



**CLICK ENERGY PTY LTD
AUSTRALIAN ENERGY REGULATOR
GAS RETAILER AUTHORISATION
APPLICATION**



Table of Contents

1. GENERAL PARTICULARS	3
1.1. Legal name	3
1.2. Trading name	3
1.3. ACN	3
1.4. Registered Business Address	3
1.5. Nominated Contact Person	3
1.6. Form of Retailer Authorisation Sought	3
1.7. Date Click Energy Intends to Commence Retailing Energy	3
1.8. Nature and Scope of Operations Proposed	3
1.9. Jurisdictions Click Energy intends Retailing Gas	3
1.10. Type of Customers Click Energy Intends to Supply	3
2. ORGANISATIONAL AND TECHNICAL CAPACITY	4
2.1 Details of Click Energy's Previous Experience as a Retailer	5
2.2 Organisational Structure of Click	6
2.3 Number of Employees	6
2.4 Technical Capacity of Officers	6
2.5 Third Party Service providers	8
2.6 Business Plan	9
2.7 Compliance strategy	10
2.8 Risk management	11
2.9 Evidence of External Audit	11
2.10 EWON	11
2.11 Agreements with Key Market Players	11
2.12 Further Supporting Information	12
3. FINANCIAL CAPACITY	13
4. SUITABILITY CRITERION	14



1. GENERAL PARTICULARS

- 1.1. **Legal name :** Click Energy Pty Ltd
- 1.2. **Trading name:** Click Energy
- 1.3. **ACN:** 116 567 492
- 1.4. **Registered Business Address:** 63 Cambridge Street,
Collingwood,
Victoria, 3066.
- 1.5. **Nominated Contact Person:** Janelle Toth
General Counsel
Telephone: 03 9473 1924
Email: jtoth@clickgroup.com.au
- 1.6. **Form of Retailer Authorisation Sought:** Gas
- 1.7. **Date Click Energy intends to Commence Retailing Energy:** April 2016
- 1.8. **Nature and Scope of Operations Proposed:** Retailing gas to residential gas customers.
- 1.9. **Jurisdictions Click Energy intends Retailing Gas:** New South Wales.
- 1.10. **Type of Customers Click Energy Intends to Supply:** Residential and small business customers.



ORGANISATIONAL AND TECHNICAL CAPACITY

1.1 Details of Click Energy's previous experience as an energy retailer

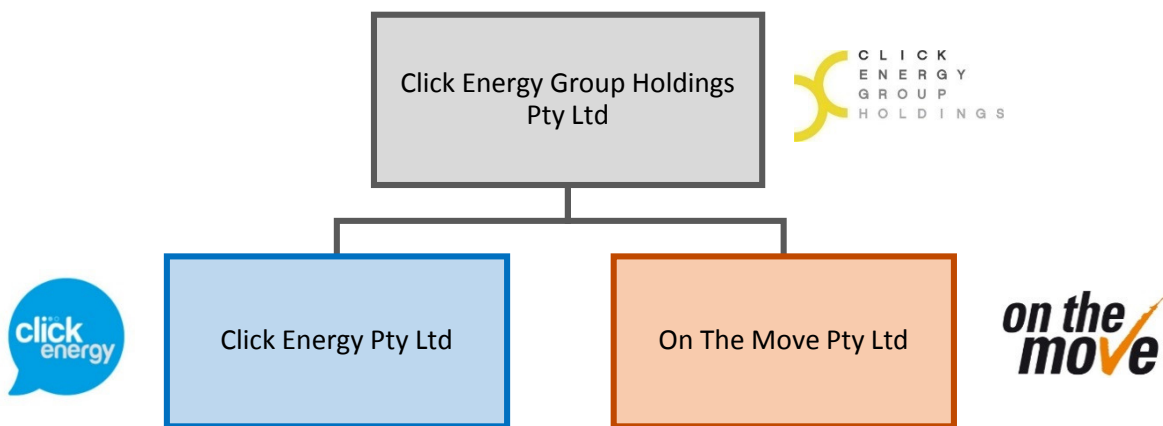
Click Energy Pty Ltd (**Click**) commenced trading as an electricity retailer in Victoria in 2006, Queensland in 2010 and New South Wales in 2013. It currently holds an electricity retail licence in Victoria, New South Wales and Queensland.

