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Ref. CP/AC

4 June 2010

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

Email: AERInquiry@aer.gov.au

Dear Mr Leuner

Developing National Hardship Indicators

Ergon Energy Corporation Limited and Ergon Energy Queensland Pty Ltd welcome the opportunity to provide a submission to the Australian Energy Regulator (AER) on its Developing National Hardship Indicators: Issues Paper.

Ergon Energy has provided a response to each of the issues raised for consideration as well as general comment on the AER's approach to the development of hardship indicators.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to me.

Yours sincerely

C. A. Price

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Ergon Energy Queensland Pty Ltd

Developing National Hardship Indicators – Issues Paper

Australian Energy Regulator

4 June 2010

Developing National Hardship Indicators –

Issues Paper

Australian Energy Regulator

4 June 2010

This submission, which is available for publication, is made by:

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1 Introduction

Ergon Energy Queensland Pty Ltd (Ergon Energy) in its capacity as a non-competing area retail entity in Queensland, welcomes the opportunity to provide comment to the Australian Energy Regulator (AER) on its *Developing National Hardship Indicators: Issues Paper* (Issues Paper).

As a general comment, Ergon Energy supports the development of an appropriate set of National Hardship Indicators (NHI) to assist the AER to monitor the effectiveness of retailer hardship programs. For its own part, Ergon Energy continues to develop sustainable measures for identifying and addressing customer hardship. The Ergon Energy hardship program is based on:

- information being provided regularly to customers, in the form of outbound phone calls and written communications;
- development of individualised assistance in the form of payment plans and advice to reduce electricity consumption;
- customers making contact to advise of changed circumstances;
- Ergon Energy identifying and developing working relationships with community agencies and advocates across regional Queensland to raise program awareness and receive referrals for customers requiring assistance; and
- active participation in community forums and meetings across regional Queensland to promote early detection of financial hardship and contact.

Ergon Energy actively seeks to identify hardship customers at the point of first contact for referral to its dedicated hardship team – 'Keeping Customers Connected'. Key referral points within the business include the Credit Management Team, Customer Response and Improvement Team, Claims Liability Team and National Contact Centre.

The proposed NHIs which Ergon Energy supports and does not support are shown in the table below:

#	Proposed National Hardship Indicator	Has Ergon Energy's Support
1	Total number of customers currently on the hardship program	☑
2	Number of hardship program participants who receive any appropriate government energy concessions	☒
3	Number of customers entering the hardship program	☑
4	Number of customers denied access to the hardship program	☑
5	Average debt upon entry into the hardship program	☒
6	Average debt upon exit from a hardship program	☑
7	Total number of customers exiting the hardship program and the number of customers excluded from the hardship program for non-compliance with program requirements	☑
8	Number of customers who were disconnected during the reporting period and who have been on a hardship program in the previous 24 months	☒
9	Number of customers who, during the reporting period, were reconnected within seven days of being disconnected and who have been on the hardship program in the previous 24 months	☒

The reasons for Ergon Energy supporting or not supporting the proposed NHIs can be found in the indicators' respective sections below.

2 Issues Paper Questions and Ergon Energy's Responses

Ergon Energy's responses to the questions raised in the Issues Paper are as follows.

2.1 Purpose and objective of the National Hardship Indicators

Q 1. What are stakeholders' views on the appropriateness of the purpose and aims of the National Hardship Indicators as set out above? What else, if anything, should the indicators seek to achieve?

The purpose and aims of the NHIs should be to support retail entities through:

- identifying and delivering continuous improvements, internally and for their customers;
- sharing information regarding emerging issues and trends in the area of affordability for customers;
- delivering customer outcomes that are workable and sustainable;
- raising the profile of hardship programs and the need to invest time and effort in this area so that customers are empowered to manage their financial obligations; and
- informing key stakeholders such as the AER of hardship issues within the broader context of developing social policy and increasing demands on retail entities and their customers.

Ergon Energy is concerned that the proposed NHIs are predominantly focused on quantitative factors, which Ergon Energy understands will be used by the AER to measure the implementation and performance of retailers' hardship programs.

Ergon Energy considers that NHIs should aim to provide valuable information that retailers can use to improve their hardship program to suit customers' financial status/requirements. Qualitative factors are far more informative and would allow retailers' hardship programs to respond to:

- the broad spectrum of customers who will be captured under the definition of 'hardship'. This will range from customers facing short-term payment difficulties that may be managed through instalment arrangements to, customers in long-term financial distress that may require a close relationship between the customer and the retailer over an extended period to manage both the customer's outstanding debt and ongoing energy consumption; and
- the geographic, socio economic and cultural differences that exist across each retailer's customer base. Ergon Energy considers that these differences will directly influence the nature and range of interventions available under the retailer's hardship program.

