

Game Changer Design Group

Terms of Reference

Objective

The objective of this design group is to codevelop solution(s) that will better balance cost and risk within the energy sector so that consumers experiencing vulnerability are identified early and get the support they need to improve outcomes.



Role

The design group will work with a leadership group to develop the game changer solution(s).

The leadership group comprises leaders (e.g. CEOs, Commissioners, Board members) from organisations across the energy sector who will:

- provide feedback and direction to the design group (including agreed items in this terms of reference)
- work together towards a public coalition of support for the designed solution(s)
- endorse designed solution(s) as signatories to game changer reform proposal.

The design group comprises representatives with relevant skills, experience and expertise from across the energy sector who will:

- codevelop game changer solution(s) within a human-centred design process
- engage with their organisational stakeholders to inform their input to the design process
- report to the leadership group.

The design group will be supported by:

- an independent facilitator engaged by the AER (Executive Central Group)
- secretariat staff from the AER.

Design stages

Table 1. Stages for developing the game changer

Stage	Responsibility	Objective	Timing
1	Leadership group	Consider and endorse the proposed design group approach, including guiding objectives, principles and protocols	September 2022
2	Design group	Develop solution(s) under the guidance of independent facilitator	November 2022
3	Design group	Present solution(s) to leadership group	December 2022
	Leadership group	Provide feedback on solution(s) in a facilitated conversation	
4	Design group	Refine solution(s) based on leadership group feedback, under the guidance of facilitator	January–February 2023
5	Leadership group	Endorse refined solution(s) as signatories to game changer reform proposal Advocate for game changer reform	March–May 2023

Scope

Problem definition

Consumers experiencing vulnerability are not getting the support they need to avoid adverse outcomes. In consultation to date, stakeholders have identified what needs to change to address this problem, including:

- equitable and efficient sharing of costs and risks
- better protections for consumers
- improved trust – of and from consumers
- earlier and better targeted support for consumers
- a system that engages consumers, including those with complex needs.

The AER's *Towards energy equity – a strategy for an inclusive energy market* sets out clear objectives and actions to deliver improvements for consumers. Action 15 is to advocate for sector-wide 'game changer' reforms. The aim is to create a fund that pools resourcing dedicated to supporting consumer vulnerability to deliver a more equitable and efficient sharing of costs and risks across the sector and create the opportunity for more concerted action.

Design challenge

The challenge to be solved by the design group is:

to better balance cost and risk within the sector so that consumers experiencing vulnerability are identified early and get the support they need to improve outcomes.

Design principles

The design principles will guide the work of the design group to ensure the solution(s) are fit-for-purpose.

- **Impact** – Deliver systemic reform for consumers experiencing vulnerability and support consumers with complex needs.
- **Scale** – Materially reduce the quantifiable and unquantifiable costs of consumer vulnerability.
- **Efficiency** – Improve efficiency of the energy system and incentivise businesses to identify customers experiencing vulnerability as early as possible.
- **Equity** – Deliver more equitable outcomes for energy market participants including better risk allocation.
- **Context** – Optimise with complementary supports for consumers experiencing vulnerability and avoid unintended consequences.
- **Agility** – Respond to the evolving energy system durably.

Solution spaces

The game changer vision is to create a fund that pools resourcing dedicated to supporting vulnerability to deliver a more equitable and efficient sharing of costs and risks across the sector. The design group will also consider ways in which the fund could be developed and deployed.

Solution spaces have been discussed with stakeholders in consultation to date. They are considered a starting point for the design group to further consider and refine. They are not the only solution(s) that can be explored in the design process. Initial solution spaces include:

- **Central service body** – Centralised body with responsibility for engaging and assisting consumers experiencing vulnerability with specialised, targeted, and individualised support.
- **Financial supports** – Supports that reduce the cost of energy consumption, energy efficiency, or energy debt for consumers, such as social tariffs, hardship payments, debt waivers, or community energy offers.
- **Retailer re-insurance pool** – Mechanism to defray some retailer costs (for providing support to consumers experiencing vulnerability) and risks (of customer default).

- **Other ideas (examples)** – Disconnection protections (a system whereby no customer who cannot afford to pay is disconnected) or an innovation incentive fund (a scheme to incentivise development of new, more effective products and services for consumers experiencing vulnerability).

