AER (Retail Law) Performance Reporting Procedures and Guidelines

Issues paper

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AUSTRALIAN
ENERGY
REGULATOR

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Request for submissions

Interested parties are invited to make written submissions to the Australian Energy Regulator (AER) about this paper via email to marketperformance@aer.gov.au with subject line 'Retail Guidelines review - issues paper submission' by close of business, **7 August 2023**.

Alternatively, submissions can be mailed to:

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Submissions should be in PDF, Microsoft Word or another text readable document format. Due to timing constraints, late submissions will not be considered.

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Enquiries about this paper, or about lodging submissions, should be directed to the AER's Retail performance team at marketperformance@aer.gov.au with the subject line 'Retail Guidelines review - issues paper'.

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Glossary

Term	Definition
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
Annual report	Annual retail market performance report
ESCV	Essential Services Commission of Victoria
GSL	Guaranteed Service Level
Guidelines	AER (Retail Law) Performance Reporting Procedures and Guidelines
NECF	National Energy Customer Framework
NEL	National Energy Law
NERL	National Energy Retail Law
NERR	National Energy Retail Rules
NGL	National Gas Law
Q1	Quarter 1 (July – September)
Q4	Quarter 4 (April – June)
RIN	Regulatory Information Notices

1 Introduction

1.1 Background

The *AER (Retail Law) Performance Reporting Procedures and Guidelines* (Guidelines) set out the manner and form in which energy retailers are required to submit performance data to the AER.

We use the performance data (indicators) collected for annual and quarterly retail market reporting. The data collected, via a template, includes retail contract information, complaints, customers experiencing payment difficulties and hardship indicators. We clean and analyse this data to produce a dataset (schedules) containing data from all retailers across the jurisdictions that have adopted the National Energy Customer Framework (NECF) – New South Wales (NSW), Queensland, South Australia (SA), Tasmania and the ACT. We publish these data schedules quarterly on our website for stakeholders to use in their own analysis of retailer performance.

The Guidelines first came into effect in July 2011. The last review of the Guidelines was finalised in April 2018, with a commencement date of 1 January 2019.

We are now reviewing the Guidelines again to ensure the data submitted to us continues to be high quality, relevant and comprehensive. Such data enables us to monitor retail market outcomes to inform policy design and help target compliance and enforcement priorities. It also helps us to meet our strategic objective to enhance the retail performance framework to enable more detailed analysis.

We have identified several potential improvements to the Guidelines, on which this paper aims to engage stakeholders. Stakeholder input from submissions will be collated and used to inform the draft Guidelines, which will be published for consultation later in 2023.

We are consulting on whether and how we should make the following changes to the Guidelines:

- introduce new indicators to enhance our retail performance reporting framework and inform our compliance and enforcement functions (Section 2)
- refine current indicators, clarify definitions and improve the comparability of indicators to provide more clarity to retailers and users of retail performance data (Section 3)
- increase the frequency and granularity of some of the data we collect to better observe retail market dynamics (Section 4)
- consolidate indicators, including removing indicators that do not add value to our reporting (Section 5) to reduce any unnecessary reporting burden on retailers
- collect annual data from distributors on guaranteed service levels (GSL) and the small compensation claims regime (Section 6)
- improve clarity and readability with a revised format (Section 7)
- better align our Guidelines with the Essential Services Commission of Victoria's (ESCV's) equivalent guideline where practical (noting we operate under different legislative frameworks). At this stage, we have identified scope for greater alignment in debt indicators and reporting frequency (Sections 3.3 and 4.1).

1.2 Regulatory context

This section outlines the legislative requirements underpinning the Guidelines.

NSW, Queensland, SA, Tasmania and the ACT have implemented the National Energy Retail Law (NERL), which regulates the supply of gas and electricity from retailers and distributors to customers. Section 282 of the NERL requires regulated entities to submit information and data relating to their performance to us, in the manner and form required by the Guidelines, and by deadlines that we set. It also allows us to use any data we collect to prepare retail performance reports or any other report under the National Electricity Law (NEL) or National Gas Law (NGL).