Click also holds a retail gas licence in Victoria and commenced retailing gas on 2 February 2014.

Click retails to only residential and small business customers and currently has 51,000 electricity customers in Queensland, 27,500 electricity customers in Victoria, 22,000 electricity customers in New South Wales and 5000 gas customers in Victoria.

Retail activities are achieved through Clicks related body corporate, On The Move Pty Ltd and through campaigns through strategic aggregator channel partners. Click does not door knock or compete through unsolicited telemarketing calls.

The corporate structure showing Click and On The Move is set out below. Click is a wholly owned subsidiary of Click Energy Group Holdings Pty Ltd (**CEGH**) and the corporate structure of the group is shown below.



Click is a fast growing energy retailer with a commitment to providing low cost energy through a digital customer platform. Consumers understand that products purchased online represent value and convenience – characteristics that are consistent with a typical consumer's expectation of their energy service. Bills are electronic and communications via email and web chat enabling cost to serve savings to flow through to customers as lower prices.

On The Move Pty Ltd assists thousands of customers every year manage their utility (electricity, gas, telephone and pay TV) connection. Working closely with real estate agents this service is managed through a single customer call, once again adding to the



convenience platform of the CEGH group.

Whilst both Click and On The Move are leaders in its chosen market segment, together they represent a powerful challenge to the traditional energy model. By recognising that customers are looking for competitive energy rates, communication on terms that suit and a fresh approach to energy not offered by traditional utilities, CEGH is well placed to widen its successful electricity and gas product offerings to include a New South Wales gas offering.

Click also has strategic aggregator channel partner relationships with One Big Switch and ACN Pacific Pty Ltd.

1.2 Organisational Structure of Click

Please see Annexure 1 for Click's organisational structure and areas of responsibility for each member of the executive team.

1.3 Number of Employees

Click currently employs approximately 70 staff in Melbourne with a further 60 service contact centre staff in Brisbane. The service contact centre provides its services through a Master Services Agreement with MBC Global Pty Ltd and is an outsourced function of the business.

1.4 Technical Capacity of Officers

Dominic Drenen

B.Sc., B.Com., CPA

Dominic Drenen is the Chief Executive Officer of CEGH.

Dominic has over 20 years' experience in the energy industry. After graduating from Melbourne University he took up a role with the then Hydro Electric Commission in Tasmania in the marketing and pricing area. After 5 years at Hydro, Dominic joined Boral Energy (later demerged to form Origin) to join the electricity team just at the beginning of deregulation. During his time at Origin he worked in areas across all fuels (electricity, natural gas and LPG) and non-fuels (solar, hot water, heating and cooling). Dominic's most recent role at Origin was Head of Solar and Home Products – a division turning over in excess of \$250m.

Judd Johnston

BAcc (Hons.)

Judd Johnston is the Chief Financial Officer of CEGH and Click.

Judd has been involved in the auditing of energy sector businesses both here and in Scotland since 2002. He has been the CFO for CEGH and Click since December 2013. Prior to that Judd worked at PwC in the UK (2002 - 2005) and in Australia (2005 - 2013) in the audit and assurance division. Judd worked predominately on Energy and Utility clients leading statutory audits, internal audits, government grant acquittals, regulatory and license audits and internal



controls assessment and consulting work. Judd was the assurance Director on a number of listed and unlisted audit engagements including a Tier 1 energy retailer.

Judd is a Chartered Accountant and a member of the Institute of Chartered Accountants of Scotland (ICAS) and has a BAcc honours degree from the University of Glasgow.

Neil Hyde

B.Bus. CPA

Neil Hyde is General Manager Customer Operations at Click.

Neil is an experienced senior manager having held numerous senior and general management roles in utilities and other large scale customer service, transaction processing businesses. He has had more than 20 years' experience in the electricity and gas industry starting his career with the State Electricity Commission Victoria then later working for local government electricity distribution companies in Victoria, Solaris Power, AGL and more recently with Serviceworks Management. Specifically in relation to the gas market Neil was heavily involved in the roll-out of AGL's CRM system for the gas market in NSW and with Serviceworks he was project sponsor for the system changes and the General Manager of Operations for APG's and Alinta's entry into the competitive gas markets.

Neil holds a Bachelor of Business (Accounting) and is CPA qualified, and has previously held a number of accounting and finance roles, including a period as Retail Finance Manager at Solaris Power.

