

<https://www.aer.gov.au/industry/registers/resources/guidelines/retail-performance-reporting-procedures-and-guidelines-2024-update>

Date of submission: 19 March 2024

Submitted by email to:

Submission by:

Brad Riley at the Australian National University's Centre for Indigenous Policy Research

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Submission in Response

Dear Mr Daniel Harding, General Manager, Market Performance Branch at the Australian Energy Regulator,

We are pleased to submit our response to the *Retail performance reporting procedures and guidelines (2024 update)*. We are an interdisciplinary team based at the Australian National University (ANU) and University of Sydney (USyd), whose research focuses on issues of energy security and energy justice for First Nations. We conduct research on the intersection of energy policy and First Nations rights and interests, including in relation to prepayment, and our findings inform our comments on the procedures and guideline update.

We previously submitted a response to the AER (Retail Law) Performance Reporting Procedures and Guidelines Issues Paper (July 2023) attached as **Appendix 1**, where we:

1. Supported the proposal to introduce a separate reporting category to capture alternative meter types;
2. Supported each of the proposed indicators for life support customers, embedded networks, and customers entitled to receive energy concessions;
3. Recommended that current indicators need to be broader than those proposed to better reflect the rules applicable to card-operated meters; and
4. Recommended that **in the interests of transparency and consistency, and to better align with available reporting in non-AER jurisdictions and the National Closing the Gap targets, reporting should be made available from at least the introduction of smart metering.**

Across the issues that we highlighted in our previous submission, we commend the proposed implementation of the first two in the current draft guidelines. A key aspect of this is the update in the current draft to ensure that card-operated meters and customers are captured in the definitions for prepayment meters (PPM). In future reviews, these definitions should be revisited to ensure that they are still capturing any emergent arrangements that are analogous to prepay.

Action to address gaps in reporting for card-operated meters

In the interests of transparency and as partial remedy to historic invisibility of prepay customers (including in Queensland) we recommend prioritizing retrospective reporting from the introduction

of smart metering, wherever applicable (such as in Queensland card-operated communities). Currently, the implementation of new reporting requirements is specified as being applicable from 1st January 2025 - however we note that there have been self-disconnection reporting requirements under the Retail Law in place for prepay meters since the 2011 reporting guidelines¹ were issued. As such, we contend that card-operated meters being overlooked through definition is an anomalous situation, and an error of omission - given card-operated meters are in practice functionally equivalent to prepayment metering. In addition to the Retail Law requirements for self-disconnection reporting of prepay meters in the NEM, self-disconnection metrics have been reported to the Northern Territory Utilities Commission and the Western Australian Economic Regulation Authority since the introduction of smart PPMs in those jurisdictions from around 2018 and to the Essential Services Commission of South Australia since the introduction of mandatory prepayment in remote Aboriginal communities from 2022. The draft guideline specifies that regulated entities would not be required to provide data or information for a period prior to the Retail Law commencement (2.1.4). The commencement of the Retail Law in 2011, and subsequent introduction of smart metering capacities from 2016, establishes the relevant scope and capacity to require retrospective reporting in the interests of understanding customer vulnerability and hardship during a period in which reporting should otherwise have been required.

Regarding retrospective reporting the AER in its Explanatory Statement accompanying the draft guidelines states that:

“We have expanded the scope of prepayment indicators to also include card-operated meters and believe the current indicators are sufficient for quarterly performance reporting. If more information is required, our preference is to issue ad hoc data requests on areas that require further investigation by the AER” (page 49).

To bolster transparency and accountability the AER has an important role to play in enlivening its compliance functions to ensure retrospective card-operated meter indicators are publicly reported. This is justified as a necessary step toward restoring the function and utility of relevant prepayment indicators and ensuring that card operated meter customer metrics are visible - to the AER, community organisations and advocates where there have previously been significant gaps. Retrospective and current data should be made available for prepay meters (card-operated meters) so that a baseline can be established against which data forthcoming from 1 January 2025 can be compared and understood. AER compliance functions should be used to access all available data for reporting where there have previously been gaps in reporting despite meter capability existing to record disconnection data. For example, prior prepay disconnection data i.e., from 2018 (or implementation of smart metering) to 1 January 2025, could be requested from relevant retailers as part of the AER's preferred approach of "ad hoc data requests on areas that require further investigation by the AER" (p. 49) or indeed, to ensure that reporting obligations that were previously overlooked are in fact fulfilled – which is the approach we have outlined above.

Action to address gaps in reporting for card operated meter customers requiring life support

In our previous submission we proposed additional metrics for life support customers using prepayment (card-operated meters). While prepayment is incompatible with life support requirements under the NERL s 59 we note there is an exception under the derogations to the NERL

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<https://www.aer.gov.au/system/files/AER%20%28Retail%20Law%29%20Performance%20Reporting%20Procedures%20and%20Guidelines%20%28July%202011%29.pdf>

which operate in Queensland, and which permit persons with life support needs to use prepayment. The AER in its Explanatory Statement has indicated a preference not to include additional metrics for this customer group due to the associated costs for relevant retailers and the low customer numbers (page 35).

We maintain that additional metrics are required to make this vulnerable sub-group of customers visible given the substantial departure that the Queensland NERL takes from the NERL requirements, and the risks posed to health and wellbeing for persons using life support and prepayment (card-operated meters) due to the immediate disconnection functionality upon inability to pay. While life support customers using prepay in Queensland card-operated communities must nominally provide informed consent, it is unclear definitionally (if not in practice) whether this and the provision of measures to manage bills would be sufficient to protect health and wellbeing of these customers. Reporting requirements that better report upon the extent to which life support customers are remaining on prepay could inform future improvements to consumer protections. There are precedents for stronger protections for life support customers remaining on prepay than the current situation in Queensland. For example, life support customers in mandatory prepay communities in South Australia (within the regulatory remit of ESCOSA) have the self-disconnection functionality of their meters disabled to mitigate health impacts.

