered
5	Exceeding

PRINCIPLE 1:	PRINCIPLE 2:	PRINCIPLE 3:	PRINCIPLE 4:	PRINCIPLE 5:
We will put customers at the centre of our business and the energy system	We will improve energy affordability for customers	We will provide energy safely, sustainably and reliably	We will improve the customer experience	We will support customers facing vulnerable circumstances

The self-assessed ratings are useful for continuous improvement on a longitudinal basis within each organisation. Given the clearly differing approaches across Signatories, including some ratings that appeared heroic, the data is more instructive at an aggregated level. Figures 2 and 3 below are presented to help Signatories normalise their self-assessment approaches over time so that the Maturity Model realises its potential value as an internal tool that supports continuous improvement.

Overall, Signatories see themselves as performing best against Principle 3. The spread of self-assessed maturity was greatest for Principle 5. The Panel noted some differences in self-ratings according to company types:

1. Signatories with a monopoly business rated themselves much higher on Principle 3 than on other measures.
2. 100% private companies tended to give themselves higher ratings than 100% government-owned companies. On average, companies with joint government-private ownership sat in the middle. Average private and government self-ratings were about equal for Principle 2.
3. Government owned companies rated themselves lowest (ie. acknowledged the greatest room for improvement) on Principle 1. Private companies rated themselves lowest on Principles 2 and 5.
4. Collectively, Signatories without a monopoly business rated themselves higher on all Principles than Signatories with a monopoly business. The gap was material for all Principles except Principle 3.

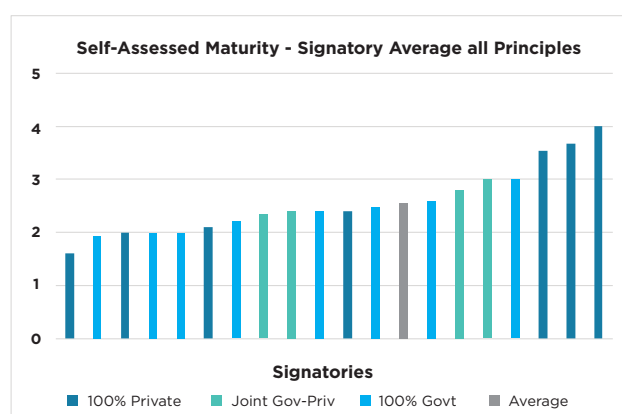
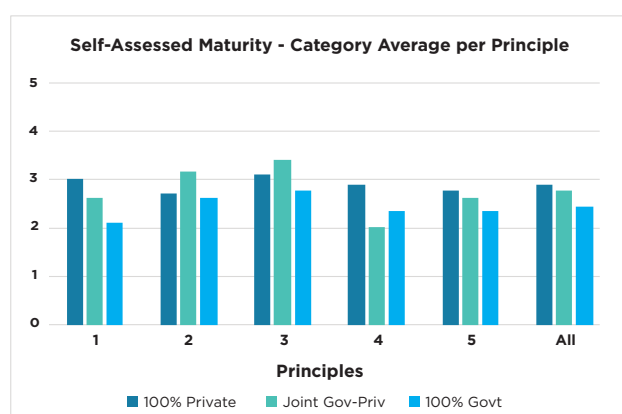
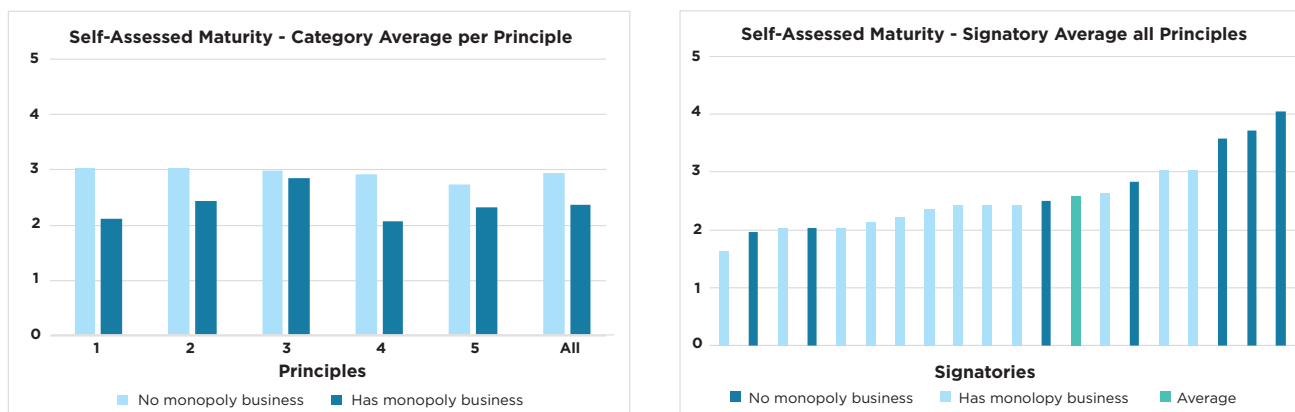


FIGURE 2: SELF-ASSESSMENT OF MATURITY: PRIVATE, JOINT AND GOVERNMENT OWNERSHIP



Stakeholders were keen to see the positive responses to natural disasters and COVID-19 carried over to Business as Usual for the energy providers.

*“The EUCG, and the consumer voices they represent, are seeking ambition from Signatories, a drive to be bold, a paving of new ground, beyond business as usual”.*

Consumer advocates told the Panel that the timeframe provided for them to review Disclosures was too short. Energy Advocates supported by COTA Australia also suggested that, although the 2019-20 Disclosures were generally easier to read, more focused and succinct, more work needs to be done. Continuity between Disclosures from year to year can be difficult to track, and it is not always apparent whether last year’s commitments were delivered. Advocates said that more standardised reporting would allow them to better compare and evaluate Disclosures. The Panel agrees with this feedback, and we will review the process for the next reporting period.

## KEY FINDINGS

The energy industry has played a key and often life-saving role in response to natural disasters and COVID-19, alongside other essential industries. The Panel recognises that, in an extremely tough year, Signatories have demonstrated improvement during the reporting period, if variable across the Energy Charter Principles. There have been significant demonstrations of listening to feedback, greater collaboration than in the past, and putting their customers closer to the centre of their businesses and the energy system.

However, in the provision of a service that is essential – to people’s daily lives, to the economy and to our national competitiveness – a pass mark isn’t good enough. Signatories cannot be content that they are on track to deliver against the Energy Charter Principles, or satisfied that they are generally doing the right thing by their customers. Unless they have collectively acknowledged looming major challenges and are working together to proactively manage likely consumer impacts and capture opportunities for consumer benefit, they will be marked harshly by stakeholders.

The Panel believes that there are two looming major challenges that have been largely underplayed or unrecognised by Signatories, or where it is not evident that the objective of maximising the long-term interests of consumers is the major frame through which Signatories are engaging with the challenges.

## 1. 2021 bad debt tsunami is predictable

A post-pandemic 2021 bad debt tsunami is predictable. Many energy customers are set to lose enhanced government payments and other forms of COVID-19 relief, and with that their capacity to pay their energy (and other) bills. The Panel has not seen much evidence that Signatories are preparing for this problem, or focusing on finding ways to ameliorate the impact on customers in vulnerable circumstances, separately or together.

It should be recognised that significant federal and state government support has meant that a big proportion of low-income households were better placed to manage through the COVID-19 crisis. Combined with energy industry initiatives, this meant that affordability of essential energy services has, paradoxically, not been an issue in 2020 for as many households as would otherwise be the case. Energy Ombudsmen around Australia expected an increase in complaints in 2020 as a result of COVID-19, but said the companies stepped up early to offer support to customers who contacted them. However, Ombudsmen and community advocates agree that alarm bells are ringing for the real financial impact of COVID-19 and a potential debt tsunami in 2021 as government and other assistance reduces, and moratoriums on disconnection are lifted. Therefore, 2021 may well be a year of significantly greater impact on the energy industry and many of its customers than 2020.

The Panel is concerned that the energy companies are either not preparing for this challenge or not working together. Either way, it appears that the companies are not taking sufficient ownership of this issue. This exposes large numbers of consumers to substantial harm when it will be most damaging.

The energy industry needs to find a collective way to use the significant amount of data it collects every day to proactively identify and assist customers in vulnerable circumstances. Collaboration with the water industry might help, but electricity offers the greatest opportunities to leverage existing data. The best and fastest outcomes for vulnerable consumers will be achieved if industry works together, and drives a process that includes engagement with experts and consumer groups.