Section 284 of the NERL requires the AER to publish an annual retail market performance report (annual report). The annual report must include the information that is set out in section 285 of the NERL and outlined in greater detail within Part 10 (rules 166 and 167) of the National Energy Retail Rules (NERR). These requirements form the basis of information requested through the Guidelines, which focus on:

- customer numbers and contract types (market and standard)
- customer switching
- customer service and complaints
- the handling of customers experiencing payment difficulties
- customers on hardship programs
- prepayment meter systems
- disconnections and reconnections
- concessions.

Section 286 of the NERL requires us to make the Guidelines in accordance with the retail consultation period as set out in Part 12 (rule 173) of the NERR. The Guidelines must provide for the manner and form in which regulated entities submit information and data to us under section 282.

Reporting requirements for distribution network service providers (distributors)

Section 285 of the NERL also requires the annual report to include a report on the performance of distributors that references distributor service standards, associated GSL schemes and the small compensation claims regime (see Schedule 5 of the Guidelines). No jurisdiction has adopted the latter regime, meaning there is nothing to currently report on. However, the Guidelines have also never defined what data should be collected and reported on if this was to occur. We are seeking stakeholder feedback on this issue in Section 6.

1.3 Consultation process

1.3.1 Consultation rules

We must follow the retail consultation procedure that is prescribed under Part 12, rule 173 of the NERR, as a minimum. This includes providing at least 20 business days for submissions and comments on a draft instrument (the draft Guidelines).

We have released this issues paper as an additional consultation step to ensure the new Guidelines are informed by stakeholder input to the greatest extent possible.

1.3.2 Timeline

Table 1.1 outlines the proposed timeline for the Guidelines review.

Table 1.1 Performance Reporting Procedures and Guidelines review tentative timeline

Milestone	Proposed date
Publish issues paper	10 July 2023
Online stakeholder forum	Late July 2023
Submissions due	7 August 2023
Publish draft Guidelines	September / October 2023
Submissions due	October / November 2023
Publish final Guidelines	December 2023 / January 2024
New Guidelines come into effect	1 July 2024

1.3.3 Implementation timing

We aim to publish the new Guidelines by January 2024, with an implementation date of 1 July 2024. Retailers would commence collecting data under the revised Guidelines on 1 July 2024 with the first submission being for Q1 2024–25. The dates by which information and data must be submitted (as specified in section 2.2 of the current Guidelines) will remain unchanged.

We believe that a lead time of around 6 months gives retailers and ourselves an appropriate amount of time to adjust systems and processes. We are seeking stakeholder feedback on the proposed implementation time frame and any other implementation choices to help reduce the costs of reporting under the revised Guidelines.

The current Guidelines will still be valid until 30 June 2024. Our old template should be used for Q4 2023–24 before being replaced with the new template for Q1 2024–25.

Consultation question on implementation timing

Question 1: Do you have any comments on the proposed implementation time frame of 6 months and commencement date of 1 July 2024 and what steps the AER can take to minimise the costs of reporting under the revised Guidelines?

2 New potential indicators

We are interested in whether stakeholders would benefit from having access to any new retail performance indicators. In this section, we discuss several indicators that may be useful to add to our suite of indicators. We are seeking stakeholder input on whether there are any additional benefits or potentially unforeseen costs of including these indicators in the revised Guidelines.

In our view, the new potential indicators described in this section would help us and other market participants better understand how the retail energy market is performing, in alignment with our Strategic Plan 2020–2025.[1] These indicators would also likely increase transparency in areas of interest, be used to identify emerging issues to inform policy design, and support our compliance and enforcement functions.

2.1 Embedded networks

We are seeking stakeholder views on the merits of expanding the Guidelines to collect data on residential, small business and large customers within embedded networks, as summarised in Table 2.1.

We are exploring this change because there is limited visibility in our performance data of customers who are supplied energy by authorised retailers within embedded networks. Customers in embedded networks, like all energy consumers under the NECF, have protections and rights. For instance, customers in embedded networks have the right to buy electricity from either an authorised energy retailer or the owner of the embedded network (which are typically registered as exempt sellers).

Collection of additional information on customers in embedded networks would allow us to better monitor customers in these networks. We have an ongoing focus on ensuring that energy consumers' rights are protected within these structures[2] and that non-compliant behaviours can be better identified. Moreover, we have observed that consumers experiencing vulnerability are more likely to be in embedded networks, which include caravan parks, apartments and retirement villages.

