



3 June 2011

Mr Tom Leuner  
General Manager  
Markets Branch  
Australian Energy Regulator  
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By email: [AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au)

Dear Tom,

**ORIGIN SUBMISSION TO AER DRAFT INSTRUMENT: AER PERFORMANCE REPORTING PROCEDURES AND GUIDELINES**

Origin welcomes the opportunity to provide a response to the AER's draft *Performance Reporting Procedures and Guidelines*.

Overall, Origin would like to reiterate our disappointment that the list of indicators remains long, with 45 separate indicators now listed. Ideally there should be a relatively streamlined list of indicators that are targeted and measureable, with clear and unambiguous links to policy and community expectations of the regulated businesses. However this is not what is currently proposed.

We again note that there is little to demonstrate that the benefits of the information sought will outweigh the costs. We continue to believe that if there is no clear sense of the retailer performance or degree of program/process effectiveness being measured, then the data are not performance indicators.

Having said that, we are grateful for the AER's discussion of how it might interpret the data it collects. There has been a notable shift in the AER's language and its apparent assumptions about what indicators might and should mean, and we feel more confident that the eventual AER public reporting could capture the nuances of the performance indicators. Unfortunately this does not eradicate our concern that some stakeholders will take numbers out of context, or that outcomes will be ambiguous, but Origin's initial concerns about the AER's approach have reduced to some degree.

We will not revisit our previous arguments about the specific indicators; please note that we maintain the views put forward in our earlier submissions. We also have further comments to make on three issues as below.

**Debt and payment plan indicators for customers not on the hardship programme**

The following indicators apply to customers who are *not* already in retailers' hardship programmes:

- S3.9 (customer repaying a debt)
- S3.10 (average amount of debt)
- S3.11 (numbers of customers in different debt bands)
- S3.13 (number of customers on payment plans)
- S3.14 (number of customers who had payment plans cancelled)



- S3.15 (number of customers with two or more payment plans cancelled in the last 12 months)

All of the above indicators are to be reported to the AER per jurisdiction on a quarterly basis, which we believe imposes an unreasonable burden on retailers for little to no real benefit compared to higher level reporting, such as national reporting and/or annual half-yearly reporting. Given that data from similar indicators such as S3.12 (Centrepay) and S3.16 (payment plans successfully completed) are collected annually, we believe the indicators above should be treated the same way.

#### **Customer service and complaints**

The AER has proposed that S3.1 (total number of calls to an operator) include sales calls as well as any abandoned calls to a retailer. Origin believes that sales calls should be excluded from the measure, as these relate to people who are not (yet) customers and therefore should not be counted as part of a retailer's customer service performance.

We also believe that calls abandoned in less than 30 seconds should be excluded from the measure as these are not measurably within the retailer's control. Including this in the call figures will distort the other indicator data.

#### **Summary of hardship assistance and hardship case studies**

We note that the AER has proposed that retailers provide a written summary of no more than 500 words on the assistance provided to hardship program customers during the year. Origin strongly supports the concept of a more freeform submission to the AER on assistance provided, but we do not support this word limit. We believe that it is important that retailers have the full opportunity to provide information about their hardship programs. Given the complexity of programs and hardship situations it can surely only benefit the AER to have a deeper understanding of the programs and circumstances it is reporting on. We are not suggesting that AER should have to accept hundreds of pages, but that in the first instance there should be a 'reasonable' limit on material provided, until there is some evidence that more stringent limits need to be applied.

I would be happy to discuss any aspect of this submission further with the AER, and at your convenience. If you have any queries about this submission please contact me on the number below.

Yours sincerely

[signed]

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