

# The Energy Charter

## Disclosure

30 June 2020



# Managing Director's message

This has been a tough year for Australians.

We know that many have been adversely affected by the devastating summer bushfires or the ongoing, and in some circumstances crippling, impacts of COVID-19. I am proud of how our people prepared for, responded to, and supported each other and our customers throughout this extraordinary time.

As bushfires approached our Mt Piper power station near Lithgow, New South Wales, we put plans in place to ensure power supplies continued. Our people also generously volunteered their time, and donated money, to our largest ever disaster appeal.

In January we enacted our COVID-19 response plan to maintain the health and safety of our people from a physical and wellbeing perspective. The ability to build resilience through tough times has not only enabled us to continue to produce power under tight restrictions, we have also been able to increase support for customers experiencing hardship.

The COVID-19 case study (page 4) outlines how our customer service team - based in three countries – has provided comprehensive and accessible support for households and businesses. What cannot be underestimated is the enormous, behind-the-scenes effort this took to achieve while working remotely.

In addition to our COVID-19 response, I am pleased to see that results are emerging from our wider customer improvement programme. Customers are starting to tell us that our service is improving, we are making fewer mistakes and we are much better at fixing them if they do occur.

However, there is still much work to be done and we strive to continuously improve our performance. This desire to improve and the work that we have done reflects the Energy Charter's own guiding values to be invested, make a difference, be open, learn, improve, think big and be bold.

Thinking big and being bold is reflected in our continued focus to transition to a modern energy system. Our leading Go Neutral and PowerResponse programmes are two important ways we are responding, as well as the proposed expansion of our Tallawarra gas-fired power station and a binding energy storage agreement in a pumped hydro project in Queensland.

The Charter's maturity model is a new way to help us demonstrate progress against its five principles. The highest standard requires evidence that customers agree that we are exceeding their expectations.

The brevity of this disclosure means that we cannot include all the work done to benefit our people, customers and communities. We have chosen to highlight those that most directly impact our customers, how we achieved improvements and what we are aiming to do across the coming 12 months.

Transformational change in any industry takes time. Although Energy Charter signatories have only just started to work together to better meet customer expectations, I am confident that sound progress has been made.

**Catherine Tanna**

Managing Director

September 2020



# Our customers and communities

Our business is geared to respond to our customers. We are in regular contact with the homes, businesses and local communities we serve, and communicate on a regular basis with regulators, governments, consumer advocates and the broader industry. We have defined processes to make sure feedback is heard at all levels.

Every year we have approximately two million direct customer interactions – either on the phone, via email, social media and Live Chat through our digital ‘self-serve’ platforms. Our customer research programme also captures and considers the views of more than 100,000 individuals and businesses every year.

EnergyAustralia works especially closely with the communities around our power stations at Hallett, Jeeralang, Mt Piper, Newport, Tallawarra and Yallourn, and our contact centre in Geelong. We have established a dedicated team of experienced and locally based community relations specialists. They work hard to improve the information sharing between our generation sites and projects with local stakeholders. Our community perception surveys further enhance our work in these communities.

EnergyAustralia is guided by our core values, including that customers are our priority, which closely aligns with the principles of the Energy Charter. These values underpin how we run our business and measure our success.

Our Power for Good workplace giving and volunteering partners were also selected to give our people a deeper understanding and compassion for issues experienced by some of our customers and communities. This includes issues of mental health, family violence, homelessness and food insecurity.

We believe passionately in the individuality of our customers and communities and the need to keep innovating for them.

Wherever possible, we tailor the communications, products, services, advice and support we offer. We achieve this by using data and analytics to fulfil our ambition of being a world class energy retailer focused on fairness, simplicity and affordability, which also aligns with our commitments to Energy Charter principles.

## About us

EnergyAustralia supplies gas and electricity and delivers energy services to about 2.37 million homes, small to medium sized businesses and large-scale businesses in Victoria, New South Wales, the Australian Capital Territory, South Australia and Queensland.

We supply customers with energy from wholesale markets as well as from our own power stations and renewable energy sources. We underpin around 7.5% of the large-scale wind and solar projects in the National Electricity Market, with long-term agreements of almost \$3 billion.

# Our Response to COVID-19

This year has been a profoundly challenging time for our customers, our communities and our own people.

In response to the developing COVID-19 pandemic, we pulled together a team in January to ensure our systems and processes allowed for rapid response to measures that Australia could take to control the virus.

