



# Notice of Draft Instrument:

## AER (Retail) Performance Reporting Procedures & Guidelines Version 3

December 2017



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## Amendment Record

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# 1 About this document

## 1.1 Role of the Guidelines

The National Energy Retail Law (Retail Law) requires the AER to publish retail market performance reports providing information on the following matters:

- A retail market overview, including<sup>1</sup>:
  - A statement of the number of retailers and the number of retailers actively selling energy to customers
  - An indication of the number of customers of each retailer
  - An indication of the total number of customers with standard retail contracts and market retail contracts respectively, and the numbers by reference to each retailer
  - An indication of the numbers of customers who have transferred from one retailer to another retailer
  - A report on energy affordability for small customers.
- A retail market activities report, including information and statistics on the following activities of regulated entities<sup>2</sup>:
  - Customer service and complaints
  - The handling of customers experiencing payment difficulties (distinguishing hardship customers and other residential customers experiencing payment difficulties)
  - The provision of prepayment meters to customers, including (but not limited to) the total number of customers using prepayment meters, self-disconnections and numbers of pre-payment meters removed due to payment difficulties
  - De-energisation of premises for non-payment (distinguishing between hardship customers and other residential customers on payment plans), and re-energisation of those premises
  - Concessions for customers (where retailers administer the delivery of those concessions to customers)
  - The number and aggregate value of security deposits held by each retailer as at 30 June each year.

This information must be provided by reference to participating jurisdictions and different categories of customer as determined by the AER.<sup>3</sup> The retail market activities report must provide sufficient detail to explain the key factors relevant to the level of and trends in the performance of regulated entities.<sup>4</sup>

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<sup>1</sup> s. 285, Retail Law; cl. 166, National Energy Retail Rules (Retail Rules).

<sup>2</sup> s. 285, Retail Law; cl. 167, Retail Rules.

<sup>3</sup> cl. 166(2), 167(3), Retail Rules.

<sup>4</sup> cl. 167(2), Retail Rules.

The reports must also include:

- a report on the performance of retailers by reference to the hardship program indicators developed by the AER under s. 287 of the Retail Law<sup>5</sup>
- a report on the performance of distributors by reference to distribution service standards and associated guaranteed service level schemes<sup>6</sup>
- where applicable, a report on the performance of distributors in relation to the small claims compensation regime under Part 7 of the Retail Law<sup>7</sup>.

The reports may also include any additional matters that the AER considers appropriate for inclusion.<sup>8</sup>

The AER Performance Reporting Procedures and Guidelines (the Guidelines) support the AER's reporting function by specifying the manner and form in which regulated entities must submit relevant information and data to the AER, including the date or dates each year by which it must be submitted to the AER.<sup>9</sup>

The reporting requirements specified in the Guidelines are binding on regulated entities, and non-compliance may attract civil penalties or infringement notices.<sup>10</sup>

## 1.2 Definitions and interpretation

In this Notice, key words and phrases have the meaning given to them in the glossary of the Guidelines or, if not defined in the glossary, the Retail Law and National Energy Retail Rules (Retail Rules).

## 1.3 Version history and effective date

Version 1 of the Guidelines was released on 26 July 2011. The Guidelines and exemption classes were subject to extensive consultation, including three rounds of general consultation and an additional targeted consultation on hardship customers.

Version 2 of the Guidelines was released in 15 June 2012, effective 1 July 2012. Amendments sought to fix some minor drafting errors.

We are currently consulting on draft version 3 of the Guidelines. The proposed amendments contained in this draft reflect the evolution of the market over the past five years, including the need for greater clarity of consumer outcomes in the face of growing concerns about energy affordability and hardship issues. In some cases we have simplified or removed requirements in order to ensure a more efficient delivery of data.

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<sup>5</sup> s. 285(c), Retail Law.

<sup>6</sup> s. 285(d), Retail Law.

<sup>7</sup> s. 285(e), Retail Law.

<sup>8</sup> s. 285(f), Retail Law.

<sup>9</sup> s. 286(3), Retail Law.

<sup>10</sup> s. 282, Retail Law.

We propose that the resulting version 3 of the Guidelines **takes effect from 1 July 2018**, with retailers required to report the new data set from quarter 1 2018-19 (due 31 October 2018).

## 2 Purpose of this Notice

The AER may amend the guideline at any time in accordance with the retail consultation procedure.<sup>11</sup> We are now consulting on a draft version 3 of the Guidelines.

This Notice provides details of the context in which the draft Guidelines has been prepared, the issues involved, and the effects of the proposed changes.<sup>12</sup> The draft Guidelines and Notice have been prepared in accordance with the retail consultation procedure in the Retail Rules<sup>13</sup>.