We recommend the AER commit to obtaining data relating to prepayment (card-operated meters) customers requiring life support equipment, either through introducing reporting requirements as outlined above or alternatively through a schedule of targeted investigative work. This would increase the visibility of prepayment customers requiring life support equipment (contradicting the recognised principles of the NERL) - with a view to informing the Queensland Government's assessment of state-based derogations to the law, some of which are due to expire on 1 September 2025 (when the National Energy Retail Law (Queensland) Regulation 2014 sunsets). We recognize the life support exceptions to the NERL which are contained in the NERL (Queensland) Act Division 10A are not due to expire, however some related aspects such as Model Terms and Conditions for card-operated meter customers contained in the subordinate legislation are captured.

Implications of gaps in disconnection and life support reporting

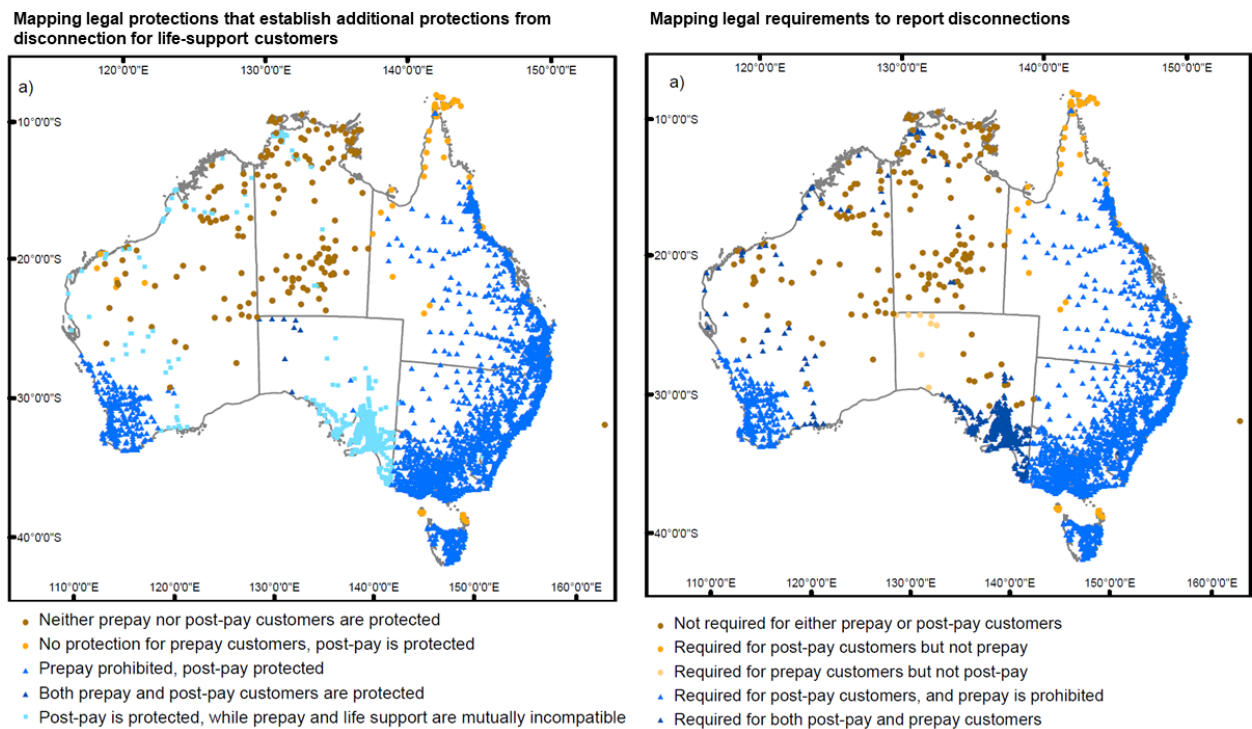


Figure 1: Mapping legal protections related to disconnection and legal requirements for disconnection reporting. Figure adapted from White, L.V., Riley, B., Wilson, S. *et al. Geographies of regulatory disparity underlying Australia’s energy transition. Nat Energy* **9**, 92–105 (2024). <https://doi.org/10.1038/s41560-023-01422-5>

Within the NEM, card-operated meter communities are notable in their prior lack of mandated disconnection reporting requirements and the compatibility of prepayment with life support needs (see our recent analysis mapping² this at: <https://doi.org/10.1038/s41560-023-01422-5>). Without disconnection reporting, areas of hardship are more challenging to identify, and energy insecurity challenges faced within these communities are less visible and less able to be addressed. Further, the absence of reporting to this date has resulted in a lack of data on long term trends in communities. We commend the inclusion of reporting for card operated meter communities beginning in 2025 but note that without retrospective data it may take several years to determine whether energy insecurity is improving or deteriorating whether high levels of energy insecurity are driven by weather in specific years, being related to emergency income supplements (including during COVID-19) or represents a longer term trend. Further inaction will only delay analyses and possible remedial policy action on this well-known and long-standing issue.

In relation to the compatibility of prepayment (card-operated meters) with life support needs, our research demonstrates that the arrangements in Queensland are again anomalous, potentially introducing additional layers of risk for customers already experiencing vulnerability. Additional reporting on these arrangements and the impacts for customers are quite foreseeably in the interests of vulnerable sub-groups, including for priority communities.

