

2023 Energy Charter Disclosure Statement



Introduction from the Chair and CEO

On behalf of the Aurora Energy (Aurora) Board and leadership team, we present our 2023 Energy Charter Disclosure Statement, outlining the progress made against each of the Energy Charter's (Charter) five Principles.

This Statement was developed using feedback from senior leaders and subject matter experts from across our business and has been endorsed by the Board and Chief Executive Officer.

This Statement also incorporates input from our stakeholders, who helped us complete our self-assessments against the Charter's Maturity Model as well as feedback on the performance of Aurora Energy from lived experience partners.

Critical to the work of the Charter is that it remains a highly collaborative endeavour that encourages signatories to be accountable and extend their efforts to bring about positive customer outcomes. Aurora Energy embraced this during the 2022-23 reporting period and has committed to Charter Better Together (#BT) initiatives that are having a real impact on how customers manage their energy costs. These #BT initiatives stand out as real difference makers in the Charter's work and will ensure it remains effective and relevant in the Australian energy sector for years to come.

Importantly, Aurora Energy is highly aware of the range of national and global events that have placed significant upward stress on energy prices. Many customers are at a time of need and in response we have extended our Your Energy Support (YES) incentive program to reach a greater volume of customers.

Aurora Energy is not immune to the ongoing difficulties of retailing in a national market that is becoming increasingly complex and challenging to navigate. To manage this, we have reset our operational structure and will soon complete the introduction of a new customer management system that will enhance our ability to service our customers. These changes provide the pathway for Aurora Energy to continue its progression against the Energy Charter's five key principles, however, a by-product of their delivery is that our maturity assessments for 2022-23 reflect a period of transition.

Whilst the 2023-24 outlook in the energy industry appears uncertain and will continue to characterise our operating environment, we welcome the opportunities that will inevitably arise from further change.

Tasmanians can be assured that we understand their unique energy needs and we genuinely care about them, in particular, the impacts of energy costs on household and small business energy bills. Our work through the Energy Charter will continue to influence our customer obsession and objective to place the customer needs at the centre of everything we do.



Mary O'Kane, Chair



Nigel Clark, Chief Executive Officer

Our customers and communities

Aurora Energy provides electricity and gas retail services to residential, small and large business customers throughout mainland Tasmania. As of June 2023, we provided electricity to just under 280,000 customers, including both residential and small business customers and around 4,800 gas customers who are predominantly residential.

Our community

Tasmania has a cool climate with a relatively small, regionally dispersed and ageing population that faces a number of socio-economic challenges. According to the 2016 Census, Tasmania had the lowest proportion of people living in the most advantaged areas of all the states and territories (in Australia), and the highest proportion of people living in the most disadvantaged areas. Tasmania continued to have the highest proportion of customers receiving an electricity concession of all National Energy Market (NEM) jurisdictions (39 per cent of our residential customers received an electricity concession in 2021-22). These demographic features significantly influence the way our customers interact with our business and contribute to energy affordability being a key concern for many Tasmanians.

Customer Context - Cost of living challenges

The 2022-23 period has seen a continuation of cost-of-living challenges facing our customers. Higher than expected inflation continued to impact the cost of goods, most notably in housing, food and transport costs. Energy bills across Australia have experienced similar pressures with increases in mainland jurisdictions of up to 25 per cent. Whilst Tasmanian regulated prices have increased by lower in comparison, this remains a highly material impact for residential and small business customers especially given the Tasmanian population's lower socio economic status. Further, large business customers outside of the regulated pricing framework have been exposed to increases in line with those experienced across the NEM.

Aurora Energy continues to ensure our customers have access to support measures to address cost-of-living challenges and the pressure of high energy bills with this further described in the following key highlights for 2022-23.

Customer Context - Period of Transition for Aurora

Aurora Energy acknowledges in the final quarter of the 2022-23 period, that our customers have experienced longer wait times than usual when seeking to contact the call centre. This is a result of a combination of factors, including high demand, a reset of our operational structure and the move to a new customer care and management system with the last two actions ultimately intended to drive a higher level of efficiency and performance for our customers.

A number of actions have been taken in response, including targeted messaging on alternative ways to reach Aurora Energy and a focussed build-up of additional resources. Whilst this is considered a temporary circumstance for Aurora Energy, it has shaped our capacity to advance our maturity ratings with there being no movement in our self-assessed values for the Charter's five key principles (see pages 6-10).

