



22 March 2024

Mr Daniel Harding
(A/g) General Manager, Market Performance
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Lodged electronically: marketperformance@aer.gov.au

Dear Mr Harding,

RE: Retail performance reporting procedures and guidelines – Draft Instrument

Origin Energy (Origin) appreciates the opportunity to provide a response to the Australian Energy Regulator's (AER) Retail performance reporting procedures and guidelines – Draft Instrument.

The introduction of new and amended indicators with increased granularity creates significant implementation and governance issues for retailers to ensure that accurate information is provided to the AER in a timely manner and with appropriate insight for analysis queries. We expect this to add significant costs to the reporting process, with these increased costs ultimately passed through to consumers via higher prices. It is critical therefore that the AER clarify how it intends to utilise the proposed data and the associated consumer benefits before introducing these obligations on retailers and exacerbating consumer affordability issues.

Given the volume of proposed data, we consider that the proposed 1 January 2025 implementation date will be difficult to achieve. Implementation will require ongoing engagement with internal subject matter experts and considerable testing of extraction report code changes. Our view is an effective date of 1 July 2025 will ensure there is sufficient time for implementation.

The scope of changes also adds pressure to the already tight quarterly performance reporting obligation. To accommodate increased data validation and testing and to allow for appropriate governance processes, our view is that the AER needs to extend the quarterly submission deadlines.

It is important that the AER be mindful of the role of retailers in providing services to customers when setting indicators and drawing inferences from these indicators. For example, network tariffs are not the only consideration in setting retail tariffs. It is the role of the retailer to balance a range of considerations, including simplicity, customer understanding, anticipated uptake of offers and the management of financial risk. There are therefore a wide range of retail offers that may be provided to customers and it may not be practical or appropriate to draw inferences from such data.

To establish a shared understanding of data requirements and ensure that the resultant indicators are both meaningful and useful, we consider that indicator definitions need to be clarified and/or refined further. For example, web site portal contacts can encompass a range of situations including non-customer contacts. Collecting and collating this information can be time consuming and costly with no discernible policy insight. Limiting the scope of this indicator to app and website actions that require a customer to be logged in will provide more targeted useful information. We suggest that the AER continue to engage with stakeholders to ensure indicators are targeted and useful.

Origin's response to the draft guidelines is set out below at Attachment A – Table 1.1 setting out general issues and Table 1.2 setting out proposed specific performance indicator refinements.

If you have any questions regarding this submission, please contact Murry Greasley in the first instance at murry.greasley@originenergy.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Greenup', written over a light grey rectangular background.

Sean Greenup
Group Manager Regulatory Policy
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Attachment A

Table 1.1 – General issues

Issue	Origin comments
Implementation timeframe	The proposed guideline changes are extensive and material. Implementation will require ongoing engagement with internal subject matter experts and considerable testing of extraction report code changes. Our view is an effective date of 1 July 2025 will ensure there is sufficient time for implementation.
Quarterly submission timeframe	The proposed guideline changes will result in a significantly larger and more complex data set each quarter. Considering our current reporting timeframe is already very tight, to accommodate a significantly larger volume of data with greater complexity this would need to change. Our view is quarterly submission deadlines need to be extended to allow for appropriate governance with data validation and insights.
Disaggregation by electricity distribution network	The additional reporting granularity proposed increases the number of data points significantly (especially with regard to indicators such as tariff types S2.8). As described above, applying appropriate scrutiny and governance to this larger and more complex data set within the same submission deadlines may not be feasible.
Tariff types	How the retailer packages its retail offers reflects a number of considerations, including simplicity, customer understanding, anticipated uptake of offers and the management of financial risk. It is likely that each retailer will have a variety of different structures targeted to their specific consumer group adding complexity to any data analysis. We consider that retaining the flexibility for retailers to package their offers to suit their customer requirements is critical.
FDV indicators	Due to the sensitive subject matter of this data, we are unable to validate or provide insight into any changes over time and the ongoing volume will be cumulative. We question the value of future analysis considering the limitations affecting the validity of this data.
EN indicators	Refinements are needed before implementation, please see further detail in the table below.
Buy now pay later services	We do not have visibility of payments made via this type of service provider, please see further detail in the table below.
Indicator numbering	Changes to the existing indicator numbering will require additional adjustment for internal stakeholders when undertaking validation and analysis as part of our governance process. To reduce this burden as much as possible, we ask that the existing indicator numbering is preserved when adding new indicators.
Removal of indicators	We support the removal of S3.38 and any further indicators that are not used in regulatory performance analysis.
Submission template structure	To help streamline the submission process, we propose reconfiguring the submission template to combine all indicators into a single data table rather than being split across multiple indicator groups. This will reduce the time cost of this stage in the process by allowing for more efficient transfer of data from internal reports.
Consolidation of indicators	Considering the extent of the guideline changes proposed on top of the scale of existing retail reporting, although we understand the feedback from consumer advocacy groups we encourage consolidation of any indicators that are not integral to analysis outcomes.