Table 2.1 Potential new embedded network data

Metric	Identified benefit
Contracts • Total number of customers in embedded networks, categorised as a residential, small business or large customer type. • For customer within embedded networks: – number of customers on 'on-market' and 'off-market' contracts – number of customers on 'energy only' contracts.	This information is important in assessing the growth in embedded networks. We want to increase visibility in this area – many public agencies are seeking additional information on this to address issues affecting consumers experiencing vulnerability. Data collected on contract types will allow the level of market competition within embedded networks to be better assessed.
Meters Number of parent or gate meters supplied by the retailer.	Data collected on parent or gate meters would provide us with greater visibility of embedded

[1] AER, Strategic Plan 2020–2025, December 2020, p. 15.

[2] AER, Towards energy equity, October 2022, p. 23.

Metric	Identified benefit
	network providers and support our compliance and enforcement functions
Subcategories Include an embedded networks subcategory within sections covering energy debt, payment plans, credit collections and/or disconnections of the current Guidelines.	Data relating to subcategories (e.g. hardship program customers) within embedded networks will provide greater clarity on the specific issues affecting these customers.

2.2 Life support customers

We are seeking stakeholder views on whether we should collect new indicators on life support customers, as summarised in Table 2.2.

Indicators in the current Guidelines do not require energy retailers or distributors to report on registered life support customers. However, several obligations apply to energy retailers and distributors when a customer advises that a person who is residing or intending to reside at their premises requires life support equipment.[3]

We set compliance and enforcement priorities annually and have an enduring priority to monitor and act on serious issues impacting consumers experiencing vulnerability, including life support customers.[4] This aligns with objective one of our Strategic Plan 2020–2025 to protect vulnerable consumers, while enabling consumers to participate in energy markets.[5]

It is important that we consistently collect data on life support customers to better monitor compliance with the NERR and perform comparative analysis of regulated entities. We consider retailers would be able to provide data on life support customers under the revised Guidelines due to existing obligations to record and provide specific types of support to these customers under the NERR.

The NERR define life support equipment to mean any of the following:

- an oxygen concentrator
- an intermittent peritoneal dialysis machine
- a kidney dialysis machine
- a chronic positive airways pressure respirator
- Crigler–Najjar syndrome phototherapy equipment
- a ventilator for life support
- for a particular customer – any other equipment that a registered medical practitioner certifies is required for life support for a person residing at the customer's premises.

[3] National Energy Retail Rules, Part 7, Rule 124.

[4] See the AER's Compliance and Enforcement priorities for more information.

[5] AER, Strategic Plan 2020–2025, December 2020, p. 10.

Table 2.2 Potential new life support customer data

Metric	Identified benefit
• The total number of registered life support customers for each retailer. • The number of registered and deregistered life support customers for each retailer during the reporting period.	We have an enduring priority to monitor and act on serious issues impacting life support customers. Consistent data collection on life support customers would enable us to identify broader compliance trends, better monitor retailer compliance with the NERR and perform comparative analysis of regulated entities.

2.3 Customers affected by family violence

We are seeking stakeholder views on whether we should collect new data to better understand the impact of and compliance with new family violence protections and obligations for energy retailers under the NERR. Data we are currently considering is summarised in **Error! Reference source not found.**.

The new family violence protections and obligations came into effect in May 2023 following a rule change aimed at improving energy retailers' response to and support of customers experiencing family violence across NECF jurisdictions.[6]

New data on customers affected by family violence would inform our monitoring of energy retailers' compliance with these new requirements. This data would help us to monitor compliance efforts by retailers in identifying customers affected by family violence and offering those customers appropriate support.

This information would also be helpful in assessing the effectiveness of the new laws and refining our guidance on these important obligations.

Table 2.3 Potential new family violence data

Metric	Identified benefit
• The total number of customers who identify as affected by family violence, broken down by subcategories such as those on a hardship program or payment plan. • Total number of customers identified as being affected by family violence during the reporting period. • Total number of customers identified as no longer affected by family violence during the reporting period.	We have an enduring priority to monitor and act on serious issues impacting customers affected by family violence. Data would be used as an input for our monitoring activities of energy retailers' compliance with new AEMC requirements arising from the 2023 family violence rule change. The data will be critical in assessing the effectiveness of the new laws and refining our guidance in respect of retailer obligations.

Consultation question on new indicators

Question 2: What is your view on the indicators we have identified to potentially add to our suite of indicators? Are there any additional benefits or potentially unforeseen costs of adding these indicators and are there other indicators we should consider adding?

