

Submission in response to:
Queensland Competition Authority
Draft decision – Review of Guaranteed Service Levels to apply in Queensland from 1 July 2025 (July 2023)

Date of submission: 1 September 2023

Submitted online via <https://www.qca.org.au/submissions/>

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*Brad Riley and Lee White work on the ANU's **Grand Challenge: Zero Carbon Energy for the Asia-Pacific**. Sally Wilson is a PhD candidate at the Crawford School of Public Policy.*

Introduction

Thank you for the opportunity to provide a submission in response to the Queensland Competition Authority's (**QCA**) Draft Decision – Review of Guaranteed Service Levels to apply in Queensland from 1 July 2025 (**Draft Decision**), which was released for public comment on 21 July 2023.

We are an interdisciplinary research team from the Australian National University (**ANU**), whose research focuses on energy insecurity and related issues in energy transition. Our submission relates to the proposed amendments to the Electricity Distribution Network Code (**Code**) concerning how card-operated meter customers access GSL payments, and associated issues. The submission represents our views and is based on each of our relevant research and expertise.

Proposed amendments to the Code

We acknowledge the QCA's proposed amendments to **clause 2.3.13** of the Code to align processes for claiming GSL payments for card-operated meter customers with those applying to post-paying customers pursuant to clause 2.3.11. The proposed amendments correct a codified disparity in how small customers access their entitlements.

Notably, in its Draft Decision, the QCA states (at page 14):

We acknowledge the efforts of Ergon Retail in the roll-out of the orange power card system, which we consider has helped advance **energy equity for card-operated meter customers** [our emphasis]. The orange card has enabled card-operated meter customers

to automatically receive GSL payments, the Queensland Government electricity rebate and other credits they are eligible for.

While it is true that the deployment of smart meter technologies by the retailer Ergon Energy in 2017 has led to some improvements for card-operated meters households, regulatory disparities that are wholly inconsistent with priority reforms under the National Agreement on Closing the Gap targets remain and to the detriment of card operated communities. These include:

- No public reporting of card-operated meter customer numbers;
- No public reporting on key metrics relating to involuntary self-disconnections for card-operated meter customers, including both the frequency and duration of self-disconnections;
- No utility hardship supports for card-operated meter customers;
- No public reporting on numbers of card-operated meter customers accessing concessions and rebates; and
- No equivalent supports during times of crises, including ineligibility for the Home Energy Emergency Assistance Scheme (**HEEAS**) and the moratorium on disconnections that was previously available to all post-pay customers during the COVID-19 pandemic.

The vulnerabilities experienced by card-operated meter households is porrdue to the lack of public reporting of key metrics for card-operated meter customers in Queensland. Here we refer the QCA to our previous submission in response to the Review of Guaranteed Service Levels to apply in Queensland from 1 July 2025 (**Consultation Paper**), which is attached as **Annexure 1**.

Concurrently with the QCA's own review process, the Australian Energy Regulator (**AER**) is reviewing its Performance Reporting Procedures and Guidelines which set out the manner and form in which energy retailers must provide performance data to the AER.¹ In the AER's Issues Paper dated July 2023 (**Issues Paper**) the energy regulator proposes a new, separate reporting category to capture alternative meter types that are similar to prepayment meters e.g., card-operated meters which are used in many of Queensland's remote First Nations communities.² In response, we submitted to the AER 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 Queensland;

¹ See <https://www.aer.gov.au/retail-markets/guidelines-reviews/retail-performance-reporting-procedures-and-guidelines-2023-update>.

² See, at page 12: <https://www.aer.gov.au/system/files/AER%20%28Retail%20Law%29%20Performance%20Reporting%20Procedures%20and%20Guidelines%20Review%20-%20Issues%20Paper.pdf>.

- 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 under the National Energy Retail Law (Queensland); and
- The AER must apply reporting requirements for card-operated meters both proactively and retrospectively from when smart meter technologies were implemented in card-operated meter communities.

Our submission to the AER is attached as **Annexure 2**.