Unfortunately, too many Signatories were not able to articulate what they are doing now to be ready for this foreseeable problem just over the horizon. Both customers and companies cannot wait to see how bad it gets and be less prepared than they should be. To varying degrees, these are companies with first class strategic

anticipation capabilities. Those capabilities are often well-deployed to objectives like winning customers, retention of existing customers, driving down cost to serve, or meeting shareholder expectations. They should be equally well-deployed to meeting Energy Charter commitments.

While all Signatories recognise this, some are more advanced than others in early identification of customers at risk, and only some Signatories provided evidence that they have commenced some level of pre-emptive action. One positive example is that, for a period, Essential Energy hand delivered disconnection notices, leading to an 80% reduction in disconnection. AGL, Energy Australia and Aurora Energy reported helping customers to complete relevant forms to obtain maximum benefits/concessions. Although this was a sometimes lengthy process, it benefited both the customers and the business.

## 2. Energy transition is inevitable

The transition toward a decarbonised, decentralised and digitalised energy system is well underway. Directionally, it is inevitable. No actor can stop it and few really want to. What can be influenced is how it plays out. Outcomes for energy consumers will be fundamentally determined by whether this transition is more or less smooth, more or less costly and more or less fair.

While all Signatories recognise that energy transition is gaining momentum, their responses are at varying stages of progress, reflecting where they sit in the energy value chain, and their level of natural exposure to climate change/emissions intensity risk and changing consumer preferences.

There is no greater test of the authenticity of Signatories' Energy Charter commitments than whether they do what is in their power to ensure that the inevitable transition to net zero emissions is as stable, least cost, and as fair as possible. The Panel would like to see Signatories adopt and each publicly articulate a clear, collective approach that builds on recent energy industry acknowledgements of the inevitability of change, effectively communicates how the "north star" of net zero emissions feeds into better consumer outcomes, and drives a whole of sector focus on making energy transition work for consumers.

On both the predictable 2021 debt tsunami and making energy transition work for consumers, industry relies on

government action and the public support that underpins that action. On both challenges, energy companies need to ensure their actions contribute to building that public support. While a coordinated national approach from government is also needed, Signatories have clear responsibilities within the Energy Charter framework.

The industry has shown that, tactically, it can respond well to crisis. The bigger question is whether, strategically, it can contribute to a positive feedback loop with energy consumers and policy makers to manage the predictable risk and impacts of even bigger challenges.

Signatories stepping up on these two major challenges is necessary for good consumer outcomes. But not sufficient. Others need to work with the current Energy Charter Signatories to meet these challenges. It is unreasonable to expect the Energy Charter Signatories to take on these challenges while other energy suppliers sit back but still reap future benefit. This includes non-signatory retailers and network businesses, and new stand-alone generation companies. The major players in these groups should step up to contribute and collaborate through signing up to the Energy Charter. Government policies also play a crucial role, including the delivery of basic social protections like adequate income support, and delivering better housing energy efficiency standards.

The Panel's assessment is that the performance of Energy Charter Signatories and the broader industry in dealing with the challenges over this reporting period has revealed that the industry will fail to adequately meet the impending larger challenges unless they continue to lift their game.

If the energy industry – including current Signatories and the significant companies that have chosen to freeride on the Signatories' investment in the Energy Charter – redoubles its focus on the Guiding Values of the Charter, the industry might maintain sufficient public confidence for politicians to provide the stable policy reform trajectory that would benefit both investors and consumers.

**TABLE 2: THE PANEL'S GENERAL ASSESSMENT**

Independent Accountability Panel Assessment of Signatories' 2019-20 Performance	
<b>Have Signatories achieved better customer outcomes aligned with the Energy Charter?</b>	<p>Signatories have stepped up. Customer outcomes in the face of bushfires and other natural disasters were generally a credit to Signatories and their people. In some ways, Signatories' COVID-19 responses and the resulting customer outcomes also reflected well on them.</p> <p>However, the key lesson from how energy consumers have fared in the past year is that Signatories will fail to adequately meet the looming larger challenges, at great cost to all energy consumers and vulnerable people in particular, unless they continue to lift their game.</p>
<b>Other Panel Observations</b>	<p>A culture gap has begun to open up between Energy Charter Signatories and other energy companies. This could be viewed as a sign that the Energy Charter is succeeding. But allowing that gap to grow would not be acceptable to the community.</p> <p>Some network businesses have gone well beyond some retailers in terms of aligning their strategy and actions with the Energy Charter. Evidence that retailers are arresting this trend will be something for the Panel to look for next year.</p> <p>Major non-signatory energy retailers and network businesses, and new stand-alone generation companies should step up to contribute and collaborate through signing up to become Signatories to the Energy Charter.</p>
Independent Accountability Panel Assessment of Signatories' 2019-20 Disclosures	
<b>Implementation of Panel's 2019 Report Recommendations</b>	<p>In general, it was not clear from the 2019-20 Disclosures where recommendations from the 2019 Panel Report were considered. The Panel expects that its more concise approach in this Report will help Signatories to improve this aspect of their 2020-21 Disclosures.</p> <p>Some key recommendations from the first Panel Report remain unaddressed particularly as they relate to actively identifying and supporting more vulnerable consumers.</p>
<b>General standard of the Disclosures</b>	<p>The Disclosures were substantially better the second time around. Signatories have generally:</p> <ul style="list-style-type: none"> <li>• taken a serious approach to asking themselves how well they are delivering outcomes against the five Principles</li> <li>• focused on Energy Charter actions rather than Business as Usual</li> <li>• ensured their Disclosures were much more concise and accessible.</li> </ul> <p>The Panel would like to see broader and clearer implementation of the guidance that Disclosures should identify Signatories' "top 3-5" actions.</p>
<b>Recommendations</b>	<p>The Panel recommends that Energy Charter Signatories:</p> <ul style="list-style-type: none"> <li>• Ensure their self-assessments under the Maturity Model incorporate opportunities to back up the ratings with data and stakeholder input, including by Involving their Customer/Community Council in development of Energy Charter Disclosures.</li> <li>• Focus on outcomes not activity, ensure that Disclosures make clear whether previous year commitments have been delivered, and continue to increase the consistency of presentation of their Disclosures, including via implementation of the recommendations in this Report.</li> </ul>



## Panel Observations on Signatories' 2019-20 Energy Charter Disclosures

In response to a request from Signatories for individual feedback, Table 3 sets out a pair of observations on each Signatory's Disclosure. Within the scope of the Panel process, we have highlighted where the particular Signatory has done well and where it is considered there is room for improvement. Necessarily, these observations might not point to the most important dimensions of the Disclosure, and each Disclosure needs to be reviewed fully and separately. This table reflects the views of the Panel as well as feedback from community stakeholders.

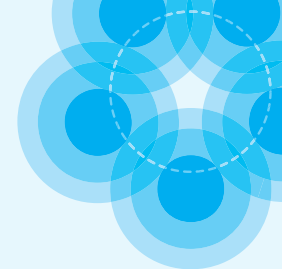
**TABLE 3: SELECTED PANEL OBSERVATIONS ON SIGNATORIES' 2019-20 ENERGY CHARTER DISCLOSURES**

