

Game Changer Leadership Workshop

15 September 2022

I acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and community.

We pay our respects to them and their cultures; Elders past, present and emerging.

And finally, I extend that respect to other Aboriginal and Torres Strait Islander people who are present today.

Acknowledgement of Lived Experience

We would like to acknowledge those who have a lived experience of vulnerability. In particular, those who have chosen to share their experiences of navigating the energy sector to support our work.

We acknowledge the determination and courage it takes for people to revisit memories in the hope of shaping a better future for themselves and others.

We are deeply appreciative for this, and for any of you who may be in attendance today.

Today's workshop

- 1 **Recap** on why we are developing the game changer and what we have done so far
- 2 **Discuss** a proposed process for developing the game changer
- 3 **Discuss** the formation and composition of a design group
- 4 **Discuss** scope of design task
- 5 **Agree** the Terms of Reference for the design group

Recap: AER consumer vulnerability strategy

Game changer

Objective 1

Improve identification of vulnerability

Actions

Objective 2

Reduce complexity and enhance accessibility for energy consumers

Actions

Objective 3

Strengthen protections for consumers facing payment difficulty

Actions

Objective 4

Use the consumer voice and lived experience to inform regulatory design and change

Actions

Objective 5

Balance affordability and consumer protections by minimising the overall cost to serve

Actions

Recap: What is the game changer?



Outcomes for consumers experiencing vulnerability in the energy sector are not improving



The game changer recognises that more is needed to drive **systemic change** in the energy sector



The game changer aims to ensure that the costs and risks of vulnerability are **shared more equitably** across the sector



This will support more **concerted action** on vulnerability across the system, enabling the provision of better supports to consumers



The game changer will 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.

Recap: Game changer process to date

Oct – Dec 2021

- Individual stakeholder meetings

24 March 2022

- Leadership workshop on case for change and cost of vulnerability

Feb – Mar 2022

- Independent consultant completed modelling of costs of consumer vulnerability to the sector and identified 'models for action' (solution spaces)

18–19 July 2022

- Consumer and retailer workshops

Recap: Impact of not adequately supporting consumers



+ quantifiable non-financial and non-quantifiable costs

(e.g. mental & emotional stress, reduced quality of living and reduced credit rating)

Recap: Increasing need for a game changer



Research by Energy Consumers Australia indicates consumer confidence in the energy market is declining



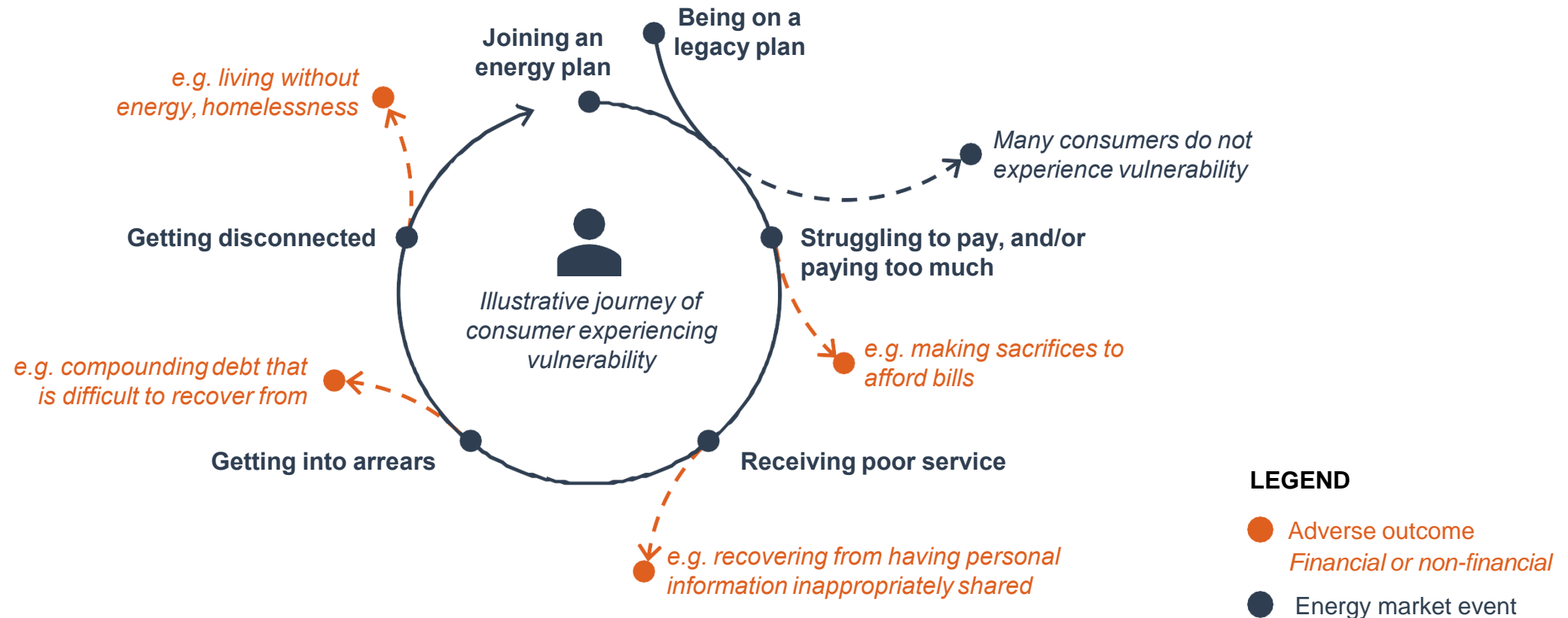
As the energy system transitions to net zero, consumer trust and confidence are more important than ever