[6] See the AEMC's Rule determination for Protecting customers affected by family violence for more information.

3 Refining current indicators

A key focus of the Guidelines review is to refine current indicators, clarify definitions and improve the comparability of indicators. Well-refined and clearly defined indicators should simplify the workload of retailers in providing data. Clear and comparable indicators will benefit data users when undertaking comparative analysis.

This section outlines high-level refinements we are considering making to current indicators, so that stakeholders can provide input on whether they are suitable and suggest further refinements to the Guidelines. The draft Guidelines scheduled for release later in 2023 will include a detailed list of the proposed changes to give stakeholders the opportunity to comment on the specific details.

3.1 Clarifying definitions

We acknowledge that several indicators are unclear and open to interpretation and may be causing variations in reporting across retailers. This can lead to inaccurate analysis.

From our observations in applying the current Guidelines to date, we have identified several definitions that would benefit from further clarification. For example, the ‘customers repaying debt’ indicators (S3.15, S3.17 and S3.18) could be interpreted as seeking to capture customers actively repaying debt or, alternatively, all customers with debt, regardless of whether they are making repayments.

Similarly, we have identified some inconsistencies in how different retailers report the number of customers entering hardship programs. The distinction between retailer referrals and self-identification for hardship programs in the current Guidelines is arbitrary and without clear definition.

We understand additional definitions may benefit from clarification and welcome stakeholder views on this matter.

3.2 Data validation

In the current Guidelines several indicators are subcategories of other indicators. If the data is accurate and consistent, the sums of the subcategories should match another indicator.

For example, indicator S4.2 collects types of contracts for hardship program customers – that is, whether customers are on a standard or market contract. When standard and market contracts for hardship customers are totalled together, the figure should equal the total number of customers on hardship programs. This total figure should match indicator S4.1: the number of customers on a retailer’s hardship program.

We have found in practice that retailers’ submissions do not always reflect this, which means that at least one of the indicators is not correct. The current Guidelines and template do not explicitly address this issue by setting out our expectations of what data quality checks retailers should carry out before submission.

We are seeking stakeholder views on whether to include an explicit note in the revised Guidelines to specify that indicators such as those described above must have totals that are comparable. The revised template would not allow for submissions that do not meet these requirements. The draft Guidelines will include a detailed list of the indicators proposed to require comparable totals for stakeholder feedback.

We anticipate that this proposed update would be straightforward and promote consistency across data collected. We are interested in whether there may be any unforeseen challenges we should consider before implementing this change.

3.3 Debt indicators

Data collection and analysis on customers experiencing payment difficulties and energy debt is a large part of our retail performance reporting and monitoring work. Information on customers experiencing payment difficulties and how retailers handle those difficulties is both an important and mandatory aspect of the annual report under the NERL.

We are consulting on the following changes to debt indicators, which we consider would enhance our monitoring functions and help us to better understand how retailers are supporting customers experiencing payment difficulties. The proposed changes would also make certain indicators more comparable and more aligned with the ESCV's reporting obligations.

3.3.1 0-day debt and 30, 60 and 90-day debt

We are considering whether to adjust certain indicators to collect data on non-hardship debt that is:

- 0 days old (from the day the bill deadline is missed)
- 30, 60 and 90+ days old (from the day the bill deadline is missed).

The current Guidelines only require retailers to report debt from when it is outstanding to an energy retailer for a period of 90 calendar days or more. In response to the COVID-19 pandemic, we began to collect additional voluntary performance data from retailers, including energy debt that was 30 to 90 days old. The support from retailers to provide extra debt data enabled more timely analysis of the effect of COVID-19 on the retail energy market and identify potential issues, such as spikes in customer debt levels, much earlier than under normal reporting processes. The additional debt data gave us a more complete picture of customer debt cycles and allowed us to observe how many customers had debts owing at an earlier stage.

During the COVID-19 pandemic, the ESCV also collected extra debt data and has since begun to collect data on 0-day debt in their revised Compliance and Performance Reporting Guideline.

We consider it important to continue collecting higher frequency debt data. Continued collection of 30 to 90-day debt as well as 0-day debt data would allow us to better monitor the age and levels of customer energy bill debt, inform policy responses and improve our ability to analyse if such policy responses and supports are resulting in their intended effects.