We propose a number of important amendments to the Guidelines to capture:

- information on the roll out of smart meters as a result of the metering contestability regime which commenced on 1 December 2017;
- further information about customers experiencing payment difficulties (including in relation to payment plans, hardship programs and referrals to credit collection agencies); and
- further detail about the retail market and market structure (particularly regarding customer contracts).

Other amendments we propose will clarify aspects of the Guidelines relating to:

- timeframes for reporting and
- the manner in which information must be submitted.

We explain all proposed changes and their rationale in **section 3**.

We note that the Performance Reporting Template at Appendix A.2 of the Guidelines will need to be updated to reflect the changed information requirements as a result of this consultation process.

We invite stakeholder comment on our proposed amendments and, in particular, the drafting of any amendments. We welcome submissions from retailers, customer interest groups, government bodies and other interested parties on these and any other matters stakeholders wish to comment on.

### 2.1 Change of approach – publishing all retailer market shares

We note also that from 1 July 2018, we will be publishing market share data for all retailers, having to date only identified the shares of those retailers selling to more than 10 per cent of the market. This change reflects our focus on providing greater transparency of the market.

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<sup>11</sup> s. 286(4), Retail Law.

<sup>12</sup> National Energy Retail Rules s 173(2)(b)(ii).

<sup>13</sup> Rule 173

## 2.2 How to make submissions

Interested parties are invited to make written submissions on the draft Guidelines by **19 February 2018**.

Submissions should be sent electronically to: [MarketPerformance@aer.gov.au](mailto:MarketPerformance@aer.gov.au) with the subject line '*Draft Performance Reporting Guidelines*'. We ask that all submissions sent in an electronic format are in Microsoft Word or other text readable document form.

## 2.3 Publishing of submissions

To ensure an informed and transparent consultative process we prefer that submissions be publicly available. Unless marked confidential, we will publish all responses on our website, [www.aer.gov.au](http://www.aer.gov.au). If you wish to submit confidential information you should:

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

For further information about our use and disclosure of information provided to us, see the ACCC/AER Information Policy (June 2014), which is available on our website.<sup>14</sup>

If you have any questions about this Notice and the draft Guidelines, or about lodging a submission, please send an email to: [MarketPerformance@aer.gov.au](mailto:MarketPerformance@aer.gov.au) with the subject line '*Draft Performance Reporting Guidelines*'.

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<sup>14</sup> ACCC and AER information policy: collection and disclosure of information, June 2014, <https://www.aer.gov.au/publications/corporate-documents/accc-and-aer-information-policy-collection-and-disclosure-of-information>

### 3. Proposed amendments to the Guidelines

#### 3.1. Amendments to Section 2: Obligation to submit information and data on performance to the AER

The following are general updates and amendments include:

- a change to the timeframe for submission of indicators for quarter 4 and the annual report
- minor changes to the way in which retailers deliver their results to the AER and
- an explanation to be provided where there is significant variation in reported results.

**Table 1** describes the proposed changes to the information requirements in Section 2: Obligation to submit information and data on performance to the AER.

**Table 1: Proposed amendments to Section 2: Obligation to submit information and data on performance**

Section	Currently states	Proposed amendment	Description of change
2.2.2 Quarter 4 and Annual Reports	The Quarter 4 and Annual report on all performance indicators for the relevant financial year must be submitted by 31 August in each year.	The Quarter 4 and Annual report on all performance indicators for the relevant financial year must be submitted by 31 July in each year.	Retailers must report under 2.2.1 on quarters 1, 2 and 3 by the end of the next month after that quarter.  Bringing in line the reporting timeframes of quarter 4 will ensure greater consistency and more timely publication of data.
2.3.5 Manner and form in which information and data must be submitted	(absent)	Where there is more than a 10% variation in the data reported from the previous reporting period, then an explanation for the variation must be provided.	Currently there is a provision that allows retailers to provide this information, but it is not mandatory.  This amendment will assist the AER to report on reasons for substantial changes within a retailer's data. We have also seen an increase in the provision of inaccurate data in recent reporting periods, much of which is identified by AER staff rather than proactively

			by retailers. We consider this requirement will assist in ensuring greater retailer attention to the data being provided.
2.4.1 Process for submission of reports	AERInquiry@aer.gov.au	MarketPerformance@aer.gov.au  ...or as advised in writing by the Australian Energy Regulator.	Amendment to update the email address.  The further amendment will enable a single point of submission for the way in which retailers deliver performance data to the AER.
A3 - Accompanying commentary template	Fax number	Removal of fax number	Removal of fax number as this is no longer a preferred method of contact.

### 3.2. Amendments to Schedule 2: Retail market overview

With retailers now subject to additional obligations under the AEMC’s Rule Determination, *National Energy Retail Amendment (Notification of the end of a fixed benefit period) Rule 2017*<sup>15</sup>, the AER will monitor the retail market inclusive of this change. This Rule change sets out that the AER will publish more detailed guidelines reflective of the information that retailers must provide to relevant customers from 1 February 2018 about the expiration of their fixed benefits. To date, eight retailers have voluntarily provided the AER with information about their customers whose fixed benefit periods have expired.