² White, L.V., Riley, B., Wilson, S. *et al. Geographies of regulatory disparity underlying Australia’s energy transition. Nat Energy* **9**, 92–105 (2024). <https://doi.org/10.1038/s41560-023-01422-5>

As outlined in our original submission, these gaps in reporting predominantly impact residents of remote First Nations communities³. Empirically, research including that by our team has shown that remote and First Nations communities in Australia are more likely to be underserved by consumer legal protections for electricity services, including disconnection reporting and life support protections². Retrospective reporting requirements and robust reporting of life support arrangements for card-operated communities represent an important step toward address this long-standing discrepancy.

APPENDIX 1 (BELOW THIS LINE)

³ <https://www.aer.gov.au/system/files/2024-02/ANU%20%20-%20Submission%20-%20Retail%20Guidelines%20review%20issues%20paper%20-%20Aug%202023.pdf>



Australian
National
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7 August 2023
Valerie Cooms
Centre for Aboriginal Economic Policy Research
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Submission in Response

Dear Ms. Savage and Ms. Harris at the Australian Energy Regulator,

We are pleased to submit our response to the **AER (Retail Law) Performance Reporting Procedures and Guidelines - Issues Paper (July 2023)**

In summary;

- We support the proposal to introduce a separate reporting category to capture alternative meter types as being long overdue.
- Current indicators need to be broader than those proposed to better reflect the rules applicable to card-operated meters.
- In the interests of transparency and consistency, and to better align with available reporting in non-AER jurisdictions and the National Agreement on Closing the Gap targets, reporting should be made available from at least the introduction of smart-metering in 2016.

We thank you in advance for your consideration;

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Valerie Cooms', written over a large, faint circular watermark or stamp.

Valerie Cooms
Director Centre for Aboriginal Economic Policy Research
on behalf of Brad Riley, Dr Lee White and Sally Wilson

Centre for Aboriginal Economic Policy Research
The Australian National University

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AER (Retail Law) Performance Reporting Procedures and Guidelines - Issues paper (July 2023)

In summary;

- We support the proposal to introduce a separate reporting category to capture alternative meter types as being long overdue.
- Current indicators need to be broader than those proposed to better reflect the rules applicable to card-operated meters.
- In the interests of transparency and consistency, and to better align with available reporting in non-AER jurisdictions and the National Agreement on Closing the Gap targets, reporting should be made available from at least the introduction of smart-metering in 2016.

Submission in response to:

AER (Retail Law) Performance Reporting Procedures and Guidelines – Issues Paper July 2023

Date of submission: 7 August 2023

Submitted by email to: <marketperformance@aer.gov.au>

Submission by:

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Professor Valerie Cooms is Director of the Australian National University's Centre for Aboriginal Economic Policy Research. Brad Riley is a Research Fellow at the Centre for Aboriginal Economic Policy Research; Dr Lee White is a Research Fellow at the School for Regulation and Global Governance - both work on the ANU's Grand Challenge: Zero Carbon Energy for the Asia-Pacific. Sally Wilson is a PhD candidate at the ANU's Crawford School of Public Policy.

Introduction

Thank you for the opportunity to provide a submission in response to the AER's Performance Reporting Procedures and Guidelines Issues Paper (**Issues Paper**) dated July 2023.

We are an interdisciplinary team from the Australian National University (**ANU**), whose research focuses on issues of energy security and energy justice for First Nations. We conduct research on the intersection of energy policy and First Nations rights and interests, including in relation to prepayment, and our findings inform our response to the questions raised in the **Issues Paper**.

The AER identifies the need for greater transparency in retail energy market performance reporting across several areas which impact customers' experience of vulnerability in accessing essential energy services in the home.

We support each of the proposed indicators for life support customers; embedded networks; and customers entitled to receive energy concessions.

The absence of data relating to consumers experiencing vulnerability is a key factor contributing to these groups being underserved and their interests marginalised through lax policy guidance for energy providers. The proposed new and expanded reporting indicators will facilitate a greater understanding of which households experience vulnerability, and potentially provide a sound basis for remedial policymaking. In this submission we focus on the AER's proposals to:

1. Introduce a new category of reporting for alternative meter types similar to prepayment meters (for example, card-operated meters);
2. Capture how many eligible customers receive energy concessions; and
3. Collect new data to better understand the impact of and compliance with new family violence protections and obligations for energy retailers under the NERR.

Section 3.5 – Prepayment meters

Summary

- We support the AER’s proposal to introduce a separate reporting category to capture alternative meter types that are similar to prepayment meters, that is so-called ‘card-operated’ meters which are separately defined and used on a mandatory (or default) basis in many of Queensland’s remote First Nations communities. It can be expected that reporting requirements for retailers offering card-operated meters will greatly improve visibility of customer needs, potential vulnerabilities as well as experiences of hardship within AER regulated areas.
- Reporting indicators for retailers offering card-operated meters need to be broader than current indicators for prepayment meters to better reflect the different rules applicable to card-operated meters.
- Considering findings from recent quantitative analyses from comparable jurisdictions in the NT & WA (see **Annexure 1**) we strongly recommend that the AER apply reporting requirements for card-operated meters **both proactively and retrospectively**. We acknowledge that analog metering arrangements have long precluded data collection in card-operated communities in Queensland, as elsewhere. However, since the implementation of smart metering this data has been available to the state-owned retailer Ergon Energy from 2017 - it should have been available to inform AER remedial policymaking during this time and that it has not been, during a critical time for energy policymaking in Australia (COVID-19) is a significant oversight.