The financial implication of subsequent lockdowns on our customers is, in many cases, immense. Each household and business suffering due to the pandemic requires tailored support. For our small business customers, our Rapid Business Assist programme does just that. Specialist business advisors devise payment schedules, offer free standard disconnections and reconnections, advise on lowering energy consumption and provide guidance on government energy relief subsidies. We also moved our small business suppliers to 14-day payment terms to support their cash flow.

Our existing residential vulnerability programme, EnergyAssist, guarantees no disconnections and debt collection activities to households in financial difficulty, and delivers a wide range of financial and non-financial support. To meet the increased need, we doubled the number of specially trained customer service advisors.

Since March 2020 there has been a 70% increase in average daily calls from people needing support. We have set up 14% more payment arrangements for households and 33% more for businesses.

The significant number of customers supported through our hardship programmes reflects the success of [social](#), [web](#) and [media](#) campaigns asking people to contact us at the earliest opportunity. Even though call volumes have increased, this means that customers are able to talk to us before their financial circumstances become overwhelming.

The health and safety of our own people is also a priority. In early March, we were one of the first major companies in Australia to transition their workforce to working from home where possible. New systems and technologies allow 80% of employees to work remotely. For site-based team members (responsible for ensuring reliable energy production and supply) we transformed ways of working with COVIDSafe plans. This allowed the major maintenance outage at our [Yallourn](#) site to continue, delivering a significant contribution to the local economy through an additional 600 jobs and spending over \$65 million.

Stakeholder and industry engagement has been especially important during this time. We worked with the Australian Energy Regulator, the Australian Energy Market Operator, the Business Council of Australia and industry bodies, governments (state, national and local), and the Energy Charter forum to learn from best practice for the ultimate benefit of customers. We shared our best practice with the utilities taskforce within the National COVID-19 Coordination Commission.

# Principle 1

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

2020 Self-Assessment: Empowered

2021 Expected Self-Assessment: Empowered



## GRIST Award

#1 for customer centric sales processes



## Improved coaching

contributed towards 13% increase in contact centre engagement since 2018



## Customers are experiencing better service

and are more likely to recommend us than a year ago (June Strategic NPS: -7.4, June Transactional NPS: +27.2)

### What has improved for our customers?

Our customers have found us easier to deal with, are experiencing less issues that require escalation and are more satisfied with our service.

Customers who contacted us to let us know that they had been adversely impacted by the bushfires or COVID-19 have received tailored support.

Our sales team won the GRIST #1 Sales Centre in Australia for 2020. We are the only energy company in the top ten (up from 29 in 2018), recognising the shift we have made to provide trustworthy, empathetic, and clear customer centric conversations.

After previous smaller gains, our strategic Net Promoter Score (NPS), measuring customer advocacy, has improved significantly to -7.4 in June 2020.

Our transactional NPS, measuring the experience of customers who directly engage with us has also increased to +27.2. EnergyAustralia's reputation ranks 33rd out of Australia's largest companies and first amongst Tier 1 energy companies, as measured by the Reputation Institute's RepTrak Q2 2020 Survey. Customers are telling us through these indicators that they are happier with the changes made so far. We acknowledge that further improvement is still needed for customers to positively recommend us.

### How did we achieve this?

Improvements were largely the result of upgrading processes and focusing on culture. This allowed our people to advocate and make decisions driven by customer insights and priorities. For example:

- customer feedback and performance indicators are regularly reviewed by the Board and linked to remuneration and learning and development

- feedback from customer testing and research is incorporated into the design of products and services. Insights and testing with different market segments help determine the priorities of our residential and business customer teams
- negative customer feedback on estimated meter reads was presented to regulators in our successful advocacy against the proposed rule change for transfers (final reads)
- On by EnergyAustralia launched to trial products and services driven by customer insights, including mobile phone style subscription electricity plans, as well as solar and battery solutions with no upfront costs
- resilience mentoring for small businesses impacted by bushfires included co-designing solutions.

### What will we focus on next?

To provide better service to our customers, who are facing prolonged impacts from COVID-19, we will continue to prioritise our agents' wellbeing. We also continue to invest in upskilling and coaching and improving their systems and processes. Our people tell us that there are still some obstacles preventing them from innovating and making decisions that benefit customers. Work continues to identify issues and support our people to make changes. This cultural shift will take time to embed and progress measured via regular surveys. As a result of feeling supported through COVID-19, our August survey has shown substantial improvement in employee engagement. Importantly our customers will directly benefit from this as we better meet their expectations and needs through products, services and better customer service. We aspire for our strategic NPS to increase to positive territory within 18 months.

