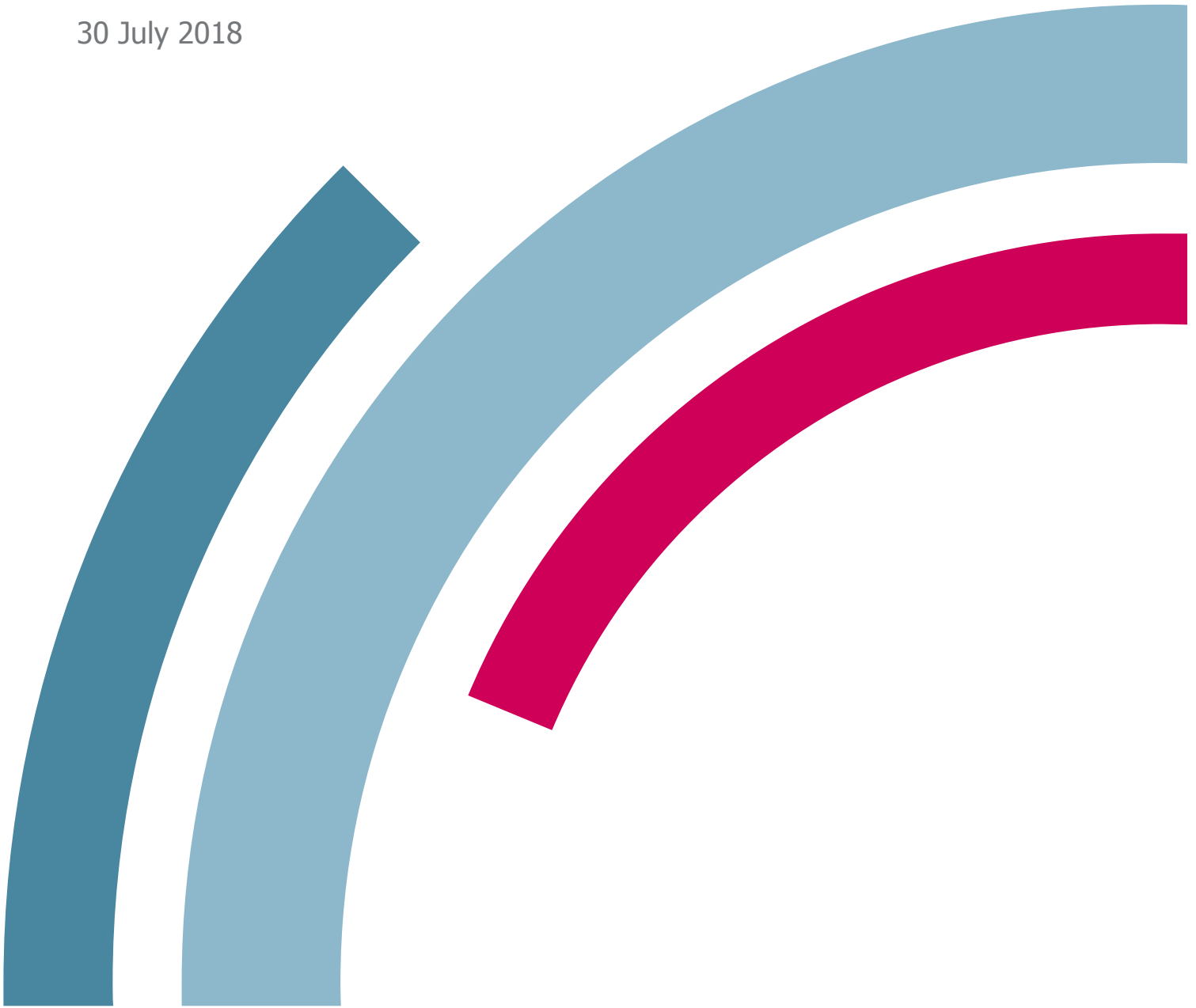


Payment difficulty framework amendments to the Compliance and Performance Reporting Guideline

Final decision

30 July 2018



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1. Introduction

Purpose

The purpose of this document is to outline the commission's final decision on changes to the Interim Compliance and Performance Reporting Guideline (version 3). These changes are to support the commencement of the payment difficulty framework on 1 January 2019.

We also explain the introduction of some administrative changes to the reporting guideline that affect both energy retailers and distribution businesses.

Accompanying this final decision is an amended reporting guideline and associated reporting templates.

Background to this final decision

On 10 October 2017, the commission released its final decision on the payment difficulty framework that made changes to the Energy Retail Code that take effect from 1 January 2019. These changes cater for a new framework that promotes protections for Victorian residential energy customers who are anticipating or facing payment difficulty.

The payment difficulty framework is designed to provide energy customers with an entitlement to minimum standards of assistance from their retailer to avoid getting into arrears, make it easier to pay for energy use, repay arrears and lower energy costs, and ensure that disconnection from energy supply is only ever a measure of last resort.

To enable the commission to monitor the effectiveness of the new framework, we must update the reporting requirements to ensure that they align with the payment difficulty framework provisions in the Energy Retail Code that will take effect on 1 January 2019.¹

Under the Electricity Industry Act 2000 and the Gas Industry Act 2001, the commission is required to report on the performance of retailers and their compliance with their obligations under the regulatory framework.² The commission sets out its reporting obligations for energy retailers and

¹ As foreshadowed in our final decision on the payment difficulty framework released on 10 October 2017, the payment difficulty framework results in changes to retailer obligations, and it is therefore necessary to update the reporting guideline to ensure that we collect data and report on matters relevant to retailer performance and compliance.

² The reporting guideline outlines the performance indicators as per s54W(a)(i) and (b) of the Essential Services Commission Act 2001 (these are on disconnections, reconnections, and on 'any other indicators for the performance of an energy retailer the commission determines'). The 'compliance and enforcement reports' as per s54V of the Essential Services Commission Act 2001 is Victorian Energy Market Report and its corresponding updates.

distribution businesses in the reporting guideline. The reporting guideline contains two types of reporting obligations:

- **Performance indicators** - Retailers are required to report to us data on their performance in terms of market share, customer service and their support for customers facing payment difficulty. We use this data to monitor and report on the energy market. The Victorian Energy Market Report is one way we report on how the energy market is performing.
- **Compliance reporting** - Retailers and distributors must report to us when they have identified a situation where they have broken the energy rules. We set out the extent and type of information that must be reported to us.

On 30 June 2016, we published an interim version of the reporting guideline which included some new and updated performance indicators related to hardship programs. Now that we have reached a final decision on the payment difficulty framework, we must now review and finalise the changes made to the reporting guideline relating to payment difficulty and disconnections.

Scope

This review focused on amending the reporting guideline to support the commencement of the payment difficulty framework on 1 January 2019.

We have revised the performance indicators so that we can monitor the effectiveness of the payment difficulty framework. Similarly, we have updated the obligations for compliance reporting so that they align with the new framework.

We have also made a number of miscellaneous administrative changes that affect the reporting requirements of energy retailers and distribution businesses.

Structure of this final decision

Following this introduction, this final decision is structured as follows:

- Section 2 summarises the feedback we received on the draft decision
- Section 3 outlines the changes to performance indicators
- Section 4 outlines the changes to compliance reporting obligations
- Section 5 provides a summary of the various administrative changes
- Section 6 sets out the next steps.

2. Feedback on our draft decision

Submissions on the draft decision

The draft decision on payment difficulty framework amendments to the reporting guideline was released for consultation on 29 May 2018. Table 2.1 summarises the key milestones for the consultation process.

Table 2.1 Key consultation milestone

Date	Consultation step
30 April 2018	Stakeholder workshop
29 May 2018	Release of draft decision for consultation
22 June 2018	Stakeholder submission period closed
30 July 2018	Release of final decision
1 January 2019	Revised reporting guideline takes effect

We received eight submissions in response to the draft decision, from six retailers, one distributor and one consumer group.³

In this section, we outline the key issues raised by stakeholders, as well as our response to the proposed performance indicators and compliance obligations in our draft decision. All specific feedback and our responses are summarised in Appendix A, B and C of this report.

Feedback related to performance indicators

Most stakeholders largely agreed with our approach to the proposed payment difficulty performance indicators but sought clarity on specific indicators. The common feedback received from stakeholders included the following:

- seeking clarification on the definition of unreasonable customer action for reporting purposes
- seeking clarification on the reporting of standard assistance
- describing the limitations on reporting on the implementation of practical assistance and other aspects of the framework, and
- seeking clarification on a number of specific performance indicators.

³ The complete list of submissions can be found in Appendix D.

In response to this feedback, we have clarified the new reporting obligations for all retailers and refined these indicators where necessary. We also invited stakeholders to further discuss their feedback with us, to assist us in understanding and clarifying the proposed indicators for reporting purposes. Our specific responses to stakeholder feedback are summarised in the following section and are detailed in Appendix A and B of this final decision.

Defining unreasonable customer action

In our draft decision, we proposed a number of performance indicators that used the term ‘unreasonable customer action’ to specify the conditions under where customers are suspended from assistance or disconnected.

Some retailers sought further clarification on this term to ensure that the affected indicators could be more consistently reported on by all retailers. Powershop, AGL and Simply Energy expressed difficulty in reporting on customers that exhibit ‘unreasonable customer action’, suggesting that there was no specific definition in the Energy Retail Code related to this term (despite it being described in an associated guidance note).^{4,5} Simply Energy and AGL explained that retailers would need to develop their own internal business rules, which may result in inconsistent reporting between retailers across Victoria.⁶ Powershop similarly commented:

While Powershop understands the change in language may align with the tone of the PDF, introducing ambiguous language such as ‘unreasonable customer action’ to industry facing guidelines is not suitable. The term ‘unreasonable customer action’ is not defined in the Energy Retail Code and is too vague to sufficiently categorise such important data.⁷

⁴ Powershop, submission to the Essential Services Commission consultation paper ‘Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision’, June 2018.

AGL, submission to the Essential Services Commission consultation paper ‘Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision’, June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper ‘Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision’, June 2018.

⁵ Essential Services Commission 2017, Energy Compliance and Enforcement Policy: Guidance note – Payment difficulty and disconnection: Version 1.0, p.51.

⁶ Simply Energy, submission to the Essential Services Commission consultation paper ‘Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision’, June 2018.

AGL, submission to the Essential Services Commission consultation paper ‘Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision’, June 2018.

⁷ Powershop, submission to the Essential Services Commission consultation paper ‘Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision’, June 2018, p. 2.

2. Feedback on our draft decision

Retailers have historically reported on 'disconnections for non-payment', on the assumption that they have followed all the relevant energy rules prior to disconnection – retailers suggested that this will continue under the new framework. Furthermore, the system used by all retailers to request the disconnection of customers is aligned with the term 'non-payment' rather than 'unreasonable customer action'.

Our final decision

Our final decision is for retailers to continue reporting on 'disconnections for non-payment' rather than 'disconnections for unreasonable customer action'. This will allow for consistency with historical reporting and to ensure consistent reporting across the industry. However, in describing the indicator, we will reiterate the obligations on retailers under the new framework to ensure that disconnection for non-payment of an energy bill is only ever a measure of last resort. A similar approach has been taken for indicators related to suspended assistance.

Reporting on standard assistance

AGL, Momentum Energy and Simply Energy sought clarification on how to differentiate customers that accessed a standard assistance payment option out of convenience as opposed to reasons associated with anticipating payment difficulty.⁸ In particular, AGL raised a scenario where a customer could agree to a bill smoothing arrangement with a retailer but did not express any anticipation of payment difficulties. AGL further stated that:

This will likely result in over reporting of SA [standard assistance] against those customers who elect to take up a payment option.⁹

Under the new payment difficulty framework, standard assistance is an entitlement for all residential customers. If a residential customer with less than \$55 in arrears accepts a form of standard assistance offered by their retailer, then that customer should be counted in the reporting on the number of customers receiving standard assistance.¹⁰ This assistance is intended to prevent customers getting into arrears by helping them manage their payments in a way that suits that

⁸ AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Momentum Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

⁹ AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 3.

¹⁰ Clause 76(2)(a)-(d) of the Energy Retail Code.

2. Feedback on our draft decision

customer. Because of this, we do not consider the reporting of customers who wish to take up any payment option aligned with standard assistance as leading to over reporting.

Our final decision

Standard assistance is a key aspect of the new framework in preventing customers from facing payment difficulty. Our final decision is for retailers to report on any form of standard assistance provided to their customers, as consistent with the new framework. We recognise that some retailer business models currently offer some of the standard assistance payment options to all of their residential customers by default. The new standard assistance performance indicator seeks to capture the number of customers receiving this assistance, regardless of whether it was offered by default or as a targeted means to help the customer avoid getting into arrears.

Reporting on practical assistance and other aspects of the framework

A number of stakeholders provided feedback on indicators related to practical assistance measures from retailers.

Sumo Power sought clarity on whether it should report on the number of offers for practical assistance, or the number of times a customer has accepted an offer.¹¹ Five retailers stated that it would be difficult to report on whether the practical assistance measures offered by a retailer were actually implemented by the customer, or report on its effectiveness in reducing customer energy costs.¹² Momentum Energy commented that:

¹¹ Sumo Power, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

¹² Sumo Power, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Momentum Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Energy Australia, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

2. Feedback on our draft decision

Retailers do not have a view of what transpires inside the customer's home, and while we do have visibility of outcomes (such as reductions in consumption) we are unable to state what, if anything, the customer has implemented to achieve these outcomes.¹³

Conversely, the Consumer Action Law Centre suggested that more information on practical assistance measures offered and implemented by retailers is needed. The Consumer Action Law Centre suggested that the commission also:

.... gather information about what measures the practical assistance consists of, the amount the retailer spent to implement the assistance and how many offers of practical assistance were made compared to the amount accepted by the customer and implemented. Gathering this information will reveal more about successes or gaps that arise from the new entitlements to practical assistance...¹⁴

The Consumer Action Law Centre also requested that retailers report on other information about the experience of customers seeking assistance from their retailer. Examples included number of customers being denied a market retail offer, offers to customers to change to the best tariff, the experience of customers who received help from community workers when engaging with their retailer, and the difference in experience of those in payment difficulty at the commencement of the new framework.

Our final decision

Practical assistance is an important part of the new framework to help customers reduce their energy usage and costs. It is useful to know the extent and type of measures offered by retailers to customers, as it will help us review how the industry is further assisting customers in payment difficulty. However, we recognise the reporting limitations of collecting this information under this guideline.

Our final decision is for retailers to report only on the number of offers of practical assistance to customers, rather than the number of times practical assistance has been implemented by customers. Retailers will also have the option to report additional information (qualitative or quantitative) on the types of practical assistance they have offered to customers and the outcomes resulting from these types of assistance.

¹³ Momentum Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 2.

¹⁴ Consumer Action Law Centre, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 2.

2. Feedback on our draft decision

We also recognise the need for further information related to the effectiveness of the framework, however this type of information is not well suited to the performance indicators outlined in the guideline. We can instead obtain this information as part of our auditing program, our pulse checks of the industry, or other information requests, where necessary. We may also collect this type of information in our review of the framework.¹⁵

Specific performance indicator clarifications

AGL sought clarity on the definition of certain performance indicators, such as:

- the timing of when a customer would first receive assistance
- the timing of when arrears should be measured and reported.¹⁶

We considered this feedback and have made further refinements to affected indicators, as detailed in Appendix A and B.

Simply Energy also expressed concerns about potential system issues in reporting on the revised performance indicators.¹⁷ In making our final decision, we sought additional clarity from Simply Energy and other interested stakeholders on how indicators could be more accurately defined and reported on. These clarifications are contained in Appendix A and B. We will also continue monitoring and reporting on the readiness of all retailers in upgrading their systems to support the new framework.

Feedback related to compliance obligations

We received feedback from Powershop, AGL and Simply Energy on our proposed compliance reporting obligations related to payment difficulty.¹⁸ The feedback provided broadly fell into two categories:

¹⁵ As described in the proposed roadmap within our final decision on the payment difficulty framework released on 10 October 2017.

¹⁶ AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

¹⁷ Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

¹⁸ Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

2. Feedback on our draft decision

- clarification on reporting breaches of obligations, and
- justifications for assigning obligation classification types.

We have provided a discussion on this feedback in the following section, and any changes to our draft decision are reflected in Appendix C of this report.

Reporting on breaches of obligations

In response to our draft decision on payment difficulty framework compliance obligations, some retailers sought clarification on reporting breaches of their obligations.

AGL questioned how they were to determine whether certain obligations had been breached, and how they could measure or test compliance with these obligations.¹⁹ Powershop and Simply Energy also questioned the rationale behind making a number of new obligations as being reportable to the commission.²⁰ In particular, Powershop commented that:

...the ESC should be looking to reduce industry (retailers and the ESC) compliance and administrative tasks so that the industry can work toward delivering better customer outcomes.²¹

The new payment difficulty framework provides important entitlements to customers anticipating or facing payment difficulty. As a result, retailers are obligated to follow new rules to ensure Victorian customers receive their entitlements. Reporting on breaches of these obligations is critical in ensuring that customers are receiving their entitlements from January 2019 and that the new framework is operating as intended. The commission has also provided guidance on the new framework and retailers will need to assess their own actions for compliance, and establish necessary controls for reporting compliance breaches to us under the new framework.²²

¹⁹ AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

²⁰ Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

²¹ Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 6.

²² Essential Services Commission 2017, Energy Compliance and Enforcement Policy: Guidance note – Payment difficulty and disconnection: Version 1.0, p.51.

2. Feedback on our draft decision

Justifications for assigning obligation classification types

Powershop and Simply Energy suggested we reconsider the classification types assigned to certain obligations in our draft decision, particularly related to additional type 1 obligations and the immediate reporting of these breaches.²³ For example, Simply Energy commented that:

The draft CPRG [Compliance and Performance Reporting Guideline] essentially makes entire, highly complex sections of the new Retail Code immediately reportable. Simply Energy considers that this is inefficient and potentially unworkable. Instead, the customer protections that when breached cause most customer detriment should be identified and only these placed in scope for immediate reporting.²⁴

Our final decision

In assessing the classification types to be assigned to the obligations set out under the payment difficulty framework, we used the criteria set out in section 2.1 of the reporting guideline. On this basis, a number of the new obligations have been made immediately reportable under the type 1 classification. The requirement to immediately report non-compliance ensures that retailers will have adequate controls in place to detect breaches and enable prompt remediation. This is important because failure to comply with many of the new obligations could have significant impact on residential customers from 1 January 2019. It should also be noted that we intend to review the operation of the new framework once it has been implemented for at least two years, including the categorisation of reportable breaches.²⁵

Our responses to feedback on specific obligations are detailed in Appendix C.

²³ Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

²⁴ Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 3.

²⁵ Phase 4 of implementation as set out on p. 121 of the final decision on the payment difficulty framework.

2. Feedback on our draft decision

3. Payment difficulty framework changes to performance indicators

Retailers are required to report to us on their performance in supporting customers anticipating or facing payment difficulty. We use this performance data to monitor and report on the Victorian energy market. Our review focuses on the performance indicators relating to the new payment difficulty framework that comes into effect on 1 January 2019.

3.1. Our approach

When making decisions, we are guided by our legislative objective to promote the long term interests of Victorian consumers with regard to the price, quality and reliability of essential services.²⁶ We must also have regard for certain matters to the extent they are relevant in any particular case, such as the benefits and costs of regulation. Our review also considered our ability to monitor the effectiveness of the new framework against its objectives, which are:

- to help customers avoid getting into arrears with their retailer
- to make it easier for customers to pay for their on-going energy use, repay their arrears and lower their energy costs
- to ensure that customers are only disconnected for non-payment of a bill as a last resort.²⁷

We engaged Ernst & Young to assist us in conducting our review of relevant performance indicators.

Our final decision was also informed by consultation with stakeholders through a workshop held on 30 April 2018, stakeholder meetings and formal submissions received on the draft decision. The changes from the draft decision to the final decision are detailed in Appendix A and B.

3.1.1. Reporting under the new payment difficulty framework

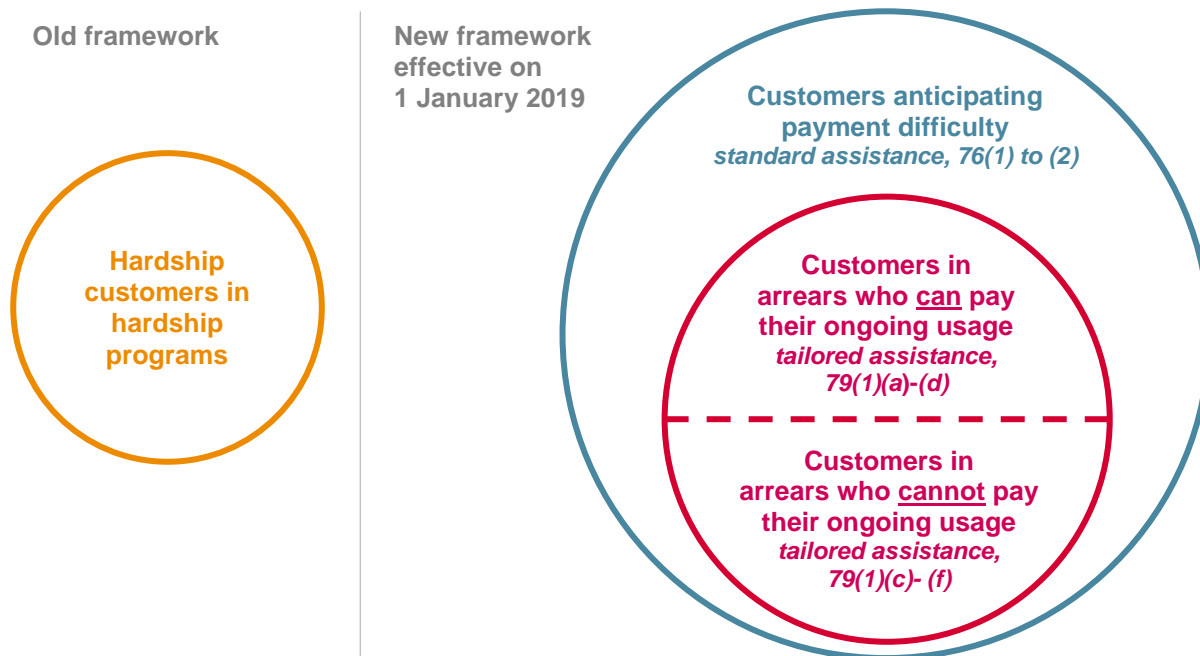
The new framework introduces entitlements for customers anticipating or facing payment difficulty that come into effect on 1 January 2019. Prior to this, retailers reported on a framework that includes terminology that no longer applies under the new payment difficulty framework. The new framework moves away from terminology such as “hardship programs” and “hardship customers” and focuses on the types of assistance provided to energy customers, as illustrated in Figure 2.1.

²⁶ *Essential Services Commission Act 2001 (Vic)*, section 8.

²⁷ The objectives of assistance as set out on p. 67 of the final decision on the payment difficulty framework.

As a consequence, several performance indicators will need to reflect the terminology and entitlements under the new framework.

Figure 2.1 Changes in terminology for reporting under the payment difficulty framework



Source: Essential Services Commission 2018

3.2. Changes to definitions for reporting

We have included new definitions in the guideline to align with the new framework, as follows:

- New reporting definitions for **customers receiving assistance**, to align with the entitlements of residential customers receiving standard assistance or tailored assistance, as per the revised Energy Retail Code.
- Changing the terminology of debt to **arrears** to align with the terminology used in the Energy Retail Code.

The specific changes to reporting definitions have been provided in Appendix A.

3.3. Modifying existing performance indicators

A number of existing performance indicators relate to the experience of energy customers with arrears or disconnection in Victoria. These indicators provide valuable information on the level of assistance provided to customers facing or anticipating payment difficulty, such as:

3. Payment difficulty framework changes to performance indicators

- the level of customer arrears in Victoria as a whole, and specific to a retailer
- the extent that customers are receiving assistance and eliminating their arrears over time
- the rate of customer disconnections in Victoria undertaken as a last resort and
- the notices provided to customers facing payment difficulty.

These existing indicators will need to reflect the new terminology and entitlements of customers under the new framework. For example, indicators related to customers leaving hardship programs successfully or otherwise, need to be reframed in the context of customers no longer receiving assistance under the new framework.

We have modified a number of existing indicators to reflect the objectives of the new payment difficulty framework, as outlined in Table 3.1. The specific changes to these modified indicators are described in Appendix B.

We understand that retailers will need to change their IT systems to provide for the new entitlements that customers can access on 1 January 2019. Key aspects of this include being able to identify the type of assistance a customer might be receiving, and the amount of arrears accrued by the customer. We have modified existing indicators in line with capturing this new information about customers in order to be consistent with the IT system changes that retailers might need to make. This may reduce the associated costs of implementation.

Table 3.1 Modifications to existing performance indicators

Area of interest	Ref. number	Name of existing indicator	Name of modified indicator
Customer arrears	H050	Average debt of new entrants into the hardship program (\$)	Average arrears of residential customers commencing tailored assistance (\$)
	H070	Average debt of hardship program customers (\$)	Average arrears of residential customers receiving tailored assistance (\$)
	H060	Debt classifications of new entrants into a hardship program	Residential customers who commenced tailored assistance, with arrears
Customers no longer receiving assistance	H090	Hardship program exits with agreement from the retailer	Residential customers no longer receiving tailored assistance because of no arrears
	H110	Hardship program participants excluded for not complying with requirements	Residential customers no longer receiving tailored assistance for not complying with requirements
	H100	Hardship program exists due to switching, transferring or leaving the retailer	Customers no longer receiving tailored assistance due to switching, transferring or leaving the retailer

3. Payment difficulty framework changes to performance indicators

Area of interest	Ref. number	Name of existing indicator	Name of modified indicator
Duration of customer assistance	H080	Average length of participation for customers in a hardship program (days)	Average duration of residential customers receiving tailored assistance (days)
Disconnections	D050	Disconnection for non-payment	Disconnection for non-payment (residential customers)
	D051	Other disconnections	Other disconnections (residential customers)
	D090	Disconnections on more than one occasion	Disconnections on more than one occasion (<i>new indicator definition</i>)
Reconnections	D060	Reconnections within 7 days	Reconnections within 7 days (<i>new indicator definition</i>)
	D130	Reconnections of energy concessions	Reconnections of energy concession customers (<i>new indicator definition</i>)
Notices to customers	B180	Residential customers falling behind on payment	Notices delivered to residential customers related to payment difficulty

3.4. Introducing new performance indicators

We have introduced new performance indicators that relate to data that has not yet been captured, such as:

- the level of arrears of customers receiving different forms of assistance
- the level of arrears of customers at the time of being disconnected
- the disconnections of customers who had not received any form of assistance and
- the practical assistance measures offered to customers.

