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4 June 2010

Tom Leuner
General Manager
Markets Branch
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

By email AERInquiry@aer.gov.au

Dear Mr Leuner

**AUSTRALIAN ENERGY REGULATOR
ISSUES PAPER
DEVELOPING NATIONAL HARDSHIP INDICATORS
APRIL 2010**

Thank you for the opportunity to provide comment on the Issues Paper on Developing National Hardship Indicators as part of the Performance Reporting Procedures and Guidelines in anticipation of the passage of the Retail Law.

The Credit Commercial and Consumer Law (CCCL) Program is a component of the Law and Justice Research Centre at the Faculty of Law at the Queensland University of Technology. The CCCL was established in March 2004 to be a source of expertise on consumer law issues with the objective of promoting a fair, safe and efficient marketplace for consumers. The project aims to promote a high standard of public debate about the law and regulation of consumer protection generally, as well as to inform decision-makers in government, business and the broader community.

The CCCL is aware of the submission that has been provided in response to the Issues Paper by the Queensland Council of Social Service. The CCCL endorses the recommendations provided in the Council's submission.

In providing this endorsement, the CCCL would like to flag the importance of:

1. A broader contextual approach being adopted by the Regulator in its reporting on retail market performance. Of particular importance in this context is the energy affordability report and the need for it to include more descriptive information such as:
 - an assessment of the impact of price rises in energy on low income and vulnerable consumers. This recommendation is highly relevant in a market that is seeing the

emergence of increasing issues for consumers in the sphere of cost pressures and affordability. CCCL would also recommend that the Report include an assessment of the impact of price rises in energy on all categories of residential and small business consumers.

- existing information on the availability and take up by all categories of residential and small business consumers of government energy concessions, government energy grants or subsidies and other relevant third party programs and measures including no interest loans schemes, government funded energy audits, appliance replacement schemes, and the availability and use of financial counselling resources in each jurisdiction.
 - data on energy bill debt levels across the market.
2. The Regulator consulting with stakeholders on the content and approach of the energy affordability report.
 3. The Regulator publicly reporting on some performance indicators on a quarterly basis.

The CCCL strongly endorses this aspect of the QCOS's recommendation. The proposal simply requires that the data already collected be reported more frequently. Quarterly reporting would strengthen the capacity of the Regulator and others to more quickly identify emerging issues and trends in energy affordability issues for consumers. Importantly, quarterly reporting would inform energy policy development and its implementation.

At a bare minimum, quarterly reporting should provide data on the:

- number of customers in hardship programs on a month by month basis
 - number of customers entering hardship programs on a month by month basis
 - number of customers successfully completing hardship programs during each month.
4. Collecting hardship program indicators separately by fuel type.
 5. Reporting to include indicators on the assistance provided by retailers to customers before they enter a hardship program. This information provides key insights into the effectiveness or otherwise of proactive measures to manage energy hardship – information that is highly relevant to supporting informed public debate and policy decisions. The relevant assistance measures could include:
 - the use of flexible payment methods (e.g. Centrepay, bill smoothing)
 - re-assignments of customers to a more suitable tariff, resulting in lower bills
 - the number of energy audits conducted for customers
 - extensions granted for bill payments
 - the use of a payment plan options
 - referrals provided to third party support services, including financial counselling or emergency relief workers
 - ongoing government energy concessions identified and successfully applied to bills

- energy grants, rebates or subsidies provided by government, including applications made for these forms of financial assistance and the success of these applications.
6. Public reports by the Regulator to include case studies (and other measures) with the objective of encouraging proactive innovation and competition between retailers in providing additional or alternative assistance to customers in hardship programs.

The CCCL will look forward to continuing to work closely with the Regulator to assist its continuing development of the Indicators and other Guidelines.

For further questions in relation to this submission, please contact me on 07 31381230 or 0407 648 389, or email kathryn.mellick@qut.edu.au.

Yours sincerely,



Kathryn Mellick
Consumer Advocate, Electricity