¹Australian Bureau of Statistics, Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2016

² Tasmanian Economic Regulator, Energy in Tasmania Report 2020-21, March 2022, page 26

2022-23 Highlights

Highlight 1: Support for customers facing cost of living pressures

After two successive periods of price decreases, Tasmanian electricity prices in 2022-23 rose significantly by 11.88 per cent. At the start of this period, Aurora Energy took steps to ensure support was available for our customers as we understand the impact electricity costs can have on customer budgets.

As we approached the close of the 2022-23 period, it became apparent that electricity prices were set to rise again. Early indications of these movements came from mainland jurisdictions that announced price hikes, many in the vicinity of 20-29 per cent, with some major providers' prices increasing even more. On 21 June 2023, the Tasmanian Economic Regulator announced Tasmanian prices for 2023-24 would rise by an average of 9.51 per cent.

This increase was primarily driven by high wholesale energy costs (generation), which account for two fifths of a customer's bill, with a range of recent national and global events placing significant upwards pressure on the wholesale energy market. In response, Aurora Energy prepared a number of support mechanisms:

- Extended payment options and relief via Aurora Energy's nation-leading YES (financial hardship) program, including an extension of the incentive program. [SoS](#)
- Direct assistance via the Customer Support Fund to support anyone experiencing financial vulnerability, used to waive fees and charges, freeze debt, and help customers manage their ongoing consumption through subsidised payment plans.
- An additional \$200K in funding to top up the Tasmanian Government's energy hardship fund.
- Easy account management with aurora+ at no cost.
- A range of energy efficiency tips across digital platforms and through Aurora Energy's community networks as low energy efficiency in Tasmanian homes remains a big driver of high bills, especially in winter.

Under the Charter's Priority #BT to address cost-of-living pressures, Aurora Energy has also supported the development of a national concessions awareness campaign to help promote the registration of concessions on customer accounts.

Highlight 2: Knock to Stay Connected

Knock to Stay Connected (K2SC) is a customer-focused initiative, in collaboration with the Energy Charter, that aims to prioritise customer welfare and help them avoid disconnection. National trials have shown remarkable success with up to 80 per cent of disconnections being avoided through this proactive approach.

Aurora Energy in tandem with TasNetworks has been delivering a K2SC process since the start of February 2023 with over 60 per cent of customers avoiding disconnection as a result of the 'knock' and the customer contacting Aurora Energy to make a payment arrangement.

On 14 June 2023, the K2SC Customer Code was launched, a collaborative effort among various stakeholders as part of The Energy Charter. The K2SC Customer Code provides an ongoing forum to collect best practice processes and points of consistency to ensure the ongoing success of K2SC in the Tasmanian region.

Highlight 3: Your Energy Support Program and Policy Review

In August 2022, Aurora Energy commenced a review of its YES Program and underpinning Policy to ensure we were best positioned to meet the needs of customers facing challenging life circumstances. The YES Policy is our approach to supporting vulnerable customers facing bill payment difficulties.

In response, new approaches to understanding vulnerability were added to the program as well as early intervention reporting tools to proactively examine customers with broken payment arrangements.

A revised YES Policy was submitted to the AER and approved in May 2023.

An outcome of the YES Program and Policy review is that Aurora Energy is putting in place additional internal processes to keep customers on the YES Program and is referring more customers internally through proactive identification of customers experiencing challenging life circumstances. This has showed early promise with numbers in the program steadily increasing since 1 January 2023.

To support the new policy in operational teams, YES team attended a workshop run by the TasCOSS Community Voices Program to unpack vulnerability through lived experience.

Highlight 4: New engagement approaches

Across 2022-23, Aurora Energy undertook new approaches to engaging with stakeholders to ensure a broad range of feedback could be utilised to drive our growth under the Energy Charter.

On 13 October 2022, Aurora Energy and TasNetworks CEOs hosted a joint Feedback Forum focused on how both businesses could better support vulnerable customers, ease cost of living challenges and ensure that no one was left behind through the renewable energy transition. Attendees from the Energy Charter engagement groups for both businesses helped produce ideas for further investigation and collaboration including (but not limited to

- The power of data and modern tools that can help with outage and usage communication needs.
- Targeting energy efficiency gains to assist customers in lowering their energy costs.
- Sharing of distributed energy resource benefits through community solar and/or battery systems.

On 24 May 2023, Aurora Energy held a 'lived experience session' with customers to gather their feedback on our performance, particularly as it relates to the five key principles of the Energy Charter. Participants had a range of backgrounds and experiences with Aurora Energy. The session was overwhelmingly constructive and positive.