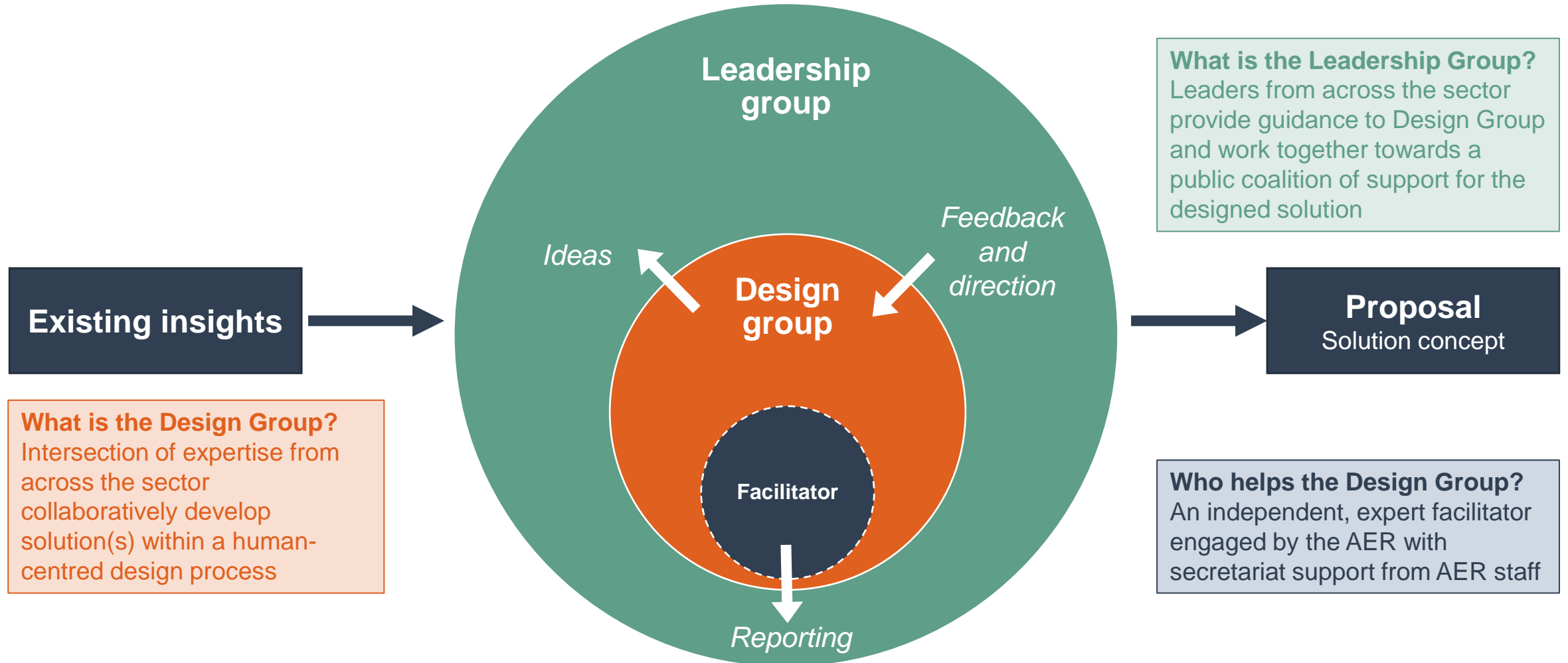
Mounting cost of living pressures increase the risk of persistent vulnerability for consumers

