Review of payment difficulty protections in the National Energy Customer Framework

Issues paper

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AUSTRALIAN ENERGY REGULATOR

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Request for submissions

Interested parties are invited to make submissions to the AER regarding this issues paper by close of business Friday, 28 June 2024.

Submissions should be emailed to ConsumerPolicy@aer.gov.au. Verbal submissions can be made by emailing to schedule a consultation meeting.

Alternatively, you may mail submissions to:

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Acting General Manager, Policy
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The AER prefers that all submissions be publicly available to facilitate an informed and transparent consultative process. Submissions will be treated as public documents unless otherwise requested. All non-confidential submissions will be placed on the AER's website. For further information regarding the AER's use and disclosure of information provided to it, see the ACCC/AER Information Policy available on the AER's website.

Parties wishing to submit confidential information are requested to:

- clearly identify the information that is the subject of the confidentiality claim, and
- provide a non-confidential version of the submission in a form suitable for publication.

If you would like to meet with us to discuss issues raised in this paper or have enquiries about this paper or lodging a submission, please contact the AER Consumer Policy team on ConsumerPolicy@aer.gov.au.

Executive summary

The AER is undertaking a review of the protections that exist for consumers experiencing payment difficulty under the National Energy Customer Framework (NECF). This review arises from action 8 of the AER's Towards energy equity strategy, in which we committed to consider whether improvements can be made to the NECF to ensure that consumers experiencing payment difficulty receive effective, tailored assistance.

The problem that this review seeks to address is that some consumers experiencing payment difficulty have poor outcomes under the current framework, with people accruing high levels of debt before receiving appropriate assistance and experiencing disconnection in circumstances where it could have been avoided. The evidence also shows that some people in energy debt are not accessing payment difficulty assistance at all from their energy retailer, and that in some cases the assistance is ineffective. These indicators suggest that the current framework may need improvement to ensure that consumers experiencing payment difficulty are proactively identified, engaged early and supported appropriately with assistance that is tailored to their individual circumstances. There may be opportunities to support better outcomes for consumers experiencing payment difficulty by strengthening protections in these areas.

The NECF currently has protections for consumers experiencing payment difficulty. These protections sit across various regulatory instruments, including the National Energy Retail Law, the National Energy Retail Rules, the National Energy Retail Regulations, and the AER Customer Hardship Policy Guideline. These protections are supported by expectations set out in voluntary guidance such as the AER Sustainable Payment Plans Framework. Under these instruments, protections for consumers differ depending on whether and how they are identified and categorised as experiencing payment difficulty or hardship. The current framework also does not define minimum standards for identifying and engaging with consumers experiencing payment difficulty not due to hardship, nor set consistent and measurable criteria for identifying and engaging with hardship customers. As such, the framework currently allows for considerable discretion by retailers to determine whether a customer is experiencing hardship or payment difficulty, how they engage with that customer, and the level of assistance available to them.

It is possible that this lack of a consistent framework leads to unnecessary regulatory complexity, inconsistent customer experiences and poor outcomes for consumers experiencing payment difficulty. While effective payment difficulty protections can include principles, prescriptive requirements or a combination of both, a clear payment difficulty framework should enable a consistent experience for consumers regardless of their provider.

This review will assess the effectiveness of existing NECF provisions and AER instruments for consumers facing payment difficulty. It aims to identify:

- problems with existing protections, including gaps, failures and unintended consequences
- whether there is the need or opportunity to strengthen protections and improve outcomes for consumers experiencing payment difficulty.

In doing so, we will consider learnings from the implementation of other approaches (including but not limited to the Victorian payment difficulty framework), as well as the potential benefits of making payment difficulty protections more consistent across jurisdictions. The review will also consider the costs of potential regulatory changes, including on retailers' cost to serve.

Through this review, we will progress actions 9 and 10 of the Towards energy equity strategy by consulting with stakeholders on:

- how to improve engagement to promote disconnection as truly a last resort
- the purpose and merits of the consumer energy debt threshold for disconnection.

The purpose of this paper is to seek stakeholder views on key issues that have been identified through extensive early engagement, preliminary analysis and direct consumer research, including:

- the effectiveness of existing protections for consumers experiencing payment difficulty, including:
  - who is eligible for these protections
  - the obligations on retailers to identify, engage with and assist consumers experiencing payment difficulty
  - debt recovery and disconnection protections
- the benefits and limitations of other approaches, including but not limited to the Victorian payment difficulty framework
- the potential benefits and limitations of harmonising payment difficulty protections across the national energy market
- the impacts of potential changes on a retailer's cost to serve.

We will continue to engage with stakeholders throughout this review. After the formal consultation period has closed, we will hold a stakeholder forum to share and discuss the feedback we received. We will then analyse the opportunities available to improve outcomes for consumers experiencing payment difficulty, with consideration of implementation requirements, costs and benefits. This analysis will inform the case for change and recommended next steps in our report later this year.

Figure 1. Summary of review process

1 Background and introduction

This review arises from action 8 of the Towards energy equity strategy, in which we committed to consider whether improvements can be made to the NECF to ensure that consumers experiencing payment difficulty are proactively identified, engaged early and supported appropriately with assistance that is tailored to their individual circumstances. This action sits within objective 3 of the strategy, which is to strengthen protections for consumers facing payment difficulty.

The review will also progress the following additional actions within objective 3 of the strategy:

- Action 9: Encourage improved engagement to promote disconnection as truly a last resort.
- Action 10: Review the consumer debt threshold for disconnection (also known as the minimum disconnection amount).

It is practical to consider these actions together because they all aim to strengthen protections for consumers facing payment difficulty by ensuring they receive effective assistance and support that is tailored to their needs.

1.1 Scope of this review

This review will consider the effectiveness of existing NECF provisions and AER instruments that protect consumers experiencing payment difficulty. This will include an examination of:

- protections for consumers experiencing payment difficulty due to hardship, including those set out in the AER Customer Hardship Policy Guideline
- protections for other residential consumers experiencing payment difficulty
- voluntary guidance for retailers in the AER Sustainable Payment Plans Framework
- protections from disconnection (including the minimum disconnection amount and other protections in Part 6 of the National Energy Retail Rules).

We are consulting on how well the above provisions support consumers experiencing payment difficulty and if there are any areas that could be improved. We are also considering learnings from approaches implemented in other contexts (including but not limited to the Victorian payment difficulty framework), as well as the costs of any potential regulatory changes (including on retailers' cost to serve).

This review focuses on protections for residential consumers in jurisdictions governed by the NECF (Australian Capital Territory, New South Wales, Queensland, South Australia and Tasmania). These protections apply to embedded network customers of authorised retailers.

Although some protections apply to small business customers, these consumers are outside the scope of this review, which is focusing on residential consumers experiencing payment difficulty. Customers of exempt sellers (including consumers in embedded networks operated by exempt sellers) are also outside the scope of this review, as different protections exist for these consumers. We are conducting a separate review of the exemptions framework.[1]

In seeking to identify gaps in protections for residential consumers experiencing payment difficulty, this review is considering potential gaps for customers on prepayment meters or prepaid billing arrangements. Under the NECF, energy retailers can sell energy using a prepayment meter system in jurisdictions where its use is permitted.[2] Some jurisdictions have implemented local instruments to allow for prepayment meters and introduced derogations from the requirements for prepayment meters set out in the NECF. Some of these derogations may only apply to certain types of prepayment meters – for example, card-operated meters in Queensland.[3] Jurisdictional derogations are not in scope for this review.

1.2 Why this review is needed

The problem that this review seeks to address is that some consumers experiencing payment difficulty have poor outcomes under the current framework, with people accruing high levels of debt before receiving appropriate assistance and experiencing disconnection in circumstances where it could have been avoided. This problem is particularly important given increasing costs of living and decreasing energy affordability. Average electricity and gas prices in Australia have nearly tripled and food prices have risen by about 73% over the last 20 years – not including more recent price increases.[4] Our 2022–2023 retail performance data suggests that about 4.3% of energy consumers are in debt, as summarised in Figure 2. Concerningly, this includes an estimated 1.2% of consumers in energy debt but not accessing either the basic support of a payment plan or the additional support provided under hardship programs. Exploring the reasons for this gap will help us identify whether changes to the regulatory framework could improve outcomes for these energy consumers.

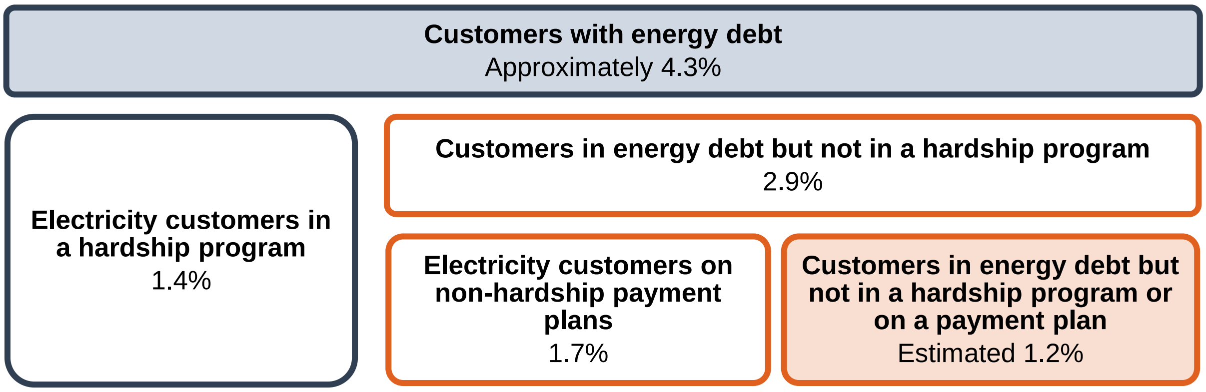

Figure 2. Estimating the scale of payment difficulty in the NECF[5]

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[1] AER, Review of the AER exemptions framework for embedded networks, 2023.

[2] Retail Law s 56(1).

[3] Queensland has implemented additional provisions about selling electricity using card-operated meters and model terms and conditions for standard retail contracts for card-operated meters. These are contained in the National Energy Retail Law (Queensland) and the National Energy Retail Law (Queensland) Regulation 2014.

[4] JM Fry, L Farrell, JB Temple, 'Energy poverty and food insecurity: Is there an energy or food trade-off among low-income Australians?', *Energy Economics,* 123, 2023, p iii.

[5] AER, Annual retail markets report 2022–23, November 2023. Note that energy debt is reported when the debt is over 90 days old. The proportion of customers with energy debt but not in a hardship program or on a payment plan is estimated in line with footnote 15 on page 11.

The data above does not include those consumers who are experiencing payment difficulty but have not been identified as a hardship customer or are avoiding energy debt through other means, such as using other forms of potentially harmful credit or making sacrifices in other aspects of their lives. For example, data from 2023 showed that almost 60% of consumers in financial stress were skipping meals or eating less to make ends meet amid rising costs of living, and almost 70% were deferring medical care and treatments.[6] This is supported by recent longitudinal research which found that low-income consumers are more likely to skip meals as energy becomes more expensive, especially among those with the lowest incomes.[7] Although these consumers are clearly experiencing payment difficulty, they are not always captured by the available data.

The AER Annual retail markets report for 2022–23 noted that the average debt on entry to a hardship program for electricity decreased by 29% to $1,193, which is the lowest average debt on entry in the past 5 years. The average age of customers' oldest debt on entry to a hardship program also decreased, indicating that consumers may be accessing hardship assistance sooner than they have in the past. However, the number of electricity and gas customers entering a hardship program with a debt of more than 24 months increased slightly in 2022–23 and is the highest it has been in the past 5 years. Furthermore, many consumers continue to accrue debt while on hardship programs,[8] suggesting these programs may not be as effective as they could be.

Other consumers experiencing payment difficulty may not be eligible for hardship programs. The average debt of these consumers is 23% higher than it was 5 years ago (although it has decreased slightly since 2020–21).[9] Some of these consumers are receiving assistance in the form of payment plans (1.7% of electricity customers and 1% of gas customers), and this proportion has been increasing over the last 4 years.[10] However, in 2022–23, more than 50% of payment plans across all jurisdictions were cancelled for non-payment.[11] This suggests that the current framework may not be able to ensure that payment plans are affordable and appropriately tailored to a customer's individual circumstances. In quarter 2 of 2023–24, over 22% of electricity payment plans had a fortnightly payment of $200 or more and 45% had fortnightly payments between $100 and $200.[12]

During the COVID-19 pandemic, disconnections decreased significantly as a result of the AER's Statement of expectations of energy businesses. While disconnections decreased in most jurisdictions in 2022–23, the proportion of disconnections increased in NSW and the ACT.[13] This may be attributed to a return to normal retailer practices following natural disasters earlier in the year.

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[6] Melbourne Institute, Taking the Pulse of the Nation: Australians continue to face budgetary constraints in housing, food, energy and healthcare, 2023.

[7] JM Fry, L Farrell, JB Temple, 'Energy poverty and food insecurity: Is there an energy or food trade-off among low-income Australians?', *Energy Economics,* 123, 2023, p iii.

[8] AER, Annual retail markets report 2022–23, November 2023, p 3.

[9] AER, Annual retail markets report 2022–23, November 2023, p 65.