Feedback from one advocate:

"They did a great job creating a safe and confidential space for honest conversation to take place. In alignment with every other role I have had, it was also empowering and rewarding as I felt (and believe all others did too) that feedback provided has been listened to and taken on board and will lead to improvements in the future."

Aurora Energy considers the overall lived experience engagement a success and one that it can repeat and/or grow as it works through future accountability reporting to the Energy Charter.

Customer Performance Measures

Following on from our previous Disclosure statements, we have included the below metrics to assist in providing a consistent view of customer outcomes over time. These metrics are provided in addition to the more project-and program-specific customer outcomes included against each Principle on pages 6 to 10.

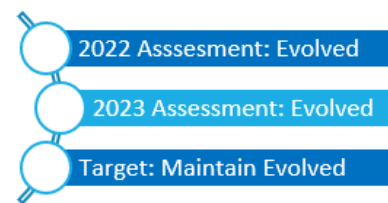
| | Metric | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|-------------|---|----------------|----------------|---------|----------------|---------------|
| Principle 1 | Employee engagement | 66% | 73% | 80% | 55% | 42% |
| | Commitment to Customer | 59% | 60% | 67% | N/A | N/A |
| Principle 2 | <u>Bill Shock Score</u> | 31.30% | 30.30% | 21% | N/A | N/A |
| | Customer Value Index (CVI) | 26.6 | 26.8 | 24 | 22.7 | N/A |
| Principle 3 | Safety incidents (Medically treated injuries) | 3 | 0 | 3 | 0 | 1 |
| | Disconnections (for non-payment) | 141 (0.05%) | 677 (0.25%) | 0 | 489 (0.17%) | 632 (0.2%) |
| | Advanced meter installation volumes | 47,469 | 26,663 | 42,473 | 30,437 | 15,103 |
| Principle 4 | Complaint frequency rate (per 100 customers) | 0.18% | 0.27% | 0.29% | 0.37% | 0.61% |
| | Ombudsman referrals | 2.93% | 1.32% | 1.35% | 0.77% | 0.51% |
| Principle 5 | YES Program (hardship) customers | 4,758 | 4,169 | 4,544 | 5,191 | 4,090 |
| | YES completions | 610 | 938 | 921 | 555 | 563 |

Performance Commentary

- After steady growth in our engagement results over the last few years we have seen a slight dip in the past 12 months. As we work towards a long term vision for our customers, migrating customers to a new customer management platform and realising a new operating model has resulted in short term disruption. However, these impacts have been minimised through flexible working practices, new values culture, and direct leaders support.
- The complexities involved in delivering a new customer management system has led to indicators such as ‘Customer Obsessed and ‘Ombudsman Referrals experiencing greater pressure in 2022-23.
- The CVI measure relates to customer effort, or how ‘easy’ the customer experience is. Improvements in this score correspond with a decrease in ‘high effort’ responses from our customers, suggesting that overall we’re making things easier for them.
- Our target for medically treated injuries is zero.
- Advanced meter installation volumes was a new statistic for the 2021-22 statement. Installing greater volumes of advanced meters will ensure faster access to new products like aurora+ and equip Aurora with the data required to help customers make more informed decisions on the right plans for them to lower energy costs.
- Disconnections recommenced on 1 August 2021, following the end of the Australian Energy Regulator’s COVID Statement of Expectations that required retailers to not disconnect any small customers for non-payment reasons.

As per Aurora Energy’s commitment to the [Statement of Support \(SoS\)](#) under the ‘Cost of Living’ Priority BT, we have identified which actions in the following sections have helped address our commitments under the [“SoS”](#).

Principle 1: We will put customers at the centre of our business and the energy



Our progress in 2022-23

- The progress made by Aurora Energy to place the customer at the centre of our work is demonstrated through the examples provided above, in particular, our efforts to utilise customer lived experience feedback and our collaborative work with TasNetworks on shared Energy Charter projects.
- Customer reporting continues to be important for Aurora Energy and visibility of customer interactions, outcomes and feedback are regularly provided through to the Aurora Energy Board to enable customer focussed decisions as part of their director roles.
- We continue to have strong models of engagement with consumer representatives on a regular basis and in response to discrete issues that require collaboration. Our broad approach to consumer engagement sees us engage with both residential and business stakeholders with dedicated forums in both segments.

