



Annual Report

2020-21

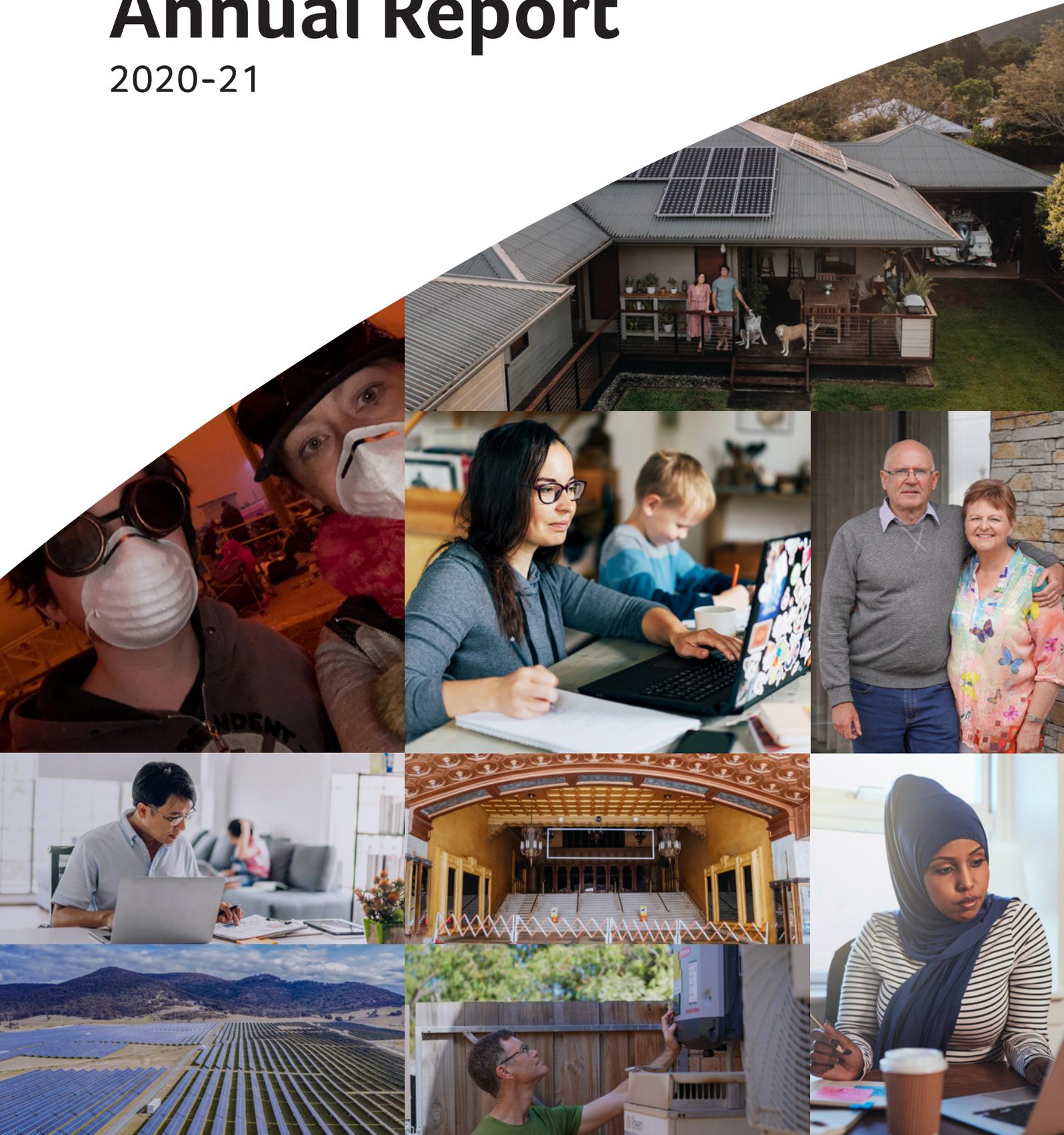


Table of contents

From the Chair	4
From the CEO	6
Our work – having an impact	8
Lowering energy bills	10
Enabling consumer agency	18
Building trust & confidence	28
An energy transition led by consumer choice and values	34
Your voice heard	42
Governance – Responding to feedback, living our values	50



“ The cost of energy bills, telephone and internet cost have increased primarily as a consequence of working from home. It is concerning and we tend to keep the heating and cooling to a minimum, only used when absolutely necessary.

Household consumer working from home during the pandemic

“ My property is completely off-grid, I've got a solar system and generators for back-up power. I collect my own water off the roof of the shed and house, and use gas for cooking.

Household consumer in bushfire affected region talking about bushfire readiness



“ The big thing that's evolved in solar is the ability to monitor it through your phone and see real-time how much power is being made, then tailor what you're doing accordingly.

Household consumer from Eden Hills, South Australia discussing energy monitoring at home

“ The pandemic did impact on our usage. We spent a lot more time at home [and] used more energy especially electricity. We are seriously thinking about looking at getting more solar panels. I have been in contact with our energy providers to see if they are offering any discounts or deals.

Household consumer talking about the impact of the pandemic



FROM THE CHAIR

In the midst of the chaos and upheaval of 2020-21, I was struck by an excerpt from our bushfire resilience report, which tracked energy consumers' experience in the 12 months following the 2019-20 bushfires.

The person being interviewed described the destruction of the land and homes around him but explained that he had solar panels and the ability to generate power on his property. This meant that neighbours who had evacuated their homes from around the local area descended on his home to stay and charge mobile phones so they could reach their loved ones.

This story tells you everything you need to know about the generosity of spirit within our community, but also the empowering concept of resilience and how it applies to energy. Our energy system used to be characterised by a small number of big things – large generators and transmission towers – and while these are still integral to our system, it now increasingly incorporates a larger number of small things – often in and around the home.

Solar panels are at work atop three million Australian rooftops, a figure that is projected to double over the next decade. Growing numbers of consumers are installing battery storage and electric vehicle uptake is beginning to increase, and the future will see even more storage – and generation – located close to the consumer who uses it. All of this has value beyond the individual benefit – it can contribute to a better system that is more resilient if we approach the energy transition ahead in the right way.

Our new Strategic Plan takes this view of the world of energy as its starting place, putting forward a vision for consumer values, expectations and needs to be realised through a modern, flexible and resilient energy system. While this strategy is relatively new as I write this, it was not arrived at overnight. We have been building this approach over a period of time. It therefore is reflected in our past 12 months' work as described in



this Annual Report and features heavily in our work and formal submission to the Energy Security Board on Post-2025 Market Design.

One of the important pre-conditions for a more flexible energy system is the need for system actors to obtain clear social licence for changes they wish to make that will impact on consumers. We define social licence, an area where we have focused our attention and activity during the past 12 months, as permission provided by households and businesses to government or institutions wanting to control or limit their energy choices or resources. Ultimately the success of change and transition relies on consumers trusting and engaging. It requires us to see consumers as partners in energy. The notion of a social compact is not new, but we have worked hard to flesh out what it might mean in an energy context. What has been pleasantly surprising for us is the level of engagement we received when we started this conversation with the sector in 2020.

Having developed a framework for creating and maintaining social licence, with DER integration in mind, we released research into this area with a webinar that attracted 280 registered participants – by far the largest webinar we have ever held. This indicates that the community and stakeholders regard this as important and useful work. This model of research sharing also reflects feedback from stakeholders, and we intend to replicate this model for sharing insights. We will continue to prioritise developing it and embedding social licence in the way we think about the energy transition. We are pleased that regulators have already begun to explore how they might deploy our model in their work.

Underpinned by a clear social licence accepted by consumers, capitalising on the system-wide potential of distributed energy resources will be one of the

great opportunities in the years ahead. Connected to the idea of social licence is the importance of trust and building consumer confidence. This work has received a boost in 2020-21 with energy companies taking new actions to support people during the pandemic and the downward trend in energy prices catalysing a lift in confidence that the market is working in their interests, reflected in our latest Energy Consumer Sentiment Survey. As part of enhancing that research program – and making it more modern and available through a dedicated website – we are now tracking the level of trust consumers express about energy companies as a key performance indicator.

Our new strategy was informed by the valuable feedback we have received from stakeholders, including in the 2020 independent review of Energy Consumers Australia. The priorities that flowed from that important work, which many of you contributed to, are now embedded in our new outcomes-based performance and reporting framework.

I would like to thank all of our stakeholders for their input to our collective work to support consumers through this challenging year. It has proven the value of working together towards agreed outcomes and we place enormous importance on our engagement with you, which we hope is demonstrated by our recent efforts to make our work program clear and visible through more regular updates.

I would also like to congratulate and thank our CEO Lynne Gallagher and her dedicated team. Her new thinking, strategic focus and commitment to our complex role has helped steer us through an unprecedented year and we appreciate all of the long hours and incredible work.

Louise Sylvan AM
Chair
Energy Consumers Australia

“

Ultimately the success of change and transition relies on consumers trusting and engaging. It requires us to see consumers as partners in energy.

”

FROM THE CEO

It is hard to imagine a year with greater disruption and change than the one we have just been through. The combined impact of floods, bushfires, storms, COVID-19 and the economic changes that flowed from the pandemic is difficult to overstate.

“

Given significant anxiety about energy bills among around half of all households and small businesses, we worked hard with regulators to ensure the expectations set for businesses reflected those concerns.

”

These issues have reverberated through the energy sector, with associated impact on the cost of living and quality of life of Australians, across households and small businesses.

While these forces have upended lives, they have also accelerated conversations in the energy sector about the nature of disruption and change – forcing us to consider the key question of resilience and confront the reality that transition from one place to another does not necessarily mean reaching some stable state where everything is simple. Rather, change and transformation are a part of life for all consumers and something that needs to be accounted for as a permanent feature of providing energy in Australia.

Inherent to the concept of structural resilience in a modern energy system characterised by complexity is the connected issue of flexibility. In a flexible future system, consumers will be rewarded as participants in schemes that adjust their energy use in ways that help their community, themselves and the system. At the heart of all of this transformation is the concept that change needs to happen with consumers, not to them – not only because it is right, but because the system will only work properly if that is how we do things.

This backdrop has been a driver of the development of our new Strategy 2021-2024, a document that will guide the next phase of our organisation. Compiling this strategy, a key activity across the reporting window of this Annual Report has been based on strong engagement with our stakeholders, staff and Board. The resulting strategy will be operationalised by a clear outcomes-based performance and reporting framework.

As we look forward to pursuing the goals laid out in our new strategy, it is time to look back on the past year that has led to its creation. We hope this report provides a useful and thorough overview of our work in 2020-21.

Our work was planned around four strategic priorities identified in our Business Plan 2020-21 and the chapters in this document reflect those priorities: Lowering energy bills; enabling consumer agency; building trust and confidence; and an energy transition led by consumer values. We also took to heart the notion of flexibility -- adapting in the moment to rapid change and prioritising new actions to support consumers during the pandemic. These new actions are described in this report, in addition to those which were prioritised in our Business Plan.



Key among those rapid response actions this year was to ensure consumer concerns were reflected in the response of government and industry to the pandemic. Given significant anxiety about energy bills among around half of all households and small businesses, we worked hard with regulators to ensure the expectations set for businesses reflected those concerns. We worked with industry to improve their systems and make them more responsive to the challenges faced by consumers.

Our evidence-based approach proved a powerful enabler for this work, allowing us to connect data about consumer experience with the wider data collection effort of the Australian Bureau of Statistics and plug the results into the decision-making forums of government and industry.

While this work was critical, we didn't lose sight of our core mandate, grasping immediate opportunities to drive down electricity bills now and for the future, to improve affordability and ensure the benefit of reform is captured for all consumers. Our work in this area – supporting and collaborating with our stakeholders – has been a focus for 5 years and is now bearing fruit. For the first time in more than a decade, energy bills are trending down. This is good news, but it remains true that prices and bills are still historically high. There is more work to be done to get bills down to levels that are affordable for consumers. This motivated our strong engagement in the gas and electricity network revenue setting processes again this year, as well as government initiatives such as the setting of default market offers and the rate of return for network investment.

This report also discusses our major focus in enhancing the way we represent the voice of consumers – listening to their feedback, co-creating our work with them and our stakeholders – and how we explain our

work, connecting and communicating with consumers on the issues that matter to them.

This was a feature of the review of Energy Consumers Australia and we take that work very seriously, with new initiatives ranging from developing new and engaging content, to creating new channels for communicating to structural change within our organisation and the appointment of a dedicated Communications and Stakeholder Engagement Director on my leadership team.