The fact that current reporting requirements have not captured this data represents an anomalous situation which can only be seen as detrimental to Queensland prepay customers, over and above the relatively disadvantaged position of prepay consumers generally in comparable jurisdictions during this period.

Regulatory context

As the AER observes, the 2021-22 Annual Retail Markets Report indicates that there are *almost no prepayment meters used* in jurisdictions which have adopted the National Energy Retail Law (NERL).¹ Yet, this quite obviously overlooks the approximately 5,000 ‘card-operated meter’ systems used on a mandatory basis within 32 remote Indigenous communities in Ergon Energy’s licensed retail area in

¹ See https://www.aer.gov.au/system/files/Annual%20Retail%20Market%20Report%202021-22%20-%2030%20November%202022_3.pdf, Appendix 1.

Queensland. Households using these metering systems are excluded from National Energy Retail Rule (NERR) reporting despite the meters being functionally equivalent to prepayment meters with smart meter capabilities.

Outside of AER's regulatory areas, prepayment meters are commonly used in First Nations communities in remote Western Australia, Northern Territory, and off-grid South Australia, with some customers reporting a preference for prepay over post-paid billing. While there are varying levels of reporting and visibility depending on the applicable regulatory regime, prepay customers have uniformly been overlooked by government reporting which contributes to a lack of visibility of energy insecurity and available protections for this cohort. In this regard, Queensland's lack of regulatory oversight and accountability for card-operated meter customers is particularly conspicuous. It remains the only jurisdiction to have no public reporting or visibility of key retail performance indicators for prepaying customers. Other jurisdictions where prepay is available have made incremental progress on transparency of reporting since the introduction of smart metering. Addressing this regulatory disparity in Queensland is long overdue.

By way of background, card-operated meters in Queensland were previously excluded from AER regulation based on derogations from the NERL contained in Division 10A of the NERL Queensland which address separately defined 'card-operated meters'.² Pursuant to section 60E of the NERL Queensland and local regulations³, the Queensland Competition Authority (QCA) is nominated as the regulator for the Queensland-only card-operated meter provisions.

The explanatory note accompanying the NERL Queensland states that the policy intention at the time of adoption was that card-operated meters be separately defined and regulated, given that prepay meter system rules were incompatible with the "limited functionality of card-operated meters, influenced by location (for example, no remote communications due to topography of areas where card-operated meters are rolled out)".⁴

Consequently, there is no publicly available data on key indicators for households in First Nations communities across Queensland where card-operated meters have long been used. In Queensland these definitional differences have underpinned policy exceptionalism with respect to the AER prepayment meter reporting requirements – despite smart meter technologies being adopted across card-operated meter communities from at least 2017.⁵

Significantly, the lack of reporting for card-operated meters is happening in a regulatory context where there are clear reporting obligations for retailers in respect of all other customers (i.e., post-paying customers). The card-operated meter provisions of the NERL Queensland represent unique state derogations from the requirements of the NERL and these departures from the national framework should come with reporting responsibilities and accountabilities. That they don't is anomalous and an oversight that must be corrected immediately.

² See < <https://www.legislation.qld.gov.au/view/pdf/inforce/current/act-2014-nerlq>>, pp. 79-82.

³ National Energy Retail Law (Queensland) Regulation 2014, s 15.

⁴ National Energy Retail Law (Queensland) Bill 2014 Explanatory Notes, p. 26.

⁵ See https://www.ewoq.com.au/data/assets/pdf_file/0022/6475/EWOQ-industry-webinar-2-slide-deck.pdf slide 14.

Impact of reporting gaps

Recent quantitative research based on smart prepayment meter data for 3,300 households in 28 remote Indigenous communities in the Northern Territory indicates that prepay has as its chief risk 'involuntary self-disconnection' - or the complete de-energisation of the home upon failure to pay. Energy is a material prerequisite to development and this disparity has obvious import for the social and health inequities otherwise identified and prioritised in the National Agreement on Closing the Gap targets ¹⁻³.

Moreover, temperature extremes drive energy consumption, which in turn increases both households' reliance on those services that energy provides, and the risk of those services being disconnected. Evidence shows that the risk of disconnecting from energy services is amplified on very hot or very cold days; in Central Australia the likelihood of a high energy use (top ten percentile) prepay household disconnecting on a very hot day (>35°C) is one in three.