As the QCA observes in its Draft Decision, we recognise that analog metering arrangements have historically precluded data collection in card-operated communities in Queensland. However, since the implementation of smart metering in card-operated meter communities in or around 2017 relevant data has been available to the state-owned retailer Ergon Energy. The data should have been publicly available to inform remedial policymaking from this time; that it has not been available is a significant oversight particularly given the period of significant energy policymaking in Australia related to COVID-19.

We appreciate the QCA's consideration in this matter and would be pleased to discuss any aspect of this submission.

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Annexure 1

Submission in response to:

Queensland Competition Authority

Review of Guaranteed Service Levels to apply in Queensland from 1 July 2025 – Consultation Paper (March 2023)

Date of submission: 12 May 2023

Submitted online via <https://www.qca.org.au/submissions/>

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*Brad Riley and Lee White work on the ANU's **Grand Challenge: Zero Carbon Energy for the Asia-Pacific**. Sally Wilson is a PhD candidate at the Crawford School of Public Policy.*

Introduction

Thank you for the opportunity to provide a submission in response to the Queensland Competition Authority's (QCA) Review of Guaranteed Service Levels to apply in Queensland from 1 July 2025 (**Consultation Paper**) dated March 2023. As stated in the Consultation Paper, the purpose of the review is "to determine whether the current GSL arrangements remain appropriate and whether any changes should apply from 1 July 2025". The QCA has provided four consultation questions and raised other matters for stakeholder feedback, including the application of GSLs in the context of stand-alone power systems (i.e., isolated networks).

We are an interdisciplinary research team from the Australian National University (**ANU**), whose research focuses on energy insecurity and related issues in energy transition. Our submission relates to codified disparities in how eligible card-operated meter customers access GSL payments and related issues.

GSL scheme disparities

In Queensland, derogations from the National Energy Retail Law (NERL) create a unique customer protection framework for card-operated meter customers. These customers prepay for electricity but are differentiated from 'prepayment meter customers' under the NERL provisions. Card-operated meters are only permitted in certain locations under the Queensland-specific framework; prepayment meter systems as defined in the national framework are prohibited. Currently, card-operated meters are only permitted in remote Aboriginal and Torres Strait Islander communities within Ergon Energy's service area.

Most, but not all, card-operated meter communities are located in non-interconnected parts of remote Queensland, where electricity is supplied via stand-alone power systems or ‘isolated feeders’ as they are described in the Electricity Distribution Network Code (**Code**). All card-operated meter customers, including those residing in interconnected communities, are subject to a distinct system of claiming GSL payments under the Code.

The Consultation Paper states in section 2.1 that “[c]ustomers receive GSL payments as a credit to their electricity account when they experience customer service or supply reliability which is inferior to the GSL standards. GSL payments acknowledge the inconvenience customers experience when they receive poor reliability or service from their DNSP” (p. 4). While GSL payments are generally paid automatically to eligible customers who *post pay* for their electricity, this is not the case for card-operated meter customers. Pursuant to clause 2.3.13 of the Code, card-operated meter customers are required to make a claim to the distribution entity (in this case, Ergon Energy) within 3 months of the relevant event. This difference in claim procedures creates an additional step that card-operated meter customers must fulfil to access their payment for poor reliability or service, making it less convenient and therefore less likely for these customers to make a claim from their DNSP.

This issue has been previously raised with QCA by consumer advocacy organisation QCOSS, but the matter remains unresolved. In 2018, QCOSS stated in its response to a previous review of the GSL scheme that: “We look forward to exploring ways to have automatic GSL payments applied to customers with card-operated meters, including applying a credit to the smartcard that is attached to the affected NMI.”¹ We understand that digital meters are currently operational in all card-operated meter communities,² and it should be technically possible for the distributor to make payments direct to the meter for card-operated meter customers. We encourage QCA to progress QCOSS’ 2018 recommendation to make GSL payment processes consistent for card-operated meter and post-paying customers.