Recap: The problem

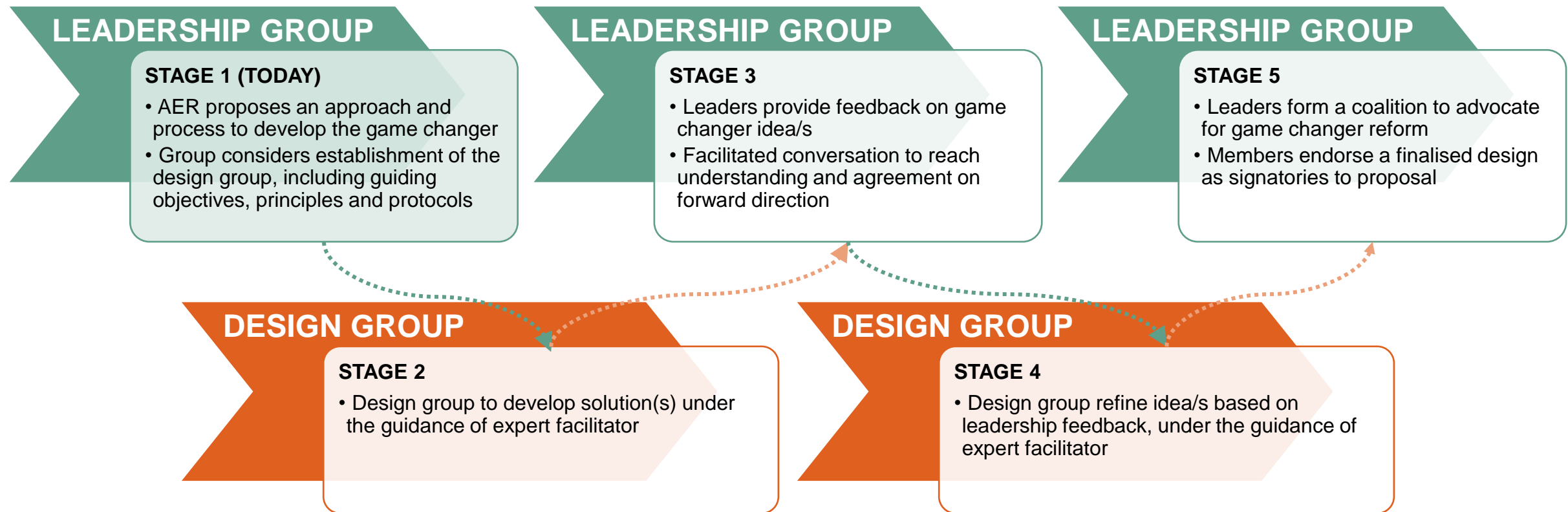
Consumers experiencing vulnerability are not getting the support they need to avoid adverse outcomes.



