

7 August 2023

Submitted by email to: <marketperformance@aer.gov.au>

To whom it may concern,

**AER (RETAIL LAW) PERFORMANCE REPORTING PROCEDURES AND GUIDELINES – ISSUES PAPER JULY 2023
SUBMISSION BY: INDIGENOUS CONSUMER ASSISTANCE NETWORK, ICAN**

Thank you for the opportunity to provide a submission in response to the AER's Performance Reporting Procedures and Guidelines Issues Paper (**Issues Paper**) dated July 2023.

ABOUT THE INDIGENOUS CONSUMER ASSISTANCE NETWORK (ICAN)

ICAN provides consumer education, advocacy, and financial counselling and financial capability services to First Nations peoples across North and Far North Queensland, with a vision of "Empowering Indigenous Consumers". We also provide our services to non-Indigenous peoples across the region. ICAN is a registered Supply Nation entity. We have offices in Cairns, Townsville and the Atherton Tablelands and two satellite offices on Palm Island and Yarrabah. We also regularly do outreach to communities including Wujal Wujal. We are also connected to community organisations based in communities including Weipa and Napranum, Mt Isa and the surrounding communities of Mornington Island and Doomadgee.

The people we work with are strong, resilient, and knowledgeable about their lives and communities. However, structural barriers and an uncompetitive marketplace in remote and regional communities create conditions in which exploitation occurs. The cost of living is unacceptably high, with basic food and necessities costing significantly more than in cities and large regional centres. Employment is limited, and regional centres are susceptible to significant events such as pandemics, industry downturns and extreme weather. Housing is limited and costly, and the consequent rate of homelessness and overcrowding is unacceptably high. Cars are essential items in the family home as they are the only form of transport and pose a significant upfront and ongoing expense. Against this backdrop, we see many people who are struggling to keep the power on.

We commend the AER for supporting new and expanded retail performance indicators in the interests of increasing transparency about retail energy market performance and improving understanding about the needs of consumers experiencing vulnerability (particularly customers using pre-paid meters and embedded networks) to be included within the data collection provided by energy providers to the AER.

In this submission, we would like to express support for the AER's proposals to:

- Introduce a separate category of reporting to capture alternative meter types that are similar to prepayment meters (for example, card-operated meters); and
- Introduce a separate category of reporting to capture the total number of customers in embedded networks and
- To capture how many eligible customers receive energy concessions within both the prepayment meters and the embedded networks.

Prepayment meters

We are aware that approximately 5,000 card-operated meter households in 32 remote First Nations communities across Queensland serviced by Ergon Energy are excluded from National Energy Retail Rule (NERR) reporting requirements. This is despite the meters being functionally identical to prepay meters with smart meter capacities.

The absence of transparency and accountability in respect of public reporting on key metrics such as numbers of card-operated meter customers, frequency and duration of so-called 'self-disconnection' events, and applicability of concessions, puts these communities at a disadvantage in energy transition. This requires immediate remedy - we commend the AER for taking steps to improve this anomalous situation.

We urge AER to adopt the new reporting requirements for alternative meter types that are similar to prepayment meters (e.g., card-operated meters) both retrospectively and prospectively (i.e., from the first installation of smart-meters) so that a better understanding of energy insecurity and vulnerability in these communities can be gained. This is wholly necessary so as to inform any policy responses to address extant energy insecurity.

Energy concessions

We support the AER's proposal to collect data on how many eligible customers receive energy concessions. Anecdotal evidence suggests that many customers are being overlooked for energy concessions for which they are otherwise eligible due to factors such as lack of access to information and administrative barriers. In other cases, specific groups are being excluded from accessing energy concessions due to their metering type. An example is card-operated meter customers in Queensland who are ineligible for the Home Energy Emergency Assistance Scheme (HEEAS) because they don't receive electricity bills. We urge the AER to adopt this new energy concession indicator so that disparities of access can be better understood and addressed.

Within the data collection, we support the AER including data that shows the level of so called 'self disconnection' as this would be an indicator of a customer's inability to make payments which would be captured within other data if they were not disconnected once the credit expires, eg energy debt on a post paid account. We do not agree that people allow their electricity credit to expire because they want their electricity disconnected or because this is some form of money management. We believe it is only because they have no alternative: no options for seeking payment plans; no access to hardship arrangements; and no access to grants which would be available to them within communities with post paid accounts. Essentially, the prepaid meters are creating a vulnerability that communities with post paid accounts do not experience. This hardship is compounded by the increased costs of food and the increased costs resulting from having to travel and incur accommodation costs in regional centres to access basic services such as medical and welfare services outside of communities. That is, many people residing in card operated communities are already facing significant financial disadvantage.

Embedded networks

We support the AER's proposal to collect data on the number of residential consumers in embedded networks and then the subcategories covering energy debt, payment plans, credit collections and/or disconnections. In our case work, we have seen situations where customers are not provided information

about their right to buy electricity from an authorised energy retailer and are restricted to only being provided the option of buying their electricity from the owner of the embedded network.

There has been little consistency in relation to concessions being applied and little or no information regarding the Home Energy Emergency Assistance Scheme (HEEAS). We would encourage the AER to also include within the sub category the number of customers with a subsidy in place.

Thank you for the opportunity to respond to the Issues Paper and we would be happy to discuss any aspects of our submission directly with the AER.

Yours sincerely

A handwritten signature in cursive script that reads "Jillian Williams".

Jillian Williams
Operations Manager
ICAN