We understand that approximately 4,250 households using card-operated meters in remote Aboriginal and Torres Strait Islander communities in Queensland are affected by the differential arrangements in access to the GSL scheme.³ However, the exact number of households is not known due to limited transparency concerning card-operated meter customers and their experiences. For example, there is no public reporting of customer numbers or other key performance metrics such as frequency and duration of so-called ‘self-disconnections’ for those communities where card-operated meters are in use. Noting the Queensland Government’s commitment to the National

¹ QCOSS, 2018, Response to draft decision on Guaranteed Service Levels, p. 4, available at: https://www.qca.org.au/wp-content/uploads/2019/05/34458_QCOSS-sub-on-draft-decision-1.pdf.

² QCOSS, 2020, QCOSS submission to the Australian Energy Regulator’s Draft Decisions and Queensland electricity distributors’ Revised Tariff Structure Statements 2020-2025, p. 3, available at: <https://www.aer.gov.au/system/files/QCOSS%20-%20Submission%20on%20Energen%27s%20draft%20decision%20and%20revised%20proposal%202020-25%20-%20January%202020.pdf>.

³ See National Energy Retail Law (Queensland) Bill 2014 Explanatory Notes, p. 34, available at: <https://www.legislation.qld.gov.au/view/pdf/bill.first.exp/bill-2014-1809>.

Agreement on Closing the Gap (National Agreement) Priority Reform 1 wherein Aboriginal and Torres Strait Islander people are empowered to share decision-making authority with governments to accelerate policy and place-based progress on Closing the Gap this absence is both anomalous and inexplicable. Public facing reporting from comparable jurisdictions where prepay is permitted include Western Australia's Economic Regulation Authority -Annual Data Energy Retailers Report⁴ and the Utilities Commission of the Northern Territory's Electricity Retail Review.⁵ The South Australian electricity regulator ESCOSA has also committed to public reporting for remote communities where prepay was introduced on a mandatory basis from 1 July 2022.⁶

Prior research demonstrates that households which prepay for electricity experience substantially higher risk of disconnection from electricity services; moreover, the risk of household de-energisation are amplified during temperature extremes. GSL access is a known disparity affecting remote card-operated meter households, but other vulnerabilities experienced by them are impossible to determine without public reporting equivalent to AER requirements. In 2014, QCOSS called for increased transparency for card-operated meter customers through the introduction of requirements for the state-owned utility Ergon Energy to publicly report on self-disconnections, average credit levels, numbers of customers accessing concessions and rebates, and the number and types of complaints.⁷ At the time QCOSS observed that meter functionality was a barrier to reporting of some metrics; with the implementation of digital meters, this issue presumably no longer applies. It is surprising that despite technological progress, there have been no improvements in transparency of reporting for card-operated meter customers over the past 9 years. QCA has regulatory functions in relation to card-operated meter provisions of the Queensland NERL. Given this role, we urge QCA to consider reporting requirements for licensed utilities operating in card-operated meter communities.

In support of our submission, we attach collateral materials from our published research as evidence of the disparities facing prepay customers at Appendix 1 & 2.

We appreciate the QCA's consideration in this matter and would be pleased to discuss any aspect of this submission.

⁴ Available at: <https://www.erawa.com.au/energyreports>.

⁵ Available at: https://utilicom.nt.gov.au/_data/assets/pdf_file/0008/1214738/2021-22-NT-Electricity-Retail-Review.pdf.

⁶ Available at: <https://www.escosa.sa.gov.au/ArticleDocuments/21889/20220620-Electricity-CowellElectricLicenceAmendment-PrepaymentDefault-FinalDecision.pdf>.

⁷ QCOSS, 2014, Empowering Remote Communities: Experiences of Aboriginal and Torres Strait Islander customers using electricity pre-payment meters in Queensland, p. 51, available at: https://qcross.org.au/wp-content/uploads/2017/11/20140819_QCOSS-Report-on-Remote-PPM-Customers-Final.pdf.

Annexure 2

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>

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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; customers affected by family violence; 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); and
2. Capture how many eligible customers receive energy concessions.

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 Queensland. Households using these metering systems are excluded from National Energy Retail

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

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.

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

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 targets¹⁻³.

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

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.

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.