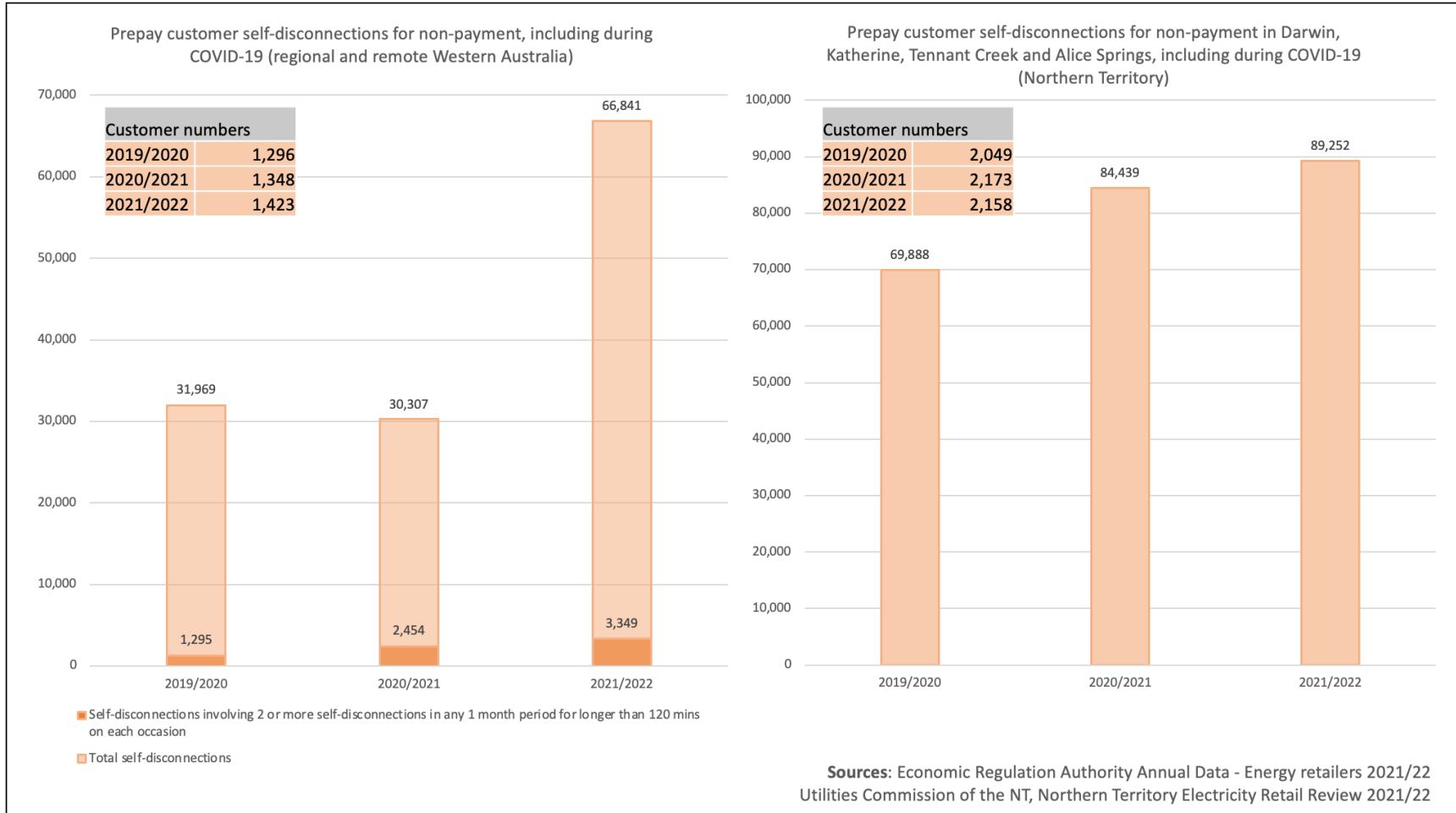


Fig. 1. Involuntary 'self-disconnection' rates for prepay customers in WA and NT for the period 2019-2022 (including during COVID-19).

Where reporting is available, it has made visible the differences in disconnections between prepay and post-pay customers. This is important for gauging policy success of those protections introduced during COVID lockdowns to protect consumers who were forced to isolate in their homes, dependent upon electricity for safety and comfort.

Reporting from (non-AER) jurisdictions, at **Fig. 1** shows that in Western Australia approximately 1,300 remote-living Indigenous households who prepay for power experienced 30,307 self-disconnection events in 2020/21, down marginally from 31,969 incidences in 2019/20. The overall number of multiple extended self-disconnections increased, from 1,295 in 2019/20 to 2,454 in 2020/21. Recent reporting indicates that 66,841 involuntary self-disconnection events were reported for 2021/2022, or approximately 46 disconnections per household, with the number of multiple extended self-disconnections increasing to 3,349. These experiences of prepay customers are conspicuously at odds with outcomes for regional post pay customers within the same state, for whom the likelihood of being unable to meet essential household energy needs (including during the COVID-19 pandemic) reduced precipitously, from 2,741 disconnections reported in 2019/20 to 251 incidences in regional WA during 2020/21.

This accords closely with experiences of prepay customers in the NT. In 2019/20, and inclusive of the first four months of COVID-19, 2049 households using prepay in the four major centres of Darwin, Katherine, Tennant Creek, and Alice Springs recorded 69,888 self-disconnections, or 34 disconnections per household for an average duration of 380 min. During the first year of the pandemic (2020/21) this increased to 84,439 self-disconnection events (shared by 2,173 households) – approximately 39 times per household per annum for an average duration of 504 minutes.

Background

To better inform the AER's deliberations in respect of the Performance Reporting Procedures and Guidelines Issues Paper we have included some relevant literature by our larger research team, at **Annexure 1**. In providing this for the AER's consideration we ask that you redact from any public facing outputs those collateral materials at **Annexure 1**, for copyright purposes. These include:

- Longden, T, Quilty, S, Riley, B, White, LV, Klerck, M, Davis, VN & Frank Jupurrurla, N 2021, 'Energy insecurity during temperature extremes in remote Australia', *Nature Energy*.

Available at: <https://doi.org/10.1038/s41560-021-00942-2>

- Davis, VN, White, LV & Riley, B 2021, Temperature extremes exacerbate energy insecurity – Australia needs to better support remote Indigenous communities to prepare now, Springer Nature, <<https://sustainabilitycommunity.springernature.com/posts/temperature-extremes-exacerbate-energy-insecurity-australia-needs-to-better-support-remote-indigenous-communities-to-prepare-now>>.

Available at: <https://sustainabilitycommunity.springernature.com/posts/temperature-extremes-exacerbate-energy-insecurity-australia-needs-to-better-support-remote-indigenous-communities-to-prepare-now>

- Riley, B, White, LV, Wilson, S, Klerck, M, Napaltjari-Davis, V, Quilty, S, Longden, T, Jupurrurla, NF & Harrington, M 2023, 'Disconnected during disruption: Energy insecurity of Indigenous Australian prepay customers during the COVID-19 pandemic', *Energy research & social science*, vol. 99, p. 103049.