Signatory	Doing well	Room for improvement
<b>ActewAGL</b>	With a small geographic footprint, ActewAGL has the advantage of being a true 'local' utility with a good understanding of and close relationships with customers, and face-to-face programs such as "bring your bill" day. Other good initiatives are the social housing energy efficiency program and the Small Business Support Program. ActewAGL was one of a small number of Signatories that linked actions taken this year with recommendations from the 2019 Panel Report.	With the ACT Government policy of net zero emissions by 2045, ActewAGL is at the front line of what the transition means for energy utilities including the very real risk of stranded assets. It has recognised that more work needs to be done on a 'just transition' so that the most vulnerable in society are not left behind and to upskill staff to help customers to manage this complexity. The Maturity Model Self-Assessment against the five Principles was not clear from the Disclosure.
<b>AGL</b>	Good progress on identifying early signs of vulnerability via specific training programs for call centre staff and putting in place dedicated specialists to provide assistance. One of the few Signatories to refer to Ombudsman complaints and make a good attempt at providing quantitative evidence to support their self-assessed Maturity Model ranking.	As a 'gentailer', AGL is still coming to terms with what the energy transition means for them. It is unclear what the long-term transition plan is and the impact it will have on the company's customers. Prior to publication of this report, AGL advised that it is withdrawing from the Energy Charter. This is extremely disappointing, and reflects poorly on the leadership role in the industry of such a significant energy company.
<b>APA</b>	A self-aware self-assessment, recognising that while the company has made good progress in understanding its role in the value chain, they still have a long way to go to become a customer-centric organisation. This approach should be applauded as the Energy Charter is about increasing corporate self-awareness and supporting continuous improvement.	As self-identified, the executive customer contact program has fallen short, as has the community and consumer engagement program. While these two critically important programs were not delivered in this reporting period, the company has re-confirmed its commitment to these outcomes.
<b>Aurora Energy</b>	A proactive response to COVID-19 by supporting customers and community advocacy – a specialist support team, dedicated phone line and \$5 million Customer Support Fund to help customers pay their energy bills – was strongly endorsed by Tasmanian consumer advocates.	The Aurora app is very positive, but the \$40 per year fee is a significant obstacle for many customers.
<b>Ausgrid</b>	Good progress on understanding its customers through customer segmentation and new reporting and tracking frameworks. A new Chief Customer Officer role that reports directly to the CEO is a positive sign of intent. A good attempt at providing some quantitative evidence to support its self-assessment against the maturity framework.	Like many network service providers, Ausgrid has been able to deliver price reductions in the current regulatory period due to a lower interest rate environment. The challenge will be to maintain lower prices in a higher interest rate environment. Therefore, a longer-term plan for energy affordability needs to be considered.
<b>Australian Gas Infrastructure Group</b>	Continuously identified as one of the leaders in stakeholder engagement. Their Disclosure demonstrates a very good understanding of customer issues and the areas in which the company can assist, with "customer-centricity" being ingrained throughout the organisation. The company is taking a leadership role in alternative fuels, most notably hydrogen.	AGIG identified a number of areas for improvement including aspects of reliability, health and safety and connections. The company has also identified more work on increasing awareness of vulnerable customers. AGIG identified stranded asset risk as an issue that needs to be addressed.

Signatory	Doing well	Room for improvement
<b>CleanCo</b>	As a new organisation, CleanCo has a self-described “blank sheet” on culture, so while work needs to be done, there is a significant opportunity to set a positive tone from the beginning. The company sees significant opportunity in the energy transition and articulated their goal of helping to facilitate the least cost transition for customers.	As a generator, CleanCo is still coming to terms with who its customers are and how best to engage with them. We encourage them to think about customer in the broadest sense to help with understanding their role in the energy value chain and asset lifecycle.
<b>CS Energy</b>	CS Energy has “moved the dial” on culture, and its self-assessment against the Maturity Model reflects this. Positive indicators include active participation in a number of #BetterTogether initiatives such as the Broker Code of Conduct, and establishment of a ‘Just Transition’ working group.	As a relatively new entrant into the retail energy space, CS Energy acknowledges it is still evolving as a customer-centric organisation. In addition to evolving their own organisation, a key issue is the need to keep working to ensure their JV partners are similarly aligned with Energy Charter Principles.
<b>Endeavour Energy</b>	A statement from their Peak Customer & Stakeholder Consultative Committee provides a level of affirmation of the progress being made and where improvement is required. The Panel welcomed attempts to provide a quantitative evidence to support their self-assessment against the Maturity Model.	As self-identified, greater engagement between the executive team and customers is required. This needs to be complemented by improving information systems and developing early warning signs of customer vulnerability.
<b>EnergyAustralia</b>	As part of the COVID-19 response, specialist advisers through the Rapid Business Assist program offered a range of services to businesses. The recognition that there is never a ‘mission accomplished’ moment reflects that continuous improvement is at the centre of a customer-centric culture. The Company has also taken the lead on a number of #BetterTogether initiatives such as the Broker Code of Conduct and 24/7 connections.	EnergyAustralia ranked themselves very highly in all aspects of the Maturity Model and provided some qualitative evidence of this. It would be useful to see some quantitative measures applied to support their self-assessment along with a statement of support from their customer reference group.
<b>Energy Queensland</b>	Collaborated with other Signatories on several #BetterTogether initiatives. The Panel welcomed an attempt to provide quantifiable evidence and use of case studies in supporting their self-assessment against the Maturity Model.	Energy Queensland has identified a significant amount of technology adoption. It is not clear if this is BAU or customer driven or how these technology improvements directly benefit customers. As self-identified, Energy Queensland needs to continue to integrate customer needs analysis into strategic decision making and future investment decisions.
<b>Essential Energy</b>	Two standout indications of a customer-centric culture being built: positive support for Indigenous communities, including through its apprentice program; and a personal contact approach to reducing disconnections. The company gave an impressive description of the key lesson from the fires being that they would go above and beyond regulatory obligations from Day 1 of future crises.	Essential Energy self-identified the need for greater communication with ‘passive consumers’ and CALD customers. Getting the company’s long-term energy transition strategy on track while navigating more immediate challenges will be difficult, but preparing for a potentially tough post-pandemic period actually presents an opportunity to refocus transition planning.
<b>Horizon Power</b>	Due to the geographic diversity of its business, Horizon Power has a unique set of challenges. The Panel noted an active and genuine engagement with regional and remote communities about the services that they want, and unique product design that is fit for purpose.	Horizon Power self-identified a need to continue to move away from a pure system view to one that equally balances customer and system need. Greater Board involvement would be useful as would a more quantifiable set of metrics to support self-assessment.



Signatory	Doing well	Room for improvement
<b>Jemena</b>	Continued to demonstrate a positive approach to customer engagement which played a major role in recent regulated price re-sets. Made a good attempt at providing quantitative data to support its Maturity Model Self-Assessment. In early identification of hardship, Jemena appears to be more advanced than others and is sharing this with industry peers.	Jemena sees stranded asset risk posed by net zero emissions by 2050 as an issue, but is yet to have a fully developed pathway forward that supports their business and ensures customers do not carry unnecessary costs and risks.
<b>Origin Energy</b>	Positive moves to integrate customer experience reporting, including complaints, into regular Board reporting; an expanded customer insights panel; enhanced Origin Energy app.	The withdrawal of Origin Energy from the Energy Charter is extremely disappointing. It reflects poorly on the leadership role in the industry of such a significant energy company.
<b>Powerlink</b>	Demonstrated a commitment to developing a customer-centric culture from the Board down. Recent stakeholder engagement co-design workshops indicate they want consumers deeply involved in the business planning and decision making. Message from the Powerlink Customer Panel provides a level of external verification of Powerlink's Maturity Model Self-Assessment.	Powerlink should try to present some quantifiable data to support its maturity self-assessment. Powerlink is at the centre of the energy transition and will have to balance the needs of customers and new entrant generators while also playing a key role in system strength. We encourage Powerlink to maintain focus on the needs of end-use customers as their first priority.
<b>Powershop / Meridian Energy</b>	A leader in product innovation and appears to have developed a very good relationship with its customers through careful targeting of customer segments that align with both company strategy and philosophy. Provided a good range of qualitative and quantitative evidence to support its maturity self-assessment.	As the owner of renewable generation, Powershop has recognised the growing need for this type of generation to behave more like traditional generation fleet (ie. dispatchability). The challenge is to achieve this without pushing additional costs and risks onto consumers.
<b>Stanwell</b>	It is encouraging to see Stanwell take on the challenge of inserting the customer voice on the Board. This is an indication of their strong desire to continue to evolve as a customer-centric organisation. The use of quantifiable key performance measures to support maturity self-assessment is also welcomed.	The energy transition poses significant challenges for an organisation like Stanwell. The Panel sees the need for greater collaboration along the entire energy value chain to successfully manage this issue on behalf of communities, employees and customers.
<b>TransGrid</b>	Continues to demonstrate a strong desire to have customers deeply involved in decision making by the company. The Panel applauds the company taking a conservative approach to maturity self-assessment as an indicator that continuous improvement is at the heart of the Energy Charter. We also acknowledge the use of quantifiable metrics to support this assessment.	Due to its central location in the NEM and significant future grid expenditure to deliver the Integrated System Plan, TransGrid is at the leading edge of the energy transition. More than any other transmission company, TransGrid will have to balance the needs of customers and new entrant generators while also playing a key role in system strength. This is not helped by a highly volatile political and policy environment.