[10] AER, Annual retail markets report 2022–23, November 2023, p 70–71.

[11] AER, Annual retail markets report 2022–23, November 2023, p 73.

[12] AER, Retail energy market performance update for Quarter 1, 2023–24, December 2023, Schedule 3, tab 'Payment Plan by Type – Elec'.

[13] AER, Annual retail markets report 2022–23, November 2023, p 97.

1.3 Objectives and approach for the review

This review aims to develop a set of recommendations for strengthening protections for consumers experiencing payment difficulty. To achieve this, we will first explore the case for change based on:

- the effectiveness of current protections
- the gaps, failures and unintended consequences of the current framework
- the effectiveness of other potential approaches, drawing on learnings from other frameworks (such as the Victorian payment difficulty framework).

We will then assess the opportunities to strengthen protections and improve outcomes for consumers experiencing payment difficulty by:

- identifying potential improvements to the current framework
- considering the implementation requirements for potential changes (noting that some may be able to be actioned relatively quickly through changes to AER instruments, while others would require lengthier processes to change the rules or the law)
- canvassing the costs and benefits of potential changes with reference to specific criteria.

We will share the findings of this analysis in a report that explores the case for change and sets out recommended next steps. Our analysis and recommendations will consider information and insights from:

- available data, including ombudsman complaints data and AER retail performance data related to payment difficulty and hardship
- stakeholder feedback, including information on current retailer practices and outcomes
- learnings from other approaches to protecting consumers experiencing payment difficulty
- consumer research and lived experience.

The review will also consider learnings from other work under the Towards energy equity strategy, including actions to develop a toolkit to help consumer-facing energy businesses better identify vulnerability and drive systemic change through the Game Changer initiative.

Table 1 outlines the intended outcome and objective for the review, as set out in the Towards energy equity strategy. It also summarises the indicators that we propose to use to measure whether we are achieving the intended outcome, and the criteria we propose to use to assess potential changes and recommendations.

Question 1. Do you have any feedback on the proposed approach for the review?

In responding to this question, you might like to consider:

- the effectiveness of the proposed indicators for measuring the intended outcome
- the appropriateness of the proposed criteria for assessing options
- factors to consider in assessing the short-term and long-term impacts of potential changes, including other evidence-based scenarios that could be used to test potential future impacts
- other objectives, intended outcomes, indicators or criteria that we should consider
- the limitations of what payment difficulty protections may be able to achieve in the NECF.

Table 1. Summary of review approach

Intended outcome	Consumers experiencing payment difficulty are proactively identified, engaged early and supported appropriately with assistance that is tailored to their individual circumstances.		
Objective	Strengthen protections for consumers facing payment difficulty.		
Indicators to measure intended outcome[14]	• Increase in the proportion of customers in energy debt who are receiving assistance (through hardship programs and payment plans).[15] • Decrease in the proportion of customers in medium-term (12–24 months) and long-term (over 24 months) energy debt. • Decrease in the proportion of payment plans cancelled for non-payment. • Decrease in the proportion of payment plans cancelled for non-payment where the customer has had at least one other payment plan cancelled by the retailer for non-payment in the previous 12 months. • Decrease in the proportion of customers disconnected within 12 months of being on a payment plan or successfully completing a hardship program. • Decrease in the proportion of customers disconnected for non-payment on more than one occasion in the previous 24 months.		
Criteria for assessing potential changes	**Consumer impacts**		
	Impact on intended outcome	Now	Future[16]
	Equity of impact on intended outcome across consumers	Now	Future
	Impact on consumer trust and engagement	Now	Future
	Risk of unintended consequences	Now	Future
	Market impacts		
	Impact on retailer costs *Including implementation costs and cost to serve*	Now	Future
	Impact on regulatory complexity	Now	Future
	Difficulty of implementation *Including accountability and enforceability*	Now	Future
	Risk of unintended consequences	Now	Future

[14] While there is no single metric that can be used to measure the intended outcome, the proposed indicators in combination (interpreted with reference to relevant contextual information) may signal how well the framework is achieving the intended outcome.

[15] This is not a metric that is currently included in retail performance reporting but a reasonable proxy can be calculated by combining the proportion of customers with non-hardship energy debt and the proportion of electricity customers on hardship programs, and comparing this to the proportion of electricity customers on hardship programs and the proportion of electricity customers on non-hardship payment plans. This calculation is based on the assumption that the majority of hardship customers have energy debt, and the majority of gas customers experiencing difficulty with their gas bills would also be experiencing difficulty with their electricity bills.

[16] We propose to test potential future impacts using evidence-based scenarios, such as the Digital Energy Futures: Scenarios for Future Living 2030/2050 developed by researchers at Monash University.

2 Current approaches to protecting consumers experiencing payment difficulty

2.1 The National Energy Customer Framework

The NECF regulates the sale and supply of electricity and gas to retail customers, to ensure all consumers can access energy on fair and reasonable terms. The NECF operates alongside the Australian Consumer Law and recognises that residential and small business customers can have little bargaining power with their providers, with a risk of disadvantage if retail practices are not regulated to ensure minimum service standards.[17] The NECF has been adopted by, and operates in, the Australian Capital Territory, Queensland, New South Wales, South Australia, and Tasmania.

The NECF comprises a suite of legal and regulatory instruments, including:

- the National Energy Retail Law (Retail Law)
- the National Energy Retail Rules (Retail Rules)
- the National Energy Retail Regulations (Regulations)
- the AER's Customer Hardship Policy Guideline (2019)[18]
- the AER's Sustainable Payment Plans Framework (2016).[19]

In 2006, the Council of Australian Governments amended the Australian Energy Market Agreement (2004) to include a national framework for distribution and retail services, in recognition of the need for consistency in protecting consumers across jurisdictions.[20] The Retail Law, Retail Rules and Regulations were developed to implement this commitment.

The Retail Rules and Retail Law operate to facilitate the provision of electricity and gas services to retail customers and comprise consumer protection measures and model contracts that govern the relationships between consumers, retailers and distributors.[21] The Customer Hardship Policy Guideline was implemented in 2019 to improve consistency of hardship policies across retailers and transparency of hardship policies for consumers.[22]

The NECF contains provisions within these instruments that aim to protect consumers experiencing payment difficulty. Our review of the current framework identified various

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[17] Second Reading Speech to the National Energy Retail Law (South Australia) Bill, South Australia, Parliamentary Debates, House of Assembly, 27 October 2010, pp 1748–1750.

[18] The AER is required to develop, maintain and publish the Customer Hardship Policy Guideline pursuant to rule 75A(1) of the Retail Rules. A retailer's hardship policy must comply with the Customer Hardship Policy Guideline pursuant to rule 75B(1) of the Retail Rules.

[19] The framework is not a binding instrument, but 27 retailers are signatories.

[20] National Energy Retail Law (South Australia) Bill Second Reading, South Australia, Parliamentary Debates, House of Assembly, 10 November 2010, pp 1461–1462.

[21] AEMC, National Energy Retail Rules, 2024.

[22] AEMC, Strengthening protections for customers in hardship, Information sheet, 2018.

protections that are likely to have an impact on outcomes for consumers experiencing payment difficulty. As visualised in Figure 3, these provisions relate to:

- who is **eligible** for payment difficulty protections
- what retailers must do to **identify** consumers experiencing payment difficulty
- how retailers are required to **engage** with consumers experiencing payment difficulty
- what retailers must do to provide practical **assistance** to consumers experiencing payment difficulty
- how the framework promotes **disconnection as a last resort**.

Detailed summaries of these provisions are provided in each relevant section of this paper.

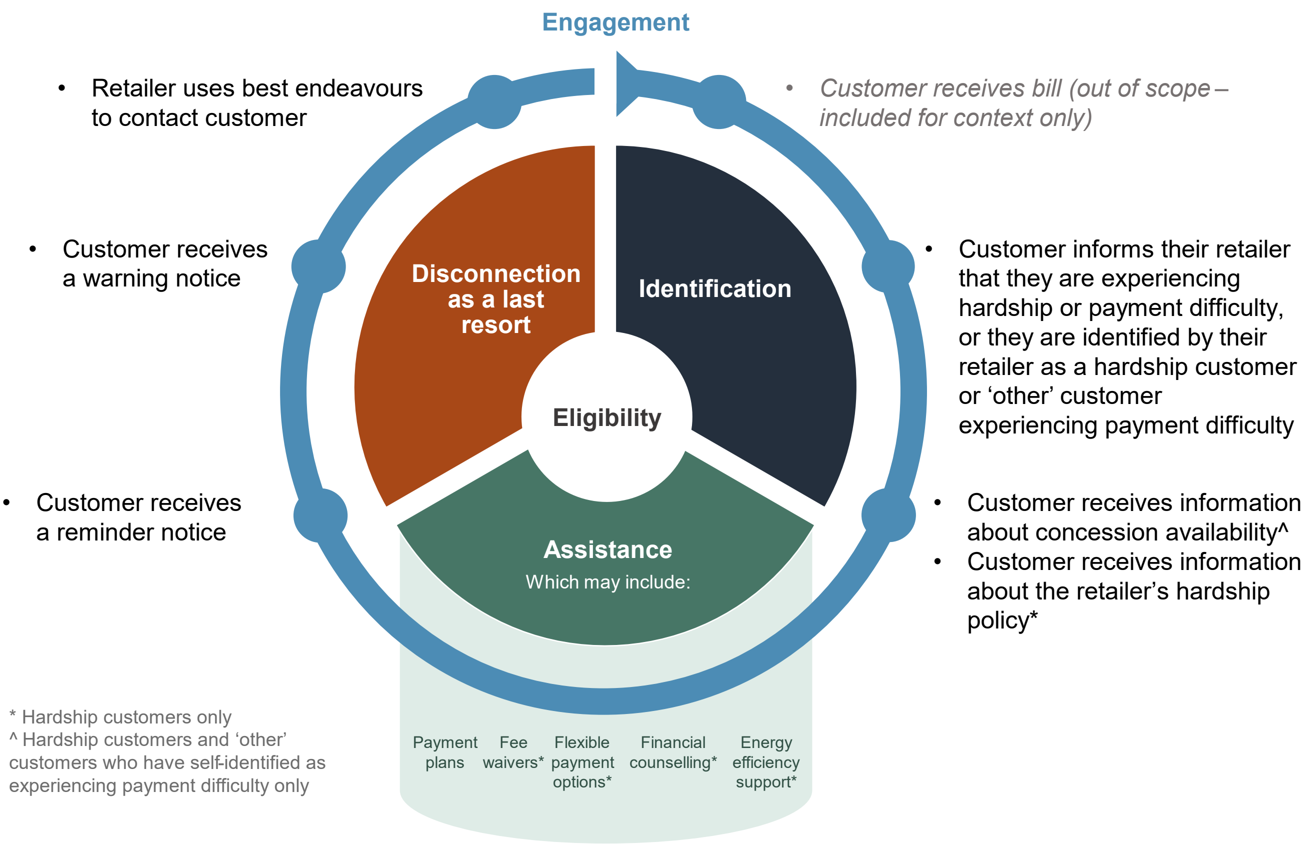

Figure 3. Illustrative customer journey for consumers experiencing payment difficulty in the National Energy Customer Framework

2.2 Other frameworks and approaches

The Victorian payment difficulty framework

The Essential Services Commission of Victoria (ESCV) introduced a payment difficulty framework following an inquiry into energy disconnections and the financial hardship programs of energy retailers. The ESCV's final inquiry report found that:

- customers in payment difficulty often use more energy than other customers
- existing hardship programs were generally ineffective at preventing customers from accumulating further debt
- by the time help is offered, it is often too late to assist customers to manage their debt
- customers could not count on consistent or equitable levels of assistance.[23]

The inquiry report recommended the adoption of a framework that reduces the reliance on subjective evaluations to determine a customer's entitlement to assistance and sets out minimum standards to support more consistent and equitable outcomes.[24] The Victorian payment difficulty framework was introduced in January 2019 and aims to:

- help customers to avoid getting into arrears with their retailer
- make it easier for customers to pay for their ongoing energy use, repay their arrears and lower their energy costs
- ensure that residential customers are only disconnected for non-payment of a bill as a last resort.

The Victorian framework is in Part 6 of the Energy Retail Code of Practice (ERCOP). A detailed summary of protections under the Victorian payment difficulty framework is provided in Appendix B.

In 2021, the ESCV conducted an implementation review of the Victorian framework which found that it was broadly meeting its objectives. The review found that 53% more customers were receiving tailored assistance in 2020–21 compared to customers receiving hardship assistance in 2017–18, before the framework was introduced. The review found that the Victorian framework delivers positive outcomes when it is implemented effectively, with customers who can pay for their ongoing energy use benefitting most from the framework. The review identified room for improvement in relation to:

- establishing and reviewing payment arrangements and plans
- ensuring eligible customers receive concessions and utility grants
- providing timely and appropriate assistance to help customers lower their energy usage
- interacting with customers, including communicating in a way that recognises a customer's circumstances and the barriers they may be facing

[23] ESCV, Payment difficulty framework: Final decision, 2017, p viii.

[24] ESCV, Supporting Customers, Avoiding Labels: Energy Hardship Inquiry Final Report, 2016, p 37.

