



## GLOBIRD ENERGY PTY LTD

### APPLICATION FOR A GAS RETAILER AUTHORISATION UNDER THE NATIONAL ENERGY RETAIL LAW

#### 1. Introduction

GloBird Energy Pty Ltd (**GloBird Energy**) is an independent, privately owned Australian proprietary company already successfully carrying on an electricity retail business in Victoria and also holding a licence to sell gas in that State. GloBird Energy applies to the Australian Energy Regulator (**AER**) under section 89 of the National Energy Retail Law (**NERL**) for a retailer authorisation for gas.

#### 2. General particulars

Legal name:	GloBird Energy Pty Ltd
Trading name:	GloBird Energy
ABN:	68 600 285 827
Registered business address:	2A Monomeeth Drive, Mitcham VIC 3132
Address for correspondence:	2A Monomeeth Drive, Mitcham VIC 3132
Contact person:	
Name:	John McCluskey
Position:	Executive Manager, GloBird Energy Pty Ltd
Tel:	0434 289 255
Email:	John.McCluskey@GloBirdEnergy.com.au
Form of energy:	GloBird Energy is seeking a retailer authorisation for gas.
Timing:	GloBird Energy intends to commence retailing gas in the jurisdictions mentioned below in January 2018.
The nature and scope of operations:	The sale of gas to small customers, small market offer customers and large customers.
Jurisdictions:	GloBird Energy initially intends to retail gas in South Australia, New South Wales and Queensland ( <b>Jurisdictions</b> ).
Type of customers:	GloBird Energy intends to supply small customers, small market offer customers and large customers, each as defined in section 5 of the NERL, and subject to applicable consumption thresholds under jurisdictional energy legislation.

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### 3. Organisational and technical capacity

#### 3.1 Energy retail experience

GloBird Energy has been carrying on an electricity retail business in Victoria under an electricity retail licence issued under the *Electricity Industry Act 2000 (Vic)* on 27 May 2015 and is now able to sell gas in Victoria also under a gas retail licence issued under the *Gas Industry Act 2001 (Vic)* on 23 June 2017.

GloBird Energy's electricity retail business in Victoria consists of a substantial number of mainly residential customers, some small and medium-sized enterprises and some commercial & industrial customers. Details of customer numbers are included in **Confidential Attachment 1**. The company has enjoyed month on month growth since its inception and continues to grow a vibrant brand known for great value and excellent customer service.

Currently GloBird Energy has no gas customers in Victoria.

#### 3.2 Other relevant retail or energy market experience

The members of GloBird Energy's management team combine:

- (a) complementary experience in other utility retail industries including the telecommunications and finance sector;
- (b) extensive experience in wholesale electricity and gas trading and risk management;
- (c) strong backgrounds in businesses focused on customer service; and
- (d) information technology expertise, including building and running large scale e-commerce website and systems.

GloBird Energy team members also have experience working within strict compliance frameworks in the electricity, telecommunications, finance, accounting and broking industries, giving GloBird Energy the skills and experience required to operate a gas retail business in the Jurisdictions in compliance with the applicable laws, regulations, codes and guidelines.

#### 3.3 Human resources

- (a) Personnel

GloBird Energy will dedicate to its gas retailing business in the Jurisdictions the same senior managers and other staff that currently work in its Victorian energy retailing business.

- (b) Organisation chart

An organisation chart showing GloBird Energy's structure, including its board, management, other key personnel and employee numbers for each business unit, is included in **Confidential Attachment 2**.

- (c) Staff qualifications, technical skills and experience

A summary of staff qualifications, technical skills and experience, and the relevance of those skills and experience to meeting the requirements of the retailer authorisation, is included in **Confidential Attachment 3**.

#### 3.4 External service providers

GloBird Energy will be relying on the services of the following external service providers to support its gas retail business in the Jurisdictions:

- (a) Outsourced functions and activities: customer accounts, billing and document management

GloBird Energy licenses the “Orion CRM” program from Agility CIS Ltd (**Agility**), an off-the-shelf customer relationship management solution that is widely used in the electricity and gas retail sector.

The Orion CRM software helps GloBird Energy perform the following functions:

- (1) to establish and manage customer accounts;
- (2) to provide customers with notices and other documentation;
- (3) to undertake customer billing; and
- (4) to store and manage documents.

In addition, Agility provides related implementation and support services to GloBird Energy. These services have enabled GloBird Energy to implement the retail functions necessary to establish and manage Victorian customers’ electricity accounts internally, and will allow GloBird Energy to do likewise with accounts of customers in the Jurisdictions.

Material evidencing Agility’s capabilities, experience in and knowledge of customer accounts, billing and document management is included in **Public Attachment 1**.