## Principle 1:

# We will put customers at the centre of our business and the energy system



**Having the right culture underpins the way we behave, the decisions we make and the outcomes we deliver. We recognise that getting the culture right for our customers is crucial not only to deliver on our customer commitments, but also to the long-term success of our businesses.**

**We will develop the culture within our businesses that puts the customer at the centre and will work together and with our stakeholders to deliver the safe, affordable, reliable and sustainable energy system the community expects.**

### PRINCIPLE IN ACTION

To fulfil this principle, energy businesses should:

- 1.1** Have a Board that actively oversees the business's culture so as to be aligned with Energy Charter Principles.
- 1.2** Have management operationally accountable for embedding a 'customer at the centre' culture.
- 1.3** Ensure their work force is engaged and incentives are aligned to drive positive customer outcomes.
- 1.4** Have robust processes to determine customer and community needs and be accountable on how feedback has been considered and incorporated into decision making.
- 1.5** Demonstrate a culture of innovation and collaboration for positive customer outcomes, including through the sharing of insights with government, research institutions and across the supply chain, as well as joint advocacy on regulatory, policy and operational issues.

## Principle 1:

We will put customers at the centre of our business and the energy system



## Signatories' Self-Assessment

Signatories marked themselves hard on Principle 1, indicating that most of the companies believe there is considerable room for improvement in the extent to which they put customers at the centre of their business and the energy system.

The three largest gentailers were the exception.

Amongst the other 16 Signatories, 10 self-assessed as Emerging (2 out of 5) and two self-assessed as Elementary (1 out of 5).

A number of Signatories acknowledged that if they are truly to put customers at the centre of their business, this needs to start from the top, from Board and CEO/ Senior Executive level. Initiatives include remuneration and bonuses linked to customer measures; review of customer complaints by Management/Board; Executives listening to customer calls and providing feedback; and Senior Managers sitting with their contact centre on a regular basis.

In addition to delivering on government and Australian Energy Regulator (AER) requirements such as disconnection moratoriums, many companies were proactive in assisting customers to manage through the pandemic, eg. a network assistance package was launched before government directions.

## Stakeholders' Views

Overall, stakeholders across Australia acknowledged that Energy Charter Signatories had responded very well to the natural disasters that ushered in 2020 and somewhat well to the pandemic.

Stakeholders submitted that COVID-19 was a real test of whether Signatories were truly serious about putting customers at the centre of energy businesses. The impact of the pandemic required companies to really know their customers and to understand that one size does not fit all. The COVID-19 response could be seen as a statement of a company's culture – particularly the involvement of the Board and/or Senior Management, and the extent to which there was specific training for staff and tailoring of communication to customers' needs.

The End-Users Consultative Group reflected the views of many stakeholders in submitting:

“COVID-19 has prompted companies to assess if their customer-service standards are fit-for-purpose and approach customers with empathy and humanity as part of a larger community, beyond a business-customer relationship. We see examples of Signatories engaging consumer advocates to deeply understand what the customer wants in this time and how best to deliver a commitment to putting their customers at the centre of the business at a critical time.”

The Energy Ombudsmen said they continue to see a disconnect between the principle of customer-centricity and the actual experience of customers when dealing with front line staff. They questioned whether Signatories' culture, communication, systems and processes are sufficiently supporting the front line to deliver on the aspirations and goals outlined in the Energy Charter.

Stakeholders were strong in their view that the experience of the COVID-19 emergency needs to be carried over to Business as Usual and become the new way of working and a driver of innovation rather than a temporary measure.

ACOSS reflected the position of many stakeholders in suggesting a range of ways that energy users could be embedded into organisational governance, systems and processes. These included establishing an energy user engagement panel that goes beyond typical consultation but also reviews, among other things, internal policies and processes, products and services. ACOSS acknowledged that recommendations in this area from the first Panel Report had been partially implemented by many Signatories, eg. processes to research and analyse energy user characteristics, needs, concerns and expectations. But a number of stakeholders commented that there were still gaps in this area, including that many customers were on contracts that did not suit their needs and that in some cases actively disadvantaged them.

## Principle 1:

We will put customers at the centre of our business and the energy system



## The Panel's Assessment

The Panel believes that Signatories were right to implicitly declare through their self-assessments that they have a long way to go when it comes to putting customers at the centre of their business and the energy system. We welcome this self-aware assessment.

Some of the ways that Signatories and the broader industry stepped up to respond to crises during the reporting period, and in particular acted to avoid or ameliorate customer detriment, highlighted the reality that Business as Usual has previously encompassed too much acceptance of avoidable customer detriment. This Principle lies at the heart of the Energy Charter. If the Energy Charter facilitates a future where Signatories are actively implementing the right lessons from recent crises, then it will be proving itself of great value to consumers and Signatories alike.

In this regard, it is pleasing to see Signatories have come together to develop a "Shared Learning Platform" under the #BetterTogether initiative where good examples of customer and stakeholder engagement are highlighted, such as Jemena's Peoples Panel and AGIG's commercial shipping customer agreement.

The Panel's assessment of progress on this Principle next year will cover the following areas:

Does the decision-making of Signatories demonstrate an understanding that putting customers at the centre is

more about actively identifying and engaging customers to ensure they are on the best offer available to deliver on their needs, than it is about marketing a choice of energy offers?

Are Signatories acting to deal with the unacceptable situation where vulnerable people are on energy plans that are unsuitable for them or are actively disadvantaging them?

Is it apparent that Signatories think about looking after vulnerable customers not as a cost of doing business in energy supply, but as a core obligation and dimension of putting customers at the centre and improving customer experience?

Have Signatories linked performance review standards and leadership remuneration to customer outcomes?

Signatories' CEOs expressed strong commitment to the Energy Charter in their companies' Disclosures and in their discussions with the Panel.

The Panel sees two major tests of that commitment:

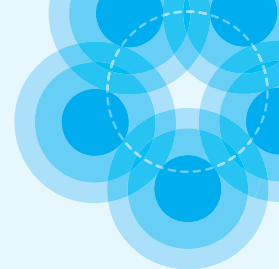
Firstly, how well Signatories are preparing for a potential post-pandemic debt tsunami – in particular, whether they are proactive and collaborative.

Secondly, the contribution of Signatories in the near term to ensuring that the inevitable transition to net zero emissions is as stable, least cost, and as fair as possible.

## Recommendations

### The Panel recommends that Energy Charter Signatories:

- Elevate the Energy Charter to the highest possible extent within the organisation, including involving their Board in development of Energy Charter Disclosures and linking performance review standards and leadership remuneration to customer outcomes.
- If not already in place, signatories should establish a customer reference group or customer/community council. Signatories should then commit to go beyond simply informing this group of what they are doing, but seek to involve them in key decisions and empower them to play an active role in shaping key aspects of business practices and investment decisions where appropriate.
- Work with policy makers and market bodies to implement a way for consumer advocacy to be better resourced.



## Principle 2:

# We will improve energy affordability for customers



**We recognise that affordable energy is essential for Australian households and businesses.**

**We will do what we can to make energy more affordable, by running our businesses efficiently so customers benefit, by offering customers energy deals that best meet their needs, helping them manage their energy use, and by working together to improve energy affordability, as well as innovating for cost effective solutions that meet residential and business customer needs.**

### PRINCIPLE IN ACTION

To fulfil this principle, energy businesses should:

- 2.1** Ensure that investment, commercial and operational decisions are cost efficient, and explain how customers benefit from these decisions.
- 2.2** Offer customers energy deals that best meet their needs, supported by effective tools and incentives for customers to manage their energy use and cost.
- 2.3** Work cooperatively across the supply chain and with other stakeholders to improve affordability over the short and long term.
- 2.4** Innovate to deliver competitive energy solutions for business and residential customers.
- 2.5** Advocate on behalf of customers to improve energy affordability through engagement in regulatory and policy processes.

## Principle 2:

We will improve energy affordability for customers



## Signatories' Self-Assessment

Signatories tended to mark themselves hard on Principle 2, but they generally thought they were doing better on improving affordability than on putting customers at the centre of their business and the energy system.

Eighteen of 19 Signatories self-assessed as Emerging (2 out of 5) or Evolved (3 out of 5).

Some network businesses pointed to material reductions in their charges in real terms compared to previous regulatory periods.

Non-network businesses said the temporary COVID-19 response opened the way for the long-running discussion about credit risk/debt sharing along the entire value chain to come to the forefront in 2021.

## Stakeholders' Views

In the context of a difficult year with overwhelming community focus on temporary challenges, stakeholder views on energy affordability focussed on people experiencing financial stress.

There was some praise for Signatories' responses and a desire to see some dimensions of the crisis response become Business as Usual. However, there were also specific measures that stakeholders urged Signatories to implement to accelerate improvements in this area.