For the last 15 years Neil's general manager roles have been focussed on managing and leading business operations, particularly in the areas of customer service, billing, credit & collections and customer accounting.

Janelle Toth

BA MA LLB Dip.App.Sc. Grad.Dip.App.Corp.Gov.

Janelle Toth is the General Counsel of CEGH and Click.

Janelle has a number of years' experience in the energy sector. Most recently Janelle has acted as General Counsel for Nu Energy, a solar design and installation company and prior to Nu Energy was legal counsel for Jemena Ltd., an electricity distribution business and asset management company. As part of her role at Jemena, Janelle was legal counsel responsible for the greenfield implementation of the smart meter program. In addition to electricity distribution Jemena also held interests in the Gladstone gas pipeline and Janelle provided legal assistance to the pipeline team. Before moving in-house Janelle was a senior associate at O'Donnell Salzano Lawyers working in the areas of commercial litigation and employment with Alinta being one of her major clients.



Janelle holds a Diploma of Applied Science (Physics) from Royal Melbourne Institute of Technology, Bachelor of Arts in Sociology, Politics and Literature from Monash University, a Master of Arts in Social Theory from Monash University and a law degree from Macquarie University. Janelle is also a qualified company secretary completing her qualification with the Company Secretaries of Australia in 2010.

Chris Zondanos

Chris is the General Manager of Operations at Click.

Chris has been in energy retailing for 7 years, and has played an instrumental role in driving customer growth across two leading energy retailers Click and Lumo. As head of operations at Lumo, Chris was responsible for the delivery of services to meet customer growth forecasts into all states, selling gas and electricity into NSW, Victoria, South Australia and Queensland. Chris led the customer entry strategy for gas into New South Wales with Lumo and at Click manages the customer growth for all states where Click is present.

Chris was also General manager at SingTel Optus, managing various departments during his 11 year tenure including consumer sales, customer service and field workforces.

In addition to the energy retail experience of the Click senior management team set out above, Click will leverage existing resources to establish a gas retailing function in NSW. Click already operates competently and compliantly within the electricity retail market with both internal and third party service providers such as MBC Global as well as in the Victorian gas retail market..

Click is already an AEMO market participant and has demonstrated its ability to operate in the wholesale energy market in compliance with all market rules and procedures.

Click maintains well established relationships with key industry participants including market operators, network businesses, other retailer, generators and energy users.

Click has the expertise, knowledge and skill base to operate a viable gas business retailing gas to residential and SME customers in NSW.

1.5 Third Party Service Providers

MBC Global Pty Ltd

Click has a close contractual relationship with MBC Global Pty Ltd (**MBC Global**), a service provider that manages Click's billing and customer service obligations. MBC Global is an expert billing company, whose directors and employees have extensive experience in the energy billing industry, being the provider of similar services to retailers in the Victorian, New South Wales and Queensland energy market.

MBC Global team members are specially selected for their experience within the Australian energy market. The directors and employees of MBC Global have approximately 60 years' experience in the utilities market.



The current contract with MBC Global states that all of its call centre staff be trained in and be compliant with the laws, codes and guidelines that directly or indirectly affect Click's regulatory obligations the relevant state electricity market.

Click's general manager of customer operations, Neil Hyde has the responsibility for MBC Global within the Click business. Neil works with MBC Global on a daily basis to ensure that all work programmes are being managed efficiently and effectively and in compliant manner. In addition to the daily contact Neil travels to Brisbane for 2-3 days most fortnights to review onsite work processes, meet with the staff and management and to workshop any areas that require focus.

Billing, credit and customer management is a service provided by MBC Global, Click's third party service provider. MBC Global uses the Orion and Agility platforms to provide these services to Click and has managed this aspect of Click's business since 2007.

Click has a number of different electricity products that it offers to customers and MBC undertake all billing, including the generation of cyclical bills from meter readings or estimations and the printing and dispatching of bills to customers consistent with the provisions of the relevant state Energy Retail Code.

MBC Global also receive and manage all payments including late payments and respond to any and all customer enquiries around service and supply.

In addition to MBC Global, Click has a well-respected collections team, Probe, managed through MBC Global and Neil Hyde of Click to undertake collection work in accordance with the Energy Retail Code. As part of this team there is a dedicated hardship team that manage customers with financial hardship as well as assisting customers with payment plan options. Probe adhere to the processes put in place by Click for its recovery of unpaid debts.