The Rule change is designed to promote customer engagement in the market and in doing so to reduce the numbers of customers on contracts with expired benefit periods. This will be supported by the upcoming AER guidance on what detail is to be included in retailers’ notifications to customers. We therefore seek further information from retailers in this area to allow us to assess whether the changes in this space are achieving their aims.

<sup>15</sup> <http://www.aemc.gov.au/getattachment/319fe7ad-6136-4daf-b4ce-41a975b53360/Final-determination.aspx>

The collection of the data in relation to the number of customers on various contract type categories will assist the AER to understand the effectiveness of notifying customers of the expiration of fixed benefit periods and resulting customer switching<sup>16</sup>. After discussions with stakeholders who consider the publicly available information is insufficient, we propose to include further detail about types of customer contracts in order to provide a more detailed representation of the retail market.<sup>17</sup>

From December 2017 new Rules came into effect to enable the competitive deployment of smart (or advanced) meters in the National Electricity Market (NEM) (excluding Victoria). The new rules that have taken effect are a compliance priority for the AER. The information we are seeking from retailers on the installation of smart meters will complement the information we receive via our compliance reporting framework and will allow us to direct our compliance activities in the relevant area as required.

With the introduction of meter contestability across the NEM it is important to understand how this technology will impact customer choice, particularly in relation to accessing new retailer products (market retail offers) and flexible and cost reflective pricing<sup>18</sup>. Further information in this area will provide insight into the products customers are adopting in the market.

**Table 2** describes the proposed changes to the information requirements in Schedule 2: Retail Market Overview.

**Table 2: Proposed amendments to Schedule 2, Retail market overview**

Indicator	Information and data required	Description of change
S2.2 Offer of standard retail contracts to small market offer customers (Quarterly)	DELETED	The AER can obtain this data through other means (provision of offers to Energy Made Easy) so is removing this metric.
S2.3 The number of customers that have moved from standard to market retail	Retailers are required to submit: (a) the total number of customers that have moved from standard to market retail contracts for the supply of electricity, and	This requirement will provide further transparency around consumer engagement with their electricity and gas contracts. Specifically, it will provide insight into the

<sup>16</sup> Price Comparator: S. 20 National Energy Retail Law

<sup>17</sup> S. 166 (1) (b) National Energy Retail Rules and S. 166 (2) (b) National Energy Retail Rules

<sup>18</sup> D. 3. S. 22 (1a) National Energy Retail Law

contracts (Quarterly)	<p>(b) the total number of customers that have moved from standard to market retail contracts for the supply of gas, and</p> <p>during the relevant reporting period in each of the following customer categories:</p> <ul style="list-style-type: none"> <li>i. Residential customers</li> <li>ii. Small business customers</li> <li>iii. Large customers (this should also include any large customers on other contract types)</li> </ul> <p>For the purposes of this indicator, the number of contracts held by small business customers must be presented as including small market offer customers.</p> <p>A customer who purchases both gas and electricity under a single market retail contract with a retailer should be counted as one electricity customer and one gas customer.</p> <p>For the purposes of this indicator, the consumption threshold determined by the relevant jurisdiction should be applied.</p>	number of consumers seeking better offers without switching retailer.
S2.4 The number of customers on a market retail contract with an expired fixed benefit (Quarterly)	<p>Retailers are required to submit:</p> <ul style="list-style-type: none"> <li>(a) the total number of customers on market retail contracts where their initial fixed benefit period has expired for the supply of electricity, and</li> <li>(b) the total number of customers on market retail contracts where their initial fixed benefit period has expired for the supply of gas, and</li> </ul> <p>held on the last calendar day of the relevant reporting period in each of the following customer categories:</p> <ul style="list-style-type: none"> <li>i. Residential customers</li> <li>ii. Small business customers</li> <li>iii. Large customers (this should also include any large customers on other contract types)</li> </ul> <p>For the purposes of this indicator, the number of contracts held by small business customers must be presented as including small market offer customers.</p> <p>A customer who purchases both gas and electricity under a single market retail contract with a retailer should be counted as one electricity customer and one gas</p>	<p>This requirement makes mandatory a commitment made by retailers at the August 2017 roundtables with the Prime Minister.</p> <p>It will provide a measure of customer engagement in the market and provide a metric for assessing the impact of the AEMC’s Rule Determination, National Energy Retail Amendment (Notification of the end of a fixed benefit period) Rule 2017.</p>

customer.

For the purposes of this indicator, the consumption threshold determined by the relevant jurisdiction should be applied.

