

National Consumers Roundtable on Energy Enabling Group Reporting Template

Reporting Period: 1 November 2018 - 31st July 2019

1. Project Name, Enabling Group Lead Name and Enabling Group Members Names

Name: Payment Support Framework Enabling Group
Members: Douglas McCloskey (PIAC, lead) Robyn Robinson (COTA), Mark Henley (Uniting Communities), Fiona Hawthorne / Rose McGrath, (QCOSS), Georgie Morris (SACOSS), Iain Maitland (ECC), Jake Lilley (CALC) Bernadette Jago (TasCOSS), Kellie Caught (ACOSS)
Additional involvement from: Peter Appelman (Uniting Kildonnan), Susan Helyar (ACTCOSS), Jacquelyn Johnson (NCOSS)

2. Project Goals

<p>Overarching goal:</p> <p>To develop a common, co-ordinated understanding on support and assistance for people experiencing payment difficulty, including identifying and agreeing on:</p> <ul style="list-style-type: none"> • the key issues surrounding payment difficulties, key problems to overcome, key barriers in accessing assistance, and • a common framework of language and terminology in expressing and responding to payment difficulty • a common understanding regarding how best to respond to payment difficulties and provide support more sustainably, and • a co-ordinated response to reform and policy processes which present an opportunity to implement agreed principles and recommendations for improved support for payment difficulty.
<p>Short term goals:</p> <ul style="list-style-type: none"> • To co-ordinate substantive consumer advocate involvement in and input to, the current AER process developing and implementing enforceable hardship guidelines for retail electricity. • For final AER hardship guidelines to reflect co-ordinated input from consumer advocates (and to recognise it, where it is not able to reflect it in the short term) • For the AER hardship process to identify future needs, which reflect co-ordinated consumer input.
<p>Long term goals:</p> <ul style="list-style-type: none"> • Agreed principles framework for the provision of assistance to people experiencing payment difficulty, that maintains affordable connection to electricity for all consumers. • Support for this framework amongst all energy consumer advocates. • Development of practical measures for implementing the principles of the framework, to inform advocacy with energy businesses, governments, market bodies and other community service providers. • Reform of the NECF to reflect the agreed framework, implementing best practice response to payment difficulties, that ensures affordable, ongoing connection to electricity for all consumers.

3. Project Outputs

These may be key agreements of the Enabling Group, such as policy principles, policies, joint submissions or reports, or decisions made by governments or businesses which the Project influenced. Please provide references if available, or attach additional pages if required. If the output was a published document, please provide a copy.

Outputs (in chronological order)

- Facilitation of consumer advocate direct participation in AER hardship consultation workshop in Melbourne 25 February 2019, including:
 - Iain Maitland (Ethnic communities council NSW)
 - Robyn Robinson (COTA)
 - Bernadette Jago (TasCOSS)
 - Jake Lilley (CALC)
 - Douglas McCloskey (PIAC)
 - Fiona Hawthorne (QCOSS)
- Workshop of enabling group members held on 26 Feb to discuss and progress a co-ordinated response to AER process, examine Victorian Essential Services Commission Payment difficulty framework as a case study of alternative approach, and agree priority principles for an agreed framework for providing better assistance, synthesising immediate responses.
- PIAC submission developed to embody co-ordinated approach (**Attachment A**), used as a basis to facilitate supportive responses from other consumer advocates including:
 - Uniting Communities
 - QCOSS
 - VCOSS
 - NCOSS
 - TasCOSS
 - ACOSS
 - COTA
 - ECC
 - Vinnies NSW
- Priority principles for payment support assistance identified.
- Reported to National Consumer roundtable in Hobart, answering questions on development of work, response to the AER process, and providing wider opportunities for engagement of Roundtable members not involved in the enabling group (Including Kildonnan, ACTCOSS, Anglicare Tasmania), to facilitate their support.
- Face-to-face meeting of enabling group members held on 21 June 2019 in Sydney to progress the priority principles for payment support assistance, develop an outline for what an effectively functioning payment support framework would look like (structure, key objectives), discuss how the group can inform its development, and how to measure the success of any framework (see **Attachment B** for outcomes from the meeting).
- Reported to National Consumer roundtable in Brisbane on 27 June 2019 and enabling group members met to discuss next steps around developing evidence to demonstrate systemic gaps in current frameworks.