- engaging earlier with customers
- linking with trusted third parties who support their clients or customers
- supporting customers prior to disconnection, particularly for those customers who cannot pay for their ongoing energy use.

The Energy and Water Ombudsman (Victoria) also reviewed the effectiveness of the Victorian framework in its Missing the Mark report in 2020, which recommended considering:

- improving the communication of entitlements through more direct and personal means
- training all staff in relation to the framework
- appointing dedicated staff to provide culturally safe assistance to customers from cultural groups that are poorly served by the framework (such as First Nations customers)
- reconsidering the targeting of assistance under the framework (including whether the framework could be made more effective for those in genuine payment difficulty if the entitlement to tailored assistance were narrowed)
- further policy measures for those who cannot afford their energy even after entitlements have been fully and properly applied
- clarifying that debt waivers should be applied in addition to other entitlements.

In 2022–23, 4% of electricity and gas customers in Victoria owed their retailer more than $300 and were not engaged in a payment plan.[25] The average debt of these customers was $1,264 for electricity and $1,109 for gas.[26] This indicates that there is still a gap between those experiencing payment difficulty and those accessing assistance in Victoria.

Consumer insights into the effectiveness of the Victorian framework

In 2023, we worked with Uniting to explore the systemic barriers that consumers face in the energy market, particularly in relation to receiving or accessing support when they can't afford their energy bills. Many of the people we spoke to for this research were based in Victoria, so their experiences provide insights into the barriers that consumers continue to face under the framework.

The systemic challenges identified by this research included complexity, inconsistency, affordability, disconnection, and trust. The key area of improvement identified by consumers was making it as simple and easy as possible for consumers experiencing vulnerability to access information and support, with consistency being a critical aspect of this.[27]

[25] It is not possible to directly compare metrics across the NECF and the Victorian framework due to differences in retailers' performance reporting requirements. For example, while the AER's Performance Reporting Procedures and Guidelines 2018 require retailers to report on debt that has been outstanding for 90 days or more, the ESCV's Compliance and Performance Reporting Guideline – Version 8 requires retailers to report on any arrears over $0.

[26] Essential Services Commission, Victorian Energy Market Report: 2022–23, 2023, p 20.

[27] Uniting and Commonwealth of Australia, Game changer consumer exploration workshops, 2023.

New Zealand Consumer Care Guidelines

The New Zealand Electricity Authority publishes Consumer Care Guidelines to support energy retailers to deliver a consistent and supportive standard of care to consumers. The guidelines include:

- expectations for retailers to publish a consumer care policy
- guidance on what retailers should do when customers experience payment difficulty
- processes that retailers should follow when disconnecting customers for non-payment
- recommendations for life support customers.[28]

In 2021, the New Zealand Ministry of Business, Innovation and Employment established an Energy Hardship Expert Panel to support work on the alleviation of energy hardship within an outcomes framework that included a focus on protecting energy consumers in their relationships with providers.[29] The expert panel delivered its final recommendations in July 2023, including recommendations to increase consumer protection by:

- reviewing the Consumer Care Guidelines and developing mandatory obligations for all retailers to create clear minimum standards that better protect all consumers
- banning all disconnection fees and ensuring all other fees and costs are reasonable
- developing mandatory rules for retailers to follow before disconnecting for non-payment so disconnection is the last resort
- requiring retailers to provide more flexible payment options
- requiring retailers to annually notify consumers of the most affordable energy plan available to them.[30]

In February 2024, the Electricity Authority decided to mandate the Consumer Care Guidelines, noting that they were not being applied consistently and the voluntary approach was not providing effective protection.[31] They noted feedback from stakeholders about the importance of ensuring safety for consumers experiencing vulnerability and a consistent and reliable quality of service, as well as the need to ensure clarity, coherence, consistency and enforceability in the mandated guidelines.

[28] New Zealand Electricity Authority, Consumer Care Guidelines, 2021.

[29] Energy Hardship Expert Panel, Energy hardship outcomes framework and focus areas, 2022.

[30] Energy Hardship Expert Panel, Energy Hardship: The challenges and a way forward – Energy Hardship Expert Panel Report to the Minister, 2023.

[31] New Zealand Electricity Authority, Updating and strengthening the consumer care guidelines – Decision paper, 2024.

Ofgem Consumer Standards and Ability to Pay Principles

Ofgem is the energy market regulator in the United Kingdom. Protections for consumers experiencing payment difficulty in the United Kingdom are embedded in supplier licensing conditions. In 2023, Ofgem implemented new licensing conditions to:

- make it easier for consumers to contact their supplier, including by requiring retailers to have regard to customers' needs in terms of communication channels and opening hours
- help support domestic customers that are struggling with their bills, including by requiring retailers to engage, understand ability to pay and offer suitable debt repayment plans at the earliest opportunity
- incentivise retailers to focus on how they can improve their service to customers by compelling them to publish information on their performance.[32]

More specifically, the new conditions aim to support consumers struggling with their bills by requiring retailers to:

- make early contact to identify whether a customer is experiencing payment difficulty no later than after 2 missed monthly payments or one missed quarterly payment, or when the customer has informed them that they won't be able to make the next payment
- regularly review their methods of proactive contact to ensure they meet the needs of customers, especially in cases where they haven't been able to make successful contact with the customer
- pause scheduled payments for an appropriate period of time as part of a customer's repayment plan, and regularly review the repayment plan in accordance with the customer's ability to pay.[33]

These new conditions build on earlier changes, including making the Ability to Pay Principles mandatory with the goal of ensuring that all retailers sufficiently and consistently consider customer ability to pay when establishing payment plans. The Ability to Pay Principles as introduced to supplier licensing conditions in 2020 are:

- **having appropriate credit management policies and guidelines**, including allowing for customers to be dealt with on a case-by-case basis and linking staff incentives to successful customer outcomes rather than repayment rates
- **making proactive contact with customers**, including making early contact, regularly reviewing methods of contact to ensure they meet customer needs, using every contact as an opportunity to gain more information about the customer's ability to pay, and making customers aware of debt advice services
- **understanding individual customers' ability to pay**, including providing clear guidance and training for staff, providing appropriate channels for customers to quickly and easily raise concerns and have conversations about their ability to pay, making full use of available information in determining ability to pay, and proactively exploring payment amounts and methods which are appropriate to each customer's individual circumstances

[32] Ofgem, Consumer standards – Decision, 2023.

[33] Ofgem, Consumer standards – Decision, 2023.

- **setting repayment rates based on ability to pay**, including considering all available information, only using default amounts where there is insufficient information available, not insisting on substantial upfront payments before reconnection, and pausing scheduled repayments for an appropriate period and reviewing ability to pay before reinstating repayments
- **ensuring the customer understands the arrangement**, including communicating clearly and, for prepayment meter customers, explaining clearly that debt will be recovered through weekly payments regardless of usage
- **monitoring arrangements after they have been setup**, including monitoring failed payments for credit meter customers, energy usage for prepaid meter customers, consistency and appropriateness of staff interactions when setting up payment plans, the appropriateness of failed repayment arrangements, and overall repayment rates and recovery periods
- **re-engaging with customers after a failed repayment arrangement**, including engaging with the customer in a timely manner to discuss the plan and whether a different plan or method would be more suitable.[34]

Question 2. What can we learn from other approaches to strengthening protections for consumers experiencing payment difficulty?

In responding to this question, you might like to consider:

- other payment difficulty frameworks and protections, such as those in Victoria, New Zealand and the United Kingdom and those in other sectors or essential services
- the role of minimum standards in effective payment difficulty protections
- other examples and approaches, including industry practices and initiatives.

[34] Ofgem, Self-disconnection and self-rationing decision, 2020.

3 Key issues for feedback

The following section summarises existing protections and outlines key issues that have been identified through preliminary analysis and early consultation with stakeholders. This includes conversations with:

- 11 retailers (including large retailers, small retailers, regional retailers, and authorised retailers operating embedded networks)
- 14 consumer advocacy and support organisations
- 1 consumer stakeholder roundtable, with attendees from a range of organisations
- 6 ombudsman schemes
- 10 other stakeholders (including industry organisations, researchers, government departments, and other regulators).

The discussion below has also been informed by early feedback from our Customer Consultative Group and direct insights from consumers with lived experience, including insights from existing research as well as focus groups conducted specifically for the purposes of this review.

About the lived experience focus groups conducted for this review

To ensure that this issues paper was informed by consumers' lived experiences of payment difficulty, we spoke to 15 people in March 2024. The people we spoke to:

- lived in New South Wales, Queensland and South Australia
- lived in both metropolitan and regional areas
- included every age range between 18–24 and 65+
- included people with a range of education levels, from year 10 to postgraduate
- included people experiencing various degrees of payment difficulty
- included people with short-term and medium-term energy debt
- included people on pre-pay and post-pay billing arrangements
- included people on energy payment plans and hardship programs.

Representative quotes from the people we spoke to in these focus groups are included where relevant to illustrate the issues discussed in the sections below. The quotes have been deidentified and lightly edited for readability.

This paper summarises existing protections to support an informed and inclusive consultation process. It is not intended to be, and should not be treated as, advice on compliance obligations.

3.1 Eligibility for protections

Summary of existing protections

Under the NECF, a customer is eligible for different forms of protection and assistance depending on how they are categorised by retailers. A hardship customer is defined as 'a residential customer of a retailer who is identified as a customer experiencing financial difficulties due to hardship in accordance with the retailer's customer hardship policy'.[35] The Retail Law requires retailers to have hardship policies and outlines minimum requirements for what they must contain.[36] Under the Retail Law, the purpose of a retailer's hardship policy is to identify customers experiencing payment difficulty due to hardship and to assist those customers to better manage their energy bills on an ongoing basis.[37]

Retailer hardship policies must be approved by the AER. The Retail Rules require the AER to publish a customer hardship policy guideline specifying standardised statements that retailers must include in their hardship policies. The guideline requires retailers to include a standardised introductory statement that:

- the policy 'applies to all residential customers' living in the retailers' jurisdictions of operation 'who find it hard to pay their energy bills due to hardship'
- a customer might experience hardship because of factors like:
    - death in the family
    - household illness
    - family violence
    - unemployment
    - reduced income.[38]

A retailer's hardship policy must also include a brief description of the process they will use to assess a customer's eligibility for their hardship program, and can use visual tools to make it easier for customers to understand.[39] The Customer Hardship Policy Guideline prohibits retailers from including in their hardship policies unreasonable conditions that exclude customers from entry or re-entry to their hardship program, such as requiring the customer to attend financial counselling, submit to an energy audit, or pay their bills on time.[40]

The Retail Law contains some protections that apply to 'other residential customers experiencing payment difficulties', if:

- the customer informs the retailer in writing or by telephone that they are experiencing payment difficulty, or
- the retailer otherwise believes the customer is experiencing repeated difficulties paying their bill or requires payment assistance.[41]

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[35] Retail Law s 2, definition of 'hardship customer'.

[36] Retail Law s 44.

[37] Retail Law s 43(1).

[38] Customer Hardship Policy Guideline 2019 cl 89.

[39] Customer Hardship Policy Guideline 2019 cl 35.

[40] Customer Hardship Policy Guideline 2019 cl 37–38.

[41] Retail Law s 50(1).

However, some protections under the Retail Rules only apply when the customer has self-identified by informing their retailer in writing or by telephone that they are experiencing payment difficulty.

Key issues for feedback

Differing levels of protection under existing definitions of hardship and payment difficulty

Early feedback from stakeholders suggests that there is a need for clearer definitions of 'hardship' and 'payment difficulty'. In fact, many stakeholders were unsure how these terms are defined or set out in the current framework. Others believe that customers on prepayment meters are precluded from being eligible for hardship assistance under the framework, as the standardised introductory statement prescribed by the Customer Hardship Policy Guideline only references customers who receive bills, which prepayment meter customers do not receive.[42] While we believe that prepayment meter customers within the framework are eligible for hardship protections, this points to a lack of clarity in the way in which eligibility for hardship protections is defined under the current framework.

In our early engagement, some retailers noted the existence of a 'grey area', when customers are struggling to pay their bills on time but no specific hardship is mentioned. In addition, a difference in language used in the Retail Law and Retail Rules to describe customers creates a gap in some protections for non-hardship customers whose retailers believe they are experiencing repeated difficulties paying their bills but who do not explicitly inform their retailer in writing or by telephone. In the current framework, these consumers are not afforded the same protections as consumers who have self-identified as experiencing payment difficulty. For example, while these consumers are entitled to a payment plan under the Retail Law,[43] the payment plan protections set out in the Retail Rules[44] do not apply.

Clarifying the definitions to enable easily applicable eligibility criteria for payment difficulty protections could benefit consumers by enabling a more consistent customer experience and reducing barriers to accessing assistance. It could also benefit retailers by reducing regulatory complexity and improving consumer trust through a more consistent customer experience. However, it is important to consider where changes simply clarify existing eligibility to reduce barriers and improve consistency, and where they may have broader effects of expanding eligibility to new consumers who would otherwise not be entitled to protections. Expanding eligibility to more consumers using simple and objectively measurable criteria (for example, consumers with energy debt) could help ensure that consumers receive appropriate support earlier, but could also increase costs for retailers (with costs depending on the protections that are affected).