By focusing predominantly on quantitative measures and comparative retailer performance, there is a very real risk that the NHIs, rather than customer needs, will drive hardship program development and outcomes.

2.2 Possible National Hardship Indicators

Indicator 1: Total number of customers currently on the hardship program

Q 2.	***Do stakeholders support the inclusion of this indicator? Please set out your reasons why / why not.***

While Ergon Energy supports the inclusion of this indicator, it does not support the AER's view that "over time, the number of customers on retailers' hardship programs as a proportion of their total number of customers will generally be similar for most retailers"[1]. This is because this view ignores:

- the quality of the interaction between retailers and customers on hardship programs (e.g. the period of time that a customer remains on the program or the level of debt upon exit); and

- geographic considerations, social considerations and isolated circumstances (e.g. natural disasters - such as cyclones or droughts, industry closures – closure of mines) impacting the ability of customers to pay.

These factors may differ markedly between retailers and between jurisdictions. As a consequence, this indicator should only be used as a baseline for the interpretation of this and other performance indicators on a retailer-specific basis. That is, the total number of customers on a particular retailer's hardship program will not provide any meaningful context for the analysis of retailer performance and customer outcomes across retailers.

Q 3.	***What are stakeholders' views on the definition and timing issues raised in relation to this indicator?***

Ergon Energy believes that:

- the phrase 'on the hardship program' (in reference to a customer) should be defined as: the assessment by the retailer that the customer has satisfied the eligibility criteria specified in the retailer's approved hardship policy;

- electricity and gas hardship customers should be recorded separately. This is the only way to ensure that there is consistency in reporting across dual fuel customers and those who receive their electricity and gas supply from different retailers;

- data should be collected and reported on a state basis, rather than a national basis. This would permit some recognition of the socio economic, cultural and geographic variations between states;

- frequency of reporting to the AER should be driven by the immediate actions (e.g. compliance audits), that would be undertaken by the AER in response to the data received. Given the cost to retailers associated with the collation and provision of data, reporting should not be more frequent than is necessary to meet the objectives of the NHI. Ergon Energy suggests that biannual reporting should be applied for a transitional period (e.g. 18 months) following introduction of the NHIs to allow participants and the AER to 'bed-down' the reporting requirements and associated definitions. Should more frequent reporting be deemed necessary upon review, this should not occur more frequently than quarterly; and

[1] Issues Paper, page 14, paragraph 3.

- all reporting should be as at a specific date. A requirement to capture and report data over a period of time (e.g. throughout a month) would be administratively onerous for retailers for little demonstrated benefit. In this context it is worth noting that the duration of a customer's participation on a hardship program can be many months and therefore, for that particular customer, little would be expected to change within any one month.

Indicator 2: Number of hardship program participants who receive any appropriate government energy concessions

Q 4.	***Do stakeholders support the inclusion of this indicator? Please set out your reasons why / why not.***

Ergon Energy does not support the inclusion of this indicator on the basis that the number of hardship customers who receive a government energy concession is not evidence of the responsiveness of a retailer's hardship program or whether the retailer is fulfilling its obligations to provide information on concessions.

From Ergon Energy's experience, it is typically a reduction of income or loss of job which triggers customer entry onto the hardship program and, that the vast majority of customers receiving government concessions satisfactorily manage payment of their electricity accounts.

The availability of rebates and concessions are promoted by retailers through a number of channels, including their contact centres and websites. It is suggested that, rather than reporting the number of hardship program participants who receive a government energy concession, it would be more appropriate for the AER to consider the channels through which this information is made available by retailers to their customers, as part of the approval process for their hardship programs.

Q 5.	***What are the views of stakeholders on any definition and timing issues raised in relation to this indicator?***

While Ergon Energy does not support the inclusion of indicator 2, if this indicator is adopted:

- 'Government energy concessions' should be defined -
  - in terms of the concessions applying in the state in which customer retail services are provided to the customer on the hardship program. This will naturally vary between states and further supports the suggestion that reporting should be collected on a state basis, rather than a national basis; and
  - be limited to those concessions that are processed and administered by the retailer and for which the retailer will therefore have a record with respect to the customer for reporting purposes. For example, in Queensland, an Electricity Life Support Concession is available to contribute to the electricity costs of running life support equipment. This concession is processed and administered through the Department of Communities, including direct payment by the Department of Communities to the customer. Such concessions should be explicitly excluded from the reporting requirement; and
- the basis of reporting against the indicator should be consistent with that applied to indicator 1.