Proposed collaboration structure



Proposed design process



AER staff and independent facilitator provide secretariat support and design guidance to drive momentum

Discussion: Proposed process

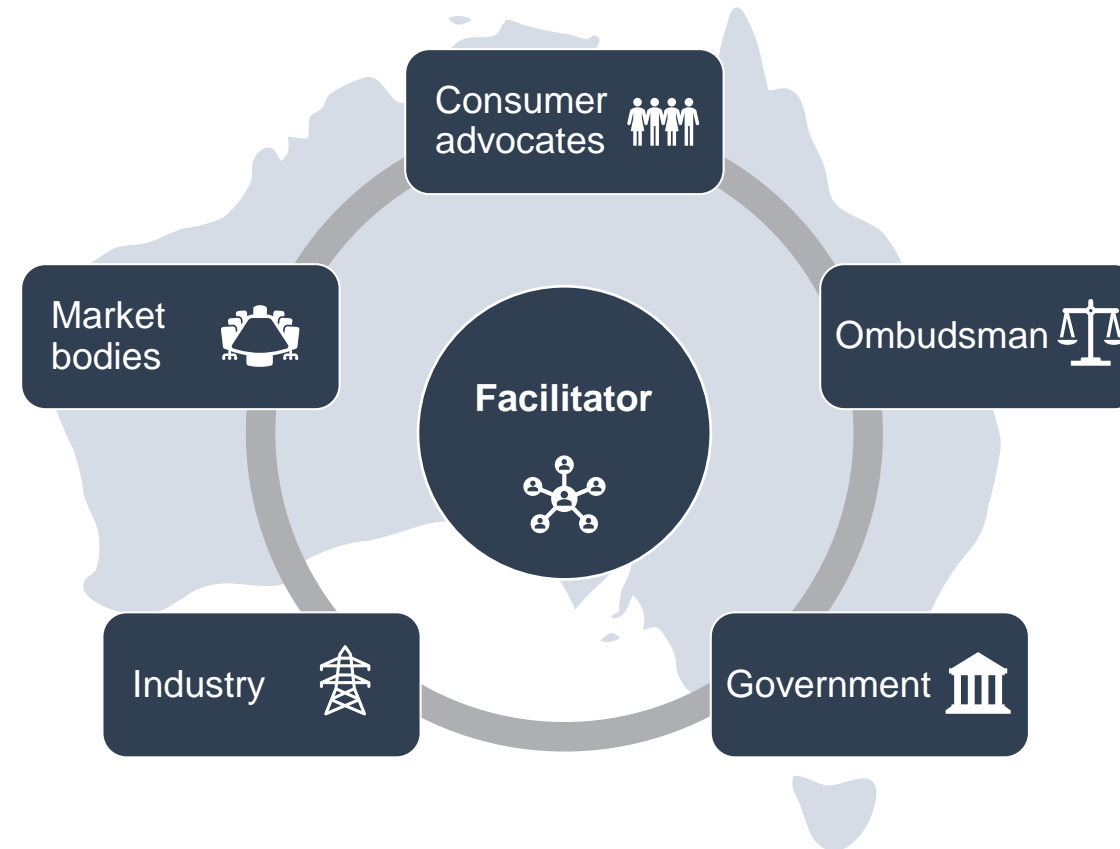
What do you think about the design approach so far?

What level of insight should the leadership group have into the design group meetings?

How can we stage progress on the game changer to achieve timely advocacy?
See slide 12

Proposed design group structure

Human-centred design works with diverse **interests**, **capabilities** and **perspectives**. We propose a design group that includes a range of organisation types and sizes, from across the sector and different jurisdictions.



Why is it co-development?

We can design at people, for people, with people or led by people. Game changer aims to design for people, a co-development approach that incorporates 360-degree expertise to explore and deliver what is most possible.