While feedback indicates that some retailers already take a more inclusive approach to identifying consumers as hardship customers, there is a lack of consistency due to a lack of clarity in the framework. This ambiguity may contribute to outcomes such as consumers being put on non-hardship payment plans when a hardship program would be more

[42] LV White, B Riley, S Wilson, F Markham, L O'Neill, M Klerck and VN Davis, '[Geographies of regulatory disparity underlying Australia's energy transition]', *Nature Energy*, 9, 2024, p 92–105.

[43] Retail Law s 50.

[44] Retail Rules r 33(1) and 72.

suitable.[45] It also raises the question of whether different protections should exist for hardship customers and customers experiencing payment difficulty.

Existing frameworks differentiate the protections and assistance available to consumers based on criteria which are generally intended to distinguish the type or degree of payment difficulty the customer is experiencing. For example, in the Victorian payment difficulty framework, consumers are eligible for either standard assistance or tailored assistance based on the amount of debt they have with their energy retailer, with tailored assistance further differentiated based on whether they can afford to pay for their ongoing energy use. In the NECF, consumers are categorised as either hardship customers or 'other' residential customers experiencing payment difficulty, who are further differentiated depending on whether they have explicitly self-identified as experiencing payment difficulty. Therefore, in both frameworks payment difficulty protections exist on a spectrum that balances coverage (that is, the number of people entitled to protections) with scope (that is, the number or nature of the protections they are entitled to). This balance is visualised in Figure 4 for the NECF. Changes to either the coverage or scope of protections could have significant implications for both retailer costs and consumer outcomes.

Figure 4. Coverage and scope of existing payment difficulty protections in the NECF

Retailer discretion in determining eligibility for assistance

Partly due to the way that hardship and payment difficulty are defined in the framework, retailers have substantial discretion to determine when a customer is eligible for both hardship assistance and other protections for consumers experiencing payment difficulty, such as information provision and payment plans. This can increase barriers to accessing assistance – for example, stakeholder feedback indicates that:

- some retailers may refer strictly to the specific circumstances set out in the Customer Hardship Policy Guideline's standardised statements when assessing whether a consumer is a hardship customer
- access to payment plans is currently dependent on the retailer's subjective assessment that the customer is experiencing repeated difficulty in paying their bill or requires payment assistance, unless the consumer explicitly informs their retailer in writing or by telephone that they are experiencing payment difficulty (which we know many consumers are unlikely to do)

[45] AER, Letter to retailers on outcome of hardship compliance review, 2024.

- consumers may be expected to produce proof of hardship or payment difficulty in order to access assistance, which is considered poor practice but is not currently prohibited.

Some stakeholders are supportive of establishing minimum standards of assistance for all consumers, with additional entitlements for consumers who meet specific criteria (similar to Victoria's payment difficulty framework). This could reduce the burden on consumers to advocate for their interests by explicitly making retailers responsible for providing minimum standards of assistance. This is likely to be particularly beneficial for improving access to general assistance for all consumers experiencing payment difficulty (such as payment plans), especially if accessing this entitlement does not require the provision of proof. It could also better support consumers experiencing more acute vulnerability, who often find it especially difficult to advocate for their interests and pursue their rights. A framework that establishes minimum standards of assistance could also benefit retailers by simplifying processes for the majority of consumer cases, making it easier to communicate with their customers in relation to the supports available, and establishing clear and consistent standards across the sector. However, expanding the scope of protections and assistance available to all consumers could also increase costs for retailers, with stakeholders noting that implementing changes for the Victorian framework imposed significant costs on retailers.

> 'There's a lot of different people out there – there's rebates for people who are older or from lower economic backgrounds. But there's other people in between who fall outside the boundaries, people who wouldn't know to find the stuff for themselves.'
>
> *— Lived experience focus group participant*

Eligibility gaps for consumers in specific circumstances

A customer's specific circumstances can also determine their level of access to hardship and payment difficulty protections, either directly (due to how the framework applies to specific customers) or indirectly (due to how the framework is interpreted and applied by retailers).

For example, consumers who leave their retailer are sometimes not provided with appropriate protections in relation to outstanding debt. Currently, many retailer hardship policies contain some form of restriction intended to limit hardship protections to existing customers, and in 2022–23 13% of customers exiting a hardship program did so as a result of moving to another retailer (compared to 55% exiting due to being excluded and 31% exiting due to successfully completing the program).[46] These consumers are likely to be negatively affected if they still have debt with their previous retailer but are not provided with appropriate protections in repaying that debt. This harm would be compounded if they also do not receive support from their new retailer, with whom they do not yet have debt and who may be unaware of their existing debt. In addition to the potential harm for consumers in these circumstances, this could have broader impacts by discouraging hardship customers from seeking a better deal with another retailer, contributing to worse outcomes in the long term.

[46] AER, Annual retail markets report 2022–23, November 2023.

There are other groups of consumers who may have less access to support and assistance when they experience payment difficulty. Customers of exempt sellers (such as consumers residing in caravan parks) may find it more challenging to obtain concessions and access to hardship programs, due to factors such as concession scheme eligibility criteria or a lack of adequate understanding among operators of these networks. Similarly, consumers on prepayment meters may also experience exclusion from payment difficulty protections and assistance (such as payment plans) due to the nature of prepayment meter systems and the requirement to pay for energy in advance. Stakeholders noted that the majority of prepayment meter customers are First Nations consumers residing in remote communities, who are connected to off-grid energy sources outside the national energy market. These customers do not fall under the framework and therefore may not receive the same protections as other consumers.

As this review is focused on protections in the NECF, gaps for customers of exempt sellers and prepayment meter customers outside the framework are out of scope. However, we acknowledge this feedback regarding gaps in protections for many consumers and note that the framework is currently unable to address these gaps.

Question 3. How adequate, effective and appropriate is the current eligibility framework for payment difficulty protections?

In responding to this question, you might like to consider:

- the effectiveness of existing definitions of hardship and payment difficulty in the NECF
- how the framework differentiates between consumers in different circumstances or who are experiencing different kinds of payment difficulty
- the appropriate balance between coverage and scope of payment difficulty protections, including implications for retailer costs and consumer outcomes
- potential benefits, limitations and risks of establishing minimum standards of assistance for all consumers, with additional rights for consumers who meet specific criteria.

3.2 Identifying and engaging with consumers experiencing payment difficulty

Summary of existing protections

In accordance with the Retail Law and the Customer Hardship Policy Guideline, retailers must implement policies that specify how they will identify and engage with hardship customers, including:

- the steps they will take to identify hardship customers early and assist a customer for as long as they are a hardship customer[47]
- how they will communicate their hardship policy to customers with diverse needs[48]
- how customers can elect representatives to act on their behalf.[49]

Under the Guideline, retailers must also specify in their hardship policies that:

- where a customer has elected a representative to act on their behalf, the retailer will engage with the customer's representative as they would with the customer and consistent with the customer's consent and instruction to the retailer[50]
- they will, in a timely manner when relevant (including on being contacted by a customer), provide clear information about the assistance available under the hardship policy[51]
- staff have undergone training to understand hardship issues, engage with customer queries about hardship programs, and identify and assist hardship customers[52]
- they will tell a customer about the hardship program if:
  - the customer tells the retailer they are having trouble paying their bill, are eligible for a relief grant or other emergency assistance, or have personal circumstances where hardship support may help (e.g. death in the family or job loss)
  - the customer is referred by a financial counsellor or other community worker
  - the retailer is concerned the customer may be experiencing financial hardship[53]
- they will recommend a customer speak to a staff member to join the hardship program if the customer has:
  - a history of late payments
  - broken payment plans
  - requested payment extensions
  - received a disconnection warning notice
  - been disconnected for non-payment[54]

[47] Customer Hardship Policy Guideline cl 31(a).

[48] Customer Hardship Policy Guideline cl 42.

[49] Customer Hardship Policy Guideline cl 43.

[50] Customer Hardship Policy Guideline cl 43.

[51] Customer Hardship Policy Guideline cl 30(b).

[52] Customer Hardship Policy Guideline cl 33.

[53] Customer Hardship Policy Guideline cl 89 (Standardised Statements 1 and 2).

[54] Customer Hardship Policy Guideline cl 89 (Standardised Statements 1 and 2).

- they will act fairly and reasonably with regard to all the customer's circumstances of which they are aware. [55]

The requirement for a retailer to maintain and implement their customer hardship policy is a civil penalty provision in the Retail Law.[56] Under the Retail Law, a retailer must inform a residential customer of their hardship policy where it appears to the retailer that non-payment of an energy bill is a result of the customer experiencing payment difficulties due to hardship.[57]

There are no requirements in the NECF regarding processes and procedures for identifying 'other' customers experiencing payment difficulty, and some protections in the Retail Rules rely on consumers self-identifying by informing their retailer in writing or by telephone that they are experiencing payment difficulties.[58] For example, a retailer must provide information on government-funded energy charge rebate, concession or relief schemes to hardship customers and other customers who explicitly inform their retailer in writing or by telephone that they are experiencing payment difficulties, but this protection does not apply to 'other' customers experiencing payment difficulty who do not inform their retailer.[59]

Other engagement requirements are limited to specific forms of communication that retailers must provide to their customers, the most relevant being:

- bills, which must comply with the requirements set out in the Better Bills Guideline, including:
  - providing a better offer message advising if the customer could be on a better plan[60]
  - providing information about the government's price comparison website, Energy Made Easy[61]
  - providing contact details to enable them to access financial assistance[62]
- benefit change notices, which must be provided when a plan's benefit (such as a price discount) changes or expires[63]
- reminder notices, which are issued after a bill's due date to remind a customer that payment is required[64]
- disconnection warning notices, which must be provided when a customer's premises is at risk of being de-energised.[65]

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55 Customer Hardship Policy Guideline cl 30(a).

56 Retail Law s 43(2).

57 Retail Law s 46.

58 Retail Rules r 33(1)(b).

59 Retail Rules r 33(3).

60 Better Bills Guideline cl 40(j).

61 Better Bills Guideline cl 40(i), 63(d).

62 Better Bills Guideline cl 41(f)(i).

63 Retail Rules r 48A. Benefit change notices must comply with the requirements set out in the AER's Benefit Change Notice Guidelines (2018).

64 Retail Rules r 109(1), 111(1)(c).

65 Retail Rules r 110(1), 111(1)(d), 119(3)(a).

Under the Retail Rules, a prepayment meter customer is identified as experiencing payment difficulty if:

- the customer informs the retailer in writing or by telephone that they are experiencing payment difficulty, or
- the retailer's system identifies that the customer has self-disconnected for longer than 240 minutes 3 or more times in any 3 month period.[66]

At this point, in addition to specific assistance set out in the Retail Rules, the retailer must provide the prepayment customer with information about:

- its hardship policy
- available retail contract options
- any government funded rebate, concession or relief scheme
- available financial counselling services.[67]

The AER's Sustainable Payment Plans Framework sets out voluntary guidance for engaging in capacity to pay conversations with consumers experiencing payment difficulty, as summarised on the next page.

[66] Retail Rules r 141(2).

[67] Retail Rules r 141(2).

The AER's Sustainable Payment Plans Framework[68]

This is a voluntary framework implemented in 2016 with the goal of achieving better outcomes by helping customers and retailers agree to payment plans that are affordable and sustainable.[69] Adopting the framework is voluntary, but retailers who choose to adopt the framework are encouraged to consider including this in their customer hardship policy, which is enforceable. Currently, 27 retailers are signatories to the framework.[70]

Section one of the framework promotes the good practice principles of **empathy and respect**, **flexibility** and **consistency**. Section 2 of the framework provides a 'Good practice guide chart' demonstrating how the principles may be implemented in practice, including:

- The retailer starts the conversation by discussing the customer's circumstances. If it isn't clear what the customer can afford, this may be determined through a conversation with the customer, the customer completing a budget and advising the retailer what they can afford, or the customer being referred to a financial counsellor.
- A referral to a financial counsellor must not be a prerequisite for starting or continuing on a payment plan. Where a customer is referred to a financial counsellor, an affordable temporary plan should be established while the customer waits for a financial counsellor to become available, and retailers should accept advice from the financial counsellor about what the customer can afford to pay.
- Depending on the amount nominated by the customer, the retailer should consider whether hardship support is appropriate or enrol the customer in their hardship program.
- Once the payment plan has been set up, the retailer should monitor the customer's payments and usage, contact the customer if their usage changes or they miss a payment, engage in routine follow-up conversations, and take further action if the customer tells them the payments are not affordable or there are multiple broken plans.
- The payment plan should be reviewed at least once every 3 months.
- When a customer successfully completes a payment plan, the retailer and customer should discuss whether another payment plan or more frequent billing will help the customer better manage their ongoing energy bills.

Key issues for feedback

Reliance on consumers to self-identify as experiencing payment difficulty

Putting the onus on consumers to communicate to their retailer that they need payment assistance is not effective, as consumers can often be unaware that assistance may be available to them. Many consumers experiencing vulnerability also face additional barriers to seeking assistance from their retailer. For example, consumers with mental health issues

[68] AER, Sustainable Payment Plans Framework, 2016.

[69] The framework is expected to be reviewed as it may no longer reflect good practice. Such a review would be informed by relevant findings from this review of payment difficulty protections in the NECF.

