

18 March 2024

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Dear Daniel,

Retail Guidelines review – draft Guidelines submission

Thank you for the opportunity to comment on the draft AER (Retail Law) Performance Reporting Procedures and Guidelines (Guidelines).

The comments contained in this submission reflect the views of the Energy and Water Ombudsman Queensland (EWOQ), Energy & Water Ombudsman South Australia (EWOSA) and Energy & Water Ombudsman NSW (EWON). We are the industry-based external dispute resolution schemes for the energy and water industries in New South Wales, South Australia and Queensland.

We have collectively reviewed the draft Guidelines and endorse in principle the proposed changes to enhance the AER's retail performance reporting framework through the introduction of new indicators, the refinement of current indicators and key definitions, an increase in the frequency and granularity of some data collection and overall improvements in clarity and readability. We agree these improvements will better enable the AER to collect data to effectively monitor retail market outcomes.

Our comments on the draft Guidelines are targeted on these key enhancements and aligns with the joint response we provided in August 2023 as part of the consultation on the Guidelines Issues Paper.

New indicators

We welcome the expansion of the Guidelines to include new indicators covering embedded networks, life support customers and customers affected by family violence to capture:

- the number of embedded network customers and contract types
- critical data on residential customers in embedded networks covering key areas such as energy debt, payment plans, disconnections and hardship programs.
- life support data on the total number of customers (with and without medical confirmation) with a breakdown of registered and deregistered life support customers; and
- the number of customers identified as affected by family violence broken down by subcategories such as those on payment plans or on a hardship program.

These additional indicators will provide meaningful data and insights that can assist in identifying trends as well as gaps in consumer protections to ensure the ongoing evolution of the energy market and better regulation.

We further agree with the AER's view that retailers are best placed to provide data on life support customers rather than distributors, and the approach to not include a proposed indicator to capture the number of customers identified as no longer affected by family violence. We reiterate our earlier comments that this metric may be problematic. Customers affected by family violence are usually impacted long term and whilst the financial circumstances of impacted customers may change the additional safety precautions on their account may not. It is further unlikely customers would inform their retailer that their circumstances had changed.

Whilst we acknowledge the inclusion of these additional reporting requirements will create additional costs at the outset on retailers, we firmly believe the benefits are vital to allow the AER to better monitor these customer groups and work towards providing improved and in the case of embedded network customers, equal protections.

Refinement of current indicators

We have noted the high-level refinements proposed for the Guidelines to make indicators clearer and more comparable and support the AER's approach to clarify the key definitions identified to remove ambiguity and increase consistency in reporting across retailers. We continue to see a need to further refine/include other key definitions in the Guidelines that will increase the identification of issues and trends, like defining customers entering hardship, as noted in our previous submission.

We also provide the following view on the refinements proposed for certain indicators:

Topic	Comments
Debt indicators	We agree with the proposed changes to the debt indicators to enhance monitoring activity and provide more information and understanding on how retailers are supporting customers experiencing payment difficulties. We support splitting into fuel types and collecting data on average debt for customers referred to external credit collection. We suggest that this should also include debt that is sold.
Tariff and meter types	We agree with the AER's approach to collect additional meter and tariff types.
Energy concessions	We note adjustments to energy concession data collection were not actioned due to consistent retailer feedback that they don't have the visibility to provide meaningful data on this metric. We are concerned this leaves a gap in data about eligible customers vs those receiving concessions. Perhaps the AER could work further with state governments to consider alternative approaches to collecting this data.
Call centre indicators	We agree with extending call centre data collection to incorporate online customer contact.
Complaint indicators	We support the general changes proposed to the complaint indicators to gather more insights on the nature of customer complaints. We would still prefer complaints indicators for all categories, apart from meter contestability, be split into electricity and gas.
Payment plan	We support the additional capture of small business customers (as well as residential customers) on a payment plan. Whilst the new indicator to capture average fortnightly amount customers are paying on payment plans will be useful, we note it will not reflect the payment plans of all customers on hardship as payment arrangements vary from weekly, fortnightly to monthly.
Payment methods	We support capturing data on Buy now pay later services.
Hardship programs	We support the streamlining of these indicators to improve clarity and comparability.

Frequency and granularity of data

Whilst we continue to see merit in retailers providing monthly data for indicators such as debts, payment plans, hardship programs, credit collections, disconnections and concessions to provide greater insights and identify useful trends, we acknowledge the cost implications on retailers. As an alternative, perhaps quarterly reporting could be broken down into monthly data to provide more granular data for key issues like disconnections and life support. We also note improvements in the regularity of reporting on some indicators such as data collected for security deposits and endorse this approach.

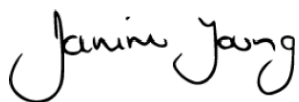
We continue to support the collection of data at the distribution network level for certain indicators and welcome the AER's list of proposed indicators presented in table 4.1 of the Guidelines. We agree collecting this data will be valuable for the AER's pricing and affordability analysis, assessment of network tariff reform and examination of competition and consumer engagement in each network region.

Implementation date

We note the proposed implementation timeframe has been delayed until 1 January 2025 and agree the AER needs to balance retailer readiness/impacts with the anticipated benefits of the additional data collected under the new and revised indicators.

If you require any further information regarding our submission, please contact Mr Jeremy Inglis, Manager Policy and Research (EWOQ) on 07 3212 0630, Mr Antony Clarke, Policy and Governance Lead (EWOSA) on 08 8216 1861, or Dr Rory Campbell, Manager Policy and Systemic Issues (EWON) on 02 8218 5266.

Yours sincerely



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