# Principle 2

We will improve energy affordability for customers

2020 Self-Assessment: Evolved

2021 Expected Self-Assessment: Evolved



## Households to save

\$20 - \$67 on electricity and up to \$68 on gas in 20/21



## Businesses to save

\$50 - \$150 on electricity and up to \$369 on gas in 20/21



Solar and batteries for **\$0 upfront cost** in Solar Plus NSW trial

## What has improved for our customers?

Customers started to benefit from the \$90 million we have invested since 2018 to mitigate, reduce or avoid electricity price rises for households and vulnerable customers. By choosing one of our fixed rate products, about 17% of Victorian customers were not impacted by the 7.8% average price increase at the end of 2019, which was largely due to higher network and wholesale costs.

This year reductions in wholesale costs have been passed on to New South Wales, South Australia, Queensland and Australian Capital Territory customers. This will see prices held flat or reduced slightly, offset somewhat by increases in distribution and network charges. Our residential customers' electricity prices have decreased by up to 2.7% and up to 4.8% on gas. Our business customers will benefit from up to 2.5% off their electricity prices and up to 3.7% on their gas ([see website for details](#)).

## How did we achieve this?

We worked to create the best value energy plans we could offer that gave customers more choices to suit individual circumstances. For example:

- On by EnergyAustralia [Easy Plans](#) were developed in response to customer requests to mimic phone plans. These offer simple, subscription pricing built around expected usage, with alerts to manage usage and costs
- [Purchase Pro](#) gives our large business customers greater control to take advantage of any downward movement in pricing by purchasing energy quarterly, rather than being locked in for long periods

- we continued to advocate against rising regulatory costs that impact customer pricing, including the proposed delay to five-minute settlements. With 177 consultations and 111 written submissions during the past year alone, and the introduction of further interventions in response to COVID-19, the increasing volume of regulatory change adds significant costs to businesses
- our \$3 billion renewables programme, and investment in running our existing power stations more efficiently and reliably, benefitted the wholesale prices for all Australians.

## What will we focus on next?

Our focus will remain on creating further ways to help customers manage their energy costs, particularly due to the ongoing impacts of COVID-19.

New technology solutions and better use of customer insights and data will enable us to offer greater personalisation and tailored solutions.

A suite of digital improvements is underway to help residential and business customers with smart meters better manage their electricity in near real-time, with notifications to alert them of higher than usual consumption and upcoming bills. New digital platforms, together with continued reduction of operating costs, innovation and advocacy, will generate further savings opportunities.

Delivering meaningful change for customers in terms of value is a long-term strategy – not only through our retail business, but also in the way we invest and run our generation portfolio for customers' benefit.

# Principle 3

We will provide energy safely, sustainably, and reliably

## Safety

2020 Self-Assessment: Evolved

2021 Expected Self-Assessment: Evolved



**22,000+ PowerResponse customers are part of** the largest residential behavioural demand response programme in Australia

## Sustainability

2020 Self-Assessment: Evolved

2021 Expected Self-Assessment: Evolved



**250,000+ customers offset their energy** through Go Neutral, the largest energy sector offering in Australia

## Reliability

2020 Self-Assessment: Empowered

2021 Expected Self-Assessment: Exceeding



0.08% of customers were disconnected for non-payment, **51% reduction on 2019**

## Providing energy safely

### What has improved for our customers?

A new tailored approach to customers experiencing family violence has been implemented. System and process upgrades were also overhauled for our life support customers (recognising that the Australian Energy Regulator (AER) issued court proceedings against EnergyAustralia in connection with these rules).

Our Energy business made significant enhancements to several key safety issues.

This included:

- finding innovative engineering solutions to plume height concerns on the proposed Tallawarra B expansion
- implementing an advanced arc flash system at Yallourn.

### How did we achieve this?

We achieved these safety advances by:

- strengthening protections on accounts flagged as requiring family violence protection and directing calls to specialist agents
- working closely with local Councils and global safety experts on site safety issues.

### What will we focus on next?

We will continue to invest in safety beyond regulatory compliance and will implement best-in-class process safety and mental health and wellbeing improvements for our people. Agents providing support to family violence customers will receive additional training and support. We are also working with the broader business to consider family violence best practice support when designing customer programmes.

We recently launched a new system that provides measurable indicators that allow the business to proactively manage regulatory risk. Once embedded, it should provide better outcomes for our business and our customers.

Work will continue to identify and implement improvements to our life support processes to ensure the safety of these high-risk customers.

## Providing energy sustainably

### What has improved for our customers?

Through Go Neutral more than 250,000 customers offset 1.6 million tonnes of carbon emissions (equivalent to taking 500,000 cars off the road for a year).