Date Provided to SACOSS

31 July 2019

Work plan

Item	Action/notes
Identification of hardship and payment difficulty as a priority area for co-ordination and co-operative advocacy	Complete
Development of enabling group, with agreement to proceed in developing agreed short and long-term objectives, and future work opportunities	Complete
Agreement identifying AER hardship process as a vehicle for the identification of shared understanding of issues surrounding hardship and payment difficulties, common terminology, agreed principles for best response	Complete
Co-ordinate direct participation in AER hardship consultation workshop in Melbourne 25 February 2019	Complete
Co-ordinated response to AER process	Complete
Identify priority principles for payment support assistance	Complete
Data collection to develop a longitudinal evidence of systemic gaps, and monitor performance of both the Victorian and national payment support frameworks	In progress
Develop a resource that can assist other consumer stakeholder's advocacy on related issues to ensure that of all the joint work amongst this enabling group can be further utilised, and assist with specific work in response to identified processes including: <ul style="list-style-type: none"> • QLD review upcoming. • ESC review of the PDF which may be in 2021 (once it has been implemented for at least 2 years). • AER's review in the 12 months following June 2019, of the various measures introduced under the national and Victorian frameworks for customers experiencing payment difficulties and hardship. • AEMC NECF review flagged in the 2019 Retail Energy Competition Review, 28 July 2019. 	In progress

National Energy Consumer Roundtable – Payment support Framework enabling group Meeting notes

Date: 21st June 2019

Location: PIAC Offices, Sydney

Attendees: Douglas McCloskey (PIAC), Mark Henley (Uniting Communities), Rose McGrath (QCOSS), Jake Lilley (CALC), Jacquelyn Johnson (NCOSS)

Apologies: Bernadette Jago (TasCOSS), Kellie Caught (ACOSS), Robyn Robinson (COTA), Iain Maitland (ECC)

Agenda

Time	Item	Purpose
9.00am – 10.00am	The ‘problem’	Defining the problem definition that lead to the identified need for reform of both the Victorian and NEM-State hardship frameworks
10.00am – 11.00am	Our objectives for an effective payment support framework	Building on identified principles developed from the last meeting
11.00am – 11.15am	Break	
11.15am – 12.30pm	How an effective payment support framework could be structured	How would a payment support framework within the NEM be effectively restructured to address the identified problems, and achieve the identified objectives
12.30pm – 1:00pm	Lunch	
1:00pm – 2:30/3:00pm	Practical next steps	To identify who else needs to be involved? Evidence we need? What are our indicators and how can we monitor them? Opportunities to advocate?

Meeting Outcomes

Problem definition

- The group discussed previous processes and current frameworks and the identified common issues that still exist, primarily in the National ‘hardship’ framework, but also in the new Victorian Payment Difficulties Framework.
- A range of ‘problems’ were identified. These included issues with open energy accounts, flow on effects once accounts were closed, the actions taken or not taken by businesses and regulators, the limitations of current laws and regulation and, the timing of current supports relative to the need of those who experience a situation where they can not pay for their essential energy needs.
- There was also discussion about issues that were related but could not be addressed solely by a payment support framework.

Objectives for an effective payment support framework

- The group identified a number of objectives flowing from these ‘problems’ that should inform and shape more effective payment support frameworks:

Overall draft objective - 'That payment supports should be an entitlement provided to all consumers in order to assist with maintaining their affordable and sustainable access to energy that meets their essential household needs' – where 'essential needs' refers to the energy required to sustain an appropriate standard of health and wellbeing for that household.

Flowing from this, a number of other 'objectives' or principles were discussed that should frame the creation of effective payment support frameworks.

How an effective payment support framework could be structured

- There was discussion of how an effective payment support framework should be structured. This has led to the group developing a detailed watching brief on what elements of current frameworks in the NEM should be kept or used as the basis for an effective framework. Issues or agreed objectives that are not currently addressed are also considered in this drafted document.
- The discussion and watching brief also discuss the agreed limitations of a Payment Support Framework and how the framework should prescribe or guide the interaction with stakeholders other than energy retailers. It also includes how consideration of different cohorts of people experiencing difficulty paying for energy should be included in a framework's design.

