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## Lessons from other approaches to strengthening protections for consumers experiencing payment difficulty

**The United Kingdom provides interesting examples relevant to customers experiencing payment difficulty. This includes a Priority Services Register and targeted energy bill relief during extreme temperatures. Together, Australia could use these concepts to re-design how it approaches payment difficulty. It could also provide ways of targeting bill relief and other policies.**

The Priority Services Register (PSR) helps identify customers who have extra communication, access, or safety needs. It also provides a way that people can nominate someone to receive communications and bills from utilities. It provides an avenue for customers to signal that they may be at risk of greater financial hardship. This can be used to trigger hardship policies in advance of payment difficulties.

The typical PSR eligibility criteria are shown below.

People can ask to join their supplier or network operator's Priority Services Register if they:

- have reached state pension age,
- are pregnant, or have young children,
- struggle with speaking or reading English.

They can also join if you're living with a disability or a long-term medical condition, including:

- mental health conditions,
- conditions affecting your sight, hearing or sense of smell,
- conditions that mean you need to use medical equipment that requires a power supply.

It is also a possible way of registering who has had a recent change in circumstances:

- are recovering from an injury, or need support after a stay in hospital,
- have been bereaved,
- have lost your job.

The UK is also interesting as it provides targeted assistance via the Winter Fuel Payment, Cold Weather Payment, the Warm Home Discount, and the Child Winter Heating Payment. Some Councils have a 'Household Support Fund'. An Australian PSR would provide a way to replicate targeted assistance payments.

Note that the Treasurer has mentioned that recent energy relief: could not have been restricted to households below a certain income, because it is not possible to share the relevant information with energy companies.

<https://www.abc.net.au/news/2024-05-15/energy-bill-relief-to-every-household-explained/103847656>

<https://www.thepsr.co.uk/>

<https://www.ofgem.gov.uk/join-your-suppliers-priority-services-register>

<https://www.gov.uk/winter-fuel-payment>

<https://www.gov.uk/cold-weather-payment>

<https://www.gov.uk/the-warm-home-discount-scheme>

<https://www.gov.uk/bills-benefits>

<https://www.gov.uk/cost-living-help-local-council>



**The importance of accounting for ways of paying and the need to disconnect for non-payment**

**The UK is also an interesting example as it has a high usage of prepayment for energy.**

Across England and Wales, emergency credit is used more often. Recent work, released as an In Review article, shows that on average, credit top-ups occurred 3-4 times more often than the use of emergency credit, and the use of emergency credit occurred 3-4 times more often than self-disconnection. This holds for both the regional panel data and the aggregated daily counts for the whole of England and Wales. It is unlikely that this is occurring in remote Australia, where disconnection rates are much higher than in the UK.

**The importance of reporting key payment difficulty measures**

**If the data is not reported by utilities or other organisations, how can we be sure that key payment difficulty measures are being monitored?**

Without reporting, it is unclear whether payment difficulty measures are closely tracked, such as: “retailer’s system identifies that the customer has self-disconnected for longer than 240 minutes 3 or more times in any 3-month period”.

I am unaware of any reporting of this measure, which implies that it is not being tracked.

Note that the Northern Territory Electricity Retail Review now reports disconnection rates per meter but there is no reporting of customers who have ‘self-disconnected for longer than 240 minutes 3 or more times in any 3-month period’.

Table 10: Prepayment meter indicators, Territory, 2019-20 to 2022-23

|  | 2019-20             | 2020-21 | 2021-22 | 2022-23 |
|--|---------------------|---------|---------|---------|
| Prepayment meters as at 30 June  | 2 063               | 2 187   | 2 172   | 2 441   |
| Prepayment meters capable of reporting self-disconnections <sup>1</sup> as at 30 June      | 2 049               | 2 173   | 2 158   | 2 430   |
| Total prepayment meter self-disconnection events over the year (all quarters)              | 69 888 <sup>2</sup> | 84 439  | 89 252  | 103 895 |
| Prepayment meter self-disconnection events per prepayment meter <sup>3</sup> over the year | 34.1                | 38.9    | 41.4    | 42.8    |
| Average duration of self-disconnection events (minutes) over the year                      | 380                 | 504     | 408     | 355     |

[https://utilicom.nt.gov.au/data/assets/pdf\\_file/0005/1375268/NT-Electricity-Retail-Review-2022-23.pdf](https://utilicom.nt.gov.au/data/assets/pdf_file/0005/1375268/NT-Electricity-Retail-Review-2022-23.pdf)

There is a similar issue for life support customers – without reporting it is hard to know how many people are identified and whether this information is tracked. Establishing a national Priority Services Register could be a way to make sure that this information is provided to a central agency at the time of discharge from hospital, which can also feed into payment support systems in the relevant jurisdictions. Many doctors are unaware of life support rebates, such this one in NSW <https://www.service.nsw.gov.au/transaction/apply-for-the-life-support-energy-rebate-retail-customers>, and a centralized PSR could be an important way to improve the process.