We also completed the review of our Grants Program this year and look forward to implementing reforms aimed at improving its sustainability and transparency, while also finding ways to better communicate the insights and impact of the Program. Finally,

we describe in this report how we have attempted to live our values in 2020-21 while addressing areas identified in the review of Energy Consumers Australia, including in respect to governance and strategy. I would like to say thank you to all our staff who have worked harder and smarter than ever before, dedicated to our role in helping consumers across an extremely challenging year. I would also like to specifically acknowledge the contributions of staff and contractors who have left Energy Consumers Australia during the past year, including Chris Alexander, Elizabeth Lawler, David Havyatt, Jim Wellsmore, Louise Benjamin, Allan Forbes and Liesl Codrington.

Lynne Gallagher
CEO
Energy Consumers Australia



OUR WORK - HAVING AN IMPACT



Lowering energy bills



Bills trending down

for the *first time* in a decade



NewReg approach

driving down revenue proposals by network companies

- Supporting other advocates to engage with network revenue determinations
- Putting downward pressure on Rate of Return for companies on network investment in consumer interest
- Supporting Default Market offers
- Tracking small business tariffs
- Grant to drive energy bill support to Aboriginal households

Enabling consumer agency



Strong advocacy

to support households during pandemic



Tracking the experience

of bushfire affected households

- Leading new thinking on social licence to underpin flexibility
- Impacting decision about smart meters and electric vehicle tariffs
- Supporting work toward rule change requests on distributed energy



Building Trust & confidence



Tracking consumer trust

in energy companies



Successfully defending

the New Energy Technology Consumer Code in the Australian Competition Tribunal

- Grant to support national advocacy initiative for minimum energy performance standards in rental homes



An energy transition led by consumer values



Dedicated resources invested

to embed consumer voice in Post-2025 market design

- Ensuring 'no regrets' for multi-billion dollar transmission decisions for the future
- New State of the Energy Nation report



Your voice heard



New "bECAuse" blog

established as a hub of new energy thinking



New and improved stakeholder newsletter

- New investment and dedicated resources for communications
- 21 submissions on major reforms, market developments and network revenue determinations
- New website to digitise the Energy Consumer Sentiment Survey
- New Energy Consumer Behaviour Study

Responding to feedback, living our values



Finalise Energy Consumers Australia

Strategy 2021-24



New outcomes-based performance and reporting framework

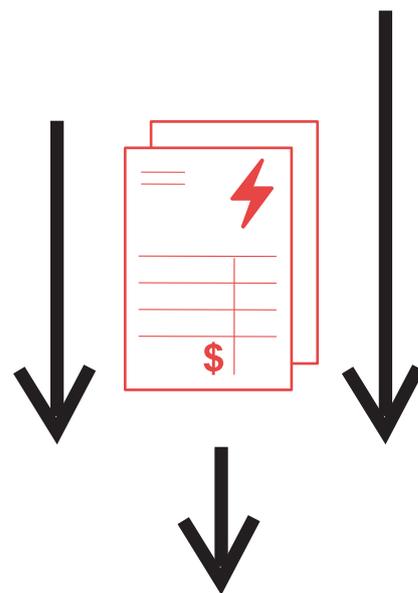
- Constitutional review completed
- Grants review underway and new administrative system implemented to simplify process



Lowering energy bills



Energy bills have been historically high for more than a decade – a fact that led to a major inquiry in 2017 by the Australian Competition and Consumer Commission and has catalysed significant action by government, regulators and industry since then. Lowering energy bills has been a focus for Energy Consumers Australia since it was established and was a clear strategic priority in our Business Plan 2020-21.



The good news this year is that for the first time since we were established, energy prices are trending down almost across the board. We are seeing the combined impact of reform to energy network revenue setting, wholesale market reform, increases in supply, adoption of default market offers, and a long list of other initiatives at both state and federal level drive this outcome.

Our small business Retail Tariff Tracker, released in June 2021, found that electricity bills were an average 4% lower to June 2021, and gas bills had fallen by 2%. Meanwhile, latest data

shows that wholesale prices in the National Electricity Market (NEM) are at their lowest level since 2012.

Lower energy prices are reflected in our latest Energy Consumer Sentiment Survey, published in June 2021. Since this research program started five years ago, it has consistently shown that small business and households' top energy concern is affordability. While this remains the case, satisfaction with the value for money household consumers receive from their electricity provider has now reached 70% (68% for small business). This puts electricity and gas on-par

Satisfaction with value for money



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

Support consumer engagement in network processes. This was achieved having implemented the outcome of 2019-20 consultation with our Reference Committee, National Consumer Roundtable on Energy, Grant recipients and other stakeholders.



with most comparable essential services such as water, mobile phone services and banking, for the first time.

There could not have been a more important year for this turnaround to occur, with the economic impact of the COVID-19 pandemic placing huge financial pressure on millions of households and small businesses.

This year, we prioritised three broad areas under the Strategic Priority of 'lowering energy bills', which reflect the greatest immediate opportunities to have an impact:

- Least cost electricity distribution networks in the context of this year's network revenue determinations in Victoria;

- Least cost gas networks in the context of revenue determinations in the ACT and South Australia; and
- Impacting the rate of return on network investment.

Consumer values driving electricity network investment

Participation in the network revenue setting processes that determine how much is invested in upgrading and maintaining the poles and wires directly impacts consumers by putting downward pressure on around 40% of the retail electricity price stack. With five electricity distribution revenue determinations processes undertaken across multiple years including 2020-21, and these decisions having

Figure 2: Electricity network revenue proposals vs AER final decision

Electricity Distribution Network	Initial Proposal	AER's final decision	Difference
AusNet Services	\$3430.8 million <small>Ref: AER Draft Determination Overview, page 18</small>	\$3470.5 (\$nominal) <small>Ref: AER Final Determination Overview, page 1-14</small>	\$39.7 million on the initial proposal
CitiPower	\$1604.1 million <small>Ref: AER Draft Determination Overview, page X16</small>	\$1485.8 million (\$nominal) <small>Ref: AER Final Determination Overview, page 1-13</small>	\$118.3 million on the initial proposal
Powercor	\$3649.9 million <small>Ref: AER Draft Determination Overview, page 16</small>	\$3450.9 million <small>Ref: AER Final Determination Overview, page 2-13</small>	\$199 million on the initial proposal
United Energy	\$2233.3 million <small>Ref: AER Draft Determination Overview, page 16</small>	\$2083.4 million <small>Ref: AER Final Determination Overview, page 1-12</small>	\$149.9 million on the initial proposal
Jemena	\$1379.6 million <small>Ref: AER Draft Determination Overview, page 18</small>	\$1335.7 million <small>Ref: AER Final Determination Overview, page 1-13</small>	\$43.9 million on the initial proposal

long-term impact on consumer bills, engaging in these decisions remained a priority despite the need to focus on the immediate challenges of the pandemic.

In addition to our direct engagement with networks, we supported other jurisdictional advocates, both financially – including through the Grants Program – and by providing access to technical advice and expertise to inform their work. We also made one formal submission in 2020–21 to the Australian Energy Regulator as part of the networks’ revenue resets, including a technical report on the building blocks prepared by Spencer&Co.

Just as important as the investment of resources and time in their processes was the maturing of more collaborative and innovative approaches to consumer engagement as part of decision-making about network investment. This year, we saw the potential of the NewReg framework – a joint initiative co-created by ourselves, Energy Networks Australia and the Australian Energy Regulator. This approach involves a model of consumer engagement used to build-in consumer input to network revenue proposals at every stage of their development, with AusNet Services resourcing a dedicated Customer Forum to represent consumers and negotiate aspects of AusNet Services’ revenue proposal. NewReg was not only used to develop the network revenue proposal in the trial site managed by AusNet, and this was one of many examples of network approaches to engaging with consumers across the board through their regulatory resets.

This resulted in a higher quality of network revenue proposals, reducing

the gap between the revenue proposals of networks and the expectations of consumers and their advocates.

In its draft determinations for these networks, the Australian Energy Regulator noted its support for the NewReg framework, saying it was a positive example of good practice. This was reflected in the Regulator’s determinations with almost all outcomes that flowed from using the framework ultimately incorporated by the AER, most of which was incorporated by network ahead of being lodged. This continues a theme towards more collaborative work between networks and consumers to reach agreed outcomes, in place of the previously combative approach that characterised decisions about investment in the poles and wires.

The AER has also published an initial set of expectations of consumer engagement principles in the context of the Victorian electricity network decisions, effectively taking good practice and seeking to make this common practice across the industry.



Network business strategy and system planning more aligned with consumer preferences and needs and is consistent with the transformation agenda. This was performed by increasing and deepening our work on key submissions and consultations around key network planning and investment decisions.





Consumer values driving gas network investment

Just as the electricity network is a key driver of electricity bills, the gas network makes up around 50% of the retail gas price stack and with two major network revenue setting processes to be determined by the Australian Energy Regulator in 2020-21, this was another key focus of our team.

Our goal was to ensure investment in Evoenergy’s network in the ACT and Australian Gas Networks’ SA distribution network were done at least cost, by engaging directly and also supporting other local advocates to navigate complex, unique and multidimensional issues. We also made two formal submissions in 2020-21 to the Australian Energy Regulator as part of the networks’ access arrangement resets, including technical reports on the building blocks prepared by TRAC Partners.

For example, in South Australia, Australian Gas Networks had to consider the role hydrogen might play in the future and in that context, how existing infrastructure networks

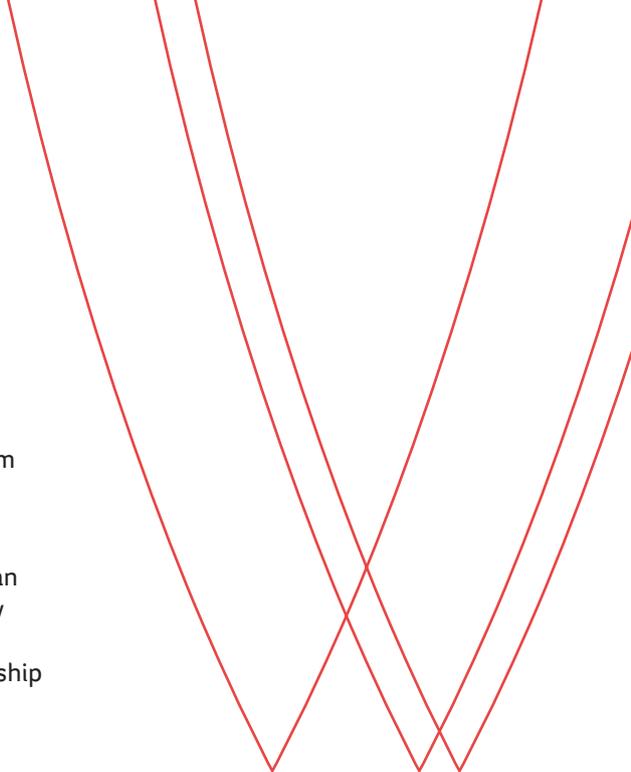
might support future gas industry policy in the interests of consumers. The engagement undertaken in this process led to the Australian Gas Infrastructure Group (which own Australian Gas Networks) winning the 2020 Energy Network Consumer Engagement Award, which we co-sponsor with Energy Networks Australia as a way to showcase best practice.

In the ACT, Evoenergy began the complicated process of accelerating depreciation of some of their assets in the context of government policy decisions. Our role was to test the proposal of bringing forward these costs against the need to minimise the impact on consumer bills. We successfully advocated for a broader review of gas policy outside the formal energy network revenue setting process, with the AER advising in its Draft Determination for Evoenergy that it has elevated the consideration of future gas market issues in its strategic priorities list.

In the case of both gas networks, we worked closely with ACTCOSS, SACOSS and the AER’s Consumer Challenge Panel to share resources and insight,

Figure 3: Narrowing the gap between gas network revenue proposals and consumer expectations through engagement

Gas Distribution Network	Initial Proposal	AER’s final decision	Difference
Australian Gas Networks (gas)	\$1136.4 million <small>Ref: AER Draft Determination Overview, page 17</small>	\$1122.2 million <small>Ref: AER Final Determination Overview, page</small>	\$14.2 million on the initial proposal
Evoenergy (gas)	\$314.9 million <small>Ref: AER Draft Determination Overview, page 16</small>	\$317.4 million <small>Ref: AER Final Determination Overview, page 16</small>	\$2.5 million on the initial proposal



including access to our technical expert. This cross-pollination of ideas was useful beyond the efficient use of resources, contributing to a shared understanding of the role of gas in the home, in a net-zero energy future.