The End-Users Consultative Group submitted that:

"There is evidence that Signatories are utilising consumer insights and feedback to address energy affordability. This is the kind of innovation that has been lacking in the energy sector and appears to have been part of efforts to ease the pressures of COVID-19. Tailored programs and bespoke solutions were created, often in consultation with consumers, which represent the link between understanding and changes in business practice that is at the heart of the Energy Charter."

Stakeholders' input focused on the importance of delivering greater access to energy efficiency measures to help improve affordability and manage the energy transition.

The End-Users Consultative Group cited recent research for Energy Consumers Australia that "showed that electricity bills were viewed by consumers as the primary cost of living issue with 73% of consumers rating electricity as one of their top-3 concerns, before groceries (53%) and housing costs (50%)." <sup>1</sup>

This is a reminder to the companies that created the Energy Charter that energy costs are the primary proxy for cost of living in the minds of a high proportion of people, including a large number for whom cost of living is a primary concern and for whom other costs of living are higher.

<sup>1</sup> <https://energyconsumersaustralia.com.au/projects/covid-research>

## Principle 2:

We will improve energy affordability for customers



## The Panel's Assessment

The Panel acknowledges that the energy industry went above and beyond in its response to the natural disasters across Australia from late 2019 through early 2020. COVID-19 was an even greater challenge, and the industry response was mixed. The post-pandemic period looms as such a challenge that responsibility to help energy customers should be assumed by all Signatories working together with a collective response to consumer hardship. A strategy needs to be put in place immediately to help the growing number of people who are likely to face crippling levels of debt for their energy use.

The Panel is pleased to see the #BetterTogether initiative to develop a *National Customer Code for Energy Brokers, Consultants and Retailers*. With a significant number of commercial and industrial contracts arranged via these third parties it is critical that their conduct and work practices are aligned with the Energy Charter Signatories they represent. We look forward to hearing more about this program next year.

Those Signatories that are network service providers highlighted lower network charges from recent regulatory

price re-sets. While some of this is a result of improved efficiency and work practices, a significant percentage of recent savings has come about from a lower interest rate environment. While it is positive that these savings have been passed through to customers, Signatories will know that relying on perpetually low interest rates is not a long-term strategy for affordability.

Neither energy companies nor the regulatory framework should get in the way of people in payment difficulties being rapidly moved to the energy plan that is best for them.

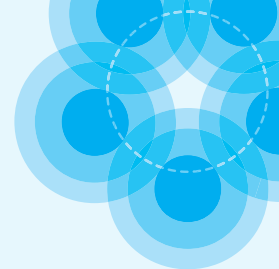
A key aspect of affordability is for Signatories to have an active plan for the transition to a low or zero emissions energy sector which places customers at its centre. The imperative of driving a 'just transition' that is fair and equitable for all parties is at the core of each and every Energy Charter Principle and will require a level of collaboration along the energy supply chain that has yet to be achieved.

Access to concessions is addressed under Principle 5. Many of the recommendations under other Principles are relevant to Principle 2.

## Recommendations

### The Panel recommends that Energy Charter Signatories:

- Expand their management of the growing risk that more customers cannot pay their energy bills to include becoming more active on policy questions that feed into energy affordability (eg. low-income households' access to energy efficiency and income adequacy).
- Ensure the highest standards of customer care are implemented in responding to the growing debt tsunami, using the Victorian Payment Difficulty Framework as the benchmark.



## Principle 3:

# We will provide energy safely, sustainably and reliably



**We recognise the essential nature of energy and the need to deliver and use energy safely, sustainably and reliably. We recognise the role of energy businesses to respond to the shift to a cleaner energy system that is already underway. We understand the value energy brings to the community and the potential consequences and impacts for customers when reliability and quality of energy supply is compromised.**

**We will provide energy safely, sustainably and reliably. We will listen to customer preferences and demonstrate how they inform decisions and outcomes and how the community benefits.**

### PRINCIPLE IN ACTION

To fulfil this principle, energy businesses should:

- 3.1** Maintain the highest standards of safety for their people, the community and the environment.
- 3.2** Engage with customers and the community on investments, and manage operations in line with their expectations, demonstrating how communities benefit.
- 3.3** Develop business strategy and manage operations to respond to the shift to a cleaner energy system that is already underway.
- 3.4** Work with government, other energy businesses, the community and industry bodies to develop a planned transition to a cleaner energy system.
- 3.5** Facilitate new services and technologies that support sustainable energy solutions that meet the changing needs of the market.
- 3.6** Implement solutions across the supply chain:
  - a. that support energy connection, service and reliability that meets customers' needs.
  - b. to resolve service issues that impact customers and the community.



### Principle 3:

We will provide energy safely, sustainably and reliably



## Signatories' Self-Assessment

Collectively, Signatories see themselves as performing best against Principle 3.

The Disclosures and CEO discussions highlighted how well all parts of the supply chain ensured continuity of supply in the face of the huge challenges of the reporting period.

Another common theme in the Disclosures was reference to new or progressed zero emissions or other green commitments.

A number of Signatories spoke about ensuring a 'just transition' that includes customers, communities and staff. Some Signatories would welcome a concerted effort on this issue via the #BetterTogether initiative.

## Stakeholders' Views

Stakeholders acknowledged the hard work and great commitment of the Signatory workers who maintained or restored energy supply during extremely trying circumstances, especially during natural disasters.

In its submission to the Panel, ACOSS reflected the views of many stakeholders in calling for:

"A clear overarching commitment to support and advocate for the rapid transition to a zero carbon energy system. ACOSS and many of its members support a goal of achieving net zero emissions before 2050 and at least 45% by 2030. Australia's energy system has the capacity to reduce emissions rapidly using current technology, compared to other sectors, and must be prioritised for fast, early emissions reductions".

While this support was strong, ACOSS and other stakeholders stressed the need to respond to equity challenges as well as technical and economic challenges in a renewable distributed energy future. This includes recognition of the need to plan for a 'just transition' for communities dependent on mining and generation of electricity from fossil fuels.

Many stakeholders referred to the benefits of renewable energy, in particular solar, to help consumers reduce their usage and therefore their energy bills, yet these resources were unaffordable for many low-income customers. Stakeholders pointed to partnerships to assist low-income households, such as a solar project with community housing in NSW involving AGL and EnergyAustralia.

One submission said that:

"Energy customers increasingly demand improvements in the energy market that deliver cleaner, more sustainable power sources that also reduce power bills going forward. Energy industry stakeholders must listen to their customers and deliver energy solutions that reduce the cost of living for individuals and families and reduce the cost of business for commercial enterprises. The energy market in 2040 will be very different to the energy market from the year 2000. The current energy industry (including gas producers, gas pipeline operators, gas retailers, electricity generators and electricity retailers) must meet the expectations of their customers and invest in new technologies rather than perpetuate the old coal and gas model from the past." <sup>2</sup>

<sup>2</sup> Dale Stohr, October 2020

### Principle 3:

We will provide energy safely, sustainably and reliably



## The Panel's Assessment

Despite the significant disruption to business operations, energy companies have continued to deliver essential customer service outcomes and to maintain a high level of system/supply reliability. EnergyAustralia's predominantly Victorian customer-service workforce shifted to remote working in an incredibly short time. Generators including Stanwell and CS Energy described managing their workforces to focus on maintaining supply reliability.

We need to learn from the positive actions from the energy industry during the crisis and see them embedded as part of Business as Usual.

Importantly, Signatories have continued to provide a safe environment for staff and customers. This was particularly evident with those Signatories that were severely impacted by both fire and flood. The Panel would like to acknowledge the staff of those Signatories who worked diligently under the most trying of circumstances to restore services to customers at the earliest possible time.

In relation to sustainability, the energy industry is in the midst of a paradigm shift that was contemplated as a

possible outcome a decade ago but is now well and truly a reality. The Charter calls for Signatories to have a plan in place for driving the transition to a cleaner energy system and to place customers at the centre of the plan. With many governments and businesses committed to net zero emissions by 2050 (or earlier), the energy industry must play a leadership role in driving the transition in a way which is fair and equitable.

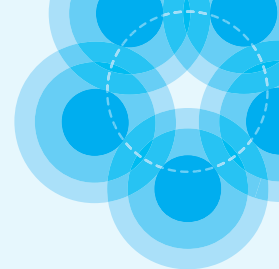
It is clear from Signatory Disclosures and the Panel's discussion with CEOs that this question is yet to be resolved, but most agree that if we are to achieve net zero by 2050, it will take an unprecedented level of coordination and collaboration across governments, regulatory institutions, the energy industry, and customers.