Outcomes delivered

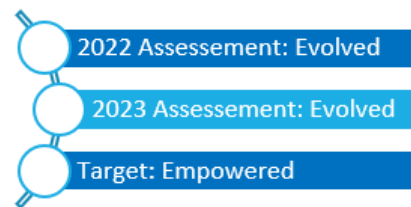
- Our value 'Customer Obsessed' is all about understanding the needs of our customers and using their voice to inform our work so that we can meet their needs. To better embed Customer Obsessed within our contact centre, we refreshed our induction and training processes to give new agents exposure to customers from week one.
- Our senior leads also led a review on how we could amplify Customer Obsessed across the business to ensure that customers come first in all our decisions. We tested our values in an April 2022 engagement survey that found 87 per cent of employees have a good understanding of what our company values mean and 85 per cent recognised an expectation to demonstrate those values.
- We supported the TasCOSS Community Voices Program through its use across multiple projects as well as sponsorship of the June 2023 launch of the Community Voices Program.

Our aspirations for continuous improvement

Aurora Energy has maintained a focus on customer obsession in 2022-23 with new initiatives and existing approaches continuing to bring value for customers and their representatives. For this period we have assessed ourselves to be **Evolved** and consider it realistic to aim to maintain this status in 2023-24 through the following actions:

- Continue to build on our engagement and support of the TasCOSS Community Voices Program alongside other Tasmanian energy businesses.
- We will reset our community program of sponsorships, partnerships, volunteering and donations to ensure the Tasmanian community and how it interacts with Aurora Energy is a key part of our strategy going forward.
- We are also developing our approach to Environmental, Social and Governance (ESG) and sustainability reporting to ensure all elements of our operation realise benefits for the Tasmanian community. Our ESG strategy will have regard for contemporary approaches and be informed by the United Nation's sustainable development goals.
- We will expand our use of lived experience with a model of customer engagement that seeks individual feedback but also draws on the broader input of large segments of Aurora Energy's customer base.

Principle 2: We will improve energy affordability for customers



Our progress in 2022-23

- Standing offer prices increased by 11.88 per cent on 1 July 2022 and rose again on 1 July 2023 by an average of 9.51 per cent. In response, Aurora Energy continued to assist customers through a range of support services and funds to help mitigate cost-of-living impacts, as outlined in Highlight 1.
- Critically, we worked closely with the State Government and Services Australia on the complexities of delivering the Energy Price Relief Payments (EPRP) to non-standard concession customers, including Family Tax A and B recipients, Department of Veterans Affairs Gold Card customers, Seniors Health Card holders and Carer Allowance recipients.
- We contributed \$15K to the design and delivery of a national concessions campaign, a #BT initiative of the Energy Charter, aimed at ensuring all customers eligible for a concession know they are eligible and feel confident to contact their retailer. The national campaign commenced in July 2023. [SoS](#)
- In early 2023, we developed an informative digital journey to help customers understand the financial benefits of changing energy plans. This will be scaled in the second half of 2023. There are now almost 50,000 customers on Tariff 93 which is on average a cheaper tariff option for over 60 per cent of the Aurora Energy customer base.

Outcomes delivered

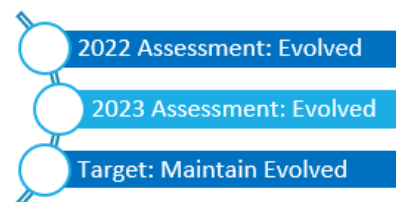
- In addition to the most recent support measures, in July 2022, we delivered the State Government's targeted assistance of a \$180 Winter Energy Bill Supplement for all concession card holders.
- Provided an additional \$200K in funding to top up the Tasmanian Government's energy hardship fund.
- We removed the aurora+ product service fee and ran a campaign to communicate the benefits of the digitally based product in order to grow its take up. Notably, a state-wide roadshow was undertaken with 15 community education sessions held in all areas of the state during September and October 2022.
- There are now over 70,000 aurora+ users, a significant increase compared to the figure of 40,200 at the start of 2022-23. This is nearly a third of the Aurora Energy customer base and represents uptake of aurora+ by >40% of eligible Tasmanians (applicable tariffs, advanced meter customers).