S2.5 The number of unknown or deemed customers  
(Quarterly)

Retailers are required to submit:

- (a) the total number of deemed customers taking supply of electricity after 120 days, and
- (b) the total number of deemed customers taking supply of gas after 120 days, and held on the last calendar day of the relevant reporting period in each of the following customer categories:
  - i. Residential customers
  - ii. Small business customers
  - iii. Large customers (this should also include any large customers on other contract types)

For the purposes of this indicator, the number of contracts held by small business customers must be presented as including small market offer customers.

For the purposes of this indicator, the consumption threshold determined by the relevant jurisdiction should be applied.

New condition to require reporting on the number of customers taking energy supply but who have not yet engaged with the market by establishing an account and entering into a preferred contract.<sup>19</sup>

It is appropriate for retailers to report on the number of customers that have not created accounts where energy supply has been provided for over 120 days, given that a bill is expected to have been issued after one, two or three months to prompt contact.

S2.6 The number of customers with Type 4 or 4A smart meters and reasons for installation  
(Quarterly)

Retailers are required to submit the total number of small customers with Type 4 or 4A meters installed:

- (a) under the New Meter Deployment
- (b) as part of a meter repair or replacement schedule
- (c) as part of a new connection, and
- (d) as per a customer's request.

New condition to require a retailer to report on metering activity as part of the retailer led program to install smart meters.

This requirement will provide an indication of the progress of the retailer led smart meter installations.

This requirement will provide a clear indication regarding the reasons for the installation of the smart meter and the way that Power of Choice

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<sup>19</sup> S. 18 (7) National Energy Retail Law

<p>S2.7 Types of tariff structures for electricity customers with smart meters (Quarterly)</p>	<p>Retailers are required to submit (where a customer has a smart meter installed):</p> <ul style="list-style-type: none"> <li>(a) The total number of customers receiving only a flat rate retail tariff <ul style="list-style-type: none"> <li>i. On market retail contracts</li> <li>ii. On standard retail contracts</li> </ul> </li> <li>(b) The total number of customers receiving a time-of-use or a flexible retail tariff <ul style="list-style-type: none"> <li>i. On market retail contracts</li> <li>ii. On standard retail contracts</li> </ul> </li> <li>(c) The number of customers: <ul style="list-style-type: none"> <li>i. that have a distributor based flexible network tariff, and</li> <li>ii. of those with a distributor based network tariff, the number of customers where there is corresponding flexible retail tariff.</li> </ul> </li> </ul>	<p>reforms are influencing the energy market.</p> <p>New condition to require a retailer to report on metering activity as part of the retailer led program to install smart meters.</p> <p>This requirement will take into consideration reform in the metering space and also reform of distribution pricing. It is important to understand how retailers respond to changes in the market, and how customers then respond to available flexible tariff options.</p> <p>Given the significant changes in metering technology the installation of smart meters will give way to a range of new tariff options for both retailers and customers.</p> <p>It will be important to monitor where retailers in different jurisdictions can choose to opt-in or opt-out of flexible tariff options.</p> <p>In monitoring these tariff structure reforms it is critical to understand the effectiveness of these changes in order to manage communication with customers (particularly through the price comparator website, Energy Made Easy).</p>
<p>S2.8 Types of tariff structures for solar electricity customers (Quarterly)</p>	<p>Retailers are required to submit:</p> <ul style="list-style-type: none"> <li>(a) The total number of solar customers receiving a government funded feed-in tariff</li> <li>(b) The total number of solar customers receiving a retailer (only) funded feed-in tariff</li> </ul>	<p>New condition to require a retailer to report on solar tariff information.</p> <p>This requirement will identify the number of customers that are benefiting from government funded feed-in tariffs and how changes to this over time this will inform policy development and review.</p>

This requirement will provide an indication as to whether retailers are offering customers attractive solar market offers, in place of government funded feed-in tariffs.

As network tariff reform and retailer tariff innovation develops it will be important to understand how tariffs impact customers.

Please note that in the accompanying version 3 of the Guidelines, some items have been reordered to assist with readability and logical progression of issues. Due to readability issues, these changes are not immediately apparent, however all other changes are marked in the Guidelines.

### 3.3. Amendments to Schedule 3: Customer service and complaints

Customer service remains a focus for the AER and provides a clear reflection of the success of the market. With the introduction of meter contestability and significant changes to the way that retailers will operate within this space it is important to gain intelligence about retailer market activities and the customer experience in order to detect any areas for further investigation.