Next steps:

- A number of practical next steps for the group were identified and the process of developing and implementing such a framework, which included:
 - Data collection – developing a longitudinal base of evidence (both quantitative and qualitative) to demonstrate our perception of the problem, and to track the failure and success of both the Victorian and national frameworks over the last 6 months and into the next 6 months. Many options will be investigated including information that is not currently publicly available.
 - The discussions and recommendations of this group to be socialised to the Roundtable.
 - The group work on drafting a resource that can assist other consumer stakeholder's advocacy on related issues – ensuring that of all the joint work amongst this enabling group can be further utilised.
- This resource should also assist with specific work in response to identified processes including:
 - QLD review upcoming.
 - ESC review of the PDF which may be in 2021 (once it has been implemented for at least 2 years).
 - AER's review in the 12 months following June 2019, of the various measures introduced under the national and Victorian frameworks for customers experiencing payment difficulties and hardship.
 - AEMC NECF review flagged in the 2019 Retail Energy Competition Review, 28 July 2019.
- Other organisations outside the Roundtable can then be identified to come on board.

Attachment B

Recommendations from the Payment Difficulties Enabling Group’s coordinated submissions to the AER’s Draft Hardship Guideline referenced by the AER in the [Notice of Final Instrument](#) and adopted by the AER in the [Customer Hardship Policy Guideline](#) (March 2019)

Enabling Group recommendation	Enabling Group submission referenced in AER’s Notice of Final Instrument	AER’s response to enabling group submissions in Notice of Final Instrument	Included in the AER’s Final Hardship Guideline
Guideline should commence with a clear declaration of the purpose and objective	PIAC and COTA ‘Recommended that the Guideline commence with a clear and concise declaration of the purpose and objective (PIAC and COTA referenced – Attachment A) (p. 27).	‘We have amended clause 2 of the Guideline to expand on the purpose and objective of the Guideline, and included a reference to customers better understanding their rights and entitlements as a result of the retailer responsibilities in the Guideline.’ (appendix A, p.27).	Partially - Clause 2 amended and clauses 14 and 15 added to highlight the principles underpinning hardship policies.
Alignment of the Hardship Guideline with the ESC Vic’s Payment Difficulties Framework	‘We received a number of stakeholder comments which sought that the AER Guideline align with the Victorian Essential Services Commission’s new Payment Difficulties Framework (ESC framework), which commenced on 1 January 2019.’ (TasCoss, QCOSS, SVDP NSW, VCOSS, PIAC, COTA referenced in footnote 29) (p. 11).	‘We note that the ESC framework applies to a wide cohort of consumers, i.e. all eligible ‘customers experiencing payment difficulty’. This is a broader group of consumers than those the AER is able to cover in the Guideline.’ (p.12). ‘In the 12 months following the publication and implementation of this Guideline, the AER will seek to understand the impact of the various measures introduced under the national and Victorian frameworks on customers	No - but committed to a review in 12 months.

Enabling Group recommendation	Enabling Group submission referenced in AER's Notice of Final Instrument	AER's response to enabling group submissions in Notice of Final Instrument	Included in the AER's Final Hardship Guideline
		experiencing payment difficulties and hardship.' (p. 12).	
Inclusion of debt trigger in line with ESC Vic's PDF	<p>'Use of a 'debt trigger' for identifying whether a customer may require assistance was of particular interest to consumer stakeholders, who support an objective mechanism for identifying customers experiencing hardship.' (p.12).</p> <p>PIAC 'Strongly recommends the AER include in the Guideline a requirement that customers with an outstanding debt of \$55 or more must be identified by retailers and provided information regarding hardship support'. Appendix A, p.29).</p> <p>QCOSS 'Encourages the AER to consider harmonising the Guideline with the ESC framework \$55 debt trigger, after a 12-month trial period'. (Appendix A, p.28).</p> <p>SVDP NSW 'Asks that the AER 'make a firm commitment' to a review of the Guideline in 12 months' time, if the final Guideline does not include a debt' (Appendix A, p.28).</p> <p>ECC NSW 'Believes that the Guideline</p>	<p>'In the 12 months following the publication of the Guideline, the AER will review the impact that customer hardship measures outside the Retail Law (such as this debt trigger) are having on customers experiencing hardship. We noted we would consider if and how these measures are benefiting customers, and consult on amending the Guideline to incorporate some of these measures.' (p. 12).</p>	No - but committed to a review in 12 months in line with SVDP's submission.