EnergyAustralia now has the largest Climate Active certified offset offering in the Australian energy sector, and the second largest in the country.

The results of an 18-month innovative solar trial for renters showed they saved on average \$130. Insights from this programme are contributing to new product offerings, including our Solar Plus Plan to help customers gain the benefit of solar without the upfront costs.

## Principle 3 continued

### How did we achieve this?

In 2020 we published our goal to become carbon neutral by 2050. We also increased our ability to provide energy sustainably by:

- becoming one of the first Australian retailers to offer carbon neutral certified gas
- introducing a carbon offsetting initiative for business customers called Business Carbon Neutral
- signing a Binding Energy Storage Agreement for the 250 MW Kidston pumped hydro project
- receiving preliminary approval to expand the fast-starting Tallawarra power station, which could power about 60,000 NSW homes with 25 minutes notice (thereby supporting more renewables in the grid).

### What will we focus on next?

We will continue to work with governments, the industry and our customers and communities as we look to transition to a lower emissions future.

The proposed Tallawarra expansion will continue to move forward to final investment decision. Work will also continue with the communities around our Yallourn and Mt Piper coal fired power stations to ensure we understand their priorities.

We will also invest in new ideas for customers to receive the benefits of solar, regardless of their situation, and look for new ways for customers to offset their energy.

## Providing energy reliably

### What has improved for our customers?

Grid stability over summer improved with 22,500 businesses and homes making 58 MW of electricity available to the market operator through our demand response programmes (with residential participation almost doubling).

Victorian customers serviced by Jemena could have their energy connected within an hour of calling (see Energy Charter disclosure). This trial is due to be expanded as customers report that moving home is easier and faster than before.

Customers can feel more confident that by working with us, they have our commitment to keep their energy connected. This partnership approach to disconnections resulted in fewer customers referred to debt collection agencies than in previous years.

Disconnections have been paused for much of this year in response to bushfires and COVID-19. Despite this, disconnections for non-payment were tracking below the same period in the previous year and fewer customers were wrongfully disconnected for non-payment than before.

### How did we achieve this?

We continued to provide energy reliably by:

- implementing stronger safety, system and communications checkpoints prior to disconnection. We have increased our customer communication of payment plans and specialist assistance
- investing more than \$180 million in projects to maintain and upgrade power plants including a 30 MW fast-start gas generator in SA, upgraded a rail unloader at Springvale mine to improve coal supply in NSW and started the largest maintenance programme in Yallourn's history.

### What will we focus on next?

While we prefer to work collaboratively with customers as soon as they feel under financial stress, in some cases disconnection is our last option to help them get the support they need. Accumulating large amounts of debt is stressful for customers and can be difficult to get on top of. However retailers absorbing large amounts of customer debt also has unfair cost implications for all our customers.

Ahead of disconnections resuming, we have already begun consulting extensively with customer and industry stakeholders to ensure it is done safely and in line with expectations. We also continue to analyse the causes of any wrongful disconnections identified to make process improvements. Although the number fell this year, unfortunately seven customers were still wrongfully disconnected for failing to pay their bills. Through the Energy Charter, we are looking to trial a 'knock before you disconnect' approach to provide customers with additional in-person support.

# Principle 4

We will improve the customer experience

## Fair Outcomes

2020 Self-Assessment: Evolved

2021 Expected Self-Assessment: Evolved



**58.65 complaints per 10,000 customers**

## Communications

2020 Self-Assessment: Evolved

2021 Expected Self-Assessment: Evolved



20.69 ombudsman referrals per 10,000 customers, a **41% reduction in 2020**

## Complaints

2020 Self-Assessment: Empowered

2021 Expected Self-Assessment: Empowered



**Customers happier** with experience through all touch points (June Transactional NPS +27.2)

### What has improved for our customers?

Our customer experience has improved across every touchpoint. For example, we know customers:

- have less need to have issues resolved. If they do call, they are speaking with customer service representatives trained to have better conversations and offer tailored support (total transactional NPS is tracking on average five points ahead of 2019)
- are looking to save money and paper use by choosing e-bills (online billing increased from 46% to 55%)
- enjoy a quick, simple, online sign-up process. Customers rate our process 4.5 out of 5 stars
- spend about five minutes booking a household move online and rate this process 4.5 out of 5 stars
- are having better sales conversations when they call us (see Grist Award – Principle 1).