Our aspirations for continuous improvement

We have assessed ourselves as **Evolved** for this Principle in 2022-23. Whilst we aim to maintain this level in 2023-24 it is Aurora Energy's overarching goal to be **Empowered** in this principle. We will continue our range of support measures that help customers with bill payment difficulties through these additional actions:

- Aurora Energy in collaboration with TasNetworks has committed to apply the "Voices for Power" energy education model in the Tasmanian region. This is expected to commence in 2023-24. [SoS](#)
- We are committed to delivering the EPRP payments in full noting the expansive scope of recipients will require detailed planning and execution to ensure all payments are delivered in full.
- Take learnings from the provision of support payments to cohorts under the EPRP previously unknown to Aurora Energy, such as Family Tax A and B customers or Senior Health Card holders and examine what further points of assistance can be considered.

Principle 3: We will provide energy safely, sustainably and reliably



Our progress in 2022-23

- Aurora Energy is independent from the generators we purchase energy from and does not own any physical assets. In this context, our focus for this Principle is primarily on the safety of our people, our impact on the overall environment and ensuring that our metering coordinator has comprehensive safety management systems in place.
- With COVID-19 becoming a part of everyday life, we have supported a shift across the business towards working onsite for 2-3 days a week to make the most of in-person connection, peer-to-peer learning and support. Our people continue to have the opportunity to work from home to make the most of work-life balance.
- Our strong COVID-19 measures remain in place including sharing onsite cases weekly, ensuring our desks are distanced, supplying employees with rapid antigen test kits, and encouraging hand sanitising.
- In addition, our dedicated Wellbeing Program and initiatives support the wellbeing of our people. This year we introduced onsite lunches to encourage connection, supported our people and their immediate families to get free flu shots, and rolled out mental health first aid training.
- We have continued to work with stakeholders on our Metering Rollout Strategy that is essential to the State Government reaching its target to deploy advanced meters to all customers by 2026.

Outcomes delivered

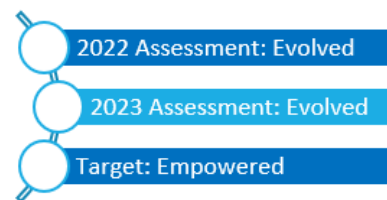
- We have continued to focus on sustainability, maintaining partnerships with electric vehicle subscription service 'Carbar' to offer simple access to electric vehicles and with Tasmanian entity 'Bank of Us' to offer a competitive green loan product to Tasmanians.
- Through our partnership with TasMetering, Aurora Energy representatives attended multiple 'toolbox' sessions to meet with electrical technicians ahead of meter exchanges. Aurora Energy took the opportunity to explain the importance of a smooth customer experience throughout the meter exchange and the benefits available to the customer post-exchange, through better access to energy consumption data.
- Overall complaints continued to reduce in 2022-23, averaging 529 per month, down from 790 per month for 2021-22. Billing complaints continue to be the main driver with 50 per cent of total complaints in relation to billing, whilst customer service complaints saw a reduction from 15.6 per cent of total complaints to 14 per cent.

Our aspirations for continuous improvement

We have assessed ourselves as **Evolved** for this measure in 2022-23 and aim to maintain this for 2023-24. We will continue our commitment to Principle 3 by:

- Working with our metering partners on the safe and timely roll out of advanced meters to all Tasmanians by 2026, in line with the commitment of the Tasmanian Government.
- As part of our reset Community Program, we are examining the potential to engage our customers in programs that bring benefit not only to their personal use of energy but also to the broader environment, such as energy literacy and energy efficiency initiatives.
- We have engaged with TasNetworks to deliver the retail billing requirements for a community battery trial that is funded under the Federal Government's Community Batteries program.

Principle 4: We will improve the customer experience



Our progress in 2022-23

- Aurora Energy recognises that the Customer Experience is a key component of our offer to market and our way of thinking as we reimagine Tasmania's energy experience. In 2022-23, we continued to execute the initiatives in our Customer Experience Strategy, including heightened customer communications and greater access to digital insights.
- Our Customer Maturity assessment demonstrated that despite headwinds within the economy and community, we managed to maintain or marginally improve across the majority of metrics.
- Our customers' key digital tool, aurora+, continued to be developed in 2022-23. Most notably, functionality was added for small business tariff customers, along with solar insights for the same customer cohort. In addition, a more secure and streamline in-app sign up experience was designed and delivered.
- User videos for aurora+ were developed in 2022-23, allowing greater accessibility to the channel. This was delivered against a backdrop of significant user growth (+75%) in the same period, reaching almost 70,000 by 30 June 2023.
- We have continued to incorporate more infographics, illustrations, and videos into our energy advice pages to ensure accessibility and easy understanding for all in our community. [SoS](#)