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	<p>should include automatic triggers for a retailer response, but acknowledged the AER is constrained by the requirements of the law' (Appendix A, p.28).</p> <p>VCOSS 'Recommends the AER incorporates the 'best practice' features of the ESC framework, including a retailer obligation to inform customers of the assistance available, triggered when a customer's debt is \$55 or more.' (Appendix A, p.29).</p>		
<p>Use of the term 'hardship'</p>	<p>'A number of stakeholders have noted that they would prefer not to use the term 'hardship' when engaging with customers or more broadly.' (PIAC and NCOSS submissions referenced in footnote 12.) (p.5).</p> <p>NCOSS, QCOSS, COTA, PIAC 'Multiple stakeholders were opposed to the use of the word 'hardship' in the standardised statements.' (Appendix A, p. 34).</p>	<p>'We have added a reference in the Guideline to note that, provided they comply with this Guideline, the Retail Law and Retail Rules, retailers and others may also elect to use language other than the term 'hardship' when communicating with customers.' (p.5).</p> <p>'While this Guideline works with the terminology of the Retail Law and Retail Rules, it is good practice to ensure that communication with customers is guided by customer needs and preferences.'(p.5).</p>	<p>No - but Clause 12 included which states retailer may elect to use an alternative term.</p>

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Accessibility of information about hardship supports	'Public Interest Advocacy Centre (PIAC) 33 and St Vincent de Paul (SVDP) NSW34 considered that retailers should be required to inform all of their customers of hardship support, not just those experiencing payment difficulties due to hardship.' (p.13).	'We agree it is best practice for retailers to inform all of their customers of available hardship support, to encourage customers to reach out for assistance at times when they need it. The Guideline therefore includes footnote 19 at clause 47 of Guideline to encourage retailers in this regard.' (p. 13).	Partially – Footnote 19 at Clause 47 notes 'good practice' to provide all customers with information about the hardship program, not a requirement though.
Refer to principle that disconnection of customers due to an inability to pay bills should be a measure of last resort	<ul style="list-style-type: none"> • Queensland Council of Social Service (QCOSS) considered that the Guideline should include an 'overall objective' of retailers' hardship policies to 'protect consumers from disconnection due to hardship'. • Victorian Council of Social Service (VCOSS) and NSW Council of Social Service (NCOSS) suggested that the Guideline outline disconnection safeguards in line with the approach in the ESC framework.' (p. 13). 	'In relation to protection against disconnection, for added clarity, we have included a reference to sections 45(3) and 47 of the Retail Law in Part 1 of the Guideline.' (p. 14).	Partially - Clauses 14 and 15 have been added stating that: 'Section 47 of the Retail Law requires that a retailer must give effect to the general principle that disconnection of premises of a hardship customer due to inability to pay energy bills should be a last resort option'. Disconnection safeguards are not outlined in the Guideline.
Ombudsman services	'QCOSS and Council on the Ageing (COTA) recommended including a reference to the customer's right to contact the energy ombudsman in their state or territory if they are not	'We agree that providing customers with information about existing complaints and disputes handling services will further assist customers to connect with available advice and	Yes – Clause 31(c) of the Guideline.

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	satisfied with the handling of their complaint by the retailer.' (p.14).	support. We have added a reference at clause 31 of the Guideline to the availability of these services.' (p 14).	
Early identification	'PIAC submitted that the Guideline should specify steps taken by retailers to undertake early identification of customers experiencing payment difficulties, and set out a list of suggested steps.' (p.14).	'Standardised Statements 1 and 2 work in combination with clause 31 of the Guideline to allow for early identification of customers experiencing hardship, and references a number of the trigger points proposed by PIAC. A number of the other early identification triggers proposed by PIAC may be outside the scope of the current Retail Law and Retail Rules (for example, the \$55 debt trigger). We note that retailers are free to use these triggers and others to identify customers who may need assistance without these being prescribed in the Guideline.' (p.15).	No.
Further defining phrases 'in a timely manner' and 'as soon as practicable'	'A number of stakeholders suggested phrases in clause 27 of the draft Hardship Guideline should be further defined in the Guideline, including 'in a timely manner' ³⁵ and 'as soon as practicable'.' (PIAC submission referenced in footnote 36) (p. 13).	'In response to requests to define phrases used in section 2.1, we consider the Guideline and the ordinary and legal meanings of these phrases provide sufficient guidance while assisting the Guideline to remain relevant over time.' (p.14) 'Standardised statements (particularly 1 & 2) address aspects of PIAC's concerns.	No.