Under the Master Services Agreement between GloBird Energy and Agility, the following controls are in place to ensure compliance with the NERL and the National Energy Retail Rules (**NERR**):

Agility:

- (1) Agility must make available to GloBird Energy such technical capacity as Agility may have and which GloBird Energy requires to meet its obligations as an authorised gas retailer;
- (2) Agility must provide all information and reasonable assistance required by GloBird Energy in order for GloBird Energy to discharge its regulatory obligations;
- (3) Agility must provide updates to the Orion system to GloBird Energy as they become available; and
- (4) Agility is obliged to perform its services to a professional standard and in accordance with good industry practice.

- (b) Outsourced functions and activities: compliance

GloBird Energy has engaged Melbourne law firm Nelson Derham Law to advise it in relation to compliance with energy retail regulatory requirements and contractual matters.

Nelson Derham Law is led by Peter Nelson, a lawyer specialising in energy law and regulation. A summary of Peter Nelson’s qualifications and experience is included in **Confidential Attachment 4**.

### 3.5 Business plan

GloBird’s business plan is included in **Confidential Attachment 5**.

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A financial model and detailed cash flow forecast for GloBird Energy's combined electricity and gas retail business has been developed and forms part of the business plan.

### 3.6 Compliance strategy

#### (a) Compliance Obligations Register and Retail Compliance Policy

As a licensed electricity and gas retailer, GloBird Energy is already aware of and understands the obligations it has under the Victorian Energy Retail Code in relation to retailing electricity and gas.

GloBird Energy has obtained external legal advice from Nelson Derham Law in relation to its compliance obligations as a gas retailer in the Jurisdictions and now has a new Retail Compliance Policy and a comprehensive Compliance Obligations Register covering the obligations GloBird Energy needs to comply with under the NERL, the NERR, the applicable jurisdictional energy legislation, and any other applicable laws, regulations, guidelines and codes – see **Confidential Attachment 6** and **Confidential Attachment 7**.

The Compliance Obligations Register nominates a member of the compliance team to be responsible for the development of appropriate operational procedures, policies or other measures to ensure that GloBird Energy complies with these obligations at all times.

GloBird Energy's has an experienced full time Compliance Manager. The Compliance Manager is responsible for ensuring that all activities conform to applicable laws, regulations, codes, and guidelines.

The Compliance Manager is also responsible for preparing and submitting compliance reports to the AER as required, and works with GloBird Energy's external legal advisors to ensure full compliance with all relevant obligations on an ongoing basis.

#### (b) Complaints and dispute resolution

A copy of GloBird Energy's Complaint Handling Procedure is included in **Public Attachment 2**.

### 3.7 Risk management strategy

GloBird Energy's Risk Management Policy, which covers both operational and financial risks, is included in **Confidential Attachment 8**.

GloBird Energy also has a Wholesale Energy Risk Management Policy, included in **Confidential Attachment 9**. GloBird Energy will utilise the frameworks under these documents to manage risks in wholesale gas procurement.

### 3.8 Endorsement of policies and external assurance process

The compliance strategy and related policy documents described in section 3.6 and the risk management strategy and related policy documents described in in section 3.7 have been the subject to an external assurance process and approved by GloBird Energy's board – see **Confidential Attachments 10** and **11**.

### 3.9 Customer arrangements

#### (a) Customer contracts

For the purposes of section 22 of the NERL, GloBird Energy will use the model terms and conditions for standard retail contracts set out in Schedule 1 of the NERR as the basis for its standing offers.

GloBird Energy's legal advisers have prepared GloBird Energy's market retail contract terms and conditions, which are included in **Confidential Attachment 12**, so as to comply with the applicable regulatory requirements. Copies of the terms and conditions will be provided to each new customer and they will be available for free download from the GloBird Energy website.

(b) Hardship

As a licensed electricity and gas retailer in Victoria, GloBird Energy already has a Hardship Policy, designed to be flexible and so offering a range of hardship programs for hardship customers. GloBird Energy has further developed its Hardship Policy so that it can be used for customers in the Jurisdictions.

A copy of the Hardship Policy as so developed is included in **Public Attachment 3**.

(c) Customer information and consent

GloBird Energy understands its obligations under the *Privacy Act 1988* (Cth) (**Privacy Act**) in relation to customers' personal, sensitive and credit and credit eligibility information and under the NERL and the NERR in relation to obtaining customer explicit informed consent where required. GloBird Energy has developed a Privacy and Credit Reporting Policy designed to comply with these laws and regulations, a copy of which is included in **Public Attachment 4**. The Privacy and Credit Reporting Policy is available for free download on GloBird Energy's website and reference to the Privacy and Credit Reporting Policy is made in the market retail contract terms and conditions and other relevant documents.

(d) Customer service and call centre

GloBird Energy has established and manages an in-house call centre for taking customer phone calls and providing customer service using GloBird Energy's own trained staff. The telephone system has the necessary features and functions for customer service, legal and compliance needs.