Outcomes delivered

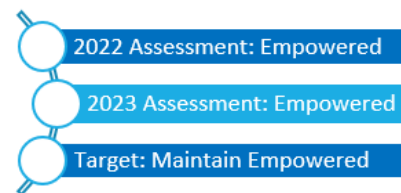
- Worked in tandem with Tasmania's other Energy Charter signatory, TasNetworks, to undertake a 'Knock to Stay Connected' (K2SC) program as part of that Priority #BT Initiative to help lower disconnection instances in Tasmania and contributed to the development of a code of operation for K2SC. [SoS](#)
- We developed a dedicated Family and Domestic Violence (FDV) webpage with quick exit functionality. Our dedicated FDV page is easily found in our main menu as well as via the search function. The quick exit function on the right-hand side of the screen allows for instant redirect to the Aurora Energy home page. Search history is also disguised and shows up as 'billing information' rather than 'family domestic violence help' in the search history list.
- We continued to update all customer communications to ensure all our communications are up to date, clear, and simple. Notably, we collaborated with Amigos Interpreters and Translators to design flyers in languages other than English, outlining the help available for customers who may be struggling as well as highlight energy saving advice. This is a step towards Aurora Energy becoming a more inclusive business. [SoS](#)
- Provided strong in person engagement at pop-ups at local shopping centres and dedicated events such as Agfest and the Derwent Valley Autumn Festival.

Our aspirations for continuous improvement

We have assessed ourselves as **Evolved** for this measure in 2022-23 and aim to transition to **Empowered** in the next two years. In 2023-24, activities that we will progress to achieve this include:

- Enhancing the Aurora Energy billing format to not only achieve compliance with the new Australian Energy Regulator 'Better Bills' Guideline but also to increase understanding and access of billing information for all customers.
- We will continue to grow the aurora+ functionality in response to customer needs with an immediate goal to add quarterly billing as an option for aurora+ customers to select.
- We will continue to promote aurora+ to all stakeholders with a goal of reaching 100,000 users by 30 June 2024.

Principle 5: We will support customers facing vulnerable circumstances



Our progress in 2022-23

- In addition to the support provided to customers to address cost-of-living pressures, and the review of the YES Program, both outlined in the Highlight sections, the following progress and outcomes underpin Aurora Energy's work to support customers facing vulnerable circumstances.
- We continued to work with community agencies in growing our understanding of vulnerability. The training of our YES team members continued with partnerships with the Salvation Army, Anglicare and peak body programs run by organisations such as TASCROSS.
- The YES team undertook tours across Tasmania providing roadshows aimed at both community organisations and customers to promote YES with the goal of driving visibility and an uplift in uptake. These tours will continue again in 2023-24.

Outcomes delivered

- Aurora Energy's Family and Domestic Violence (FDV) Policy was approved in October 2022 and in early 2023, dedicated training was provided to our frontline teams in identifying and supporting customers who are experiencing family and domestic violence and elder abuse.
- The YES webpage was revitalised and made more purposeful to include an enquiry form that takes a customer enquiry directly to the YES team to ensure vulnerable customers are serviced quickly. [SoS](#)
- As part of an incentive payment scheme for YES Program customers, we provided over 6,291 payments worth over \$827K to 3,288 customers for staying on track with their payment plan, bringing them closer to getting on top of their energy bills.
- We extended our partnership with Dress for Success by providing an additional \$30K towards the 'Changing Rooms, Changing Lives' initiative, which will see 200 women who continue to face barriers and challenges to engaging in the workforce, serviced through the Aurora Energy change room.

Our aspirations for continuous improvement

- We have assessed ourselves as **Empowered** for this Principle in 2022-23 and aim to maintain this for 2023-24. In the next 12 months, activities to continue our high level of commitment to Principle 5 include:
- Establish a referral process between TasWater and Aurora Energy to initiate the transfer of the customer between the businesses at times when vulnerability assessments are in train.
- A goal to increase the volume of customers within the YES Program in response to ongoing material levels of energy debt. This can be achieved by embedding additional processes for proactive identification of customers that may be experiencing financial difficulty.
- Examine strategies for use in the YES team and frontline officers on how to reduce fear and anxiety associated with asking Aurora Energy for support and assistance in managing difficult circumstances.
- Examine ways to ensure small businesses have greater opportunities to obtain the support available from both Aurora Energy and other sources such as Government grants.