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Dr Wendy Craik,

Chair

Energy Charter Independent Accountability Panel

By email: submissions@theenergycharterpanel.com.au

24 October 2019

Dear Dr Craik,

Supplementary information following public hearings

AGL's inaugural Energy Charter disclosure to 30 June 2019 (**Disclosure**) sought to set out an accurate baseline of current performance against the Energy Charter Principles. It highlights where we are performing well, where we have learnt from past experience and indicates a number of areas where we intend to focus in the coming period. We are aware that in the course of the public hearings run by the Independent Accountability Panel (**Panel**), a range of issues have been raised that stakeholders felt were not adequately addressed in signatory reports. No doubt the written submissions process will elicit further perspectives here.

Given the breadth of AGL's operations, attempting to condense the relevant information into a 30-page report presented some challenges and we are keen to understand from the Panel and other stakeholders how this could be improved in future years. The Energy Charter and signatory disclosures will be 'living documents' that evolve over time in parallel with the cultural change the Charter seeks to inspire. We look forward to the Panel's assessment report at the end of November.

In the meantime, we would like to take this opportunity to address two issues which were raised at the Sydney public forum on 11 October.

Debt recovery

AGL's hardship program is designed with a suite of supports for *current* customers, but we recognise that there are customers with complex personal and financial situations who may leave AGL with ongoing debt. We were prompted to review our debt recovery policies and practices (and to highlight this in our Disclosure as an area of focus for FY20) following a number of escalations from financial counsellors representing customers in this situation.

We are aware that practices around the sale and collection of debt for 'inactive' customers (that is, ex-customers) was an area of focus at the Sydney public forum. It has also been the subject of a recent report, '[Who is making Australians bankrupt?](#)'. In light of this, we would like to provide some additional information on our recent steps in this area:

- We have expanded our internal policies which support customers in vulnerable circumstances to clarify treatment strategies for those customers that leave AGL with ongoing debt. This expanded policy will apply internally, with our debt collection partners and our debt sale partners. In a number of circumstances the policy will mean that debt is not sold or referred to debt collection agencies at all, and in other cases will only be referred to agencies with specialist background and supports for vulnerable customers.



- We have also uplifted our compliance and audit program across our debt buyer panel, which includes due diligence on hardship practices of debt buyers to monitor compliance with the ASIC/ACCC Debt Collection Guideline and ensure alignment with AGL's own principles to assist customers experiencing payment difficulties and in vulnerable situations.
- For all future debt sales (including the last scheduled sale of debt on 30 September 2019), AGL will explicitly (contractually) require debt buyers to not bankrupt individuals in the pursuit of debt. Regarding past debt sales, AGL has requested that existing debt buyers voluntarily adopt a commitment to not bankrupt individuals in the pursuit of debt. For previous debt sales, our partners have reported they rarely, if ever, pursued bankrupting individuals as this does not yield a positive outcome for either party.

Community-based support for CALD customers

We understand that energy literacy and support is often most effective when delivered by trusted community organisations in languages and environments with which people are comfortable and familiar. This underpinned the 2016-17 [Switched-on-Communities](#) program, funded by AGL and administered by the Queensland Council of Social Service on behalf of the QLD Department of Energy and Water Supply.

The value of this kind of delivery model was emphasised in the Australian Competition and Consumer Commission's (ACCC) 2018 Electricity Supply and Pricing Inquiry (refer recommendation 38). The ACCC's recommendation was that such a scheme be funded by government, but recognised industry co-funding as an alternative model. Accordingly, this was an area we were keen to explore further through AGL's energy literacy funding (refer p27 AGL EC Disclosure – case study on energy literacy workshops).

We are aware that a lack of provision of within-community, culturally-responsive energy literacy support for culturally and linguistically diverse (**CALD**) communities was an area of focus at the Sydney public forum. In light of this, we consider it timely to draw the Panel's attention to an ongoing discussion between Voices for Power and a number of Energy Charter signatories regarding the development of a train-the-trainer community capacity building project which seeks to address this need. The potential for such a project emerged out of AGL's NSW energy literacy workshop and has now been adopted as a joint initiative among a number of Energy Charter signatories.

The project is at an early pre-commitment stage but we are hopeful that a pilot project can be developed and delivered, with the learnings available to support the exploration of a broader program for wider-adoption and potentially addressing the needs of other communities which face barriers to participation and inclusion.

I hope that this is useful additional information. If you have any queries about this submission, please contact me or Eleanor McCracken-Hewson, Senior Manager Policy & Strategy, on 03 8633 7252.

Yours sincerely,

A handwritten signature in blue ink that reads 'David Bland'.

David Bland

Customer Advocate