**Table 3** describes the proposed changes to the information requirements in Schedule 3: Customer service and complaints

**Table 3: Proposed amendments to Schedule 3: Customer service and complaints**

Indicator	Information and data required	Description of change
S3.8 Complaints-meter contestability – meter installation (Quarterly)	In each participating jurisdiction, retailers must report the number of complaints made in the reporting period about the installation of a Type 4 or 4A meter by:  (a) residential customers; and  (b) small business customers.	New condition to require a retailer to report on the progress of the retailer led smart meter rollout in line with Power of Choice.  This requirement will provide transparency regarding effective retailer interaction with customers regarding the installation process.
S3.9 Complaints-meter	In each participating jurisdiction, retailers must report the number of	New condition to require a retailer to report on complications

<p>contestability – de-energisation (Quarterly)</p>	<p>complaints made in the reporting period about issues relating to the de-energisation of a Type 4 or 4A meter as a result of the installation process by:</p> <ul style="list-style-type: none"> <li>(a) residential customers; and</li> <li>(b) small business customers.</li> </ul>	<p>regarding the cessation and continuation of electricity supply for customers that arise out of the installation of the smart meter rollout.</p> <p>This could also include de-energisation issues that arises out of a defect.</p>
<p>S3.10 Complaints-meter contestability – meter data (Quarterly)</p>	<p>In each participating jurisdiction, retailers must report the number of complaints made in the reporting period about Type 4 or 4A meter data by:</p> <ul style="list-style-type: none"> <li>(a) residential customers; and</li> <li>(b) small business customers.</li> </ul>	<p>New condition to require a retailer to report on complaints that arise from customers regarding the collection, storage, sharing and provision of their electricity usage data. Complaints relating to meter data may relate to the way the data is presented on a bill or the change in the way usage information is provided to a customer.</p> <p>This requirement will assist to demonstrate the effectiveness and take up of the new 30 minute interval data that will be available and how retailers are communicating this to customers.</p>
<p>S3.11 Complaints-meter contestability – privacy (Quarterly)</p>	<p>In each participating jurisdiction, retailers must report the number of complaints made in the reporting period about privacy issues in relation to Type 4 or 4A meters:</p> <ul style="list-style-type: none"> <li>(a) residential customers; and</li> <li>(b) small business customers.</li> </ul>	<p>New condition to require a retailer to report on customer complaints that arise out of privacy concerns in relation to the smart meter rollout.</p> <p>These complaints may be in relation to retailers having increased visibility of a customer’s usage information, or the sharing of the usage data with another agency such as the third party meter provider, third party meter data provider, or other agency or party.</p>
<p>S3.12 Complaints-meter contestability – cost (Quarterly)</p>	<p>In each participating jurisdiction, retailers must report the number of complaints made in the reporting period about the cost of a Type 4 or 4A meter:</p> <ul style="list-style-type: none"> <li>(c) residential customers; and</li> <li>(d) small business customers.</li> </ul>	<p>New condition to require a retailer to report on customer complaints about the cost to install a smart meter, or any ongoing costs, as part of the retailer led rollout.</p> <p>Complaints relating to the cost of the smart meter will provide transparency regarding customer dissatisfaction with additional costs incurred regarding the installation of a smart meter via the</p>

### 3.4. Amendments to Schedule 3: Handling customers experiencing payment difficulties

Increasing numbers of customers in the Australian energy market are experiencing payment difficulties. More customers are reported to be paying off debt to an energy retailer and the debt levels are increasing. This is of significant community concern and we require further information from retailers to understand how customers are managing their debt and how successful retailer programs are at supporting customers in financial difficulty.

It is critical to understand how customers are repaying debt, what they can afford, and then what may happen if a customer is unable/or does not repay energy debt. The way in which retailers handle customers experiencing payment difficulties is key to understanding the customer experience within the energy market. Additional information, particularly in relation to the collection of energy debt, will assist to explain the key factors that result in the retail market trends.

**Table 4** describes the proposed changes to the information requirements in Schedule 3: Handling customers experiencing payment difficulties.

**Table 4: Proposed amendments to Schedule 3 – handling customers experiencing payment difficulties**

Indicator	Information and data required	Description of change
S3.15 Nature of repayment agreements – fortnightly amounts  (Quarterly)	Total number of electricity and gas customers repaying debts: (a) residential customers (excluding hardship program customers); and i. less than \$50 per fortnight ii. \$50 to less than \$100 per fortnight iii. \$100 to less than \$200 per fortnight iv. \$200 or more per fortnight.	This amendment has been made to provide greater transparency around affordability issues and how energy debt impacts customers.  This data will provide greater detail of actual and/or perceived affordability issues facing energy customers. Using this information will assist benchmarking how customers with payment plans are managing their ongoing energy costs.  The amounts are based on an assumption that a standard customer will spend on average (based on annual median bills) <sup>20</sup> \$66 per fortnight on a

<sup>20</sup> The AER's 2016-2017 Annual Report on Compliance and Performance of the Retail Energy Market

- (b) small business customers
  - i. less than \$50 per fortnight
  - ii. \$50 to less than \$100 per fortnight
  - iii. \$100 to less than \$200 per fortnight
  - iv. \$200 or more per fortnight

at the end of the reporting period in each participating jurisdiction.

market electricity offer and \$79 on a standing electricity offer, and \$42 per fortnight on a market gas offer and \$45 per fortnight on a standard gas offer.

