



Annual Report

2019-20



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“ Because of language barriers I help many of my community members negotiate with their energy retailers. Some seek my support to help deal with debt collectors.

Sheik Adid Arubai, Mount Druitt
Community Leader; Sydney Alliance Voices for Power program

“ I do worry how much more it will be, because how do you budget electricity usage when you are more or less forced to stay in your house?

Household consumer
During COVID-19 lockdown



“ I’ve found that it’s very difficult during winter or summer for people to use their energy freely in a manner that they’re comfortable with, and it all boils down to finance.

Subhash Rughani, Bardwell Park
Community Leader; Sydney Alliance Voices for Power program



“ I think initially they (energy companies) will be fair but after a period of time, they will go back to their old ways and taking money first and service last.

Small business consumer
During COVID-19 lockdown





FROM THE CHAIR

Few of us could have predicted that 2020 would hold the Pandora's box which has been unleashed on families, businesses, our community and economy. Trying to foresee where things will go from here is a challenge for all of us, but there are already key lessons emerging for the energy sector from the catastrophic bushfires and our response to COVID-19.

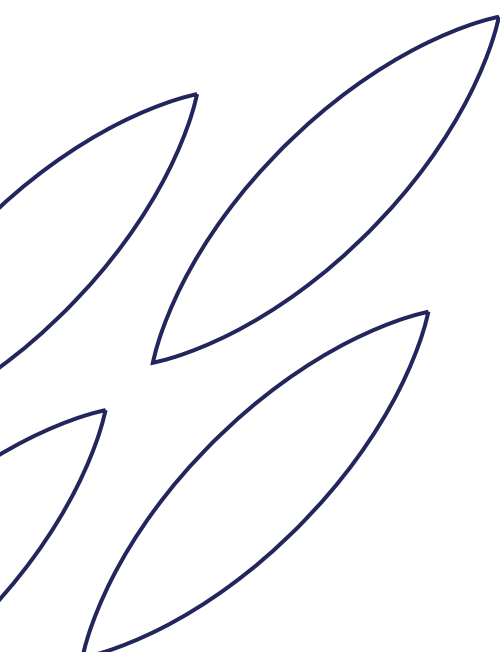
Our research across the crises-laden landscape of 2020 reveals that the networks that really matter to Australians are local ones – their neighbours, families and communities. These were the networks which bushfire survivors turned to when the lights went out with stories like the property in East Gippsland that turned into a caravan park of neighbours, each connected to a still-standing rooftop solar system to keep their phones and other devices running. We have seen similar heartening shows of community strength throughout the pandemic.

This tells us something important about the journey ahead because so much of what we are doing in the energy sector relies implicitly on consumers networking, connecting and engaging with each other and an increasingly disaggregated energy system. There are many ways this can be facilitated, but we need a system which is agile and flexible enough to benefit both consumers who keenly want to engage and those who prefer to take a less active approach.

Looking forward, we need to design for change and also for crises, which are likely to feature more regularly in the future particularly with climate-related change that we are already experiencing. Even setting aside the rise in natural disasters and other crises, it is difficult to overstate the nature of the changes that are happening in the way the electricity system is organised, and the way consumers power their homes and businesses.

The mass migration of more than two million households into the world of not just buying electricity but generating it on their roofs is fundamentally changing the energy system and the energy market. A system that was once centralised and 'one-way' – a 'small number of large things' – is increasingly decentralised and two-way – a 'large number of small things'.

A great deal of our work this year has focussed on the transition of the electricity sector, but just as important



is the transition ahead for gas, which will have real consequences for consumers in the future.

For the evolution of the energy sector to occur successfully with the current group of energy providers, there is still much culture change required.

Our research has consistently demonstrated consumers' lack of trust in energy companies as a major roadblock to the transition ahead – and that continued to be the case this year. They are indicating that this can be fixed if stakeholders work together towards a long-term objective and work constructively to manage the transition. There is evidence coming through our research that consumers want clarity about how what they do – how they manage their energy bills, manage their use and technology to maintain the comfort of their homes and the competitiveness of their businesses – fits into a bigger, longer-term picture.

Our research also indicates that it all comes back to energy costs. For consumers to engage with their energy suppliers in the way we need them to, they need to know the sector has listened to their deep dissatisfaction with high energy prices and bills – and brought prices back down to more normal levels.

This report steps through our work in 2019-20 to tackle these issues – starting with the question of energy prices, then turning to the question of how we are working to create a system that empowers consumers and flexes around their needs. We then outline our work program focussed on building trust and confidence and tackle the big question of transition. Finally, the report covers our work to amplify the

consumers' voice and the important governance work we are undertaking, much of which responds to the review of Energy Consumers Australia completed last year.

I want to thank Lynne Gallagher who has done a remarkable job as interim CEO steering our organisation through the unprecedented challenges of 2020. Her team has ensured Energy Consumers Australia remains a strong, focused, collegiate and consistent voice for consumers – a voice which is doubly as important in the tough times we now face.

And finally, I would like to thank our outgoing inaugural CEO Rosemary Sinclair for her dedication to establishing our organisation's voice. All journeys come to an end, but what we have done together over the past five years continues to echo through the energy sector and we now have a strong foundation on which to build. That is a testament to Rosemary's work. We wish her well.

Louise Sylvan AM
Chair
Energy Consumers Australia

“

The mass migration of more than two million households into the world of not just buying electricity but generating it on their roofs – driven by necessity and enabled by new technology – is fundamentally changing the energy system and the energy market.

”





FROM THE CEO

The 2020 calendar year has been marked by a health crisis that has not been seen in our lifetime. The COVID-19 pandemic has already had profound health and economic consequences, and required us to restructure the way we live, work, and provide services.

While the crisis raises new issues for the energy sector, more often than not it emphasised existing issues like a giant stress test. It tests the resilience of our systems to support consumers in financial hardship. Issues which were already urgent such as tackling high energy prices have become more pressing as balancing business or household budgets becomes harder. And questions that were already being asked about the strength of the energy sector's connection with consumers and their needs are now being asked with more urgency.

As the crisis emerged, we adapted our research program with new modules aimed at understanding what people and businesses were experiencing, in relation to their energy needs. The results show great anxiety in anticipation of bill shock with many in the community having either lost work, consuming more energy while working from home, experiencing social isolation, or all of the above. Perhaps more concerning, of the 20 per cent of consumers in our study who said they had reached out for help paying their bills, half said they did not receive useful assistance.

These results came on the back of existing data from our Energy Consumer Sentiment Survey which revealed that most people could not clearly recall the last communications they received from their energy company and, of those who could, just over half said it was useful or easy to understand.

We have spent the past three years developing and deepening our understanding of behavioural insights and their application to energy decision making across the range of consumers. Our segmentation framework and the body of our Power Shift research, which looks to empowering consumers, is going to



become an increasingly important resource for the sector and a standard to hold ourselves against. We invested in this initiative because the energy transition that the sector is spending so much time planning for is not possible without a step change in how we empower, communicate, engage and partner with consumers.

In part, this is about the transition itself – if you are setting out to redesign something as fundamental to peoples’ lives and businesses as the energy system, you have to start with consumer choice and values, and not simply design “efficient” price signals. It is also about the state we are transitioning to, which looks far more distributed and democratised – a world where consumers could have opportunities to generate and store power, as well as consuming it; where connected devices will enable powerful new ways for consumers to be flexible in their demand and generation in a more dynamic way than we can imagine today; and where the role of intermediaries enables more innovative technology services.

In the face of the disruption to the energy system and our lives and businesses in 2020, we are more resolved than ever to be effective in our advocacy, framing problems but also exploring solutions. The complexity of the transition requires us to continue to be a supportive and collaborative partner in change with our many peers and stakeholders. We have taken to heart the recommendations from the review of Energy Consumers Australia completed last year, which included valuable feedback from our stakeholders.

Already, we have reviewed and upgraded our tools for communicating our priorities and work with stakeholders, and for directly supporting consumers. We had just completed a review of our digital channels and tools when the crisis hit, and we quickly adapted our PowerCall initiative to the COVID-19 environment with advice and guidance provided to every visitor to our website on how to access the available supports.

We are also in the process of developing new strategic priorities and re-setting our business plan with a clear focus on impact and performance, with this work to be completed in the second half of 2020 along with the scheduled Constitutional Review. We intend to consult with our stakeholders about our priorities and new reporting framework later in the 2020 calendar year.

While this framework is still under development, this year’s Annual Report is structured differently to previous years, with the core chapters linked to the consumer outcomes sought in our current business plan. You can read these via the blue-themed materials on each page. We have also separated our grants reporting in an Annual Report insert to give it greater focus.

I want to commend our staff for their dedication and hard work over the past year under unique circumstances. I would also like to thank all of our stakeholders – particularly the other consumer advocates we work closely with. In many ways our success is defined by their success because of the way in which we work.

Lynne Gallagher
Interim CEO
Energy Consumers Australia



We have spent the past three years developing and deepening our understanding of behavioural insights and their application to energy decision making across the range of consumers. Our segmentation framework and the body of our Power Shift research, which looks to empowering consumers, is going to become increasingly important.

OUR WORK - HAVING AN IMPACT

Bringing prices down and keeping them down



\$1.5 billion

wiped from network revenue proposals through collegiate work with other advocates, engaging with businesses and the regulator



11
submissions
to *key network planning* and *investment decisions*

- Our 1st rule change request – **shining a light on retailer pricing & profitability**
- Putting downward pressure on **prices** by rebalancing the value placed on customer reliability
- 25 submissions** on major policy processes and NEM rule changes
- Progressing** wholesale and retail **market reform** agenda.

Consumer agency – flexible & empowered decisions



Power Shift research

informing *new energy services* and tackling vulnerability



Responding to COVID-19
with *enhanced online tools* for consumers

- Supporting the **energy consumer data right**
- Unlocking opportunities** to reward energy consumers' technology uptake



Building Trust & confidence for an effective market



New research

tracking the *COVID-19* experience



Building confidence
in emerging *ICT infrastructure needs*

- Boosting** consumer protections
- Working on **new approaches to network engagement** with the collaborative New Regulation (NewReg) innovation project



Transition led by consumer values



New consumer expectations research

to guide transition starting with what consumers value



240

people from across the entire sector
attend Foresighting Forum 2020



Post 2025 Market Design submission to shape the Energy Security Board's work



High quality grants funded to tackle complex questions of transition



Your voice heard



Approved \$2.3M in grants that support a consumer voice in important energy policy and regulatory decisions, and contribute to the evidence base on consumers' energy experience



Deepening our engagement with small business



Black Summer bushfire longitudinal study to capture and profile the energy consumer experience



Multicultural communities in Sydney **supported** to lift their issues onto the national agenda



25 submissions made on NEM rule changes and major policy processes



10 submissions on key network planning and investment decisions



Spoke at over 50 agenda setting conferences and events



11 submissions to major market development and monitoring processes



Carrying the consumer voice to the Australian Competition Tribunal to defend the New Energy Tech Consumer Code



229 stakeholders attended Four Board Stakeholder Forums in Adelaide, Hobart, Sydney, and Brisbane.