The Panel notes that, while many Signatories were at pains to emphasise activity on renewable or other green commitments, this activity and the way it was reported lacked the kind of coherent plan and narrative that will be required to build mainstream understanding and support. There is a need for an industry-wide framing of and approach to these activities as being in the long-term interests of consumers in terms of smoother transition, efficient costs and fair distribution of costs and benefits.

## Recommendations

### The Panel recommends that Energy Charter Signatories:

- Adopt and each publicly articulate a clear, collective approach that builds on recent energy industry acknowledgements of the inevitability of change, effectively communicates how the "north star" of net zero emissions feeds into better consumer outcomes, and drives a whole of sector focus on making energy transition work for consumers.
- Under the #BetterTogether initiative, consider establishing a 'Whole of Industry Energy Transition Working Group' to coordinate a long-term response for the industry and a 'just transition' for customers. This working group should include customer representatives and be approached as something of a 'blank canvas'. This has the potential to elevate the industry above the politics of the day and provide a more stable platform for future investments and joint industry-customer advocacy.



## Principle 4:

# We will improve the customer experience



**We recognise that it should be easy for customers to make informed decisions about their energy use and services, that outcomes should be transparent, and all customers should benefit from the transformation of the energy system. Customer service from energy businesses should be respectful, efficient and seamless, particularly if things go wrong.**

**We will make it easy for everyone to get the best product or service for them regardless of their ability to engage, or interest in, the energy market. We will continually improve our processes and communication and will work together to provide better services across the supply chain to meet customer needs.**

### PRINCIPLE IN ACTION

To fulfil this principle, energy businesses should:

- 4.1** Enable customers to get fair outcomes regardless of their ability or desire to participate in the energy market.
- 4.2** Empower customers by:
  - a. making sure all communication is clear, in plain terms, accessible and understandable;
  - b. providing insightful and useful information and accessible tools; and
  - c. streamlining access to, and portability of, customer energy data.
- 4.3** Ensure that innovation and design in products and services, as well as communication platforms and tools, are driven by customers' needs and preferences.
- 4.4** Have effective and accessible dispute resolution processes, co-ordinated across the supply chain, to resolve customer issues and implement process improvements in response.



## Signatories' Self-Assessment

Signatories' maturity self-assessments set out a clear acknowledgement that there is considerable room for improvement in the quality of customer experience they are providing to their customers.

Only six Signatories self-assessed themselves as Evolved (3 out of 5) or better, the lowest across the five Principles.

The commitment made in the Energy Charter is that Signatories "will make it easy for everyone to get the best product or service for them regardless of their ability to engage, or interest in, the energy market".

An expansion in digital engagement was a common theme in Disclosures. Mobile apps and other forms of digital self-service enablement, along with integration of smart assets and leveraging the power of data were examples.

## Stakeholders' Views

Stakeholders were in general agreement that the natural disasters and subsequent pandemic had strengthened the focus of energy providers on the needs and experience of their customers and communities. Energy companies maintained seamless customer-service while moving thousands of staff to home-based work arrangements. Most retailers suspended disconnection before they were required to do so, and network operators went above and beyond in ensuring continuity of supply for communities impacted by natural disasters.

Stakeholders want to see this greater emphasis on the customer experience carried through to Business as Usual post COVID-19. Advocates advised that there are still significant gaps in this area, including:

- Customer bills are complicated and do not assist customers in understanding their usage and costs, or where to seek assistance.
- Many customers are not online, so they have greater difficulty accessing services. This includes some older customers, some people from CALD backgrounds, some Indigenous communities.

- Many people are 'set and forget' customers who have difficulty comparing offers, and who remain on a contract that disadvantages them. A number of stakeholders strongly supported the initiative of retailers auditing existing energy plans for all customers on payment or hardship plans, and immediately and retrospectively switching them to the cheapest plan available and adjusting the debt accordingly.

The Energy Ombudsmen identified that support for people of CALD backgrounds continues to be a gap for energy companies, a barrier for customers, and disincentive to engage.

The EUCG submitted that:

"Ambition and desire to transform practice to achieve long-term sustainable outcomes must be supported by business culture. Responses to events this year by leadership, affords a glimpse into each Signatories' company culture. The Disclosures and CEO meetings this year highlighted varying approaches to customer engagement. Linking performance review standards and leadership remuneration to customer outcomes places the consumer firmly in focus. Ambitious leadership is required for transformation, but change cannot be achieved solely through recruiting a Chief Customer Officer or Chief Product Officer. Transformative practice contributes to and is a product of a company's culture. An executive team listening to customer calls, providing feedback to prompt team members (and the whole company) to consider ways to improve the customer experience links both leadership and front-line staff to customer experience goals."

#### Principle 4:

We will improve the customer experience



## The Panel's Assessment

The Panel welcomes the frank assessment by Signatories in acknowledging the large gap between their customer experience ambitions and current reality for customers. Signatories need to be clearer about the details of the gap, the actions they are taking to bridge the gap, and how those actions are working out.

The Panel acknowledges that unpredictable external challenges in the form of natural disasters and the COVID-19 pandemic constrained the capacity of Signatories to implement improvement/change programs this year. We were pleased to see the industry collaboration on COVID-19 communications, which was a #BetterTogether initiative that was quickly developed at the start of the pandemic. This included the “We’ve got you” campaign, which saw the entire energy supply chain sharing information and initiatives to ensure customers had as many tools as possible to manage the unprecedented situation.

However, in some ways, the unpredictable challenges of the past year highlighted the fact that Signatories’ analytics advancements are not always translating to benefit to the customers who really need it. In some of the industry initiatives in response to COVID-19 we have seen just a small part of what can be done when the energy industry digs deeper into the data they collect. The Panel sees significant opportunities for energy companies to develop pre-emptive capabilities to identify, at least in part, where customers are coming under stress of some description. Linking data collection and analytics with well-trained call centre operatives and social service agencies could be a powerful weapon to

helping those most in need while simultaneously reducing the instance of bad debts.

Expanded digital engagement in the form of mobile apps and other forms of digital self-service is a good thing. It improves the customer experience for some customers and it places downward pressure on supplier costs, enabling lower prices and thus more affordable energy. But greater digital enablement is not necessary for most customers, and it is certainly not sufficient to improve customer experience. It is a supplement, not a substitute, for supporting energy customers, most of whom would value being placed on the right plan and being listened to if they have an issue more than digital engagement.

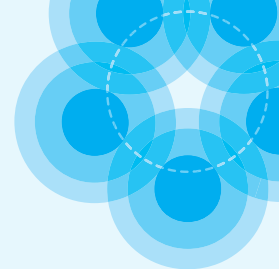
It is appropriate and sensible that energy companies put substantial effort into understanding their customers. The Panel urges greater efforts by Signatories to invest in customer profiles analysis so that actions under the Energy Charter are to respond to real customer needs. The translation of this greater understanding into more efficient, lower cost service would be good for customer experience and energy costs. There is greatest urgency for more work to be done on understanding customers in vulnerable circumstances, which can be financial, physical, cultural, digital, short or long term. It is particularly important to identify and reach out to customers in ‘silent disadvantage’.

Signatories need to think about supporting customers in vulnerable circumstances less as a cost of doing business, and more as a core obligation and a dimension of putting customers at the centre and improving customer experience.

## Recommendations

### The Panel recommends that Energy Charter Signatories:

- Continue to simplify energy bills so that energy usage and costs are easy to comprehend and provide specially trained customer contact staff who can help customers to understand energy usage in the home or small business. This could extend to developing a specialist energy advisor role within the customer service centre.
- Work more closely with consumer groups to expand and develop community collaborations with customer groups that are less likely to actively engage through mainstream channels.



## Principle 5:

# We will support customers facing vulnerable circumstances



**We recognise that some households and businesses may experience vulnerability that requires support from energy providers, which may require collaboration with governments and community service organisations. Not all experiences of vulnerability will be the same and providing support requires solutions tailored for different circumstances.**

**We will establish processes for early recognition of, and engagement with, customers facing vulnerable circumstances, support customers to navigate periods of vulnerability and collaborate with the community and government to assist those who need it most.**

### PRINCIPLE IN ACTION

To fulfil this principle, energy businesses should:

- 5.1** Have processes to enable early identification of and engagement with customers at risk of vulnerability, coupled with intervention measures that can prevent customers falling into hardship.
- 5.2** Provide products and services that are tailored to customers facing vulnerable circumstances and support them to get back on track.
- 5.3** Provide flexible solutions that are easy to access and are provided by specially trained frontline staff with expertise in supporting those customers who face additional barriers to engaging with the energy market.
- 5.4** Take a collaborative approach, partnering across the energy supply chain and with government and community service organisations to implement innovative solutions that improve outcomes (affordability or experience) for customers facing vulnerable circumstances.



