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Ms Sarah Proudfoot
General Manager, Consumers and Markets
Australian Energy Regulator
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Melbourne VIC 3001

AERConsumerandPolicy@aer.gov.au

Dear Ms Proudfoot

Energy Queensland submission to the Standardised statements for use in customer hardship policies Issues Paper

Ergon Energy Queensland welcomes the opportunity to provide comment to the Australian Energy Regulator (AER) on its Issues Paper - Standardised Statements for use in customer hardship policies (the Issues Paper).

As a community-focussed retailer with a proud record of proactively supporting customers in regional Queensland experiencing hardship, Ergon Energy Queensland supports initiatives to assist customers better understand the terms of their electricity contract. Fostering greater understanding is particularly important for customers who have trouble paying their bills.

Ergon Energy Queensland has a strong commitment to assisting its vulnerable customers and is acutely aware of the need to balance customers' energy requirements with an acceptable level of energy debt. Ergon Energy Queensland does not refuse any eligible customers access to the hardship program following referral and has historically not limited the number of payment plans offered to a customer experiencing hardship or financial difficulty, despite previous instances of broken payments or hardship arrangements. A significant focus for Ergon Energy Queensland is to minimise the growth of energy debt and assist customers to use energy in a manner more suited to their circumstances.

Ergon Energy Queensland supports the intent of this proposal to provide customers with clear and consistent language to explain their rights and entitlements under retailer hardship policies. However, Ergon Energy Queensland considers the primary challenge for retailers is obtaining and maintaining engagement with (and the active participation of) customers, rather than access to hardship programs. This is particularly the case for customers experiencing hardship. Where customer engagement within a hardship program is limited or non-existent (for example, regarding advice on how to reduce energy usage or non-compliance with payment commitments), Ergon Energy Queensland must balance the need to avoid the growth of energy debt with the fundamental principle of using de-energisation only as a last resort.

While Ergon Energy Queensland agrees that the standardised statements are "an important step in improving clarity and consistency of hardship assistance generally" (Issues Paper, p8), we note that the stated purpose of the standardised statements does not include any reference to customer's obligations. Ergon Energy Queensland is concerned that this

approach may downplay the importance of customers' responsibilities under the hardship program, contributing to poor levels of engagement.

Ergon Energy Queensland considers that the proposed standard statements should acknowledge the need for customers to remain engaged with their retailer and should include explanations of customers' obligations in retailer hardship programs. We contend that providing only clarity of rights and entitlements does not provide customers with the necessary information to ensure that they remain engaged with their retailer throughout their participation in the hardship program. Ergon Energy Queensland made this suggestion in our submission to the Australian Energy Market Commission's (AEMC) initial consultation paper for the "Strengthening protections for customers in hardship" rule change. However, the AEMC referred the matter to a subsequent consultation process to be run by the AER.

In addition, Ergon Energy Queensland notes that many customers often choose not to accept offers of assistance or engage with the hardship program due to a social stigma associated with participating in a retailer hardship program. Therefore, Ergon Energy Queensland also supports efforts to destigmatise participation in hardship programs and foster engagement with vulnerable customers as complementary to statements that clarify retailer and customer obligations within hardship programs.

The attached submission contains Ergon Energy Queensland's responses to the questions raised in the Issues Paper and the comments on the draft Standard Statements. Should you require additional information or wish to discuss any aspect of this submission, please contact me on (07) 3851 6787 or Peter Wall on (07) 3664 4968.

