

# Summary

## Game Changer Industry Roundtables

### Workshop 2 – Automation and System Integration

**Wednesday, 26 April 2023**

**2:00 pm – 3:30 pm (AEST)**

**Location: Microsoft Teams**

**Facilitator: Leah Sertori, Executive Central Group**

**Attendees: Industry experts (12), Design Group observers (2), Game Changer secretariat**

## Background

- The purpose of this roundtable workshop was to explore barriers and enablers for automation and system integration ideas, including automated better offer and concession upgrades.
- Industry experts were invited by the secretariat based on their technical experience in areas related to implementation of these ideas, with reference to feedback provided by the Design Group and Leadership Group (primarily through the idea assessment and prioritisation survey). For this workshop, experts from energy retailers were invited.
- The workshop began with an introduction and overview of the Game Changer, including the problem statement, design challenge, case for change, process to date, and a brief description of relevant ideas.
- The main part of the workshop was a facilitated conversation focused on key discussion questions. Feedback was recorded by the AER secretariat on slides during the discussion, which were subsequently shared with the Design Group.
- The workshop concluded with a summary of next steps, including sharing the workshop feedback with the Design Group to inform further development of relevant ideas.

## Discussion

### 1 What factors need to be considered before proposing any system change related to energy plans or concessions?

#### Explicit informed consent

- Explicit informed consent is an important consideration when engaging with consumers and in relation to any potential automation.
- Given the regulated nature of consumer protection, retailers' conversations with consumers are reasonably structured, with defined scripting and system-triggered prompts to request and confirm consent, which is generally recorded at a point in time with a 'digital imprint'.

- Changes to explicit informed consent requirements are likely to be needed to implement these ideas, which would require rethinking considering system constraints. The potential impact of requirements beyond energy (for example, the Australian Consumer Law) need to be considered.

### **Automated better offer**

- There are existing obligations for retailers to check whether the customer could be on a better offer when they commence a hardship program.
- There is always a risk that some consumers may not be better off after being switched to a better offer. The ‘best offer’ for a customer is subjective and depends on a customer’s usage, which may change over time. Therefore, automatically moving the customer without their knowledge and consent could harm consumers. It is also important to recognise that there is a cost for changing network tariffs.
- It is important to clarify the intended outcome (for example, is it that the customer is on the better offer or that they’re paying less?) as well as the eligibility criteria and processes for identifying consumers targeted by this initiative (for example, debt amounts, history and repetition of late payments, concession eligibility, current payment plan or hardship arrangement, etc.). The characteristics of ‘consumers experiencing vulnerability’ need to be clearly defined.
- The current cooling-off period should be retained in its current format, as it relates to other regulatory obligations (including those set by the Australian Consumer Law).

### **Concession upgrades**

- There are existing obligations requiring retailers to provide consumers with appropriate information on eligibility for government grants or concessions during payment difficulty conversations. Retailers also ask questions related to concessions during customer onboarding (for example, to make sure the name on the account is the concession card holder, if applicable) or during other interactions where explicit informed consent is required.
- The concessions gap undermines the work retailers have done to uplift support for consumers. By making the necessary information accessible to retailers without the customer needing to ask, more automated concessions could be particularly beneficial for hard-to-reach consumers who don’t engage otherwise and are hard for retailers to target at scale.
- There are a range of processes for applying concessions across jurisdictions, some of which are more complex for consumers. Retailers have been advocating for the ability to centralise access to concessions for customers, noting that retailers are not the key holder of relevant information.
- To apply concessions, retailers use Centrelink Confirmation eServices (CCeS) in all jurisdictions except South Australia (they also use other interfaces in other jurisdictions as needed). Depending on the scale of the retailer’s customer base and the complexity of concessions being validated, some retailers have set up an automated exchange process with CCeS. However, there are limitations to using CCeS. If retailers could access the necessary information in a similar way without these limitations, it could help alleviate the problem of customers not getting the concessions they’re entitled to.
- The process for notifying the consumer when they are no longer eligible for the concession must be considered.

### **Examples referenced in this discussion:**

- Energy Bill Relief Scheme ([link](#))

## 2 How might other system changes (e.g. the Consumer Data Right) support or challenge further automation and integration?

- The Consumer Data Right (CDR) has the potential to be a mechanism that could help with the portability of concessions between retailers. However, it is unclear what the uptake of CDR in the sector will be. Furthermore, small retailers (those with less than 10,000 customers) are not required to take on data holder obligations under the CDR.
- CDR is a consumer empowerment tool that has the potential to provide a mechanism to ensure that concessions move with a customer from one retailer to another. However, as the customer must still provide consent, it does not alleviate the issue of relying on the customer to take action. The question was also raised as to whether a technical solution to this problem is required, given customers are generally engaging actively with their new retailer when they switch.
- There are privacy issues related to automating concessions that need to be overcome, which are currently the key barrier. However, if these could be overcome, the best approach would be for Services Australia to tell retailers who to apply concessions for across all states. This would require customers to tell Services Australia who their retailer is, but represents a scalable solution that retailers are accustomed to as a result of similar processes used for specific jurisdictions or concessions.
- There may be other options for the government to support improved concession access through automation and integration, including facilitating a 'universal' consent or utilising the myGov portal to collect consent and provide this to retailers.

### Examples referenced in this discussion:

- NSW Government 'One Form' program

## 3 Are there better alternatives to achieving the desired outcomes?

- There are current programs that could be used to engage with consumers on these issues, such as meter exchange during smart meter rollouts.
- Although streamlining the concession eligibility verification process would help, it doesn't assist with proactively identifying consumers experiencing vulnerability. A combination of initiatives addressing both aspects might be more successful.
- The issue would be resolved if concessions were paid directly by the relevant government. A review on the effectiveness of this approach for on-supply embedded network customers could be informative. However, there are benefits to the retailer of applying it through bills, and additional data may need to be exchanged to ensure there is no duplication.
- It is important to consider the broader context, including tariff reform, existing hardship protections, and related jurisdictional projects. The costs and benefits should be weighed up, including the potential impact on retailers if multiple concession upgrade projects were pursued at the same time.
- The potential for existing or related projects to act as models should be considered. However, in general, implementation should focus on simpler and lower-risk options.

### Examples referenced in this discussion:

- NSW Government 'One Form' program