S3.18 Number of residential customers that have aged debt.

(Quarterly)

The total number of customers (not on a hardship program) who have accrued an average debt:

- a) \$1000 to less than \$1500
  - i. where the debt is more than 12 months old but less than 24 months old
  - ii. where the debt is 24 months or more old
- b) \$1500 to less than \$2000
  - i. where the debt is more than 12 months old but less than 24 months old
  - ii. where the debt is 24 months or more old
- c) \$2000 or more
  - i. where the debt is more than 12 months old but less than 24 months old
  - ii. where the debt is 24 months or more old

at the end of the reporting period in each jurisdiction.

New condition to require a retailer to report on the age of non-hardship customer debt.

This will provide an indication as to the ability of the customer to manage debt with the assistance of the retailer outside of a hardship program.

S3.20 Number of residential customers that have missed one or more pay on time (or conditional) discount.

Total number of electricity and gas:

- (a) residential customers; and
  - (b) small business customers
- that have missed receiving pay on time discounts due to making a late or missed payment during the reporting period.

New condition to require a retailer to report on how many customers have missed a pay on time discount that they would have been able to obtain through the terms and conditions of their contract.

This data will assist in demonstrating the effectiveness of pay on time discounts for customers and the actual benefit they serve.

(Quarterly)

S3.25 Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery – account status

(Quarterly)

Number of residential electricity and gas customers who were referred to an external credit collection agency for the purposes of debt recovery, where:

- (a) the customer currently holds an open account with the retailer and is not currently on a payment plan or receiving hardship assistance
- (b) the customer currently holds an open account with the retailer and is on a payment plan or receiving hardship assistance, and
- (c) the customer is no longer an account holder with the retailer during the reporting period in each jurisdiction.

New condition to require a retailer to report on credit collection activity.

Given the increasing levels of debt held by customers, increasing numbers of customers being excluded from participating in hardship programs, and the reported drop in customers successfully completing hardship programs, there is a need to understand the impact of customer credit collection activity by retailers.

Following discussions with stakeholders, this amendment has been made to more adequately capture data regarding affordability issues and how energy debt affects customers.

This data will assist in mapping the extent of credit collection activity and the category of customers affected.

S3.26 Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery – amount of debt

(Quarterly)

Number of residential electricity and gas customers who were referred to an external credit collection agency for the purposes of debt recovery, with energy bill debt that is:

- (a) less than \$500
- (b) \$500 to less than \$1,500
- (c) \$1,500 to less than \$2,500
- (d) \$2,500 or more

during the reporting period.

New condition to require a retailer to report on credit collection activity.

It is important to understand at what point (amount of debt) customers are referred to an external credit collection agency for the purposes of debt recovery.

S3.27 Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery – credit rating

Number of residential electricity and gas customers who were referred to an external credit collection agency for the purposes of debt recovery where:

- (a) a credit default was applied against their name for debt associated with the retailer
- (b) a credit default listing was reversed by the retailer

New condition to require a retailer to report on credit collection activity.

This requirement will provide a clear indication of the number of customers that experienced long-term negative repercussions as a result of not paying their energy debt.

(Quarterly) during the reporting period.

Please note that in the accompanying version 3 of the Guidelines, some items have been reordered to assist with readability and logical progression of issues. Due to readability issues, these changes are not immediately apparent, however all other changes are marked.

### 3.5. Amendments to Schedule 3: De-energisation (disconnection) and re-energisation (reconnection)

Disconnections should be seen as the last resort of retailers when working with a customer to manage their debt. The following new indicators will represent the amount of debt held by a customer at the time disconnection. This data will assist to define industry standards and trends relating to debt management.

**Table 5** describes the proposed changes to the information requirements in Schedule 2: Retail Market Overview.

**Table 5: Proposed amendments to Schedule 3, De-energisation (disconnection) and re-energisation (reconnection)**

Indicator	Information and data required	Description of change
S3.35. Number of customers disconnected for non-payment (Quarterly)	In each participating jurisdiction and for each customer category below, the number of electricity and gas customers disconnected for non-payment in the reporting period: (a) Residential customers (b) Small business customers (c) Hardship program customers (d) Energy concession customers (e) Residential customers who have been on a payment plan in the previous 12 months (f) Residential customers who have been disconnected on more than one occasion in the previous 24 months.	Removing the requirement that residential and small business customer numbers are reported on a monthly basis. This data will be requested on a quarterly basis.
S3.36 Number of customers reconnected within 7 days of disconnection (Quarterly)	In each participating jurisdiction and for each customer category below, the number of electricity and gas customers reconnected in the same name and address within seven days of disconnection for non-payment, in the reporting period: (a) Residential customers (b) Small business customers (c) Residential hardship program customers (d) Energy concession customers	Removing the requirement that residential and small business customer numbers are reported on a monthly basis. This data will be requested on a quarterly basis.