We recognise the costs of the industry in regulatory reporting. However, our new indicators seek to address reporting gaps that are important in monitoring the effectiveness of new entitlements for Victorian energy customers. Some of these new indicators also address the intent of indicators we propose to remove (discussed in the following section). For example, we have new indicators relating to the number of customers receiving different forms of assistance under the new framework. This replaces existing indicators on customer numbers in hardship programs and under instalment payment plans.

We also introduced a new indicator that considers the sale of a customer's arrears after disconnection. We have introduced this indicator as we do not currently collect any information relating to the customer experience after being disconnected. This will be useful in understanding the extent to which customers require assistance beyond the reach of the framework.

The specific changes to these modified indicators are described in Appendix B.

3. Payment difficulty framework changes to performance indicators

3.5. Removing performance indicators

Following our changes and additions to performance indicators, we have removed a number of existing indicators. We reviewed these indicators and found that:

- the indicators were not aligned with the new framework
- the indicators provided limited insight into the operation of the new framework
- the indicators offered limited ability to assess the effectiveness of the new framework and
- we are able to collect the same information using other (or a combination of other) indicators.

It should also be noted that the intent of some existing indicators we have removed have been replaced with new performance indicators (as described in Section 3.4). A summary of the indicators replaced by new indicators is shown in Table 3.2.

Table 3.2 Replacement of existing performance indicators

Area of interest	Ref, number	Existing indicator name (to be removed)	New indicator name (to be introduced as per section 3.4)
Customers receiving assistance	H010 D020	Hardship program participants Instalment payment plans	Residential customers receiving standard assistance
			Residential customers receiving tailored assistance
	H020	New entrants into retailer's hardship program	Residential customers who have commenced tailored assistance, having previously received standard assistance
	D021 D022	Instalment plans not covering use Instalment plans covering use	Residential customers receiving assistance, with aged arrears
			Residential customers not receiving assistance, with aged arrears
Disconnections	D080	Disconnections previously on an instalment payment plan	Residential customers with arrears at disconnection
	H120	Disconnections of all previous hardship program customers within 12 months	Disconnections for non-payment of residential customers who did not receive assistance
Customers taking up practical assistance	H140	Energy field audits provided at no cost	Residential customers who were offered practical assistance measures
	H150	Energy field audits provided at partial cost	
	H160	Average cost contributed to an energy field audit where a customer contribution was required	
	H170	Appliances provided under hardship program	

3. Payment difficulty framework changes to performance indicators

The indicators to be removed are described in Appendix B.

3.6. Administrative changes

We have also made a number of administrative changes related to revised performance indicators:

- **A revision to reporting templates** - Performance indicator reporting templates have been revised to reflect the changes to the performance indicators. This includes new reference numbers for performance indicators where appropriate.
- **Specifying the commencement date** - The revised performance indicator requirements will take effect from 1 January 2019.

4. Payment difficulty framework changes to compliance reporting

Retailers must report to us when they have identified a situation where they have broken the energy rules. This is referred to as compliance reporting as part of our reporting guideline.

This review focused on the obligations relating to the new payment difficulty framework that comes into effect on 1 January 2019.

4.1. Our approach

In considering the revisions made to the Energy Retail Code to support the payment difficulty framework, our review of the compliance reporting obligations focussed on those that required modifying, those which should be added, and those which are no longer applicable. We engaged Allens to assist us in conducting this review.

The specific changes to compliance obligations for retailers have been provided in Appendix C, with further explanation for the changes.

4.2. Modifying existing compliance reporting obligations

We have amended the compliance reporting obligations to align with the revised Energy Retail Code. These changes involve substituting clause numbers in the obligation source column and descriptions within Section 2.1 of the reporting guideline. The existing obligation classification types have been retained.

We have modified three existing compliance reporting obligations. The specific changes to these modified compliance reporting obligations are described in Appendix C.

4.3. Introducing new compliance reporting obligations

New compliance reporting obligations have been introduced to ensure that all relevant payment difficulty framework provisions of the revised Energy Retail Code are reported to the commission when non-compliance has occurred.

The obligation classification types have been aligned with the framework described in Section 2.1 of the reporting guideline.

We have introduced 11 new compliance reporting obligations to reflect the new framework. The new compliance reporting obligations are described in Appendix C.

4.4. Removing compliance reporting obligations

A number of compliance reporting obligations have been removed as they have been replaced by an equivalent obligation or are no longer applicable under the revised Energy Retail Code to support the payment difficulty framework.

We have removed four existing compliance reporting obligations. The removed compliance reporting obligations are described in Appendix C.

4.5. Administrative changes

We have also made a number of administrative changes related to revised compliance reporting obligations:

- **A revision to the reporting template** - The retailer compliance reporting template has been revised to reflect the changes to the compliance obligations.
- **Specifying the commencement date** - The revised compliance reporting obligations will take effect from 1 January 2019.

5. Administrative changes

In addition to amendments to align the reporting guideline with the payment difficulty framework, we have made a number of other miscellaneous administrative changes that are applicable to both energy retailer and distribution businesses.

Performance indicators

5.1. Performance indicator reporting schedule

The existing reporting guideline requires retailers to submit specific performance indicator data either on a quarterly, biannual or semi-annual basis. For consistency, and in line with the finalisation of the framework, retailers must submit all performance indicator data to the commission on a quarterly basis (call centre indicators are the only exception to this and will continue to be reported annually).

We have also changed the reporting timeframes for the second quarter of yearly data to 31 January or earlier, which is consistent with the reporting timeframes in other quarters (periods of three months) during the year. We have simplified and clarified the reporting guideline by removing the columns related to frequency and how the data will be interpreted. A large majority of existing indicators were required to be reported in monthly intervals.

The way we classify performance indicators has also changed. Under the new framework, these are divided into the following groups: background, call centre, assistance, arrears, and disconnection. Each indicator also includes a reference number, as outlined in Appendix B.

It should be noted that there have been no changes to the frequency of compliance reporting or wrongful disconnection reporting.

Compliance reporting

5.2. Inclusion of a fixed benefit period compliance reporting obligation

On 1 February 2018, we introduced new requirements on retailers to notify their customers about changes to the benefits they receive as part of their energy contract. Under the new rules, retailers are required to notify customers in advance of any changes to the benefits they receive, and also provide them with information about the Victorian Government's energy price comparator tool, Victorian Energy Compare. The compliance reporting obligations have been amended to include one new compliance reporting obligation on the requirement for retailers to give notice of a benefit change under clause 47A of the Energy Retail Code.

5.3. Amendment to the criteria for Type 2 regulatory obligations

Regulatory obligations are classified as Type 1, Type 2 or Type 3 obligations. The criteria for determining the classification type for obligations is set out in the reporting guideline.

We have amended the Type 2 classification to remove 'obligations that are new' from the criteria. This change will prevent new obligations from being deemed Type 2 on the basis of when they are introduced, rather than the level of impact.

5.4. Change to sign off requirement for annual compliance reports

We have changed the report signoff for Type 1 quarterly and Type 1, Type 2 and Type 3 annual reports from requiring both the Chief Executive Officer or equivalent, and Chair of the Board to sign the report, to requiring only the Chief Executive Officer CEO or Managing Director.

This change to report sign off has been made to align with the Australian Energy Regulator. We also acknowledge that many licensees experience difficulty in achieving sign off by the Chair of the Board.

5.5. Extension of distributor reporting schedule

The distributor reporting schedule has been changed slightly to allow an additional week for distributors to compile and submit reports of planned outage notification breaches.

The additional time allowed for distributors has been made at the request of distributors. This allows them more time to put together the evidence of remediation we require.

5.6. Clarification of reporting obligations

Clause 1.5 and 1.6 of the reporting guideline that sets the retailer and distributor reporting obligations have been reformatted to improve clarity.

Our previous formatting led to some confusion about exactly what had to be reported and by when. The format changes now clarify existing reporting requirements.

5.7. Additional changes to retailer reporting templates

The compliance breach reporting template for Type 1, Type 2 and Type 3 obligations, previously located at Appendix A of the reporting guideline, has been expanded to include new fields and also updated to include new obligations to support the implementation of the payment difficulty framework.

5. Administrative changes

The new fields are necessary to gather information that we need to assess reported breaches in accordance with our Energy Compliance and Enforcement Policy.

The template has been aligned with the reporting template used by the Australian Energy Regulator to assist licensees who report in multiple jurisdictions.

The template will be available on our website and may be amended from time to time.

Other reporting templates

The content of the following templates have not changed and should continue to be used:

- Interim compliance and reporting guideline – compliance breach reporting template 2017-18 – distribution businesses
- Interim compliance and reporting guideline – wrongful disconnections monthly reporting template 2017-18

These templates will continue to be available on our website and may be amended from time to time.

6. Commencement of the reporting guideline

The requirements of the revised reporting guideline will apply to reporting from 1 January 2019.

This will mean that retailers will need to begin capturing data on the updated set of performance indicators and begin reporting on breaches of the revised obligations from this date.

This aligns with the commencement of the payment difficulty framework.

References

AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Consumer Action Law Centre, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Essential Services Commission Act 2001 (Vic)

Essential Services Commission, Payment difficulty framework: Final decision, October 2017.

Essential Services Commission, Energy Compliance and Enforcement Policy: Guidance note – Payment difficulty and disconnection: Version 1.0, December 2017.

Essential Services Commission, pending amendments to the Energy Retail Code (payment difficulties), October 2017.

Momentum Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Sumo Power, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

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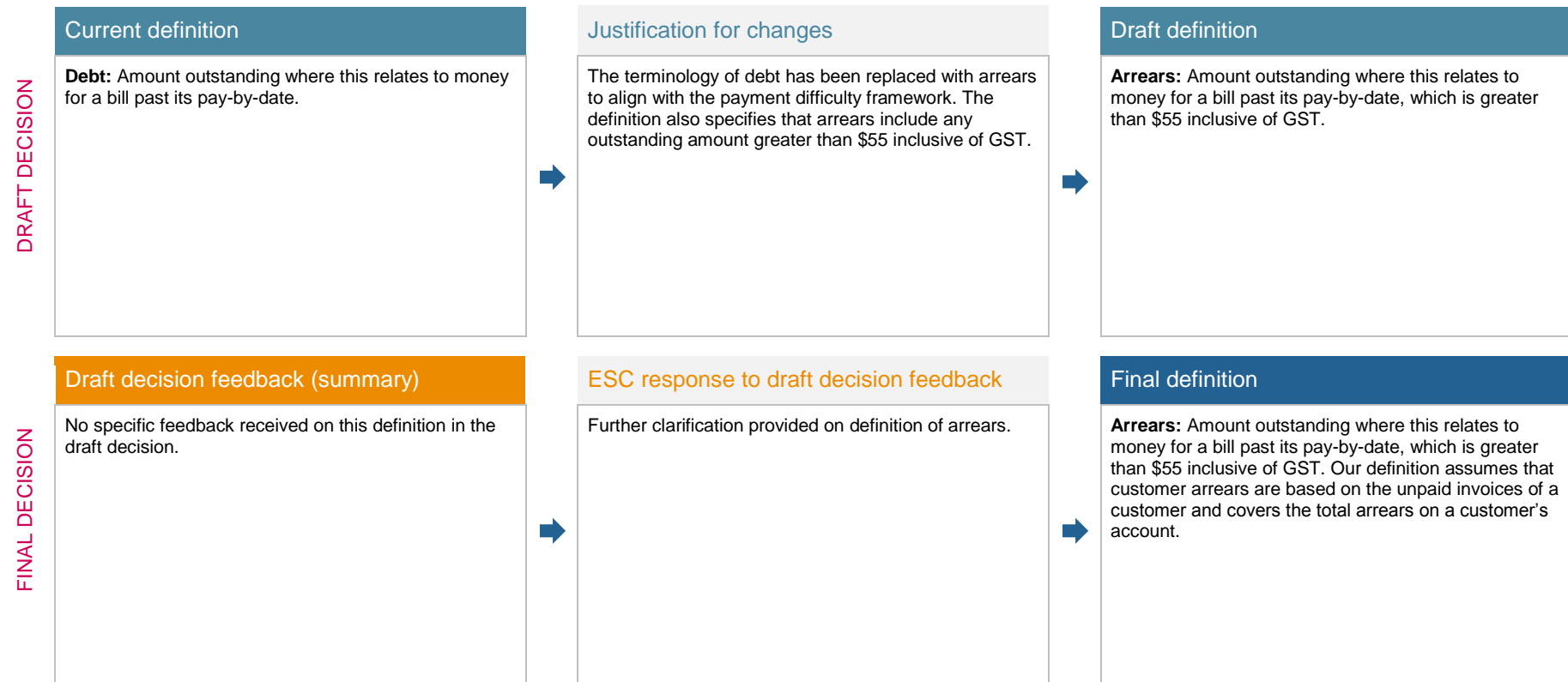
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Appendix A – Definitions for performance indicators

Changes to existing definitions

Definition of debt (modified)



New definitions

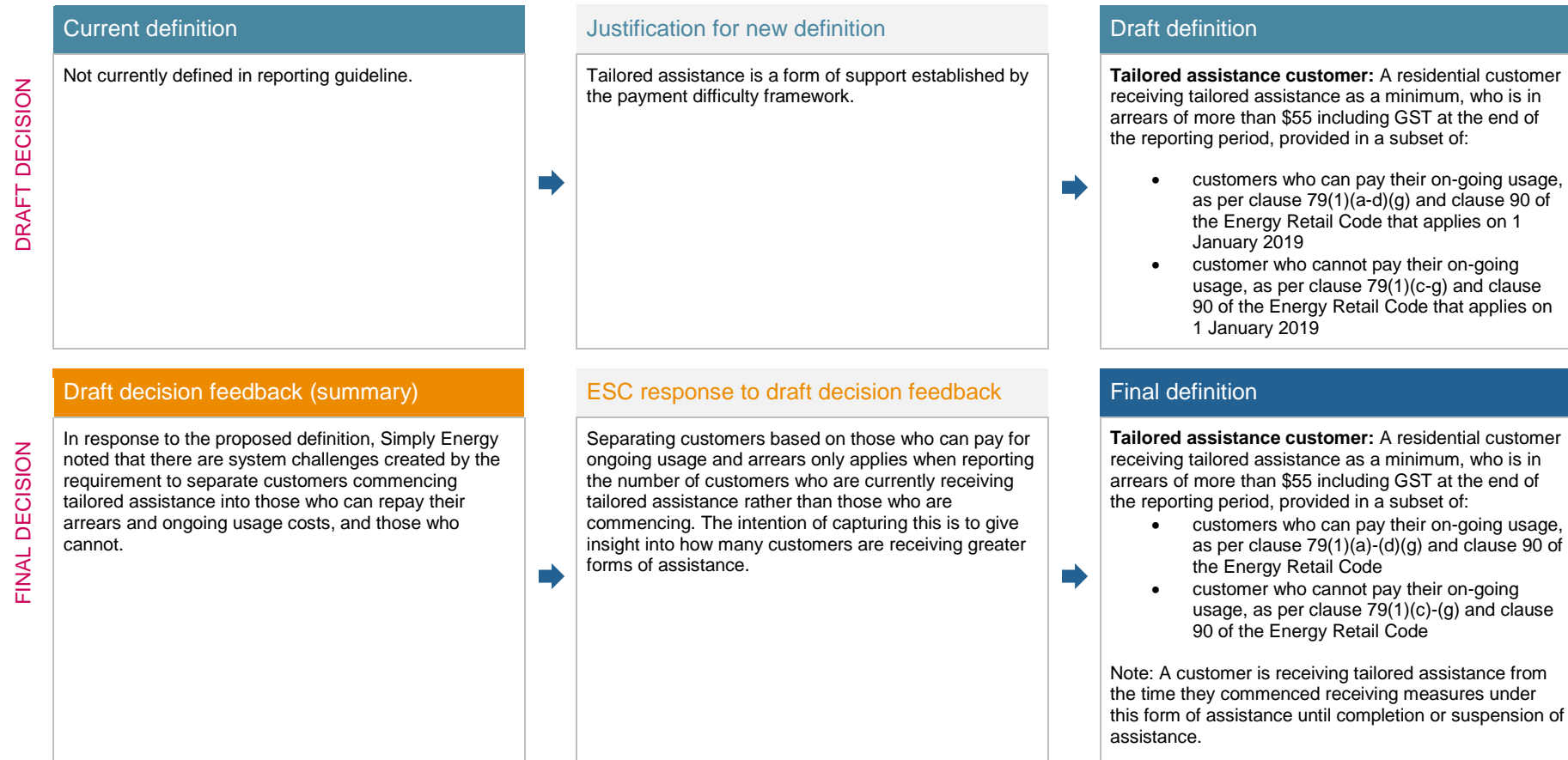
Definition of residential customer



Definition of a standard assistance customer



Definition of a tailored assistance customer

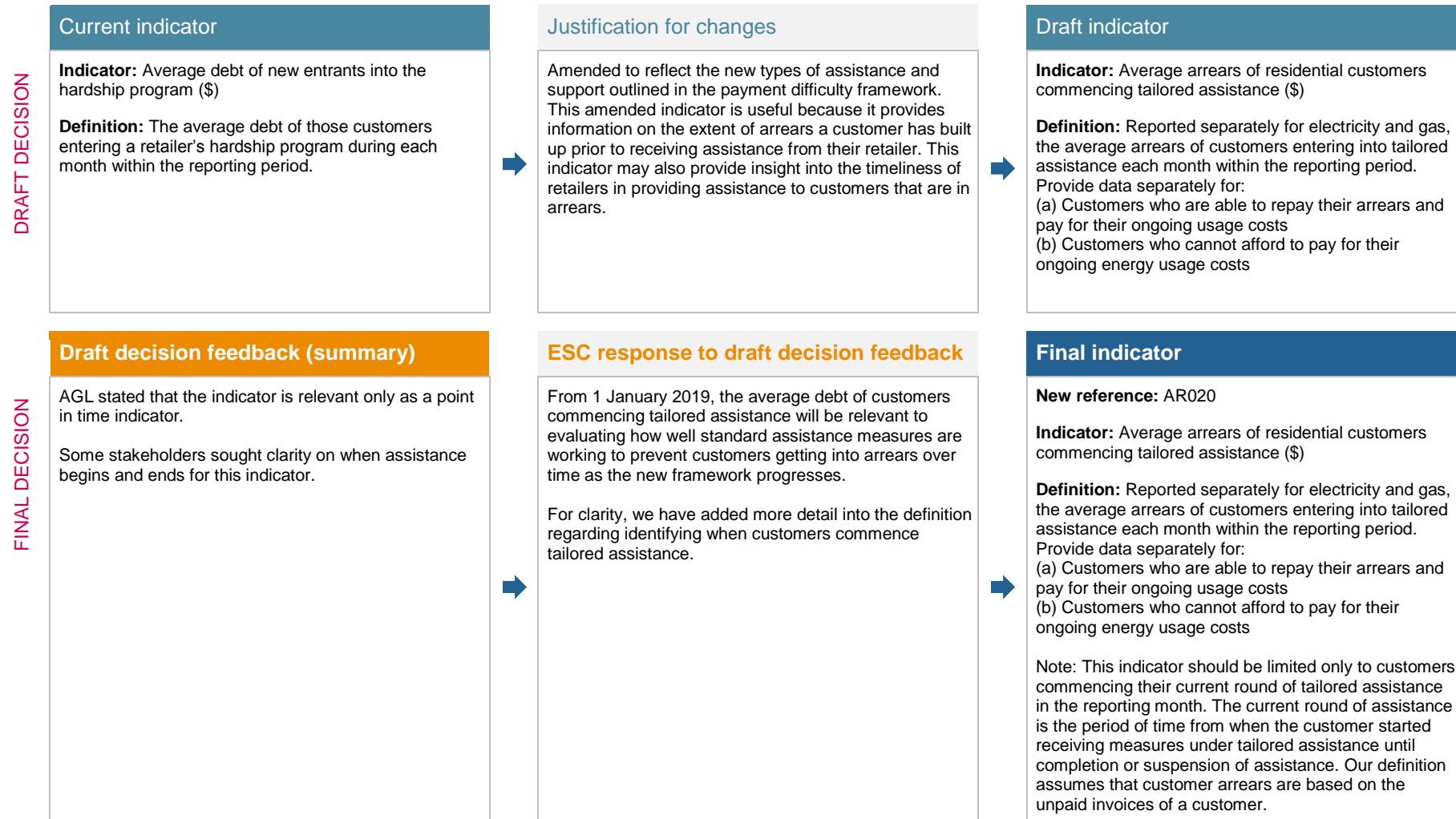


Appendix B – Changes to performance indicators

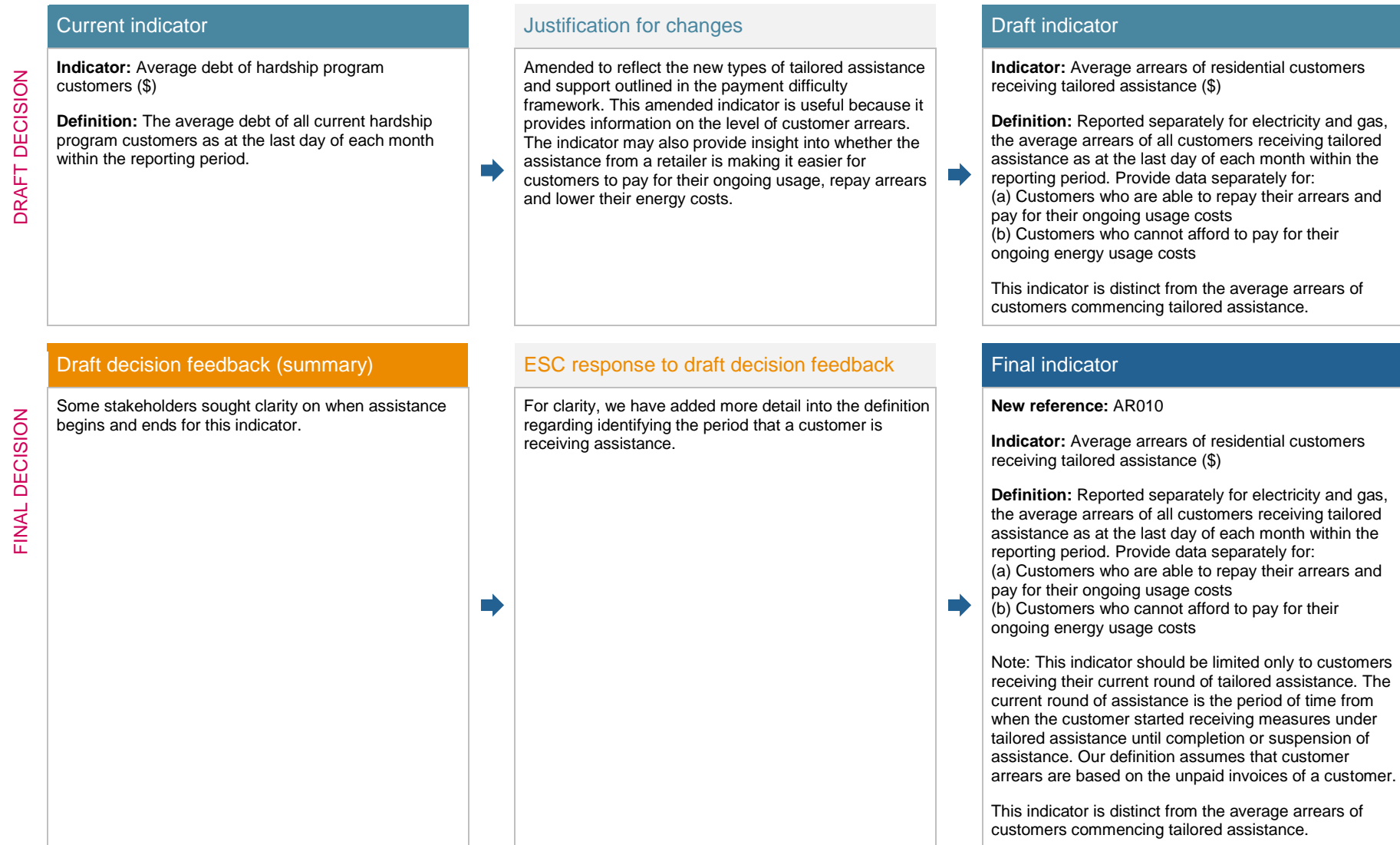
Modifications to existing performance indicators

In assessing the changes to existing performance indicators, we considered the objectives of the framework, the outcomes that could be determined, achievability and whether the original intent remained relevant. These reflect the final performance indicators following consideration of stakeholder feedback on the draft decision, as described in our response set out in the table below.