[70] See retailer hardship policies published on the AER website.

may not have the capacity to contact their retailers. They may not recognise that they need help or may be reluctant to ask for help due to fear of embarrassment or that they may not be believed.[71] As a result, there is a need for retailers to proactively identify consumers experiencing payment difficulty, including before they reach the stage of hardship.

> ‘It’s a bit embarrassing to have to call up and say to somebody, “I can’t pay this bill”.’ *— Lived experience focus group participant*

Our data indicates that retailers have been making improvements in this area. The proportion of consumers entering a hardship program after being referred by their retailer has been increasing, for both gas and electricity customers. For example, the proportion of electricity customers entering hardship programs through retailer referrals has increased over the last 4 years from 40% in 2019–20 to 54% in 2022–23, while the proportion of customers entering after self-identifying as experiencing vulnerability has decreased from 59% to 44%.[72]

However, some stakeholders emphasised that more could be done to improve identification of consumers experiencing payment difficulty, including those who may not be eligible for hardship protections. For example, although it is a requirement under the NECF that retailers provide training to their frontline staff to understand hardship issues and identify customers experiencing payment difficulty due to hardship, the type and quality of training may vary across retailers. Early stakeholder feedback also indicates that few retailers consistently provide their staff with cultural competency training, including training on how to engage with First Nations consumers. A lack of cultural competency training can contribute to delays or gaps in identifying payment difficulty experienced by First Nations consumers or other culturally diverse groups.

Identification ‘triggers’, automation and predictive identification

The Victorian framework requires that retailers provide information about assistance and how it can be accessed when contacted by a customer who hasn’t paid by their due date, and within 21 business days of a missed due date for a customer with more than $55 in arrears.[73] Similarly, Ofgem’s updated Consumer Standards specify that a retailer must proactively contact a customer who may be experiencing payment difficulty at the earliest opportunity, no later than after 2 consecutively missed monthly scheduled payments, one missed quarterly payment, or the customer has informed the retailer that they are unable to make the next payment.[74] These circumstances therefore act as clear ‘triggers’ for identifying a consumer who may be experiencing payment difficulty.

Many consumer stakeholders are supportive of introducing similar triggers into the NECF. While some were supportive of Victoria’s $55 debt trigger, others suggested that a trigger should be activated earlier in the customer journey – for example, as soon as a payment is

[71] C Fitch, D Holloway and C D’Arcy, ‘Disclosure environments: Encouraging consumers to disclose a mental health problem’, Money and Mental Health Policy Institute and Money Advice Trust, 2022, p 7.

[72] AER, Annual Retail Markets Report 2022–23, November 2023, p 80.

[73] ERCOP cl 129(1)–(2). See Appendix B for more detail.

[74] Ofgem, Consumer standards – Decision, 2023.

late. Stakeholders also suggested a range of other circumstances that could be used as ‘triggers’ to identify consumers experiencing or at risk of payment difficulty. These include:

- use of Buy Now, Pay Later services to pay a bill
- a change in the payment method the customer uses to pay their bill (for example, switching from direct debit to a credit card)
- a change in other payment behaviours (including late or incomplete payments)
- requesting extensions to pay on more than 2 occasions
- a significant increase in the bill amount
- a noticeable change in energy usage, either a decrease (which could be a sign of self-rationing or underconsumption) or an increase (which could be an indicator of upcoming payment difficulty)
- issuance of multiple reminder notices
- seeking advice on energy efficiency.

These triggers could be used as indicators of payment difficulty in both manual or automated ways. For example, retailer staff could manually check for these circumstances when contacted by a customer, or the retailer’s systems could automatically ‘flag’ customers with these characteristics for proactive engagement. However, as noted by stakeholders, each indicator is likely to capture some consumers experiencing payment difficulty but not others. For example, consumers who are on prepayment meters or other prepaid billing arrangements wouldn’t typically be in arrears or pay their bill late, but can still experience payment difficulty. For these consumers, indicators such as a change in other payment or usage behaviours may be more useful for identifying payment difficulty.

> ‘They would be able to see who’s on payment plans, who’s struggling, who’s not getting on top of their bills. Get in touch via email or mail and let them know there’s assistance.’
>
> *— Lived experience focus group participant*

Predictive data analytics and artificial intelligence could also be useful tools in identifying or predicting circumstances where a customer may be experiencing payment difficulty. These tools are increasingly used to predict and respond to consumer behaviour in marketing contexts, for example to identify and engage customers at risk of switching to another provider. They could also be used to identify consumers experiencing payment difficulty and give retailers the opportunity to proactively engage and assist consumers earlier in the payment difficulty journey, as some are already doing.[75] Such tools could be especially useful where identification is particularly challenging or the risk of harm from failing to identify payment difficulty early is particularly high, such as for prepayment meter customers.

However, it is important to consider the potential limitations and risks of these tools for identifying and supporting consumers experiencing payment difficulty, including issues such as bias, transparency and privacy. Poor implementation and design of automated and predictive tools has the potential to undermine legitimacy and consumer trust. Origin Energy

[75] AER, Customer engagement toolkit: Draft for consultation, 2024, p 27.

and its related companies were recently fined $17 million by the Federal Court for its use of AI to automate hardship processes. These automated processes failed to comply with hardship obligations in place to protect customers experiencing hardship and payment difficulties.[76] Evidence from other sectors suggests that automated services are better accepted when they support rather than substitute person-to-person interactions.[77]

In designing and implementing these tools, it is important to consult with those affected and maintain a low tolerance of potential risk to consumers.[78] Automated decision-making processes should be monitored in terms of their technical effectiveness, fairness, usability and potential bias.[79] Any use of automated processes to identify and engage with consumers experiencing payment difficulty must be focused on ensuring these consumers receive proactive, effective and tailored support to enable better outcomes. Automated engagement should avoid language that reinforces feelings of shame or stigma and take into account any circumstances that affect the consumer's capacity to engage.[80] Nonetheless, continuous monitoring and improvement of the implementation, performance and outcomes of these tools would be critical to realising potential benefits.[81]

Role of retailer hardship policies in communicating assistance

In the current framework, retailer hardship policies play an important role as the primary entitlement that consumers have to information about payment difficulty assistance. However, early stakeholder feedback suggests that hardship policies are not a consumer-friendly way to present this information, especially when consumers often do not see themselves as 'hardship' customers. Consumer-centric language that de-stigmatises the need for help creates a more encouraging environment for consumers to access assistance, which is reflected in what we heard directly from consumers in our lived experience focus groups. Consumers recommended the use of terms like 'electricity bill assistance' or 'help paying your bill' instead of 'hardship', which can create barriers to accessing assistance.

> 'Some people might be qualified for support but wouldn't consider themselves as hardship customers because they think of hardship as doing it really rough and exclude themselves.'
>
> *— Lived experience focus group participant*

We have also heard from some retailers that they have received feedback from consumers that the standardised statements prescribed by the Customer Hardship Policy Guideline are not consumer-friendly. One aspect of the current framework that may be contributing to this feedback is that some existing protections are established and applied through retailer hardship policies (including through the standardised statements), rather than being embedded in the Retail Rules and Retail Law. This dual role of retailer hardship policies may

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[76] AER, Origin penalised $17 million for customer hardship breaches, 2022.

[77] JS Ma, M O'Riordan, K Mazzer, P Batterham, S Bradford, K Kõlves, N Titov, B Klein B and D Rickwood, Consumer Perspectives on the Use of Artificial Intelligence Technology and Automation in Crisis Support Services: Mixed Methods Study, *JMIR Human Factors*, 2023, p iii.

[78] Royal Commission into the Robodebt Scheme, Report, 2023, p 480.

[79] Royal Commission into the Robodebt Scheme, Report, 2023, p xvi.

[80] Royal Commission into the Robodebt Scheme, Report, 2023, p xiii.

[81] AER, Customer engagement toolkit: Draft for consultation, 2024.

be contributing to regulatory complexity and making it more difficult for consumers to access consumer-friendly information about the assistance available to them.

An additional limitation of relying on retailer hardship policies to communicate with consumers about payment difficulty assistance is the potential gap it creates for 'other' consumers experiencing payment difficulty who are not identified as hardship customers. Under the current framework, retailers are only obliged to provide these customers with information about the availability of concessions (rather than more holistic information about accessing assistance), and only if the customer identifies themselves as experiencing payment difficulty. However, based on the lived experience focus groups conducted for this review and earlier research conducted for the game changer initiative, consumers expect information about assistance (including payment plans) to be made more readily available.

> 'Make it very accessible, what the options are.'
>
> *— Lived experience focus group participant*

Availability and accessibility of information about assistance

Making information about assistance more accessible (in terms of what information is provided, how it is provided and how it is communicated) could reduce barriers for consumers by increasing awareness of assistance and reducing the risk of shame and stigma in accessing assistance. In improving access to information about assistance, it's important to account for the needs and circumstances of different consumers, including those with limited English, those who are digitally excluded, or those who may be experiencing other circumstances impacting their ability to communicate and engage with their retailer (such as family violence). These consumers may need access to different services (such as interpreters) or channels (such as physical mail or SMS) to communicate with their retailer.

> 'It works differently for everyone – no one solution works for everyone, no one-size-fits-all is possible. You have to cast the net as wide as possible.' *— Lived experience focus group participant*

The Victorian framework requires retailers to ensure that a range of information is readily available to all consumers at all times. This includes information about assistance available, how to access it, approaches to lowering energy costs, and government and non-government assistance that may be available.[82] For information to be readily available, it must be easily accessible on the retailer's website in a readily printable form or sent to any customer who requests it to be sent.[83] Retailers must also provide any information through the post at no charge unless the customer has given explicit informed consent to receive information another way.[84]

Similarly, Ofgem has recently increased the obligations on retailers to ensure that their communication methods meet the needs of consumers.[85] These obligations apply to both reactive communication methods (for example, by requiring retailers to offer a range of

[82] ERCOP cl 138(3).

[83] ERCOP cl 138(4).

[84] ERCOP cl 139(2).

[85] Ofgem, Consumer standards – Decision, 2023.

contact methods for enquiries, have appropriate opening hours for enquiry centres, and prioritise enquiries from consumers experiencing vulnerability) and proactive communication methods (for example, by requiring retailers to review their methods of proactive contact to ensure that they meet consumer needs when contact is unsuccessful). Some consumer stakeholders are supportive of requiring retailers to evaluate the effectiveness of their communication methods from the perspective of how well they meet consumer needs.

Proactive and automated engagement

As noted above, the Victorian framework also requires retailers to provide consumers with information about assistance and how to access it when specific 'trigger' conditions occur. Most community groups and ombudsmen are supportive of these proactive engagement requirements, although some retailers noted that they are prescriptive and the lack of flexibility may increase the length and complexity of customer interactions. There could be some potential for automation and artificial intelligence to support more personalised proactive engagement with consumers experiencing payment difficulty, but again we note the need to consider the limitations and risks of these tools in this context. For example, our recent compliance review noted the importance of designing automated communications about available assistance in a way that does not pressure consumers into accepting unaffordable payment arrangements.[86] This includes not taking advantage of behavioural biases that could lead to consumers accepting an offered payment arrangement, even if it is unaffordable.

> 'When they've missed a payment or you're going to send out an overdue notice, there should be something that comes with it to offer that assistance. Let them read through it and think, "OK, I can do something about it", rather than dread that bill.'
>
> *— Lived experience focus group participant*

Question 4. How could the framework better support early identification of consumers experiencing payment difficulty?

In responding to this question, you might like to consider:

- indicators currently used to identify consumers experiencing or at risk of payment difficulty, in energy or other sectors
- other specific circumstances or indicators that could be useful 'triggers' for identifying consumers experiencing or at risk of payment difficulty
- how customers on prepayment meter systems or prepaid billing arrangements could be better identified as experiencing payment difficulty
- potential benefits, limitations and risks of automation, predictive analytics and artificial intelligence for identifying consumers experiencing payment difficulty.

[86] AER, Letter to retailers on outcome of hardship compliance review, 2024.

Question 5. How could the framework better support effective engagement with consumers experiencing payment difficulty?

In responding to this question, you might like to consider:

- approaches currently used to engage with consumers experiencing or at risk of payment difficulty, in energy or other sectors
- the appropriate purpose and role of a retailer’s customer hardship policy
- the most effective and appropriate ways to communicate with consumers about the assistance available and how it can be accessed
- how the framework could support engagement practices that better meet consumer needs, including the needs of diverse consumers experiencing payment difficulty
- how the framework could ensure a more consistent standard of service for consumers
- potential benefits, limitations and risks of proactive and automated engagement processes.