The outcomes of the access arrangement revenue setting process are below:

Impacting the rate of return on network investment

The rate of return determined by the AER impacts 60% of the network allowed revenue and has a significant impact on prices paid by consumers. Our Business Plan identified this as a priority in 2020-21 and we sought to ensure that the Regulator set a

rate that is in consumers' long-term interests.

Our engagement was through our direct participation in the Australian Energy Regulator's Inflation Review 2020 and the Rate of Return Instrument, as well as our membership of the Consumer Reference Group, which we also provide a financial contribution towards.

We play a unique role in supporting the Consumer Reference Group, bringing an expert and evidence-based perspective of consumer attitudes and interests inside the Australian Energy Regulator's decision making, helping the Regulator calibrate its determinations about future investment.





This builds on previous work addressing the systemic drivers of high energy bills, including our work on the Value of Customer Reliability.

While the above reflects our work pursuing the strategic priorities identified in our Business Plan, we also took the opportunity to engage in other processes with significant potential to address immediate and long-term challenges with the potential to lower the cost of energy for households and small businesses.

Further efforts to put downward pressure on energy bills

Default market offers

Having supported their introduction, we are pleased to see that Default Market Offers and the Victorian Default Offer have played a role in

capping the amount that consumers can be charged for electricity.

This year, we made a presentation to the Australian Energy Regulator’s Default Market Offer 2021-22 Stakeholder Forum and a submission to the Position Paper. In it, we argued that consumers are under stress and that prices need to keep coming down, but we also highlighted the need to ensure the AER carefully considers the COVID-19 costs being claimed by retailers to establish that these are genuine costs and that only real costs are incorporated into the final decision on the DMO level.

Coupled with the ACCC’s role in continuous price monitoring, the default market offers have played an important role in ensuring electricity prices come down.



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

Through ongoing work on the SME retail tariff tracking project, we continue to build an evidence base of the energy costs faced by small businesses, particularly those that are energy intensive and are unable to pass on those costs.

The SME Retail Tariff Tracker project tracks data on electricity and gas costs for small and medium businesses. It is an increasingly well-cited resource used in submissions and as a single source of truth about small business energy bill trends – which had been an information gap in the market.



GREAT GRANTS: COVID-19 Energy Bill Support Education for Aboriginal Households



This project was funded to help Aboriginal consumers receive information about managing their energy bills when COVID-19 first hit. Fourth&Centre commissioned Aboriginal artist Jasmine Craciun to create a shareable poster featuring original artwork and messaging designed specifically for the Aboriginal community. The poster invited people to reach out to their energy retailer if paying bills became difficult. The poster also encouraged people to find a better deal, seek out Government rebates and ask about hardship support.

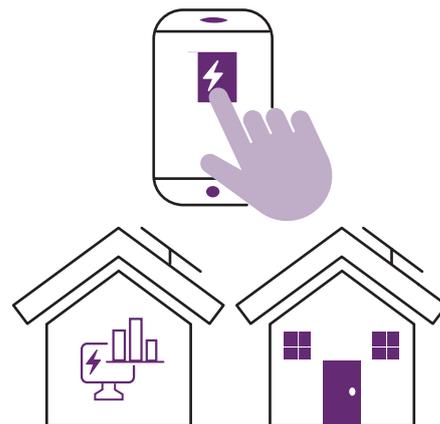
The poster was ultimately shared by 200+ Aboriginal organisations on social media, and printed copies were distributed to Aboriginal support centres when their physical offices reopened after restrictions were relaxed. The poster then became the basis to conduct one-to-one support for people when facing energy bill difficulties in the midst of economic hardship caused by COVID-19.

This project demonstrates the power of tailored, relevant and timely information for consumers, and was selected as a Great Grant because it shone as an example of best-practice consumer communication.

Enabling consumer agency



The idea of ‘consumer agency’ is pivotal to the success of the energy transition that is now underway, which aims to place people at the centre of system-design and system operation.



One of the lessons from our Power Shift research was that enabling consumer agency is partly about rewarding those who wish to actively engage with the energy market. Our view, however, is that the challenge involved is far broader. Fundamentally, enabling consumer agency is about policy and market design taking account of triggers other than price signals and rewards, recognising the value that consumers place on control – however they define it. Power Shift found that one of the most motivated groups of energy consumers was those who were most exposed to cost of living pressures and had an interest in better value services. Enabling consumer agency is about developing a market that empowers consumers to have control and choices, whatever those choices might be, and whatever the person’s individual circumstances are, including the choice not to be an active consumer.

From this broader point of view, critical elements for the development of a market which enables consumer agency include:

- effective frameworks for supporting vulnerable consumers;
- rewarding flexibility so that consumers who choose to do so can manage and control their bills with confidence; and
- supporting the take up and efficient use of distributed energy resources for the maximum benefit of consumers, underpinned by a ‘social licence’ for shared control.

Our 2020-21 work program to enable consumer agency was structured around these three broad reform areas.





Frameworks to support vulnerable consumers

As underlined by our Forethought research last financial year, vulnerability is a broader concept than sometimes assumed and different consumers become exposed to cost of living and other pressures at different stages of their lives, often due to a major life event or disruption.

The COVID-19 pandemic and the 2019-20 bushfires brought this perspective into sharp focus, dramatically altering the lives of millions of Australians. These events highlighted the need to think broadly about vulnerability at an individual level and build resilience through new, more flexible and agile approaches.

An agile response to COVID-19

To understand the pressures that consumers were under, we adapted our existing program of community listening and consumer discussion groups to focus on the impact of the pandemic and the priorities of people on the ground. This enabled us to quickly and efficiently address the fast-moving and urgent concern around the

impact of the pandemic on energy and the cost of living.

This engagement and research showed significant anxiety about energy bills among 49% of households, with the combined effect of working from home and lockdowns leading to significant increases in home energy consumption and electricity bills the top cost of living stress for consumers – which was confirmed in the ACCC’s May 2021 electricity markets report.

Of the 20% of households and 35% of small businesses who had reached out to their energy company for assistance with their bills, only half of these said they received useful help. We connected our evidence base with the Australian Bureau of Statistics to ensure the national data collection effort was being leveraged as part of the rapid response to consumer needs in the energy sector.

And we connected this on-the-ground experience of energy consumers with the decision making of energy regulators, government and industry to ensure this evidence guided decision making. As well as sitting on the Federal Government’s COVID-19

Household bills of highest concern

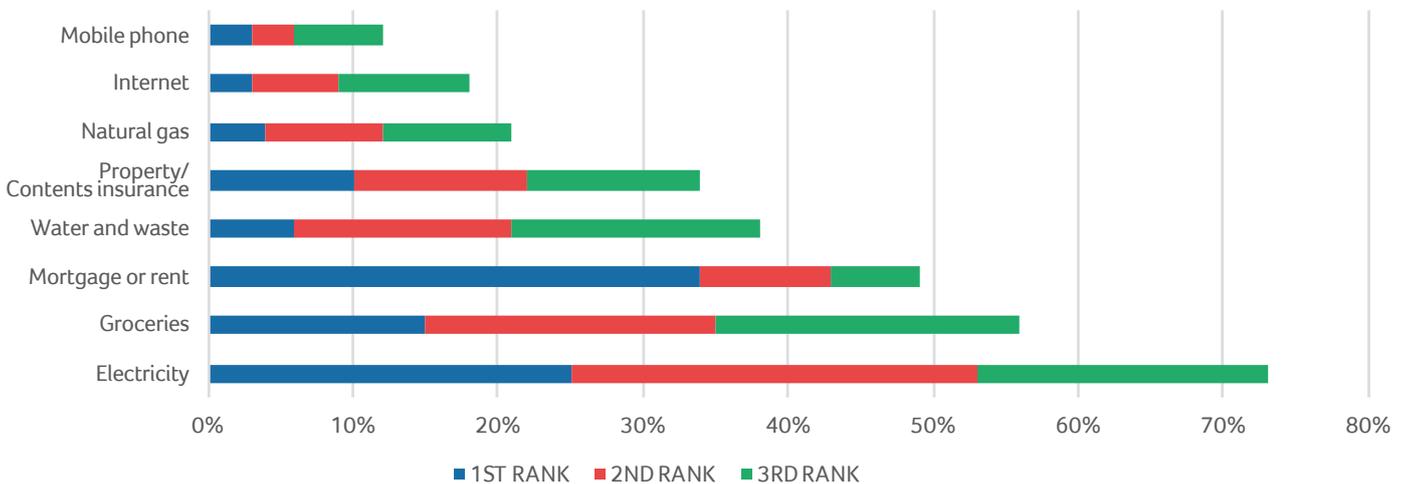


Figure 4: Electricity was the top ‘cost of living’ concern during the pandemic

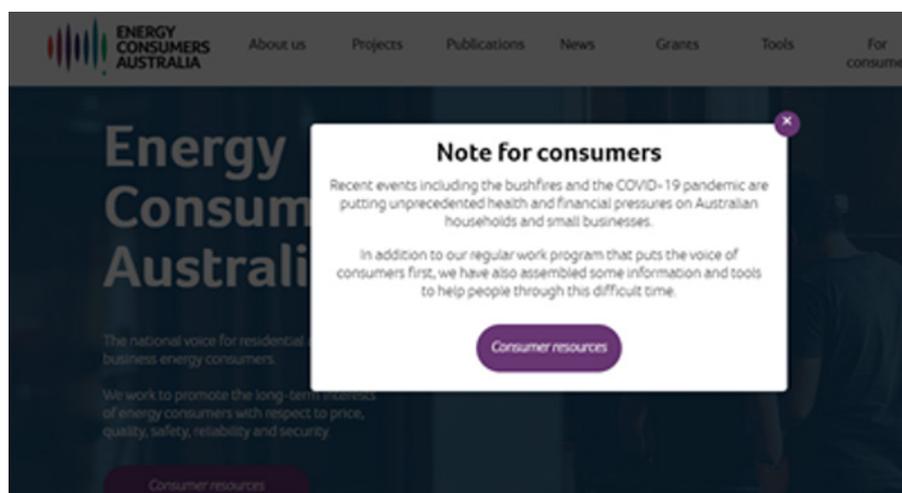
taskforce, we worked directly with agencies, including in the development of the Australian Energy Regulator's Statement of Expectations, where we advocated successfully for the energy sector to forgive or defer energy bills and avoid disconnections. We also engaged with the Australian Energy Market Commission on the deferral of network charges.

Recognising many of the issues faced by consumers required immediate attention by their retailers, we briefed the Energy Charter signatories and participated in industry-led initiatives, such as working with Energy Networks Australia on its response to the pandemic, as well as retailer working groups that led to changes in their processes, response and consumer engagement.

Understanding our significant role as a source of information for consumers, we also adapted our communications. Every visitor to our website was prompted to access our consumer resources which now include support available during the pandemic, with targeted information for small business consumers.



Figure 5: Enhancing our consumer tools to respond to COVID-19





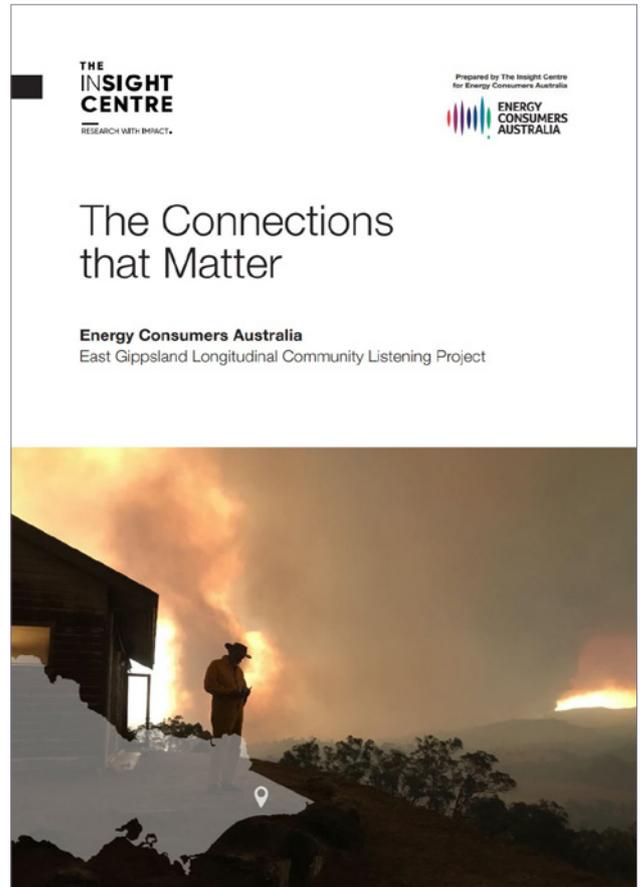
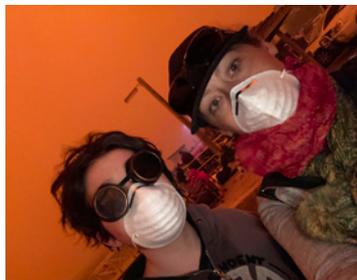
***The connections that matter:
Bushfire resilience study***

While COVID-19 was all-consuming for many organisations and people in 2020-21, we also made it a priority that the experiences of Australians during the summer 2019-20 bushfires immediately preceding the pandemic were not lost or forgotten.