Indicator 3: Number of customers entering the hardship program

Q 6.	***Do stakeholders support the inclusion of this indicator? Please set out your reasons why / why not.***

Ergon Energy supports the inclusion of this indicator and believes that it would assist in the evaluation of the accessibility of retailers' hardship programs.

However, Ergon Energy considers that the AER should have regard to the different and diverse customer base of each retail entity when interpreting the data provided in response to this indicator. In particular, there would be significant geographic and socio economic differences between and within each jurisdiction that would influence retailers' management of their hardship customers and the willingness of customers themselves to be identified as requiring assistance of this nature.

Q 7.	***What are stakeholders' views on any definition and timing issues raised in relation to this indicator?***

The phrase 'entering the hardship program' should be defined consistently with 'on the hardship program'. That is, the assessment by the retailer that the customer has satisfied the eligibility criteria specified in the retailer's approved hardship policy.

The basis of reporting against the indicator should be consistent with that applied to indicator 1.

Third party referrals to hardship programs

Q 8.	***What are stakeholder views on the advantages and disadvantages of monitoring third party referrals to retailers' hardship programs under our compliance regime rather than as part of the national hardship indicators?***

Ergon Energy believes that the number of third party referrals should not be included as a hardship indicator. As noted in the Issues Paper, data collected under such an indicator would be difficult to interpret. For example, the availability of financial counsellors and community or welfare agencies would vary on a geographic basis.

Ergon Energy agrees that third party referrals should form part of the AER's compliance regime. This aligns with the provisions provided for under the National Customer Energy Framework (NECF), that state that, the AER is required to approve a retailer's customer hardship policy, which must contain minimum information requirements, including processes to identify customers experiencing payment difficulties.

Ergon Energy considers that the AER in approving a retailer's hardship policy allow for retailers to have discretion to determine a list of "recognised and approved" agencies for third party referrals.

Indicator 4: Number of customers denied access to the hardship program

Q 9.	***Do stakeholders support the inclusion of this indicator? Please set out your reasons why / why not.***

Ergon Energy supports the inclusion of this indicator but believes that:

- the circumstances in which a 'denial of access' is deemed to have occurred must be clearly defined – refer to Ergon Energy's comments in response to question 10;

- express recognition is required of the fact that the denial of access to a retailer's hardship program does not in itself equate to the denial of assistance from a retailer. For example, a customer may be denied entry to the retailer's hardship program based on an assessment that the customer's payment difficulties are short-term or transitory in nature and therefore could be managed through an extension of time to pay or an instalment plan outside the hardship program; and

- customers who qualify for entry to a retailer's hardship program but decline participation due to their perception of the negative connotations of participation, should be excluded from reporting.

Q 10. How should "denied access" be defined if this indicator is adopted?

A 'denial of access' should be limited to circumstances where:

- according to a retailer's assessment, the customer has not met the eligibility criteria for entry to the retailer's approved hardship program. This would be consistent with Ergon Energy's proposed definition applying to 'entering the hardship program' and 'on the hardship program'; and

- the assessment is in response to an application by the customer or a referring community agency for entry to the retailer's hardship program (depending on the retailer's approved policy, this need not be in writing).

While Ergon Energy notes the AER's concern that "…a customer asking questions about the hardship program and being told by their retailer they will most likely be refused access, could be considered a form of being denied access", it would be difficult to accurately record these informal communications in practice and difficult to know when questions about a hardship program by a customer amounts to denial to a program.

Furthermore, it could result in multiple recorded instances of denial related to the same customer in circumstances where the customer makes multiple enquiries regarding the program and when they subsequently make an application and are refused entry.

Summary of proposed "Entry into hardship program" indicators

Q 11. What are stakeholders' views on the overall effectiveness of the above four indicators in measuring the entry into hardship programs?