3.3 Assistance for consumers experiencing payment difficulty

Summary of existing protections

In line with the Customer Hardship Policy Guideline, retailers must provide eligible customers with the assistance they are entitled to as soon as practicable and must state the steps they will take to ensure customers successfully complete the hardship program. Under the Retail Law, the forms of assistance that must be included in a retailer's hardship policy are:

- flexible options for paying energy bills (including payment plans and Centrepay)
- processes to identify and inform hardship customers of:
  - appropriate government concession programs
  - appropriate financial counselling services
- processes to:
  - review the appropriateness of the customer's market retail contract
  - assist customers with strategies to improve their energy efficiency, where such processes or programs are required by a local instrument.[87]

Under the Retail Law, a retailer must offer and apply a payment plan to a hardship customer or other customer who has self-identified or is identified by their retailer as experiencing payment difficulty. Under the Retail Rules, payment plans for hardship customers and customers who have explicitly informed their retailer that they are experiencing payment difficulty must:

- have regard to the customer's capacity to pay, arrears owing and expected consumption over the next 12 months
- include an offer to pay for energy in advance or in arrears by instalments.[88]

Retailers must inform customers of the duration of their payment plan and the details of payment instalments, including the number of instalments to repay arrears and information on how advance instalments are calculated.[89]

Under the Retail Rules, a retailer must waive any fee payable by a hardship customer for late payment of a bill.[90] In New South Wales, retailers must also waive early termination fees for hardship customers or customers receiving government rebates or concessions.[91]

Practical assistance available to 'other' consumers experiencing payment difficulty is limited to payment plans. However, retailers may refuse a payment plan to a customer who has

[87] Retail Law s 44(f)–(g).

[88] Retail Rules r 33(4), r 72.

[89] Retail Rules r 72.

[90] Retail Rules r 73.

[91] New South Wales, National Energy Retail Law (Adoption) Regulation 2020 s 16.

defaulted on at least 2 payment plans in the previous 12 months, or if the customer has been convicted in the previous 2 years of an offence involving the illegal use of energy.[92]

Where a prepayment meter customer is identified as experiencing payment difficulty in the NECF, their retailer must offer to replace their prepayment meter system with a standard meter at no cost to the customer. The retailer must also provide the customer with a referral to any government funded energy charge rebate, concession or relief scheme.[93] Prepayment meter customers are also eligible for hardship protections where they are identified as a hardship customer in accordance with their retailer's customer hardship policy.

Key issues for feedback

Gaps in assistance available to hardship customers

A recent compliance review identified some issues with how retailers are applying hardship policies, outlining concerns such as referrals to hardship programs occurring only when a payment plan exceeded a specific time-period, rather than the retailer considering a customer circumstance on a case-by-case basis. However, the review also noted good practice in terms of applying a holistic approach to the consideration of a customer's capacity to pay.[94] Early feedback from both stakeholders and consumers in our lived experience focus groups similarly indicates that hardship customers generally receive appropriate assistance, particularly when it comes to payment arrangements.

> 'It was really easy – I just rang up and told them what was happening. They said, "You know we have hardship here, would you like to be involved?" and I said "Yes".'
>
> *— Lived experience focus group participant*

However, there are some potential gaps in the framework. For example, consumers experiencing payment difficulty may struggle to access assistance when they switch retailers. In addition, retailers have significant discretion over the forms of assistance provided to consumers, including both hardship customers and 'other' customers experiencing payment difficulty. As a result, stakeholders note that some forms of very beneficial practical assistance (such as payment matching, debt waivers and energy efficiency supports) are provided only infrequently. In Victoria, retailers are required to provide additional forms of practical assistance, including support completing and lodging applications for government rebates and concessions. Recent research indicates that Victoria has the highest number of customers applying for energy concessions, suggesting that this practical assistance may be effective in helping consumers experiencing payment difficulty access available supports.[95]

We received mixed feedback on other forms of practical assistance included in the Victorian framework. For example, consumers who are unable to afford their energy use are entitled to a debt freeze of at least 6 months.[96] Early stakeholder feedback indicates that while this may

[92] Retail Rules r 33(2).

[93] Retail Rules r 141(2).

[94] AER, Letter to retailers on outcome of hardship compliance review, 2024.

[95] Energy Charter, Are you missing out on energy concessions?, 2024.

[96] ERCOP cl 128(1) and 128(3).

be beneficial in some circumstances, it can also contribute to poor outcomes through the accumulation of significant debt during the freeze period.

Lack of assistance for 'other' customers experiencing payment difficulty

Early feedback indicates that while hardship customers generally receive appropriate assistance, the assistance available to consumers experiencing payment difficulty more broadly is inadequate. As noted above, this assistance is limited to payment plans, and access to even this assistance can be further limited by barriers such as low awareness and unclear eligibility criteria. Furthermore, consumers who do not self-identify as experiencing payment difficulty may not be afforded the payment plan protections in the Retail Rules, including the requirement for payment plans to be established with regard to the customer's capacity to pay. Payment plans are a valuable tool for supporting consumers experiencing payment difficulty, provided they take into account consumers' individual circumstances and capacity to pay. Appropriate consideration of a consumer's capacity to pay is important, particularly for consumers experiencing vulnerability. Early engagement with stakeholders indicated that a one-size-fits-all approach to payment difficulty is ineffective, due to the diverse challenges and circumstances that consumers experience. Rather, a tailored support approach that adapts to these individual challenges and circumstances is needed.

> 'Work with them to set up something that's affordable so they can pay the debt and also pay what's ongoing. Get them as much assistance as possible, try to work with them to find something sustainable.' *— Lived experience focus group participant*

Other forms of standard assistance available to consumers experiencing payment difficulty in Victoria include the ability to extend the due date of a bill at least once a year,[97] which is not currently available in the NECF.

Opportunities to improve the effectiveness of non-hardship payment plans

The Sustainable Payment Plans Framework is intended to ensure that payment plans are sustainable for consumers experiencing payment difficulty by improving the quality of capacity to pay conversations. However, the voluntary nature of the framework results in inconsistency in its application, and the high proportion of payment plans cancelled for non-payment indicates that it may not be having the desired impact. Stakeholders noted that the framework may place too much responsibility on consumers to lead the conversation when setting up payment plans and applying a capacity to pay assessment. For example, asking a consumer to nominate a payment amount that is affordable may lead to a consumer nominating an amount that does not cover ongoing energy usage, resulting in the accumulation of debt. This can also make it more difficult for the consumer to challenge or change unsustainable repayment amounts in future, because they nominated the amount themselves. However, there is also the potential for negative outcomes to arise from encouraging retailers to lead the conversation by nominating payment amounts, which may

[97] ERCOP cl 125(2)(c).

inadvertently pressure consumers into accepting payment arrangements that are not sustainable.[98]

> ‘They just tell you whatever the minimum is to pay and that’s it.’
>
> *— Lived experience focus group participant*

Stakeholders noted that payment plans are generally most effective when established with guidance from a financial counsellor or using an appropriate budgeting tool. Flexibility, simplicity and ease of use are also important. Research from the Public Interest Advocacy Centre found that Buy Now, Pay Later products cause consumer harm but are popular because they fill important consumer needs, including managing cashflow and providing a sense of control and agency in managing their money. These needs are especially important in a context where many consumers experience high energy bills and bill shock, making it more difficult for them to plan for their bills. The Public Interest Advocacy Centre recommended that energy retailer payment options (such as payment plans) should be as easy to access and alter as popular Buy Now, Pay Later products.[99] We heard similar feedback from consumers in our lived experience focus groups, who also emphasised both the value of payment plans for managing cashflow and the importance of simplicity and flexibility in managing the payment plan over time.

> ‘The minimum amount was a lot more than I needed to pay but they kept saying, “No, that’s what we agreed to and you’ve got to pay it”.’ *— Lived experience focus group participant*

Other forms of assistance that should be considered

Feedback from stakeholders and consumers with lived experience indicates that there are other forms of practical assistance that may be beneficial for consumers experiencing payment difficulty. These include:

- energy efficiency support, including energy efficient appliances, support in implementing energy efficiency advice, or tools to better monitor and manage their energy use (such as apps or devices, including smart meters)
- financial support, including debt waivers, payment matching and incentive payments
- service support, including making sure customers are on the best offer[100] and enabling customers to easily and independently manage their bills through ‘self service’ options (including applying for payment extensions and managing payment plans)
- process changes, including increasing the default time period before a bill is due to give consumers more time to plan.

[98] AER, Letter to retailers on outcome of hardship compliance review, 2024.

[99] PIAC, Paying to pay: Using credit products to afford energy, 2023.

[100] In line with the standardised statements in the Customer Hardship Policy Guideline, a retailer must tell a hardship customer if they are on the right energy plan or if there is a better plan for them, but this protection does not apply to ‘other’ consumers experiencing payment difficulty.

> 'Make the due date later, so you can plan around it. A month's notice would be favourable. For car rego, you get 5 or 6 weeks' notice – that's helpful. By the time you get your electricity bill, with Australia Post not delivering every day now, it's not enough notice. 2 weeks is not enough notice.'
>
> *— Lived experience focus group participant*

Question 6. How could the framework better ensure that consumers experiencing payment difficulty are supported appropriately with assistance that is tailored to their individual circumstances?

In responding to this question, you might like to consider:

- forms of practical assistance that are available to consumers experiencing payment difficulty, including when they are provided, how they are accessed, and how effective they are
- forms of assistance that are effective for consumers in different circumstances, including consumers who are on prepayment meter systems or prepaid billing arrangements
- how the framework could ensure that payment plans are established with regard to a customer's capacity to pay, including opportunities to strengthen or improve protections around capacity to pay conversations
- other opportunities to improve the benefits of payment plans for consumers experiencing payment difficulty, including those who may not have access to other forms of assistance.

3.4 Disconnection as a last resort

Summary of existing protections

Disconnection of a customer's energy supply is intended to be a last resort option in the current framework. Retailers cannot disconnect a hardship customer or other customer experiencing payment difficulties who is adhering to a payment plan.[101] They also cannot commence debt recovery proceedings if a customer is adhering to a payment plan or other agreed payment arrangement.[102] These protections do not apply if the customer has been offered 2 payment plans in the previous 12 months and:

- they have not agreed to the payment plans, or
- the payment plans agreed to have been cancelled due to non-payment.[103]

Retailers must take certain steps to assist and engage with a customer before disconnecting them. This includes:[104]

- offering the customer 2 payment plans in the previous 12 months
- issuing a reminder notice, which must provide the retailer's telephone number for complaints and disputes
- issuing a disconnection warning notice, which must inform the customer of the energy ombudsman (including contact details) and provide the retailer and distributor's telephone number as applicable[105]
- using its best endeavours to contact the customer in person, by telephone, or by facsimile or other electronic means.

Under the Retail Rules, a retailer must not disconnect a customer for non-payment:

- where they are aware that the customer is awaiting a decision on an application for a rebate, concession or relief under any government-funded scheme[106]
- where the amount outstanding is less than the minimum disconnection amount (which is currently $300) and the customer has agreed to repay the amount[107]
- unless the customer has failed to take any reasonable action towards settling the debt.[108]

[101] Retail Rules r 116(1)(d).

[102] Retail Law s 51(a). 'Other agreed payment arrangement' is not defined in either the Retail Law or the Retail Rules.

[103] Retail Rules r 111(2).

[104] Retail Rules r 111.

[105] In Queensland, retailers must also include information in relation to government-funded energy charge rebates, concessions or relief schemes (National Energy Retail Law (Queensland) Regulation 2014 sch 5, cl 13).

[106] Retail Rules r 116(1)(e).

[107] Retail Rules r 116(1)(g) and AER, Minimum disconnection amount, 2017.

[108] Retail Rules r 111(1)(f).

If a customer has been identified to be in hardship, retailers must give effect to the general principle that de-energisation should be a last resort.[109]

There are specific times during which consumers are protected from disconnection, including afternoons, evenings, Fridays, weekends, public holidays, and between 20 and 31 December.[110] Additional protections apply for life support customers and customers affected by family violence.

Connection, reconnection and obligation to supply

In the context of disconnection, it is also relevant to consider protections relating to connection and reconnection. Under the Retail Law, the designated retailer for a premises is required to make an offer to supply a residential customer at the standing offer price under the retailer's standard retail contract.[111] A designated retailer is the financially responsible retailer for connected premises or the local area retailer for non-connected premises. Under the Retail Rules, the standard retail contract may include any outstanding amounts owed.[112]

The retailer may also require the customer to pay a security deposit (defined as an amount of money paid to a retailer as security against non-payment of a bill). A retailer is allowed to require a security deposit if the customer owes them money or they reasonably consider that the customer has an unsatisfactory credit history, unless:

- the customer is a hardship customer
- the customer has advised the retailer that they were identified as a hardship customer by another retailer.[113]

A retailer cannot require a security deposit unless they have offered the customer a payment plan and the customer has either declined the offer or failed to pay an instalment.[114] A retailer may disconnect or refuse to reconnect a customer who has failed to pay a security deposit if they have notified the customer of their intention to do so and issued a separate disconnection warning notice at least 5 days after the notice of its intention to disconnect the customer was given.[115]

Retailers and distributors may charge a fee to reconnect a customer's premises.[116]

[109] Retail Law s 47.

[110] Retail Rules r 108, 116(i), 120(e).

[111] Retail Law s 22(1).

[112] Retail Rules r 18(5–6).

[113] Retail Rules r 40.

[114] Retail Rules r 40.

[115] Retail Rules r 112(1).

[116] Retail Rules r 121(1) and 122(2).