We commissioned a longitudinal study of energy consumers' experiences of recovery from the East Gippsland bushfires. We saw our job as making sure that these experiences were tracked and understood, not only for their own sake, but to create valuable insights about how our system responds under duress and what could be improved in future responses.

This is particularly significant when considering the period beyond 2025, which modelling shows will be characterised by more volatility and more crises, some of which relates to natural disasters, but many of which are simply related to a more complex energy system.

Phase 2 and 3 of this bushfire research – *The connections that matter* – were conducted this financial year, tracking the recovery from the disaster and consumers' engagement with the system throughout attempts to restore their homes and power. The report has now been published on our website and has been provided to major energy network operators who deal with such challenges as a course of their business. Discussion around the report and associated themes will be a



feature of our 2021 online Foresighting Forum series.

The report found that while an initial focused response to the re-establishment of critical infrastructure was welcomed, the rebuilding of network infrastructure was also viewed as a missed opportunity to establish a new, better and ultimately more flexible and resilient local energy system. It showed that the system was set up to rebuild what had existed before – not something better – and not what the local community saw as necessary change to boost their agency and preparedness for a future disaster event. We will continue to socialise the report and use its findings to explore better ways of working with communities in the wake of crises and major disruptive events.

Promoting new energy services and markets for all consumers

Creating new, local energy responses is partly being driven by the massive uptake of new technology, from solar panels to batteries and smart devices.

We see the potential for emerging technologies and new business models to deliver better outcomes for consumers, at a significantly lower cost, in a very different energy system than we have today. In this context, Stand Alone Power Systems and Energy Storage Devices are important innovations and we prioritised engagement with the Australian Energy Regulator on its Issues Paper on this topic.

In our submission, developed with Strategen, we highlighted the initial challenges of ring-fencing in a market undergoing transition and proposed a principles-based, rather than a prescriptive, approach to ring-fencing, which would provide a means for emerging technologies to be properly evaluated as they mature.



Social licence for control over distributed energy resources

As a very first step in thinking about the demand side of the market and how to work with consumers to reward flexibility and get better outcomes, institutions and market participants need to do the hard work of building social licence for that work. In this case, social licence is the permission provided by consumers to government or institutions to control their rooftop solar and other appliances, above and beyond what is required by law.

Ultimately, the success of change and transition relies on consumers trusting and engaging and it requires us to see consumers as partners in energy (they provide and receive power). Like all social contracts, we need to be clear on the terms and benefits – for the system as a whole, and for individual consumers who choose to engage.



Having this challenging conversation about social licence is also fundamentally about de-risking change and reform by taking consumers with us on the journey as equal partners; equipping regulators, policy makers and market participants with tools that can help reduce the risk of consumer backlash against change.

In 2020-21 we made this work a priority, retaining CutlerMerz to develop a framework for creating and maintaining social licence, with DER integration in mind. We released this research and held a webinar with 280 registered participants – the largest we have ever held. These numbers reflected a clear appetite for this conversation from across the energy sector.

Following release of the research we have been working with the Energy Security Board and Australian Energy Market Operator on how to use the framework for the benefit of consumers. Significant post-forum engagement generated further communications and helped direct our conversations with these and other regulatory bodies and agencies.

Specifically, we are currently in the early stages of working with regulators on how to activate this work in policy and regulatory settings, and this work continues into 2021-22.

A new energy compact

We have continued our collaborative work with ACOSS and the Total Environment Centre on the New Energy Compact, which is an effort 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.

The purpose of the Compact is to instil a new vision and principles that reflects the values of people, is future focused and is used by decision makers to guide policy and reform for an inclusive, affordable, dependable and clean energy system.

The initiative draws from evidence from Australia and the United Kingdom about conditions under which consumers will support change associated with energy transition, including from the Forethought research we conducted last year and the UK Energy Research Centre. This research says that people want to be able to trust that there is a level of 'reciprocity' - that if they are being asked to make a change that the heavy lifting is being shared fairly and appropriately by all parts of society and the economy.

The principles and approach of the Compact have already informed important work such as the consumer solar export charging rule change process.

Importantly, the New Energy Compact is a framework for agreement at a national level that no one is left behind in the energy transition.



Rewarding consumers for flexibility

Underpinned by a clear social licence accepted by consumers, capitalising on the system-wide potential of distributed energy resources is one of the great opportunities for energy system leaders in the years ahead.

One of the critical areas to get right is the rollout of smart meters, which are a key enabling tool that can allow consumers to engage more fully and with informed energy decision making, should they choose to do so.

Consumer expectations of smart meters

Our work on smart meters in 2020–21 included partnering with the Australian Energy Market Commission on its review of the regulatory framework that governs smart meters, where

we are contributing to a workstream based around consumer outcomes. Our submission to the review was also supported by research on consumer expectations for smart meters. The submission advised on how to unlock the potential of smart meters to enable a range of options that can help consumers make the most of their energy services and also deliver benefits to retailers, networks and the overall system.

A modern electric vehicle tariff

Working with consumers to optimise the timing of their electric vehicle charging is a significant opportunity to lower the overall system load and costs to consumers.

A key question being discussed this year, particularly in Victoria (but with wider implications), is how to develop a retail electric vehicle tariff that rewards



consumers for charging outside peak times. We sought specific expertise to inform the development of a report and submission to the Victorian electricity distribution network revenue determinations, which included a proposed voluntary tariff that would charge consumers 10 cents per kilowatt hour off-peak for charging their electric vehicle at home or at their business premise.

We are engaging with stakeholders and doing further work to recalculate this as a load control rate and to ensure the price impacts on other consumers are transparent, and that no groups of consumers are left behind.

Supporting rule change requests on distributed energy

One of the outcomes from the review of Energy Consumers Australia was a commitment that we consider the option of rule changes to address market issues and propose where appropriate. A number of rule changes have flown from important work we have done collaboratively with stakeholders.



During April 2021, in a first for the National Electricity Market, the Australian Energy Market Commission endorsed elements of rule change requests brought forward by consumer organisations in a draft determination.

The two rule changes, one proposed by the Australian Council of Social Services and the Total Environment Centre, the other by St Vincent de Paul, responded to the pressing need to reform the way electricity generated from rooftop solar PV is charged for access to the grid to make it more sustainable and equitable for all consumers. Our Grants Program enabled the development of the ACROSS-TEC proposal.

By strengthening the incentive for networks to facilitate access to the grid for rooftop solar PV owners, the draft determination paves the way for “right-sizing” the local network driven by consumer decisions and needs.

Importantly, the positive outcome also reflected a new way of managing change in the NEM, which involved significant collaboration with a diverse range of consumer and industry representatives over the course of 18 months leading up to the formal lodgement of the proposals.

Two initiatives where Energy Consumers Australia is a key player - the Distributed Energy Integration Program, and the New Energy Compact - provided the codesign framework that enabled this new approach.

Unlocking the potential of smart hot water

A major element of a plan for rewarding flexibility is unlocking value associated with flexible loads. An example of this is the hot water systems in Australian households and small businesses. This proven technology is a low-cost and

convenient form of energy storage that is currently not utilised beyond its immediate functionality for the household.

As part of our work with the Energy Security Board on post-2025 Market Design, we developed a case study to explore the future market for smart hot water from the consumer's point of view. This was done to underline the potential opportunities of engaging with consumers on their terms about options for better utilising distributed energy resources in a way that benefits consumers, and the system overall. The ESB took this case study and used it to explore the new mechanisms contemplated by the Post 2025 options paper from a practical customer perspective.

A Power Shift for small business

Our Power Shift research was about finding ways to help government and industry assist consumers to manage their energy use and bills. While our final report was delivered in 2019-20, we have extended this work with further insights about engaging with small business consumers. This work builds on our practical tools developed in Power Shift including the Policy Makers Guide and Supporting Households Framework, as well as a set of white label information resources and videos to model communications and marketing approaches to engage directly with consumers.



Continually consider the option of rule changes to address market issues and propose where appropriate.

GREAT GRANTS:

The role of DER in the Equitable Decarbonisation of the NEM Project



This project was funded to help facilitate, through regulatory reform, the necessary transition to a low carbon energy system in an economically efficient and socially equitable manner.

This grant to the Total Environment Centre has supported workstreams and thinking in the areas of demand response, distributed energy resources and energy system resilience. This work has been successful in influencing the public discussion and sector decision making through articles in Renew Economy and submissions to energy networks.

The project was also an important pillar in the establishment of the New Energy Compact, a future-focused vision to be used by decision makers to guide policy and reform for an inclusive, affordable, dependable and clean energy system.

A significant part of this work centres on energy system resilience. Resilience is measured by an energy system's ability to rebound from significant shocks or its ability to be flexible in adapting to a new reality.

Extreme weather events such as the 2016 System Black Tornado in South Australia and the 2020 Australian Bushfires have sparked deeper thinking about energy system resilience. Rebuilding critical infrastructure could happen differently, particularly with new opportunities arising from distributed energy resources and microgrids.

Building trust & confidence



Trust and confidence are essential 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 realised. Just as we have seen a lift in consumer satisfaction with energy services in recent years, we have also seen a steady increase in confidence that the market is working in consumers' long-term interests, reaching 46% according to our June 2021 Energy Consumer Sentiment Survey – its highest level since this research program began.



Building on this, we asked a new question in this year's survey, which focussed on the question of 'trust'. Overall, 52% of households said they trust companies in the energy sector – an area for further work.

This was a strategic priority identified in our Business Plan 2020-21, with three specific focus areas:

- a fit-for-purpose consumer protection framework;

- frameworks to achieve low energy homes; and
- the Consumer Data Right in the energy sector.

Fit for purpose consumer protections

Developing a framework of consumer protections that provide consumers with confidence that the market is working in their interests requires

Confidence in the market (7-10)%

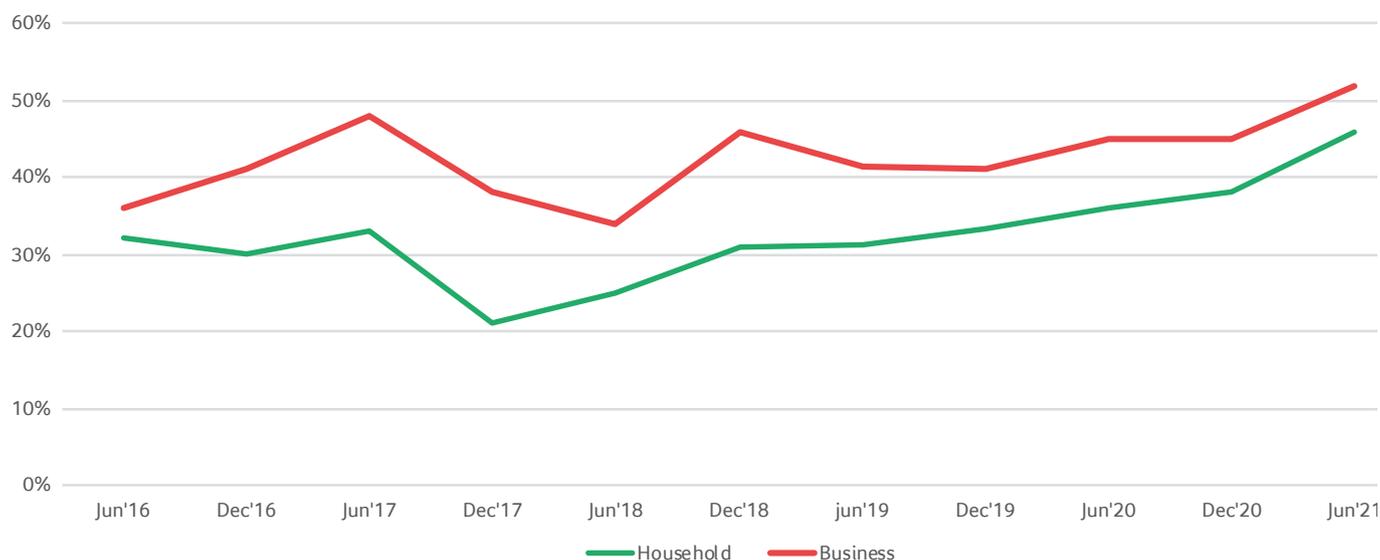


Figure 6: How confident do you feel that the overall market is working in your long-term interests?



us to think ahead to the changes happening in the market and identify where there is potential for consumers to fall through the safety net due to the development of new products, services or ways of providing services. There is no clearer example of this than in the development of new energy technologies, which change the customer relationship with energy services.