Ergon Energy believes that:

- as noted by the AER in the Issues Paper, a range of interpretations, both positive and negative regarding the issue of accessibility, can be drawn from any single indicator. As a consequence none of the proposed indicators will, in isolation, provide an effective tool for the measurement of the accessibility of retailers' hardship programs and extreme caution should be exercised when drawing conclusions from the data reported or observed trends;

- the broad definition of 'hardship' that is proposed to apply under the NECF will capture both instances of long-term or systemic hardship requiring extended interaction between a customer and its retailer as well as those customers who are experiencing short-term payments difficulties which are capable of management through relatively minor interventions such as short-term instalment plans. The NHIs do not identify the nature of the hardship experienced and therefore, in the absence of further investigation, conclusions regarding accessibility must necessarily remain high level; and

- hardship programs by their very nature are outside retailers' normal credit guidelines and practices, catering for customers who have financial and personal circumstances that warrant targeted and individualised interventions. The regulatory framework permits retailers to develop hardship programs that respond to the specific needs of their customer base and as a consequence, uniformity is neither required nor appropriate. Given this, a direct comparison between retailers on the basis of the data reported against the entry indicators should not occur.

Q 12.	***What other indicators, if any, should the AER consider adopting that would also be effective at assessing entry into hardship programs and why?***

Ergon Energy does not believe that any additional indicators should be adopted for assessing entry into hardship programs.

Indicator 5: Average debt upon entry into the hardship program

Q 13.	***Do stakeholders support the inclusion of this indicator? Please set out your reasons why / why not.***

Ergon Energy does not support the inclusion of this indicator. In particular:

- the level of debt upon entry will be materially influenced by geographic considerations and seasonality, making it difficult to identify underlying trends; and

- this indicator implies that the existence of a debt or the level of the debt are criteria for entry to a retailer's hardship program. Ergon Energy would not support the practice of denying customers entry to a hardship program based on either the existence of an outstanding debt, the quantum of the debt or the period of time that the debt has been in place. For example, it may be appropriate for a customer to be placed on the retailer's hardship program in circumstances where the customer has received a large bill which they would clearly be unable to pay when it falls due (i.e. there is no debt at the time of entry to the program). The NHIs should support the principle that hardship programs should be preventative and proactive.

As discussed in response to question 15 below, Ergon Energy firmly believes that it is the average debt upon exit from a hardship program that is the meaningful indicator of program participation and assistance.

It is Ergon Energy's practice to identify customers who may be appropriate for participation in its hardship program across a time continuum that extends from when the bill is issued through to the possible disconnection and subsequent reconnection of customers for failure to pay. The level of debt is only one of a number of factors considered by Ergon Energy for entry to its hardship program. Other factors include:

- the number of payment arrangements that the customer has requested;

- the number of broken arrangements;

- the number of prior disconnections or disconnection notices;

- referral from a community or government agency; and

- the customer's personal or financial circumstances.

No commonality will (or necessarily should) exist across retailers regarding the level of debt upon entry to the hardship program.

Q 14.	***What are stakeholders' views on how 'debt' should be defined and on the timing issues raised in relation to this indicator?***

As noted in response to question 13 above, the period that debt is outstanding is only one of a number of factors that should be considered by a retailer for entry to its hardship program. For this reason, Ergon Energy does not support the AER's preliminary view of 'debt' being the dollar amount that has been outstanding for a period of 90 days or more.

If this indicator is adopted (which is not supported) then 'debt' should be defined in terms of the total amount outstanding at the time of entry to the retailer's hardship program.

Ergon Energy cannot see any additional benefits from reporting on this indicator on a monthly basis versus on a quarterly basis.

Indicator 6: Average debt upon exit from a hardship program

Q 15.	***Do stakeholders support the inclusion of this indicator? Please set out your reasons why / why not.***

Ergon Energy supports the inclusion of this indicator as a quality measure to encourage best practice across hardship programs.

The average debt on exiting a hardship program should provide a qualitative measure of the retailers' performance and encourage further work to assist customers to reduce their consumption (if applicable) thereby increasing their capacity to pay over the life of the account.

Ergon Energy believes that customers should have little or no debt when exiting a hardship program. The hardship program provides an important avenue for customers to break the debt spiral and assume control over their financial arrangements.

Q 16.	***What are stakeholders' views on the alternative approach considered, i.e. where retailers would report, for those customers exiting the hardship program, both the average level of debt when they entered the hardship program and what it was upon exiting the program? Please set out any reasons why you would or would not support the inclusion of this indicator and any practical issues that may arise in collecting and reporting this data.***

Ergon Energy does not support the alternative approach for collecting and reporting the average level of debt of customers exiting a hardship program as it would be administratively onerous and costly to derive this information.