Structure

Membership of the design group is limited to 20 members (maximum) to allow for an efficient design process. Members have been selected to provide a balance between diverse interests, capabilities and perspectives. This includes representatives from a range of organisation types and sizes across the sector, government jurisdictions, and diverse consumer advocate organisations who represent several cohorts.

A single representative for each member organisation has been nominated to attend all meetings. If the nominated representative is unable to attend a meeting, they can:

1. **(preferred)** contribute out-of-session
2. send a proxy in their place, noting a proxy will not be included in a quorum count.

Proxies must be informed of all relevant information in advance and come prepared to contribute actively to the session they are attending. Proxies must report back to the nominated representative in a timely manner to facilitate ongoing participation of the representative out of session.

Membership of the design group is detailed in Table 2.

Table 2. Game changer design group members

Organisation	Representative	Sector segment
Australian Council of Social Services (ACOSS)	Kellie Caught	Consumer
ACT Government	James Priestley	Government
Australian Energy Market Commission (AEMC)	Lisa Shrimpton	Market bodies
Australian Energy Council (AEC)	Ben Barnes	Industry
Australian Energy Regulator (AER)	Stephanie Jolly	Market bodies
AGL	Liam Jones	Industry
Alinta Energy	Graeme Hamilton	Industry
Department of Climate Change, Energy, the Environment and Water (DCCEEW)	Adam Pankhurst	Government
The Energy Charter	Sabiene Heindl	Industry
Energy Consumers Australia (ECA)	Kerry Connors	Consumer
Energy Networks Australia (ENA)	Lucy Moon	Industry
Energy and Water Ombudsman NSW (EWON)	Janine Young	Consumer
Financial Counsellors Australia (FCA)	Kylie Holford	Consumer
Group of Energy Efficiency Researchers (GEER)	Rowan Bedggood	Consumer
Origin Energy	Sean Greenup	Industry
Public Interest Advocacy Centre (PIAC)	Craig Memery	Consumer
Red Energy and Lumo Energy	Stefanie Monaco	Industry
St Vincent de Paul	Gavin Dufty	Consumer
Thriving Communities Partnership	Ciara Sterling	Consumer
Uniting Kildonan	Sue Fraser	Consumer

Protocols

Group agreement

A draft Ethical Statement has been prepared for review and endorsement by design group members at Workshop 1. The Ethical Statement includes statements about the spirit in which the group will:

- engage in collaboration and constructive conflict
- uphold confidentiality
- foster psychological safety
- be personally accountable for doing the work.

Group frequency

The design group will engage weekly throughout November 2022. Following November, engagement will be as required and agreed using online tools. It is anticipated that design group members will continue meeting in January and February (as agreed by the group) prior to Workshop 3.

Workshops will be scheduled for November and February as noted below. These include:

- **Workshop 1 (in person / hybrid):** 9 November 2022, 10 am to 4/4:30 pm (AEDT)
- **Workshop 2 (online):** 29 November 2022 (TBC)
- **Workshop 3:** February 2023 (TBC)

Additional activities may be scheduled with the agreement of the facilitator and group consensus.

Group support

The group will be supported by Executive Central Group Pty Ltd, an independent facilitator engaged by the AER. The facilitator will work with the design group to set agendas and milestones for the secretariat's circulation.

The secretariat function will be filled by the AER. This includes:

- distributing workshop schedules, agendas and papers
- managing workshop logistics
- compiling, distributing and publishing workshop communiques.

The AER will endeavour to:

- distribute workshop agendas and papers the week prior to each workshop
- distribute draft communiques to design group members the week following each workshop.

Quorum

At least half of current design group members + 1 are required to be present in the workshops to ensure the quorum of the design group.

Proxies are not counted for the purposes of establishing quorum.

Confidentiality

A public record of the design group's progress will be maintained by the AER.

Progress communiques will note the key points of the group's discussions and will be published once endorsed by a quorum of the design group members.

Design group activities are designed to allow members to obtain feedback from the organisations they represent. Documents provided in confidence should not be shared with third parties.

Please also refer to item 4 in the Ethical Statement.