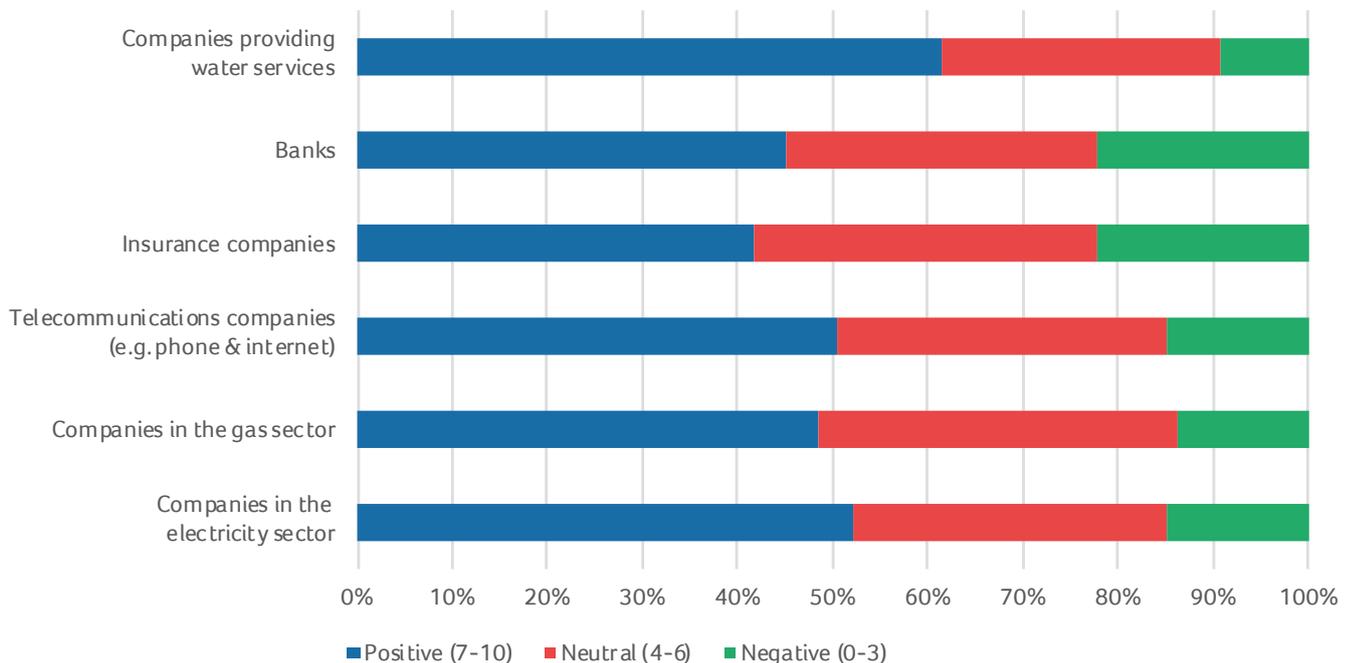
This year we invested significant resources to support the implementation of the New Energy Technology Consumer Code (NETCC) in the energy sector. The Code sets a standard for what consumers can expect from energy technology companies across all aspects of the customer experience with new energy technologies like battery storage --from marketing and promotion through to quoting, contracting and installation.

The Code was challenged by company Flexigroup and we participated in the Australian Competition Tribunal. The hearings were a major part of our work program early in the financial year. We went to the Tribunal jointly with the other Code applicants including Clean Energy Council, Smart Energy Council and Australian Energy Council. We ran a strong argument that there were broader benefits that should not get lost in the financial arguments of the case, and that the Tribunal should focus on the broader benefits of the Code.

We also funded the Consumer Action Law Centre to participate in the Tribunal process through the Energy Consumers Australia Grants Program.

Ultimately, the Tribunal authorised the Code and as a result, signatories to the Code will agree to meet higher standards for information, quality and service -- including extra consumer protections not currently available to consumers under existing legislation.

Figure 7: To what extent do you trust each of following companies to do the right thing by their customers and by Australia as a whole?



We are now able to focus on the implementation of the Code and how it will apply to specific technologies – how to take the high-level statement of ambition for the code and make it practical. We are further developing existing work to deliver effective communications that support consumers' engagement with energy technology and tools and appraise them of their rights and information about protections. This will include the development of white label campaign resources shared with the broader sector.

Our work on the NETCC was important in its own right but is also part of a bigger story. An important part of the Post 2025 Roadmap is setting a direction of travel to a principles-based future, rather than a prescriptive approach to how we integrate and support uptake of new technology. This is fundamentally about recognising and understanding that prescriptive approaches are inherently limiting, relying on the regulator's capacity to predict the future and incentivising compliance over consumer outcomes. We have seen this principles-based approach used in the Statement of Expectations during the pandemic and we believe the NETCC has a similar potential to deliver better outcomes for consumers.

We have also worked through these issues with the Energy Security Board to develop a risk assessment tool that would be a central part of the future market design and inform the development of a contemporary consumer protection framework. This work starts with the premise that to know what the consumer protection framework should be we need to plan for the risks associated with new technology, which is a complex task without the technology being developed yet. The ESB has therefore developed a practical risk assessment



tool which can be used to assess new technology and services for potential risk for consumers such as privacy or the risk of disconnection.

From the complex and evolving area of new energy technology and protecting consumers through the pandemic, to the more bread-and-butter work of consumer billing, we have embraced this principles-based approach. In October 2020, we made a submission to the AEMC's review of retail billing and bill contents. Our submission made recommendations to deliver simpler, more understandable bills for energy consumers using a principles-based approach which provides greater opportunity for innovation and new approaches.

Ultimately, this underpins more trusted engagement by energy consumers, with confidence that consumer protections are there to support them now and in the future.



Frameworks to achieve low energy homes

Our Power Shift project demonstrated just how close is the link between affordable energy and household health and wellbeing. We believe all Australians should be able to afford the energy they need to have a healthy and comfortable home. Importantly, this includes renters.

At a high level, we have engaged with energy ministers' work on the Trajectory for Low Energy Homes and Buildings, both directly and in collaboration with other advocates and stakeholders. In particular, we have strongly supported 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 extended this work into our engagement with the Post 2025 Market Design Review, arguing that the Energy Security Board should make the link between its work and the

need to accelerate progress on energy performance standards for new and existing Australian homes. We argued that any ambition to move towards more dynamic 'cost reflective' pricing for heating and air-conditioning must be shelved until the thermal performance of our homes improves to the extent that people have discretion about when they switch on their appliances.

This year, we also provided grant funding for the Better Renting initiative, which is a national advocacy initiative aimed at mandating minimum energy performance standards in rental housing across NEM jurisdictions. Better Renting is a grassroots community of renters which aims to tackle some of the unique challenges for Australian renters, such as energy affordability where limited options are available for improving your home's energy efficiency.

We continue to track consumer support for these initiatives in the Energy Consumer Sentiment Survey.



Consumer Data Right in the energy sector

Since last financial year, we have worked with our stakeholders to improve access to meter data, in part by supporting the development of the economy-wide “Consumer Data Right” in legislation, which was applied to the energy sector in mid-2020. The Consumer Data Right provides consumers with better access to their personal information to inform decisions about energy, including shopping around for the best deal or instruct businesses to provide safe and secure access of their data to trusted third parties.

We participated on the Energy Data Standards Advisory Committee and lodged two submissions this financial year. Our submission to the ACCC Energy Rules Framework Consultation Paper was made in August 2020. This submission flagged concern that the ACCC’s proposed Rules Framework would frustrate consumers wishing to access their meter data. It argued for an economy-wide approach and said that in the absence of such an approach it would be necessary for consumer needs to be met through changes to the National Electricity Rules. We also identified our concern that the ACCC had restrained the Privacy Impact Assessment from considering an alternative authentication framework for AEMO-held data.

We developed a further submission to the Federal Government’s Consumer Data Right Amending Legislation.

Charting a path to increase trust in energy companies

A recent initiative to rebuild trust and confidence was the formation of The Energy Charter – a group of energy companies committed to rebuilding relationships with their customers.

In 2020-21, we Chaired the end-user consultative group and participated in the Independent Accountability Panel process which reviews the performance of the Energy Charter. This forum was an important space for providing feedback from consumers to energy businesses during the pandemic, providing another avenue for delivering a single message to energy companies based on our research and consumer engagement.

GREAT GRANTS:

Boosting consumer advocacy to improve housing energy performance



A recent study found that 4 out of 5 elderly people presenting to hospital with hypothermia developed it inside a home. Homes with poor energy efficiency profoundly affect the health of their occupants. The most vulnerable are the most likely to be affected, as they do not have the capacity to improve their homes to a comfortable, liveable level.

Environment Victoria undertook research to assess how well consumers understand household energy performance, with the aim of raising awareness and helping people become an effective advocate for policy solutions.

The Home Truths report found that overall estate agents tend to have a poor understanding of energy performance – only 9% could identify the property’s energy rating. When the house was for sale, there was better awareness, though still at very low levels. The pandemic required a pivot to the methodology to contact customers directly, but also meant that Environment Victoria was talking to people at a time when they were indoors and heavily reliant on energy. At the same time, a coalition of voices called for energy efficient housing to be at the centre of economic stimulus policies.

The survey of customers through four webinars showed a willingness to take action but that people didn’t know where to start or couldn’t find the right information. They also underlined where people faced hard barriers – 29% of webinar attendees also said they couldn’t afford the upfront cost, and 24% didn’t feel confident to ask their landlord for changes. The webinars also provided the opportunity to invite respondents to contact their MPs directly, and to tell them about Environment Victoria’s advocacy.

An energy transition led by consumer choice and values



The ongoing pandemic, as well as the long process of recovery from fires and floods in 2019-20, continues to remind us that change rarely unfolds in ways that are predictable or easily managed. In 2020-21, we sought to learn the biggest lessons of our recent experience: that we need to do everything we can to build resilience; and that complex, society-wide challenges can only be met by working together with a clear sense of what consumers value and need.



The Forethought Consumer Expectations Research we undertook in 2019 has been formative for the direction of this work. There was a clear sense from many people that change was accelerating and that a lack of control in many aspects of life was clouding the future - including in relation to energy. Whereas these concerns might have been misunderstood or even brushed-off by the energy sector even just a couple of years ago, the new context demands leaders engage directly and authentically with Australian household and business energy consumers.

In our Business Plan 2020-21 we identified three core projects and reform areas under the strategic priority of an energy sector transition led by consumer values:

- National forecasts of potential (load and generation) flexibility
- Least cost transmission investment
- ESB Post 2025 Market Design package – two sided markets and DER integration

With the two big energy transitions underway, these priorities are fundamentally about making sure big

investment decisions made today are the right ones while also taking the opportunity of the post-2025 energy transition planning to build a more flexible and resilient energy system for the future.

Ensuring 'no regrets' for multi-billion-dollar decisions made today

The Australian Energy Market Operator's Integrated System Plan (ISP) is arguably the single most significant planning or policy process in the NEM, because from it flows investment decisions worth tens of billions of dollars for long-lived transmission infrastructure. Along with ACOSS, the Public Interest Advocacy Centre and other consumer groups, we have consistently pushed for the ISP scenarios to better reflect a Net Zero by 2050 emissions reduction outcome and so we were pleased to see AEMO take that step in 2021.

Beyond the critical matter of decarbonising the system in the most orderly – and cost-effective – way, a major priority for us in the past 12 months has been ensuring that scenarios, assumptions and inputs that underpin the detailed modelling for the blueprint reflect the full range



of plausible energy futures that flow from the dual energy transitions taking place. This means taking into account the extraordinary growth of rooftop PV, electric vehicles and other forms of distributed energy resources.