The directors and senior management of Click are aware that Click is relying on external entities to satisfy elements of its energy licence requirements. However, Click is confident in the work undertaken by MBC Global as it is both closely managed and monitored by a dedicated and very experienced member of the senior management team Victoria, that they will be able to satisfy all of the elements of legislative and regulatory requirements.

Customer Acquisition

Click will be utilising its existing electricity customer base to acquire gas customers. Click has in the past utilised the services of energy aggregators to acquire customers. Click aggregators are contracted to perform the services provided to Click in compliance with all applicable laws, codes, rules and regulations as well as compliance with marketing and privacy laws.

Click's channel partners are contracted to provide audit and reporting on 5 % to allow Click to act promptly on any noncompliance issues that may arise.



Click does not presently acquire customers via door knocking or outbound telephone sales. If Click Energy commences acquiring customers via these sales channels it will comply with all applicable laws and codes.

On The Move Pty Ltd

On The Move, a related entity of Click and a specialist “moving home” business, currently provides energy customers to not only Click but also to Origin, AGL and Energy Australia (**OTM Client Partners**). It operates under a strict compliance regime audited both internally by Click’s quality assurance officer and externally by the OTM Client Partners.

On The Move and Click sales agents are trained and tested in compliance with regard to marketing and privacy matters by CEGH General Counsel and in addition to this training undertake any further training as determined by the OTM Client Partners.

1.6 Business Plan

Click’s business plan setting out its forecasts and detailed assumptions is provided to the AER at Annexure 2.

The strategic direction for Click to enter the NSW gas market is to provide a dual fuel offering to its NSW electricity customers, to reduce churn of its electricity customers through competitive targeting of single fuel customers by other retailers and to grow its energy portfolio in the states it operates in.

1.7 Compliance Strategy

Compliance, as part of an overarching risk management framework, is an integral part of sustaining the financial and business objectives of Click. Compliance is a primary focus of Click and begins with the Board, CEO and senior management and continues through to all operational staff.

The Board takes an inquisitorial role in ensuring that Click remains compliant through its analysis of board compliance papers and enquiries made of both the CEO and senior management. All serious compliance breaches are reported immediately to the Board and depending on the nature of the breach the Board will continue to play an active role until resolution.

The Chairman, members of the Board and the senior management of Click Energy have the academic qualifications, professional experience and working knowledge to ensure compliance with all the laws, codes and guidelines that directly or indirectly affect the Victorian gas market and the operations of being a gas retailer.

Click’s CFO, Judd Johnston has responsibility for the identification, management and minimisation of business risk. Each month the executive leadership team of the business meet



to discuss the risk register and any changes to the risk profile of the business. The risk register, containing mitigation strategies and actions, is reported to the Board of Click each quarter.

Janelle Toth, General Counsel has responsibility for regulatory and legislative risk management which is also included in Click's risk register.

Every employee undertakes tested compliance training with Click's General Counsel during the employee induction programme. Compliance in relation to all relevant marketing codes is a very important aspect of Click's business as usual culture and is also closely monitored through audits and quality control of all calls undertaken in Click contact centres. The auditing program combined with rigorous compliance and quality assurance training rolled out to new employees with frequent refresher training to existing employees, ensures not only compliance with all relevant laws but also enhances the customer experience.

Auditing of processes and systems is also undertaken periodically by the customer experience and administration team.

The financial management of Click is also under the portfolio of Judd Johnston. Judd is an experienced auditor in the energy industry and maintains Click's financial management systems to a high standard. Click is audited by Pricewaterhouse Coopers which ensures that all financial management systems are in accordance with Australian Accounting Standards.

Click's Compliance Policy is attached as Annexure 3.

Click already has in place competent and compliant complaint handling, breach reporting and compliance monitoring functions and has met its statutory obligations in 3 electricity jurisdictions and the Victorian gas jurisdiction with 2 of these jurisdictions now being covered by the National Energy laws.

Click's Complaint Handling process is attached as Annexure 4.

Click's AER approved Hardship Policy is attached as Annexure 5.

Click's Market Retail Terms and Conditions is attached as Annexure 6.

