



420 Flinders Street, Townsville QLD 4810  
PO Box 1090, Townsville QLD 4810

[ergon.com.au](http://ergon.com.au)

Part of Energy Queensland

28 June 2024

Clare Savage  
Chair  
Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601

Emailed to [ConsumerPolicy@aer.gov.au](mailto:ConsumerPolicy@aer.gov.au)

Dear Ms Savage

### **Review of payment difficulty protections in the National Energy Customer Framework**

Ergon Energy Queensland (EEQ) welcomes the opportunity to respond to the Australian Energy Regulator's (AER) *Review of payment difficulty protections in the National Energy Customer Framework – Issues paper*.

EEQ is committed to assisting customers experiencing payment difficulties. Our approach in managing customers experiencing payment difficulties has been designed to exceed the engagement and processes set out in the National Energy Customer Framework (NECF) prior to initiating disconnection for non-payment of bills which we consider to be a last resort. For example, where a customer indicates, or where EEQ have identified the customer as experiencing payment difficulty, we provide them access to the same assistance we provide to customers participating in our hardship program. This includes checking for rebate eligibility and offering a payment plan tailored to the customers' circumstances. We are therefore concerned with the AER's proposed objective to "*strengthen protections for consumers facing payment difficulty*", noting the AER's Issues Paper has not detailed the extent to which the existing protections are not working.

In our view, retailers such as EEQ are committed to providing meaningful, sustainable, and holistic assistance to customers experiencing payment difficulty. The NECF requires retailers to consider a customer's capacity to pay, and in response, we have invested in systems and staff education aimed specifically at ensuring sustainable payment arrangements are agreed with a customer who similarly have an obligation to pay their energy bills.

It is also our view that introducing new criteria for retailers to contact customers at prescribed timeframes or debt levels ignores a customer's personal circumstances. For example, a customer in vulnerable circumstances may be initially overlooked if the disconnection threshold is increased. EEQ considers that it is retailers who know their customers and are best placed to evaluate the customer's circumstances through the use of indicators which identify payment or usage behaviour outside the norm for the customer to prompt proactive contact.

In relation to other issues discussed in the issues paper, we offer the following comments:

- Training - EEQ agrees that staff training is key priority to ensuring assistance provided to customers facing payment difficulty is timely and appropriate. EEQ as part of its Project Phoenix program has trained more than 200 Energy Specialists to provide debt and hardship assistance to customers over the past 12 months and has increased its capability to provide payment assistance in line with a customer's needs. This training has also focussed on providing these Energy Specialists with the skills necessary to educate a customer with respect to energy efficiency.
- Retailer cost to serve - EEQ cautions that any changes to existing protections which increase the regulatory requirements imposed on retailers may place upward pressure on retailer operating costs which could ultimately be passed onto all customers in the long-term.
- Payment plans - EEQ agrees that payment plans offered to customers not in a hardship program should take into consideration a customer's ongoing usage, not just their current debt, and focus on getting the customer back on track.
- Smart meter data - EEQ acknowledges the potential for smart meters to provide retailers with better data to enable early identification of payment difficulties. Significant increases in usage can be an indicator of future payment difficulties and may prove useful to proactively contact the customer. However, we caution against assumptions that such a tool can be successfully used without active customer engagement.

If you have any questions in relation to this submission or require further information please contact me, or Andrea Wold, Manager Retail Policy, Compliance and Assurance on [REDACTED].

Yours sincerely

[REDACTED]

Alena Christmas  
**Manager Regulation**

Telephone: [REDACTED]

Email: [REDACTED]