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3 June 2016

David Young
Director, Energy
Victoria, Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne, VIC 3000

Dear David,

Powershop Submission – Interim Compliance and Performance Reporting Guideline

Powershop thanks the Essential Services Commission (ESC) for the opportunity to provide comments in response to the ESC's Interim Compliance and Performance Reporting Guideline (the *Reporting Guideline*). Set out below is Powershop's comments and feedback regarding the Reporting Guideline.

TABLE 1.1 Reporting Requirements Dates for submissions

Powershop are of the position that the frequency of reporting of Type 2 and 3 breaches should remain as is; six-monthly for Type 2 breaches and annually for Type 3 breaches.

Powershop formed this position on the basis that the additional development and time taken to compile reporting on a quarterly basis, versus the benefits to Powershop customers and the industry for having this information on a quarterly basis, is negligible for the industry and provides no additional benefit to Powershop's customers.

Conversely, if the ESC has information/ data available as to why more frequent reporting will be beneficial for customers and the energy industry as whole, please provide.

2. COMPLIANCE REPORTING SCHEDULE:

Type 1 breaches, Code of Conduct for Marketing Retail Energy in Victoria

Regarding reporting obligation, ESC reference RB0100; *"Retailers must not mislead consumers"*. Powershop are of the position that this reporting requirement is outside of the ESC's remit as an overseer of compliance and performance reporting by energy businesses. Powershop believes that it is the Australian Competition and Consumer Commissions (ACCC) obligation to enforce Australian Consumer Law protections, not the ESC. These are matters that should be handled exclusively by the ACCC, and through the appropriate judicial procedures.



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In addition to the aforementioned, regarding ESC reference RB0100, *“retailers must provide certain information to consumers”*. Powershop believes that this is a duplication of existing compliance reporting requirements against the Energy Retail Code, and therefore not required as an additional line item.

Powershop recommend that the ESC remove reporting obligation RB0100 from the Reporting Guideline.

Regarding ESC reference RB0120, *“Retailers must abide by the Privacy Act and not misrepresent their intentions as market research and not selling. Retailers must comply with the National Privacy Principles and any relevant guidelines issued by the commissioner”*. Powershop are of the position that this is outside of the ESC’s remit. Powershop believes that any reporting or action taken in relation to a customer’s Privacy should be handled exclusively by the Office of the Australian Information Commissioner (*Information Commissioner*).

Type 2 breaches, Code of Conduct for Marketing Retail Energy in Victoria

In relation to ESC reference RB0300, *“Times at which retailers may contact consumers”*. Similarly to the aforementioned comments, Powershop believes that reporting on permitted hours of contact is outside of the ESC’s remit as permitted hours of contact is a consumer protection of Australian Consumer Law, therefore overseen by the ACCC.

In addition to the feedback regarding ESC reference RB0300, *“information to be provided to consumers”*. Powershop believes that this information is required under three different reporting requirements now; existing Energy Retail Code requirements, new Code of Conduct for Marketing Type 1 breach requirements, and now as a Type 2 reporting requirement. As per previous feedback, Powershop would encourage the ESC remove this duplication for compliance reporting requirements.

3. PERFORMANCE INDICATOR SCHEDULE:

3.1 BACKGROUND INDICATORS

Regarding ESC reference B150, B160 and B170, whilst Powershop appreciates how this information would be relevant to the ESC, it is not system functionality that is readily available and would require development activity to produce accurate reporting.

Regarding ESC reference B180 *“Residential Customer falling behind on payment”*; Powershop would like further clarity on what this reporting requirement is, and what it is going to deliver to the ESC to better service customers.



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3.2 DISCONNECTION AND RECONNECTION INDICATORS

Whilst Powershop recognizes the value of obtaining information regarding payment performance and debt delinquency, we remain concerned with the prescriptive nature of future reporting being sought in this section. Our view is this should be an outcomes based model and providing data on the number of installment plans and their value is not intuitive to what is taking place in the market. We believe minimal value will be obtained by collecting this data, and we note the ESC is potentially of the same view, as they have not specified how the data will be interpreted.

In relation to ESC reference D021 "*Instalment plans not covering usage*". To comply with the requirement for this indicator will require extensive system development. Provision of information in the interim will be problematic and subject to significant error.

In relation to ESC reference D022 "*Instalment plans covering use*", Powershop believe that the additional development and time taken to compile this data, versus the benefits to consumers and the industry for having this information is negligible, and will not provide consumers with any further assistance.

In relation to ESC reference D023 "*Duration of instalment plans*" To comply with the requirement for this indicator will require extensive system development. Provision of information in the interim will be problematic and subject to significant error.

Regarding ESC reference D024 "*Debt on entry to instalment plans*", Powershop would suggest the different debt levels be aligned with the AER's performance reporting debt level reporting requirements. Notwithstanding the fact there is a hardship indicators section, Powershop would also suggest the ESC clearly identify that hardship data is not intended to be captured under D024.

3.4 CALL CENTRE INDICATORS

The energy industry has evolved significantly from when these measures were first introduced. More and more customers are choosing to use alternative methods of communication to engage with their electricity retailer. Whilst we recognize a need to offer customers protection around minimum levels of service being provided, this now becomes more of a competitive point of leverage. Retailers who provide poor phone service are more apt to lose customers against their competitors. Whilst we can provide this information we do question its ongoing relevance.



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Powershop again thanks the ESC for the opportunity to participate in this process and look forward to the ongoing workshops and final policy.

If you have any inquiries regarding this submission, please contact Haiden Jones.

Yours sincerely

Scott Begg
Powershop, Head of Retail Operations