Yours sincerely



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Ergon Energy Queensland responses to consultation questions

#	Question	Ergon Energy Queensland Response
1	<p>Do the draft standardised statements at Appendix B provide a clear description of the minimum requirements set out in section 44 of the Retail Law? If not, why not?</p>	<p>Ergon Energy Queensland considers that the proposed standardised statements provided in Appendix B to the Issues Paper clearly describe the minimum requirements in section 44 of the National Energy Retail Law.</p> <p>However, we note that Centrepay is a payment method, rather than a payment option.</p>
2	<p>Do the draft standardised statements contain user-friendly language that would be easily understood by a range of customers? If not, please specify.</p>	<p>Ergon Energy Queensland agrees that the language used in the proposed standardised statements is likely to be easily understood by customers.</p>
3	<p>Do the draft standardised statements sufficiently address access gaps by vulnerable customers by clarifying hardship rights and entitlements? If so, how?</p>	<p>Ergon Energy Queensland considers that the proposed standardised statements may be a useful change to enable customers to better understand their rights and entitlements under retailer hardship policies, including how to access retailer hardship programs.</p> <p>However, Ergon Energy Queensland notes that the greatest challenge for assisting vulnerable customers in hardship is obtaining and maintaining engagement and active participation from customers. As such, Ergon Energy Queensland considers that Standard Statements that promote retailer and customer engagement and participation within hardship programs may enhance the efficacy of the hardship policies.</p>
4	<p>More generally, are there any issues or concerns about the application within a retail business of the standardised statements as they are currently drafted? If so, please provide specific examples, making reference to the minimum requirement in question and which section of the drafting is of concern.</p>	<p>Ergon Energy Queensland considers that the definition of hardship and the scope of the policy should apply to the customer's principal place of residence.</p>

Ergon Energy Queensland responses to draft Standard Statements

General Statements		Ergon Energy Queensland Response	
<p>This policy applies to all residential customers experiencing difficulties paying their energy bills due to hardship. This policy:</p> <ol style="list-style-type: none"> 1. Explains how we can help you manage your energy costs 2. Helps us take your circumstances and needs into account when determining how we can assist you, and 3. Explains your rights and responsibilities as a customer in our hardship program. <p>If you have a financial counsellor you can ask them to contact us on your behalf.</p>		Ergon Energy Queensland offers no comment.	
#	NERL minimum requirement	Standard statement	Energy Queensland Response
1 & 2	<p>Processes to identify residential customers experiencing payment difficulties due to hardship, including identification by the retailer and self-identification by a residential customer.</p> <p>Processes for the early response by the retailer in the case of residential customers identified as experiencing payment difficulties due to hardship</p>	<p>We will tell you about our hardship program and how it might help you if:</p> <ul style="list-style-type: none"> <input type="checkbox"/> you tell us you are having difficulties paying your bill <input type="checkbox"/> you are referred to our hardship program by a financial counsellor or other community worker <input type="checkbox"/> we think you may be experiencing financial hardship <p>We will recommend that you speak to a staff member about entry into our hardship program if:</p> <ul style="list-style-type: none"> <input type="checkbox"/> your payment patterns show late payments and requests for payment extensions <input type="checkbox"/> we have issued disconnection warning notices on your account <input type="checkbox"/> you have applied for or used relief grant or other emergency assistance to pay your bills, <input type="checkbox"/> you mention personal circumstances (e.g. death, illness, family violence, unemployment) that suggest hardship support may be needed 	<p>Ergon Energy Queensland supports the intent of this statement, but considers that the standard statement may increase the number of customers who receive information about retailer hardship programs without enhancing engagement with customers. For example, a large number of customers may have late payments patterns or request payments extensions for budgetary purposes but are not experiencing hardship and have capacity and willingness to pay their accounts on time.</p> <p>Further, Ergon Energy Queensland considers that the standard statements should include an explanation of the need for customers to remain engaged with their retailer and should include explanations of customers' obligations in retailer hardship programs.</p>