1.8 Risk Management Policy

Click's Risk Management Policy is attached as Annexure 7.

1.9 Evidence of External Audit

Click is currently in the process of engaging an external third party to conduct an assurance process within the business and the outcome of this will be provided to the AER as soon as possible and in any event no later than 30 January 2016.



To date, Click's risk and compliance strategies have been recently reviewed and accepted as sufficient by both the Essential Services Commission (ESC) in December 2014 and Energy Safe Victoria (ESV) in January 2015 without comment.

1.10 Energy and Water Ombudsman of NSW (EWON)

Click is currently a member of EWON for its electricity customers and will also become a member of EWON for its gas customers prior to the acquisition of any gas customers and after the acceptance of its gas retail licence application.

Click enjoys an excellent relationship with EWON and does not anticipate any barriers in relation to its gas membership to EWON.

1.11 Agreements with Key Market Players

Wholesale

Click is seeking a financial derivative for wholesale gas supply that will be load following. Click currently has a whole of meter load following hedge with its wholesale electricity providers and its gas supplier in Victoria. Hedges such as these provide a mitigation of commercial risk associated with across the counter trading.

Negotiations continue and given that entry is not anticipated until May 2016, Click does not anticipate any issues in relation to attaining a gas wholesale agreement.

AEMO

AEMO requirements in relation to IT interfaces with AEMO already exist due to Click's electricity and gas licences. All interfaces and processes are currently operating without event with AEMO.

Distribution

Click will enter into agreements with each distribution network business relevant to the region in which it intends to operate in. Standard distribution agreements are all that will be required for Click's purpose and given that Click already has a relationship with all electricity distribution businesses it does not contemplate any issues.

Click anticipates that it will be in a position to sign the relevant agreement as soon as its authorisation is received.

1.12 Further Supporting Information

Click has managed all aspects of supplier and customer contracts for its electricity customers successfully and without penalty since 2006. Click's current retail market terms and conditions for its electricity customers is attached at Annexure 6.



Customer accounting establishment and management is managed through MBC utilising secure file transfer protocols. Customer service is also part of the MBC portfolio and is an area of particular focus since the commencement of a role of General Manager of Customer Experience being established at Click in 2013. It is through this role that all aspects of customer interaction are audited, developed and enhanced.

Click Energy has existing procedures to deal with customer enquiries such as quality and safety of supply issues, payment and payment difficulty, complaint and ombudsman enquiries and special needs to name a few. These enquiries can be made via our preferred delivery channel of email to service@clickenergy.com.au our recommended channel for receiving enquiries or via the telephone to 1800 77 59 29 a free call from any fixed line phone anywhere in Australia.



FINANCIAL CAPACITY

Click is an existing energy retailer and is able to meet and address the financial criteria required of a retailer of gas in New South Wales inclusive of all and any prudential requirements of AEMO, distributors and as an acquirer of wholesale gas.

Click's high level operating model is set out in Annexure 8 and illustrates a simplified and consolidated view of Click's business structure including the underlying energy retail core processes, providers, functional coverage and controls.

Click's business plan is attached for the consideration of the AER on a commercial-in-confidence basis as Annexure 2.

Click's audited financial reports for the financial year ending June 2015 and are attached as Annexure 9.

Click currently has an Australian Financial Services Licence (AFSL), No: 305617. Click's AFSL is audited by Pricewaterhouse Coopers.

A written declaration by Judd Johnston, Click's chief financial officer, stating that Click is a going concern and that he is unaware of any factor that would impede Click's ability to finance its energy retailer activities is attached as Annexure 10.

A written declaration from Click's auditor is provided at Annexure 11.

Click currently has in place a debt facility that provides it with access to additional capital.

The forecast revenue and expenses has been forecast to the point it is cash flow positive in the business plan which also contains all key assumptions and risks.