Living our values



Re-setting our business plan
and **impact and performance reporting** framework
Implementation

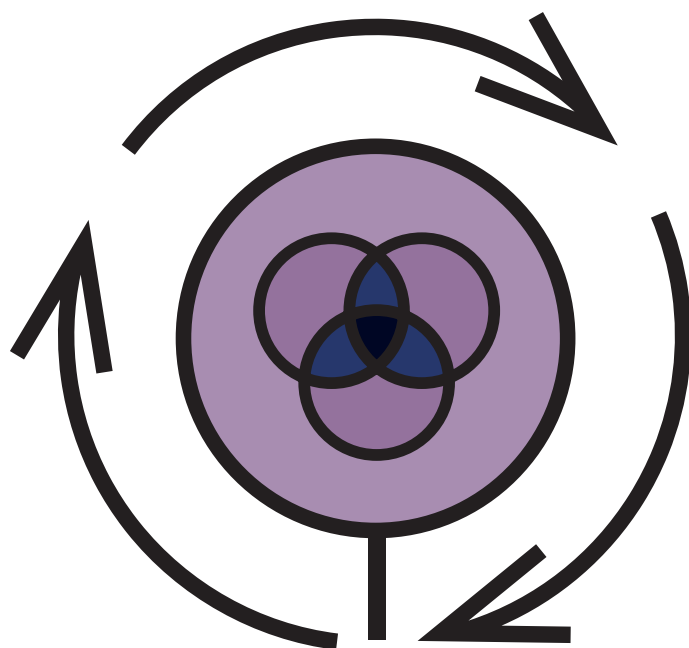


Implementing recommendations
of our
organisational review

Bringing prices down and keeping them down



Since 2016, our Energy Consumer Sentiment Survey, consumer discussion groups, other research and several grant-funded projects have consistently shown that small business and households' number one concern about the energy market is value for money and affordability. They continue to rate electricity as the lowest value of any comparable service offering.



When ACCC Chairman Rod Sims conducted his review of electricity prices in 2017-18 and found that they had risen 63% in a decade, he labelled the National Energy Market “broken”, “unacceptable” and “unsustainable”.

Since then, a lot of our work has gone into aligning the sector's efforts with consumers' expectations that prices should return to more normal levels. Much of our work across a wide range of areas in 2019-20 was dedicated to this goal.

In the lead up to COVID-19, consumer satisfaction on a range of measures had improved, reflecting measures taken by governments to more clearly inform consumers about their electricity products and services.

The impact of COVID-19 serves to underline the importance of our goal of lower prices given the increased pressure on small business and household budgets.

Driving down network costs

With network costs the single biggest part of most consumers' energy bills, it was an important year for those in New South Wales, Queensland and South Australia with the regulatory revenue resets due, which determine how much is spent on maintaining and upgrading the poles and wires over the next five years.

In addition to our extensive direct engagement with networks and collaborative work with other stakeholders, we made 10 submissions

- ✓ 10 submissions on key network planning and investment decisions
- ✓ Spoke at all AER Forums on network revenue resets in play this year

Figure 1: How would you rate the overall value for money of the products and services provided by your electricity company in the last 6 months?

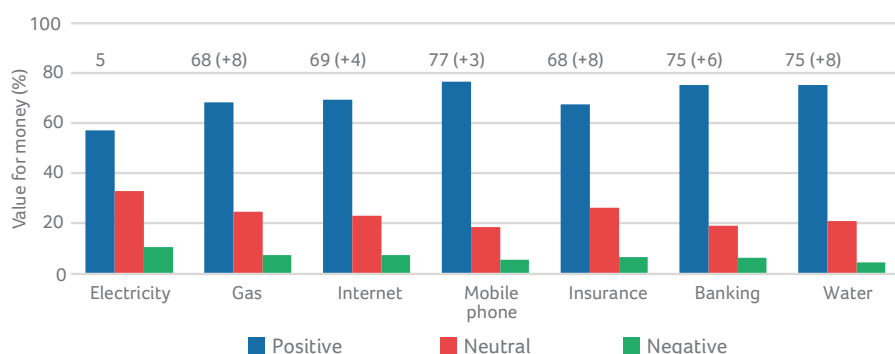




Figure 2 Sources:

- 1: AER - ISSUES PAPER SA electricity distribution determination 2020 to 2025 Overview June 2020
- 2: AER - FINAL DECISION SA Power Networks Distribution Determination 2020 to 2025 Overview June 2020
- 3: AER - ISSUES PAPER QLD electricity distribution determinations Energex and Ergon Energy 2020 to 2025 March 2019
- 4: AER - FINAL DECISION Energex Distribution Determination 2020 to 2025 Overview June 2020
- 5: AER - ISSUES PAPER QLD electricity distribution determinations Energex and Ergon Energy 2020 to 2025 March 2019
- 6: AER - FINAL DECISION Ergon Energy Distribution Determination 2020 to 2025 Overview June 2020
- 7: AER - DRAFT DECISION Jemena Gas Networks (NSW) Ltd Access Arrangement 2020 to 2025 Overview November 2019
- 8: AER - FINAL DECISION Jemena Gas Networks (NSW) Ltd Access Arrangement 2020 to 2025 Overview June 2020

to key network planning and investment decisions and presented at the Australian Energy Regulator's public forums on the networks' revenue reset processes.

There was further improvement by networks this year in their consumer engagement approach, resulting in a higher quality of network revenue proposals. One of our key interventions to influence this outcome was to support our submissions and presentations with an independent expert report to help build an alternative evidence base for the AER's decision making about network requirements.

The savings to consumers derived through this process will make a material difference to energy prices and should mean that the downward trend in network costs we are currently seeing will continue over the next 5 years.

The approach this year continued the evolution of better engagement by network businesses with their customers. This is in sharp contrast with the recent past where much of the disagreement between networks, the regulator and consumers was settled acrimoniously in the courts. Those days are starting to fade but there is still further to go.

There is nonetheless room for further work, with savings for consumers exceeding \$1.5 billion in the difference between the networks' original proposals to the Regulator and the AER's final decisions. Our work in the NewReg trial is providing insights from a different model of consumer engagement, adding to insights about how to further improve consumer input to network revenue proposals and this work is discussed later in this report.

Figure 2: Billions saved for consumers through a new approach to network engagement

Network	Initial Proposal	AER's final decision	Difference
SA Power Networks (SAPN)	\$4,214.5 million <small>Ref: Source 1 Table 1, page 8</small>	\$3,914.2 million <small>Ref: Source 2 Section 1.2, para 1, page 15</small>	Savings of \$300.3 million on the initial proposal
Energy Queensland (Energex)	\$6,541.2 million <small>Ref: Source 3 Table 1, page 9</small>	\$6,009.6 million <small>Ref: Source 6 Section 1.2, page 15</small>	\$531.6 million on the initial proposal
Energy Queensland (Ergon Energy)	\$6,515.8 million <small>Ref: Source 5 Table 1, page 9</small>	\$5,925.9 million <small>Source 6</small>	\$589.9 million on the initial proposal
Jemena Gas Networks	\$2,343.3 million <small>Ref: Source 7 Section 3.2, para 1, page 27</small>	\$2,175.9 million <small>Ref: Source 8 Section 1.3, para 1, page 15</small>	Savings of \$167.4 million on the initial proposal

We are also looking to the future to find other ways to put money back into consumers' pockets. Since we began the Energy Consumer Sentiment Survey, there has been a clear difference between the level of consumer satisfaction with the reliability of the energy service and the level of satisfaction with the value for money they receive for energy services.

One of the factors driving decision making about investment in the energy network is the value we place on reliability of supply. The higher we set the "Value of Customer Reliability" (VCR), the more cost can be justified to maintain and upgrade the system each year – all of which is passed on to consumers.

This year, we developed an international comparison which showed that Australia's VCR is very

high by international standards and we participated in the AER review process with our technical experts. Leveraging our market research with the technical analysis of the VCR and global comparisons, the result of this collaborative work with the AER was a lower VCR set for the future. Though not high profile, this has been an important part of our work program and will put downward pressure on energy prices in the future.

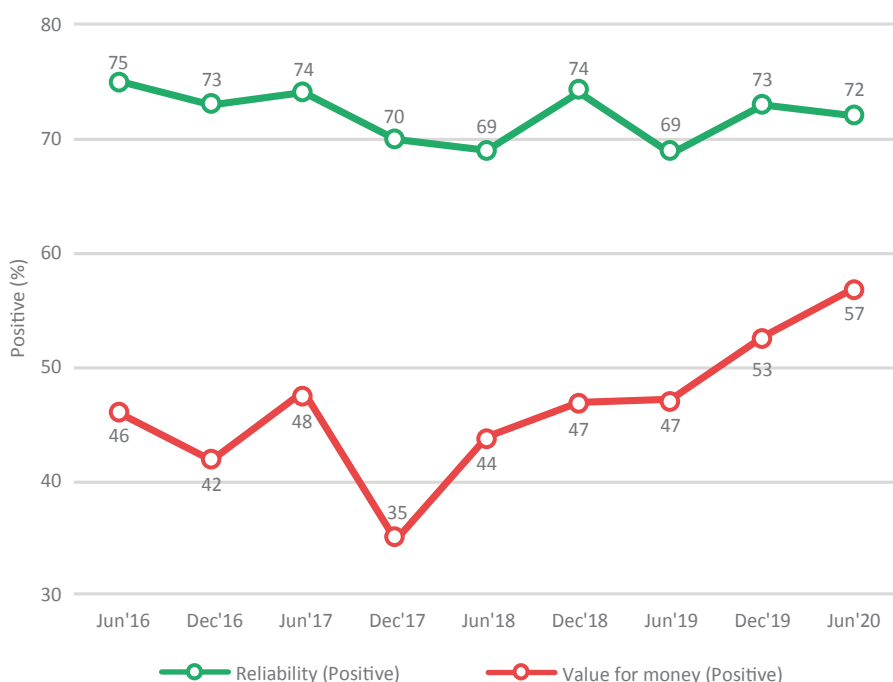
Default Market Offers

With Government, one of the key reforms has been the introduction of default market offers, which respond to the ACCC's recommendations to bring standing offer prices down to more reasonable levels.

The work by Government to put in place the default market offers,

✓ *At least 15 strong submissions on major policy processes and the most significant NEM rule changes.*

Figure 3: The Energy Consumer Sentiment Survey has always shown an imbalance between reliability and value for money





enables a clearer comparison-point for consumers shopping around for a better deal, while also offering some protection to people on standing offers.

In 2019-20, as part of our direct advocacy work, 2 of our 25 submissions on major policy processes and NEM rule changes related to introducing the DMOs. We supported our stakeholder engagement and submissions with a public relations effort around the DMO.

Shining a light on retailer tariffs and profitability

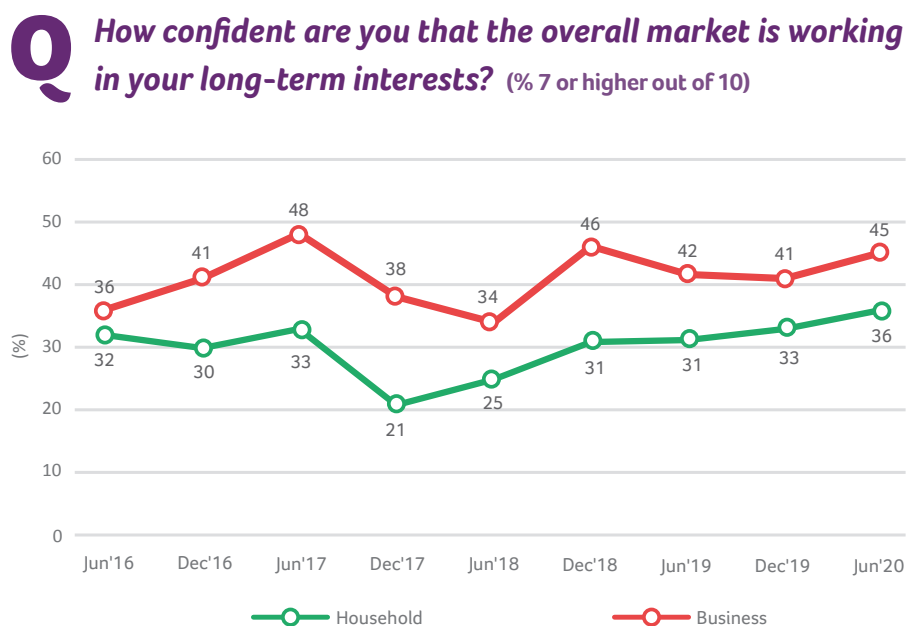
We also lodged our first ever rule change with the Australian Energy Market Commission, taking on the vexed issue of a lack of transparency of retailer margins and profitability. It seeks to require retailers to publicly report on their profitability and bring greater transparency to what kind of customers are on what kind of pricing and plans.