## Signatories' Self-Assessment

The statistical spread of Signatories' self-assessed maturity was greatest for Principle 5. The three big gentailers and Energy Queensland declared themselves to be doing very well in supporting customers facing vulnerable circumstances, self-assessing themselves as Empowered (4 out of 5). At the other end of the spectrum, five Signatories self-assessed as Elementary (1 out of 5).

Many Disclosures rightly highlighted their companies' responsiveness to COVID-19 in terms of support for customers facing payment difficulty.

## Stakeholders' Views

This Principle was the main focus of many stakeholder submissions in light of the economic and social impact of the natural disasters and pandemic on so many people throughout Australia during the reporting period.

Stakeholders acknowledged and praised the response of the energy industry as a whole in maintaining supply during the various crises, suspending disconnection, and supporting customers as much as possible. They agreed with Signatories that in addition to people already struggling to manage their energy costs, there is a new cohort of customers who are experiencing energy-stress for the first time. These people may not be aware of all the assistance available to them and more work needs to be done by the energy industry to identify and reach out to these groups to help them avoid accrual of large energy debts. There was a consistent theme from stakeholder meetings that information about assistance is not always easy to find and/or access. However, there are some exceptions where Signatories have gone above and beyond to help customers access all available benefits. Stakeholders suggested that there needs to be a better shared understanding of vulnerability, as this can include financial, physical, cultural, digital disadvantage.

Low-income households, renters, and people in social housing are generally locked out of opportunities and technologies that would help them lower their bills and live sustainably. The Sydney Alliance, for example, called on Signatories to work collaboratively across the community, government, and the private sector to create structural change around the rights of these groups so that clean, affordable energy is accessible to everyone.

Stakeholders agreed that energy providers need to actively identify and reach out to customers in vulnerable circumstances rather than continue to rely on consumer self-advocacy, which often means that support is not made available until debt has already accrued. Stakeholders proposed that providers should actively pursue:

- Establishing indicators of vulnerability so that companies can identify and proactively reach out to customers to offer support, eg. consistently late or part payments, increased debt, high usage.
- Auditing existing energy plans for all customers on payment or hardship plans, and immediately and retrospectively switching them to the cheapest plan available and adjusting the debt accordingly. ACOSs applauded ActewAGL for applying to the AER to suspend rules around explicit informed consent to be able to move all of their hardship customers onto the best possible deal, and urged other retailers to follow suit.
- Working with consumer and community groups on more constructive alternatives to disconnection of supply.
- Examination of whether all customers on hardship programs or payment plans are accessing the benefits/concessions to which they are entitled, and assistance to help customers access these programs as needed.

The Energy Ombudsmen also noted that many customers are still missing out on concessions for which they are eligible because they hit administrative barriers at the energy retailers. The Ombudsmen could not detect a sense of urgency about how best to tackle the impending affordability issues once vulnerable customers are receiving reduced government and other sector financial support. They were concerned about the prospect of significant debt collection action once customer supports were reduced.

The End-Users Consultative Group reflected the views of many stakeholders in submitting:

"A number of Signatories have gone beyond the AER's Statement of Expectations and the Energy Networks Australia (ENA) relief package, by analysing bills to identify savings, waiving some transmission network charges, proactive engagement to 'check in' on vulnerable customers, and training staff to identify subtle signs of family violence while speaking to customers. While these examples are positive, anecdotally we believe there are inconsistencies to the handling of consumer hardship by retailers, specifically:

1. retailers not offering customers a rebate despite the customer providing all required information
2. exiting customers from hardship program after one missed payment
3. devising payment plans which are impossible for the customer to meet
4. retailers not shifting customer on to the cheapest plan available."





## The Panel's Assessment

A key finding of this Report is that a post-pandemic 2021 bad debt tsunami is predictable, because many energy customers will lose their capacity to pay their energy (and other) bills when they lose enhanced government payments and other forms of COVID-19 relief. The scale of human distress associated with inability to pay for energy supply cannot be overstated. The Panel has not seen much evidence that Signatories are preparing to tackle the large scale energy stress crisis, or that they are focusing on finding ways to ameliorate the impact on customers in vulnerable circumstances, separately or together.

Signatories should, immediately and collectively, find ways to utilise payment and usage data to proactively identify and assist customers in vulnerable circumstances, so that the industry and policy makers are actively taking steps within their power to prevent or reduce customer energy distress and a predictable further rise in chronic payment difficulties in 2021. They should do this because it aligns with all five Principles of the Energy Charter. The dramatic changes in economic and social conditions for large numbers of customers over this year presents both a major challenge to Signatories and also a powerful opportunity to deliver on the Energy Charter.

There are a number of notable #BetterTogether initiatives that the Signatories pursued over the past 12 months. One initiative focused on getting concessions to the right people by improving communications to customers, while a separate initiative helped those with low-English literacy.

These initiatives are a good start but they do not go nearly far enough.

The Panel believes that customers in difficulty should be on the best retail deal for their situation. Significant work has been done to design methods for achieving

this outcome at scale, and now is the time to drive home some of these proposals. For example, ACOSS proposes that all retailers seek exemptions from AER to shift identified customers onto best offer plans.

The Panel considers that Signatories must now ensure that all customers are receiving concessions to which they are entitled. Every energy customer who is entitled to an energy concession must receive that concession. Energy companies and governments are jointly and severally liable for the current situation in which they point their fingers at each other and use each other's lack of commitment to avoid doing their part to fix this.

Neither the energy companies nor the various governments can proclaim a true commitment to supporting customers facing vulnerable circumstances for so long as there is not a practically failsafe system to ensure each and every customer who is entitled to a concession receives it.

We have to fix this together. Because with Australia having now experienced the deepest recession in almost 100 years, there is a dramatic increase in the number of customers in seriously vulnerable circumstances. Because with further financial cliffs ahead – cuts to JobSeeker and the removal of JobKeeper in 2021, withdrawal of eviction moratoriums, and increasing rental prices – the growth in the financial crisis of customers has yet to fully unfold. Because the imminent debt tsunami makes it also a business imperative. Because the withdrawal of Origin Energy and AGL from the Energy Charter exposes them and the whole industry to a new tide of community sentiment that they are not truly putting customers first. Because the industry and governments (and market bodies) must build a habit of overcoming intractable problems if we're to have any chance of making energy transition work for consumers. And because it's so plainly the right thing to do.

## Recommendations

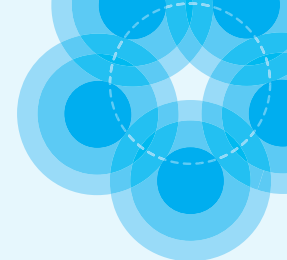
### The Panel recommends that Energy Charter Signatories:

- Immediately and collectively, find ways to utilise payment and usage data to proactively identify and assist customers in vulnerable circumstances, so that the industry and policy makers are taking all steps within their power to support customers in financial difficulty and to reduce payment difficulties in 2021. The process should include engagement with experts and consumer groups.
- Audit all customers on payment or hardship plans, and immediately and retrospectively switch them to the cheapest plan available and adjust the debt accordingly. We strongly recommend this becomes BAU for all energy retailers.
- Work with governments to establish a practically failsafe system to ensure each and every customer who is entitled to a concession receives it.
- Pursue active personal engagement with all customers faced with potential disconnections and aspire to no disconnections, working with consumer groups to deliver on that outcome.