Proposed design group structure

Type	Role	Members
Independent facilitator	Anchor human-centred design process and system thinking through <i>divergent dialogue</i> (by helping to create choices) and <i>convergent dialogue</i> (by helping to make choices)	0. TBC (Provided by AER)
Consumer advocates	Provide policy insight from perspective of both energy consumers as a whole and consumers experiencing vulnerability	1. Energy Consumers Australia 2. PIAC 3. St. Vincent De Paul 4. Uniting 5. ACOSS 6. Thriving Communities 7. Financial Counsellors Australia
Ombudsman	Provide insight into feasibility and effectiveness of reforms	8. TBC
Government	Provide insight into feasibility of reforms	9. TBC 10. TBC
Research	Provide insight into effectiveness of reforms	11. GEER
Industry	Provide insight into feasibility and effectiveness of reforms	12. Retailer (TBC) 13. Retailer (TBC) 14. Retailer (TBC) 15. Retailer (TBC) 16. Network (TBC) 17. Australian Energy Council 18. Energy Networks Australia
Market bodies	Provide direction and regulatory expertise	19. Clare Savage, AER Chair 20. AEMC

Discussion: Design group structure

We encourage people to discuss and share their thoughts on the design group structure and its proposed membership.

We acknowledge the Design Group is already at 20 members. We cannot add more representatives.

What needs to change? The design challenge

The game changer will 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.