We understand many retailers already possess the capability to report on 0-day and 30 to 90-day debt due to ongoing reporting obligations to the ESCV and previous experience with COVID-19 performance reporting. We are seeking stakeholder views on the benefits of continuing to collect more granular debt data and any reporting costs faced by retailers for us to consider if we implement this change.

3.3.2 Average debt measurements

We are seeking stakeholder views on an adjustment to certain indicators (such as debts at time of disconnection) to also include an average measurement.

The current Guidelines only allow average debt figures to be categorised by hardship and non-hardship customers, rather than other related indicators, such as total number of customers with debts at time of disconnection (S3.39).

It is our view that better comparisons could be made between debt indicators if they all included an average debt measurement. It would also allow for enhanced monitoring of customers experiencing financial hardship.

For example, indicator S3.39 captures the number of customers disconnected for non-payment with debts within defined ranges. Similarly, indicator S3.27 captures customers who are referred to an external credit collection agency within defined ranges of energy debt. Inclusion of an average debt measurement would provide additional context to customer disconnections and those who are referred to external credit collection agencies. It would also give us a clearer understanding of how the size of debt can be a driver of disconnection or whether a customer is referred to an external credit collection agency.

Specific indicators relating to payment plans can also be made more informative and comparable through the inclusion of an average measurement. For example, the current Guidelines capture customer numbers on payment plans within defined ranges as part of indicator S3.16 (nature of payment plan – fortnightly amounts) but do not collect the average fortnightly amount customers are paying.

3.3.3 Alternative debt arrangements

We are seeking stakeholder views on an adjustment to specific definitions and indicators in the revised Guidelines to collect information on alternative debt arrangements. For example, we are considering broadening the definition of debt in the Guidelines to incorporate any energy bill debt that has been deferred.

In response to the COVID-19 pandemic, during 2020 we began collecting additional voluntary performance data from retailers, including information on alternative debt arrangements (referred to at the time as deferred debt). Deferred debt was an alternative arrangement to payment plans or hardship programs and mainly involved payment locks or payment deferrals, where customers were not required to pay off their debt for a fixed period.

Through discussions with stakeholders during the COVID-19 pandemic, we also became aware of non-pandemic related ongoing alternative debt arrangements. Although payment locks due to the COVID-19 pandemic have ceased, there are still ongoing alternative debt arrangements not captured in the current Guidelines, such as promise to pay agreements, payment extensions or use of buy now pay later services.

We consider that broadening our definition of debt within the Guidelines to capture alternative debt arrangements would provide us with a more comprehensive view of total energy debt held by customers, the types of debt arrangements offered by retailers and the timeliness of paying the debt off.

3.3.4 Non-hardship debt

We are considering splitting electricity and gas in indicators S3.15, 3.17 and 3.18.

The current Guidelines combine electricity and gas bill debt for non-hardship residential and small business customers as ‘energy bill debt’ in indicators S3.15, 3.17 and 3.18. However, residential hardship debt indicators within Schedule 4 of the current Guidelines separate electricity and gas.

To enable better comparisons between hardship and non-hardship program customers we are considering bringing these indicators into alignment by distinguishing between electricity and gas.

3.4 Tariff and meter types

We are seeking stakeholder views on the benefits, costs and feasibility of expanding indicator S2.8 to include all meter types, not just smart meters (Type 4 or 4A). The draft Guidelines, which will follow the consultation, will provide greater detail on the types of meters to be reported.

Additionally, we are considering that the revised indicator would also collect the tariff types for all residential and small business customers and break this down by meter type (smart meter or not) covering the following categories:

1. Non-cost reflective network tariffs
   - **Single-rate, block or ‘flat’ tariffs** (with or without controlled load retail tariff) that apply to a daily (fixed) supply charge plus a simple usage charge for the electricity that a consumer uses.
2. Cost reflective network tariffs:
   - **Time-of-use tariffs** (with or without controlled load retail tariff) that apply different pricing to electricity use at peak and off-peak times. Lower prices at off-peak times encourage consumers to shift their energy use to those times. They are designed to reflect the prices retailers pay for electricity and encourage consumption during cheaper time periods.
   - **Demand tariffs charge,** based on a consumer’s maximum point-in-time demand at peak times. Consumers can reduce their energy costs by shifting demand to off-peak periods. But even one day of high use at peak times will lead to higher charges for the whole billing period. This structure is intended to encourage consumers to stagger their energy use and reduce congestion on the network at peak times, also reducing system costs.

