



**Uniting Vic.Tas**  
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To Mr Pattas,

**ISSUES PAPER: Small Scale Incentive Scheme for Customer Service**

Uniting welcomes the opportunity to provide a response to the Australian Energy Regulator's (AER) Issues Paper addressing the *Small Scale Incentive Scheme for Customer Service* for Distribution Network Service Providers (distributors).

Uniting Vic.Tas (Uniting) is the community services organisation of the Uniting Church in Victoria and Tasmania. We deliver programs and services to people experiencing disadvantage including children at risk, aged and carer services, disability and mental health, employment services, alcohol and drug dependence services, housing, family violence and early learning.

As an agency operating within this extensive community support network, Uniting's energy outreach program provides direct advocacy and assistance to households experiencing high electricity bills and bill shock, as well as those at risk of disconnection. Our Energy Advisors and Financial Counsellors frequently play a critical role as a circuit breaker in assisting vulnerable consumers to access appropriate support when they need it via their energy supplier (retailer) and/or distributor.

As well as providing practical programs for householders, for almost 20 years now Uniting, through its Training and Consulting team, has worked directly with many sector participants (retailers, distributors, regulators) to improve outcomes for all consumers. As a community agency, our work means we are uniquely positioned to bring perspectives on the needs of energy consumers.

Our response includes brief commentary on each of the questions raised by the AER's Issues Paper.

***Question 1: Current incentive framework***

Rewarding a business for answering the telephone within a specified timeframe is an outdated method for assessing business competence and dismisses the growing complexity of the new energy market.

Businesses within a diverse range of sectors, including financial services, disability and aged care, are currently grappling with how to embrace a more customer-oriented perspective and meet a significant shift in community expectations. A similar challenge exists for energy sector participants including retailers/suppliers and distributors, particularly as current and emerging technologies permit households to be actively involved in electricity generation, storage, demand management and trading.

Uniting concurs with the view of AusNet Service's Customer Forum that the current level of customer services offered by distributors is limited at best and has been for some time.

In our experience working alongside consumers, we have observed that distributors can be reluctant or difficult to communicate effectively with and too readily shift responsibility for issues or queries to do with supply, voltage variation, solar PV connection, consumption data and digital metering onto retailers. A complex system coupled with low energy literacy across the community means consumers are seldom able to differentiate between their energy supplier (retailer) and their distributor. When a consumer reaches out to a distributor when there is a fault, surge, connection or data query, the consumer should reasonably expect to get an informed and respectful response in a reasonable period of time.

An incentive scheme that is anchored in a traditional view of the electricity grid and consumer expectations is no longer relevant in meeting the evolving needs of consumers. Consumers now also expect information to be available and delivered in multiple formats rather than via the landline telephone.

Uniting welcomes this initiative by the Customer Forum to address the need for distributors to improve on existing levels of customer service and better meet the needs of consumers.

### ***Question 2: Customer support***

Uniting sees support for reform in this space to be more an issue of customer need. A rapidly changing energy system needs to be flexible and adaptive if it is to adequately meet the long-term interests of consumers: a reliable and secure electricity system that delivers sufficient energy safely and affordably for the whole community.

As more households adopt technology that allows them to generate, store, manage and trade electricity behind the meter, distributors are compelled by necessity to take a more active role. Consumer-facing staff need to be properly equipped with training and support to respond to enquiries from customers about new connections, existing connections, equipment installation and upgrades, metering, voltage variation, high voltage and to provide appropriate assistance or link customers with the entity that can assist them further (for example, energy retailer, ombudsman service, complaints, or hardship team for assistance with financial difficulty).

### ***Question 3: Determining the revenue at risk***

Uniting encourages the AER to adopt a cautionary approach to the question of revenue and reward. We agree with the AER's expressed view that it is critical that any Customer Service Incentive Scheme (CSIS) be properly designed and tested to assess the benefits to consumers before consideration is given to adjusting revenue at risk.

### ***Question 4: Measuring customer service***

Uniting considers a combination of qualitative and quantitative data to be appropriate in measuring the competence of a distributor in meeting the needs of its customers.

In our view, as a minimum, any customer that contacts their distributor is entitled to a conversation (written or verbal) that is timely, respectful and useful in assisting the customer to identify their needs, and responds appropriately. All queries should be met promptly. If a query is unable to be addressed immediately, a commitment is made to respond within a specified timeframe and that timeframe is consistently met. If the query or issue is beyond the scope of the distributor, the customer is referred to the appropriate service that can address or resolve the issue.

In addition to satisfying any benchmarks, any assessment of performance in addressing customer needs should be linked to the number of complaints regarding the distributor raised with the principal external dispute resolution body (Ombudsman service) and progress in addressing any systemic issues identified during the regulatory period by the relevant Ombudsman or Regulatory body (AER, ESC).

It is essential that any survey of customer satisfaction is verified independently.

***Question 5: Public reporting of customer service performance***

Uniting sees the value in public reporting of measures of customer service performance. We agree that this will enable stakeholders to monitor performance and identify progress by distributors towards better practice. This is an important step in ensuring that distributors are accountable to their customers and only receive incentive payments where there is a demonstrated commitment to improving customer service.

***Question 6 Determining the Incentive Rate***

Uniting agrees with the AER's expressed view that it would be preferable to have full industry participation across the distribution network to allow for performance to be assessed relative to peers. Until that point is reached, it would be suitable to establish criteria that can be used as benchmarks to drive improvement within this part of the electricity sector.

We look forward to further involvement as the AER considers the development of a CSIS. Further enquiries can be directed to the submission lead, Peter Appelman, at [peter.appelman@vt.uniting.org](mailto:peter.appelman@vt.uniting.org).

Yours sincerely,



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