

25 October 2019

Dr Wendy Craik AM, Dr Cassandra Goldie,  
Mr Andrew Richards and Mr Phillip Weickhardt  
Accountability Panel  
The Energy Charter

By email to: [submission@theenergycharterpanel.com.au](mailto:submission@theenergycharterpanel.com.au)

Dear Accountability Panel Members,

### **Feedback on the Energy Charter Disclosure Statements**

COTA Australia writes in response to the Disclosure Statements provided by energy retail service providers, in accordance with their commitment to The Energy Charter. COTA Australia and the Energy Advocates are pleased to provide feedback on the Disclosure Statements, and welcome the opportunity for open and continued dialogue around the needs of energy consumers.

The Energy Advocates are a panel of consumers, consisting of representatives from each State and Territory jurisdiction in the National Energy Market. The Energy Advocates are supported by Council on The Ageing (COTA) Australia, the national consumer peak body for older Australians which represents over 500,000 older Australians through more than 1,000 seniors' organisation members of State and Territory COTAs and around 40,000 individual members and supporters.

The feedback in this letter was developed at a face-to-face meeting of the Energy Advocates held in Melbourne on 10 October 2019. Some of this feedback has been provided at the Energy Charter Forum in Melbourne on 14 October 2019, and the teleconference consultation held by the Panel on 16 October 2019.

Firstly, we would like to congratulate the retail service providers on their demonstrated commitment to the Charter, and the efforts put into developing the Disclosure Statements. In particular, we were pleased to see:

- There is a clear emphasis on hardship in most Disclosure Statements;
- Consumer-friendly, plain English has been used throughout;
- There are some impressive initiatives from RSPs, including good examples of home appliance swaps, and home energy efficiency reviews; and
- When used, the graphic representations were clear and easy to understand.

Despite the strong progress, there are a number of changes that could be made which would improve the usefulness of the Disclosure Statements in the long term. The Energy Advocates have agreed that the following five recommendations would improve the Disclosure Statements.

#### **1. Reduce the spin**

Firstly, there was a sense that some Disclosure Statements were heavy on marketing spin. The overall corporate feel and vibe made some consumers feel like they are being 'marketed to'. Make efforts to reduce jargon and spin, and avoid unnecessary repetition. For example, there was a sense

that some Disclosure Statements were seeking credit for changes that were required of them, such as the changes to the Default Market Offer.

Some Disclosure Statements chose to highlight some of the corporate social responsibility programs alongside the initiatives to improve consumer experience. Whilst the Energy Advocates applaud strong corporate social responsibility efforts, there is a question about whether it belongs in the document, and whether it is being used as a proxy for having a consumer focus at the systems level.

## **2. Be wary of making assumptions about consumers**

The Energy Advocates consider that Energy Charter signatories need to demonstrate a better understanding of the variability of different customer cohorts. Many Disclosure Statements emphasised a focus on financial hardship. This is indeed a critical area of importance to consumers. However, it is not the only way in which a consumer may be considered vulnerable. There was a trend in many Disclosure Statements to have a fairly restricted interpretation of vulnerability.

For example, there was a widespread assumption that all consumers will interact online. Many of the improvement initiatives described in the Disclosure Statements involve online communication and delivery of services, without acknowledgement of the need for complementary support for consumers who are not online. The increasing move to a digital online environment for services, including billing support, is creating a significant challenge for those older Australians who are inexperienced in using computers and smart phones, and may not be in a position to afford the associated costs. Often a reduction in offline and shop front can leave older Australians with fewer options to access services and support. As part of having a consumer focus, Energy Charter signatories must demonstrate and report against a plan to provide services to Australians who can't, or don't want to, engage with them online. Similarly, there was little in the Disclosure Statements about ways in which services are being provided to people from culturally and linguistically diverse backgrounds.

## **3. Use consistent evidence and metrics**

The biggest challenge for consumers is that the evidence/metrics is not comparable across the Disclosure Statements. Comparable data is key to consumer choice and control, and will allow for comparisons over time as some of the initiatives and changes describe in the Disclosure Statements trickle through. Comparable data is fundamental in measuring the success or otherwise of both the individual business, and the success of the whole Energy Charter. To this end, the Energy Advocates would recommend clear and measurable data that can be compared.

The development of a valid and reliable set of metrics also affords an opportunity for operators to benchmark services and may serve as an inducement to non-signatories to participate in the Charter process. Customer familiarity with and use of disclosures as a comparison tool would have the potential to provide further encouragement to sign on to the process

Consistent metrics may necessitate some level of standardised layout across the Disclosure Statements. For example, this may include a standard table or checklist with standard measurements that consumers can expect to see in each Disclosure Statement. The Energy Advocates agree that consumers would be best served by a simple, standardised layout. For such a layout to be implemented, the statements should be shorter (maximum 5 - 10 pages).

#### 4. Define and emphasise Sustainability

Sustainability is a key priority area for The Energy Charter and the Energy Advocates. On the whole, advocates noted that sustainability was never defined and, on the whole, had one of the weakest responses in the Disclosure Statements. Future Disclosure Statements should give greater emphasis to this area.

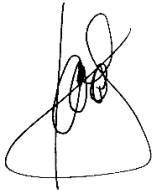
#### 5. Show evidence of consumer involvement

Very few Disclosure Statements had evidence that customer committees, or consumer representatives, had been involved in the signoff of Disclosure Statement reporting. Having explicit consumer involvement and oversight was identified as an important component to the reporting.

Overall, the Energy Advocates were happy to see the Disclosure Statements place consumers' needs and voices at the fore and admire the commitment of RSPs to the principles of the Energy Charter. The Energy Advocates thank the Panel for the opportunity to provide feedback on the Disclosure Statements and look forward to seeing the long-term outcomes of the Energy Charter.

If you have any questions regarding our feedback, or wish to engage further with the Energy Advocates, please do not hesitate to contact us via Jill Moran, Senior Policy and Research Officer at COTA Australia, via email [jmoran@cota.org.au](mailto:jmoran@cota.org.au) or on 02 6154 9470.

Yours sincerely,



Ian Yates AM  
**Chief Executive**

*COTA Australia on behalf of the Energy Advocates: Robyn Robinson (Chair of the Energy Advocates), Lee Choon Siaw, Chander Khera, Jenny Mobbs, Sue Averay, Paul Simpson, Margie Smith, Rosalind Herbert, Ian Fletcher, Pete Newman, John Green, Jill Moran (COTA Australia)*