This builds on a report we previously commissioned to understand the drivers of retailer business models and the implications for competition in electricity and gas markets - *State of Play: Quantifying the competitive outcomes of retailing in the NEM*. We are seeking to shine a light on these matters to build greater confidence with consumers that the energy market is working in their interests.

Given this is the commitment made to consumers in the National Electricity Objective and the National Gas Objective, it is of concern that despite some improvements in the past two years, only 36% of household consumers in our latest Energy Consumer Sentiment Survey say they are confident the market is working in their long-term interests.

Increasing transparency is an important way to continue to build those confidence levels and ultimately help us work with the sector to drive

Figure 4: Confidence the market is working in consumers' interests remains low



down the factors underpinning high electricity prices.

Further work to put downward pressure on wholesale and retail prices

One of the important developments for electricity prices in the past 12 months is that wholesale prices are at their lowest level since 2016. This has primarily been driven by a large volume of renewable energy coming online and boosting supply, but to lock in these gains and get the wholesale market working in consumers' interests, we are seeking a broad-based commitment to 'reset' wholesale and retail markets. We have been particularly active this year in pursuing work with our stakeholders to refine the ACCC's final report

recommendations and develop an implementation framework to support more effective competition.

We are involved in work on the Coordination of Generation and Transmission Investment (CoGaTI) and post-2025 market design, participating in Technical Working Group meetings and we facilitated a special briefing for consumer advocates in March, with a further series of meetings in May-July.

The Treasury Laws Amendment (Prohibiting Energy Market Misconduct) Act 2019 came into effect in June 2020. While these reforms had their detractors, we were firm in our support for them. Unfortunately, the experience of consumers over the past decade has shown it is necessary for regulators, governments, and

✓ *Consumer stakeholder consultations held to support the timely and coordinated implementation of wholesale and retail market reform and a 're-set' in the culture and performance of the sector.*

COVID-19 has placed more pressure on small business and household budgets





the courts to have the tools to hold companies to account when bad behaviour occurs.

The new legislation forces energy companies to put the interests of consumers first, by requiring them to pass on savings when there is a sustained and substantial reduction in the cost of supplying electricity. The legislation also prevents energy companies from distorting or manipulating wholesale electricity prices.

None of these initiatives alone resulted in lower energy prices this year, but together a range of initiatives are having an impact and most retailers did announce lower electricity prices for consumers in the lead up to 1 July 2020. We are behind in our goal to deliver on the promise of the ACCC review of electricity prices and return prices to more normal levels, but we are starting to make headway thanks to a big work program driven by a range of consumer advocates including ourselves.





GREAT GRANTS:

Building a consumer perspective into big investment decisions



Our Grants Program has provided countless new insights over the past four years. This year saw the finalisation of the Tasmanian Small Business Council's analysis of Project Marinus, the proposed \$3 billion investment in a new interconnector between Tasmania and the mainland.

Our grant supported Goanna Energy to undertake a detailed analysis of Project Marinus, including an assessment of the forecast benefits for consumers. The research noted the high levels of uncertainty in the electricity market, and the project reports illustrate the nature of those risks – limited benefits for consumers who will foot the bill, potential impacts on future electricity prices, and the possibility of poor return on investment overall.

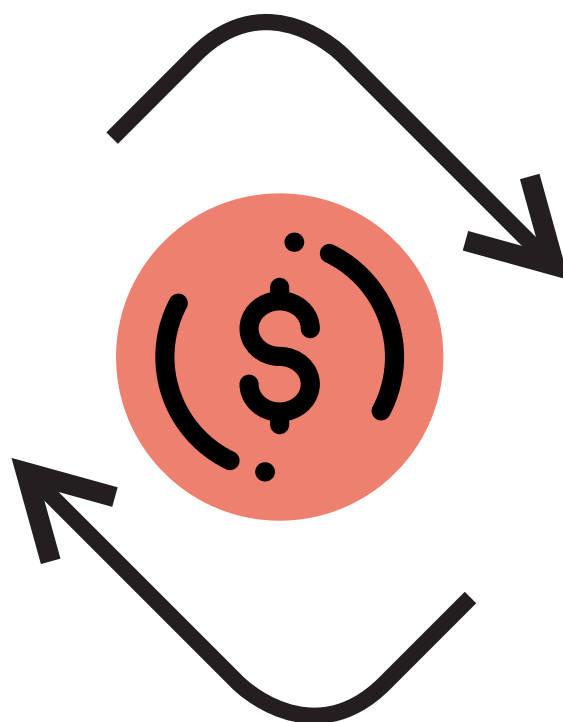
The research provides lessons on how to improve decision-making for investment in transmission, including whether the regulatory test is fit for purpose in a market where there are a range of possible solutions. The project also looked at how consumer advocates can engage, recommending that a consumer consultative mechanism be built into the RIT-T process.

To help the Tasmanian Small Business Council discuss these insights, we offered to host a webinar to talk about the research recommendations, as well as its national implications. That is available on our Grants Archive and you can read more about our Grants Program in the Grants Program Annual Report Supplementary Information – *Backing Bright Ideas*.

Consumer agency – *flexible use and empowered decisions*



It is difficult to overstate the nature of the changes that are happening in the way the electricity system is organised, and the way Australian households and small businesses power their homes and their small businesses.



The shift from consumers who used to simply buy electrons to keep the lights on, to consumers that are using technology to take more control over their bills necessitates a fundamental redesign of the system which is now underway.

If you are setting out to redesign something as fundamental to peoples' lives and businesses as the energy system, you really have no option but to do it *with* people rather than to do it *to* them if you really want to succeed.

Any of us engaged in debates about the design of the system should take time to observe how people choose to behave in a range of different ways in their homes, at work and in their businesses, rather than deciding as architects of the system how people should behave. The system must be designed for social practice and reflect this in the design of price signals.

A Power Shift in thinking

This thinking has driven our focus on the Power Shift research, which has come to define our approach to re-setting the way the sector engages with consumers about behaviour change, and reducing the burden on consumers of poor housing and inefficient appliances.

Power Shift is about finding ways to help government and industry to assist

consumers to manage their energy use and bills. Our final report was delivered in 2019-20, synthesising the three key findings –

1. meet consumers where they are,
2. design for diversity, and
3. build trust.

The simplicity of approach is its strength, and the range of research and white label information and tools demonstrate how to understand the diversity of households, and work out how best to effectively communicate with customers to change behaviour.

The *Policy Makers Guide* outlines how to use the Supporting Households Framework, which is a behavioural insights approach to consumer segmentation, to identify what information, tools and services are best suited to assist households. Using the *Supporting Households Framework*, we developed a set of white label information resources and videos to model communications and marketing approaches to engage directly with consumers.

Power Shift has been cited as a key resource by the COAG Energy Council Finkel 6.6 Working Group (which aims to ensure vulnerable consumers are not left behind); as well as leading researchers and thought leaders.

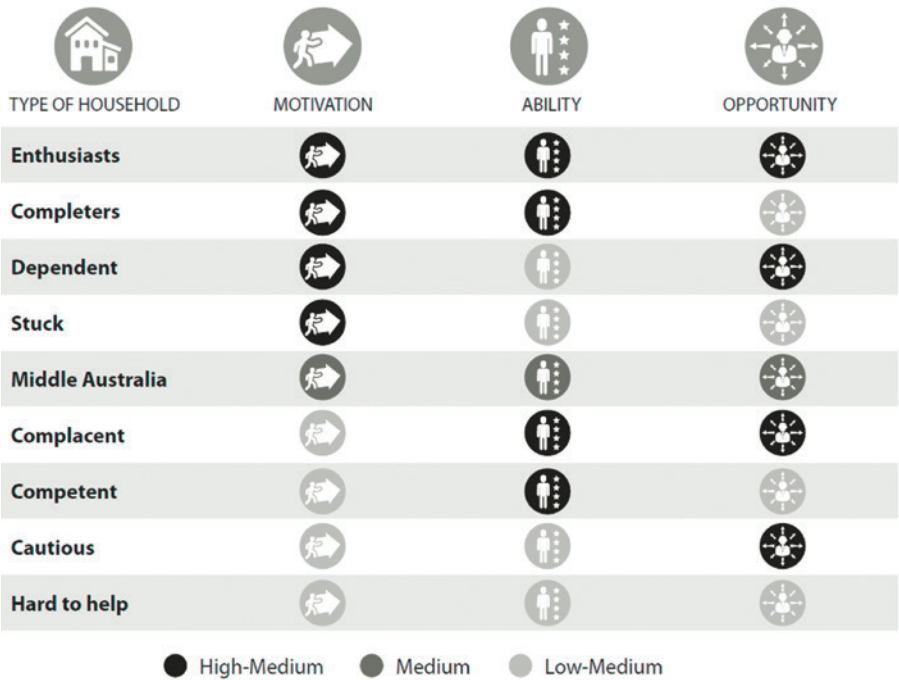


The final Power Shift report from Energy Consumers Australia distils a huge body of energy social science research over the last 7 years and charts directions forward. Everyone working in energy in Australia needs to read it.

Declan Kuch, UNSW



Figure 5: Power Shift defined a new segmentation model for engaging with consumers about their energy bills



Fundamentally, what we learned from Power Shift is that we have to start with what consumers value and the practice in their homes and businesses, when thinking about engaging with them, and achieving better outcomes.

Leveraging our research to demonstrate the value in rewarding consumers

The intention of the AEMC’s Power of Choice work almost a decade ago was to reward consumers for managing their energy use. That promise remains largely unfulfilled because of the almost exclusive focus on efficient tariff design, and not the ways in which people could understand and respond to opportunities to shift load onto lower off peak prices.

People are often motivated to achieve a better outcome for themselves, their

neighbours, and their community. We see this when there are public calls for people to reduce their electricity use to help keep the power on during very hot days, and to make sure others are safe and comfortable. In these situations, the community responds by voluntarily reducing load by hundreds of megawatts when things are finely balanced and could have gone the wrong way.

An economic textbook approach would suggest using a price signal to reduce their demand – but often this has a perverse effect. When we asked people why they used less, we found that they were worried about their elderly neighbour’s air-conditioning switching off, not because they want a few extra dollars in their pocket. Most people tell us in our ECSS that when there is a community need, they will do it for free.

GREAT GRANTS:

Exploring the nexus of energy use, ageing, and health and wellbeing among older Australians



This project by Macquarie University was aimed at demonstrating the diversity of consumer needs and how energy is integral to health and wellbeing, through research into how older consumers think about and use energy, and how it affects their health and wellbeing.

The project insights were hugely valuable, such as the correlation between higher levels of general health and happiness among older Australians with the positive feelings associated with, for example, being able to use their washing machines. These are the sort of daily life activities that high energy costs constrain. While most people understand the connection between heating and health, this project revealed that the connection between energy use, health and wellbeing is not always as simple as we assume.