Available at: <https://doi.org/10.1016/j.erss.2023.103049>

- Riley, B, White, LV, Quilty, S, Longden, T, Jupurrurla, NF, Nabanunga, SM & Wilson, S 2023, 'Connected: Rooftop solar, prepay and reducing energy insecurity in remote Australia', *Australian Geographer*.

Available at: <https://doi.org/10.1080/00049182.2023.2214959>

Key reporting indicators

Reporting indicators for card-operated meters must be broader than the current reporting indicators for prepayment meters to reflect the different rules that apply to this metering type under the NERL Queensland. Currently, the AER establishes seven (7) quarterly reporting indicators for retailers with residential prepayment meter customers in the Retail Law Reporting Procedures and Guidelines as follows:

1. Total number of PPM customers
2. Number of PPM customers that receive an energy concession
3. Number of PPMs removed due to payment difficulties
4. Number of PPM customers using a PPM system capable of detecting and reporting self-disconnections
5. Total number of PPM self-disconnection events
6. Total number of PPM customers self-disconnected
7. Average duration of self-disconnection events.

In the context of card-operated meters, **additional indicators must include:**

1. Number of card-operated meter customers who have provided explicit informed consent and are registered as having life support equipment under section 60C of the NERL Queensland (We wish to emphasise that this arrangement is highly anomalous in Australia and must be monitored closely. In all other jurisdictions where prepay is used, regulation mandates that the prepay metering type is incompatible with life support needs – because of the inherent risk of involuntary self-disconnection – and customers with life support needs must either be switched to post-pay billing or the self-disconnection function of the meter is disabled, as in South Australia for mandatory prepay customers).
2. For customers identified in (1), the programs and strategies adopted by the retailer to help the customer “to better manage the customer’s electricity costs to avoid the card-operated meter installed on the premises from preventing the flow of electricity to the premises solely due to financial difficulty” in accordance with section 60D(4)

3. Number of card-operated meters which have been removed and replaced with a standard meter following notification to the retailer of the premises being registered as having life support equipment under section 60D(1) of the NERL Queensland
4. Number of card-operated meter customers who have informed the retailer that they are experiencing payment difficulties or hardship

(Card-operated meter customers may be definitionally excluded from hardship support based on the fact they do not receive electricity bills.⁶ This likely exclusion must be recognized and should be quantified as in Indicator 4 above and 5 below.)
5. Number of card-operated meter customers who have received retailer assistance for payment difficulties or hardship
6. Number of card-operated meter customers using Centrepay to pay their energy costs.

We draw the AER's attention to comparative reporting requirements for prepayment meters that apply outside of its regulatory areas. In off-grid South Australia where prepayment meters are used on a mandatory basis in remote communities of the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, Yalata and Oak Valley, the regulator Essential Services Commission of South Australia (**ESCOSA**) requires the retailer to report quarterly on the following ten (10) metrics:

1. Mandatory prepay customer numbers
2. Number of mandatory prepay customers on payment splitting arrangements
3. Number of times emergency credit was accessed
4. Number of times friendly credit was accessed
5. Number of self-disconnections
6. Average duration of self-disconnection
7. Number of times mandatory prepay customers experienced self-disconnections three or more times in any three-month period for longer than 240 minutes on each occasion
8. The reason for self-disconnection in those instances where follow-up by the retailer was undertaken due to mandatory prepay customers experiencing self-disconnections three or more times in any three-month period for longer than 240 minutes on each occasion
9. Number of life support customers notified to the retailer
10. Number of life support customers registered.⁷

Separately, ESCOSA's Prepayment Meter System Code applies across off-grid South Australia other than in mandatory prepayment meter communities and requires energy retailers to report quarterly on:

1. The total number of prepayment customers

⁶ See < https://www.ergon.com.au/_data/assets/pdf_file/0006/109959/Hardship-policy-summary.pdf>.

⁷ See < <https://www.escosa.sa.gov.au/ArticleDocuments/21889/20220620-Electricity-CowellElectricLicenceAmendment-PrepaymentDefault-FinalDecision.pdf.aspx?Embed=Y>>, pp. 12-13.

2. Number of times emergency credit was accessed
3. Number and duration of self-disconnections
4. Number of times the minimum requirements for retailer follow up were met
5. Where follow up is undertaken, the reasons for any disconnection
6. Number of prepayment meter customers reverted to post pay.⁸

In Western Australia, the Economic Regulation Authority of Western Australia (**ERA WA**) establishes retailer reporting requirements about the use of prepayment meters in the Electricity Retail Licence Performance Reporting Handbook as follows:

1. Total number of pre-payment meter customers
2. Total number of pre-payment meter customers who have reverted to a standard meter within 3 months of meter installation or entering into a contract
3. Total number of pre-payment meter customers who have reverted to a standard meter
4. Total number of pre-payment meter customers who have informed the retailer that the customer is experiencing payment problems or financial hardship
5. Total number of pre-payment meter customer disconnections
6. Percentage of pre-payment meter customer disconnections
7. Total number of pre-payment meter customer disconnections involving pre-payment meter customers who the retailer identifies have been disconnected 2 or more times in any 1 month period for longer than 120 minutes on each occasion
8. Total number of pre-payment meter customer complaints
9. Total number of pre-payment meter customer complaints concluded within 15 business days
10. Percentage of pre-payment meter customer complaints concluded within 15 business days
11. Total number of pre-payment meter customer complaints concluded within 20 business days
12. Percentage of pre-payment meter customer complaints concluded within 20 business days.⁹

Based on minimum requirements from non-AER regions and jurisdictions, we recommend reporting requirements for card-operated meters should reasonably encompass an expanded range of metrics adapted to the rules that apply to this metering type, under the NERL Queensland. The AER has an important role in ensuring that the terminology of new reporting indicators for card-operated meters carefully align to the terminology of the NERL Queensland, so that so-called 'self-disconnections' are usefully captured in proposed disconnection reporting. As the AER would be aware the language of the indicators must be watertight against definitional loopholes for reporting.