### How did we achieve this?

A broad range of changes are contributing to the improved customer outcomes:

- customers indicating we have missed the mark on service are proactively contacted. We have been able to resolve 59% of issues via this method (with 25% deciding not to discuss any further) and only a small number moving forward with a complaint or switching because of their experience
- customers are helped to understand how tariff changes translate to average dollar changes on their bills

- further investments made to our [Bill Upload Tool](#), [How to compare plans](#) and [Understand your bill](#) products help all customers make more informed decisions
- our Human Centred Design team helped us to meet customer expectations on the reintroduction of some paper bill fees (resulting in less than anticipated complaints)
- large commercial customers see near real-time data to help manage usage and costs more efficiently. InsightsPro is an Australian first and the result of collaboration through our [Startupbootcamp](#)
- new processes raise alerts about escalating complaints (contributing to 41% fewer ombudsman complaints and recognition by NSW and Victoria ombudsman schemes for our collaborative approach)
- billing improvements (designed using insights from complaints) resulted in a 31% reduction in related complaints in 2020.

### What will we focus on next?

New features to allow residential and business customers to access solar data in near-real time will be implemented. Mobile apps will feature improved data displays, usage alerts and energy efficiency targets for active energy management.

The significant shift we have seen in how our customers feel about us is the result of a two-year focus on resolving customer pain points. Future gains will require a similar long-term approach.

# Principle 5

We will support customers facing vulnerable circumstances

2020 Self-Assessment: Empowered

2021 Expected Self-Assessment: Exceeding



Over 237,000 payment extensions and payment plans to **support residential and business customers**



**0.98% of residential customers** on EnergyAssist (8% increase due to COVID-19)



**75% of EnergyAssist customers** are meeting their agreed payment plans

## What has improved for our customers?

More customers have access to support to pay their energy bills through our EnergyAssist and newly created Rapid Business Assist programmes (21,739 residential and 620 business customers). Despite challenges in managing call volumes, financial counsellors and customers have provided feedback that EnergyAssist is one of the easiest programmes to access.

Support programmes are proving beneficial. A three-year study on the social impact of debt waivers, appliance swaps and payment matching showed that 50% of respondents avoided borrowing money, 38% were able to spend more on everyday essentials and 23% avoided selling personal items.

By December we also saw a 19% year-on-year increase in customers graduating from EnergyAssist, a sign that their financial situation had improved following our support and the measures were no longer required. Interestingly, COVID-19 has not negatively impacted our customers' ability to graduate from EnergyAssist.

Despite longer wait times, callers seeking support through EnergyAssist were still able to get the help they needed on their first call and gave us continued high ratings for service. It also shows that our people delivered quality service during a time of great pressure.

## How did we achieve this?

We moved quickly to extend support for households and businesses affected by bushfires and COVID-19. We also continued to support our existing EnergyAssist customers. This was achieved by:

- homes and small businesses in regions impacted by the bushfires having their bills paused, and waiving fees and added bill credits for firefighters. Our people, business and owner, CLP, donated over \$300,000 for charity relief efforts, our largest ever appeal

- our EnergyAssist specialist team doubled in size in response to COVID-19 to allow us to meet growing customer need for support
- our business customers were some of the first to access tailored support through Rapid Business Assist
- partnerships and collaborations including ICAN Learn's [Financial Counselling Development Programme](#), Thriving Communities Partnership's [One Stop/One Story Hub](#) and energy audit and efficiency advice through [Kildonan](#) ensure customers can access best practice support
- social housing residents benefited from solar through a co-funded partnership between EnergyAustralia, the New South Wales Government and AGL
- a new system provides our people with additional data about the customer's billing history, improving the quality of conversations and our ability to tailor support on the first call.

## What will we focus on next?

We have not made all the gains we had hoped to reduce our average entry debt into EnergyAssist. However, work has begun to implement more sophisticated early identification processes and customer communications so that customers are offered support earlier before experiencing the worry of high outstanding bills. For others it may mean being able to transition out of our EnergyAssist support programme earlier.

Unfortunately, we expect the economic impacts of COVID-19 to continue and that our customers will continue to need flexibility through a range of payment support.

**Our Energy Charter disclosure was designed by Marcus Lee Design, a certified Aboriginal business with Supply Nation.**

At EnergyAustralia, we recognise the Aboriginal and Torres Strait Islander peoples as the Traditional Owners of the land on which we operate and the communities we serve. Our goal is to build working relationships with Aboriginal and Torres Strait Islander peoples, communities and businesses. Through reconciliation we live our values of doing the right thing and leading change. We thank Marcus Lee Design for their continued support of our business.

**Have your say**

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