		<p>Our staff member will talk to you about your individual circumstances and eligibility for the hardship program.</p> <p>[Retailer can insert its timeframes for assessing a customer's application for hardship assistance]</p> <p>If you are accepted onto our hardship program, we will tell you</p> <ul style="list-style-type: none"> <input type="checkbox"/> whether you are on the most suitable plan for your circumstances or if there is a plan that may better suit your needs <input type="checkbox"/> concessions and rebates you may be able to receive <input type="checkbox"/> how you can reduce your current and future energy use <input type="checkbox"/> a suitable payment amount that considers your capacity to pay <input type="checkbox"/> whether you can use Centrepay as a payment option. <p>We will send you information confirming the details of your agreed payment arrangement and the contact details for our hardship team. We will send you a copy of our hardship policy at no cost if you ask for it.</p>	
3	<p>Flexible payment options (including a payment plan and Centrepay) for the payment of energy bills by hardship customers</p>	<p>When you are in our hardship program, we will offer you flexible payment options, based on your individual circumstances.</p> <p>There are different payment options available to hardship customers, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> payment plans <input type="checkbox"/> the use of Centrepay. <p>[Retailer to add additional payment options].</p> <p>When agreeing a payment plan with you, we must take into account:</p> <ul style="list-style-type: none"> <input type="checkbox"/> your capacity to pay (how much you are able to pay) <input type="checkbox"/> your debt with us (how much you owe), and <input type="checkbox"/> how much energy we expect you will use in the next 12 months. 	<p>Ergon Energy Queensland supports the proposed standard statement.</p>

		<p>Our payment plan will include an offer to pay in advance or in arrears by instalments.</p> <p>Once the payment plan is agreed we will send you details of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> how long it will run <input type="checkbox"/> how many payments you need to make, and when you need to make them, and <input type="checkbox"/> how we calculated your payments (in advance or in arrears). <p>It is important that you make these payments when they are due. If you make payments as agreed, we will not disconnect you for non-payment.</p> <p>If you can't meet the payments we agreed as payment plan, or if your circumstances change, please contact us immediately on [XXXXXXXX] so we can talk about this with you. We can review your hardship program including payment plan arrangements.</p> <p>If we notice you have missed a payment, we will contact you [retailer must set out contact process when a hardship customer misses a payment plan instalment]</p> <p>It is important you let us know if anything comes up that means you might not be able to make the payments agreed for your payment plan or hardship program. You also need to let us know if you have new contact details, If you do not do that, we may consider removing you from the hardship program.</p>	
4	Processes to identify appropriate government concession programs and appropriate financial counselling services and to notify hardship customers of those programs and services	<p>Depending which state you live in, you may have access to Government schemes, concessions and rebates that are designed to help with your energy bills.</p> <p>We will tell you about government concession programs and financial counselling services. We will explain these programs to you so you</p>	Ergon Energy Queensland supports the proposed standard statement.

		<p>understand how they can help you.</p> <p>If you find out you are eligible for these programs, please let us know immediately so that we can help you.</p>	
5	An outline of a range of programs that the retailer may use to assist hardship customers	<p>We also offer the following services to assist you whilst you are participating in the Hardship Program: [insert other services/products offered to hardship customers].</p> <p>We will take into account your individual circumstances to find the programs or services that can best help you.</p>	Ergon Energy Queensland supports the proposed standard statement.
6	Processes to review the appropriateness of a hardship customer's market retail contract in accordance with the purpose of the customer hardship policy	<p>As soon as you enter our hardship program, we will discuss your energy usage and whether you are on the most suitable plan for your circumstances.</p> <p>If we agree you will benefit from changing to a new plan, we will explain it to you and get your consent to transfer you to the new plan at no cost.</p>	This proposed statement would not be applicable to Ergon Energy Queensland on the basis that it may only offer notified prices under standard retail contracts.
7	Processes or programs to assist customers with strategies to improve their energy efficiency, where such processes or programs are required by a local instrument	As soon as you enter our hardship program, we will tell you ways you can improve your energy efficiency (how much energy you use). This may vary according to what state you live in.	Ergon Energy Queensland supports the proposed standard statement.
8	Any variations specified or of a kind specified by the AER	N/A	Ergon Energy Queensland offers no comment.
9	Any other matters required by the Rules.	<p>We will not:</p> <p><input type="checkbox"/> charge our hardship customers late payment fees, or</p> <p><input type="checkbox"/> require our hardship customers to provide a security deposit.</p>	Ergon Energy Queensland offers no comment.