⁸ See < <https://www.escosa.sa.gov.au/ArticleDocuments/21958/20230621-Energy-Small-scaleNetworks-ConsumerProtectionFrameworkReview-FinalDecision.pdf.aspx?Embed=Y>>, p. 22.

⁹ See < <https://www.erawa.com.au/cproot/23220/2/2023-Electricity-retail-licence-performance-reporting-handbook---clean-version.PDF>>.

Retrospective and prospective reporting

Reporting requirements for card-operated meters must apply **both prospectively and retrospectively** starting from when smart meter technologies were first installed.

Card-operated meters have been in use in remote First Nations communities in Queensland from 1992 and have lacked visibility in public facing reporting for more than three decades.¹⁰ Moreover, there have been numerous opportunities for the Queensland State Government and Queensland Competition Authority to address extant disparities in reporting requirements. It is hard to avoid the conclusion that they have failed at every opportunity to prioritise the interests of the 5,000 households (representing approximately 20,000 predominantly, perhaps exclusively, First Nations households) who prepay for access to electricity.

In *Empowering Remote Communities: Experiences of Aboriginal and Torres Strait Islander Customers using Electricity Pre-payment Meters in Queensland* published in 2014, the Queensland Council of Social Service (QCOSS) drew attention to the energy insecurity experienced by card-operated meter customers, observing that:

As a consequence of financial hardship in pre-payment meter communities, the vast majority of interviewees reported that they had gone without electricity because they could not afford to purchase a power card ... The majority of survey respondents reported going without electricity on a fortnightly basis.¹¹

Insights from community members about the impacts of energy insecurity report:

"If there's no power in the house, really we can't open any of the fridges or freezers, because you know, you let the cold air out then and food will go off... it's really hard cause you can't do anything. It gets hot, kids get hot... you feel hopeless." [Mapoon]

"They just leave the house. Like, I've seen people just get up and move out... They go and live with some other people, some other family, until that time they go back when they get money." [Mapoon]

"It affects us in the big way. It's hot, no fan and stuff. The freezer, it starts melting. [We have to] chuck stuff out of the fridge. That's if you leave it off for a day, day and a half" [Palm Island]

"Well, [you have to] put the phone down, it's not working [because] you can't charge it... you can't turn the air con on... I think its worrying too if the power goes off [you lose] all the meat in the freezer, you [have to] minimise people opening up things" [Mapoon]

¹⁰ See https://www.ewoq.com.au/_data/assets/pdf_file/0022/6475/EWOQ-industry-webinar-2-slide-deck.pdf slide 14.

¹¹ See <

https://web.archive.org/web/20190322124657/https://www.qcoss.org.au/sites/default/files/20140819_QCOS%20Report%20on%20Remote%20PPM%20Customers%20Final.pdf>, pp 19-36.

“It’s frustrating. You can’t use the phone because it’s a hands-free... Particularly the children, there’s nothing you can do. The good thing is, you can still cook, because we’ve got gas, but it’s frustrating ...and it’s hot” [Palm Island]

“We know there’s a problem because everyone goes out in the yard, because the house is hot. Can’t watch TV, you can’t do anything. So a lot of people are out in the yard... and then at night time it’s even worse, because of the heat. You can’t cook in the dark... it causes safety issues within the house” [Palm Island]

“Especially elderly people... they got to have that fan on because the heat gets too much for the elderly people... They’ve got to have power to keep them cool... I actually had one incident [where]... one elderly tenant had an asthma attack, because it was that hot and her fans weren’t working. Yeah, it wasn’t good”. [Mapoon]¹²

In the absence of public reporting on card-operated meters, there is no way to assess whether targets – including key Closing the Gap targets – for First Nations households in remote Queensland are being achieved or falling critically short. The Productivity Commission’s Review of the National Agreement on Closing the Gap: Draft Report confirms significant shortcomings in the data needed to inform change and monitor progress against the Agreement, reporting that improvements and coordination of reporting are essential across jurisdictions.¹³

Retrospective reporting requirements will better enable communities, their institutions, and policymakers alike to access the data needed to understand, on a quantitative basis, the extent of energy insecurity and energy vulnerability amongst priority communities and potentially design policy solutions aligned to the needs of communities.

Without retrospective as well as proactive reporting, communities will once again be waiting – likely until 2025 – to have a sufficiently robust dataset capable of enabling (on a quantitative basis) their energy needs and experiences of energy vulnerability to be understood and prioritised.

Further, retrospective reporting is required to understand policy-based disparities experienced by card-operated meter communities before and during COVID-19. Our understanding from Ergon Energy is that card-operated meter customers in Queensland were excluded from the disconnection moratorium protections required under the AER’s Statement of Expectations of energy businesses: Protecting customers and the energy market during COVID-19 on this basis of definitional differences

¹² See <

https://web.archive.org/web/20190322124657/https://www.qcoss.org.au/sites/default/files/20140819_QCOS%20Report%20on%20Remote%20PPM%20Customers%20Final.pdf>, pp 23-24.