(e) Residential customers who have been on a payment plan in the previous 12 months.

S3.38 Total number of customers with debts at time of disconnection

(Quarterly)

In each participating jurisdiction, the total number of electricity and gas customers disconnected with debts in the following ranges for each of the following customer categories for the reporting period

(a) residential customers

- i. less than \$500
- ii. \$500 to less than \$1,500
- iii. \$1,500 to less than \$2,500
- iv. \$2,500 or more.

(b) small business customers

- i. less than \$500
- ii. \$500 to less than \$1,500
- iii. \$1,500 to less than \$2,500
- iv. \$2,500 or more.

New condition to require a retailer to report on the amount of debt experienced by certain categories of residential and small business customers at the time of disconnection.

This requirement will provide further detail on the effectiveness of the disconnection process and the way that it interacts with customers that have been on payment plans.

### 3.6. Amendments to Schedule 4: Hardship program indicators

Retailers are required to have and implement hardship programs for customers that are experiencing payment difficulties. With the decreasing numbers of customers successfully completing hardship programs, more transparency is required to understand the customer experience when participating in a hardship program.<sup>21</sup>

**Table 6** describes the proposed changes to the information requirements in Schedule 4: Hardship program indicators.

**Table 6: Proposed amendments to Schedule 4, Hardship program indicators**

Indicator	Information and data required	Description of change
S4.1 Number of customers on a retailer's hardship program (Quarterly)	Number of residential electricity and gas customers on a retailer's hardship program as at the last calendar day of the reporting period, in each participating jurisdiction.	Change to require this information on a quarterly basis rather than on a monthly basis.
S4.2 Type of contract for hardship program customers (Quarterly)	Retailers are required to submit: (a) the total number of electricity hardship customers that i. are on a standard retail contract ii. are on a market retail contract (b) the total number of gas hardship customers that i. are on a standard retail contract ii. are on a market retail contract held on the last calendar day of the relevant reporting period.	New condition requiring retailers to provide information about the type of contract a hardship customer is receiving.  This data will provide detail regarding whether retailers are working with customers to find more attractive and beneficial rates, tariffs, terms and conditions that suit their circumstances (particularly in relation to affordability concerns).
S4.4 Levels of debt of customers entering the hardship program (Quarterly)	The number of electricity and gas hardship program customers who entered the hardship program during the reporting period, with an energy bill debt (as at the last calendar day of the reporting period) that was: (a) less than \$500	This is an amendment to the previous indicator (S4.5). Given debt is escalating with residential customers there is the addition of one further financial category - \$3,500 or more.

<sup>21</sup> S. 167 (1) (b) National Energy Retail Rules

- (b) \$500 to less than \$1,500
  - (c) \$1,500 to less than \$2,500
  - (d) \$2,500 to less than \$3,500
  - (e) \$3,500 or more
- in each participating jurisdiction.

The addition of this category will assist to monitor any potential increases in customer debt against the early detection of affordability issues and timeliness of accepting a customer onto a hardship program.

S4.5 Average debt of hardship program customers  
(Quarterly)

Average energy bill debt of electricity and gas hardship program customers, as at the last calendar day of the relevant reporting period in each participating jurisdiction. The calculation of the average debt amount must not include hardship program customers in credit.

This is an amendment to the previous indicator and includes the addition of the statement “*The calculation of the average debt amount must not include hardship program customers in credit*”.

This amendment will assist clarify actual debt for hardship customers by removing anomalous amounts.

S4.6 Age of debt for customers on the hardship program  
(Quarterly)

The age of the oldest debt for those electricity and gas hardship program customers who entered the hardship program during the reporting period, as at the last calendar day of the reporting period in each participating jurisdiction.

New condition to require a retailer to report on the age of debt for customers in hardship programs.

- (a) less than 6 months
- (b) 6 months to less than 12 months
- (c) 12 months to less than 24 months
- (d) 24 months or more.

This requirement will provide key information about how customers are able to work with retailers to manage their debt and move through the hardship program to successfully exit the program.

This information will provide critical information about customer circumstances (and experiences) in understanding if the assistance provided through a hardship program is short term or long term.

S4.8 Number of hardship program customers on types of payment plans  
(Quarterly)

Number of electricity and gas hardship program customer making the following categories of payment plans, as at the last calendar day of the reporting period, in each participating jurisdiction:

New condition to require a retailer to report on the types of payment plans for customers in hardship programs.