### 3.10 Energy ombudsman schemes

As a licensed electricity and gas retailer in Victoria, GloBird Energy is a member of Energy and Water Ombudsman Victoria's (**EWOV**) customer dispute resolution scheme.

GloBird Energy will apply to become a member of the ombudsman customer dispute resolution scheme in each Jurisdiction and has initiated discussions with the ombudsman offices in those jurisdictions: see **Confidential Attachment 13**.

### 3.11 Arrangements with other market participants

(a) AEMO Registration

GloBird Energy understands that to retail gas it must apply to AEMO to become registered. It will do so after the grant of the gas retailer authorisation by the AER.

(b) ASX Austraclear participation

GloBird Energy is already a participant in Austraclear for the purpose of settling electricity transactions in the NEM, and so is well prepared for settlements with AEMO in the short term trading market (**STTM**).

- (c) Australian financial services licence  
GloBird Energy will not be required to hold an Australian financial services licence (AFSL) in connection with its gas retailing business.
- (d) Gas purchasing and storage  
As further detailed in GloBird Energy's Wholesale Energy Risk Management Policy and Wholesale Energy Trading Plan, GloBird Energy initially intends to buy all its gas from AEMO in the STTM and will enter into storage arrangements with pipeline and storage facility operators. As GloBird Energy's gas business grows, GloBird intends to enter into longer term gas supply arrangements with gas producers.
- (e) Distributors and meter service providers  
In due course GloBird Energy will initiate dialogue with gas distributors in the Jurisdictions who are currently also responsible for engaging metering service providers.

#### 4. Financial capacity

##### 4.1 Financial position of GloBird Energy

- (a) Financial reports  
Copies of GloBird Energy's financial reports for the past two financial years are included in **Confidential Attachment 14**. Those reports have been reviewed and endorsed by GloBird Energy's accountants, Collins & Co.
- (b) Credit ratings  
GloBird Energy has obtained a Dun and Bradstreet Report indicating that GloBird Energy has good creditworthiness – see **Confidential Attachment 15**.

##### 4.2 Declaration that GloBird Energy is a going concern with no impediment to financial viability

See **Public Attachment 5**.

##### 4.3 Independent auditor declaration as to no insolvency or impediment to financial viability

See **Public Attachment 6**.

##### 4.4 Additional finance arrangements

Not applicable

##### 4.5 Revenue forecast

This is included in the Business Plan – see **Confidential Attachment 5**.

#### 5. Suitability

##### 5.1 Compliance history

The following is a compliance history of GloBird Energy, its associates, other businesses of which a GloBird Energy officer has been an officer, and other businesses that control GloBird Energy's business activities:

- (a) Previous material non-compliance with any law or regulatory requirement

See **Confidential Attachment 16.**

- (b) Licenses/authorisations which have been revoked  
Nil.
- (c) Previous unsuccessful licence/authorisation applications  
Nil.
- (d) Past or present administrative or legal action in relation to any licence/authorisation application  
Nil.
- (e) Previous retailer of last resort events  
Nil.

## **5.2 Offences or prosecutions**

None of the following has committed or been prosecuted for any offence under Commonwealth, state or territory law or any foreign legislation relevant to GloBird Energy's capacity as an energy retailer:

- (a) GloBird Energy;
- (b) any director of GloBird Energy;
- (c) any other person that exerts control over GloBird Energy's business activities; or
- (d) any other person responsible for significant operating decisions of GloBird Energy.

## **5.3 Criminal history checks**

Criminal history checks are available on request for the individuals mentioned in section 5.2.

## **5.4 Declaration as to bankruptcy and disqualification from management**

See **Public Attachment 7.**

## **5.5 Names and addresses of officers**

See **Confidential Attachment 17.**

## **5.6 Policies and procedures addressing probity and competence**

See **Confidential Attachment 18.**

**PUBLIC ATTACHMENTS**

1. Statement of Agility's capability, experience and knowledge
2. Complaint Handling Procedure
3. Hardship Policy
4. Privacy and Credit Reporting Policy
5. Declaration that GloBird Energy is a going concern with no impediment to financial viability
6. Independent auditor declaration as to no insolvency or impediment to financial viability
7. Declaration as to bankruptcy and disqualification from management



**CONFIDENTIAL ATTACHMENTS**

1. Information on customer numbers
2. Organisational chart
3. Staff qualifications, technical skills and experience
4. CV for Peter Nelson of Nelson Derham Law
5. Business plan
6. Retail Compliance Policy
7. Compliance Obligations Register
8. Risk Management Policy
9. Wholesale Energy Risk Management Policy
10. External Assurance - Compliance
11. External Assurance – Risk Management
12. Template market retail contract terms and conditions
13. Correspondence with Ombudsmen
14. Financial reports
15. Dun and Bradstreet Report
16. Compliance history
17. Names and addresses of officers
18. Probity and competence