Key issues for feedback

Effectiveness of the minimum disconnection amount

The purpose of the minimum disconnection amount is to provide a minimum level of protection for consumers experiencing payment difficulty. The current minimum disconnection amount of $300 was determined in 2012 based on a range of factors, including the principle that consumers should not be disconnected from an essential service for being one quarterly bill behind or due solely to an inability to pay. At that time, the AER noted that 'retailers should not wait for customers to accrue debts above the approved minimum disconnection amount before contacting customers to seek to manage any outstanding amounts'.[117]

However, based on stakeholder feedback, some retailers only contact customers to offer assistance options when they reach the debt threshold, which is used in practice as an engagement trigger. Retailers reflected that some customers do not respond to engagement attempts prior to receiving the disconnection warning notice. The disconnection warning notice is therefore a critical engagement step in a consumer's payment difficulty journey under the current framework. As such, although the average quarterly bill has significantly increased since the $300 threshold was set, stakeholders note that increasing the debt threshold may have unintended consequences for consumers by delaying the point at which customers respond to engagement and receive assistance.

In our early engagement, we heard that some retailers already use a higher threshold figure in their internal processes, so that the disconnection process does not commence until the customer reaches a higher level of debt (for example, $500). While this may better reflect a current quarterly bill for many consumers, it also means that some consumers may not be contacted by their retailer with assistance options until they have accrued a debt of more than $500. As noted earlier, consumer energy debt can be better managed if retailers engage with customers before the disconnection process commences, at the first signs of payment difficulty. This can help prevent disconnections that could have been avoided through earlier intervention and support. In 2022–23, approximately 41% of electricity disconnections and 33% of gas disconnections in the past 5 years were reconnected within 7 days following disconnection.[118]

Opportunities to improve engagement in the disconnection process

Early and effective engagement is recognised as a critical way to reduce the risk of disconnection and give practical effect to the principle that disconnection should be a last resort. However, retailers noted the difficulties of engaging effectively with consumers at risk of disconnection before the disconnection warning notice is sent. As such, in the absence of an effective early engagement trigger, retailers see the notice as a critical mechanism for engaging with consumers at risk of disconnection. In contrast, consumer stakeholders noted that disconnection notices distress consumers while being ineffective at motivating and empowering them to take the necessary action to prevent disconnection. There appears to be significant opportunity to support better consumer outcomes by improving engagement both before and during the disconnection process. This could include improving the

[117] AER, AER approval of minimum amount owing for disconnection, 2012, p 1.

[118] AER, Annual retail markets report 2022–23, November 2023, p 100 and p 104.

effectiveness of existing forms of engagement, such as the disconnection notice and reminder notice. However, it could also include implementing additional or alternative forms of engagement that may be more effective, especially if they are introduced earlier in the consumer's payment difficulty journey.[119]

In Victoria, the disconnection process includes an additional touchpoint (the intention to disconnect notice), and disconnection notices are required to include clear and unambiguous information about what the customer needs to do to avoid disconnection, what support they may be entitled to under the framework, and how to access any assistance for which they may be eligible.[120] In contrast, the NECF requires disconnection warning notices to include information about re-energisation procedures (including any reconnection charge) and the energy ombudsman.[121] Some consumer stakeholders are supportive of requiring disconnection notices to provide additional information, similar to the Victorian framework. Consumer stakeholders also noted the opportunity to improve the effectiveness of this information by using consumer and behavioural insights to make it easier to access, understand and act on, including by presenting it in a way that makes consumers feel safe and supported.

Stakeholders provided feedback on existing efforts to improve engagement in the disconnection process, such as the Energy Charter's Knock to Stay Connected Customer Code.[122] Participating signatories have been trialling an approach in which, when a customer is at risk of disconnection, they receive a knock on the door (or, if they aren't home, a letter drop). The program builds on existing engagement requirements by not only ensuring that an attempt is made to contact the customer in person, but also by ensuring that the customer receives consumer-friendly information about available assistance. This information was developed in collaboration with consumer organisations and refers customers to information available from not only the energy ombudsman but also their retailer and community service providers. It is co-branded with relevant consumer and community organisations, which stakeholders suggest is likely to increase trust and consumer engagement. Feedback from our lived experience focus groups supports the idea that many consumers are more likely to trust information if it appears to come from a community support organisation or government entity (such as the Australian Energy Regulator or Service NSW).

The Energy Charter reports that, in national trials, the Knock to Stay Connected program has an 80% success rate in ensuring consumers avoid disconnection.[123] However, in our early engagement, some stakeholders expressed concerns that some participants may be motivated by collecting debts rather than preventing disconnection. Alternative suggestions for improving engagement to reduce the risk of disconnection included an awareness campaign, with some stakeholders referring to the Energy Charter's recent concessions awareness campaign as an example.

[119] See section 3.2 for a more detailed discussion of issues related to engagement across the customer journey.

[120] ERCOP cl 184–185.

[121] Retail Rules r 110(2)(e)–(f).

[122] Energy Charter, Knock to Stay Connected, 2023.

[123] Energy Charter, Knock to Stay Connected, 2023.

> 'Put it out there as widely and in as many different channels as possible. Have it on the bill, social media posts, Twitter posts, posters, ads on websites, billboards, on TV. As widely as possible in all different mediums.'
>
> *— Lived experience focus group participant*

As part of this review, we will host workshops on how to improve engagement to reduce the risk of debt and disconnection. The feedback from these workshops will inform our case for change, as well as subsequent work on action 9 from the Towards energy equity strategy.

Provision of assistance prior to disconnection

Early feedback from stakeholders indicates that the current requirement for retailers to have offered at least 2 payment plans in the 12 months preceding the disconnection process operates as a 'two-strike rule' for customers.[124] While the purpose of this requirement is to ensure that consumers have received appropriate assistance before disconnection, it may not be effective in encouraging engagement, sufficiently consider the individual circumstances of consumers, or reflect appropriate minimum standards of assistance. Some stakeholders were supportive of removing the perceived limitation on the number of payment plans that a retailer is required to offer before commencing the disconnection process. Other disconnection protections, including the requirement for retailers to give effect to the general principle that disconnection should be a last resort, were not considered to be sufficiently strong safety nets to protect those consumers who fail 2 payment plans. In 2020, the AER issued 6 infringement notices for wrongful disconnections that occurred due to an IT system error.[125] In 2022–23, retailers in the Australian Capital Territory and Queensland made payments to 70 consumers who were wrongfully disconnected.[126]

Gaps in disconnection protections for consumers

Given the nature of energy as an essential service, some stakeholders indicated that consumers should be fully protected from disconnection, noting the effects of disconnection on broader wellbeing outcomes and the ineffectiveness of disconnection as an approach to managing payment difficulty.

We also received early feedback in relation to specific circumstances where disconnection protections are especially important and could be improved. This includes consumers living in remote areas. Research has found that consumers living in extreme temperature zones in remote Australia are likely to experience disconnection, with a one in three chance of being disconnected on very hot or very cold days.[127] Although we note that many of these consumers are not within the scope of the NECF, the Retail Rules do provide for consumers to be protected from disconnection during an extreme weather event, which is defined as an

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[124] Retail Rules r 111(2).

[125] AER, AER takes action to protect against wrongful disconnections, 2020.

[126] AER, Annual retail markets report 2022–23, November 2023, p 133 and p 137.

[127] T Longden, S Quilty, B Riley, LV White, M Klerck, VN Davis and NF Jupurrurla, Energy insecurity during temperature extremes in remote Australia, *Nature Energy*, 7, 2022.

event declared as such by a local instrument. The only jurisdiction currently giving effect to this protection is South Australia, where the local Regulations define an extreme weather event as the third day where the average of the minimum and maximum temperature equals or exceed 28 degrees Celsius.[128] Similar protections exist in other contexts outside Australia. For example, in certain states of the United States, disconnection is prohibited when the temperature drops below 0 degrees Celsius or rises above 35 degrees Celsius.[129] In Europe, prohibition on disconnection due to weather conditions is date-based. For example, in 2023, energy retailers were required to provide alternative solutions to disconnection during winter through to the end of March, in particular for customers facing payment difficulty.[130] These frameworks provide another layer of protection for consumers based on objective standards and may be useful additions to existing disconnection protections in the NECF.

There may also be gaps in the framework for protecting consumers experiencing payment difficulty to ensure they are able to connect or to reconnect. For example, consumers experiencing payment difficulty may be required to pay a security deposit or fee before being connected by a retailer, which may negatively affect their ability to access energy.

Question 7. How could the framework better ensure that disconnection is a last resort?

In responding to this question, you might like to consider:

- the effectiveness of the minimum disconnection amount in protecting consumers experiencing payment difficulty from disconnection, including how it operates in practice, the appropriateness of the current amount, and any unintended consequences
- the effectiveness of current protections related to debt recovery and disconnection, including the existing requirements for retailers to engage with and assist a customer before pursuing debt recovery or disconnection
- opportunities to support more effective engagement before disconnection, including by incentivising earlier engagement and better meeting consumer needs
- the effectiveness of current protections for consumers experiencing payment difficulty when it comes to connection and reconnection, including existing rules and practices relating to security deposits and connection fees.

[128] South Australia, National Energy Retail Law (Local Provisions) Regulations 2013 s 8.

[129] S Carley, D Konisky and E Nash, Electric Utility Disconnections: Legal Protections & Policy Recommendations, Indiana University Energy Justice Lab, 2023, pp 5 – 6.

[130] European Commission, Enhanced crisis response: strong push for consumer protection this winter, 12 December 2022.

3.5 Costs and benefits of potential changes

Impacts of regulatory change on retailer costs

Any change to regulatory obligations and retailer practices is likely to have a financial impact on retailers, which may be passed on to consumers. With rising costs of living impacting consumers' ability to pay their energy bills, the cost of bad debt for retailers is increasing, rising by $9 per residential customer in 2022–23.[131] Retailer cost to serve also increased slightly in 2022–23, although it remains lower than 2019–20 and earlier years.[132] The impact of potential changes on retailer costs is one of the key market impacts that we propose to use as criteria for assessing potential changes, alongside the direct impacts on consumers.

Early feedback from stakeholders highlighted the potential impact of regulatory changes on the following retailer costs:

- Staff training costs, including training new staff and retraining existing staff.
- Technology and system change costs, including changes to billing, customer relationship management and communication systems.
- Ongoing service delivery costs, including costs associated with communication, engagement and the provision of practical assistance.

Early feedback also indicates that the following changes are likely to be particularly costly:

- Changes to eligibility criteria, such as expanding the definition of hardship to include all consumers experiencing payment difficulty.
- Increases in the type or level of practical assistance that retailers are required to provide.
- More prescriptive obligations in general, which would allow retailers less flexibility in implementing changes.

For example, in early engagement with retailers, it was noted that a small change like implementing the $55 debt trigger used in Victoria could potentially cost more than $500,000, which is a significant financial burden for some retailers (particularly smaller retailers). It is important to consider this potential cost alongside the potential benefits of the change for both consumers and retailers. However, in this case, it is possible that the increase in early engagement and assistance resulting from the change would not only significantly improve consumer outcomes, but also reduce the burden of bad debt on retailers in the long term.

Potential benefits and limitations of harmonising protections across jurisdictions

It is not unusual for retailers to operate and have customers across different states and territories. The jurisdictions in which retailers operate will determine the regulatory obligations they must comply with. Currently, there are 51 retailers serving consumers across Victoria and the NECF, and who must therefore comply with both sets of protections. The customers of these retailers will have access to different payment difficulty protections depending on where they reside. Implementing a consistent framework across jurisdictions could reduce

[131] ACCC, Inquiry into the National Electricity Market: December 2023 Report, 2023, p 37.

[132] ACCC, Inquiry into the National Electricity Market: December 2023 Report – Appendix C: Supplementary Excel spreadsheet with cost stack data and charts, 2023, supplementary table C8.5.

regulatory complexity and costs for retailers, while also supporting more consistent experiences and outcomes for consumers experiencing payment difficulty. Some consumer stakeholders noted that greater consistency across jurisdictions would reduce consumer confusion and inequity as well as the risk of compliance failures (including through human error). This could have positive impacts on broader outcomes of interest in the long term, including consumer awareness, trust and engagement in the energy market.

However, while harmonisation across jurisdictions may reduce some compliance costs and improve retailer–customer relationships in the long term, the implementation of the Victorian framework has already required some retailers to invest in establishing different systems and processes. These systems and processes might now be costly to re-align. Stakeholders also noted the risk of frameworks diverging again in the future, which may not only undo any cost savings from harmonisation but also exacerbate costs through multiple change processes. Rather than harmonising the frameworks, some stakeholders recommended incorporating the most efficient and effective elements of the Victorian framework into the NECF. Other stakeholders noted perceived limitations of the Victorian framework and highlighted the opportunity to improve outcomes for consumers by making changes to the NECF that differ from those that currently exist in the Victorian payment difficulty framework.

Potential benefits of clarifying or simplifying the NECF

A clearer and simpler framework could allow retailers to more effectively support consumers experiencing payment difficulty by establishing clear minimum standards, providing clear opportunities and boundaries for innovation, or reducing the risk of compliance failure (including through human error). Some stakeholders expressed concerns that a prescriptive framework may hinder the ability to provide necessary protection or tailor support to individual customer needs, preventing retailers from offering more personalised assistance. This could result in flexible support becoming less practical and effective. In contrast, a principles-based framework could allow flexibility to innovate and effectively address the evolving needs of a retailer's specific customers into the future. However, it could also contribute to further inconsistency in consumer experiences, potentially eroding outcomes and trust in the market at a critical time in the sector.