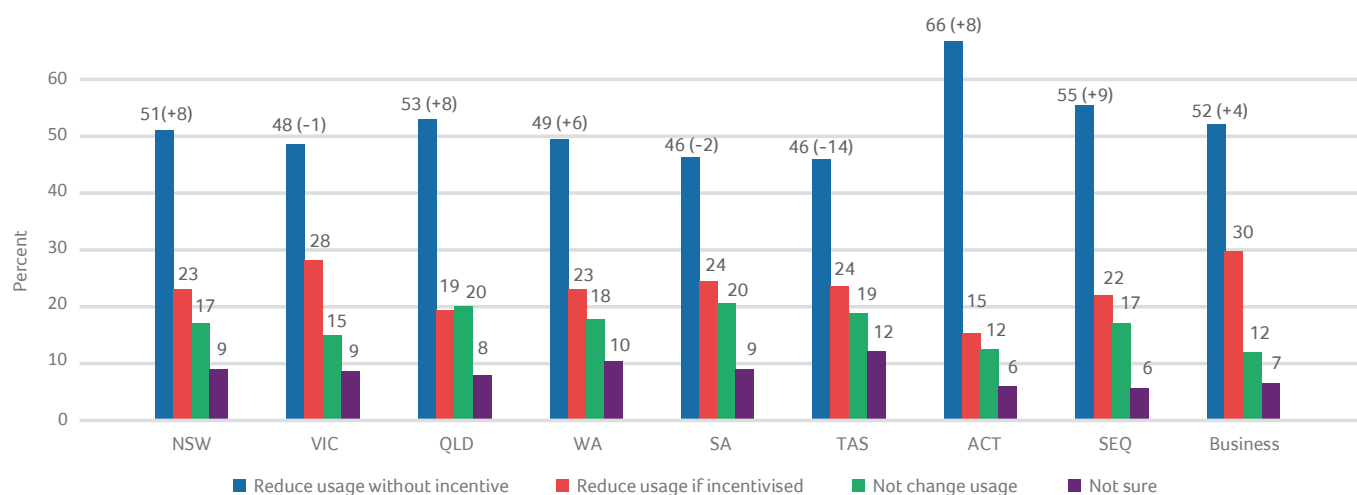
We also hosted a webinar on the project which attracted a lot of interest from a very diverse range of stakeholders.

Resources from this project are available via the Energy Consumers Australia website. Read more about our Grants Program in the Grants Program Annual Report Supplementary Information – *Backing Bright Ideas*.

✓ *Deliver Power Shift program objectives to benefit low income households*

✓ *Progress our contribution to COAG EC National Energy Productivity Plan 2015- 2030, items 3 and 4.*

Figure 6: Willingness to reduce energy use when demand is high





In fact, even without progress on tariff reform, our research shows that around half of all consumers already move their energy use outside peak times. So, while price signals have a role to play, there is something else going on which we need to understand and work with. If we work with people on their terms, thinking about their values, we will do better.

Putting greater emphasis on communications is important but getting the approach to price signals right is also necessary. One of the big gaps in our approach to pricing reform has been the information asymmetry in the market – consumers don't have access to real time data about what's driving their energy bills, which means sending them a price signal will only punish them after the event for use in peak times, not empower them to manage their use.

To tackle this issue, we have sought to work with our stakeholders to improve access to meter data, which is a foundation for improving consumer decision making. After making this the theme of last year's Foresighting Forum, in 2019-20 we put the lessons from FF19 into action and supported the development of the economy-wide Consumer Data Right in legislation. In June this year the energy sector was included in the right.

The Consumer Data Right aims to provide consumers with greater access to their personal information, giving them the power to instruct businesses to provide safe and secure access of their data to trusted third parties. This recognises that not all consumers will have the time or inclination to handle their own data and opens the door to innovation and market-based solutions

Power Shift: Innovation in Energy Services Workshop



that allow consumers to easily use their data to manage their bills, or to make informed choices about energy or technology providers.

Throughout the year, we participated on the Energy Data Standards Advisory Committee and organised sessions to inform consumer advocates, taking a leading role in ensuring effective implementation. This including a workshop with advocates on the implementation of the Consumer Data Right as part of our commitment to increase collaboration across the advocacy sector.

Looking for opportunities on pricing reform

Historically, the National Electricity Market has taken a one-size fits all approach to the design of network tariffs. Now, we need tailormade tariffs

to fit our “many small things” approach as consumers take up distributed energy resources to improve their cost of living and business profitability.

This year, we asked Energeia to examine the ramifications of a beneficial tariff for consumers using the edge case example of electric vehicles (EVs). Their research showed a 10 cents per kilowatt hour retail price to charge your EV was possible 98% of the time.

This work is unlocking opportunities for the sector to work with innovators and interested consumers to deliver innovative retail offers, with the opportunities to shift load and generation that technologies can provide. Providing the right opportunities and incentives for consumers to be flexible in their use and in their generation – for those with

✓ *Increase collaboration as part of supporting and empowering energy consumer advocacy*

Power Shift: Innovation in Energy Services Workshop



solar or energy storage- is a win for both consumers and the energy system in lower costs but does rely on a range of initiatives to empower consumer decision making, outlined in the next chapter of this report.

Homing in on smart energy use

The long-term objective of *Power Shift* is that people are confident their actions will make their home comfortable and control their energy bills and usage. We strongly support calls across the energy sector to mandate higher energy performance standards in new homes, as well as work to improve the performance of existing homes. We include questions on these issues in the Energy Consumer Sentiment Survey.

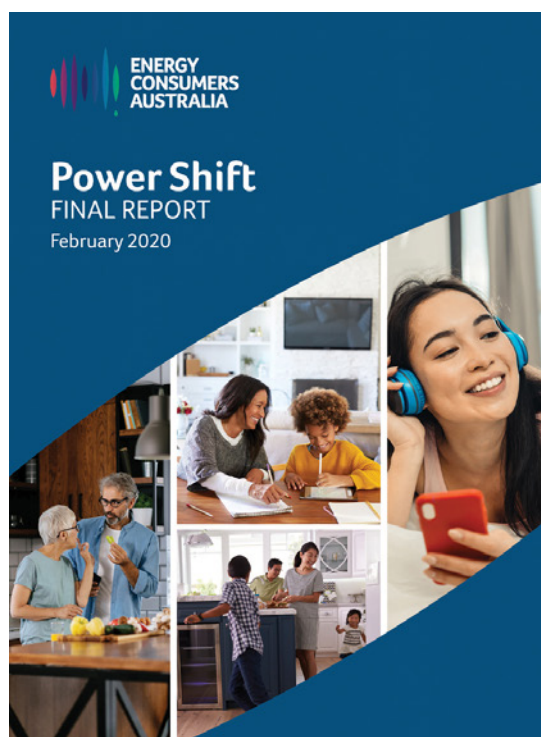
We were proud to support research by Joel Dignam as the recipient of our 2020 Gill Owen Scholarship. Joel is CEO of Better Renting and a powerful advocate for tenants, including calling for minimum energy performance

standards in rental properties to help tenants live in healthy and affordable homes. His research will look at the potential implications for residential consumers from phasing out the use of natural gas for cooking, heating, or hot water in Australian homes.

Leveraging our digital channels for consumer engagement

Following the statutory review of Energy Consumers Australia which recommended that we strengthen our focus on directly engaging with individual consumers to support their energy decision making, we have put significant time into this area of our work.

Consumers have told us consistently in the Energy Consumers Sentiment Survey that they are not confident in the information and tools available to support their decision making. We advocated directly to the Australian Energy Regulator to improve the Energy Made Easy website to include



Energy Consumers Australia

Power Shift Final Report
February 2020

B. Power Shift findings

The *Power Shift* project can inform a step-change for energy decision-makers and policymakers. The findings have changed the way we advocate for Australian households, to a broader focus on energy management rather than using less (energy efficiency). We also now know that no amount of energy information, tools and services will adequately help vulnerable people living in poor-quality homes that leak heat in winter and cannot be cooled in summer to afford the energy they need.

The key findings of *Power Shift*, drawn from the body of evidence gathered over the life of the project, are summarised below.

Information should be tailored

To be effective, information must be tailored to people's circumstances and lifestyle. There is no one size fits all solution.

All households, including those that are vulnerable to cost-of-living pressures, have diverse needs and preferences in relation to energy, depending on their personal circumstances and lifestyle.

- A retired couple who spend most of their time in their home depend on that being a comfortable space, but their fixed income will make them acutely aware of the cost of energy and stressed about their bills.

- A young tenant may be able to rely on their workplace to provide a comfortable living space during the daytime, but use cheap, high-cost appliances to heat their home at night.

- A person with a chronic illness who requires a constant temperature to manage their symptoms might eat, live and sleep in one room so they can maintain it at that temperature.

- A family with young children may have limited capacity to use energy differently at both and bedtime, but is happy to look online for advice on energy after the kids have gone to bed.

People are looking for information, tools and services that meet their needs, and suit the way they live.

Consumers can and do change energy use

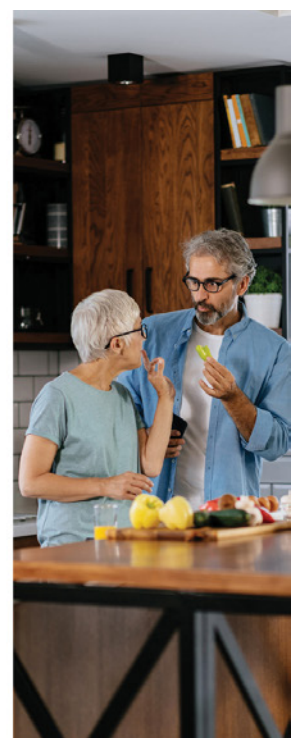
People are already trying to manage their energy costs but are not confident they're getting the right tools and information. Messages and assistance that are targeted and personalised to households are far more likely to be effective. Communication that focuses on their specific goals works well: 'If I do this, I save that.'

The tone of communication is important. It needs to be helpful and supportive, not dictatorial. Where possible, a two-way conversation with households achieves results. However, a good understanding of the audience is the critical step in communicating in a meaningful way.

Use a trusted voice to provide information and tools

People are confident in their ability to make good decisions about their energy use, but lack enough easily understood information and useful tools.

With a lack of trust that the market is working in their interests, people are looking for trusted channels to deliver information and tools that they can rely on to manage their energy use and costs. There are trusted voices – such as community organisations – that have proven to be effective as a way of engaging with households.





Power Shift: Innovation in Energy Services Workshop



bill scanning functionality. This arose from a concern raised with us regarding the website's reliance to some extent on information contained in your bill. This new functionality went live in March 2020.

We also reviewed our website and digital channels in 2019-20 and have enhanced the 'for consumers' section of our website which provides useful resources for households and small businesses, while also providing an avenue for direct feedback and storytelling on our website.

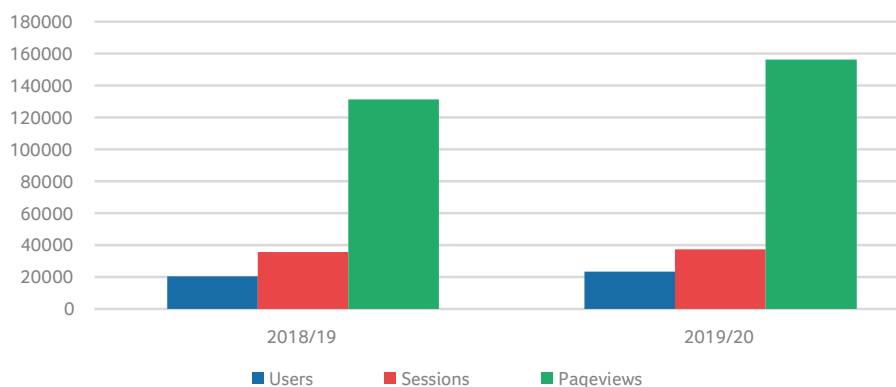
Our website increased visitors and engagement levels in 2019-20 with a 15.3% increase in visitors and 18.9%

increase in page views.