A system that engages consumers, including those with complex needs



Earlier and better targeted support



Equitable and efficient sharing of costs and risks



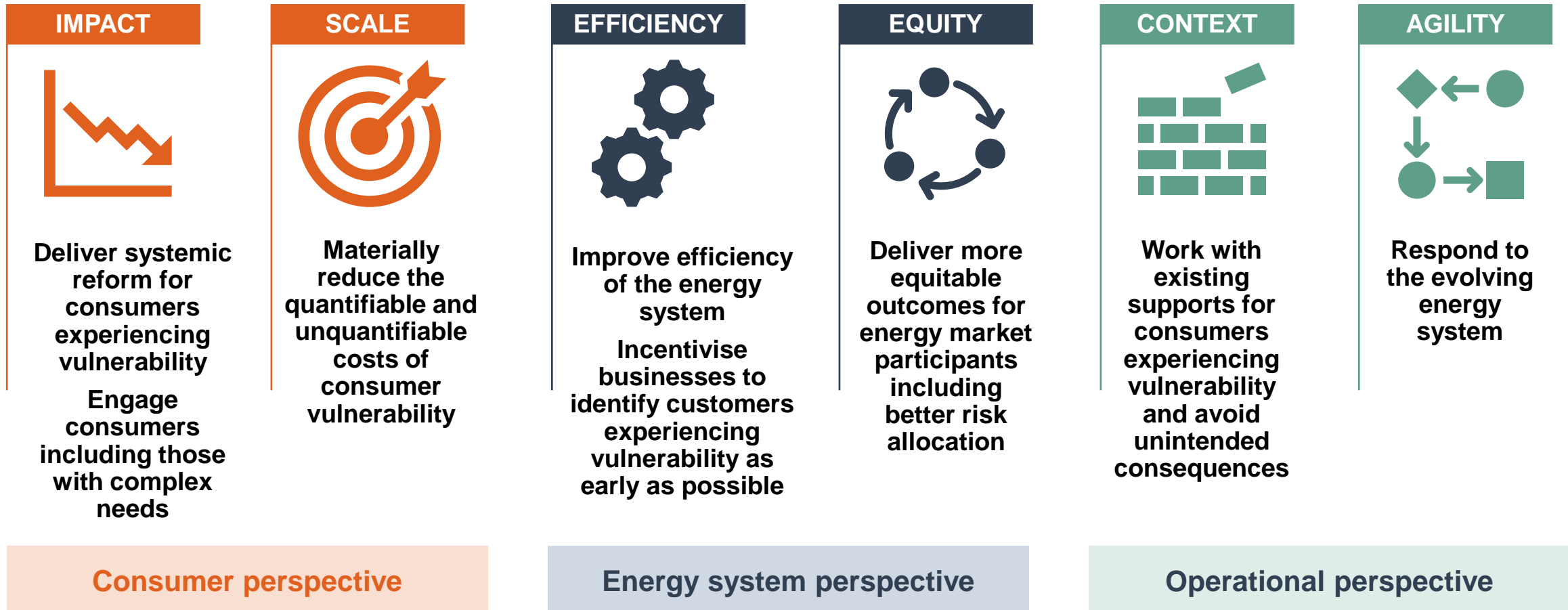
Improved trust – of and from consumers



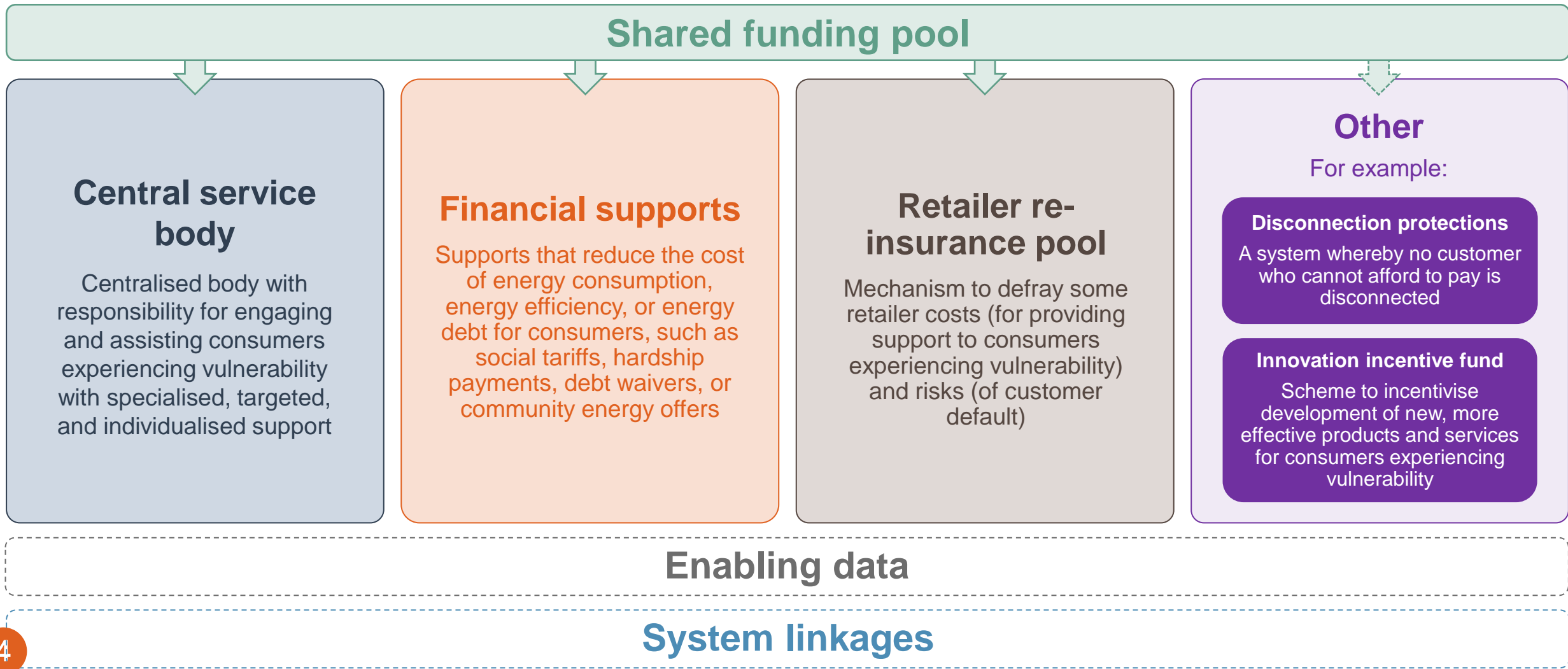
Better protections for consumers

Initial design principles for design group

Any solution should ...



Initial solution spaces for the design group



Discussion: Scope of design task

What values/knowledge does the leadership group want the design group to carry through to this initiative?

What needs to be considered for the administration of the design group?

Is there further guidance on the design principles and solution spaces that the leadership group wants to give the design group?

Design group terms of reference

Approach

Collaboration structure

Design process

Structure

Design group

Scope

Design challenge

Design principles

Solution spaces

Protocols

Group support

Meeting frequency

Further questions or comments?