The current Guidelines contain 2 indicators that collect information about smart meters. These are S2.7, ‘The number of customers with Type 4 or 4A smart meters and reasons for installation’ and S2.8, ‘Types of tariff structures for electricity customers with smart meters’.

It has been identified that many stakeholders need additional information on all meter types rather than only 4 and 4A meters. Collecting data on all meter types would give a holistic view of meters across the system and provide additional insights into the movement of electricity customers from older meters to more advanced meter types. Meter data is collected at the distribution network level but there will be an additional benefit of having this data disaggregated by retailers. Understanding the extent to which retailers are incentivising and encouraging their customers to take up cost-reflective tariffs and smart meters are important considerations.

Furthermore, having information on the underlying tariff type attached to the meter is an essential component to understanding whether it is cost-reflective or otherwise. Cost-reflective tariffs can reduce costs for consumers, enabling them to respond to price signals by shifting electricity consumption to outside of peak demand periods.

There is also a focus on monitoring underlying tariff cost structures that flow through to consumers. Energy distributors pass on their cost structure to the energy retailer. However, the retailer can choose not to pass this cost structure through to its customer and potentially offer an alternative tariff arrangement. There is value in monitoring the extent to which retailers pass the underlying network tariff structure onto their customers. This includes understanding whether a customer has been assigned a cost-reflective network tariff structure and whether that network tariff structure has been passed on through the relevant retail charges. Inconsistencies between the underlying network tariff and an alternative retail tariff arrangement may give rise to less cost-reflective structures for customers.

3.5 Prepayment meters

We are seeking stakeholder views on the introduction of a separate category to capture alternative meter types that are similar to prepayment meters (for example, card-operated meters).

Rule 167 of the NERR requires the annual report to contain information and data about prepayment meter systems (indicators S3.29–3.35). In discussions with retailers, it appears almost no prepayment meters as defined in the NERL are still in use. This is reflected in the consistent nil reporting for these indicators under the current Guidelines.

We are aware that there may be other meter types that function similarly to prepayment meters but fall under a different name (for example, card-operated meters). To improve the quality of our data, we are considering introducing a separate category to capture these alternative meter types.

3.6 Energy concessions

We propose continuing to collect data on customers entitled to receive energy concessions. In addition, we are considering also capturing how many eligible customers receive concessions.

The current Guidelines capture how many customers are entitled to receive energy concessions within indicator S3.40, but not how many receive them in practice.

Refining this indicator to also capture how many customers receive concessions would allow us to better understand the awareness of and uptake of concessions by customers who are eligible and support our compliance and enforcement functions. We are interested in stakeholder views on whether there are other aspects of concessions data that would be beneficial to collect.

3.7 Call centre indicators

We are seeking stakeholder views on redesigning indicators S3.1–3.4 to include other forms of contact made by customers, such as through online chat, to ensure they capture the customer's experience when contacting their energy retailer for assistance.

The current Guidelines contain 4 call centre indicators (S3.1–3.4), which all collect data about calls made to a retailer's operator or customer service officer. These indicators give an important insight into a customer's experience and provide useful information about retailer performance on customer service.

However, these indicators are dated because they only refer to contact made by customers through calls. Based on our discussions with many retailers over the past few years, we are aware of an increasing trend by customers to contact their energy retailer via the retailer's website, using functions such as online chat.

3.8 Complaint indicators

We are considering refining and improving complaint categories in the revised Guidelines. This is in response to a reporting trend, where current complaint indicators (S3.5–S3.14) classify a high proportion of complaints as 'billing' or 'other'. This limits the effectiveness of these indicators to provide insight into the causes of customer dissatisfaction.

We consider this reporting trend may reflect that the 'billing' complaint category is too broad and many of the other categories are too narrow. As such, we are considering:

- tightening the definition of 'billing complaints' (S3.5) and within it specifying additional categories such as 'estimated reads problems'
- consolidating 'complaints-meter contestability' (S3.8–S3.13, which cover various types of complaints about meters). This is outlined in Section 5.1.

We would value stakeholder feedback on adjustments to complaint indicators to gather more informed insights on the nature of customer complaints and the practicalities of adjusting these categories from a reporting perspective.