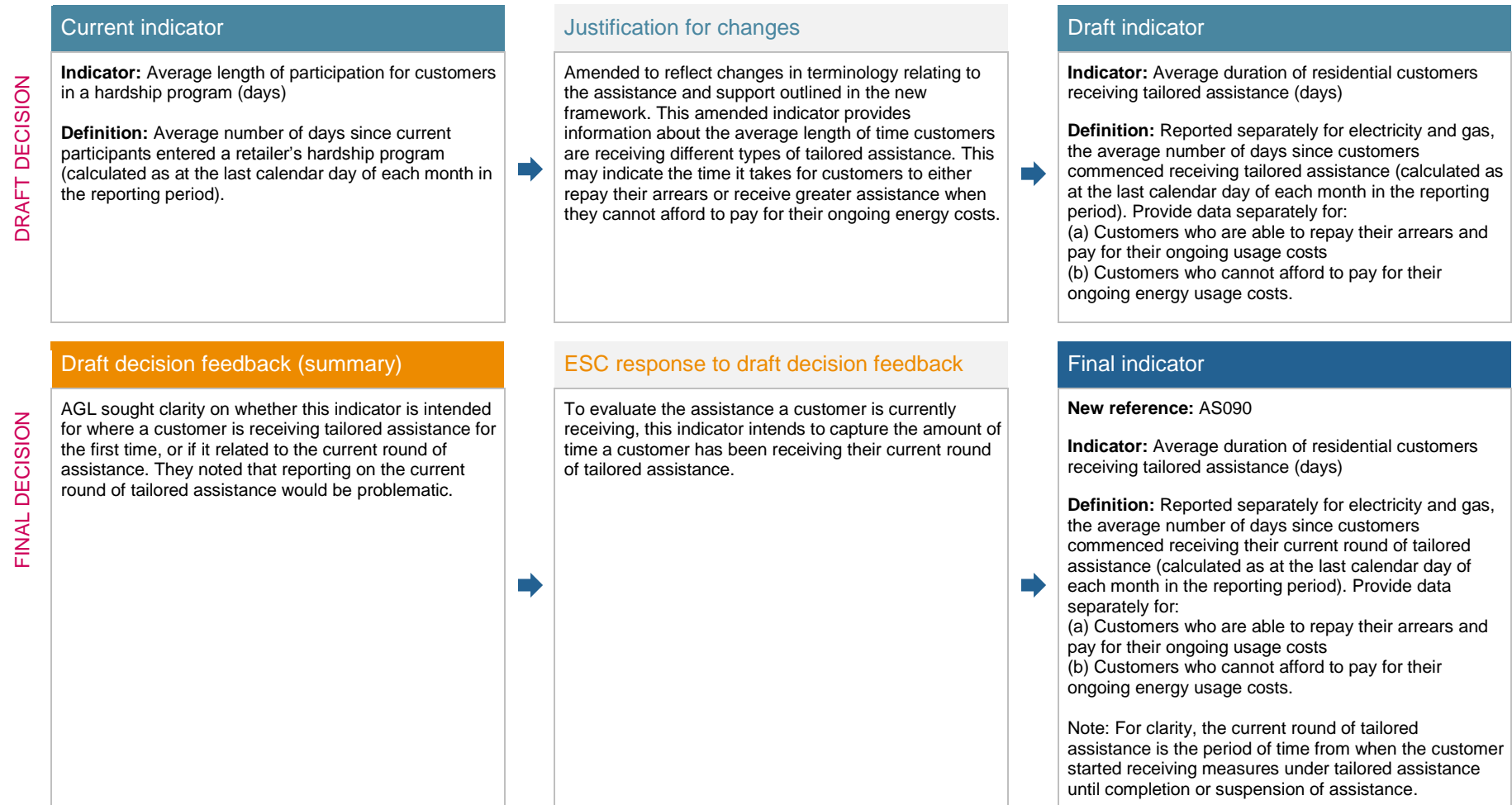
H050 – Average debt of new entrants into the hardship program



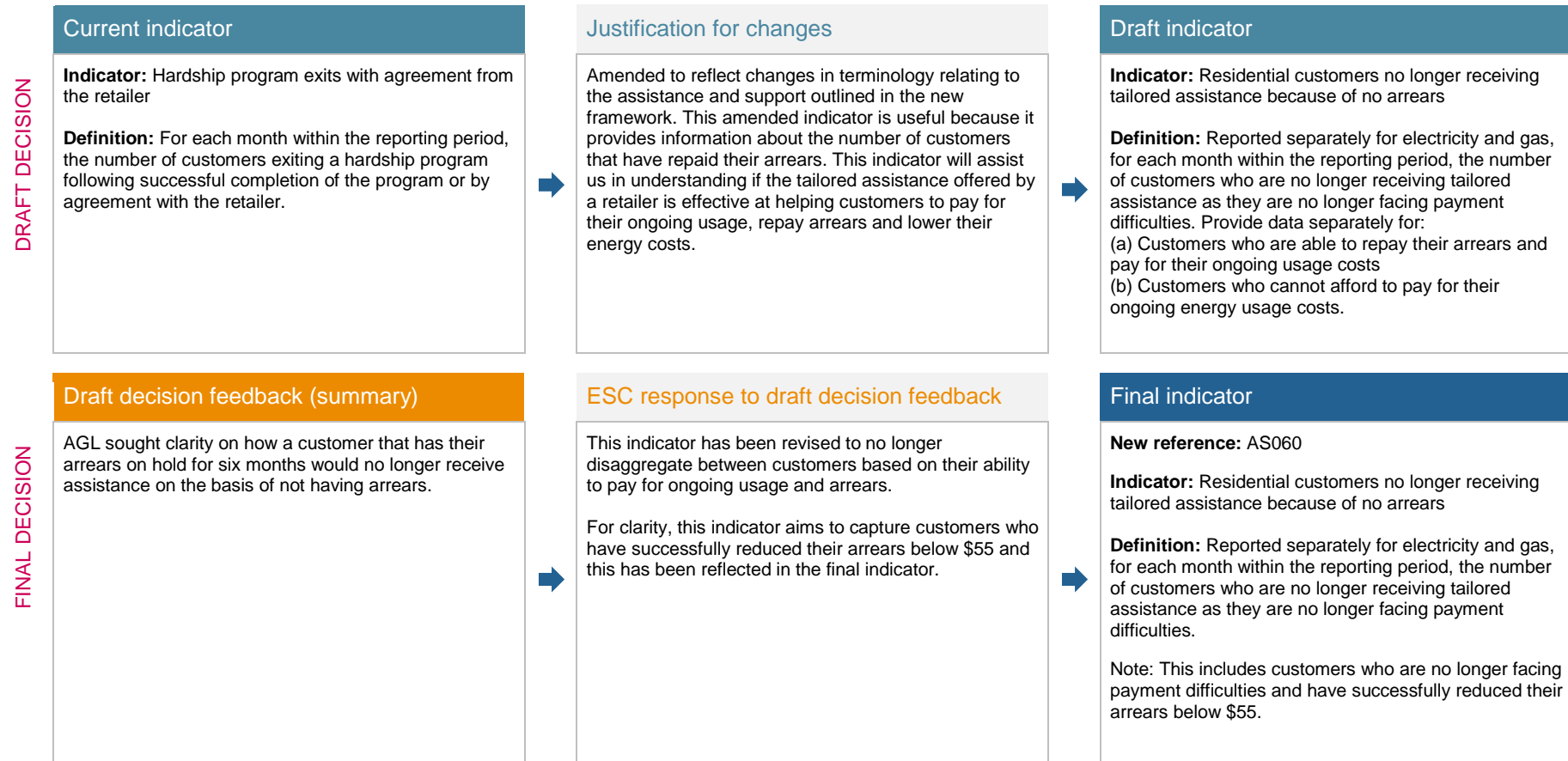
H070 – Average debt of hardship program customers (\$)



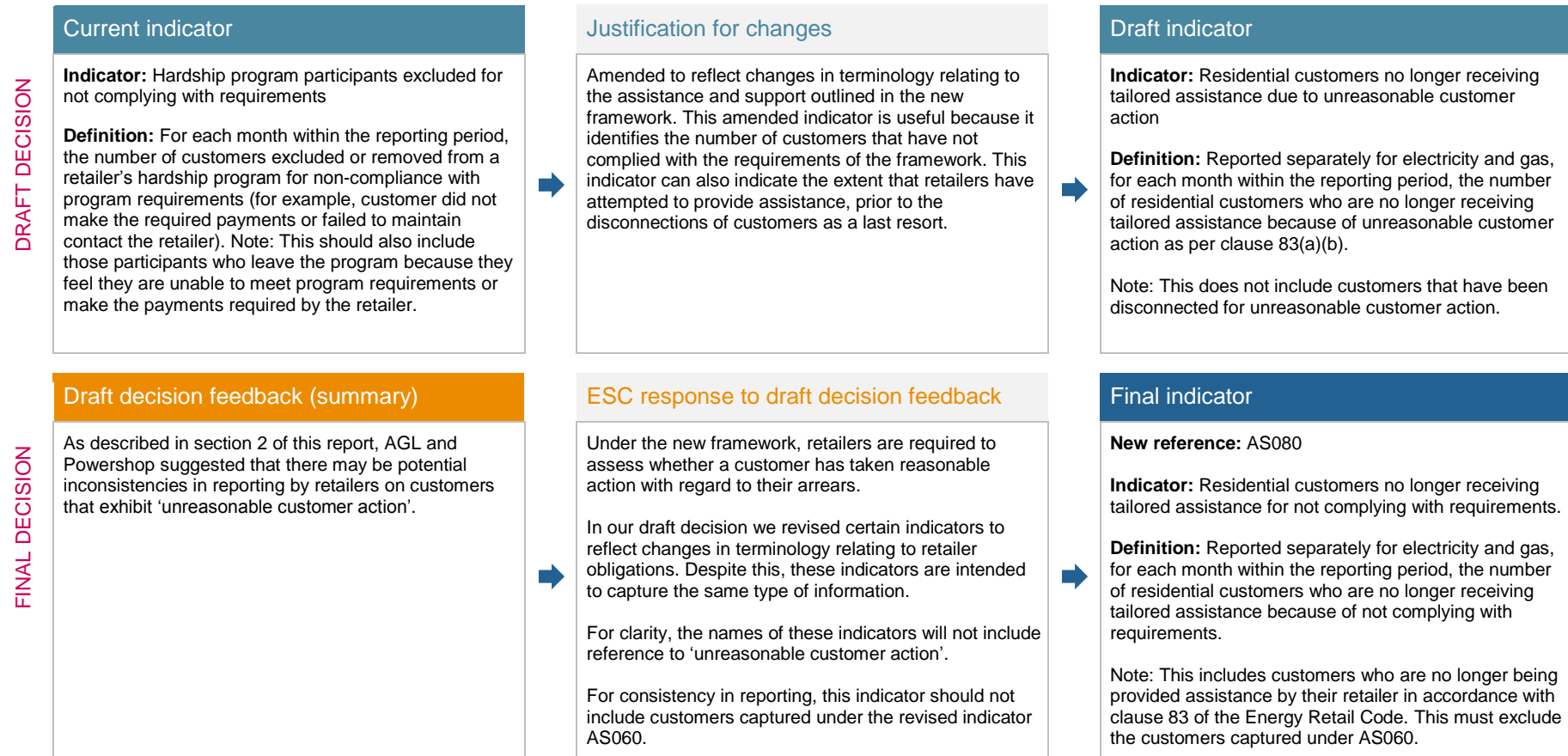
H080 – Average length of participation for customers in a hardship program (days)



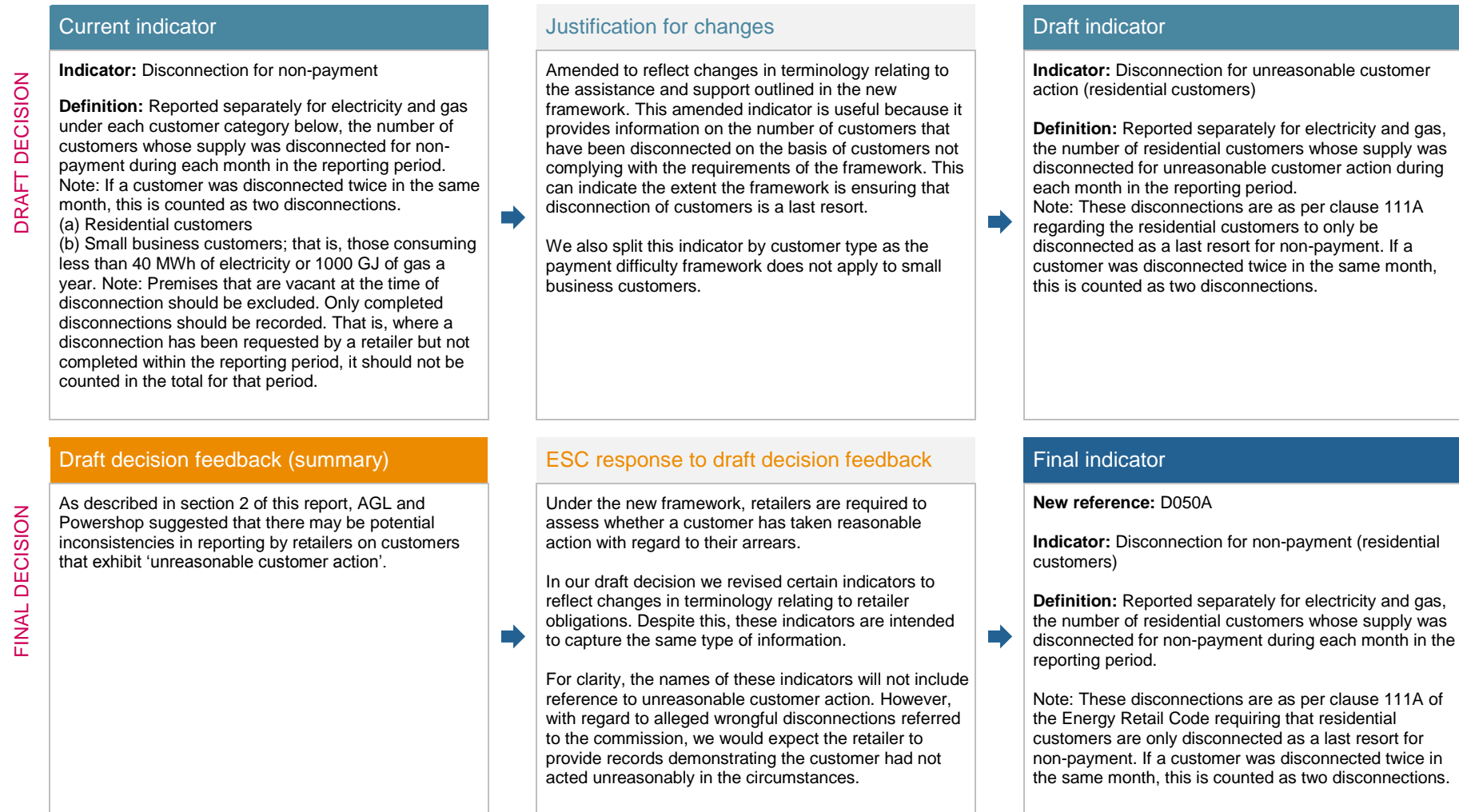
H090 – Hardship program exits with agreement from the retailer



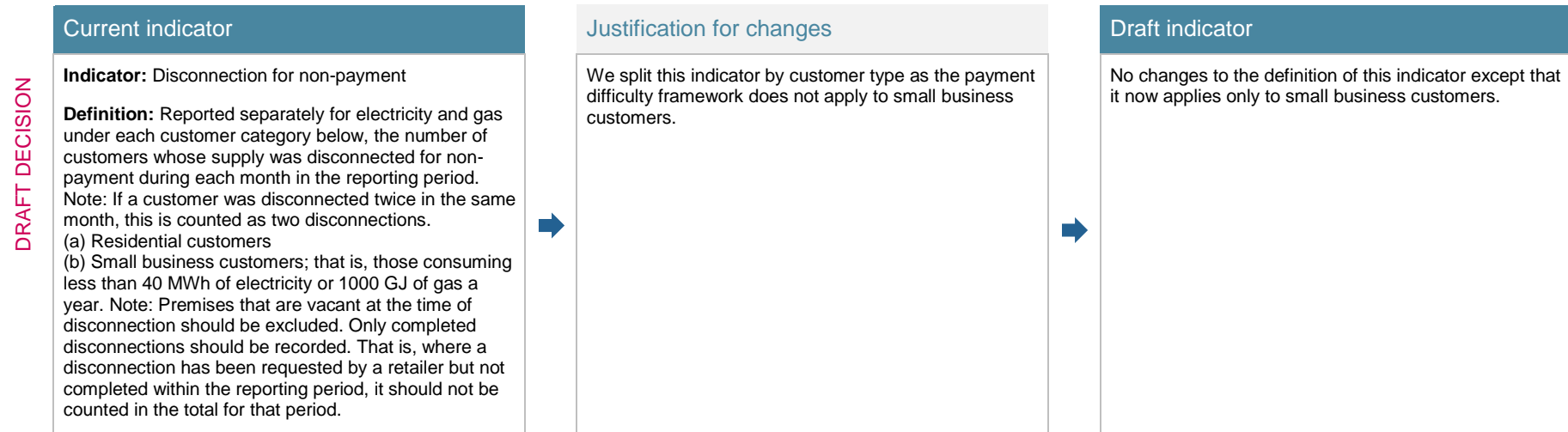
H110 – Hardship program participants excluded for not complying with requirements



D050 (Residential) – Disconnection for non-payment



D050 (Small business) – Disconnection for non-payment



Draft decision feedback (summary)

No specific feedback received on this indicator in the draft decision.



ESC response to draft decision feedback

No change from draft decision.



Final indicator

New reference: D050B

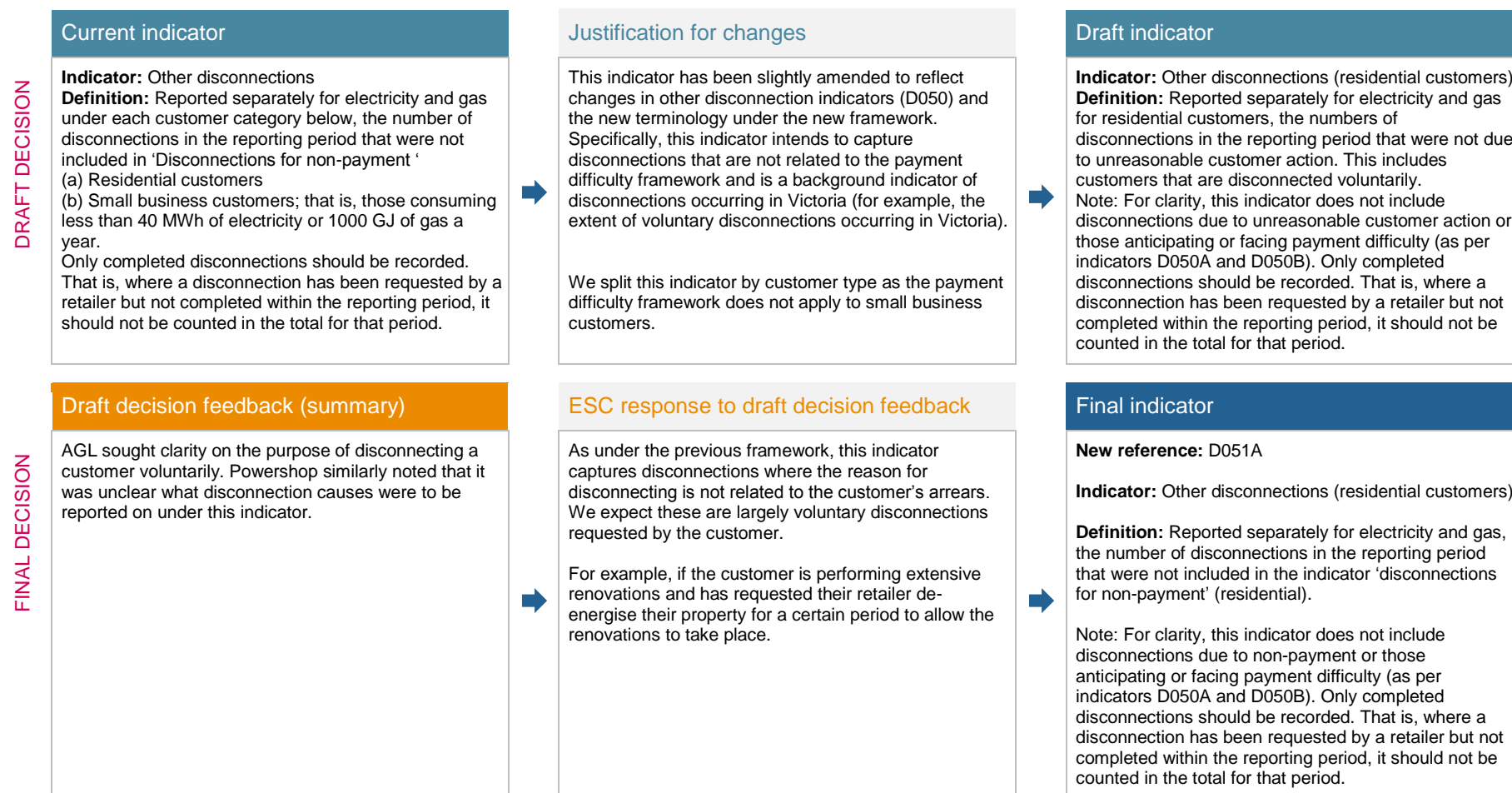
Indicator: Disconnection for non-payment (small business customers)

Definition: Reported separately for electricity and gas, the number of small business customers whose supply was disconnected for non-payment during each month in the reporting period.

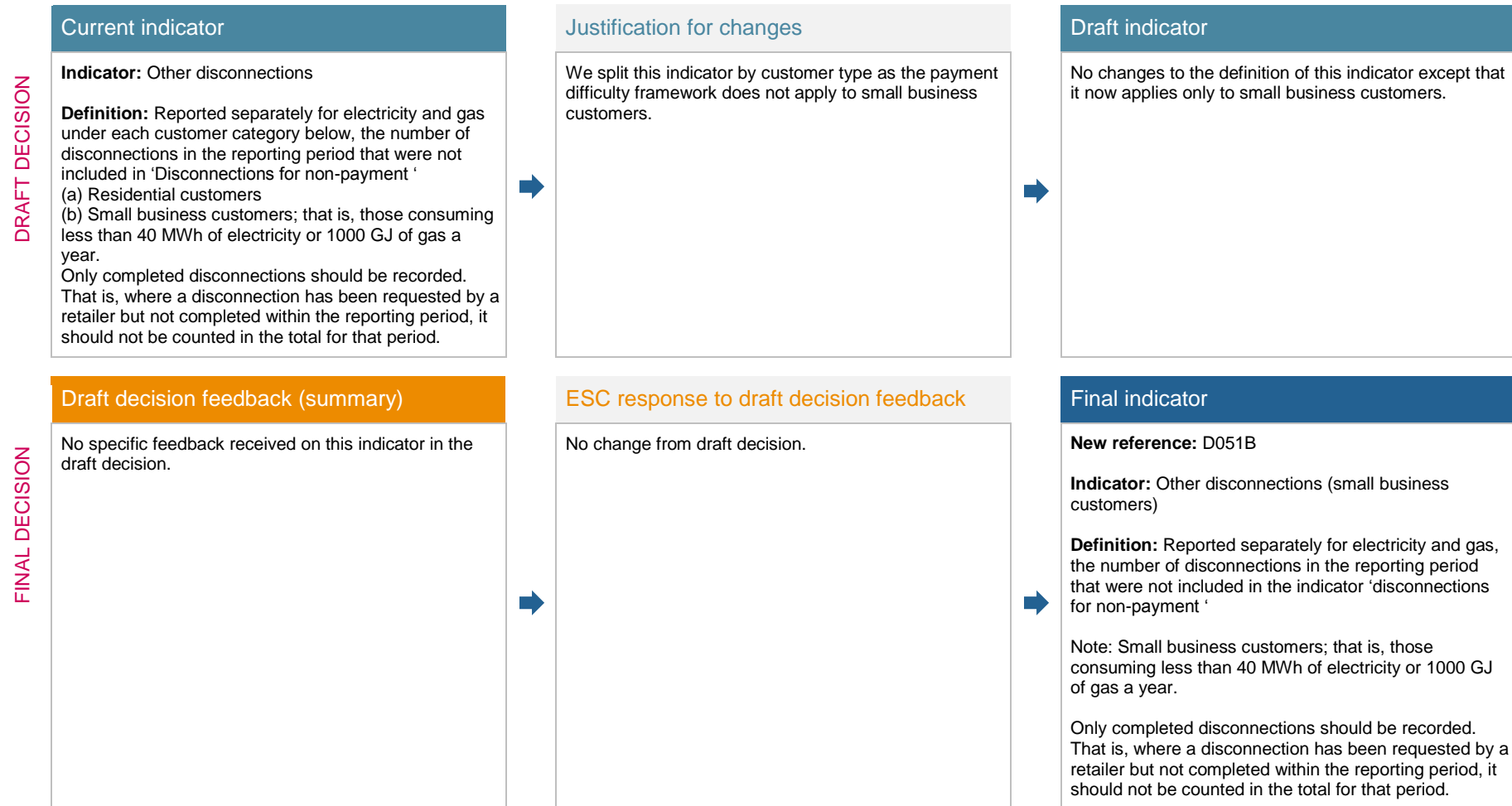
Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.

Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year. Premises that are vacant at the time of disconnection should be excluded. Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.

D051 (Residential) – Other disconnections



D051(Small business) – Other disconnections



D060 (Residential) – Reconnections within 7 days

DRAFT DECISION

Current indicator	Justification for changes	Draft indicator
<p>Indicator: Reconnections within 7 days</p> <p>Definition: Reported separately for electricity and gas under each customer category below, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.</p> <p>(a) Residential customers (b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.</p> <p>Note: Only completed reconnections should be recorded. That is, where a reconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. The 7 days are inclusive, with the day of disconnection being counted as the first day, and include weekends.</p>	<p>Amended to reflect changes in terminology relating to the assistance and support outlined in the new framework. This amended indicator provides information on the timeliness of reconnections following disconnection as a last resort by the retailer.</p> <p>We split this indicator by customer type as the payment difficulty framework does not apply to small business customers.</p>	<p>Indicator: Reconnections within 7 days</p> <p>Definition: Reported separately for electricity and gas, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for unreasonable customer action during each month in the reporting period.</p> <p>Note: If a customer was disconnected twice in the same month, this is counted as two disconnections. This indicator relates to disconnections as per clause 111A regarding the residential customers to only be disconnected as a last resort for unreasonable customer action.</p>

Draft decision feedback (summary)

CALC suggested that it would be useful to introduce 7 and 10 day timelines for this indicator, for further information about the customer journey following disconnection.



ESC response to draft decision feedback

We intend to capture the number of customers whose arrears are sold following disconnection. However, the 10 day period is in reference to wider governance over the handling of customer arrears and not a request for data on customer arrears sold at a specific point in time only. We have made no major change to this indicator from the draft decision.