These technologies are more local, modular and flexible, and as such are already fundamentally reshaping the economics of big, traditional forms of energy infrastructure which can be stranded if and when circumstances change, leaving consumers to pay the bill for unproductive assets. Importantly, our advocacy on this aspect of the ISP was informed by the scenario planning work we undertook in 2019 with the support

of Matt Finch, who is associated with the world-leading Oxford Scenario Planning Program.

There is a clear business case for upgraded and new transmission infrastructure in certain parts of the NEM but the affordability impact on consumers should always be a part of the decision-making calculus when it comes to investment. In the past twelve months we worked hard to ensure that the risks and costs of projects that do advance through the ISP and Regulatory Investment Test (RIT) processes are not unjustifiably passed through to consumers. We advocated strongly against a rule change proposal lodged by

The Two Energy Transitions

Two major transitions sit at the heart of today's Australian energy system. The **first transition** is from a carbon-intensive energy system to one that is net zero, in terms of carbon emissions. It requires massive, system-level changes to the way electricity is generated – shifting from the burning of fossil fuels such as coal and natural gas to non-emitting generation in the form of solar, wind and other renewable sources and storage.

How electricity is stored so that it can be dispatched when demand spikes is a large part of this transition. Batteries, pumped hydro and other forms of storage must be added to the system in quantities sufficient to deal with the dispatchability and security challenges that open up as fossil fuel generators begin to disappear from our energy mix.

The **second transition** centres on energy consumers and their behaviour as they encounter new opportunities and limitations as a result of changing technology and emerging social practices. Generation is becoming far more decentralised as consumers and communities gain the ability to generate power and feed it into the grid. The system is morphing from a small number of large-scale generators to a large number of smaller ones, scattered widely across cities and communities Australia-wide.

These two transitions are inextricably linked. Both are necessary but neither is independently sufficient for Australia to arrive at a net zero future. There is a clear need for consumer voices to shape the pace and direction of change, and for the system to avoid the price inflating over-building of large-scale generation and network infrastructure.

Transgrid, which is a partner in the EnergyConnect project, to ‘front end’ the recovery of costs from consumers for the project – a move that would leave consumers paying for a service well in advance of receiving the benefits. We therefore welcomed the Australian Energy Market Commission’s decision in April 2021 to reject this rule change.

Seizing the opportunity - the Post 2025 Market Design

While the Energy Security Board’s Post 2025 Market Design Project - a once in 20-year reform process that commenced before the pandemic - was already a major focus for us, we increased our investment over the course of the year to ensure the need and opportunity to build a new and very different system was not missed.

In addition to continuing to pursue our own advocacy priorities, in September 2020 we helped establish, and then facilitate, a dedicated energy consumer and user working group for the Post 2025 Market Design Project. Ensuring there was a strong consumer voice at the table responds to feedback at Foresighting Forum 2020, and our consumer research, that change needs to be managed *with* people and small businesses.

With our secretariat support, this consumer and user working group undertook a substantial exercise to reframe the demand side and distributed energy resource or most ‘consumer facing’ aspects of the reforms and develop a set of principles to guide the design and implementation process. Reflective of a growing sense of ‘it’s time’ for authentic co-design processes, we were pleased to see the ways of working in the group reflected the recent experience of consumer voices including the Australian Council of



Social Service, the Total Environment Centre, and St Vincent de Paul, who applied the New Energy Compact in engaging extensively and openly across the sector to develop proposals to reform the way solar exports are charged for grid services.

This shared statement of what ‘better’ looked like in terms of future energy services, which the group ultimately developed, has been influential in shaping the package that the Energy Security Board is due to deliver to ministers in mid-2021. At the top of the list is agreement by the Regulator that any move to a two-sided market must be done in a way that is consistent with the essential nature of energy services and must not create risks or complexity for households and businesses. Importantly, the proposed design includes a commitment that new energy services will be subject to rigorous, upfront risk assessment in line with international best practice.



Building a more flexible energy system

Core to our own advocacy on Post 2025, which included major submissions and contributions as a consumer representative on the advisory group and technical committees, has been emphasising the need for flexibility at every level of the new market, starting by empowering consumers in their energy use and decision-making.

Empowering consumers in the two energy transitions starts with a detailed understanding of the motivation, abilities and needs of consumers and that is why we welcomed the Energy Security Board's move to engage ACIL Allen to adapt the Power Shift consumer segmentation model to inform the Post 2025 Market Design process. While consumer segmentation models

have been used to inform energy efficiency program design in Australia, the adoption of these methodologies within a major market design process is a first in Australia and a potentially transformative development.

In what we see as another complementary and very significant step forward, we engaged world-class transition design expert Professor Cameron Tonkinwise, from the Design Innovation Research Centre at The University of Technology Sydney - and a keynote speaker at Foresighting Forum 2020 - to provide advice on how to ensure the Post 2025 Market Design learns the lessons of the new sharing and digital economies. Workshops facilitated by Professor Tonkinwise, which other consumer groups and representatives from the Energy Security Board attended, engaged with some of the most challenging issues confronting energy policymakers



in Australia, notably the problem of minimum demand. They produced a range of insights about how to empower and enlist people in their homes and businesses to be part of the solution.

We are optimistic that the steps the Energy Security Board has taken to engage with these new approaches will bear fruit in terms of the final package that is put to ministers in mid-2021. However, we are also clear-eyed about the long journey the sector has ahead of it to fully embrace what we have informally termed 'the second energy transition' - the profound changes in energy technologies and services within homes and businesses - and develop a comprehensive plan to invest. Such investment will be required to realise the enormous, latent flexibility potential that exists in hot water heaters and pool pumps today, and electric vehicles and internet-of-things enabled devices tomorrow.

Taking stock on transition – a snapshot of the changing policy landscape

There are a plethora of policies and programs at a national, state and territory level that are shaping the way the energy transition is unfolding in Australia. As a national energy advocate, on any one day we might be engaging on minimum demand and emergency backstop in South Australia, Renewable Energy Zones in New South Wales, energy efficiency upgrades to public housing in Victoria, upgrading interconnection infrastructure between Tasmania and the mainland, the transition away from gas in the Australian Capital Territory, or Queensland's push to build a world-class hydrogen industry.

Understanding what these policies are, how they respond to local needs, and how they will impact consumers is an essential input for systematic, rigorous and nuanced energy policy development. We are also strongly of the view that the success of the Post 2025 Market Design will hinge on what governments do through their own policies and plans to support, empower and equip consumers with information, tools and technologies to get better energy outcomes.

That is why in late 2020, we commissioned KPMG to review the *Australia's Energy Transition: A Snapshot of the Changing Policy Landscape*, to compile the missing but much-needed birds-eye-view of policy and programs across the country. The report is a valuable new resource for the Australian energy sector, providing more than just a list of policy and programs, but also an independent analysis of what they are likely to deliver in straightforward terms for energy consumers. Importantly, the Australia's Energy Transition report digs into the policy and programs which do not necessarily attract the headlines but are nevertheless relevant to the priority issue of building a more flexible energy system.

Future of gas and electrification

We have been working closely with consumer groups, network businesses and governments on consumer choices around gas use in the home. We have also made changes to our Energy Consumer Sentiment Survey to look at trends in the use of gas and the shift to electrification of homes and small businesses. The first results show significant interest, particularly among small businesses, but with limited intention to convert in the short term.



Continually consider the option of rule changes to address market issues and propose where appropriate.



Looking further into a digital future

One of the defining features of the second energy transition is that it is as much about the increasingly digital way in which we are living our lives as it is about the generation, transport, storage and use of electricity itself.

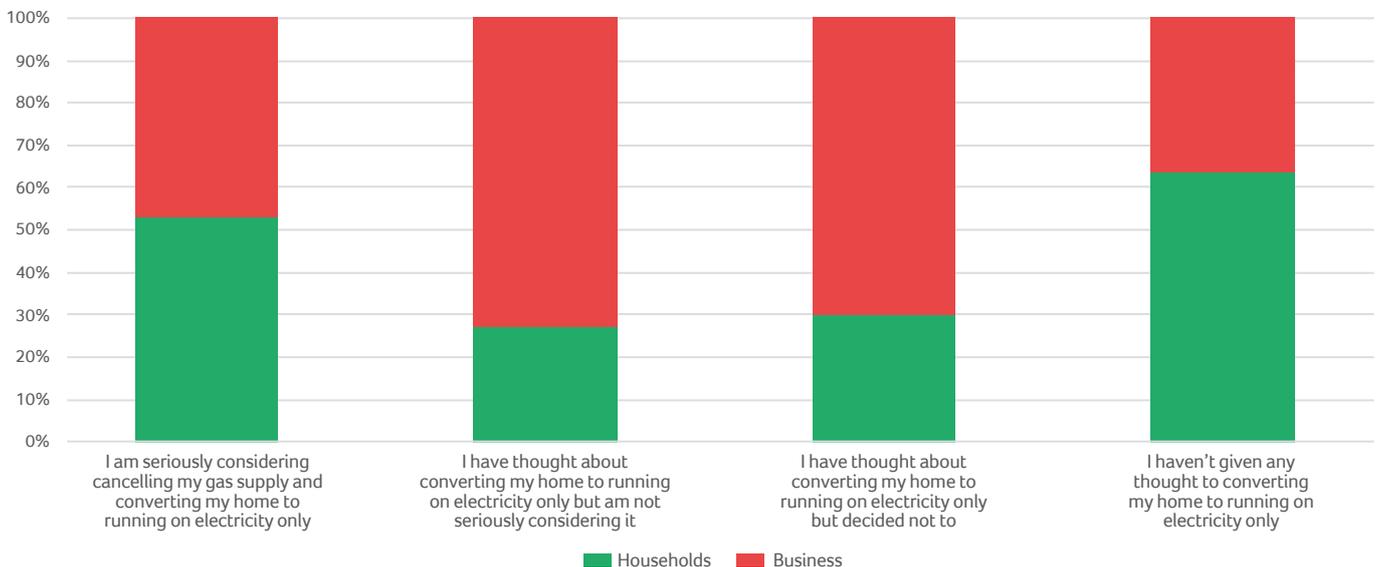
Getting to grips with not just the functionality of new technologies, but how people are using the technologies on a day-to-day basis in their homes and businesses, and how social practices around something as simple as putting the dishwasher on at a certain time of the day, are adapting or disappearing altogether, will become as important to energy policy makers and planners as the cost benefit analyses that have been part of the regulatory furniture for decades.

The need to develop an evidence-base, and new analytical tools to build this capability is why Energy Consumers Australia has partnered with Ausgrid,

Ausnet Services, the Australian Research Council and Monash University on the three-year, \$2.3 million Digital Energy Futures Project. Now in its second year, the project published its report summarising the second stage findings, which are based on interviews with 72 households across the AusGrid and AusNet Services distribution networks. It provides important learnings about two important things. First, households are becoming increasingly diverse both in terms of the technology they have in their homes and the way they use it to manage their energy, which means the timing and level of energy use is also more diverse. Second, the ways industry players think consumers will use technology are not necessarily borne out in practice. These have important implications for energy demand forecasting, but beyond that helps us better understand social practice and how to align real world consumer behaviour with energy system planning.

Figure 8: Consumer interest in electrification

Some Australian households/businesses have recently been cancelling their gas supply and converting their home/business to running on electricity only. Which of the following best describes you?





GREAT GRANTS: ACOSS Equitable, Affordable, Inclusive Energy Transition Project



This project is focused around the ACOSS people-centered vision for the Australian energy system, supporting national reform to address housing energy performance with an eye towards lower bills for low-income consumers.

ACOSS has taken a particularly collaborative approach with this project, identifying opportunities to influence key energy policy areas by building and working with coalitions of advocates, and engaging in a collaborative way with stakeholders.

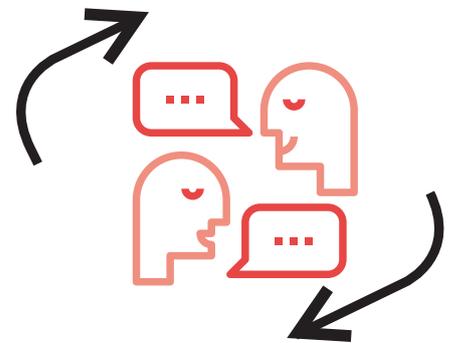
The project has five key workstreams and has achieved significant impact in relation to distributed energy, the energy performance of housing and energy concessions.

The project has also been notable for being responsive to changing conditions, having focused more recently on recommendations to improve COVID response and for energy and rule change proposals to deliver more DER benefits to consumers.

Your voice heard



A major focus of our work this year was to deepen the engagement we have with consumers, advancing the relationship to become a two-way conversation and then carrying consumer expectations, needs and perspectives into the key conversations, forums and decision points across the energy system.



