

The Energy Charter: Accountability Panel Terms of Reference

The Energy Charter: “Together, deliver energy for a better Australia”

1. Introduction

The purpose of the Energy Charter is to progress the culture and solutions required to deliver a more affordable, reliable and sustainable energy system for all Australians. It is focused on embedding a customer-centric culture and conduct in energy businesses to create tangible improvements in price and service delivery.

Signatories are committed to working towards a common vision - ‘Together, deliver energy for a better Australia’. In that context the Energy Charter is encouraging businesses to put customers at the forefront and foster collective accountability for customer outcomes.

The Energy Charter is about improving business practices and delivering better outcomes for customers that are mutually beneficial for energy businesses. It recognises that energy businesses must be commercially strong and viable over the longer term, in order to deliver products and services for customers. Similarly, it recognises that energy businesses need to focus on customers and meeting their needs, in order to have strong and sustainable businesses.

The Energy Charter is available at www.theenergycharter.com.au.

It is critical that Energy Charter signatories are transparent and accountable for their statements and commitments in relation to the Energy Charter. Accountability refers to how the how signatories will be evaluated for their progress against the principles and principles in action set out in the Energy Charter.

2. Purpose of the Accountability Panel

The purpose of the Energy Charter’s Accountability Panel (the Accountability Panel) is to constructively evaluate individual performance of energy businesses that sign up to the Energy Charter (the signatories) and the whole energy sector over time as against the Energy Charter Principles and Principles in Action. It will add value to customers and energy businesses by identifying good performance and providing guidance on opportunities for improvement, rather than focus on ‘box ticking’ compliance.

The Accountability Panel’s findings and recommendations will be an important part of facilitating the continuous improvement of energy businesses and the industry as a whole against the Energy Charter Principles.

3. Scope

The Accountability Panel has a mandate to:

- consider what actions have been taken by signatories over the prior reporting period
- identify opportunities for signatories to improve, including by reference to feedback from customers (either directly or indirectly)



- recognise appropriate industry 'best practice'
- be forward-focused.

These activities should take account of the priorities and objectives the signatories have identified as part of its own Energy Charter Principles maturity assessment.

The key activities to meet this mandate include:

- evaluating the annual disclosures by signatories
- publishing an annual report about how signatories are individually performing against Energy Charter principles and observations at an overall industry level about consumer outcomes
- contribute to sharing experiences and learnings to encourage continuous improvement by signatories.

4. Governance

The Accountability Panel is paid through an independent organisation, has an independent Chair and operates within a wider governance framework (see below). The independent organisation will be appointed by the Council of CEOs.

The Governance Framework is available in **Attachment A**.

5. Decision Making

The Accountability Panel is a collaborative forum and the Independent Chair will encourage consensus about preferred course of action however, it has no directive authority over signatories.

To the extent that recommendations are made within the Accountability Panel, these will be considered or agreed to in a manner that encourages participation and consensus-building (noting points of disagreement), rather than a voting process amongst the members.

6. Membership

The Accountability Panel members are selected on the basis of published selection criteria. It comprises of between three (3) to five (5) individual members, including an Independent Chair. Members are appointed as individuals, rather than representatives of their organisations.

A selection committee including the CEO Council Chair and the independent host will select and appoint members of the Energy Charter Panel including the Independent Chair, in consultation with the Governance Sub-Committee of the Industry Working Group of the Energy Charter. The Accountability Panel members are appointed for an initial period of 12 months.

The Independent Chair will provide leadership to the Accountability Panel members. The approach for Accountability Panel members is guided by three (3) principles:

- Continuous improvement of the Energy Charter signatories in achieving customer outcomes aligned with the Energy Charter
- Be transparent, open and customer-outcomes focused
- Provide opportunities for exchanges of key learnings with signatories that draws on the various skills and areas of knowledge of different members



7. Experts and Working Groups

The Accountability Panel may appoint experts or establish working groups from time to time to provide it with appropriate support (within a specified budget). Experts and working groups may play an important role in ensuring that the Accountability Panel is well informed on key issues associated with the Energy Charter.

8. Panel process

The Accountability Panel will meet at least four (4) times a year (this may be solely during the period when the signatories have provided their annual disclosures). The Accountability Panel may:

- Seek submissions and feedback from customers and their representatives
- Receive confidential information from signatories as part of disclosures, on the basis that the information remains confidential
- Request meetings with signatories both before and after, their annual disclosures

9. Reporting and media

The Accountability Panel will report on a yearly basis in the form of a written Annual Report that is available on a central website at www.theenergycharter.com.au.

Media enquiries will be managed by the Energy Charter, Director.

10. Operation and Timetable

Details regarding the operation and timetable of the Accountability Panel will be outlined in operational arrangements and will be supported by the independent organisation.

The timetable is set out above.

11. Competition and Consumer Act obligations

The scope of work by the Accountability Panel excludes matters relating to pricing and other nonregulated terms or arrangements for the supply or acquisition of goods or services by participants in a competitive wholesale or retail energy market.

Each panellist acknowledges, agrees and represents that by participating as part of the Accountability Panel:

- a. at all times they will comply with all applicable laws in respect of that participation. In particular, each participant acknowledges that they are subject to the Competition and Consumer Act 2010 (Cth), including Part IV, which includes prohibitions on cartel conduct as well as other restrictive trade practices; and
- b. they are aware of and understand their obligations under applicable laws (including those specifically referred to in paragraph (a) above).

Attachment A: Governance and Accountability Framework