Final indicator

New reference: D060A

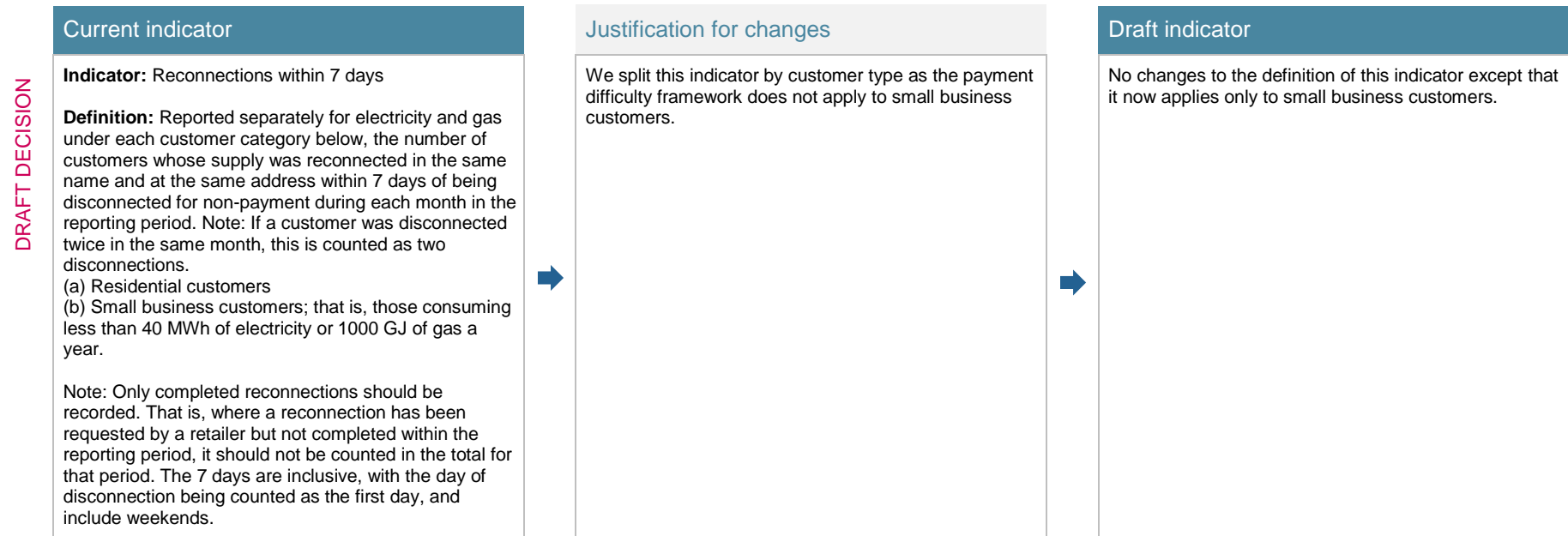
Indicator: Reconnections within 7 days (residential customers)

Definition: Reported separately for electricity and gas, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period.

Note: If a customer was disconnected twice in the same month, this is counted as two disconnections. This indicator relates to disconnections as per clause 111A of the Energy Retail Code requiring that residential customers are only disconnected as a last resort for non-payment.

Only completed reconnections should be recorded. That is, where a reconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. The 7 days are inclusive, with the day of disconnection being counted as the first day, and include weekends.

D060 (Small business) – Reconnections within 7 days



Draft decision feedback (summary)

No specific feedback received on this indicator in the draft decision.



ESC response to draft decision feedback

No change from draft decision.



Final indicator

New reference: D060B

Indicator: Reconnections within 7 days (small business customers)

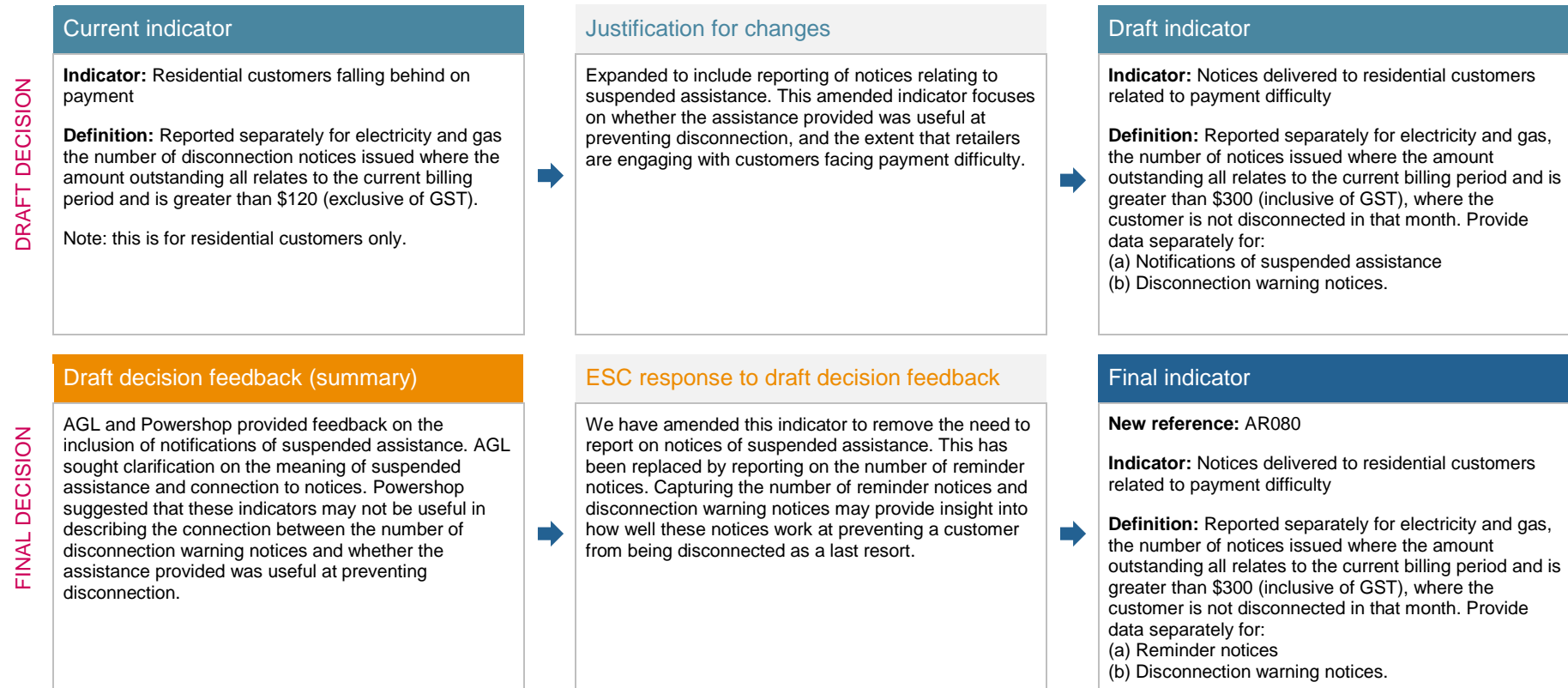
Definition: Reported separately for electricity and gas, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period.

Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.

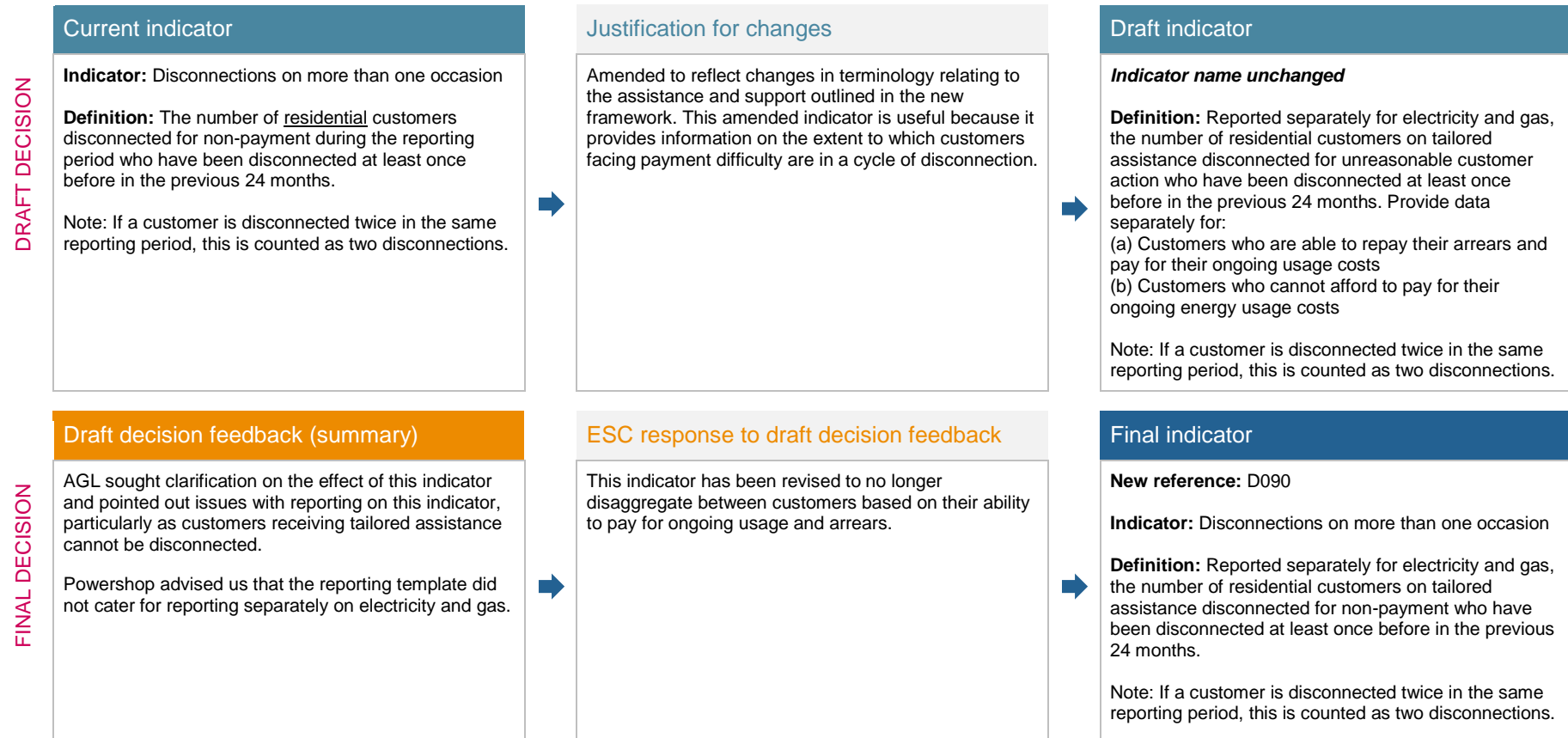
Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.

Only completed reconnections should be recorded. That is, where a reconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. The 7 days are inclusive, with the day of disconnection being counted as the first day, and include weekends.

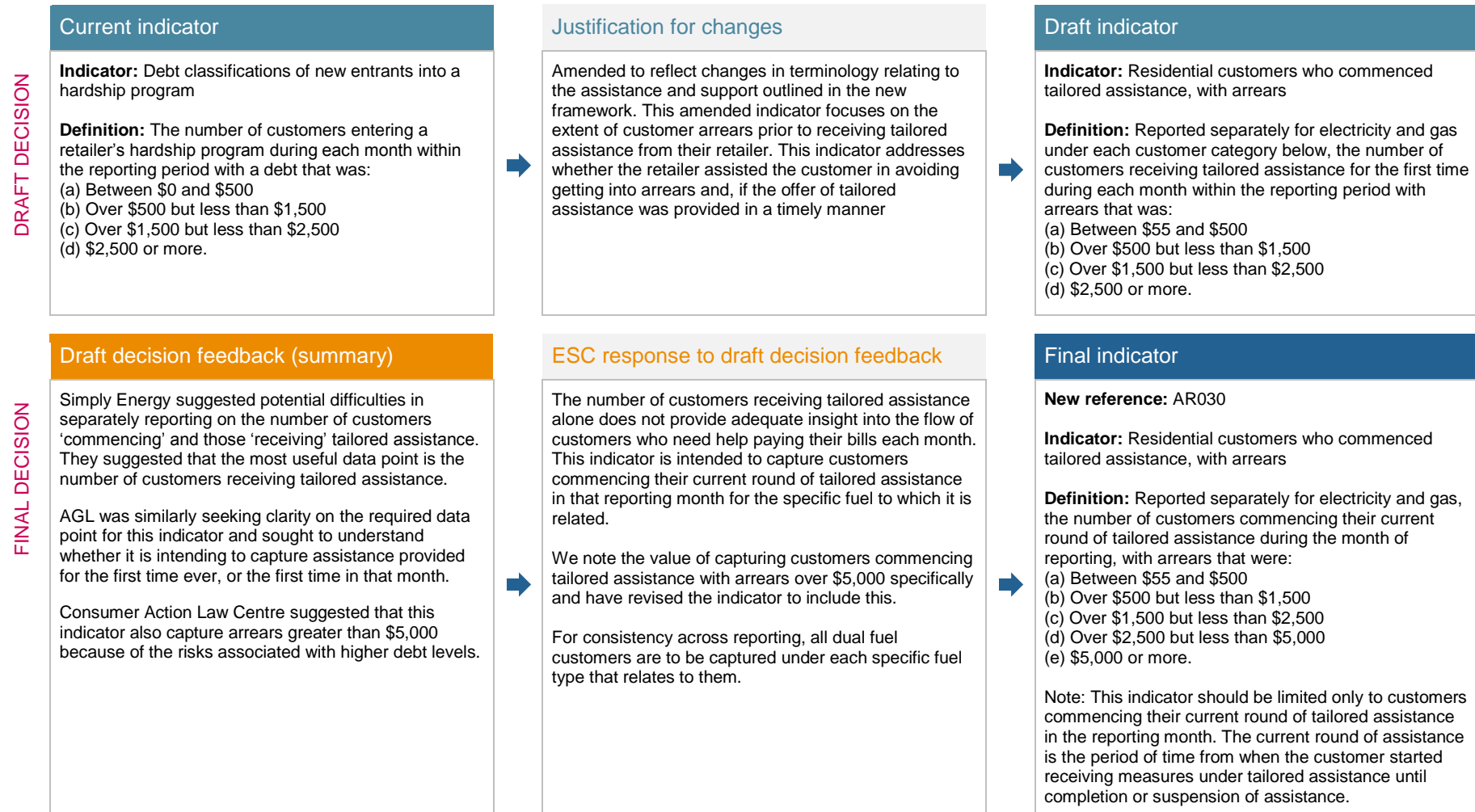
B180 – Residential customers falling behind on payment



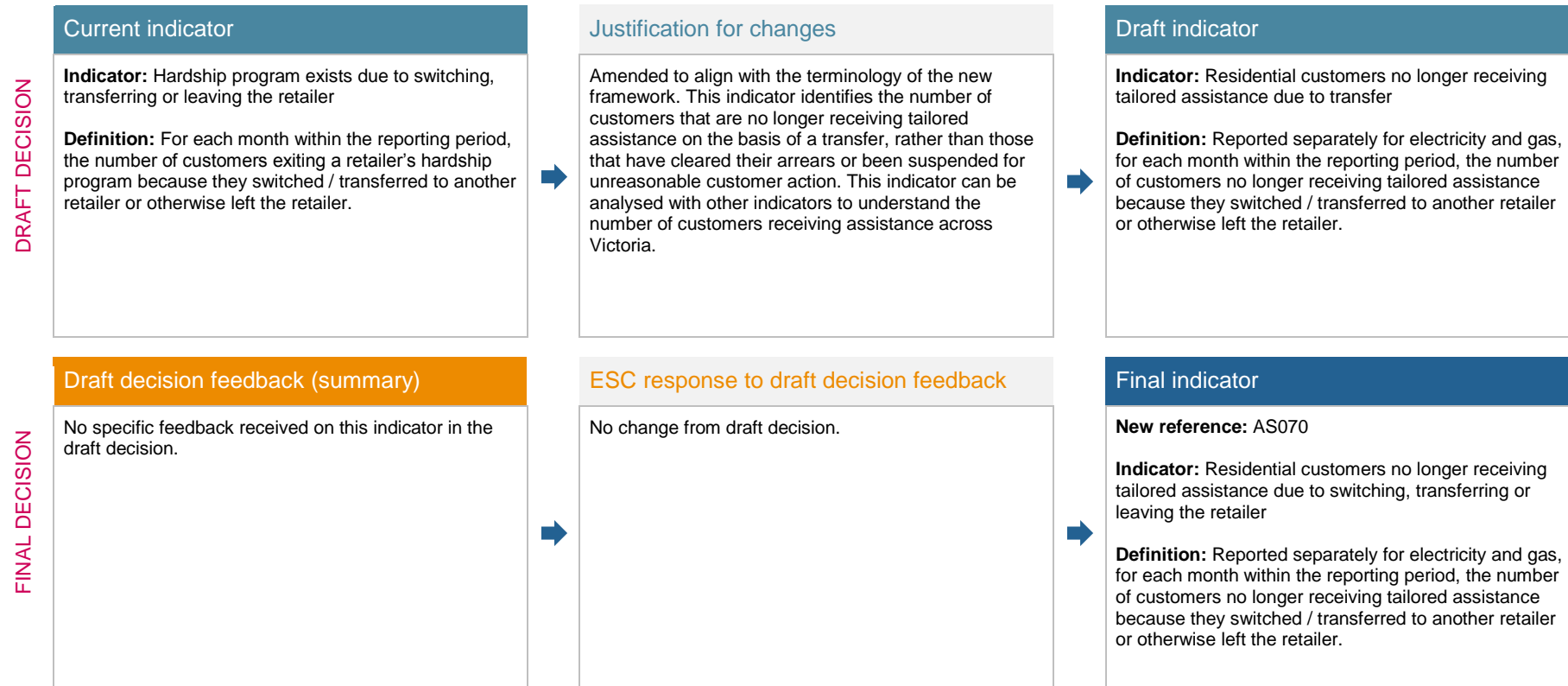
D090 – Disconnections on more than one occasion



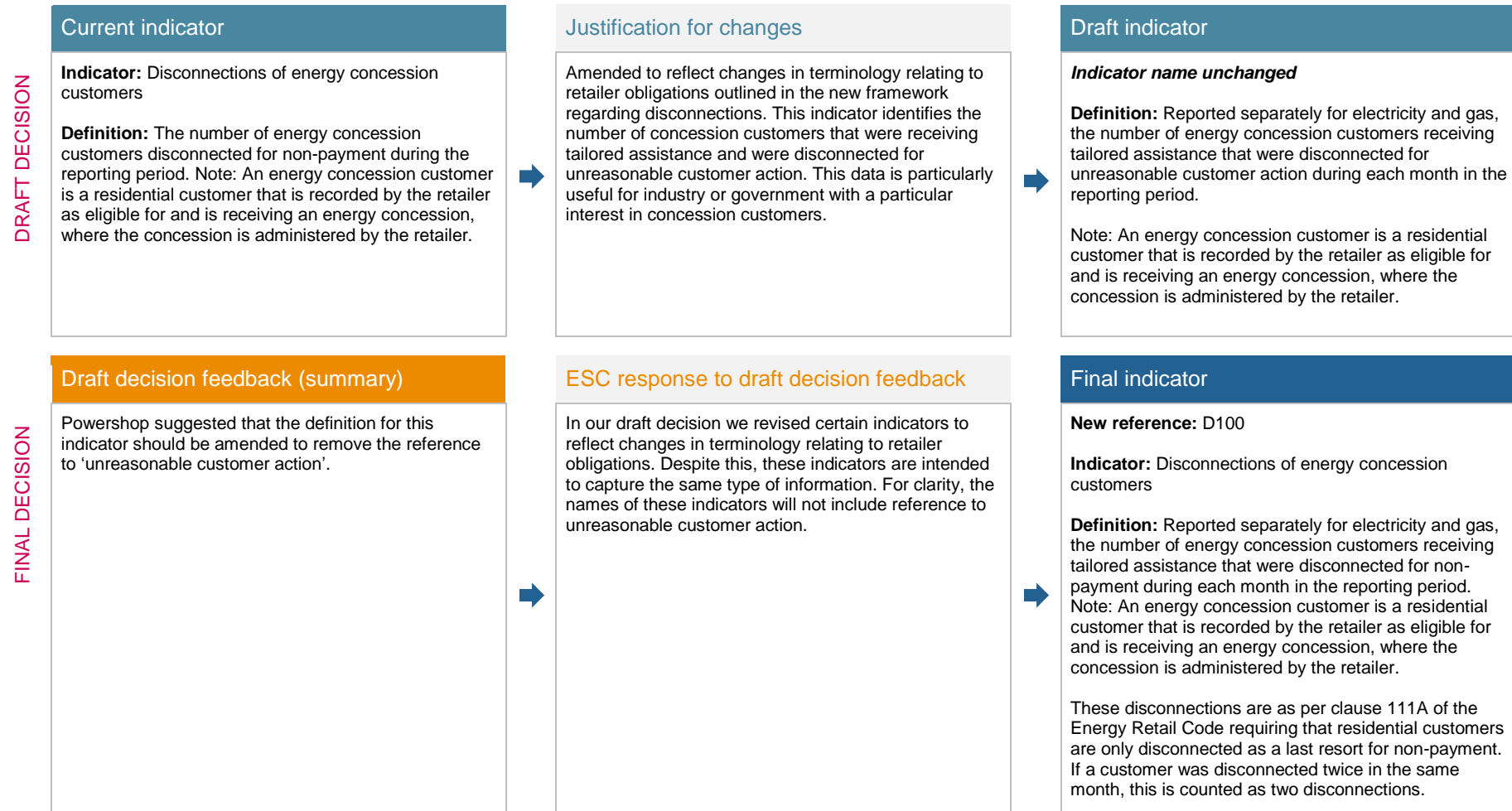
H060 – Debt classifications of new entrants into a hardship program



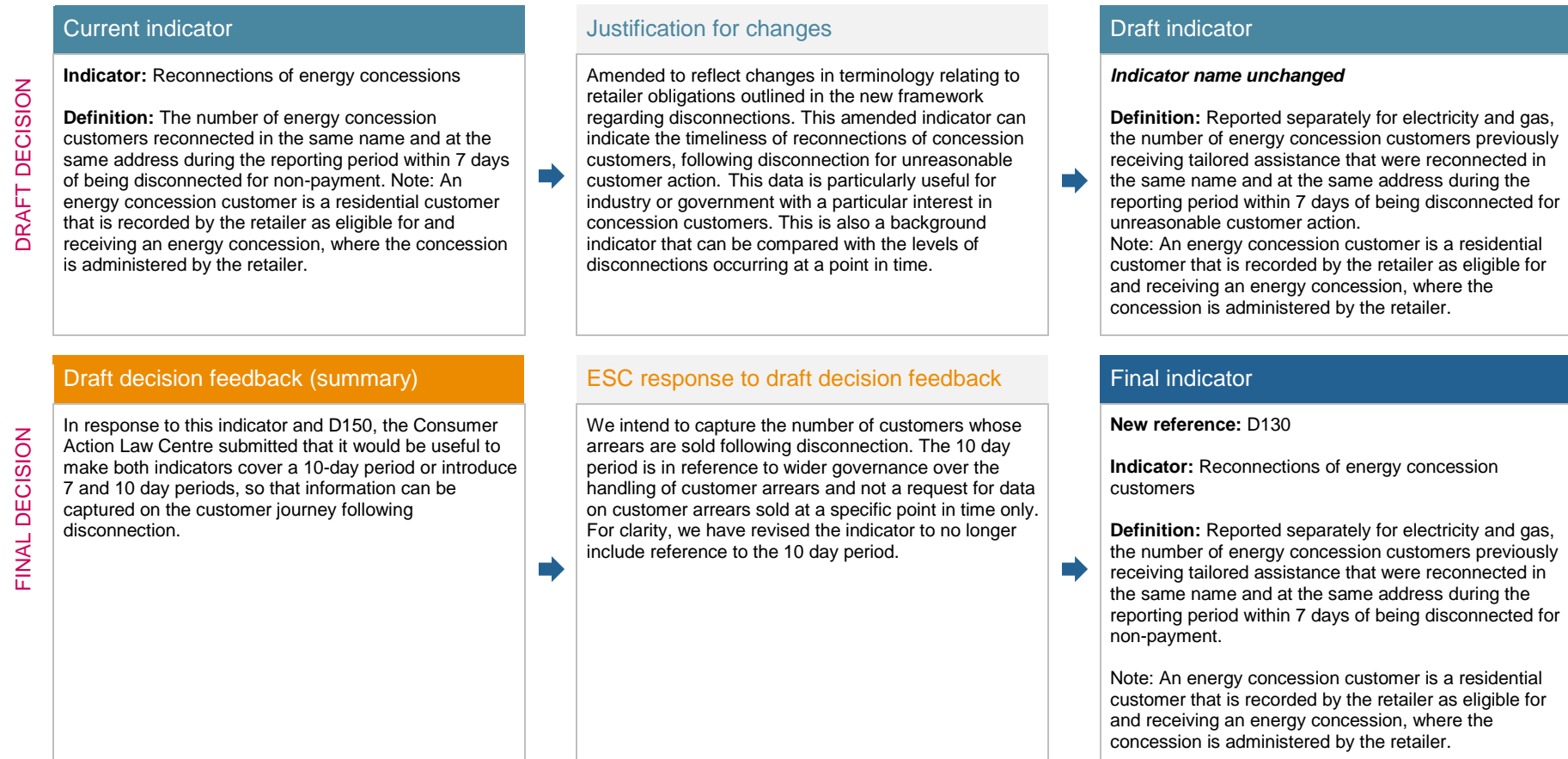
H100 – Hardship program exists due to switching, transferring or leaving the retailer



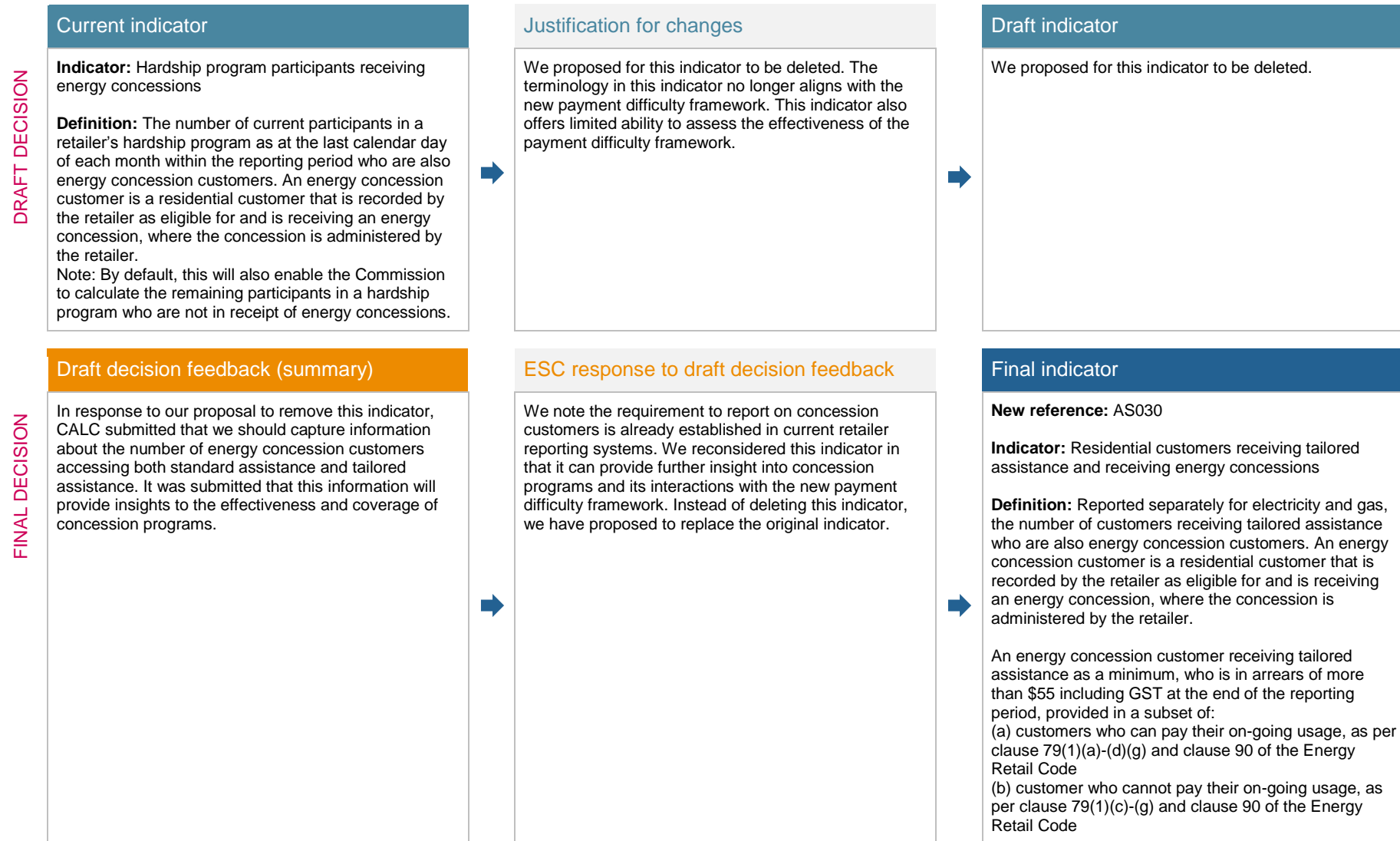
D100 – Disconnections of energy concession customers



D130 – Reconnections of energy concessions



H030 – Hardship program participants receiving energy concessions



Additions to performance indicators

In assessing additions to performance indicators, we considered the objectives of the framework, the outcomes that could be determined, achievability and gaps in the suite of existing performance indicators. These reflect the final performance indicators following consideration of stakeholder feedback on the draft decision, as described in our response set out in the table below.