Consultation questions on refining current indicators

Question 3: What are your views on the proposed changes to current indicators?

Question 4: Are there any other indicators that would benefit from being revised?

4 Frequency and granularity of data

4.1 Monthly data

We are seeking stakeholder views on the proposal that retailers provide monthly data (submitted quarterly) under the revised Guidelines for selected indicators, such as debts, payment plans, hardship programs, credit collections and disconnections.

Under the current Guidelines, all data is collected and reported on a quarterly basis. In response to the COVID-19 pandemic, during 2020 we requested retailers to provide data voluntarily on a specific set of indicators on a weekly and monthly basis. Most retailers were able to meet this request in a short amount of time and continued to provide that data for approximately 18 months.

We consider that there are benefits of collecting more frequent monthly data for selected indicators, compared with quarterly data, based on learnings from the COVID-19 data set, which enhances the ability to:

- observe the impact of significant events on the retail market, such as the pandemic or other market shocks, in a timelier manner
- identify more detailed analysis and data trends, due to the increase in data points across each time series
- more easily recognise seasonal factors within the data
- assess the influence larger retailers have on time series data.

We consider that users of the retail performance data would benefit from enhanced insights gained from more frequent data, including identifying emerging issues in the retail market and observing the effects of policy interventions sooner.

Retailers that operate within Victoria are now required to provide the ESCV with monthly data (submitted on a quarterly basis). We consider that these indicators could be collected in monthly intervals by retailers due to experience with COVID-19 performance reporting.

4.2 Granularity of data

We are seeking stakeholder views on a potential change for retail performance data to be provided at a more granular level (for example, by distribution zone or regional versus metropolitan areas) within certain indicators.

The current Guidelines collect data at a jurisdictional level, so market share data is only publicly available at this level. This aggregation of market share data across each region could hide key competition metrics that may be occurring in the market. For example, some retailers may not retail electricity to all locations in a jurisdiction. This is a trend that would not be evident from observing aggregated market share data.

More granular data would provide a better understanding of retail market competition, not just at a jurisdictional level but within each jurisdiction as well. It would help us better understand where retail competition is working well and target those areas where it could work better.

We recognise that collecting data at a more granular level, such as by distribution network, may be limited to NSW and Queensland given that other states covered by the NECF have only one distributor each. We are seeking stakeholder feedback to understand what level of disaggregation would be useful and the capacity of retailers to report it.

Consultation questions on increased frequency and granularity of data collection

Question 5: What are your views on providing more frequent data for selected indicators?

Question 6: What are your views on providing more granular data for selected indicators?

5 Consolidation of indicators

We have identified several indicators that we consider could be simplified, consolidated or removed to reduce the regulatory reporting burden without losing value.

The draft Guidelines will include a list of the indicators proposed for consolidation. We provide examples throughout this section for stakeholder feedback. We also seek stakeholder input on additional indicators that could benefit from consolidation.

5.1 Complaint categories

We have identified scope to reduce the number of complaint indicators related to meter contestability.

As discussed in Section 3.8, several indicators (S3.8–3.13) relate to complaints around meter contestability. These indicators provide a very granular look at the different types of issues customers may experience with meters. At the time of their inclusion, there were high levels of customer complaints about meter installations and the data provided insight into the issues customers were facing when smart meter uptake was on the rise.

Following the AEMC’s smart meter review, which reviewed these issues and proposed changes to the framework, we do not consider this level of granularity is still needed.

5.2 Indicators that could be removed

We are seeking stakeholder input on indicators that could be combined with others or removed to simplify and reduce the size of the Guidelines. We have identified the following potential changes:

- Consolidate related indicators. For example, indicator S3.26 (number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery) could be removed because it captures the same data as indicator S3.27. Indicator S3.27 captures the same customer numbers but also sorts by the amount of debt within defined ranges.
- Remove indicators not used in quarterly or annual reporting. At this stage, S3.38 (total number of residential customers reconnected in the same name at the same address) has been identified as the only indicator not currently used in reporting.

The draft Guidelines will identify other indicators to remove.

Consultation questions on the consolidation of indicators

Question 7: What is your view on the indicators proposed to be consolidated or removed in the revised Guidelines? Are there any additional indicators that could fall under this category?