We achieved a deeper connection with the community through development and distribution of an expanded suite of consumer resources through our website and digital channels, which provided consumers with clear, independent and credible information about how to attain a better deal on their energy services and navigate the challenges of the pandemic.

Community Listening was again a strong pillar of our engagement with the community as we conducted candid video interviews with adopters of new energy tech throughout the Adelaide Metropolitan area, the Adelaide Hills and Milang in regional South Australia. This exercise was a crucial plank in our activity seeking feedback from consumers about their attitudes towards having their

Distributed Energy Resources centrally controlled in particular circumstances. We then ran a social media campaign, promoting these videos to everyday Australians and asking them to share their own energy experiences back with us via a dedicated feedback section on our website.

Improving the way we listen to consumers

To ensure we are hearing the voice of consumers on the issues that matter, we have reviewed our foundational research project, the Energy Consumer Sentiment Survey. While we wanted to retain many of the measures that we have successfully employed to track confidence and satisfaction over the past 5 years, we also wanted to create new touchpoints around emerging





Publish the Energy Consumer Sentiment Survey with a new dedicated website to build the consumer voice

Planned online Roadshow for communicating ECSS findings

Governments, energy departments, market bodies brief on ECSS findings including COVID-specific work in responding to pandemic

Energy Consumer Sentiment Survey results presented at events

Consumer research and tariff tracker cited in reports, submissions and other research

Undertake three multi-day Community Listening visits



21 submissions to major policy processes, market reviews and NEM rule changes

Increase focus on small businesses engagement

Submissions focused on better outcomes for small businesses.

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

Speak at agenda-setting conferences and events.

issues such as ‘trust’, effective communication by energy companies, and the priorities and concerns of people in the energy transition that is underway. Importantly, we wanted to delve deeper into how consumers use energy.

This has led to a refresh of our existing survey and the establishment of a second standalone survey called the Energy Consumer Behaviour Survey. The separate behavioural study focuses on consumer practices when it comes to energy use, and consumers’ willingness and ability to change the way they use energy. The new study will be a complement to the Energy Consumer Sentiment Survey. The first Energy Consumer Behaviour Survey is scheduled for release in October 2021. In this way these studies have adapted to ensure they remain a consistent window into trends in consumer sentiment but have also become more agile at responding to emerging issues and reflecting the issues and concerns that consumer are facing now and in the future.

Making sure consumer voices are heard also relies on effective channels for communicating them back to the broader energy industry. As part of a commitment to continuous improvement in this regard, we wanted to make the survey data more accessible and engaging for our stakeholders. To do this we developed a new microsite, which provides featured content, jurisdictional charts and an interactive portal that enables users to easily select and cross-tabulate data for use in their own research and projects. The microsite was extremely well received, leading to increased stakeholder engagement, media interest and overall visibility for the survey.

Acting on what consumers tell us

While this year was unique and required us to be flexible and respond to crises, we still managed to produce 21 submissions to NEM rule changes, market reforms, network planning decisions and major policy processes, aggregating our research and insights about consumer preferences, behaviour and sentiment to insert their voice into the decisions being made which affect them.

These included the AER’s third Default Market Offer, the ESB’s Post-2025 Market Design Consultation Paper, the AEMC’s consultation on access, pricing and incentives for distributed energy resources, submissions on the significant network determinations on revenue proposals in South Australia, the ACT and Victoria and on key changes such as the AER’s update of Ring-fencing guidelines for stand-alone power systems. All of these processes have a significant bearing on the strategic priorities identified in our Business Plan 2020-21.

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 to 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, complementing 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.



Enhancing our consumer outreach and communications

The feedback from stakeholders, including government about our role in communicating and engaging with consumers and stakeholders has been immensely valuable and has guided our priorities in this area during the past year.

In early 2021, we recruited a Director for Communications and Stakeholder Engagement and have reshaped our Executive Management Team to prioritise stakeholder and consumer engagement.

Strategically and at a high level, we envisage a slightly different way of thinking about how we interact with consumers than we have in the past. While our research programs remain a critical way of gaining insights about consumer attitudes and behaviours, we want to complement that activity with an ongoing conversation with consumers, imagining and exploring the possibilities, opportunities and frustrations of the future energy system in partnership with them. In this regard we are not working to 'educate consumers' in order to deliver a preconceived understanding or

action. Instead, we are committed to furnishing information and prompting conversation that better allows consumers to navigate the world of energy markets and services, in alignment with their preferred level of involvement and for their own benefit.

We intend to help consumers regardless of their personal drivers about energy – and our Power Shift work is instructive here. For some people, it is important to make engaging easy and simple, whereas others want to delve deeper and invest more time. We are now making information available in multiple formats and with differentiated messaging to cater for these different needs.

We also want to ensure our stakeholders are well informed about our priorities and progress with our work program. To this end, in 2020-21 we launched a newsletter for stakeholders and an online blog titled *bECAuse*, as part of our response to the recommendations of the review of Energy Consumers Australia. We have also increased our engagement with both industry and mainstream media, generating increased



Publish SME tarifftracker

Use Tarifftracker insights reports to highlight impact on SMEs



coverage for our core activities and continuing to socialise a consumer-centered view of the energy system amongst our stakeholder network and beyond. We will continue to lift our stakeholder engagement in 2021-22, as the restrictions associated with the pandemic ease and opportunities become more available.

Our newsletter email engagement, which now includes a more formal regular monthly newsletter to those on our mailing list, is well above average for non-profit organisations based on industry benchmarking reports.

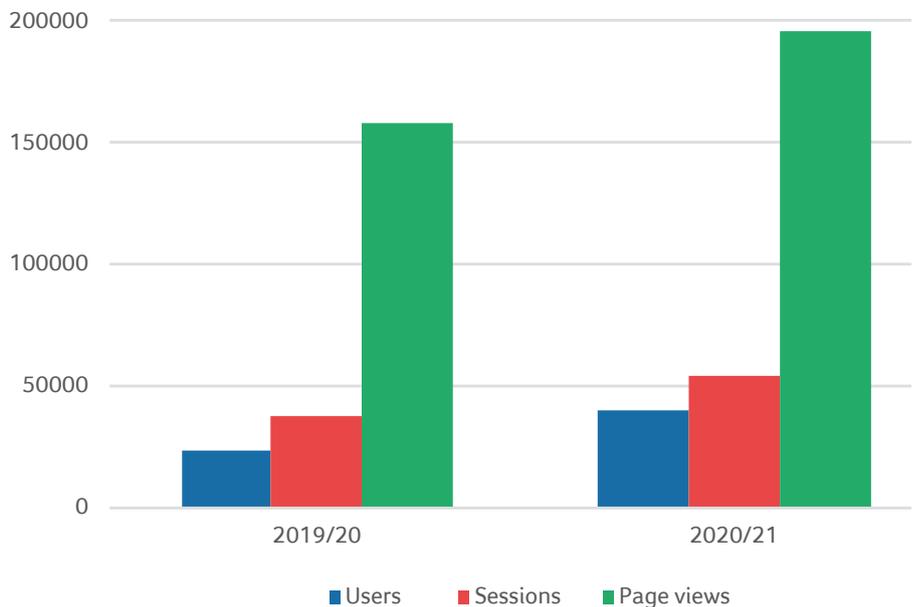
- The email open rate for 2020-21 was 32.2%, compared with the non-profit average of 28.5%.
- The click through rate for the mailing list is 7.1%, up 2.3% on last year and higher than the non-profit average of 4.1%
- Our mailing list grew by 280 subscribers, an increase of 14%.

Our website increased visitors and engagement levels in 2020-21 with a 68.5% increase in visitors and 24% increase in page views.

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

- Increase and improvement of content creation across email and social media channels.
- Record numbers of users visiting our 'Careers' pages including advertisements for new roles.
- Continued high demand for flagship research results such as the Energy Consumer Sentiment Survey.
- Expanding the consumer facing section of the website including focus on support during COVID-19.
- Significant increase in focus on LinkedIn engagement, leading to a 65% increase in website traffic from that channel.

Figure 9: Website users, session and pageviews



- Delivery of a comprehensive monthly email newsletter to stakeholders with clear focus on updates about our work program. Adoption of new online blog bECAuse as a hub for useful and engaging content for stakeholders and consumers.
- More sophisticated use of promotional reach through digital channels to boost content of strategic importance.

Adapting our PowerCall initiative to the COVID-19 environment was a critical aspect of our consumer engagement and support during the pandemic. Every visitor to our website was prompted to access tools and resources from our website during 2020-21, including targeted information for small business consumers.

We have also expanded the consumer resources available on our website including a greater depth of information about where to get government assistance, support for vulnerable consumers and those facing an energy problem, such as billing or account issues.

We significantly lifted our output and consumer engagement on social media this year. The number of posts across channels lifted significantly and the engagement increased by 75% on LinkedIn, 200% on Twitter and 108% on Facebook.

These results were bolstered by strategic use of paid promotion reach across LinkedIn and Facebook as a complement to the strong engagement seen organically.



Increase visitor and engagement levels on digital platforms

Grow ECA's mailing list by at least 10 per cent





In total, 23 pieces of video content from digital events were created for use through our channels. Interviews with grant recipients were produced to highlight the impact of key projects and the Community Listening interviews focussed on how consumers are using new energy technology. Webinar recordings were also made available covering topics such as DER social licence and the Project Marinus interconnector.

In total, video content was watched for 335 hours through YouTube and our website throughout this financial year. This content was also integrated throughout our digital communication channels to deliver high impact messaging to stakeholders and the community at large.



Implementation of Communications strategy and findings of the Digital Review

Measure social media channel effectiveness

Leverage grant program and other available resources in our communications

Assess progress through review of feedback from consumers

Publish five video or audio packages promoting ECA grant funded projects

Increase collaboration through our regulatory calendar, advocate teleconferences and information bulletins.



Figure 10: LinkedIn, Twitter and Facebook performance

	Posts Total	Post Engagements	Organic Reach	Promotion Reach
LINKEDIN				
2019-20	174	3,382	69,657	NA
2020-21	236	5,932	114,092	138,324
TWITTER				
2019-20	224	1,575	75,264	NA
2020-21	360	4,726	219,768	NA
FACEBOOK				
2019-20	36	4,475	7,653	387,441
2020-21	143	9,334	14,498	247,768

Figure 11: YouTube performance



Video performance	Posts	Views	Total hours watched	Average view duration
YouTube	19	4,772	335.1	4m:12sec

Going digital for the 2021 Foresighting Forum

Like all our stakeholders, the pandemic interrupted plans for our events this year, including the 2021 Foresighting Forum. While the forum had to be rescheduled, at 30 June 2021, we were in the final stages of planning for the online series of events.

The theme for this year's forum is Framing the future by learning from the shocks of 2020. We believe there are important lessons to be learned from the pandemic, bushfires, floods and other events, particularly the way the energy system and decision makers responded and the subsequent adaptation of consumers and the system itself, during these periods of duress.

Our webinar series will examine these questions, across three sessions:

- Social Practice and Consumer Behaviour
- System Resilience
- System Design

We look forward to the opportunity to engage online, and even more so to the chance to reconnect in person in the not so distant future.



Governance

– Responding to
feedback, living
our values



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 continue to be funded by consumers from levies collected by the Australian Energy Market Operator.

Our role is set out in our Constitution, as agreed by the COAG Energy Council, which also sets out our Objective and the Activities to achieve it. This is available on our website.

In 2020, KPMG completed a statutory review of Energy Consumers Australia, and the recommendations of this review have been extremely valuable in guiding organisational reform and improvement. The review reported a high-performing organisation successfully carrying out the

requirements listed in its Constitution. It also identified new areas for focus given the extent to which the operating environment – Australia’s energy system – had already changed during Energy Consumers Australia’s short lifespan.

One of the areas for improvement was being clear about what we set out to do, how we intend to impact our priorities and then communicating this effectively with stakeholders. This year, we undertook an extensive strategic planning process in consultation with our staff, board and stakeholders, which delivered a new Strategic Plan 2021-2024 and Performance Framework.

Our vision

Consumer values, expectations and needs are realised through a modern, flexible and resilient energy system

Our mission

We research and understand consumer expectations, values and needs. We proactively shape a vision for the future, set priorities, influence and work with others to drive change across the energy system to benefit consumers.

Our purpose

To influence the shape of the energy system now and in the future by creating a trusted and influential voice for residential and small business consumers.