AS010 – Residential customers receiving standard assistance (new indicator)

DRAFT DECISION	Current indicator	Justification for new indicator	Draft indicator
	No current indicator – a new reporting indicator is required under the new framework.	<p>This indicator provides information on the number of customers who receive standard assistance to assist them to avoid getting into arrears. This indicator identifies the extent that customers are being supported by their retailer to avoid getting into arrears.</p> <p>It should be noted that this indicator replaces the intent of the existing hardship and payment plan indicators H010, H020, D020, D021, and D022.</p>	<p>Indicator: Residential customers receiving standard assistance</p> <p>Definition: Reported separately for electricity and gas, the number of customers receiving standard assistance A customer receiving standard assistance as a minimum (as per clauses 76(2)(a-d) and clause 90 of the ERC that applies on 1 January 2019), who is not in arrears of more than \$55 including GST at the end of the reporting period.</p>
		➔	➔

Draft decision feedback (summary)

AGL sought clarity on how to differentiate between customers making a payment choice, as opposed to taking up standard assistance due to anticipated payment difficulties. They propose that this indicator will result in over reporting.

Similarly, Momentum Energy sought clarity on how to report on customers who commence and complete standard assistance in the form of a payment extension in the same month. Momentum Energy also suggested there was difficulty in reporting on customers who pay in advance without making formal arrangements with their retailer to do so.



ESC response to draft decision feedback

Standard assistance is available to all customers to help them from getting into arrears, by managing their payments in the best way possible. This includes all payment options available under standard assistance regardless of whether the customer is anticipating payment difficulties.

For clarity, customers should only be captured under this indicator if their payment options under standard assistance are in place at the end of the month. A payment extension under standard assistance is to be applied for at least one billing cycle in any 12 month period. We are aware that this may not result in the recording of a customer commencing and completing a payment extension option under standard assistance within a single month, but consider this unlikely given the minimum payment extension must be at least one billing cycle.

Regarding customers who pay in advance, retailers should only report on customers who have arrangements in place with their retailer to pay in advance.



Final indicator

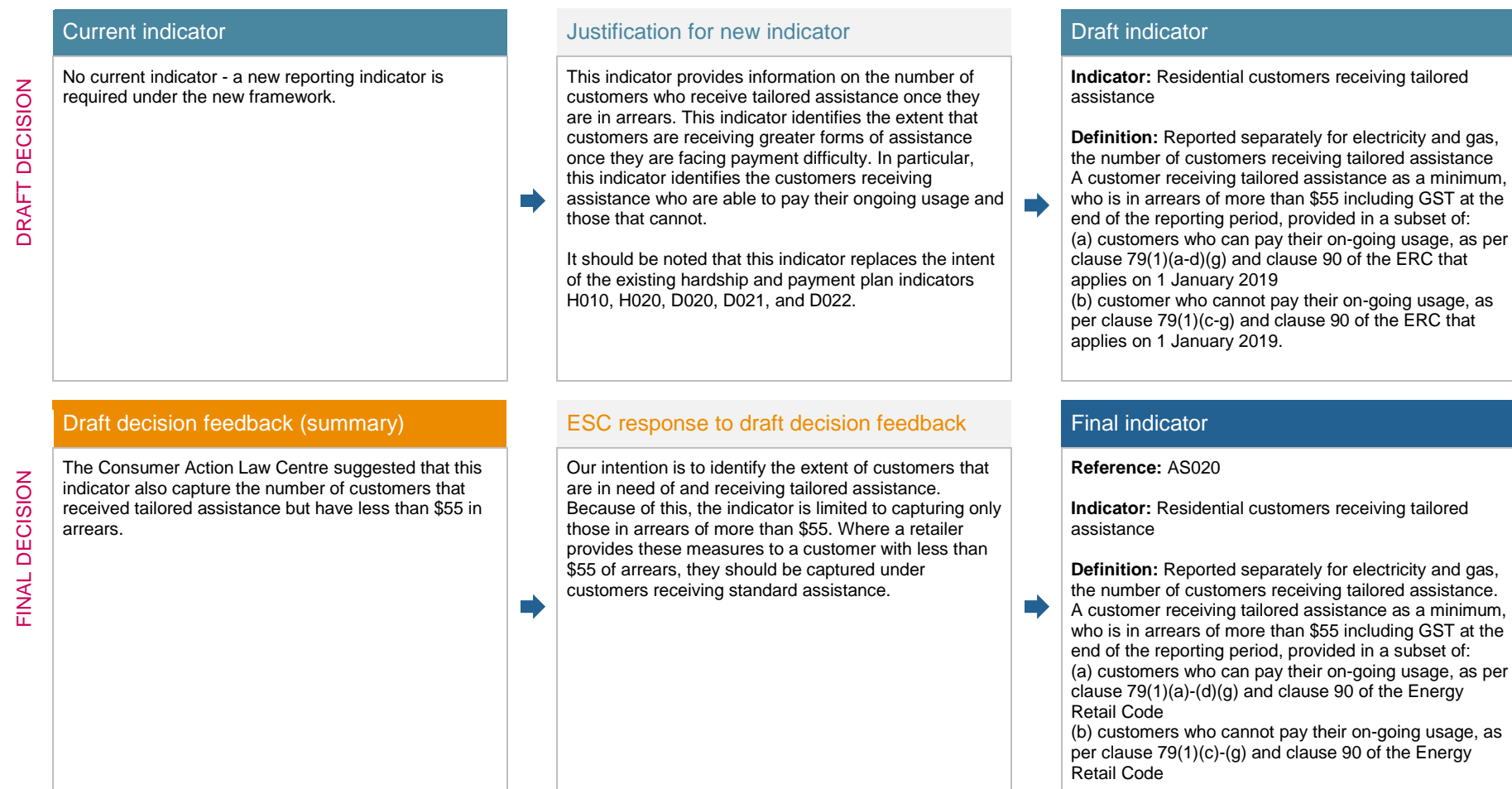
Reference: AS010

Indicator: Residential customers receiving standard assistance

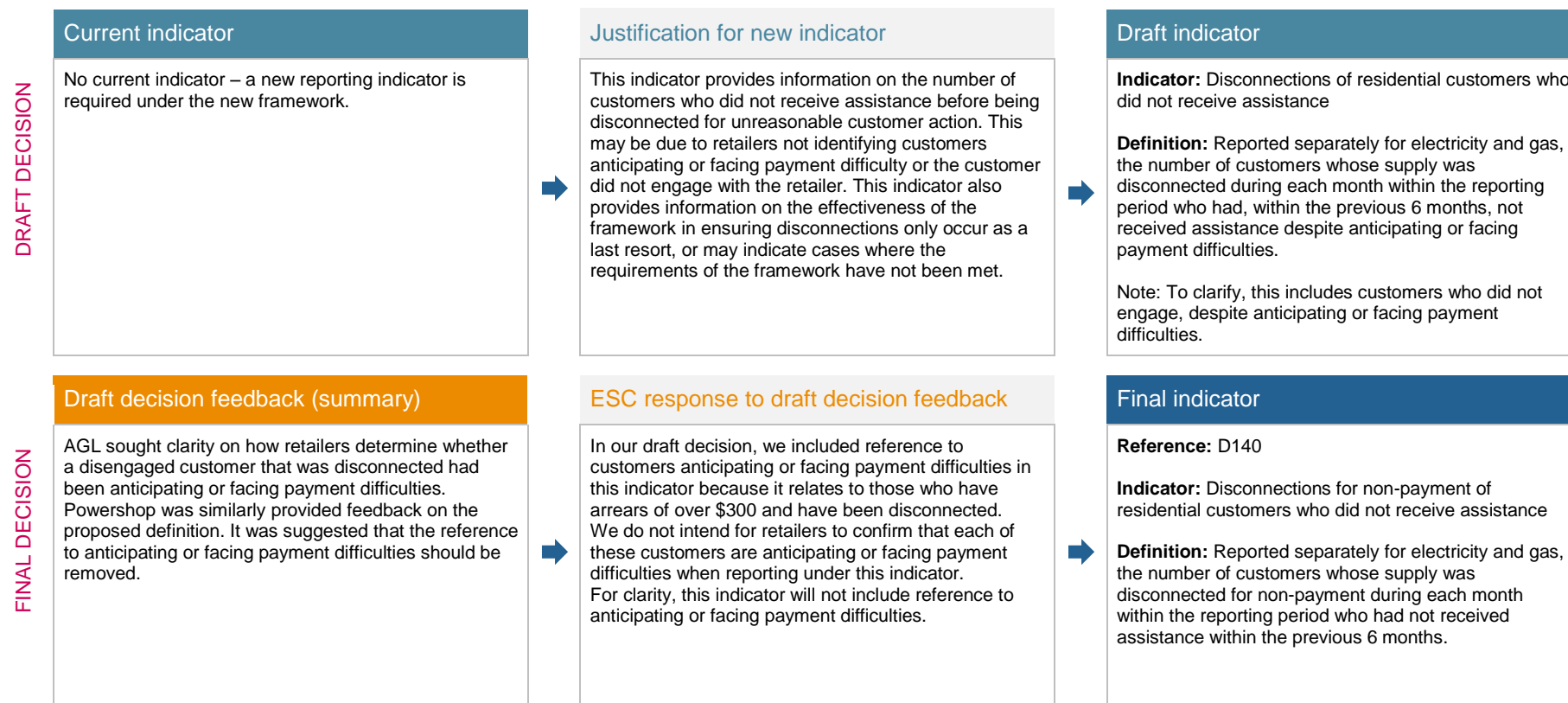
Definition: Reported separately for electricity and gas, the number of customers receiving standard assistance. A customer receiving standard assistance as a minimum as at the end of the reporting period.

Note: Standard assistance is as per clauses 76(2)(a)-(d) and clause 90 of the Energy Retail Code. This assumes a customer is not in arrears of more than \$55 including GST at the end of the reporting period.

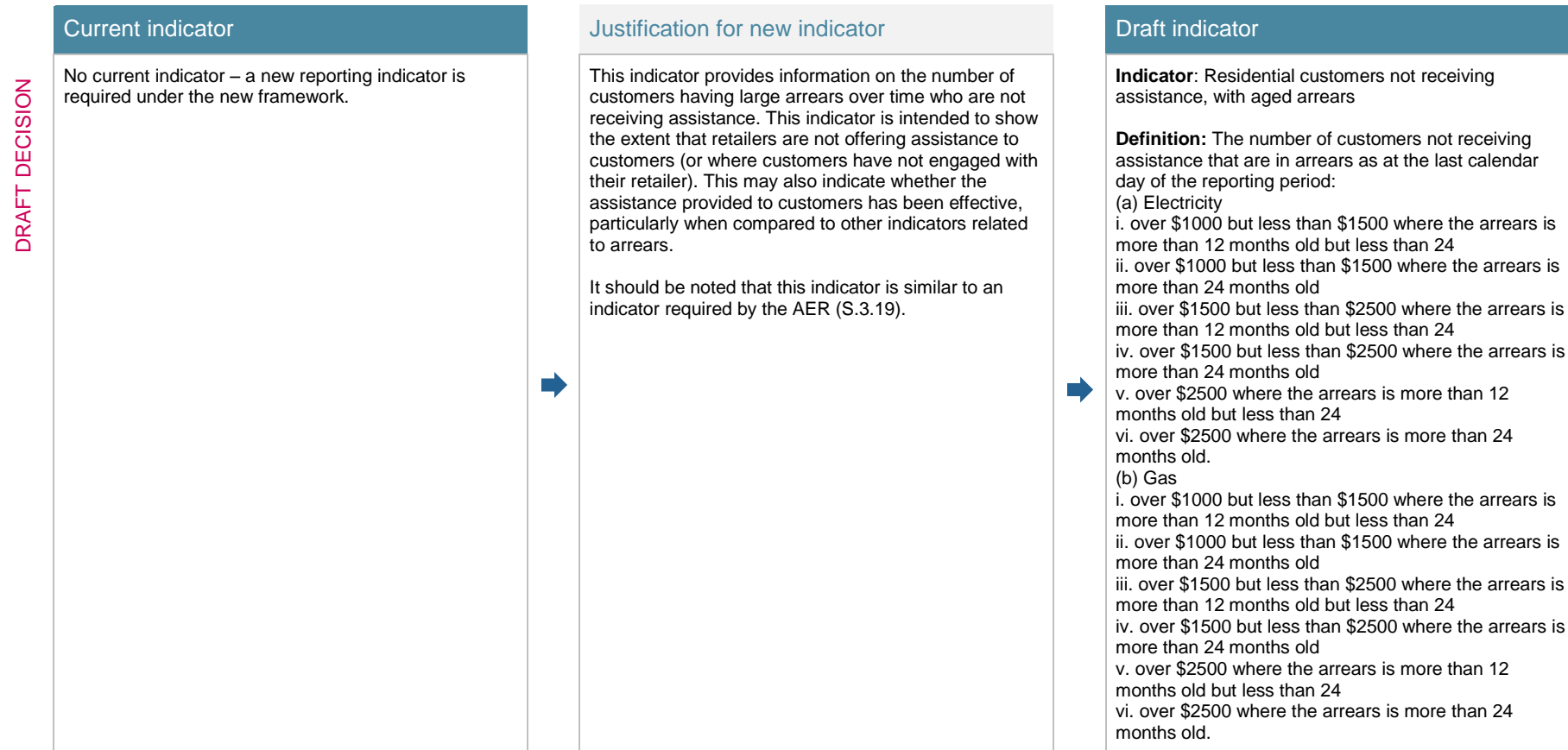
AS020 – Residential customers receiving tailored assistance (new indicator)



D140 – Disconnection for non-payment of residential customers who did not receive assistance (new indicator)



AR050 – Residential customers not receiving tailored assistance, with aged arrears (new indicator)



Draft decision feedback (summary)

The Consumer Action Law Centre suggested that a higher classification of arrears greater than \$5,000 be included, as there is greater risk to a customer with this level of debt.

Powershop submitted that the term 'aged' should be removed from the indicator, due to potential inconsistent interpretations by retailers (depending on collection cycle).

AGL sought clarity on whether standard assistance should be included in this indicator. AGL also sought clarity on how the age of a customer's arrears should be calculated, with particular regard to the timing of accrual and whether the calculation should be based on invoiced amounts.



ESC response to draft decision feedback

We recognise the importance of understanding the number of customers commencing tailored assistance with arrears over \$5,000, particularly given these high levels of arrears.

For reporting clarity, the age of a customers' arrears should be counted from when they began to accrue more than \$55 and should be calculated on the basis of invoiced amounts. The total amount is to be treated as a whole and not segmented by financial or calendar year.

It should also be noted that we do not consider standard assistance applicable to this indicator, given the level of arrears described in this indicator.

The timeframes for aged arrears are described within the bands of the indicator itself. When calculating this, the age of the customer's arrears is counted from when they began to accrue more than \$55.

We have revised the definition of this indicator for reporting clarity.



Final indicator

Reference: AR050

Indicator: Residential customers not receiving tailored assistance, with aged arrears

Definition: Reported separately for electricity and gas, the number of customers not receiving tailored assistance that are in arrears as at the last calendar day of the reporting period:

- a) over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24
- b) over \$1000 but less than \$1500 where the arrears is more than 24 months old
- c) over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24
- d) over \$1500 but less than \$2500 where the arrears is more than 24 months old
- e) over \$2500 but less than \$5000 where the arrears is more than 12 months old but less than 24
- f) over \$2500 but less than \$5000 where the arrears is more than 24 months old
- g) over \$5000 where the arrears is more than 12 months old but less than 24
- h) over \$5000 where the arrears is more than 24 months old.

Note: The age of the customer's arrears is to be counted from when they began to accrue arrears of more than \$55 including GST on their account, and covers the full amount of a customer's arrears. Our definition assumes that customer arrears are based on the unpaid invoices of a customer.

AR040 – Residential customers receiving tailored assistance, with aged arrears (new indicator)

DRAFT DECISION	Current indicator	Justification for new indicator	Draft indicator
	<p>No current indicator – a new reporting indicator is required under the new framework.</p>	<p>This indicator provides information on the number of customers receiving assistance that have large arrears over time. This may indicate whether the assistance provided to customers has been effective in managing arrears, particularly when compared to other indicators related to arrears. It should be noted that this indicator is similar to an indicator required by the AER (S.3.19).</p>	<p>Indicator: Residential customers receiving assistance, with aged arrears</p> <p>Definition: The number of customers receiving assistance that are in arrears as at the last calendar day of the reporting period:</p> <p>(a) Electricity</p> <ul style="list-style-type: none"> i. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24 ii. over \$1000 but less than \$1500 where the arrears is more than 24 months old iii. over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24 iv. over \$1500 but less than \$2500 where the arrears is more than 24 months old v. over \$2500 where the arrears is more than 12 months old but less than 24 vi. over \$2500 where the arrears is more than 24 months old. <p>(b) Gas</p> <ul style="list-style-type: none"> i. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24 ii. over \$1000 but less than \$1500 where the arrears is more than 24 months old iii. over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24 iv. over \$1500 but less than \$2500 where the arrears is more than 24 months old v. over \$2500 where the arrears is more than 12 months old but less than 24 vi. over \$2500 where the arrears is more than 24 months old.
	➔	➔	

Draft decision feedback (summary)

The Consumer Action Law Centre suggested that a higher classification of arrears greater than \$5,000 be included, as there is greater risk to a customer with this level of debt.

EnergyAustralia suggested that this indicator only capture customers receiving tailored assistance as per the minimum entitlement for any customer with arrears of more than \$55.

AGL sought clarity on whether standard assistance should be included in this indicator. AGL also sought clarity on how the age of a customer's arrears should be calculated, with particular regard to the timing of accrual and whether the calculation should be based on invoiced amounts.



ESC response to draft decision feedback

We recognise the importance of understanding the number of customers commencing tailored assistance with arrears over \$5,000, particularly given these high levels of arrears.

For reporting clarity, the age of the customers' arrears is to be counted from when they began to accrue more than \$55 on their account, and covers the full amount of a customer's arrears. Customer arrears are to be based on the unpaid invoices of a customer.

It should also be noted that we do not consider standard assistance applicable to this indicator, given the level of arrears described in this indicator.



Final indicator

Reference: AR040

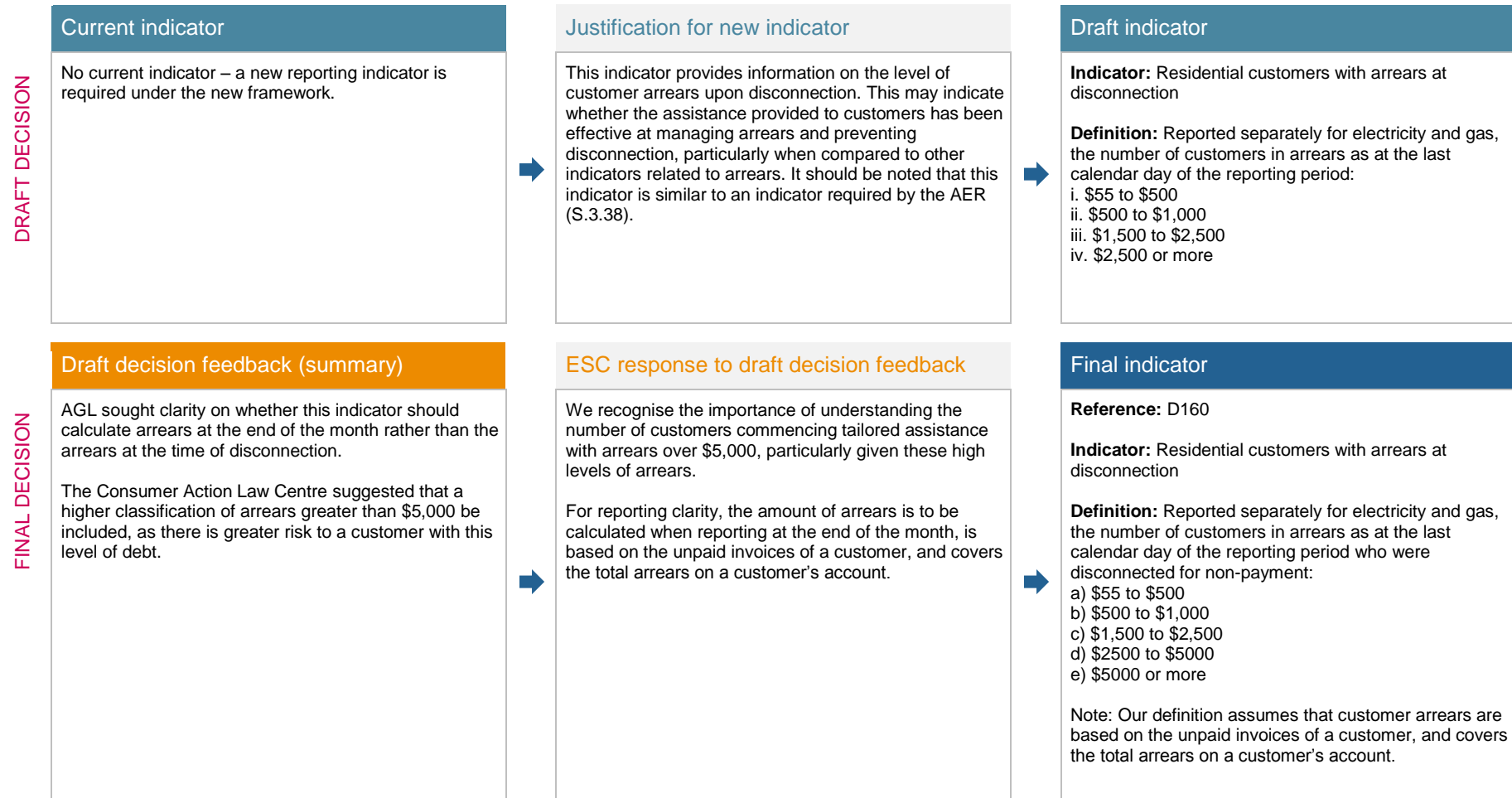
Indicator: Residential customers receiving tailored assistance, with aged arrears

Definition: Reported separately for electricity and gas, the number of customers receiving tailored assistance that are in arrears as at the last calendar day of the reporting period:

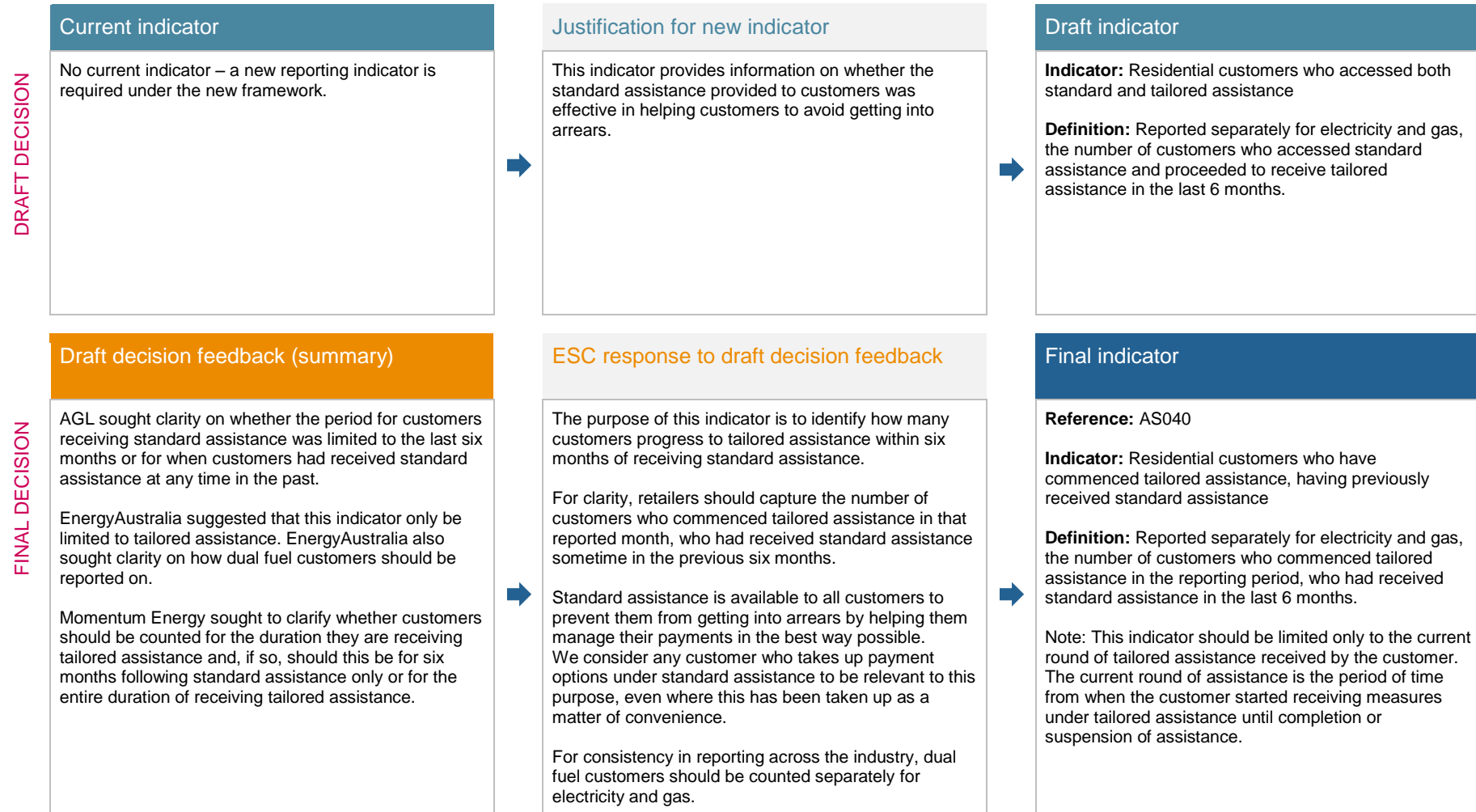
- a) over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24
- b) over \$1000 but less than \$1500 where the arrears is more than 24 months old
- c) over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24
- d) over \$1500 but less than \$2500 where the arrears is more than 24 months old
- e) over \$2500 but less than \$5000 where the arrears is more than 12 months old but less than 24
- f) over \$2500 but less than \$5000 where the arrears is more than 24 months old
- g) over \$5000 where the arrears is more than 12 months old but less than 24
- h) over \$5000 where the arrears is more than 24 months old.

Note: The age of the customer's arrears is to be counted from when they began to accrue arrears of more than \$55 including GST on their account, and covers the full amount of a customer's arrears. Our definition assumes that customer arrears are based on the unpaid invoices of a customer.

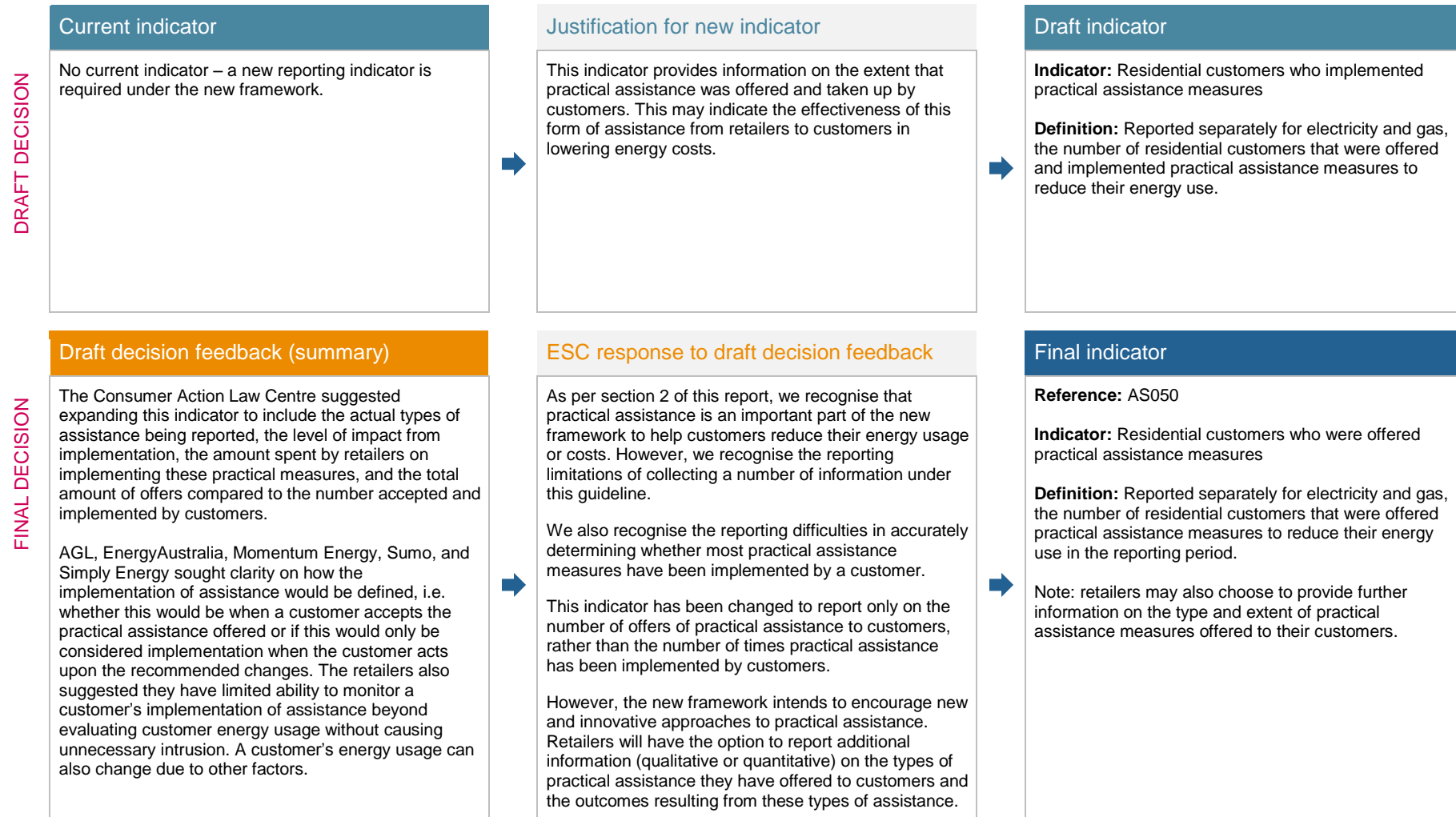
D160 – Residential customers with arrears at disconnection (new indicator)



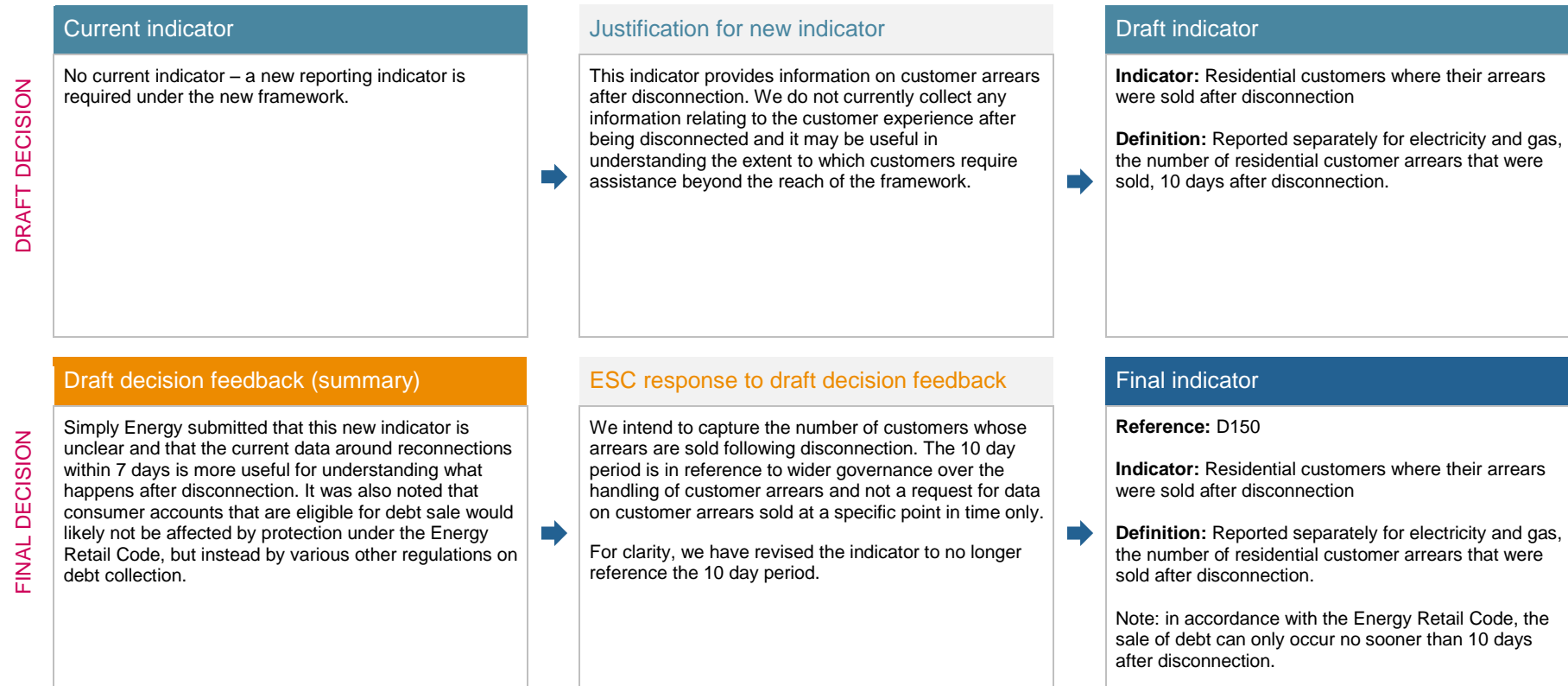
AS040 – Residential customers who have commenced tailored assistance, having previously received standard assistance (new indicator)



AS050 – Residential customers who were offered practical assistance measures (new indicator)



D150 – Residential customers where their arrears were sold after disconnection (new indicator)



Performance indicators to be removed

In assessing which performance indicators were no longer relevant, we considered the objectives of the framework, the outcomes that could be determined and achievability.

H010 – Hardship program participants (indicator removed)



D120 – Reconnections on more than one occasion (indicator removed)



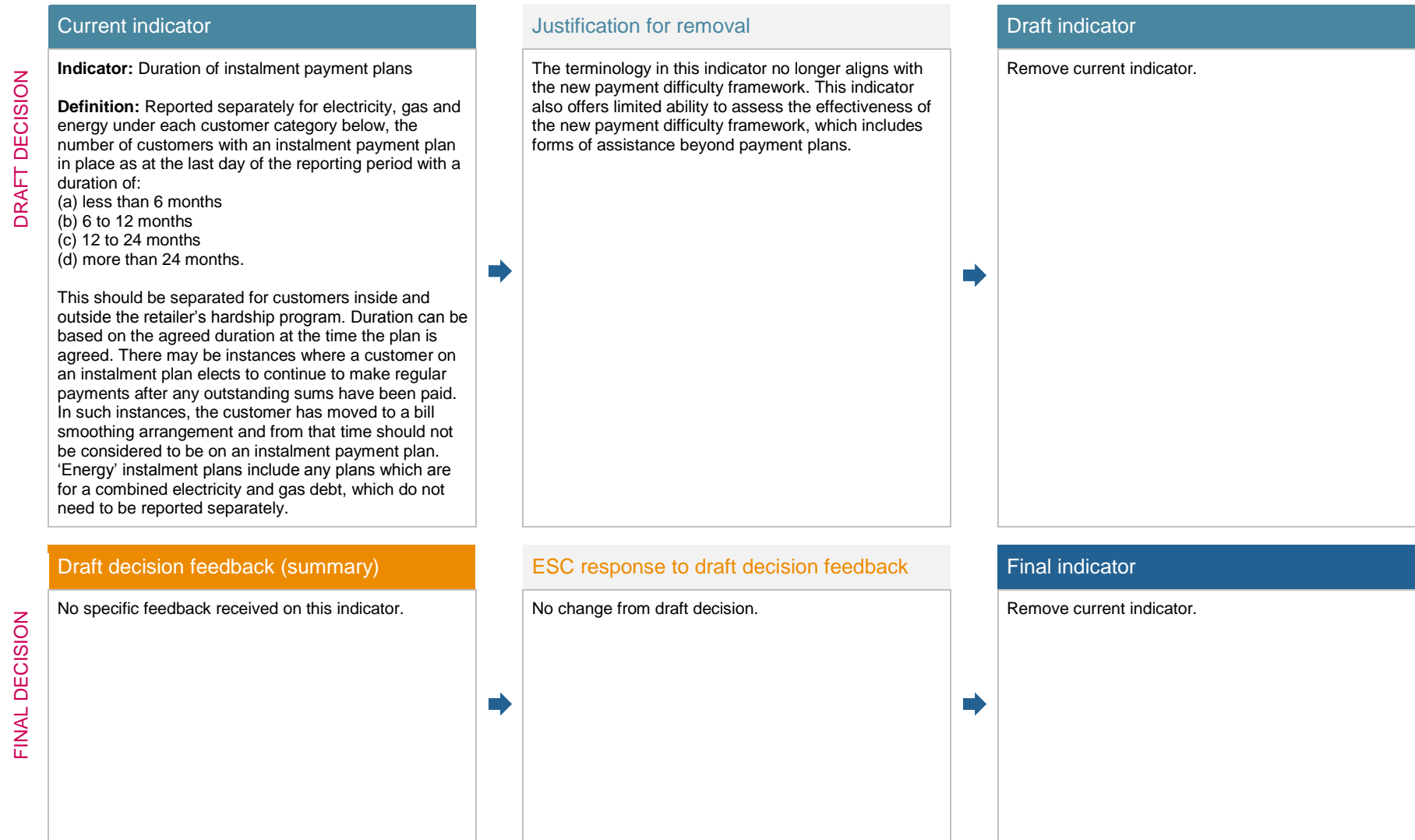
H130 – Reconnections of all previous hardship program customers within 12 months (indicator removed)



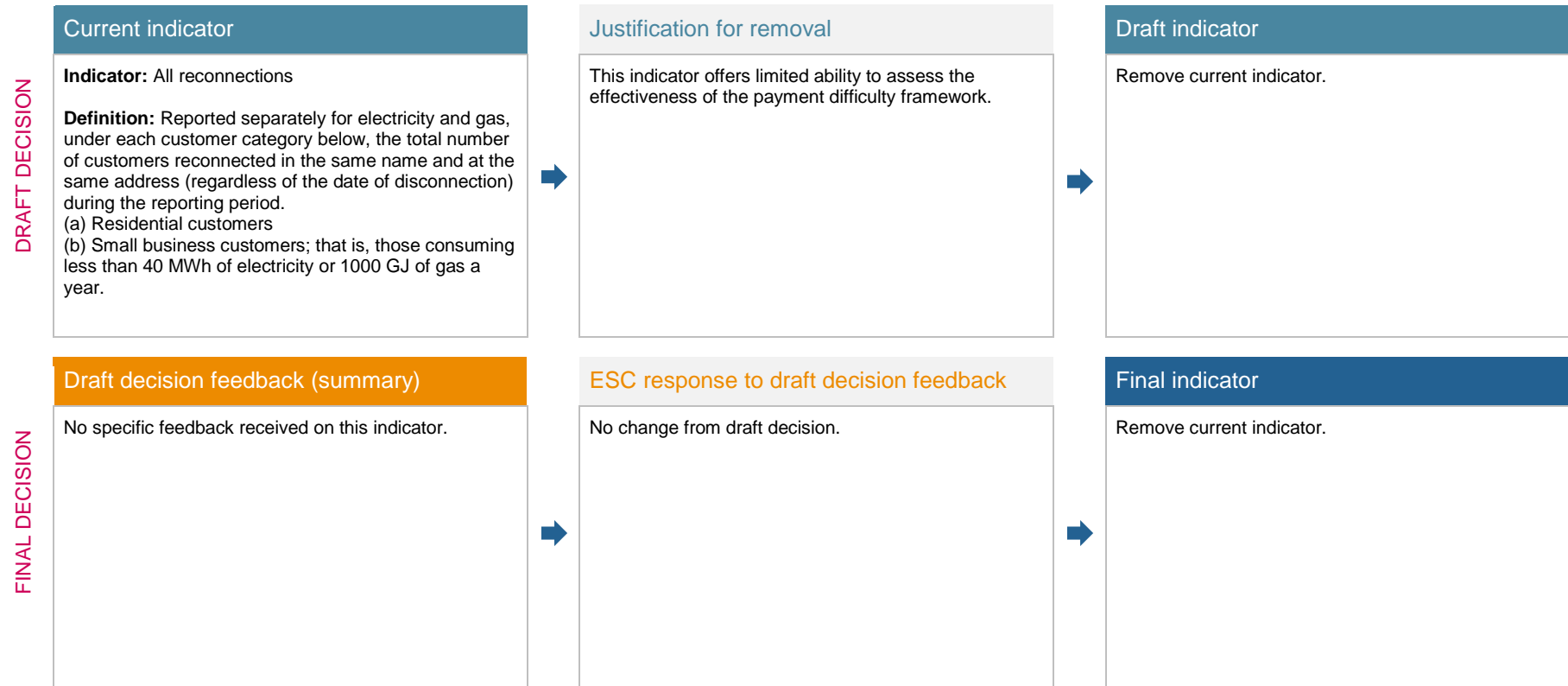
H160 – Hardship program participants (indicator removal)



D023 – Duration of payment plans (indicator removed)



D070 – All reconnections (indicator removed)



D110 – Reconnections previously on an instalment payment plan (indicator removed)



D024 – Debt on entry to instalment payment plans (indicator removed)



H140 – Energy field audits provided at no cost (indicator removed)



H150 – Energy field audits provided at partial costs (indicator removed)



H170 – Appliances provided under hardship program (indicator removed)



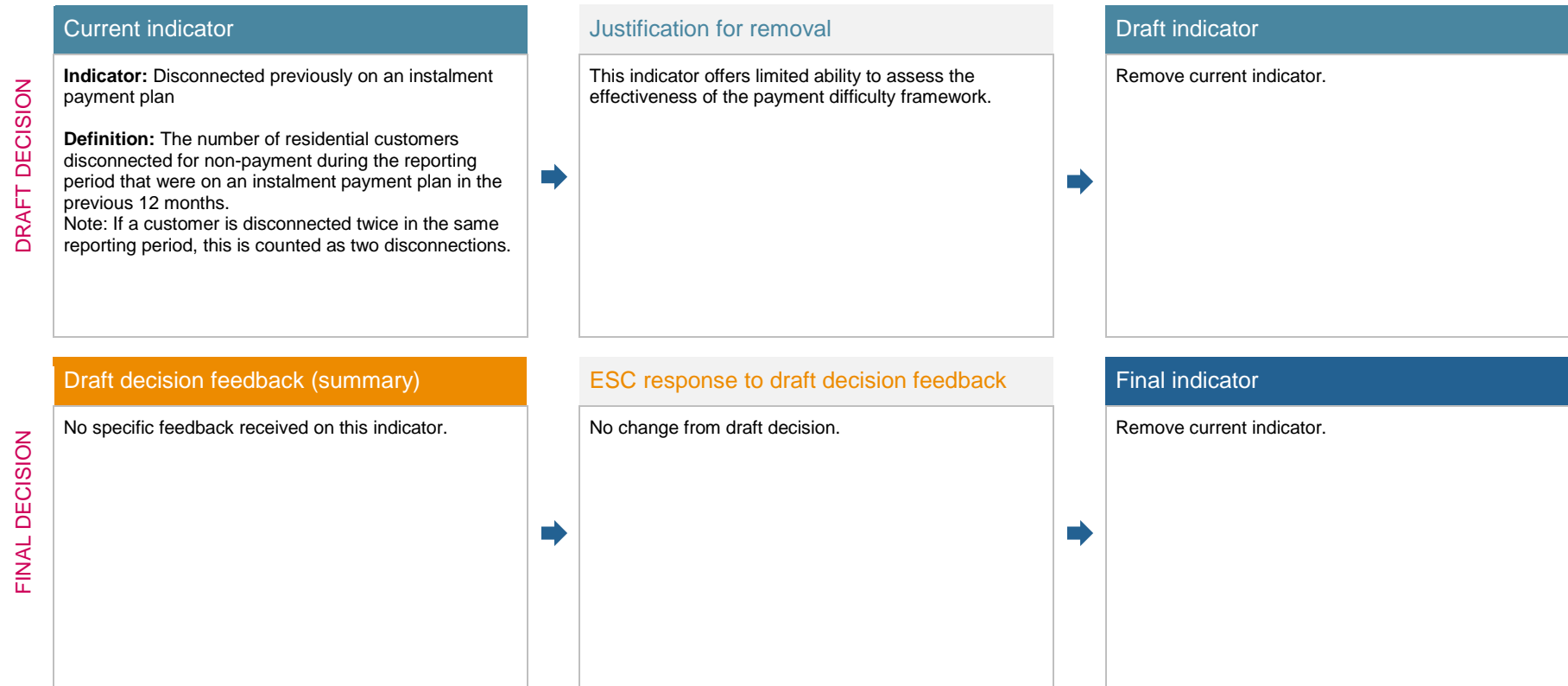
H020 – New entrants into retailer’s hardship program (indicator removed)



H040 – Customers denied access to a retailer’s hardship program (indicator removed)



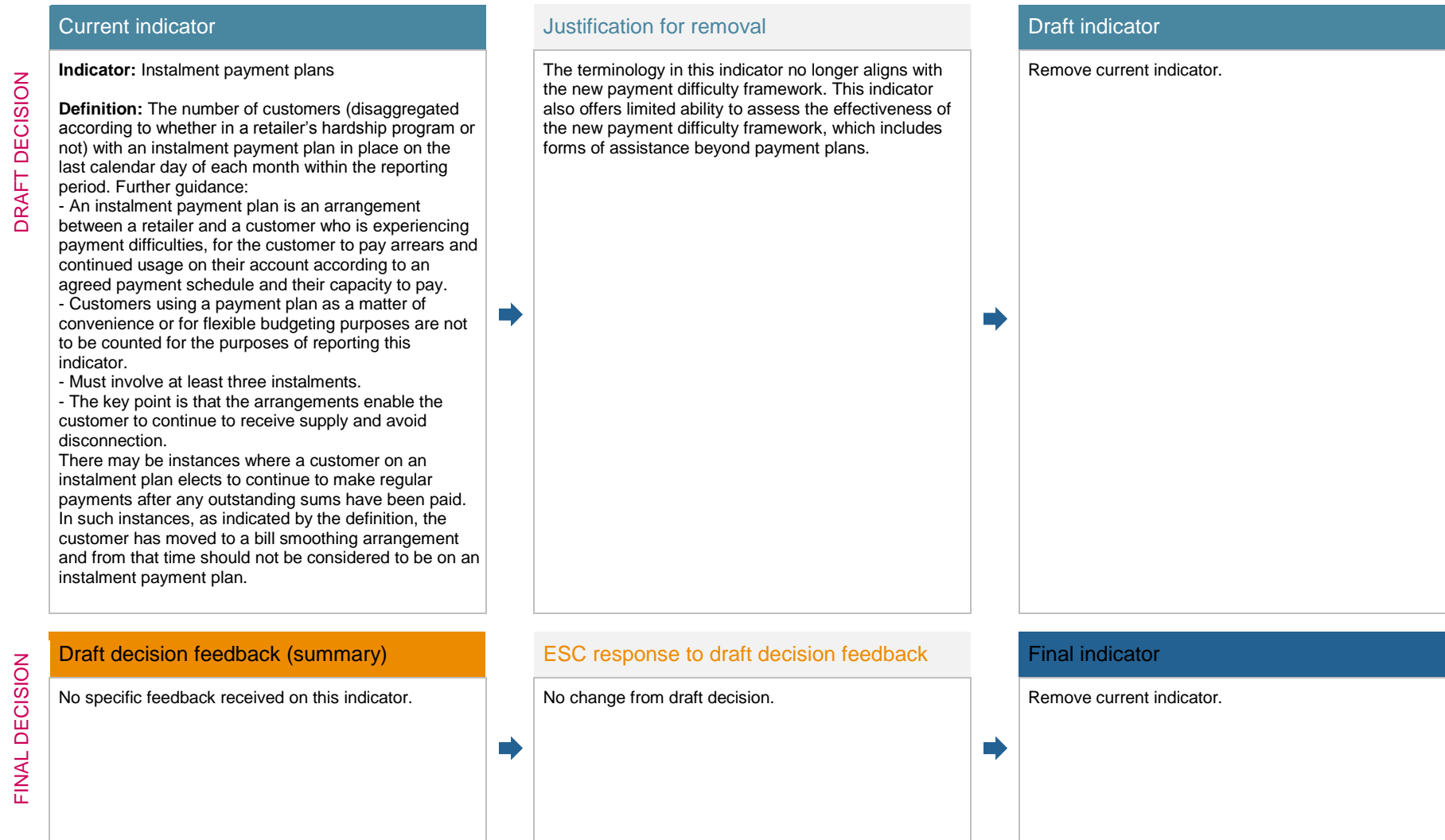
D080 – Disconnected previously on an instalment payment plan (indicator removed)