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		These require a retailer to include timeframes for assessing a customer's ability to access hardship assistance, and for advising a customer about acceptance into a hardship program.' (Appendix A, p.30).	
Training requirements	'PIAC, Energy and Water Ombudsman Qld (EWOQ) and SVDP submitted that the Guideline should ensure retailers make it clear that all staff have accessed training, including contractors. PIAC and EWOQ suggested training monitoring, evaluation and reporting requirements should be included in the Guideline.' (p. 15).	'The intention of the Guideline is that hardship policies reference training to all staff who have the authority to act on behalf of the retailer. We have added a clarification point to section 2.3 to make this clear' (p.15).	Yes - clause 34 has been included. A reference to 'retailers staff' 'includes the retailer's employees, independent contractors, sub-contractors, and agents representing the retailer in business, including call centre and marketing personnel'. (p.10).
Description of retailer's processes for early identification should be included in policies	'In relation to clause 31 of the draft Guideline, PIAC submitted that a retailer's policy should include a description of the retailer's processes for identifying and supporting customers experiencing payment difficulty, at the earliest possible opportunity. PIAC suggested this include a graphic 'journey map' demonstrating the specific steps,	'These issues are dealt with in clause 31 of the Guideline, which requires retailers' policies to set out the steps they will use to identify and assist customers experiencing payment difficulties due to hardship. Clause 31 allows a retailer sufficient scope to implement 'visual tools' to allow for more effective communication – a retailer has flexibility to include a	No.

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	triggers and actions involved. QCOSS and VCOSS also provided views on this.' (p. 16).	'journey map' if it considers it would assist in greater customer comprehension. Standardised statements 1 and 2 complement this, providing clarity about when a customer should be referred to the hardship program.' (p.17).	
Communicating with CALD customers	<p>'Workshop participants suggested some parts of the Guideline could be supported by additional footnotes, e.g. in relation to areas of best practice, including communicating with CALD communities. Ethnic Communities Council NSW (ECC) noted the availability of guidance about engaging with CALD communities and that this is an important resource retailers can use.' (p. 19).</p> <p>'ECC supported thinking not only about Plain English, and also to consider 'plain other languages'. PIAC submitted that retailers' hardship policies should be presented in formats that are easily translated into common community languages.' (p.</p>	<p>'It is good practice for retailers to consider current advice and guidance about communicating effectively with different audiences, including CALD customers, and to review this regularly. For example, ECC noted referring to the Cultural Connections report may assist.' (p.19).</p> <p>'Clause 42 requires a retailer to include in its hardship policy how it will effectively communicate with customers with diverse communication and other needs (this includes customers from CALD backgrounds)'. (p.22).</p> <p>'Clause 48 of the Guideline requires that a retailer's hardship policy must use language that is clear, simple and widely</p>	No.

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	21).	understood and be designed for ease of readability'. (p.21).	
Inclusions of Sustainable Payment Plans Framework (SPPF)	'Some consumer groups submitted the Guideline should include a requirement for retailers to adopt the SPPF into their customer hardship policy. PIAC also suggested that retailers should be required to use debt waivers or payment matching.' (PIAC and SVDP submissions referenced in footnote 60) (p.19).	'We note this is addressed in clause 44 of the Guideline. Some payment options (such as debt waivers and payment matching) are not mandatory requirements and as such are beyond the scope of the rule. Standardised Statement 3 notes a retailer may 'waive any debt or charges in accordance with this hardship policy'.' (p. 20). 'We note the role of the SPPF is referenced in section 2.6 of the Guideline.' (Appendix A, p. 27).	No – no requirement included the Guideline, but SPPF is referenced in clause 44.
Communication of customer rights	NCOSS 'Submitted that the language in the Guideline should be less process-based and more outcome oriented, and should focus more on rights rather than information.' (Appendix A, p. 33).	'We have taken on board NCOSS' drafting changes where feasible within the meaning of the rule and noting previous consultation steps. The intention of clause 45 in the Guideline is that customers have equitable access to the hardship policy.' (Appendix A, p.33).	No.