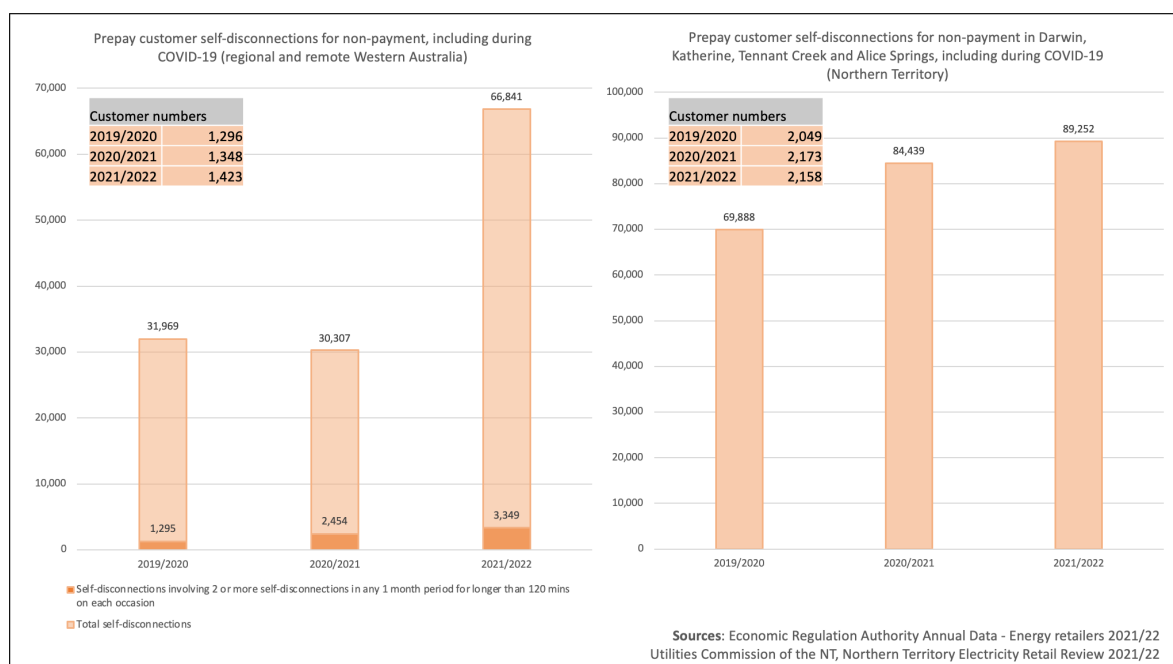


Fig. 1. Involuntary ‘self-disconnection’ rates for prepay customers in Western Australia and the Northern Territory for the period 2019-2022 (including during COVID-19).

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.

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
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.⁶

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
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.⁷

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

⁶ See < <https://www.escosa.sa.gov.au/ArticleDocuments/21889/20220620-Electricity-CowellElectricLicenceAmendment-PrepaymentDefault-FinalDecision.pdf.aspx?Embed=Y>>, pp. 12-13.

⁷ See < <https://www.escosa.sa.gov.au/ArticleDocuments/21958/20230621-Energy-Small-scaleNetworks-ConsumerProtectionFrameworkReview-FinalDecision.pdf.aspx?Embed=Y>>, p. 22.

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.⁸

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.

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.⁹ 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.¹⁰

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]

⁸ See < <https://www.erawa.com.au/cproot/23220/2/2023-Electricity-retail-licence-performance-reporting-handbook---clean-version.PDF>>.

⁹ See https://www.ewoq.com.au/_data/assets/pdf_file/0022/6475/EWOQ-industry-webinar-2-slide-deck.pdf slide 14.

¹⁰ 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 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]

“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]¹¹

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.¹²

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.

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 23-24.

¹² See < <https://www.pc.gov.au/inquiries/current/closing-the-gap-review/draft/closing-the-gap-review-draft.pdf>> pp. 63-65.

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 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,¹³ 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 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

¹³ 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 .

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 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"¹⁴ (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.

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

¹⁴ See <https://www.qld.gov.au/community/cost-of-living-support/concessions/energy-concessions/home-energy-emergency-assistance-scheme>.