# Appendices

## Appendix 1: Energy Charter Signatories and 2020 CEO Meetings



Signatory	Business(es)	Ownership	2020 CEO Meeting Attendees
ActewAGL	Energy Retail (ACT)	50/50 JV between ACT Government and AGL	John Knox (CEO), Rachael Turner (GM Retail)
AGL	Electricity Generation and Energy Retail (NSW, QLD, SA, VIC and WA)	ASX-listed company	Brett Redman (CEO), David Bland (Customer Advocate), Amanda Kennedy (Head of Customer Policy, Energy Charter Industry Working Group (IWG))
APA	Gas Transmission and Storage, Electricity Generation (National)	ASX-listed company	Rob Wheals (CEO), Nevenka Codevelle (Group Executive Governance, Risk & Legal), Nives Matosin (Manager Regulatory, IWG)
Aurora Energy	Energy Retail (TAS)	Tasmanian Government	Rebecca Kardos (CEO) & Corinna Woolford (Acting Strategy & Policy Manager, IWG)
Ausgrid	Electricity Distribution (NSW)	50.4% AustralianSuper & IFM Investors consortium 49.6% NSW Government	Richard Gross (CEO), Rob Amphlett-Lewis (Chief Customer Officer), Selina O'Connor (Government & Stakeholder Relations Manager, IWG)
Australian Gas Infrastructure Group	Gas Transmission and Distribution (National)	Cheung Kong (CK) Group companies (Hong Kong Stock exchange listed entities)	Ben Wilson (CEO), Chris Fidler (Head of Customer & Market Services, Multinet Gas Networks, IWG)
CleanCo	Electricity Generation (QLD) and Retail	QLD Government	Maia Schweizer (CEO), Natasha Patterson (Head of Corporate Sustainability, IWG)
CS Energy	Electricity Generation (QLD) and Retail (Large C&I QLD)	QLD Government	Andrew Bills (CEO)
Endeavour Energy	Electricity Distribution (NSW)	50.4% MIRA/AMP Capital/BCIMC/QIA consortium 49.6% NSW Government	Guy Chalkley (CEO), Rod Howard (Deputy CEO)
EnergyAustralia	Electricity Generation and Energy Retail (ACT, NSW, QLD, SA and VIC)	China Light & Power (CLP) Group (Hong Kong Stock exchange listed entity)	Catherine Tanna (CEO), Mark Collette (Chief Customer Officer), Michelle Teague (Social Investment & Sustainability Leader, IWG)
Energy Queensland	Energex: Electricity Distribution (SE QLD) Ergon Energy Retail: Energy Retail (Regional QLD) Ergon Energy Network: Electricity Distribution (Regional QLD) Yurika: Energy solutions	QLD Government	Rod Duke (CEO), Mark Algie (Director), Michael Dart (Executive General Manager Community, Customer & Corporate Affairs) & Kenny Mizzi (General Manager Community & Customer Strategy, IWG)
Essential Energy	Electricity Distribution (NSW)	NSW Government	John Cleland (CEO), Luke Jenner (General Manager - Customer and Network Services), Belinda Kallmier (Head of Customer Experience, IWG)
Horizon Power	Electricity generation, transmission, distribution and retail	Government Trading Enterprise (WA Government)	Stephanie Unwin (CEO), Krystal Skinner (General Manager Customer Experience, IWG)
Jemena	Electricity Distribution, Gas Distribution and Transmission (National) Ovida: Energy solutions	60% State Grid Corporation of China 40% Singapore Power (SP) Group (Temasek)	Frank Tudor (CEO), Shaun Reardon (Executive General Manager Electricity Distribution), Andrew Davis (General Manager Strategy & Commercial, IWG), John Cheong-Holdaway (Senior Energy Policy Analyst)
Origin Energy	Electricity Generation and Energy Retail (ACT, NSW, QLD, SA and VIC)	ASX-listed company	Withdrew from the Energy Charter on 7 October 2020. Submitted Disclosure for the 2019-20 Reporting Period, did not attend CEO Meeting or participate in stakeholder forums
Powerlink	Electricity Transmission (QLD)	QLD Government	Paul Simshauser (CEO), Gerard Reilly (GM Communications, IWG Chair), Narelle Fortesque (Customer Strategist)
Powershop / Meridian Energy	Powershop: Energy Retail (NSW, QLD, SA and VIC) Meridian: Electricity Generation (NSW, SA, VIC)	Australian subsidiary of NZSX-listed entity (51% owned by NZ Government)	Jason Stein (CEO), Catherine Anderson (Chief Customer Officer), Lauren Kane (Marketing Manager - Customer Experience, IWG)
Stanwell	Electricity Generation (QLD) and Retail	QLD Government	Richard Van Breda (CEO) & Stephanie McMahon (General Manager - Strategy & Engagement)
TransGrid	Electricity Transmission (NSW)	UTA Power Networks Trust, Spark Infrastructure, CDPQ, OMERS, Tawreed Investments Ltd.	Paul Italiano (CEO), Graeme Wedderburn (Head of Corporate Affairs), Robert Ephraums (Industry & Stakeholder Engagement Advisor, IWG)

Videos of all CEO Meetings are available at: <https://theenergycharterpanel.com.au/industry-disclosures/>

## Appendix 2: Submissions to and engagement by the Independent Panel

### WRITTEN SUBMISSIONS

The Panel received submissions from:

- ACOSS - Australian Council of Social Service
- COTA - Council on the Ageing
- COTATAS - Council on the Ageing – Tasmania
- CSBA
- Dale Stohr
- EUCG – End-Users Consultative Group
- Energy Consumers Australia
- Peak Services Energy Advisers
- Voices for Power – Sydney Alliance
- WiseUp Energy Solutions

### PUBLIC FORUMS

Forums were held online for Queensland, New South Wales, Victoria and Tasmania, South Australia and Western Australia, as well as regional and remote areas of Australia. The Panel has considered verbal submissions made in these Forums in our assessment.

Links to all written submissions, as well as audio/visual recordings of the forums, are available at:

<https://theenergycharterpanel.com.au/public-consultation/>

### THE ENERGY CHARTER

The Panel met with the Energy Charter Executive Director and the CEO Council Chair regarding #BetterTogether initiatives and the Energy Charter Disclosure.

### ENERGY & WATER OMBUDSMEN

The Panel met with:

- **Janine Young**  
Energy & Water Ombudsman NSW
- **Cynthia Gebert**  
Energy & Water Ombudsman Victoria
- **Sandy Canale**  
Energy & Water Ombudsman South Australia
- **Jane Pires**  
Energy & Water Ombudsman Queensland

### END-USERS CONSULTATIVE GROUP

The Panel met with the End-Users Consultative Group.

## Appendix 3: Key Terms and Resources

Energy Charter	The industry-developed document containing the Principles and Principles in Action. The Introduction to this Report provides a summary. <a href="https://www.theenergycharter.com.au/TheEnergyCharter">https://www.theenergycharter.com.au/TheEnergyCharter</a>
Principles	The five core commitments under the Energy Charter.
Principles in Action	Twenty-four detailed requirements for Signatories to fulfil the Principles.
Signatories	Nineteen energy-sector organisations which provided 2019 Disclosures. Appendix 1 lists the Signatories, their ownership, and where they operate in the electricity and gas value chains.
Disclosures	The Signatories have committed to an annual self-reporting of their performance against the Principles. All Signatories lodged these at the end of September 2020. This Report is the Panel's assessment of the Disclosures. <a href="https://theenergycharterpanel.com.au/industry-disclosures/">https://theenergycharterpanel.com.au/industry-disclosures/</a>
Panel	The Energy Charter Independent Accountability Panel, established to evaluate the disclosures and assess the degree to which they indicate the Signatories are meeting their Energy Charter commitments. In this Report, the Panel provides its view on the Signatories' second period of commitment, 1 July 2019 to 30 June 2020. The Accountability Framework for the Energy Charter, including the Panel's Terms of Reference are set out at the Panel's website. <a href="https://theenergycharterpanel.com.au/">https://theenergycharterpanel.com.au/</a>
CEO Meetings	The Panel extended an invitation to each Signatory CEO to meet and discuss their Disclosure. Eighteen Signatories participated. A broad range of attendees represented the Signatories, ranging from managers to senior executives to Board Directors. Origin Energy withdrew from the Energy Charter on 7 October 2020. It submitted its Disclosure for the 2019-20 Reporting Period, but did not attend a CEO Meeting or participate in stakeholder forums. Appendix 1 lists the attendees at the CEO Meetings. Videos of all CEO Meetings are available at: <a href="https://theenergycharterpanel.com.au/industry-disclosures/">https://theenergycharterpanel.com.au/industry-disclosures/</a>
Submissions	The Panel invited stakeholders to make submissions on the Signatories' Disclosures. The written submissions received by the Panel are listed in Appendix 2 and available at: <a href="https://theenergycharterpanel.com.au/public-consultation/">https://theenergycharterpanel.com.au/public-consultation/</a>
Forums	To support the Panel's call for submissions, stakeholder forums were held online for Queensland, New South Wales, Victoria and Tasmania, South Australia and Western Australia, as well as regional and remote areas of Australia. The Panel has considered verbal submissions made in these Forums in our assessment. Audio/visual recordings of the forums, are available at: <a href="https://theenergycharterpanel.com.au/public-consultation/">https://theenergycharterpanel.com.au/public-consultation/</a>