The increase in visitors and engagement was driven by the below activities:

- Emphasis on expanding the consumer facing section of the website including Power Shift and subsequent promotional messages, which directed users to explore the body of work and consumer information products.
- Increase in the volume of content being posted through our LinkedIn and Facebook channels.
- More email communications to the mailing list during this financial year including a more regular newsletter

Figure 7: Website users, session and pageviews



Support for minimum standards for energy efficiency in rental properties:

73%

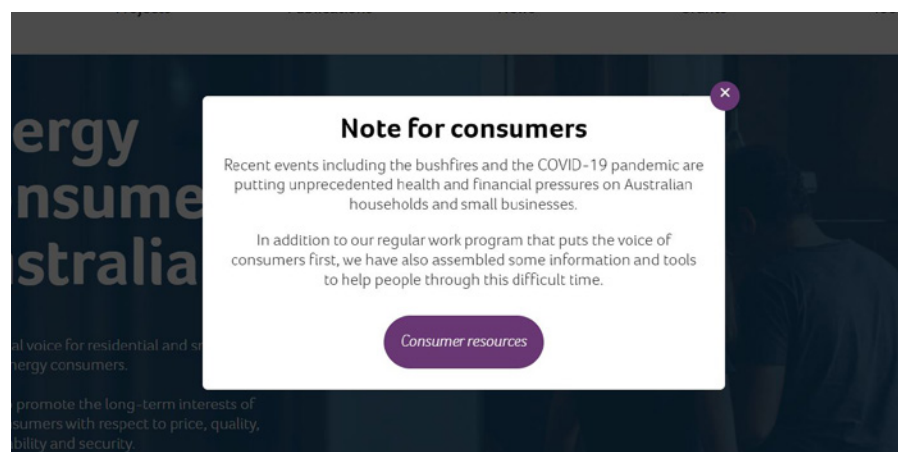
among renters

60%

among non-renters



Figure 8: Enhancing our consumer tools to respond to COVID-19



to subscribers.

- Expanded promotional communications for Foresighting Forum 2020.

PowerCall is a key part of the “For consumers” section of our website and aims to help consumers take a simple, practical step to get the best deal for them. Recognising the confusion surrounding shopping around for the best deal, we take a different approach to encouraging consumers to find the best deal, with the simple call to action – to contact their energy company and ask to be placed on the best deal for them. We provide a suggested script and list of questions to ask during the

phone call to guide people.

Adapting this initiative to the COVID-19 environment, every visitor to our website is now prompted to visit the consumer support section of our website and the resource has been adapted to provide more information about the support available during the pandemic, including targeted information for small business consumers.

The ‘share your story’ section of our website aims to draw out first-hand consumer stories about their experience of the energy market. We use these stories to support the broader evidence base about consumer experience



Figure 9: Facebook post engagement

FY	POSTS TOTAL	POST ENGAGEMENTS	POST REACH
2018-19	23	1,473	44,866
2019-20	37	4,475	396,936

and also to publicly profile peoples' experiences where they permit us to do so. This online consumer facing tool was also adapted to the COVID-19 context with consumers able to share their experience in seeking help from their energy companies where they have been economically impacted by the pandemic.

We also significantly increased our use of digital channels to engage with consumers with the physical limitations of COVID-19. Like many organisations, this change has taught us lessons about the potential of digital platforms like Zoom for stakeholder engagement and the use of these technologies is likely to continue to be a feature of our engagement.

And we adapted our email engagement to include a more formal regular monthly newsletter to those on our mailing list. Engagement rates for our newsletter are above average for non-profit organisations based on industry benchmarking reports.

- The email open rate for 2019-20 was 33.1%, compared with the non-profit average of 25.19%.
- The click through rate for the mailing list is 5.9%, double the non-profit average of 2.79%.
- Our mailing list grew by 23.2%.

Enhancing consumer engagement through our social media channels was an area of focus this year. LinkedIn significantly increased the volume of content posts in 2019-20, more than doubling the number of messages from 69 to 174. This led to a follower increase from 418 to 1,201, a 187.30% increase. Post engagement on the company page reached 68,660 impressions compared to 1,896 the previous year. The volume of content created for Facebook increased for the 2019-20 financial year with post

engagement tripling and reach up almost 900%.

Twitter was used as a powerful engagement tool, primarily used to disseminate news and publications, but also to raise awareness of events, forums and consumer tools like PowerCall.

In total, 57 pieces of video content from events, forums and community listening tours were published to YouTube this year. 272 hours of video content was watched for an average view time of 3m:27s seconds. This included our storytelling work to share the experiences of consumers in their own words from initiatives like our Community Listening Tour, as well as

- ✓ *Measure social media channel effectiveness*
- ✓ *Increase visitor and engagement levels on ECA website and social media channels*
- ✓ *Grow our mailing list by at least 10 per cent.*



Building trust & confidence for an effective market





After bottoming out in 2017-18, our most recent survey of consumers shows that consumer confidence has improved as prices have moderated but still only 33% of household consumers say the market is working in their interests.

Rebuilding confidence is critical to the success of the energy transition ahead, because without trust many of the benefits of the proposed features of the future energy system will not be able to be achieved.

A key initiative to rebuild trust and confidence last year was the formation of The Energy Charter – a group of energy companies committed to rebuilding relationships with their customers. As the Secretariat for the Independent Accountability Panel, we played an important role in 2019-20 in the governance arrangements for the Charter. We also Chair the end-user consultative group.

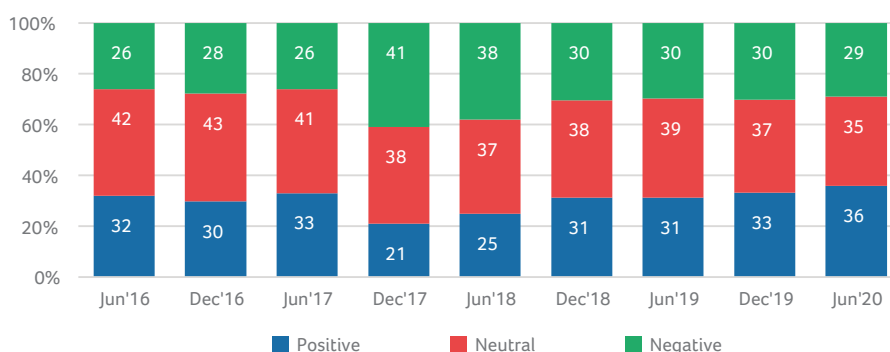
A mark of our impact on this initiative this year was the alignment between

our submission to the Independent Accountability Panel's Issue Paper which considered the first round of disclosures by the Charter signatories, and its final progress report. The panel rightly identified the need for signatories to demonstrate progress on improving the drivers of better affordability, beyond regulatory compliance and that more work is needed to enable comparison across the signatories so that best practice can be acknowledged and shared.

Critical tools and information for weathering a crisis

One of the obstacles to consumer engagement in the market is that about half of all consumers say they are not confident in the information

Figure 10: How confident do you feel that the overall market is working in your long-term interests?





and tools available to help them make decisions. The lack of effective communications by retailers that do more than just prompt people to pay their bills is a major deficit in the energy sector and one that has been exposed during the COVID-19 crisis.

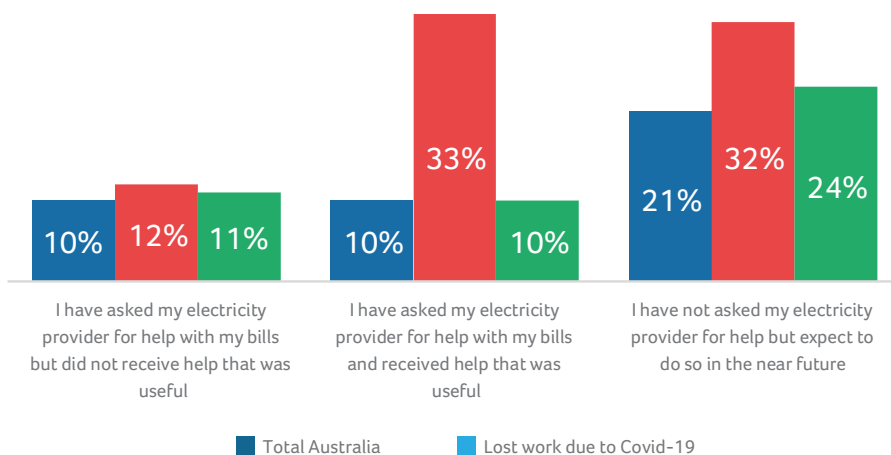
To understand the impact of COVID-19 and the issues it raised for consumers, we added to the June 2020 Energy Consumer Sentiment Survey with a supplementary research program focused on the economic impact of the pandemic. We engaged with the Australian Bureau of Statistics on their survey of 500 households, and ran our own special survey online and via telephone to understand the energy concerns of people who might have lost their job or have had to close their business because of COVID-19.

Because we are worried that people might not know where to get help if they are struggling with higher winter bills, we asked them whether they could remember the latest information they received from their energy provider. Most could not clearly remember being contacted and only

about half of the remaining people felt the information they received from their retailer was useful. The COVID research also found that many consumers who have reached out for help from their energy company did not receive help that was useful.

Since the research was conducted, it has been positive to see the industry do better. A good example is the Energy Charter's **We Got You** campaign, which is helping get the message out to people from a range of language and other backgrounds that support is available. The network relief package announced by energy networks was also a positive proactive step by energy businesses to meet the AER's Statement of Expectations. Efforts like these to deliver 'better' – in this case to help people navigate a massive economic shock and to manage their bills when they have lost income – are critical to building trust with the community. Our Power Shift program research into consumer-decisions will be an essential tool for retailers and the wider sector.

Figure 11: Shock to the System: energy consumers' experience of Covid-19



Building partnerships and confidence to support change

We also extended our work with regulators and energy network businesses this year through the NewReg initiative, which we lead alongside the Australian Energy Regulator and Energy Networks Australia. The project is part of our work to find more innovative forms of engagement which put the consumer voice at the centre of decision making. It aims to have the network businesses agree with a body representing consumer priorities that their revenue proposal for maintenance and upgrade of the poles and wires reflects those consumer priorities before it goes to the Regulator.

The trial was undertaken with AusNet Services and their proposal is currently undergoing regulatory review. The AER's Issues Paper notes that AusNet has a lower operating expenditure and capital expenditure trend line than any other Victorian business. The project has boosted consumer confidence that the network is meaningfully considering their preferences. As a consequence of the engagement by consumer advocates including ourselves, AusNet will be using a new customer service incentive scheme which has been designed around the priorities expressed by consumers.

Verifying emerging infrastructure needs

Recognising that Information and Communication Technology (ICT), including that related to cyber security, is increasingly becoming a more prominent and costly component of delivering energy services, in 2019-20 we hosted a webinar with UNSW expert Dr Rob Nicholls to help build knowledge and capability.

GREAT GRANTS: DER Export Management Advocacy Project



This project by Renew aimed to demonstrate the value of a consumer voice in network decision-making, and how it adds systemic value by ensuring consumers are at the heart of regulatory and program development.

The project has generated constructive and productive relationships with energy distributors and market bodies and pointed the way to maximise the benefit of distributed energy in electricity networks for consumers. It also helped position Renew as an authoritative and expert voice with its approach to building consensus.

Resources from this project are available via the Energy Consumers Australia website. Read more about our Grants Program Annual Report Supplementary Information – *Backing Bright Ideas*.





By bringing market bodies and advocates together, we helped build a greater sense of trust and confidence in the credibility of this cost driver and that the solutions are best fit and efficient for consumers. Resources were then provided to consumers and are available on our website.

Boosting consumer protections

One of our eleven submissions to major market review and monitoring processes this year was for the AEMC's review of consumer protections in an evolving market.