¹³ See < <https://www.pc.gov.au/inquiries/current/closing-the-gap-review/draft/closing-the-gap-review-draft.pdf>> pp. 63-65.

given that card-operated meter customers do not experience disconnections due to non-payment, rather they (involuntarily) 'self-disconnect' upon failure to add credit to the meter.

Limiting the new requirements to proactive reporting will obscure disparities during a consequential three-year period in energy policymaking in Australia - during which the AER had very strong guidance for retailers to avoid disconnecting customers experiencing financial stress. Card-operated meter customers within AER's regulatory purview did not receive the same supports and protections as post-paying customers during the pandemic based on metering type, yet very likely experienced elevated financial hardship and vulnerability leading to energy insecurity throughout this time.

Latest ABS Census data indicates that three card-operated meter communities, Kowanyama, Wujal Wujal and Domadgee are among the most disadvantaged Local Government Areas in Australia,¹⁴ with associated high risks of energy insecurity for these households. Retrospective reporting of indicators is needed to understand this experience, improving the visibility of this priority cohort and potentially preventing disparities from re-occurring.

This AER-led review represents an opportunity for the kind of truth-telling that is critical to responsible energy policymaking in Australia, by making available to the public data that has been readily available to (state-government owned) retailer Ergon Energy since 2017. The AER's priority mandate to monitor and act on serious issues impacting consumers experiencing vulnerability has been missed for card-operated meter customers in Queensland. Retrospective reporting is needed in order to understand the extent and severity of energy insecurity experienced across affected communities so that remedial policy measures can be designed and acted upon.

The movement to secure local ownership and control of data relating to Indigenous peoples is known as Indigenous data sovereignty. In Australia research is needed to ensure that the energy data rights and interests of Aboriginal communities are secured and leveraged for Aboriginal benefit. The National Agreement on Closing the Gap in Partnership Priority Reform Four calls for the greater sharing of, and access to, data and information at a regional level, noting that disaggregated data and information is most useful to Aboriginal and Torres Strait Islander organisations and communities to obtain a comprehensive picture of what is happening in their communities and to support decision making.

We support the AER's efforts to improve visibility and accountability for retailers offering card-operated meter and alternative metering types, noting this necessarily requires both retrospective and proactive reporting requirements.

Section 3.5 – Energy concessions

We support AER's proposal to collect data on how many eligible customers receive energy concessions. Anecdotal evidence from community-based organisations suggests that customers are regularly being overlooked for energy concessions for which they are otherwise eligible, due to

¹⁴ See <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/latest-release> and https://www.ergon.com.au/__data/assets/pdf_file/0010/276328/Power-card-agent-contact-details2022.pdf .

factors such as lack of access to information and administrative barriers. In other cases, specific groups are being excluded from accessing energy concessions due to their metering type. An example is card-operated meter customers in Queensland who are ineligible for the Home Energy Emergency Assistance Scheme (HEEAS) because they don't receive electricity bills. This scheme pays up to \$720 once every 2 years and is specifically directed towards "Queensland households experiencing problems paying their **electricity or reticulated natural gas bills** as a result of unforeseen emergency or short-term financial crisis that has occurred within the past 12 months"¹⁵ (our emphasis). We urge the AER to adopt the new energy concession indicator so that disparities of access to these supports can be better understood and addressed.

Section 2.3 – Customers affected by family violence

We support AER's proposal to include new indicators relating to family violence data. However, we recommend the AER consider expanding the scope of the indicators to include specific reporting on card-operated meter customer data. Without specific indicators, any data captured are likely to overlook the experiences of card-operated meter customers in Queensland; because the family violence protections in the NERR do not adequately reflect and respond to the circumstances of prepaying customer.

For example, rule 76F of the NERR and related provisions focus on energy bill debt and have no references to equivalent prepay customer assistance. Consequently, Ergon Energy's family violence policy focuses on assistance with 'electricity bills' and does not mention any support available specifically for card-operated meter customers.¹⁶ Such customers affected by family violence could potentially request to pay by Centrepay, and obtain information about other support services, however, no specific financial supports are available through the retailer.

Based on Queensland Courts' domestic and family violence statistics, so far in 2022-23 14% of domestic violence protection orders have been made to protect an Aboriginal or Torres Strait Islander person.¹⁷

This underscores a more fundamental problem in that card-operated meter customers' needs and interests with respect to experiences of family violence are not directly addressed in the NERR. Insofar as AER reporting requirements are concerned, we recommend distinct family violence indicators so as to facilitate an understanding of whether card-operated meter customer interests are being identified and suitably met under the current regulatory framework.

Possible additional indicators to those set out in Table 2.3 of the Issues Paper include:

1. The total number of card-operated meter customers who identify as affected by family violence
2. Total number of card-operated meter customers identified as being affected by family violence during the reporting period

¹⁵ See <https://www.qld.gov.au/community/cost-of-living-support/concessions/energy-concessions/home-energy-emergency-assistance-scheme>.

¹⁶ See https://www.ergon.com.au/data/assets/pdf_file/0008/1067939/Family-Violence-Policy-EER-2023.pdf.

¹⁷ See <https://www.courts.qld.gov.au/court-users/researchers-and-public/stats>.

3. Total number of customers identified as no longer affected by family violence during the reporting period
4. Types of assistance provided by the retailer for card-operated meter customers identified as being affected by family violence during the reporting period.

We thank you for the opportunity to respond to the Issues Paper and would be happy to discuss any aspects of our submission directly with the AER.

Yours sincerely,

Professor Valerie Cooms, Brad Riley, Sally Wilson and Dr Lee White