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19 March 2024

Daniel Harding  
A/General Manager, Market Performance Branch  
Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601

Via email: [marketperformance@aer.gov.au](mailto:marketperformance@aer.gov.au)

Dear Mr Harding

### **Draft – (Retail Law) Performance Reporting Procedures and Guidelines**

Ergon Energy Queensland (EEQ) welcomes the opportunity to provide comment to the Australian Energy Regulator (AER) on its review of the *Retail Performance Reporting Procedures and Guidelines* (the Guidelines).

EEQ supports improvements to the Guidelines which balance the AER's requirements for data to inform consumer energy policy with the escalating costs retailers are incurring in complying with new reporting obligations.

EEQ suggested in its response to the initial consultation issues paper<sup>1</sup> that the AER and industry should agree on the new reporting indicators prior to seeking industry feedback on the commencement timeframe for the new report. We remain of the view that, only once the full extent of the additional reporting requirements become clear that retailers will be able to provide a definitive view on their ability to meet the proposed implementation date. Consequently, the AER must allow retailers sufficient time to test the new regulatory reporting framework such that we can mitigate against risks associated with data integrity and higher costs derived from a rushed implementation. This is especially important given retailers are concurrently implementing rule changes. Therefore, it is our preference that the updated Guideline commence on 1 July 2025 rather than 1 January 2025 as proposed by the AER.

EEQ is also concerned with respect to the assumptions and findings the AER considers it will derive from several of the new reporting indicators. In particular, EEQ questions what insights the AER expects to infer from the provision of Card Operated Meter (COM) data without fully understanding the policy and the customer practices and preferences behind the continued use of this meter type in isolated communities in regional Queensland. Reporting of COM data is via a separate retail platform which adds complexity to our

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<sup>1</sup> AER Issues Paper - [Retail Performance reporting procedures and guidelines consultation \(2023 update\)](#)

reporting process in the event that EEQ would be required to report this data. We therefore seek to understand how and for what purpose the AER will use COM data, noting the continued use of this meter type in these communities is a policy decision for the Queensland Government in consultation with the local communities and Ergon Energy Corporation Limited as the Metering Coordinator. We add that key COM data is currently monitored through regular reporting to the Queensland Government which is used to inform its decision making processes.

EEQ also suggests that the AER consider that metric S3.22 related to third party credit collection be expanded to include the sale of debt to external credit collection agencies to provide the AER with additional insight into the true value of the debt referred to external credit agencies. We have provided further comments and recommendations on the proposed indicators which are outlined in the table attached to this letter.

Should the AER require additional information or wish to discuss any aspect of this submission, please contact either myself, or Andrea Wold on 0428 384 448.

Yours sincerely



Alena Christmas

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***Encl: Ergon Energy Queensland response to proposed indicators***



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Indicator	EEQ Feedback
Schedule 2: Retail market overview	<p>EEQ recognises the importance of having granular data to inform policy and ensure energy consumers are able to access reliable, secure and affordable energy. However, we question the value of the amendments to indicator S2.8 and how this data will be used by the AER as it relates to EEQ. This is because the tariffs which EEQ charges its customers are determined by the Queensland Competition Authority, with pricing and tariff conditions governed by the Queensland Government Gazette.</p> <p>We also recognise that as the NEM is transitioning to enable efficient integration of consumer energy resources such as solar PV and batteries<sup>2</sup>, tariffs will evolve and new products will be introduced. We therefore consider that a highly prescriptive approach to this indicator could prevent new tariffs from being captured, impacting the integrity of the data reported.</p>
Schedule 3: Retail market activities report	<p>EEQ recognises that the avenues in which customers interact with retailers is evolving and we support in principle the improvements to reporting proposed by the AER. However, In relation to indicators S3.5 and S3.6, we note retailers have not previously reported this indicator and/or the granularity of data. While retailers are able to record complaints and customer interactions received via digital channels, the way in which these contacts are captured may not support reporting in the manner required by proposed indicators S3.5 and S3.6 without investment in systems and/or processes. As such, we caution against adopting this measure without fully quantifying the costs against the benefits in obtaining this type of data.</p> <p>We also note the new complaint types proposed in the Guidelines are extensive and prescriptive. It is our view that when assisting consumers to raise a complaint, representatives are focused on resolving the customer's concern in a timely manner and will choose a generic 'catch all' category when recording the complaint. Should the AER determine detailed reporting of complaints is</p>

<sup>2</sup> [Network tariff reform | Australian Energy Regulator \(AER\)](#)

Indicator	EEQ Feedback
	<p>required, then retailers such as EEQ will require a longer implementation timeframe to support system enhancements and to allow for agent training and education.</p> <p>EEQ also questions the value in reporting the number of complaints received subject to meter type and the insights the AER is intending to derive from this indicator.</p>
<p>Schedule 4: Handling customers experiencing payment difficulties</p>	<p>EEQ acknowledges the increased availability of buy now pay later services available. However, this is not a service commonly offered by energy retailers. While customers may pay their energy bill using this payment method, there is no reasonable way for a retailer to identify when customers use this option, which in effect means that numbers reported to the AER may not provide the insight which the AER is expecting. We also note the energy sector is required to provide extensive support to customers experiencing payment difficulties and consider that retailer payment plans and hardship practices provide a better customer service than buy now pay later solutions meaning retailers are unlikely to offer this as a payment option in the future.</p> <p>With respect to pre-payment meters, EEQ is unique in terms of serving remote and isolated communities across the Torres Strait and Cape York via the use of card operated meters (COMs), which are essentially a type of pre-payment meter. EEQ provides the Queensland Government with regular reporting which captures rebate and disconnection rates at a community level, noting the unique traits of these customers often means that self-disconnection rates are not always reflective of payment difficulties but rather reflect the itinerant nature of residents who reside in these communities. We consider COM communities in Queensland are appropriately monitored via existing reporting provided to the Queensland Government. We also note that these meters are the preferred metering solution of the local Council's as they better enable local residents to budget their energy costs and protect themselves from debt.</p>