The effectiveness of 'matching' customers' debts before and after their participation in a hardship program and the value of the data derived is also questionable given that customers will participate in the hardship program for varying lengths of time and be exposed to a number of different strategies and measures for the management of their payment difficulties.

Average length of participation in hardship programs

Q 17.	***What are stakeholder views on whether this indicator should be included as part of the National Hardship Indicators? Please set out any additional benefits that would arise from collecting this data, in particular what this indicator would tell us and why it is an important measure to collect.***

Ergon Energy supports the AER's preliminary view that this should not be included as a NHI.

As noted above, the broad definition of 'hardship' that is proposed to apply under the NECF will capture both instances of long-term or systemic hardship requiring extended interaction between a customer and its retailer as well as those customers who are experiencing short-term payments difficulties which are capable of management through relatively minor interventions such as instalment plans. The NHIs do not identify the nature of the hardship experienced or the intervention applied and therefore, data regarding average length of participation would provide little guidance on program participation and assistance.

Indicator 7: Total number of customers exiting the hardship program and the number of customers excluded from the hardship program for non-compliance with program requirements

Q 18.	***Do stakeholders support the inclusion of this indicator? Please set out your reasons why / why not.***

Ergon Energy supports the inclusion of this indicator but believes that, on its own and in the absence of other evidence, the data provided would not indicate whether a retailer is effectively engaging and enabling its customers in terms of their participation in the program.

Retailers' hardship programs have different guidelines for participation and measures of success. As with many other retailers, Ergon Energy undertakes a significant amount of work to manage customer expectations and to provide opportunities for customers to make contact to discuss issues impacting participation, including broken arrangements, default payments, applications for emergency assistance schemes and increases in consumption. It is important to note that, hardship programs vary between retailers in terms of when and in response to what triggers, customers are removed from the program for continued non-compliance.

Indicator 8: Number of customers who were disconnected during the reporting period and who have been on a hardship program in the previous 24 months

Q 19.	***Do stakeholders support the inclusion of this indicator? Please set out your reasons why / why not.***

Ergon Energy does not support the inclusion of this indicator for the following reasons:

- it is difficult to see how the AER could reliably apply this data to measure the effectiveness of a retailer's hardship program. 24 months represents a considerable lag between program participation and disconnection, with a range of factors over the intervening period impacting the customer's ability to meet its financial commitments;
- the indicator fails to have regard to those customers excluded from the hardship program for non-compliance with program requirements. That is, customers who had the ability to pay their debts but chose not to;
- the indicator fails to have regard to those customers that have changed retailers during the period; and

- It would be administratively difficult and costly for a retailer to track, over a period of 24 months:

  - whether a customer was previously on the retailer's hardship program, particularly given the broad definition of a hardship customer proposed to apply under NECF and the broad spectrum of payment arrangements and interventions that will likely apply; and

  - the basis for the disconnection occurring – assuming that the indicator is intended to be limited to disconnection for debt.

Ergon Energy believes that in combination, average debt upon exit from a hardship program and total number of customers exiting the hardship program, are more relevant indicators of the effectiveness of a retailer's hardship policy and the customer's ability to manage their accounts on an ongoing basis.

The AER should also have regard to the retailer's hardship policy and processes for the management of customers experiencing financial difficulties as a clearer indication of responsiveness to customer need. For example, Ergon Energy proactively attempts to contact all customers when they are facing disconnection. If appropriate, this may result in the customer moving to (or back to) the hardship program. Ergon Energy also has an escalation review process prior to disconnection for customers who are identified as having two consecutive broken arrangements within the previous 12 months.

Q 20. What are stakeholders' views on the potential limitations of this indicator and the timing issues raised?

The potential limitations of this indicator are discussed in response to question 19.

If this indicator is adopted (which is not supported) then recording and reporting should be undertaken quarterly.

Indicator 9: Number of customers who, during the reporting period, were reconnected within seven days of being disconnected and who have been on the hardship program in the previous 24 months

Q 21. Do stakeholders support the inclusion of this indicator? Please set out your reasons why / why not. The AER is particularly interested in stakeholders' views on the benefits of collecting this data and what the trends in this indicator would tell us about retailer performance.

Ergon Energy does not support the inclusion of this indicator on the same basis as that outlined in response to question 19.

Summary of proposed "Hardship program participation and assistance" Indicators

Q 22. What are stakeholders' views on the effectiveness of the above five indicators in measuring hardship program participation and assistance?