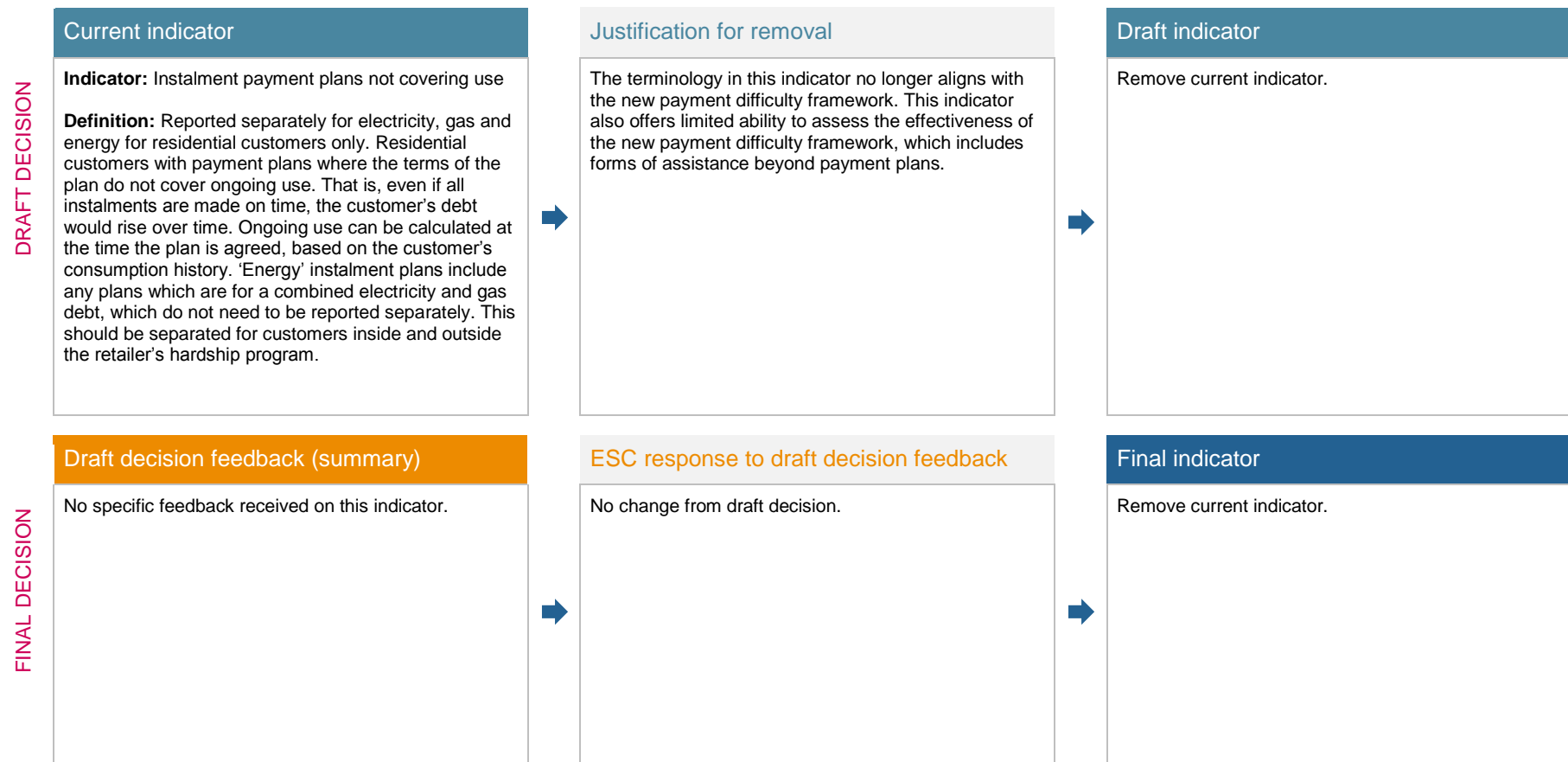
H120 – Disconnections of all previous hardship program customers within 12 months (indicator removed)



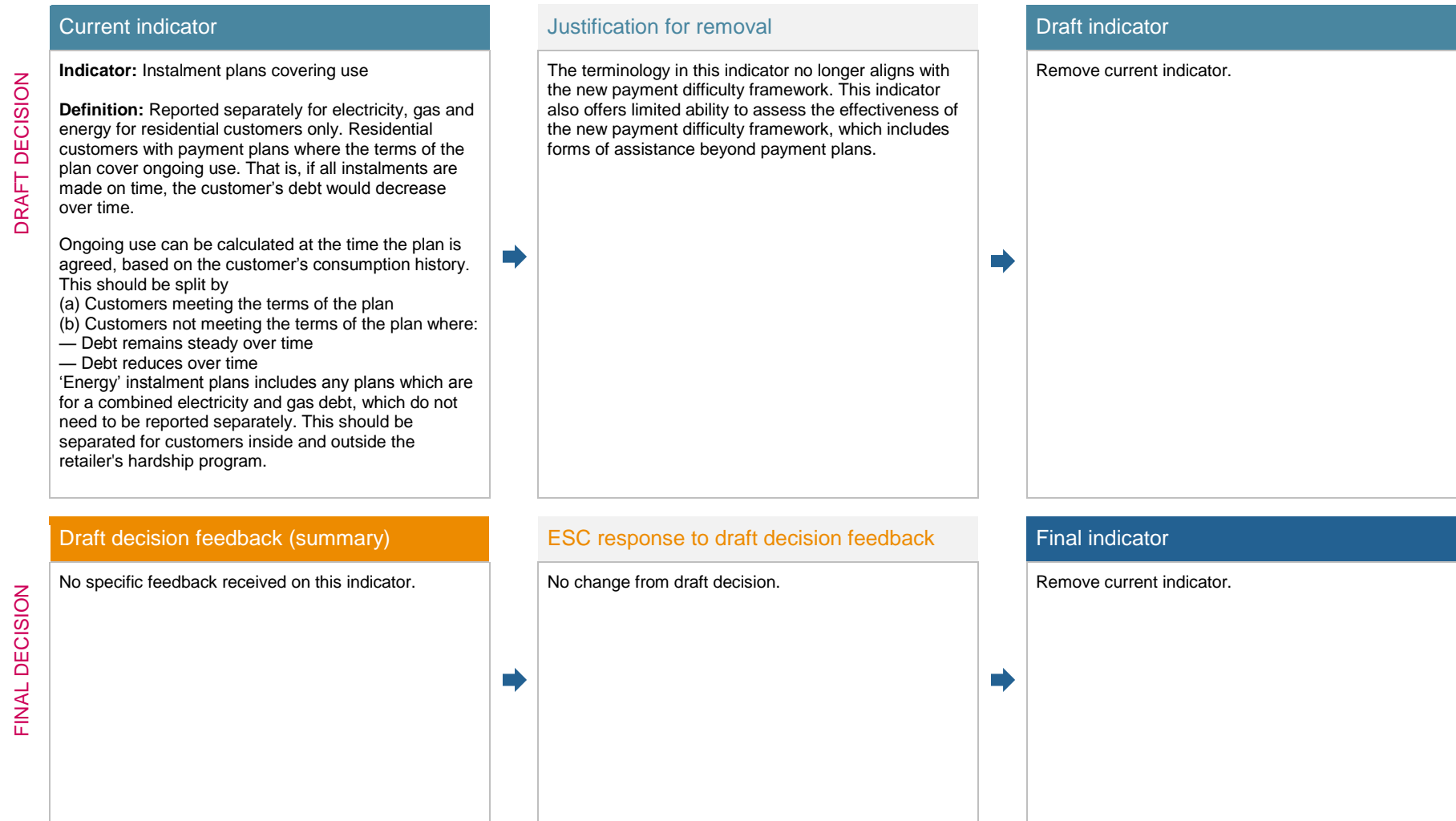
D020 – Instalment payment plans (indicator removed)



D021 – Instalment payment plans not covering use (indicator removed)



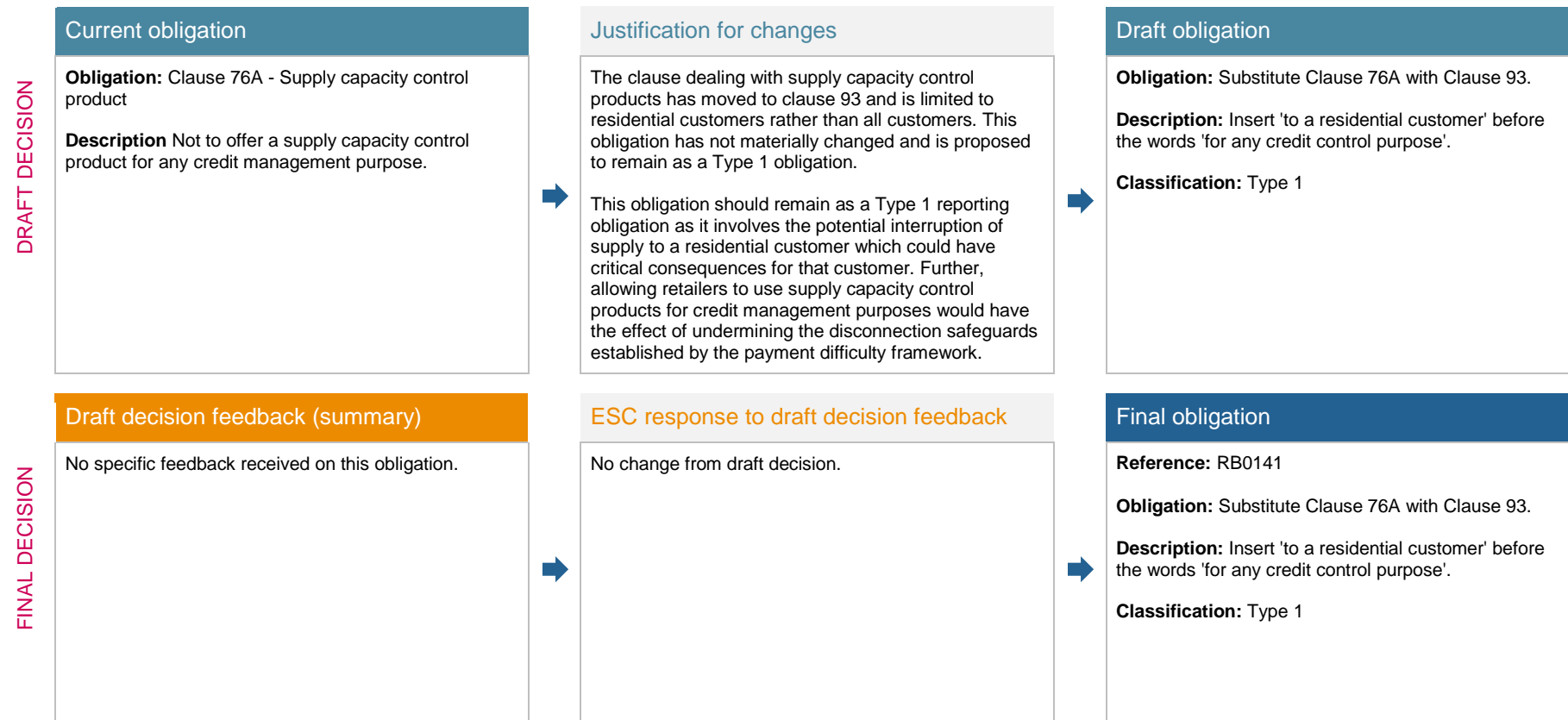
D022 – Instalment plans covering use (indicator removed)



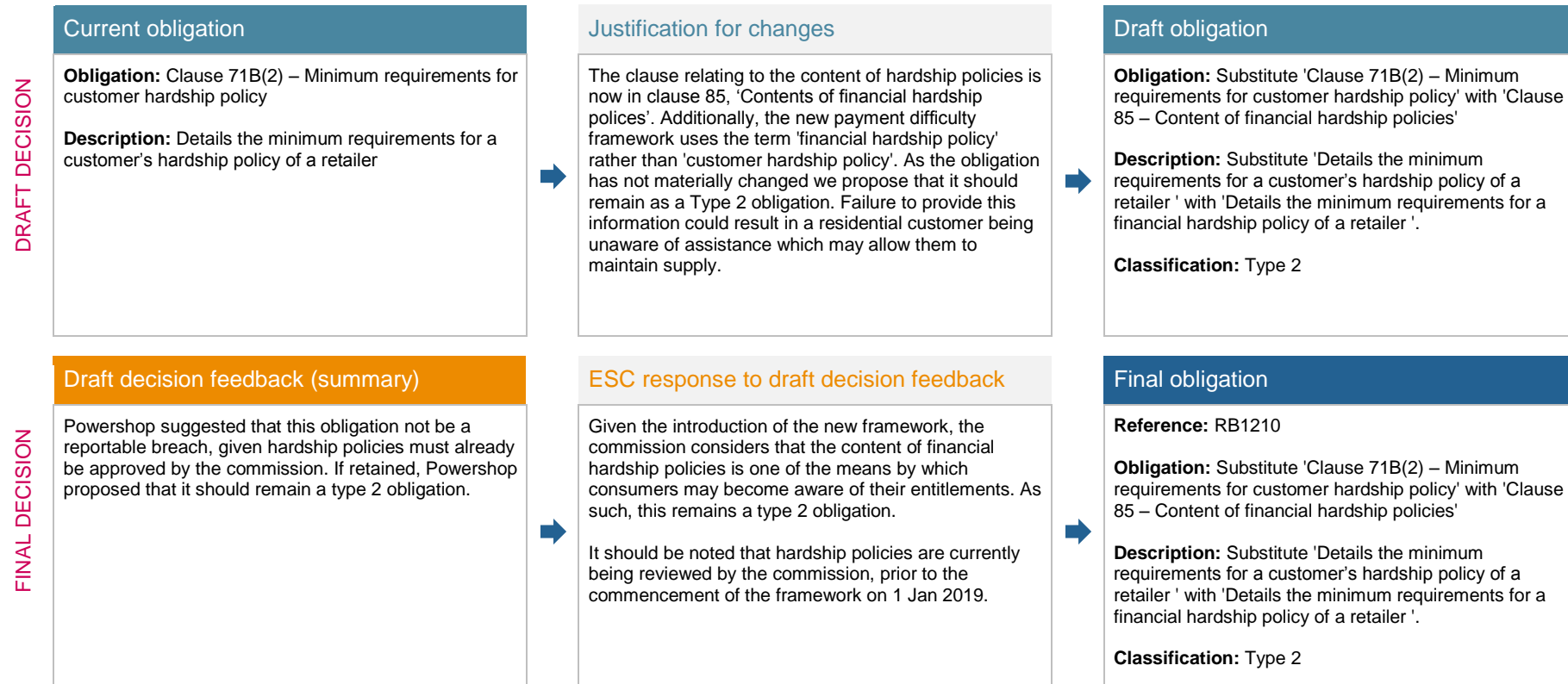
Appendix C – Changes to compliance reporting obligations

Modifications to existing compliance reporting obligations

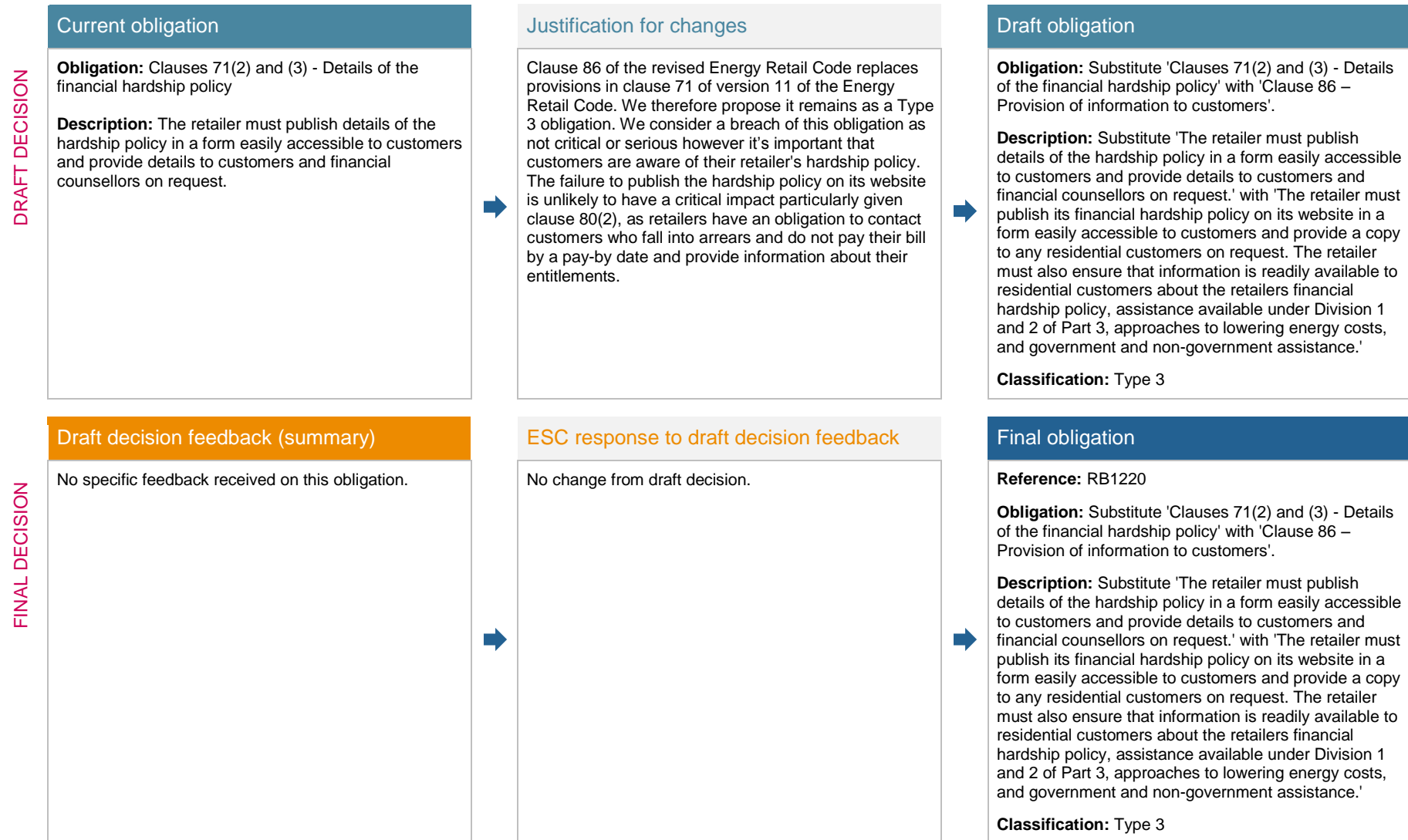
RB0141 – Clause 76A – Supply capacity control product