The traditional way consumers interact with energy is changing. More households and businesses are generating their own power and new energy service models are emerging that seek to help people manage their energy use, integrate new 'smart'

technologies, and trade or share energy. These new approaches may not be covered by the current consumer protections frameworks which were built on old assumptions about roles in a one-way energy system.

We expressed our view is that a principles-based regulatory approach provides a solution. Used in conjunction with subordinate instruments, such as mandatory guidelines or industry codes, this approach can remain flexible and responsive to change, yet provide guidance to businesses on compliance. The AEMC Review is an opportunity to explore more flexible, 'principles-based' models, which can be more easily adapted to mitigate changing risks for consumers and place the onus on service providers to meet higher standards.



In a related development on this theme, the AEMC Retail Competition Review also recently recommended a rule change proposal be brought to move the current National Energy Customer Framework notification provisions relating to contract changes to a more principles-based approach.

Tracking changes in retail tariffs paid by small and medium sized businesses

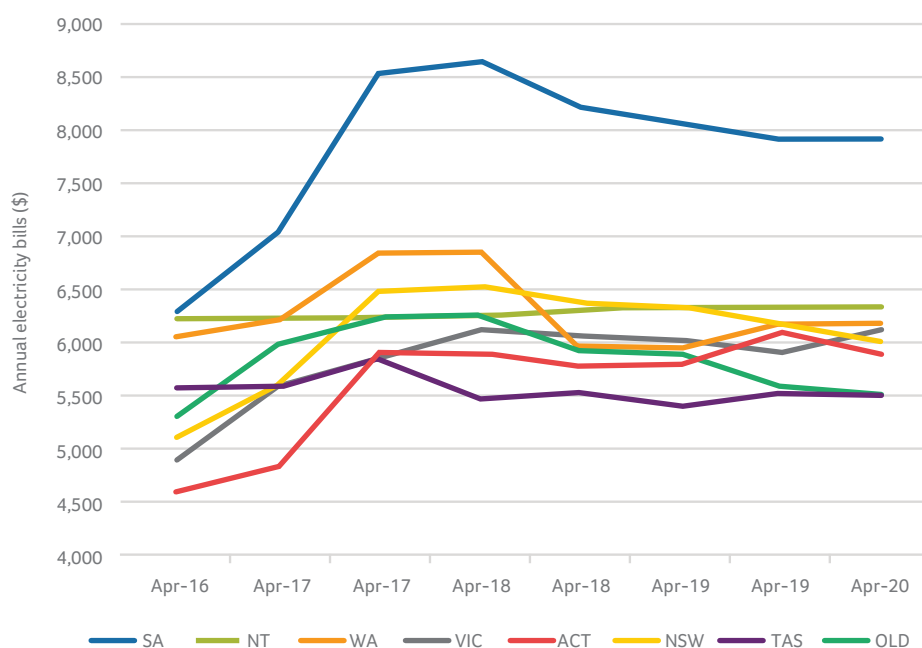
Increases in energy costs can adversely impact all businesses, large or small, undermining their long-term profitability and contribution to the Australian economy. Through ongoing work on the SME retail tariff tracking project, we continue to build the evidence base of the costs facing small business, particularly those that are energy intensive and are unable to pass on those costs.

The SME retail tariff tracker project tracks data on energy costs for small and medium businesses, shining a light on these tariffs on behalf of those who pay them. It is an increasingly well-used resource across the energy sector and is regularly used in our submissions to focus on the need for better energy market outcomes for small business consumers.

In 2019/20 the SME Retail Tariff Tracker has been cited in a range of significant energy market publications and decisions, including the AER's *Default Market Offer Prices Position Paper*; the *DMO Prices 2019-20 Final Determination* and the ACCC's *Inquiry into the National Electricity Market November 2019 Report*.

- ✓ Use Insights Reports to highlight impact on SMEs
- ✓ External citations promoting the tracker

Figure 12: Electricity bills were, on average, slightly lower in June 2020 for most small businesses across Australia compared with a year earlier.

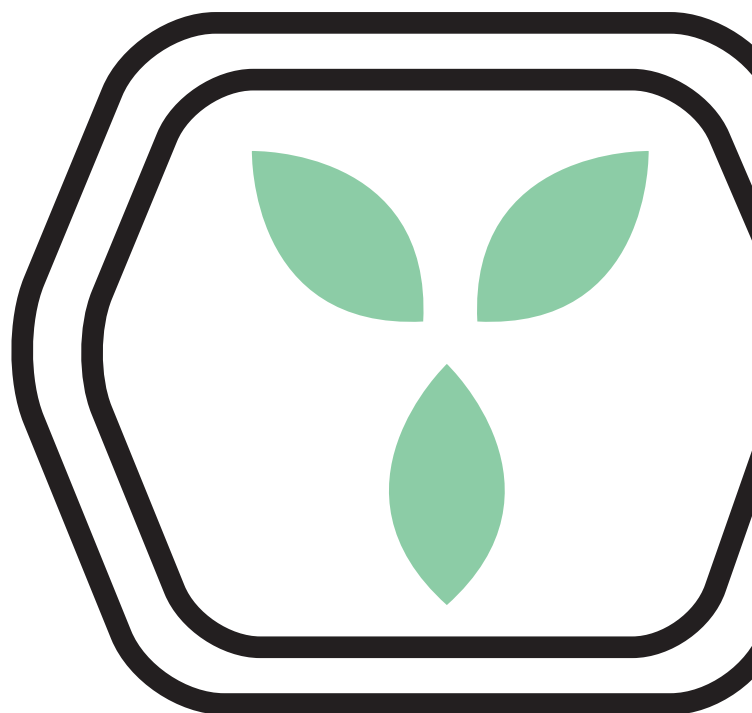


Trend estimated average annual electricity bills for SMEs using 20,000 kWh (single rate) per annum in each jurisdiction since April 2016. GST inclusive.

Transition led by consumer choice and values



In 2019-20, we dedicated some of our major work streams to the question of the transition underway in Australia's energy system. While the term 'transition' has taken on different meaning for different organisations depending on their perspective about the market, we started with what it means from the point of view of consumers themselves.



As a sector, we need to move from talking about poor consumer experiences to expectations – to work with consumers to look further down the track and understand what they want from their energy services in the future and what that means for 'transition'.

In a major project, *A Future Energy Vision: Consumer Expectations Research* we took a deep dive to explore the lives and needs of consumers, households and small businesses in relation to energy – specifically how energy fits into their lives now and what the 'better' energy services would look like in the future.

Foresighting Forum 2020

The Foresighting Forum is the only all-energy future looking event of its kind in Australia and this year's event was the biggest and most successful to date. It is an important part of our commitment to cultivate the discussion about the complex questions for the future now, but in a way that allows the sector to rally around a concrete vision for the future, even recognising that future looks different depending where you live in Australia. The Forum is a way to bring different views about the future together, including differences among states and territories.

We had 240 people attend from right across the sector including policy makers, energy businesses and innovators, consumer advocates,

researchers, and other thought leaders. We presented the findings from *A Future Energy Vision: Consumer Expectations Research* to attendees supported by an interactive session to engage them with the research and together, ideate for a better energy future, driven by innovation and anchored to what households and SMEs wanted.

What does 'better' look like to consumers?



For business, a better future means cheaper power so they can be more competitive; reliable power to avoid business disruption; and there was an expectation that renewable energy would drive positive change – primarily for cost savings, but corporate social responsibility was also a theme.



For households, energy needs change across the lifecycle, but common themes are that energy should be more affordable, simple to understand, easy to manage, clean and decision making about the transition needs to be inclusive – driven by their views.

The findings were then used to focus discussion at our annual Foresighting Forum and to inform an important piece of scenario planning work used in both the forum and our work with regulators on the future energy market.



Scenario planning with advocates and market bodies was also featured in the Foresighting Forum, using the Oxford scenario planning approach to identify plausible future scenarios for the National Electricity Market. This planning was aimed at challenging the thinking about the transition and marrying consumer expectations research with a future plan for energy in Australia.

Overall, the participants in the Foresight Forum delivered a powerful consumer vision for future energy and 83% of those who attended told us they were likely or very likely to attend next year's event. All of the reports, presentations and multimedia generated from the forum are available on our website.

A feature of the forum this year was the calibre of the speakers. The forum now attracts international guests of the calibre of Dr Jeff Hardy, a Senior Research Fellow at the Grantham Institute – Climate Change, and the Environment at Imperial College London. The addition of

Cameron Tonkinwise on designing for social practice challenged a future conceptualised by technical experts, while George Megalogenis added enormously with his rich experience and understanding of shifting community attitudes. The quality of presentations from our stakeholders across the energy sector was extremely high and this was reflected in the survey feedback.

The Foresighting Forum has become more than just an annual event for us, it represents how we want to work – convening influential voices to discuss the big issues facing consumers in a safe environment where there are no right or wrong answers, but using robust research and evidence to guide us. This carries through to how we operate more generally. It has taught us that a plurality of voices, exploring the complex things, framing and naming them, and tackling them together is the best chance we have to really create a market that is working effectively in consumers' interests.

Foresighting Forum 2020



Figure 13: Participant survey results, Foresighting Forum 2020

	VERY SIGNIFICANT	SIGNIFICANT	NOT VERY SIGNIFICANT	NOT AT ALL SIGNIFICANT	TOTAL
Content	55.81% 24	39.53% 17	4.65% 2	0.00% 0	43
Networking opportunity	46.51% 20	37.21% 16	16.28% 7	0.00% 0	43
Structure of the program	21.43% 9	59.52% 25	19.05% 8	0.00% 0	42
Speakers	52.38% 22	42.86% 18	4.76% 2	0.00% 0	42

Consumer values as our platform for transition planning

Listening to consumers about their vision for energy transition and sandboxing those insights with our peers in the sector provided us a powerful foundation for our advocacy work around transition.

Working with ACOSS and the Total Environment Centre on the New Energy Compact was one of the ways we sought to apply the insights from Forethought and the Foresighting Forum in 2019-20.

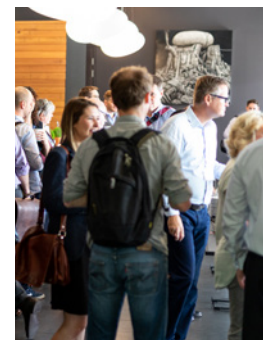
The New Energy Compact is an attempt to recast and formalise the relationship

between people, communities and businesses who rely on essential energy services with an energy sector that is changing in fundamental ways, and not just in terms of the technology, but also in terms of the roles that many consumers with rooftop solar PV are playing as producers in their own right. Importantly, the New Energy Compact is a framework for agreement at a national level that no one is left behind in the energy transition.

This principle is important in our work on the Energy Security Board's Post 2025 Market Design. Using the Supporting Households Framework, we

- ✓ Progress consumer insights driving innovation
- ✓ Deliver Consumer Vision for Future Energy at FF20 with high-quality speakers and diverse attendance from across the sector
- ✓ At least 75% participant satisfaction with FF2020
- ✓ Reports and multimedia summarising outcomes, opportunities, and next steps.

Foresighting Forum 2020



worked with the ESB to understand the impacts of potential reforms on different types of households and small businesses. This included taking a robust way of thinking about customer outcomes developed in Power Shift and working to integrate that with the structural questions about design of the Post-2025 policy framework, making sure customer outcomes are considered and are influential in the choices made by the ESB and ultimately the Energy National Cabinet Reform Committee.

It is critical that future market designs support increasingly individualised energy management services nested in an optimised energy system. While cost and affordability are the main concerns for consumers, the conversation will need to turn to how networks evolve from their traditional role managing the poles and wires, into platforms for new energy services.

