

COTA Energy Advocates - 2020 Public Submission

Dear Clare, Cassandra and Andrew,

On behalf of the COTA energy advocates, I would like to thank you for the opportunity to provide feedback on the Disclosure Statements provided by Energy Charter signatories in 2020.

COTA Energy Advocates are a panel of consumers consisting of representatives from each State and Territory jurisdiction in the National Energy Market. The Energy Advocates are supported by COTA Australia, the national consumer peak body for older Australians, however the views expressed in this response are the collective views of the energy advocates, rather than a formal position held by COTA Australia.

Due to the difficulties in resourcing responses to the Aged Care Royal Commission in parallel with Energy Charter Disclosure Statements, we are not able to provide a formal response to this year's disclosures. We do however, offer the following brief comments for your consideration.

Overall

COTA Energy Advocates are pleased to see that signatories' 2020 Disclosure Statements are generally easier to read, more focussed and succinct, shorter, more consumer-friendly, and more open than last year. We commend the businesses for their efforts to make the statements more accessible and understandable for the 'average' consumer. There has clearly been significant attention committed to developing a more mature understanding of customers and what they value over the past 12 months. Our view is that good progress has been made in this respect, but more work needs to be done. Overall, it seems to us that signatories appear to be genuinely working hard to change their businesses, and their culture to focus on customers.

COVID-19 and Emergency Response

All businesses are to be congratulated on their COVID-19 and bushfire responsiveness. For us, this has highlighted the power of the Energy Charter signatories working together. We have observed many excellent responses to customers facing challenging circumstances, both by individual businesses and across the energy supply chain. We particularly applaud the heightened focus on Life Support customers under these circumstances, and wish to acknowledge two examples of signatories extending their efforts to support these most vulnerable customers – Essential Energy for waiving the need for medical confirmation documents at the height of the pandemic, and Jemena Electricity's offer of in-home batteries during power outages.

Customer Focus

An understanding of the variability of customer cohorts does not seem to be well developed at this stage. Recognition that customers are not homogeneous, have different views and needs, and value different outcomes is still emerging. In the Disclosure Statements, it's not always clear what is driving the initiatives described, or that they are the initiatives that customers value.

'Vulnerability' is interpreted differently by signatories. Financial vulnerability is generally understood, and indeed has been a prime focus of many of the COVID-19 responses. However, other types of vulnerability are not as well recognised, for example, some disclosures don't seem to consider life support customers as vulnerable. Others do not acknowledge digital exclusion as a vulnerability.

So, while we recognise and welcome the added value being provided by many retailers through the provision of digital tools including a free energy management app, at the same time, we are

concerned that traditional forms of engagement are maintained for customers who choose not to interact online or via mobile apps.

We also note that some network businesses and generators are still adjusting to the idea of customer service – but are putting basic building blocks in place.

Across the board, signatories report that complaint numbers to Ombudsman Schemes are lower this year. We question whether this is the result of government COVID-19 support payments, or a real trend.

Continuity of Disclosures

Continuity between last year's and this year's disclosures can be difficult to track. It's not always apparent whether last year's commitments were delivered. Concise reporting of achievements against previous targets would be helpful.

It would be preferable to see clearer commitments for the next year. Many forward commitments are quite vague.

Metrics and Measurement

Energy advocates have found it difficult to compare and evaluate disclosures without standardised reporting.

While we understand that signatories have made efforts to standardise metrics and measurements, there is still a lack of consistency & comparability. We urge signatories to continue work in this area to make the disclosures more useful for consumers.

Sustainability

There doesn't appear to be a common definition of 'sustainability'. Signatories have approached this in many different ways. Some consistency would be helpful, including consistent metrics.

Opportunities for improvements in presentation

1. Simpler language would help many reviewers of disclosures. Dense content, small font sizes and jargon can be a problem.
2. There are still some instances of 'marketing flavour'. As an example, customer segmentation / reputation and satisfaction analysis is complex and seems to have more of a marketing rather than customer focus flavour.
3. We would like to see affordability improvements expressed in \$s (see Origin Energy)

Call-outs

The following are examples of better practice that we would like to highlight:

1. Well written, readable, easy-to-understand disclosure documents – Horizon, Powershop
2. 'Traffic-light' presentation of progress against past commitments – APA
3. Additional support for life support customers during COVID – Jemena electricity (provision of batteries during outages); Essential Energy (waiving of requirement for medical certification during pandemic)
4. Hardship support – AGL

COTA Energy Advocates congratulate all Energy Charter signatories for the considerable improvements in customer centricity demonstrated in this year's Disclosure Statements. We look forward to continuing to work with the businesses to encourage further improvements in 2021.

If you have any questions regarding this feedback, please do not hesitate to contact me.

Regards,

Robyn Robinson (Chair of COTA Energy Advocates)

For

Margie Smith, John Green, Pete Newman, Sue Reid, Daryl Playdon, Rosalind Herbert, Debra Lewis,
John Pauley, Chander Khera, Jenny Mobbs, Sue Averay, Jill Moran