SUITABILITY CRITERION

- 4.1 The Officers of Click, its parent company CEGH, its associates and other businesses have not;
 - 4.1.1 experienced any material failure to comply with regulatory requirements. Click regularly reports any breach of a relevant energy code to the relevant regulator in accordance with the relevant energy code however none of these breaches are material and Click has not had any infringement notice or other enforcement action taken against it by a regulatory body;
 - 4.1.2 had any previously revoked authorisations, authority or licence application held in any industry;
 - 4.1.3 had any failed authorisation, authority or licence applications in any industry;
 - 4.1.4 had and past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry; and
 - 4.1.5 had any situation where Click has triggered the RoLR provisions of the Retail Law or equivalent state\territory\foreign legislation or have transferred or surrendered an authorisation or licence in circumstances where if not done, would have triggered a RoLR event.
- 4.2 None of Click's current directors, or any person responsible for significant operating decisions of the Click business, have committed any offence and have not been prosecuted successfully or otherwise under any territory, state, Commonwealth or foreign legislation relevant to Click's capacity as an energy retailer.
- 4.3 Click will provide to the AER a criminal history check for any of Click's directors and people responsible for significant operating decisions of the Click business at the request of the AER.
- 4.4 A written declaration from Click's chief executive officer(**CEO**) declaring that members of the management team of Click have not been disqualified from the management of corporations and that no member of the executive team has ever been bankrupt is attached at Annexure 12.
- 4.5 The full names and current residential addresses of all directors and officers of Click is attached as Annexure 13.
- 4.6 Click's Recruitment, Selection and Induction Policy is attached as Annexure 14.



The appointment of executives to the Click management team is initiated by the CEO and all appointments are vetted through the human resources department, reference checks and three rounds of meetings with key personnel before being interviewed and ultimately approved and appointed by the Board of Click.

- 4.7 To provide further information in relation to the character and responsibilities along with professional experience of Click's officers the following list is provided for the AER's consideration.

The Chairman

Gerald Edward Moriarty AM

BE (Hons), FIEAust, FTSE, FAICD

Mr Moriarty is Chairman of the CEGH Board and Chairman of the Board of all CEGH subsidiaries.

Gerry Moriarty joined Macquarie Group Ltd in August 2002 as a Senior Industry Adviser and Deputy Chairman of MCG (an ASX listed communications infrastructure fund managed by Macquarie). He became Chairman of MCG in December 2002. He was an Executive Director of Macquarie Group from 2003 to December 2008 and continues as a Consultant to Macquarie.

Gerry has a distinguished business career which includes many senior positions within Telstra. He is also Chairman of Broadcast Australia and Director of Global Tower Partners LLC (a US mobile tower company). Prior to MCG's sale to CCPIB in July 2010 he was also Deputy Chairman of Arqiva (a UK communications company), and Director of Airwave Solutions (the UK's national public safety communications network operator).

Gerry holds a first class honours degree in Electrical Engineering from Canterbury University (New Zealand), 1972. He is a Fellow of The Institution of Engineers, Australia, a Fellow of The Australian Academy of Technological Sciences and Engineering and a Fellow of the Australian Institute of Company Directors. In 1998, he was recognised as Professional Engineer of the Year by the Victorian branch of the Institution of Engineers, Australia. He is a past Governor of the Warren Centre for Advanced Engineering (University of Sydney) and past member of the Melbourne Symphony Council.

In June 2001, Gerry was appointed a Member in the General Division of the Order of Australia for service to the information technology and telecommunications sectors and as an advocate for the employment of leading edge technological capability to advance Australia's competitiveness in business and commerce.

In 2003 Gerry received the Centenary Medal for services to Australian Society in industry.



Directors

John Roysmith

B.Commerce, MBA, CPA, Grad.Dip Applied Fin. & Inv.

John is Chief Executive Officer Lyons Capital Pty Ltd, a real estate investment and development business, which John co-founded in 2003. He is the Responsible Officer for Lyons Funds Management Ltd which holds an Australian Financial Services Licence.

John has over 20 years' experience in Property Finance, Investment Management and Capital Markets, including almost a decade as an executive with Merrill Lynch prior to establishing Lyons Capital.

Zeb Rice

Zeb is co-founder and a Managing Partner of Angeleno Group and oversees Angeleno Group's investment activities in the areas of renewables, collaborative consumption, geo-spatial intelligence, sustainability products and energy efficiency. Prior to the formation of Angeleno Group, Mr. Rice managed the corporate venture activities for News Ltd., a division of News Corporation. His portfolio included seed through expansion stage investments in high growth technology companies. Mr. Rice has also held various positions managing software development projects and marketing budgets for technology companies. Mr. Rice received a B.S. Magna Cum Laude in Government and Economics from Bowdoin College.

Officers

All officers and their experience are listed in Section 2.4 of this application.