Our participation in the SA Power Network's Distributed Energy Resources Integration Working Group and AusGrid Network Innovation

Advisory Committee which involve key innovators including Tesla, Sonnen, RedBack Technology, CSIRO, and others, has been valuable in progressing that conversation with networks. With funding from the Australian Research Council's Linkage Program, we are partnering with Monash University, AusNet Services and Ausgrid on the Digital Energy Futures project to better understand how consumers will use energy and engage with energy in the future. This three-year, \$2.3 million research project aims to understand and forecast changing digital lifestyle trends and their impact on future household electricity demand, exploring how changes in living arrangements, housing, appliances, technology and transportation (such as electric cars) will play out.

We expect this significant work will produce an interdisciplinary energy demand forecasting methodology and demand management tools to help the sector meet future residential consumption, providing important benefits such as lowering the cost of

Stakeholder Forums



infrastructure spending and securing affordable electricity.

Without a planned transition, we will continue to have incremental change that does not necessarily reflect consumers' interests. So, we have supported AEMO with the development of the Integrated System Plan, including making a submission on the Draft Guidelines to make the ISP actionable and provide a clear framework for AEMO to undertake its role as the author of the ISP.

The Guidelines and the AER have a critical role to play given the priority that must be placed on energy affordability due to the extraordinary pressure COVID-19 has placed on households and small businesses. The recent history of overinvestment in network assets at a distribution level contributing to higher energy prices must also remain front of mind in the development of the ISP.

Our engagement, through submissions and key forums led to AEMO including a step change scenario in the ISP which represents strong action on climate change and significant advances in technology. This scenario tests assumptions that change must occur gradually. We were active participants in the Forecasting Reference Group and through that forum have provided feedback on the step-change scenario in the draft 2020 plan.

Contributing to the innovation journey

While innovative service propositions are starting to emerge, the basic retail offering remains based around selling units of electricity and billing the consumer on a quarterly basis. Without good information or tools, managing energy use in the home (what appliances are costing to run in real time) remains a matter of guesswork for most households and small businesses.

This amounts to a 'missing service' problem which ultimately reflects a market where there has not been a strong drive to innovate for consumers. A core question is whether the incumbent businesses, which do not have an obvious incentive to sell less of their product, can make the shift from managing big assets and selling a commodity to providing individualised services.

The future of the sector and the success of the energy transition ahead turns on the answer to this question. For that reason, we have reached out to innovators around the world in 2020 for bilateral discussions.

As part of broadening the diversity of our stakeholder base, our Board's November Stakeholder Forum was focussed on innovation with many key energy innovators attending. We also presented at the AEMC workshop on regulatory sandboxes which would encourage innovation by providing for a risk-controlled, time limited testing of new approaches in a live environment.

✓ *Attendance at NEM forums which have the greatest bearing on affordable, individualised, and optimised outcomes for consumers.*

✓ *Increase number of diverse Board Stakeholder Forum attendees*

✓ *Increase stakeholder meetings with key innovators*

GREAT GRANTS: An investment in consumer futures



This year our grants program funded a range of projects which aimed to explore the issues emerging as the energy transition moves ahead.

- ACOSS led an advocacy project seeking a more equitable, affordable, and inclusive energy transition.
- Renew led a dialogue with energy networks to understand and develop solutions for the connection of distributed energy resources such as solar PV and batteries.
- Fourth and Centre is developing training materials for low income households about support that is available for energy costs in the COVID-19 world.

Resources from each of these projects are available via the Energy Consumers Australia website. Read more about our Grants Program Annual Report Supplementary Information – *Backing Bright Ideas*.

Your voice heard



Elevating the voice of consumers and injecting their views into key decision-making forums is our organisational purpose and thus underpins everything we do. For this work to genuinely represent the views of consumers, we spend a lot of time talking to individual consumers with over 6500 touchpoints this year.



Listening to the voice of consumers

One of our Foundation projects – the Energy Consumer Sentiment Survey – continues to provide rich, current insights into the attitudes of energy consumers on a wide range of issues. Much of this work is cited in previous sections of this report.

In addition to publishing the results of our Energy Consumer Sentiment Survey and promoting them with stakeholders and in the mainstream media, this year we showcased the results at our annual Foresighting Forum, alongside the Forethought work discussed previously in this report. Beyond briefing government and market institutions on the results, the ECSS is also used to inform the work of market bodies. For example, the survey is a key input to the AEMC's Retail Competition Review, the AER's State of the Energy Market reports and the AEMO's National Forecasting, among others.

Energy stakeholders' submission now also cite the ECSS and the survey has received multiple external citations in work such as Infrastructure Australia's *Australian Infrastructure Audit*; the NSW Productivity Commission's Discussion Paper *Kickstarting the productivity conversation*; and the Grattan Institute's report *Power Play: How governments can better direct Australia's electricity markets*.

This year, we added an important component to this consumer engagement with a study of the economic impact of COVID-19. With the overwhelming impact of COVID-19 and the physical limitations on our ability to complete all three of our planned Community Listening events, we also adapted our program of work to ensure the experiences of those affected by the 2019-20 Bushfires were not lost.

- ✓ *Publish the Energy Consumer Sentiment Survey to build the consumer voice*
- ✓ *Developing ECSS Annual Roadshows for industry to use the results and strategies to improve outcomes.*
- ✓ *Briefings for governments, departments of energy and market bodies*
- ✓ *Results presented at major conferences and events*
- ✓ *External citations promoting the findings*

COVID-19 restrictions in Adelaide





Many Australians are still reeling from the Black Summer, which represents an increase in the incidence of natural disasters, severe weather and other crises linked to the change in climate. These issues are likely to become an increasing feature of daily life in Australia so capturing the experience of energy consumers is important in informing the future response by energy businesses, regulators, and governments to such crises.

In June 2020, we initiated a Consumer Panel with a series of 25 interviews with residential and small business energy consumers within communities impacted by the East Gippsland fires. The project has adopted a longitudinal design (with each person

interviewed three times) to capture learnings at critical junctures in the extended recovery period. Follow up interviews are scheduled for August-September and the final interviews are planned for January 2021 (12 months after the event).

Themes emerging from this work include the way in which people respond to crisis primarily through local networks, rather than global ones. People looked to each other for support as much, or even more, than they looked to the traditional energy service providers. The stories we are hearing are harrowing and humbling at the same time and provided added evidence about the importance of partnering with consumers and

East Gippsland fires



providing people with greater control over their energy services.

Prior to COVID-19, we did host one in-person community listening event in western Sydney this year which was incredibly valuable. Interviews were conducted with local CALD community leaders about the difficulties their constituencies face engaging with energy companies and managing their energy bills.

The community leaders banded together as part of the Sydney Alliance to give voice to their communities' concerns in their project Voices for Power which also received an Energy Consumers Australia grant this year.

Acting on what consumers tell us

This year, we increased our effort to engage with policy and market development work conducted by market bodies and other energy decision makers.

In addition to the 25 submissions made on NEM rule changes and major policy processes and 10 submissions on key network planning and investment decisions we also made 11 submissions to major market development and monitoring processes, such as those to the Independent Review of the Energy Security Board, the ISP Guidelines Issues Paper and the Post-2025 Market Design Issues Paper.

✓ Conducted more than three Community Listening 'visits' in-person and online including in-focus engagement in Western Sydney and East Gippsland

COVID-19 restrictions in Adelaide





We took on the challenging role as one of the consumer groups carrying the consumer voice to the Australian Competition Tribunal to defend the New Energy Tech Consumer Code against an appeal by financial services company Flexigroup. The Code sets a standard for what consumers can expect from energy technology companies across all aspects of the customer experience with new energy technology like battery storage, from marketing and promotion through to quoting, contracting and installation.

It steps away from the highly prescriptive approach to a broader, more flexible principles-based framework that is responsive to technological change.

The Code was approved by the ACCC and will protect consumers, while also fostering innovation in the market and improved decision making. At 30 June 2020, the case was ongoing, and we continue to represent consumers in the legal proceedings to give certainty and to have the Code implemented.

In 2019-20, we spoke at over 50 agenda setting conferences and events, including network forums on the revenue reset processes which concluded this year and most of the major annual energy conferences. These speeches are all available on our website.

We are also working with the members of the End-Users Consultative Group (EUCG), that engages with The Energy

Community Listening in Western Sydney



Charter CEO Council, signatories, and the Independent Accountability Panel, as the EUCG is developing their expectations for the second year of The Energy Charter disclosures.

Focus on small business

This year we aimed to lift our engagement with small business.

The sector is represented on our reference committee and key advocates were included in all of our key forums and activities, including speaking opportunities at our Board Stakeholder Forums. We also drew small business advocates into the End User Consultative Committee for the Energy Charter to ensure their voice was represented there.

We had good representation this year from small business with a dedicated session on the future expectations of small business in the context of energy transition, drawing from the

comprehensive research conducted about small business attitudes in our research *A Future Energy Vision: Consumer Expectations*.

One of our great grants to the Council of Small Business Organisations Australia has demonstrated the value of better understanding the diversity of SME needs, and showing how we can develop tools to support them. This has led supported coordinated advocacy this year on behalf of small business with state and federal governments.

As referenced earlier, our SME Retail Tariff Tracker has also become an important initiative for ourselves to understand the issues facing small business, complimenting the insights from our Energy Consumer Sentiment Survey which tracks small business attitudes.

We are committed to further lifting our engagement with small business advocates in 2020/21.

- ✓ *Submissions to major market development and monitoring processes*
- ✓ *Progress flexible regulation*
- ✓ *Speak at a minimum 10 agenda-setting conferences and events.*
- ✓ *Increase small businesses engagement*

GREAT GRANTS: Voices for Power



The Sydney Alliance is a diverse coalition of community organisations, religious organisations, unions, and schools that uses the tools of community organising to make the city a better place to live.

Their project Voices for Power brings cultural and religious leaders and communities together to build collective power and organise for affordable and renewable energy solutions.

Members of CALD community and religious leaders play an important organising role in their communities and are often sought out to resolve energy problems, especially where language and cultural barriers make communicating with service providers challenging.

Resources from this project are available via the Energy Consumers Australia website. Read more about our Grants Program Annual Report Supplementary Information – *Backing Bright Ideas*.

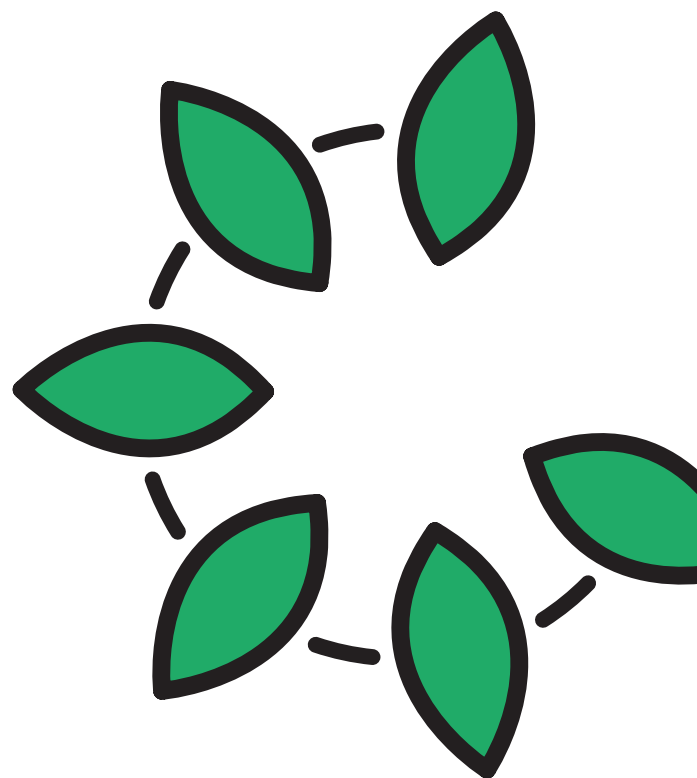


Governance

– *Living our values
through a period
of change*



We are an independent body established as a Company Limited by Guarantee, through an initiative of the Council of Australian Governments Energy Council to provide residential and small business consumers with a strong and influential voice in national energy matters.