Our values

- We are independent - we are rigorous and inquisitive in challenging the status quo
- We are evidence based - what we think, say and do is supported by research
- We work collaboratively - we are inclusive in our engagement and open in our communications

Our impact

- Affordable energy for households and small businesses
- Individualised energy services that give consumers choice and control
- Modern, flexible and resilient energy system





Impact performance reporting that meets the needs of ECA and stakeholders

Updated Constitution reflecting issues raised in ECA Review and in practice

Complete review of grants program

A starting place for the new strategy was to clarify our vision, mission, purpose, values and the impact we seek to have through our work.

The new Performance Framework is clear about our activities, outputs and outcomes and outlines specific impact-based key performance indicators, on which we will report to the Board and our stakeholders. The Strategic Plan is now available on our website.

Further bolstering our governance, we have completed the constitutional review recommended by KPMG, which provides the necessary arrangements to support greater flexibility in the approach to Board tenure, make-up, remuneration and administration, and ultimately a more responsive governance set-up. This review and the recommended changes are currently being considered by energy officials.

Our review of the Grants Program has also been undertaken with enhancements to be rolled out in 2021-22 and a new IT system is already being implemented to simplify processes for grants applicants, using the *SmartyGrants* grants administration technology. More detail about the Grants Program review outcomes are available in the grants booklet attached to this report.

We are also engaging with stakeholders to communicate progress against the priorities identified in the 2019/20 jurisdictional engagement and will further progress this work in 2021-22.

All of this strategic change is reflected in a restructure of Energy Consumers Australia with a five-person Executive Leadership team reporting to the CEO.

The Chief Executive Officer and Executive Leadership Team of Energy Consumers Australia are responsible for leading our policy advocacy supported by our research, investing in the advocacy capabilities of other organisations through our Grants Program, engagement with stakeholders and the effective day-to-day management of our organisation.

Agile and responsive in the year of COVID-19

In January 2021, Lynne Gallagher was formally appointed to the role of CEO after 9 months acting in the role. Lynne has led the team through the entire pandemic period and all the disruption this has involved.

This continuity, combined with the stable Board and Reference Committee, has been an important factor in our efforts to support consumers, our stakeholders and maintain momentum on key energy reform areas during a challenging period.

We continue to feel the impact of COVID-19 in adapting our working arrangements for staff, to protect health and safety and accommodate the Government's social distancing guidelines as they arise. Our Employee Assistance Program is a key support to take care of our people's health, needs and wellbeing.

The pandemic also had a major effect on the priorities of most organisations over the past 12 months. It has placed



constraints on activities, diverted our stakeholders' attention to pressing issues and restricted face-to-face engagement and travel across jurisdictions. All of this has had an impact on our budget.

Deferred activities included Board stakeholder forums, community listening events, in-person jurisdictional engagement and our 2021 Foresighting Forum. Grants Program approvals were also down on previous years reflecting a significant drop in the number of complying grant applications as stakeholders focussed on other priorities.

We expect a graduated return to pre-pandemic budget outcomes in a more normal operating environment and intend to make up for lost ground in terms of the budgeted allocation for grants in the coming financial year, although noting that grant requests

remain constrained given the ongoing impact of COVID-19.

Our strong financial position enables us to address key strategic priorities identified in our new Strategic Plan 2021-2024 and meet demands resulting from the pandemic and the ongoing economic recovery in the coming 12 months.

We have continued to prudently manage our resources, budget and people, including our goal of maintaining annual expenditure within budget, benchmarking staff engagement and increasing staff capability through professional development activities.

We have also delivered our Business Plan with a three-year rolling budget and have maintained a fit-for-purpose control environment around risk, governance and operations.

- Deliver Business Plan and three-year rolling Budget*

- Achieve Governance calendar deadlines*

- Maintain a 'fit-for-purpose' control environment*

- Increase system and process efficiencies and improvements*

- Report on enhanced Records Management processes*

- Benchmark staff engagement (70%)*

- Increase staff capability through Professional Development activities*

Figure 12: Energy Consumers Australia organisational chart





Vision

Consumer values, expectations and needs are realised through a modern, flexible and resilient energy system.

Mission

We research and understand consumer expectations, values and needs. We proactively shape a vision for the future, set priorities, influence and work with others to drive change across the energy system to benefit consumers.

Purpose

To influence the shape of the energy system now and in the future by creating a trusted and influential voice for residential and small business consumers.

Values

- We are independent - we are rigorous and inquisitive in challenging the status quo
- We are evidence based - what we think, say and do is supported by research
- We work collaboratively - we are inclusive in our engagement and open in our communications.

Our activities

– what we do to achieve our purpose

- Iterating a vision for the future of the energy system using research and evidence
- Identifying and analysing complex problems
- Building and supporting greater capability, expertise and coalitions for advocacy
- Initiating change and reform proposals
- Influencing policy, legislative and regulatory reform outcomes
- Influencing industry business models, practice and behaviour
- Building consumer understanding and awareness, through our communications
- Develop and prudently manage Energy Consumers Australia's people, budget and resources

Outcomes

– direct results our activities produce, contributing to the impact we have

- Robust and growing evidence of consumer values, expectations and needs is available to energy sector decision-makers and other stakeholders
- Raised awareness, knowledge and understanding of the social, technical and economic drivers that are barriers to energy system change or create opportunities for better outcomes for households and small business
- Stakeholders have greater knowledge, skills and resources to seed and catalyse change, individually and in collaboration with others.
- Change and reform proposals are understood to have the potential to create scalable and systemic impact
- Decision-makers understand and respond to Energy Consumers Australia's policy positions and advocacy
- Industry boards and management understand and respond to consumer perspectives
- Consumers are better informed about energy market developments and are directed to independent advice and information
- Energy Consumers Australia is recognised as a high performing organisation

Impact



Affordable energy for households and small businesses



Individualised energy services that give consumers choice and control



Modern, flexible and resilient energy system.



Our Board

Energy Consumers Australia has a five-member Board, appointed by the Energy Council (comprising the Commonwealth, State and Territory Ministers with portfolio responsibility for energy).

The Board has 3 core functions:

- Setting the strategic direction and risk appetite of Energy Consumers Australia and engaging with stakeholders.
- Determining the funding and requirements of the Grants Program and being the decision-maker on applications other than those delegated to the Chief Executive Officer.
- Oversight of Energy Consumers Australia's performance and financial management, with annual accountability to the member.



Marie (Louise) Sylvan AM

BA, MPA, FAICD

Director and Chair

Appointed 29 January 2015

Louise has significant experience in consumer affairs policy analysis and advocacy. She is Chair of the Reliable Affordable Clean Energy for 2030 Cooperative Research Centre; a non-executive director of the Social Enterprise Fund Australia, the Australian Risk Policy Institute, the Australian Centre for Social Innovation; and Member of the Advisory Panels of the Net Zero Australia project and the Australian Privacy Foundation. 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).



Gavin Dufty

B. Social Science

Director

Appointed 29 January 2019

Gavin has significant consumer advocacy and energy policy experience. Gavin is Manager Policy and Research at St Vincent de Paul Society, Victoria. He 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 director on the board of Energy and Water Ombudsman (Victoria) (EWOV) and is a representative on several industry and government committees.

The Board is also responsible for overseeing the implementation of the outcomes of the periodic independent reviews (the first review reported was completed in November 2019 and the next review is due to commence no later than January 2023).

The Board has established a Risk and Audit Sub-Committee and a Reference Committee. The role of the Reference Committee, as set out in the Constitution, is to act as an advisory group to the Board on energy consumer issues and is chaired by a member of the Board.

We take considered risks, across our activities and in the ways we manage our organisation. Our approach to risk management is that Energy Consumers Australia will accept a level of risk that allows us to pursue innovative strategies to promote the long-term interests of energy consumers but not to the extent that it limits our capacity to influence decision makers or causes Energy Consumers Australia to lose the confidence of key stakeholders.

Through the Board's Risk Management Framework, Energy Consumers Australia has processes in place to identify, evaluate, assign responsibility and report against key risks.

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



Helen Garnett PSM

BSc (Hons) PHD FAICD FTSE

Director, Member Risk and Audit Committee

Appointed 29 January 2019

Helen has significant corporate experience gained through 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. She currently chairs Generator Property Management and is a director of Developing East Arnhem Land, The Crawford Fund, Becquerel Laboratories and Larrakia Development Corporation.



Virginia Hickey

BA, LLB, FAICD

Director, Chair Reference Committee

Appointed 22 February 2016

Virginia is a lawyer, corporate governance expert and a company director. She was previously a partner of commercial law firm, Finlaysons. She 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 Ombudsman Council.



Christopher Spangaro

BLegS (Hons), GAICD

Director, Member Risk and Audit Committee

Appointed 29 January 2019

Chris has a background in law and public policy. He is a member of Independent Pricing and Regulatory Tribunal's (IPART) Energy Savings Scheme Tribunal Committee. 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. He previously worked for the NSW Independent Pricing and Regulatory Tribunal as General Manager of the Greenhouse Gas Abatement Scheme and as Manager, Water Pricing.



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 one new member join the committee. We welcomed Carmel Franklin to the team.

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.

Carmel Franklin ACT (from July)

B.Ed., Dip. Comm Services (Financial Counselling)

Carmel is CEO of Care Financial Counselling and Consumer Law Centre of the ACT and has been the chairperson of Financial Counselling Australia.

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; Chairperson 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 Public Interest Advocacy Centre (PIAC).

Dr Fiona Simon VIC

GAICD

Fiona is Chief Executive Officer of the Australian Hydrogen Council.

Ross Womersley SA

Ross is CEO of the South Australian Council of Social Service (SACOSS), a member of the Essential Services Commission of South Australia's Consumer Advisory Council and the Energy Charter End User Consultative Group.

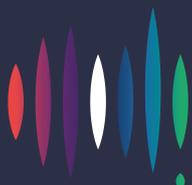
We thank the current Reference Committee for their contribution in the lead up to their terms expiring in July 2021. An announcement on the new Reference Committee will be announced in late 2021.

Summary of financial performance for 2020-21

Year Ending 30 June	2021	2020
Statement of Comprehensive Income		
Industry Levies		
AEMO Levies	8,178,550	7,610,000
Other Income		
Commonwealth Grant Income	-	33,417
Interest Earned	17,846	34,321
ACT Grant	25,000	25,000
Foresighting Forum	-	120,957
Other Income	113,092	86,435
Total Revenue	8,334,488	7,910,130
Grants	1,685,560	2,256,296
Commonwealth Grant Expenses	-	33,417
Research & Engagement	1,194,318	1,396,921
One-Off Projects	467,000	366,000
Administration Expenses	1,117,639	1,026,980
Staff Expenses	2,705,852	2,806,096
Board & Reference Committee	163,577	184,694
Total Expenses	7,333,946	8,070,404
Income Tax Expense	-	-
Net Surplus/(Deficit)	1,000,542	(160,274)
Statement of Financial Position		
Current Assets	3,841,516	2,585,375
Non-Current Assets	35,626	38,374
Current Liabilities	1,120,956	881,413
Non-Current Liabilities	48,261	34,952
Equity & Reserves	2,707,925	1,707,384
Statement of Cash Flow		
Cash Outflow from Operating Activities	(7,846,875)	(9,185,542)
Cash Outflows from Investing Activities	(34,200)	(267,193)
Cash Outflows from Financing Activities	(20,769)	(219,700)
Cash Inflow from Operating Activities	9,057,527	9,903,430
Cash Inflows from Investing Activities	253,046	-
Cash at Beginning	1,294,368	1,063,373
Cash at End	2,703,097	1,294,368

Notes:

1. Summary version only of ECA accounts. Full accounts available on ECA website www.energyconsumersaustralia.com.au
2. ECA's Income are fees recovered by Australian Energy Market Operator in accord with national electricity & gas rules.
3. ECA received additional funding of \$300,000 from Australian Energy Market Operator to cover the additional costs incurred by ECA through its participation in the appeal to the Australian Competition Tribunal of the New Energy Tech Consumer Code in 2020.
4. While the COVID-19 pandemic did not significantly impact ECA's operations, given the nature of the business, it did have a material impact on the demand for funding under the Grants Program. The underspend in the Grants Program of \$629,440 was primarily due to a lower volume of grant applications (\$542,000) and changes in the timing of payments to existing grants (\$87,440). These unusual circumstances have not changed the funding being allocated to the Grants Program in future years.
5. ECA is registered as a charity by the Australian Charities and Not-for-profits Commission and has income tax exemption by the Australian Tax Office.



**ENERGY
CONSUMERS
AUSTRALIA**

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