Table 1.2 – Indicator specific refinements

Section	Indicator	Origin comments
Retail market overview	Types of tariff structures (S2.08 proposed)	<p>The tariff type categories proposed do not reflect the complexity of actual retail / network tariff combinations (for example, controlled load and demand components may exist across a variety of different tariff types).</p> <p>How these are applied to customers can also vary greatly with not all components of a network tariff being passed on to the retail customer.</p>
Calls & Complaints	Website portal customer contacts (S3.05 proposed)	<p>The very broad scope of this new indicator will capture a large volume of non-customer interactions, particularly through chat functions and general queries through website contact forms.</p> <p>To better reflect customer actions previously performed over the phone that have shifted online, we propose limiting the scope of this indicator to app and website actions that require a customer to be logged in.</p>
	Billing complaints (S3.06 proposed)	<p>The granularity of proposed sub-categories for billing complaints creates additional burden for staff allocating these with accuracy at the front end and more detailed sub-categories will result in overlap of complaints across these areas.</p> <p>Additionally, the current wording of these sub-categories can imply non-compliance where this may not actually be the case.</p> <p>We support consolidating thematically to a smaller volume of sub-categories and refine the wording to avoid implication of non-compliance.</p>
Payment difficulties	Energy bill debt (S3.17, S3.20 proposed)	Seeking further clarification to be included in the indicator definition as to whether the clock starts from the due date for an amount to be considered outstanding.
	Payment plan avg fortnightly amounts (S3.19 proposed)	Seeking further clarification to be included in the indicator definition as to whether this should capture scheduled payment plan amounts or (where there is a difference) the actual amount paid by a customer.
	Deferred or alternative debt arrangements (S3.21, S3.22 proposed)	Seeking confirmation to be included in the indicator definition as to whether this includes arrangements to defer payment where there is no debt. For example, a customer defers paying their bill before the due date with a promise to pay. Should this be included?
	Total amount of deferred debt (S3.22 proposed)	<p>The indicator wording asks for the total amount of deferred debt arrangements or alternative debt. Please clarify if this intends to capture the total number of arrangements or the total amount of debt pertaining to these arrangements.</p> <p>If the total amount of debt is required, please also include clarification within the indicator as to whether debt refers to amounts outstanding 90 calendar days or more from the due date.</p>

	Buy now pay later services (S3.26 proposed)	We do not have visibility of payments made via buy now pay later services. Based on this, our volumes for this indicator would be zero.
	External debt collection (S3.33, S3.34 proposed)	Seeking further clarification to be included in the indicator as to whether debt refers to amounts outstanding 90 calendar days or more from the due date.
	Debt at disconnection (S3.45, S3.46 proposed)	Seeking further clarification to be included in the indicator as to whether debt refers to amounts outstanding 90 calendar days or more from the due date.
Hardship program	Energy bill debt definition	This definition relates back to energy bill debt as defined in schedule 3 of the guideline which no longer has a specified period of days outstanding. Please include clarification in the definition for this section as to whether debt refers to amounts outstanding 90 calendar days or more from the due date.
	Payment plans (S4.08 proposed)	Seeking further clarification to be included in the indicator definition regarding customers who have not yet made payments and also those whose debt has changed since their plan was established.
	Buy now pay later services (S4.09 proposed)	We do not have visibility of payments made via buy now pay later services. Based on this, our volumes for this indicator would be zero.
Embedded networks	Number of customers (S6.1 proposed)	Seeking further refinement to clarify what this indicator intends to capture with regard to gate and child meters. For example, if a retailer has contractual agreements with the underlying child meters, should the gate meter itself be included in reporting? Or should the gate meter only be included in reporting where a retailer does not have contractual arrangements with the underlying child meters? Also seeking further clarification on allocation across the customer breakdown categories, including overlap between on/off market and energy or network only arrangements.
	EN customer debt at disconnection (S6.6 proposed)	Seeking further clarification to be included in the indicator as to whether debt refers to amounts outstanding 90 calendar days or more from the due date.
	EN hardship customer debt (S6.8 proposed)	Seeking further clarification to be included in the indicator as to whether debt refers to amounts outstanding 90 calendar days or more from the due date.