We are incorporated as a company and funded by consumers from levies collected by the Australian Energy Market Operator.

A year of change

This year was a significant one for our team in terms of governance, staffing, reporting and accountability.

After four years, our founding CEO Rosemary Sinclair departed, with Lynne Gallagher stepping into the role as Interim CEO in 2020.

We have felt the impact of COVID-19 like most organisations with a need to adapt our working arrangements for all staff to protect health and safety and accommodate the Government's social distancing guidelines.

Our Role:

Our Constitution, as agreed by the COAG Energy Council, sets out our Objective and the Activities to achieve it. These are available on our website.

Our purpose:

To enable the voices of consumers to be heard so their interests are reflected in energy market outcomes.

Our vision:

For future-focused consumer-driven energy markets meeting residential and small business consumers' needs.

Our mission:

We promote the long-term interests of consumers with respect to price, quality, safety, reliability and security of supply of energy services.

Our values:

We value independence, integrity and impartiality. We are focused on being collegiate, evidence-based, capable and influential to build strong national advocacy for residential and small business consumers.

- ✓ *Business Plan and three-year rolling Budget due for completion in 2020*
- ✓ *Policy review completed and governance calendar deadlines on track for delivery in 2020*
- ✓ *Increase system and process efficiencies and improvements.*
- ✓ *Enhanced Records Management processes*



Developing effective governance and operations were identified as a priority in this year's business plan and these initiatives are in train, due for completion by the end of the 2020 calendar year.

Our refined system and technical resources identified as a priority in the 2018/19 Business Plan have held us in good stead this year, tested by the impact of the COVID-19 pandemic and consequent working from home arrangements due to social distancing requirements.

In many ways the pandemic made our commitment to our people more important than ever and we delivered a new Employee Assistance Program to take care of our people's health, needs and wellbeing.

A range of initiatives were taken to prudently manage our resources, budget and people, including maintaining annual expenditure within a +/- 5% of budget, benchmarking staff engagement and increasing staff capability through professional development activities



Delivering on the recommendations of the ECA Review

We are also implementing recommendations from the statutory review of Energy Consumers Australia, some of which relate to governance, including ensuring that our strategic outcomes and priorities are regularly reviewed, reported on, and communicated to improve transparency and prioritisation.

We provide a progress update on these initiatives through our Review Implementation Plan and most have been described throughout this report.

At 30 June, we were re-setting our business plan and impact and performance reporting framework, with this work to be completed in the second half of 2020. Other significant workstreams to be finalised in 2020 include finalising our biannual review of our policies and procedures and our Constitutional Review scheduled for completion in December.

We intend to consult with our stakeholders about our priorities and new reporting framework later in the 2020 calendar year.

- ✓ *Annual expenditure within + /- 5% of budget*
- ✓ *Benchmark staff engagement (70%)*
- ✓ *Increase staff capability through Professional Development activities*





Our Board

There were no changes to our Board make-up in 2019-20. Our Board members' full profiles are available on our website.



Louise Sylvan, AM, FAICD

Chair and Director, Energy Consumers Australia

Louise has significant experience in consumer affairs policy analysis and advocacy. She is Chair of the Reliable Affordable Clean Energy (RACE) for 2030 Cooperative Research Centre, a non-executive Director of: the Social Enterprise Fund Australia, Impact Investing Australia, the Australian Risk Policy Institute, The Australian Centre for Social Innovation; and member of the Advisory Panels of the Australian Privacy Foundation and the Obesity Collective.

Formerly Chief Executive Officer of the Australian National Preventive Health Agency, Louise was also a Commissioner of the Productivity Commission and Deputy Chair of the Australian Competition and Consumer Commission (ACCC) where she was appointed for her expertise in consumer affairs.



Gavin Dufty

Director, Energy Consumers Australia

Gavin Dufty is General Manager Policy and Research at St Vincent de Paul Society Victoria. Gavin has worked as a consumer representative in the energy sector for over 29 years undertaking research and policy evaluation on its impacts on domestic consumers.

Gavin is currently a representative of a number of industry and government committees including Victorian, New South Wales and South Australian distribution company consultative committees, AGL's national customer council, the Australian Energy Regulator and the Essential Services Commission of Victoria's customer consultative groups and a Board member of the Energy and Water Ombudsman (Victoria).

Gavin was awarded the Centenary Medal for services to the community in 2001.



Helen Garnett PSM, FTSE, FAICD

Director, Energy Consumers Australia

Helen Garnett has held a wide range of directorships on government entities and ASX-listed companies in the energy, mining, agriculture and education sectors as well as entities involved in regional economic development and the arts. Helen currently chairs Generator Property Management and is a director of Grains Research and Development Corporation, The Crawford Fund, Larrakia Development Corporation and Developing East Arnhem Land. Helen is a Fellow of the Academy of Technological Sciences and Engineering and the Australian Institute of Company Directors.

Helen was awarded the Centenary Medal in 2003 and the Public Service Medal in 2004.



Virginia Hickey FAICD

Director, Energy Consumers Australia

Virginia is a lawyer, corporate governance expert and a company director. She was previously a partner of commercial law firm, Finlaysons. Virginia has significant experience in national regulatory environments through her previous governance positions as a National Competition Councillor, a National Transport Commissioner, and as the Independent Chair of the Telecommunications Industry Ombudsman Council. Virginia's private sector board positions have included Flinders Ports Pty Ltd, a private company which owns the Port of Adelaide ports. She has also been on a range of government boards as well as on a number of private, government and not for profits.

Virginia is currently a director of the Southern Adelaide Local Health Network, People's Choice Credit Union, sportsmed SA, Anglicare SA and Agency Projects. She is also the Independent Chair of the Audit and Risk Management Committee of the Public Trustee, South Australia and the Independent Chair of the Department of Premier and Cabinet Risk and Performance Committee.



Chris Spangaro, GAICD

Director, Energy Consumers Australia

Chris Spangaro has a background in law and public policy. Chris is a former Senior Director of the Australian Energy Market Commission (AEMC) where he led the Retail and Wholesale Markets team addressing key aspects of consumer energy pricing and protection as well as the reshaping of wholesale market rules. Chris retired from the AEMC in 2017.

Chris previously worked for the NSW Independent Pricing and Regulatory Tribunal as General Manager of the Greenhouse Gas Abatement Scheme (GGAS) and as Manager, Water Pricing. Prior to his engagement with IPART Chris was with the NSW Cabinet Office and the NSW Ministry for Police in senior policy roles. The earlier part of Chris's career was with the NSW Probation and Parole Service working primarily in disadvantaged communities across rural and urban NSW.



Our Reference Committee

Our Reference Committee underpins our close engagement with other advocates in the sector and now has an oversight role with annual feedback from advocates on our effectiveness. This year we had five new members join the committee. The Board would like to thank departing members Jo De Silva, Robin Eckermann, Fiona Hawthorne, Bernadette Jago, Ash Salardini and Susan Helyar for their contribution. The full bio of Committee members is available on our website.

Gerard Brody **VIC**

MPPM, LLB (Hons) BA (Hons)

Gerard is CEO of the Consumer Action Law Centre, an independent, not-for-profit consumer organisation based in Melbourne.

Susan Helyar **ACT**

(served until March 2020)

Susan is Director, Residential Experience at the Australian National University.

Dale Holliss **QLD**

GAICD, MSEM, BAppSc(Hort)

Dale Holliss is Chair of the National Irrigators Council Energy Committee and a customer representative on the Energy Charter End Users Group & Energy Qld Customer Council.

Justine Jarvinen **NSW**

GAICD, GDipAppFinInv, BChE (Hons)

Justine is CEO of the Energy Institute at UNSW Sydney; Chairman of Wattwatchers; Non-Executive Director of Milton Corporation Limited; and Principal at Finncorn Consulting.

Sebastian Klein **VIC**

Sebastian is an independent consultant. He Chairs the Grampians Central West Waste Resources Recovery Group; and sits on the Victorian Chairs and EO's Waste Resources Recovery Forum; and the Hepburn Shire Zero Net Emissions Transition Roundtable.

Robert Mallett **TAS**

Robert is Executive Officer of the Tasmanian Small Business Council, the Executive Officer of Hair & Beauty Tasmania, and owner of The Front Man.

Craig Memery **NSW**

Craig leads the Energy and Water Consumer Advocacy Program at the PIAC.

Dr Fiona Simon **VIC**

GAICD

Fiona is Chief Executive Officer of the Australian Hydrogen Council.

Ross Womersley **SA**

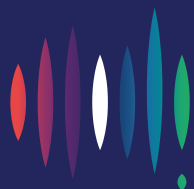
Ross is CEO of SACOSS; a member of the Essential Services Commission of SA's Consumer Advisory Council and the Energy Charter End User Consultative Group.

Summary of financial performance for 2019-20

Year Ending 30 June	2020	2019
Statement of Comprehensive Income		
INCOME		
Industry Levies		
AEMO Levies (note 3)	\$7,610,000	\$5,279,250
Other Income		
Commonwealth Grant Income	\$33,417	\$808,637
Interest Earned	\$34,321	\$79,963
ACT Grant	\$25,000	\$25,000
Foresighting Forum	\$120,957	\$79,963
Other Revenue	\$85,375	\$31,323
Total Income	\$7,909,070	\$6,304,136
EXPENSES		
Grants	\$2,256,296	\$2,108,866
Commonwealth Grant Expenses	\$33,417	\$808,637
Research and Engagement	\$1,396,921	\$1,670,946
One-Off Projects	\$366,000	\$0
Administration Expenses	\$1,026,980	\$1,259,458
Staff Expenses	\$2,806,096	\$2,594,557
Board and Reference Committee	\$184,694	\$207,183
Total Expenses	\$8,070,404	\$8,649,647
Other Income	(\$1,060)	(\$9,540)
Income Tax Expense (note 4)	\$0	(\$962,377)
Net Surplus/(Deficit)	(\$160,274)	(\$1,373,594)
Statement of Financial Position		
Current Assets	\$2,585,375	\$3,340,450
Non-Current Assets	\$38,374	\$44,362
Current Liabilities	\$881,413	\$1,517,154
Non-Current Liabilities	\$34,952	\$0
Equity and Reserves	\$1,707,384	\$1,867,658
Statement of Cash Flow		
Cash Outflow from Operating Activities	(\$9,185,542)	(\$9,487,870)
Cash Outflows from Investing Activities	(\$267,193)	(\$2,012,396)
Cash Outflows from Financing Activities	(\$219,700)	\$0
Cash Inflow Operating Activities	\$9,903,430	\$6,462,781
Cash Inflows from Investing Activities	\$0	\$2,501,451
Cash at Beginning	\$1,063,373	\$3,599,317
Cash at End	\$1,294,368	\$1,063,373

Notes:

- Summary version only of ECA accounts. Full accounts available on ECA website www.energyconsumersaustralia.com.au
- ECA's Income are fees recovered by Australian Energy Market Operator in accord with national electricity & gas rules.
- Quarter 1 of 2018-19 AEMO revenue was received in advance in 2017-18.
- There was a change to ECA's Tax Status during the 2019 financial period. ECA was registered as a charity by the Australian Charities and Not-for-profits Commission and granted income tax exemption by the Australian Tax Office.



**ENERGY
CONSUMERS
AUSTRALIA**

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