RB1210 – Clause 71B(2) – Minimum requirements for customer hardship policy

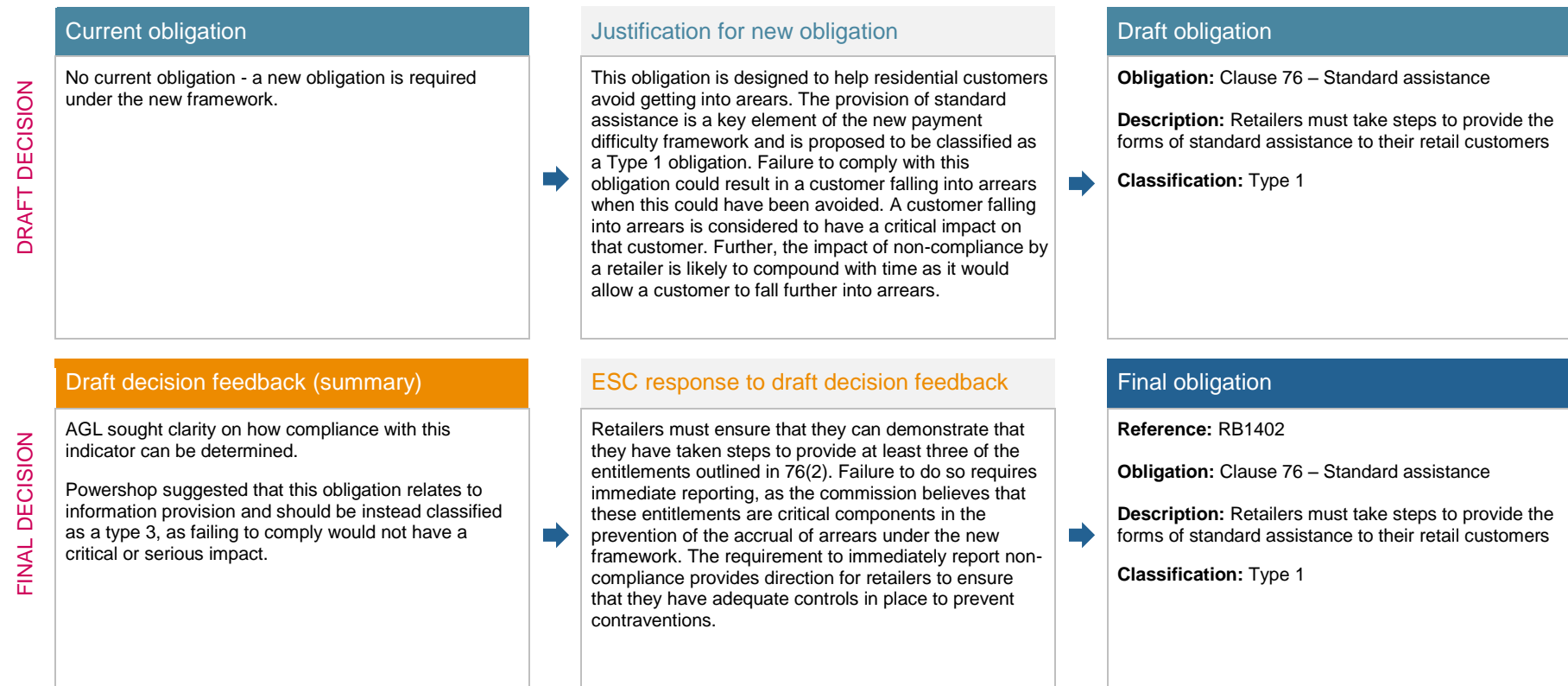


RB1220 – Clauses 71(2) and (3) - Details of the financial hardship policy

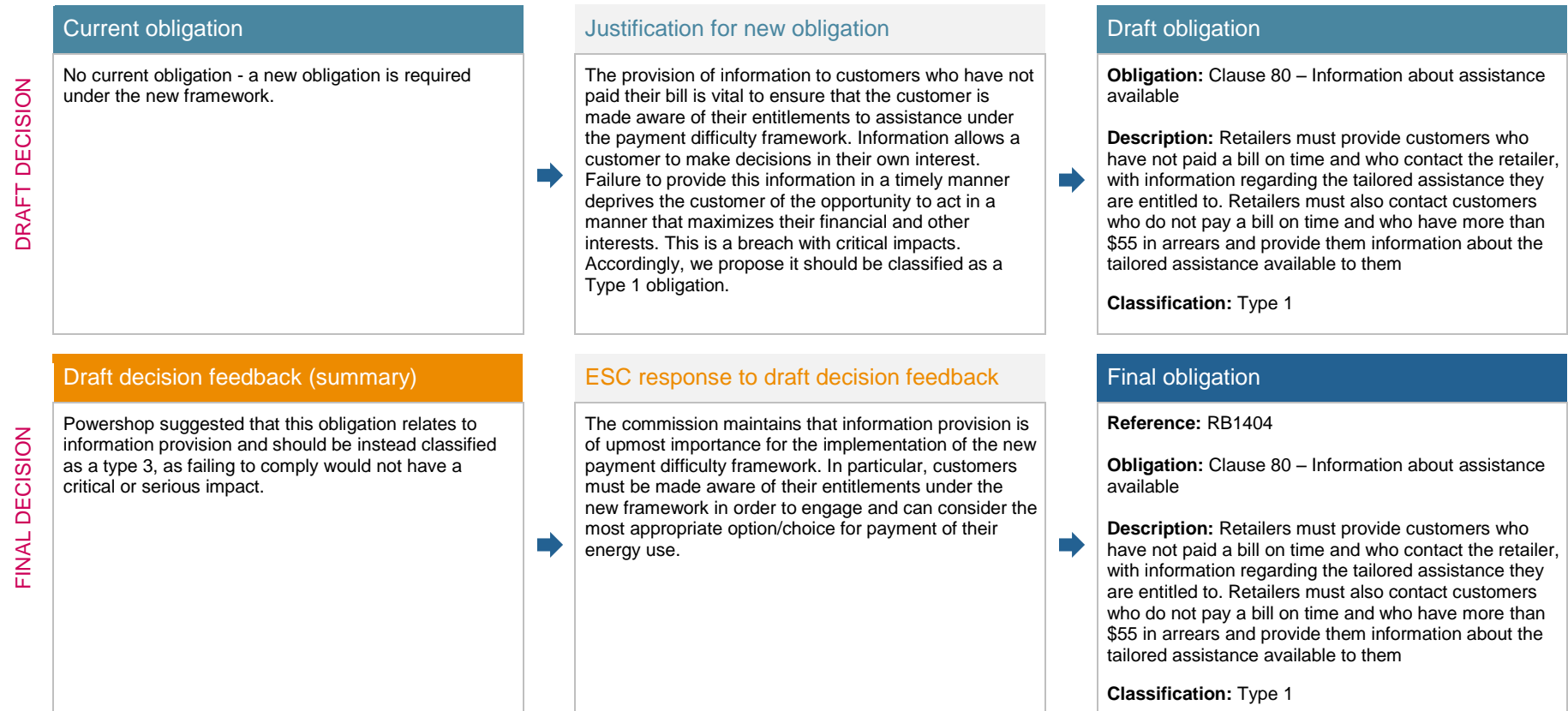


Additions to compliance reporting obligations

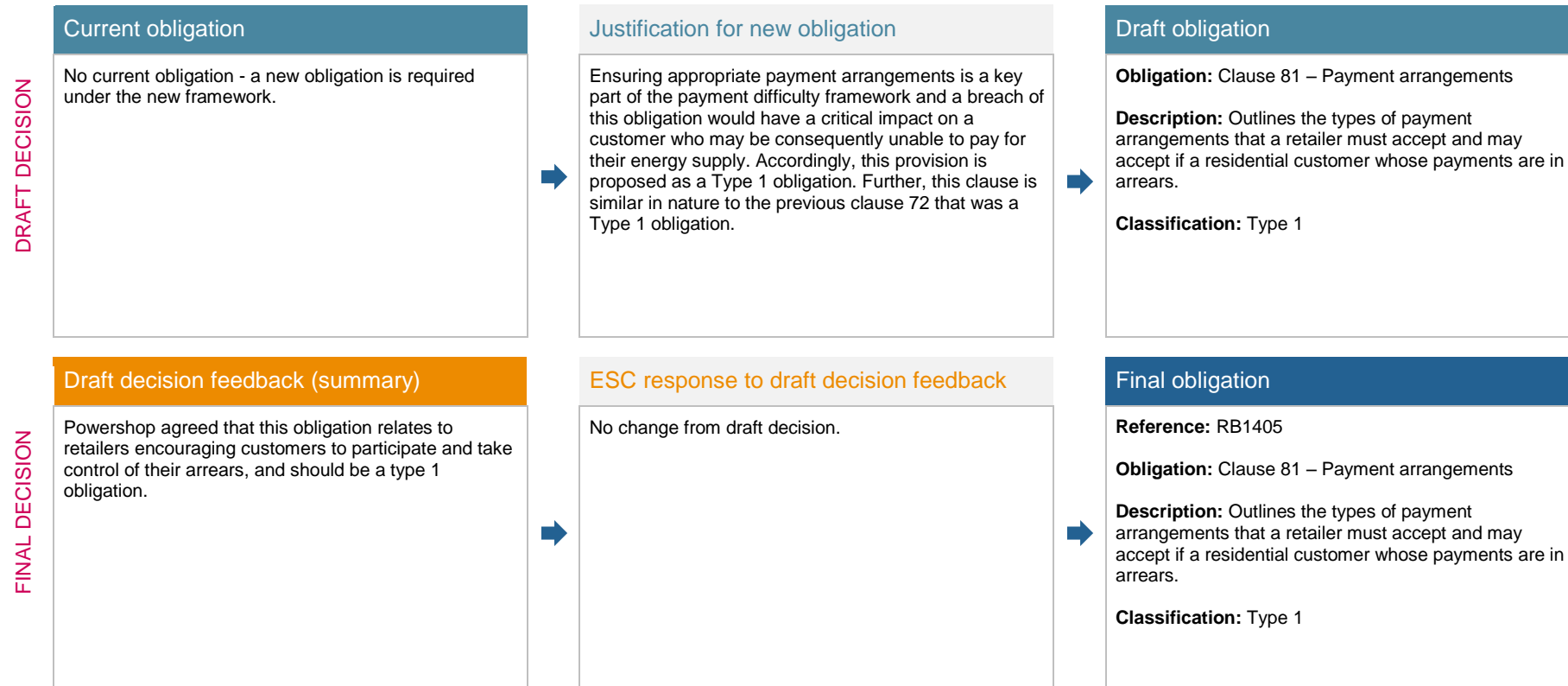
RB1402– Clause 76 – Standard assistance (new obligation)



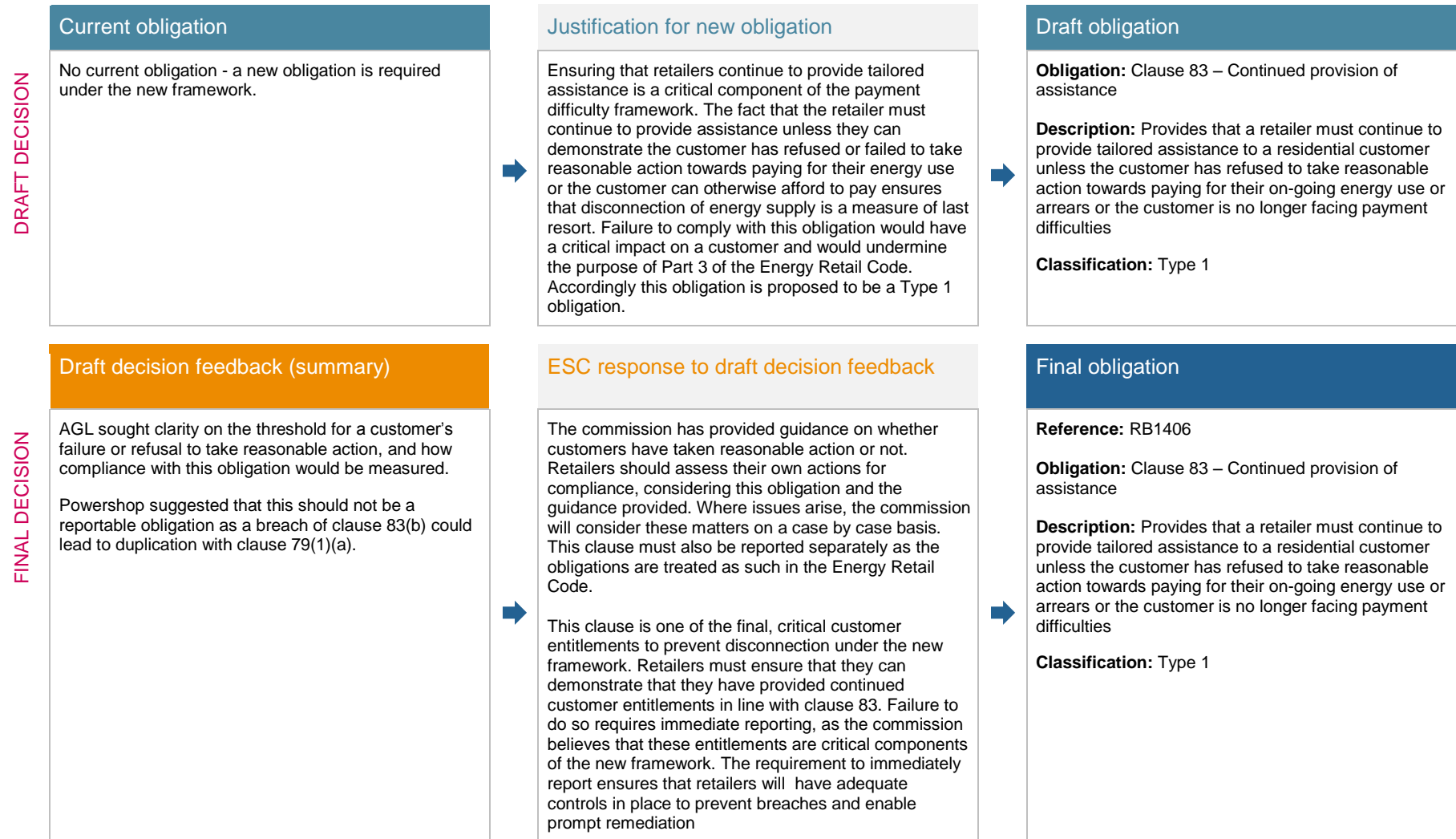
RB1404 – Clause 80 – Information about assistance available (new obligation)



RB1405 – Clause 81 – Payment arrangements (new obligation)



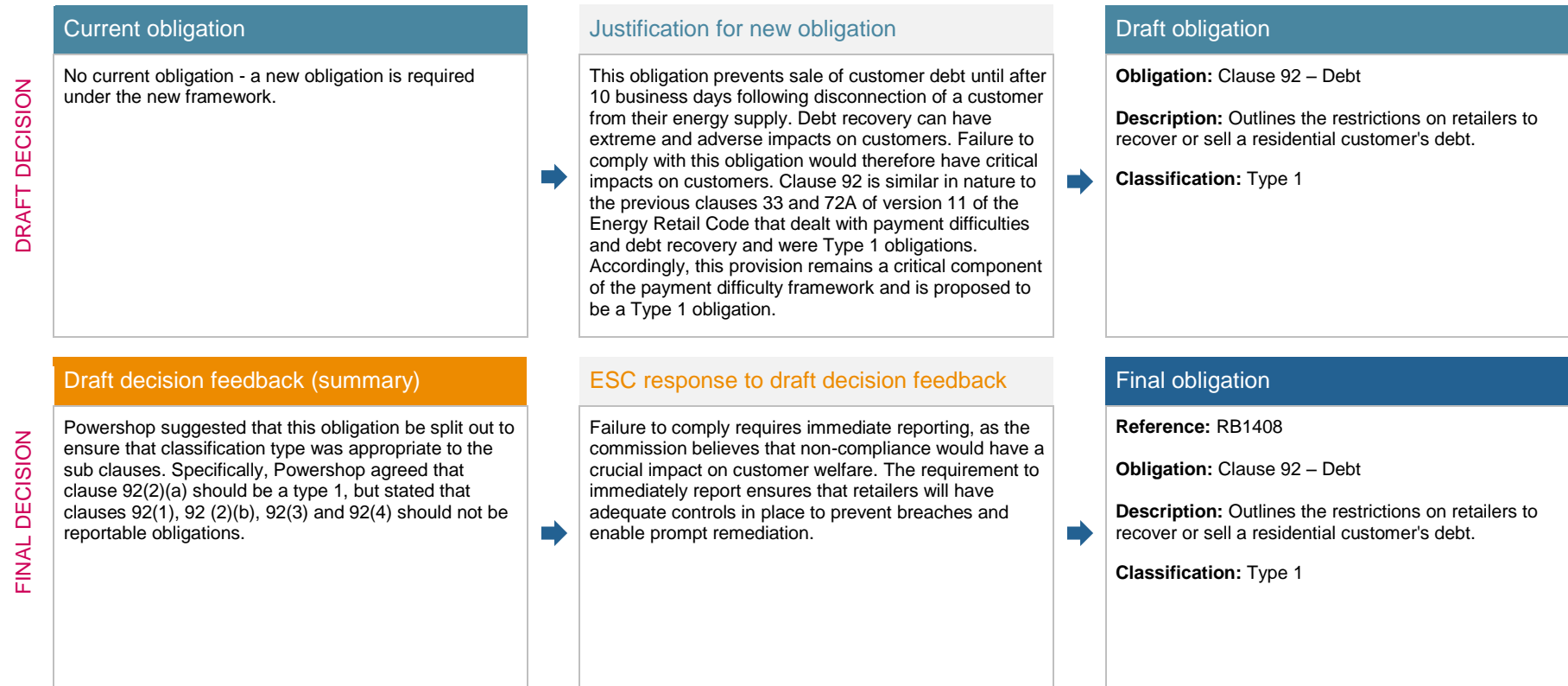
RB1406 – Clause 83 – Continued provision of assistance (new obligation)



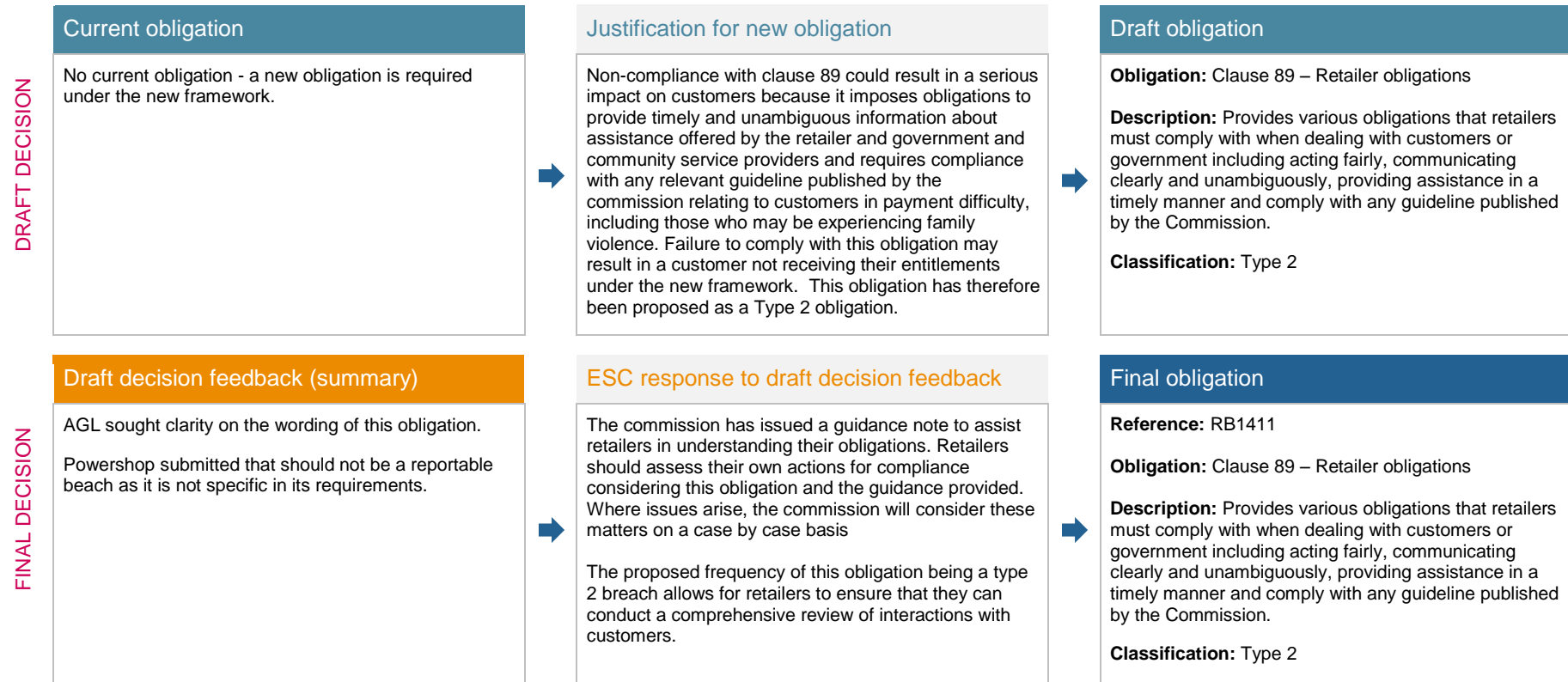
RB1407 – Clause 91 – Restriction on conditions (new obligation)



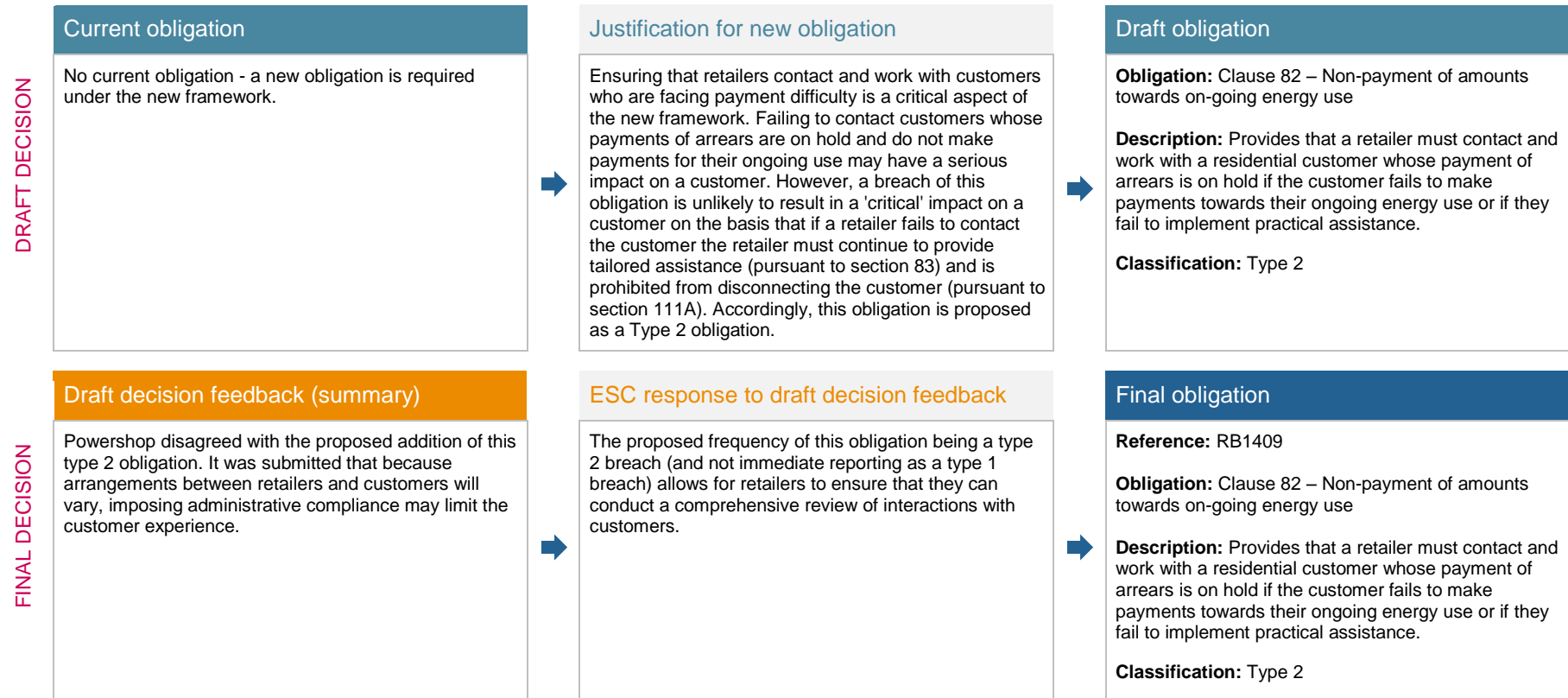
RB1408 – Clause 92 – Debt (new obligation)



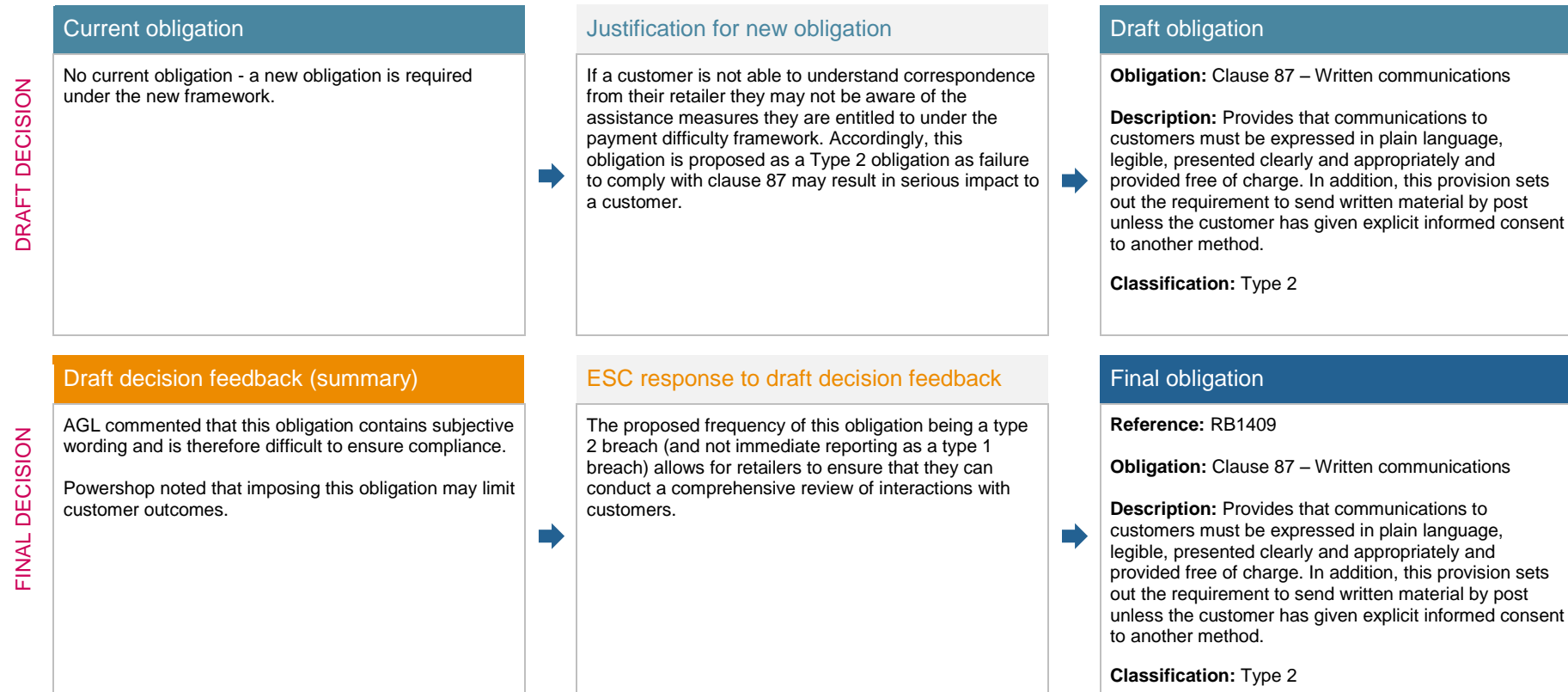
RB1411– Clause 89 – Retailer obligations (new obligation)



RB1409 – Clause 82 – Non-payment of amounts towards on-going energy use (new obligation)



RB1409 – Clause 87 – Written communications (new obligation)

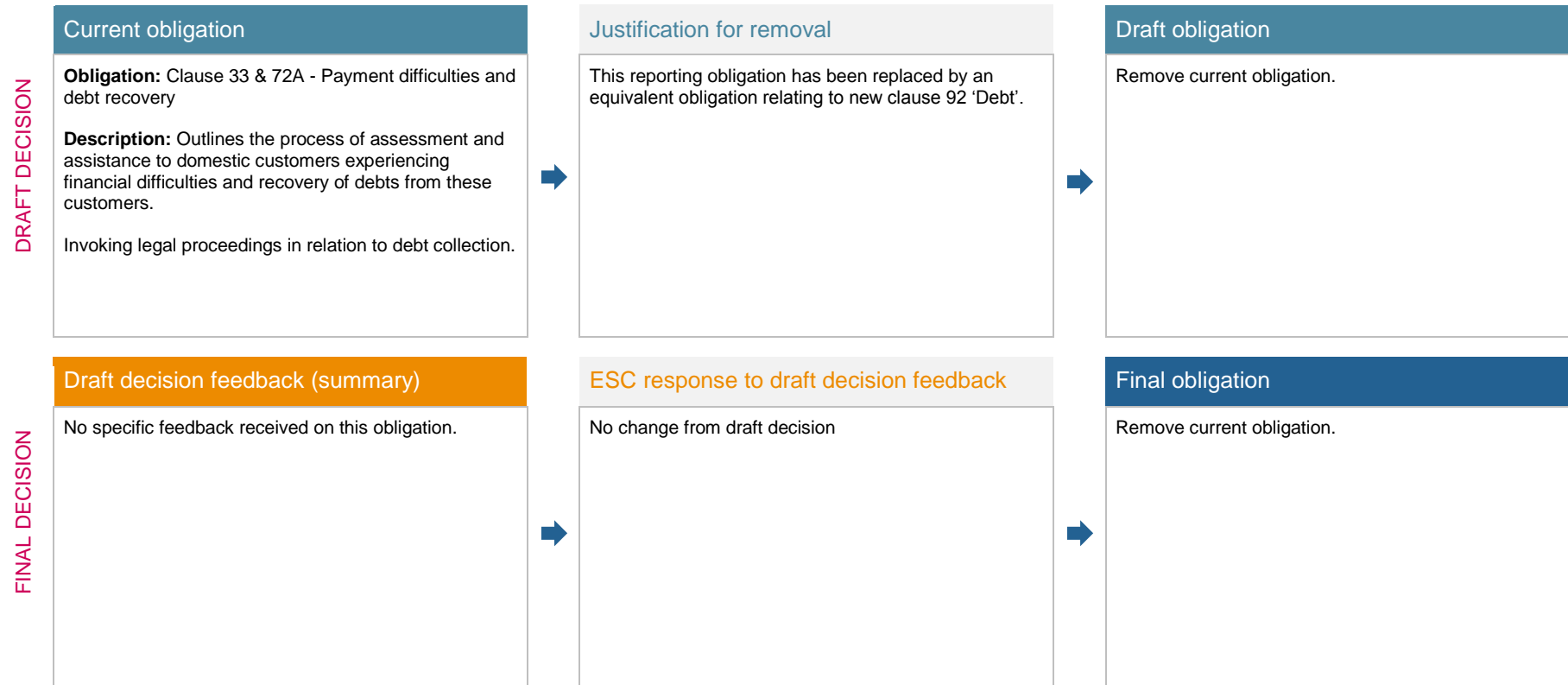


RB1412 – Clause 94 – Payment by Centrepay (new obligation)



Compliance reporting obligations to be removed

RB0130 –Clause 33 & 72A - Payment difficulties and debt recovery (removal of indicator)



RB0140 – Clause 72 - Payment plans (removal of indicator)



RB0850– Clause 72(3) – Payment plans (removal of indicator)



RB1200 – Clause 71B(1) – Equitable Access to hardship policy (removal of indicator)



Appendix D – Submissions to the draft decision

Consumer groups

- Consumer Action Law Centre

Energy distributors

- Australian Gas Infrastructure Group

Energy retailers

- AGL
- EnergyAustralia
- Momentum Energy
- Powershop
- Simply Energy
- Sumo Power