Please refer to Ergon Energy's response to question 11.

Q 23. What other indicators, if any, should the AER consider adopting that would be more effective at assessing hardship program participation and assistance?

Ergon Energy does not consider that any additional indicators should be proposed at this time. Ergon Energy sees value in a review being undertaken by the AER after a reasonable period of time to assess whether and to what extent the initial suite of NHIs should be varied.

Q 24. What are stakeholders' views on the overall scope of the proposed set of National Hardship Indicators as a whole and whether they will, as far as possible, assess the impact of retailers' hardship policies?

As noted in response to question 1, Ergon Energy is concerned that the proposed NHIs are predominantly focused on comparative retailer performance, rather than the quality of the response to customers facing hardship. For example, qualitative factors would include the responsiveness of the retailer's hardship program to:

- the broad spectrum of customers who will be captured under the definition of 'hardship'. This will range from short-term payment difficulties which can be managed through instalment arrangements to long-term financial distress requiring a close relationship between the customer and the retailer over an extended period to manage both the customer's outstanding debt and ongoing consumption; and
- the geographic, socio economic and cultural differences that exist within each retailer's customer base and which will directly influence the nature and range of interventions available under the retailer's hardship program.

By focusing predominantly on quantitative measures and comparative performance, there is a very real risk that the NHIs, rather than customer need, will drive hardship program development.

Q 25. What other information or indicators from other jurisdictions or industries could the AER draw on or consider when developing the National Hardship Indicators?

The existence of hardship indicators in any jurisdiction or in other industries should not be relied upon as prima facie evidence of their appropriateness or effectiveness.

2.3 Reporting requirements

Q 26. What are stakeholders' views on the proposed reporting requirements?

Ergon Energy's views on the reporting requirements for each of the proposed indicators are discussed above. As general principles however, Ergon Energy believes that:

- electricity and gas hardship customers should be recorded separately. This is the only way to ensure that there is consistency in reporting between dual fuel customers and those who receive their electricity and gas supply from different retailers;
- data should be collected and reported on a state basis, rather than a national basis. This will ensure that the effectiveness of the hardship programs between retailers, e.g. as a consequence of socio economic, cultural and geographic circumstances variations between states;

- frequency of reporting to the AER should be driven by the immediate actions (e.g. compliance audits), that would be undertaken by the AER in response to the data received. Given the costs to retailers associated with the collation and provision of data, reporting should not be more frequent than is necessary to meet the objectives of the NHI; and

- reporting against each indicator should be as at a specific date (e.g. as at the end of the month). A requirement to report against an indicator over a period of time (e.g. during the month) would be administratively onerous for little demonstrated benefit.

Q 27.	***What concerns, if any, do stakeholders have regarding the ability to report data against the proposed indicators, and any costs associated with the reporting requirements?***

The NHIs must be sufficiently clear and flexible to allow all retailers to collect data and derive reports without impeding the goal of delivering effective programs for hardship customers.

The costs associated with NHI compliance are likely to vary between retailers - influenced by a range of factors including:

- the scale of retailer activities (i.e. the number of customers and jurisdictions to which the retailer provides customer retail services and whether the retailer is a provider of both electricity and gas services);

- the reporting capabilities of legacy systems and processes, which will vary markedly between retailers, including with respect to automation; and

- the complexity of the indicators (e.g. whether manual intervention will be required to derive reports)

The costs of reporting, in the form of time, resources, processes and systems, will inevitably either be passed through to customers or result in reduced retailer activity in the market.

As noted above, given the costs to retailers associated with the collation and provision of data, reporting should not be more frequent than is necessary to meet the objectives of the NHI. Ergon Energy suggests that biannual reporting should be applied for a transitional period (e.g. 18 months), following introduction of the NHIs to allow participants and the AER to 'bed-down' the reporting requirements and associated definitions. Should more frequent reporting be deemed necessary upon review, this should not occur more frequently than on a quarterly basis.

Q 28.	***What are stakeholders' views on the benefits and usefulness (or otherwise) of seeking case studies or examples of good practice from retailers which highlight the consumer experience of participating in retailers' hardship programs?***

Ergon Energy believes that retailers should be permitted to submit anonymous case studies or examples of good practice with respect to the operation of their hardship programs for publication by the AER. Case studies would not only assist in promoting good practice across retailers, they would also provide useful context to the NHI data reported.

Whether case studies are submitted should be a matter of retailer discretion.