6 Indicators for distributors

6.1 Distributor service standards and GSL schemes

We are seeking stakeholder feedback on whether information from distributors could be collected annually under the revised Guidelines rather than through voluntary reporting, to meet the 30 June submission deadline each year.

Section 285 of the NERL requires that the annual report include a report on the performance of distributors by reference to distributor service standards and associated GSL schemes.

We currently meet this requirement each year in the annual report with data collected on a voluntary basis around September. The data is consistent with the Regulatory Information Notices (RINs)[7] that are issued too late in the year to meet the annual report's 30 November deadline. We are considering whether we should formalise this information collection through the annual reporting obligations or whether an alternative data collection should be considered.

6.2 Small compensation claims

We are seeking stakeholder feedback on whether the revised Guidelines should include reporting requirements for distributors if a jurisdiction were to adopt the small compensation claims regime. An example is the number of residential and small business customers to make claims for compensation from distributors.

Section 285 of the NERL also requires the annual report to include a report on the performance of distributors in relation to the small compensation claims regime.

No jurisdiction has adopted the regime (which means there is nothing to currently report on) and the Guidelines do not define what data should be collected and reported on.

Consultation questions on service standards, GSL schemes and small compensation claims

(For distributors):

Question 8: What is your view on reporting service standard and GSL scheme data under the revised Guidelines in place of the current voluntary reporting?

Question 9: What is your view on the proposed change to include a specific 'small compensation claims' reporting requirement in the revised Guidelines if a jurisdiction were to adopt the regime?

[7] The AER collects information from regulated businesses in order to undertake its functions. The AER uses Regulatory Information Notices (RINs) to collect information when it is making a regulatory determination about that business and annually throughout the regulatory period.

7 Revised format

We are considering making a change to the format of the Guidelines to improve clarity and readability. Figure 7.1 is an example of the proposed new format. We will publish a draft template with the new format alongside the draft Guidelines scheduled for release and consultation later in 2023.

Figure 7.1 Proposed format for the revised Guidelines (sample)

Schedule 2: Retail market overview indicators

Indicator	Data required	Fuel type		Customer type			Reporting area		Reporting period	
		Electricity	Gas	Residential	Small business	Large	Distributor	State / Territory	Quarterly	Annual
S2.1. Customers on standard contracts	The number of customers on standard contracts, as at the last calendar day of the reporting period.	☒	☒	☒	☒	☒	☒	☐	☒	☐
S2.2. Customers on market contracts	The number of customers on market contracts, as at the last calendar day of the reporting period.	☒	☒	☒	☒	☒	☒	☐	☒	☐
S2.3. Customers that have switched from standard to market contracts	The number of customers that have switched from standard to market contracts during the reporting period.	☒	☒	☒	☒	☒	☒	☐	☒	☐

8 Submission process

In section 2.4 of the current Guidelines, the process for submitting data is listed as an email submission. Under the revised Guidelines, we propose to update this to reflect the current reporting process, whereby submissions are made via the AER portal.

A revised version of the Excel template will be released before the commencement date of 1 July 2024 and will include all indicators required in the new Guidelines. We expect retailers to use the new template for submissions made after 1 July 2024.

Appendix 1 – Summary of consultation questions

For ease of reference, the full list of questions posed throughout this consultation paper are listed below.

Question	Relevant section
Question 1: Do you have any comments on the proposed implementation time frame of 6 months and commencement date of 1 July 2024 and what steps the AER can take to minimise the costs of reporting under the revised Guidelines?	1
Question 2: What is your view on the indicators we have identified to potentially add to our suite of indicators? Are there any additional benefits or potentially unforeseen costs of adding these indicators and are there other indicators we should consider adding?	2
Question 3: What are your views on the proposed changes to current indicators?	3
Question 4: Are there any other indicators that would benefit from being revised?	3
Question 5: What are your views on providing more frequent data for selected indicators?	4
Question 6: What are your views on providing more granular data for selected indicators?	4
Question 7: What is your view on the indicators proposed to be consolidated or removed in the revised Guidelines? Are there any additional indicators that could fall under this category?	5
Question 8: (For distributors) What is your view on reporting service standard and GSL scheme data under the revised Guidelines in place of the current voluntary reporting?	6
Question 9: (For distributors) What is your view on the proposed change to include a specific ‘small compensation claims’ reporting requirement in the revised Guidelines if a jurisdiction were to adopt the regime?	6