- (a) less than ongoing costs

Retailers will work with customers in order to establish appropriate payment plans. This

	<ul style="list-style-type: none"> <li>(b) meeting consumption/bills</li> <li>(c) meeting the cost of consumption/bills and expected to clear arrears within 12 months</li> <li>(d) meeting the cost of consumption/bills and expected to clear arrears over 12 months or more</li> </ul>	<p>information will provide a detailed view on the affordability of energy for customers and how manageable their energy debts are.</p>
<p>S4.9 Payment methods of hardship program customers (Quarterly)</p>	<p>Number of electricity and gas hardship program customers using each of the following payment methods, as at the last day of the reporting period, in each participating jurisdiction:</p> <ul style="list-style-type: none"> <li>(a) Payment plan (excluding those who make their payment plan payments using Centrepay)</li> <li>(b) Centrepay</li> <li>(c) Prepayment meter (PPM)</li> <li>(d) Australia Post</li> <li>(e) Direct debit</li> <li>(f) Any other payment method.</li> </ul>	<p>This is an amendment to the previous indicator and includes the addition of payment methods via Australia Post and Direct Debit.</p> <p>This information will assist the AER to monitor the payment behaviours of hardship customers.</p> <p>It is also evident that some retailers are moving to the inclusion of different costs and charges associated with different payment methods. Understanding how hardship customers are making payments may inform how to provide appropriate customer education through Energy Made Easy.</p> <p>The frequency of the provision of this data is proposed to be quarterly rather than annually.</p>
<p>S4.10 Number of customers entering and exiting the hardship program (Quarterly)</p>	<p>Total number of electricity and gas customers who</p> <ul style="list-style-type: none"> <li>(a) entered <ul style="list-style-type: none"> <li>i. after the customer self-identified as being in hardship</li> <li>ii. via retailer referral</li> </ul> </li> <li>(b) exited</li> </ul> <p>the hardship program, during the reporting period in each participating jurisdiction.</p>	<p>This is an amendment to the previous indicator. The amendment requests that retailers report on the number of customers entering a hardship program in a reporting period (in addition to the current requirement to report on the number of people exiting from hardship programs.)</p> <p>This requirement will provide a more complete view of the customer traffic into and out of hardship programs.</p> <p>The addition to understand how many</p>

		customers self-identify as being in hardship may provide some insight into how willing customers are in taking steps to engage with their retailer.
S4.11 Length of customer participation in a hardship program (Quarterly)	Total number of electricity and gas hardship customers that have continuously received assistance through the hardship program for: (a) less than 12 months (b) 12 months to less than 24 months (c) 24 months or more as at the last day of the relevant period in each participating jurisdiction.	New condition to require a retailer to report on the length of continuous participation for customers in hardship programs.  This requirement will provide key information about how customers are able to work with retailers to manage their debt and move through the hardship program to successfully exit the program.  This will provide critical information regarding whether the assistance provided through a hardship program is short term or long term.
S4.12 Number of customers denied access to the hardship program (Quarterly)	Number of residential electricity and gas customers denied access to the hardship program during the reporting period, in each participating jurisdiction because: (a) the customer did not agree to the suggested payment plan (b) the retailer was unable to contact the customer (c) the customer did not make the requested payments (d) it was more appropriate to return the customer to a normal payment plan or billing cycle. (e) other.	This is an amendment to an existing indicator to require a retailer to report in more detail the reasons why customers are denied access to a hardship program.  Given the increase in customers being excluded from hardship programs it is important to understand why this occurs.  Retailers currently have a reporting obligation to advise how many customers are excluded from their hardship programs. This requirement will provide a more detailed analysis of the customer and retailer behaviours that led to the exclusion.
S4.14 Assistance provided to hardship program customers	Types of assistance provided to hardship customers throughout the reporting period.	This requirement is an amendment to the existing performance reporting obligation to include more specific items that detail the types of assistance provided to customers on

(Quarterly)

Number of customers that:

- (a) were transferred on to different market retail contract
- (b) were transferred from a standard retail contract to a market retail contract
- (c) received concessions that they were not otherwise receiving
- (d) received a rebate that they were not otherwise receiving
- (e) received new appliances through appliance replacement programs
- (f) received incentive payments or discounts
- (g) received debt reductions
- (h) had onsite energy audits completed by the retailer (or third party agency at the request of the retailer)
- (i) received reimbursement/credit of late payment fees
- (j) received reimbursement/credit of lost pay on time discounts.

hardship programs.

In line with the National Energy Retail Law, retailers are required to have and to implement hardship policies.

This amendment has been made to more adequately reflect discussions with stakeholders regarding hardship issues and how to understand how retailers' hardship policies interact with customers to impact their overall energy usage and debt management.

The inclusion of this requirement will enable monitoring of the implementation of retailer hardship programs in line with their requirements and ultimately the outcomes for customers.

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