Question 8. What are the costs and benefits of potential changes to the framework?

In responding to this question, you might like to consider:

- what kinds of changes could impact retailers' cost to serve, either positively or negatively
- potential benefits, limitations and risks of harmonising protections for consumers experiencing payment difficulty across jurisdictions, including specific protections or issues for which the benefits, limitations or risks of harmonisation are particularly high
- potential benefits, limitations and risks of prescriptive and principles-based requirements in strengthening protections for consumers experiencing payment difficulty
- opportunities to clarify or simplify the framework to reduce retailers' cost to serve, reduce the risk of compliance failure, support innovation, or support better and more consistent consumer experiences and outcomes.

Appendix A. List of consultation questions

Question 1. Do you have any feedback on the proposed approach for the review?

In responding, you might like to consider:

- the effectiveness of the proposed indicators for measuring the intended outcome
- the appropriateness of the proposed criteria for assessing options
- factors to consider in assessing the short-term and long-term impacts of potential changes, including other evidence-based scenarios that could be used to test potential future impacts
- other objectives, intended outcomes, indicators or criteria that we should consider
- the limitations of what payment difficulty protections may be able to achieve in the NECF.

Question 2. What can we learn from other approaches to strengthening protections for consumers experiencing payment difficulty?

In responding, you might like to consider:

- other payment difficulty frameworks and protections, such as those in Victoria, New Zealand and the United Kingdom and those in other sectors or essential services
- the role of minimum standards in effective payment difficulty protections
- other examples and approaches, including industry practices and initiatives.

Question 3. How adequate, effective and appropriate is the current eligibility framework for payment difficulty protections?

In responding, you might like to consider:

- the effectiveness of existing definitions of hardship and payment difficulty in the NECF
- how the framework differentiates between consumers in different circumstances or who are experiencing different kinds of payment difficulty
- the appropriate balance between coverage and scope of payment difficulty protections, including implications for retailer costs and consumer outcomes
- potential benefits, limitations and risks of establishing minimum standards of assistance for all consumers, with additional rights for consumers who meet specific criteria.

Question 4. How could the framework better support early identification of consumers experiencing payment difficulty?

In responding, you might like to consider:

- indicators currently used to identify consumers experiencing or at risk of payment difficulty, in energy or other sectors
- other specific circumstances or indicators that could be useful ‘triggers’ for identifying consumers experiencing or at risk of payment difficulty
- how customers on prepayment meter systems or prepaid billing arrangements could be better identified as experiencing payment difficulty
- potential benefits, limitations and risks of automation, predictive analytics and artificial intelligence for identifying consumers experiencing payment difficulty.

Question 5. How could the framework better support effective engagement with consumers experiencing payment difficulty?
In responding, you might like to consider: • approaches currently used to engage with consumers experiencing or at risk of payment difficulty, in energy or other sectors • the appropriate purpose and role of a retailer’s customer hardship policy • the most effective and appropriate ways to communicate with consumers about the assistance available and how it can be accessed • how the framework could support engagement practices that better meet consumer needs, including the needs of diverse consumers experiencing payment difficulty • how the framework could ensure a more consistent standard of service for consumers • potential benefits, limitations and risks of proactive and automated engagement processes.
Question 6. How could the framework better ensure that consumers experiencing payment difficulty are supported appropriately with assistance that is tailored to their individual circumstances?
In responding, you might like to consider: • forms of practical assistance that are available to consumers experiencing payment difficulty, including when they are provided, how they are accessed, and how effective they are • forms of assistance that are effective for consumers in different circumstances, including consumers who are on prepayment meter systems or prepaid billing arrangements • how the framework could ensure that payment plans are established with regard to a customer’s capacity to pay, including opportunities to strengthen or improve protections around capacity to pay conversations • other opportunities to improve the benefits of payment plans for consumers experiencing payment difficulty, including those who may not have access to other forms of assistance.
Question 7. How could the framework better ensure that disconnection is a last resort?
In responding, you might like to consider: • the effectiveness of the minimum disconnection amount in protecting consumers experiencing payment difficulty from disconnection, including how it operates in practice, the appropriateness of the current amount, and any unintended consequences • the effectiveness of current protections related to debt recovery and disconnection, including the existing requirements for retailers to engage with and assist a customer before pursuing debt recovery or disconnection • opportunities to support more effective engagement before disconnection, including by incentivising earlier engagement and better meeting consumer needs • the effectiveness of current protections for consumers experiencing payment difficulty when it comes to connection and reconnection, including existing rules and practices relating to security deposits and connection fees.

Question 8. What are the costs and benefits of potential changes to the framework?
In responding, you might like to consider: • what kinds of changes could impact retailers' cost to serve, either positively or negatively • potential benefits, limitations and risks of harmonising protections for consumers experiencing payment difficulty across jurisdictions, including specific protections or issues for which the benefits, limitations or risks of harmonisation are particularly high • potential benefits, limitations and risks of prescriptive and principles-based requirements in strengthening protections for consumers experiencing payment difficulty • opportunities to clarify or simplify the framework to reduce retailers' cost to serve, reduce the risk of compliance failure, support innovation, or support better and more consistent consumer experiences and outcomes.

Appendix B. Summary of existing protections in the Victorian framework

Eligibility for protections

The Victorian framework establishes minimum standards of assistance for different groups of customers, as follows:

- **Standard assistance**, which is available to all residential customers.[133]
- **Tailored assistance**, which is available to all residential customers who are in arrears.[134]

The use of minimum entitlements is intended to provide certainty and consistency for both customers and retailers.[135]

Identifying and engaging with consumers experiencing payment difficulty

In Victoria, retailers must provide clear and unambiguous information about the assistance available to customers at all relevant times, including on being contacted by a customer.[136] Retailers must also provide customers with information about how to access other assistance they may be eligible for from government or community service providers.[137] Any written communication from a retailer to a customer relating to the assistance available must be legible, expressed in plain language, and presented clearly and appropriately.[138]

A retailer must provide a customer with information about tailored assistance and how to access it where the customer:

- has not paid a bill by its due date and contacts the retailer, or
- has not paid a bill by its due date and has arrears of more than $55 (in which case information must be provided within 21 business days of the missed bill due date).[139]

A retailer must give a customer at least 6 business days to consider the information provided, request further information, and propose a payment arrangement.[140] Retailers must also ensure the following information is readily available on their website:

- Their approved financial hardship policy.
- Assistance available under the Victorian framework and how to access it.
- Approaches to lowering energy costs.

[133] ERCOP cl 124(1).

[134] ERCOP cl 126(1).

[135] ESCV, Payment difficulty framework: Final decision, 2017, p 67.

[136] ERCOP cl 141(1)(c).

[137] ERCOP cl 141(1)(e).

[138] ERCOP cl 139(1).

[139] ERCOP cl 129(1)–(2).

[140] ERCOP cl 129(3).

- Government and non-government assistance that may be available (including Utility Relief Grants and energy concessions).[141]

Assistance for consumers experiencing payment difficulty

There are 3 levels of minimum standards of assistance under the Victorian framework, depending on whether the customer is eligible for standard or tailored assistance and whether the customer can afford to pay for their ongoing energy use. Retailers must use best endeavours to provide the assistance that customers are entitled to in a timely manner.[142]

Standard assistance is available to all residential customers in Victoria. The objective of standard assistance is to give residential customers an entitlement to minimum standards of assistance to help them avoid getting into arrears with their retailer. Retailers must make at least 3 of the following available as standard assistance for all customers:

- Making payments of an equal amount over a specified period.
- Options for making payments at different intervals.
- Extending a payment's due date by a specified period at least once every 12 months.
- Paying for energy use in advance.[143]

Tailored assistance is available to all residential customers in arrears. The objective of tailored assistance is to give residential customers an entitlement to minimum standards of flexible and practicable assistance that makes it easier for them to pay for their energy use, repay their arrears and lower their energy costs.[144] While continuing to pay the full cost of their ongoing energy use, customers are entitled to at least the following forms of assistance:

- Payment plans and advice for repaying arrears over a period of not more than 2 years.
- Advice about the likely cost of their future energy use and how this cost may be lowered.
- Advice about any government and non-government assistance available to help a customer meet their energy costs, including Utility Relief Grants and energy concessions.[145]

Customers who are unable to afford their ongoing energy use are entitled to at least the following forms of assistance:

- Advice about the likely cost of their future energy use and how this cost may be lowered.
- Advice about any government and non-government assistance available to help a customer meet their energy costs, including Utility Relief Grants and energy concessions.
- Practical assistance to apply for a Utility Relief Grant, including assistance with completing and lodging the online or paper application form.

[141] ERCOP cl 138(3). The Utility Relief Grant is a concession available to eligible consumers in Victoria, providing a maximum of $650 for each utility type (gas and electricity) in two-year period, or $1,300 for households with a single source of energy.

[142] ERCOP cl 141(1)(d).

[143] ERCOP cl 124–125.

[144] ERCOP cl 126.

[145] ERCOP cl 128(1)–(2).

- Practical assistance to reduce energy costs (including putting the customer on a better plan, providing practical assistance to reduce energy usage, and providing information about progress towards lowering energy costs).
- An initial period of at least 6 months (with the possibility of extension) during which repayment of arrears is put on hold and the customer pays less than the full cost of their ongoing energy use.[146]

A retailer must accept a payment proposal or revised proposal from a residential customer if the proposal:

- provides for payments of equal amounts at regular intervals of up to one month
- would result in the arrears being fully paid in no more than 2 years after the first payment
- provides for payments for usage being made together with payments to reduce arrears
- is based on a reasonable forecast of their energy use over the next 12 months.[147]

Retailers must also:

- make Centrepay available as a payment option when requested by a customer[148]
- honour pay-on-time discounts for residential customers who are in arrears and receiving tailored assistance[149]
- work cooperatively with any government or non-government service providing support to a customer receiving assistance to ensure that the assistance being provided by the retailer is complementary and coordinated with that support.[150]

The Victorian framework places more responsibility on the retailer to contact customers when they do not engage as expected with the assistance provided. For example, if a customer whose debt is on hold fails to make a payment for their ongoing energy use by the due date, the retailer must contact them to vary the amount or frequency of amounts payable to give them more time to lower their energy costs. Similarly, if a customer fails to meet their responsibility to implement practical assistance provided by the retailer to help them reduce their energy usage, the retailer must contact them to agree an implementation timeframe consistent with the objective of making it easier for customers to pay for their ongoing energy use, repay their arrears and lower their energy costs.[151]

A retailer cannot require a customer to waive any entitlement or provide personal or financial information in order to receive assistance.[152]

[146] ERCOP cl 128(1) and 128(3).

[147] ERCOP cl 130(2)–(3).

[148] ERCOP cl 146.

[149] ERCOP cl 133.

[150] ERCOP cl 141(1)(f).

[151] ERCOP cl 131(2)–(3).

[152] ERCOP cl 143(1).

Debt recovery and disconnection protections

In Victoria, a retailer must not commence or continue with proceedings for the recovery or sale of arrears for a customer receiving assistance.[153] A retailer also cannot disconnect a customer receiving assistance if the customer is complying with the terms and conditions of the assistance.[154]

Retailers have additional engagement obligations when disconnecting a residential customer in Victoria. This includes issuing an intention to disconnect notice, in addition to a reminder notice and a disconnection warning notice. The intention to disconnect notice must include information on what action the customer can take to avoid disconnection.[155] When issuing a disconnection warning notice, retailers must also include the following additional information that is not currently required under the NECF:

- clear and unambiguous advice about what the customer needs to do to avoid disconnection, including what support they may be entitled to under the framework
- clear information about how to access any assistance the customer may be eligible for from government or community service providers
- a statement that disconnection could occur remotely if the customer has a smart meter.[156]

Similar to the NECF, the disconnection warning notice must also include details of the existence and operation of the energy ombudsman, including contact details. A retailer must not issue a reminder notice to a customer who is on a payment plan, unless the customer has failed to make a payment.[157] A retailer cannot disconnect a customer unless they have taken all reasonable steps to provide the customer with clear and unambiguous information about assistance available under the Victorian framework, after issuing the disconnection notice.[158] A retailer cannot require a security deposit from a customer who:

- is receiving tailored assistance
- is awaiting a decision on their application for a Utility Relief Grant.[159]

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153 ERCOP cl 144 (1)–(2).

154 s 40SS(c) *Electricity Industry Act 2000* (Victoria), s 48DU(c) *Gas Industry Act 2001* (Victoria), ERCOP cl 122(1)–(2).

155 ERCOP cl 184 (1)–(2).

156 ERCOP cl 185(1).

157 ERCOP cl 182(4).

158 ERCOP cl 187(1)(a)(ii).

159 ERCOP 85(3).

Glossary

Term	Definition
ACCC	Australian Competition and Consumer Commission
AER	Australian Energy Regulator
ERCOP	Victorian Energy Retail Code of Practice
ESCV	Essential Services Commission of Victoria
NECF	National Energy Customer Framework
Retail Law	National Energy Retail Law
Retail Rules	National Energy Retail Rules
SPPF	Sustainable Payment Plans Framework
Victorian framework	Victorian Payment Difficulty Framework